



# Germany's leading independent consulting company

Strategy and Key Financials, July 2013



# Agenda

- MLP at a glance 3
- Business model 10
- Key Financials 15
- MLP AG Share 22
- Outlook 24

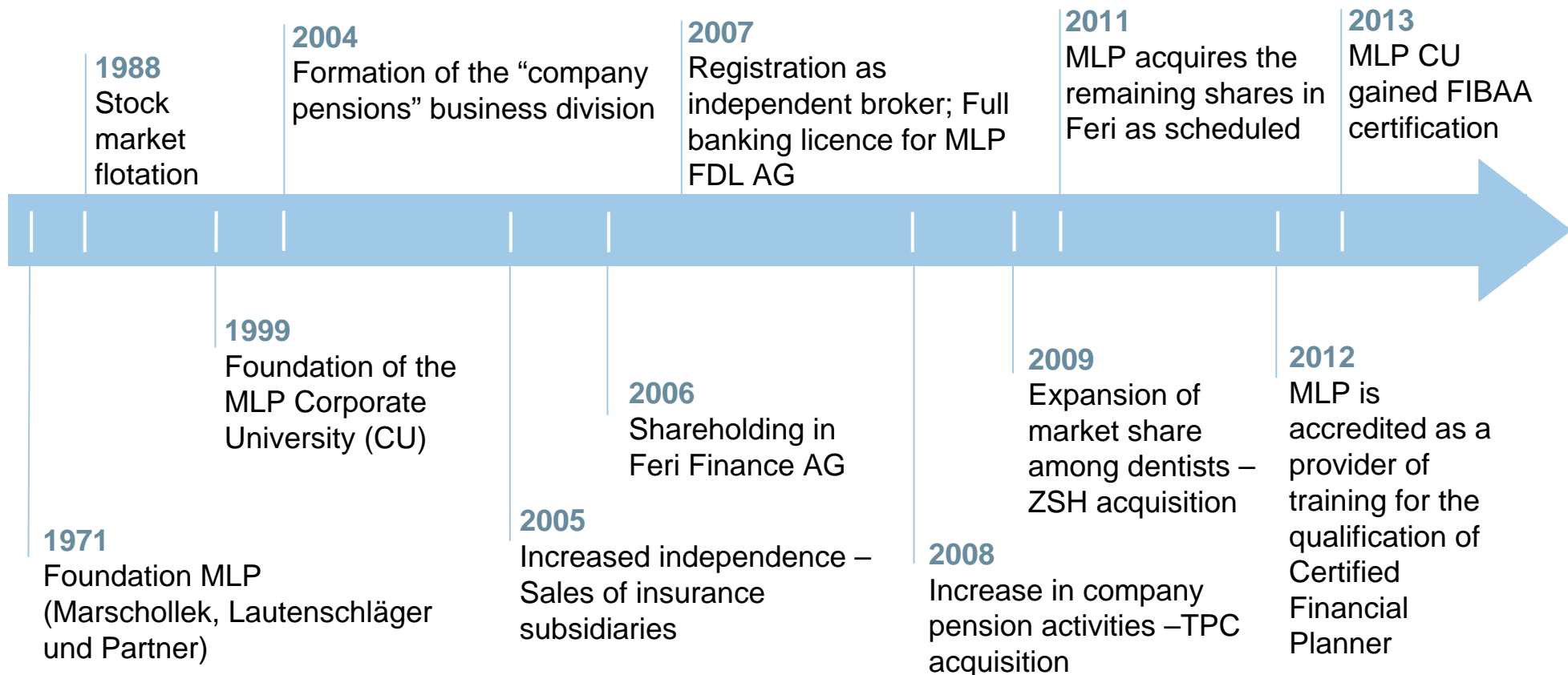
# MLP – An Overview

## Company profile

Business model	Germany's leading financial consulting company with more than 817,000 private and 5,000 corporate clients and over 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 € 4.8 billion in 2012. Occupational pension provision accounted for 13 % of this figure, supported by the expertise of our subsidiary TPC THE PESION CONSULTANCY GmbH	Share of revenue '12	55%																
Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance		12%																
Wealth Management	€ 21.7 billion in assets under management as of March 31, 2013. Together with subsidiary Feri AG, MLP serves private clients – affluent clients at MLP, HNWI at Feri – as well as institutional investors		23%																
Top Financials	<p><b>2012:</b></p> <table border="0"> <tr> <td>Total revenue:</td> <td>€ 568.0 million</td> <td>Equity Ratio:</td> <td>26.0%</td> </tr> <tr> <td>EBIT:</td> <td>€ 74.1 million</td> <td>Core Capital Ratio:</td> <td>17.2%</td> </tr> <tr> <td>Net profit:</td> <td>€ 52.7 million</td> <td></td> <td></td> </tr> <tr> <td>Dividend per share:</td> <td>€ 0,32</td> <td></td> <td></td> </tr> </table>			Total revenue:	€ 568.0 million	Equity Ratio:	26.0%	EBIT:	€ 74.1 million	Core Capital Ratio:	17.2%	Net profit:	€ 52.7 million			Dividend per share:	€ 0,32		
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# Milestones in the corporate history

