



Quarterly Group Statement for the first 9 months of 2020

MLP key figures

All figures in € million	Q3 2020	Q3 2019	9M 2020	9M 2019	Change in %
MLP Group					
Total revenue	166.3	158.1	525.4	487.3	7.8
Revenue	164.3	154.1	512.0	475.9	7.6
Other revenue	2.0	4.0	13.4	11.4	17.5
Earnings before interest and taxes (EBIT)	8.1	6.7	26.8	19.0	41.1
EBIT margin (in %)	4.9	4.2	5.1	3.9	–
Net profit	5.2	6.2	18.3	15.3	19.6
Earnings per share (diluted/basic) (in €)	0.05	0.06	0.17	0.14	21.4
Cash flow from operating activities	55.9	–16.3	214.9	112.7	90.7
Capital expenditure	1.8	3.8	6.6	6.8	–2.9
Shareholders' equity	–	–	429.8	437.4 ¹	–1.7
Equity ratio (in %)	–	–	14.1	15.6 ¹	–
Balance sheet total	–	–	3,058.2	2,799.6 ¹	9.2
Private clients (families)	–	–	551,900	549,580 ¹	0.4
Corporate and institutional clients	–	–	22,400	21,850 ¹	2.5
Consultants	–	–	2,052	1,981 ¹	3.6
Branch offices	–	–	129	130 ¹	–0.8
University teams	–	–	98	93 ¹	5.4
Employees	–	–	1,856	1,783 ¹	4.1
Brokered new business					
Old-age provision (premium sum)	759.7	1,033.4	2,185.7	2,546.5	–14.2
Loans and mortgages	557.1	473.7	1,753.2	1,499.1	17.0
Assets under management (in € billion)	–	–	40.8	39.2 ¹	4.1
Non-life insurance (premium volume)	–	–	433.2	405.5 ¹	4.6
Real estate (brokered volume)	85.5	78.3	242.9	176.3	37.8

¹ As of December 31, 2019.

THE FIRST NINE MONTHS OF 2020 AT A GLANCE

- Positive trend continues – Diversification strategy is paying off especially in times of Covid-19
- 9M: Total revenue increases by 7.6 percent to € 525.4 (9M 2019: € 487.3 million)
- Successful development recorded above all in real estate brokerage (+81.8 %), wealth management (+15.6 %) and non-life insurance (+7.5 %)
- Earnings before interest and taxes increased significantly to € 26.8 million (9M 2019: € 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 continues to anticipate EBIT at the upper end of the communicated range of € 34 million to € 42 million
- Mid-term planning of recording EBIT between € 75 million and € 85 million confirmed

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Introductory notes

This quarterly group statement presents the key events and business transactions of the first nine months of 2020 and updates the forecast-based information of the last joint management report. The Annual Report is available on our website at www.mlp-se.com and at www.mlp-annual-report.com. In the description of the MLP Group's financial position, net assets and results of operations pursuant to International Financial Reporting Standards (IFRS), the previous year's figures are given in brackets. The information in this quarterly Group statement has neither been verified by an auditor nor subjected to a review.

Profile

The MLP Group is the partner for all financial matters.

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 them 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. More than 2,000 self-employed client consultants and around 1,800 employees work at MLP.

Quarterly Group Statement for the first nine months of 2020

The values disclosed in the following quarterly statement have been rounded to one decimal place. As a result, differences to reported total amounts may arise when adding up the individual values.

FUNDAMENTAL PRINCIPLES OF THE GROUP

In comparison with the corporate profile described in MLP's 2019 Annual Report, the changes presented below were made during the reporting period. These relate to organisation and administration.

You can find detailed information on our business model, our corporate structure and our control system in the MLP Group Annual Report 2019 at www.mlp-annual-report.com.

Change to organisation and administration

As of January 1, 2020, Jan Berg was appointed as a further member of the Executive Board at MLP's largest subsidiary, MLP Finanzberatung SE. Since assuming this new role, Jan has been responsible for the newly established Corporate University division.

Changes in the scope of consolidation

There was no change to the scope of consolidation in the reporting period.

