

# Expansion and scaling

*Financial results for the first half of  
2016*

# Mission: financial services supported by technology

## Investment highlights of H1 2016

→ Earnings: up by 22 per cent to €11.1 million

→ Revenue: up by 9 per cent to €73.7 million

→ Mortgage finance held back by the Mortgage Credit Directive (MCD) in the period March to May

→ Financial Service Providers business unit reports most successful six months in the Company's history

→ Private Clients business unit reports most successful six months in the Company's history

→ We continue to expect revenue and earnings growth for 2016 to be just into double figures.

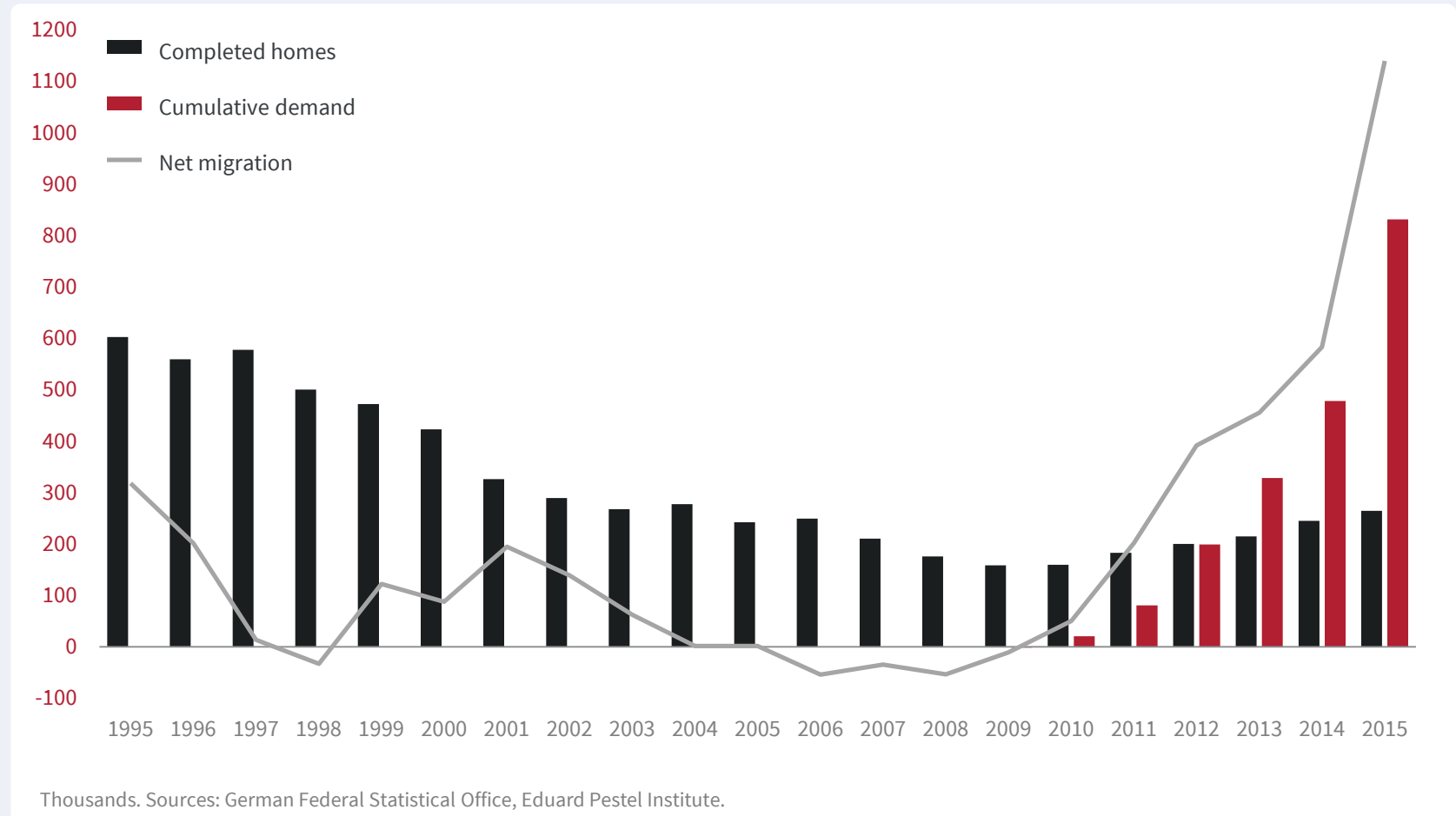
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## **1. Market environment**

