Aberdeen Group plc

Q3 2025 trading update

Call transcript

22 October 2025

Jason Windsor – Chief Executive Officer

Good morning, everyone. Thanks very much for joining our Q3 call. With me today is our CFO, Siobhan Boylan.

It has been another good quarter as we implement the plan we set out in March. Net flows and other key operational metrics improved year-on-year, and Group AUMA of £542bn is up 6% year-to-date, benefiting from positive markets.

In **interactive investor**, there has been continued strong performance across the board, and the team has done a terrific job sustaining growth in customers and assets. We have a pipeline of innovative new propositions, and with increasing brand awareness, **ii** is very well-positioned to sustain this positive momentum.

In **Adviser**, customer service has again improved and net flows were 50% better than in Q3 last year, but we are still in outflow. So, looking ahead, we remain focused on returning to growth and achieving our 2026 net flows target of £1bn.

And in **Investments**, while flows in equities remain challenging, we have seen encouraging net inflows in fixed income and real assets, as well as in quants and commodities.

As a result, we are confident in our prospects as a Wealth & Investments Group, with the growth potential across all three of our businesses reflected in our 2026 targets.

With that I'll hand over to Siobhan to take you through a little more detail.

Siobhan Boylan – Chief Financial Officer

Thanks Jason, and good morning everyone.

Beginning with **ii**, where momentum pleasingly remains strong across all key metrics.

Total customers reached 492k, including the expected c.20k from Jarvis. Excluding this acquisition, organic growth was 10%. This is ahead of our 8% target.

Strong momentum was also seen in higher value SIPPs, with transfers in at record levels in the quarter and customers rising to 98k, up 29% versus Q3 last year.

During Q3 customers continued to increase engagement with the platform's global trading and FX capabilities. Daily average trading volumes were up 43% and hit a record of 26.6k in the quarter.

Net inflows of £1.9bn were up 58% year-on-year. Combined with the completion of the Jarvis acquisition and positive markets, AUMA increased to £93.0bn.

As we outlined at the Spotlight event, building the **ii** brand is a key lever to drive our future growth. It is encouraging that brand awareness increased to 32% in Q3. This is up from 25% in Q4 and 18% in Q1 last year. We launched our new campaign last week to continue to raise brand awareness.

In summary**, ii** remains very well-positioned to deliver against its 2026 targets, given the strong inflows, growing customer numbers, increasing customer engagement and the new propositions that are due to go live in the near future.

In **Adviser**, assets increased 5% to £79bn reflecting positive markets.

Net outflows in the quarter improved by 50% to £0.5bn compared to Q3 last year. This reflects our strategic repricing earlier this year and our continued progress in improving service levels.

As a result, our net promoter score increased to 45 year-to-date, 5 points ahead of our target and 2 points higher than at H1.

Turning now to **Investments**, assets increased 3% to £382bn, with market performance offsetting net outflows.

£1.8bn of net outflows in the quarter were almost half the level of Q3 last year. This included Insurance Partner outflows of £1.1bn, principally reflecting Phoenix's heritage business in run-off.

Net inflows in Institutional and Retail Wealth, excluding Liquidity, improved by £2.9bn year-on-year to £0.2bn. This reflects higher gross inflows in Fixed income and Commodities. Redemptions in Equities also improved significantly but remain elevated, with net outflows of £1.6bn.

In the quarter, we launched two further active ETFs on the London Stock Exchange. Our global ETF product suite has now reached c.£12bn of assets under management.

In September, Phoenix announced their intention to in-source £20bn of shareholder assets. This is subject to a three years' notice period. We are working with Phoenix to manage this transition collaboratively and continue to have a strong relationship as their key asset management strategic partner. And, as Phoenix have indicated, we have the potential to attract a greater share of their policyholder business as they consolidate their asset manager partners.

Looking ahead, we are expecting a c.£4.5bn redemption from a Quants mandate in Q4 as a result of a client driven asset allocation change. Given the low margins on this business, this will have minimal revenue impact.

Turning back to the outlook for the Group.

We remain focused on improving efficiency across the Group. Our Transformation programme is on track and, as Jason said at the start, we are confident in the outlook for the Group. We continue to see the business delivering in line with our Plan and the targets set for 2026.