BUSINESS PERFORMANCE

The MLP Group was able to continue the growth path of the last quarters and increased total revenue by 7.8 % in the first nine months to € 525.4 million. MLP recorded gains in virtually all consulting fields and was able to more than compensate for declines in old-age provision (-7.1 %), in particular resulting from coronavirus-related issues, with significant increases in real estate brokerage (+81.8 %), wealth management (+15.6 %) and non-life insurance (+7.5 %). In wealth management, MLP was in particular able to benefit from performance fees that were significantly higher than those recorded in the same period of the previous year, as well as successful development of new business both at FERI and in the private client business at MLP Banking AG. With an increase of 4.5 %, health insurance was slightly up on the previous year. Loans and mortgages revenue remained at the previous year's high level.

The two most important stock values also enjoyed positive development: Assets under management reached a new all-time high of € 40.8 billion as did the non-life insurance premium volume increasing to € 433.2 million.

After the first nine months, MLP was able to increase total earnings before interest and taxes (EBIT) significantly over the previous year's figure.

As a result of MLP's strategic further development the first nine months of the year have become more significant in the last few years. We benefited from this in the wealth management business, particularly in the second and third quarter. However, due to the seasonality of our business the fourth quarter continues to generate significant profit contributions.

New clients

Set against the background of the continued effects associated with the coronavirus pandemic, new client acquisition was below the previous year's level after the first nine months. By the end of September, MLP was able to acquire a gross number of new family clients of 13,100 (13,600).

At the end of September 2020, the MLP Group served a total of 551,900 family clients (December 31, 2019: 549,600) as well as 22,400 corporate and institutional clients (December 31, 2019: 21,900).

RESULTS OF OPERATIONS

Development of total revenue

Total revenue generated by the MLP Group in the first nine months of the financial year increased to € 525.4 million (€ 487.3 million). This represents a rise of 7.8 % compared to the same period of the previous year. Commission income accounted for the largest share by € 500.3 million (€ 463.4 million). Revenue from the interest rate business continued to decrease slightly to € 11.7 million (€ 12.5 million) due to the ongoing period of low interest rates. Other revenue rose € 13.4 million, following € 11.4 million in the previous year. Claims of € 3.4 million for VAT refunds from previous years were settled by the tax authorities and recognised in income by MLP back in the second quarter of 2020.

This positive development of virtually all fields of consulting continued in the first nine months of the year. The greatest growth was recorded in the real estate brokerage business, in which revenue rose by 81.8 % from € 14.3 million to € 26.0 million. For the first time in the first nine months of a year, this figure also includes brokerage revenue from the DI Group. This transaction was concluded on September 2, 2019. Since then revenue from real estate project planning is being disclosed alongside the revenue from real estate brokerage. In the reporting period, this revenue was € 0.3 million (€ 0.0 million). The wealth management business continued to display significant growth. Commission income increased by 15.6 % to € 185.6 million (€ 160.5 million). Alongside positive development of new business, both at MLP Banking and at FERI, significantly higher performance fees than in the previous year had an impact on this development. These are accrued in the wealth management business at FERI for the performance of investment concepts and are largely recognised in profit or loss. Assets under management rose to a new all-time high of € 40.8 billion as of September 30, 2020 (December 31, 2019: € 39.2 billion).

Development of assets under management (all figures in € billion)



Revenue in the non-life insurance field of consulting increased by 7.5 % to € 110.6 million (€ 102.9 million). The non-life insurance premium volume in the Group rose further to € 433.2 million (€ 400.5 million).

Health insurance also displayed positive development, with revenue increasing by 4.5 % to € 37.1 million (€ 35.5 million). As of September 30, revenue from loans and mortgages was able to recover the deficit recorded at the end of the first half of the year and remained at the previous year's level of € 13.6 million (€ 13.6 million).

Revenue in old-age provision fell by 7.1 % to € 124.5 million (€ 134.0 million). This decline can essentially be attributed to a lower volume new business in the field of occupational pension provision, as very few companies are currently reaching decisions regarding new provision concepts. At a total of € 2,185.7 million (€ 2,546.5 million), the brokered premium sum was 14.2 % below the previous year. Occupational pension provision accounted for a share of 17.6 % (23.9 %) and was therefore 36.6 % below the corresponding figure from the new business value of the previous year.

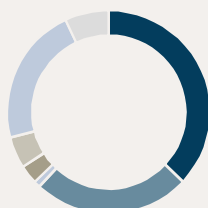
Other commission and fees were € 3.0 million, following € 2.6 million in the previous year.

