

Financial Results 2016

Frankfurt, February 23, 2017



Finanzen verstehen. Richtig entscheiden.

Agenda

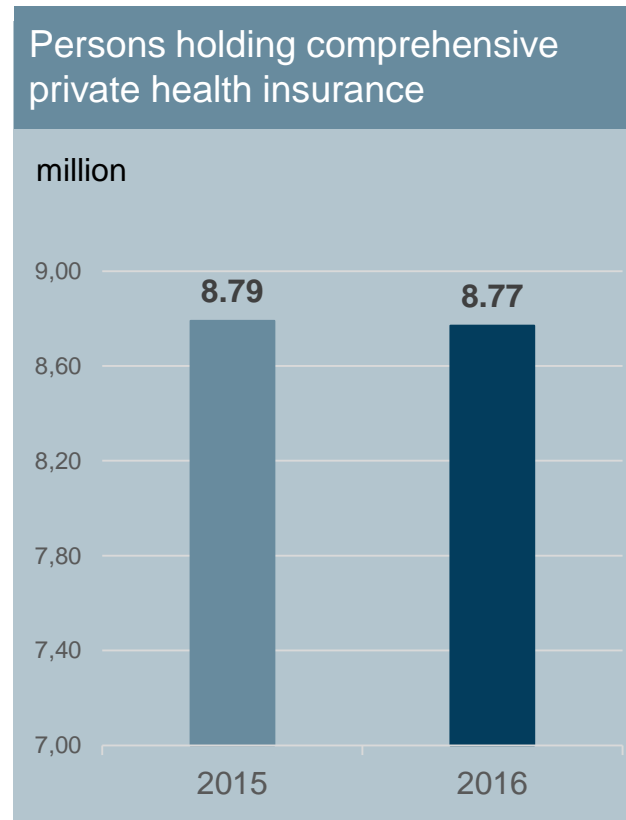
1. Business Development 2016
Dr. Uwe Schroeder-Wildberg, CEO
2. Financials 2016
Reinhard Loose, CFO
3. Strategy, Outlook and Summary
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Key facts on business development in 2016

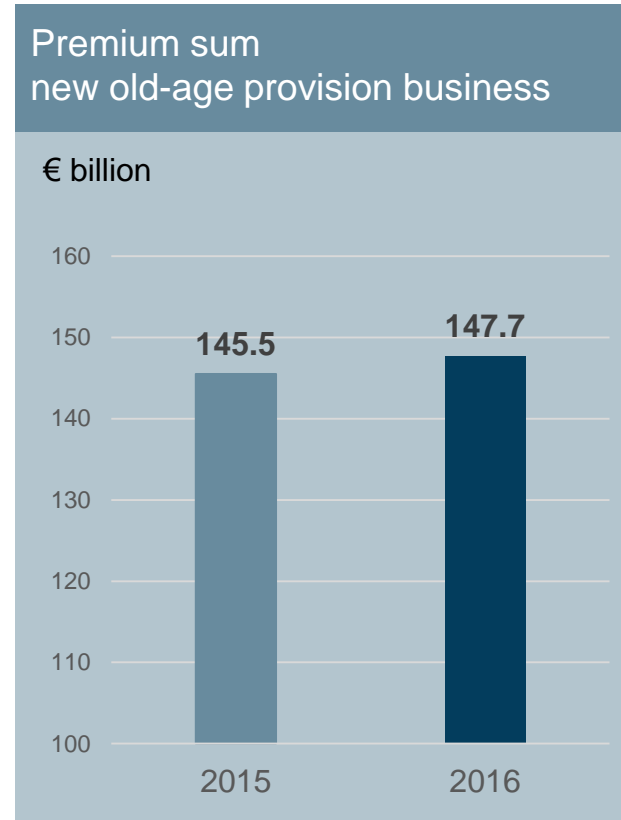
- In 2016, MLP expanded its market shares in key consulting segments, significantly accelerated its process for winning new customers and laid the foundations for cost reductions.
- Final quarter: Total revenue 3 % above the same period in the previous year. Old-age provision up 7 %.
- Financial year 2016: Key ratios significantly increased – total revenue by 10 %, operating EBIT by 14 %.
- Dividend proposal: 8 cents per share – distribution rate of 60 % within the announced corridor.

Market environment remains difficult

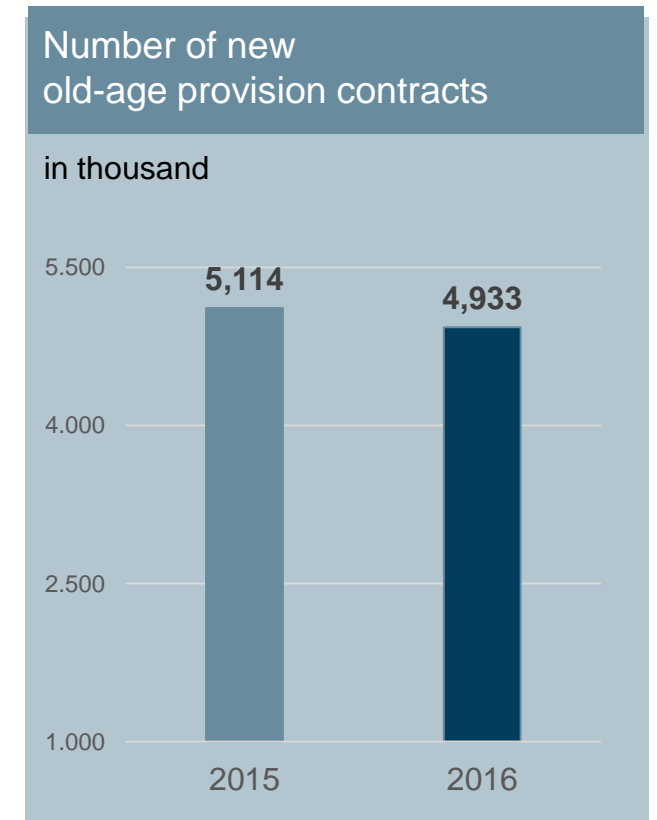
Sector-specific key indicators



Source: Association of Private Health Insurers (PKV)



Source: German Insurance Association (GDV e.V.)

