

Annual General Meeting of MLP SE

Remarks by
Dr. Uwe Schroeder-Wildberg,
Chairman of the Board

Wiesloch, June 25, 2020

Publication date of preliminary speech text: June 16, 2020

The spoken word takes precedence.

This preliminary speech text can differ from the actual speech given.

Dear shareholders,

Dear shareholder representatives,

Ladies and gentlemen,

I too would like to wish you a warm welcome to this year's Annual General Meeting. Instead of addressing you directly in the Palatin Congress Centre, I am today speaking from the auditorium at the MLP Corporate University – exclusively via a live broadcast on the Internet. This is a small, yet tangible example of the far-reaching effects resulting from the coronavirus crisis. However, having to hold a "Virtual Annual General Meeting" online is surely one of the least worrying negative aspects of the crisis. After all, we can all feel the effects of the crisis in our own daily lives. If we look at our economy, several million people had no other option than to accept reduced working hours at short notice. In addition to this, numerous companies are also facing a paradigm shift, as their business models suddenly no longer work. We are experiencing an acceleration of digitalisation in many areas of economic life. At the same time – and this might initially appear paradoxical – globally networked and very collaboratively organised concept of added value is increasingly being called into question. What may still be considered acceptable in certain sectors from the supply reliability point of view will likely drive up costs significantly throughout our economy. Indeed, the collateral damage to be anticipated from the lockdown, including the feared second and third wave effect, is likely to be considerable. Even a quick glance at German export figures for April gives cause for concern. German exports fell by more than 30 percent over the same month in the previous year – which represents the greatest decline since export statistics began in 1950. While our economy is trying to overcome fundamental challenges, the role of the State is growing in importance. Given the acuteness of the crisis,

swift government action was absolutely appropriate. As such, the latest wave of fiscal support was also met with general approval among many renowned economists. However, it starts to become dangerous when government interventions lead to a lasting departure from market economy principles. As history has taught us many times, the State is not necessarily the best role model when it comes to business. We should also be worried about the drastic increase in sovereign debt that is needed to finance the rescue packages. Even if this step is being taken in Germany on the basis of many years of well-managed state finances, we must recognise one important fact: the costs of fighting the coronavirus pandemic and easing its economic consequences will continue to burden future generations. In addition: The substantial changes to our economy cannot be achieved simply by pumping in billions of euros. What is needed is corporate action, characterised by a high degree of readiness to perform and deliver innovation.

Despite all restrictions, the most important concept for us as MLP has not changed: we need to remain fully available to our clients and stand by them in times such as these. We have enjoyed great success in this regard right from the outset. Our consultants have been looking after our clients via video consultations and have been there for them virtually around the clock. It is now particularly important for us to answer our clients' questions, highlight solutions and advise them as to what is still reliable in light of the crisis and where they might need to make some adjustments. This provides clients with orientation, while at the same time helping to strengthen their subjective sense of security, which often suffers in crises such as this. It is also at this point that clients often start to understand just how foresighted previous financial decisions, which they took with support of their MLP

consultant, actually were. For many, this underlines the fact that MLP really is there to support them as a dialogue partner for all financial matters.

At the same time, it was important for us as a company to protect our consultants, employees and business partners. To this end, we waived the requirement for staff to be present in the office and also dispensed with personal meetings as far as possible. Our objective with consistent measures of this kind was also to fulfil our social responsibility as a corporate group and help contain the pandemic. Here, we were able to rely on the digitalisation of our company that we have driven forwards with a sense of determination in the last few years and will continue to do so.

In the course of this process, we also took the decision to hold this Annual General Meeting as a virtual event. However, we are aware that this does not offer you, our valued shareholders, an equivalent substitute, as important face-to-face conversations unfortunately cannot currently take place. Yet despite this, dialogue with you remains very important to us. We therefore quite intentionally went beyond the minimum requirements that the legislator established at very short notice, even with this coronavirus-based format. One example of this is the fact that we already published the speech I am giving today around a week ago on the Internet. This allowed you to glean the key information in advance and gave you the opportunity to send us your questions.

