

## 9 months 2016: MLP significantly increases total revenue and earnings

- 9M: Total revenue up 14 percent to EUR 418.7 million, operating EBIT more than doubled over the previous year to EUR 16.1 million
- Q3: Total revenue rose to EUR 135.0 million (Q3 2015: EUR 122.9 million), operating EBIT increased to EUR 6.6 million (EUR -0.7 million)
- Old-age provision: MLP records slight gains two quarters in succession – around 76 percent of the new business is based on new guarantee products
- Wealth management: Significant growth (up 12 percent) in the third quarter, assets under management reached the EUR 30 billion mark for the first time
- Outlook: As announced, EBIT level to rise again significantly from 2017

Wiesloch, 10<sup>th</sup> November 2016 – The MLP Group was able to continue the positive development of the first six months in the third quarter of 2016. Some significant gains were made over the previous year in the relevant KPIs. On this basis, total revenue increased 14 percent to EUR 418.7 million in the first nine months, while operating earnings before interest and taxes (operating EBIT) more than doubled to EUR 16.1 million. EBIT including the announced one-off expenses as part of the efficiency programme was EUR 11.5 million.

In terms of business performance, MLP benefited from significant gains in the wealth management area (up 12 percent) and non-life insurance area (up 47 percent) in the third quarter. MLP also recorded a slight increase in

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the old-age provision area for the second quarter in succession. The fact that clients are increasingly opting for new guarantee concepts underlines this consulting segment's return to more positive development. Indeed, these concepts represented around 76 percent of all contracts concluded in the first nine months.

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"The results demonstrate that we are on the right track. Our efficiency programme is running to schedule and we are making good progress in terms of both revenues and operating result. Also we see the old-age provision area is bottoming out," commented Chief Executive Officer, Dr. Uwe Schroeder-Wildberg.

9M: Commission income increases 14 percent to EUR 388.9 million

In the period from January to September 2016, total revenue was EUR 418.7 million (9M 2015: EUR 367.8 million) – an increase of 14 percent. At the same time, commission income rose from EUR 341.1 million to EUR 388.9 million. Due to the low interest rate, interest income of EUR 15.5 million (EUR 16.1 million) was below the previous year. Other revenue was EUR 14.2 million (EUR 10.6 million).

The breakdown by consulting fields shows significant growth in the non-life insurance business, in which revenue increased from EUR 36.7 million to EUR 85.6 million. Around EUR 54.3 million of this can be attributed to the ongoing positive development of the DOMCURA subsidiary acquired mid 2015. Examining just the third quarter, in which DOMCURA was included in the previous year's figures from the end of July, the increase in commission in-

come is 47 percent (from EUR 11.5 million to EUR 16.9 million). At EUR 34.0 million after nine months (9M 2015: EUR 33.6 million), revenue in the health insurance field is also slightly above the previous year. The same is also true of the wealth management segment (increase from EUR 121.3 million to EUR 122.9 million). In this field of consulting, the MLP Group benefited from a very strong third quarter, in which revenues – also affected by the overall positive capital market development – increased by 12 percent to EUR 43.5 million (Q3 2015: EUR 38.7 million). As of 30<sup>th</sup> September, the assets under management at the subsidiary FERL and at MLP Finanzdienstleistungen AG reached the EUR 30 billion mark for the first time (30<sup>th</sup> June, 2016: EUR 29.2 billion). "In the last few years, we have established the wealth management segment as a key revenue pillar. With assets under management of EUR 30 billion, we now take an increasingly strong market position among both institutional and private clients. The MLP Group today enjoys a significantly more stable position than just a few years ago," comments Uwe Schroeder-Wildberg.

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In the old-age provision field, the brokered premium sum of new business increased by 3 percent to EUR 2,076 million in the first nine months of the year (9M 2015: EUR 2,014 million). Despite the growth in new business, the revenues generated are slightly lower than in the previous year at EUR 127.2 million (EUR 128.0 million). The main reason for this was a one-off positive effect in the first quarter of the previous year, caused by the correction of a settlement by a product partner. 2016 has now seen positive development for two quarters in succession. In the period between July and September, revenue increased by 2 percent to EUR 45.7 million (Q3 2015: EUR 44.8 mil-

lion). MLP also benefited from a very fast adjustment to the new product portfolio in comparison with the market at large. Indeed, only 11 percent of clients opted for classic products with guaranteed interest rates in the first nine months – while 76 percent went for new guarantee models and 13 percent preferred purely unit-linked solutions. At EUR 10.4 million, revenue from loans and mortgages in the first nine months of the year was only slightly below the record level set the previous year (9M 2015: EUR 11.1 million). Other commission and fees, an item that primarily reflects brokerage of real estate, were EUR 8.8 million (EUR 10.4 million).

