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Informazione Regolamentata n. 0921-30-2020	Data/Ora Ricezione 15 Maggio 2020 17:42:48	MTA - Star
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Societa' : GRUPPO MUTUIONLINE

Identificativo : 132567

Informazione
Regolamentata

Nome utilizzatore : MUTUIONLINEN01 - PESCARMONA

Tipologia : REGEM

Data/Ora Ricezione : 15 Maggio 2020 17:42:48

Data/Ora Inizio : 15 Maggio 2020 17:42:49

Diffusione presunta

Oggetto : First quarter 2020: Solid results and
financial condition

Testo del comunicato

Vedi allegato.

Milano, 15 May 2020

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GRUPPO MUTUIONLINE S.P.A.:
FIRST QUARTER 2020: SOLID RESULTS AND FINANCIAL CONDITION

<i>Consolidated - Euro '000</i>	1Q2020	1Q2019	% Change
Revenues	58,142	53,618	+8.4%
Operating income (EBIT)	11,164	12,373	-9.8%
Net income	7,921	8,981	-11.8%

The board of directors of Gruppo MutuiOnline S.p.A. approved today the consolidated interim report on operations for the three months ended March 31, 2020.

Revenues for the three months ended March 31, 2020 are Euro 58.1 million, up 8.4% compared to the same period of the previous financial year. Such increase is attributable to the growth of both the Broking Division, which reports a revenue increase of 10.1%, passing from Euro 20.8 million in the first quarter 2019 to Euro 22.9 million in the first quarter 2020, and of the BPO Division, which reports a revenue increase of 7.4%, passing from Euro 32.8 million in the first quarter 2019 to Euro 35.2 million in the first quarter 2020.

Operating income decreases by 9.8% in the three months ended March 31, 2020, compared to the same period of the previous financial year, passing from Euro 12.4 million in the first quarter 2019 to Euro 11.2 million in the first quarter 2020. Such decrease is attributable to the BPO Division, with the operating income contracting by 31.3%, passing from Euro 6.4 million in the first quarter 2019 to Euro 4.4 million in the first quarter 2020, partially offset by the growth of the Broking Division, with the operating income growing 13.4%, passing from Euro 6.0 million in the first quarter 2019 to Euro 6.8 million in the first quarter 2020.

Net income decreases by 11.8% in the three months ended March 31, 2020, passing from Euro 9.0 million in first quarter 2019 to Euro 7.9 million in the first quarter 2020.

The net financial position as of 31 March 2020 is negative for Euro 70.2 million, a significant strengthening compared to negative Euro 100.1 million as of 31 December 2019. Available cash is equal to Euro 74.6 million as of 31 March 2020, compared to Euro 34.7 million as of 31 December 2019.

Evolution of the Italian retail mortgage market

In the first two months of 2020, the mortgage market continued to grow, following a trend already visible in the last quarter of 2019, powered by a recovery of real estate transactions and the renewed cheapness of remortgages, in an environment of low long-term interest rates.

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

However, the Covid-19 pandemic and the subsequent containment measures led the market to a sharp slowdown, significantly reducing demand and, above all, blocking/delaying the conclusion of ongoing mortgage transactions during the lock-down period. In particular, significant obstacles emerged to the closing of real estate transactions and mortgages (especially for remortgages, considered “non-urgent” by notaries) and to the evaluation of properties (impossibility for experts to carry out inspections, closure of public offices).

Data from Assofin, an industry association which represents the main lenders active in the sector, show an increase in gross origination flows of 22.8% in January and 34.6% in February followed by a 27.8% decrease in March 2020; total gross flows in the first quarter 2020 increase by 8.5%, as a result of a 4.5% decrease of purchase mortgages and a 48.6% increase of other mortgages (mainly remortgages).

With the gradual roll back of the restrictive measures starting from May, many of the ongoing transactions can be continued and then closed, with a recovery of mortgage disbursements in the short term.

Over a longer time horizon, it is difficult to make reliable forecasts regarding the demand for purchase mortgages due to the great uncertainty about the future evolution of the real estate market in an unfavorable and uncertain economic situation, while regarding remortgages demand may remain significant if banks do not increase interest rates.

Broking Division: report on operations and foreseeable evolution

The Broking Division recorded an overall positive performance during the first quarter of 2020, both due to the good trends of the first two months and because in the lock-down period the negative impact on the credit and insurance broking businesses was mitigated by the growth of E-Commerce Price Comparison.

