

MLP confirms results for the first nine months of 2015

- 9 M: Total revenue up from EUR 344.7 million to EUR 369.5 million, pro forma EBIT (prior to acquisitions) at EUR 8.3 million (EUR 9.4 million)
- As already communicated, Q3 burdened by external effects
- Significant pick-up in business development anticipated at the year end

Wiesloch, 12th November 2015 – MLP AG confirms its preliminary results for the third quarter and the first nine months of 2015 which the company already communicated in advance on 26th October. Supported by broad-based growth across almost all consulting areas, the Group increased total revenue in the period from January to September by 7 percent. Acquisition-adjusted earnings before interest and tax (pro forma EBIT) amounted to EUR 8.3 million and thus remained slightly below the previous year. Development was burdened by negative external factors in the third quarter. MLP anticipates a significant acceleration in business development during the fourth quarter.

In the first nine months, total revenue rose from EUR 344.7 million to EUR 369.5 million. Here, revenue from commissions and fees increased from EUR 314.8 million to EUR 341.1 million. Interest income totalled EUR 16.1 million (9M 2014: EUR 17.1 million) and thus came in slightly below the previous

Contact

Frank Heinemann

Tel +49 (0) 6222 308 3513

Fax +49 (0) 6222 308 1131

frank.heinemann@mlp.de

MLP AG

Alte Heerstraße 40

69168 Wiesloch

<https://mlp-ag.com/>

year due to low interest rate environment. Other revenue amounted to EUR 12.3 million (EUR 12.8 million).

Successful development in almost all consulting areas

MLP recorded the largest absolute growth in wealth management. After nine months, revenue increased by EUR 15.6 million compared to the previous year, rising to EUR 121.3 million (EUR 105.7 million). Viewing the third quarter in isolation, business development fell short of expectations. This was due to high volatility in the capital markets which resulted in significantly lower inflows from performance fees than in the previous year. On account of the negative capital market development, assets under management decreased to EUR 27.9 billion (30th June, 2015: EUR 29.2 billion).

On a nine-month basis MLP also achieved growth in non-life insurance (up by 24 percent to EUR 36.7 million) and in health insurance (up by 6 percent to EUR 33.6 million). In the real estate area, MLP significantly increased revenue not only in loans and mortgages (up by 22 percent to EUR 11.1 million) but also in brokerage. This is shown under other commissions and fees which rose from EUR 5.4 million to EUR 10.4 million.

In old-age provision, the framework conditions remain very difficult due to the interest rate situation and the continuing discussion about life insurers and their products. In view of these factors, revenue amounted to EUR 128,0

million and thus remained below the level of the previous year (EUR 133.1 million).

9M: Pro forma EBIT totals EUR 8.3 million

Acquisition-adjusted earnings before interest and tax (pro forma EBIT) stood at EUR 8.3 million (EUR 9.4 million). Including the acquisition of the DOMCURA Group, whose earnings have been consolidated since end of July 2015, EBIT amounted to EUR 7.4 million (EUR 9.4 million). This development is due to the frequently mentioned seasonal nature of the DOMCURA business model. Consequently, this subsidiary records very strong earnings in the first quarter of each year, followed by an arithmetic loss from Q2 to Q4. As expected, however, overall annual earnings are significantly positive. MLP Group net profit in the first nine months totalled – mainly influenced by the already communicated additional tax expense in the third quarter – EUR 3.7 million (EUR 7.2 million).

Q3, as communicated, burdened by external special items

In the third quarter total revenue increased from EUR 117.8 million to EUR 122.9 million. Within this figure, non-life insurance, health insurance, loans and mortgages as well as real estate brokerage all posted gains. However, as already communicated within the framework of the preliminary figures, the third quarter was influenced by special items. In addition to the very difficult market environment in old-age provision, performance fees in wealth management decreased significantly due to the volatility in the capital markets. Pro forma EBIT totalled EUR 0.2 million (Q3 2014: EUR 4.9 million),

EBIT stood at EUR -0.7 million (EUR 4.9 million). In addition, in the third quarter MLP booked a one-off exceptional charge within the finance cost amounting to EUR -2.0 million as well as a retrospective tax payment of EUR -1.1 million. Both effects are due to an additional tax expense which primarily stems from the international activities of MLP which were already terminated in 2007. On account of these exceptional items, Group net profit amounted to EUR -2.9 million (EUR 3.4 million).

19,300 new clients

In the first nine months of 2015 MLP welcomed 19,300 new clients (9M 2014: 18,900). The total number of clients rose to 854,900 (30th June, 2015: 850,800). At 30th September, 2015 the number of client consultants stood at 1,914 (30th June, 2015: 1,913).

Integration of DOMCURA proceeding according to plan

The integration of DOMCURA continues to run according to plan. MLP acquired the underwriting agency in the third quarter of 2015, in order to develop new potential in the non-life insurance domain. Already in spring 2016 the first joint concepts will be made available to MLP clients. In addition, in the third quarter MLP expanded its range of product offerings in the private health insurance area. Since then the company offers non-clients a tariff optimisation check-up in return for a flat-rate service fee.

Outlook

In its business model MLP traditionally generates a large portion of its revenue and earnings in the fourth quarter – especially in the last six weeks of the year. In this year too, MLP anticipates a significant acceleration in business development in the remaining weeks. However, as already communicated at the end of October, MLP will presumably not be able to achieve the originally targeted slight increase in EBIT compared to the financial year 2014. This development is due to the aforementioned effects in the third quarter, a strong fourth quarter in the previous year as well as to the continuingly very difficult environment in old-age provision. MLP confirms that the full-year administration costs (defined as personnel expenses, other operating expenses as well as depreciation and impairments) will amount to around EUR 255 million (without consideration of the DOMCURA acquisition).

Overview of the key figures

MLP Group (in EUR million)	Q3/2015	Q3/2014	Change in %	9 months 2015	9 months 2014*	Change in %
Revenue	119.9	115.1	4.2	357.2	331.9	7.6
Revenue from commissions and fees	114.6	109.4	4.8	341.1	314.8	8.4
Interest income	5.3	5.7	-7.0	16.1	17.1	-5.8
Other revenue	3.1	2.6	19.2	12.3	12.8	-3.9
Total revenue	122.9	117.8	4.3	369.5	344.7	7.2
Pro forma EBIT (prior to acquisitions)	0.2	4.9	-95.9	8.3	9.4	-11.7
Earnings before interest and tax (EBIT)	-0.7	4.9	>-100	7.4	9.4	-21.3
Earnings before tax (EBT)	-2.8	4.9	>-100	5.0	9.3	-46.2
Group net profit	-2.9	3.4	>-100	3.7	7.2	-48.6
Earnings per share (diluted) in EUR	-0.03	0.03	>-100	0.03	0.07	-57.1
Total number of clients	-	-	-	854,900	850,800**	0.5
Consultants	-	-	-	1,914	1,913**	0.1

*) Previous year's values adjusted

***) At 30th June, 2015

About MLP:

The MLP Group is the partner of choice for all financial matters – for private clients, 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 company for institutional investors and high net-worth individuals
- DOMCURA AG: The underwriting agency, focussing on private and commercial non-life insurance
- TPC GmbH: The specialist in occupational pension provision management for companies

The views of our clients 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 around 1,800 employees work at MLP.