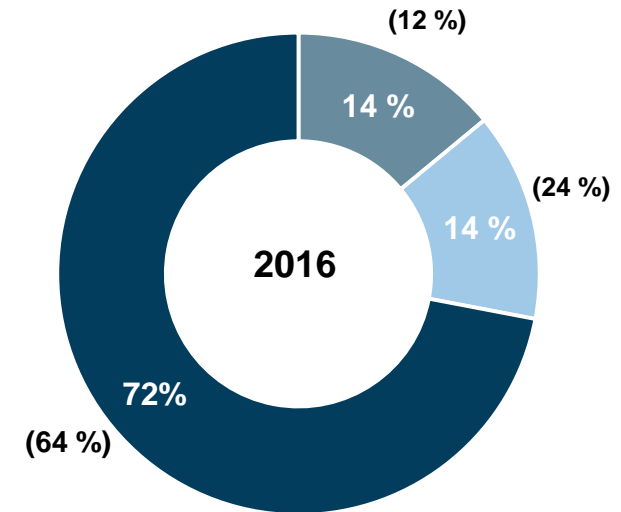
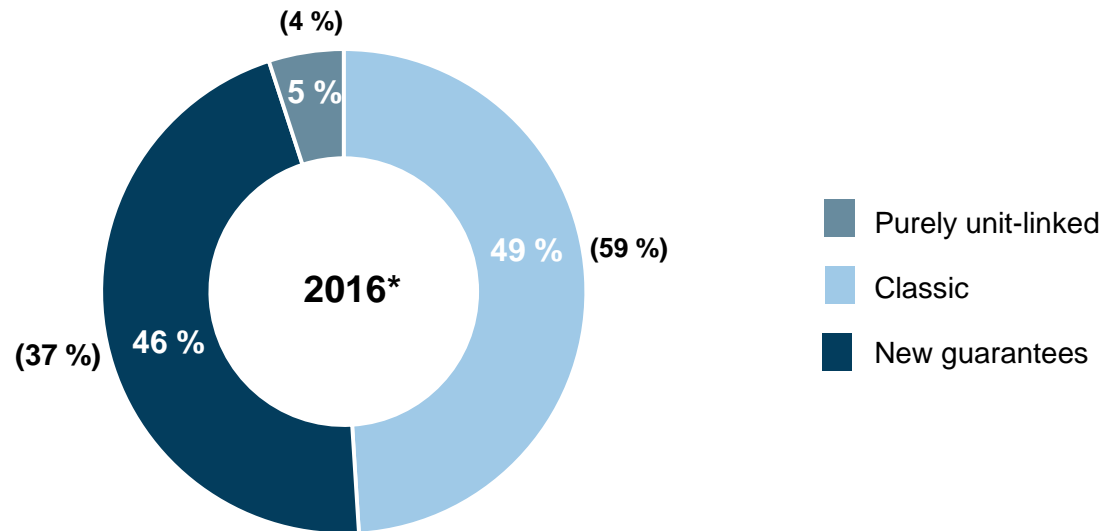


Source: German Insurance Association (GDV e.V.)

MLP is a pioneer in terms of new guarantee products

Market product mix for newly brokered policies

MLP product mix for newly brokered policies



Source: German Insurance Association (GDV e.V.)
*provisional figures

*previous year's values in brackets

New client groups developed

The MLP Group

The partner for all financial matters | Private clients – Institutional investors – Companies



The dialogue partner
for all financial matters



The investment expert
for institutional investors and
high net-worth individuals



The underwriting agency
focusing on private and commercial
non-life insurance products



The specialist
in occupational pension provision
management for companies

Number of private clients (families): 517,400

Number of corporate and institutional clients: 19,200

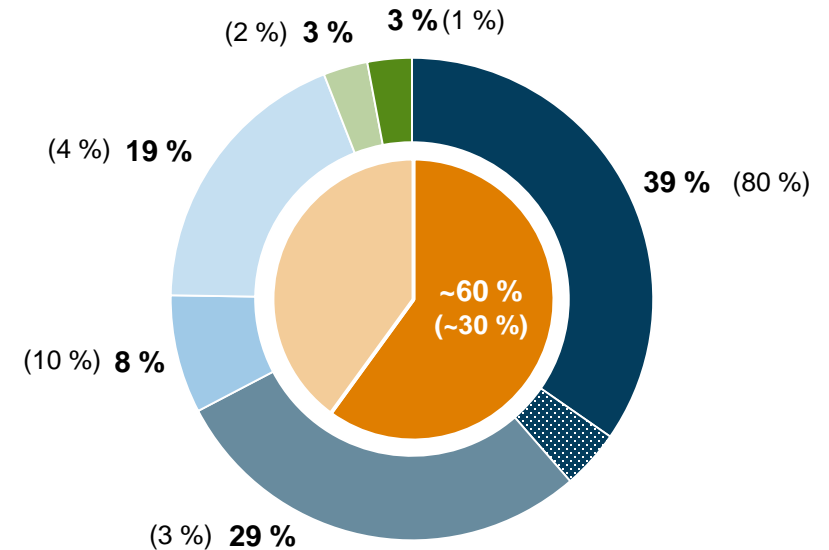
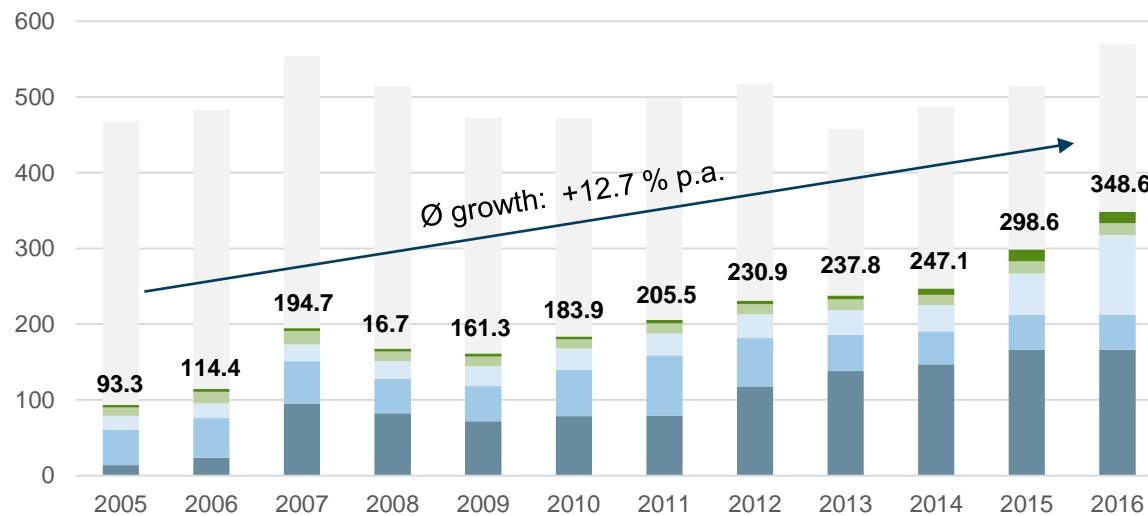
Significantly more stable revenue basis established

Commission income, excl. old-age provision

Revenue distribution FY 2016

€ million

Commission income in FY 2016: € 570.1 million (FY 2005: € 467.9 million)



- Old-age provision
- Wealth management
- incl. occupational pension provision
- Non-life insurance
- Health insurance
- Proportion of recurring revenue
- Loans and mortgages
- Other commission and fees (incl. real estate)