Comparison of commission income

9M 2020

Commission income: € 500.3 million

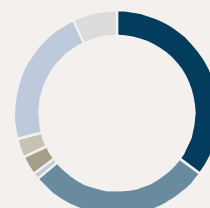
37 %	Wealth management
25 %	Old-age provision
22 %	Non-life insurance
7 %	Health insurance
5 %	Real estate
3 %	Loans and mortgages
1 %	Other commissions and fees



9M 2019

Commission income: € 463.4 million

35 %	Wealth management
29 %	Old-age provision
22 %	Non-life insurance
7 %	Health insurance
3 %	Real estate
3 %	Loans and mortgages
1 %	Other commissions and fees



Analysis of expenses

Commission expenses primarily comprise performance fees paid to consultants in the financial consulting and banking segment. This item also includes the commissions paid in the DOMCURA segment. These variable expenses occur due to the compensation of brokerage services in the non-life insurance business. Since the acquisition of a majority stake in DEUTSCHLAND.Immobilien, commission expenses are also accrued in the Holding and Others segment. These are essentially the result of expenses from real estate development and real estate brokerage. Added to these are the commissions paid in the FERI segment, which in particular result from the activities in the field of fund administration. Variable compensation is, for example, accrued in this business field from compensation of the depository bank and fund sales.

In the light of increased commission income, commission expenses rose to € 275.1 million (€ 256.8 million). This rise was also influenced by greater training allowances granted to our consultants, essentially attributable to the good development observed in terms of new consultant acquisition. Through the acquisition of a majority stake in DEUTSCHLAND.Immobilien (DI Group), this item for the first time includes expenses from real estate development of € 4.3 million (€ 1.6 million), which were accrued in the Holding and Others segment. The inventory changes also result from real estate development and represent the change in asset values generated in the current phase of the projects within the reporting period. This item will increase in future as the respective projects progress and then decline again with the gradual sale of project units. The inventory changes were € 4.1 million in the reporting period (€ 1.6 million). Interest expenses amounted to € 0.3 million (€ 0.4 million). The total cost of sales (defined as the sum of inventory changes, commission expenses and interest expenses) increased over the previous year's figure to € 271.3 million (€ 255.7 million). The item valuation result/loan loss provisions increased from € -2.1 million to € -2.5 million. The increase can essentially be attributed to higher expenditure associated with the fair value measurement of financial assets in the Banking segment, which were accrued in the context of the market turbulence caused by the coronavirus pandemic and were essentially recorded in the first quarter of 2020.

Administrative expenses (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other operating expenses) totalled € 227.4 million and were thus above the previous year's level (€ 212.6 million). It is important to take into account the fact that the DI Group was only incorporated in the income statement in the third quarter of the previous year. Personnel expenses rose by 10.6 % to € 108.3 million (€ 97.9 million). Factors contributing to this increase are the announced strengthening of the young segment, a slightly higher overall number of employees, higher performance-linked compensation components and general salary increases. Depreciation/amortisation and impairments increased slightly to € 20.7 million (€ 19.1 million). Other operating expenses were € 98.4 million (€ 95.6 million).

Earnings at MLP Hyp, which are disclosed as earnings from investments accounted for using the equity method as a joint venture with Interhyp, increased to € 2.6 million (€ 2.1 million). This item also comprises earnings of the project enterprise of the DI Group included at equity. These were just under € 0.1 million (€ 0.0 million) in the reporting period. Total earnings from investments accounted for using the equity method were € 2.7 million (€ 2.1 million).

Earnings trend

In the light of higher performance fees and a one-off positive special effect in the second quarter by a VAT refund, earnings before interest and taxes (EBIT) in the first nine months of the year increased significantly to € 26.8 million (€ 19.0 million). EBIT was therefore 41.1 % above the previous year's figure.

EBIT development (all figures in € million)



The finance cost in the reporting period was € –1.9 million (€ –0.7 million). Earnings before taxes (EBT) were therefore € 25.0 million, following € 18.2 million in the previous year. The tax rate was 26.6 % (16.2 %). Group net profit was € 18.3 million (€ 15.3 million). The diluted and basic earnings per share were € 0.17 (€ 0.14).

