

# **W&W Group**

## **Financials and Business Outlook**

Berenberg and Goldman Sachs Seventh German Corporate Conference 2018  
Munich, 24 – 26 September 2018

Wüstenrot & Württembergische AG



# Agenda

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**1** **W&W at a glance**

**2** **W&W Share**

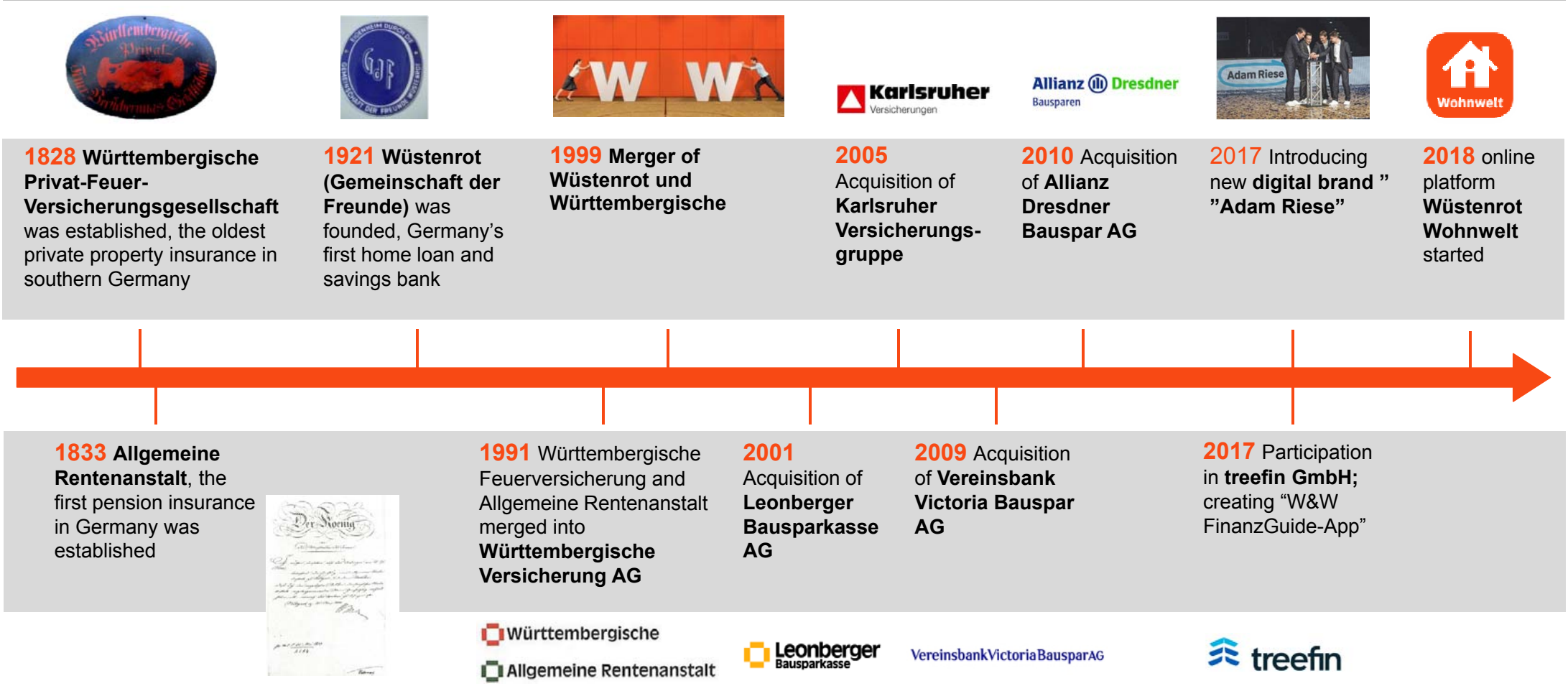
**3** **Financials**

**4** **Strategy**

**5** **Outlook 2018 and Guidance**

# W&W at a glance

## 200 years of experience in financial issues



# W&W at a glance

## W&W as diversified insurance & banking company

### Established player with well-known brands

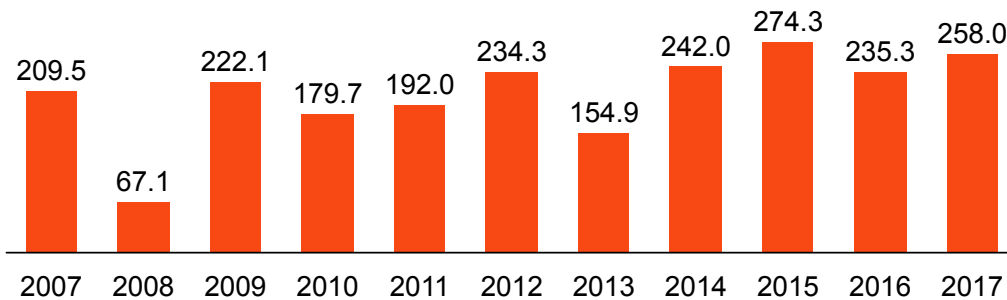
- Diversified insurance & banking company
- Reputation of more than 100 years of expertise
- Well known brands: Wüstenrot and Württembergische
- Approx. 6 million customers in total
- Headquarters in Stuttgart, Germany
- Approx. 6,800 employees

### Key figures consolidated balance sheet 30/06/2018:

- Total assets: 74.3 €bn
- Net profit: 116.4 €mn
- Capital investments: 47.8 €bn
- Senior fixed-income securities: 20.5 €bn
- Building loans: 23.5 €bn
- Technical provisions: 35.6 €bn
- Equity: 4.3 €bn

### Strong consolidated net profits

in €mn



Source: W&W (2017)


















### Geographic focus



- Core Market: Germany
- Additional Bauspar and banking business in Czech Republic

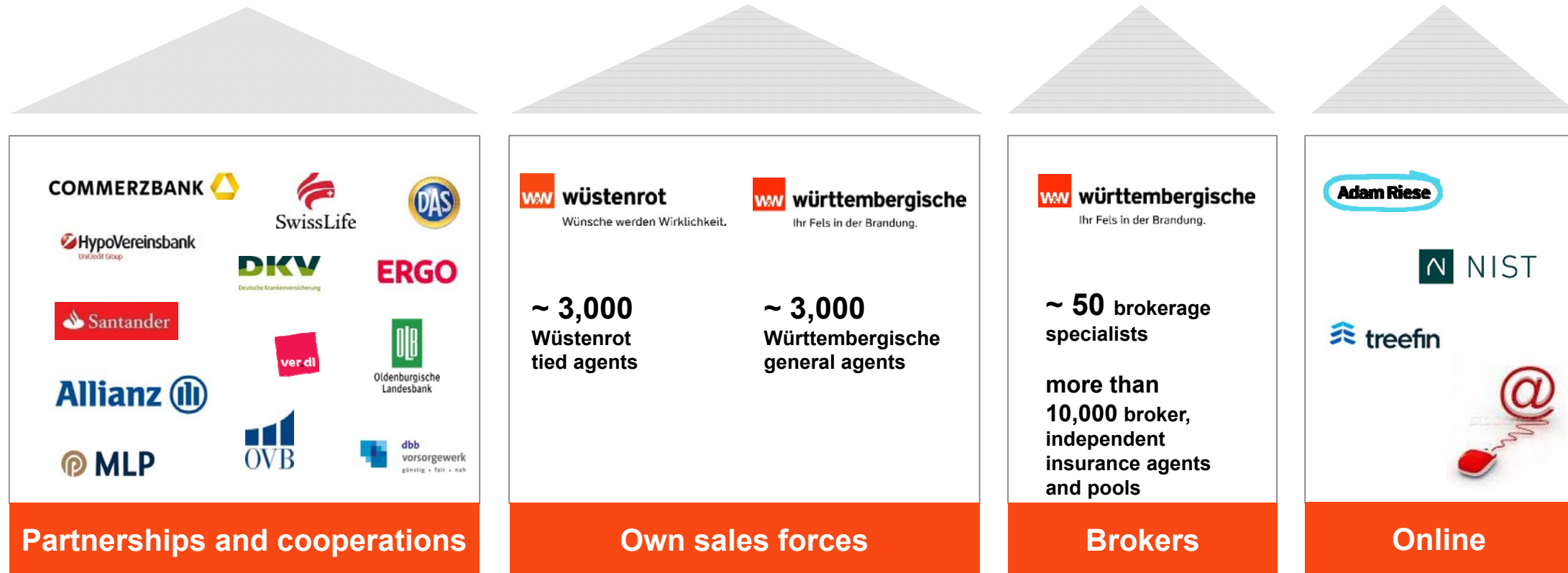
# W&W at a glance

## Broad product portfolio to create and secure values

Brand					   
Business segment	Home Loan & Savings	Life & Health Insurance	Property & Casualty Insurance	brandpool	
Position	# 2 in Germany for <u>Bausparen</u> One of the top-brands for <u>construction finance</u> 14.6% market share	# 12 in German life insurance 2.1% life market share*	# 9 in Germany 2.5% market share	New business segment with new approaches to financial products	
Product groups	 Home loan & savings	 Life & retirement	 Car & mobility	 Fintech for digital construction finance	
	 Construction financing	 Health & care	 Liability & law	 Digital insurance brand of W&W	
	 Home & living		 Accident etc.	 Digital financial assistant	

# W&W at a glance

## Omni-channel activities of W&W-Group



➤ Potential access to 40 million customers.

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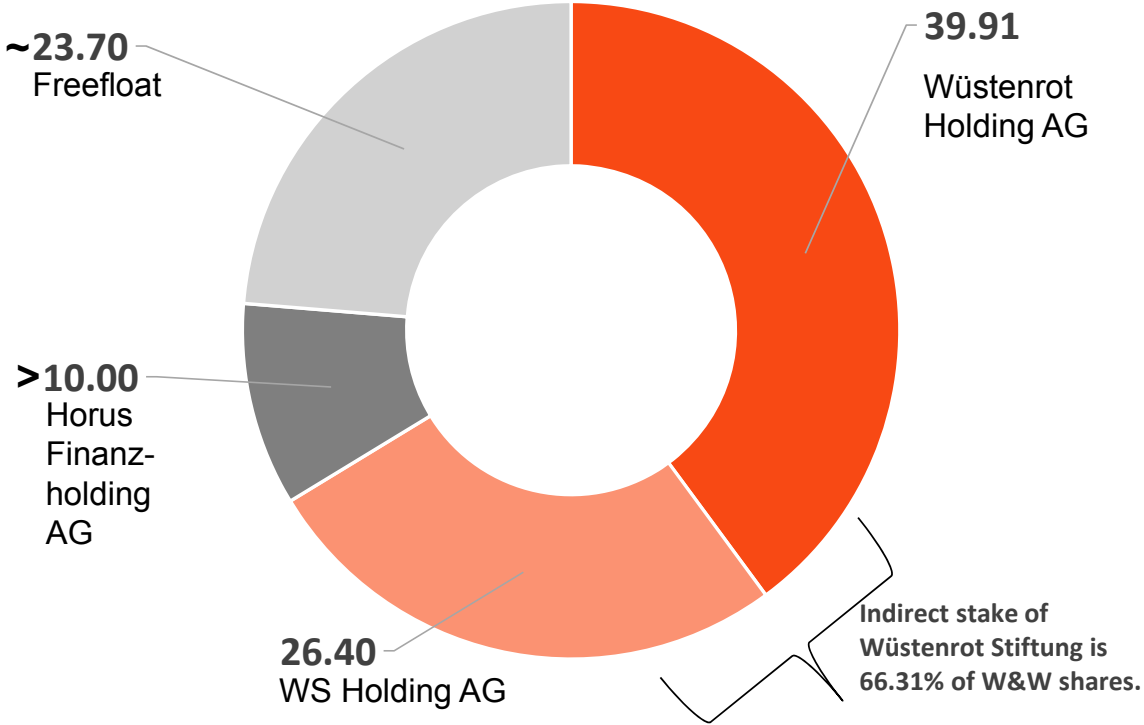
# W&W Share

## Investors of W&W-Group



W&W registered shares are listed on the Stuttgart and Frankfurt stock exchange. W&W AG is part of the SDAX since March 2016. Anchor shareholder is Wüstenrot Stiftung, holding an indirect stake of 66.31%.

