

21 July 2022

AJ Bell plc
Q3 trading update

AJ Bell plc (“AJ Bell” or the “Company”), one of the UK's largest investment platforms, today issues a trading update in respect of the three months ended 30 June 2022.

Performance overview

Platform business

- Customer numbers increased by 14,120 in the quarter to close at 417,503, up 18% in the last year and 4% in the quarter, which represents strong ongoing organic growth in what is an uncertain economic environment
 - Total advised customers of 141,856, up 16% in the last year and 3% in the quarter
 - Total D2C customers of 275,647, up 20% in the last year and 4% in the quarter
- AUA closed at £63.5 billion, marginally up over the last year and down 5% in the quarter, primarily due to adverse market movements. During the quarter the FTSE All-Share Index fell by 6% whilst the MSCI World Index (GBP) fell by 9%
- Net inflows were in line with those for Q2 across both the advised and D2C channels, although weaker investor sentiment in Q3 relative to the comparative quarter in 2021 led to a year-on-year decline
 - Gross inflows in the quarter of £2.6 billion (2021: £3.2 billion)
 - Net inflows in the quarter of £1.6 billion (2021: £2.1 billion)
- Dodl by AJ Bell (“Dodl”) was launched successfully in April. Customer and AUA numbers relating to Dodl are included within the D2C platform totals

AJ Bell Investments

- Assets under management (“AUM”) closed at £2.5 billion, up 25% over the last year and up 9% in the quarter
- Net inflows in the quarter were £271 million, in line with the underlying net inflows reported in the comparative quarter last year

Non-platform business

- Customer numbers remained broadly flat, closing at 14,947
- Net outflows in the quarter were £1.7 billion (2021: £0.3 billion), which reflected what was the final outflow of £1.7 billion in relation to the previously announced closure of AJ Bell's institutional stockbroking business
- As set out in previous guidance, the closure of the low margin institutional stockbroking business will not have a material impact on AJ Bell's financial performance

Andy Bell, Chief Executive Officer at AJ Bell, commented:

“Our trusted, dual-channel investment platform has continued to attract thousands of new customers looking to invest for their future, despite a weakening in investor sentiment over the last six months. During our third quarter, platform customer numbers continued on an upward trajectory and closed 18% higher than in the previous year, whilst platform net inflows of £1.6 billion were in line with Q2, a traditionally strong quarter which benefits from the increase in customer activity in the run up to tax year end.

“The advised market has remained resilient in the face of current market headwinds and the strength of our proposition helped to deliver net inflows of £0.9 billion. We have recently reduced several charges on our advised platform, AJ Bell Investcentre, utilising our scale to further increase the value that advisers can offer to their clients. The phased launch of Touch by AJ Bell starting later in 2022 will further expand our offering for advisers, helping them to cater for clients looking for a digital service model.

“Our D2C platform delivered net inflows of £0.7 billion during the quarter, predominantly via our fast-growing AJ Bell Youinvest proposition. We have continued to enhance the value of that proposition for our customers, by making it easier to use and reducing our charges. During the quarter we also launched Dodl by AJ Bell, our new low-cost, commission-free investing app aimed at less experienced investors. We continue to develop this new proposition, with the ability to transfer-in from other providers soon to be launched and the addition of US shares to follow.

“Our investments business is delivering on its commitment to offer a wide choice of investment solutions at low cost and with clear communications. Our investment solutions have outperformed against most competing products over the last 5 years, which is why they are valued by financial advisers, their clients and our retail customers. Net inflows of £271 million in the quarter equated to a healthy 12% of opening AUM, with total AUM hitting £2.5 billion.

“Overall, our business continues to perform well and our long-term growth prospects remain strong. The continued development of our customer propositions, together with our highly competitive pricing and strong customer service, means we are well positioned to continue growing the business and increasing our market share.”

Three months ended 30 June 2022	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	137,201	266,182	403,383	14,926	418,309
Closing customers	141,856	275,647	417,503	14,947	432,450

AUA and AUM (£billion)

Opening AUA	46.5	20.4	66.9	7.2	74.1
Inflows ⁽¹⁾	1.5	1.1	2.6	0.1	2.7
Outflows ⁽²⁾	(0.6)	(0.4)	(1.0)	(1.8)	(2.8)
Net inflows/(outflows)	0.9	0.7	1.6	(1.7)	(0.1)
Market and other movements ⁽³⁾	(3.1)	(1.9)	(5.0)	(0.3)	(5.3)
Closing AUA	44.3	19.2	63.5	5.2	68.7
Closing AUM	1.4	1.0	2.4⁽⁴⁾	0.1⁽⁵⁾	2.5

Three months ended 30 June 2021	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	118,509	213,767	332,276	14,521	346,797
Closing customers	122,757	230,542	353,299	14,734	368,033

AUA and AUM (£billion)

