

Financial Results 2018

Wiesloch, February 28, 2019



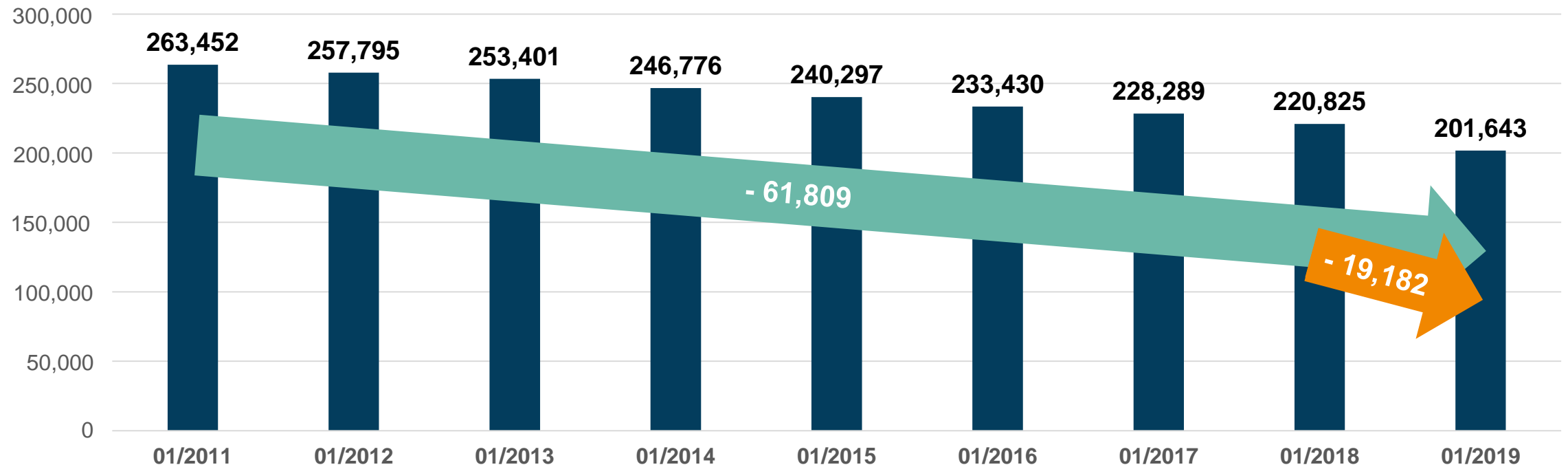
Finanzen verstehen. Richtig entscheiden.

2018: Successful development and strong investment in the future

- Financial targets met and, at the same time, strong investment in future growth
- Total revenue increased to € 666.0 million – the highest level in the Group structure since the sale of our own insurers; at € 46.4 million, EBIT is well in the target corridor
- Further successful diversification of revenue basis: Growth in all consulting areas and all parts of the Group
- Investments in the future starting to take effect: Number of consultants increased for the first time since 2007 year-on year
- Executive Board proposes a dividend of 20 cents – at 63 percent, distribution rate is at the upper range of the announced range

Accelerated drop in the number of intermediaries operating in the market

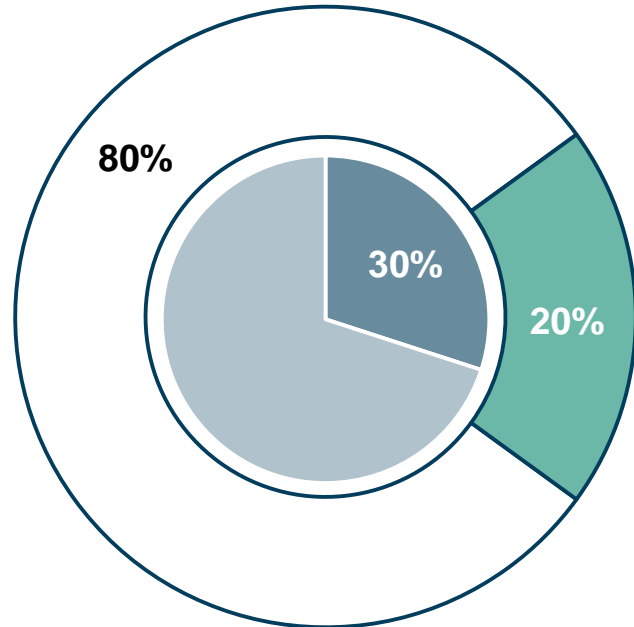
Registered insurance intermediaries



Source: DIHK, from January each year (2019: January 3)