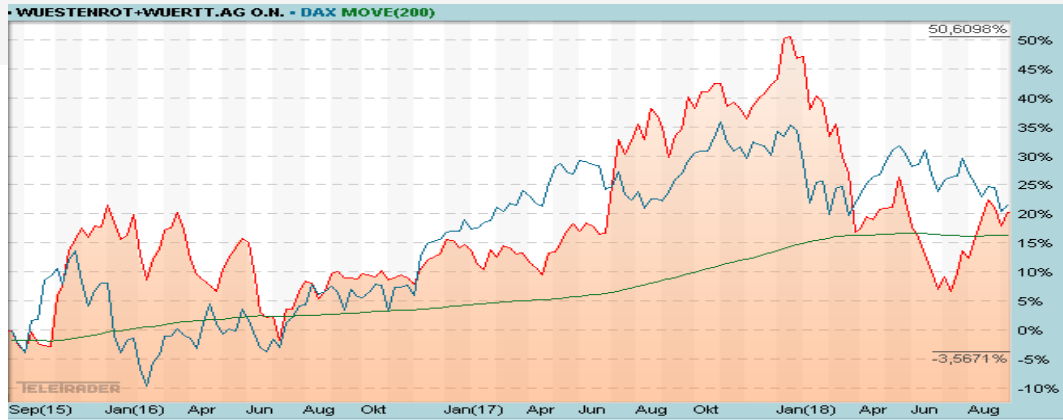
W&W investors in %





# W&W-Share

## Price level with significant upside potential



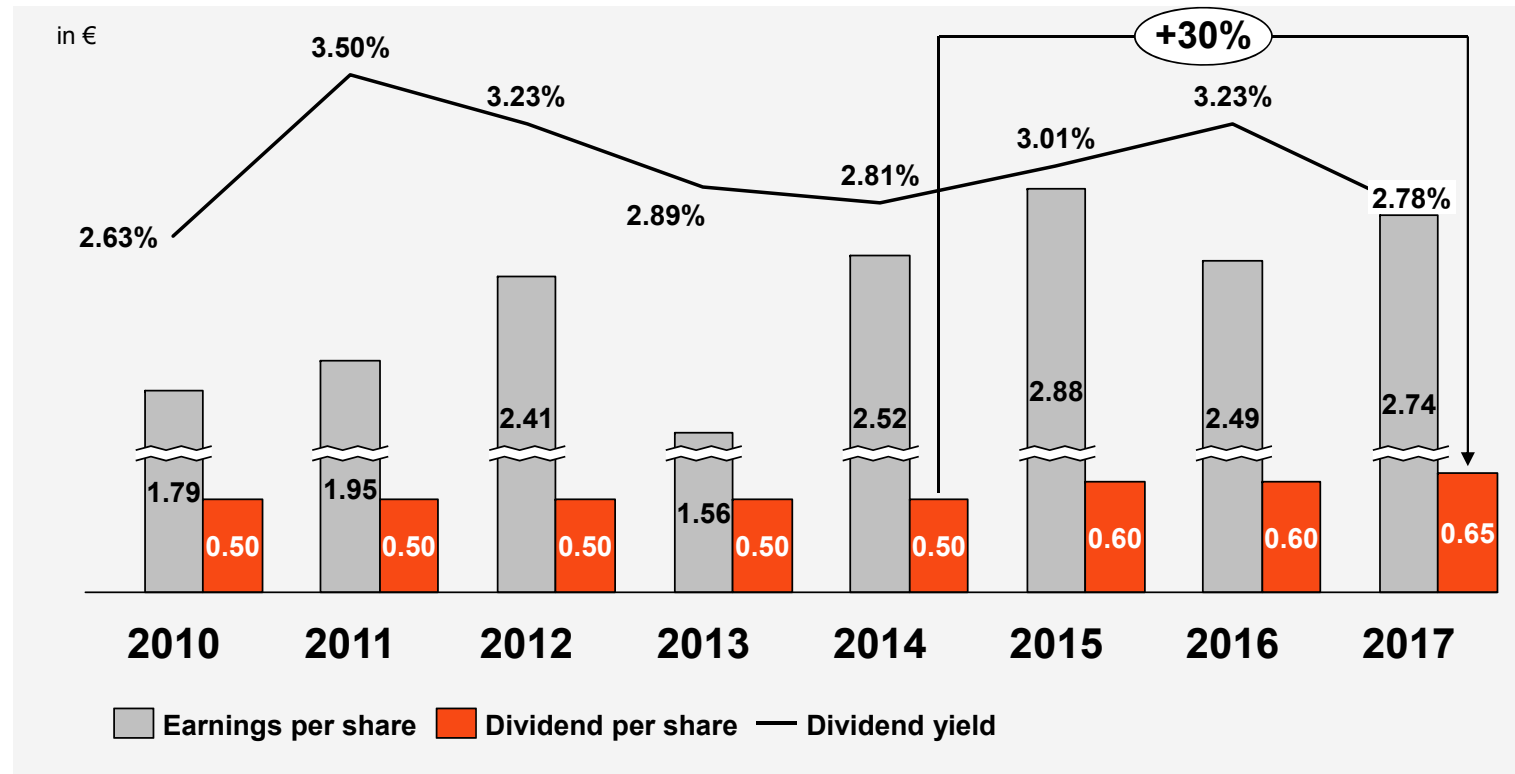
Analysts' estimates			Upside
Commerzbank	07/08/18	buy / targetprice: 22.00 €	10,0%
Lampe	15/08/18	buy / targetprice: 23.50 €	17,5%
Metzler	29/03/18	buy / targetprice: 25.60 €	28,5%
Montega	21/08/18	buy / targetprice: 23.50 €	17,5%
LBBW	13/08/18	buy / targetprice: 23.00 €	15,0%

- Analysts see a clear upside potential and recommend the stock as a buy
- P/E-Ratio: 7.3
- 30/06/2018:
  - Equity per share: 45.74 €
  - Earnings per share: 1.24 €

 **Current valuation offers attractive entry level.**

# W&W-Share

## Sustainable dividend policy



- Dividend increase 2018 from 0.60 to 0.65 € (+8.3%)
- Since 2014: + 30%
- Dividend yield currently 2.8%
- For comparison:
  - MDAX (2.6%)
  - SDAX (1.8%)



**Our dividend policy: Reliable dividend at least at the previous year's level.**

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# Financials

## Results 2014 – 2017: Overview

<b>Group Net Profit (IFRS)</b> in €mn	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Segment Home Loan and Savings Bank	51.8	57.0	58.7	58.5
Segment Life and Health Insurance	45.7	40.3	49.7	31.8
Segment Property/Casualty Insurance	128.2	114.9	108.3	125.8
Others/Consolidation	16.3	62.1	18.6	41.9
<b>Group Net Profit</b>	<b>242.0</b>	<b>274.3</b>	<b>235.3</b>	<b>258.0</b>
<i>Earnings before income taxes</i>	283.0	323.6	291.6	292.4
<i>Income taxes</i>	-41.0	- 49.3	- 56.3	-34.4

