



# The MLP Group – The partner for all financial matters

Deutsches Eigenkapitalforum 2019

November / 2019



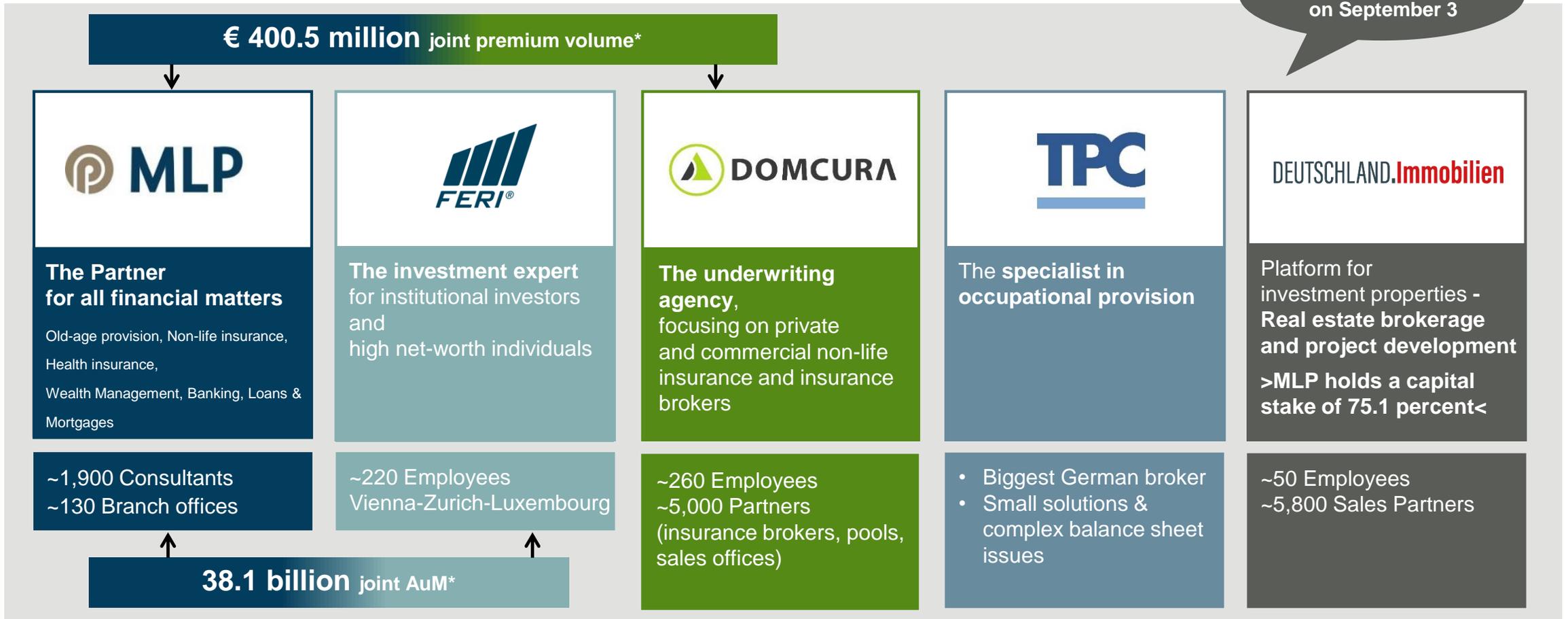
Finanzen verstehen. Richtig entscheiden.

# Agenda

1. MLP at a glance
2. Strategy
3. Business Performance H1 2019
4. Outlook

# MLP Group

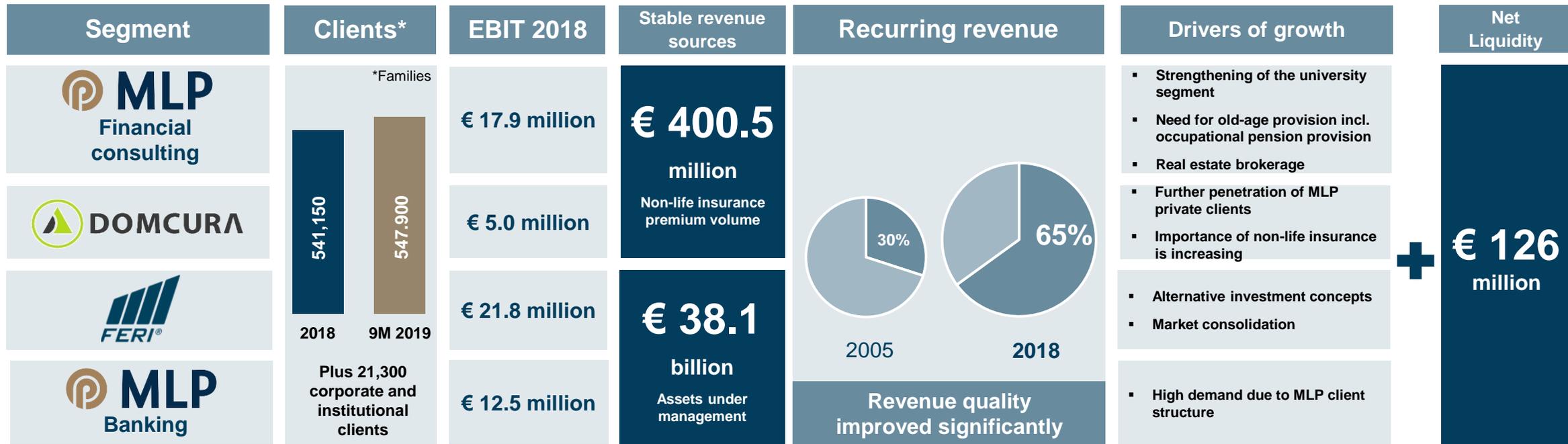
5 Brands – each with outstanding market position



\*9M 2019

# MLP Group – Strong substance and high potential

## MLP Group



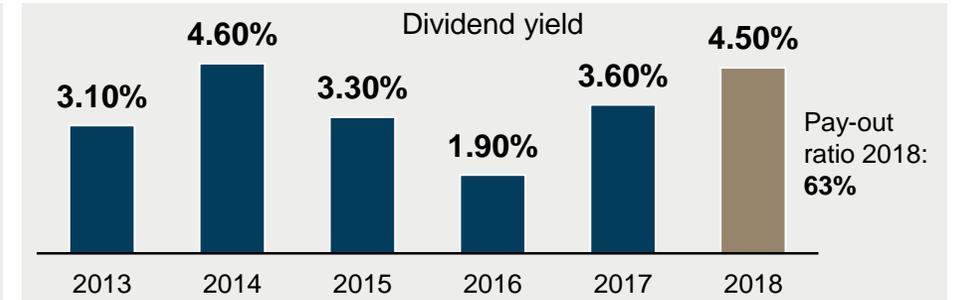
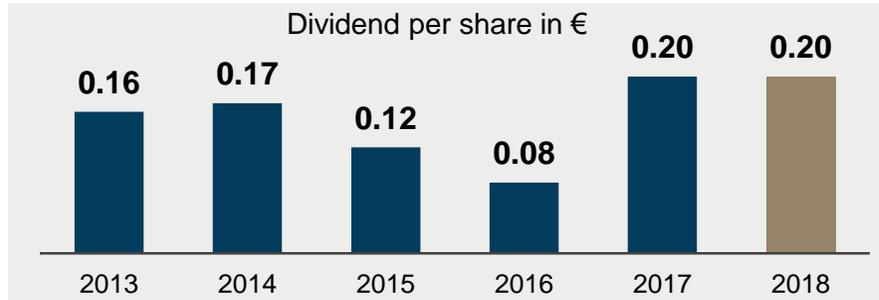
Quality: Stable business with a high proportion of recurring revenue