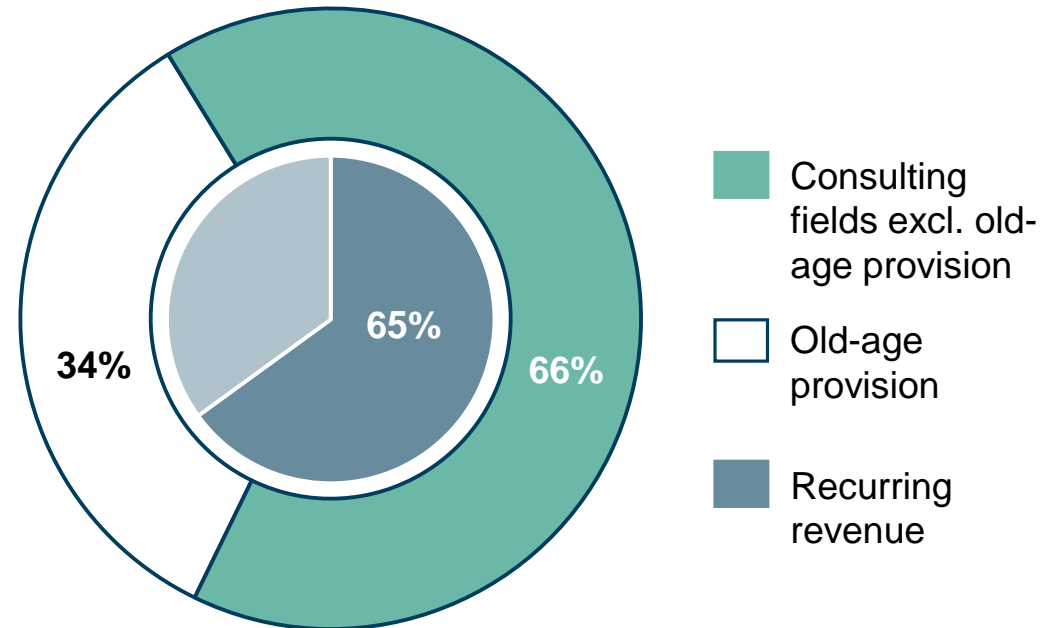
MLP's capacity to adapt demonstrated

Commission income FY 2005



Average growth outside the old-age provision area of 12.1 % p. a.

Commission income FY 2018

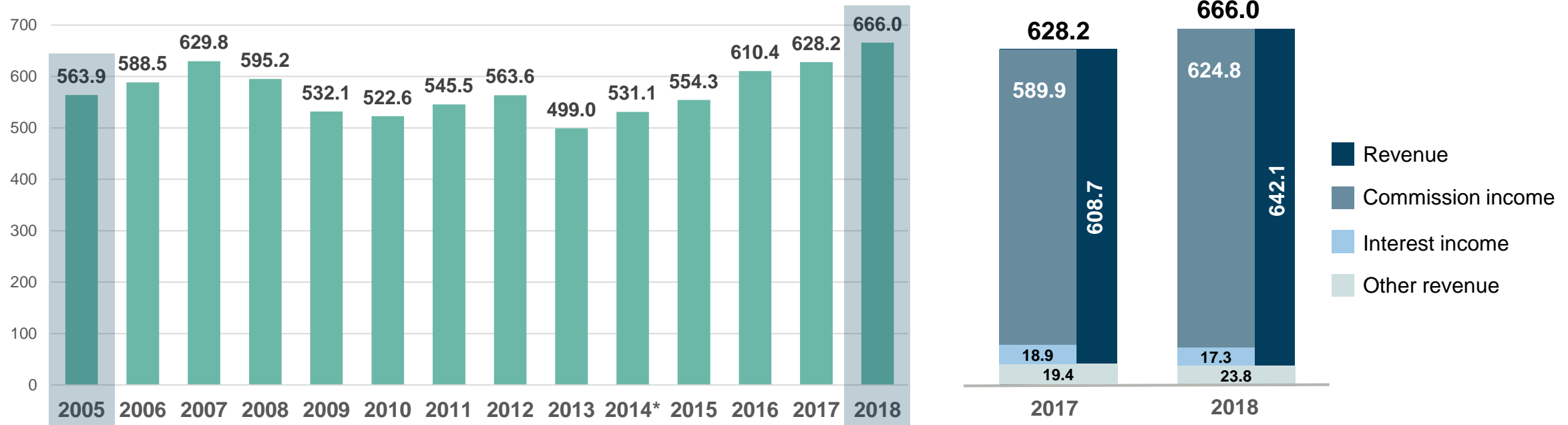


- Consulting fields excl. old-age provision
- Old-age provision
- Recurring revenue

FY 2018: Total revenue at highest level in the Group structure since the sale of our own insurers