Opening AUA	41.1	16.9	58.0	7.2	65.2
Inflows ⁽¹⁾	1.8	1.4	3.2	0.1	3.3
Outflows ⁽²⁾	(0.7)	(0.4)	(1.1)	(0.4)	(1.5)
Net inflows/(outflows)	1.1	1.0	2.1	(0.3)	1.8
Market and other movements ⁽³⁾	2.0	1.0	3.0	0.4	3.4
Closing AUA	44.2	18.9	63.1	7.3	70.4
Closing AUM	1.2	0.7	1.9⁽⁴⁾	0.1⁽⁵⁾	2.0

(1) Transfers-in, subscriptions, contributions and tax relief

(2) Transfers-out, cash withdrawals, benefits and tax payments

(3) Total investment returns and revaluations, net of charges and taxes

(4) Platform AUA which is held in AJ Bell's Funds or Managed Portfolio Service

(5) Assets which are held in AJ Bell's Funds or Managed Portfolio Service via third-party platforms

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Historical customer numbers, AUA and AUM by quarter

Advised Platform	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022	Qtr to 30 June 2022
Customers	122,757	126,920	131,610	137,201	141,856
AUA and AUM (£billion)					
Opening AUA	41.1	44.2	45.8	47.5	46.5
Inflows ⁽¹⁾	1.8	1.7	1.6	1.6	1.5
Outflows ⁽²⁾	(0.7)	(0.7)	(1.0)	(0.7)	(0.6)
Net inflows	1.1	1.0	0.6	0.9	0.9
Market and other movements ⁽³⁾	2.0	0.6	1.1	(1.9)	(3.1)
Closing AUA	44.2	45.8	47.5	46.5	44.3
Closing AUM ⁽⁴⁾	1.2	1.3	1.2	1.4	1.4
D2C Platform					
	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022	Qtr to 30 June 2022
Customers	230,542	241,045	251,664	266,182	275,647
AUA and AUM (£billion)					
Opening AUA	16.9	18.9	19.5	20.6	20.4
Inflows ⁽¹⁾	1.4	1.0	1.1	1.1	1.1
Outflows ⁽²⁾	(0.4)	(0.4)	(0.3)	(0.4)	(0.4)
Net inflows	1.0	0.6	0.8	0.7	0.7
Market and other movements ⁽³⁾	1.0	-	0.3	(0.9)	(1.9)
Closing AUA	18.9	19.5	20.6	20.4	19.2
Closing AUM ⁽⁴⁾	0.7	0.8	0.9	0.9	1.0
Non-platform					
	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022	Qtr to 30 June 2022
Customers	14,734	14,789	14,792	14,926	14,947
AUA and AUM (£billion)					
Opening AUA	7.2	7.3	7.5	7.5	7.2
Inflows ⁽¹⁾	0.1	-	0.1	-	0.1
Outflows ⁽²⁾	(0.4)	(0.1)	(0.2)	(0.1)	(1.8)
Net outflows	(0.3)	(0.1)	(0.1)	(0.1)	(1.7)
Market and other movements ⁽³⁾	0.4	0.3	0.1	(0.2)	(0.3)
Closing AUA	7.3	7.5	7.5	7.2	5.2
Closing AUM ⁽⁵⁾	0.1	0.1	-	-	0.1
Total closing AUA	70.4	72.8	75.6	74.1	68.7
Total closing AUM	2.0	2.2	2.1	2.3	2.5

(1) Transfers-in, subscriptions, contributions and tax relief

(2) Transfers-out, cash withdrawals, benefits and tax payments

(3) Total investment returns and revaluations, net of charges and taxes

(4) Platform AUA which is held in AJ Bell's Funds or Managed Portfolio Service

(5) Assets which are held in AJ Bell's Funds or Managed Portfolio Service via third-party platforms

About AJ Bell:

Established in 1995, AJ Bell is one of the largest investment platforms in the UK, operating at scale in both the advised and direct-to-consumer markets.

Our purpose is to help people invest by providing them with easy-to-use online services and information to help them build and manage their portfolios.

We do that via our three platform propositions - AJ Bell Investcentre in the advised market and AJ Bell Youinvest and Dodl by AJ Bell in the direct-to-consumer market, which all give investors access to Pensions, ISAs and General Investment / Dealing Accounts.

AJ Bell Investcentre and AJ Bell Youinvest provide access to a broad investment range including shares and other instruments traded on the major stock exchanges around the world, as well as all mainstream collective investments available in the UK and our own range of AJ Bell funds.

Dodl by AJ Bell offers a simplified investment range to make it easier for customers to choose investments and buy and sell them without paying any commission.

We also offer a Cash savings hub via AJ Bell Youinvest which provides access to a range of competitive savings accounts to help people manage their cash savings.

AJ Bell is headquartered in Manchester, UK, with offices in London and Bristol.

Forward-looking statements

This announcement contains forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding AJ Bell's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies, and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this announcement and AJ Bell does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement.