



# Germany's leading independent consulting company

Reinhard Loose, CFO

Roadshow Frankfurt, March 7, 2014





# Agenda

- MLP at a glance 3
- Business model 6
- Key Financials 16
- Outlook 24
- MLP Share 31

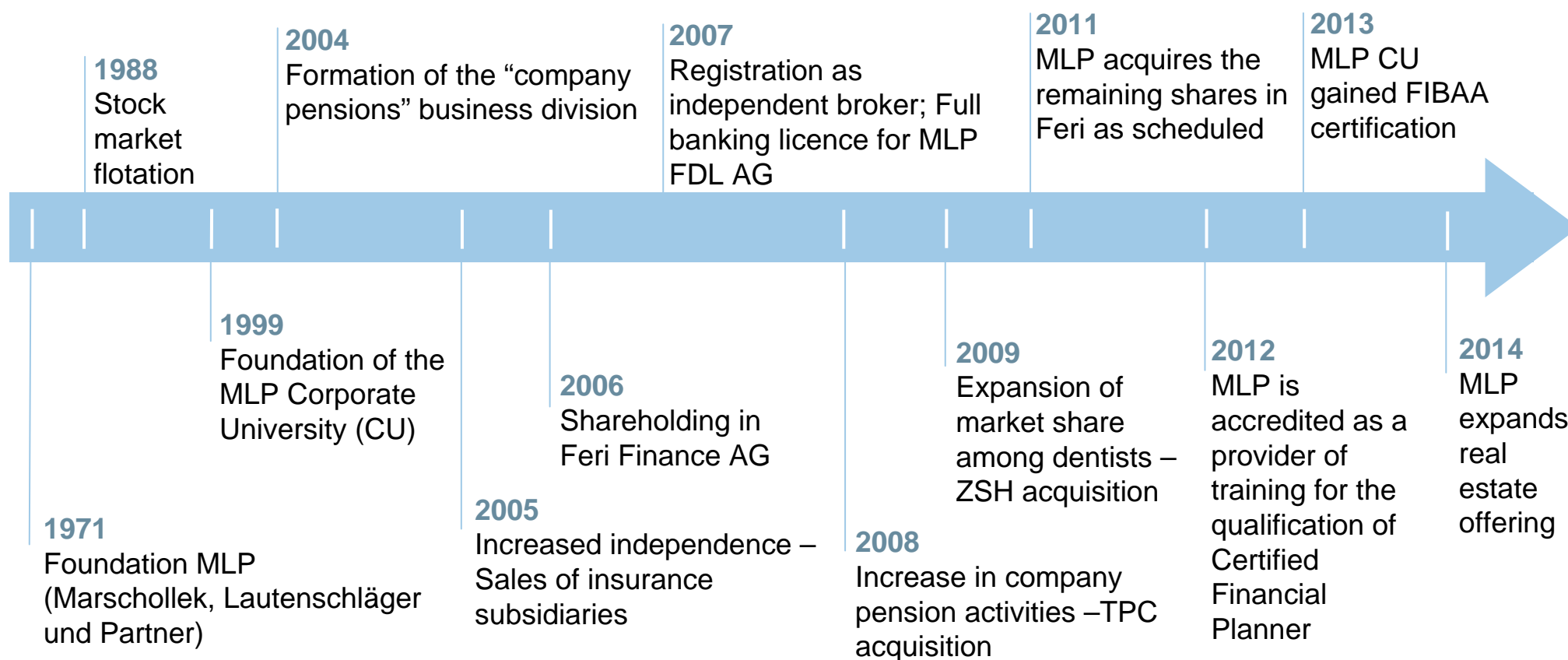
# MLP – An Overview

## Company profile

Business model	Germany's leading financial consulting company with more than 830,000 private and 5,000 corporate clients and around 2,000 consultants. Independent from Insurance companies, banks and investment firms. Clearly focused target group of academics, HNWI, corporate clients as well as institutional investors																		
Old-age provision	Brokered premium sum for new business of €3.6 billion in 2013. Occupational pension provision accounted for around 12 % of this figure, supported by the expertise of our subsidiary TPC GmbH	Share of revenue '13	48%																
Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance		10%																
Wealth Management	€24.5 billion in assets under management as of December 31, 2013. Together with subsidiary Feri AG, MLP serves private clients – affluent clients at MLP, HNWI at Feri – as well as institutional investors		30%																
Top Financials	<p><b>2013:</b></p> <table border="0"> <tr> <td>Total revenue:</td> <td>€ 501.1 million</td> <td>Equity Ratio:</td> <td>24.4%</td> </tr> <tr> <td>EBIT:</td> <td>€ 32.8 million</td> <td>Core Capital Ratio:</td> <td>16.3%</td> </tr> <tr> <td>Net profit:</td> <td>€ 25.5 million</td> <td>Return on Equity:</td> <td>6.6%</td> </tr> <tr> <td>Dividend per share:</td> <td>€ 0,16</td> <td></td> <td></td> </tr> </table>			Total revenue:	€ 501.1 million	Equity Ratio:	24.4%	EBIT:	€ 32.8 million	Core Capital Ratio:	16.3%	Net profit:	€ 25.5 million	Return on Equity:	6.6%	Dividend per share:	€ 0,16		
Total revenue:	€ 501.1 million	Equity Ratio:	24.4%																
EBIT:	€ 32.8 million	Core Capital Ratio:	16.3%																
Net profit:	€ 25.5 million	Return on Equity:	6.6%																
Dividend per share:	€ 0,16																		
Share	<table border="0"> <tr> <td>Shares outstanding:</td> <td>107,877,738</td> <td></td> <td></td> </tr> <tr> <td>Free Float:</td> <td>47.61 % (Definition Deutsche Börse)</td> <td></td> <td></td> </tr> <tr> <td>Average trading volume:</td> <td>52,600 (Xetra, 12 month average as of February 28<sup>th</sup>, 2014)</td> <td></td> <td></td> </tr> </table>			Shares outstanding:	107,877,738			Free Float:	47.61 % (Definition Deutsche Börse)			Average trading volume:	52,600 (Xetra, 12 month average as of February 28 <sup>th</sup> , 2014)						
Shares outstanding:	107,877,738																		
Free Float:	47.61 % (Definition Deutsche Börse)																		
Average trading volume:	52,600 (Xetra, 12 month average as of February 28 <sup>th</sup> , 2014)																		