Revenue distribution FY 2005 in brackets

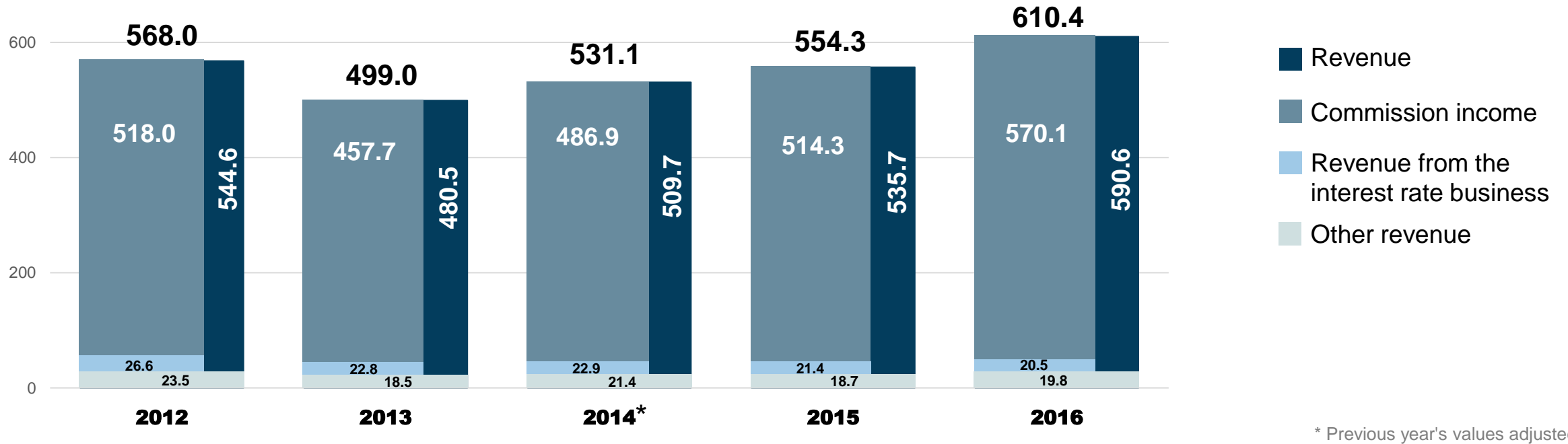
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FY 2016: Total revenue increases to € 610.4 million

Total revenue FY

€ million



Gains primarily in the non-life insurance segment

Revenue

€ million

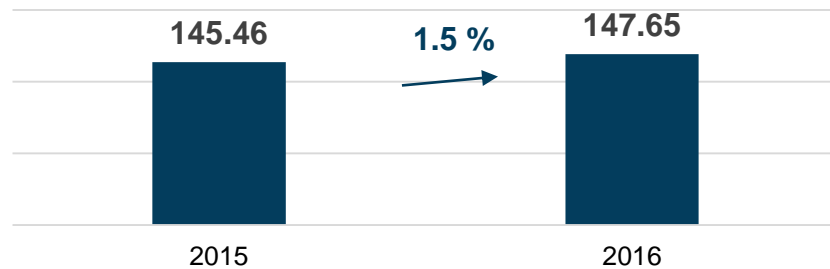
	2015	2016	Δ in %	Q4 2015	Q4 2016	Δ in %
Old-age provision	215.7	221.5	2.7	87.8	94.3	7.4
Wealth management	166.0	166.4	0.2	44.7	43.5	-2.7
Health insurance	45.9	45.8	-0.3	12.3	11.8	-4.6
Non-life insurance	54.9	105.6	92.5	18.1	20.0	10.5
Loans and mortgages*	16.2	15.4	-4.7	5.1	5.0	-0.9
Other commission and fees	15.6	15.4	-1.1	5.1	6.6	28.2
Interest income	21.4	20.5	-4.2	5.3	4.9	-6.7

* Excluding MLP Hyp

MLP grows and bucks the market trend

Old-age provision

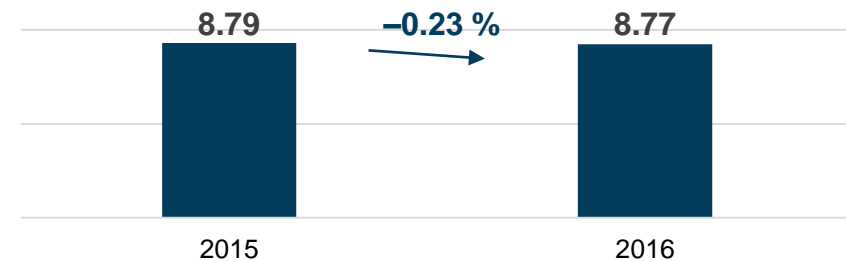
Premium sum of new business in the market (in € billion)



Source: German Insurance Association (GDV e.V.)

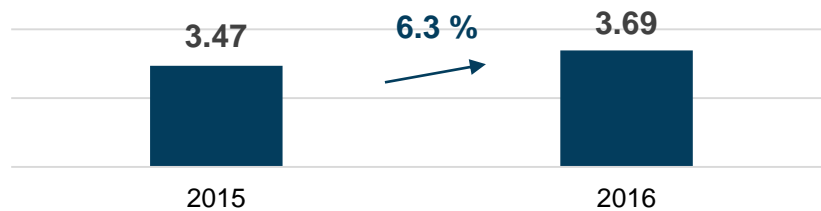
Health insurance

Number of persons holding comprehensive health insurance in the market (in million)

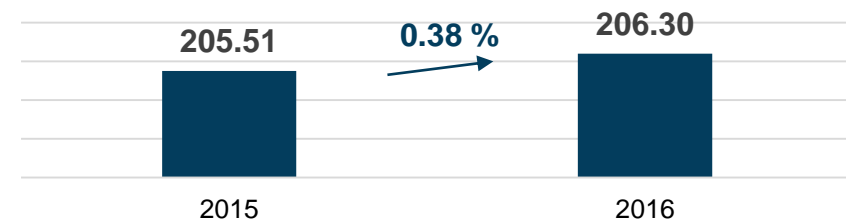


Source: Association of Private Health Insurers (PKV-Verband)

Premium sum of MLP new business (in € billion)



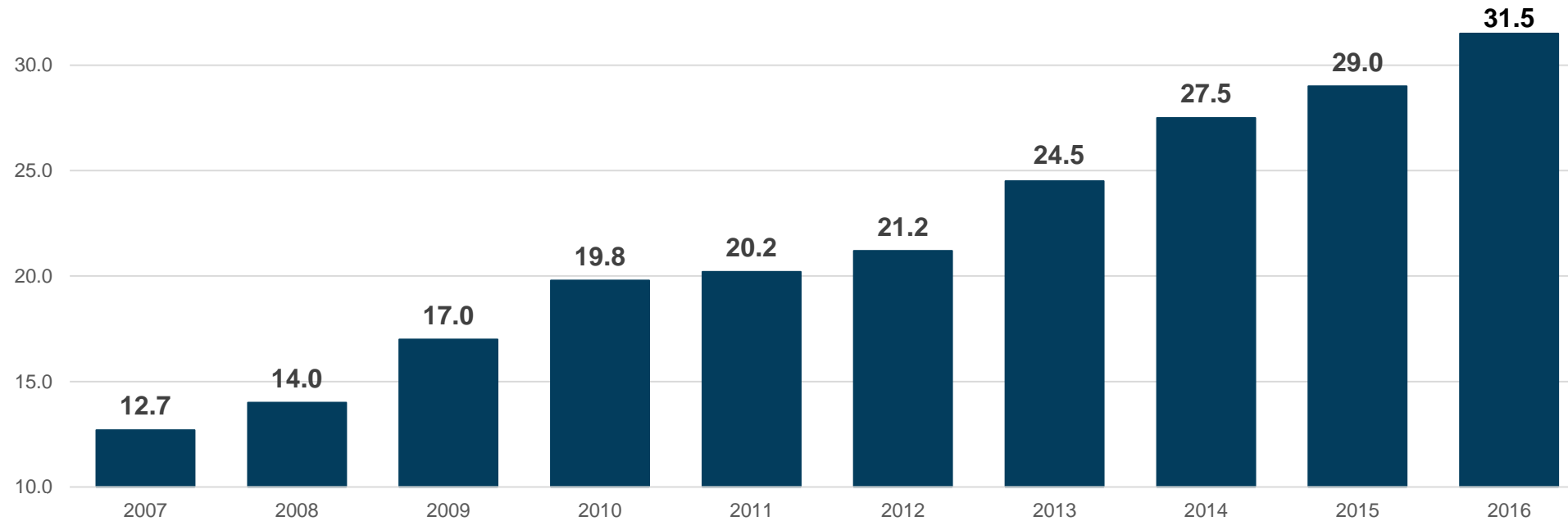
Number of persons at MLP holding comprehensive health insurance (in thousand)



