

# Financial Results 2015

Frankfurt, February 25, 2016

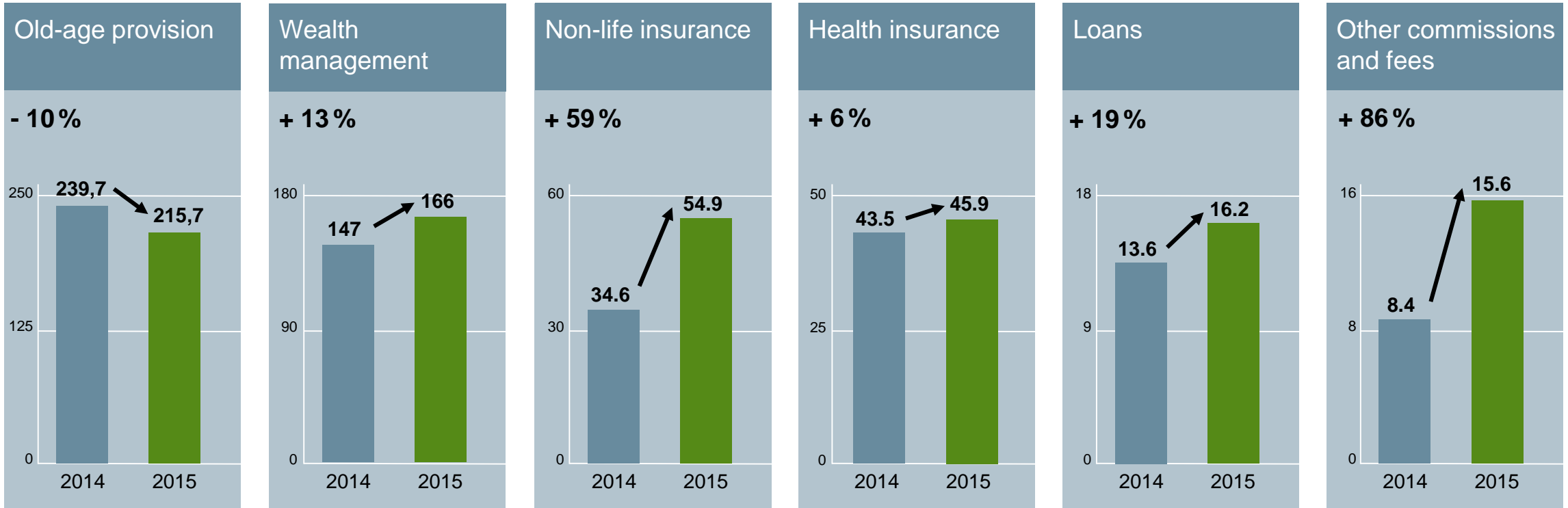


Finanzen verstehen. Richtig entscheiden.

# Agenda

1. Business Development 2015  
Dr. Uwe Schroeder-Wildberg, CEO
2. Financials 2015  
Reinhard Loose, CFO
3. Strategy, Outlook and Summary  
Dr. Uwe Schroeder-Wildberg, CEO
4. Questions & Answers

# Growth in virtually all fields of consulting



Total revenue:  
€557.2 million

Pro forma EBIT:  
€32.5 million

Dividend proposal:  
12 cents per share

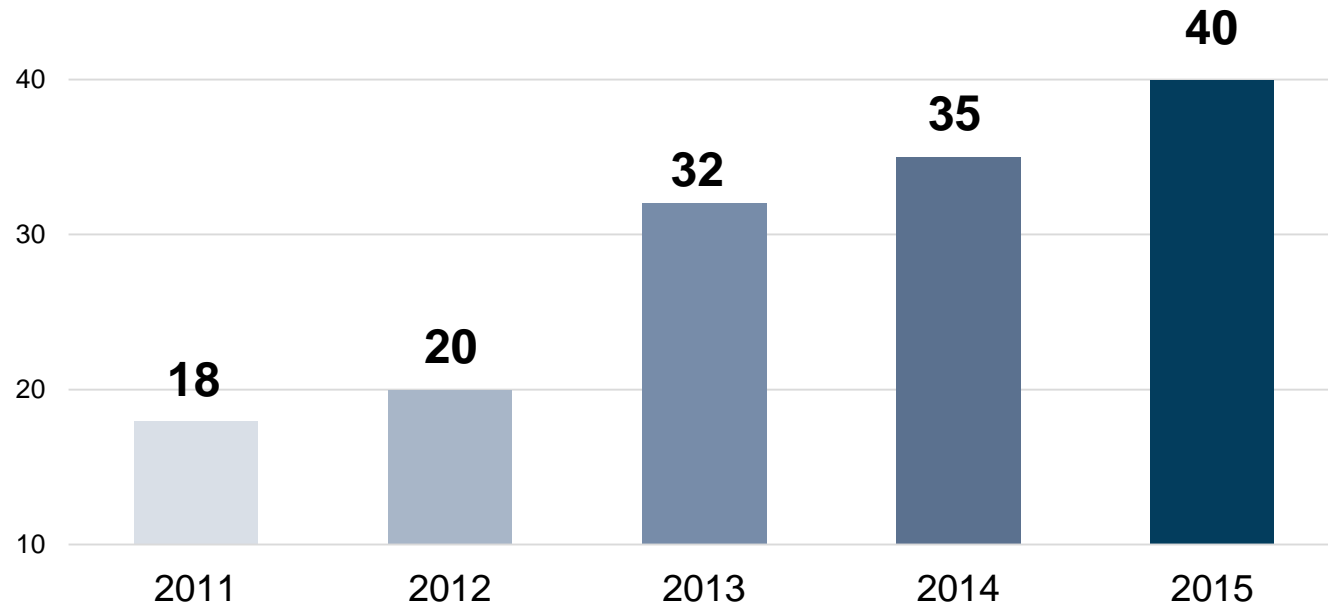
# Key facts on business development

- In 2015 MLP profited from the broadening of the revenue basis more than ever before.
- Growth in virtually all consulting fields – old-age provision remains very difficult due to market conditions.
- MLP generates solid profits despite challenging framework conditions.
- MLP is further tightening its cost management in order to produce sustainable growth again from 2017.

