



**MOL** Gruppo  
MutuiOnline

Gruppo MutuiOnline First Quarter 2014 Results

13<sup>th</sup> May 2014

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# Presenters today



**Marco Pescarmona**

- Group Chairman and Head of Broking Division
- Founder and key shareholder (16.25% indirectly through Alma Ventures SA)
- Background in consulting (McKinsey) and banking (Morgan Stanley)
- Degrees in Electrical Engineering and Computer Science, MBA from MIT



**Alessandro Fracassi**

- Group CEO and Head of BPO Division
- Founder and key shareholder (16.25% indirectly through Alma Ventures SA)
- Background in consulting (Booz Allen & Hamilton) in Italy and USA
- Degree in Industrial Engineering, MBA from MIT

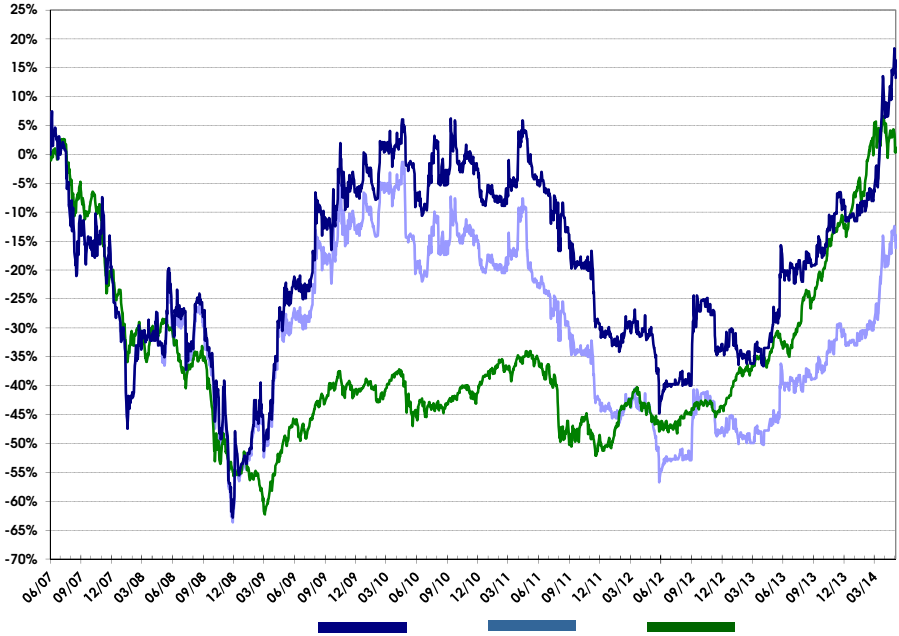


**Francesco Masciandaro**

- Group CFO
- Background in auditing (Arthur Andersen) and in administration, fiscal and corporate affairs (Società Interbancaria per l'Automazione)
- Degree in Economics