# Financials

## W&W 6M 2018 Net Profit

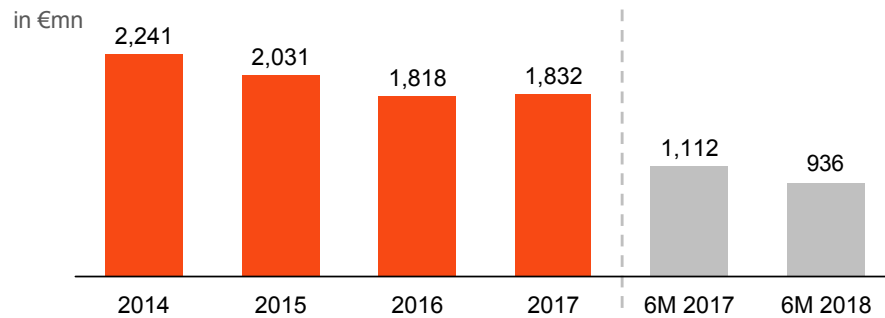
<b>Group Net Profit 6M/18 (IFRS)</b> in € mn	<b>30/06/2017</b>	<b>30/06/2018</b>
Segment Home Loan and Savings Bank	27.4	30.0
Segment Life Insurance	16.4	14.7
Segment Property/Casualty Insurance	96.1	62.1
Other Segments/Consolidation	15.0	9.6
<b>Group Net Profit</b>	<b>154.9</b>	<b>116.4</b>

➤ **W&W Group completely on course (FY exp. at least 200 €mn) in the first half of 2018;  
Consolidated net profit slightly exceeds our expectations.**

# Financials

## Consolidated net results W&W Group

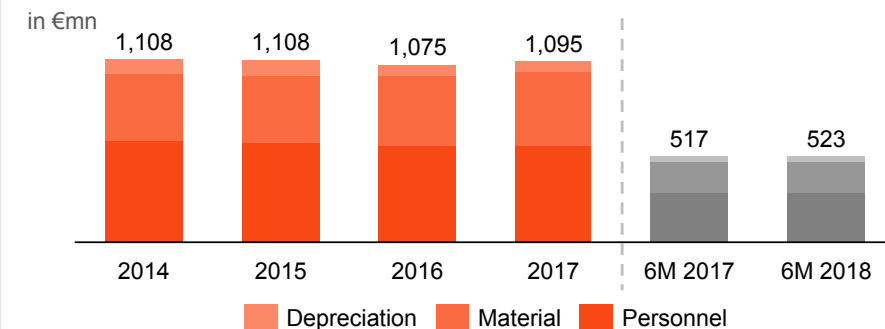
### Consolidated financial result



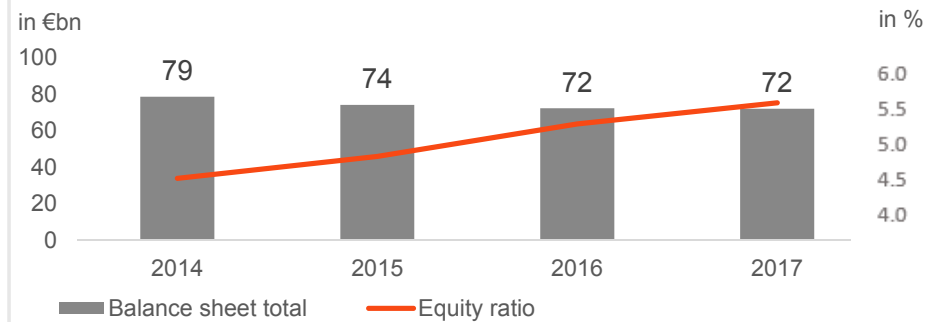
### Comments consolidated net profit 6M 2018

- ↓ Lower net financial result
- ↑ Higher premiums earned (net)
- ↑ Less insurance benefits
- ↓ Lower net commission income
- ↓ Higher administrative expenses