# Difficult market environment in old-age provision persists

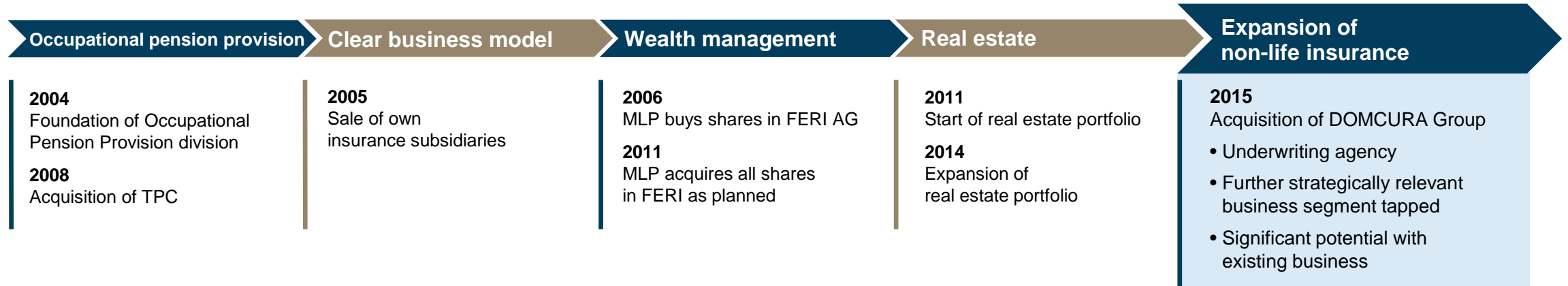
Percentage of people who make **no** monthly savings for old-age provision:

in percent



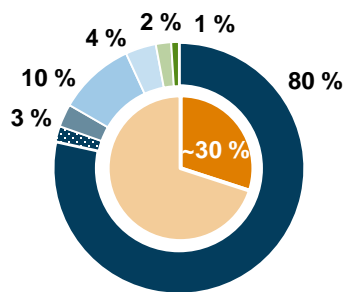
Source: Deutscher Sparkassen- und Giroverband financial group, Wealth Barometer 2011–2015

# Strategic portfolio significantly broadened



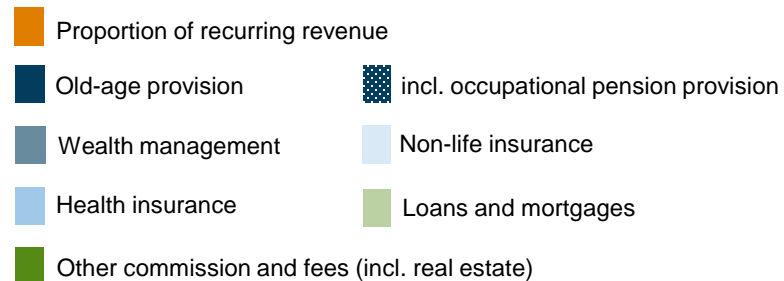
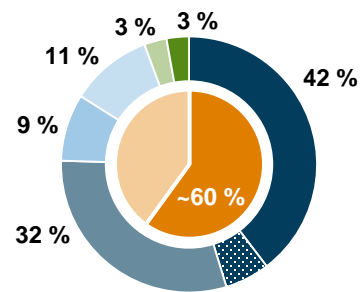
## FY 2005

Commission income €467.9 million



## FY 2015

Commission income €514.3 million



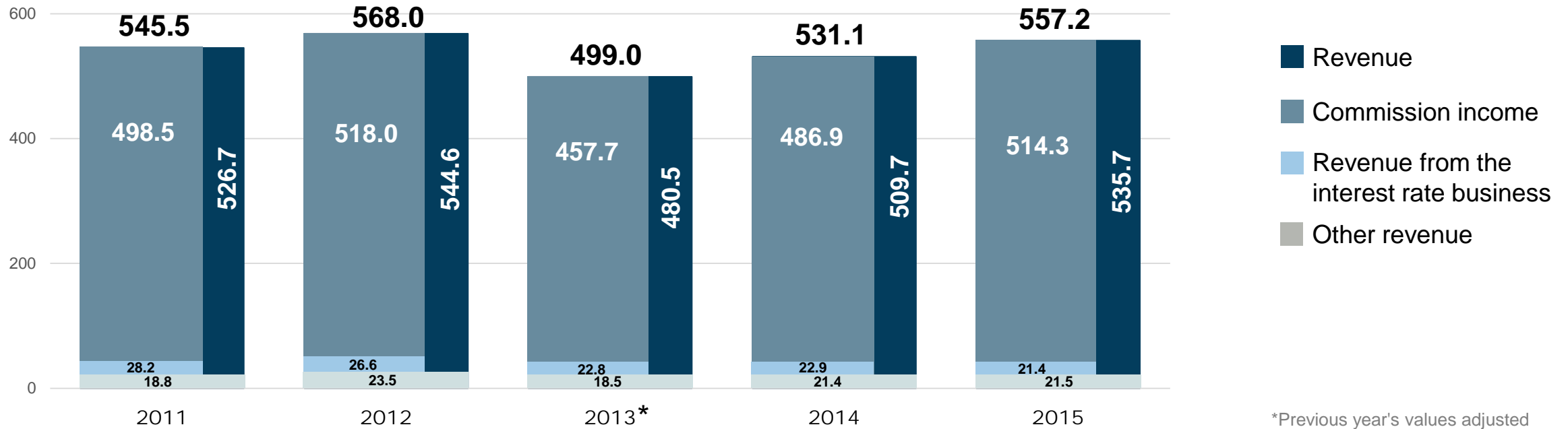
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# FY 2015: Total revenue rises to €557.2 million

## Total revenue FY

€ million





# Growth in virtually all consulting areas

## Revenue

€ million

	Δ 2014/2015 in %	2015	2014	Q4 2015	Q4 2014	Δ in %
Old-age provision	-10.0	215.7	239.7	87.8	106.6	-17.6
Wealth management	12.9	166.0	147.0	44.7	41.3	8.2
Health insurance	5.5	45.9	43.5	9.2	13.9	-33.8
Non-life insurance	58.7	54.9	34.6	21.3	2.7	>100.0
Loans and mortgages*	19.1	16.2	13.6	5.1	4.5	13.3
Other commission and fees	85.7	15.6	8.4	5.1	3.0	70.0
Revenue from the interest rate business	-6.6	21.4	22.9	5.3	5.8	-8.6