2. Business units
3. Overview of key performance indicators
4. Hypoport's shares
5. Outlook

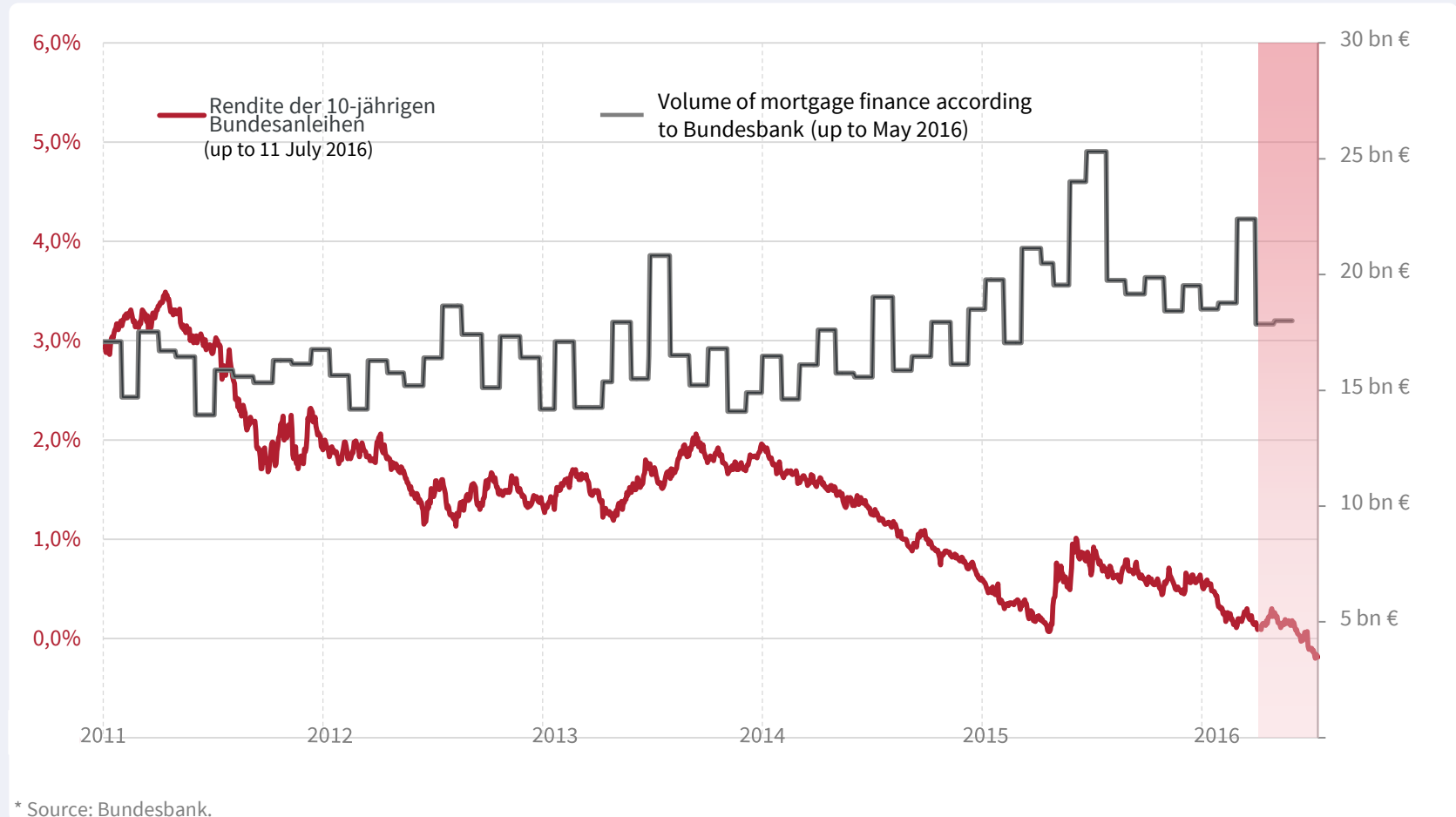
# Attractive market environment

## Changes in the German housing market



# Market volume remains at prior-year level

Changes in interest rates and in the volume of mortgage finance in Germany



# Mortgage finance – a growth market

Key developments in the relevant financial service markets

## Mortgage finance

Private Clients, Financial Service Providers

- Structural market growth from increase in new builds
- Growth from rise in construction prices and purchase prices and thus in borrowing
- Growth from the superiority of the non-captive sales model
- The Mortgage Credit Directive is tying up product suppliers' and distributors' resources, is reducing productivity and continued to disrupt market dynamics in the period March to May

## Loan brokerage for the housing industry

Institutional Clients

- Profitability and capital base are strengthening steadily due to the interest-rate and rental environment
- Stimulus from the housing market and low interest-rate environment is being blocked by multiple-year approval processes
- Marked increase in planned projects for the construction of social housing
- Political initiatives are missing their target of creating affordable homes and are also being dragged down by party politics (e.g. tax relief)