I will now hand over to the operator – and Jason and I will be very pleased to answer your questions.

Q&A

Hubert Lam, Bank of America: Good morning. Thanks for taking my questions. I've got three of them. Firstly, on Adviser, outflows seem to have gone backwards quarter on quarter. Can you talk a bit about what's going on here? Is there seasonality or is there some uncertainty around the UK Budget causing outflows in Adviser to weaken in the quarter?

Second question is on equity outflows. They still continue to be quite stark despite good markets. Do you attribute this to general industry trends or mainly due to your fund performance? And any update on fund performance in the quarter would be appreciated.

Lastly, can you give us an update on some of the initiatives you talk about around **ii**, including iiAdvice. What's the latest progress on them, and when should we expect them to start to bear fruit? Thank you.

Jason Windsor: Morning, Hubert. Thanks for your questions. I'll start with the **ii** initiatives. We went through those with you in Manchester a few months ago. I think that they're all proceeding to plan. We've got to cut through a little bit of final red tape – I'll put it like that – to get them actually launched into the market. But they are either in advanced beta testing or in pilot mode across each one of the three that we talked about. For those of you that can't remember, that is iiAdvice, the Managed SIPP, and ii360, which is the advanced trading platform. We think that's all to the good to broaden the net into interactive investor and to meet the growing customer needs. That is very much on the slate.

I'll make a couple of comments on your other two questions, Siobhan might want to add into that. I think in Adviser, we do point to, obviously, the improvement Q3 on Q3, and clearly we are worse than where we were in Q2. We've seen a steady improvement in gross flows. We've seen a little bit more outflow, perhaps, than we expected in Q3 – not really to other platforms. We're actually much better year to date in terms of transfers from our platform to other industry platforms, just under £1 billion better. It is one quarter. It is better than last year. We do continue to push hard to improve it. Everybody here at Aberdeen is very much focused on getting back to that net positive flow target for 2026. But there's more to do, frankly.

I don't want to overstate this point, but I'll mention it. We have seen a little bit of uncertainty and cash being taken out of pensions, ahead of the UK Budget. We'll see; that could play out a little bit further, depending on how the Chancellor manages the media to a degree, because there is uncertainty that is persisting.

Equities had a tough quarter. I keep making this point: we are changing the shop front so it's the most relevant that it can be. We've seen a real uptick in market levels, particularly in Asia-Pac and emerging markets. We've not seen the flows. I think it's an industry matter. We've had a couple of reallocations away from us, so there's clearly further work to do there.

I think [investment] performance is better in Q3 than we reported at the half year. We aren't giving the precise numbers. We've had a better quarter, which is good, but there's still further to go. The three-year numbers obviously take time to come through. But the year-to-date performance is showing signs, across the board, of improvement.

Siobhan Boylan: The only thing I'd add is, it is mainly Asian equities where you're seeing the equity outflows. But we are seeing a more global reallocation, asset allocation back into Asian equities. We may start to see some of that come through.

On the Adviser flows - if you look at the gross inflows, they are remaining steady. You'd expect we will see some of the pricing deals that we did at the beginning of the year come through this quarter and next. On the outflow side, there's a number of factors. There's nothing really to attribute those outflows to. That's up £0.2 billion in the quarter. A little bit of seasonality, a little bit of cash out, as you would expect.

Enrico Bolzoni, JP Morgan: Good morning. Thanks for taking my questions. Just a couple on **ii**, if I may. One on brokerage, which was clearly very strong over the quarter. Can you give us some colour on whether you expect also the margin on these volumes to be up, perhaps more FX trading, or just to help us understand whether the profitability of brokerage clients has also been strong over the quarter? That's my first question.

My second question is a bit more general on competition. Can you give us your view on how you see the competitive landscape for D2C investing in the UK evolving?

Then finally, your thoughts on the Budget. I know you mentioned that you saw some impact of that in Adviser, but perhaps you think the business is positioned for some of the key changes that have been rumoured - such as lowering the amount that you can put in a cash ISA or introducing a minimum level of investments, for example, in UK equity. How do you plan to position the business to benefit from these?