## The MLP Group

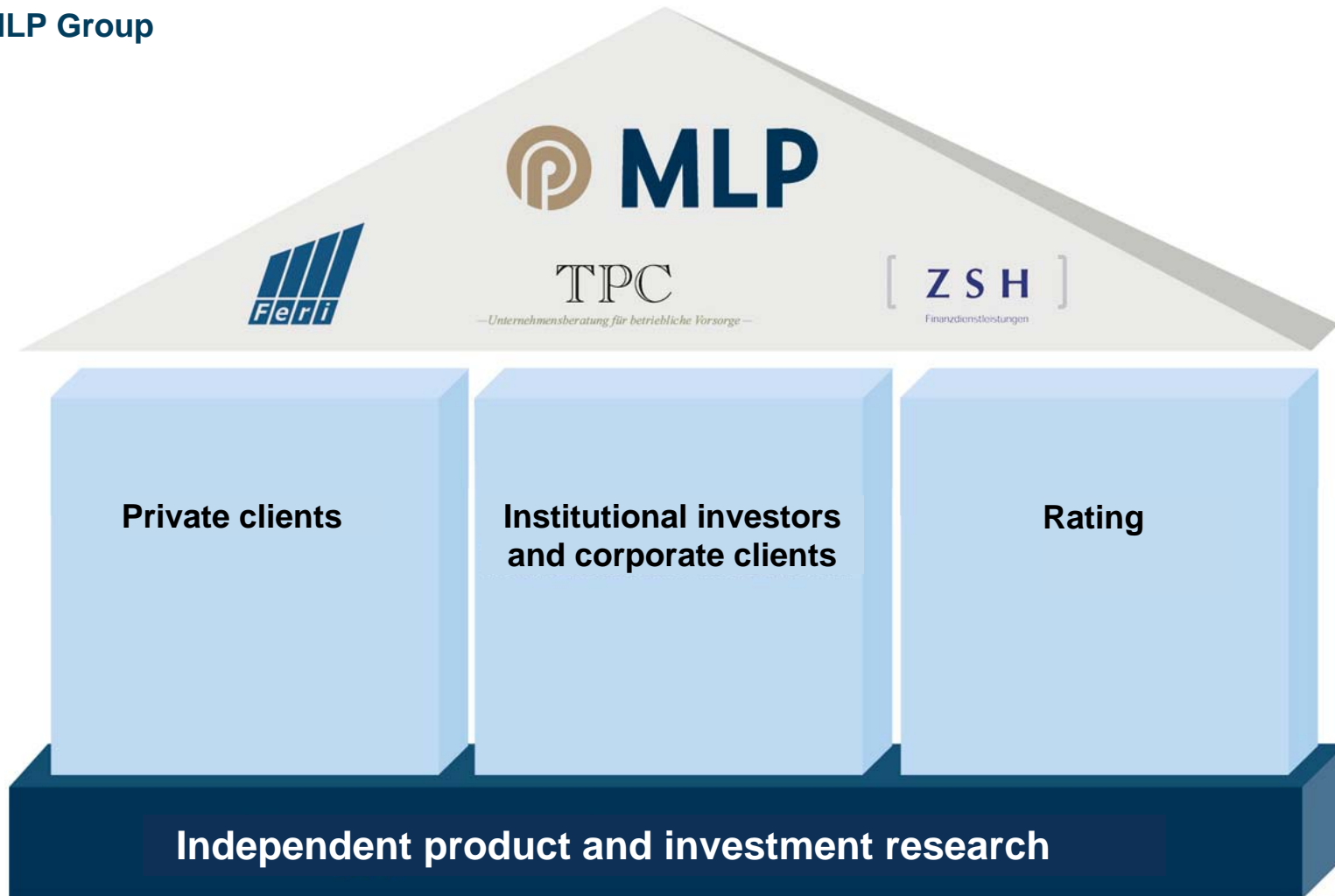


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# MLP – a broad-based consulting house

The MLP Group



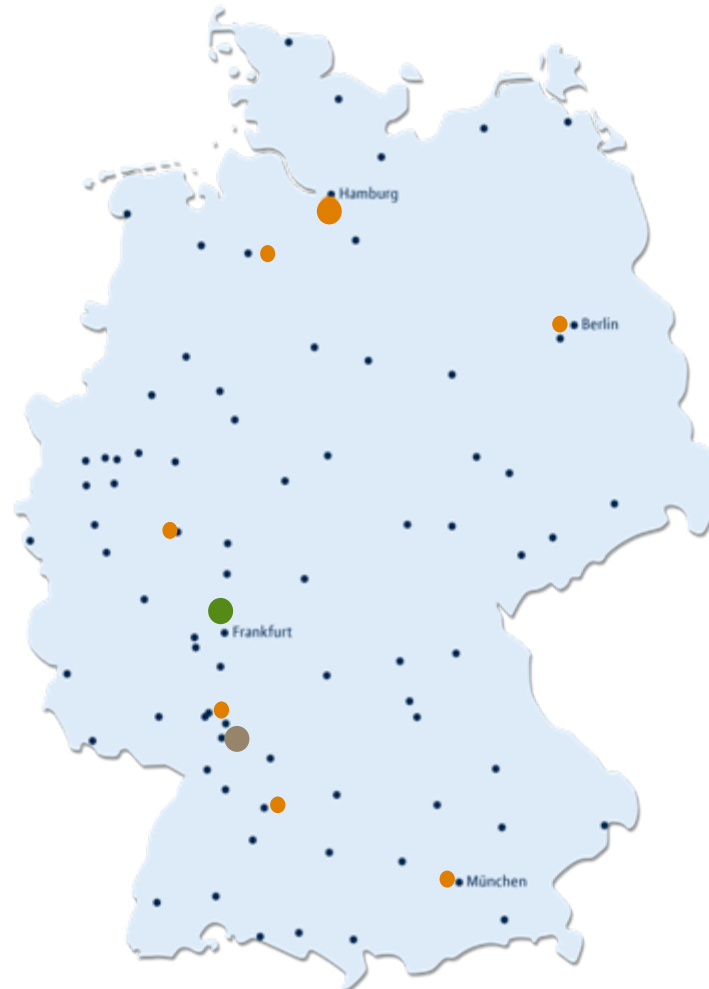
# Nationwide consulting for private and corporate clients