# Share performance 6 June 2007 (IPO date) – 9<sup>th</sup> May 2014

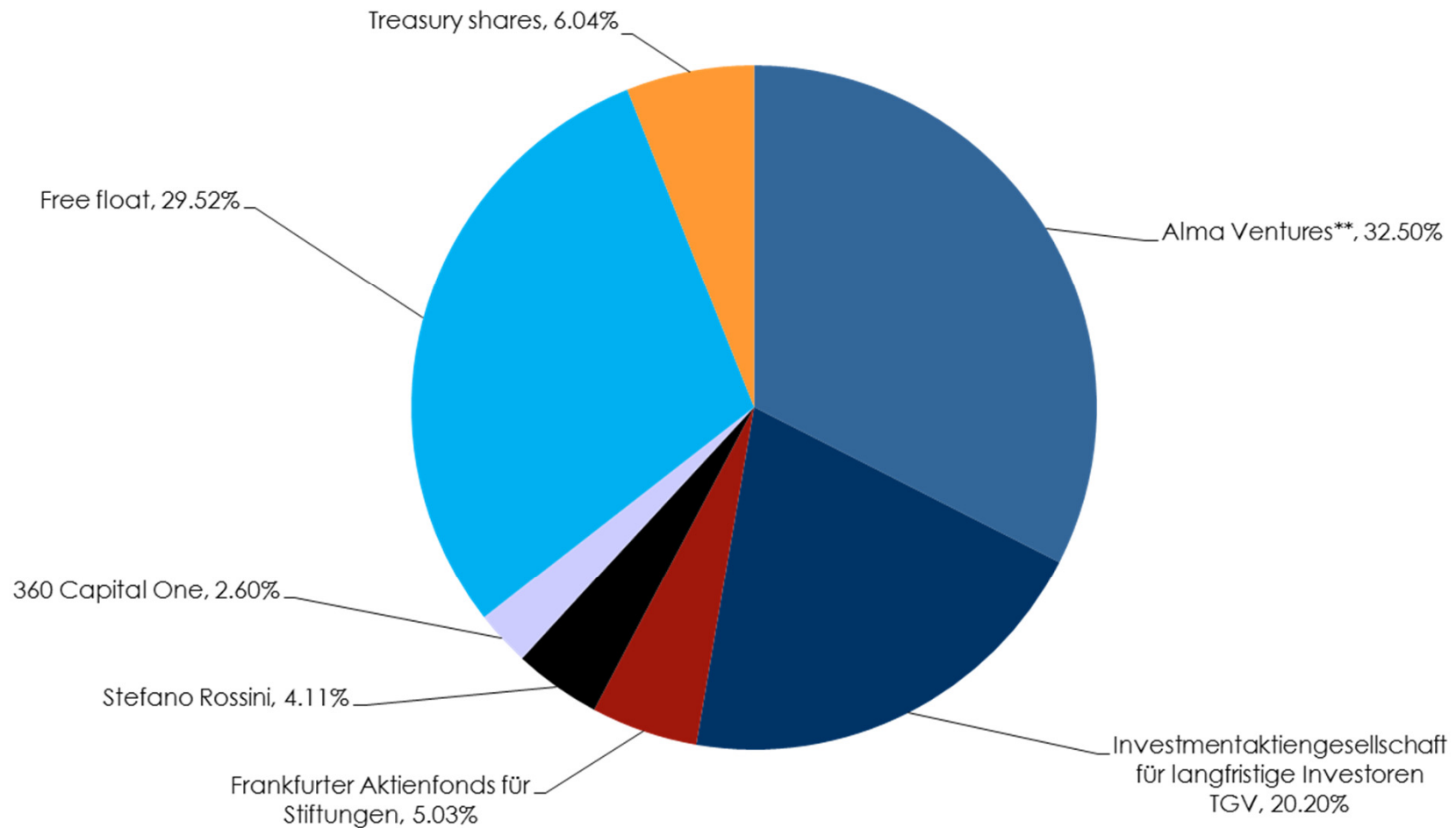
...mortar...  
...mortgage...  
...to...