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# Three dynamic divisions focus on the financial services market

Hypoport business units





# Financial Service Providers business unit

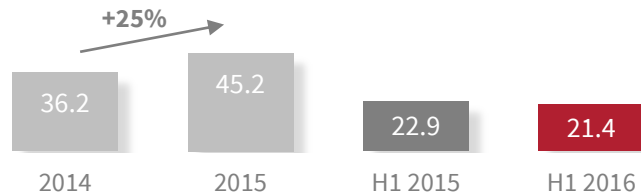
Business model & key figures



# EUROPACE gains further market share

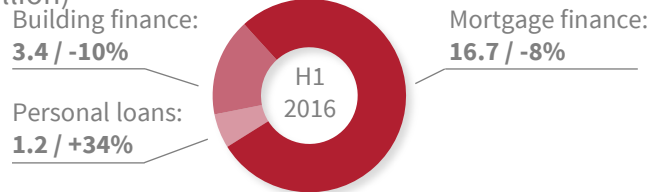
Financial Service Providers: volume of transactions and number of partners

## Volume of transactions\* (€ billion)

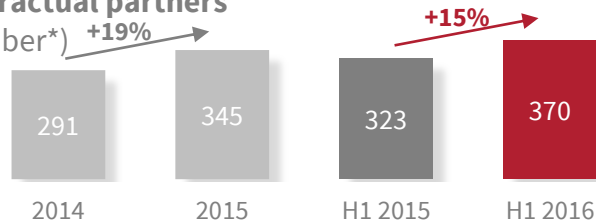


\* Including cancellations and a one-off statistical effect in 2016 (see the interim report, pages 9 and 23).

## Volume of transactions by product segment (€ billion)



## Contractual partners (number\*)

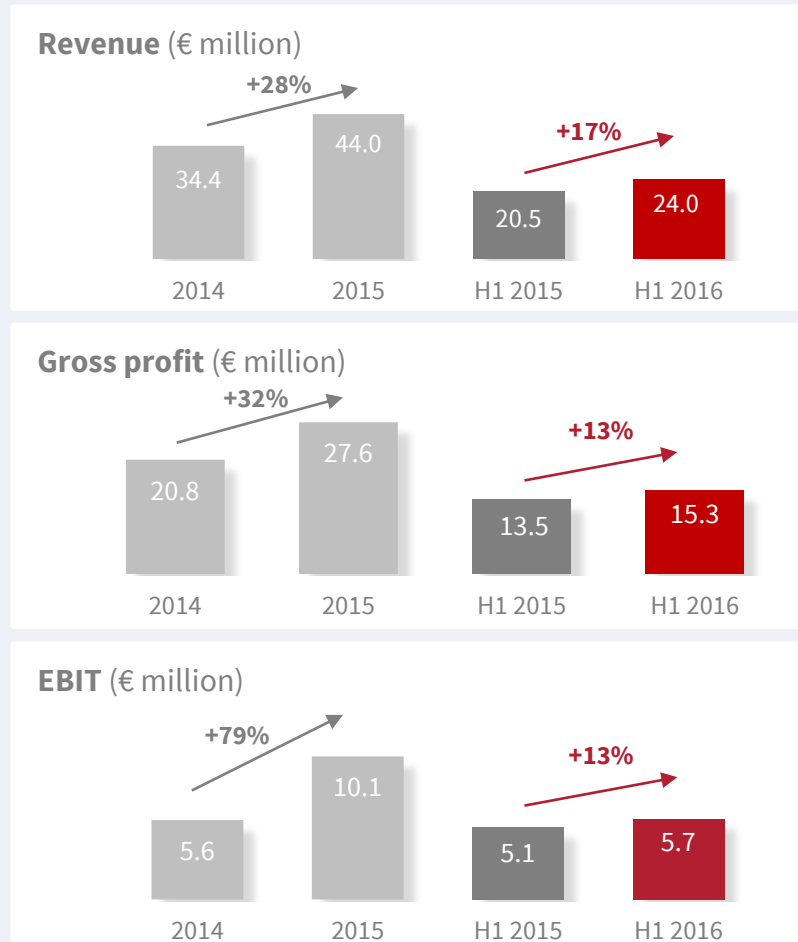


\* Incl. FINMAS and GENOPACE partners.

