The MLP Group – The partner for all financial matters

Kepler Cheuvreux 19th German Corporate Conference

January 2020
Agenda

1. MLP at a glance
2. Strategy
MLP Group

5 Brands – each with outstanding market position

€ 400.5 million joint premium volume*

MLP
The Partner for all financial matters
Old-age provision, Non-life insurance, Health insurance, Wealth Management, Banking, Loans & Mortgages
~1,900 Consultants
~130 Branch offices

FERI
The investment expert for institutional investors and high net-worth individuals
~220 Employees
Vienna-Zurich-Luxembourg

DOMCURA
The underwriting agency, focusing on private and commercial non-life insurance and insurance brokers
~260 Employees
~5,000 Partners (insurance brokers, pools, sales offices)

TPC
The specialist in occupational provision
• Biggest German broker
• Small solutions & complex balance sheet issues

DEUTSCHLAND. Immobilien
Platform for investment properties - Real estate brokerage and project development
>MLP holds a capital stake of 75.1 percent<
~50 Employees
~5,800 Sales Partners

*9M 2019

Acquisition closed on September 3, 2019

38.1 billion joint AuM*

*9M 2019
MLP Group – Strong substance and high potential

**Quality:** Stable business with a high proportion of recurring revenue

**Potential:** Growth opportunities in existing business

→ Positioning and liquidity form a strong basis

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**MLP Group**

**Segment** | **Clients** | **EBIT 2018** | **Stable revenue sources** | **Recurring revenue** | **Drivers of growth** | **Net Liquidity**
---|---|---|---|---|---|---
MLP | Financial consulting | 541,150 | € 17.9 million | € 400.5 million | - Strengthening of the university segment | € 126 million
| 547,900 | € 5.0 million | Non-life insurance premium volume | 30%
| - Need for old-age provision incl. occupational pension provision | 65%
| - Real estate brokerage | 2005
| - Further penetration of MLP private clients | 2018
DOMCURA | - Importance of non-life insurance is increasing | Revenue quality improved significantly
| FERI | - Alternative investment concepts | *Families
| MLP | - Market consolidation | 2018
| Banking | - High demand due to MLP client structure | 2018
| Plus 21,300 corporate and institutional clients |
| 2018 |
| 9M 2019 |

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**Quality:** Stable business with a high proportion of recurring revenue

**Potential:** Growth opportunities in existing business

→ Positioning and liquidity form a strong basis

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**2018**

<table>
<thead>
<tr>
<th></th>
<th>9M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>547,900</td>
</tr>
<tr>
<td>9M 2019</td>
<td>541,150</td>
</tr>
</tbody>
</table>

**January 2020**

*Families
MLP Group – Attractive dividend policy & stable shareholder structure

### Dividend Policy
- **Pay-out ratio:** 50%-70% of net profit

### Dividend per share in €

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.16</td>
</tr>
<tr>
<td>2014</td>
<td>0.17</td>
</tr>
<tr>
<td>2015</td>
<td>0.12</td>
</tr>
<tr>
<td>2016</td>
<td>0.08</td>
</tr>
<tr>
<td>2017</td>
<td>0.20</td>
</tr>
<tr>
<td>2018</td>
<td>0.20</td>
</tr>
</tbody>
</table>

### Dividend Yield

<table>
<thead>
<tr>
<th>Year</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.10%</td>
</tr>
<tr>
<td>2014</td>
<td>4.60%</td>
</tr>
<tr>
<td>2015</td>
<td>3.30%</td>
</tr>
<tr>
<td>2016</td>
<td>1.90%</td>
</tr>
<tr>
<td>2017</td>
<td>3.60%</td>
</tr>
<tr>
<td>2018</td>
<td>4.50%</td>
</tr>
</tbody>
</table>

- **Incl. 9.19% Universal Investment Gesellschaft
- **Pay-out ratio 2018: 63%**

### Attractive
- Hauck & Aufhäuser: Buy, TP € 7.30
- Kepler Cheuvreux: Buy, TP € 6.50
- Pareto Securities: Buy, TP € 6.40
- Bankhaus Lampe: Buy, TP € 6.00
- Commerzbank AG: Buy, TP € 5.40
- Independent Research: Hold, TP € 5.00