### Administrative expenses



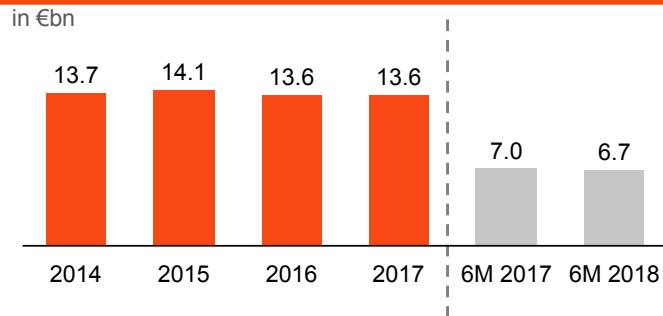
### Balance sheet total and equity



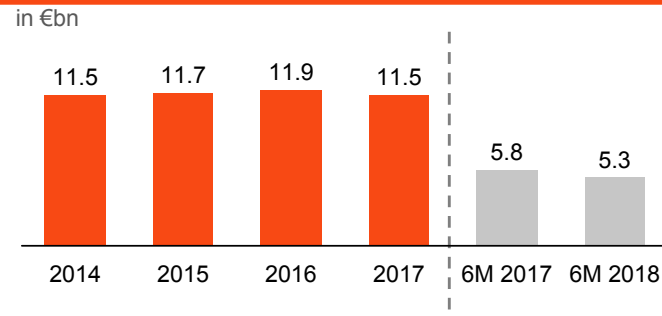
# Financials

## Home Loan & Savings segment\*

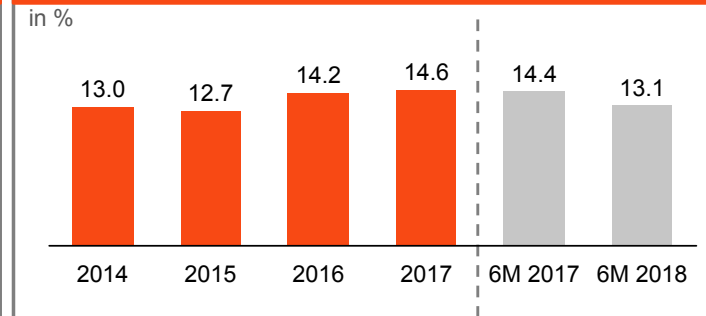
### Bausparen: Gross new business



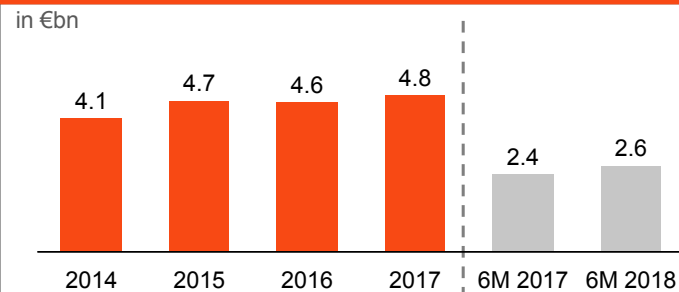
### Bausparen: Net new business



### Bausparen: Market share, gross

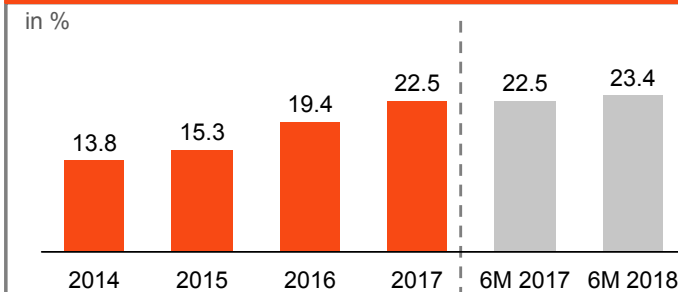


### New business construction financing\*\*



\*\*Including brokering for third parties

### Core capital ratio\*\*\*

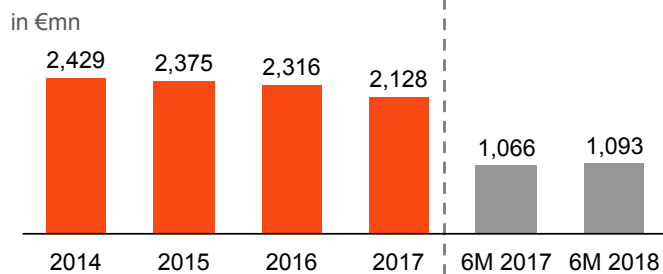


\*\*\*Financial Holding Group

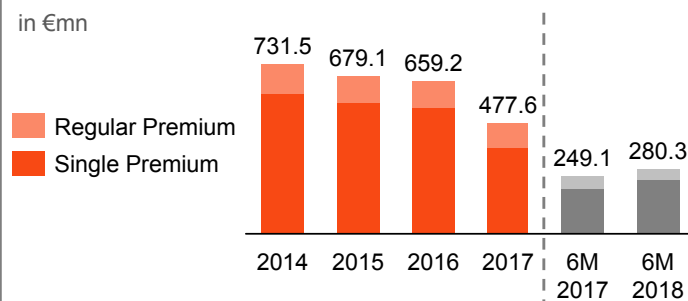
# Financials

## Life & Health Insurance segment

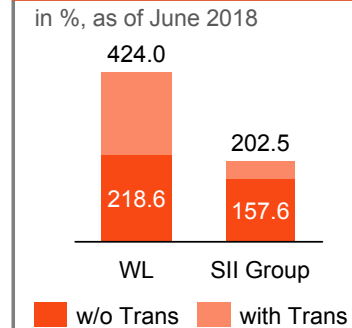
### Gross premiums written



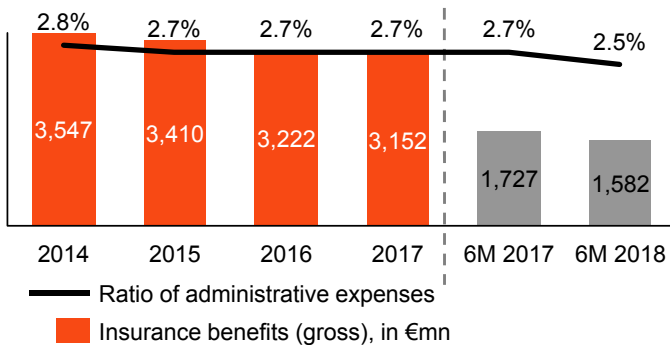
### New business



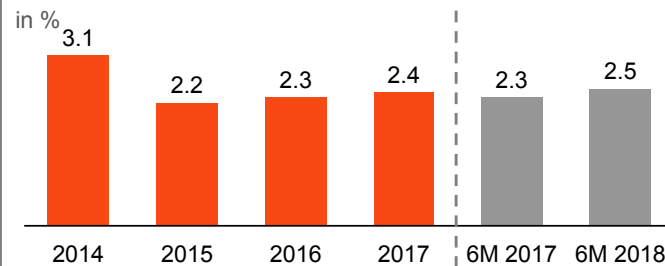
### SII-Ratio



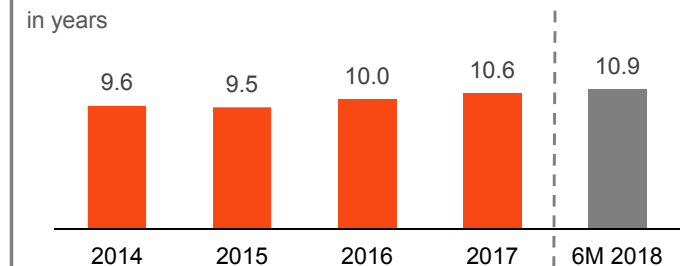