Potential: Growth opportunities in existing business

→ Positioning and liquidity form a strong basis

# MLP Group – Attractive dividend policy & stable shareholder structure

**1** **Attractive**  
**Dividend policy**  
 Pay out ratio: **50%-70%**  
 of net profit



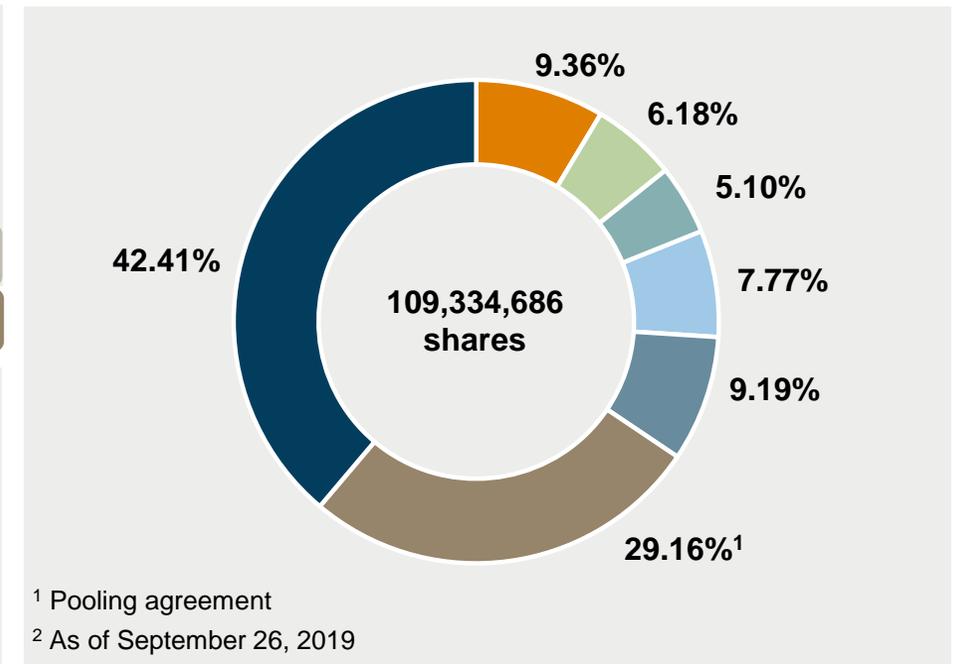
**2** **Broad**  
**Research coverage**

Commerzbank AG	Buy	TP € 5.40
Hauck & Aufhäuser	Buy	TP € 6.50
Pareto Securities	Buy	TP € 6.40
Independent Research	Hold	TP € 5.00
Bankhaus Lampe	Buy	TP € 5.50
<b>Ø – Recommendation</b>	<b>▲</b>	<b>TP € 5.76</b>

**Ø – share-price potential: ~20% !**

**3** **Stable**  
**Shareholder structure<sup>2</sup>**  
 Notifications made to MLP SE  
 >3%

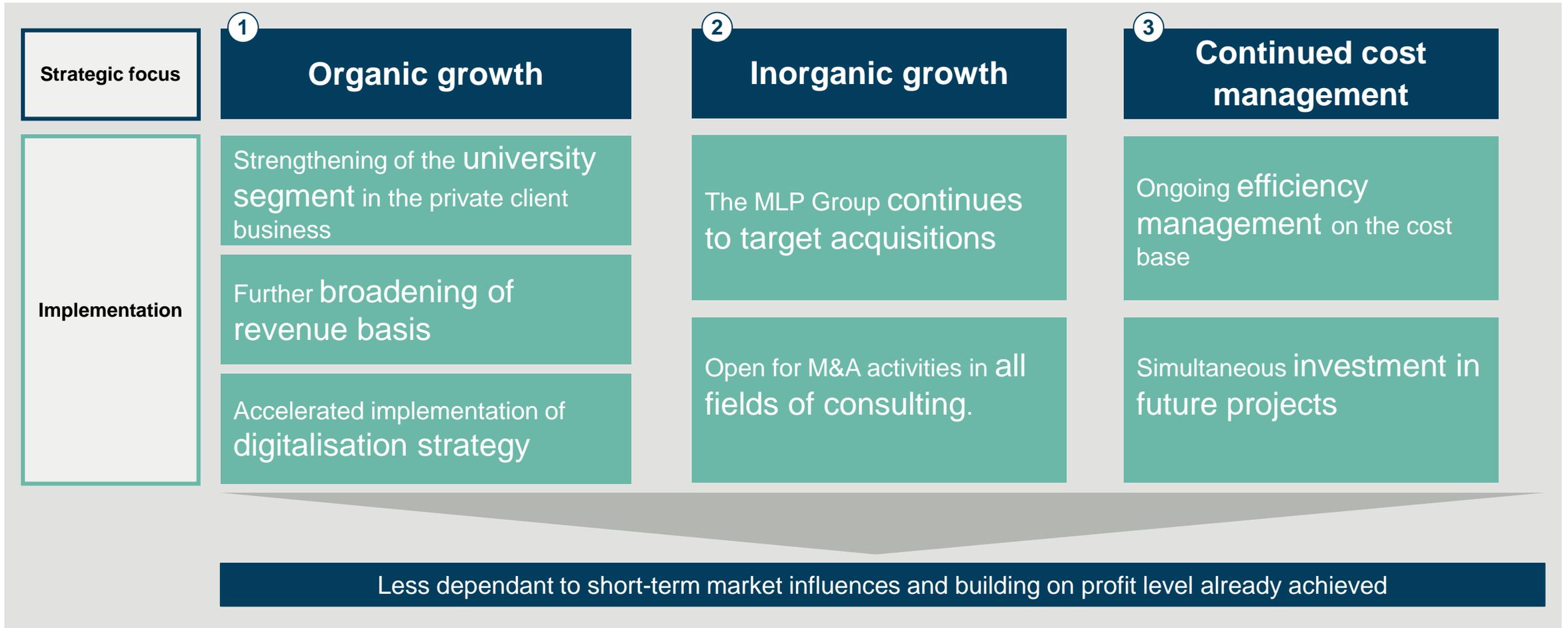
HDI Pensionskasse AG	9.36%
Allianz SE	6.18%
HanseMerkur Krankenversicherung	5.10%
Barmenia	7.77%
Universal-Investment-Gesellschaft	9.19%
Family Lautenschläger <sup>1</sup>	29.16%
Freefloat (Definition Deutsche Börse)	42.41%