### Broad
- Research coverage

### Stable
- **Shareholder structure²**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Lautenschläger¹</td>
<td>29.16%</td>
</tr>
<tr>
<td>HDI Pensionskasse AG</td>
<td>9.36%</td>
</tr>
<tr>
<td>Barmeria</td>
<td>7.77%</td>
</tr>
<tr>
<td>Allianz</td>
<td>6.18%</td>
</tr>
<tr>
<td>Hanse Merkur Krankenversicherung</td>
<td>5.10%</td>
</tr>
<tr>
<td>Freefloat (Definition Deutsche Börse)</td>
<td>42.41%</td>
</tr>
</tbody>
</table>

### Notifications made to MLP SE
- Incl. 9.19% Universal Investment Gesellschaft

### Pay-out ratio 2018: 63%

### As of September 26, 2019

- 109,334,686 shares
- 9.36%
- 6.18%
- 5.10%
- 7.77%
- 29.16%¹

¹ Pooling agreement
² As of September 26, 2019
Agenda

1. MLP at a glance
2. Strategy
Strategic agenda

1. **Organic growth**
   - Strengthening of the university segment in the private client business
   - Further broadening of revenue basis
   - Accelerated implementation of digitalisation strategy

2. **Inorganic growth**
   - The MLP Group continues to target acquisitions
   - Open for M&A activities in all fields of consulting.

3. **Continued cost management**
   - Ongoing efficiency management on the cost base
   - Simultaneous investment in future projects

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Less dependent to short-term market influences and building on profit level already achieved
Regulation leads to significant increase in consolidation

Accelerated drop in the number of intermediaries operating in the market

Effects of the Life Insurance Reform Act Decision 2020?

Evaluation of the LVRG still ongoing:
- Commission-cap still in discussion. Still three components incorporated

Actual status:
- Draft bill has not even been presented to the cabinet
- Start date was pushed back to January 1, 2021
- Many expert politicians are rightly more critical than ever of this regulation
- MLP will be able to cope with that very well

Source: DIHK, entries in the Insurance Intermediary Register

Trend is ongoing and has accelerated – MLP to play an active role in consolidation process
Ongoing strengthening of the university segment

Successful development

- 5 regional managers with sales experience appointed*  
- 89 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

* 9M/2019

Investments of around € 8 million in the university segment in 2019

Investments are starting to pay off
Strategic initiatives in recruiting young consultants are paying off

Growth in consultants

<table>
<thead>
<tr>
<th>Consultants within university segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2019: ~300 young consultants</td>
</tr>
</tbody>
</table>

Positive impulses in the university segment

<table>
<thead>
<tr>
<th>Investments to strengthen the university segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ FY 2017 € ~4 million</td>
</tr>
<tr>
<td>✓ FY 2018 € 7 million</td>
</tr>
<tr>
<td>✓ FY 2019 € 8 million</td>
</tr>
</tbody>
</table>

Increasing number of young consultants

<table>
<thead>
<tr>
<th>9M 2018 vs. 9M 2019:</th>
</tr>
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<tbody>
<tr>
<td>+&gt;45 %</td>
</tr>
</tbody>
</table>

Brokered premium volume in old-age provision

<table>
<thead>
<tr>
<th>9M 2018 vs. 9M 2019:</th>
</tr>
</thead>
<tbody>
<tr>
<td>+&gt;80 %</td>
</tr>
</tbody>
</table>
Future investments in university segment are paying off

EBIT contribution from the university segment

- Number of consultants in the university segment have increased from around 200 to around 300 since the same quarter of the previous year
- Increase to between 500 and 600 consultants anticipated by 2022
- Additional revenue already expected in 2019 backed by increase in new business
- Further additional investments planned in the university segment
- **Break-even anticipated in 2021**
Successful diversification of the revenue basis

Recent acquisition of DEUTSCHLAND. Immobilien to further develop real estate business

**FY 2005**
Commission income: € 467.9 million

- Old-age provision / Occupational pension provision: 2%
- Wealth management: 3%
- Health insurance: 10%
- Non-life insurance: 4%
- Loans and mortgages: 2%
- Real estate brokerage: 1%
- Other commission and fees: 80%

**FY 2018**
Commission income: € 624.8 million

- Old-age provision / Occupational pension provision: 32%
- Wealth management: 19%
- Health insurance: 8%
- Non-life insurance: 3%
- Loans and mortgages: 3%
- Real estate brokerage: 1%
- Other commission and fees: 34%

**Expansion of real estate activities**
- 2004: Foundation of the "Occupational provision" division incl. acquisition of BERAG
- 2006: MLP buys shares in FERI AG
- 2008: Acquisition of TPC
- 2011: MLP acquires all shares in FERI as planned
- 2011: Start of real estate business
- 2014: Further development of the real estate business
- 2015: MLP acquires DOMCURA
- 2019: MLP acquires shares in DEUTSCHLAND. Immobilien
Profile of DEUTSCHLAND.Immobilien