MOL Total Return vs. MOL vs.FTSE ITALIA STAR

# Current shareholding structure

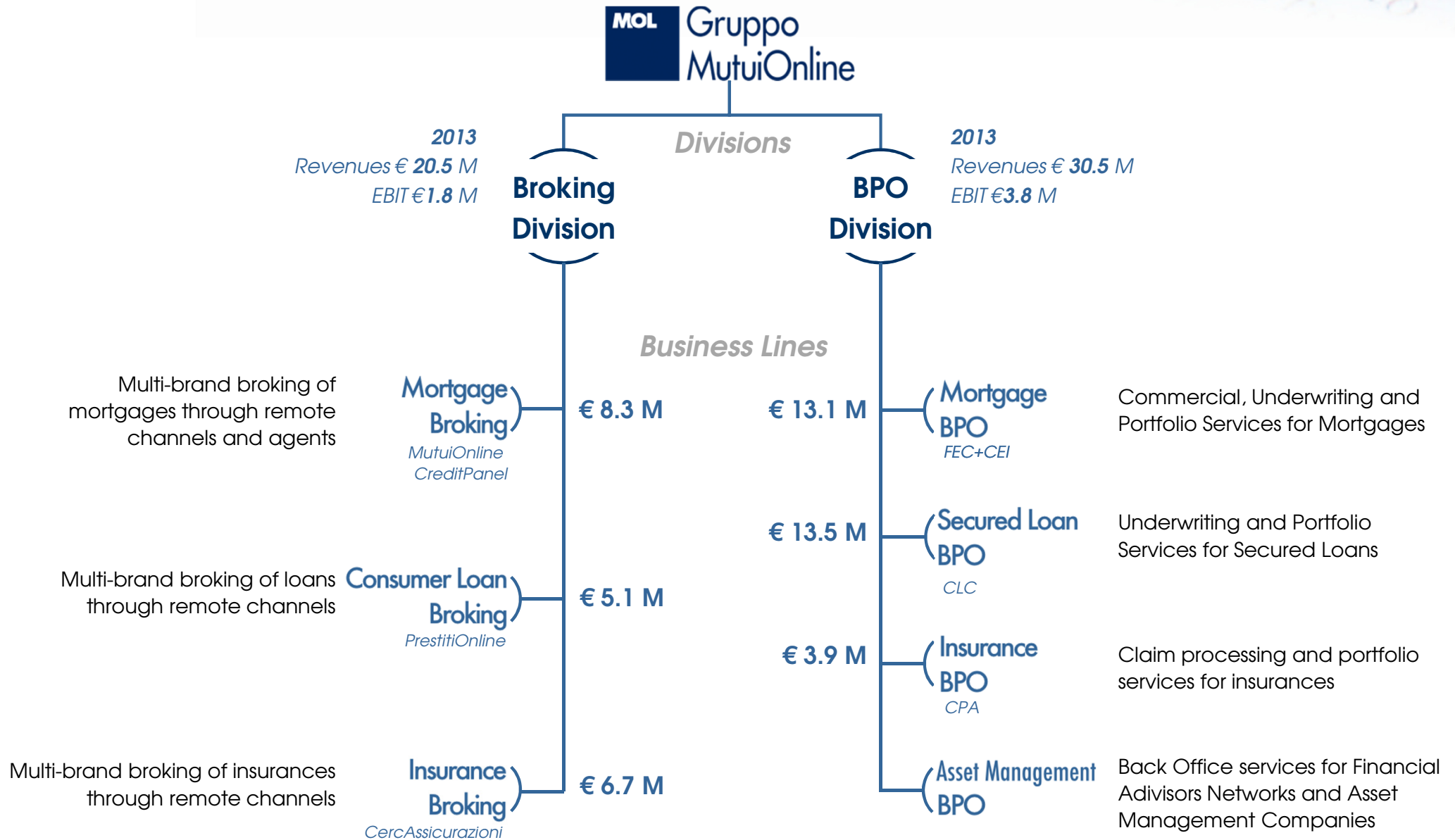
Shareholding structure as of 13<sup>th</sup> May 2014 \*



\* Share ownership as communicated to the company by relevant investors according to CONSOB regulations; includes all investors above 2% ownership threshold.




\*\* The share capital of Alma Ventures S.A. is owned 50% by Guderian S.r.l. and 50% by Casper S.r.l.; Guderian S.r.l. is 100% owned by Marco Pescarmona (Chairman and co-founder) Casper S.r.l. is 100% owned by Alessandro Fracassi (CEO and co-founder).

# Business portfolio





# Broking Division – Top Brands/Services

1/2

BRAND	DESCRIPTION	MARKET POSITION	OPERATIONS	REVENUE MODEL
 <b>MutuiOnline.it</b> Più scelta, più risparmio	Online Mortgage Broker (vertical specialist), comparison-based.	Leader in online mortgage distribution since year 2000.	Experienced telephone consultants provide independent advice and qualify all online applications, which are then transferred to chosen banks for closing. Operates as a qualified lead generator without any packaging (no paperwork).	Commission from lenders on closed mortgages (normally % of mortgage amount), one-off. May include volume incentives. Free for consumers, with no mark-up.
 <b>PrestitiOnline.it</b> Più scelta, più risparmio	Online Consumer Loan Broker (vertical specialist), comparison based.	Leader in online personal loan broking.	Online lead generation for lenders, with support of telephone consultants. No packaging.	Commission from lenders on closed mortgages (normally % of loan amount), one-off. Free for consumers, with no mark-up.
 <b>ConfrontaConti.it</b> Più scelta, più risparmio	Online Comparison of Current an Saving Accounts (vertical specialist).	First specialized player, market still very small.	Mostly technology based.	Remunerated by banks for promoting their products, with variety of formulas (per click, per application, per account, etc.).