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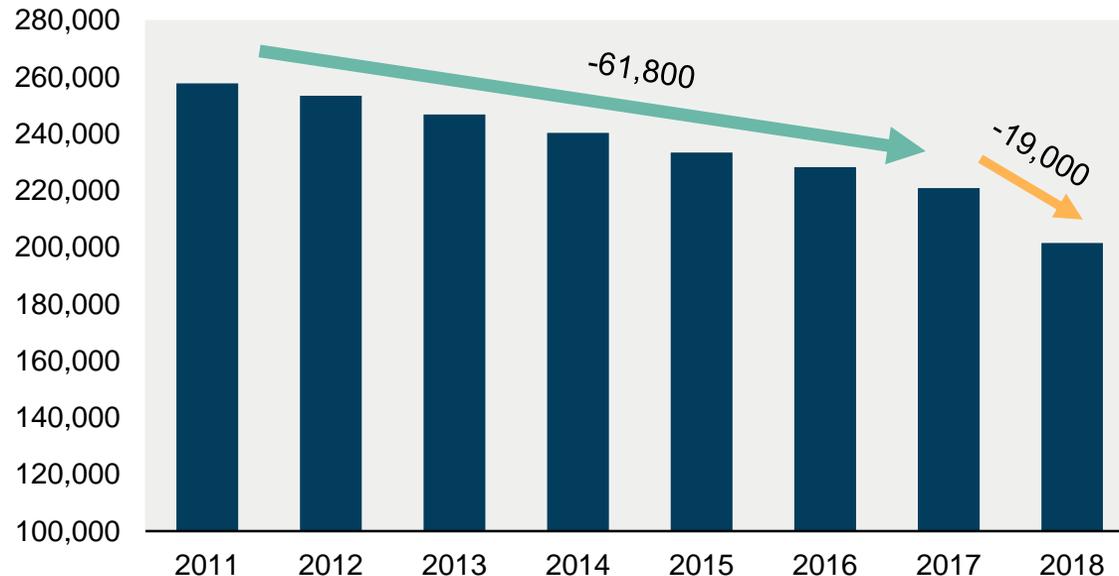
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# Strategic agenda



# Regulation leads to significant increase in consolidation

## Accelerated drop in the number of intermediaries operating in the market



Source: DIHK, entries in the Insurance Intermediary Register

**Trend is ongoing and has accelerated – MLP to play an active role in consolidation process**

## Effects of the Life Insurance Reform Act Decision 2019 ?

### Evaluation of the LVRG still ongoing:

- Commission-cap still in discussion. Still three components incorporated

### Actual status:

- Draft bill has still not even been presented to the cabinet
- Start date has now been pushed back to January 1, 2021
- Many expert politicians are rightly more critical than ever of this regulation
- MLP will be able to cope with that very well

# Ongoing strengthening of the university segment

## Successful development

**5** regional managers with sales experience appointed\*

**89** university team leaders acquired\*

Applications to work as MLP consultants **more than doubled** in 2018 compared to the previous year