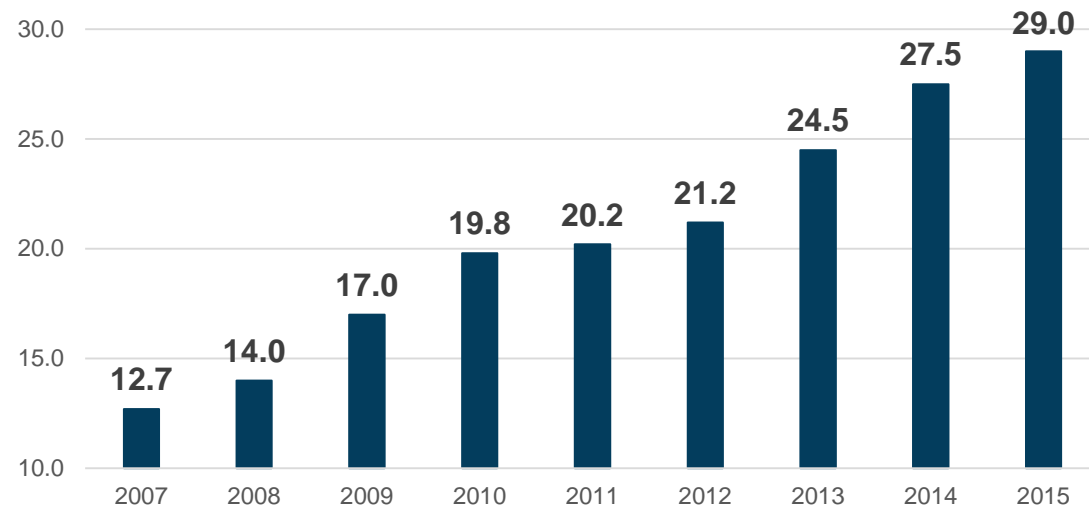
\*Excluding MLP Hyp

# Assets under management continue to grow

## Wealth management

Assets under management, MLP Group

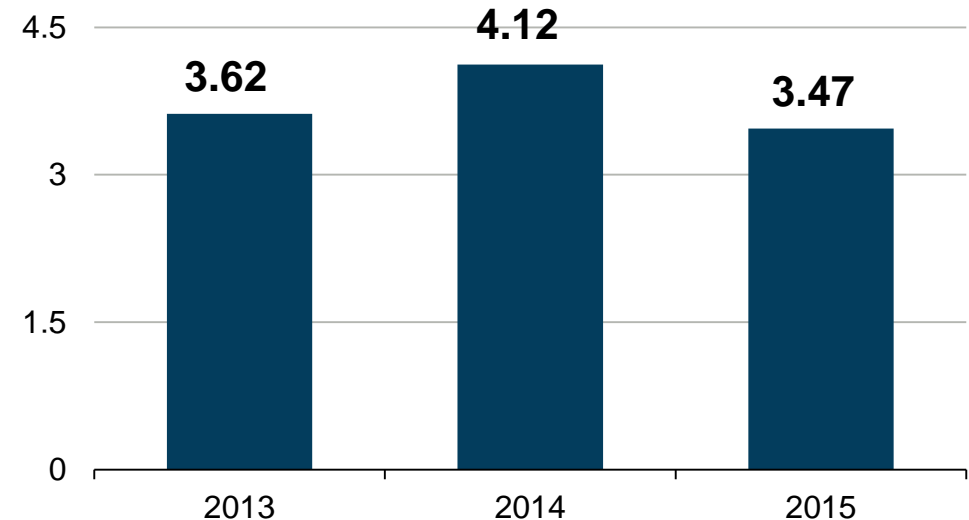
€ billion



## Old-age provision

Premium sum of MLP's new business

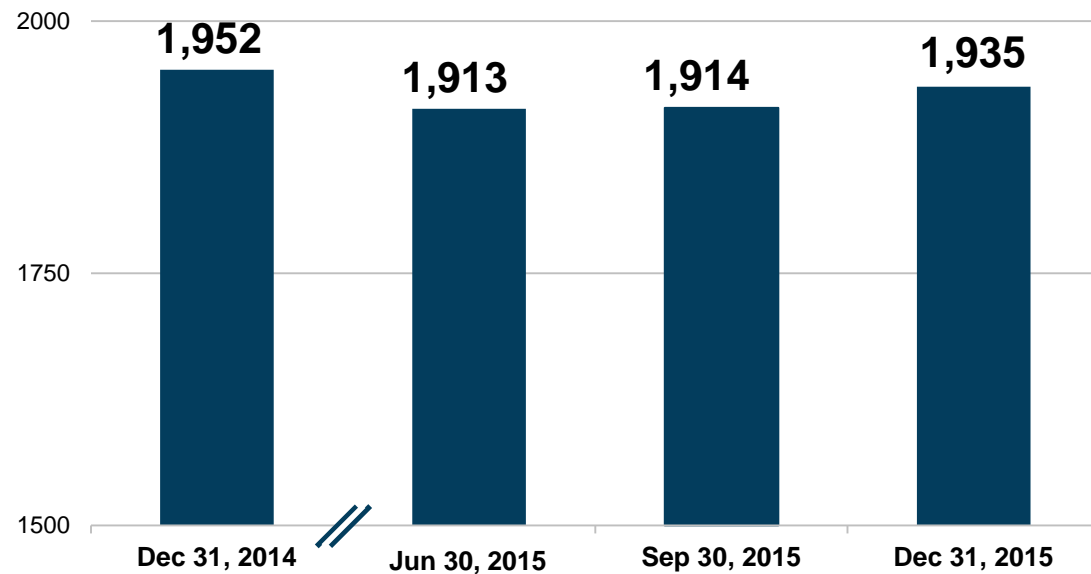
€ billion



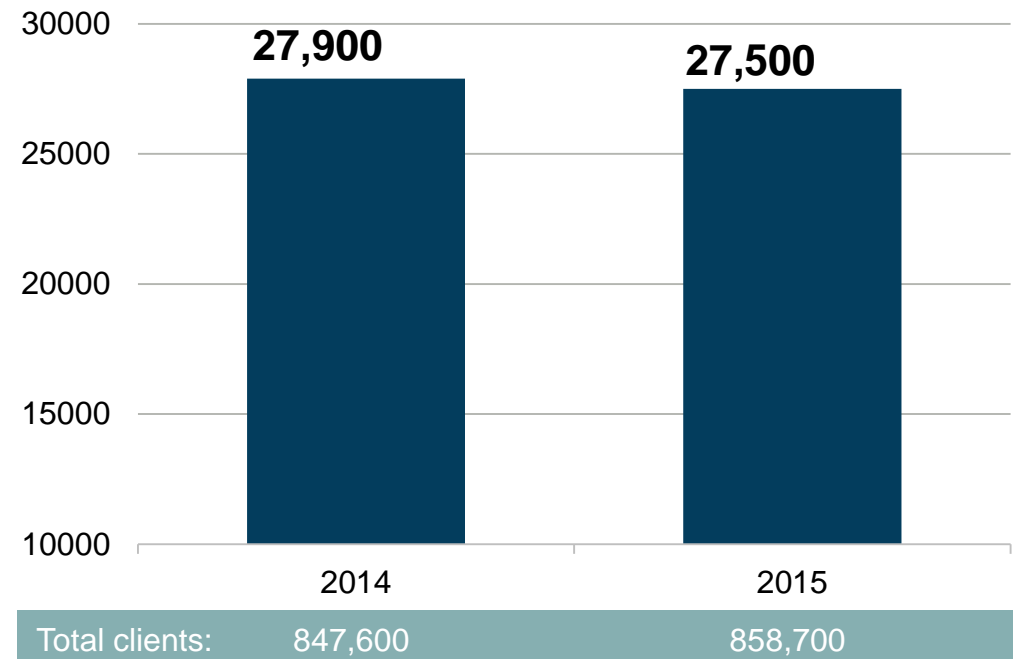
as at 31 December

# Number of consultants rises slightly

## Client consultants

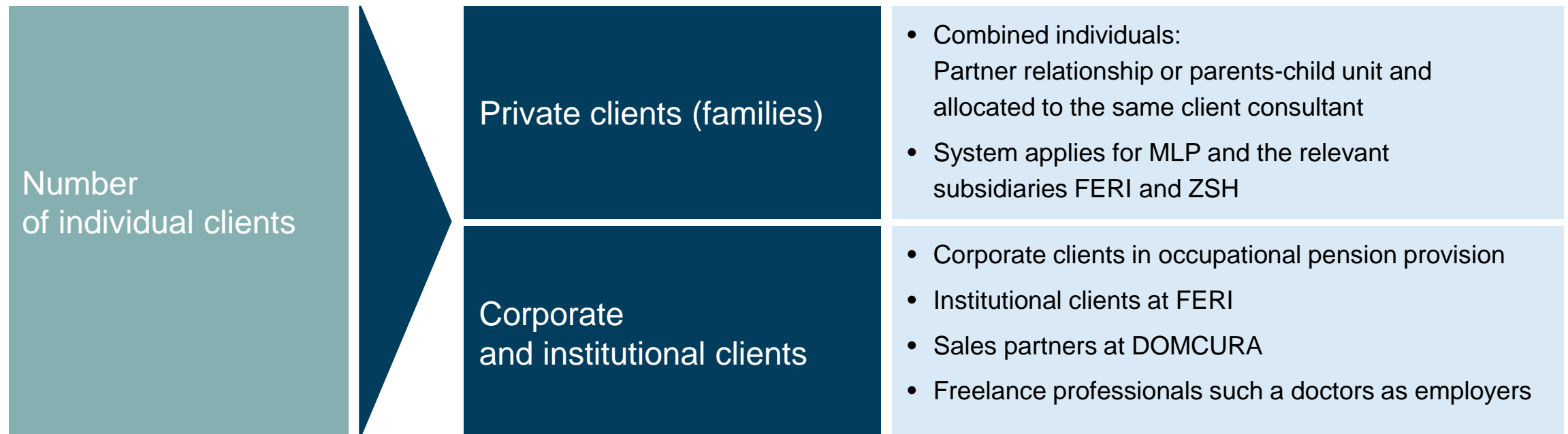


## New clients, gross



# Client counting method will reflect the Group structure in a better way

Presentation of client numbers as of Q1 2016



# FY 2015: Pro forma EBIT amounts to €32.5 million

## Income statement

€ million	Q4 2015	Q4 2014	2015	2014
Total revenue	187.7	186.4	557.2	531.1
Pro forma EBIT*	24.2	29.6	32.5	39.0
EBIT	23.3	29.6	30.7	39.0
Finance cost	-0.4	-1.2	-2.8	-1.3
EBT	22.9	28.4	28.0	37.6
