

Nucleus Financial

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Financial platforms IntegraFin, AJ Bell, and Nucleus trend up after bullish Berenberg initiation

"Remarkable growth" in financial platforms has prompted a raft of bullish valuations from Berenberg.

AJ Bell, Nucleus, and IntegraFin were all praised in a note to clients by the German bank on Thursday.

READ: AJ Bell gains 17% more customers as investors move online
 Shares in financial platform IntegraFin Holdings PLC (LON:IHP) rose 1.5% to 395p in midday trading on Thursday, followed by sector-mates AJ Bell PLC (LON:AJB), up 1.8% and Nucleus Financial Group PLC (LON:NUC), which gained 0.7%.

All three have had a storming year since floating on the London Stock Exchange in 2018, with shares on average rising 60% from their respective listing prices.

Berenberg also took heart from the 21% compound annual growth in assets under administration on the platforms since 2012.

The German investment bank rated IntegraFin as its "top pick" in the sector, initiating it at a 'buy' rating and setting a 460p price target, and slapped the same rating on the smaller Nucleus with a 205p price target.

It cited IntegraFin's "best-in-class" margins, expected to expand to 53% in 2022, while "low hanging fruit" at AJ Bell and, in particular, Nucleus, should allow yet greater gains of 2-3 percentage points per year.

"Combined with growth in recurring revenues, this should drive impressive EPS growth of 16-20% per annum across the sector," the bank concluded.

Berenberg said it expects both advisory and direct-to-consumer services, which help users manage financial portfolios, to continue to grow up to 12% annually, thanks to long-term structural trends in the sector including increasing wealth, ageing demographics and regulatory changes.

The bank initiated AJ Bell with a 'hold' and target price of 370p, saying that the diversified platform which offers both adviser and direct-to-consumer services was trading at a premium to the sector and so offered less upside.

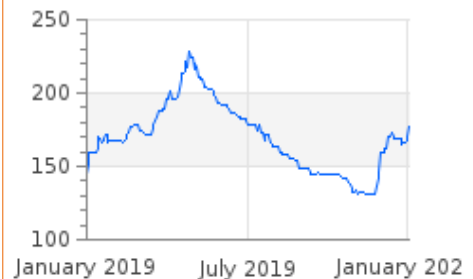
AJ Bell said in October that it picked up 17% more customers in the past financial year and grew assets under administration by 13% to £52.3bn.

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Price: 179

Market Cap: £136.89 m

1 Year Share Price Graph



Share Information

Code: NUC

Listing: LSE

52 week	High	Low
	234	127

Sector: Financial Services

Website: nucleusfinancial.com

Company Synopsis:

Nucleus was created in 2006 by a group of seven adviser firms who saw that pensions and investment products weren't as flexible as they could be. They created a new model that took control away from the life companies and fund managers and put the adviser in charge so they'd be free to create independent, tax-efficient, low cost investment solutions for each and every client.

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