Outlook for 2019: **Further dynamism anticipated** in hiring of new consultants

\* 9M//2019

Investments of around € 8 million in the university segment in 2019

Investments starting to pay off

# Strategic initiatives in recruiting young consultants are paying off

## Growth in consultants

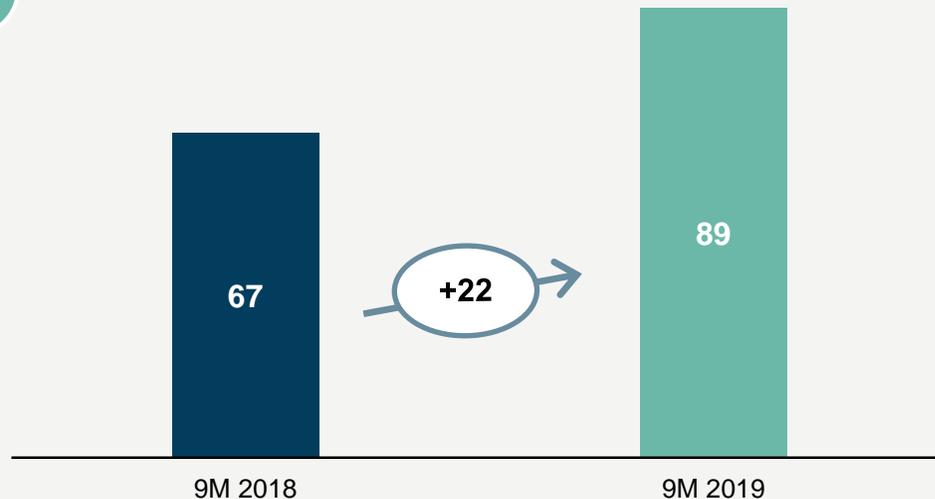
Consultants within university segment

1

9M 2019: ~300 young consultants

University teams

2



## Positive impulses in the university segment



Investments to strengthen the university segment

✓ FY 2017  
€ ~4 million

✓ FY 2018  
€ 7 million

✓ FY 2019  
€ 8 million



Increasing number of young consultants

9M 2018 vs. 9M 2019: **+>45 %**

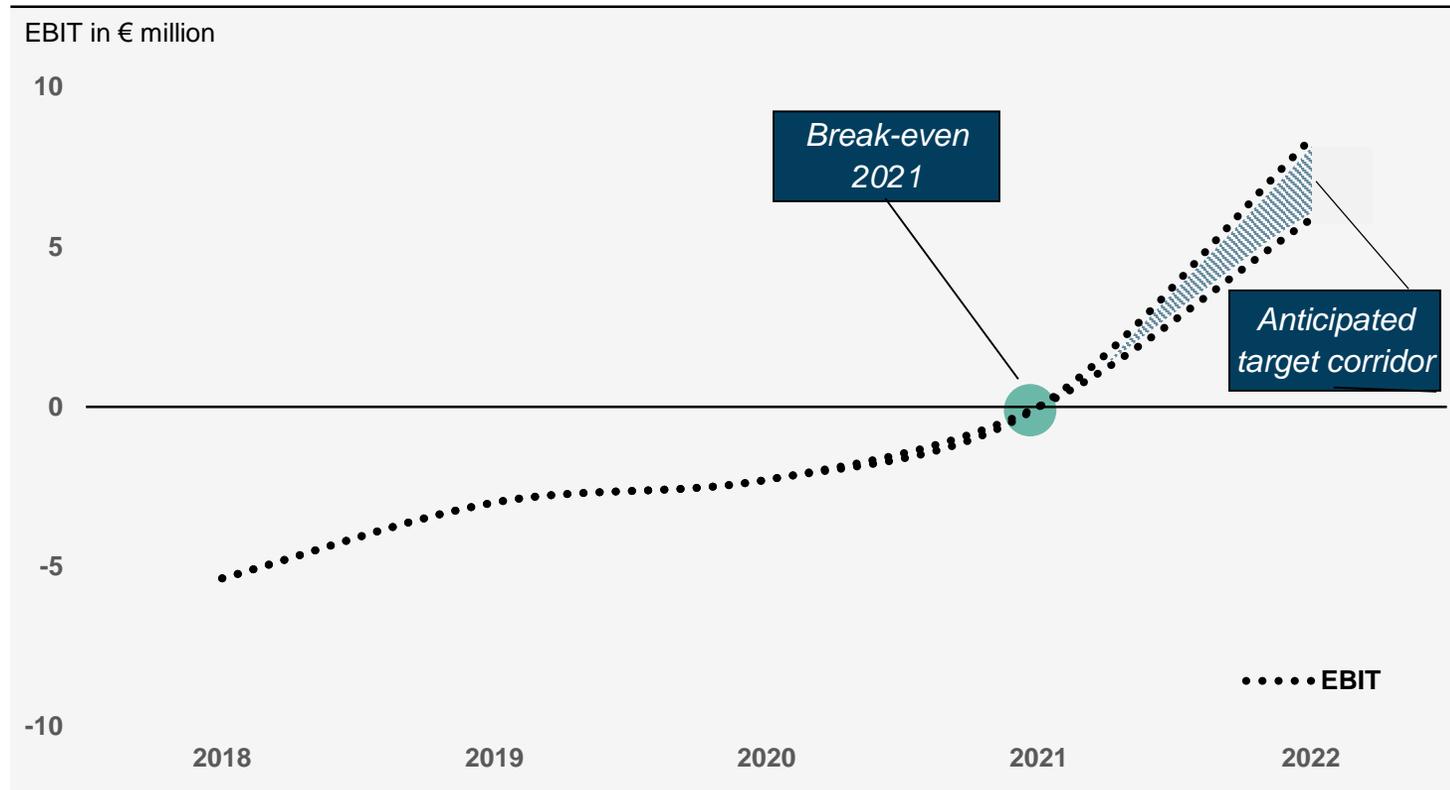


Brokered premium volume in old-age provision

9M 2018 vs. 9M 2019: **+>80 %**

# Future investments in university segment are paying off

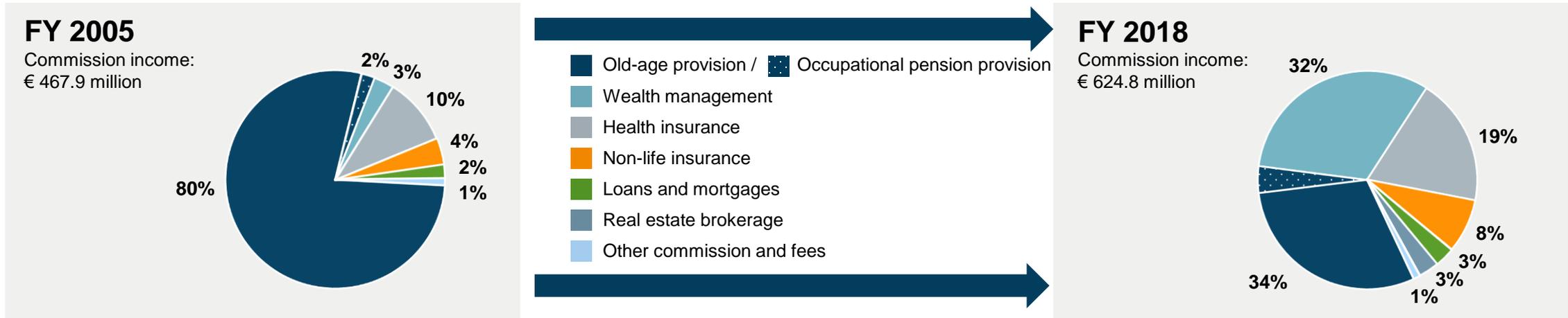
## EBIT contribution from the university segment



- Number of consultants in the university segment increased from around 200 to around 300 since the same quarter of the previous year
- Increase to 500 to 600 consultants anticipated by 2022
- Additional revenue already expected in 2019 backed by increase in new business
- Further additional investments planned in the university segment
- **Break-even anticipated in 2021**

# Successful diversification of the revenue basis

Recent acquisition of DEUTSCHLAND.Immobilien to further develop real estate business



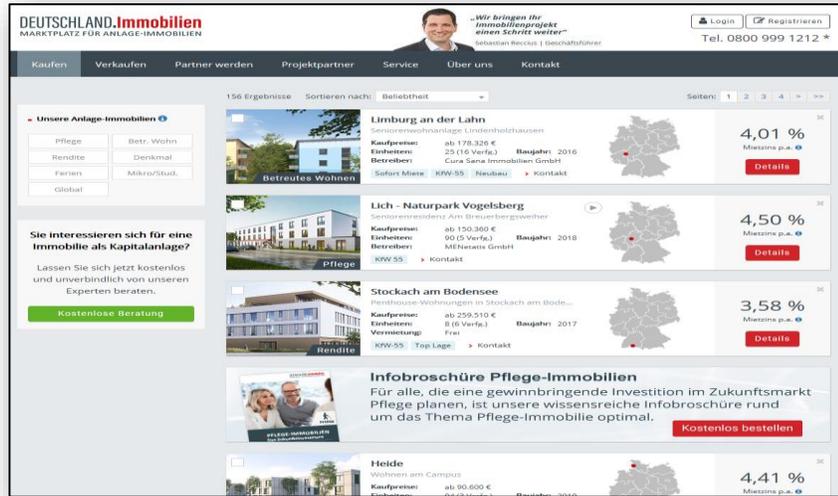
# Profile of DEUTSCHLAND.Immobilien

Brokerage and project development in the real estate sector

## Business model



# DEUTSCHLAND.Immobilien sales channels



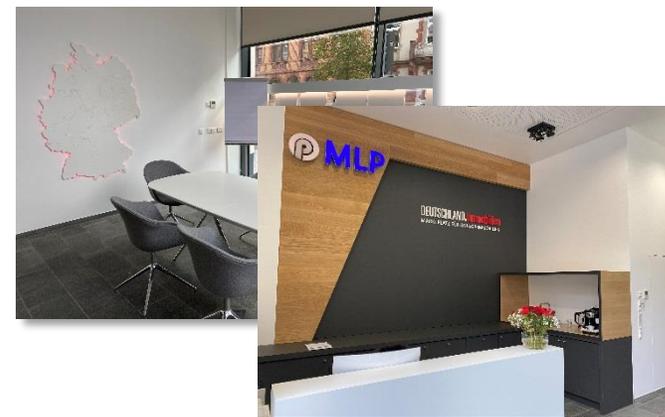
## B2B

- Roughly **5,800 sales partners** are registered in the system
- **Brokers can process all steps**, from gathering information, through calculations and reservations, all the way up to the actual sale and commission calculation
- Property developers have **complete transparency** regarding the sales status of their properties



## B2C

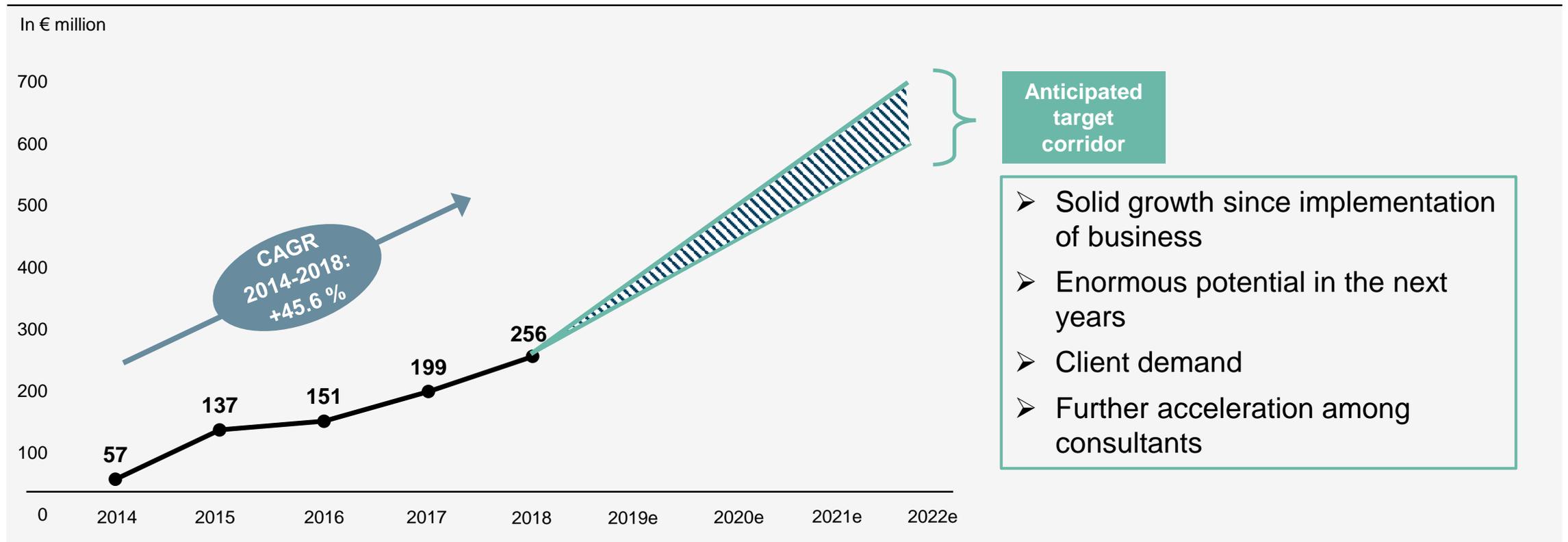
- **Several thousand prospective and existing clients** are in the system
- Prospective clients are provided with **regular information on new products**