The MLP Group



→ 169 Branch offices throughout Germany

→ 2,037 Consultants



## International representations

– Feri:

- Vienna
- Milan
- Sankt Gallen
- Luxembourg

International offerings across networks

# Unique positioning in the market

## Private client consulting

### Insurance consulting

Independent Broker



- Works on behalf of the client
- Is awarded a consultancy mandate, similar to a lawyer
- Extensive risk and requirement analysis
- Sufficient number of products available on the market

### Multi-Agents



- Acting on behalf of one or several product providers
- Risk and requirement analysis based on situation
- Limited product selection

### Tied Agents



- Working on behalf of the respective product provider
- Risk and requirement analysis based on situation
- Limited product selection

### Wealth management

Researched based independent consulting



- Full banking license
- Serving affluent clients at MLP
- HNWI with private estates > 5 million Euros are served by Feri
- Innovative multi-asset/multi-manager approach
- Product-independent market assessments
- Broad-based research as basis for investment consulting
- MLP clients benefit from Feri's expertise
- Close cooperation between Feri and MLP in direct mandates



# MLP – Unique business model

## Private client consulting



# Unique positioning in the market

## Corporate and institutional client consulting

### 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
- Alternative Investments
- 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 Investment strategies
- Structuring and floatation of funds
- Complements MLP Group's range of services

# Unique positioning in the market

## Corporate and institutional client consulting

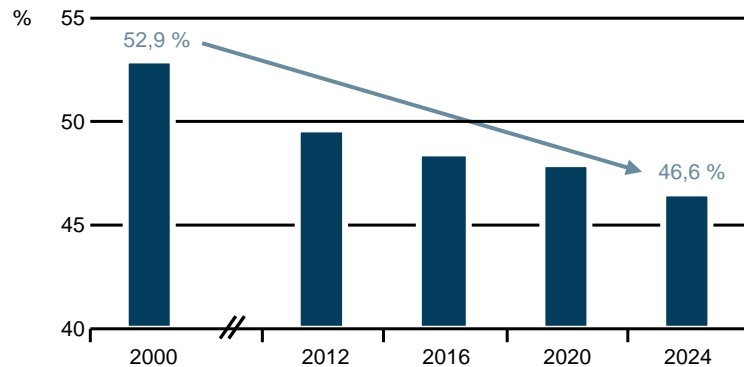
Services	Independent Rating			
				
<ul style="list-style-type: none"> <li>• Macroeconomic analysis &amp; forecast (economy, interest-rates, capital markets)</li> <li>• Rating and analysis of mutual funds and closed investments</li> <li>• Rating and analysis of Real Estate Investments (direct and indirect / Funds)</li> <li>• Manager selection / product selection</li> <li>• Credit Rating</li> </ul>		<b>Investment markets</b>	<b>Market players</b>	<b>Products</b>
	<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

[before tax]

