

## FY 2016: MLP significantly increases revenue and operating EBIT

- Total revenue up 10.1 percent to EUR 610.4 million (EUR 554.3 million)
- Operating EBIT rises by 14.3 percent to EUR 35.1 million (EUR 30.7 million)
- Old-age provision: MLP benefits from early adoption of new guarantee concepts and wins market shares
- Executive Board proposes a dividend of 8 cents per share (12 cents) – distribution rate is within the announced corridor
- Outlook for 2017: As announced, operating EBIT (before one-off expenses) is expected to increase to at least EUR 45 million

Wiesloch/Frankfurt, 23rd February 2017 – The MLP Group ended the financial year 2016 with significant gains in important key figures. Total revenue rose 10.1 percent to EUR 610.4 million, while the operating earnings before interest and tax (operating EBIT) increased by 14.3 percent to EUR 35.1 million. MLP benefited from further diversification of its revenue base, particularly through gains in the non-life insurance area. At the same time, MLP was able to record increases in the old-age provision for three quarters in succession, while revenue in this consulting area was 7.4 percent higher in the final quarter than in the same period of the previous year. The premium sum of new business increased by 6.2 percent in 2016 – in comparison with an average mar-

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ket increase of just 1.5 percent. MLP won a total of 20,500 new family clients in 2016 – this represents an increase of 10.8 percent over the same period of the previous year.

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As announced, one-off expenses of EUR 15.4 million were accrued in the last financial year within the scope of the efficiency programme. In light of this, earnings before interest and taxes (EBIT) declined to EUR 19.7 million, while net profit for the period declined to EUR 14.7 million. On the basis of this earnings development, the Executive Board proposes a dividend of 8 cents per share (12 cents). At 60 percent, the distribution rate is within the announced corridor of between 50 and 70 percent of net profit for the period.

"MLP achieved more in 2016 than could have been expected at the start of the year. We further diversified our revenue basis and increased market shares, accelerated the process for winning new clients and laid the foundations for structural cost reductions. Given the market conditions in which we were operating, we are satisfied with the financial year overall," explains Chief Executive Officer, Dr. Uwe Schroeder-Wildberg. "With these steps, we also continued our strategic approach of establishing an even broader basis for MLP and making it less dependent on short-term market influences."

FY 2016: Total revenue increases to EUR 610.4 million

Total revenue rose by 10.1 percent to EUR 610.4 million in 2016 (2015: EUR 554.3 million). MLP thereby benefited from considerable growth in

the non-life insurance area, in which revenue grew from EUR 54.9 million to EUR 105.6 million. Around EUR 68.7 million of this can be attributed to the ongoing positive development of the DOMCURA subsidiary acquired mid 2015. Revenue in the old-age provision increased by 2.7 percent to EUR 221.5 million (EUR 215.7 million) – despite the fact that the previous year's figure included a one-off positive effect resulting from the correction of an incorrect settlement by a product partner. This successful development is primarily down to a strong closing quarter, in which revenue rose by 7.4 percent to EUR 94.3 million (Q4 2015: EUR 87.8 million). This means that MLP recorded gains in the old-age provision area for three quarters in succession in 2016. At EUR 3,688.6 million, the premium sum of new business generated in the financial year was 6.2 percent above the previous year (2015: EUR 3,473.2 million), while growth in the overall market was just 1.5 percent. One key reason for the successful development enjoyed by MLP was its ability to adapt quickly to new product requirements and client demands: Whereas just under 50 percent of contracts in the market were brokered with classic guarantees in 2016, this figure made up just 14 percent of the newly brokered contracts at MLP. Instead, 72 percent of clients opted for new types of guarantees and 14 percent preferred purely unit-linked policies. "Just like the introduction of the Riester and the basic pension, we were fast to adapt to altered client requirements and market conditions. This was an important foundation for our success in 2016 and also represents an excellent basis for the future," explains Uwe Schroeder-Wildberg.

At EUR 166.4 million (EUR 166.0 million), revenue in the wealth management area remained virtually unchanged at the record level recorded in the previous year, despite the sale of FERI EuroRating Services AG in mid 2016. The assets under management at FERI and MLP Finanzdienstleistungen AG continued to display positive development and were EUR 31.5 billion as of 31st December 2016 (30th September 2016: EUR 30.0 billion). At EUR 45.8 million, revenue generated from the area of health insurance remained at the same level as the previous year (2015: EUR 45.9 million). MLP was also able to increase its market share in this consulting area. Although the number of persons holding comprehensive private health insurance declined throughout the market for the fifth time in succession, MLP was actually once again able to record a slight increase. With revenue of EUR 15.4 million (EUR 16.2 million), the loans and mortgages area is slightly below the record level recorded in the previous year. At EUR 15.4 million (EUR 15.6 million), other commission and fees, which are mainly attributable to the real estate brokerage, remain at the previous year's level.

