
Press information

11th May 2017



Nucleus delivers £4.3m profit for 2016 as assets and revenue grow strongly...

- Year end assets hit £11.4bn – up 23%
- Turnover increased 15% to £33.3m
- Profit up 21% on a like for like basis against 2016

...and continues momentum into Q1 with record results

- Q1 gross inflows 43% up on 2016 at £653m
- Q1 net inflows 77% up on 2016 at £452m
 - Net to gross ratio hits 69%

Nucleus, the adviser-built wrap, has announced its financial results for the year ended 31 December 2016.

Profit before tax hit £4.3m, up 21% on a like for like basis from £3.6m in 2015.*

Assets under administration (AUA) reached £11.4bn at the end of 2016 up 23% from an AUA of £9.3bn at the end of 2015. AUA has climbed to £12.2bn as at the end of Q1 2017.

Turnover increased to £33.3m over 2016, a 15% rise on the £29m reported for the previous year.

Net inflows for the full year totalled £1.1bn, a slight dip on the previous year's net inflow of £1.3bn but in line with the decline in net inflows year on year across the advised platform market. This was achieved against a backdrop of much political and economic uncertainty throughout most of 2016 as a result of both the UK Brexit decision and the US Presidential election, together with the market reaction to both events.

Net inflows improved sharply in Q4 2016 increasing 27% on the previous quarter in response to the more assertive market direction as political and economic uncertainty washed through.

This improvement in net inflows has continued into the first quarter of 2017 with record inflows recorded and a 77% uplift year on year at £452m.

Doug Heron, chief financial officer of Nucleus, said: 'We are extremely pleased with our 2016 results, particularly given the difficult set of market, political and economic conditions that existed throughout much of the year. We have seen a very strong uplift in our assets, turnover and profit.'

‘At the same time, we have continued to invest in the platform in key areas such as our client reporting tool, Narrate and in our people and servicing capabilities which has seen service levels improve markedly over the year and has been reflected in an increase in user sentiment.’

‘While net inflows were down year on year, this was largely in line with market performance across the first half of the year.’

David Ferguson, founder and CEO of Nucleus added: ‘We’ve seen very positive momentum kick in in terms of inflows in Q4 2016 and I’m really pleased to say that this has continued strongly into the first quarter of this year with net inflows up 77%. And we’re seeing this momentum carry into Q2 as well.’

‘Our improved scale and increased profit has allowed us to reduce prices for clients with larger portfolios as we announced earlier this year. This will come into effect from 1 July and this has already generated a substantial volume of new enquiries.’

‘This year will see a further increase in investment in our core platform technology, our people and in broadening our user proposition. This investment is critical in ensuring we can deliver a regular cycle of platform improvements in 2018 and beyond, as well as widening our range of services.’

‘With such a strong set of results we have never been more confident for the year and years ahead and in particular the role independent wrap platforms will play in the landscape post MiFID II, FAMR and the Asset Management review.’

–Ends –

* Total reported profit in 2015 was £4.8m which included a one-off non-recurring contribution of £1.2m as a result of a change in operating model.

For further information please visit www.nucleusfinancial.com or contact:

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the client centre stage.

Since then, Nucleus has established itself as a major force for change. It is now one of the UK’s fastest-growing platforms and the meeting point for more than 400 adviser firms in total seeking to create better customer outcomes.

As at 1st April 2017, assets under administration on the platform were £12.2bn.

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