- The Mortgage Credit Directive is distorting the market; so far, few competitive partners are seizing opportunities
- Adjusted for one-off statistical effects, mortgage finance on EUROPACE continues to grow faster than the market
- Mirroring the volume of mortgage finance, the volume of building finance is temporarily subdued and being adversely affected by the Mortgage Credit Directive
- Attractive technology in the KreditSmart personal loan front end is drawing in new partners

# EUROPACE again notches up record results

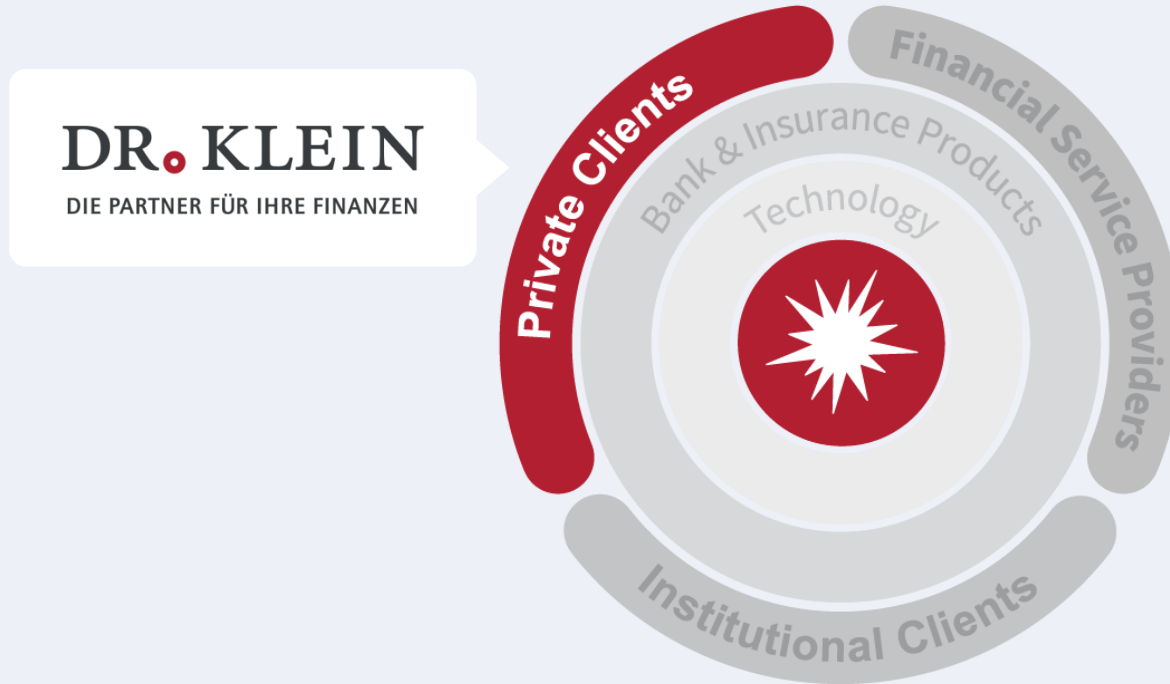
Financial Service Providers: revenue, gross profit and earnings



- Most successful six months in terms of revenue and earnings
- Extraordinary expenses for the implementation of the Mortgage Credit Directive
- The expansion, as planned, of key account resources on EUROPACE, FINMAS and GENOPACE in order to gain further market share is pushing up costs

# Business unit Private Clients

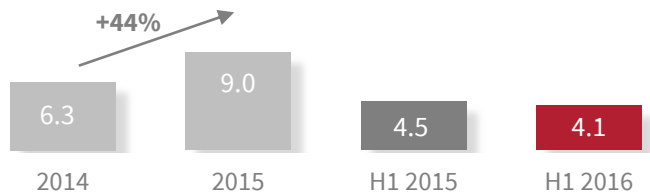
Business model & key figures



# Growth in consumer finance for Dr. Klein

Private Clients: volume of loans brokered and number of advisors

## Volume of transactions\* (€ billion)

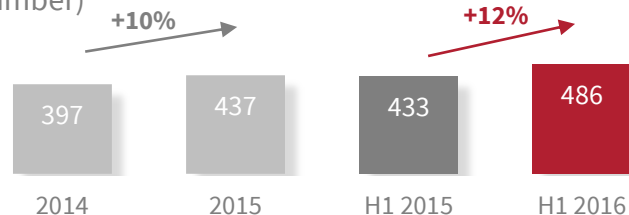


\* Including cancellations and a one-off statistical effect in 2016 (see the interim report, pages 10 and 23).

