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Informazione Regolamentata n. 0921-37-2019	Data/Ora Ricezione 04 Settembre 2019 17:05:19	MTA - Star
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Societa' : GRUPPO MUTUIONLINE

Identificativo : 122249

Informazione
Regolamentata

Nome utilizzatore : MUTUIONLINEN01 - PESCARMONA

Tipologia : 1.2

Data/Ora Ricezione : 04 Settembre 2019 17:05:19

Data/Ora Inizio : 04 Settembre 2019 17:05:20

Diffusione presunta

Oggetto : Approved first half 2019 consolidated financial report: Growing revenues, operating income and net income; weakness of reference market

Testo del comunicato

Vedi allegato.

Milan, 4 September 2019

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GRUPPO MUTUIONLINE S.P.A.
APPROVED FIRST HALF 2019 CONSOLIDATED FINANCIAL REPORT:
GROWING REVENUES, OPERATING INCOME AND NET INCOME;
WEAKNESS OF REFERENCE MARKET

<i>Consolidated - Euro '000</i>	1H2019	1H2018	Change %
Revenues	107,976	85,408	+26.4%
Operating Income	25,634	23,165	+10.7%
Net income	20,390	16,595	+22.9%

The board of directors of Gruppo MutuiOnline S.p.A. approved today the consolidated half-year financial report for the six months ended June 30, 2019.

Revenues for the six months ended June 30, 2019 are Euro 108.0 million, up 26.4% compared to the same period of the previous financial year. The growth in revenues regards both the Broking Division, whose revenues are up 11.0%, increasing from Euro 37.2 million in the first half 2018 to Euro 41.3 million in the first half 2019, and the BPO Division, whose revenues are up 38.3%, increasing from Euro 48.2 million in the first half 2018 to Euro 66.7 thousand in the first half 2019.

Operating income increases by 10.7% in the six months ended June 30, 2019, compared to the same period of the previous financial year, passing from Euro 23.2 million in the first half 2018 to Euro 25.6 million in the first half 2019. The operating margin for the six months ended June 30, 2019 is equal to 23.7% of revenues, lower than the operating margin for the same period of the previous year, equal to 27.1% of revenues. This result is linked both to the reduction of the operating margin of the Broking Division, decreasing from 32.6% in the first half 2018 to 29.8% in the first half 2019, and the reduction of the operating margin of the BPO Division, decreasing from 20.9% in the first half 2018 to 20.0% in the first half 2019. Such drops are attributable, with reference to the Broking Division, to higher marketing costs incurred in the first half of 2019, and with reference to the BPO Division, to higher amortization following the recognition of the software asset with the consolidation of Agenzia Italia S.p.A..

Net income increases by 22.9% in the six months ended June 30, 2019, passing from Euro 16.6 million in the first half 2018 to Euro 20.4 million in the first half 2019.

Evolution of the Italian residential mortgage market

The year-on-year contraction of the residential mortgage market already apparent in the first quarter of 2019 became more pronounced in the second quarter, with a significant drop of purchase mortgages and a strong decline of remortgages.

Gruppo MutuiOnline S.p.A. (in breve Gruppo MOL S.p.A. o MOL Holding S.p.A.)

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Capitale Sociale Euro 1.012.354,01 Interamente Versato

Data from Assofin, an industry association which represents the main lenders active in the sector, show a drop in gross flows of 14.8% in April, of 22.6% in May and of 25.2% in June 2019; in the second quarter total gross flows fell by 21.4%, as a result of a 14.1% contraction of purchase mortgages and 40.9% of other mortgages (mainly remortgages). Data from CRIF, a company which manages the main credit bureau in Italy, report a year-on-year contraction in credit report inquiries for residential mortgage of 10.8% in April, of 10.1% in May and of 11.6% in June 2019.

For the second half of 2019, in light of the weak performance of the mortgage market in previous months and renewed political instability, a continuation of the ongoing contraction is likely. The very recent drop of the spread on Italian sovereign bonds, if confirmed, could improve such outlook.

Broking Division: report on operations and foreseeable evolution

The Broking Division shows, as expected, a progressive slowdown in the first half of 2019, with a year-on-year drop in revenues of Mortgage Broking and Consumer Loan Broking starting from the second quarter, while revenues of Insurance Broking and E-Commerce Price Comparison increase, also as a result of an increase in marketing expenses.