Brokerage and project development in the real estate sector

Business model

DEUTSCHLAND.Immobilien

Digital brokerage portal

Project development

High degree of specialisation

Age-appropriate

Nursing care

~ 5,800 sales partners

Business divisions
DEUTSCHLAND.Immobilien sales channels

B2B
- Roughly 5,800 sales partners are registered in the system
- Brokers can process all steps, from gathering information through calculations and reservations to the actual sale and commission calculation
- Property developers have complete transparency regarding the sales status of their properties

B2C
- Several thousand prospective and existing clients are in the system
- Prospective clients are provided with regular information on new products

New DEUTSCHLAND Immobilien Store at the MLP Consulting Centre in Heidelberg
Enormous potential in real estate brokerage

Brokered real estate volume

- Solid growth since implementation of business
- Enormous potential in the next years
- Client demand
- Further acceleration among consultants

CAGR 2014-2018: +45.6%
Wealth management keeps on track – raising demand especially for alternative assets at FERI

### AuM MLP Banking

**In € billion**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family clients:</td>
<td>3.7</td>
<td>4.0</td>
<td>4.4</td>
<td>5.0</td>
<td>5.2</td>
</tr>
<tr>
<td>Total Assets at FERI</td>
<td>5.0</td>
<td>29.3</td>
<td>25.4</td>
<td>29.3</td>
<td>29.3</td>
</tr>
</tbody>
</table>

### Total Assets at FERI

**In € billion**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015*</th>
<th>2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Assets</td>
<td>5.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Ongoing low interest rates environment will further accelerate the fund allocation in alternatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong expertise in alternatives at FERI e.g. Private Equity, Hedge Funds, Real estate, Commodities and volatility strategies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biggest Hedge Funds research team in Germany</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Increasing value creation potential in wealth management**

- Wealth management of increasing importance as clients grow older
- Average age of MLP clients still relatively young
- High potential in WM due to our clients’ demography

**Source:** Own Research
Consistent implementation of digitalisation strategy

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

Core activities of the digitalisation

- Luggage insurance on blockchain basis
- Brokerage mail almost completely electronic
- Consulting applications
- Performance marketing
- Paperless application process for wealth management
- Employer portal for occupational pension provision
- Expansion of our leads database
- "VEM Guide" wealth management consulting app
- Next Best Offer

Already implemented

- Web application for scanning policies
- MLP financify
- Client portal: Multibanking & Scan2Bank
- Chatbot Finn-Bot

In planning / implementation
Digital support increases consulting efficiency and client proximity

Expanded online client support by MLP consultants
Agenda

1. MLP at a glance
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Business performance 9M 2019

Total revenue at new record high!

Growth in almost all consulting fields!

Client consultants rise above FY2018 level!

Old-age provision
- 9M: 134.0 (122.6) | +9.3%
- Q3: 50.1 (46.4) | +8.0%

Wealth management
- 9M: 160.5 (152.8) | +5.0%
- Q3: 55.8 (55.2) | +1.1%

Non-life insurance
- 9M: 102.9 (97.3) | +5.8%
- Q3: 21.2 (20.0) | +6.0%

547,900 family clients
Key Balance sheet figures

- **Balance sheet total**: 2,662.4 million
- **Shareholders equity**: 409.5 million
- **Eligible own funds**: ~258 million
- **Core capital ratio**: 17.7%
- **Equity ratio**: 15.4%
Forecast for the financial year 2019 confirmed after 9M

MLP anticipates EBIT to rise slightly in 2019

FY 2019 Earnings to be released March 5th 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>One-off expenses</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>30.7</td>
<td>35.1*</td>
<td>46.7*</td>
<td>46.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operating EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you for your attention!
### Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>9M 2018</th>
<th>9M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>151.9</td>
<td>158.1</td>
<td>462.5</td>
<td>487.3</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>10.8</td>
<td>6.7</td>
<td>22.9</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>-0.1</td>
<td>-0.1</td>
<td>-0.5</td>
<td>-0.7</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>10.7</td>
<td>6.6</td>
<td>22.3</td>
<td>18.2</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-3.0</td>
<td>-0.4</td>
<td>-4.9</td>
<td>-2.9</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>7.6</td>
<td>6.2</td>
<td>17.4</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>EPS in € (diluted/basic)</strong></td>
<td>0.07</td>
<td>0.06</td>
<td>0.16</td>
<td>0.14</td>
</tr>
</tbody>
</table>