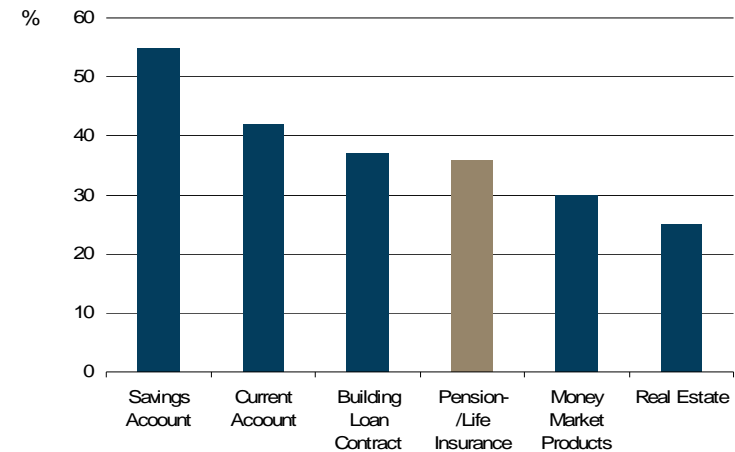


Source: Report Federal Ministry of Labour and Welfare 2012

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

### Private Savings/Preferences



Source: TNS Infratest 2013

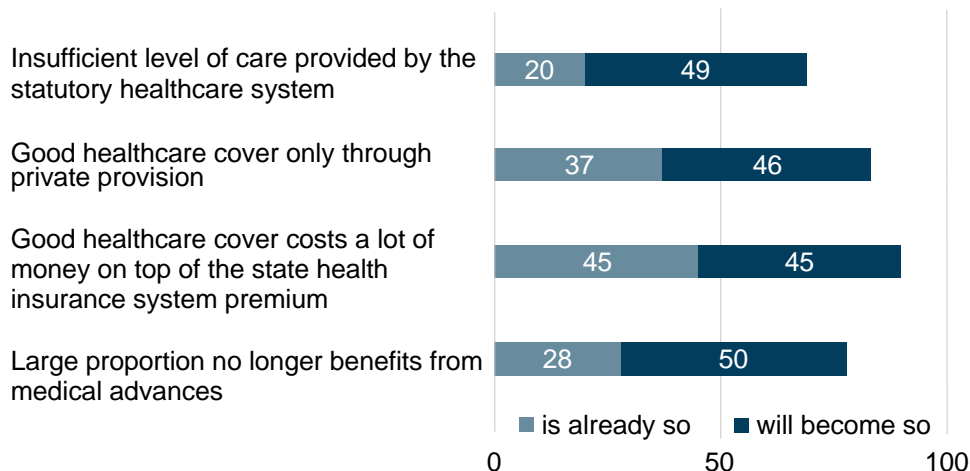
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- Uncertainty among consumers leads to hesitancy regarding long-term investments
- Short-term oriented investment preferences among general public

# Market Environment

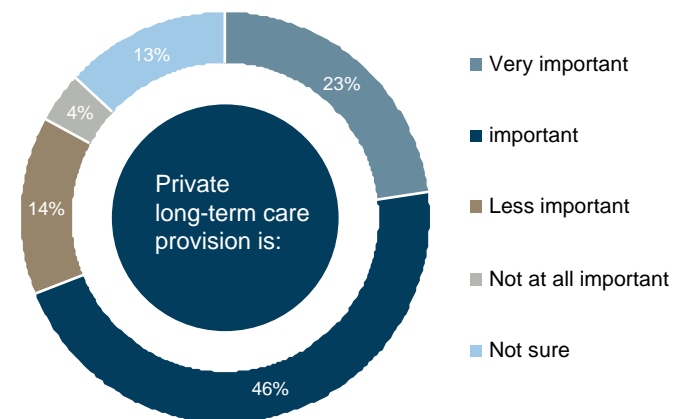
## Healthcare

### Future development of healthcare system



Source: Continentale Krankenversicherung AG

### Increasing awareness of long-term care



Source: MLP Health Report, IfD polls

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- + 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

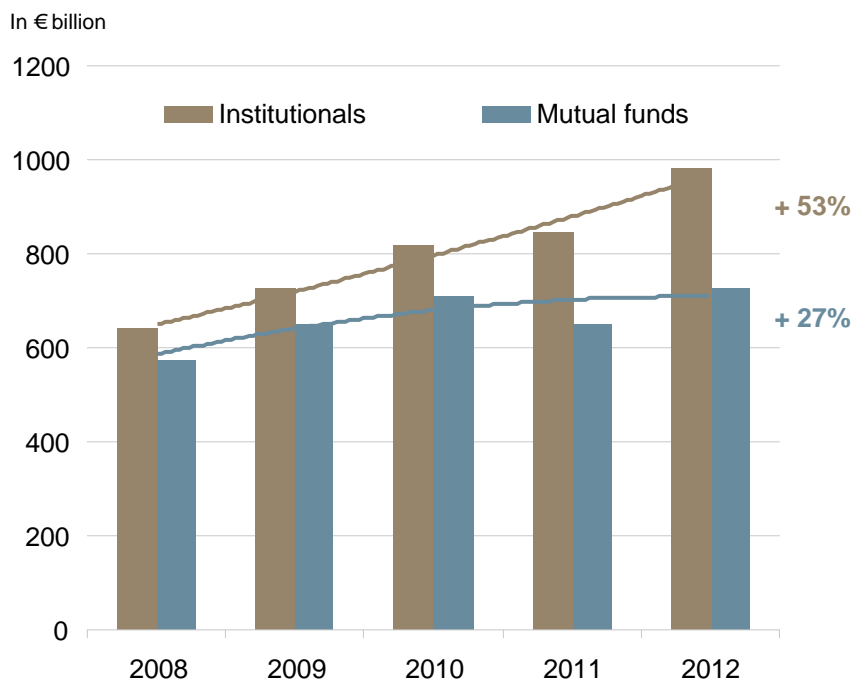
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- Political discussion regarding private health insurance causes uncertainty and hesitance among consumers
- German consumers not yet familiar with long-term care provision

# Market Environment

## Wealth Management

### Managed Assets in Germany



	2008	2012	▲
Institutional	641,7	981,6	53,0%
Mutual Funds	575,8	729,7	26,7%

Source: German association of Investment and Asset Management (BVI), Data end of year

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- + 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