Taxes	-6.8	-6.6	-8.2	-8.7
Net profit	16.1	21.8	19.8	29.0
EPS in euros (diluted/basic)	0.15	0.20	0.18	0.27

**Net profit 2015** based on an assumed acquisition of DOMCURA with effect from Jan 1, 2015: **€23.3 million**

### Already reported one-off effects from Q3/2015:

- One-off charge to the financial result (€-2.0 million)
- One-off extra tax expense (€-1.1 million)

\*adjusted for the acquisition of DOMCURA

# Own funds ratio of 14.3 %

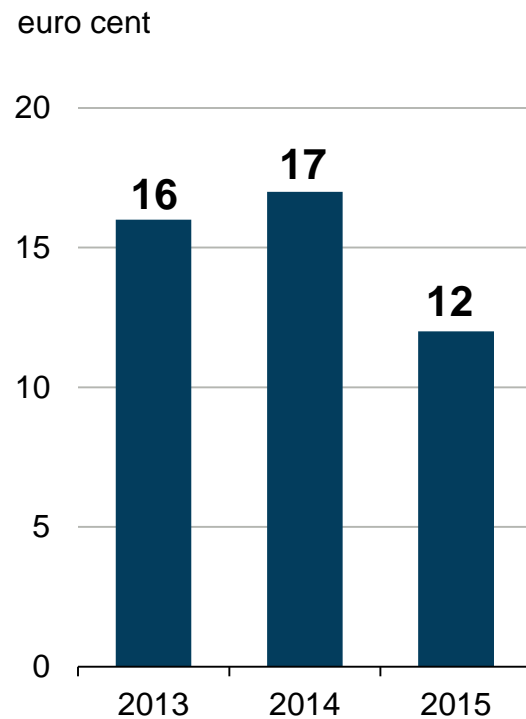
€ million

	Dec 31, 2015	Dec 31, 2014
Intangible assets	174.5	156.2
Financial assets	147.9	145.3
Cash and cash equivalents	77.5	49.1
Other receivables and assets	112.5	117.7
Shareholders' equity	385.8	376.8
Equity ratio	22.0 %	23.2 %
Other liabilities	140.2	117.8
Total	1,752.7	1,624.7

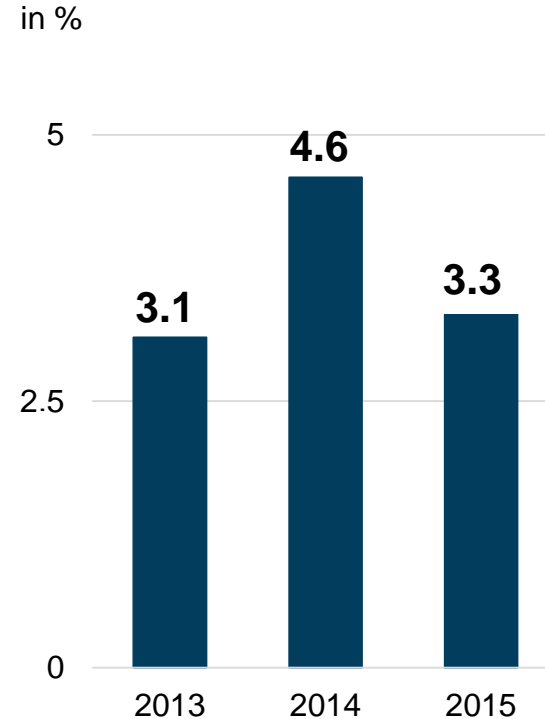
- Core capital ratio: 14.3 % (15.6 %)
- Equity ratio: 22.0 % (23.2 %)
- Return on equity: 5.1 % (7.7 %)