# Milestones in the corporate history

## The MLP Group

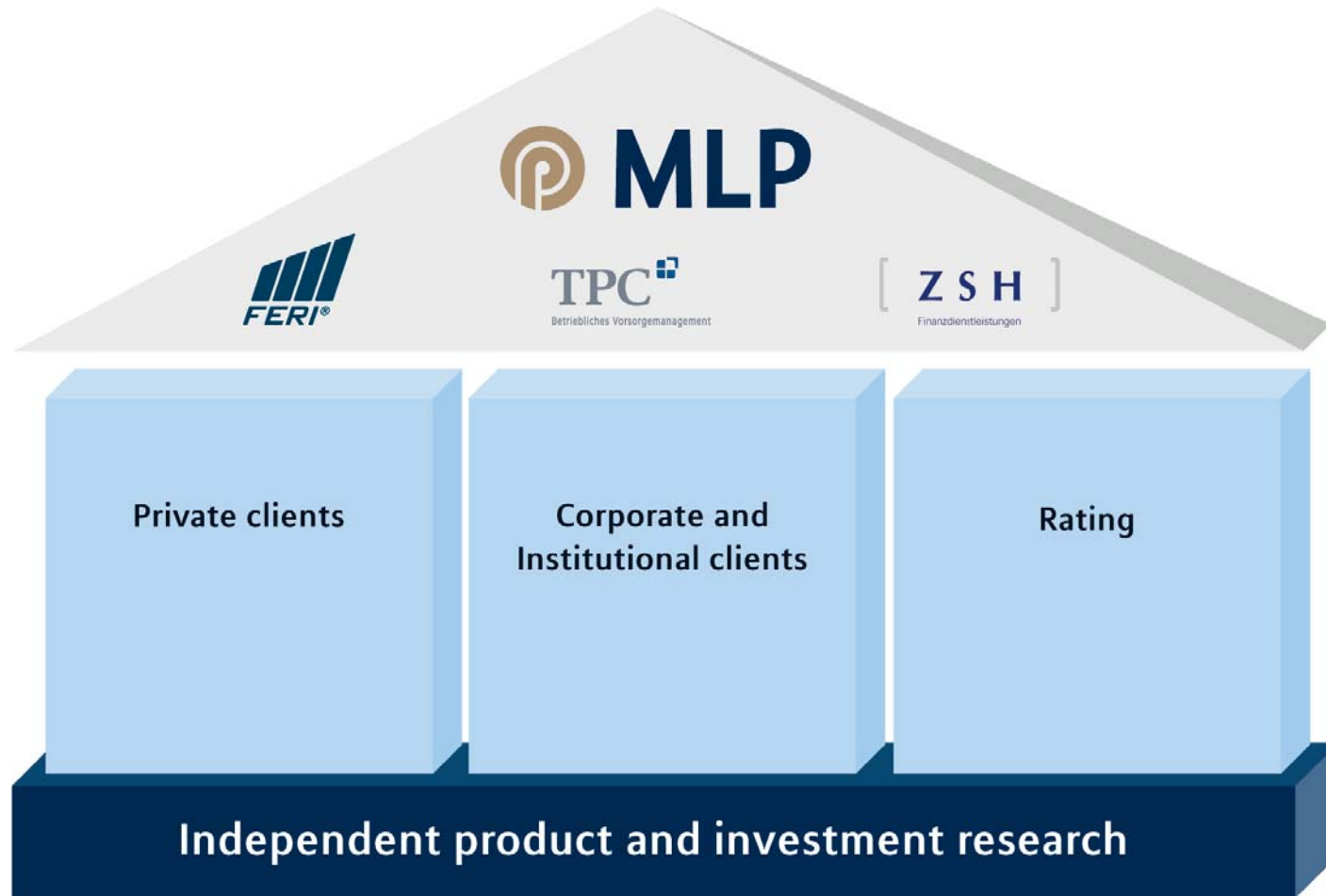


# Agenda

- MLP at a glance 3
- **Business model** 6
- Key Financials 16
- Outlook 24
- MLP AG Share 31

