

## 9M: Total revenue increased to EUR 525.4 million – EBIT 41 percent above previous year

- Positive trend continues – Diversification strategy is paying off especially in times of Covid-19
- 9M: Total revenue increases by 8 percent to EUR 525.4 (9M 2019: EUR 487.3 million)
- Successful development recorded above all in real estate brokerage (up 82 percent), wealth management (up 16 percent) and non-life insurance (up 7 percent)
- Earnings before interest and taxes (EBIT) increased significantly to EUR 26.8 million (9M 2019: EUR 19.0 million)
- Number of consultants increased further to 2,052, representing a rise of 121 compared to the previous year's figure
- Forecast for 2020: MLP is continuing to anticipate EBIT at the upper end of the communicated corridor of EUR 34 million to EUR 42 million

**Wiesloch, November 12, 2020** – The MLP Group has continued the growth trend it has enjoyed over the past quarters and was able to increase total revenue by 8 percent in the first nine months to a new all-time high of EUR 525.4 million. MLP could more than compensate for coronavirus-based declines, above all recorded in the field of old-age provision, with significant increases in real estate brokerage (up 82 percent), wealth management (up 16 percent) and non-life insurance (up 7 percent). At EUR 26.8 million, earnings before interest and taxes (EBIT) were also significantly above the figure from the first nine months of 2019 (EUR 19.0 million). With the gains re-

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corded in important stock values – brokered non-life insurance premium volume (September 30, 2020: EUR 433.2 million) and assets under management (September 30, 2020: EUR 40.8 billion) – as well as another significant increase in the number of consultants, important factors for the future have also displayed positive development.

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Although the figures after nine months are above current planning, MLP remains cautious and has chosen not to adjust its forecast for the financial year upwards due to the high risks associated with the coronavirus pandemic in the closing quarter, which is traditionally so important for the company. MLP continues to anticipate EBIT at the upper end of the communicated corridor of EUR 34 million to EUR 42 million.

"We have been able to deal well with the coronavirus crisis and continued our positive trend also in Q3. This underlines just how stable and robust we have made our business model over the last few years through diversification. At the same time, we were able to further strengthen our long-term revenue basis by increasing our stocks and acquiring new consultants," comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. "Set against the difficult framework conditions, we are expecting very solid earnings for 2020 and, at the same time, are setting the conditions that will also help to take MLP to the next level in terms of earnings by the end of 2022."

## **9M: Total revenue rises to EUR 525.4 million**

In the period from January to September 2020, total revenue rose by 8 percent to EUR 525.4 million (9M 2019: EUR 487.3 million). This is the highest

value since the sale of MLP's own insurance subsidiaries in 2005. At EUR 500.3 million (EUR 463.4 million), commission income represented the lion's share of this, while interest income was slightly below the previous year at EUR 11.7 million (EUR 12.5 million). Total revenue for the third quarter was EUR 166.3 million, which represents an increase of 5 percent compared to the previous year (Q3 2019: EUR 158.1 million).

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The breakdown by consulting fields shows that the strongest growth rates in the first nine months were recorded in real estate brokerage, which rose by 82 percent to EUR 26.0 million (9M 2019: EUR 14.3 million). The subsidiary DEUTSCHLAND.Immobilien was consolidated for the first time in the third quarter of the previous year. The second highest growth rate of 16 percent was recorded in the wealth management business (increase in revenue from EUR 160.5 million to EUR 185.6 million). This can be attributed to the successful development of new business in MLP's private client business at MLP Banking AG and at FERI. In addition, the MLP Group collected significantly higher performance fees in the third quarter than in the same period of the previous year. These are accrued for the performance of investment concepts and are largely recognised in the income statement. Assets under management recorded a new all-time high of EUR 40.8 billion as of September 30, 2020 (December 31, 2019: EUR 39.2 billion). Non-life insurance portfolios also increased further – to a premium volume of EUR 433.2 million (December 31, 2019: EUR 405.5 million). Revenue increased by 7 percent to EUR 110.6 million (9M 2019: EUR 102.9 million).

At EUR 37.1 million, revenue from health insurance after 9 months was slightly above the previous year's level (EUR 35.5 million). At EUR 13.6 million, loans and mortgages remained at the same level as the previous year (EUR 13.6 million). In the old-age provision field of consulting, on the other hand, the effects of the coronavirus pandemic could and still can be felt throughout the market. Not only are companies holding back on signing up to new occupational pension provision concepts, the current framework conditions are also making new client acquisition more difficult. This is having a negative impact on new business in the field of private old-age provision. The situation is being compounded even further by perceived economic risks in the general population, which are leading to reservations among clients when it comes to signing long-term contracts. At EUR 124.5 million, revenue from this field of consulting after nine months was down 7 percent on the previous year (EUR 134.0 million).