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# Foundations for stable future development

FY 2012 – Successful transformation

## Broadening of the business model

- Expansion of wealth management
- Development of occupational pensions business
- Improvement of revenue quality through recurring revenues



## Comprehensive efficiency management

- Reduction of administration costs by a total of €60 million  
– without limitation of strategic further development



## Improved Profitability

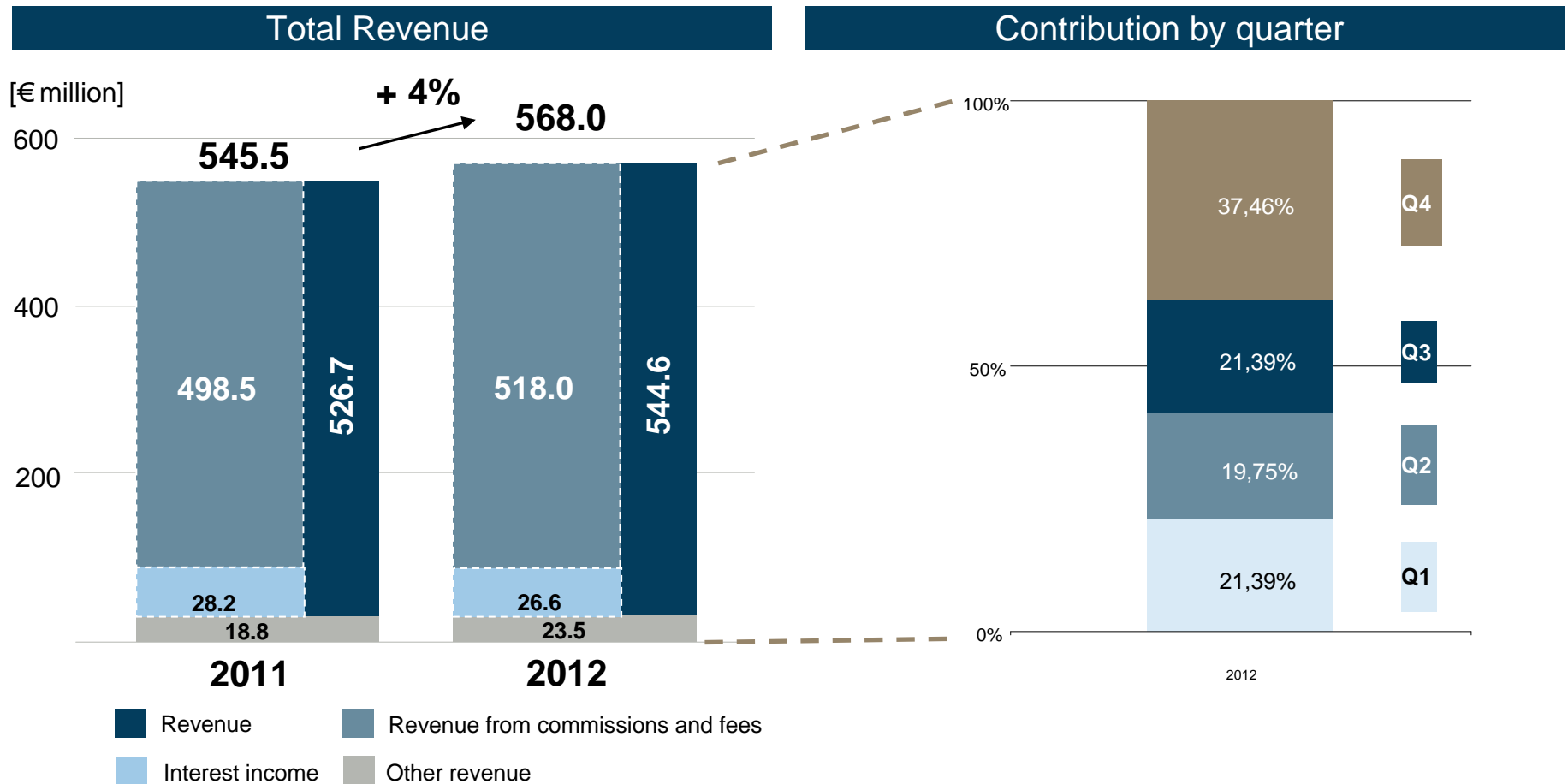
- EBIT margin increased to 13% despite difficult markets





