

## **FY 2019: MLP hits financial targets and lays the strategic foundations for future growth**

- Total revenue up 6.4 percent to EUR 708.8 million, a new all-time high
- At EUR 47.1 million, EBIT above the previous year and thereby well within the predicted target range (EBIT 2018: EUR 46.4 million)
- MLP benefiting from the diversification of its business model over the last few years, with growth recorded in all consulting fields in 2019
- Dynamic Q4: Total revenue up 8.8 percent, particularly strong gains recorded in real estate brokerage (up 70.9 percent) and in wealth management (up 27.8 percent)
- Significant year-on-year increase in number of consultants, bucking the overall market trend, with 53 new consultants – the kind of increase last seen 13 years ago
- The Executive Board proposes a rise in the dividend to 21 cents per share (2018: 20 cents)
- Outlook: MLP is benefiting from the further developments initiated, above all in the university segment and the real estate business – significant increase in EBIT to around EUR 75 or 85 million planned by the end of 2022

**Wiesloch, March 5, 2020** – The MLP Group reaches its targets across-the-board in the financial year 2019. The company was able to record increases in all important key performance indicators – with quite significant gains in some areas. Following an extremely dynamic fourth quarter, total revenue rose by 6.4 percent to a new record level of EUR 708.8 million. MLP achieved growth in all fields of consulting. Particularly strong year-on-year gains

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### Contact

**Frank Heinemann**

Tel +49 (0) 6222 308 3513

Fax +49 (0) 6222 308 1131

frank.heinemann@mlp.de

MLP SE

Alte Heerstraße 40

69168 Wiesloch

[www.mlp-se.com](http://www.mlp-se.com)

were recorded in real estate brokerage (up 17.9 percent), which has been undergoing expansion since 2014, and in wealth management (up 10.6 percent), in which MLP enjoyed an increase for the tenth year in succession. Stock values, which represents a reliable source of revenue for the future, also continued to display positive development. Assets under management rose to EUR 39.2 billion, while the non-life insurance premium volume increased to EUR 405.5 million. At EUR 47.1 million, earnings before interest and taxes (EBIT) are above the previous year and thereby well within the predicted target range. Based on this business performance, the Executive Board proposes an increase in dividend to 21 cents per share (2018: 20 cents).

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Key indicators for future and long-term development also enjoyed positive development. The number of newly acquired family clients was 5.5 percent above the previous year, and MLP also added 53 client consultants over the previous year. This is an order of magnitude last seen some 13 years ago. At the same time, integration of DEUTSCHLAND.Immobilien, which represents a key prerequisite for future growth in real estate brokerage, is running to schedule. Alongside the significant diversification of our revenue basis, MLP will in particular benefit from the successful and high-quality expansion of the university and real estate business over the course of the next few years. On this basis, the Executive Board anticipates an increase in EBIT to EUR 75 or 85 million by the end of 2022.

"We recorded growth in total revenue for the sixth time in succession and hit all of our financial targets for the fourth year in a row. The strategic di-

versification of our business areas in the last few years is paying off like never before. At the same time, we have laid the foundations for strong future growth. MLP can therefore reflect not only on an excellent, but also a very important year, in which we laid key groundwork for our future," comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. "Our positioning represents the foundation for offering our clients requirements-based consulting services. As a company, we also benefit from this. We have a broad distribution of revenue, continuous sources of income thanks to highly sustainable stock values and a strong financial basis. In addition, we have established dynamic growth drivers, in particular by strengthening our university and real estate business. This will also help us take MLP to the next level in terms of earnings over the course of the next few years."

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## **Total revenue up 6.4 percent to EUR 708.8 million**

Total revenue in 2019 increased by 6.4 percent to EUR 708.8 million (2018: EUR 666.0 million). This is the highest figure since the sale of the dedicated insurance companies in 2005. Revenue from commission and fees rose by 7.7 percent to EUR 672.9 million (EUR 624.8 million) here, while interest income declined to EUR 16.6 million (EUR 17.3 million) due to market conditions.

The gains were recorded across all fields of consulting. However, real estate brokerage enjoyed the greatest increase of 17.9 percent to EUR 23.7 million (EUR 20.1 million). Considering the fourth quarter on its own, growth was an impressive 70.9 percent. Loans and mortgages recorded the second highest growth rate with an increase of 16.9 percent to EUR 20.8 million (EUR 17.8

million). Revenue in wealth management enjoyed a 10.6 percent year-on-year increase to EUR 223.5 million (EUR 202.0 million). The MLP Group benefited from a very strong closing quarter with revenue growth of 27.8 percent. Alongside successful new business, both at FERI AG and MLP Banking AG, the Group collected significantly higher performance fees for the development of investment concepts than in the closing quarter of the previous year. Assets under management rose to a new record level of EUR 39.2 billion (December 31, 2018: EUR 34.5 billion) and thereby represent a very reliable revenue source for the future. The same also applies to the non-life insurance premium volumes, which increased to EUR 405.5 million for the year (December 31, 2018: EUR 385.6 million). This is similar to the levels managed by medium-sized non-life insurers. Non-life insurance revenue rose – thanks to the successful development at DOMCURA AG and at MLP Finanzberatung SE – by 5.2 percent to EUR 126.6 million (2018: EUR 120.3 million). Revenue from old-age provision rose by 6.4 percent to EUR 225.8 million (EUR 212.3 million). MLP benefited both from the expansion of the university business and from significant gains in occupational pension provision here. At EUR 48.3 million, revenue from health insurance was also slightly above the previous year (EUR 47.7 million).