### Insurance operations WL



### Return on new invests



### Duration WL

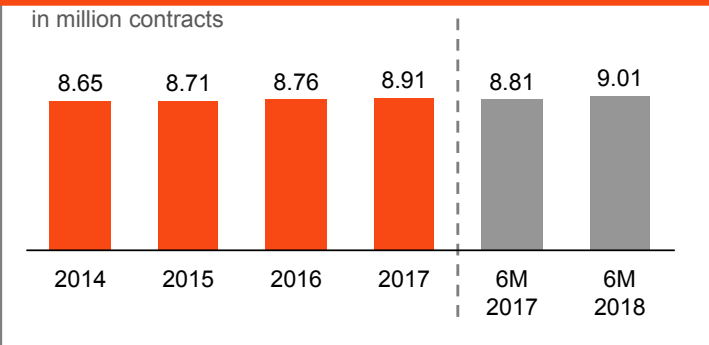




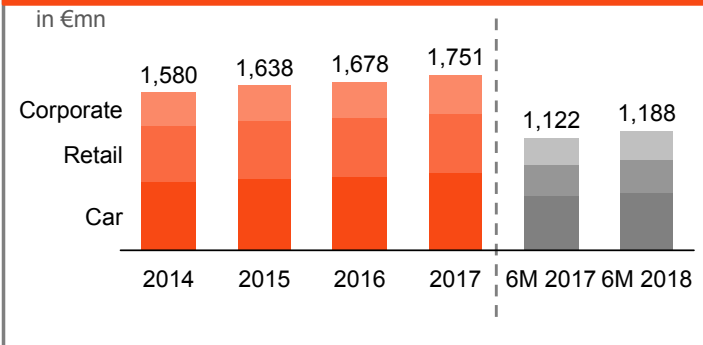
# Financials

## Property & Casualty Insurance segment

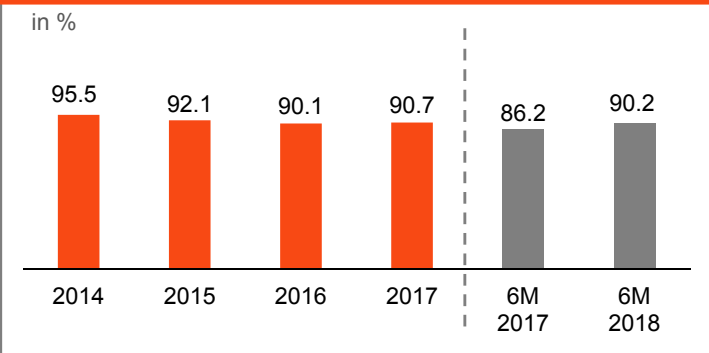
### Number of contracts



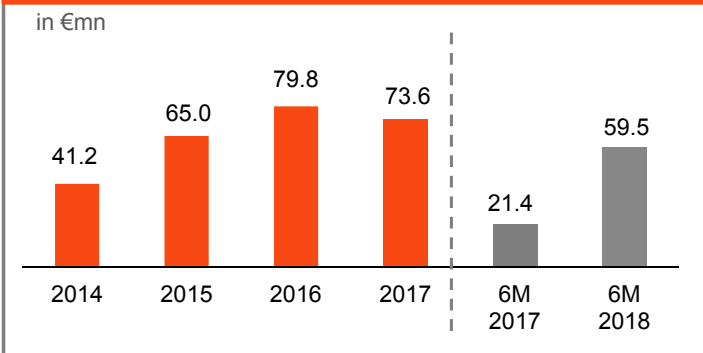
### Gross premiums written



### Combined ratio (gross)



### Damage from natural disasters



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# Strategy

## W&W in challenging environment



- Shift in customer needs and values
- Change dynamic & demography

- New models in life and share economy
- Increasing plurality of society

- Regulatory requirements
- Consumer protection

- Increasing regulatory requirements for sales force
- Additional consumer data requirements

- Digitalization & technological progress
- Data era & digital networks

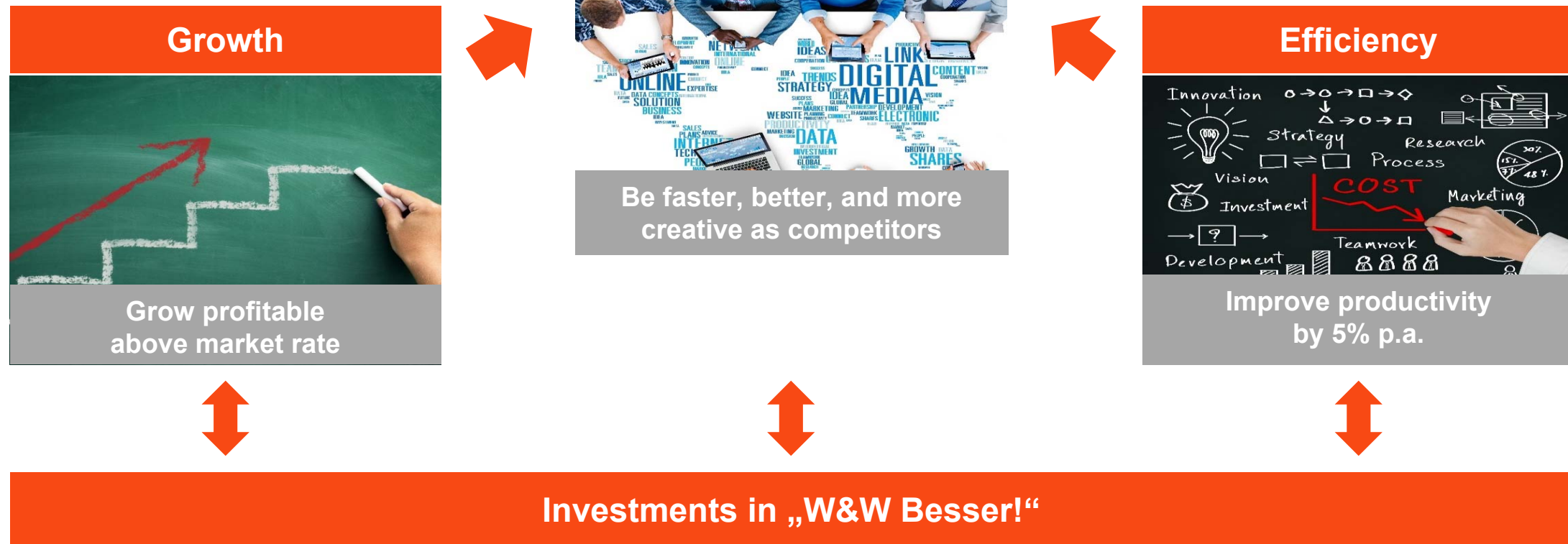
- Digitalization of and fight for client interface
- Data as success factors

