



HANSARD
GLOBAL PLC

5 May 2022

Hansard Global plc
Trading update for the period ended 31 March 2022

Hansard Global plc (“Hansard” or “the Group”), the specialist long-term savings provider, issues its trading update for the quarter ended 31 March 2022 (“Q3 2022”). All figures refer to this period, except where indicated. Year to date (“YTD”) figures refer to 1 July 2021 to 31 March 2022.

Summary

- New business for the Group for Q3 2022 was £30.9m in PVNBP (“Present Value of New Business Premiums”) terms (Q3 2021: £47.3m, Q2 2022: £33.5m);
- For the nine months to 31 March 2022, new business was £95.8m (Q3 YTD 2021: £123.6m);
- Assets under administration were £1.17bn at 31 March 2022 (£1.23bn at 31 December 2021);
- The Group continues to work with its prospective Japanese distribution partner towards a suitable launch date, against the current challenging background of Covid-19 in Japan.

Graham Sheward, Group Chief Executive Officer, commented:

“As our targeted region of Japan remains under Covid-19 restrictions with increased case counts, we continue to work with our local distribution partner towards a suitable launch date.

We also continue to take vigorous action to improve new business levels both with respect to our traditional business and by progressing opportunities to deploy new products more widely in Japan and other suitable territories around the world. In addition to the new initiatives mentioned in our previous quarterly trading update, we have recently recruited two experienced executives into our sales and business development team in order to assist the delivery of this growth.”

For further information:

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HANSARD GLOBAL plc
TRADING UPDATE FOR THE PERIOD ENDED 31 MARCH 2022

OVERVIEW

The Group continues to focus on the distribution of regular and single premium savings and investment products in a range of jurisdictions around the world.

New business for the quarter and financial year-to-date continued to be impacted by the challenges of Covid-19 restrictions and their aftermath around the world, economic uncertainty and a general hesitancy by clients to commit to contractual long-term savings products. The prior period comparative figures benefited from a number of high net worth single premium policies which did not repeat in Q3 2022.

In Present Value of New Business Premiums ("PVNBP") terms, new business for Q3 2022 was 34.7% lower than Q3 2021. For the nine months ended 31 March 2022, new business was 22.5% lower compared to the prior period comparative.

NEW BUSINESS FLOWS

New business flows for the quarter and the nine months ended 31 March are summarised as follows:

Basis	Three months ended 31 March			Nine months ended 31 March		
	2022 £m	2021 £m	% change	2022 £m	2021 £m	% change
Present Value of New Business Premiums	30.9	47.3	(34.7%)	95.8	123.6	(22.5%)
Annualised Premium Equivalent	4.4	6.6	(33.3%)	13.2	17.5	(24.6%)

The split of regular and single new business premiums on the PVNBP basis was as follows:

PVNBP by product type	Three months ended 31 March			Nine months ended 31 March		
	2022 £m	2021 £m	% change	2022 £m	2021 £m	% change
Regular premium	19.1	26.5	(27.9%)	59.7	76.0	(21.4%)
Single premium	11.8	20.8	(43.3%)	36.1	47.6	(24.2%)
Total	30.9	47.3	(34.7%)	95.8	123.6	(22.5%)

The regional split of new business premiums on the PVNBP basis was follows:

PVNBP by geographical area	Three months ended 31 March			Nine months ended 31 March		
	2022 £m	2021 £m	% change	2022 £m	2021 £m	% change
Middle East and Africa	12.5	20.6	(39.3%)	35.0	49.2	(28.9%)
Rest of World	7.9	12.1	(34.7%)	28.5	36.4	(21.7%)
Latin America	6.3	10.1	(37.6%)	20.7	28.7	(27.9%)
Far East	4.2	4.5	(6.7%)	11.6	9.3	24.7%
Total	30.9	47.3	(34.7%)	95.8	123.6	(22.5%)

The overall environment remained challenging for investment and long-term savings plans, with new business down 34.7% from Q3 2021. Regular premium new business fell 27.9%, with single premiums falling 43.3%.

The general experience across each region saw a reduction both in the number of cases sold and in the quantity of high-value cases sold. New business in Latin America has been additionally impacted this year by a tightening of our business acceptance criteria in parts of the region to better control the quality of new business submissions.

The exception to the above was our Far East region which has continued to show recovery on a year-to-date basis from 2021.

In addition to the various initiatives mentioned in our previous quarterly update, we have recently recruited two senior additions to our sales team: a Head of Sales and a Head of New Business Development, to help develop and grow future new business levels.

The Head of Sales has taken oversight of our global broker-channel sales team and is tasked to deliver a number of our key distribution and relationship initiatives, enhancing our overall broker proposition.

The Head of New Business Development is tasked with developing business relationships with new distributors and further invigorating relationships with current distributors.