## Volume of transactions by product segment (€ billion)



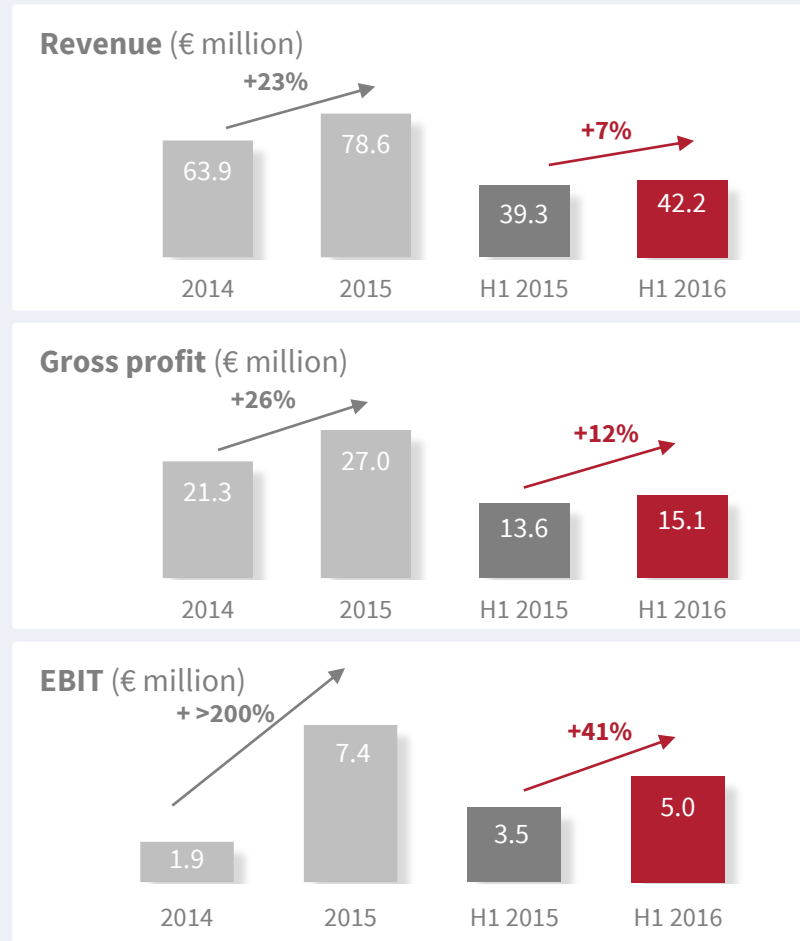
## Loan brokerage advisors in branch-based sales (number)



- The differing interpretations of the Mortgage Credit Directive by various banks has increased the importance of non-captive distributors for customers
- Adjusted for one-off statistical effects, mortgage finance continues to grow faster than the market
- The volume of personal loans is rising due to offline alliances, whereas online competition remains unattractive
- The number of advisors at franchisees and flagship stores has continued to be increased, providing foundations for further systematic growth

# Strong growth in revenue and earnings for Dr. Klein

Private Clients: revenue, gross profit and earnings



- Most successful six months in the Company's history
- Expansion of market share in personal loans has led to additional revenue growth
- EBIT has been pushed up by increased productivity among advisors and because the negative impact on earnings from the insurance business is no longer included

# Institutional Clients business unit

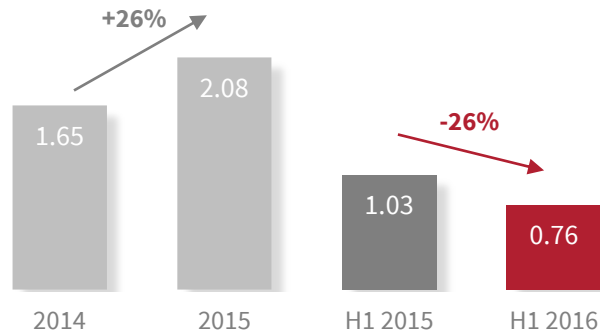
Business model & key figures



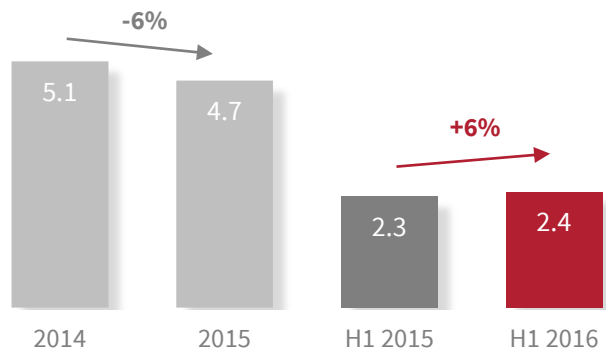
# Continued good prospects created by house-building

Institutional Clients: volume of loans brokered and consulting revenue

Volume of new loans brokered (€ billion)



Consulting revenue (€ million)