Assets under management increase to € 31.5 billion

Assets under management, MLP Group

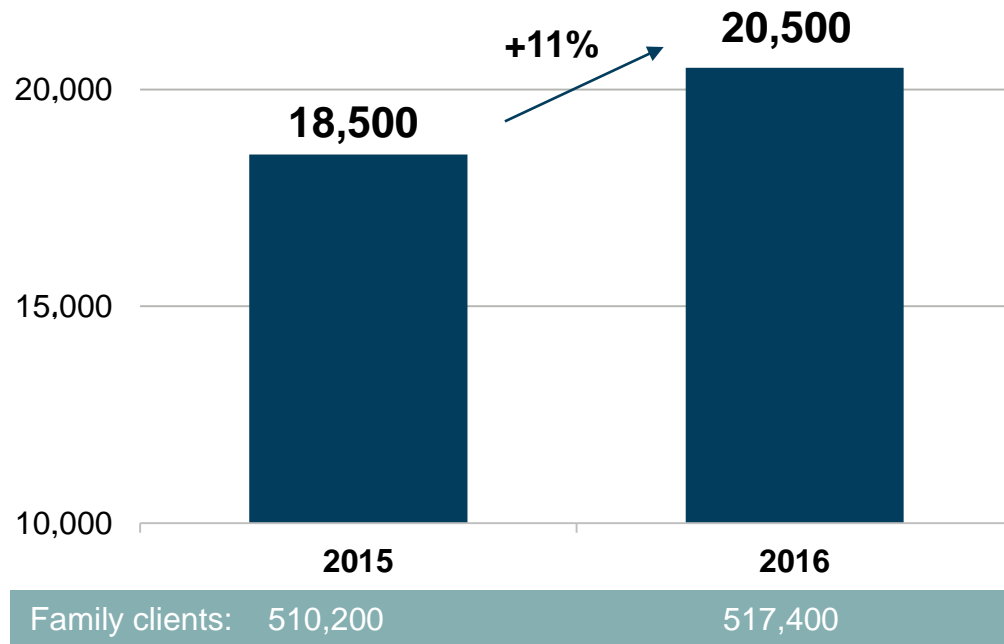
€ billion



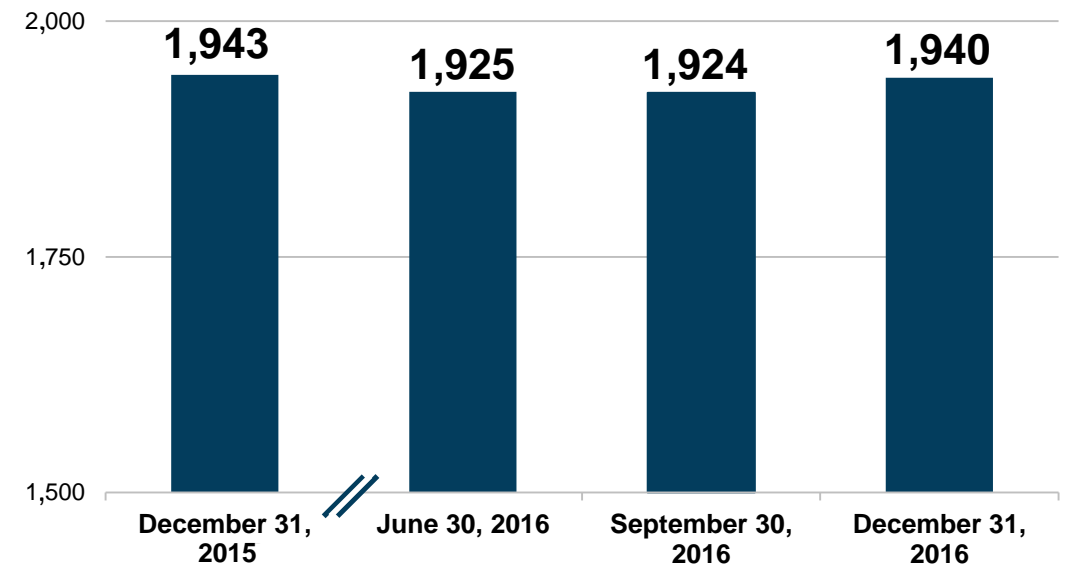
Each as at December 31

MLP wins 11 % more family clients

Gross number of new clients (families)



Client consultants



Operating EBIT at € 35.1 million

Income statement

€ million	Q4 2015	Q4 2016	2015	2016
Total revenue	186.5	191.7	554.3	610.4
Operating EBIT*	23.3	19.3	30.7	35.1
EBIT	23.3	8.2	30.7	19.7
Finance cost	-0.4	-0.4	-2.8	-0.9
EBT	22.9	7.7	28.0	18.7
Taxes	-6.8	-2.6	-8.2	-4.1
Net profit	16.1	5.1	19.8	14.7
EPS in euros (diluted/basic)	0.15	0.05	0.18	0.13

2016:

- Efficiency programme: one-off expenses of € 15.4 million (€ 11.1 million in Q4/2016)

*before one-off expenses

Core capital ratio at 14.2 %

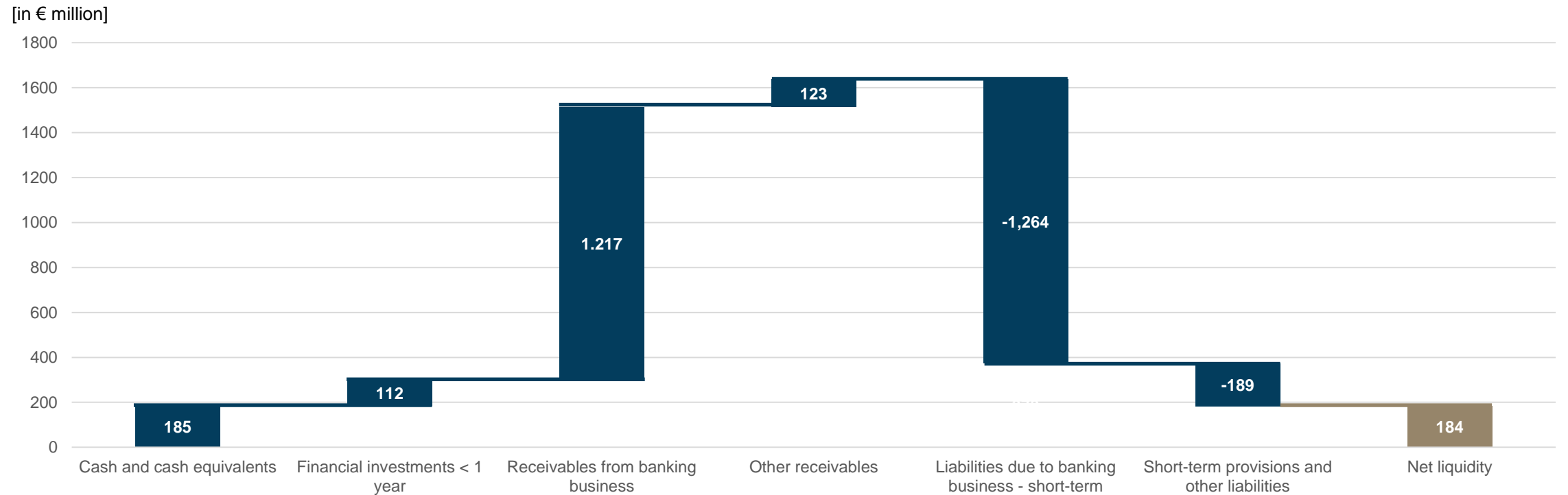
Assets	Dec. 31, 2015	Dec. 31, 2016
Intangible assets	174.5	168.4
Financial assets	147.9	162.3
Receivables from clients in the banking business	542.7	626.5
Receivables from banks in the banking business	600.3	591.0
Other receivables and assets	112.5	122.8
Cash and cash equivalents	77.5	184.8
Liabilities and shareholders' equity		
Shareholders' equity	385.8	383.6
Provisions	86.5	91.2
Liabilities due to clients in the banking business	1,102.6	1,271.1
Liabilities due to banks in the banking business	23.1	37.7
Other liabilities	140.2	146.9
Total	1,752.7	1,944.1

