



Aberdeen Group plc

Q4 2025 trading update

Call transcript

21 January 2026

Jason Windsor – Chief Executive Officer

Good morning everyone, and thank you all for joining Siobhan and me for our Q4 call.

Q4 last year already seems some time ago, and we have had a very busy start to the new year. But let me just take a couple of minutes to reflect back on the last quarter, which was a good quarter for us, particularly in terms of strategic delivery.

Aberdeen is in much better shape than it was a year ago, with each of our three businesses making progress as we deliver on our strategy to become the UK's leading Wealth & Investments group.

Group AUMA now stands at £556bn, which is the highest level since Covid; and it's up 9% year-on-year, supported, as you know, by positive markets.

Interactive investor continues to perform very strongly, ending the year with half a million customers and another record-breaking quarter for trading on the platform. This growth, along with the exciting new proposition launches, mean that the business is well set up to sustain this impressive performance.

Turning to Adviser. On the positive side, 2025 as a whole saw a material improvement in net sales – by over 40% – but we are still in outflow. Q4 saw the important launch of our new SIPP, which is seamlessly integrated on the platform. We also saw higher outflows than expected, mainly from tax-free cash. We still have further to go to return to growth, as we continue to invest heavily in our platform experience.

In **Investments**, AUM increased to over £390bn, again, aided by positive markets. Flows benefited from encouraging trends in a number of asset classes as well as the Stagecoach Pension Scheme that we announced in early December. During 2025 as a whole, gross flows were the best for many years, so we are getting a lot right. However, our focus on continuing to improve flows and financial performance remains undiminished.

Taken altogether with the positive momentum at the start of this year, I am optimistic about the outlook for the Group in 2026.

With that, I will hand over to Siobhan for a little more detail.

Siobhan Boylan – Chief Financial Officer

Thanks Jason, and good morning everyone.

Starting with **interactive investor**, momentum remains strong across key metrics. As Jason mentioned, total customers reached half a million, up 14% year-on-year, with SIPP customers rising 30% to 105k. Daily average retail trades were at their highest ever levels at 29.2k, up 40% versus Q4 last year. Net inflows of £1.4bn in the quarter brought full year flows to £7.3bn – a 28% increase year-on-year and representing 9% of opening AUMA.

It's been a very busy quarter in **ii**, with the launch of our managed SIPP, soft launch of iiAdvice, and ii360 now in advanced testing. The pricing changes we announced in December will become effective in the next 2 weeks, which will simplify our proposition and further enhance our competitive positioning. Finally, the sale of the Financial Planning business we announced in August is due to complete imminently.

In **Adviser**, AUMA increased to over £80bn, driven by positive markets. Outflows in the fourth quarter of £0.8bn were elevated compared to prior periods. This principally reflected the uncertainty in the market ahead of the UK Budget which resulted in an increase in tax free cash withdrawals of around £250m in the fourth quarter.

Full-year net outflows improved by 44% to £2.2bn. This reflected the repricing early in the year and our ongoing focus on service, the latter of which has been reflected in our strong average net promoter score for the year of +45 points.

Turning to **Investments**, assets increased by 6% during 2025 to end the year at £390bn. Q4 net outflows of £3.0bn included the previously flagged, low margin £4.5bn quants withdrawal, reduced net outflows in equities and Insurance Partners outflows of £1.2bn.

Positively, Institutional & Retail Wealth saw gross inflows in Q4 increase by 26% year-on-year, with higher gross inflows in multi-asset, alternatives, fixed income and equities. Excluding liquidity flows, which are inherently volatile, and the Phoenix assets we include within this business line, net flows for I&RW for the year were positive, at around £5bn.

Multi-asset net inflows included the £1.2bn from the Stagecoach Pension Scheme agreement announced in December.

We also saw continued good momentum in Alternatives, with commodity ETFs being the principal driver behind an 85% improvement in net flows. AUM across our total commodity ETF range now stands at £15.8bn.

Given the flow trends seen in the latter half of the year and the resultant change in asset mix, we now expect our full year 2025 revenue margin in Investments to be around 19.2bps.

Turning to the Group as a whole. **Full year 2025** adjusted operating profit is expected to be in line with current market expectations, and we are confident in the outlook for the business, as reflected in our Full year 2026 targets of at least £300m adjusted operating profit and c.£300m net capital generation.

