

## 1st half-year 2017: MLP significantly increases revenue and earnings

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- Total revenue up 6 percent to EUR 300.6 million, operating EBIT rises to EUR 15.9 million (H1 2016: EUR 9.3 million)
- Net profit up 88 percent to EUR 10.5 million
- Q2: Total revenue up 5 percent to EUR 137.6 million, operating EBIT: EUR 2.7 million (Q2 2016: EUR 0.4 million)
- Diversified gains in the wealth management, non-life insurance, loans and mortgages and real estate brokerage business
- New client acquisition up 8 percent in the first six months – around 13 percent of new clients acquired online
- Outlook confirmed: Operating EBIT to increase to at least EUR 45 million

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**Wiesloch, August 10, 2017** – The MLP Group enjoyed considerable growth in crucial key figures in the first half year 2017. Total revenue rose by 6 percent to EUR 300.6 million, while the operating result before interest and taxes (operating EBIT) increased by 71 percent to EUR 15.9 million. MLP was also able to achieve gains in the traditionally rather modest second quarter. Indeed, increases were recorded both in total revenue (up 5 percent to EUR 137.6 million) and operating EBIT, which amounted to EUR 2.7 million following EUR 0.4 million in the previous year. The wealth management area was the key driver here; but also the non-life insurance, loans and mortgages and real estate business were able to generate substantial gains. In addition MLP acquired 10,000 new family clients in the first half of the year (an increase of 8 percent) – some 13 percent of which were acquired via online

policy sales. At the end of the first half of the year, MLP confirms its outlook for the financial year: The objective is still to achieve operating EBIT of at least EUR 45 million.

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"Our strategic initiatives are having a visible impact. We are also satisfied with the operating performance in the first six months. We are on a good path, not just to significantly improve profitability, but also to permanently modernise the company," comments Chief Executive Officer, Dr. Uwe Schroeder-Wildberg. "However, the first half of the year underlines just how important it has been for us to further optimise our business model over the last few years with the diversification of our revenue basis. We were able to more than compensate for market condition-based declines in the old-age provision and health insurance areas with gains in the other consulting segments over the last few months."

## **H1: Total revenue increases by 6 percent to EUR 300.6 million**

Total revenue in the period from January to June 2017 was EUR 300.6 million (H1 2016: EUR 283.6 million) – an increase of 6 percent. At the same time, commission income rose from EUR 265.3 million to EUR 281.3 million. At EUR 10.3 million (EUR 10.3 million), interest income remains at the previous year's level.

Examining the consulting segments in detail, the greatest percentage increase was seen in the real estate brokerage business. This is recognised under "Other commission and fees", which increased by 65 percent to EUR 9.4 million (EUR 5.7 million). The second highest growth rates were re-

corded by the wealth management area with an increase in revenue of 16 percent (rise from EUR 79.3 million to EUR 92.1 million). Assets under management rose to EUR 32.0 billion at the end of the first half of the year (March 31, 2017: EUR 31.6 billion). Considering the second quarter on its own, growth in this consulting field is 15 percent (from EUR 40.4 million to EUR 46.4 million). The MLP Group benefited from an increase in new business in MLP's private client business and at its subsidiary FERI. In addition performance-based remuneration at FERI also increased due to the positive performance of client portfolios. The loans and mortgages area also recorded a gain of 13 percent, with revenue increasing from EUR 6.8 million to EUR 7.7 million. In the non-life insurance area, the positive development continued both in MLP's private client business and at the subsidiary DOMCURA. As a result of this, revenue rose by 5 percent to EUR 72.3 million (EUR 68.7 million).

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After the first six months of the year, the old-age provision area is 5 percent below the previous year. Revenue reached EUR 77.2 million (EUR 81.6 million). In this consulting field, MLP continues to be impacted by the significant reservations of many consumers throughout the market when it comes to signing long-term contracts. With revenue of EUR 22.7 million (EUR 23.3 million), the health insurance area is slightly below the previous year's level.

## **Operating EBIT increases to EUR 15.9 million**

Operating EBIT (before one-off exceptional costs) increased from EUR 9.3 million to EUR 15.9 million in the first half of the year. As announced, the further optimisation of the Group structure will generate one-off exception-

al costs of EUR 9 million in 2017. Around EUR 1.4 million of these costs was incurred in the first half of the year (EUR 1.6 million). As a result EBIT amounted to EUR 14.5 million (EUR 7.7 million). Net profit increased by 88 percent to EUR 10.5 million (EUR 5.6 million) in the first half year.

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## **Q2: Operating EBIT rises from EUR 0.4 million to EUR 2.7 million**

In the period from April to June 2017 total revenue increased by 5 percent to EUR 137.6 million (Q2 2016: EUR 131.3 million). At EUR 2.7 million, operating EBIT is significantly higher than the previous year (EUR 0.4 million). EBIT including one-off exceptional costs of EUR 0.6 million (EUR 1.4 million) was EUR 2.1 million (EUR -1.0 million). The net profit for the period rose to EUR 2.0 million (EUR -0.6 million).