# Broking Division – Top Brands/Services

2/2

BRAND	DESCRIPTION	MARKET POSITION	OPERATIONS	REVENUE MODEL
	<p>Online Insurance Broker (vertical specialist), comparison-based, mostly motor.</p>	<p>Legacy brand as customer acquisition for insurance has shifted to Segugio.it brand.</p>	<p>Mostly technology based lead generation, provides customer support phone operations. No policy issuance.</p>	<p>Fee on new policy sales plus (lower) renewal fees from insurance companies. Free for consumers, with no mark-up.</p>
	<p>Multi-product aggregator for insurance, personal loans, mortgages, bank accounts, utilities (ADSL, energy) with brand-driven customer acquisition model. Focus on Motor Insurance.</p>	<p>Launched in September 2012, is number two player in online insurance comparison, progressively reducing gap versus leader, other players significantly smaller. Other products represent add-on and cross-selling opportunity.</p>	<p>Focus on marketing activities, mostly TV and Internet. With the exception of utilities, relies on specialized regulated group companies for provision of comparison and intermediation services for specific products.</p>	<p>Same as for specialized product brands.</p>



# BPO Division – Main Services

## PRODUCT LIFE CYCLE



### Mortgage BPO

- Commercial activities for online lenders (in lenders' name)
- Centralized packaging
- CRM activities for origination process
- Support for intermediary networks

- Income Analysis
- Technical-Legal Analysis
- Anti-fraud checks
- Real-estate appraisals
- Notary coordination services
- Contract drafting
- Process coordination

- Current Account Servicing
- Collections
- Delinquencies

### Secured Loans BPO

- Commercial activities through remote channels
- Centralized packaging
- Support for intermediary networks

- Document analysis
- Income Analysis
- Anti-fraud checks
- Employer follow-up
- Consolidation of other loans
- Closing preparation

- Collections
- Claims
- Portfolio analysis
- Current account servicing
- Portfolio internalizations

