

Flash Note

Accumulate

from Buy

Share price: EUR 102.10

closing price as of 05/05/2017

Target price: EUR 114.00

from Target Price: EUR 100.00

Upside/Downside Potential 11.7%

Reuters/Bloomberg HYQn.DE/HYQ GR

Market capitalisation (EURm) 633

Current N° of shares (m) 6

Free float 63%

Daily avg. no. trad. sh. 12 mth 20

Daily avg. trad. vol. 12 mth (m) 1,599.60

Price high/low 12 months 63.06 / 102.25

Abs Perfs 1/3/12 mths (%) 16.90/21.39/32.68

Key financials (EUR)

	12/16	12/17e	12/18e
Sales (m)	157	188	214
EBITDA (m)	28	33	38
EBITDA margin	18.1%	17.4%	17.8%
EBIT (m)	23	27	31
EBIT margin	14.8%	14.2%	14.6%
Net Profit (adj.)(m)	18	21	25
ROCE	28.4%	32.7%	36.9%
Net debt/(cash) (m)	1	(15)	(39)
Net Debt Equity	0.0	-0.2	-0.4
Net Debt/EBITDA	0.0	-0.4	-1.0
Int. cover(EBITDA/Fin.int)	70.6	65.5	47.8
EV/Sales	3.1	3.3	2.8
EV/EBITDA	17.0	18.9	15.5
EV/EBITDA (adj.)	17.0	18.9	15.5
EV/EBIT	20.8	23.1	19.0
P/E (adj.)	25.8	29.3	24.3
P/BV	7.5	7.5	5.8
Op/FCF yield	1.1%	2.3%	3.5%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	3.01	3.49	4.20
BVPS	10.30	13.68	17.74
DPS	0.00	0.00	0.00

Reason: Company Newsflow

8 May 2017

Feedback Investors' Day: D/g to Accumulate with new TP of EUR 114

Last Friday Hypoport hosted its first investors' day in Berlin. Most interesting topic was in our view the new business unit Insurance Platform. The mid-to-long-term revenue potential is significant and we are quite confident that the online insurance marketplace could become as successful as Europace. Based upon the strong Q1 results we have slightly increased our 2018e EPS estimate. We have upped our target price from EUR 100 to EUR 114. As the remaining upside of 11% does not justify a Buy rating anymore we have downgraded the shares from Buy to Accumulate.

- ✓ **Q1 results:** Final Q1 results confirmed our positive impression from the preliminary figures. Q1 was a very successful quarter for HYP with an increase of sales by 29% yoy and EBIT up by 30% yoy. The retail business showed a particularly strong performance with an EBIT increase of 37% yoy and the EBIT margin improving by 170 basis points to 16.2%. The unit benefited from a strong mortgage loan business, the recent hiring of consultants paying off. HYP sticks to its 2017 targets of a slight double digit revenues/earnings growth; according to the CEO even a 20% yoy growth would still be seen as slight double digit growth – we forecast revenues growth of 20% yoy and EBIT growth of 15% yoy for 2017e. Net profit was negatively impacted by a higher tax rate compared to Q1 2016. According to the company this was due to normal quarterly fluctuation.

Hypoport - Q1 2017

EUR m	Q1 2017	Q1 2017e	Q4 2016	yoy	Cons.	delta
Revenues	47.7	42.8	35.7	33.7%	na	na
EBIT	7.0	6.6	5.4	28.9%	na	na
<i>EBIT Margin</i>	<i>14.7%</i>	<i>15.5%</i>	<i>15.2%</i>	<i>-55 BP</i>	na	na
Net Profit	5.4	5.3	4.3	27.7%	na	na

Sources: Hypoport, equinet Research

- ✓ **Insurance Platform as mid-term revenues driver:** HYP plans to build an online marketplace for the insurance sector similar to what it has done for the loan business. Therefore it has made various smaller acquisitions in 2016/Q1 2017 (NKK Programm Service AG, Maklersoftware GmbH, Innosystems GmbH) to be able to offer insurance policy brokers (and in a second step also insurance companies) an integrated software solution ranging from the document management to the advising of the customers, incl. product comparison. Currently, this integrated software solution is only used by Dr. Klein, i.e. no external customers have yet decided to implement it. This will clearly take some time until HYP will win its first customer.



Analyst(s)