**New**  
**DEUTSCHLAND**  
**Immobilien Store**  
at the MLP  
Consulting Centre  
in Heidelberg

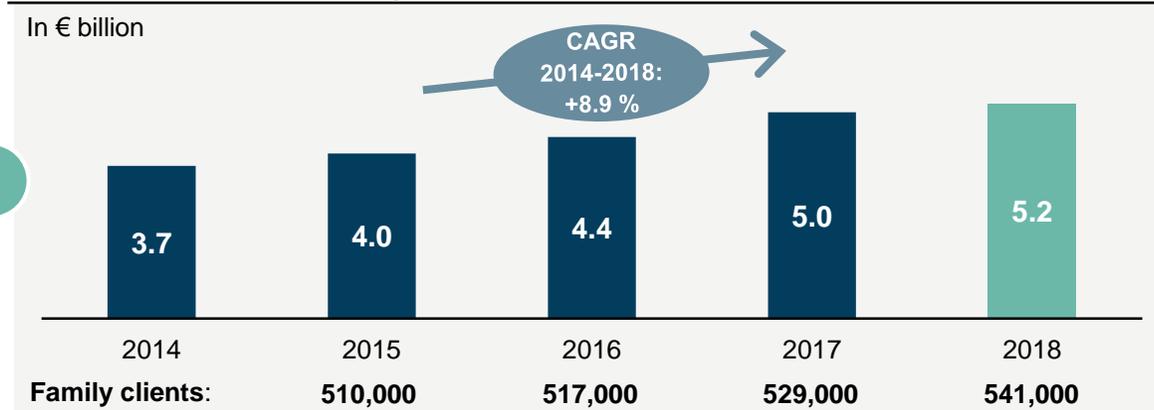
# Enormous potential in real estate brokerage