Total revenue FY

In € million

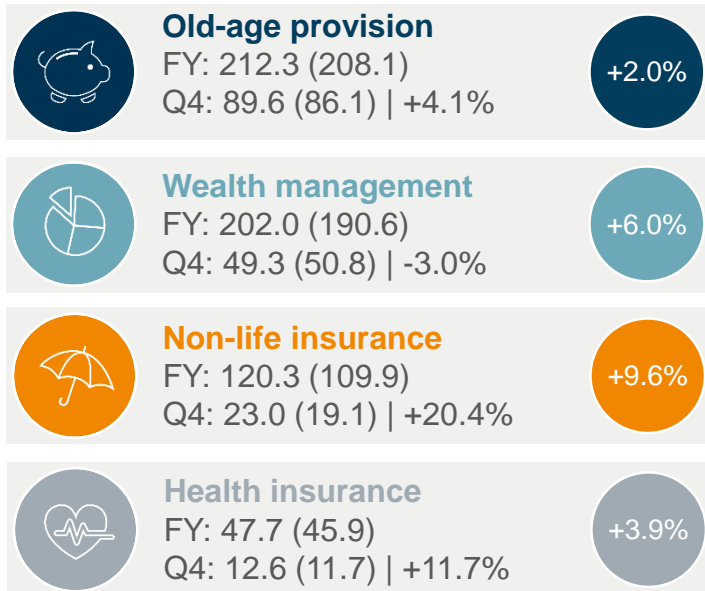


*Previous year's values adjusted

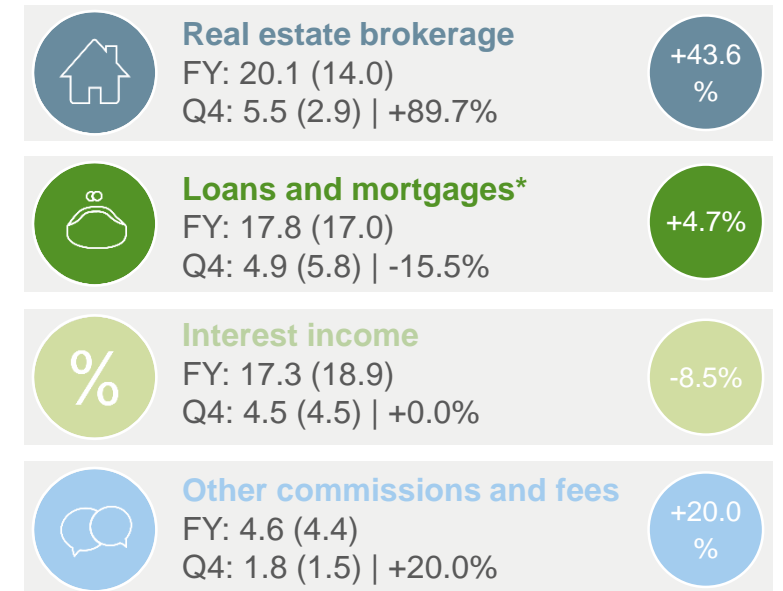
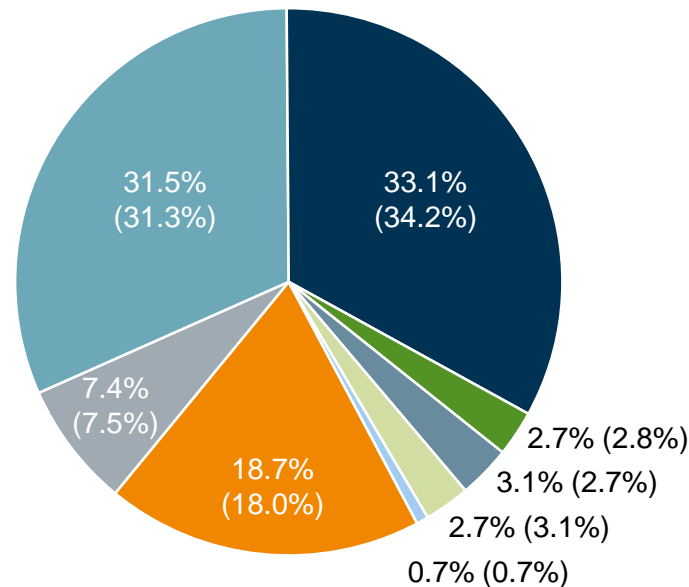
FY 2018: Growth in all consulting fields

Revenue 2018

In € million



Revenue breakdown FY 2018:

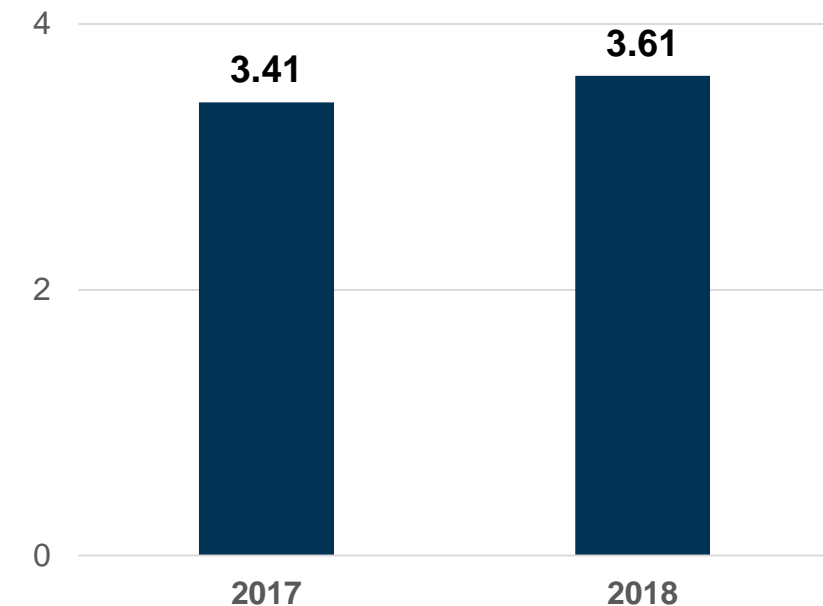


Previous year's values in brackets *Excluding MLP Hyp

Successful new business in the old-age provision area – assets under management above previous year

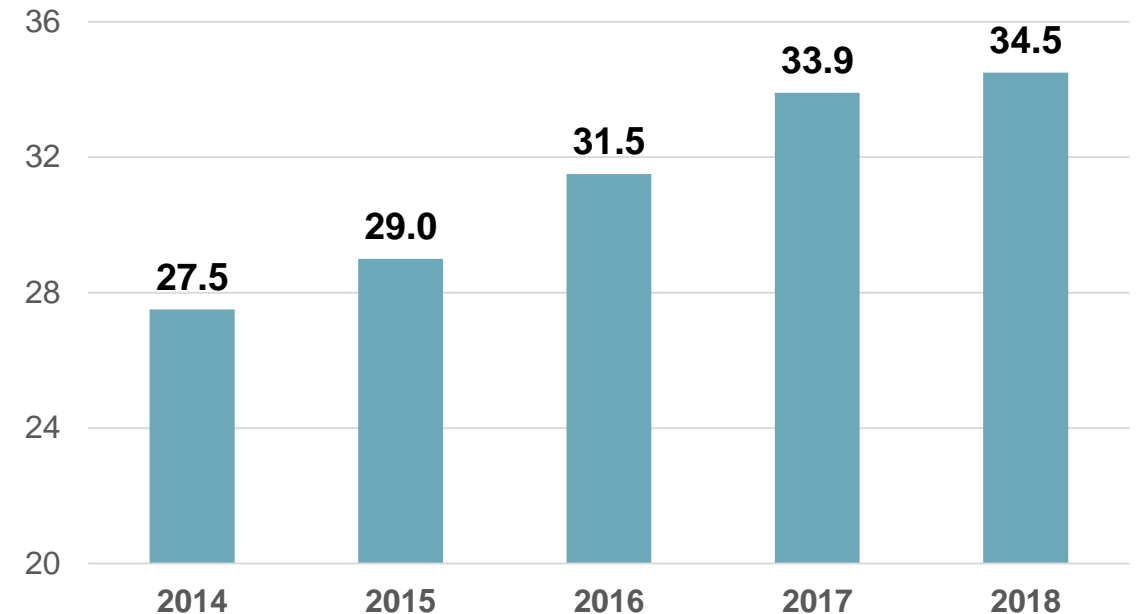
Premium sum of new business in the old-age provision area