For the remainder of the year, especially due to the contraction of the mortgage market, we expect a situation of overall stable revenues and moderate year-on-year decline of operating income.

Mortgage Broking

Mortgage Broking revenues, which continued to grow strongly in the first quarter of 2019, contracted as expected starting from the second quarter of the year.

For the following months, a year-on-year decline is expected, due both to the weakness of the market and the Division's above-average exposure to the remortgage segment, which is subject to a stronger drop.

Consumer Loan Broking

The lower attractiveness of the consumer loan product offering compared to the reference market led to a decline in revenues and operating income of Consumer Loan Broking in the second quarter of 2019.

An action plan is currently being developed to reactivate the growth of this Business Line, whose performance has been unsatisfactory in the last years.

Insurance Broking

The number of new contracts brokered, as well as revenues from insurance brokerage, show sustained growth, although marketing expenses also increase significantly.

This trend is likely to continue in the next months, despite a recent reduction in the organic visibility of Segugio.it, thanks to the offsetting impact of a number of service improvements implemented during the year.

E-Commerce Price Comparison

The trend of the E-Commerce Price Comparison is gradually improving, with an acceleration in revenues due to the increase in marketing expenses and the fine tuning of pricing.

For the remainder of the year, it is reasonable to expect a year-on-year increase of revenues and operating income, which benefits from a rationalization of the structure of operating costs.

However, the adverse impact of the way in which Google's generic search results are presented remains, which has the effect of reducing the organic visibility of price comparison websites.

BPO Division: report on operations and foreseeable evolution

The turnover of the BPO Division grew strongly in the first half of the year, and percentage margins remain within the long-term target range, although they decreased compared to the same period of 2018, partially due to the increase of amortization linked to the acquisition of Agenzia Italia S.p.A..

The strong increase in turnover is mainly due to the enlargement of the consolidation scope following the acquisition of Agenzia Italia S.p.A. and the EW Group, but, even at constant perimeter, turnover, as better detailed below, would have shown a growth rate of over 10%.

The Group expects that, overall, revenues and operating margin of the Division for the second half of 2019 will be in line with those of the first half of the year, although with different trends among the different Business Lines.

In the medium term, the Division's growth outlook remains positive, both for existing and potential customers, although it is important to point out that the renewed political instability could have a negative impact on some of the main reference markets (loans, automotive sector).

The scouting of growth opportunities in new or existing verticals continues, also through corporate acquisitions, when strategically and financially attractive opportunities arise.

Mortgage BPO

The performance of the Business Line (from which figures relating to real estate valuation services have been separated and reported separately from this half-year) shows a double-digit increase in revenues, mainly concentrated in the first months of the year, which then weakened over the rest of the half-year. The slowdown in growth is due both to the contraction of the mortgage market and to the effect of the Bank of Italy's decision to impose a temporary suspension (still ongoing) of the acquisition of new customers for a bank that is a customer of the Division's services.

In the second half of the year, Mortgage BPO results will be in line with or slightly below that of the same period of the last year, also depending on the possible resumption of the activities of the bank affected by the decision of the regulator. Overall, Mortgage BPO turnover in 2019 is expected to grow compared to 2018.

Real Estate Services BPO

Starting from this half year, the results of services related to the real estate world are reported separately from Mortgage BPO. This Business Line includes the real estate valuation services previously provided by the Division and the activities of EW Group, acquired in January 2019.

The results for the second half of the year are expected to be higher than those for the first six months of the year, due to the activation of the contract with a new client, which is one of the main Italian banks.

CQ Loan BPO

The Business Line shows moderate growth in the first six months of the year compared to the same period of 2018, thanks to the activation of the contract with Banca Mediolanum and the growth of some existing customers.

This trend of slight growth is also confirmed for the second half of the year.

Insurance BPO

The result of the Business Line dedicated to insurance services shows a rate of growth above management's expectations due to a different distribution of the workload linked to claims management and credit collection activities.

As previously announced, the overall result for 2019 will be in line or slightly lower than last year.