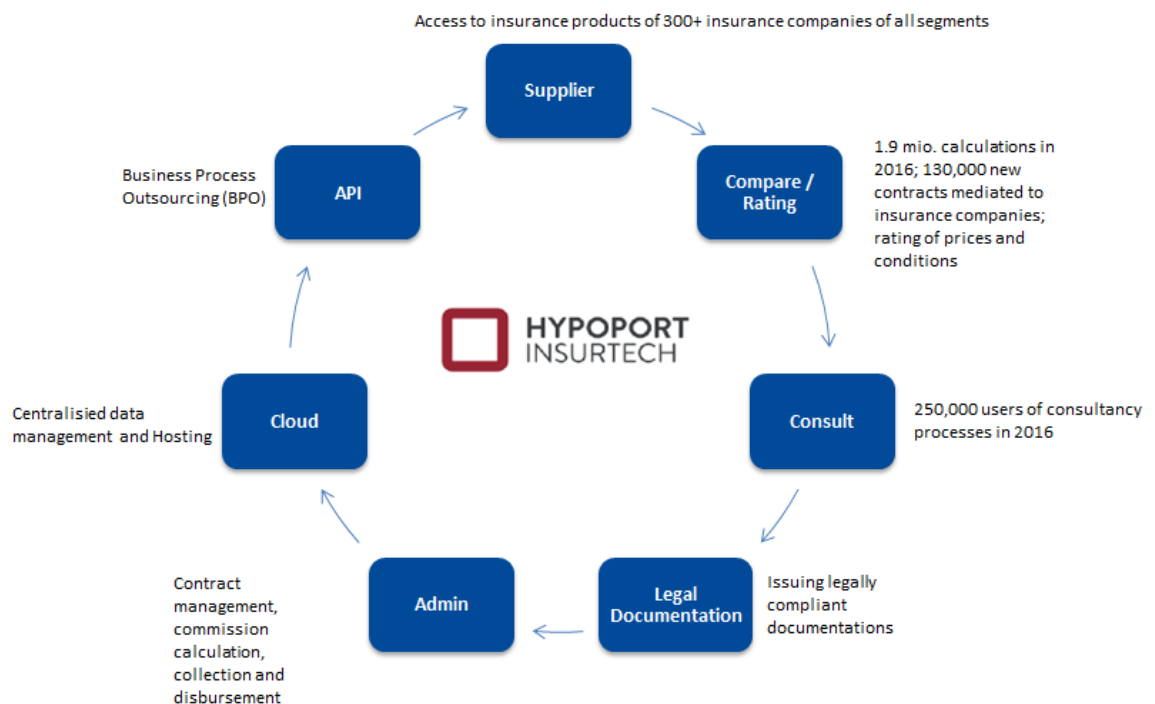
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In order to increase transparency HYP created the new business unit Insurance Platform, which achieved EUR 3.8m revenues in Q1, while EBIT was at EUR -0.1m. Most of the revenues came from the recently acquired companies.

Exhibit 1: Insurance Platform



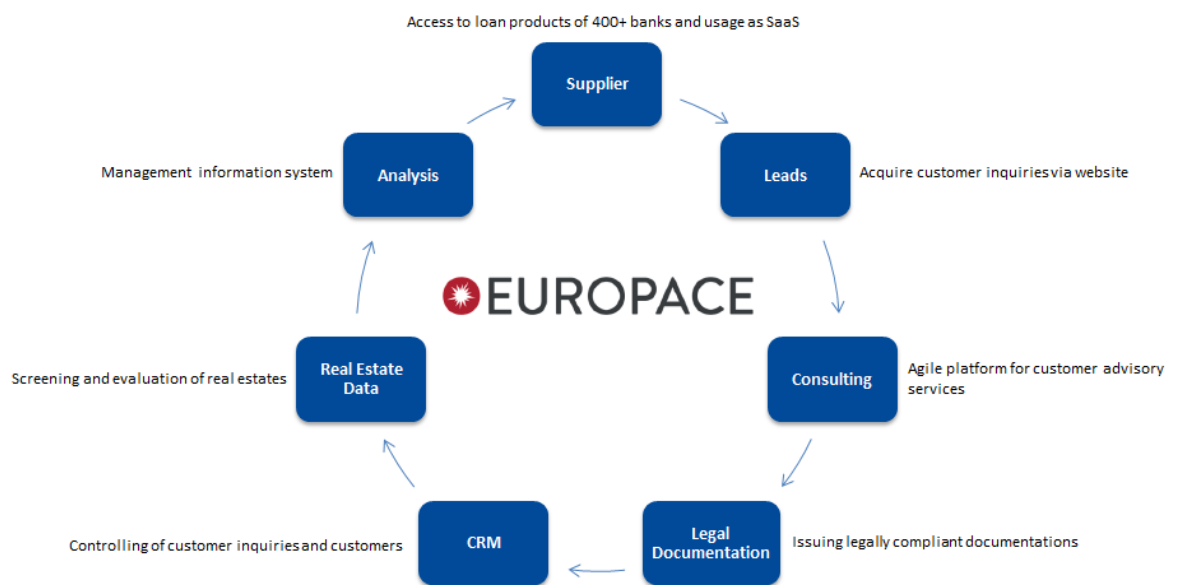
Source: Hypoport, equinet Research

Revenue Potential: Based upon a total insurance premium volume of around EUR 200bn in the German market HYP sees a market share of 10% as achievable – note that Europace has a market share of around 16% (based upon Bundesbank figures). Assuming a transaction fee of 0.75% (charged on the premium volume) HYP sees a revenues potential of around EUR 150m as achievable. Assuming a similar gross margin like in Q1 '17 for the unit and an EBIT margin (EBIT margin calculated on the basis of revenues less distribution costs) of between 40% and 50% (seen as achievable by HYP) we estimate an EBIT of between EUR 40 and 50m for this unit. HYP believes that this is achievable within the next ten years which we think sounds quite ambitious. We are nevertheless confident that HYP's insurance marketplace will become a similar success like Europace as

1. The insurance industry (both on the the distribution and the production side) is under high cost pressure to increase efficiency. Digitalization has only begun for the industry and will be one of the key issues for the industry in the coming years.
2. HYP has already proven once with Europace that it can successfully build an online marketplace. Thus it has extensive know-how on the technology/software side but equally important it also knows how to win customers. Through Dr. Klein it has business relationships with most of the important insurance companies and through its recent acquisitions it has gained access to broker networks.
3. There are only few players that offer such an integrated insurance marketplace. Most of the players in the market offer only software/IT solutions for specific parts of the value chain, i.e. documentation or the consulting process. Acturis and Finanzsoft/softfair are currently the only ones in the market offering a similar product/service.