# 2012: Total revenue rises by 4 percent

High momentum in Q4/2012

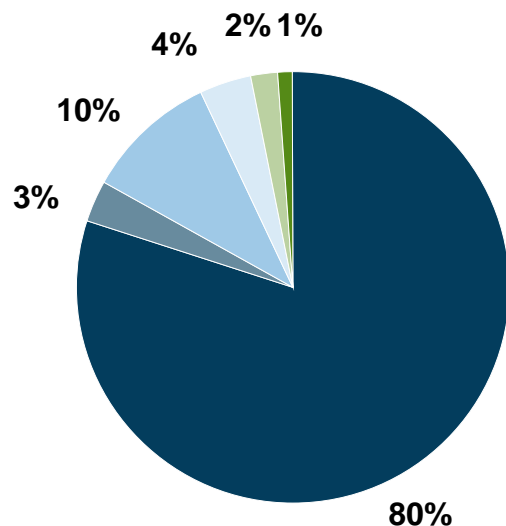


# Improved revenue mix

FY 2012 – Substantial increase in recurring revenues

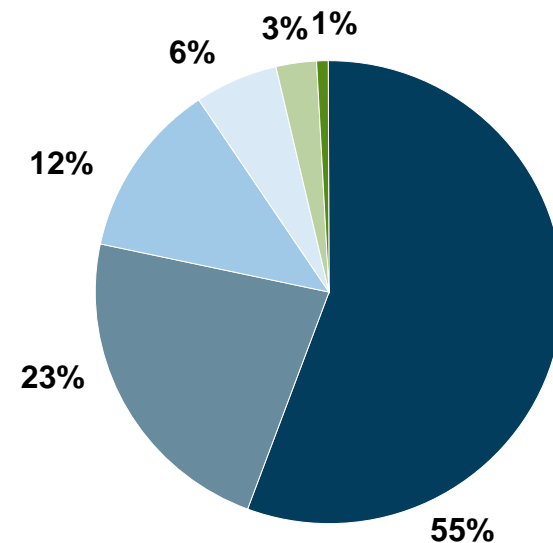
**FY 2005**

(Revenue from commissions and fees: €467.9 million)



**FY 2012**

(Revenue from commissions and fees: €518.0 million)



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

- + In 2012 the share of recurring revenues reached more than 50% – increased from around a third in 2005
- + Wealth management now plays an important role
- + Improved revenue mix supports stability in total revenue

# EBIT margin increases to 13%

## MLP Group 2012

[€ million]	2011*	2012
Total revenue	545.5	568.0
Operating EBIT	50.7	74.1
EBIT	17.3	74.1
Financial result	0.0	0.5
EBT	17.3	74.6
Taxes	-6.0	-21.9
Net profit (continuing operations)	11.2	52.7
Net profit (discontinued operations)	0.3	-
Group net profit	11.5	52.7
EPS in €	0.11	0.49

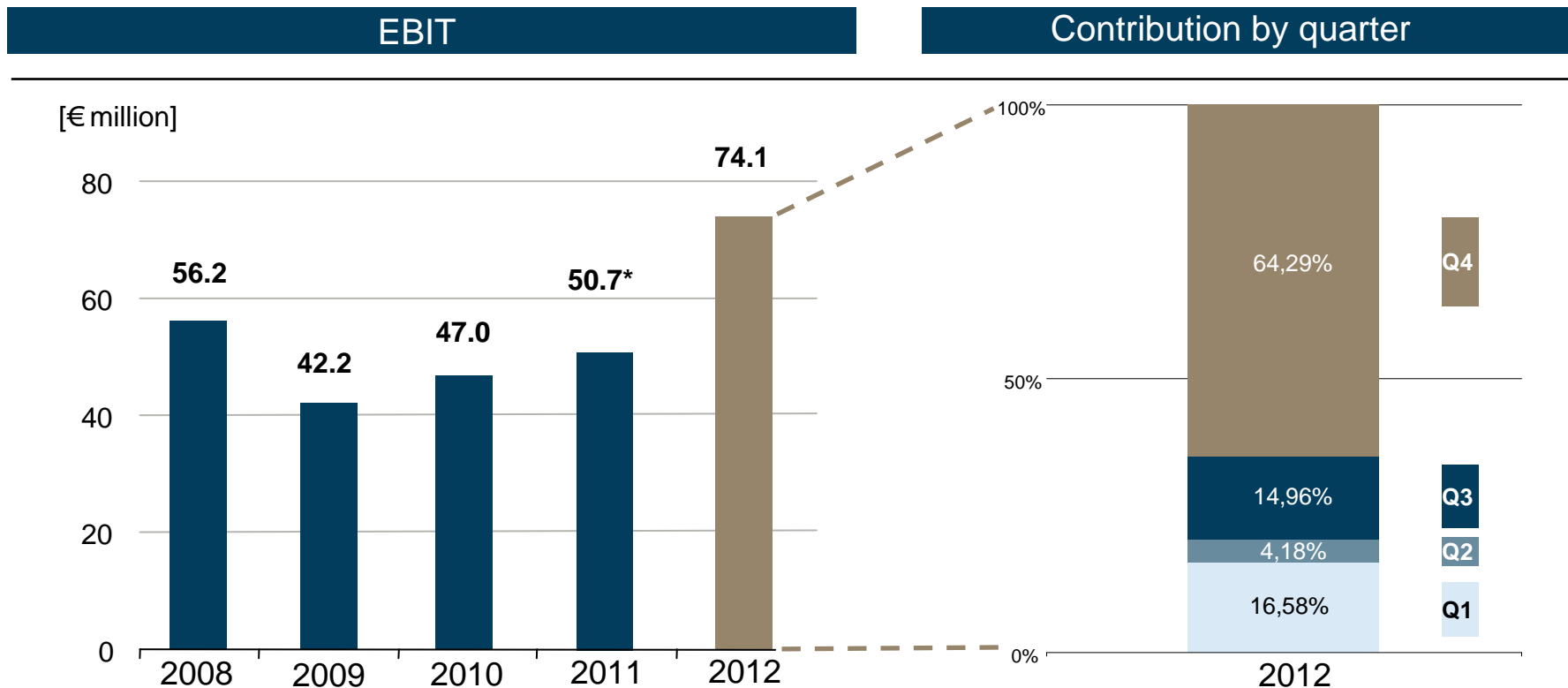
### Profitability significantly improved