# MLP – a broad-based consulting house

The MLP Group



# Nationwide consulting for private and corporate clients

The MLP Group



## International representations

### – FERI:

- Vienna
- Milan
- Sankt Gallen
- Luxembourg

International offerings across networks

→ 169 Branch offices throughout Germany

→ 1,998 Consultants

# Unique positioning in the market

## Private client consulting

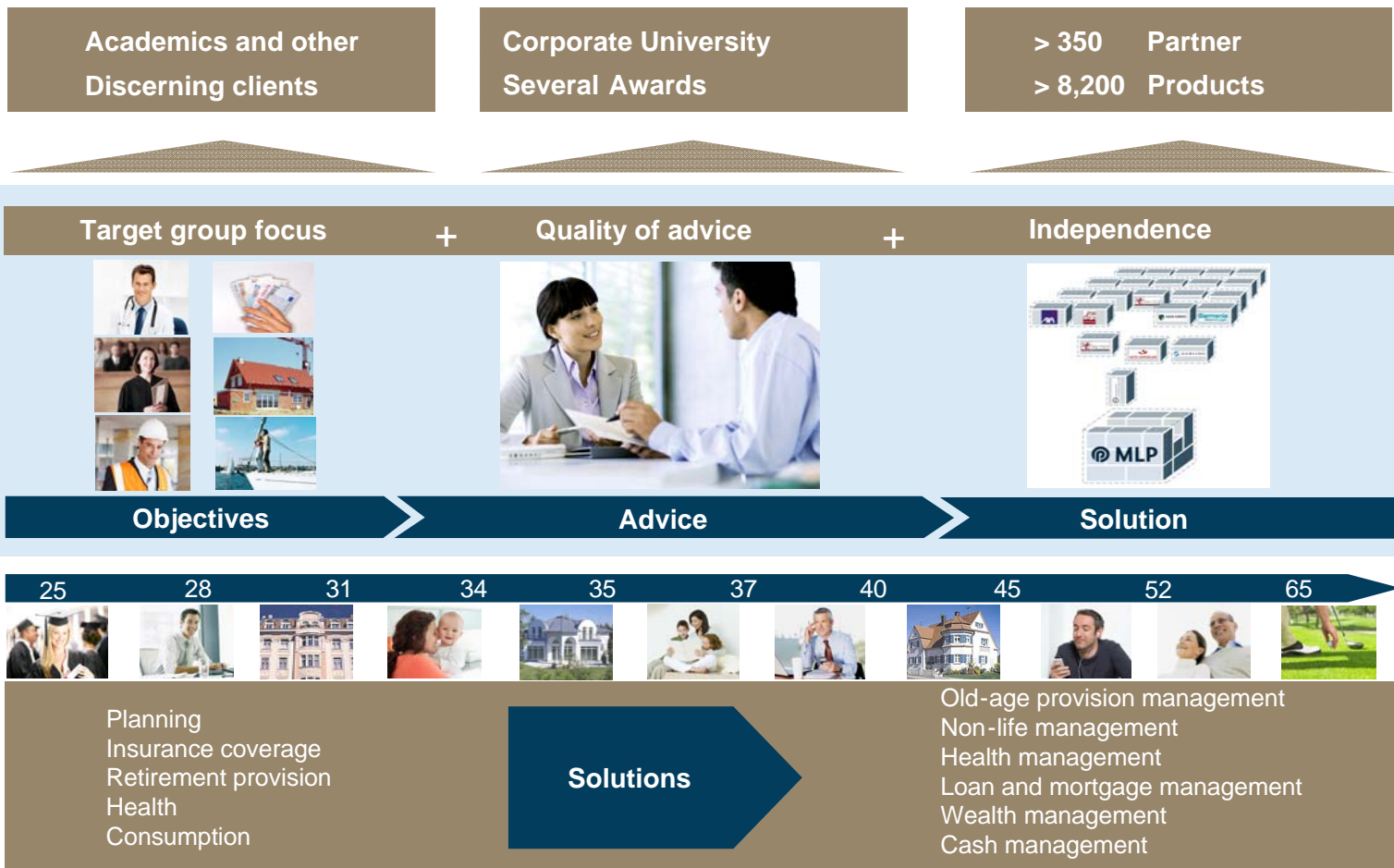
Insurance consulting	
Independent Broker	
	
<ul style="list-style-type: none"> <li>• Works on behalf of the client</li> <li>• Is awarded a consultancy mandate, similar to a lawyer</li> <li>• Extensive risk and requirement analysis</li> <li>• Sufficient number of products available on the market</li> </ul>	
Multi-Agents	Tied Agents
  	   
<ul style="list-style-type: none"> <li>• Acting on behalf of one or several product providers</li> <li>• Risk and requirement analysis based on situation</li> <li>• Limited product selection</li> </ul>	<ul style="list-style-type: none"> <li>• Working on behalf of the respective product provider</li> <li>• Risk and requirement analysis based on situation</li> <li>• Limited product selection</li> </ul>

Wealth management
Researched based independent consulting
 
<ul style="list-style-type: none"> <li>• Full banking license</li> <li>• Serving affluent clients at MLP</li> <li>• HNWI with private estates &gt; 5 million Euros are served by Feri</li> <li>• Innovative multi-asset/multi-manager approach</li> <li>• Product-independent market assessments</li> <li>• Broad-based research as basis for investment consulting</li> <li>• MLP clients benefit from Feri's expertise</li> <li>• Close cooperation between Feri and MLP in direct mandates</li> </ul>



# MLP – Unique business model

## Private client consulting



# Unique positioning in the market

## Corporate clients



- Independent consulting and concepts for corporate clients
- Registered as a broker
- Nationwide consulting services
- Consulting covering all aspects of company pension schemes and remuneration
- Efficient establishment of innovative concepts and solutions
- Combination of company and private solutions
- Comprehensive risk management for companies
- Straightforward Company Pensions at MLP
- More complex Company Pensions at TPC / Feri
- TPC is member of the International Benefits Network

## Institutional clients



**Investment Management**  
Feri Trust GmbH

- Strategic asset allocation
- Investment Management
- Risk Overlay

**Consulting / Family Office**  
Feri Institutional & Family Office GmbH

- Financial consulting
- Asset structuring and -controlling
- Asset Protection

**Fund Administration**  
Feri Trust (Luxembourg) S.A.


- Ideal set up for all strategies
- Structuring and floatation of funds
- Complements MLP Group's range of services

**Alternative Investments**  
FERREAL AG

- Alternative investments
- License applied according capital investment legislation requirements (KAGB)

# Unique positioning in the market

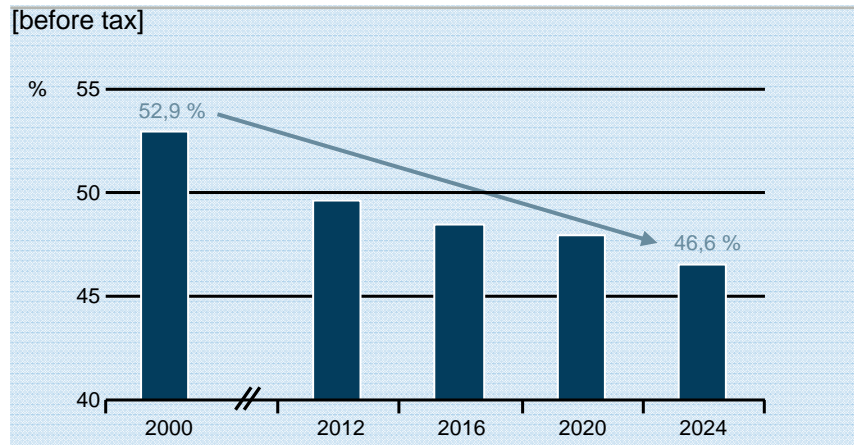
## Rating

Services	Independent Rating			
		Investment markets	Market players	Products
<ul style="list-style-type: none"> <li>• Macroeconomic analysis &amp; forecast (economy, interest-rates, capital markets)</li> <li>• Rating and analysis of mutual funds and closed investments</li> <li>• Rating and analysis of Real Estate Investments (direct and indirect / Funds)</li> <li>• Manager selection / product selection</li> <li>• Credit Rating</li> </ul>	<b>Capital markets/ Funds</b>	Country rating Capital market rating	Investment companies Asset managers	Investment funds Certificates
	<b>Sectors</b>	Sector rating • Germany • International	Corporations	Corporate assessment Corporate rating
	<b>Property</b>	Location rating • Countries • Cities	Property companies Asset managers	Rating system Property evaluation Property rating
	<b>Investments</b>	Market analysis	Initiators	Funds & investments • Property • Shipping • Infrastructure
	<b>Surveys/ Databases</b>	Market surveys Macro & Financial market data	Initiators Intermediates Investors	Investment products • Institutional • Retail