In € billion



Assets under management MLP Group

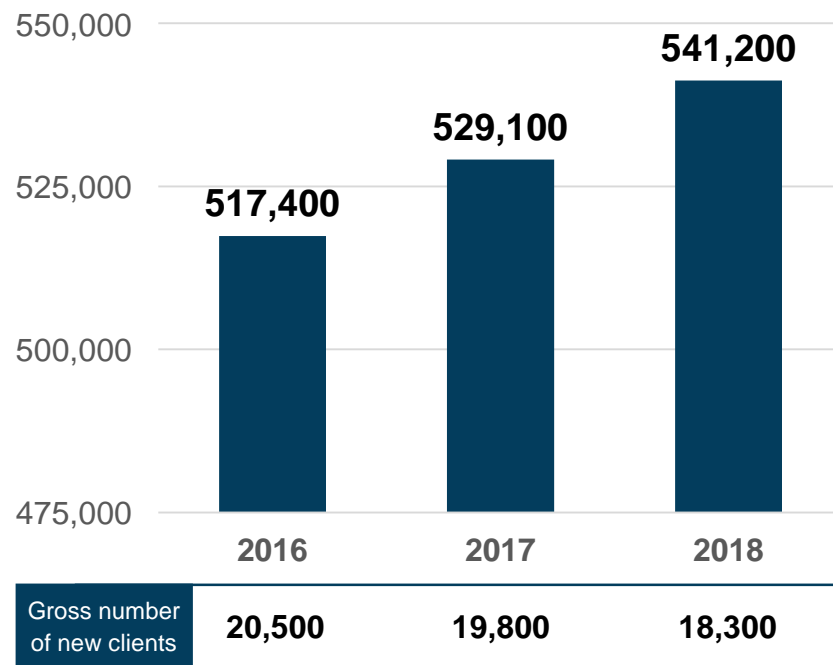
In € billion



Each as at December 31

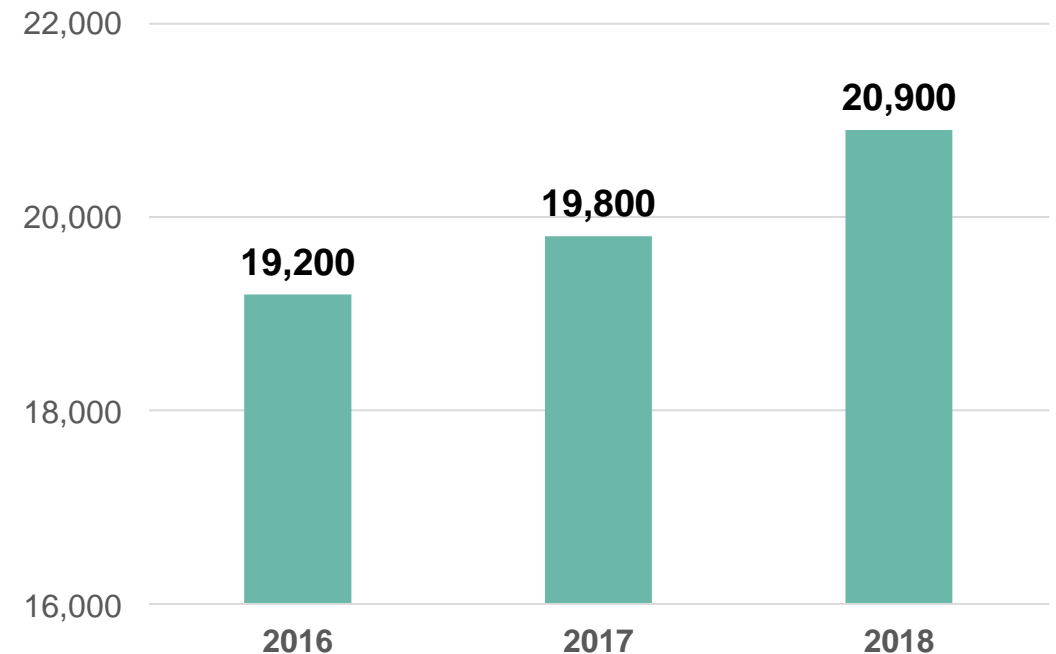
Growth in family clients, as well as corporate and institutional clients

Family clients



Each as at December 31

Corporate and institutional clients



FY 2018: EBIT well within the target corridor

Income statement

In € million

	Q4 2017	Q4 2018	2017	2018
Total revenue	187.5	203.4	628.2	666.0
Operating EBIT*	25.3	23.5	46.7	46.4
EBIT	23.0	23.5	37.6	46.4
Finance cost	-0.5	0	-1.2	-0.6
EBT	22.5	23.5	36.4	45.8
Taxes	-5.8	-6.4	-8.6	-11.3
Net profit	16.7	17.1	27.8	34.5
EPS in € (diluted/basic)	0.15	0.16	0.25	0.32