## **MLP serves 522,900 family clients and 19,400 corporate clients**

As of June 30, 2017, the MLP Group provided its services to 522,900 family clients (March 31, 2017: 519,800). The number of newly acquired family clients increased by 8 percent to 10,000 (H1 2016: 9,300) in the first half of the year. MLP acquired around 13 percent of these new clients via online policy sales, which were introduced within the scope of the digitalization strategy. Moreover, the MLP Group provided their services to 19,400 corporate and institutional clients at the end of the first half of the year (March 31, 2017: 19,300). As of June 30, 1,895 client consultants worked for MLP (March 31, 2017: 1,913).

## **Strategic initiatives are on track and on schedule**

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The strategic initiatives of MLP that were announced and introduced in February keep running according to schedule. One focus will be on strengthening the university segment with the aim of further extending the acquisition of new clients and young consultants. To this end, MLP has appointed an additional divisional board member, who bears responsibility across all locations for MLP's presence in the university segment. These activities were launched in April and MLP has already seen an increase in applications and recruitment figures over the last few weeks. A second key initiative focuses on the further optimisation of the Group structure, with separation of the brokerage business from the increasingly regulated banking business. The objective here is to significantly increase free regulatory equity capital by the end of 2021 – primarily to expand financial leeway for investments and acquisitions, yet also for dividend payouts. Implementation of the Group structure is scheduled for completion before the end of this year. All banking activities, including investment advisory services, will then be bundled at MLP Banking AG, while all other consulting services will be provided by MLP Finanzberatung SE.

## **Outlook confirmed: Increase in operating EBIT to at least EUR 45 million**

This measure will incur one-off exceptional costs of approximately EUR 9 million in the financial year. Despite these one-off costs, MLP is anticipating EBIT of at least EUR 36 million for 2017 (2016: EUR 19.7 million). This corresponds to an operating EBIT of at least EUR 45 million (2016: EUR 35.1 million). "By diversifying our revenue streams, the first half of the year has become significantly more important for us. Yet despite this, the second half of

the year, and the closing quarter in particular, remains the key for the earnings of the entire financial year," explains Chief Financial Officer, Reinhard Loose. "We have laid sound foundations in the first half of the year and now anticipate an upturn in the old-age provision segment in the second half of the year, in particular due to the legislation to strengthen occupational pension provision in Germany. At the same time, we are fully aware of the burdens that our market environment continues to face."

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## An overview of key figures

MLP Group (in EUR million)	Q2/2017	Q2/2016	Change in %		6 months 2017	6 months 2016	Change in %
Revenue	132.7	126.8	5		291.6	275.7	6
Commission income	127.5	121.7	5		281.3	265.3	6
Interest income	5.2	5.1	2		10.3	10.3	0
Other revenue	5.0	4.4	14		9.0	8.0	13
<b>Total revenue</b>	<b>137.6</b>	<b>131.3</b>	<b>5</b>		<b>300.6</b>	<b>283.6</b>	<b>6</b>
<b>Operating EBIT</b>	<b>2.7</b>	<b>0.4</b>	<b>&gt;100</b>		<b>15.9</b>	<b>9.3</b>	<b>71</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>2.1</b>	<b>-1.0</b>	<b>&gt;100</b>		<b>14.5</b>	<b>7.7</b>	<b>88</b>
<b>Earnings before tax (EBT)</b>	<b>1.9</b>	<b>-1.2</b>	<b>&gt;100</b>		<b>13.9</b>	<b>7.3</b>	<b>90</b>
<b>Net profit for the period</b>	<b>2.0</b>	<b>-0.6</b>	<b>&gt;100</b>		<b>10.5</b>	<b>5.6</b>	<b>88</b>
<b>Earnings per share (diluted/basic) in euros</b>	<b>0.02</b>	<b>-0.01</b>	<b>&gt;100</b>		<b>0.10</b>	<b>0.05</b>	<b>100</b>
<b>Family clients</b>					<b>522,900</b>	<b>519,800*</b>	<b>1</b>
<b>Corporate, institutional clients</b>					<b>19,400</b>	<b>19,300*</b>	<b>1</b>
<b>Client consultants</b>					<b>1,895</b>	<b>1,913*</b>	<b>-1</b>

\*) As at March 31, 2017

## About MLP:

The MLP Group is the partner for all financial matters – for private clients, as well as 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 management for companies

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The views and expectations of our clients always represent the starting point in all 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. In advising and supporting our clients, 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. Around 1,900 self-employed client consultants and just under 1,700 employees work at MLP.