### Asset Management BPO

- Support for financial advisor networks

- Fund subscriptions
- Insurance subscriptions
- Anti-money laundering

- Switches and exits
- Consolidation of fund orders

### Insurance BPO

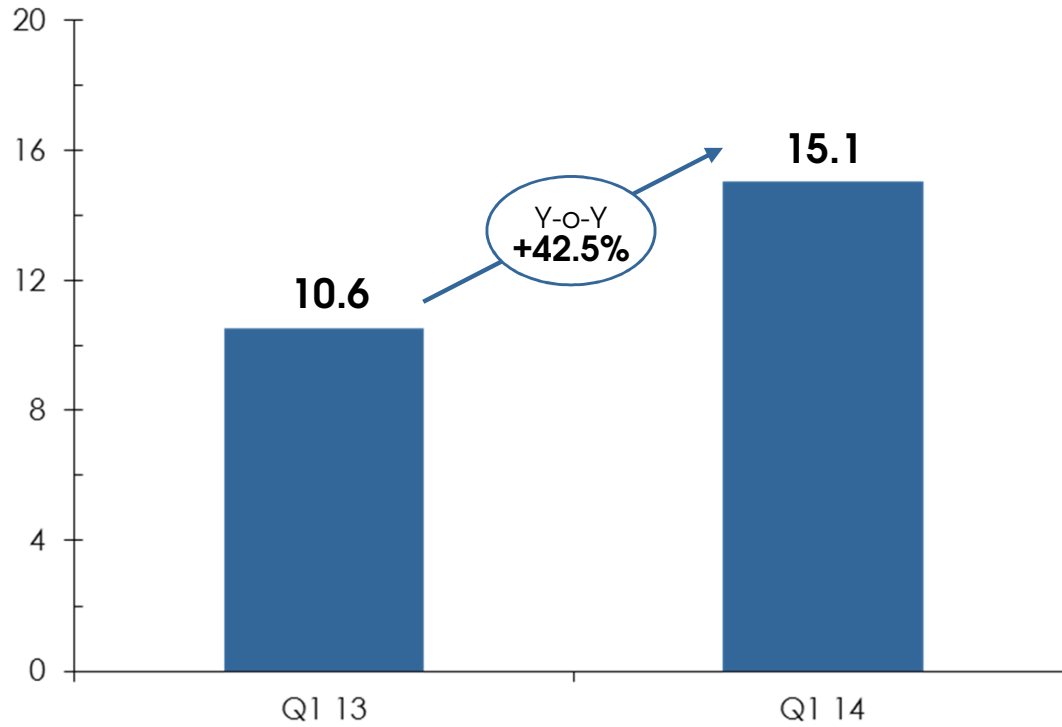
- Support for online distribution

N/A

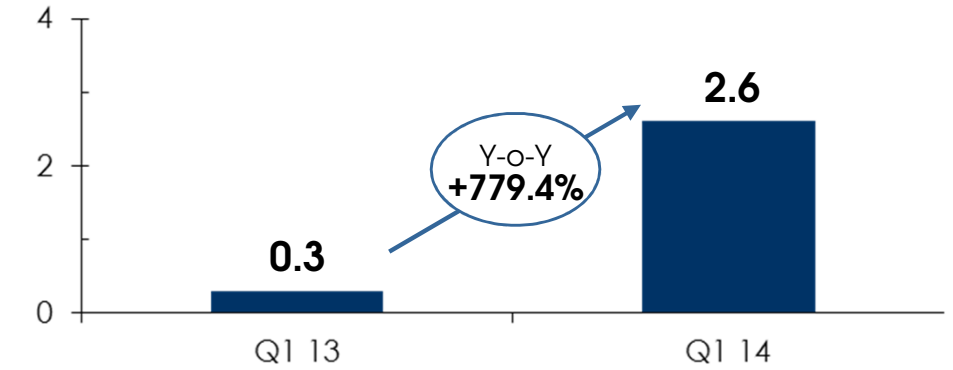
- Mass TPL claims management (e.g. property)
- Medical expense management
- Self-insurance claims management
- CPI claims management

# Q1 highlights

Revenues  
(€m)

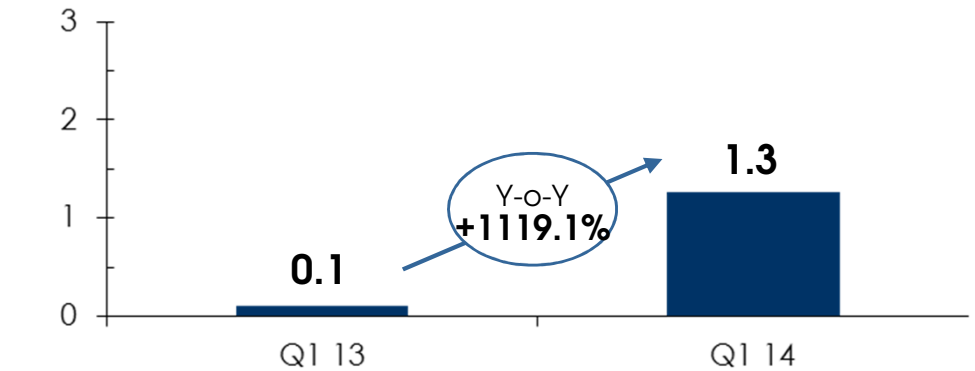


EBIT  
(€m)



