

AJ Bell PLC

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AJ Bell profits and dividend up in line with forecasts

AJ Bell PLC (LON:AJB) reported profits and the dividend up by more than 30% in its first year as a listed company and said it expects to "flourish" in an expanding market.

The consumer investment platform grew profit before tax and earnings per share 33% to £37.7m and 7.47p respectively, both in line with analyst forecasts.

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A proposed final dividend of 3.33p takes the total ordinary dividend for the year to 4.83p, an increase of 31% on last year.

Assets under administration (AUA) swelled 13% to £52.3bn during the year to 30 September, with revenue up 17% to £104.9m.

Retail customer numbers finished the year at 232,066, with platform customers up 19% but non-platform customers dropping 5% to below 14,000. This represented a customer retention rate of 95.4% compared to 95.1% the year before.

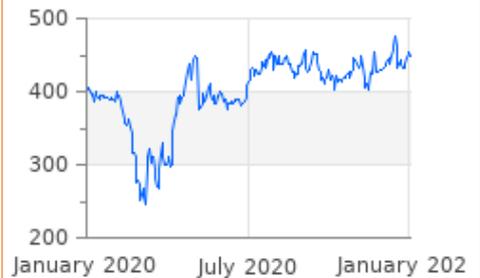
"The structural growth drivers for investment platforms in the UK remain strong and if we continue to meet the needs of customers we are well placed to benefit from these over the coming years," said founder and chief executive Andy Bell, while noting the shorter-term macro uncertainties.

Having floated on London's main market in December last year and now listed on the FTSE 250, the group has invested in a new website, expanded its tech development team and in the use of robotic process automation to take over labour-intensive back-office functions.

Amid a growing UK platform market, but where it is up against larger rival Hargreaves Lansdown (LON:HL.), Bell said the group was armed with "an increasingly recognisable brand, two award-winning platform propositions and a robust, efficient operating model on which to deliver our ambitious growth plans".

Broker Peel Hunt noted the "very strong client retention", profit margins improving, lack of detail in the outlook and the shares "significant premium" in valuation compared to others at 36 times earnings versus Hargreaves and Integriafin (LON:IHP) on around 22 times.

1 Year Share Price Graph



Share Information

Code: AJB
Listing: LSE
Sector: Financial Services
Website: www.ajbell.co.uk

Company Synopsis:

AJ Bell is one of the UK's largest providers of online investment platforms and stockbroker services. With more than 111,500 clients and assets under administration exceeding £26.1 billion, we succeed by providing award-winning investment products, backed up with excellent service and online functionality at a low cost.

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