# Executive Board proposes dividend of 12 cents – dividend yield: 3,3 %

## Dividend per share



## Dividend yield\*



- Distribution rate: 56 %\*\*
- At the same time, capital is required for:
  - acquisitions
  - capital expenditure
  - capital management (Basel III)
- Unchanged planned distribution rate: 50 % to 70 % of the net profit for the period

\*as at 31 December

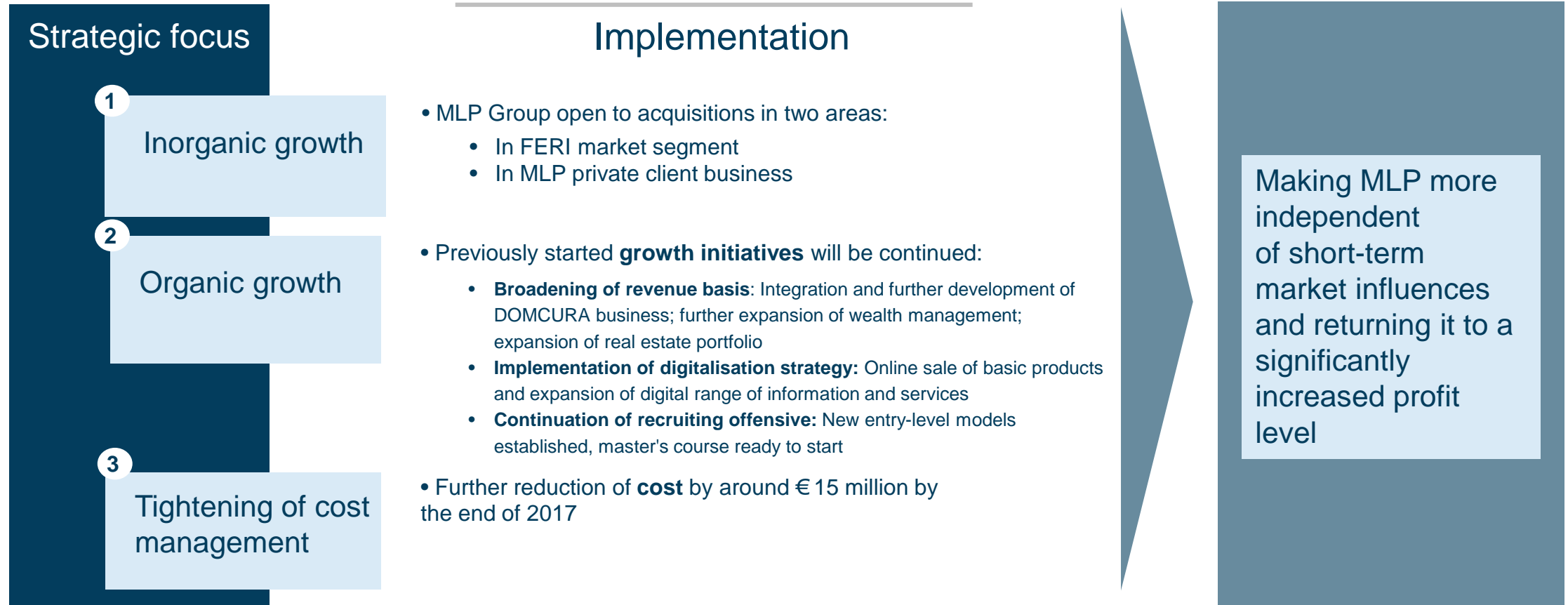
\*\*based on the group net profit, simulating the acquisition of DOMCURA as of 1 January 2015

# Financial Results 2015

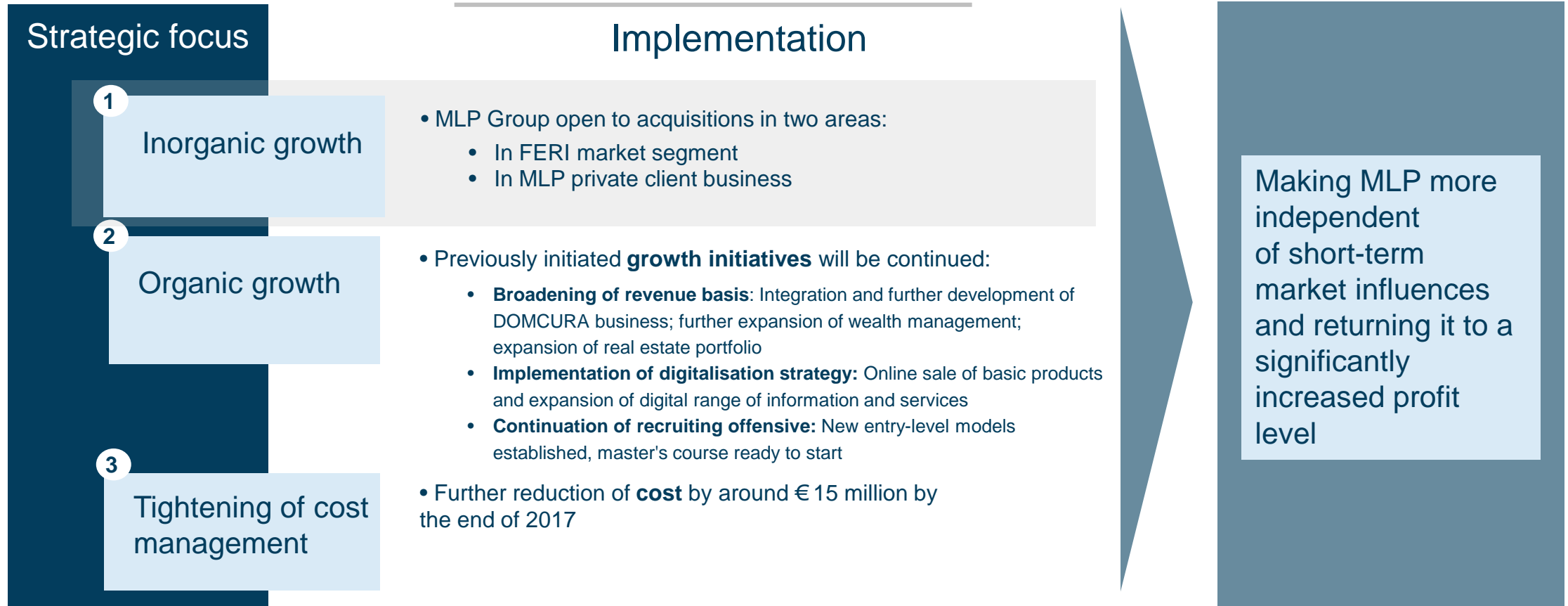
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# Strategic agenda 2016

