

24 January 2024

Quilter plc Fourth Quarter 2023 Trading Statement

Q4 Reported and core net flows rebound to deliver net positive inflow; fourth quarter IFA Platform gross flows up 44% year-on-year

Quilter plc highlights:

- Assets under Management and Administration (“AuMA”) of £106.7 billion at 31 December 2023 increased by 5% on the end-September position (£101.4 billion). This reflects supportive markets into year-end combined with a contribution from net flows during the quarter.
- Fourth quarter core business net inflows of £175 million contrasted with net inflows of £242 million in the corresponding period of 2022 and were a significant improvement on the £1 million achieved in the third quarter of 2023.
 - The Quilter channel delivered another strong quarter, resulting in:
 - Full year 2023 net inflows as a percentage of opening AuMA were 15% in the High Net Worth segment and 10% in the Affluent segment.
 - Full year 2023 gross inflows increased by 16% year-on-year in the High Net Worth segment and 12% in the Affluent segment.
 - Fourth quarter gross inflows in the Affluent segment were 8% ahead of the average level in the first three quarters of 2023.
 - Fourth quarter gross inflows in the High Net Worth segment were consistent with the prior quarter levels.
 - The strength of our Platform proposition, enhanced by strategic actions taken, continues to be demonstrated by increased levels of new business despite challenging market conditions:
 - Full year 2023 Quilter channel gross and net flows onto the Platform increased by 15% and 14%, respectively.
 - IFA channel gross inflows onto the Platform in the fourth quarter increased by 44% on the comparable period to £1.4 billion (Q4 2022: £1.0 billion) and by 7% on a full year basis. This improved level of new business flow meant the IFA channel returned to net inflow during the quarter, despite headwinds from the impact of industry consolidation.
 - High Net Worth clients’ continued portfolio repositioning given the current macro environment led to an outflow in the IFA/directly sourced channel, with this partially offset by net inflows in the Quilter channel.
- Fourth quarter non-core net outflows of £119 million were consistent with third quarter levels.
- Persistency levels in the quarter remained broadly stable at 90% in the High Net Worth segment and 88% in the Affluent segment.
- Productivity: Quilter channel annualised gross sales per Quilter Adviser were £2.9 million in the fourth quarter, up 21% on prior year period.

Quilter plc: Three months ended 31 December 2023

Quilter plc, unaudited	Q4 2023	Q4 2022
AuMA: Reported (£bn)	106.7	99.6
<i>Of which are administered on the UK Platform</i>	73.8	67.0
<i>Of which are administered on external platforms</i>	7.0	7.9
<i>Of which High Net Worth</i>	27.0	25.5
Gross flow: Reported (£m)	2,979	2,236
Net flow: Core (£m)	175	242
Net flow: Reported (including non-core) (£m)	56	159
Productivity: Quilter channel gross sales per Quilter Adviser (£m, annualised)	2.9	2.4

Quilter plc: Twelve months ended 31 December 2023

Quilter plc, unaudited	2023	2022
AuMA: Reported (£bn)	106.7	99.6
Gross flow: Reported (£m)	11,174	10,529
Net flow: Core (£m)	832	2,122
Net flow: Reported (including non-core) (£m)	137	1,787
Productivity: Quilter channel gross sales per Quilter Adviser (£m)	2.8	2.3

Steven Levin, Chief Executive Officer of Quilter plc, commented:

"In what has been a tough year across the industry, we finished 2023 on a positive note with improved fourth quarter performance relative to the third. The Quilter channel continues to drive strong net flows in both our Affluent and High Net Worth segments. Our focus on reshaping our Advice business is demonstrating clear results, with Quilter channel gross sales per Quilter Adviser increasing 21% on the prior year comparative period.

"Our actions to enhance the proposition of our Platform continue to bear fruit. We saw 44% year-on-year growth in fourth quarter gross new business from IFAs onto our Platform in our Affluent segment, resulting in us moving back into a position of net inflows in this channel during the final quarter.

"Across the industry, 2023 saw a lot of focus on strategic positioning of businesses within a consumer duty context; we remain confident that our open and unbundled business model leaves us well positioned for the current environment. We look forward to updating the market on the progress we are making on our strategic goals of building distribution, enhancing propositions, and improving efficiency at our Full Year Results on 6 March 2024."

Enquiries

Investor Relations:

John-Paul Crutchley +44 (0) 7741 385 251
Keilah Codd +44 (0) 7776 649 681

Media:

Tim Skelton-Smith +44 (0) 7824 145 076

Camarco:

Geoffrey Pelham-Lane +44 (0) 7733 124 226
Ben Woodford +44 (0) 7990 653 341

Company Secretary:

Clare Barrett +44 (0) 7741 384 512

About Quilter plc

Quilter plc is a leading UK-centric wealth management business, helping to create prosperity for the generations of today and tomorrow.

Quilter oversees £106.7 billion in customer investments as at 31 December 2023.

It has an adviser and customer offering spanning: financial advice, investment platforms, multi-asset investment solutions, and discretionary fund management.

The business is comprised of two segments: **Affluent** and **High Net Worth**.

Affluent encompasses the financial planning businesses, Quilter Financial Planning, the Quilter Investment Platform and Quilter Investors, the Multi-asset investment solutions business.

High Net Worth includes the discretionary fund management business, Quilter Cheviot, together with Quilter Cheviot Financial Planning.

Disclaimer

This announcement may contain forward-looking statements with respect to certain Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance, and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, the implications and economic impact of the conflict in Ukraine, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward-looking statements.

Quilter plc undertakes no obligation to update the forward-looking statements contained in this announcement or any other forward-looking statements it may make.