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## **EBIT increased to EUR 47.1 million – net liquidity of EUR 186 million**

On the basis of the positive revenue development, EBIT also increased to EUR 47.1 million (EUR 46.4 million) and was therefore well within the predicted target range. Net profit for the period rose from EUR 34.5 million to EUR 36.9 million.

Shareholders' equity increased slightly to EUR 437.4 million as at December 31, 2019 (December 31, 2018: EUR 424.8 million). The core capital ratio was 19.2 percent. The net liquidity of the MLP Group was EUR 186 million at the end of the year, which represents a very solid basis.

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### **Dividend proposal: 21 cents per share**

The Executive Board proposes a rise in dividend per share to 21 cents (2018: 20 cents). At 62 percent of Group net profit, the payout ratio is in the upper half of the announced range. MLP is therefore continuing its attractive and consistent dividend policy.

### **Q4: Revenue and EBIT significantly above the previous year**

Revenue enjoyed highly dynamic development in the final quarter and increased by 8.8 percent to EUR 221.4 million (Q4 2018: EUR 203.4 million). EBIT also recorded a significant increase of 20.0 percent to EUR 28.2 million (EUR 23.5 million). The net profit for the period was EUR 21.7 million, following EUR 17.1 million in the previous year.

### **Consultant growth reached scale as last seen 13 years ago**

The number of consultants increased by 19 in 2018, which was the first increase since 2007. This dynamic then really gained ground in 2019. With a year-on-year increase of 53 consultants, this is an order of magnitude that was last achieved 13 years ago. This becomes even more impressive when we consider that the number of insurance brokers in the market has been in continuous decline since 2011 with a drop of 65,000. In terms of the increase in consultant numbers, MLP is benefiting from the extensive invest-

ments in the university business over the last few years and from the fact that more and more qualified consultants in the sector are joining MLP.

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As of December 31, 2019, MLP serves 549,600 family client (September 30, 2019: 547,900), as well as 21,800 corporate and institutional clients (September 30, 2019: 20,300). At 19,300, the number of newly acquired family clients rose by 5.5 percent in 2019 over the previous year (2018: 18,300).

**Outlook: Considerable increase in EBIT scheduled until the end of 2022**

MLP is planning an increase in EBIT to EUR 75 or 85 million by the end of 2022 (2019: EUR 47.1 million). Significant gains in the real estate business, further strengthening of the university business, as well as continuous growth across all fields of consulting are key growth drivers for the planned increase in earnings. This is based on the assumption that the number of consultants in the university segment will increase from the current level of around 330 to 500 or 600 by the end of 2022 and that the total number of consultants at MLP will increase to between 2,200 and 2,280 in the same time period. Costs are only to increase moderately in this time period. Moreover, this outlook hinges on the assumption – as things currently stand – that there will not be any fundamental regulatory interventions.

"We have invested comprehensively in our university business over the last few years and have sacrificed short-term profit in order to achieve this. However, this has given us a powerful earnings driver for the future. The same also applies to our real estate business, in which we have multiplied our potential by acquiring a majority stake in DEUTSCHLAND.Immobilien. We

are predicting a slight EBIT increase in the current financial year. In the two subsequent years, we then plan to achieve significant gains," comments Reinhard Loose, Chief Financial Officer. Details on our outlook and on the strategic agenda will be presented at today's annual press and analyst conference.

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The annual press conference takes place online today at 10 am, while the analysts' conference is at 2 pm online. All information is available under the following link:  
<https://mlp-se.com/corporate-calendar/annual-press-conference-2020/>

### An overview of key figures

MLP Group (in EUR million)	Q4/2019	Q4/2018	Change in %		12 months 2019	12 months 2018	Change in %
Revenue	213.7	191.2	12		689.6	642.1	7
Commission income	209.5	186.7	12		672.9	624.8	8
Interest income	4.1	4.5	-9		16.6	17.3	-4
Other revenue	7.8	12.3	-37		19.2	23.8	-19
<b>Total revenue</b>	<b>221.4</b>	<b>203.4</b>	<b>9</b>		<b>708.8</b>	<b>666.0</b>	<b>6</b>
<b>Earnings before interest and tax (EBIT)</b>	<b>28.2</b>	<b>23.5</b>	<b>20</b>		<b>47.1</b>	<b>46.4</b>	<b>2</b>
<b>Earnings before tax (EBT)</b>	<b>26.6</b>	<b>23.5</b>	<b>13</b>		<b>44.8</b>	<b>45.8</b>	<b>-2</b>
<b>Net profit</b>	<b>21.7</b>	<b>17.1</b>	<b>27</b>		<b>36.9</b>	<b>34.5</b>	<b>7</b>
<b>Earnings per share (diluted/basic) in euros</b>	<b>0.20</b>	<b>0.16</b>	<b>25</b>		<b>0.34</b>	<b>0.32</b>	<b>6</b>
<b>Family clients</b>	--	--	--		549,600	547,900*	0
<b>Corporate, institutional clients</b>	--	--	--		21,800	21,300*	2
<b>Client consultants</b>	--	--	--		1,981	1,932*	3

\*) As at September 30, 2019

## 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 Marschollek founded MLP in 1971. Almost 2,000 client consultants and around 1,800 employees work at MLP.