Investment services BPO

The Business Line dedicated to investment services shows an organic double-digit growth linked both to the increase in volumes managed for the main client and to the acquisition of new clients for the offer of integrated IT/Operations services. In this regard, the acquisition of 100% of the share capital of Due S.r.l., which took place in July 2019, allows us to strengthen the offer of technological platforms (and related services) in the advisory and account aggregation fields.

The second half of the year should show a continuation of this development trend, even if at lower growth rates.

Leasing/Rent BPO

Agenzia Italia S.p.A. substantially contributes to the growth of the Division compared to the first half of 2018 due to the different period of consolidation (in the previous half year it was limited to the second quarter). Excluding this effect, revenues are still up by about 10% year-on-year in 2019.

This growth trend will accelerate in the second half of 2019, thanks to the contribution of the services that Agenzia Italia S.p.A. will provide for the performing part of the leasing portfolio of 1.6 euro billion that ING Bank sold to Goldman Sachs and Banca Finint at the beginning of August.

* * *

The Company quarterly report for the three months ended 30 September, 2019 will be approved by the board of directors of Gruppo MutuiOnline S.p.A. to be held on November 12, 2019.

Attachment:

1. *Quarterly consolidated income statement*
2. *Consolidated income statement for the six months ended June 30, 2019 and 2018*
3. *Consolidated balance sheet as of June 30, 2019 and December 31, 2018*
4. *Consolidated statement of cash flows for the six months ended June 30, 2019 and 2018*
5. *Declaration of the manager responsible for preparing the company's financial reports*

Gruppo MutuiOnline S.p.A., a company listed on the STAR segment of the Italian Stock Exchange, is the holding company of a group of firms operating in online broking of financial products with an aggregator model (main web sites: MutuiOnline.it and Segugio.it) and in the outsourcing of complex processes for the financial services industry in the Italian market.

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ATTACHMENT 1: QUARTERLY CONSOLIDATED INCOME STATEMENT

<i>(euro thousand)</i>	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Revenues	54,358	53,618	55,830	43,885	47,638
Other income	980	906	1,302	1,196	972
Capitalization of internal costs	927	165	384	158	346
Services costs	(20,856)	(21,418)	(21,740)	(17,527)	(16,903)
Personnel costs	(17,723)	(16,497)	(18,242)	(14,109)	(15,512)
Other operating costs	(1,552)	(1,760)	(1,932)	(1,210)	(1,536)
Depreciation and amortization	(2,873)	(2,641)	(3,636)	(1,426)	(1,556)
Operating income	13,261	12,373	11,966	10,967	13,449
Financial income	1,923	112	105	137	94
Financial expenses	(328)	(337)	(349)	(324)	(607)
Income/(Losses) from investments	311	60	(833)	110	64
Income/(Expenses) from financial assets/liabilities	(152)	(109)	(740)	(214)	(21)
Net income before income tax expense	15,015	12,099	10,149	10,676	12,979
Income tax expense	(3,606)	(3,118)	(628)	(2,438)	(2,530)
Net income	11,409	8,981	9,521	8,238	10,449

ATTACHMENT 2: CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

<i>(euro thousand)</i>	Six months ended	
	June 30, 2019	June 30, 2018
Revenues	107,976	85,408
Other income	1,886	1,581
Capitalization of internal costs	1,092	548
Services costs	(42,274)	(30,889)
Personnel costs	(34,220)	(27,564)
Other operating costs	(3,312)	(2,802)
Depreciation and amortization	(5,514)	(3,117)
Operating income	25,634	23,165
Financial income	2,035	103
Financial expenses	(665)	(861)
Income/(Losses) from investments	371	(54)
Income/(Expenses) from financial assets/liabilities	(261)	(820)
Net income before income tax expense	27,114	21,533
Income tax expense	(6,724)	(4,938)
Net income	20,390	16,595
Attributable to:		
Shareholders of the Issuer	20,149	15,890
Minority interest	241	705
Earnings per share basic (Euro)	0.53	0.42
Earnings per share diluted (Euro)	0.51	0.41

ATTACHMENT 3: CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2019 AND DECEMBER 31, 2018