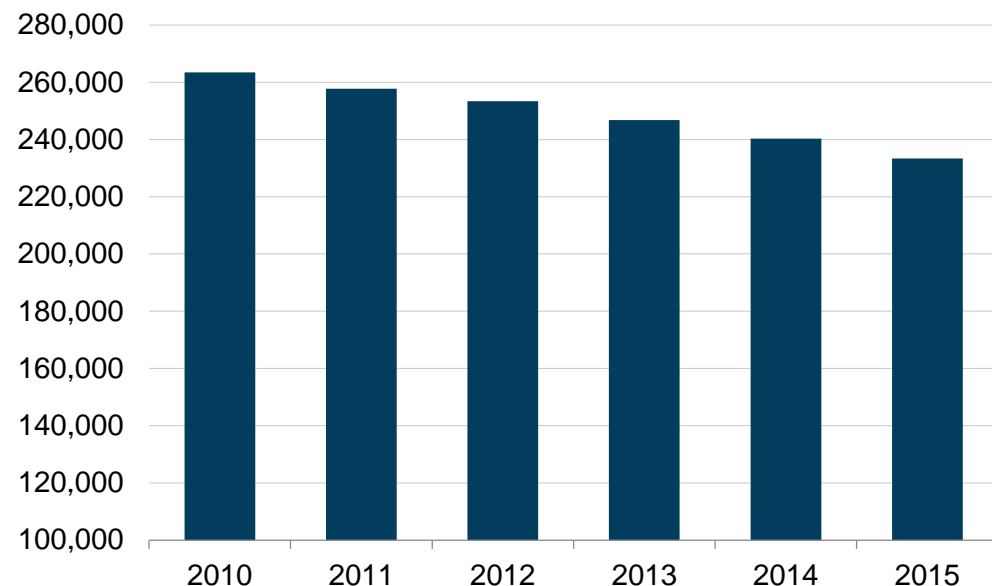


# Strategic agenda 2016



# Significant increase in consolidation within the market due to Life Insurance Reform Act (LVRG)

## Number of insurance intermediaries in Germany

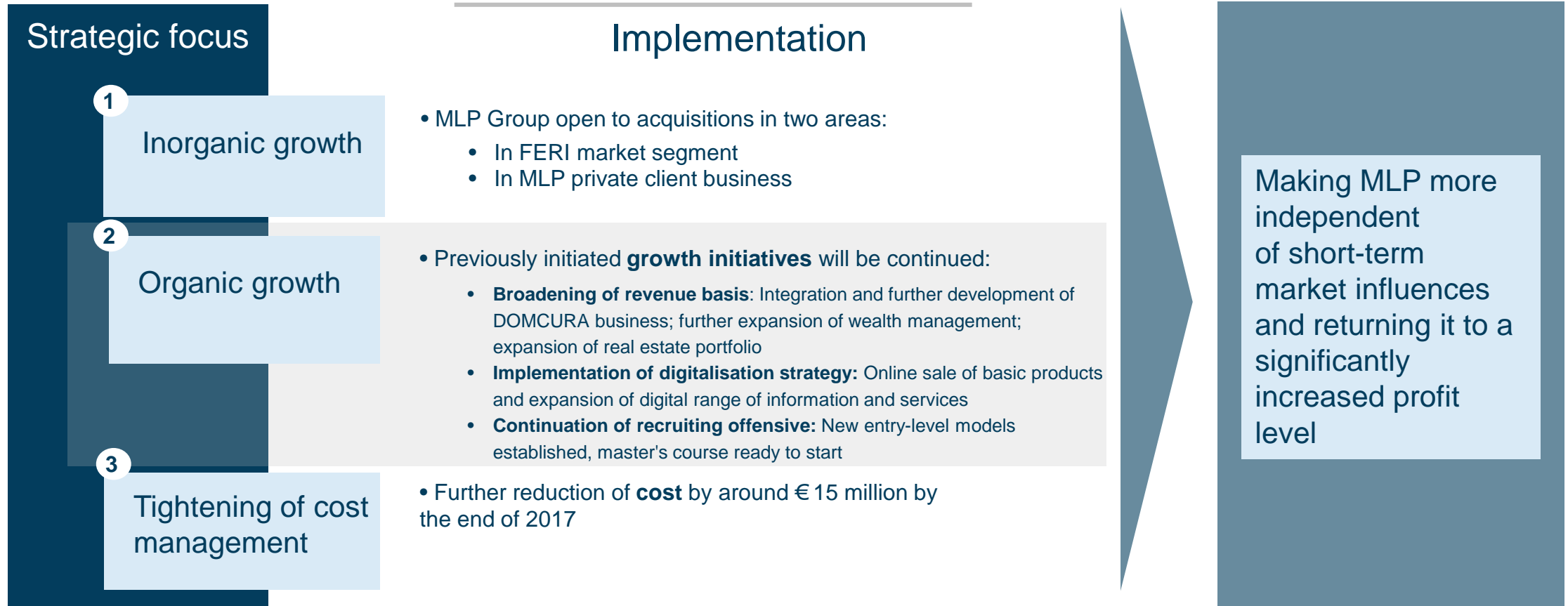


Source: DIHK, entries in the Insurance Intermediary Register

## Effects of the Life Insurance Reform Act (LVRG)

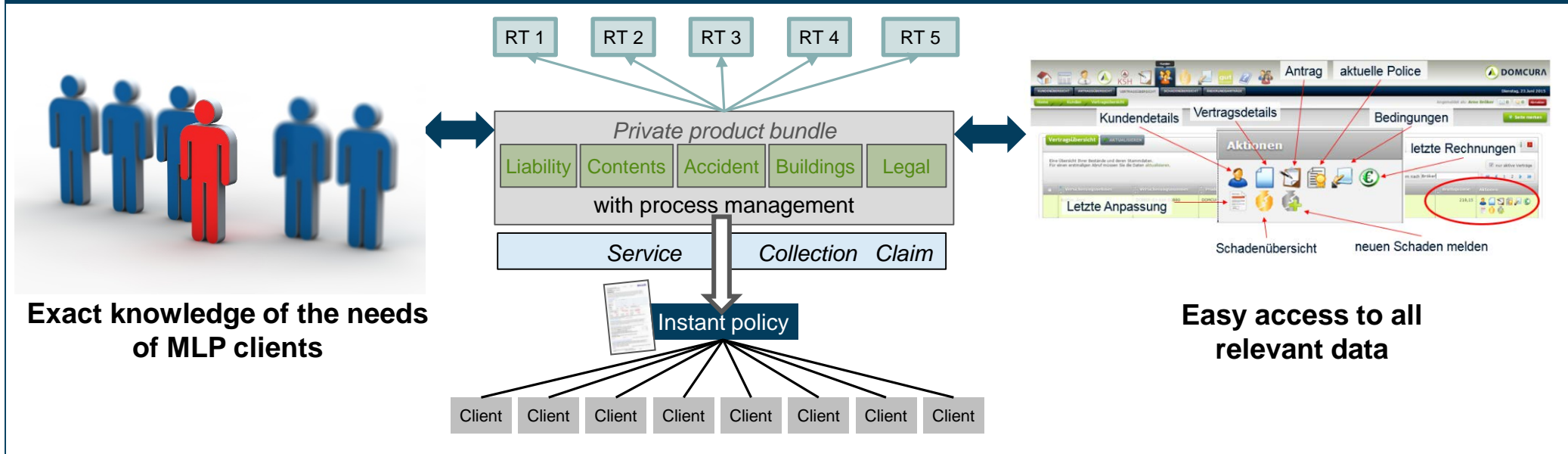
- Quality of consultancy and portfolio is even more important
- Sale organisations with a high cancellation rate lose trail commissions
- Major challenges for pyramid sales organisations