- + **Group EBIT margin:** **13.0%**
- + **Financial Service Segment EBIT margin:** **15.0%**
- + **Feri segment EBIT margin:** **9.5%**

\* Previous year's figure adjusted

# Significant rise in EBIT

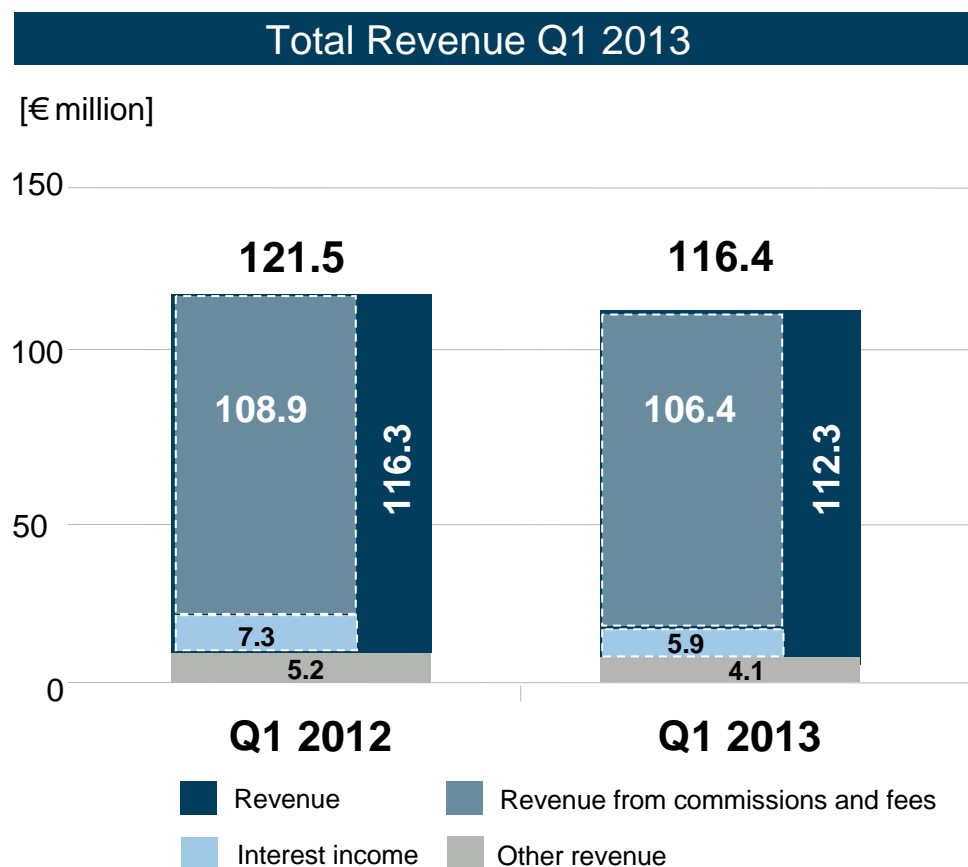
FY 2012 – High seasonality in business development – Second half of the year is crucial



\* Adjusted for one-off exceptional costs

# Q1/2013 influenced by strong previous Q4 and changeover to unisex tariffs

## First Quarter revenues



## Factors to watch

- EBIT falls to € 4.0 million due to decrease in revenue and changed revenue mix
- Extremely strong year-end business is traditionally followed by a more modest start into the year
- Following the extensive changes, consultants had to first familiarise themselves with the new unisex tariffs
- First and second quarter traditionally of less importance
- As is usual with the MLP business model, the second half-year in particular is crucially important to our full year performance

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# MLP AG Share

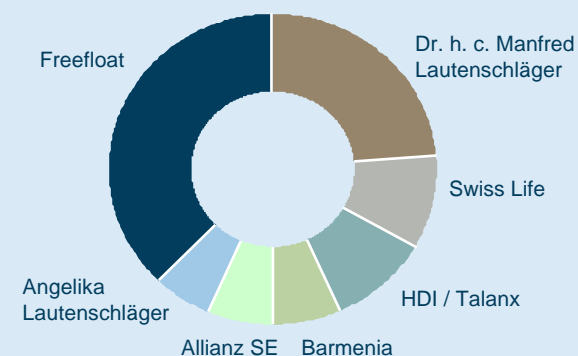
## Share details

### Share details

Shares outstanding:	107,877,738
Free Float:	37.71 % (Definition Deutsche Börse)
Average trading volume:	50,200 (Xetra, shares per day in 2013)
WKN:	656 990
ISIN:	DE0006569908
Exchanges:	XETRA, Frankfurt, other regional exchanges

### Shareholder Structure

Dr. h. c. Manfred Lautenschläger	23.53%
Swiss Life Holding	9.90%
HDI / Talanx	9.89%
Barmenia	6.67%
Allianz SE	6.27%
Angelika Lautenschläger	6.03%
Freefloat (Def. Deutsche Börse)	37.71%
<i>Harris Associates</i>	9.70%