*Before one-off expenses

Return on equity increased to 8.5 percent

In € million	Assets	Dec. 31, 2017	Dec. 31, 2018
	Intangible assets	161.8	155.9
	Financial assets	158.5	165.3
	Receivables from clients in the banking business	702.0	761.0
	Receivables from banks in the banking business	634.2	694.2
	Other receivables and assets	125.7	158.1
	Cash and cash equivalents	301.0	385.9
	<u>Liabilities and shareholders' equity</u>		
	Shareholders' equity	404.9	424.8
	Provisions	88.7	94.5
	Liabilities due to clients in the banking business	1,439.8	1,638.9
	Liabilities due to banks in the banking business	61.4	81.6
	Other liabilities	154.9	165.8
	<u>Total</u>	2,169.5	2,421.0

Equity ratio: 17.5 %

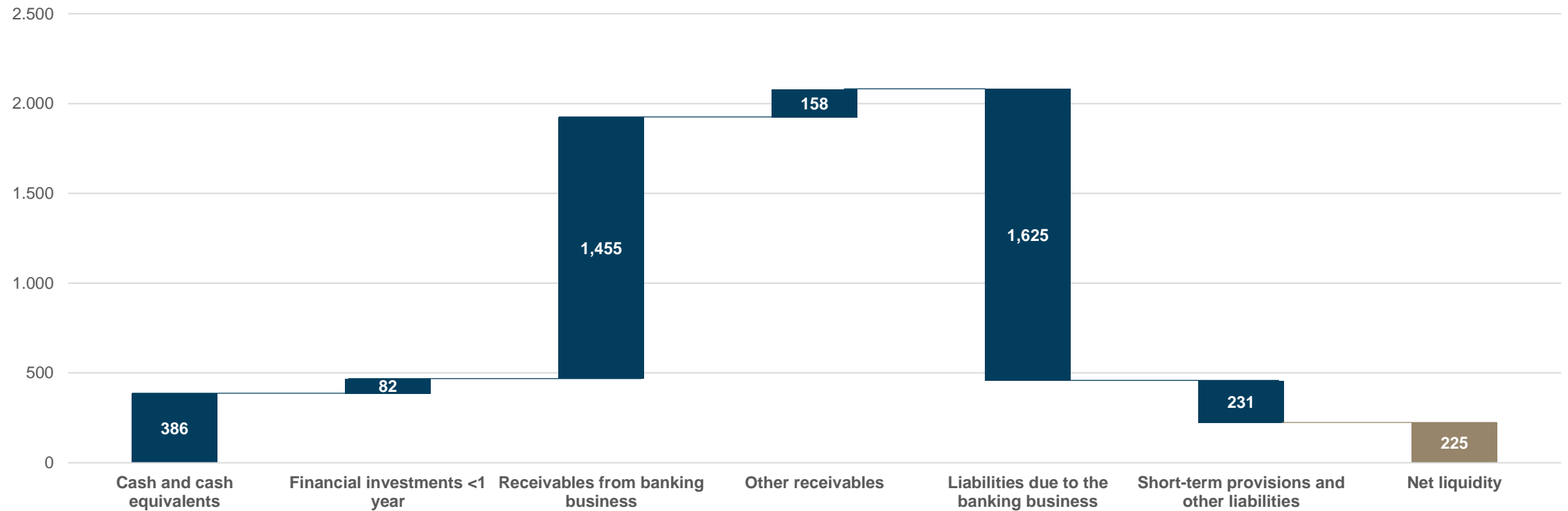