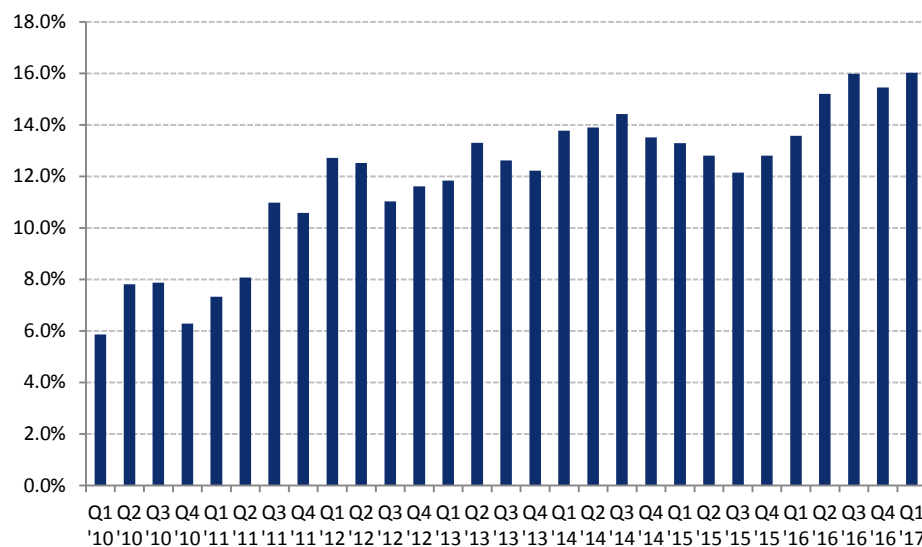
Europace – market share should further grow: The CEO stressed once again that the market share of around 2% (as of 12 2016; based upon Q1 figures market share was closer to 3%) with savings and mutual banks, the market leaders in the German Mortgage Market, has huge upside although it is a cumbersome process to get the savings and mutual banks to do more business via Europace. It is relatively easy to get them on the platform but much more difficult to convince them to use it to a larger extent. We see however the low interest rate environment as the key driver for banks to use Europace not only to broker third party mortgage loans but to also to use it to manage the own loan book (“SaaS” = Software as a Service). Banks are under pressure to offset the lower revenue; one lever is clearly to reduce costs. Therefore we expect banks to become more open to use Europace as it should reduce the banks’ fixed costs in the mid-term.

Exhibit 2: Europace



Source: Hypoport, equinet Research

Europace has a market share of around 16% in the German market. This figure is based upon the market volume figures, which are published by the Bundesbank on a monthly basis and Europace figures. These figures are however not 100% comparable, the market share figures must thus only be seen as a proxy. Nevertheless we think that it is fair to draw the conclusion that Europace has increased its market share in recent quarters. Note, that the market was stable in Q1 2017 while Europace reported 19% higher mortgage loan volumes, i.e. Europace clearly outperformed the market.

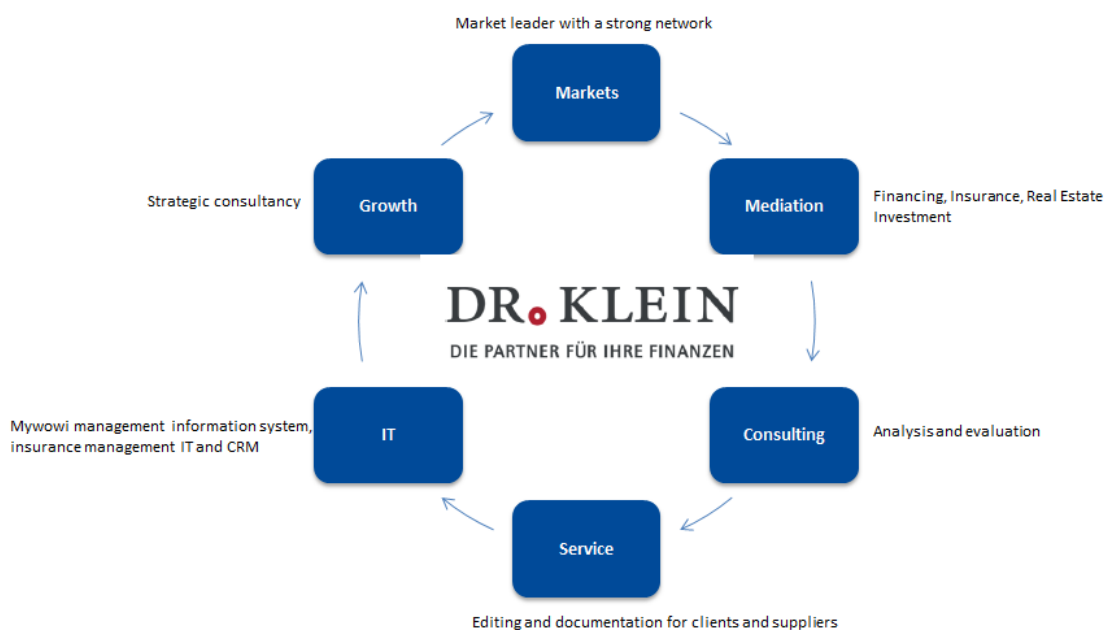
Exhibit 3: Market Share development of Europace in the German mortgage loan market


