

21 April 2022

AJ Bell plc Q2 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 31 March 2022.

Performance overview

Total customer numbers increased to 418,309, up 21% over the last year and 5% in the quarter, with total net inflows in the quarter of £1.5 billion.

Total assets under administration (“AUA”) closed at £74.1 billion, up 14% over the last year but down 2% in the quarter due to adverse market and other movements of 4%. During the quarter the FTSE All-Share Index fell by 0.5% whilst the MSCI World Index fell by 5.5%.

The customer growth and net inflows delivered in Q2 once again evidence the resilience of the AJ Bell business model across different market conditions. The comparative quarter last year was exceptionally strong as consumers invested excess cash savings built up during Covid lockdowns, whereas this year they have been faced with increased market uncertainty caused by factors including inflationary pressure on the cost of living and the war in Ukraine.

Despite the challenging market backdrop, the AJ Bell platform has continued to attract and retain high quality customers, with over three-quarters of new accounts being tax-advantaged pensions or ISAs and platform customer retention remaining high at 95%.

Platform business

- Customer numbers increased by 20,109 in the quarter to close at 403,383, up 21% in the last year and 5% in the quarter
 - Advised customers of 137,201, up 16% in the last year and 4% in the quarter
 - D2C customers of 266,182, up 25% in the last year and 6% in the quarter
- AUA closed at £66.9 billion, up 15% in the last year and down 2% in the quarter
- Gross inflows in the quarter of £2.7 billion (2021: £2.8 billion)
- Net inflows in the quarter of £1.6 billion (2021: £1.8 billion)

AJ Bell Investments

- Assets under management (“AUM”) closed at £2.3 billion, up 64% over the last year and up 10% in the quarter
- Net inflows in the quarter were £223 million (2021: £311 million)

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

“Our dual-channel platform, serving the growing advised and D2C platform markets, attracted over 20,000 new customers and significant net inflows during Q2 despite weakened investor sentiment. In the last year we have grown platform customer numbers by 21% and platform AUA by 15%, demonstrating the strength of our business model across different market conditions.

“Although our D2C customers invested slightly less via our platform than in the comparative period as they assess the impact of the rising cost of living, net inflows to our advised platform remained on par with last year, which was a strong comparative. Net platform inflows of £1.6 billion is an encouraging result given the uncertain market backdrop.

“Our in-house investment solutions remain popular across our platform propositions and continued to perform strongly, delivering net inflows of £223 million during the quarter. Our first five multi-asset funds recently passed their fifth anniversary, an important performance milestone particularly for advisers. Performance of all five funds was in the top 30% when compared against their peer groups, with four being in the top quintile. Since launching these funds in 2017 we have shared the benefits of our increasing scale with customers, reducing the Ongoing Charges Figure from 50bps to 31bps during that time.

“This week we launched a new investing app called Dodl by AJ Bell which expands our offering to DIY investors. It offers all the main tax wrappers and a simplified investment range to help people select funds and shares for their portfolio. With an annual charge of just 0.15% and no commission for buying or selling investments, Dodl is a low-cost proposition perfectly suited to individuals who want an easy way to invest for their future. We believe it will be particularly attractive to the 8.6m adults in the UK who hold more than £10,000 of investible assets in cash, especially in the current climate of rising inflation where cash savings are being eroded in real terms due to the low interest rates available.

“The launch of Dodl in the consumer market will be complemented by the launch of Touch by AJ Bell, our simplified platform currently being developed for the advised market. These developments will broaden our reach in both the advised and D2C segments, keeping us at the forefront of the platform market and positioning us well to continue gaining market share.”

Notice of interim results

AJ Bell expects to announce its full results for the six months ended 31 March 2022 on Thursday 26 May 2022.