- Interest rate development
- Capital markets

- Low interest rate environment
- Low risk premiums

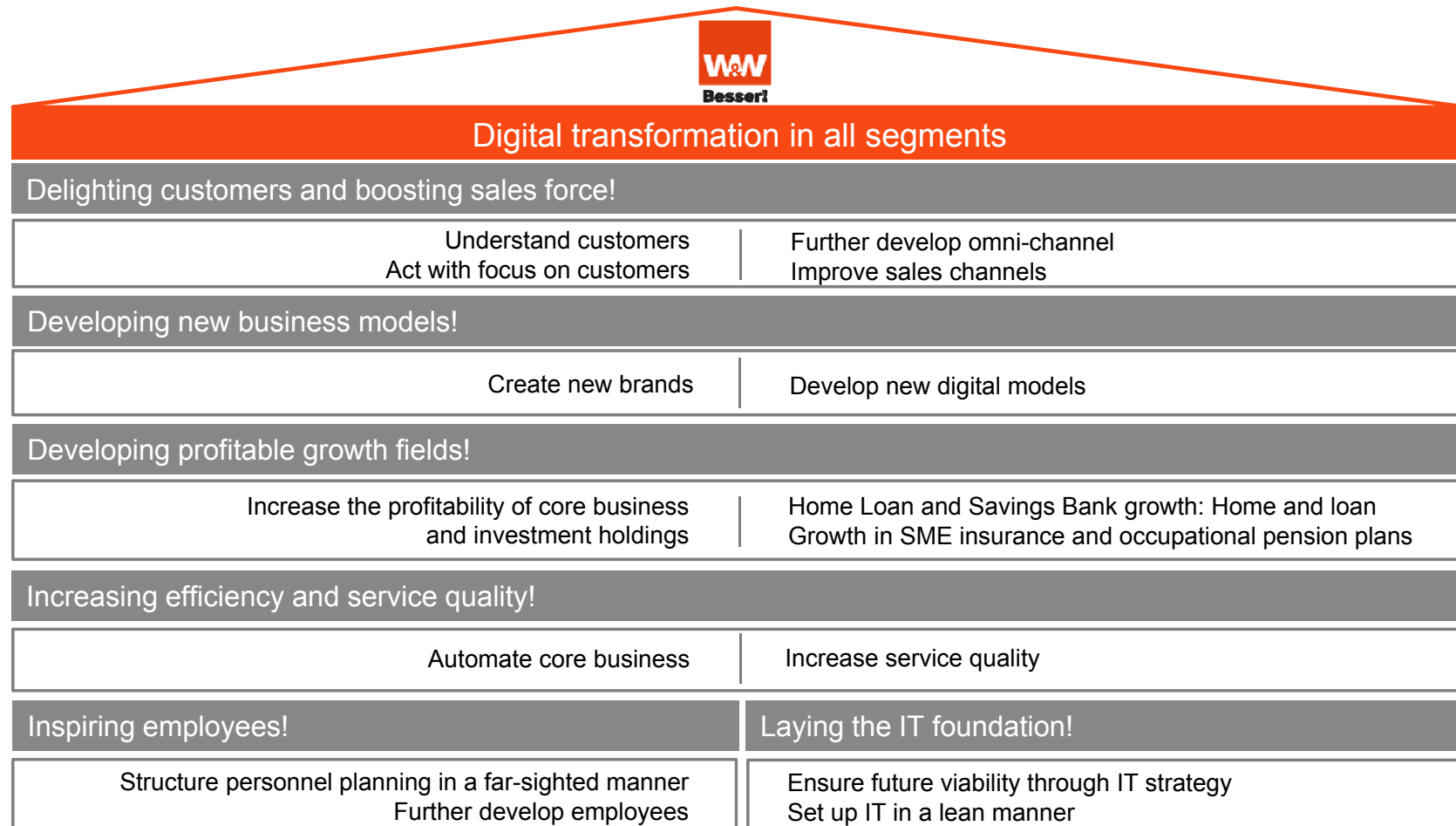
# Strategy

“W&W Besser!” ensures competitive edge



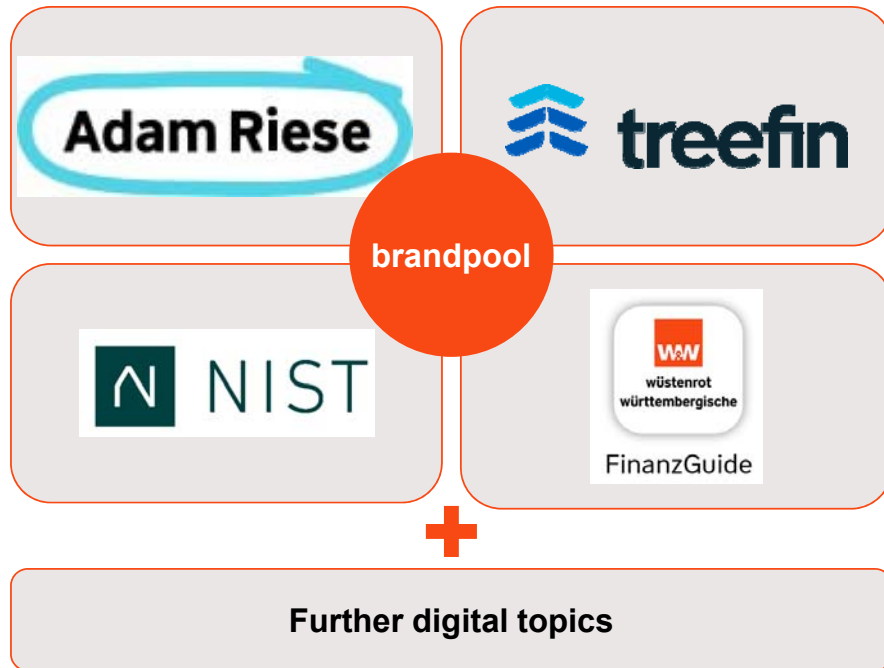
# Strategy

**At the core of “W&W Besser!” is the digital transformation in all segments**



# Strategy

## “brandpool”: developing new digital business models



Our new business segment “**brandpool**”

- ✓ initial scope defined
- ✓ managing director Daniel Welzer (since May 2018)

Our new digital brand **Adam Riese**

- ✓ launched in October 2017 with a personal liability insurance
- ✓ enhanced offering: legal protection insurance for private customers and business protection insurance
- ✓ new business 2018 as of August: more than 15,000 contracts and more than € 800,000 in premiums

Our new innovation **Nist**

- ✓ is a digital, personal companion for buying the desired real estate
- ✓ first features are live

Our independent insurance broker **treefin**

- ✓ new features added (spending tracker and budget planner)
- ✓ over 5,000 active users

Our new digital financial assistant **Finanzguide**

- ✓ launched for W&W customers
- ✓ over 12,000 registered users

➤ **W&W invests in innovative, future-oriented new business models.**

# Strategy

## W&W-Campus: Modern working environments at a common location



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# Group Outlook 2018

## W&W completely on track

### Growth

New business expected to rise in core business (e.g. construction financing, property/casualty insurance and supplementary health insurances)

### Investments

Increase in overall investments to seize the chances of the digital transformation

### IFRS

Because of additional investments, particularly for digital transformation, consolidated net profit for 2018 will not reach the figure for the previous year. However, we expect that consolidated net profit will amount to at least €200 million. We remain committed to our longterm goal of consolidated net profit of €220 million to €250 million.

### Local GAAP

Net profit under local GAAP (HGB) is expected at € 70mn to € 90mn

### Dividend

Reliable dividend policy: at least equal to previous year's level (2017: 0,65 € / share)

Flash player is required to view this page correctly. You can download it from [here](#)

If you prefer a Flash-free version click [here](#).