In addition, we are pleased to note that, with effect from year end 2025, our capital requirement will be lower and based on the Group's internal capital assessment. We will provide a fuller update on this at our full year results in March.

I will now hand over to the operator, and Jason and I will be happy to take your questions.

Q&A

Hubert Lam, Bank of America: Hi, thank you. Thanks for taking my questions and good morning. Three of them from me.

Firstly, in terms of the Investments fee margin, you now are guiding for a lower 19.2 basis points for the year. It implies a bigger drop in the second half of the year. I'm just wondering what the dynamics are behind it. I know you mentioned mix, but is there any seasonality around that? And what is your outlook for 2026? Should we consider the H2 margin the starting point?

A second question is on Adviser. I don't think you mentioned it in the press release, but are you still guiding for £1bn inflows in 2026?

And the last question is on the capital requirement. I know you'll give more detail at the Full Year Results, but what does it mean for excess capital and strategic flexibility?

Thank you.

Siobhan Boylan: Okay, I'll take those questions. The fee margin is 19.2 basis points. It is primarily driven by mix. You can see the equities in there and there has been the mix coming through on that. If I look for the run rate for next year, I'd expect it to be around 19 basis points overall as we look into 2026.

In terms of the Adviser flows of £1bn, you can see we've given you a bit more colour in terms of the outflows from the tax-free cash in the quarter - and we're still guiding to that £1bn for 2026.

And in terms of the capital requirements, as I've said, we've moved to the ICARA basis, which is the internal capital model. We will update in March, I'd expect us to give you a bit of guidance there. We gave you last year how we think about our capital allocation and we'll expand on that in March as appropriate.

Enrico Bolzoni, JP Morgan: Good morning. Thank you for taking my questions.

One on **ii**, I saw you had a nice uptick in the cash balances, which I guess is related to the growth of the business and the SIPP penetration. Can you please remind us what sort of margin you expect to make on these cash deposits and whether you think this will continue in 2026?

And then I had a question on Adviser. I appreciate that the UK Budget created a lot of uncertainty. We saw additional redemptions. But can you please remind us of the dynamics? If a client withdraws money from – let's say – a SIPP account within Aberdeen Adviser, can this money remain on the platform or is it transferred, for example, to a bank account? Because otherwise I would maybe expect to see slightly higher redemptions, but also higher inflows as we saw in some other players that have reported. A clarification would be helpful. Thank you.

Jason Windsor: Interesting. Actually, the two questions are somewhat related. Part of the increased cash in **ii** was some of the SIPP wrapper releasing tax-free cash and it remaining on the platform. You can see some of that. Some of it is the backlog of SIPPs that haven't yet fully invested. So that's the backdrop to the uptick in cash in **ii**.

I think in terms of margin, I don't think for 2026, we expect materially different to what we've seen in 2025.

Siobhan Boylan: You'll have the impact of the rate cut at the end of the year coming through, but it'll be in the 210 to 220 basis points range.

Jason Windsor: We're in that range. We'll sharpen up guidance on that when we get to March.

In Adviser, people tend to use the Adviser platform more as a product than as an account for their overall savings. We do tend to see more cash, when it's redeemed, leaving that platform than staying on it. **ii** is more of a household account. People use it for their trading, ISAs, cash, investing.

It tends to be taken off platform on Adviser. We do have a cash product that people can use. It's got a small balance in it. We can probably do better at getting more to stay in that product on platform. And then there's further functionality that we'll be adding in terms of some of the bonds and the other investment opportunities. There is upside potential for us to retain more of that cash but, at the moment, we're seeing most of it leave the platform from Adviser.

Nicholas Herman, Citi: Good morning. A couple of questions from my side, please.

On Investments, and particularly EM, we've seen notably strong emerging markets last year. Could you just give us an update on the investment performance of your EM equities and fixed income funds, please? And the level of attraction that you're having with your clients on improving demand for EM.

And then the second question is on **ii**. In the Spotlight on **ii** in the middle of last year, you disclosed the average fee per trade in a range of, I think 2024, £12 to £15 broadly. Obviously, that depends on various factors, including the proportion of international trades. But broadly speaking, where do you see that £12 to £15 going as a result of the recent pricing changes, please? Thank you.