# Market Environment

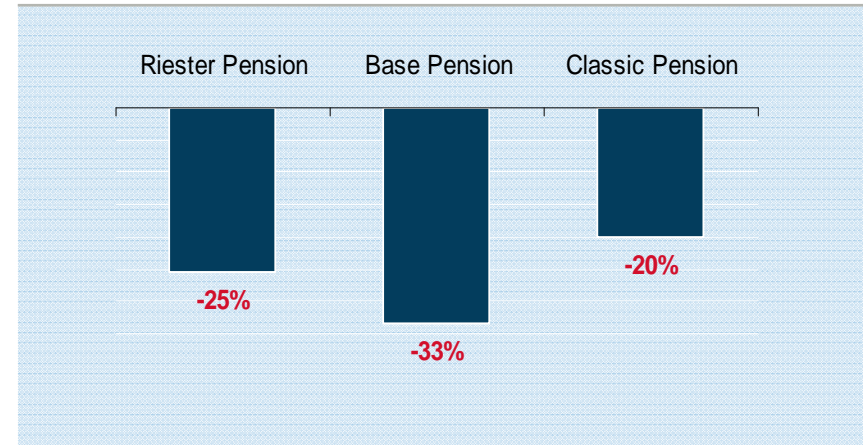
## Old-age provision

### Statutory pension level decreases



Source: Report Federal Ministry of Labour and Welfare 2012

### Year-on-year comparison new contracts 2013



Source: GDV 2014

+

- + Increasing need for private provision – statutory pension level decreases
- + Wide scope of state subsidies/allowances and tax breaks for citizens in Germany

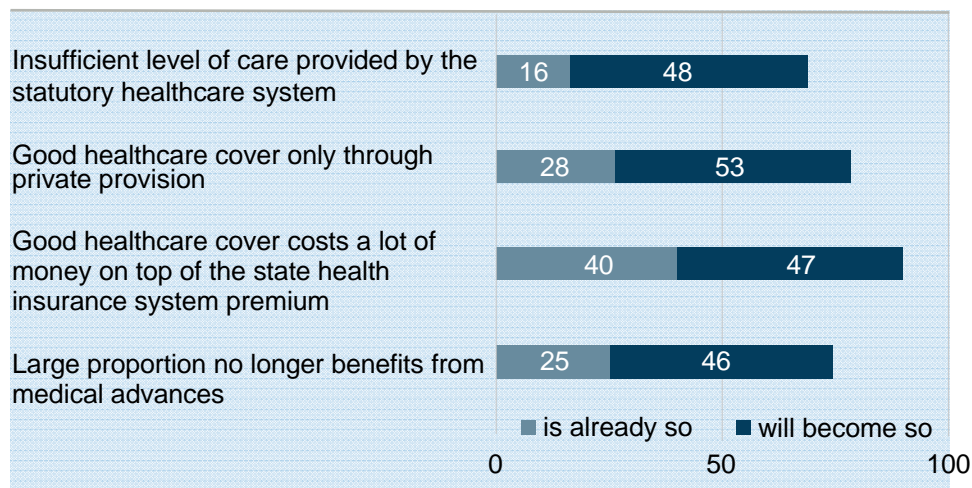
-

- Uncertainty among consumers leads to hesitancy regarding long-term investments
- Low interest rates and negative reports about life insurance contracts have led to greater hesitancy
- Short-term oriented investment preferences for savings – real estate preference for provision

# Market Environment

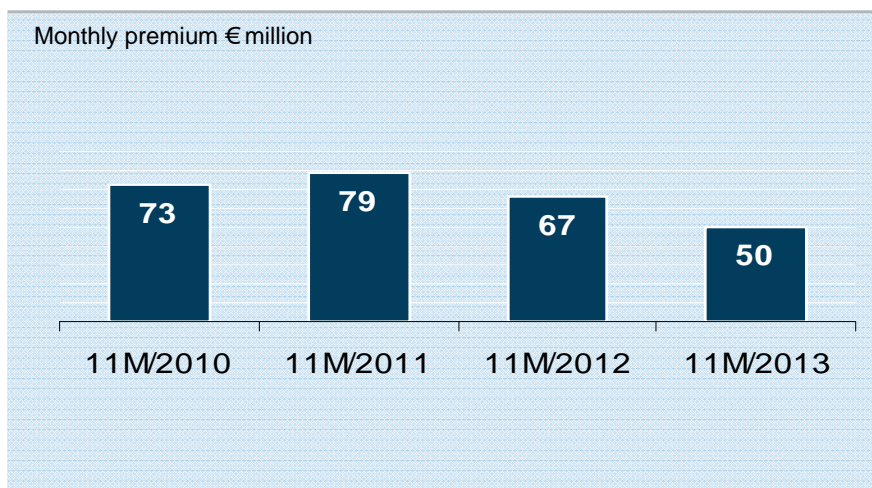
## Healthcare

### Future development of healthcare system



Source: Continentale Krankenversicherung AG

### Decrease in new business for full insurance



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

+

- + Due to demographic development private provision in general is becoming more and more important
- + Greater focus in long-term care due to decreasing level of statutory coverage and introduction of new state-subsidised product in January 2013