Source: Bundesbank, Hypoport, equinet Research

Retail Customers with strong Q1: Retail Customers showed a good performance in Q1 with an increase of the mortgage loan volume by 23% yoy (consumer loans +24% yoy, home savings +63% yoy) as HYP benefited from the recent hiring of consultants. Yoy the number of consultants has increased by 10% to 524. This resulted in a revenues increase by 24% yoy to EUR 20m and more than proportionate increase of the EBIT by 37% yoy to EUR 3.3m.

Institutional Clients (Dr. Klein Corporate Customers) with further potential: Dr. Klein Institutional Clients is the nucleus of Hypoport. This business unit brokers loans to institutional customers mainly communal building cooperatives. It sees good revenues potential ahead as the public hand has to react to the under supply of housing. Hence, an increasing construction activity should lead to an increased finance demand. In recent years this unit has started to move from the pure brokerage of real estate loans to becoming a consultant for building societies, i.e. Dr. Klein advises its customers how to refinance an existing portfolio or how to finance (e.g. with a classical real estate loan or a promissory note) a new project. This unit is characterized by high margins but also high revenues volatility on a quarterly basis.

Exhibit 4: Institutional Clients



Source: Hypoport, equinet Research

Financials: For 2017e we have increased both our revenue and EBIT forecasts on the back of the strong Q1 results. We have however increased our tax rate forecast as well which offset the increased EBIT forecast, i.e. we leave our EPS estimate unchanged. For 2018e we have increased our EPS estimate from EUR 3.96 to EUR 4.20 as we have become more optimistic regarding both Europace and Retail Customers.

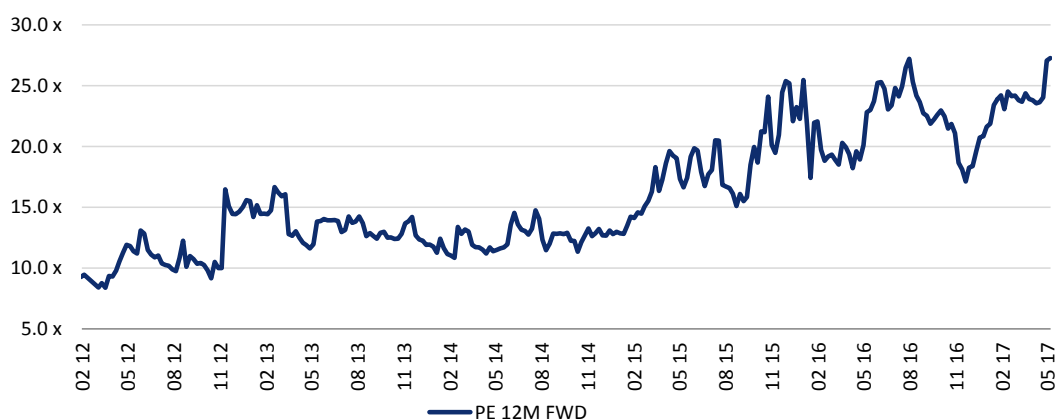
Recommendation: We have increased our target price, which is derived from a DCF Model, from EUR 100 to EUR 114 as we have taken into account the growth prospects from the insurance platform from 2019 going forward. For 2017/2018 the earnings contribution should be negligible but should become more and more important in the years thereafter. As the remaining upside of 11% does not justify a Buy recommendation anymore we downgrade the shares from Buy to Accumulate. With a 2018e PER of 24x Hypoport shares are clearly not cheap and are trading well above the average of other German Financial Services companies (2018e PER: 18x). The good earnings growth momentum (2016-'18e CAGR: 18%) and the good long term growth prospects justify a premium in our view. Hence, we stick to our positive view for the shares: Accumulate, TP EUR 114.