The month of April, because of the full lock-down during the entire month, could represent the weakest month for the results of the Division in 2020, net of seasonality. A gradual recovery of business volumes for the Mortgage Broking and Insurance Broking businesses starting from May, partly attributable to the time shift in “frozen” demand during the lock-down period, together with the continued growth of the E-Commerce Price Comparison should ensure the stability of the Division’s revenues in the second quarter, if compared to same period of the previous year, while any forecasts for subsequent quarters appear premature.

Mortgage Broking, which grew significantly in the first months of the year thanks to favourable market trends, saw a sharp slowdown in demand and a significant drop in originations during the lock-down period. The easing of restrictions is currently leading to a recovery of business volumes, partly due to operations remained “blocked” in previous months, but it remains difficult to make estimates for the rest of the year.

With regard to Consumer Loan Broking, which was already declining year-on-year in the first few months of the year, the impact of the lock-down was significant. The recovery of business volumes linked to the easing of restrictions, in this case, has so far been weak, due both to a decline of demand and to the greater prudence of financial companies.

Insurance Broking saw an increase of new brokered contracts in the first two months of the year, which waned in the lock-down period, that was also characterized by a reduction of policy renewal rates. With the easing of restrictions, growth resumed in May, also due to the time shift of demand for seasonal “motorcycle” policies.

With reference to E-Commerce Price Comparison, already growing at the beginning of the year also thanks to higher marketing spend, the lock-down led to a significant increase in business volumes, linked to the increase of the penetration of e-commerce in Italy.

BPO Division: report on operations and foreseeable evolution

The performance of the BPO Division, in the first quarter of 2020, is the combined effect of two positive months, in which the growth trends of the final months of last year continued, and of the month of March, in which, instead, the impact of the lockdown imposed on the entire country was felt in a significant way.

The main impact was on the margins of the Division, particularly in the mortgage and leasing/rental sectors. Firstly, productivity was drastically reduced, because it was complex or impossible to finalize the processing pipeline, even if our business lines had performed their tasks, as some public counterparties interrupted or severely limited their services (notaries, municipal technical offices, public property registers, vehicle registry). Furthermore, extraordinary operating costs were incurred in connection with the implementation of business continuity plans. As already communicated in the past, in fact, the Group and the Division moved very quickly to ensure, through smart working, on the one hand, the health of all employees and, on the other, the continuity of the services offered to customer institutions. Finally, in Mortgage BPO, operating margins declined in percentage terms, when compared to the same period of last year, due to the increased share of para-notary services in the business mix.

The impact of the lockdown gradually increased during March and continued in full throughout April, diversified across the various business lines.

The origination of new credit progressively weakened, especially with regard to CQ loans and purchase mortgages through traditional channels. The slowdown of the demand for new credit also affected real estate valuation services.

On the other hand, the demand for remortgages through online banks was less impacted, and in some cases, saw an increase compared to last year.

As mentioned above, it was difficult to finalize the financing and property valuation operations due to the service limitations of some public counterparties involved in the process and the restrictions on mobility in the territory.

Still in the credit area, the portfolio servicing business was stable, both in terms of mortgages, leasing and CQ loans.

Services for investment companies saw a reduction in remuneration linked to the decrease of the value of assets under management.

Insurance BPO services, which had a weak performance last year, continued to decline.

Finally, services related to vehicle rental companies, both short and long term, are impacted both by a drastic reduction in demand for registrations and by the impossibility of finalizing them, due to the almost complete shut-down of the Motor Vehicle Registration Offices.

In the face of these impacts, the BPO Division started to use the social shock absorbers made available by the Government in this crisis, in order to contain overcapacity costs.

It is difficult to predict the speed with which demand for our services will resume, with the gradual easing of restrictions during May, as well as to estimate the medium-term effects on the reference markets of the Division's customers, and on consumer confidence.

Despite this difficult scenario, some opportunities are showing up to offer new services, especially to the banking sector, linked to the digitization and remote redesign of processes, an area of specialization of many of the business lines of the Division.

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The Company's half year financial report for the six months ended June 30, 2020 will be approved by the board of directors of Gruppo MutuiOnline S.p.A. to be convened on September 4, 2020.