Three months ended 31 March 2022	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	131,610	251,664	383,274	14,792	398,066
Closing customers	137,201	266,182	403,383	14,926	418,309

AUA and AUM (£billion)

Opening AUA	47.5	20.6	68.1	7.5	75.6
Inflows ⁽¹⁾	1.6	1.1	2.7	-	2.7
Outflows ⁽²⁾	(0.7)	(0.4)	(1.1)	(0.1)	(1.2)
Net inflows/(outflows)	0.9	0.7	1.6	(0.1)	1.5
Market and other movements ⁽³⁾	(1.9)	(0.9)	(2.8)	(0.2)	(3.0)
Closing AUA	46.5	20.4	66.9	7.2	74.1
Closing AUM	1.4	0.9	2.3⁽⁴⁾	-	2.3

Three months ended 31 March 2021	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	112,308	185,745	298,053	14,256	312,309
Closing customers	118,509	213,767	332,276	14,521	346,797

AUA and AUM (£billion)

Opening AUA	39.7	15.5	55.2	7.3	62.5
Inflows ⁽¹⁾	1.5	1.3	2.8	-	2.8
Outflows ⁽²⁾	(0.6)	(0.4)	(1.0)	(0.3)	(1.3)
Net inflows/(outflows)	0.9	0.9	1.8	(0.3)	1.5
Market and other movements ⁽³⁾	0.5	0.5	1.0	0.2	1.2
Closing AUA	41.1	16.9	58.0	7.2	65.2
Closing AUM	0.8	0.6	1.4⁽⁴⁾	-	1.4

(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

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Historical customer numbers, AUA and AUM by quarter

Advised Platform	Qtr to 31 March 2021	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022
Customers	118,509	122,757	126,920	131,610	137,201

AUA and AUM (£billion)					
Opening AUA	39.7	41.1	44.2	45.8	47.5
Inflows ⁽¹⁾	1.5	1.8	1.7	1.6	1.6
Outflows ⁽²⁾	(0.6)	(0.7)	(0.7)	(1.0)	(0.7)
Net inflows	0.9	1.1	1.0	0.6	0.9

Market and other movements ⁽³⁾	0.5	2.0	0.6	1.1	(1.9)
Closing AUA	41.1	44.2	45.8	47.5	46.5

Closing AUM ⁽⁴⁾	0.8	1.2	1.3	1.2	1.4
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D2C Platform	Qtr to 31 March 2021	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022
Customers	213,767	230,542	241,045	251,664	266,182

AUA and AUM (£billion)					
Opening AUA	15.5	16.9	18.9	19.5	20.6
Inflows ⁽¹⁾	1.3	1.4	1.0	1.1	1.1
Outflows ⁽²⁾	(0.4)	(0.4)	(0.4)	(0.3)	(0.4)
Net inflows	0.9	1.0	0.6	0.8	0.7

Market and other movements ⁽³⁾	0.5	1.0	-	0.3	(0.9)
Closing AUA	16.9	18.9	19.5	20.6	20.4

Closing AUM ⁽⁴⁾	0.6	0.7	0.8	0.9	0.9
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Non-platform	Qtr to 31 March 2021	Qtr to 30 June 2021	Qtr to 30 September 2021	Qtr to 31 December 2021	Qtr to 31 March 2022
Customers	14,521	14,734	14,789	14,792	14,926

AUA and AUM (£billion)					
Opening AUA	7.3	7.2	7.3	7.5	7.5
Inflows ⁽¹⁾	-	0.1	-	0.1	-
Outflows ⁽²⁾	(0.3)	(0.4)	(0.1)	(0.2)	(0.1)
Net inflows/(outflows)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)

Market and other movements ⁽³⁾	0.2	0.4	0.3	0.1	(0.2)
Closing AUA	7.2	7.3	7.5	7.5	7.2

Closing AUM ⁽⁵⁾	-	0.1	0.1	-	-
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Total closing AUA	65.2	70.4	72.8	75.6	74.1
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Total closing AUM	1.4	2.0	2.2	2.1	2.3
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(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.