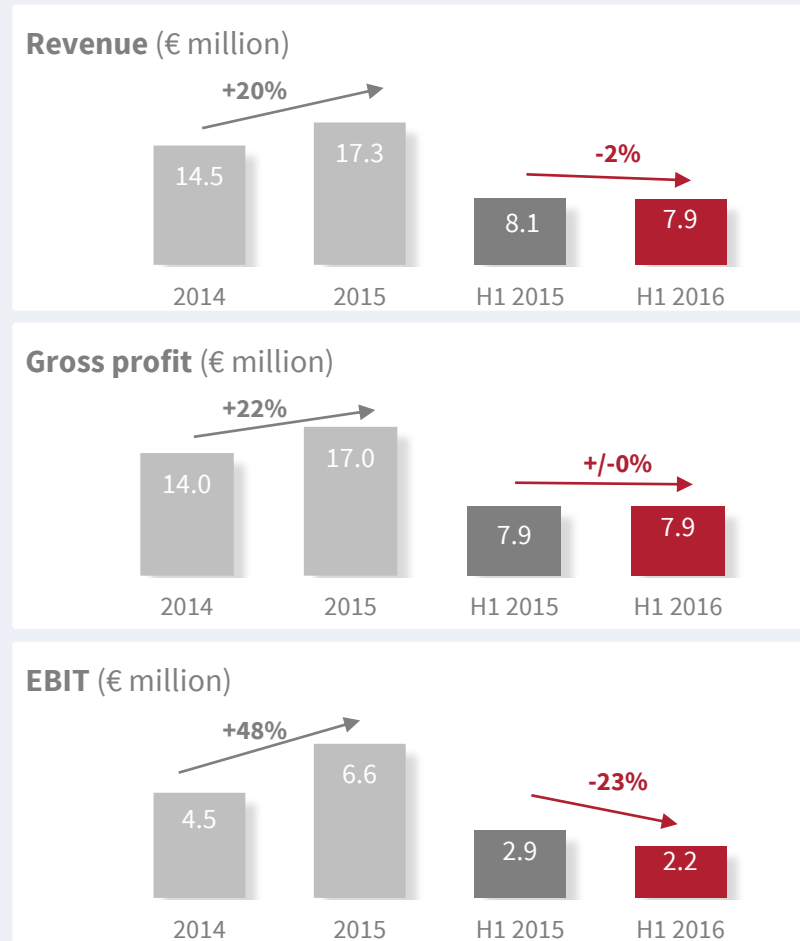


- Falling interest rates without any indications of a change of direction any time soon is leading to a reluctance to refinance
- Solid volume of new business brokered within the limits of normal volatility
- The preparation of new-build projects is increasing; extended product range (DEED, KVG) caters to this trend
- Successful consulting services tailored to the target group creating a competitive advantage



# Intra-year volatility weakened by good margins

Institutional Clients: revenue, gross profit and earnings



- Interest rates locked in for long periods and high-margin business partners from the insurance sector led to stable levels of revenue
- Due to the intra-year volatility that is intrinsic to the business model, the business unit did not experience the most successful six months in its history
- Capital investment in expanding support resources and in new business models is increasing costs but will further strengthen the market position in the long term

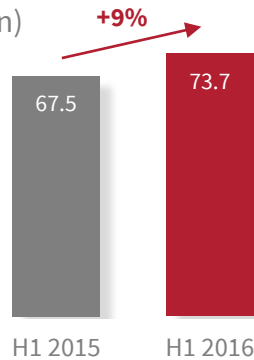
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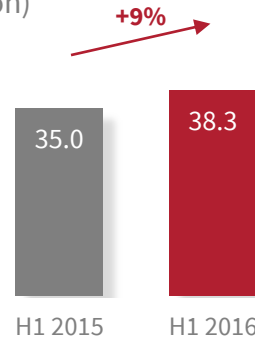
# Growth in the first half of the year

Overview of Hypoport's key performance indicators

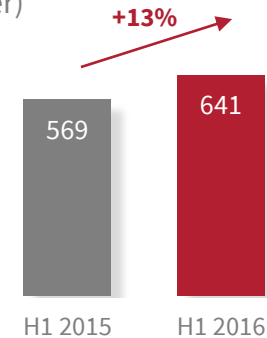
**Revenue**  
(€ million)



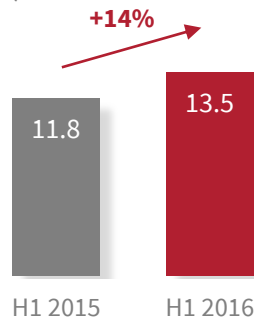
**Gross profit**  
(€ million)



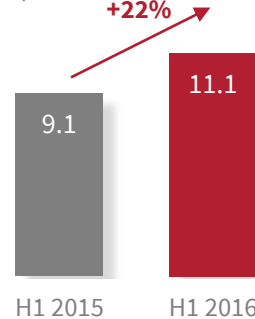
**Employees**  
(number)



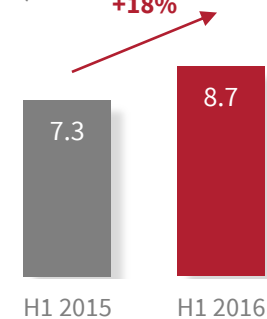
**EBITDA**  
(€ million)



