

## MLP accelerates strategic transformation

- **FY 2015: MLP has achieved growth in all consulting fields – sole exception is old-age provision due to poor market conditions**
- **Total revenue rose by 4.9 percent to EUR 557.2 million and to EUR 535.0 million (EUR 531.1 million) adjusted for acquisition effects.**
- **Pro forma EBIT (before acquisitions) is EUR 32.5 million (EUR 39.0 million)**
- **The Group net profit including profits generated by DOMCURA as of January 1, 2015 was EUR 23.3 million (EUR 29.0 million) – Executive Board recommends dividend per share of 12 cents (17 cents)**
- **In order to increase the level of earnings against a background of ongoing difficult framework conditions in old-age provision, MLP will again tighten its cost management**
- **Potential for further inorganic growth continuously reviewed – continuation of successful growth initiatives**
- **Sustainable EBIT level to once again show considerable growth from the financial year 2017**

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**Wiesloch, February 25, 2016** – The MLP Group has achieved growth in almost all fields of consulting in the financial year 2015. MLP has thus continued to successfully implement its strategy of considerably broadening the revenue basis in order to cushion declines in old-age provision caused by difficult market conditions. Total revenue rose by

4.9 percent up to EUR 557.2 million, while earnings before interest and tax adjusted for acquisitions effects (pro forma EBIT) were EUR 32.5 million compared to EUR 39.0 million in the previous year. Based on an assumed acquisition of the new subsidiary DOMCURA with effect from January 1, 2015, net profit is EUR 23.3 million (2014: EUR 29.0 million). MLP purchased DOMCURA in July 2015, but is entitled to a share in profits of 100 percent of the shares as of the beginning of 2015. On the basis of this net profit, the Executive Board proposes a dividend per share of 12 cents (17 cents).

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In order to sustainably improve the earnings level in spite of the ongoing difficult market conditions in the field of old-age provision, MLP will further accelerate the strategic transformation of the previous years. Initiated and successful growth initiatives will be continued to this end. In addition, MLP is looking into possibilities for further inorganic growth and will further tighten the cost management of the previous years. To this end, the Executive and Supervisory Board have agreed a package of measures yesterday. MLP will already reap the full benefit of the reduced costs in the coming year, which means that earnings before interest and tax (EBIT) should enjoy significant growth from 2017.

"MLP also generated solid profits in 2015. This is by no means a matter of course considering the extremely difficult market conditions, above all in the area of old-age provision. Nevertheless, we are obviously not satisfied with this level of earnings. But our consultants and employees

achieved the best results possible under these market conditions in 2015," comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. "We have realigned MLP over the past ten years. In addition, we have reduced the cost level by around EUR 60 million and significantly broadened our strategic portfolio. Among other measures, we have expanded other business areas such as wealth management and non-life insurance and established new fields of consulting, for instance real estate brokerage. With a broad base of growth, the financial year 2015 is further proof that we are on the right path. We will further accelerate this strategic transformation in order to achieve sustainable increases in the level of earnings, even in the further declining old-age provision market."

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## **FY 2015: Total revenue increases to EUR 557.2 million**

Total revenue rose from EUR 531.1 million to EUR 557.2 million in the financial year 2015. When broken down by consulting areas, increases have been achieved in almost all consulting areas: with revenue of EUR 166.0 million (EUR 147.0 million) and assets under management of EUR 29.0 billion (December 31, 2014: EUR 27.5 billion), the MLP Group set new records in wealth management. Both the subsidiary FERI and the private client business at MLP have made an important contribution to this development. In the non-life insurance segment, revenue grew from EUR 34.6 million to EUR 54.9 million; this figure includes revenue of EUR 19.2 million generated by the new subsidiary DOMCURA as of August 1, 2015. Despite continuously difficult market conditions, in health insurance MLP grew by 5.5 percent to EUR 45.9 mil-

lion (EUR 43.5 million). Demand remains high in the real estate sector. Against this background, revenue generated from the loans and mortgage business increased by 19.1 percent to EUR 16.2 million (EUR 13.6 million). At EUR 15.6 million (EUR 8.4 million), other commission and fees, which include the brokerage of real estate, almost doubled. In old-age provision, on the other hand, MLP was unable to buck the general trend in the sector, which continues to be dominated by discussions regarding life insurers and their products. As a result, revenue declined to EUR 215.7 million (EUR 239.7 million). As expected and announced, the fourth quarter in particular fell significantly short of the strong previous year with revenues of EUR 87.8 million (Q4 2014: EUR 106.6 million).

