



HANSARD
GLOBAL PLC

6 May 2021

Hansard Global plc
Trading update for the period ended 31 March 2021

Hansard Global plc ("Hansard" or "the Group"), the specialist long-term savings provider, issues its trading update for the quarter ended 31 March 2021 ("Q3 2021"). All figures refer to this period, except where indicated. Year to date figures refer to 1 July 2020 to 31 March 2021.

Summary

- Hansard's new business was up strongly in Q3 2021 with increased volumes and a number of large single premium policies;
- New business for Q3 2021 was £47.3m in PVNBP ("Present Value of New Business Premiums") terms, compared to £38.4m in Q3 2020 (up 23.2%) and £42.1m in Q2 2021 (up 12.4%);
- For the nine months to 31 March 2021, new business was £123.6m, an increase of 4.3% on the comparative prior year period;
- Assets under administration increased to £1.181bn at 31 March 2021, up from £1.167bn at 31 December 2020;
- Japanese proposition operationally ready. Launch now expected in summer 2021 when Covid-19 restrictions have eased.

Gordon Marr, CEO, commented:

"Our new business performance for our third quarter was very positive. It is encouraging to see an improving environment for the distribution of our products as restrictions are gradually relaxed and investment confidence returns.

We continue to invest for the future through the on-going development of our Japanese proposition and the upgrade of our systems environment. Our proposition is now operationally ready and we are working with our distribution partner to schedule a launch date when Covid restrictions in Japan are more favourable. It remains on track to deliver significant growth in our coming financial year."

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HANSARD GLOBAL plc
TRADING UPDATE FOR THE PERIOD ENDED 31 MARCH 2021

OVERVIEW

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

New business activities continue to be impacted by the challenges of Covid-19 restrictions around the world. However, we have seen a strong improvement in new business in Q3 2021, particularly in high net worth single premium policies. We believe this represents increased economic confidence and the switching of cash savings into investment products, although it remains early to draw any firm conclusions around longer term trends.

In Present Value of New Business Premiums ("PVNBP") terms, new business for Q3 2021 was 23.2% higher than Q3 2020 and for the 9 months to 31 March 2021 was 4.3% higher than the prior period comparative. Single premiums were up 48.6% for Q3 2021 compared to Q3 2020.

New business measured under the Annualised Premium Equivalent ("APE") basis shows a lower growth rate for the quarter and financial year-to-date than under the PVNBP basis primarily because significantly higher single premium sales have a greater impact to total PVNBP than to total APE. Tables showing the split of single and regular premiums under both metrics are shown below.

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		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Present Value of New Business Premiums	47.3	38.4	23.2%	123.6	118.5	4.3%
Annualised Premium Equivalent	6.6	6.2	6.5%	17.5	19.0	(7.9%)

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

PVNBP by product type	Three months ended 31 March			Nine months ended 31 March		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Regular premium	26.5	24.4	8.6%	76.0	76.0	-
Single premium	20.8	14.0	48.6%	47.6	42.5	12.0%
Total	47.3	38.4	23.2%	123.6	118.5	4.3%

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

PVNBP by product type	Three months ended 31 March			Nine months ended 31 March		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Regular premium	4.5	4.8	(6.3%)	12.7	14.7	(13.6%)
Single premium	2.1	1.4	50.0%	4.8	4.3	11.6%
Total	6.6	6.2	6.5%	17.5	19.0	(7.9%)

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		
	2021 £m	2020 £m	% change	2021 £m	2020 £m	% change
Middle East and Africa	20.6	13.8	49.3%	49.2	44.6	10.3%
Rest of World	12.1	12.0	0.8%	36.4	36.2	0.6%
Latin America	10.1	10.0	1.0%	28.7	29.7	(3.4%)
Far East	4.5	2.6	73.1%	9.3	8.0	16.3%
Total	47.3	38.4	23.2%	123.6	118.5	4.3%

Our largest region, Middle East and Africa, rose significantly in the quarter to £20.6m, up 49.3% over Q3 2020. This is reflective of the Middle East emerging comparatively well from Covid-19 and the successful acquisition of a number of high net worth single premium policies. For the nine months ended 31 March 2021, new business was up 10.3% to £49.2m.

The level of new business from the Rest of World region was broadly in line with the prior year on both a quarterly (£12.1m) and year-to-date (£36.4m) basis.

New business in Latin America continued to be resilient for the quarter (£10.1m) and year-to-date (£28.7m) despite experiencing some of the most challenging global Covid-19 conditions on the ground.

New business in the Far East rebounded significantly this quarter to £4.5m from the lower levels seen in previous quarters, boosted by higher value regular premium policies. This resulted in overall year-to-date new business being up 16.3% to £9.3m. As outlined in previous reports, our main strategic focus in the Far East is to develop and bring our new Japanese proposition to market.

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 2021 AuA increased by £14.1m or 1.2%. For the 9 months ended 31 March 2021, AuA were up £100.6m (9.3%), reflecting positive global stock markets offset by a weaker US dollar versus sterling.

	Three months ended 31 March		Nine months ended 31 March	
	2021 £m	2020 £m	2021 £m	2020 £m
Deposits to investment contracts – regular premiums	21.0	22.4	63.3	64.4
Deposits to investment contracts – single premiums	21.0	12.9	47.7	42.5
Withdrawals from contracts and charges	(38.4)	(35.8)	(116.6)	(113.7)
Effect of market and currency movements	10.5	(131.4)	106.2	(119.4)
	14.1	(131.9)	100.6	(126.2)
Opening balance	1,167.0	1,085.4	1,080.5	1,079.7
Assets under Administration at 31 March	1,181.1	953.5	1,181.1	953.5

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	
	2021 £m	2020 £m
Hansard International	104.3	(102.9)
Hansard Europe	(3.7)	(23.3)
Increase/(decrease) in period	100.6	(126.2)

RESULTS FOR THE YEAR ENDING 30 JUNE 2021

New business results for the full year are scheduled to be announced on 22 July 2021. Trading results for the full year are expected to be announced on 23 September 2021.

OUTLOOK

The outlook for savings and investment products appears to be improving as the global economy begins to emerge from Covid-19 lock-downs and economic challenges. We continue to invest for the future through the on-going development of our Japanese proposition and the upgrade of our systems environment. The launch of our Japanese proposition with our first distribution partner remains on track to deliver significant growth in our coming financial year.

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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