Jason Windsor: On investment performance, we've not given the full update. We haven't got the full analysis of December data against benchmarks. But, broadly, investment performance has improved sharply year to date. And we've done much better across all asset classes. This is an estimate, but on a one-year basis, we are 84% of funds outperforming; three years, 80%. So that's ticked up nicely. And Peter, and all of the Investments team, have really leant in to improve. And that's across - as I just said - all asset classes with equities making quite a significant improvement in particular.

We'll go through that in a bit more detail at the Full Year. Particularly, I'd call out within that emerging market income where we've done particularly well. We've continued to see real growth in that fund. US small cap, Tekla, they've had really strong performance. On the fixed income side, again, it's improved pretty much across the board. Performance is one part of the solution to achieving sales. Signs are better this year than they've been for quite some time.

Siobhan Boylan: On **ii** I think you quoted £15. I think that number we would expect to be around the same in 2025. It will come down due to pricing, but we'll see an offset with increased activity as it comes through during 2026.

Jason Windsor: We're excited about the price reset that we've done in **ii**. It's fueled some significant growth already this year. We think in advance, everyone is now trading off - basically - the new price. That's the fees, the commissions, and the FX. That all goes live in February.

We're the leading edge of keeping customer value absolutely at the heart of what we do, service and value. And that's why the platform has been so successful. We'll tell you more about how the implementation of that has gone in March. We do expect, and this is the opportunity for us, further activity based on a lower price point.

Nicholas Herman, Citi: Thanks very much. Can I just come back on the investment demand and fee margin, please. Just circling back there, are you expecting an uptick in demand for your EM offerings across equities and fixed income and would you therefore expect that to provide some support to your fee margin this year, for 2026?

Siobhan Boylan: Yeah. If we look into the pipeline and where we see asset allocation, rotation and demand, we have seen that tick up and clearly with the strong investment performance that we will give you more colour on in March, those two things together, we can see some small benefits coming through there.

Greg Simpson, Exane BNP Paribas: Yeah, morning. Thanks for this call. Three on my end. Firstly, just a quick follow up on the **ii** fee change again. Was it calibrated to be fairly neutral to the revenue base or positive or negative in simple terms? Subscription fees went up, FX fees went down, but just wanted to double check on the net outcome. Second question is on Adviser, I hear what you say about the UK Budget, but even if you add the 250 million of tax-free cash withdrawals, you still would be negative in the quarter. So, what do you think is still missing in terms of turning that around and getting back to inflows? And then thirdly, the Stagecoach pension transaction can seem quite interesting in terms of an asset manager doing that kind of transaction. Is there a pipeline for more transactions like that? Thank you.

Jason Windsor: Okay. I'll have a go at these. So, the fee changes, as I just said, are NPV positive, and there's a whole heap of scenarios, but somewhat market condition related, but we want to attract more customers. We want to retain more customers. It's not been an issue, but it's a competitive world, and we want to be out there. We do expect higher volume on the back of the changes that we've made. That may or may not come through, but the way that we set this up is to grow the business, grow the customer numbers, grow the revenues, and grow the activity. And we look forward to reporting more on that. And we're incredibly focused on maintaining that service proposition, but that has to be accompanied by the best value in the market.

Look, you're right, in Adviser I said that clearly, we've got further to do. Gross flows were pretty consistent through the year. Q4 was about £1.8 billion, so we aren't quite yet where we need to be in terms of gross flows, but the support is increasing on the platform. We have seen some challenges on outflows. We called out the specifics. We don't want to over focus on that, but it's in the numbers, so we need to mention it. There is further work to do to close the jaws to get us back to that positive figure that we're aspiring to be at.

As I said in my remarks, we continue to invest heavily in the platform. We've launched the new SIPP now, which is a seamless experience. I think we've added approximately a thousand SIPP accounts since the beginning of December. So we're starting to see growth on the platform, that

is necessary to get back to that. But the only thing I can say is we're laser focused on this and there is work to do.

Now Stagecoach, that was an interesting transaction. They were looking for a solution. We've been talking to them about a number of different things. We were pleased to do it. It made a lot of sense for us to offer that solution. They've got a very forward thinking set of trustees and a corporate sponsor that did see real value in working with us, particularly for their members. At the heart of this, this is about offering the members of Stagecoach some opportunity to participate in the upside.

There was an increment that was offered immediately, which is great. And then there's effectively a profit share between ourselves and the Stagecoach members as we go further forward. That is supported for us, with an asset management agreement, which is our core business, and we're delighted to do that. And then there's a block of capital in that fund that supports the investment mix and the opportunity for extra member benefits and for surplus to come to us. So, in and of itself, we think it's a great transaction. We've got a limited appetite, but I've not ruled in or ruled out more. We're not sitting on the edge of about to announce more of these.