Structure and changes in earnings in the Group

All figures in € million	9M 2020	9M 2019	Change in %
Total revenue	525.4	487.3	7.8
Gross profit ¹	254.1	231.7	9.7
Gross profit margin (in %)	48.4	47.5	–
EBIT	26.8	19.0	41.1
EBIT margin (in %)	5.1	3.9	–
Financial cost	–1.9	–0.7	>-100
EBT	25.0	18.2	37.4
EBT margin (in %)	4.8	3.7	–
Income taxes	–6.6	–2.9	>-100
Net profit	18.3	15.3	19.6
Net margin (in %)	3.5	3.1	–

¹ Definition: Gross profit is the result of total revenue less commission expenses, interest expenses and any asset changes.

FINANCIAL POSITION

Aims of financial management

You can find detailed information on the objectives of financial management in the 2019 Annual Report of the MLP Group at www.mlp-annual-report.com.

Financing analysis

At present, we are not using any borrowed funds in the form of securities or promissory note bond issues to finance the Group long-term. Our non-current assets are financed by our shareholders' equity and non-current liabilities. Current liabilities due to clients and banks in the banking business represent further refinancing funds that are generally available to us in the long term.

As of September 30, 2020, liabilities due to clients and financial institutions in the banking business of € 2,278.8 million (December 31, 2019: € 1,993.2 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions in the banking business of € 1,686.0 million (December 31, 2019: € 1,600.3 million).

We did not perform any increase in capital stock in the reporting period.

Liquidity analysis

Cash flow from operating activities increased to € 214.9 million from € 112.7 million in the same period of the previous year. Here, significant cash flows result from the deposit business with our clients and from the investment of these funds.

Cash flow from investing activities changed from € –24.6 million to € –55.4 million. In the reporting period, more funds were invested in time deposits than in the same period of the previous year.

As of the end of the first nine months of 2020, the MLP Group has access to cash holdings of around € 712 million. A good level of liquid funds therefore remains available. There are sufficient cash reserves available to the MLP Group. Alongside cash holdings, free lines of credit are also in place.

Capital expenditure analysis

The investment volume of the MLP Group was € 6.6 million (€ 6.8 million) in the first nine months of 2020. The majority of funds invested is spread across the segments of Financial Consulting (€ 2.5 million), FERI (€ 1.7 million) and DOMCURA (€ 1.6 million). Investments in operating and office equipment, as well as software and IT represented one focus here.

NET ASSETS

Analysis of the asset and liability structure

As of September 30, 2020, the balance sheet total of the MLP Group was € 3,058.2 million (December 31, 2019: € 2,799.6 million). On the assets side of the balance sheet, intangible assets declined slightly to € 179.7 million (December 31, 2019: € 183.1 million). Property, plant and equipment decreased to € 126.1 million (€ 130.9 million). Receivables from clients in the banking business fell slightly to € 856.1 million (December 31, 2019: € 872.2 million). Receivables from banks in the banking business increased slightly to € 829.9 million (December 31, 2019: € 728.1 million). Financial assets rose to € 227.1 million (December 31, 2019: € 178.6 million), mainly due to higher investments in fixed income securities and time deposits. Other receivables and other assets declined slightly to € 162.7 million (December 31, 2019: € 168.6 million). This item essentially contains commission receivables from insurers resulting from the brokerage of insurance products. Due to the typically strong year-end business, these increase considerably at the end of the year and then decline again during the course of the following financial year. Cash and cash equivalents rose to € 638.3 million (December 31, 2019: € 510.8 million). This increase can be attributed to a greater deposit volume at the German Bundesbank. Cash funds at other commercial banks moved in the opposite direction.

The Inventories item in the balance sheet essentially represents the assets of the project enterprises within the DI Group. As of September 30, 2020, this item stood at € 14.7 million (December 31, 2019: € 10.5 million).

As of the reporting date of September 30, 2020, the shareholders' equity of the MLP Group declined slightly to € 429.8 million (December 31, 2019: € 437.4 million), which is primarily attributable to the dividend payment to our shareholders. Due to completion of the acquisition of a majority stake in the DI Group, minority interests were disclosed in the balance sheet. These stood at € 0.4 million as of the reporting date. The balance sheet equity ratio was 14.1 % (December 31, 2019: 15.6 %).