W&W Group pleased with financial year 2016

[For more](#)

Wüstenrot Bausparkasse increases net new business

[For more](#)

Property/casualty insurance increases gross premiums

[For more](#)

Stand: 10. Juli 2017

## FACT SHEET

### UNTERNEHMENSPROFIL

Der W&W-Konzern ist eine unabhängige Finanzdienstleistungsgruppe mit 100 % Beteiligung, die unter der Marke von Wüstenrot und Württembergische tätig ist.

Die W&W ist in zwei Geschäftsfeldern aktiv: Bausparkasse und Versicherung. Durch die Konzentration der Geschäftsfelder kann die W&W Gruppe ein besonders hohes Maß an Synergien aus einer Hand erzielen. Der Konzernumsatz liegt dabei auf 77,4 Mrd. und Gesamtvermögen im Konzern 1,1 Billionen Euro. Im Konzern beschäftigt sich die Gruppe strategisch auf vier Ebenen.

W&W ist die stärkste Marke in der W&W-Gruppe. Wüstenrot Bausparkasse ist die führende Bausparkasse in Deutschland. Wüstenrot ist die führende Lebens- und Sachversicherung in Deutschland. W&W ist die führende Lebens- und Sachversicherung in Deutschland.

Zu den Stärken des Konzerns gehören ein großer Stimmanteil von rund 6 Millionen Kunden sowie die starke Kundenbindung mit 100 % W&W-Kunden. W&W ist ein 100 % verbundener Aufsichtsratskonzern. 1.000 Wüstenrot Service-Center und 1.000 Wüstenrot Service-Center sind in 100 % Wüstenrot Service-Center. Wüstenrot Service-Center sind in 100 % Wüstenrot Service-Center.

AKTIENKURS



### FINANZKALENDER

11.08.2017	Veröffentlichung Halbjahresfinanzbericht
18.08.2017	Bericht und Gewinnplan des Aufsichtsrats/W&W-Konzerns
14.11.2017	Veröffentlichung Quartalsfinanzbericht (Stichtag Q3)
18.11.2017	100 % Generalversammlung des Konzerns
27.11.2017	Eigenkapitalstruktur, Finanzplan

### VORSTAND



<b>Aufsichtsrat</b>	<b>Vorstand</b>
Hans-Joachim Lauth (Vorsitzender)	Dr. Michael Ellwanger
Peter Brandhoff	Dr. Peter Hagemann
Udo Hübner	Dr. Jochen Hübner
Andreas Lauth	Dr. Jochen Lauth
Markus Loh	Dr. Jochen Loh
Andreas Loh	Dr. Jochen Loh
Christoph Loh	Dr. Jochen Loh
Christoph Loh	Dr. Jochen Loh

### STAMMDATEN DER AKTIE

ISIN	DE0000000000
WKN	800 100
Art der Aktie	Stammaktie
Bezeichnung Code	W&W AG
Rechts Code	W&W AG
WKN	800 100
ISIN	DE0000000000
Stimmrecht	1 Aktie = 1 Stimme
Letzte Dividende	0,00 EUR (2016)
Aktien der Aktien	90.749.120
Netto Cash	2,18 Mrd. EUR
Stückpreis	21,88 EUR
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Rating: BBB- (aktuell) (Stichtag: 30.06.2017)

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WÜSTENROT  
WÜRTTEMBERGISCHE

Investor Relations Newsletter

2.2 DEUTSCHE ZEITUNG  
Gewinner und Verlierer des Jahres 2016

[Aktie](#)

[Finanzkalender](#)

[Publikationen](#)

Sehr geehrte Damen und Herren,

unser Investor Relations Newsletter informiert Sie über Neuigkeiten in W&W-Konzern und gibt Ihnen aktuelle Informationen rund um die Aktien der Wüstenrot & Württembergische AG und der Württembergischen Lebensversicherung AG.

W&W Quartalsmitteilung veröffentlicht

Der W&W-Konzern ist erfolgreich ins Jahr 2016 gestartet. Er hat sich bei den Kennzahlen planmäßig entwickelt. So lag der Konzernüberschuss im ersten Quartal bei 58,0 (Vj. 69,5) Mio € und liegt damit im Rahmen der Erwartungen. Der W&W-Konzern wendet seit dem 1. Januar 2016 den neuen Standard IFRS 9 Finanzinstrumente prospektiv an. Die Vorjahreswerte sind weiterhin gemäß IAS 39 bilanziert.

[Zu den Quartalsmitteilungen](#)

For further information please contact:  
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+49 711 662 725252

[www.ww-ag.com](http://www.ww-ag.com)

# Who we are

## Members of W&W Management Board

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**Jürgen A. Junker,**  
**CEO W&W AG**  
Chairman of the Management Board  
and W&W Executive Board



**Jens Wieland, COO/CIO**  
**W&W AG**  
Member of the W&W Executive Board



**Dr. Michael Gutjahr, CFO**  
**W&W AG**  
Member of the W&W Executive Board



**Bernd Hertweck,**  
Head of Division BausparBank,  
Chief Executive Officer of  
Bausparkasse AG



**Jürgen Steffan**  
Member of the Executive Board of  
Wüstenrot Bausparkasse AG, General  
Representative of W&W AG &  
Württembergische Versicherung



**Thomas Bischof**  
Head of Division Württembergische  
und Chief Executive Officer of  
Württembergische Versicherungen



**Daniel Welzer**  
Head of Division and Chairman of  
W&W brandpool Board

# Who we are

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**CEO W&W AG**  
Chairman of the Management Board  
and W&W Executive Board



**Jens Wieland, COO/CIO**  
**W&W AG**  
Member of the W&W Executive Board



**Dr. Michael Gutjahr, CFO**  
**W&W AG**  
Member of the W&W Executive Board



**Bernd Hertweck,**  
Head of Division BausparBank,  
Chief Executive Officer of  
Bausparkasse AG



**Jürgen Steffan**  
Member of the Executive Board of  
Wüstenrot Bausparkasse AG, General  
Representative of W&W AG &  
Württembergische Versicherung



**Thomas Bischof**  
Head of Division Württembergische  
und Chief Executive Officer of  
Württembergische Versicherungen



**Daniel Welzer**  
Head of Division and Chairman of  
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**Thomas Bischof**  
Head of Division Württembergische  
und Chief Executive Officer of  
Württembergische Versicherungen



**Daniel Welzer**  
Head of Division and Chairman of  
W&W brandpool Board

## Finanzkalender 2018 / 2019

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**13/11/2018**

W&W AG 9M 2018



**15/11/2018**

LBBW German Company Day, London



**26 – 28/11/2018**

Eigenkapitalforum, Frankfurt



**29/03/2019**

W&W AG Annual report 2018



**05/06/2019**

Annual General Meeting W&W AG, Ludwigsburg

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