EBIT margin	3%	17%
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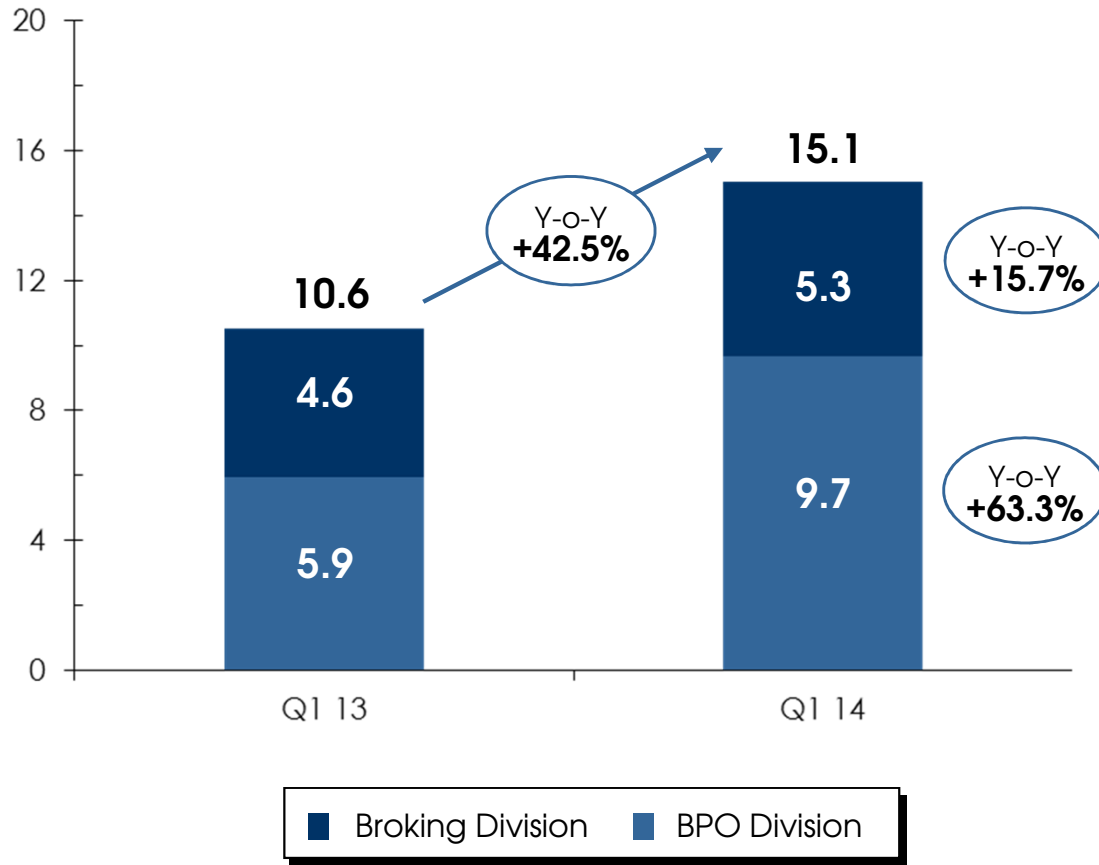
Net Income\*  
(€m)



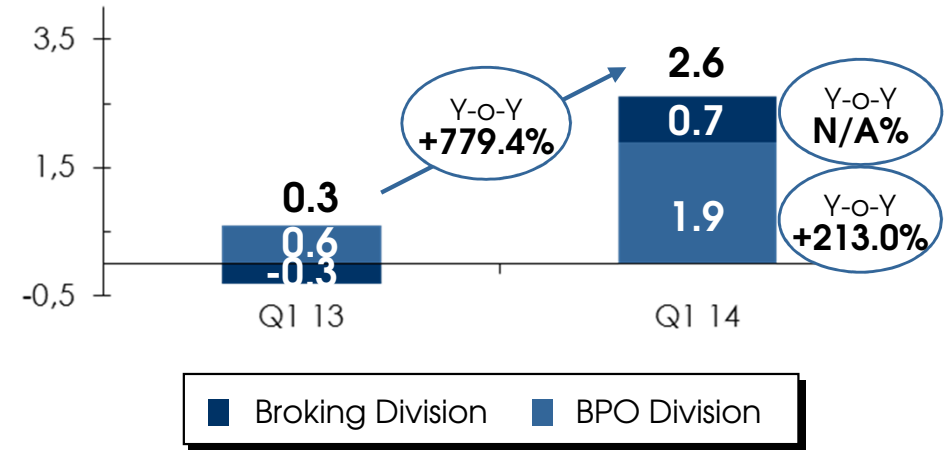
NI margin	1%	8%
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# Q1 Segment reporting

**Revenues**  
(€m)



**EBIT**  
(€m)



**EBIT margin**

	Q1 2013	2013	Q1 2014
Broking Division	-7%	9%	13%
BPO Division	10%	12%	20%
<b>Total</b>	<b>3%</b>	<b>11%</b>	<b>17%</b>