Provisions were € 100.7 million (December 31, 2019: € 101.6 million). Liabilities due to clients in the banking business increased to € 2,175.8 million (December 31, 2019: € 1,894.8 million) and reflect a further increase in client deposits. Liabilities due to banks in the banking business rose to € 103.0 million (December 31, 2019: € 98.4 million). This can mainly be attributed to a higher volume of promotional loans being passed on to our clients. Other liabilities declined to € 231.3 million (December 31, 2019: € 250.6 million). The main reason for this are lower liabilities due to commercial agents as well as lower liabilities from the underwriting business. Due to our typically strong year-end business, they increase markedly up to the balance sheet date December 31 and then decline again in the subsequent quarters.

SEGMENT REPORT

The MLP Group is broken down into the following segments:

- Financial Consulting
- Banking
- FERI
- DOMCURA
- Holding and Others

The Financial Consulting segment includes revenue generated in the fields of consulting of old-age provision, health and non-life insurance, loans & mortgages and real estate brokerage. This figure also includes revenue from real estate brokerage in the DI Group. The Banking segment brings together all banking services for both private and corporate clients – from wealth management, accounts and cards, through to the interest rate business. The FERI segment primarily generates revenue from the wealth management field of consulting, while the DOMCURA segment generates most of its revenue from the non-life insurance business.

The Holding segment was renamed Holding and Others and, since completion of the transaction to acquire a majority stake in the DI Group on September 2, 2019, also includes the project companies of the DI Group. Expenses from real estate development are disclosed under "Commission expenses. The "Inventory changes" item also results from real estate development and represents the changes in assets generated in the current phase of the projects within the reporting period. This item will increase as the respective projects progress and then decline again with the gradual sale of project units.

Financial Consulting segment

Total revenue in the Financial Consulting segment was € 261.5 million (€ 254.2 million) in the first nine months. Sales revenue was € 245.3 million (€ 239.4 million), while other revenue was € 16.2 million (€ 14.8 million).

Commission expenses were € 125.5 million (€ 120.9 million). Loan loss provisions were € –0.3 million (€ –0.1 million). Personnel expenses amounted to € 52.9 million (€ 50.3 million). Depreciation/amortisation and impairments were € 15.1 million (€ 14.5 million). Other operating expenses totalled € 73.1 million (€ 70.5 million). EBIT reached € –2.9 million (€ 0.1 million). Finance cost was € –2.4 million (€ –0.5 million) and is mainly attributable to the accrued interest on the purchase price liability of DEUTSCHLAND.Immobilien. This expense was first reported in the fourth quarter of the previous year. EBT was € –5.3 million (€ –0.4 million). The upcoming closing quarter traditionally remains the most profitable in this segment.

Banking segment

Total revenue in the Banking segment was € 69.9 million (€ 61.5 million) in the first nine months, of which sales revenue represented € 64.2 million (€ 58.2 million) and other revenue € 5.7 million (€ 3.3 million). Commission expenses amounted to € 27.2 million (€ 23.8 million).

Interest expenses were € 0.2 million (€ 0.4 million). Loan loss provisions totalled € –2.0 million (€ –2.0 million). Personnel expenses amounted to € 9.3 million (€ 8.8 million), while depreciation/amortisation and impairment was € 0.3 million (€ 0.2 million). Other operating expenses amounted to € 27.2 million (€ 25.2 million).

EBIT was € 3.8 million (€ 1.1 million) as of September 30, 2020. With a finance cost of € 0.9 million (€ 0.0 million), EBT was € 4.7 million (€ 1.1 million).

FERI segment

Total revenue in the FERI segment increased by 14.9 % to € 138.9 million (€ 120.9 million) in the first nine months, of which sales revenue increased from € 116.6 million to € 136.4 million. This increase can essentially be attributed to significantly higher performance fees in the second and third quarter compared to the same period of the previous year. As a result of higher revenue, commission expenses increased to € 77.8 million (€ 72.7 million). Loan loss provisions remained unchanged at € –0.1 million (€ –0.1 million).

At € 28.2 million (€ 24.0 million), personnel expenses were above the previous year's level. Depreciation/amortisation and impairment remained at € 1.7 million (€ 1.7 million). Other operating expenses decreased to € 6.3 million (€ 6.6 million). EBIT rose by 57.0 % to € 24.8 million (€ 15.8 million). This can be attributed to significantly higher revenue recorded. With a finance cost of € –0.4 million (€ –0.3 million), EBT was € 24.4 million (€ 15.5 million).