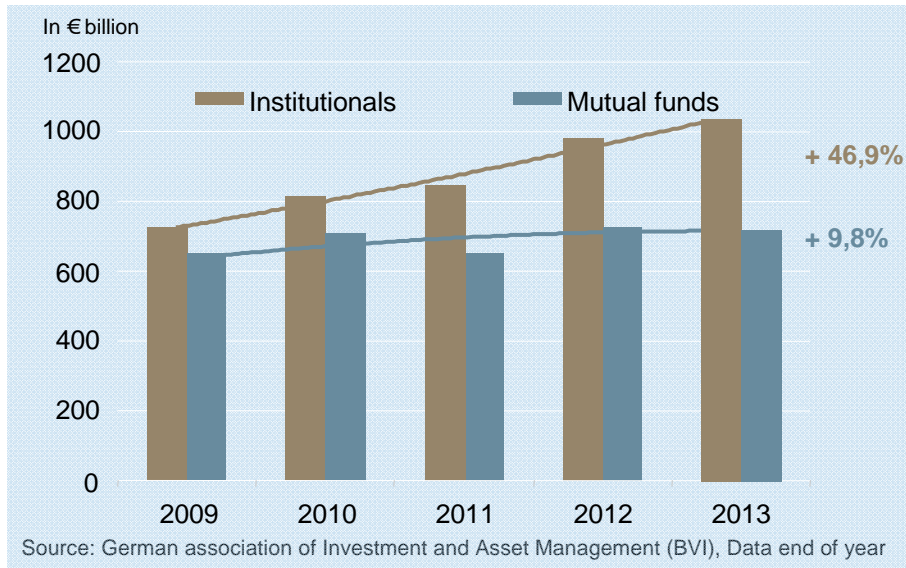
-

- Political discussion regarding private health insurance causes uncertainty and hesitance among consumers in 2013
- German consumers not yet familiar with long-term care provision

# Market Environment

## Wealth Management

### Managed Assets in Germany



In € billion	2009	2013	
Institutional	729	1.071	46,9%
Mutual Funds	652	716	9,8%

+

- + High investment requirements from institutional investors
- + Institutional business shows steady growth

-

- Risk aversion throughout the market
- Inflows from private clients particularly into money market-related products such as money market funds and fixed income funds
- Preference for short term investments

# Agenda

- MLP at a glance 3
- Business model 6
- **Key Financials 16**
- Outlook 24
- MLP AG Share 31

## Overview 2013

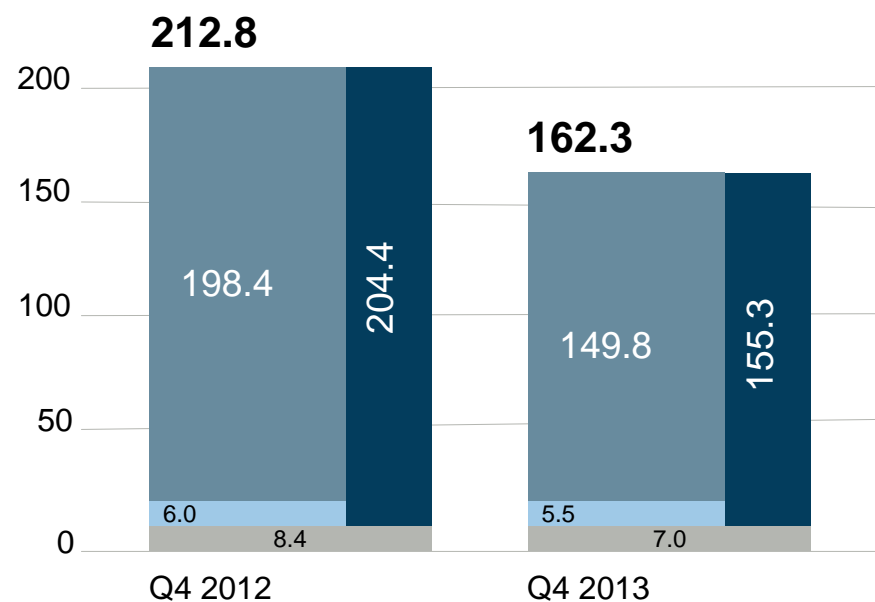
- 2013 was a difficult year – for the first time MLP experienced simultaneous, market-related **decreases in two core business fields**
- New **all-time highs** in wealth management and in loans and mortgages as well as growth in non-life insurance
- Despite the even greater market burdens, MLP generates **substantial profits** – strategic further development pays off
- Further slight **decrease in administration costs** through strict efficiency management – despite additional investments
- Executive Board proposes a dividend of **16 cents** per share – pay-out ratio: **68 percent**