Equity ratio: 19.7 %

Return on equity: 3.8 %

Core capital ratio: 14.2 %

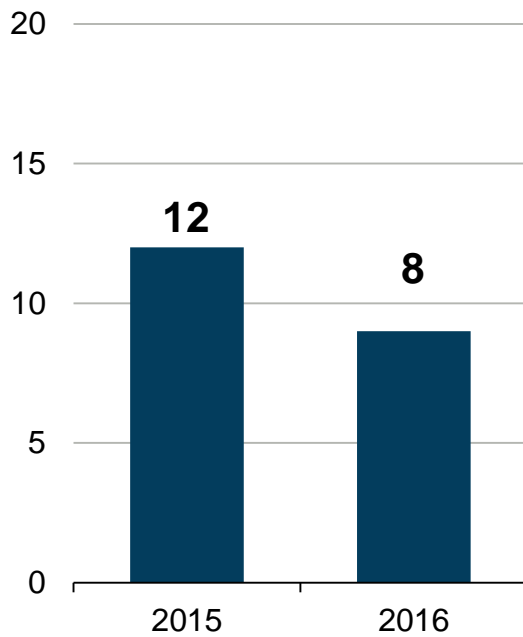
Net liquidity of around € 184 million



Executive Board proposes a dividend of 8 cents

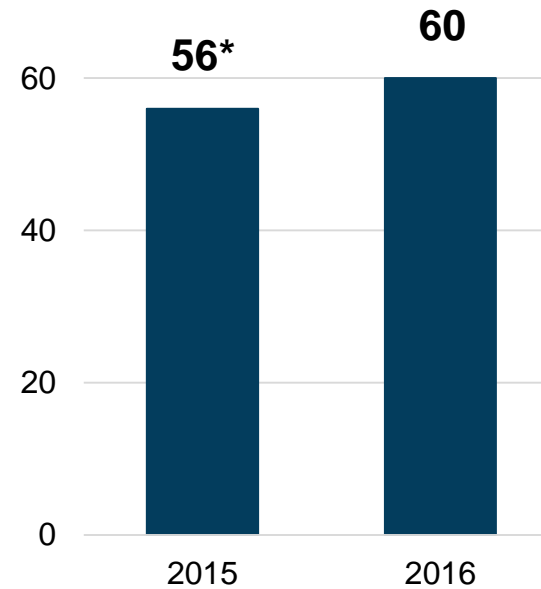
Dividend per share

In euro cents



Dividend distribution rate

in %



*based on net profit, simulating an acquisition of DOMCURA on January 1, 2015.

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Strategic agenda 2017

Strategic focus

1

Organic growth

- **Extension of the scope for action** regarding future investments through altered group structure
- **Strengthening of the university segment in the private client business** through focus on core topics for young clients and consultants

- Further broadening of revenue basis: primarily through further expansion of wealth management and non-life insurance business
- Continued implementation of digitalisation strategy: in particular extension of digital information and service offers

2

Inorganic growth

- MLP Group open to acquisitions in two areas:
 - In the market segment of FERI and DOMCURA
 - In MLP's private client business

3

Continued Cost management

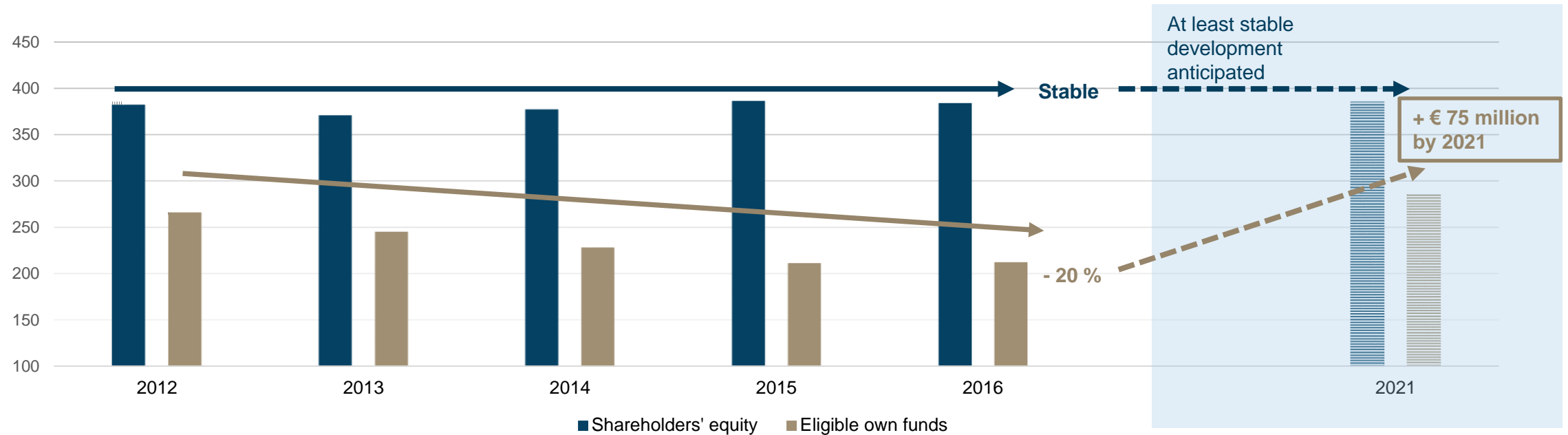
- Structural reduction of cost base initiated in 2016 – ongoing efficiency management programme

Implementation

Making MLP more independent of short-term market influences and returning it to a significantly increased profit level