DOMCURA segment

The DOMCURA segment primarily generates revenue from the brokering of non-life insurance. DOMCURA's business model is characterised by a high degree of seasonality. Accordingly, the subsidiary records high revenue and comparably high earnings in the first quarter of each year. This is then typically followed by a loss from Q2 to Q4.

Revenue rose to € 76.8 million (€ 70.7 million) in the first nine months. This primarily reflects the premium volumes received. Other revenue rose to € 1.3 million (€ 0.8 million). Accordingly, total revenue increased by 9.3 % to € 78.1 million (€ 71.5 million). Commission expenses increased to € 50.3 million (€ 46.2 million) as a result of higher revenue. These are essentially accrued as variable compensation for brokerage services.

At € 20.6 million (€ 18.4 million), administration expenses were above the level of the previous year. € 13.1 million (€ 11.5 million) thereof were attributable to personnel expenses. Depreciation/amortisation and impairments were € 1.7 million (€ 1.5 million). Other operating expenses were € 5.8 million (€ 5.4 million). EBIT was € 7.2 million (€ 6.8 million). With a finance cost of € –0.1 million (€ –0.1 million), EBT was € 7.0 million (€ 6.7 million).

Holding and Others segment

Total revenue in the Holding and Others segment was € 10.8 million (€ 7.0 million) after the first nine months of the year and was therefore slightly above the previous year's figure.

Commission expenses were € 4.4 million (€ 1.6 million). Inventory changes stood at € 4.1 million (€ 1.6 million). Personnel expenses amounted to € 4.9 million (€ 3.2 million). Depreciation/amortisation and impairments were € 1.8 million (€ 1.3 million). Other operating expenses rose to € 8.0 million (€ 6.9 million).

EBIT was € –4.2 million (€ –4.4 million). Finance cost was € –1.2 million (€ –0.3 million). EBT therefore reached € –5.4 million (€ –4.7 million).

EMPLOYEES AND SELF-EMPLOYED CLIENT CONSULTANTS

As MLP is a knowledge-based service provider, qualified and motivated employees and self-employed client consultants represent the most important foundation for sustainable company success. Recruitment of new consultants as well as their further development therefore represents an important focus along with a continuous progression of our HR work.

The number of employees rose to 1,856 (1,812) in the reporting period. This increase can essentially be attributed to a higher number of employees returning from parental leave, as well as new recruitments compared to the previous year.

Development of number of employees by segment (excluding MLP consultants)

Segment	Sep. 30, 2020	Sep. 30, 2019
Financial Consulting ¹	1,098	1,087
Banking	193	188
FERI	221	234
DOMCURA	295	278
Holding and Others ²	49	25
Total	1,856	1,812

¹ Including TPC, ZSH, DI Sales, DI Web, DI IT and MLP Dialog.

² Since 2019 including DI AG and DI Projects.

At 2,052, the number of self-employed client consultants after the end of the first nine months was already above the figure at the end of the 2019 (December 31, 2019: 1,981) and significantly above the same quarter of the previous year (1,931). As of September 30, 2020, MLP operated 129 representative offices (December 31, 2019: 130). The number of university teams increased to 98 at the end of Q3 (December 31, 2019: 93).

FORECAST

You can find details on our original forecast for the financial year 2020 in the 2019 Annual Report of the MLP Group at www.mlp-annual-report.com.

Development in the first nine months of the financial year was above the level revised due to the coronavirus on April 27, 2020 (EBIT of € 34 million to € 42 million) and above the more precise forecast provided on July 23, 2020 (reaching the upper end of this corridor). This positive development can, in particular, be attributed to performance fees in the FERI segment that were significantly above the previous year's level both in the second and third quarter, as well as a positive one-off effect in the second quarter in the Banking segment.

In MLP's business model, the final quarter is traditionally very important for the overall development. However, there are risks in Q4 this year due to the further tightened 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 is therefore anticipating final quarter EBIT that is significantly below the EBIT recorded in the fourth quarter of 2019 (Q4 2019: € 28.2 million). No upwards adjustment to the annual forecast will therefore be made. Instead, MLP continues to anticipate EBIT at the upper end of the communicated corridor of € 34 million to € 42 million. The mid-term planning, based on which EBIT is expected to rise to between € 75 million and € 85 million by the end of 2022, is also confirmed.