# Evolution of the Italian residential mortgage market

- The Italian residential mortgage market has finally stabilized, even if the outlook for recovery remains uncertain.
- Data from Assofin, an industry association which represents the main lenders active in the sector, after recording a decrease of gross new mortgage flows of 9.4% year on year in Q4 2013, indicate a year on year change of mortgage flows of -3.3% in January and +6.9% in February 2014. Data from CRIF, a company which manages the main credit bureau in Italy, show a year on year increase of 9.6% of credit report inquiries for mortgages in Q1 2014, confirming the positive trend already visible in H2 2013. The main positive contributor to this evolution is the recovery of the demand for remortgages resulting from the drop of market spreads.
- In the first months of 2014 mortgage supply continues to improve, above all with a progressive reduction of spreads which reflects the decreasing cost of funding for banks, while, despite increasing lending appetite, the underwriting criteria have not yet improved significantly. The main obstacle to a recovery of the market remains the weakness of demand for house purchase mortgages, linked to the general climate of economic recession, uncertainty and low consumer confidence.

# Evolution of the Italian Motor TPL insurance market

- The Group operates as an insurance broker, mainly in the branch of Motor TPL and in other risks related to vehicles. As this area of activity now contributes a significant portion of the revenues of the Broking Division, we consider it appropriate to provide some information on the reference market.
- Currently, the insurance contracts brokered by the Group are almost all policies issued by the so-called Direct Insurers, that is insurance companies distributing their products through Internet or telephone, without resorting, if not marginally, to agents or other intermediaries on the field.
- As highlighted in its public statistics by ANIA, the trade association of insurance company, in 2013 the revenues (premiums) of the Motor TPL branch have decreased by 7.2% compared to 2012, reaching Euro 17,187 million. The contraction is mainly attributable to a reduction of average premiums, linked to the lower incidence of claims and the increasing competitive pressure in the sector, also following the one-off effect of the abolition of the “automated renewal” clauses of motor insurance policies starting from 1 January 2013. In the same period, Direct Insurers, which represent the main clients of the Group, have further increased their share of the Motor TPL market, reaching an overall share next to 10%. This growth has been led by the development of insurance aggregators, which recorded double-digit growth in 2013.
- The growth outlook for 2014, compared to the previous year, is however much less favorable for Direct Insurers and for aggregators. The main Italian insurance groups, facing a good technical performance of Motor TPL and in response to difficulties in retaining a client base of increasing mobility, have increased the commercial push on their products and become much more aggressive on prices, both by decreasing tariffs and by applying selective discounts to those client intending to change insurer (typically the best and most profitable ones). The results of these actions, which are becoming more and more visible month after month, are a significant further decrease of average premiums and a temporary halt of the growth of the on-line channel, both for Direct Insurers and for aggregators, as consumers enjoy fewer benefits from switching.

# Broking Division business update

## Broking Division



- Within the Broking Division, in Q1 2014, compared to Q1 2013, credit broking revenues show very slow growth while insurance broking revenues display more robust growth.
- With respect to the Business Lines active in credit broking (Mortgage Broking and Consumer Loan Broking), in Q1 2014 we observe brokered volumes and fees substantially stable compared to Q1 2013. This performance is coherent with a stabilization of the market, which could be followed by a slow and gradual recovery, still not visible in the evolution of our incoming applications, which we believe are continuing to suffer from the general weakness of demand. The continuous improvement of supply conditions, so far mainly in terms of lower prices/rates and looking forward hopefully also in terms of less rigid acceptance criteria, make us lean towards cautious optimism for the development of the market in the second half of the year.
- For what concerns the Insurance Broking business line Q1 2014 we record a 28% increase in the number of new contracts compared Q1 2013 (as a reference, in 2013 we originated around 140,000 new policies, corresponding to an estimated share of the “aggregator market” between 25% and 30%, increasing over the course of the year). Also from a competitive point of view, in recent months we have recorded important improvements, with a significant increase of the brand awareness of Segugio.it, which now has top-of-mind of 14%, spontaneous of 31% and total awareness of 66%, figures that for spontaneous and total awareness are now quite close to those the market leader (source: periodic tracking by GFK on behalf of the company, April 2014). However, the drastic and unfavorable evolution of the reference market observed in particular after January makes it difficult to forecast a significant growth of volumes in the subsequent quarters, which most likely could only arise from increases of market share. The reduction of average premiums, the main driver of our commissions, represents a further obstacle to revenue growth in the coming months.
- Finally, we continue to develop the offer of complementary products, mainly in a cross-selling perspective, in particular in the area of utilities (ADSL, gas, electricity).