The expanded sales team will continue with the initiatives mentioned in our previous quarterly update and will drive a number of new initiatives to increase new business in the coming year and beyond. This includes the development and launch of new products for key target markets, updates and improvements to existing products and the recruitment of additional localised sales colleagues into key growth regions.

ASSETS UNDER ADMINISTRATION (“AUA”)

The composition and value of AuA is based upon the assets selected by or on behalf of contract holders to meet their savings and investment needs. Reflecting the wide geographical spread of the Group’s customer base, the majority of premium contributions and of AuA are designated in currencies other than sterling. Over 60% of Group AuA are denominated in US dollars.

The total of such assets is affected by the level of new premium contributions received from new and existing policy contracts, the amount of assets withdrawn by contract holders, charges and the effect of investment market and currency movements. These factors ultimately affect the level of fund-based income earned by the Group. Net withdrawals are typically experienced in Hansard Europe dac (“Hansard Europe”), which closed to new business in 2013.

During Q3 2022 AuA decreased by £59.1m or 4.8%, reflecting a pull-back in global stock markets and significantly lower single premium inflows. For the 9 months ended 31 March 2022, AuA decreased £52.5m or 4.3%.

The following analysis shows the components of the movement in AuA during the quarter:

	Three months ended 31 March		Nine months ended 31 March	
	2022 £m	2021 £m	2022 £m	2021 £m
Deposits to investment contracts – regular premiums	21.6	21.0	64.9	63.3
Deposits to investment contracts – single premiums	11.6	21.0	36.2	47.7
Withdrawals from contracts and charges	(38.3)	(38.4)	(122.0)	(116.6)
Effect of market and currency movements	(54.0)	10.5	(31.6)	106.2
(Decrease) / increase in period	(59.1)	14.1	(52.5)	100.6
Opening balance	1,230.8	1,167.0	1,224.2	1,080.5
Assets under Administration at 31 December	1,171.7	1,181.1	1,171.7	1,181.1

The movement in AuA is split as follows between Hansard International (incorporating business reinsured from Hansard Worldwide) and Hansard Europe:

	Nine months ended 31 March	
	2022 £m	2021 £m
Hansard International	(40.2)	104.3
Hansard Europe	(12.3)	(3.7)
(Decrease) / increase in period	(52.5)	100.6

RESULTS FOR THE YEAR ENDING 30 JUNE 2022

New business results for the full year are scheduled to be announced on 21 July 2022. Trading results for the full year are expected to be announced on 22 September 2022.

OUTLOOK

The external global environment and the ability for our Independent Financial Advisor (“IFA”) distribution network to grow new long-term savings business continues to be challenging as Covid-19 related restrictions and their aftermath and economic confidence fluctuate. We therefore expect IFA sales for FY 2022 to be lower than FY 2021 but note that will not have a material impact to our profit under International Financial Reporting Standards (“IFRS”) in the short term. This is because initial income and origination costs are deferred at point of sale and recognised over the lifetime of contracts sold.

We remain confident that our Japanese product will produce long-term business growth for the Group. We continue to work with our local distribution partner towards a suitable launch date, although the timing remains subject to factors not within our control, notably an improvement in the Covid-19 restrictions currently in place in Japan.

Notes to editors:

- Hansard Global plc is the holding company of the Hansard Group of companies. The Company was listed on the London Stock Exchange in December 2006. The Group is a specialist long-term savings provider, based in the Isle of Man.
- The Group offers a range of flexible and tax-efficient investment products within a life assurance policy wrapper, designed to appeal to affluent, international investors.
- The Group utilises a controlled cost distribution model via a network of independent financial advisors and the retail operations of certain financial institutions who provide access to their clients in more than 170 countries. The Group's distribution model is supported by Hansard OnLine, a multi-language internet platform, and is scalable.
- The principal geographic markets in which the Group currently services contract holders and financial advisors are the Middle East & Africa, the Far East and Latin America. These markets are served by Hansard International Limited and Hansard Worldwide Limited.
- Hansard Europe dac previously operated in Western Europe but closed to new business with effect from 30 June 2013.
- The Group's objective is to grow by attracting new business and positioning itself to adapt rapidly to market trends and conditions. The scalability and flexibility of the Group's operations allow it to enter or develop new geographic markets and exploit growth opportunities within existing markets without the need for significant further investment.

Forward-looking statements:

This announcement may contain certain forward-looking statements with respect to certain of Hansard Global plc's plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainties because they relate to future events and circumstances which are beyond Hansard Global plc's control. As a result, Hansard Global plc's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Hansard Global plc's forward-looking statements. Hansard Global plc does not undertake to update forward-looking statements contained in this announcement or any other forward-looking statement it may make. No statement in this announcement is intended to be a profit forecast or be relied upon as a guide for future performance.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regime.

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