Following the first nine months, we are updating the qualitative estimate provided in our revenue forecast. In the old-age provision field of consulting, we are now anticipating a slight decline due to the coronavirus (previously: stable to slight decline), while in wealth management we are now anticipating a slight increase (previously: stable). Our expectations in terms of development of the other business fields remain unaltered. In the loans and mortgages field of consulting we are anticipating a stable development. We expect a slight increase in the non-life insurance business and a stable performance in the health insurance business. In the real estate brokerage we are still anticipating a sharp increase, albeit with slightly reduced dynamism than had been expected at the beginning of the year. This can also be attributed to ongoing backlogs at the authorities, which are causing further delays in issuing building licences for planned projects, meaning that delayed revenue recognition is to be anticipated.

You can find details on our forecast in the Annual Report of the MLP Group at www.mlp-annual-report.com.

Income statement and statement of comprehensive income

Income statement for the period from January 1 to September 30, 2020

All figures in €'000	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
Revenue	164,332	154,108	511,954	475,897
Other revenue	2,015	3,974	13,404	11,419
Total revenue	166,347	158,082	525,357	487,315
Inventory changes	1,229	1,613	4,129	1,613
Commission expenses	-86,948	-83,603	-275,070	-256,836
Interest expenses	-100	-148	-317	-432
Valuation result/loan loss provisions	439	-652	-2,527	-2,147
Personnel expenses	-34,332	-32,087	-108,324	-97,916
Depreciation and impairments	-6,873	-6,541	-20,656	-19,138
Other operating expenses	-32,591	-30,763	-98,449	-95,624
Earnings from investments accounted for using the equity method	882	842	2,671	2,115
Earnings before interest and tax (EBIT)	8,053	6,743	26,813	18,951
Other interest and similar income	113	237	1,111	430
Other interest and similar expenses	-1,038	-376	-2,870	-1,203
Valuation result not relating to operating activities	21	-4	-97	37
Finance cost	-904	-144	-1,855	-736
Earnings before tax (EBT)	7,149	6,599	24,958	18,214
Income taxes	-1,951	-361	-6,629	-2,941
Net profit	5,198	6,238	18,329	15,273
Of which attributable to				
owners of the parent company	5,118	6,295	18,749	15,330
minority interests	80	-57	-420	-57
Earnings per share in € ¹				
basic/diluted	0.05	0.06	0.17	0.14

¹ Basis of calculation: average number of ordinary shares outstanding as of September 30, 2020: 109,208,787.

Statement of comprehensive income for the period from January to September 30, 2020

All figures in €'000	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
Net profit	5,198	6,238	18,329	15,273
Gains/losses due to the revaluation of defined benefit obligations	189	-7,436	-2,627	-14,383
Deferred taxes on non-reclassifiable gains/losses	-57	2,196	771	4,247
Non-reclassifiable gains/losses	132	-5,239	-1,856	-10,137
Other comprehensive income	132	-5,239	-1,856	-10,137
Total comprehensive income	5,330	999	16,474	5,137
Of which attributable to				
owners of the parent company	5,250	1,056	16,894	5,194
minority interests	80	-57	-420	-57

Statement of financial position

Assets as of September 30, 2020

All figures in €'000	Sept 30, 2020	Dec 31, 2019
Intangible assets	179,655	183,070
Property, plant and equipment	126,101	130,914
Investments accounted for using the equity method	4,367	5,138
Deferred tax assets	9,239	7,254
Receivables from clients in the banking business	856,142	872,175
Receivables from banks in the banking business	829,937	728,085
Financial assets	227,096	178,584
Inventories	14,675	10,533
Tax refund claims	9,997	4,493
Other receivables and assets	162,677	168,587
Cash and cash equivalents	638,280	510,778
Total	3,058,166	2,799,611

Liabilities and shareholders' equity as of September 30, 2020

All figures in €'000	Sept 30, 2020	Dec 31, 2019
Equity attributable to MLP SE shareholders	429,415	436,605
Minority interests	367	787
Total shareholders' equity	429,782	437,392
Provisions	100,749	101,596
Deferred tax liabilities	9,768	10,690
Liabilities due to clients in the banking business	2,175,817	1,894,843
Liabilities due to banks in the banking business	103,027	98,409
Tax liabilities	7,772	6,113
Other liabilities	231,252	250,568
Total	3,058,166	2,799,611