Return on equity: 8.5 %

Core capital ratio: 19.6 %

Net liquidity of around EUR 225 million

As of December 31, 2018

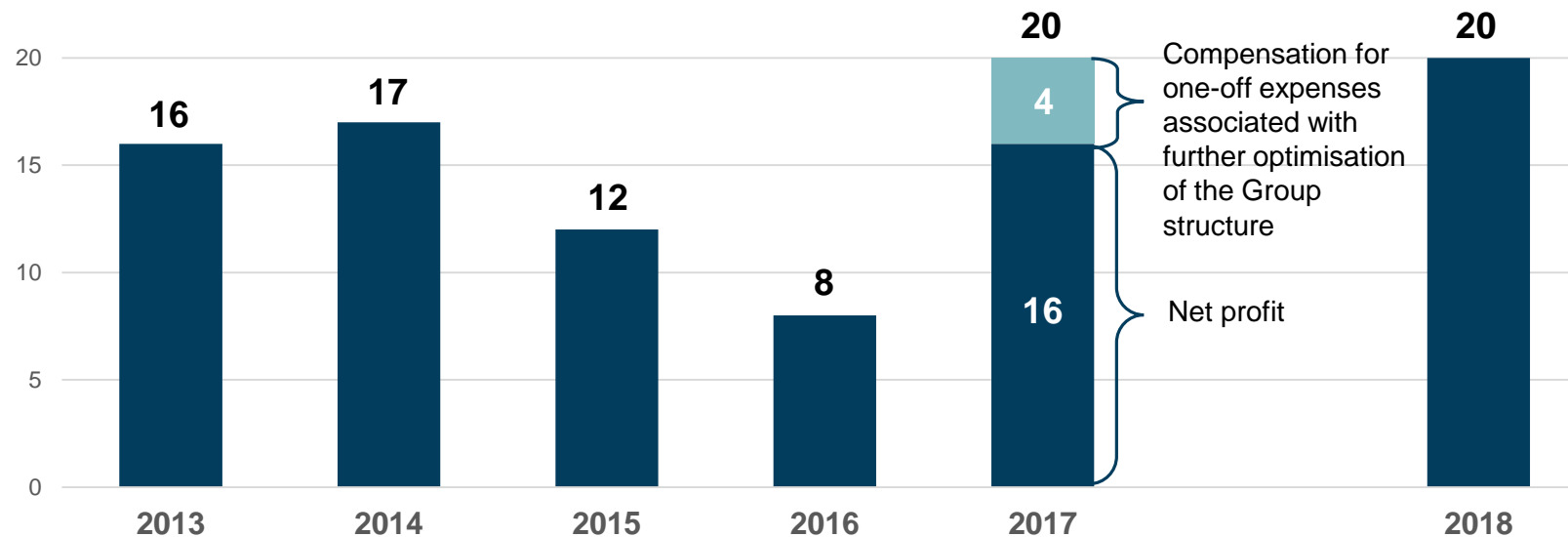
In € million



Executive Board proposes a dividend of 20 cents per share

Dividend per share

In € cents



Payout ratio	2013	2014	2015	2016	2017	2018
	68%	63%	56%*	60%	64%**	63%

*Based on net profit, simulating an acquisition of DOMCURA on January 1, 2015 **Based on operating net profit

Ongoing strengthening of the university segment

5 regional managers with sales experience appointed

67 university team leaders acquired

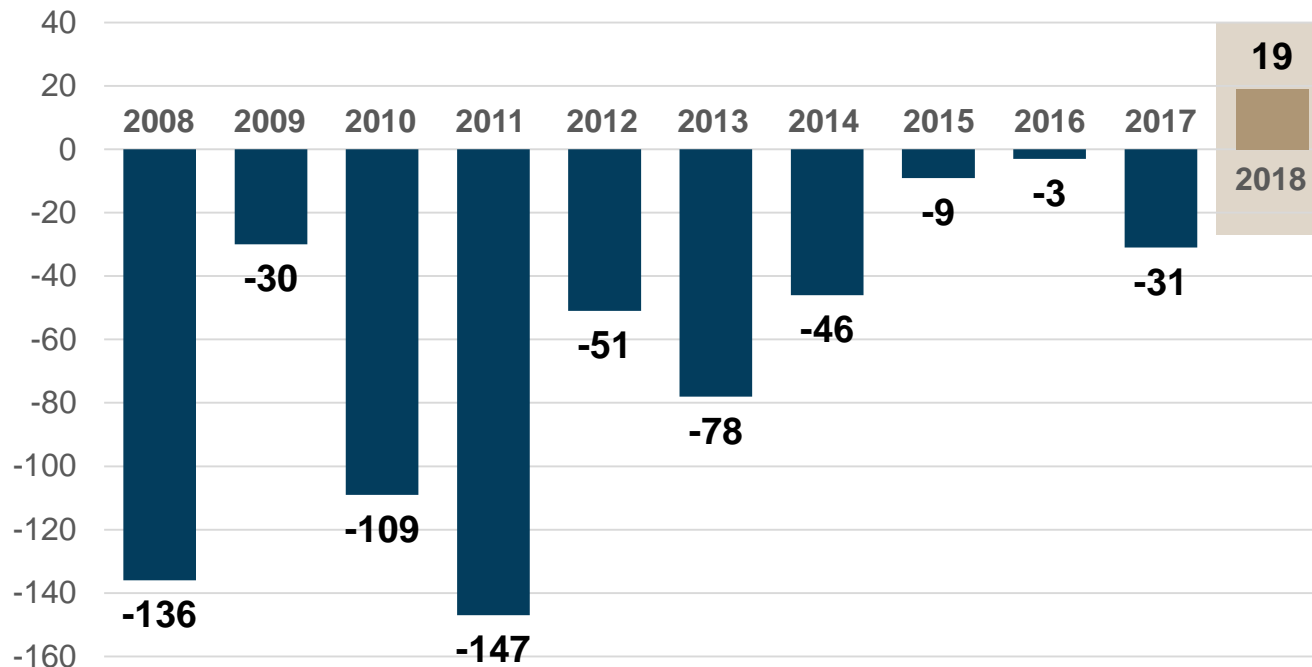
Applications to work as MLP consultants more than doubled in 2018 compared to the previous year