## Brokered real estate volume

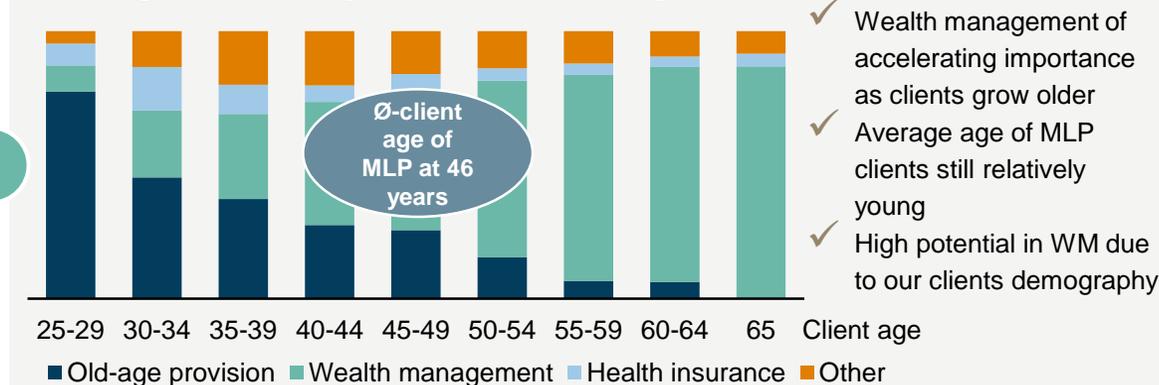


# Wealth management keeps on track – raising demand especially for alternative assets at FERI

## AuM MLP Banking

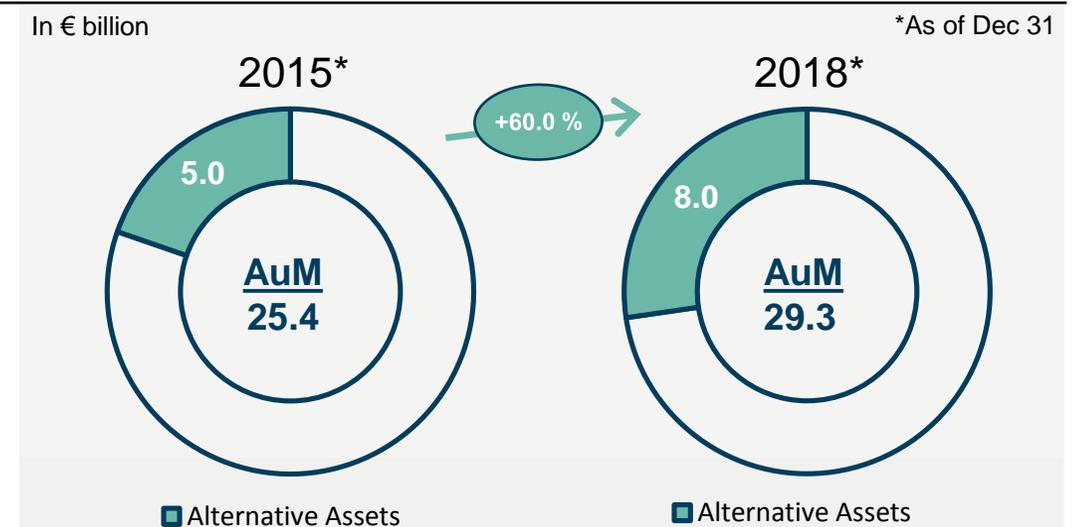


## Increasing value creation potential in wealth management



Source: Own Research

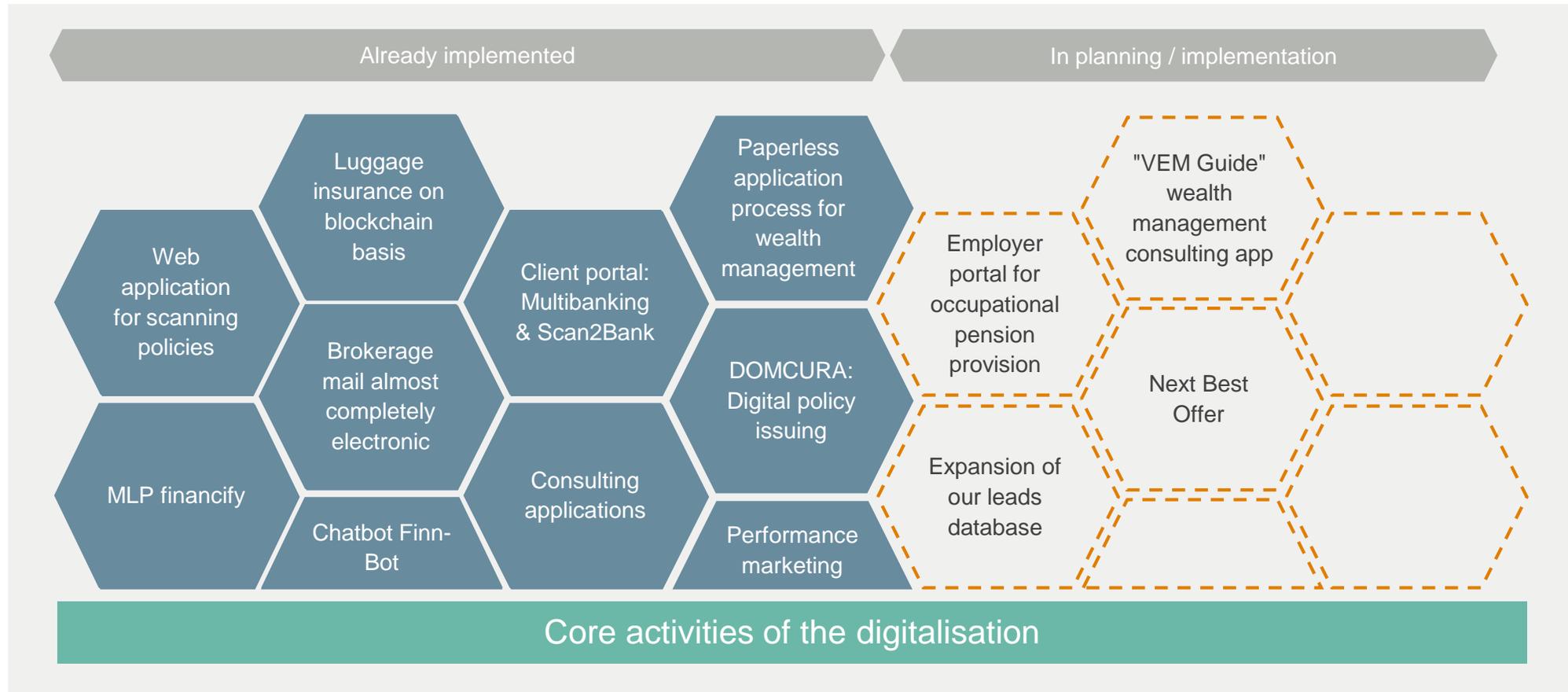
## Total Assets at FERI



- 1 Ongoing low interest rates environment will further accelerate the fund allocation in alternatives
- 2 Strong expertise in alternatives at FERI e.g. Private Equity, Hedge Funds, Real estate, Commodities and volatility strategies
- 3 Biggest Hedge Funds research team in Germany

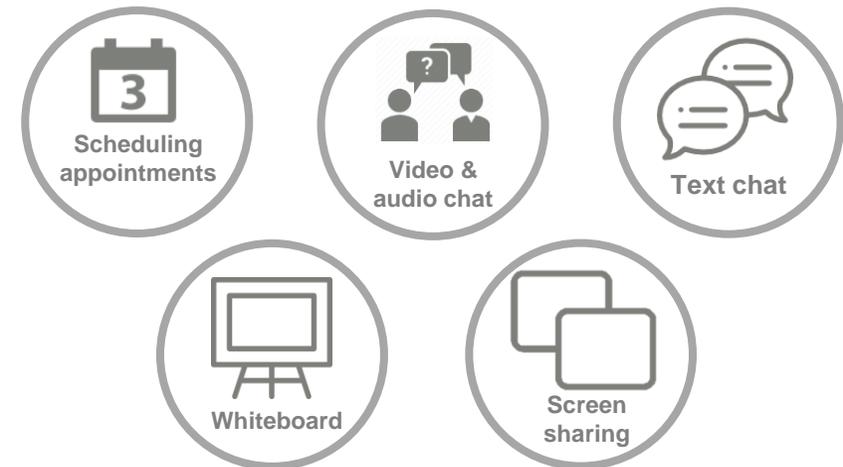
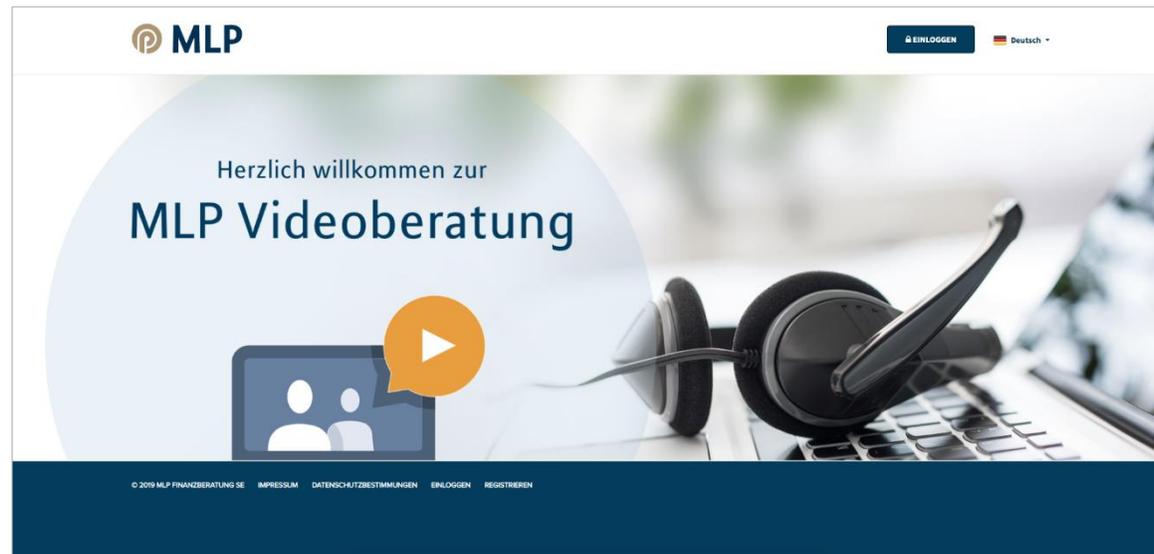
# Consistent implementation of digitalisation strategy

## Intelligent combination of face-to-face consulting and digital services



# Digital support increases consulting efficiency and client proximity

Expanded online client support by MLP consultants

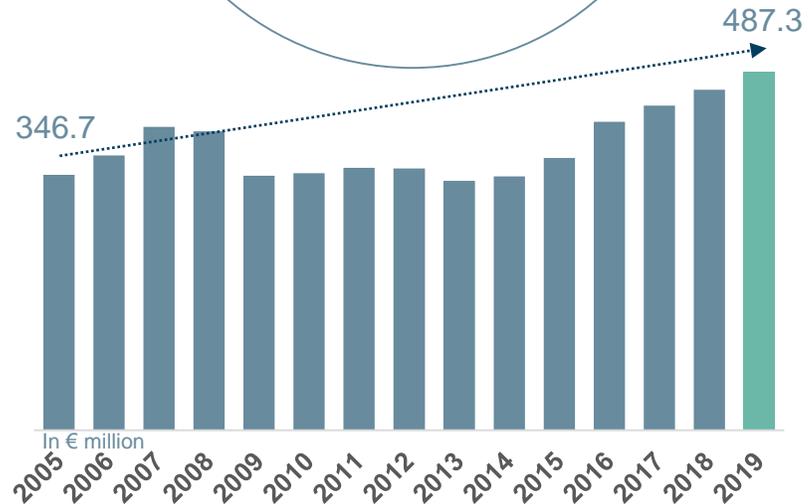


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# Business performance 9M 2019

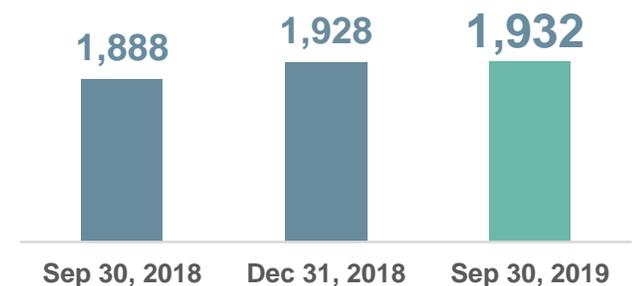
Total revenue at  
new record  
high !



