

Recommendation:  
**BUY** (BUY)

Risk:  
**HIGH** (HIGH)

Price Target:  
**EUR 17.00** (17.00)

05 March 2012

## Continuing top-line growth story

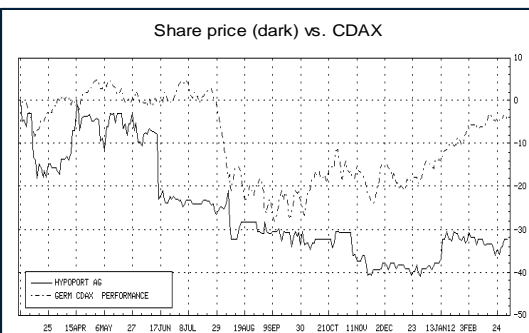
### ... but market conditions pressure margins

- Hypoport AG released today its preliminary results for FY 2011. The company showed the strongest revenue figures in company history. With a ~26% increase in revenues which came up to EUR 84.5m (PY: EUR 66.9m) our forecast of EUR 81.7m was beaten by over 3%. Despite the challenging market conditions Hypoport AG was able to successfully expand its Private Clients business – the main driver for the remarkable top-line development. This was already indicated by a press release of Dr. Klein & Co. AG in the mid of January of 2012.
- EUROPACE, the online B2B financial marketplace significantly expanded its volume of transactions. Transactions worth an aggregate EUR 21.2bn were generated on this platform between January and December 2011 (PY: EUR 15.1bn), which represented a YoY increase of 40.2%. 4Q 2011 was the most successful in EUROPACE's history, generating transactions worth around EUR 6.3bn. Previously, the volume of transactions generated on the platform in 3Q 2011 had reached EUR 6.2bn, topping the EUR 6bn mark for the first time.
- In the face of remarkable top-line figures, Hypoport AG was not able to translate these positive impulses on operating level. EBITDA amounted to EUR 11.1m remaining on previous year level. EBIT decreased by ~8% from 6.4m to 5.9m – not meeting our expectations. In the YoY comparison net income noted a considerable ascent of 14% from EUR 3.3m to EUR 3.7m – but missed our ambitious target by ~8%. The management names the pressure on operating margins to be attributable to the extraordinary diversification of product supply, since the financial crisis began.
- Management guidance for FY 2012: Assuming a stable market environment Roland Slabke (CEO) reckons with further double-digit revenue growth figures and a result above this year's level.
- We leave our estimates and model assumptions unchanged until Hypoport AG discloses its final FY 2011 statements on 19 March 2012. Hence, we **maintain our BUY recommendation and affirm our Price Target of EUR 17.00** for the time being.

#### Key data

Y/E Dec 31, EUR m	2008	2009	2010	2011E	2012E	2013E
Revenues	52.7	50.5	66.9	81.7	86.0	89.6
EBITDA	8.1	4.9	11.1	12.6	16.8	18.4
EBIT	5.0	1.2	6.4	6.7	9.9	10.6
Net result	-0.3	-0.3	3.3	4.0	5.8	6.2
Basic EPS	-0.05	-0.06	0.53	0.65	0.94	1.01
DPS	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA margin	15.3%	9.7%	16.7%	15.4%	19.5%	20.5%
EBIT margin	9.4%	2.4%	9.6%	8.2%	11.5%	11.8%
EV/EBITDA	7.7	12.7	5.6	5.0	3.7	3.4
EV/EBIT	12.6	51.1	9.7	9.3	6.3	5.9
P/E	n/a	n/a	15.1	12.4	8.5	7.9

Source: CBS Research AG, Hypoport AG



Change	2011E		2012E		2013E	
	new	old	new	old	new	old
Revenues	81.7	75.0	86.0	80.0	89.6	88.0
EBIT	6.7	6.4	9.9	8.0	10.6	10.0
EPS	0.65	0.57	0.94	0.76	1.01	0.97

www.hypoport.com  
WKN: 549336  
Reuters: HYQGn.DE

Sector: Financial Services  
ISIN: DE0005493365  
Bloomberg: HYQ GY

#### Short company profile:

The Hypoport Group is an internet-based financial services provider that consists of two mutually supportive pillars, namely Dr. Klein and EUROPACE.

#### Share data:

Share price (EUR, latest closing price):	<b>8.00</b>
Shares outstanding (m):	6.2
Market capitalisation (EUR m):	49.5
Enterprise value (EUR m):	62.4
Ø daily trading volume (3 m., no. of shares):	1,665

#### Performance data:

High 52 weeks (EUR):	11.83
Low 52 weeks (EUR):	6.95
Absolute performance (12 months):	-32.4%
Relative performance vs. CDAX:	
1 month	-3.4%
3 months	-2.2%
6 months	-26.5%
12 months	-29.2%

#### Shareholders:

Revenia GmbH	34.8%
Kretschmar Familienstiftung	12.9%
Deutsche Postbank AG	9.7%
Free Float	42.6%

#### Financial calendar:

Report on the Financial Year 2011	Mar 19, 2012
Report on 1Q 2012	May 07, 2012
Annual General Meeting 2012	Jun 01, 2012

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BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analyzed in this report:

Date	Recommendation	Price at change date	Price target
05 April 2011	BUY	EUR 9.80	EUR 16.80
09 May 2011	BUY	EUR 10.50	EUR 16.80
10 August 2011	BUY	EUR 8.45	EUR 16.00
07 November 2011	BUY	EUR 8.20	EUR 17.00
05 March 2012	BUY	EUR 8.00	EUR 17.00

Risk-scaling System:

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