H1 and Q2 2013 Results

Reinhard Loose, CFO

August 14, 2013
Agenda

• Highlights H1 and Q2 2013

• Financial details H1 and Q2 2013

• New business, consultants and clients

• Outlook and summary

• Questions and answers
Highlights H1 and Q2 2013

- **H1**: **Total revenue** € 224.3 million – 4 percent below the previous year (H1 2012: € 233.7 million)

- **EBIT** totals € 4.9 million – around € 3.5 million of the announced **future investments** already booked in the first half-year

- **Q2**: **Revenue from commissions and fees** of € 98.1 million, 1 percent below the previous year

- Positive development in **wealth management** continues, significant pick-up expected in **old-age provision** and **health insurance**

- **Outlook** for 2013 to 2015 **reiterated**
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Q2: Total revenue of € 107.9 million

Development of total revenue Q1/Q2 2009 to 2013

[in € million]
H1: Total revenue of € 224.3 million

Total revenue in H1
[in € million]

H1 2012
233.7
  208.3
    13.9
  222.2
    11.5

H1 2013
224.3
  204.5
    11.5
  216.0
    8.3

- Revenue
- Revenue: commissions and fees
- Interest income
- Other revenue
Wealth management largely compensates for decrease in the insurance areas

### Revenue

[in € million]

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
<th>Δ in %</th>
<th>H1 2012</th>
<th>H1 2013</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age provision</td>
<td>48.4</td>
<td>44.6</td>
<td>-8</td>
<td>97.4</td>
<td>83.5</td>
<td>-14</td>
</tr>
<tr>
<td>Wealth management</td>
<td>29.9</td>
<td>33.6</td>
<td>12</td>
<td>49.2</td>
<td>65.3</td>
<td>33</td>
</tr>
<tr>
<td>Health insurance</td>
<td>12.7</td>
<td>11.7</td>
<td>-8</td>
<td>31.8</td>
<td>25.6</td>
<td>-20</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>4.7</td>
<td>4.3</td>
<td>-9</td>
<td>22.6</td>
<td>22.5</td>
<td>0</td>
</tr>
<tr>
<td>Loans and mortgages*</td>
<td>2.6</td>
<td>3.0</td>
<td>15</td>
<td>5.5</td>
<td>6.0</td>
<td>9</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>1.0</td>
<td>1.0</td>
<td>0</td>
<td>1.9</td>
<td>1.7</td>
<td>-11</td>
</tr>
<tr>
<td>Interest income</td>
<td>6.6</td>
<td>5.6</td>
<td>-15</td>
<td>13.9</td>
<td>11.5</td>
<td>-17</td>
</tr>
</tbody>
</table>

*excluding MLP Hyp
MLP benefits from broad-based business model

Revenue from commissions and fees H1 2013: € 204.5 million (€ 208.3 million)

- Old-age provision: 41% (47%)
- Wealth management: 12% (15%)
- Non-life insurance: 32% (24%)
- Health insurance: 11% (11%)
- Health insurance: 3% (3%)
- Loans and mortgages: 1% (1%)
- Other commissions and fees: 1% (1%)

[in %]
### EBIT decreased due to lower revenue and changed revenue mix

#### Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2013</th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>112.2</td>
<td>107.9</td>
<td>233.7</td>
<td>224.3</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.1</td>
<td>0.9</td>
<td>15.4</td>
<td>4.9</td>
</tr>
<tr>
<td>Finance cost</td>
<td>0.3</td>
<td>0.0</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>EBT</td>
<td>3.4</td>
<td>0.9</td>
<td>16.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Taxes</td>
<td>-2.5</td>
<td>0.2</td>
<td>-5.7</td>
<td>-0.7</td>
</tr>
<tr>
<td>Net profit</td>
<td>0.9</td>
<td>1.1</td>
<td>10.4</td>
<td>4.2</td>
</tr>
<tr>
<td>EPS in € (diluted)</td>
<td>0.01</td>
<td>0.01</td>
<td>0.1</td>
<td>0.04</td>
</tr>
</tbody>
</table>

- Reduction of administration costs in the first half-year to € 122.2 million – despite one-off future investments of around € 3.5 million
Almost half of the announced future investments already undertaken

Development of temporary expenditures

[in € million]

- IT / Organisation
- Services for consultants
- Recruiting
- New branches
- New marketing campaign

H1: ~3.5
H2: ~4.5
2013: ~8.0

Almost half of the announced future investments already undertaken.
## Strong balance sheet

**MLP Group**

<table>
<thead>
<tr>
<th>[in € million]</th>
<th>31/12/2012</th>
<th>30/06/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>141.7</td>
<td>147.5</td>
</tr>
<tr>
<td>Financial investments</td>
<td>137.1</td>
<td>174.1</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>40.7</td>
<td>35.9</td>
</tr>
<tr>
<td>Other receivables and other assets</td>
<td>139.7</td>
<td>96.1</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>384.2</td>
<td>352.9</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>25.7%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>130.7</td>
<td>85.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,493.5</td>
<td>1,472.6</td>
</tr>
</tbody>
</table>

- **Core capital ratio:** 17.7%
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Assets under management rise to € 22.7 billion

MLP Group

Assets under management

[in € billion]
Significant increase in volume of brokered loans

New business in old-age provision

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>[in € billion]</td>
<td>1.4</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Loans and mortgages

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>[in € billion]</td>
<td>0.6</td>
<td>0.8</td>
</tr>
</tbody>
</table>
11,700 new clients

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Consultants</th>
<th>New Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2013</td>
<td>2,033</td>
<td></td>
</tr>
<tr>
<td>30/06/2013</td>
<td>2,012</td>
<td></td>
</tr>
<tr>
<td>H1 2012</td>
<td>14,200</td>
<td></td>
</tr>
<tr>
<td>H1 2013</td>
<td>11,700</td>
<td></td>
</tr>
</tbody>
</table>
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The second half-year is traditionally the crucial period for full-year performance

* Adjusted for one-off exceptional costs
MLP expects EBIT to range between € 65 and € 78 million

**Outlook 2013 to 2015 – in each case compared to the previous year**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues – old-age provision</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Revenues – health insurance</td>
<td>0</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Revenues – wealth management</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

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

- If necessary, temporarily higher expenditure – either for important future investments or for one-off initial costs in order to ease future expenditure requirements
- Outlook: EBIT of between € 65 and € 78 million in the financial years 2013 to 2015 – depending on the respective market development
- Due to our investments into future topics we expect EBIT to be at the lower end of the corridor in 2013
Summary

• Business development in the first half-year affected by **difficult market conditions** in old-age provision and health insurance as well as by the changeover to new unisex tariffs

• MLP benefits once again from the enhanced **diversification of the business model** – dynamic development in wealth management

• As is usual with the MLP business model, the **second half-year** in particular is crucially important to our full year performance

• **Significant pick-up** in old-age provision and in health insurance expected – but **uncertainties** remain due to the demanding market environment

• Year-end goal remains achievable: **EBIT corridor confirmed**
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