Growth in  
almost all  
consulting fields!



Client  
consultants  
rise above  
FY2018 level !



**547,900** family clients

# 9M: EBIT at € 19.0 million – in line with planning

## Income statement

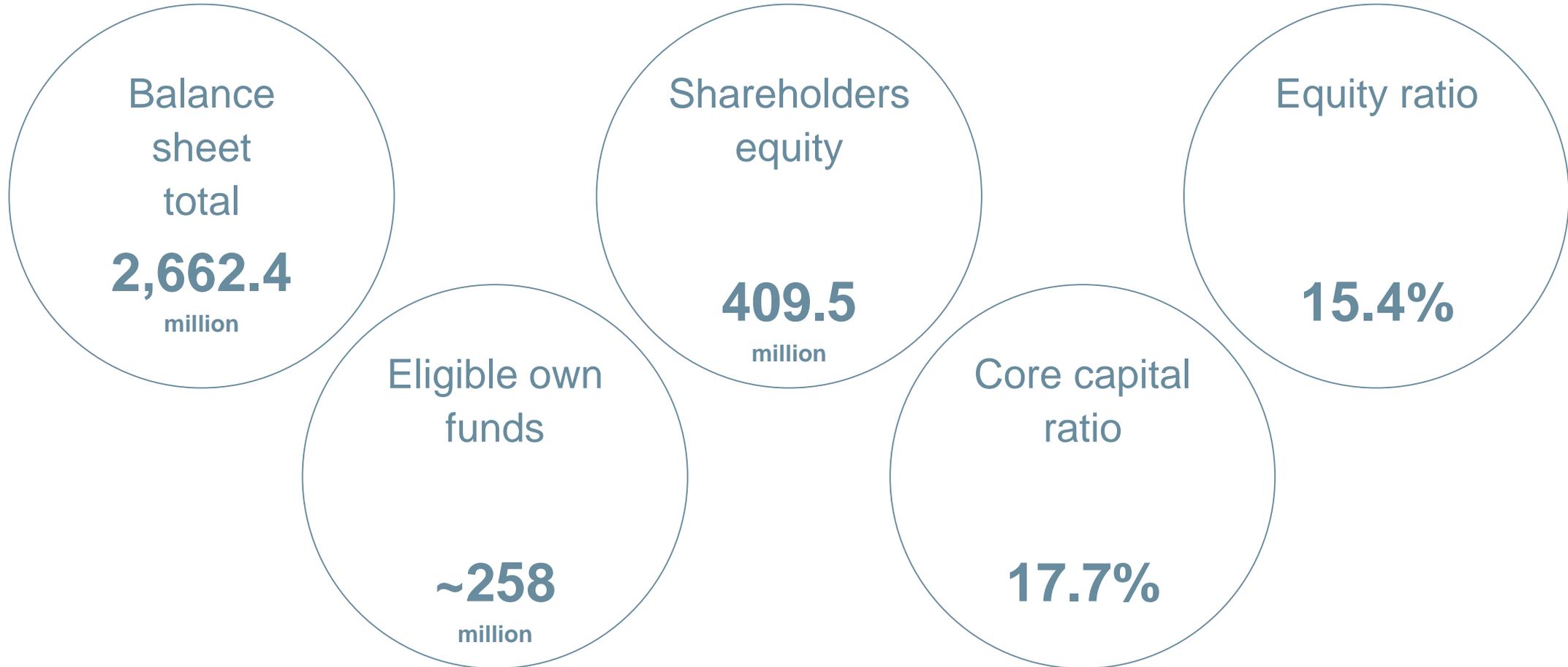
In € million

	Q3 2018	Q3 2019	9M 2018	9M 2019
Total revenue	151.9	158.1	462.5	487.3
EBIT	10.8	6.7	22.9	19.0
Finance cost	-0.1	-0.1	-0.5	-0.7
EBT	10.7	6.6	22.3	18.2
Taxes	-3.0	-0.4	-4.9	-2.9
Net profit	7.6	6.2	17.4	15.3
EPS in € (diluted/basic)	0.07	0.06	0.16	0.14

### Effects on EBIT:

- Q3 2018:** Capitalisation of a VAT receivable, EBIT contribution of € 2.9 million
- Q3 2019:** Lower performance fees in wealth management due to market conditions
- 9M 2019:** Different costs accrued compared to the same period of the previous year

# Key Balance sheet figures



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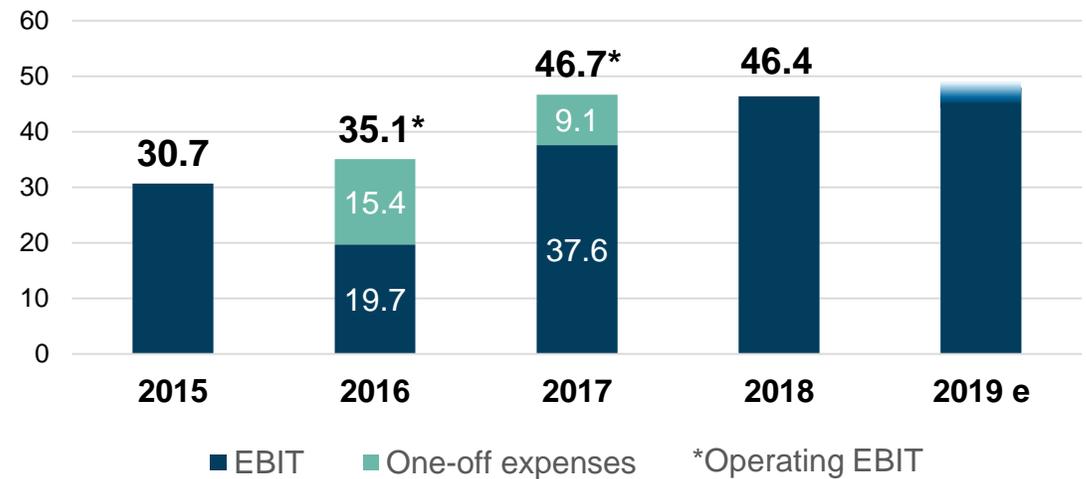
# Forecast for the financial year 2019 confirmed

## Qualitative assessment of revenue development Earnings performance

very positive: ++, positive: +, neutral: 0, negative: -, very negative: --

	<b>Old-age provision</b>	<b>+</b>
	<b>Wealth management</b>	<b>+</b>
	<b>Health insurance</b>	<b>0</b>
	<b>Non-life insurance</b>	<b>+</b>
	<b>Loans and mortgages</b>	<b>+</b>
	<b>Real estate brokerage</b>	<b>++</b>

in € million



MLP anticipates EBIT to rise slightly in 2019

# Summary

- **Sales revenue** after nine months **increased** to new record level – positive development of important value stocks
- Further development of the **university segment** with visible success – **further increase in consultant numbers** anticipated by the end of the year
- **Stronger earnings trend** than in the same period of the previous year anticipated for the **fourth quarter, which remains very important** in MLP's business model
- **Outlook unchanged:** Despite high investments in the future, slight increase over the EBIT recorded in 2018 planned