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### **EBIT increases to EUR 26.8 million**

At EUR 26.8 million, EBIT after nine months was 41 percent above the previous year's level (EUR 19.0 million), of which EUR 8.1 million can be attributed to the third quarter (Q3 2019: EUR 6.7 million). Group net profit was EUR 18.3 million at the end of September 2020 (9M 2019: EUR 15.3 million).

### **Continuous increase in number of consultants**

2,052 client consultants were working for MLP as at September 30, 2020. MLP was therefore able to increase the number of qualified consultants for the sixth quarter in succession. This figure was significantly above the comparative figure from the same period in the previous year (September 30,

2019: 1,932) and also above the figure from December 31, 2019 (1,981). As such MLP is bucking the overall trend in the market, in which the number of brokers is in constant decline. MLP is benefiting here from the successful development in the "young" segment, in which the company has made extensive investments. MLP also anticipates this positive trend in terms of consultant acquisition to continue in the closing quarter.

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As of September 30, 2020, the MLP Group provided its services to 551,900 family clients (June 30, 2020: 552,400). Due to the effects of the coronavirus pandemic, the gross number of new clients acquired was slightly below the previous year at 13,100 (September 30, 2019: 13,600). In addition, the Group provided its services to 22,400 corporate and institutional clients (June 30, 2020: 21,900).

## **Forecast 2020 and planning 2022**

Business development is above current planning after nine months of the year. The final quarter is traditionally very important for overall development in MLP's business model. However, there are risks in Q4 this year due to the stricter framework conditions being implemented to combat coronavirus.

Old-age provision is extremely important for fourth quarter earnings, yet is being hardest hit by the effects of the pandemic. As a result of the risks associated with the coronavirus pandemic, MLP now anticipates Q4 EBIT to be significantly below the EBIT recorded in the last quarter of 2019 (Q4 2019: EUR 28.2 million) and is therefore not adjusting its annual forecast upwards. Instead, MLP continues to anticipate EBIT at the upper end of the communicated range of EUR 34 million to EUR 42 million. "The significant tightening

of the measures to combat the coronavirus pandemic is leading to an increased risk of potential setbacks in the closing quarter, which remains extremely important for MLP. Due to these risks, we have chosen not to adjust our forecast upwards. However, we will remain resolute in taking all opportunities presented to us by the markets," comments Reinhard Loose, Chief Financial Officer. Besides, MLP confirms its mid-term planning, based on which EBIT is expected to rise to around EUR 75 to 85 million by the end of 2022.

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### An overview of key figures

MLP Group (in EUR million)	Q3/2020	Q3/2019	Change in %		9 months 2020	9 months 2019	Change in %
Revenue	164.3	154.1	7		512.0	475.9	8
Commission income	160.6	150.1	7		500.3	463.4	8
Interest income	3.7	4.0	-8		11.7	12.5	-6
Other revenue	2.0	4.0	-50		13.4	11.4	18
<b>Total revenue</b>	<b>166.3</b>	<b>158.1</b>	<b>5</b>		<b>525.4</b>	<b>487.3</b>	<b>8</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>8.1</b>	<b>6.7</b>	<b>21</b>		<b>26.8</b>	<b>19.0</b>	<b>41</b>
<b>Earnings before tax (EBT)</b>	<b>7.1</b>	<b>6.6</b>	<b>8</b>		<b>25.0</b>	<b>18.2</b>	<b>37</b>
<b>Net profit</b>	<b>5.2</b>	<b>6.2</b>	<b>-16</b>		<b>18.3</b>	<b>15.3</b>	<b>20</b>
<b>Earnings per share (diluted/basic) in euros</b>	<b>0.05</b>	<b>0.06</b>	<b>-17</b>		<b>0.17</b>	<b>0.14</b>	<b>21</b>
<b>Family clients</b>	-	-	-		551,900	552,400*	0
<b>Corporate, institutional clients</b>	-	-	-		22,400	21,900*	2
<b>Client consultants</b>	-	-	-		2,052	2,014*	2

\*) As at June 30, 2020

## About MLP:

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

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

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. 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 Marscholke founded MLP in 1971. More than 2,000 self-employed client consultants and around 1,800 employees work at MLP.