Exhibit 5: DCF Model

Expectations in EUR m	Phase I				Phase II						Phase III
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Revenues	188	214	236	259	284	310	336	363	392	420	
<i>growth rate</i>	2.7%	20.0%	14.0%	10.0%	9.5%	9.0%	8.6%	8.1%	7.7%	7.4%	
EBIT	27	31	35	39	45	49	53	57	61	65	
<i>EBIT Margin</i>	14.2%	14.6%	14.8%	15.2%	15.8%	15.7%	15.6%	15.6%	15.5%	15.4%	
Tax	-5	-5	-6	-7	-8	-8	-9	-10	-10	-11	
<i>Tax rate</i>	20.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	
Depreciation	6	7	8	8	9	10	11	12	13	14	
<i>% of revenue</i>	3.2%	3.3%	3.2%	3.1%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	
Capex	-8	-8	-8	-8	-9	-10	-11	-12	-13	-13	
<i>% of revenue</i>	4.3%	3.7%	3.4%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
Change in Working Capital	-2	-3	-2	-2	-2	-2	-3	-3	-3	-3	
<i>% of revenue</i>	12%	14%	0.8%	0.8%	-10%	-10%	-10%	-10%	-10%	-10%	
Free Cash Flow	17	22	27	31	35	38	41	45	48	51	902
<i>growth rate</i>	12.3%	28.2%	20.7%	16.0%	14.4%	8.5%	8.0%	7.6%	7.2%	6.8%	2.0%
Present Value CF	16	20	22	24	25	25	25	25	25	25	439
PV Phase I		81			Market Cap		448	Target equity ratio		80%	
PV Phase II		150			Risk premium		5.00%	Beta		1.0	
PV Phase III		439			Risk-free rate		3.50%	WACC		7.8%	
Enterprise value		670			Sensitivity			Growth in Phase III			
+ Cash		40			Analysis		1.0%	1.5%	2.0%	2.5%	3.0%
- Debt		13				6.98%	117	124	133	143	156
Equity Value		696				7.37%	110	116	123	131	142
Number of shares		6			WACC	7.76%	103	108	114	121	130
Value per share		114				8.15%	97	101	107	113	120
						8.54%	92	95	100	105	111

Source: equinet Research

Exhibit 6: Hypoport: Historic Valuation



Source: FactSet, equinet Research

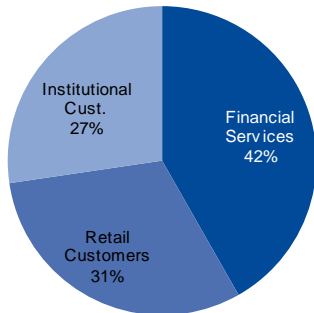
Exhibit 7: Valuation German Financials

Company	Share Price (EUR)	MC (EUR m)	PER 2017e	PER 2018e	P/B 2017e	P/B 2018e	ROE 2017e	ROE 2018e	Yield 2016e
comdirect bank AG	9.70	1,370	24.7x	23.0x	2.1x	2.1x	8.6%	9.1%	2.6%
Ferratum	19.70	425	18.3x	12.2x	3.9x	3.2x	21.6%	26.0%	0.6%
FinTech Group AG	14.50	244	13.0x	11.1x	2.4x	2.0x	18.3%	17.6%	0.0%
GRENKE AG	188.15	2,779	23.3x	20.3x	3.7x	3.2x	15.8%	15.6%	0.9%
Hypoport AG	102.10	607	28.5x	24.8x	7.0x	5.5x	24.6%	22.1%	0.0%
MLP AG	5.80	634	21.7x	16.0x	1.5x	1.6x	7.0%	9.9%	1.6%
OVB Holding AG	18.50	264	21.3x	20.4x	3.0x	2.9x	13.9%	14.3%	4.1%
PATRIZIA Immobilien	18.40	1,545	23.7x	19.0x	1.9x	1.8x	8.1%	9.5%	0.0%
Average	Share Price		PER 2017e	PER 2018e	P/B 2017e	P/B 2018e	ROE 2017e	ROE 2018e	Yield 2016e
			21.8x	18.4x	3.2x	2.8x	14.7%	15.5%	1.2%

Source: FactSet, equinet Research

Exhibit 8: KPIs – overview

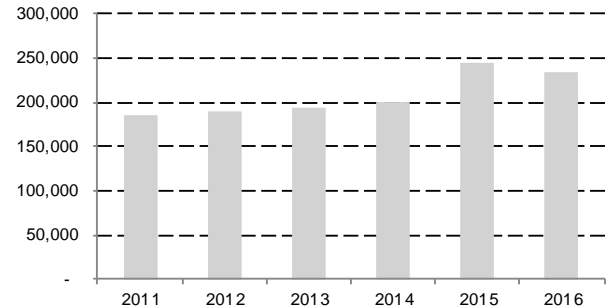
Business split



Financial Services (Europace) is Hypoport's key revenues pillar.

Source: Hypoport, equinet Research

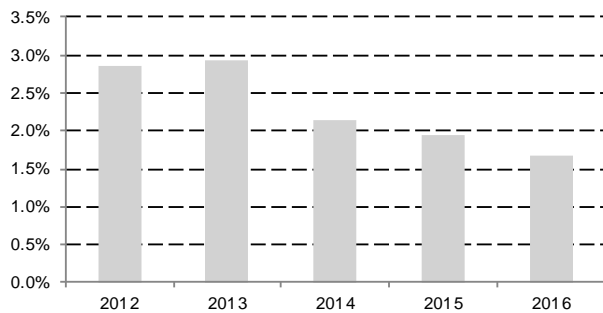
Market development (new mortgage loans in EUR m)



New mortgage loan volumes in GER have benefited from a decline in interest rates, 2016 being negatively impacted from regulation.

Source: Hypoport, equinet Research

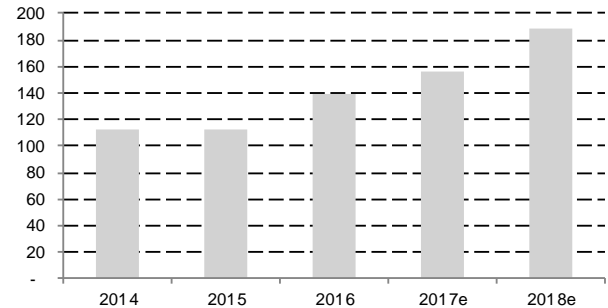
10YR Mortgage Rate development



10YR Mortgage rates on record low levels; we do not expect a sharp increase in the short term.