Siobhan Boylan: Thank you for your question. [On **ii** margins] We have seen strong FX trading, and that is coming through in the income. It is primarily due to international trading, so international equities. We've seen a spike in volatility, mainly in the back half of Q3 and coming into the start of Q4.

Jason Windsor: I think in the competitive part of the market, you've got two forces at work. The actual long-term savings part of the platform is dominated by four players. I think we were number one in terms of net flows last year and again in the first half. Net flows is not necessarily how we always measure our success because customer growth is fundamental. But if you look at the top four - I don't know the exact number - but that's well over 90% of the market. There's a real consolidation that has played out in that part of the longer-term savings market, SIPPs and ISAs.

On the brokerage side, there are more neo-brokers and competitors with different business models. Some of them that don't really work in the UK, some of them that have had some success, some that work with CFDs and crypto and a bit more esoteric products that we're not in. We're faithful to our customer propositions, doing the right thing for long-term savings. We've really got a strong reputation, and we're not going to put that at risk in the way that we trade. We feel that the brand awareness is largely coming through better customer recommendations. Actually, it's the day-to-day service that is really benefiting in creating the growth step up. It is competitive, but we are fighting hard and we're winning.

I think on the Budget, we can speculate all day long. The kite flying exercise is painful. What I want is stability and confidence, and the Chancellor making the right steps for the "UK Inc", which will allow confidence in UK consumers to invest for the long term, either in the UK or internationally. We've never been supportive of trying to direct the traffic. We think operationally that'd be quite difficult, and I'm not sure it's the right thing. But with a better UK economy, there will be more in direct investment from UK retail, in particular, where **ii** is the number one provider of retail trading into UK equities. We've seen some of that in the last quarter. We've also seen quite a lot of activity in the US, but we want to stay investment agnostic and customer focused.

Nicholas Herman, Citi: Good morning. Thanks for the call and taking my questions. A couple for me, please. Markets have been very supportive since early April. You said that you are confident in your targets, and I can understand that. If the markets remain supportive, it seems plausible that you could quickly get to a position of exceeding your target. In that context, how should we, and investors, think about the marginal cost/income for your business over and above your target? I mean, clearly there is variable compensation, but presumably you'd also increase growth in

Investments, too. So could you provide some broad quantitative guidance on marginal cost/income, either at Group level or segment level, that'd be helpful.

Then on **ii**, for the marketing campaign, will marketing incentives be similar to prior campaigns? Can you please quantify customer acquisition from recent marketing campaigns for **ii**? Is it fair to say that as brand recognition has improved over time, your marketing campaigns have also become more effective over time? Thanks.

Jason Windsor: On the targets, I think it's the first time I've been asked, if we are going to exceed them, which is a new one. We are continuing to work towards them. They are our targets for the Group, profit and capital generation. There was always some ambition in them: we continue to see better performance in **ii**, and we're taking more time in Investments and Adviser to come through. I think that's pretty evident in Q3 and in the year-to-date trends. There might be a slight mix change. But they are the numbers, and we're certainly not signaling higher targets.

The cost/income ratios, I've shied away from trying to generalise at a Group level because I don't think you can. I think **ii**'s efficiency remains very strong, and it's a key part of their success. You can see we have a clear cost to assets target as part of that. With the sale of FPAL [the Financial Planning business], that actually makes **ii** slightly more efficient in terms of cost to assets. You can do those numbers, but we'll restate that once the FPAL deal closes in Q1.

For Adviser, you can see those trends come through in the half year. I think we flagged a revenue margin of 27-ish basis points - that is going to continue to be under pressure, and we're going to continue to push on the cost side to maintain the level of profitability.

The harder one to manage, of course, is Investments. We've taken out a considerable amount of cost, but we've also seen considerable revenue pressure, mainly through mix change. Product to product is actually reasonably consistent. But we've seen growth in the lower margin side, growth in Fixed Income, growth in Quants and Liquidity. We're continuing to push the growth strategy through in Investments, because fundamental to us being more profitable in our Investments business, is achieving better net flows, frankly, across the board. But I've deliberately not set cost/income targets just because it's quite hard to manage.