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9M: Operating EBIT for the period increases to EUR 16.1 million  
Operating EBIT (before one-off expenses) increased from EUR 7.4 million to EUR 16.1 million in the first nine months of the year. As announced, around EUR 15 million in one-off expenses will be accrued this year within the scope of the ongoing efficiency programme. Of these, approximately EUR 4.6 million are attributable to the first nine months, which means that the EBIT is EUR 11.5 million (EUR 7.4 million). The one-off expenses still outstanding of around EUR 10 million will be accrued in the final quarter. The one-off expenses also affect the net profit for the period, which is EUR 9.6 million as at 30<sup>th</sup> September, 2016 (EUR 3.7 million).

## Q3: Total revenue up 10 percent

Taking the third quarter on its own, total revenue increased by 10 percent to EUR 135.0 million (Q3 2015: EUR 122.9 million). At EUR 6.6 million, the operating EBIT is above the previous year's level (EUR -0.7 million). Including one-off expenses of EUR 2.8 million, EBIT amounted to EUR 3.8 million (EUR

-0.7 million). The net profit for the period was EUR 4.0 million (EUR -2.9 million).

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MLP serves 514,600 family clients and 18,600 corporate clients

As of September 30, 2016, the MLP Group served 514,600 family clients (30<sup>th</sup> June, 2016: 512,800). In the first nine months of the year, the gross number of newly acquired family clients increased by 9 percent to 14,300. In addition MLP serves 18,600 corporate and institutional clients (30<sup>th</sup> June, 2016: 18,600). As of 30<sup>th</sup> September, 1,924 client consultants worked for MLP (June 30, 2016: 1,925), on 30<sup>th</sup> September, 2015 this figure was 1,922.

Outlook: Considerable increase in EBIT still expected for 2017

In February, MLP introduced measures to significantly reduce costs once again in the financial year 2017 and the following years and to achieve a positive EBIT effect of EUR 15 million compared to the financial year 2015. This will incur one-off expenses of around EUR 15 million in the financial year 2016, some EUR 4.6 million of which were recorded in the first nine months. On this basis, the objective remains to considerably increase EBIT again from the financial year 2017 onwards.

"We are doing well in 2016. As is typical for our business model, the fourth quarter is particularly important. We remain confident that we will record slightly positive operating development for the financial year," explains Chief Financial Officer Reinhard Loose.

## An overview of key figures

MLP Group (in EUR million)	Q3/2016	Q3/2015	Change in %		9 months 2016	9 months 2015	Change in %
Revenue	128.8	119.9	7		404.5	357.2	13
Commission income	123.6	114.6	8		388.9	341.1	14
Interest income	5.2	5.3	-2		15.5	16.1	-4
Other revenue	6.2	3.0	>100		14.2	10.6	34
Total revenue	135.0	122.9	10		418.7	367.8	14
Operating EBIT	6.6	-0.7	>100		16.1	7.4	>100
Earnings before interest and tax (EBIT)	3.8	-0.7	>100		11.5	7.4	55
Earnings before tax (EBT)	3.7	-2.8	>100		11.0	5.0	>100
Net profit	4.0	-2.9	>100		9.6	3.7	>100
Earnings per share (diluted/basic) in euros	0.04	-0.03	>100		0.09	0.03	>100
Family clients					514,600	512,800*	0
Corporate, institutional clients					18,600	18,600*	0
Client consultants					1,924	1,925*	0

\*) June 30, 2016

## About MLP:

The MLP Group is the partner for all financial matters – for private clients as well as for companies and institutional investors. With our four brands, each of which enjoys a leading position in their respective markets, we offer a broad range of services:

- MLP Finanzdienstleistungen AG: The dialogue partner for all financial matters
- FERI AG: The investment expert for institutional investors and high net-worth individuals
- DOMCURA AG: The underwriting agency focusing on private and commercial non-life insurance products
- TPC GmbH: The specialist in occupational pension provision management for companies

The views and expectations of our clients always represent the starting point in each of these fields. Building on this, we then present our clients with suitable options in a comprehensible way so that they can make the right financial decisions themselves. For the implementation, we examine the offers of all relevant product providers in the market. Our product ratings are based on scientifically substantiated market and product analyses.

Manfred Lautenschläger and Eicke Marschollek founded MLP in 1971. Just under 2,000 self-employed client consultants and just under 1,800 employees work at MLP.

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