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

Investments of around € 7 million in the university segment in 2018

First growth in consultant numbers since 2007

Net year-on-year development in consultant numbers



Each as at December 31

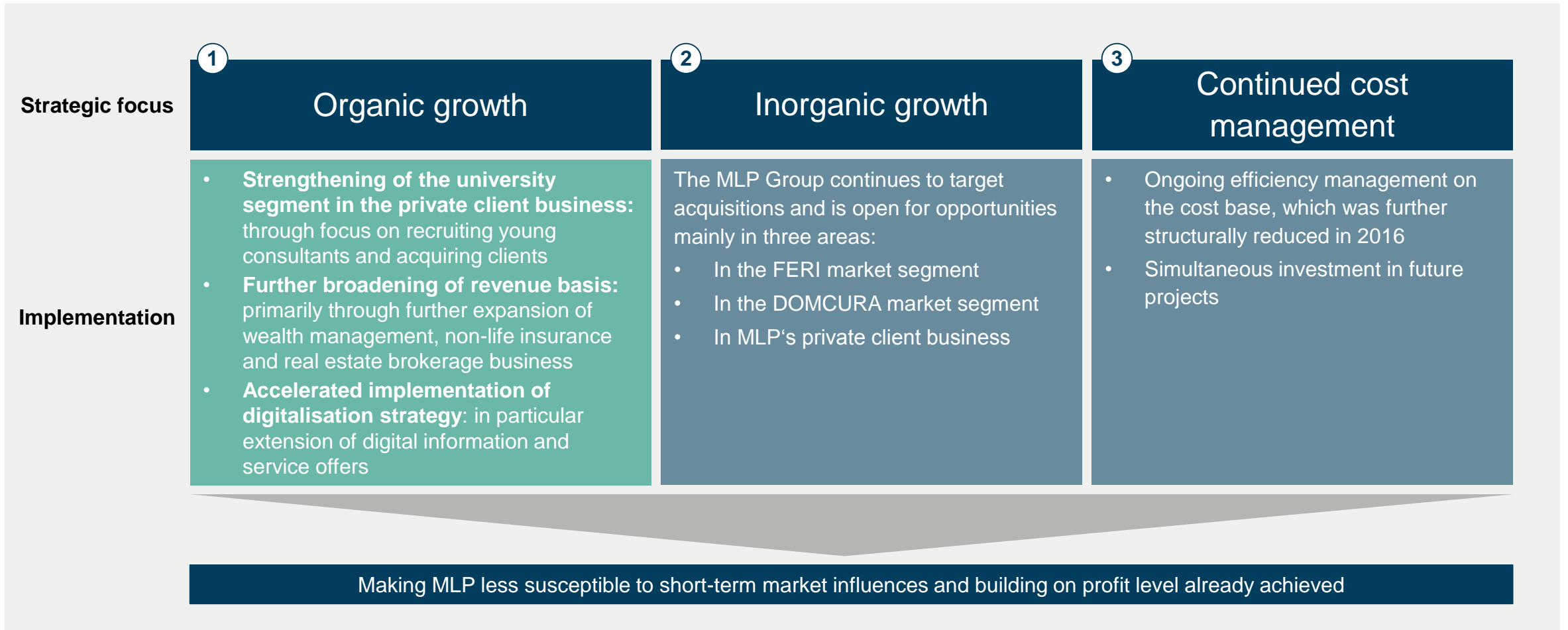
Offer for those with professional experience joining MLP



- Fast entry: Easier recognition of prior qualifications
- Additional financial component for the transition period after joining MLP

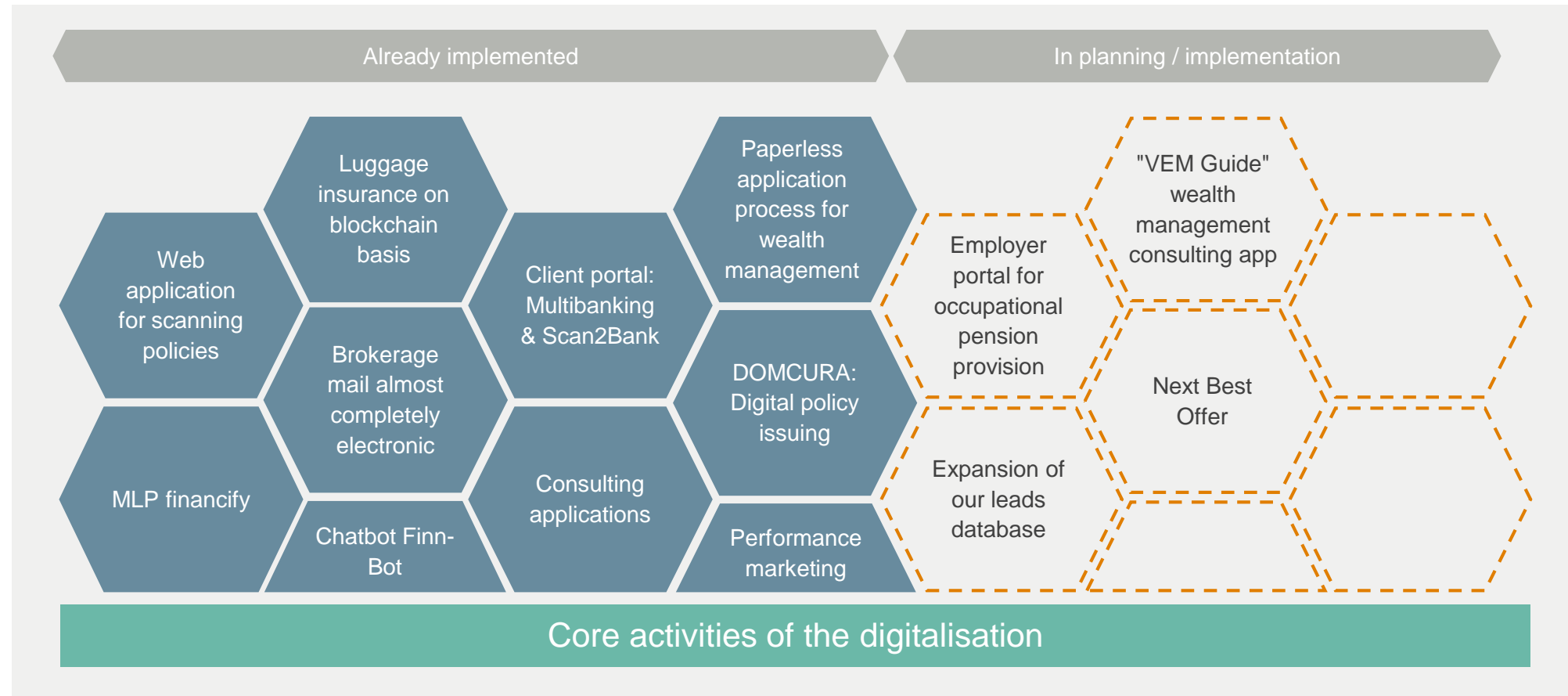
➔ Experienced consultants join MLP with high productivity