# BPO Division business update

## BPO Division



- The BPO Division shows an increase of revenues and margins compared to Q1 2013. This trend, positive overall, is however the result of contrasting performances of the different business lines.
- First of all, the revenues of the Mortgage BPO (former FEC+CEI) business line are sharply down compared to Q1 2013 (because of the repositioning of a significant client in May 2013, already commented in the past), and is substantially in line with Q4 2013, with profitability close to zero. The volume of incoming loan files, a good indicator of future performance, is greater than in the last months of 2013, but with subdued growth.
- On the other hand, the results of the CQ Loans BPO (former CLC) business line continue to grow, both in its origination and servicing components.
- Finally, compared to Q4 2013, we have the full addition of the Insurance BPO business line (from the acquisitions of Centro Processi Interconsult S.r.l. and In.Se.Co. S.r.l.) and of the Asset Management BPO business line. The latter business line, in particular, contributes to the revenues of Q1 2014 for roughly Euro 1 million, a level which is expected to remain stable for the rest of the year.



Appendix



# Q1 Profit & loss

(€000)	Q1 2014	Q1 2013	% Var.
Revenues	15,050	10,562	42.5%
Other income	544	305	78.4%
Capitalization of internal costs	161	98	64.3%
Service costs	(5,644)	(5,065)	11.4%
Personnel costs	(6,496)	(4,863)	33.6%
Other operating costs	(588)	(355)	65.6%
Depreciation and amortization	(424)	(386)	9.8%
<b>Operating income</b>	<b>2,603</b>	<b>296</b>	<b>779.4%</b>
Financial income	38	96	-60.4%
Financial expenses	(85)	(139)	-38.8%
Income/(Expenses) from acquisition of control	-	(61)	-100.0%
Income/expenses from financial assets and liabilities	(75)	-	N/A
<b>Net income before income tax expense</b>	<b>2,481</b>	<b>192</b>	<b>1192.2%</b>
Income tax expense	(918)	(65)	1312.3%
<b>Net income</b>	<b>1,563</b>	<b>127</b>	<b>1130.7%</b>
Attributable to:			
<b>Shareholders of the Issuer</b>	<b>1,268</b>	<b>104</b>	<b>1119.2%</b>
<b>Minority interest</b>	<b>295</b>	<b>23</b>	<b>1182.6%</b>

# Quarterly Profit & Loss

(€000)	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Revenues	15,050	14,238	12,423	13,834	10,562
Other income	544	510	255	158	305
Capitalization of internal costs	161	478	107	139	98
Service costs	(5,644)	(5,424)	(4,566)	(4,805)	(5,065)
Personnel costs	(6,496)	(7,201)	(5,399)	(6,119)	(4,863)
Other operating costs	(588)	(688)	(449)	(748)	(355)
Depreciation and amortization	(424)	(586)	(429)	(458)	(386)
<b>Operating income</b>	<b>2,603</b>	<b>1,327</b>	<b>1,942</b>	<b>2,001</b>	<b>296</b>
Financial income	38	7	74	182	96
Financial expenses	(85)	(6)	(150)	(123)	(139)
Income/(Expenses) from acquisition of control	-	-	-	-	(61)
Income/(Expenses) from financial assets and liabilities	(75)	(239)	-	(55)	-
<b>Net income before income tax expense</b>	<b>2,481</b>	<b>1,089</b>	<b>1,866</b>	<b>2,005</b>	<b>192</b>
Income tax expense	(918)	494	(734)	(1,029)	(65)
<b>Net income</b>	<b>1,563</b>	<b>1,583</b>	<b>1,132</b>	<b>976</b>	<b>127</b>

# Declaration of the manager responsible for preparing the Company's financial reports

***Declaration Pursuant to Art. 154/bis, Paragraph 2 – Part IV, Title III, Chapter II, Section V-bis, of Italian Legislative Decree No. 58 of 24 February 1998: “Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996”***

I, the undersigned, Francesco Masciandaro, the manager responsible for preparing the financial reports of Gruppo MutuiOnline S.p.A. declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

*Francesco Masciandaro*

Gruppo MutuiOnline S.p.A.