# Total revenue: €501.1 million in 2013

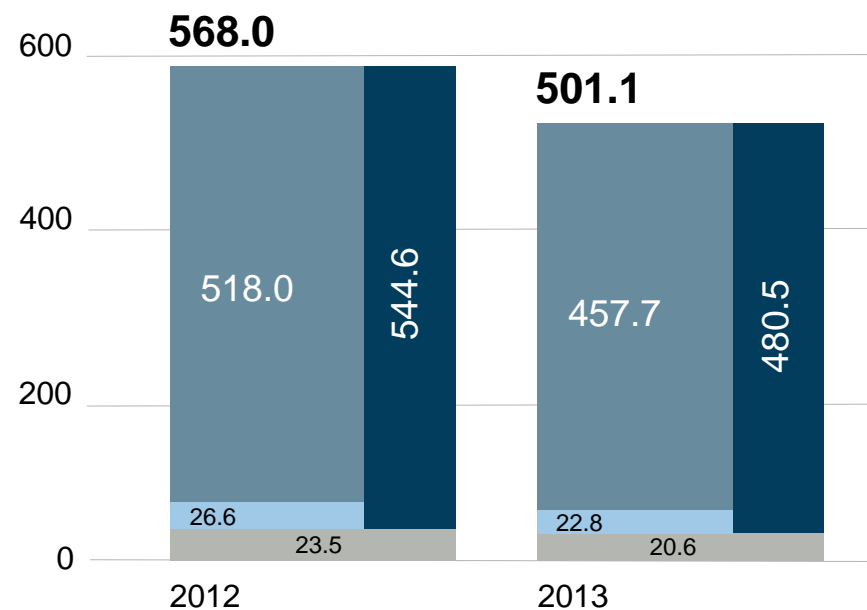
## Total revenue in Q4

in € million



## Total revenue in FY

in € million



Revenue
  Revenue: commissions and fees
  Interest income
  Other revenue

# Continuation of very positive development in wealth management

## Revenue

in € million

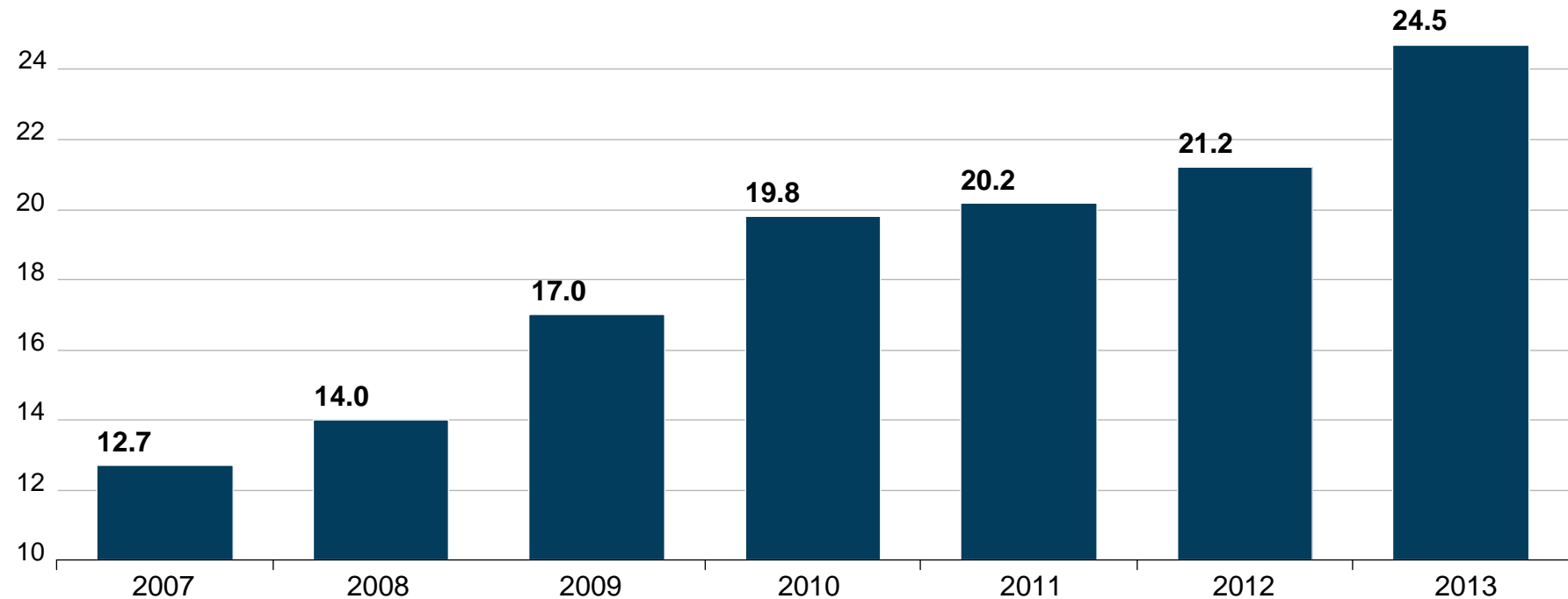
	Q4 2012	Q4 2013	Δ in %	2012	2013	Δ in %
Old-age provision	135.0	88.3	-34.6	287.3	219.9	-23.5
Wealth management	34.2	37.7	10.2	117.9	138.1	17.1
Health insurance	18.4	11.5	-37.5	63.9	47.8	-25.2
Non-life insurance	4,3	5.4	25.6	31.1	32.5	4.5
Loans and mortgages*	4.6	4.7	2.2	13.4	14.5	8.2
Other commissions and fees	1.9	2.0	5.3	4.6	4.9	6.5
Interest income	6.0	5.5	-8.3	26.6	22.8	-14.3

\* Excluding MLP Hyp

# Assets under management rise to €24.5 billion

## Assets under management

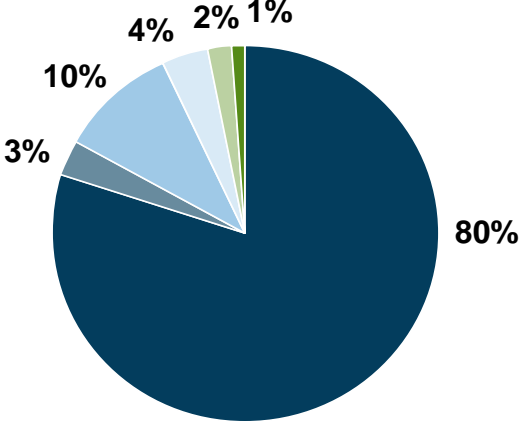
in € billion



# MLP benefits from broad-based revenue mix

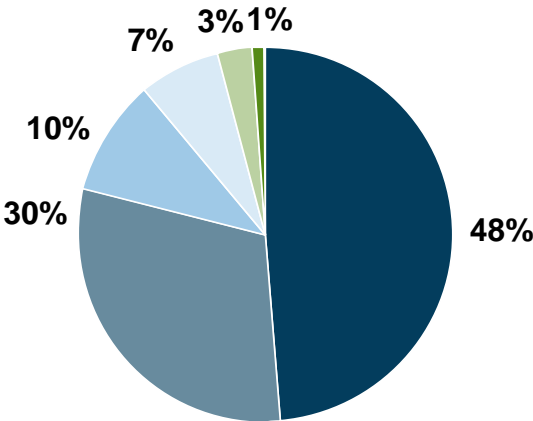
## FY 2005

Revenue from commissions and fees:  
€467.9 million



## FY 2013

Revenue from commissions and fees:  
€457.7 million



- Old-age provision
- Wealth management
- Health insurance
- Non-life insurance
- Loans and mortgages
- Other commissions and fees

# EBIT: €32.8 million in 2013

## Income Statement\*

in € million

	Q4 2012*	Q4 2013	2012*	2013
Total revenue	212.8	162.3	568.0	501.1
EBIT	47.5	20.5	73.9	32.8
Finance cost	0.3	0.2	1.0	0.3
EBT	47.8	20.7	74.9	33.1
Taxes	-13.6	-4.7	-22.0	-7.6
Net profit	34.2	16.0	52.9	25.5
EPS in € (diluted)	0.32	0.15	0.49	0.24