But if the circumstances are right, and there's a number of things that have to be right, we would look openly at this, but it's about being an asset manager that is focused on delivering for its customers. I mean, that's at the heart of what we're about.

Ben Bathurst, RBC: Good morning. I've got two questions on interactive investor, if I may. Starting with one on the cash balances, obviously you've referenced that step-up quarter on quarter. In light of the factors that you've mentioned that have been driving that in Q4, how are you expecting the cash balances to move in the early part of 2026? And is it reasonable to expect balances potentially to fall away slightly in absolute pounds billions terms in Q1? And then just on the SIPP managed portfolio, early days, I know, but have you managed to get any traction with that proposition in the first few months? And are there any views yet as to which customers that proposition is appealing to most? Thank you.

Siobhan Boylan: Hi Ben. So just to come back on the **ii** cash, so we've given you, it's about £8 billion. We'd expected to stay at the same percentage of the overall AUA, so that's about 8% to 10%, and I wouldn't expect that to change as we look forward into the future.

In terms of the managed SIPP, it's early days. We have had about a thousand customers come through that, so we're pleased with the traction, and we will continue to monitor and report progress on that.

Jason Windsor: And the Managed ISA has been open for longer, it's obviously a smaller product, I think we're doing about 50 customers a day, and it's ticking over quite nicely. So, we are seeing this pick-up and we expect further interest in it. I think by the time we get to March, we'll have enough data to be able to answer your second part of your question about the customers, but clearly the whole thesis around the work that we've been doing is to widen the appeal of the platform to customers who aren't purely self-investing. And this is part of the puzzle in broadening the net there.

Jacques-Henri Gaulard, Kepler-Chevreux: Yes, good morning. I have one question left, which is about the capital. You already had quite a bit of excess capital. You have clearly even more excess capital on the basis of your capital requirement being lowered. Would you consider amending your distribution policy?

Jason Windsor: Thank you. Well, you're right. We've got a strong balance sheet. We've got lots of options. We're certainly not flagging any change to that. I talked, as Siobhan mentioned, about capital allocation, I think with the new CFO now armed with a more modern approach to capital management, which is to use economic capital modelling. We'll talk further about this. One of our objectives is to lower our gross debt, so bear that in mind as we think about this. We will come back to that, and we will be a bit more expansive on both the numbers and the outlook for capital in March.

Mike Werner, UBS: Thank you very much for the presentation guys. Just two questions from me, please. One, just to dive a little bit deeper into the fee margin. I think you got it on the Investments side. 19.2 basis points for the full year, you were at 19.9 basis points in the first half, I believe. Should we think about this as kind of mid-high 18s fee margin for the second half and ultimately potentially lower run rate as we go into 2026 in terms of the exit rate from 2025. So that's the first question. And the second question, this is something I've been quite confused about in terms of the Stagecoach transaction, if there's any balance sheet impact on Aberdeen. It's a really interesting transaction, but just wanted to better understand if there is a balance sheet impact for Aberdeen. Thanks.

Siobhan Boylan: So on the fee margin, you're right, it was 19.9 basis points at Half year 2025 and we are guiding to 19.2 basis points for the year. As I look forward into 2026, I'd expect it to be around 19 basis points for the full year. The second half has got some mix effect, but as I look forward with market movements/improvements, that's what will support the revenue margin going forward as the mix changes back.

Jason Windsor: On Stagecoach, no significant impact, very, very marginal impact. We do think about the risks, but there was no cash consideration. So, we assumed the sponsorship onto the balance sheet. We thought very hard about what is the level of investment and other types of risk.

I've got that insurance background myself. And within our framework, it's certainly not zero risk, but the risk of us having to contribute extra cash is very remote indeed, about a 1 in 200 approach, of course, that's not zero.

Close

Jason Windsor: Okay. Well, look, thank you all very much for hopping on the call this morning. We do like to get out and talk to you all about how we're doing. Duncan and the IR team are available for any follow-ups that you wanted to pick up that you didn't get a chance to ask. But as I've said a couple of times, we are very much looking forward to the March presentation where we'll be able to expand on a number of these points and look forward to seeing you in the office for that. Have a good day.

Transcript ends

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