Strategic agenda 2019



Consistent implementation of digitalisation strategy

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



Further broadening of revenue basis

Drivers and impulses for 2019



Wealth management

FERI

- Building on successful development in all business areas (Investment Management, Consulting and Research)
- Comprehensive expertise and positioning for alternative and sustainable investments

MLP private client business

- Client age structure generating growing need for advisory services in the wealth management area



Non-life insurance

DOMCURA

- Successful, very close support for more than 5,000 brokers as a premium provider
- Continuous development of innovative coverage concepts – first marketable blockchain policy in Europe offered

MLP private client business

- Client base still with great potential – ongoing active consultant support

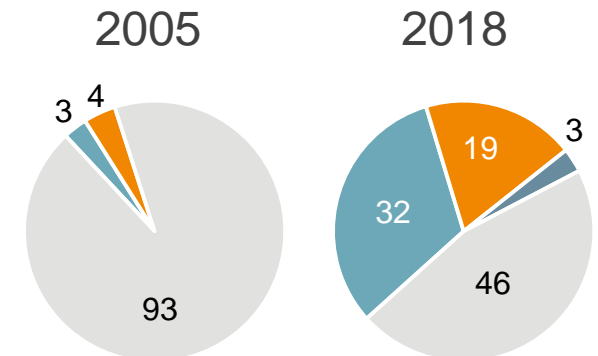


Real estate brokerage

MLP private client business

- Extended brokerage portfolio, in particular concept-driven properties (student accommodation, properties with care services etc.)
- Around 500 MLP consultants are currently active in this field, further increasing number anticipated over the course of the next few years

Proportion of sales revenue (in percent):



Strategic agenda 2019

Strategic focus	1 Organic growth	2 Inorganic growth	3 Continued cost management
Implementation	<ul style="list-style-type: none"> • Strengthening of the university segment in the private client business: through focus on recruiting young consultants and acquiring clients • Further broadening of revenue basis: primarily through further expansion of wealth management, non-life insurance and real estate brokerage business • Accelerated implementation of digitalisation strategy: in particular extension of digital information and service offers 	<p>The MLP Group continues to target acquisitions and is open for opportunities mainly in three areas:</p> <ul style="list-style-type: none"> • In the FERI market segment • In the DOMCURA market segment • In MLP's private client business 	<ul style="list-style-type: none"> • Ongoing efficiency management on the cost base, which was further structurally reduced in 2016 • Simultaneous investment in future projects
<p>Making MLP less susceptible to short-term market influences and building on profit level already achieved</p>			

Cap on commissions prevents fair competition

Brokers must cover the majority of their expenses from commission







Expenses	Financed from commission for broker sales	Financed from commission for tied agent sales
Acquisition payment	✓	✓
Initial qualification for brokers	✓	
Further training for brokers	✓	
Product training sessions	✓	
Specialist support for contract conclusion	✓	
Commission distribution and reversal	✓	
IT expenses for digital application processing	✓	
Expenses for offices	✓	
Specialist support for portfolio	✓	
Product selection process	✓	
Partner selection process	✓	

These services are only performed by brokers

Outlook for the financial year 2019

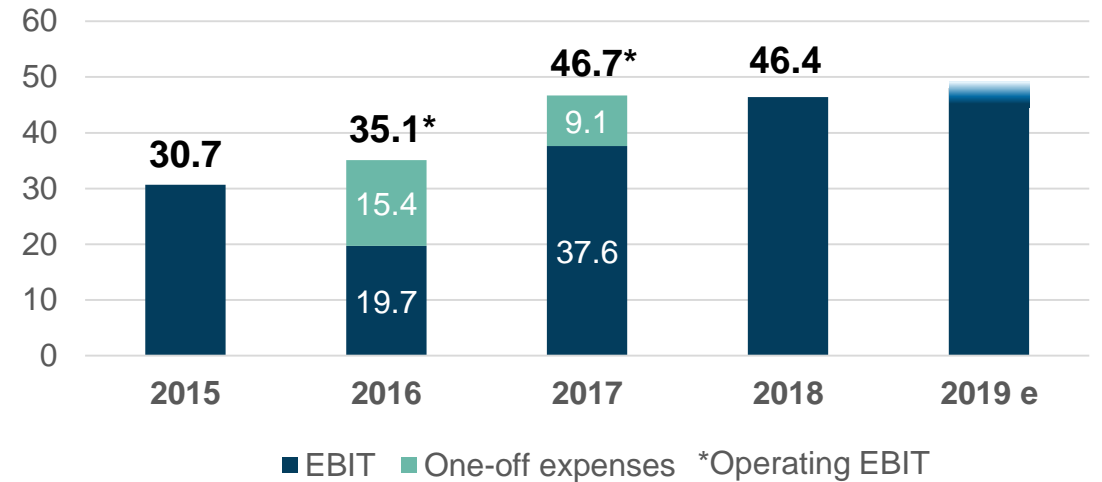
Qualitative assessment of revenue development

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

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

Earnings trend

In € million



MLP anticipates EBIT to rise slightly in 2019

Summary

- Permanent further development successfully advanced in 2018
- Focus in 2019 also on further digitalisation initiatives, ongoing diversification of our revenue basis, as well as intensified acquisition of new consultants
- Despite repeated comprehensive investments in the future: Slight increase in EBIT in 2019

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