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Operating EBIT increases to EUR 35.1 million

Operating EBIT (before one-off exceptional costs) increased by 14.3 percent to EUR 35.1 million (EUR 30.7 million) in the financial year. As announced, one-off exceptional costs were accrued within the scope of the efficiency programme. These amounted to EUR 15.4 million, resulting in an EBIT of EUR 19.7 million (EUR 30.7 million). The one-off exceptional costs also have an effect on the net profit for the period of EUR 14.7 million (EUR 19.8 million).

Q4: Total revenue 2.8 percent up on previous year

Taking the fourth quarter on its own, total revenue increased by 2.8 percent to EUR 191.7 million compared to the same period of the previous year (Q4 2015: EUR 186.5 million). The old-age provision in particular enjoyed positive development with growth of 7.4 percent (from EUR 87.8 million to EUR 94.3 million). Operating EBIT was EUR 19.3 million, while EBIT including one-off exceptional costs of EUR 11.1 million was EUR 8.2 million (EUR 23.3 million). The net profit for the period was EUR 5.1 million (EUR 16.1 million).

MLP serves 517,400 family clients and 19,200 corporate clients

As of 31st December 2016, the MLP Group served 517,400 family clients (30th September 2016: 514,600). The gross number of newly acquired family clients increased by 10.8 percent to 20,500 in the financial year (2015: 18,500). In addition MLP serves 19,200 corporate and institutional clients (30th September 2016: 18,600). As of 31st December 2016, 1,940 client consultants worked for MLP (30th September 2016: 1,924); on 31st December 2015 this figure was 1,943.

2017: Operating EBIT shall rise to at least EUR 45 million

As communicated just a few days ago, MLP will further optimise its group structure in the financial year 2017 and is set to bundle its regulated banking business in a new company. Implementation of the measures should lead to a significant increase in free own funds. MLP is thereby significantly extending its scope for action, above all for in-

vestments and acquisitions, but also in terms of its dividend distribution. Another focus will be on strengthening the university segment with the aim to accelerate the acquisition of new clients and consultants. In addition to this, MLP will continue to pursue further diversification of its revenue basis and implementation of its digitalisation strategy.

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In the past year, MLP laid the foundations for significantly reducing the cost base of administrative expenses relative to 2015 from 2017 onwards. In 2017, this low cost base will – as already announced – be subjected to additional expenses of around EUR 9 million for the implementation of the new Group structure. Despite these one-off exceptional costs, MLP is anticipating an EBIT of at least EUR 36 million. This corresponds to an operating EBIT of at least EUR 45 million. "With implementation of the altered group structure, we are significantly extending our entrepreneurial and economic scope for action. This is an important investment in our future. At the same time, we are targeting a further increase in earnings," explains Chief Financial Officer, Reinhard Loose.

MLP will present the details of its business development during 2016 and on its further strategy today at 10 a. m. during the annual press conference.

An overview of key figures

MLP Group (in EUR million)	Q4/2016	Q4/2015	Change in %	12 months 2016	12 months 2015	Change in %
Revenue	186.1	178.4	4.3	590.6	535.7	10.2
Commission income	181.2	173.2	4.6	570.1	514.3	10.8
Interest income	4.9	5.3	-7.5	20.5	21.4	-4.2
Other revenue	5.6	8.1	-30.9	19.8	18.7	5.9
Total revenue	191.7	186.5	2.8	610.4	554.3	10.1
Operating EBIT	19.3	23.3	-17.2	35.1	30.7	14.3
Earnings before interest and tax (EBIT)	8.2	23.3	-64.8	19.7	30.7	-35.8
Earnings before tax (EBT)	7.7	22.9	-66.4	18.7	28.0	-33.2
Net profit	5.1	16.1	-68.3	14.7	19.8	-25.8
Earnings per share (diluted/basic) in euros	0.05	0.15	-66.7	0.13	0.18	-27.8
Family clients				517,400	514,600*	
Corporate, institutional clients				19,200	18,600*	
Client consultants				1,940	1,924*	

\*) 30th September 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 client consultants and almost 1,800 employees work at MLP.

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