# Strategic agenda 2016



# DOMCURA acquisition: targeted further development within the MLP Group

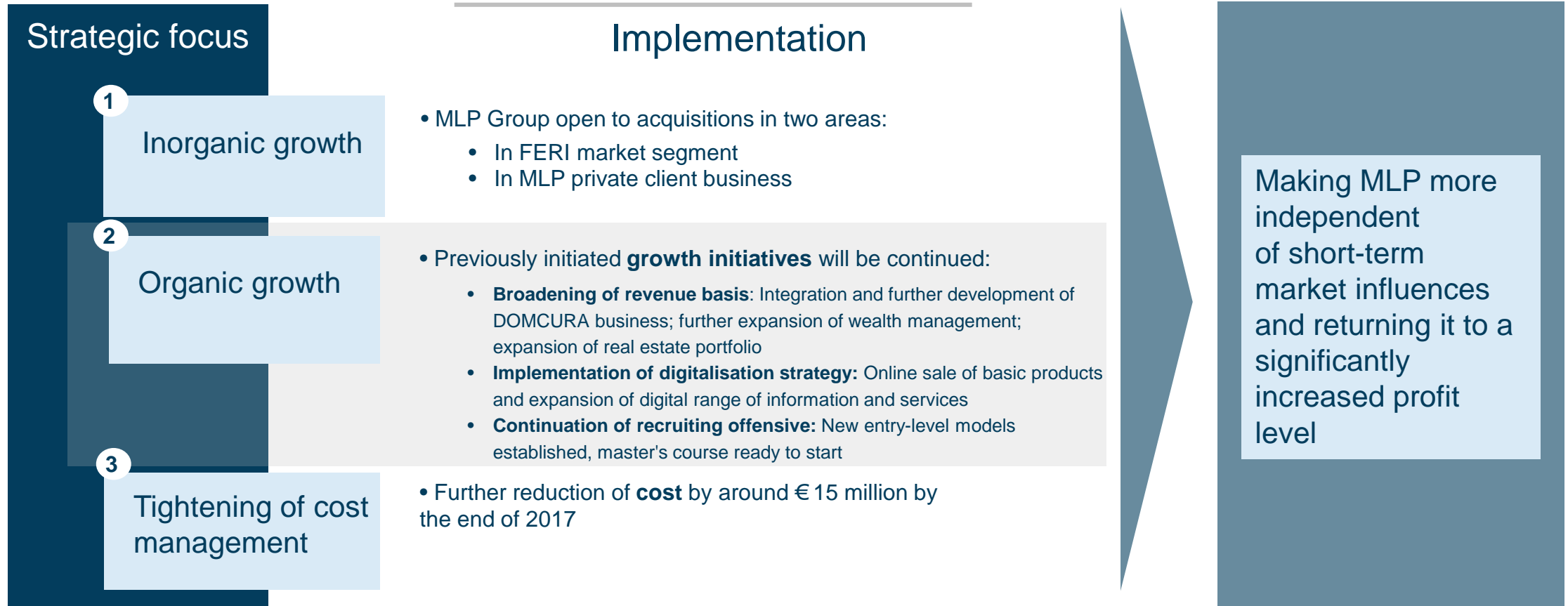
New solution for MLP clients in the non-life insurance sector: complete protection with liability insurance, accident insurance, etc.



Further development of the DOMCURA business with other market actors (e. g. brokers)

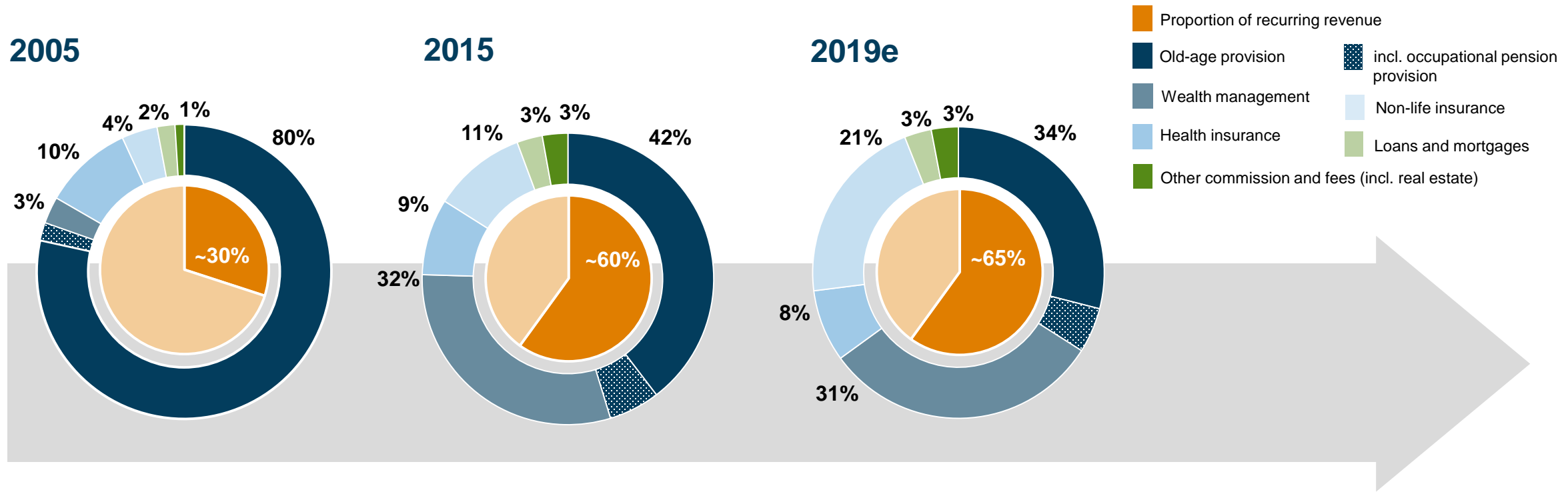
Expansion of the corporate client business through DOMCURA commercial and industrial brokers