\*Previous year's values adjusted

# Numerous initiatives to further strengthen MLP

2013

Cost management above target despite one-off future investments	✓
Recruiting strengthened through new entry programmes for consultants	✓
New branches opened in the university business segment	✓
Additional support for consultants through MLPdialog service centre	✓
New consultant application and new IT workplace ready to roll out	✓

# Agenda

- MLP at a glance 3
- Business model 6
- Key Financials 16
- **Outlook 24**
- MLP Share 31

# Diverse regulatory activities – MLP is well prepared

## Basel III / Capital Requirements Directive IV

- EU directive and regulations in force since July 2013. New regulations concerning appropriate capitalisation apply from January 2014.
- Continuous **strengthening of MLP's capital base** in order to ensure maintenance of the currently comfortable equity capital situation.

## Act on Promoting and Regulating fee-based Advice on Financial Instruments ("Honoraranlageberatungsgesetz")

- The German government has decided to introduce an occupational profile for fee-based consultants in **wealth management** (introduction in July 2014) and is currently drawing up legislation prior to the implementation of the EU directive MiFiD II.
- MLP clients are fully credited with kickbacks that MLP receives from investment companies for the brokerage of investment assets (flat fee) – MLP thus already **fulfils the main requirement** for registration as a fee-based advisor. Further details (such as the handling of existing business) will be clarified in the pending directive.

## MiFiD II

- Decided upon at EU level in trialogue. The directive requires that "independent advisory services" in the **wealth management area** a) have access to a sufficient number of products available in the market AND b) do not take in any **commissions from Third Parties**.  
→ Expected transposition into national law: 2017 – already largely covered by the Act on Promoting and Regulating fee-based Advice on Financial Instruments in Germany.

## IMD II

- IMD II constitutes a revision of an EU level directive for the **insurance area** which pursues analogous aims to MiFiD II.
- No agreement has yet been reached with respect to the actual composition of this directive. No final decisions are expected to be taken until after the European elections.  
→ Expected transposition into national law: 2017 at the earliest.



# Growth initiatives for the future

## Growth initiatives

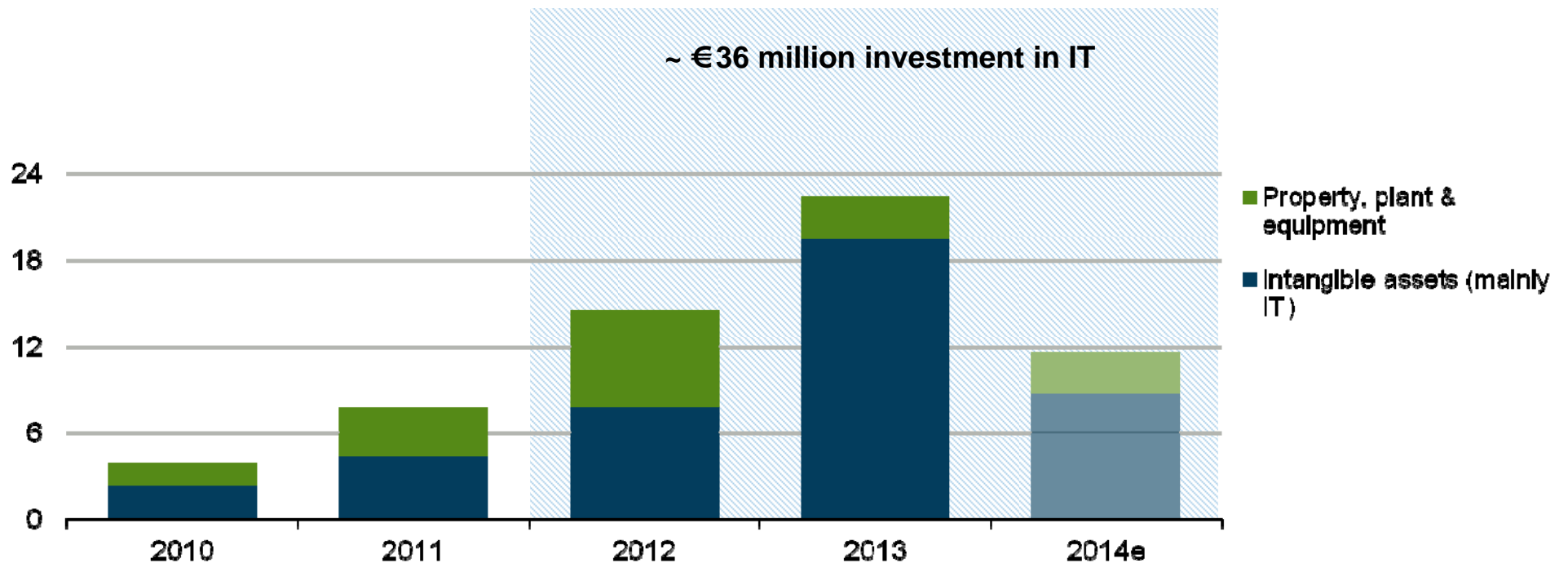
- 1 Further broadening of the revenue base**
  - Brokerage of real estate in MLP private client business
  - Expansion of the corporate client business through a range of visible non-life insurance offerings for companies – acquisitions possible
  - Further strengthening of the real assets portfolio at FERI
  - Acquisitions in the FERI business fields are being specifically assessed
- 2 Consistent implementation of a digitalisation strategy**
  - Increased presence on the Internet and in social media to reach students and graduates
  - Online contract conclusion for simple products for new clients
  - Extended online services for existing clients (video conference, digital signature etc.)
- 3 Further development of technology leadership**
  - Complete virtualisation of the work place increases flexibility for the future
  - New consulting application as a foundation for further development stages
- 4 Recruiting and opening of new branches**
  - Tap the full potential of the new consultant entry models introduced in 2013
  - Opening of 4 branches per year in the university segment