### Effects on EBIT:

1. **Q3 2018**: Capitalisation of a VAT receivable, EBIT contribution of € 2.9 million
2. **Q3 2019**: Lower performance fees in wealth management due to market conditions
3. **9M 2019**: Different costs accrued compared to the same period of the previous year
9M: Revenue increased in almost all consulting fields

Revenue 9M/Q3

<table>
<thead>
<tr>
<th>Service</th>
<th>9M (€ million)</th>
<th>Q3 (€ million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age provision</td>
<td>134.0 (122.6)</td>
<td>50.1 (46.4)</td>
<td>+8.0%</td>
</tr>
<tr>
<td>Wealth management</td>
<td>160.5 (152.8)</td>
<td>55.8 (55.2)</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>102.9 (97.3)</td>
<td>21.2 (20.0)</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>35.5 (35.1)</td>
<td>11.7 (11.9)</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Real estate brokerage</td>
<td>14.3 (14.6)</td>
<td>6.1 (4.6)</td>
<td>+32.6%</td>
</tr>
<tr>
<td>Loans and mortgages*</td>
<td>13.6 (12.9)</td>
<td>4.6 (4.0)</td>
<td>+15.0%</td>
</tr>
<tr>
<td>Interest income</td>
<td>12.5 (12.9)</td>
<td>4.0 (4.0)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>2.6 (2.8)</td>
<td>0.6 (0.8)</td>
<td>-25.0%</td>
</tr>
</tbody>
</table>

Revenue breakdown:

- Old-age provision: 33.7% (33.9%)
- Wealth management: 28.2% (27.2%)
- Non-life insurance: 7.5% (7.8%)
- Health insurance: 2.9% (2.9%)
- Real estate brokerage: 2.6% (2.9%)
- Loans and mortgages*: 0.5% (0.6%)
- Interest income: 21.6% (21.6%)
- Other commissions and fees: 3.0% (3.2%)

* Excluding MLP Hyp

Previous year's values in brackets

9M: Development of the brokered premium sum in the field of occupational pension provision +23%
### Balance sheet overview

<table>
<thead>
<tr>
<th>Assets</th>
<th>Dec 31, 2018</th>
<th>Sep 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>155.9</td>
<td>186.0</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>78.3</td>
<td>134.0</td>
</tr>
<tr>
<td>Financial investments</td>
<td>165.3</td>
<td>172.4</td>
</tr>
<tr>
<td>Receivables from clients in the banking business</td>
<td>761.0</td>
<td>830.2</td>
</tr>
<tr>
<td>Receivables from banks in the banking business</td>
<td>694.2</td>
<td>710.7</td>
</tr>
<tr>
<td>Other receivables and assets</td>
<td>158.1</td>
<td>147.6</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>385.9</td>
<td>443.5</td>
</tr>
</tbody>
</table>

**Liabilities and shareholders' equity**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Dec 31, 2018</th>
<th>Sep 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' equity</td>
<td>424.8</td>
<td>409.5</td>
</tr>
<tr>
<td>Provisions</td>
<td>94.5</td>
<td>99.1</td>
</tr>
<tr>
<td>Liabilities due to clients in the banking business</td>
<td>1,638.9</td>
<td>1,818.2</td>
</tr>
<tr>
<td>Liabilities due to banks in the banking business</td>
<td>81.6</td>
<td>96.3</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>165.8</td>
<td>224.3</td>
</tr>
</tbody>
</table>

**Balance sheet total**

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2018</th>
<th>Sep 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,421.0</td>
<td>2,662.4</td>
</tr>
</tbody>
</table>

**Equity ratio:** 15.4%  
**Core capital ratio:** 17.7%  
**Total capital at around € 258 million**
MLP und DI: Wertschöpfungskette erweitert

Ausbau des Immobiliengeschäfts zum strategischen Bereich

Gesamtumfang eines Bauvorhabens

Gemeinsames Leistungsspektrum

MLP
Berater

DI

Vertrieb
Vermittlung & Beratung

Vertrieb
Vermittlung

Projektentwicklung
Objekt-/Grundstückssuche
Rechtliche und finanzielle Strukturierung
Projektorientation/ Bauträger
Einheitenteilung und Vorbereitung Vertrieb
Qualitätsprüfung

Bau
Planung

Finan- zierung
Kreditvergabe

Betrieb
Verwaltung

Betrieb