Ladies and gentlemen, in the last few years we have established a very stable basis for our joint enterprise. We have restructured, realigned and diversified virtually the entire company and strategically prepared it for future challenges. We have significantly diversified our revenue streams,

sustainably expanded the proportion of recurring revenue and established a strict system of cost management. MLP is today a different, more stable and more sustainable company that is better equipped than ever before to handle the challenges of the future. However, MLP is obviously also feeling the effects of the coronavirus crisis. We therefore already took the decision in April to adjust our outlook and are now anticipating earnings before interest and taxes (EBIT) of EUR 34 to 42 million for 2020. This is less than originally targeted, but remains a solid figure in light of the current environment with the coronavirus pandemic and its effects. You can also rest assured that we will continue to decisively battle against the pressures associated with the coronavirus crisis and remain resolute in taking advantage of the opportunities that our markets offer us.

Slide: Overview of the financial year 2019

In the last financial year we continued to seize our opportunities. Allow me to start with the three most important developments in the last financial year:

- Firstly: MLP increased its total revenue by 6.4 percent in 2019 – and thereby set a new record. It is both pleasing and remarkable to note that we were also able to record gains across all fields of consulting in 2019.
- Secondly: Earnings before interest and taxes – EBIT – rose to EUR 47.1 million and, as such, was slightly above the previous year as forecast. These earnings are all the more remarkable when we consider that we also invested around EUR 8 million in this "young" field in the past year.

- And thirdly: We maintained our attractive and consistent dividend policy for our shareholders – with an increased dividend of 21 cents per share, following on from 20 cents in the previous year.

In other words, we can reflect on an excellent, successful financial year – and allow me to say this: It has also been a very defining and important year for our future.

Slide: Strong foundations established

We established a strong basis in the MLP Group. The stability I just mentioned is the result of persistent further development of the MLP Group in the last few years. We are a strong Group: with FERI as the investment house, the underwriting agency DOMCURA for non-life insurance, DEUTSCHLAND.Immobilien in the brokerage and development of investment property, TPC in the field of occupational provision and, of course, with our core brand MLP in the private client business. While many thought of us primarily as an insurance broker just a few years ago, we have now established ourselves as a dialogue partner for all financial matters – with high end-to-end quality standards. Both our clients and we as a company are benefiting from this. And this is in the order we want it to be. It all starts with benefits for clients, which then lead to major success for the company and thereby also for you, our valued shareholders.

Slide: FY 2019: Total revenue increased to a new all-time high

Total revenue increased by 6.4 percent to EUR 708.8 million in 2019. As was already the case in the previous year, MLP achieved growth in all fields of consulting. The real estate brokerage business, which we have been strengthening since 2014, recorded the strongest growth for the third year

in succession with revenue up by 17.9 % to EUR 23.7 million. The second highest growth rate was recorded in loans and mortgages with an increase of 16.9 %. Wealth management also enjoyed a significant rise of 10.6 % and MLP has now achieved growth in this sector for ten years in succession. Alongside MLP's private client business, this is also thanks to the positive development once again recorded in the business at FERL.

Slide: Growth in family clients, as well as corporate and institutional clients

The MLP Group served around 549,600 family clients as of December 31. The gross number of newly acquired family clients was just under 19,300 in the financial year. We initiated around 25 percent of these clients online. In addition to this, the number of corporate and institutional clients also increased further to around 21,800.

Slide: FY 2019: EBIT well within the target range

As you can see on the slide, at EUR 47.1 million our EBIT reached the forecast target range. Group net profit rose to EUR 36.9 million in the last financial year.

Slide: Return on equity increased to 8.7 percent

You can find the most important financial key figures from the balance sheet on the next page of the presentation. Accordingly, the equity ratio as of December 31 was 15.6 percent. The return on equity relative to Group net profit is 8.7 percent – which is slightly above the previous year. Our core capital ratio on the reporting date was 19.2 percent, so we remain well positioned to handle the even stricter stipulations imposed by the regulator.

Slide: Executive Board and Supervisory Board propose dividend of 21 cents per share

As briefly mentioned at the start of my speech, the Executive Board and Supervisory Board would like to propose a dividend of 21 cents per share for you – our valued shareholders – for the financial year 2020. This follows on from 20 cents per share in the previous year. At 62 % of Group net profit, the payout ratio is again in the upper half of the announced corridor. We are therefore continuing our consistent dividend policy for you and sending out a clear signal that MLP is a highly attractive share.