On-going efficiency management

# Around €36 million invested in the further development of our technology leadership

## Balance sheet investments – MLP Group

in € million

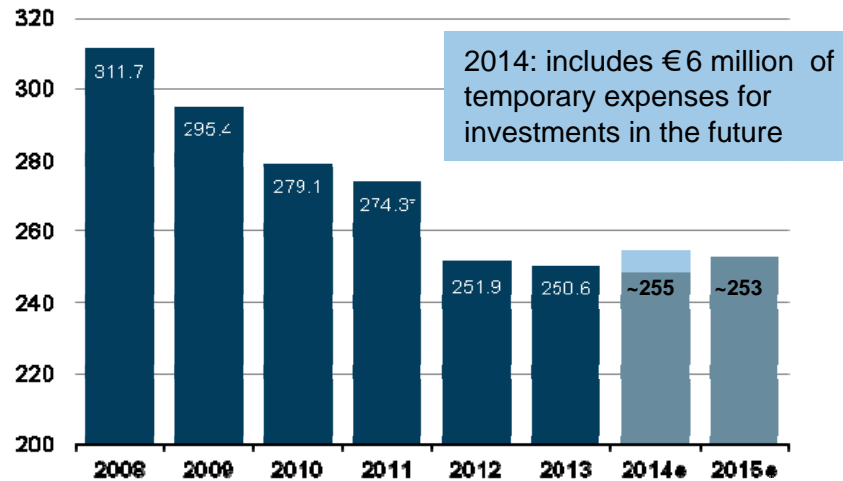


# Base scenario still sees rise in EBIT to €65 million in 2014

## Outlook

### Administration costs

€ million      \*adjusted for one-off exceptional costs



### Revenue

in comparison to the previous year

	2014	2015
Revenue Old-age Provision	+	0
Revenue Health Insurance	+	+
Revenue Wealth Management	+	+

positive: +, neutral: 0, negative: -

Forecast base scenario:  
EBIT of around € 65 million in 2014 and a slight increase in 2015

# Significant increase in earnings expected in all scenarios

## Outlook

	Environment	Assumptions	EBIT
<b>Upper Scenario</b>	Significant improvement in the market environment	<ul style="list-style-type: none"> <li>• Hesitancy towards capital market-related provision products largely disappears</li> <li>• Health insurance develops very positively throughout the market</li> <li>• New areas of potential through real estate brokerage</li> <li>• Disappearance of the negative unisex effect from 2013</li> </ul>	~ €75 m
<b>Base Scenario</b>	Initial improvement in the framework conditions	<ul style="list-style-type: none"> <li>• Opportunities for products with minor capital market component (long-term care pension, occupational disability, occupational provision)</li> <li>• Slight improvement for capital market-related provision products – especially through new guarantee concepts</li> <li>• Reduction of uncertainties in health insurance</li> <li>• New areas of potential through real estate brokerage</li> <li>• Disappearance of the negative unisex effect from 2013</li> </ul>	~ €65 m
<b>Lower Scenario</b>	Continued hesitancy on the part of clients	<ul style="list-style-type: none"> <li>• Critical public debate, such as a reduction of the guaranteed interest rate for life insurance and pension insurance policies, leads to similar hesitancy as witnessed in 2013</li> <li>• Reduction of uncertainties in health insurance</li> <li>• New areas of potential through real estate brokerage</li> <li>• Disappearance of the negative unisex effect from 2013</li> </ul>	~ €50 m

**Administration costs 2014: ~ €255 million**

# Summary

1. Difficult financial year 2013 shows the importance of the initiated **further development** of the company and of the **cost management programme** implemented during the past few years.
2. MLP will vigorously **push ahead with the transformation**. All growth initiatives are aimed at making MLP **more independent of short-term developments**.
3. Outlook for 2014 is **cautiously optimistic**, despite the continuance of major challenges.

# Agenda

- MLP at a glance 3
- Business model 6
- Key Financials 17
- Outlook 24
- **MLP AG Share 31**

# MLP AG Share

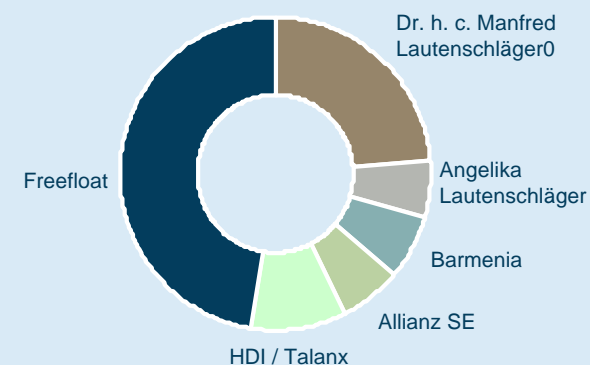
## Share details

### Share details

Shares outstanding:	107,877,738
Free Float:	47.61 % (Definition Deutsche Börse)
Average trading volume:	52.600 (Xetra, 12 month average as of February 28th, 2014)
WKN:	656 990
ISIN:	DE0006569908
Exchanges:	XETRA, Frankfurt, other regional exchanges

### Shareholder Structure

Dr. h. c. Manfred Lautenschläger	23.53%
HDI / Talanx	9.89%
Barmenia	6.67%
Allianz SE	6.27%
Angelika Lautenschläger	6.03%
Freefloat (Def. Deutsche Börse)	47.61%
<i>Harris Associates</i>	9.82%
<i>FMR LLC</i>	7.10%
<i>Fidelity Management Research</i>	4.99%
<i>Franklin Templeton</i>	3.06%



### Research Coverage

HSBC	Underweight	PT 4.00
JP Morgan Cazanove	Overweight	PT 7.10
Equinet/ESN	Accumulate	PT 6.30
Bankhaus Lampe	Sell	PT 4.70
Main First	Underperform	PT 4.60
Independent Research	Hold	PT 6.00
Nord LB	Sell	PT 4.50

# Contact

MLP Investor Relations  
Alte Heerstr. 40, 69168 Wiesloch  
Germany

- Jan Berg,  
Head of Corporate Communications  
Tel.: +49 (0) 6222 308 4595
- Andreas Herzog,  
Team Head Investor Relations  
and Financial Communications  
Tel.: +49 (0) 6222 308 2272

[investorrelations@mlp.de](mailto:investorrelations@mlp.de)  
[www.mlp-ag.com](http://www.mlp-ag.com)