Scope for action significantly extended through new group structure

Effects on equity

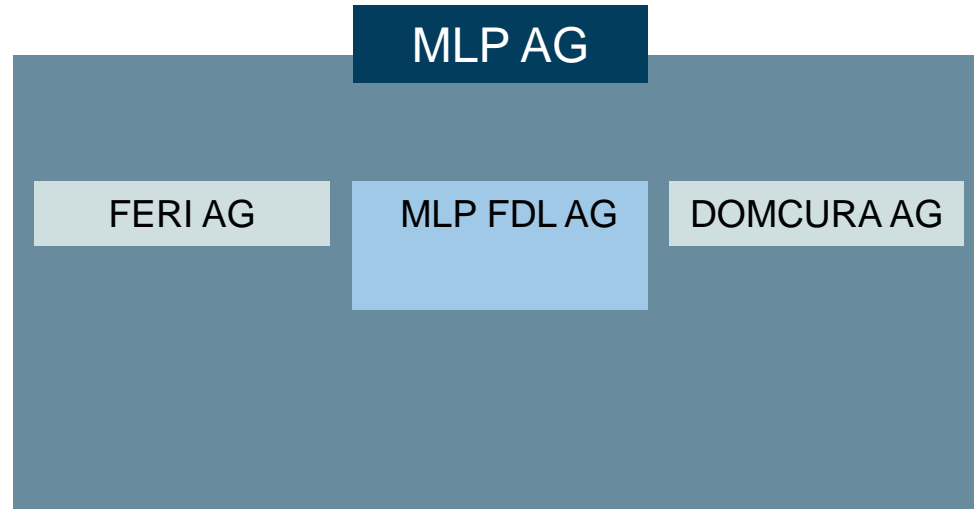


→ Further strengthening of the business model

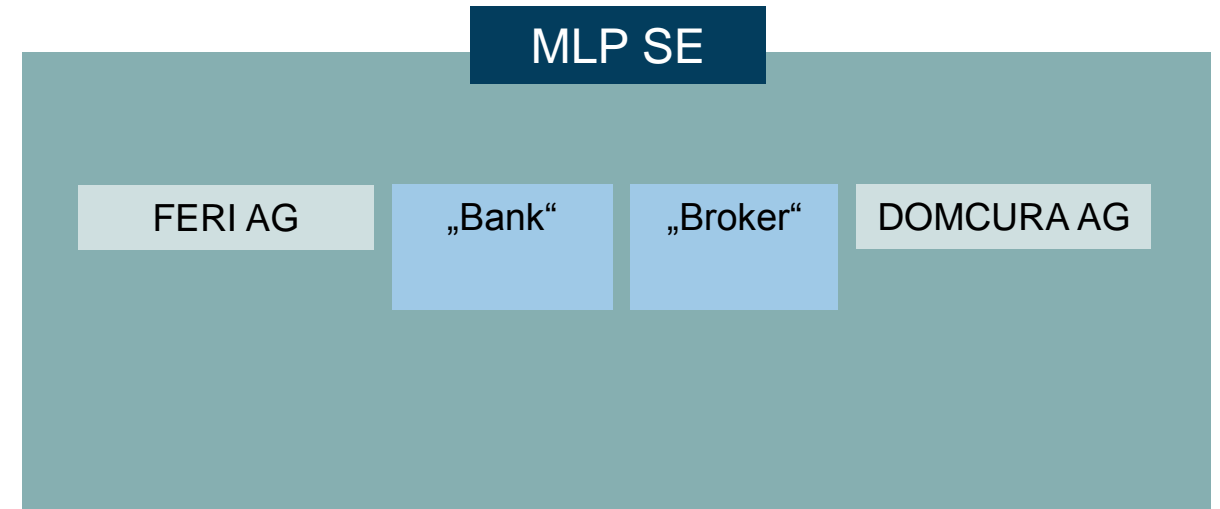
→ Scope for investments and acquisitions

Banking activities with supervisory or regulatory relevance to be bundled at one company in the future

Current structure



Intended structure as of 2018

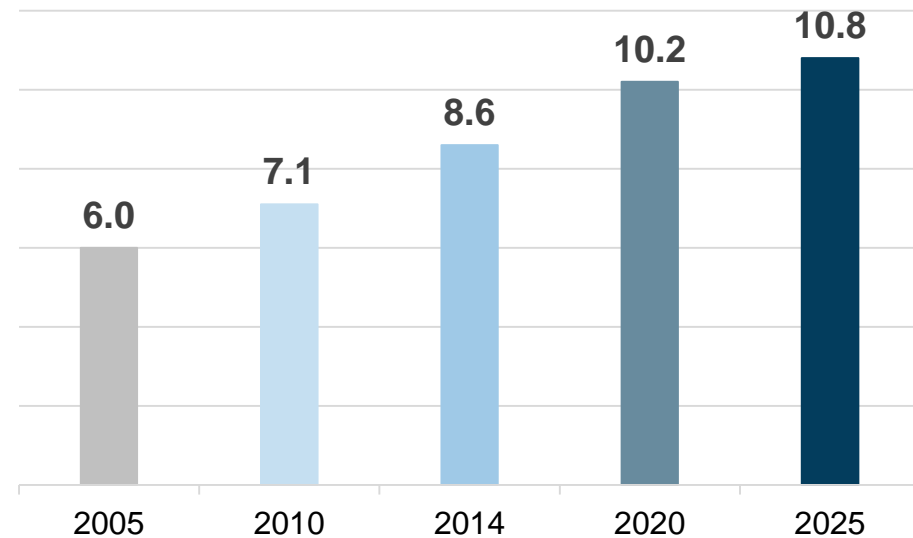


- Current scope of services for clients will be maintained
- Better opportunities for strategic collaborations

Private client business – strengthening the university segment

Number of academics in active employment

million



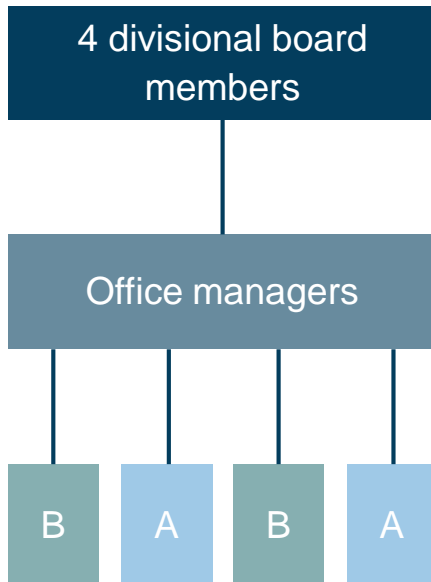
Sources: Germany's Federal Employment Agency (2016) and Vogler-Ludwig et al. (2016)

- Increasing potential for MLP in the university segment
- Measures of the last few years are having an impact, particularly the introduction of a training allowance for new consultants
- Sharper focus, among other things by introducing a dedicated divisional board member for the university segment
- Objectives: To further increase presence and gain new clients and consultants more quickly

Sharper focus on university segment

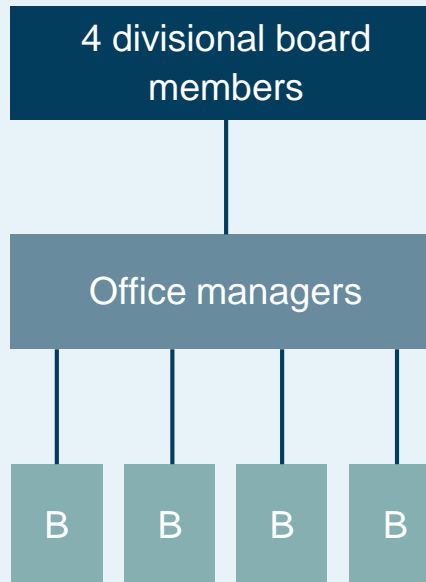
MLP private client business

Today:

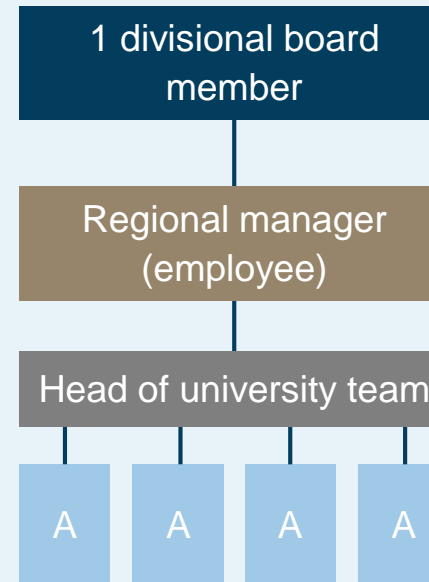


Future:

Consultant >6 years with MLP



Consultant <6 years with MLP



A = Focus: Winning new clients
B = Focus: Serving existing clients

Strategic agenda 2017

Strategic focus

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2

Inorganic growth

3

Continued Cost management

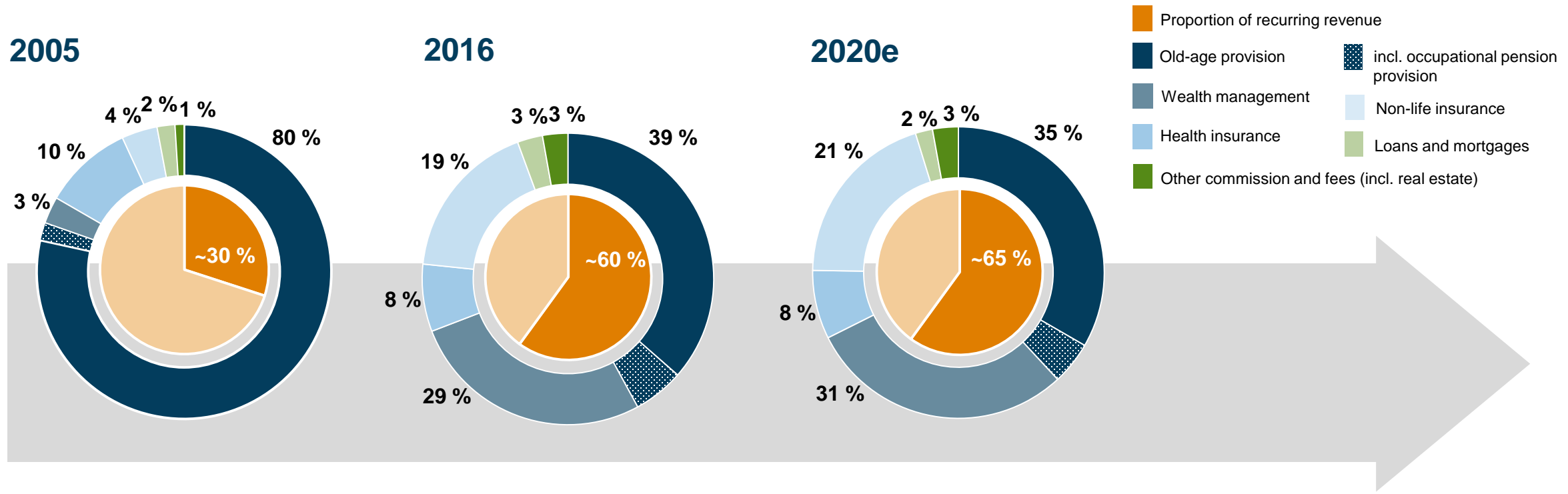
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Making MLP more independent of short-term market influences and returning it to a significantly increased profit level

Even more balanced revenue basis in the medium term

Development of revenue distribution



Online policy sales successfully launched for basic products

FinTech cooperation partner:

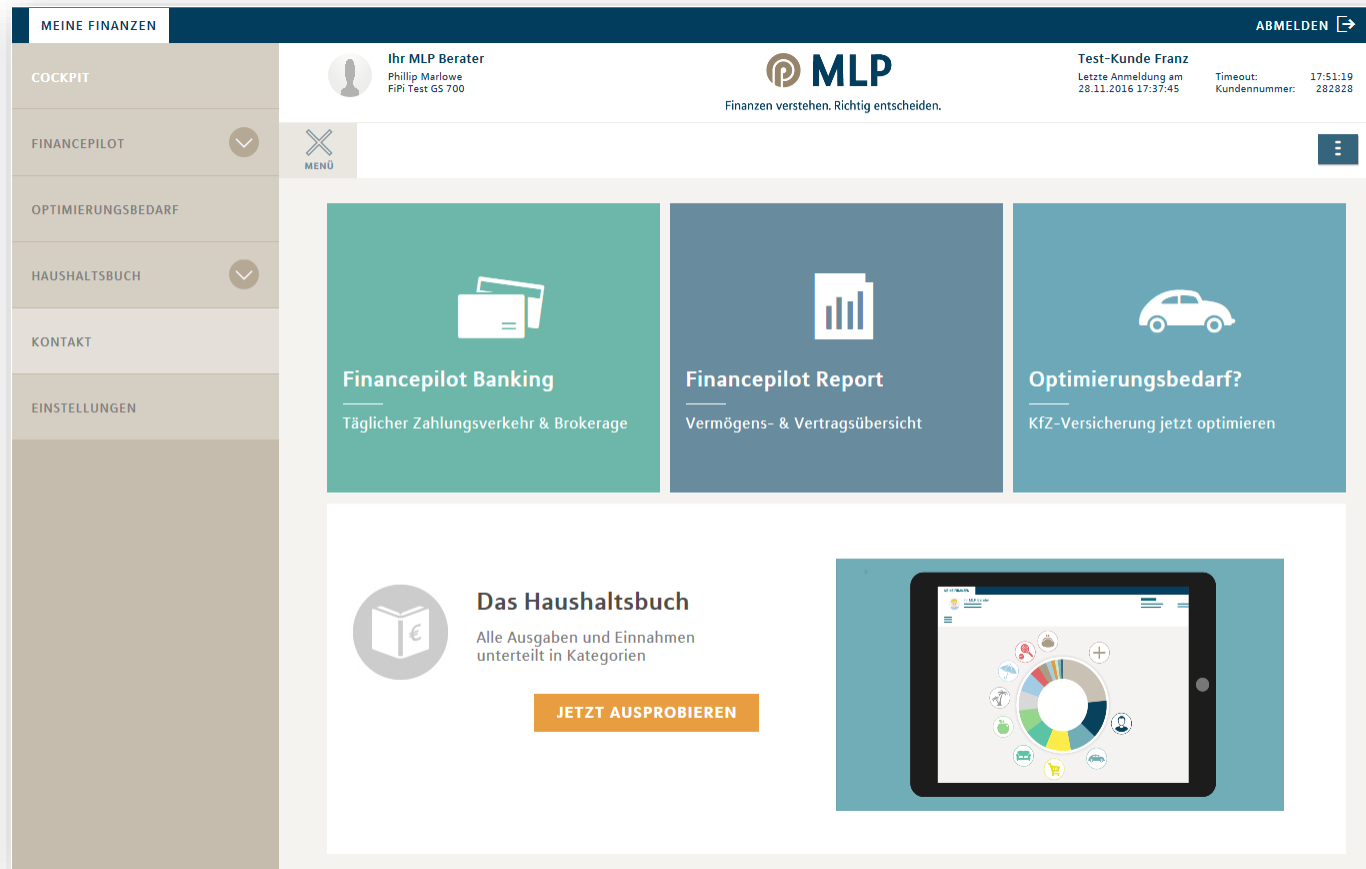


Online policy sale

- Mobile phone protection online since January 2016
- Travel health insurance online since August 2016
 - More policies sold online than through conventional channels in the financial year 2015
- Further products to be added gradually from 2017 onwards
- More than 50,000 prospects acquired online in 2016