In addition to this, we bought back treasury stock with a total value of around EUR 3.2 million from January to February 2020 in the course of our participation programme for consultants and office managers and already transferred this to the entitled beneficiaries. My colleague Reinhard Loose will discuss the details of this later on.

The MLP share price also displayed excellent development last year, recording an increase of 29 percent for 2019. The share therefore performed better than comparable stocks. However, even our share was affected by the coronavirus crisis in the current year, although the price still displayed good development in relative comparisons. Our objective remains to continue the successful development and convince the capital market of our potential.

Slide: Planning for 2022: EBIT of EUR 75 to 85 million anticipated

Dear shareholders, we have not only have completed a successful year, but also already sown the seeds for future growth. We therefore feel certain that we can also take MLP to the next level in terms of earnings over the course of the next three years. This is precisely what is expressed in our 3-year plan. We are anticipating an EBIT of between EUR 75 and 85 million for 2022. This is unquestionably ambitious, but so it should be. After all, we have four central growth levers that will help us achieve this: continuous growth across all the various fields of consulting, real estate brokerage and development, as well as expansion of our university segment.

Slide: Acquiring new consultants in the "young" field as a driver for growth

Allow me to begin with the university segment, in other words the "young" segment at MLP. We began work on expanding this segment in 2017. Our objective was to further strengthen acquisition of new consultants and clients through an even stronger focus on this line of business, which is so important for MLP. To this end, we have invested a total of EUR 19 million over the last few years. This realignment is already starting to bear fruit. Indeed, we have now increased the number of consultants in this "young" segment from 150 in 2017 to 340 as it stands today. Our outlook now assumes a further rise in the number of consultants in the university segment between 500 and 600 in 2022 – which would increase the total number of consultants working for MLP to between 2,200 and 2,280. This slide shows you just how much of an earnings driver this is. We are continuing to invest in our "young" segment in 2020 – but as you can see, we are already expecting to break even here in the coming year and will then have a powerful earnings driver. As ever, our highest priority remains

the same here: we do not accept any compromises in terms of quality among our consultants.

Slide: DEUTSCHLAND.Immobilien: Selected project business in growth markets

This also applies to our second and third key driver for growth: the two pillars of our real estate business. Our new subsidiary, DEUTSCHLAND.Immobilien, is itself active in the project business in selected growth markets. It acquires land and then, in collaboration with partners, develops real estate on this land for both inpatient care and senior citizen housing. There is a massive backlog for this kind of property in Germany and a bottleneck in the market. Thanks to the richly filled project pipeline and the high demand in the market, this field holds very tangible business potential for the next few years.

Slide: Real estate brokerage holds massive potential

This also applies to real estate brokerage, which we have been developing since 2014 and then laid the foundations for massive expansion in 2019 with acquisition of the DEUTSCHLAND.Immobilien Group. The online portal, and the more than 6,000 estate agents it connects, represents the central hub here. Added to this is the fact that real estate is becoming increasingly important for MLP's clients and that around 1,300 MLP consultants are now licensed in this key area. Overall we see massive potential for the future in real estate brokerage. The slide shows you our anticipated development corridor for the brokered real estate volume. Not only does it show that the brokered volume has been growing by an average of 39 percent per year since 2014 - it also clearly highlights the fact that this is set to increase from around EUR 294 million in 2019 to EUR 600 or 700 million in 2022.

Slide: Strong and continuously growing revenue sources

This now brings me to the next driver for growth: continuous revenue growth across the other fields of consulting. Wealth management deserves special mention here. The investment capital managed in the Group has long since reached a dimension that allows us to operate at eye level with renowned private banks. MLP's private client business continues to hold potential. The need for wealth management is high, particularly in our target group. Indeed, our consultants have been able to significantly increase the assets under management in MLP's private client business over the last years – primarily because more and more clients are now considering their MLP consultant to be a professional partner in this field. We are convinced that this positive development will continue. Many of our clients, with an average age of just over 40, are now approaching a time in their lives where the issue of wealth management becomes increasingly important. Even the current coronavirus crisis does not change this. Quite the contrary in fact, as we are starting to sense an increased need for advisory services. We also have further potential among our institutional clients or very high net-worth individuals, who we support through FERI. A key factor in this regard is our expertise in alternative investment concepts.