<i>(euro thousand)</i>	As of	
	June 30, 2019	December 31, 2018
ASSETS		
Intangible assets	109,195	98,641
Property, plant and equipment	23,010	16,995
Associates measured with equity method	1,731	1,554
Non-current financial assets at fair value	50,677	10,264
Other non-current assets	598	599
Total non-current assets	185,211	128,053
Cash and cash equivalents	24,756	67,876
Trade receivables	95,786	75,155
Tax receivables	6,584	3,986
Other current assets	6,562	5,207
Total current assets	133,688	152,224
TOTAL ASSETS	318,899	280,277
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	953	954
Other reserves	69,299	47,102
Net income	20,149	33,736
Total equity attributable to the shareholders of the Issuer	90,401	81,792
Minority interest	1,569	1,154
Total shareholders' equity	91,970	82,946
Long-term debts and other financial liabilities	116,558	75,638
Provisions for risks and charges	1,630	1,797
Defined benefit program liabilities	13,449	12,076
Deferred tax liabilities	9,033	28
Other deferred liabilities	2,334	1,661
Total non-current liabilities	143,004	91,200
Short-term debts and other financial liabilities	31,887	58,582
Trade and other payables	25,419	24,698
Tax payables	1,509	2,721
Other current liabilities	25,110	20,130
Total current liabilities	83,925	106,131
TOTAL LIABILITIES	226,929	197,331
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	318,899	280,277

**ATTACHMENT 4: CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED
JUNE 30, 2019 AND 2018**

<i>(euro thousand)</i>	Six months ended	
	June 30, 2019	June 30, 2018
Net income	20,390	16,595
Amortization and depreciation	5,514	3,117
Stock option expenses	539	327
Capitalization of internal costs	(1,092)	(548)
Changes of the value of the participations evaluated with the equity method	(373)	54
Income tax paid	(227)	(167)
Changes in contract work in progress	-	305
Changes in trade receivables/payables	(18,244)	(4,759)
Changes in other assets/liabilities	9,773	(313)
Changes in defined benefit program	878	889
Changes in provisions for risks and charges	(167)	(31)
Net cash generated/(absorbed) by operating activities	16,992	15,469
Investments:		
- Increase of intangible assets	(72)	(287)
- Increase of property, plant and equipment	(1,286)	(1,668)
- Acquisition of subsidiaries	(11,442)	(18,555)
- Increases of financial assets at fair value	(40,778)	-
- Acquisition of participation evaluated with the equity method	-	(49)
Disposals:		
- Reimbursement/sale of securities	390	317
Net cash generated/(absorbed) by investing activities	(53,188)	(20,242)
Interest paid	(462)	(342)
Increase of financial liabilities	11,272	56,932
Decrease of financial liabilities	(7,792)	(31,551)
Increase of share capital	-	493
Purchase/(sale) of own shares	(2,362)	(1,104)
Dividends paid	(11,292)	(11,427)
Net cash generated/(absorbed) by financing activities	(10,636)	13,001
Net increase/(decrease) in cash and cash equivalents	(46,832)	8,228
Net cash and cash equivalent at the beginning of the period	67,063	76,566
Net cash and cash equivalents at the end of the period	20,231	84,794
Cash and cash equivalents at the beginning of the period	67,876	76,569
Current account overdrafts at the beginning of the period	(813)	(3)
Net cash and cash equivalents at the beginning of the period	67,063	76,566
Net cash and cash equivalents at the end of the period	24,756	89,332
Current account overdrafts at the end of the period	(4,525)	(4,538)
Net cash and cash equivalents at the end of the period	20,231	84,794

ATTACHMENT 5: DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

Declaration Pursuant to Art. 154/bis, Paragraph 2 – Part IV, Title III, Chapter II, Section V-bis, of Italian Legislative Decree No. 58 of 24 February 1998: “Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996”

Re: Press release – Six months ended June 30, 2019 results

I, the undersigned, Francesco Masciandaro, the manager responsible for preparing the financial reports of Gruppo MutuiOnline S.p.A.

DECLARE

pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds with the accounting documents, ledgers and records.

Francesco Masciandaro

Gruppo MutuiOnline S.p.A.

Fine Comunicato n.0921-37

Numero di Pagine: 12