Attachments:

1. *Quarterly consolidated income statement*
2. *Consolidated income statement for the three months ended March 31, 2020 and 2019*
3. *Consolidated balance sheet as of March 31, 2020 and December 31, 2019*
4. *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				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Revenues	58,142	63,332	48,627	54,358	53,618
Other income	840	1,145	1,179	980	906
Capitalization of internal costs	769	585	540	927	165
Services costs	(24,940)	(24,718)	(18,947)	(20,856)	(21,418)
Personnel costs	(17,693)	(18,855)	(15,579)	(17,723)	(16,497)
Other operating costs	(2,511)	(2,429)	(2,012)	(1,552)	(1,760)
Depreciation and amortization	(3,443)	(4,967)	(2,763)	(2,873)	(2,641)
Operating income	11,164	14,093	11,045	13,261	12,373
Financial income	81	15	49	1,923	112
Financial expenses	(352)	(343)	(305)	(328)	(337)
Income/(Losses) from participations	39	(115)	(150)	311	60
Income/(Losses) from financial assets/liabilities	54	1,288	(518)	(152)	(109)
Net income before income tax expense	10,986	14,938	10,121	15,015	12,099
Income tax expense	(3,065)	(2,294)	(2,510)	(3,606)	(3,118)
Net income	7,921	12,644	7,611	11,409	8,981

ATTACHMENT 2: CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

<i>(euro thousand)</i>	Three months ended		Change	%
	March 31, 2020	March 31, 2019		
Revenues	58,142	53,618	4,524	8.4%
Other income	840	906	(66)	-7.3%
Capitalization of internal costs	769	165	604	366.1%
Services costs	(24,940)	(21,418)	(3,522)	16.4%
Personnel costs	(17,693)	(16,497)	(1,196)	7.2%
Other operating costs	(2,511)	(1,760)	(751)	42.7%
Depreciation and amortization	(3,443)	(2,641)	(802)	30.4%
Operating income	11,164	12,373	(1,209)	-9.8%
Financial income	81	112	(31)	-27.7%
Financial expenses	(352)	(337)	(15)	4.5%
Income/(Losses) from participations	39	60	(21)	-35.0%
Income/(Losses) from financial assets/liabilities	54	(109)	163	N/A
Net income before income tax expense	10,986	12,099	(1,113)	-9.2%
Income tax expense	(3,065)	(3,118)	53	-1.7%
Net income	7,921	8,981	(1,060)	-11.8%
Attributable to:				
Shareholders of the Issuer	7,747	8,845	(1,098)	-12.4%
Minority interest	174	136	38	27.9%

ATTACHMENT 3: CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2020 AND DECEMBER 31, 2019

<i>(euro thousand)</i>	As of		Change	%
	March 31, 2020	December 31, 2019		
ASSETS				
Intangible assets	105,884	107,282	(1,398)	-1.3%
Property, plant and equipment	25,233	25,512	(279)	-1.1%
Participation measured with equity method	1,745	1,786	(41)	-2.3%
Financial assets at fair value	26,662	54,354	(27,692)	-50.9%
Deferred tax assets	-	137	(137)	-100.0%
Other non-current assets	601	602	(1)	-0.2%
Total non-current assets	160,125	189,673	(29,548)	-15.6%
Cash and cash equivalents	74,641	34,654	39,987	115.4%
Trade receivables	93,844	95,370	(1,526)	-1.6%
Tax receivables	4,609	4,313	296	6.9%
Other current assets	6,762	4,796	1,966	41.0%
Total current assets	179,856	139,133	40,723	29.3%
TOTAL ASSETS	339,981	328,806	11,175	3.4%
LIABILITIES AND SHAREHOLDERS' EQUITY				
Total equity attributable to the shareholders of the Issuer	105,405	112,571	(7,166)	-6.4%
Minority interest	1,905	1,627	278	17.1%
Total shareholders' equity	107,310	114,198	(6,888)	-6.0%
Long-term debts and other financial liabilities	133,335	108,650	24,685	22.7%
Provisions for risks and charges	1,838	1,840	(2)	-0.1%
Defined benefit program liabilities	14,442	14,098	344	2.4%
Deferred tax liabilities	2,768	-	2,768	N/A
Other non current liabilities	4,335	4,387	(52)	-1.2%
Total non-current liabilities	156,718	128,975	27,743	21.5%
Short-term debts and other financial liabilities	15,654	29,167	(13,513)	-46.3%
Trade and other payables	30,656	28,113	2,543	9.0%
Tax payables	3,749	4,099	(350)	-8.5%
Other current liabilities	25,894	24,254	1,640	6.8%
Total current liabilities	75,953	85,633	(9,680)	-11.3%
TOTAL LIABILITIES	232,671	214,608	18,063	8.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	339,981	328,806	11,175	3.4%

ATTACHMENT 4: 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 – Three months ended March 31, 2020 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.0921-30

Numero di Pagine: 10