# Strategic agenda 2016



# Even more balanced revenue basis in the medium term

## Development of revenue distribution



# Recruiting offensive to be continued

Further training grants and allowances for easing transition to self-employment are bearing fruit

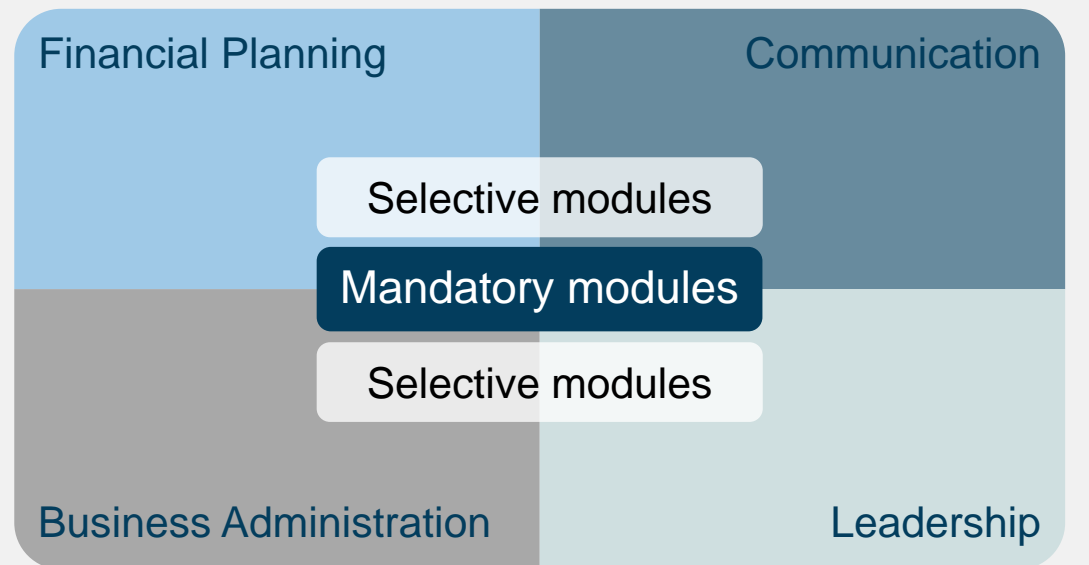
Further measures:

- Introduction of a master's course in order to increase attractiveness for bachelor's graduates
- Intensification of recruiting activities via online media
- Continuation of internship programme
- Continuation of the strategy of opening new offices in the university segment

## Master of Financial Planning

Steinbeis School of Management and Innovation (SMI)

- Widespread recognition of MLP training
- Very high level of flexibility for participants





# Online strategy contributes to personal consulting



## Digital services

## Personal consulting

- Range of information (mlp-financify.de, mlp.de)
- Online sale of basic products

65 %

across the market  
want consulting on  
**complex products** in  
the branch or at home\*

- Digital (self-)services, e. g. vehicle business
- Client portal for digital interaction with existing clients

27 %  
only online

\*Source: Roland Berger

# New kinds of support through expansion of Customer Service Centre (CSC)



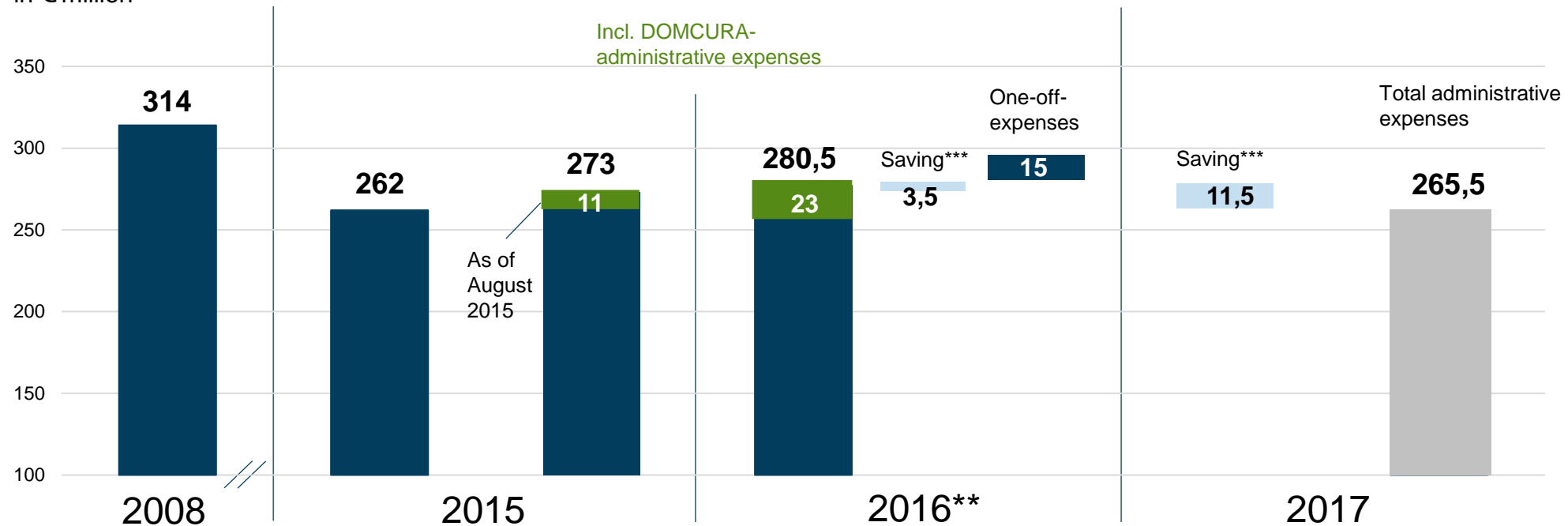
# Strategic agenda 2016



# Cost management tightened further

## Administrative expenses\* 2008 – 2017 (planned)

in € million



\* Defined as personnel expenses, depreciation and amortisation as well as other operating expenses

\*\*Allowances for losses are a separate item in the income statement as of this year

\*\*\*Assumptions: completely realised in administrative expenses

# Outlook

## Qualitative assessment of the development of sales revenues

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	2016	2017
Revenue from old-age provision	0	0
Revenue from health insurance	+	0
Revenue from wealth management	+	+
Revenue from non-life insurance	++	+

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

(in each case compared to the previous year)

- 
- For 2016 MLP expects an **operating EBIT (before one-off effects) slightly above 2015**
  - Compared to 2015 MLP anticipates a significant **increase in EBIT from 2017 onwards**

# Summary

- In view of the external conditions the year 2015 is additional proof that the **further development of the business model** is increasingly taking effect.
- MLP will further accelerate the transformation in 2016. The Group's **cost management** will be tightened even further to this end. Alongside the successful growth initiatives, MLP is checking opportunities for **inorganic growth**.
- On this basis the **level of earnings** is to significantly rise again from 2017.

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