**EBIT**  
(€ million)

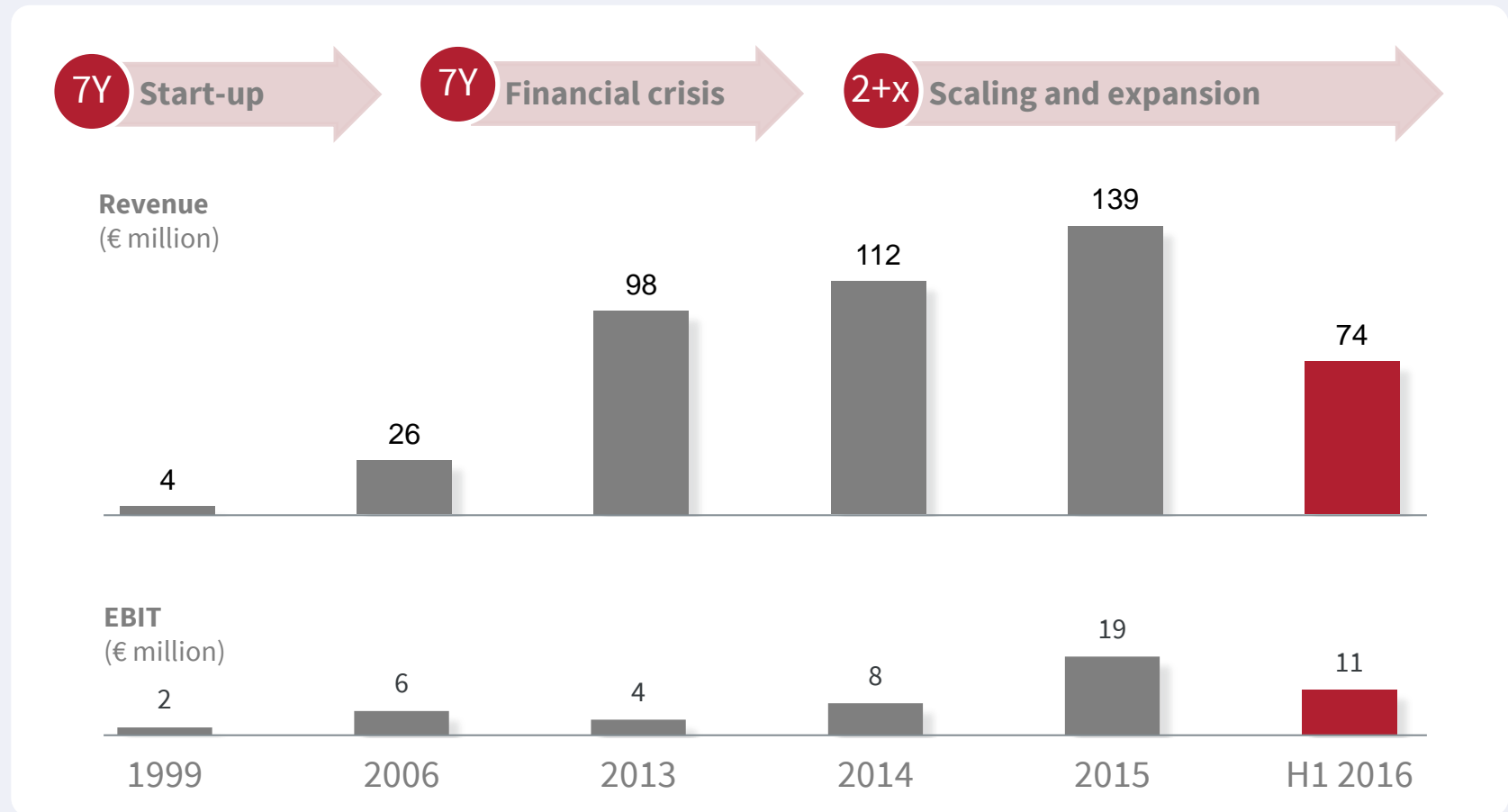


**Net profit for the period**  
(€ million)



# Hypoport remains firmly on a path of growth

Long-term changes in revenue and EBIT



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# A dynamic year

Share performance, publicity and research

**Performance of Hypoport shares** (daily closing prices, Xetra, €) up to 22 July 2016



 Research reports

# Investor relations activities stepped up

Roadshows, research reports and indices

Investor relations activities		
DATE	EVENT	LOCATION
Nov 2016	German Equity Forum	Frankfurt a. M.
Oct 2016	Investor Conference	New York
Aug 2016	Roadshow	USA
Jun 2016	Investor Conference	Portugal
Jun 2016	Roadshow	Hamburg
May 2016	Roadshow	Frankfurt a. M.
May 2016	Roadshow	London
Nov 2015	Capital Markets Conference	Frankfurt a. M.
Nov 2015	German Equity Forum	Frankfurt a. M.
Sep 2015	Construction Sector Conference	Frankfurt a. M.
Aug 2015	Small Cap Conference	Frankfurt a. M.
May 2015	Roadshow	Frankfurt a. M.