A continuously growing source of revenue in the MLP Group is the non-life insurance business. Our subsidiary DOMCURA has already been impressing clients for years with its product solutions tailored specifically for the broker market. As such, it is always ranked near the top of the list in relevant product comparisons, particularly in the field of building insurance. With the financial power of the MLP Group behind it, DOMCURA has not only

maintained its own strong position in the market, but is also able to continually focus and refine its portfolio and services.

Another source of revenue where we achieved a turnaround in 2019 is old-age provision. The new business recorded here in 2019 was once again encouraging. Alongside the aforementioned growth in the "young" segment, occupational pension provision has in particular made an important contribution. We are now the largest independent broker in the German occupational pension provision business – a position that we can once again benefit from as the ongoing coronavirus crisis starts to subside. After all, the importance of occupational pension provision will continue to grow – not only for citizens looking to invest for their retirement, but also for companies seeking to increase their attractiveness.

Our three-year plan for EBIT is subject to fundamental regulatory interventions. By this, I mean short-term and substantially worse framework conditions, although as matters stand, there is no evidence indicating that.

Slide: Strategic agenda

Alongside revenue potential, our ongoing strict cost management also makes an important contribution here. By repeatedly scrutinising cost items and consistently searching for process improvements, our goal is for administration costs to increase only moderately over the course of the next few years, despite salary increases and inflation. For us, this is also a fundamental component of our activities on the road to our newly stated EBIT corridor for 2022.

The topic of acquisitions also remains part of our future management agenda. We remain highly active and also confident that we can continue to achieve further inorganic growth.

Slide: Digitisation of the Group is progressing

An important factor for making MLP even more effective is digitisation. I have already provided many reports on how we are driving this forward at MLP. Our digital culture is thriving more and more, and we are establishing agile work methods in the Group. We are currently focusing in particular on the topic of artificial intelligence – for example to support service processes. More than ever before, we are also driving forward development of further digital support offers for our MLP consultants. At the start of my speech, I mentioned how we have already been able to benefit from this during the coronavirus crisis.

Slide: Q1 2020: Good start to the year despite first coronavirus effects

Ladies and gentlemen, as is customary, I would now like to provide you with a brief assessment of the opening quarter. In the first three months of 2020, the MLP Group was able to continue the successful development of the last few years. We achieved significant gains on the revenue side; at the same time our earnings performance was also solid – given the framework conditions resulting from the worldwide coronavirus crisis. We are only slightly below the figure from the same quarter of the previous year. We also continued to enjoy great success in acquiring new consultants in the first three months of the year – as I already reported while discussing our "young" segment as a growth driver.

Slide: Forecast 2020

As already communicated, we are anticipating an EBIT of EUR 34 to 42 million for 2020. The coronavirus crisis is having a negative impact, particularly on occupational pension provision and certain aspects of wealth management. So although we are still forecasting very positive development for real estate, the impact of the coronavirus pandemic means that this development is likely to be less dynamic than anticipated at the start of the year. Please take a look at the slide for further details. Our forecast for 2020 is based on the assumption that the framework conditions are likely to begin improving again from the third quarter onwards and will then gradually normalise. As things currently stand, however, market-related risks remain in the sense that the coronavirus pandemic could potentially have even greater macroeconomic effects than can currently be predicted.

Slide: Summary

Ladies and Gentlemen, allow me to briefly summarise.

- We delivered in 2019, and therefore achieved a level of stability as never before, while at the same time establishing key growth levers in the Group.
- Following a good start to 2020, the next few months in particular will still be shaped by the effects of the coronavirus crisis. However, our very stable position, our digital infrastructure and our strong balance sheet mean that we are capable of overcoming any challenges we may face.
- At the same time, past investments have enabled us to establish significant earnings drivers for the future, including in our university and real estate business. They are continuing to develop as planned, so we are happy to confirm our mid-term planning. For 2022, we are

still anticipating a significant increase in EBIT in the order of EUR 75 or 85 million.

Finally, I would like to take the opportunity to express my thanks – as well as those of my colleagues on the Executive Board – to the consultants and employees for their very successful work in the last financial year. I would also like to express my sincere gratitude to you, our valued shareholders, for the trust you have shown in us.

Many thanks for your time.