### Research Coverage

HSBC	Overweight	PT 6.30
JP Morgan Cazanove	Underweight	PT 6.20
Equinet/ESN	Buy	PT 6.80
Bankhaus Lampe	Buy	PT 5.40
Main First	Underperform	PT 5.30
Independent Research	Hold	PT 5.80
Nord LB	Sell	PT 4.70

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# MLP expects EBIT to range between €65 and €78 million

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

	2013	2014	2015
Revenue - old-age provision	0	0	+
Revenue - health insurance	0	+	+
Revenue - wealth management	+	+	+

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

- Continuation of the strict cost management
- 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

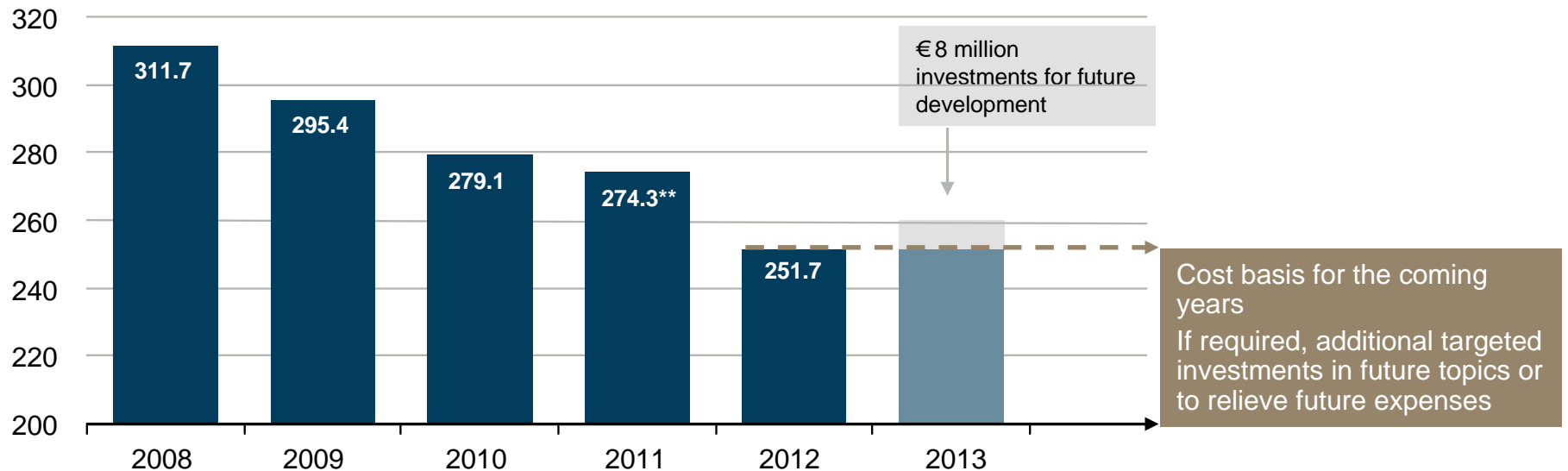
# Administration costs reduced by €60 million – Solid basis for the future

Cost are under control

Development of administration costs\*

Future development

[€ million]



\* Personnel expenses, depreciation and amortisation, other operating expenses

\*\* Adjusted for one-off exceptional costs

# Targeted investments in future topics

## Outlook

### IT/ Organisation

- Credit Card Processor
- Migration of IT-Systems into the cloud

### Services for consultants

- New Service Centre „MLP-Dialog“
- Supporting consultants (Arranging client appointments, updating client data...)
  - Standardised existing business (car insurance, tariff changes...)
- Increasing productivity for consultants

### Recruiting

- New opportunities for joining MLP:
- Trainee
  - Integrated degree program
  - Internship

### New Branches

- Selected establishment of new branch offices in distinguished locations with intensive HQ support:
- University cities – focused on acquisition
  - Target Group: young graduates

### New Marketing campaign

- Wealth Management
- Print Media Focus

# Important revenue drivers in 2013

## Outlook

### Wealth Management

Utilisation of the extensive MLP client potential, also positive expectations for the Feri business

### Long-term care

Clients are increasingly focussing on long-term care - acceleration due to "Pflege Bahr" (supplementary long-term care insurance)

### Occupational provision

Strong market position of MLP - still huge catch-up requirement in Germany

# Summary

- MLP had a **very successful financial year 2012** and further improved all key figures
- 2012 demonstrated the importance of the **early implementation of the efficiency programme** and the **broadening of the business model**
- MLP is benefitting from the strengthening of the wealth management and occupational pension businesses and will further increase the proportion of **recurrent revenues**
- Business development in the first quarter was influenced, as expected, by the **strong final quarter 2012** and the **changeover to new unisex tariffs**
- From a current perspective, the second quarter will remain below our expectations due to the difficult market environment but, as is usual with the MLP business model, the **second half-year is crucial to our full year performance**
- **Guidance reiterated:** For the financial years 2013 to 2015 MLP expects high stability and forecasts that **EBIT will be in the €65 to €78 million range**

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