Plus various one-on-one meetings

Research and indices			
ANALYST	RECOMMENDATION	TARGET PRICE	DATE
Warburg	Buy	€117.00	19 Jul 2016
Warburg	Buy	€108.00	5 Jul 2016
Warburg	Buy	€108.00	18 May 2016
ODDO Seydler	Buy	€89.00	3 May 2016
Montega	Buy	€83.00	3 May 2016
Warburg	Buy	€92.00	26 Apr 2016
Montega	Buy	€78.00	19 Apr 2016
ODDO Seydler	Buy	€74.00	18 Apr 2016
ODDO Seydler	Buy	€74.00	22 Mar 2016
Montega	Buy	€72.00	15 Mar 2016
ODDO Seydler	Buy	€72.00	23 Feb 2016
Montega	Buy	€78.00	19 Jan 2016
ODDO Seydler	Neutral	€77.00	11 Jan 2016
Montega	Hold	€78.00	14 Dec 2015
ODDO Seydler	Buy	€64.00	2 Nov 2015
ODDO Seydler	Buy	€57.00	23 Oct 2015
ODDO Seydler	Buy	€41.00	3 Aug 2015
Montega	Buy	€37.00	23 Jul 2015
ODDO Seydler	Buy	€41.00	22 Jun 2015
Montega	Buy	€30.00	22 Jun 2015

Indices

SDAX, MSCI Small Cap Germany, GEX

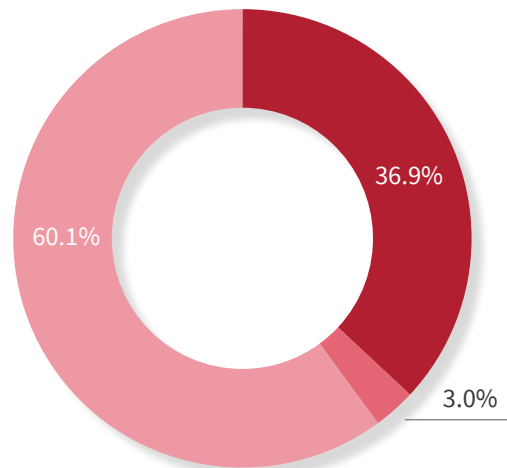
# A year of change

Shareholder structure, repurchase programmes and KPIs

## Breakdown of shareholders as at 30 June 2016

### Fixed ownership

- Ronald Slabke (CEO)
- Treasury shares
- **Free float** (less than 5%)



## Share repurchase programmes as at 30 June 2016

YEAR	SHARES PURCHASED	MAX. PRICE
2016	32.362 shares	€65.00
2015	52.467 shares	€40.00
2015	33.655 shares	€19.00

## KPIs

KPI		VALUE
EPS	Earnings per share H1 2016	€1.44
Market cap	Market capitalisation 30 Jun 2016	€530 million
High	Highest closing price H1 2016	€92.50
Low	Lowest closing price H1 2016	€53.59



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# Areas of exceptional growth up to 2020

Business models taking shape at a very rapid pace

	Company	BU	Objective	Status
1	<b>FINMAS</b>	FSP	Mortgage finance centre of excellence and main marketplace in the savings bank sector	Used by 124 savings banks 18 of the top 25 are contractual partners
2	<b>GENOPACE</b>	FSP	Main platform used by cooperative banks for the acquisition of new customers and brokerage	Used by 146 credit cooperatives and mutually owned banks 18 of the top 25 are contractual partners
3	<b>Hypoport Invest</b>	IC	Main supplier to the German housing industry of 'hybrid' equity in addition to borrowing	The first portfolios are being carefully examined
4	<b>Hypoport InsurTech</b>	PC/ FSP	Germany's leading administration platform for insurance product distributors	Acquisition of NKK in order to step up activities takes effect in Q3 2016
5	<b>Real-estate valuation</b>	FSP	Leading provider of valuation services for banks in Germany	Acquisition of Hypservice takes effect in Q3 2016

# Contact

## **Christian Würdemann**

Head of Group Operations

Tel: +49 (0)30 420 860

Email: [ir\(at\)hypoport.de](mailto:ir(at)hypoport.de)

## **Michaela Reimann**

Head of Corporate Communications

Tel: +49 (0)30 420 860

Email: [ir\(at\)hypoport.de](mailto:ir(at)hypoport.de)

## **Hypoport AG**

Klosterstrasse 71

10179 Berlin

Germany

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