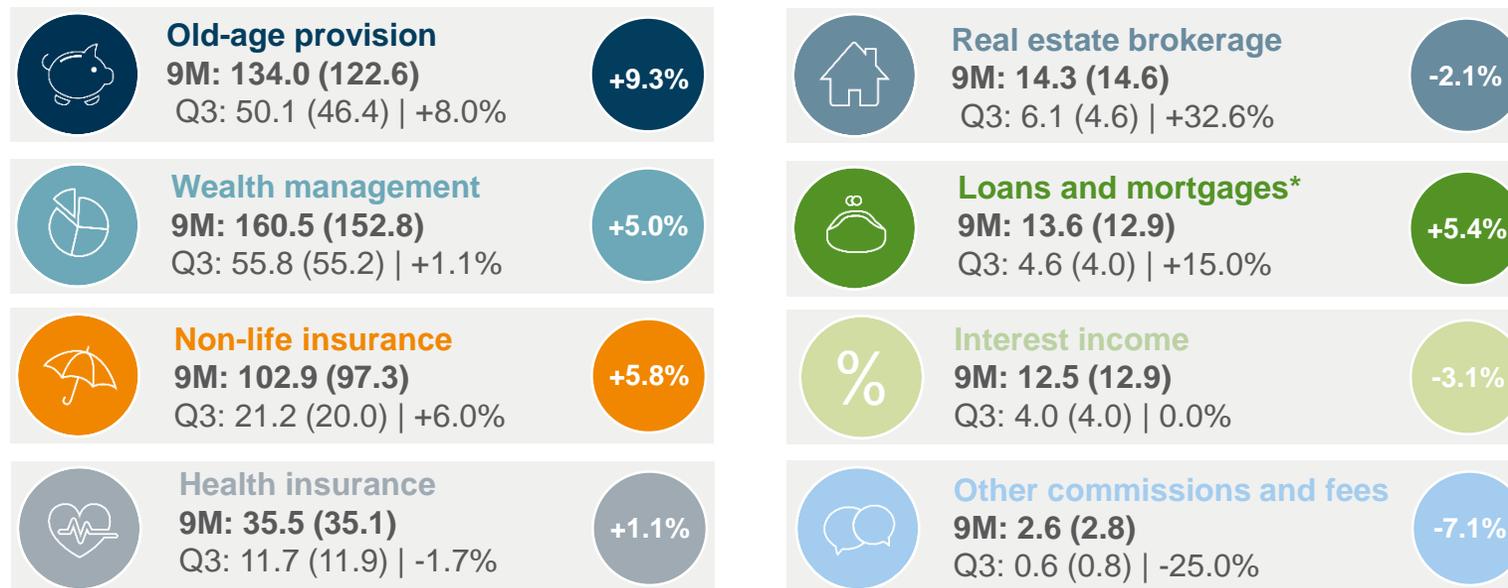


# Appendix

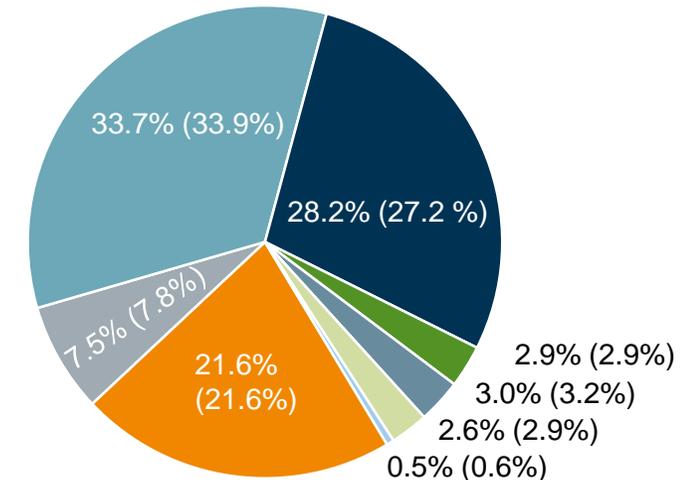
# 9M: Revenue increased in almost all consulting fields

## Revenue 9M/Q3

In € million



Revenue breakdown:



9M: Development of the brokered premium sum in the field of occupational pension provision **+23%**

Previous year's values in brackets

\* Excluding MLP Hyp

# Core capital ratio at 17.7 percent

## Balance sheet overview

<u>Assets</u>	In € million	Dec 31, 2018	Sep 30, 2019
Intangible assets		155.9	186.0
Property, plant and equipment		78.3	134.0
Financial investments		165.3	172.4
Receivables from clients in the banking business		761.0	830.2
Receivables from banks in the banking business		694.2	710.7
Other receivables and assets		158.1	147.6
Cash and cash equivalents		385.9	443.5
<b><u>Liabilities and shareholders' equity</u></b>			
Shareholders' equity		424.8	409.5
Provisions		94.5	99.1
Liabilities due to clients in the banking business		1,638.9	1,818.2
Liabilities due to banks in the banking business		81.6	96.3
Other liabilities		165.8	224.3
<b><u>Balance sheet total</u></b>		<b>2,421.0</b>	<b>2,662.4</b>

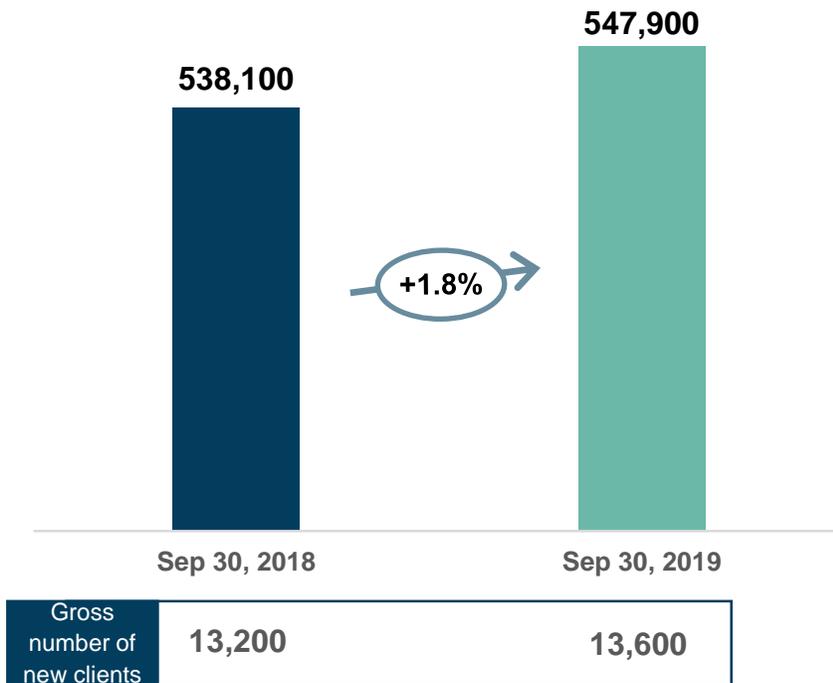
Equity ratio: 15.4 %

Core capital ratio 17.7 %

Total capital at around € 258 million

# Growth in both client and consultant numbers

## MLP family clients



## MLP consultants