On the **ii** marketing, we've reset the brand with a new campaign, which is about trying to broaden the name recognition. For a business that was number one in net flows, we're miles behind on the equivalent brand recognition. As I said in Manchester, and I can repeat now, I'd rather be that way around because that shows that we've got more growth potential within **ii** as the brand recognition improves. I just said customer recommendations are really important. iiCommunity was a great addition to the platform. That's helpful. It allows people to a) be engaged and b) talk about the experience that they're having. It's early days. We launched it [the new brand campaign] 10 days ago. We're not flagging progress on it yet. But what you should see is a sign that we continue to really believe in the brand. And we're really going to back it and make the investment necessary for us to drive the growth into 2026 and beyond.

Siobhan Boylan: You can see, obviously, the organic growth. Our target was 8% and it's coming through at 10%. That's before the brand campaign. You'll see that growth come through as a result of that increased brand awareness.

Nicholas Herman, Citi: But is it fair to say that the efficiency of marketing spend has been improving in time as that brand has been picking up?

Siobhan Boylan: I think the way I would look at it is if you think about our cost per AUA, it's that metric - which obviously includes the marketing campaign - is the one we focus on. When you take out FPAL, that falls below 20 basis points. That's the key metric we look at.

Jason Windsor: There's two parts to marketing, of course. There's the so-called "above-the-line" brand investment, which this is, and then there's the product incentives. We are getting better at product incentives, and you can see that in the transfer numbers. We're not the only people to work this out. But you start to tailor your personalisation, and your targeting does become more efficient, and the cost per account, therefore, benefits from that.

David McCann, Deutsche Numis: Morning, everyone. Just one question for me, please. Can you give us an update on where you are with the timeline for the new Chairman? Thank you.

Jason Windsor: No, there is no update that we are able to provide today, David. I'm sorry for that, but that's where we are. It's a process that's being managed by the Board, and we're not providing any update today.

Gregory Simpson, BNP Paribas Exane: Good morning. Just on Phoenix, the three-year notice period, does that mean the £20 billion comes out all at once in three years' time? Can you give us a sense of the market share or opportunity in their policyholder business? That's the first question.

Second one is on Financial Planning. I think the CMD for **ii** [**ii** Spotlight] showed a minus £8 million operating profit last year. Is that about the right magnitude for thinking about the financial impact from the sale?
Then thirdly on the Jarvis deal, are there more like that you can do in terms of UK D2C platforms that could be acquired or picked up? Thank you.

Siobhan Boylan: If I take the Phoenix one, yes, it is subject to a three-year notice period. Clearly, with all those sorts of things, you do work through it, but it is the three years you should use as a guide.

In terms of FPAL, from an operating profit perspective, I think it was about £12 million of revenue in the first half, but the operating profit is £0. That gives you an idea of the size of the impact for FPAL going forward.

Jason Windsor: On the Phoenix inflows, it's a big, complex account. We remain very supportive. We've won some, we lose some. There are reallocations, there's all sorts of things going on. They are trying to consolidate their asset management providers, and we are well placed within that. There's ins and outs. We've got - I can't remember the number now - somewhere between £12 and £14 billion of inflows this year and obviously more outflows. There's a lot going on. But we are continuing to be well placed to win that. Their asset management model is evolving, and you've seen that, as they've announced. On the policyholder side, we do expect to win more assets over time. That's a two to three-year view.

Jarvis, are there more? Well, we'd like to think so. There's nothing that we're sitting on, though. If we did see something similar that allowed a very clear acquisition approach. With Jarvis, just to be crystal clear, we didn't buy a platform. We bought a customer book, and they all transitioned to **ii** accounts. There's a real simplicity benefit there. They'll become **ii** customers. We will lose a few of the Jarvis customers as part of that. They've got a six-month subscription-free period to allow them to make the decision whether **ii** is the right place for them or they might choose to go elsewhere.

Close

Jason Windsor: Thank you all very much for joining. As we've said, it's been an encouraging quarter. Particularly in **ii**, where we've seen real growth in customer numbers and assets. We continue to work very much toward delivering the strategy, the plan that we set out in March, and we are pleased to announce where we've got to today. We'll continue to engage with you all. Any further questions, please do not hesitate to call the IR team. Thank you very much.

Transcript ends