Quilter plc data tables for the three months ended 31 December 2023 (£bn) – unaudited

	AuMA as at 30 September 2023	Gross flows (£m)	Net flows (£m)	AuMA as at 31 December 2023	Of which managed by Quilter AuM as at 31 December 2023
2023 Q4 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel ¹	16.1	955	331	17.2	13.3
IFA channel on Quilter Investment Platform	55.6	1,436	6	58.7	10.6
Funds via third-party platform	1.6	80	(50)	1.6	1.6
Total Affluent segment core business	73.3	2,471	287	77.5	25.5
HIGH NET WORTH SEGMENT					
Quilter channel	2.7	123	83	2.9	2.9
IFA channel incl. Direct	23.0	434	(159)	24.1	24.1
Total High Net Worth segment	25.7	557	(76)	27.0	27.0
Inter-Segment Dual Assets²	(0.9)	(67)	(36)	(1.1)	(0.3)
Quilter plc core business	98.1	2,961	175	103.4	52.2
Non-core	3.3	18	(119)	3.3	2.1
Quilter plc reported	101.4	2,979	56	106.7	54.3
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	50.7	1,291	47	53.2	
Affluent managed and administered	18.9	927	450	20.6	
Affluent external platform	7.0	271	(329)	7.0	

¹ For modeling purposes: Quilter channel fourth quarter Platform discrete gross flows and net flows were £781 million and £526 million, respectively, with closing AuMA of £13.9 billion.

² Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the full year ended 31 December 2023 (£bn) – unaudited

	AuMA as at 31 December 2022	Gross flows (£m)	Net flows (£m)	AuMA as at 31 December 2023	Of which managed by Quilter AuM as at 31 December 2023
2023 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel ¹	15.4	3,608	1,608	17.2	13.3
IFA channel on Quilter Investment Platform	54.1	5,251	(164)	58.7	10.6
Funds via third-party platform	2.0	301	(316)	1.6	1.6
Total Affluent segment core business	71.5	9,160	1,128	77.5	25.5
HIGH NET WORTH SEGMENT					
Quilter channel	2.4	513	369	2.9	2.9
IFA channel incl. Direct	23.1	1,681	(507)	24.1	24.1
Total High Net Worth segment	25.5	2,194	(138)	27.0	27.0
Inter-Segment Dual Assets²	(0.8)	(258)	(158)	(1.1)	(0.3)
Quilter plc core business	96.2	11,096	832	103.4	52.2
Non-core	3.4	78	(695)	3.3	2.1
Quilter plc reported	99.6	11,174	137	106.7	54.3
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	50.0	4,823	270	53.2	
Affluent managed and administered	17.0	3,369	1,520	20.6	
Affluent external platform	7.9	1,046	(1,357)	7.0	

¹ For modeling purposes: Quilter channel 2023 Platform discrete gross flows and net flows were £2,934 million and £2,074 million, respectively, with closing AuMA of £13.9 billion.

² Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the three months ended 31 December 2022 (£bn) – unaudited

	AuMA as at 30 September 2022	Gross flows (£m)	Net flows (£m)	AuMA as at 31 December 2022	Of which managed by Quilter AuM as at 31 December 2022
2022 Q4 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel ¹	14.8	734	375	15.4	11.5
IFA channel on Quilter Investment Platform	52.4	1,000	(103)	54.1	9.2
Funds via third-party platform	2.1	53	(152)	2.0	2.0
Total Affluent segment core business	69.3	1,787	120	71.5	22.7
HIGH NET WORTH SEGMENT					
Quilter channel	2.3	182	138	2.4	2.4
IFA channel incl. Direct	22.6	307	20	23.1	23.1
Total High Net Worth segment	24.9	489	158	25.5	25.5
Inter-Segment Dual Assets²	(0.7)	(54)	(36)	(0.8)	(0.2)
Quilter plc core business	93.5	2,222	242	96.2	48.0
Non-core	3.4	14	(83)	3.4	2.2
Quilter plc reported	96.9	2,236	159	99.6	50.2
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	48.6	997	(48)	50.0	
Affluent managed and administered	16.0	598	360	17.0	
Affluent external platform	8.1	206	(275)	7.9	

¹ For modeling purposes: Quilter channel fourth quarter Platform discrete gross flows and net flows were £594 million and £439 million, respectively, with closing AuMA of £11.7 billion.

² Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the full year ended 31 December 2022 (£bn) – unaudited

	AuMA as at 31 December 2021	Gross flows (£m)	Net flows (£m)	AuMA as at 31 December 2022	Of which managed by Quilter AuM as at 31 December 2022
2022 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel ¹	16.6	3,218	1,636	15.4	11.5
IFA channel on Quilter Investment Platform	60.0	4,926	445	54.1	9.2
Funds via third-party platform	2.5	242	(621)	2.0	2.0
Total Affluent segment core business	79.1	8,386	1,460	71.5	22.7
HIGH NET WORTH SEGMENT					
Quilter channel	2.5	443	353	2.4	2.4
IFA channel incl. Direct	26.2	1,827	539	23.1	23.1
Total High Net Worth segment	28.7	2,270	892	25.5	25.5
Inter-Segment Dual Assets²	(0.2)	(276)	(230)	(0.8)	(0.2)
Quilter plc core business	107.6	10,380	2,122	96.2	48.0
Non-core	4.2	149	(335)	3.4	2.2
Quilter plc reported	111.8	10,529	1,787	99.6	50.2
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	55.9	4,894	1,027	50.0	
Affluent managed and administered	17.3	2,621	1,166	17.0	
Affluent external platform	10.1	1,020	(1,068)	7.9	

¹ For modeling purposes: Quilter channel 2022 Platform discrete gross flows and net flows were £2,554 million and £1,823 million, respectively, with closing AuMA of £11.7 billion.

² Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.