Source: Hypoport, equinet Research

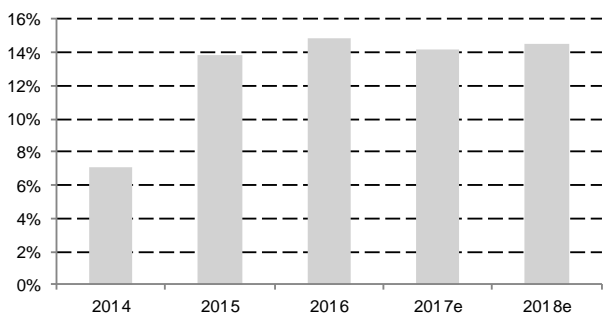
Revenues development (in EUR m)



A positive overall market development and a growing market share of Hypoport should be the main revenues drivers.

Source: Hypoport, equinet Research

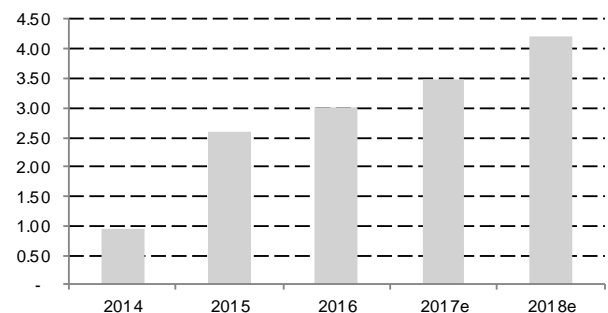
EBIT margin development



Particularly Europace's business model is highly scalable, i.e. the positive revenues dev. should result in a further margin increase.

Source: Hypoport, equinet Research

EPS development (in EUR)



We forecast EPS CAGR of 16% (2016e-'18e).

Source: Hypoport, equinet Research

Source: Hypoport, equinet Research

Hypoport AG : Summary tables

PROFIT & LOSS (EURm)	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Sales	101	112	139	157	188	214
Cost of Sales & Operating Costs	0.0	0.0	0.0	0.0	0.0	0.0
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	8.2	12.7	25.1	28.3	32.7	38.2
EBITDA (adj.)*	8.2	12.7	25.1	28.3	32.7	38.2
Depreciation	4.2	4.8	5.8	5.1	6.0	7.0
EBITA	12.3	17.5	30.9	33.4	38.7	45.2
EBITA (adj)*	12.3	17.5	30.9	33.4	38.7	45.2
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.0	7.9	19.3	23.2	26.7	31.2
EBIT (adj.)*	4.0	7.9	19.3	23.2	26.7	31.2
Net Financial Interest	-0.9	-0.7	-0.1	-0.4	-0.5	-0.8
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	3.1	7.3	19.1	22.8	26.2	30.4
Tax	0.1	1.3	3.2	4.8	5.2	5.2
<i>Tax rate</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	3.0	5.9	15.9	18.0	20.9	25.2
Net Profit (adj.)	3.0	5.9	15.9	18.0	20.9	25.2
CASH FLOW (EURm)	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Cash Flow from Operations before change in NWC	6.2	10.7	23.7	25.8	22.7	31.2
Change in Net Working Capital	3.9	-2.3	2.9	-7.5	-2.3	-3.0
Cash Flow from Operations	10.1	8.4	26.7	18.3	20.5	28.2
Capex	-5.7	-6.2	-7.1	-13.3	-6.0	-6.0
Net Financial Investments	-1.4	-1.2	-6.9	-7.4	2.7	2.1
Free Cash Flow	3.0	1.1	12.7	-2.3	17.1	24.3
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	-1.2	-1.1	-3.6	1.5	-1.8	0.0
Change in Net Debt	1.8	0.0	9.1	-0.8	15.3	24.3
NOPLAT	2.8	5.6	13.5	16.3	18.7	21.9
BALANCE SHEET & OTHER ITEMS (EURm)	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Net Tangible Assets	2.3	2.2	2.6	2.6	1.1	-0.4
Net Intangible Assets (incl. Goodwill)	29.6	31.0	31.9	41.7	43.2	43.7
Net Financial Assets & Other	0.1	0.1	0.0	1.1	1.1	1.1
Total Fixed Assets	31.9	33.3	34.5	45.4	45.4	44.4
Cash (-)	-11.5	-12.0	-24.8	-22.4	-39.5	-63.8
Shareholders Equity	32.8	38.6	52.4	63.8	84.7	110
Minority	0.3	0.3	0.3	0.3	0.4	0.5
Total Equity	33.1	38.9	52.7	64.1	85.1	110
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	-5.5	-1.6	-5.7	-0.2	-5.2	-3.2
Total Long Term Liabilities	-5.5	-1.6	-5.7	-0.2	-5.2	-3.2
Short term interest bearing debt	20.6	21.1	24.7	23.2	25.0	25.0
Net Working Capital	4.7	8.9	8.9	12.9	13.0	16.0
GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
<i>Sales growth</i>	<i>15.2%</i>	<i>11.1%</i>	<i>23.7%</i>	<i>12.7%</i>	<i>20.0%</i>	<i>14.0%</i>
EBITDA (adj.)* growth	0.3%	55.7%	97.5%	12.9%	15.6%	16.8%
<i>EBITA (adj.)* growth</i>	<i>-5.5%</i>	<i>41.4%</i>	<i>76.9%</i>	<i>8.1%</i>	<i>16.0%</i>	<i>16.8%</i>
<i>EBIT (adj.)* growth</i>	<i>24.1%</i>	<i>100.1%</i>	<i>142.7%</i>	<i>20.6%</i>	<i>15.1%</i>	<i>16.8%</i>