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Pro forma EBIT (before acquisitions) is EUR 32.5 million (2014: EUR 39.0 million). The EBIT – including the DOMCURA acquisition – stands at EUR 30.7 million (EUR 39.0 million). This is due to the seasonal nature of the DOMCURA business model described on other occasions, whereby the subsidiary achieves a very strong result in the first quarter of the year, but then makes an arithmetic loss in quarters two to four. Overall, the result is, as anticipated, highly positive. This effect is also reflected in the net profit of EUR 19.8 million. Based on an assumed acquisition of DOMCURA with effect from January 1, 2015, net profit is EUR 23.3 million (2014: EUR 29.0 million).

## **Dividend proposal: 12 cents per share**

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As announced, this figure also forms the basis for the dividend proposal of the Executive Board. The amount proposed is 12 cents per share (17 cents). This corresponds to a payout ratio of 56 percent and therefore falls within the announced corridor. MLP continues to plan a payout ratio of 50 to 70 percent for the coming year.

## **27,500 new clients acquired**

In 2015, MLP acquired 27,500 new clients (gross) (2014: 27,900). The number of consultants increased to 1,935 at the end of the year (September 30, 2015: 1,914). The number of consultants has therefore increased slightly for two consecutive quarters and the measures for attracting consultants initiated in the second quarter of 2015 are beginning to bear fruit.

## **MLP accelerates strategic transformation**

MLP will further accelerate its strategic transformation in the financial year 2016. To this end, the company will continue its growth initiatives: the recruitment of new consultants, the implementation of the digitalisation strategy and the further broadening of the revenue basis. In 2016, these initiatives will be supported on the one hand by examining the possibilities for additional inorganic growth through acquisitions. On the other hand, MLP will continue to tighten its efficiency measures. MLP already lowered administrative costs by around EUR 60 million between 2008 and 2012. The objective of the measures approved yesterday is to again significantly reduce costs in the financial

year 2017 and the following years to achieve a positive effect on EBIT of around EUR 15 million compared to the year 2015. This will incur one-off expenses of approximately EUR 15 million in the financial year 2016.

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The savings predominantly relate to material costs. In addition, MLP will abstain from the reoccupation of job vacancies and make even better use of synergies between the Group companies in the back office. This will lead to workforce adjustments to a very small extent.

### **Outlook: EBIT level to rise again significantly as of 2017**

Compared to 2015 the EBIT should noticeably benefit from the introduced cost-saving measures from the financial year 2017 onwards. "MLP will continue to be active in challenging markets in the coming years. Our mission is to increase the level of earnings in this environment, too. MLP will benefit in full from the additional efficiency measures as early as 2017," says Chief Financial Officer Reinhard Loose.

MLP will today present details on the strategy for 2016 and the following years within the scope of its annual press and analyst conference.

An overview of key figures

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MLP Group (in EUR million)	Q4/2015	Q4/2014	Change in %		12 months 2015	12 months 2014	Change in %
Revenue	178.4	177.8	0		535.7	509.7	5
Commission income	173.2	172.0	1		514.3	486.9	6
Revenue from the interest rate business	5.3	5.8	-9		21.4	22.9	-7
Other revenue	9.3	8.6	8		21.5	21.4	0
<b>Total revenue</b>	<b>187.7</b>	<b>186.4</b>	<b>1</b>		<b>557.2</b>	<b>531.1</b>	<b>5</b>
<b>Pro forma EBIT (before acquisitions)</b>	<b>24.2</b>	<b>29.6</b>	<b>-18</b>		<b>32.5</b>	<b>39.0</b>	<b>-17</b>
<b>Earnings before interest and tax (EBIT)</b>	<b>23.3</b>	<b>29.6</b>	<b>-21</b>		<b>30.7</b>	<b>39.0</b>	<b>-21</b>
<b>Earnings before tax (EBT)</b>	<b>22.9</b>	<b>28.4</b>	<b>-19</b>		<b>28.0</b>	<b>37.6</b>	<b>-26</b>
<b>Net profit for the period</b>	<b>16.1</b>	<b>21.8</b>	<b>-26</b>		<b>19.8</b>	<b>29.0</b>	<b>-32</b>
<b>Net profit based on an assumed acquisition of DOMCURA with effect from January 1, 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>23.3</b>	<b>29.0</b>	<b>-20</b>
<b>Earnings per share (basic/diluted) in euros</b>	<b>0.15*</b>	<b>0.20</b>	<b>-25</b>		<b>0.18*</b>	<b>0.27</b>	<b>-33</b>
<b>Clients</b>					<b>858,700</b>	<b>854,900**</b>	<b>0</b>
<b>Client consultants</b>					<b>1,935</b>	<b>1,914**</b>	<b>1</b>

\*) Based on the average number of shares in the financial year of 108,484,800

\*\*\*) As at September 30, 2015

**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 enjoy 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 Marscholke founded MLP in 1971. Just under 2,000 client consultants and around 1,800 employees work at MLP.