New client portal enters its first extension phase in April



FinTech cooperation partner:

Kontowechsel24.de
...einfach wie Shopping

CREALOGiX

Use iPads in the foyer
get some first
impressions

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Implementation

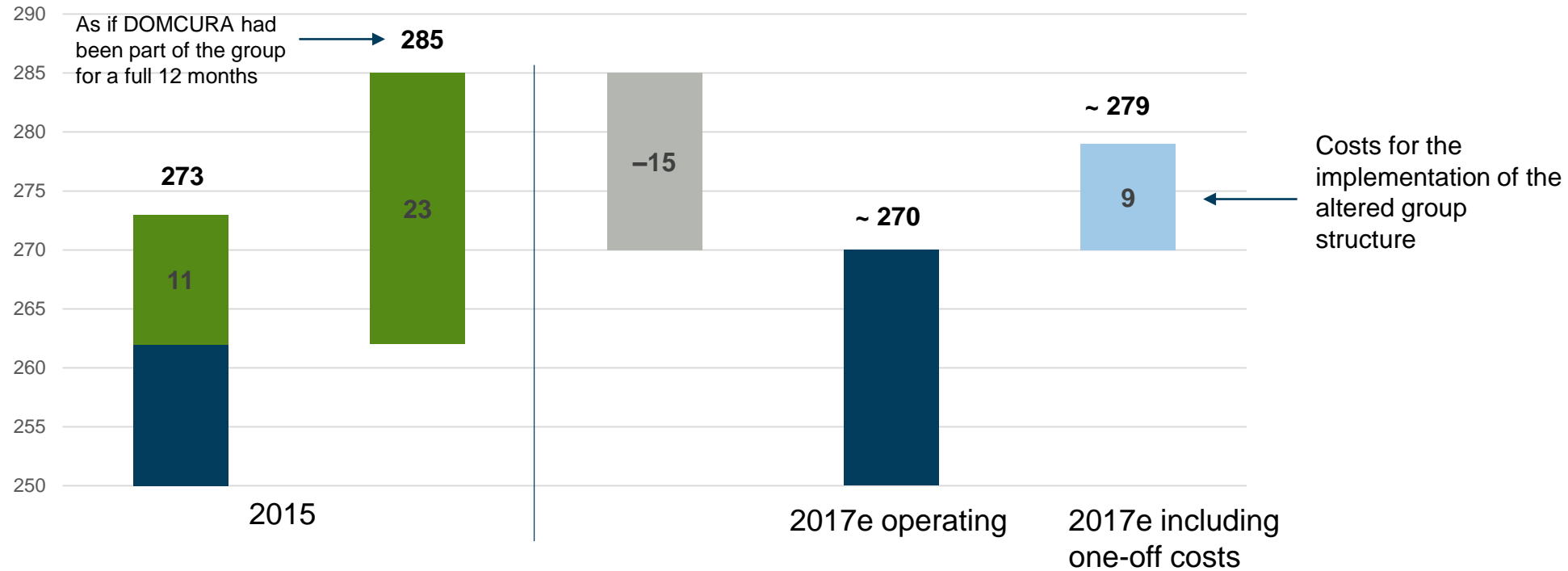
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Cost management bears fruit

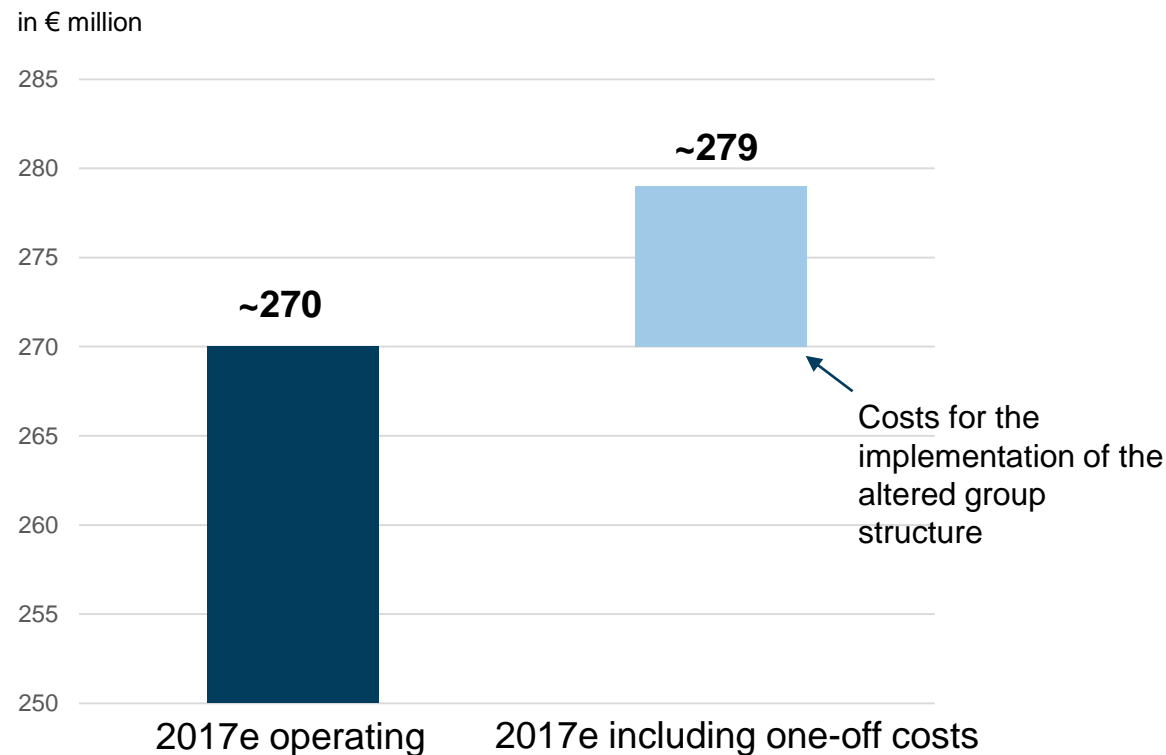
Administrative expenses

in € million



Outlook: Operating EBIT of at least € 45 million anticipated

Forecast development of administrative expenses



Qualitative assessment of the development of sales revenues

	2017
Revenue from old-age provision	0
Revenue from health insurance	+
Revenue from wealth management	0
Revenue from non-life insurance	+

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

→ MLP anticipates EBIT of at least € 36 million in 2017 (operating EBIT: at least € 45 million)

Summary

- MLP increased important key performance indicators in 2016. In light of market conditions that remained difficult, this development can be seen as satisfactory.
- With the change of the group structure and further strengthening of the university segment, MLP is pressing ahead in 2017.
- Despite the one-off expenses associated with the change of the group structure, MLP anticipates EBIT of at least € 36 million for 2017.

Financial Results 2016

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Contact

Jan Berg

Head of Corporate University / Corporate
Communications

Frank Heinemann

Head of External Communications

Andreas Herzog

Head of Investor Relations and
Financial Communications

MLP AG

Alte Heerstr. 40
69168 Wiesloch
Germany

Tel.: +49 (0) 6222 • 308 • 8320

Fax: +49 (0) 6222 • 308 • 1131

investorrelations@mlp.de

www.mlp-ag.de