

18 January 2024

AJ Bell plc
Q1 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 December 2023.

Performance overview

Platform business

- Customer numbers increased by 8,000 to close at 484,000, up 12% in the last year and 2% in the quarter
 - Total advised customers of 161,000, up 8% in the last year and 1% in the quarter
 - Total D2C customers of 323,000, up 13% in the last year and 2% in the quarter
- Record assets under administration (“AUA”) of £76.2 billion, up 15% in the last year and 7% in the quarter
- A significant year-on-year increase in gross and net inflows across the platform
 - Gross inflows in the quarter of £2.7 billion (2023: £1.9 billion)
 - Net inflows in the quarter of £1.3 billion (2023: £0.8 billion)

AJ Bell Investments

- Assets under management (“AUM”) of £5.2 billion, up 53% in the last year and 11% in the quarter
- Net inflows in the quarter of £0.4 billion, in line with the prior year (2023: £0.4 billion)

Michael Summersgill, Chief Executive Officer at AJ Bell, commented:

“I am delighted to report an excellent start to the financial year, with first quarter net inflows across the platform being higher than in any individual quarter of FY23. Together with favourable market movements, platform assets under administration increased by 7% to reach a record £76.2 billion.

“Some of the macroeconomic headwinds experienced throughout 2023 showed signs of improving in the quarter, driving global equity markets higher and easing some of the pressure on household finances. Platform net inflows of £1.3 billion in the quarter were up 63% on the £0.8 billion reported in the prior year, reflecting increased confidence among retail investors compared to a year ago.

“AJ Bell Investments continues to perform strongly with AUM up 11% in the quarter through a combination of strong net inflows and positive market movements, surpassing £5 billion for the first time. The consistently strong growth of our investment business illustrates the attractiveness of our low-cost, simple products.

“As we look ahead, our platform will continue to appeal to both current and potential customers and advisers. We continue to invest in enhancing our propositions, with a strong focus on ease of use, whilst also investing in our pricing to ensure we continue to deliver great value to customers. Following the FCA’s recent clarification of its expectations concerning interest paid on cash balances held on investment platforms, we announced changes to the interest rates paid on cash balances whilst also lowering a number of our charges. These changes will benefit our customers to the tune of £14 million a year, reflecting our longstanding philosophy of sharing our economies of scale as we grow - an approach that is very much aligned with the Consumer Duty.

“Our dual-channel model has proven its resilience during a period of high inflation over the last 18 months, delivering consistent customer growth and net inflows. Whilst this strong start to the year provides good momentum as we head into the busy tax year end period, we remain focused on the long-term growth opportunity that exists in the platform market and the investments that we are making into our propositions and pricing will further strengthen our long-term competitive position.”

Three months ended 31 December 2023	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers (k)	159	317	476	15	491
Closing customers (k)	161	323	484	15	499
AUA and AUM (£billion)					
Opening AUA	48.2	22.7	70.9	5.2	76.1
Inflows ⁽¹⁾	1.5	1.2	2.7	-	2.7
Outflows ⁽²⁾	(0.9)	(0.5)	(1.4)	-	(1.4)
Net inflows	0.6	0.7	1.3	-	1.3
Market and other movements ⁽³⁾	2.2	1.8	4.0	0.2	4.2
Closing AUA	51.0	25.2	76.2	5.4	81.6
Closing AUM	2.8	1.4	4.2⁽⁴⁾	1.0⁽⁵⁾	5.2

Three months ended 31 December 2022	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers (k)	146	280	426	15	441
Closing customers (k)	149	285	434	15	449
AUA and AUM (£billion)					
Opening AUA	44.8	19.3	64.1	5.1	69.2
Inflows ⁽¹⁾	1.2	0.7	1.9	-	1.9
Outflows ⁽²⁾	(0.7)	(0.4)	(1.1)	(0.1)	(1.2)
Net inflows/(outflows)	0.5	0.3	0.8	(0.1)	0.7
Market and other movements ⁽³⁾	0.7	0.7	1.4	0.2	1.6
Closing AUA	46.0	20.3	66.3	5.2	71.5
Closing AUM	1.9	1.1	3.0⁽⁴⁾	0.4⁽⁵⁾	3.4

(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

(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 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023	Qtr to 30 September 2023	Qtr to 31 December 2023
Customers (k)	149	153	157	159	161
AUA and AUM (£billion)					
Opening AUA	44.8	46.0	47.3	47.8	48.2
Inflows ⁽¹⁾	1.2	1.4	1.2	1.2	1.5
Outflows ⁽²⁾	(0.7)	(0.8)	(0.8)	(0.8)	(0.9)
Net inflows	0.5	0.6	0.4	0.4	0.6
Market and other movements ⁽³⁾	0.7	0.7	0.1	-	2.2
Closing AUA	46.0	47.3	47.8	48.2	51.0
Closing AUM ⁽⁴⁾	1.9	2.1	2.3	2.5	2.8
D2C Platform					
	Qtr to 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023	Qtr to 30 September 2023	Qtr to 31 December 2023
Customers (k)	285	302	309	317	323
AUA and AUM (£billion)					
Opening AUA	19.3	20.3	21.3	22.0	22.7
Inflows ⁽¹⁾	0.7	1.1	1.2	1.3	1.2
Outflows ⁽²⁾	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)
Net inflows	0.3	0.6	0.7	0.7	0.7
Market and other movements ⁽³⁾	0.7	0.4	-	-	1.8
Closing AUA	20.3	21.3	22.0	22.7	25.2
Closing AUM ⁽⁴⁾	1.1	1.2	1.3	1.3	1.4
Non-platform					
	Qtr to 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023	Qtr to 30 September 2023	Qtr to 31 December 2023
Customers (k)	15	15	15	15	15
AUA and AUM (£billion)					
Opening AUA	5.1	5.2	5.2	5.3	5.2
Inflows ⁽¹⁾	-	0.1	-	0.1	-
Outflows ⁽²⁾	(0.1)	-	-	(0.2)	-
Net (outflows)/inflows	(0.1)	0.1	-	(0.1)	-
Market and other movements ⁽³⁾	0.2	(0.1)	0.1	-	0.2
Closing AUA	5.2	5.2	5.3	5.2	5.4
Closing AUM ⁽⁵⁾	0.4	0.6	0.7	0.9	1.0
Total closing AUA	71.5	73.8	75.1	76.1	81.6
Total closing AUM	3.4	3.9	4.3	4.7	5.2

(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

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(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 access to Pensions, ISAs and General investment accounts, great customer service and competitive charges.

Our two core platform propositions are AJ Bell in the D2C market and AJ Bell Investcentre in the advised market, which both 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.

In the D2C market we also offer AJ Bell Dodl, a low-cost investment app with a simplified investment range that makes it easier for customers to choose investments and buy and sell them without paying any commission.

For D2C cash savers we offer a Cash savings hub which provides access to a range of competitive savings accounts to help people manage their long-term cash deposits.

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.