Hypoport AG : Summary tables

GROWTH & MARGINS	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Net Profit growth	n.m.	97.0%	168.1%	13.7%	15.8%	20.4%
EPS adj. growth	n.m.	97.0%	175.1%	14.6%	15.8%	20.4%
DPS adj. growth						
EBITDA (adj)* margin	8.1%	11.3%	18.0%	18.1%	17.4%	17.8%
EBITA (adj)* margin	12.2%	15.5%	22.2%	21.3%	20.6%	21.1%
EBIT (adj)* margin	3.9%	7.1%	13.9%	14.8%	14.2%	14.6%
RATIOS	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Net Debt/Equity	0.3	0.2	0.0	0.0	-0.2	-0.4
Net Debt/EBITDA	1.1	0.7	0.0	0.0	-0.4	-1.0
Interest cover (EBITDA/Fin.interest)	9.3	18.5	n.m.	70.6	65.5	47.8
Capex/D&A	-136.7%	-129.8%	-121.3%	-260.6%	-100.0%	-85.7%
Capex/Sales	5.7%	5.5%	5.1%	8.5%	3.2%	2.8%
NWC/Sales	4.7%	8.0%	6.4%	8.2%	6.9%	7.5%
ROE (average)	9.6%	16.6%	34.9%	31.0%	28.1%	25.9%
ROCE (adj.)	7.6%	13.2%	31.1%	28.4%	32.7%	36.9%
WACC	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
ROCE (adj.)/WACC	1.0	1.7	4.0	3.7	4.2	4.8
PER SHARE DATA (EUR)***	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Average diluted number of shares	6.2	6.2	6.0	6.0	6.0	6.0
EPS (reported)	0.49	0.96	2.63	3.01	3.49	4.20
EPS (adj.)	0.49	0.96	2.63	3.01	3.49	4.20
BVPS	5.29	6.23	8.46	10.30	13.68	17.74
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
EV/Sales	0.7	0.8	3.6	3.1	3.3	2.8
EV/EBITDA	8.5	6.7	19.9	17.0	18.9	15.5
EV/EBITDA (adj.)*	8.5	6.7	19.9	17.0	18.9	15.5
EV/EBITA	5.6	4.8	16.1	14.4	16.0	13.1
EV/EBITA (adj.)*	5.6	4.8	16.1	14.4	16.0	13.1
EV/EBIT	17.4	10.7	25.9	20.8	23.1	19.0
EV/EBIT (adj.)*	17.4	10.7	25.9	20.8	23.1	19.0
P/E (adj.)	19.9	12.7	30.6	25.8	29.3	24.3
P/BV	1.8	2.0	9.5	7.5	7.5	5.8
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	1.9	2.0	11.5	8.4	10.8	10.0
OpFCF yield	7.3%	3.0%	3.9%	1.1%	2.3%	3.5%
OpFCF/EV	6.3%	2.6%	3.9%	1.0%	2.3%	3.7%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2013	12/2014	12/2015	12/2016	12/2017e	12/2018e
Price** (EUR)	9.65	12.16	80.50	77.75	102.10	102.10
Outstanding number of shares for main stock	6.2	6.2	6.2	6.2	6.2	6.2
Total Market Cap	60	75	499	482	633	633
Net Debt	9	9	0	1	-15	-39
<i>o/w Cash & Marketable Securities (-)</i>	<i>-12</i>	<i>-12</i>	<i>-25</i>	<i>-22</i>	<i>-40</i>	<i>-64</i>
<i>o/w Gross Debt (+)</i>	<i>21</i>	<i>21</i>	<i>25</i>	<i>23</i>	<i>25</i>	<i>25</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	69	85	499	483	618	594

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Financial Services Industrials/FinSvcs Industrials

Company Description: Hypoport is a financial service provider focusing on real estate loans. Key product is the Europace platform which is an internet based platform enabling banks on the one hand to more efficiently process their mortgage basis and on the other hand to get access to more than 250 product partners.

Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Rüzgar	22.50	Neutral	2/3/5	Pfeiffer Vacuum	Sen	124.00	Accumulate	5
4SC	Miemietz	3.50	Buy	7	Procredit Holding	Häßler	15.60	Accumulate	2
Aareal Bank	Häßler	38.00	Accumulate		PSI	Droste	13.00	Accumulate	2/3
Adpepper	Heilmann	2.20	Neutral	2/3	RIB Software	Droste	16.50	Buy	2/3
adidas	Josefson	192.00	Buy		RTL Group	Josefson	81.00	Accumulate	
Adler Modemaerkte	Josefson	7.50	Buy	7	SAF-Holland	Schuldt	17.00	Accumulate	7
ADLER Real Estate	Häßler	17.00	Buy		Siegfried Holding AG	Miemietz	220.00	Accumulate	
Aixtron	Sen	4.00	Neutral	2/3	SLM Solutions	Sen	27.50	Reduce	
Allianz	Häßler	175.00	Buy		SMT Scharf AG	Rüzgar	14.50	Neutral	2/3
Axel Springer	Josefson	51.00	Neutral		Software AG	Droste	30.00	Sell	
Bayer	Miemietz	118.00	Buy		Stabilus	Tanzer	71.00	Accumulate	
BB Biotech	Miemietz	60.00	Buy	7	Suedzucker	Bruns	20.00	Neutral	
Biotest	Miemietz	19.00	Neutral	2/3	SuessMicroTec	Sen	11.00	Accumulate	2/3
BMW	Schuldt	98.00	Accumulate		Surteco	Mildner	26.10	Accumulate	2/3
Cenit	Droste	22.50	Buy		Syzygy AG	Heilmann	11.50	Neutral	2/3
comdirect	Häßler	8.00	Sell		Talanx Group	Häßler	34.00	Neutral	
Commerzbank	Häßler	7.50	Neutral		Technotrans	Becker	32.50	Buy	2/3
Continental	Schuldt	240.00	Buy		TELECOLUMBUS	Sen	10.00	Buy	
CORESTATE Capital Holding S.A.	Mayer	33.00	Buy	2/5	Telefonica Deutschland	Sen	3.70	Neutral	
CTS Eventim	Heilmann	40.00	Buy		United Internet	Sen	55.00	Buy	
Cytotools AG	Heilmann	11.50	Rating Suspende	2/3	va-Q-tec	Sen	17.00	Neutral	2/3/5
Daimler AG	Schuldt	84.00	Buy		Viscom	Rüzgar	18.00	Accumulate	2/3
Daldrup & Soehne	Becker	9.50	Buy	2/3/5	Volkswagen	Schuldt	166.00	Buy	
Demire	Mayer	4.50	Buy		WCM AG	Mayer	3.25	Accumulate	2/3
Deutsche Bank	Häßler	19.00	Buy		Wilex	Miemietz	4.00	Buy	2/3
Deutsche EuroShop	Mayer	42.00	Accumulate		Wincor Nixdorf	Sen	50.00	Accumulate	
Deutsche Pfandbriefbank	Häßler	11.30	Accumulate		windeln.de	Josefson	5.00	Buy	2
Deutsche Telekom	Sen	15.50	Neutral						
Drillisch	Sen	41.00	Neutral						
ErlingKlinger	Schuldt	17.00	Accumulate						
elumeo SE	Josefson	9.60	Buy						
Epigenomics AG	Miemietz	7.52	Neutral	2/3					
Euromicron AG	Droste	13.00	Buy	2/3/5					
Ferratum	Häßler	21.00	Buy						
Fielmann	Heilmann	58.00	Sell						
Freenet	Sen	36.00	Buy	2					
Fuchs Petroleum	Hinkel	47.00	Accumulate						
Gerry Weber	Josefson	9.50	Reduce						
Gesco	Becker	24.80	Accumulate	2/3/5					
GFT Technologies	Droste	28.00	Buy	2/3					
Gigaset	Sen	0.65	Accumulate	2/3					
Grenke	Häßler	200.00	Buy						
Hannover Re	Häßler	100.00	Neutral						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	74.00	Buy						
Hypoport AG	Häßler	114.00	Accumulate	7					
Kontron	Sen	3.60	Buy						
KWS	Hinkel	346.00	Buy						
Leoni	Schuldt	40.00	Neutral						
Linde	Hinkel	174.00	Accumulate						
Logwin	Mildner	2.73	Neutral	2/3/5					
Manz AG	Rüzgar	42.50	Accumulate	2/3					
MAXAutomation AG	Becker	8.00	Buy	2/3					
Merck	Miemietz	91.00	Neutral						
Merkur Bank	Häßler	8.80	Buy	2/7					
Metro	Bruns	38.00	Buy						
MLP	Häßler	5.50	Accumulate	2/3					
MTU Aero Engines	Rüzgar	135.00	Accumulate	2					
Munich Re	Häßler	180.00	Neutral						
Nemetischek SE	Droste	47.00	Reduce	5					
Nexus AG	Droste	20.00	Buy						
Norma Group	Schuldt	56.00	Buy						
OHB SE	Rüzgar	21.50	Neutral	7					
OVH Holding AG	Häßler	20.00	Accumulate	2/5/7					
Patrizia	Häßler	22.00	Buy						

*=Coverage suspended

Source: equinet Recommendations

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Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

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Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

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Sources

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Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

Recommendation history for HYPOPORT AG

Date	Recommendation	Target price	Price at change date
08-May-17	Accumulate	114.00	102.10
25-Aug-16	Buy	100.00	82.50

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Philipp Häßler, CFA (since 25/08/2016)



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The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

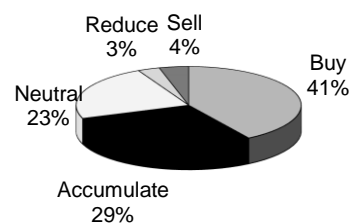
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- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Equinet Bank Ratings Breakdown



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