Condensed statement of cash flow

Condensed statement of cash flow for the period from January 1 to September 30, 2020

All figures in €'000	9 months 2020	9 months 2019
Cash and cash equivalents at beginning of period	510,778	385,926
Cash flow from operating activities	214,914	112,711
Cash flow from investing activities	-55,445	-24,590
Cash flow from financing activities	-31,967	-30,504
Change in cash and cash equivalents	127,502	57,616
Cash and cash equivalents at end of period	638,280	443,542

Condensed statement of cash flow for the period from July 1 to September 30, 2020

All figures in €'000	3rd quarter 2020	3rd quarter 2019
Cash and cash equivalents at beginning of period	587,624	471,725
Cash flow from operating activities	55,927	-16,345
Cash flow from investing activities	-2,230	-8,858
Cash flow from financing activities	-3,041	-2,980
Change in cash and cash equivalents	50,656	-28,183
Cash and cash equivalents at end of period	638,280	443,542

Revenue

All figures in €'000	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
Wealth management	65,375	55,767	185,553	160,474
Old-age provision	45,641	50,068	124,511	134,041
Non-life insurance	22,322	21,178	110,550	102,903
Health insurance	11,907	11,712	37,116	35,513
Real estate brokerage	9,849	6,118	25,958	14,260
Loans and mortgages	4,852	4,602	13,621	13,599
Other commissions and fees	670	618	2,963	2,609
Total commission income	160,616	150,064	500,273	463,400
Interest income	3,716	4,045	11,680	12,497
Total	164,332	154,108	511,954	475,897

Statement of changes in equity

Statement of changes in equity for the period from January 1 to September 30, 2020

All figures in €'000	Equity attributable to MLP SE shareholders						Total shareholders' equity
	Share capital	Capital reserves	Revaluation gains/losses related to defined benefit obligations after taxes	Retained earnings	Total	Minority interests	
As of January 1, 2019	109,167	149,227	-12,518	178,951	424,826	-	424,826
Acquisition of treasury stock	168	-	-	555	722	-	722
Share-based payment	-	-497	-	-	-497	-	-497
Dividend	-	-	-	-21,866	-21,866	-	-21,866
Transactions with owners	168	-497	-	-21,311	-21,641	-	-21,641
Net profit	-	-	-	15,330	15,330	-57	15,273
Other comprehensive income	-	-	-10,137	-	-10,137	-	-10,137
Total comprehensive income	-	-	-10,137	15,330	5,194	-57	5,137
Changes to the scope of consolidation	-	-	-	-	-	1,192	1,192
As of September 30, 2019	109,334	148,729	-22,654	172,970	408,378	1,135	409,513
As of January 1, 2020	109,334	149,853	-17,547	194,966	436,605	787	437,392
Acquisition of treasury stock	-8	-	-	-266	-274	-	-274
Share-based payment	-	-851	-	-	-851	-	-851
Dividend	-	-	-	-22,958	-22,958	-	-22,958
Transactions with owners	-8	-851	-	-23,225	-24,084	-	-24,084
Net profit	-	-	-	18,749	18,749	-420	18,329
Other comprehensive income	-	-	-1,856	-	-1,856	-	-1,856
Total comprehensive income	-	-	-1,856	18,749	16,894	-420	16,474
As of September 30, 2020	109,326	149,001	-19,403	190,491	429,415	367	429,782

Reportable business segments

Information regarding reportable business segments (quarterly comparison)

[illegible]

[illegible]

Financial calendar 2020

NOVEMBER

November 12, 2020

Publication of the results for the first nine months and third quarter of 2020.

November 16 –18, 2020

Company presentation at the virtual German Equity Forum.

Financial calendar 2021

FEBRUARY

February 25, 2021

Online annual press and analyst conference.

MARCH

March 25, 2021

Publication of the annual report for the financial year 2020.

MAY

May 12, 2021

Publication of the results for the first quarter of 2021.

JUNE

June 24, 2021

Annual General Meeting of MLP SE.

AUGUST

August 12, 2021

Publication of the results for the half year and second quarter of 2021.

NOVEMBER

November 11, 2021

Publication of the results for the first nine months and third quarter of 2021.

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