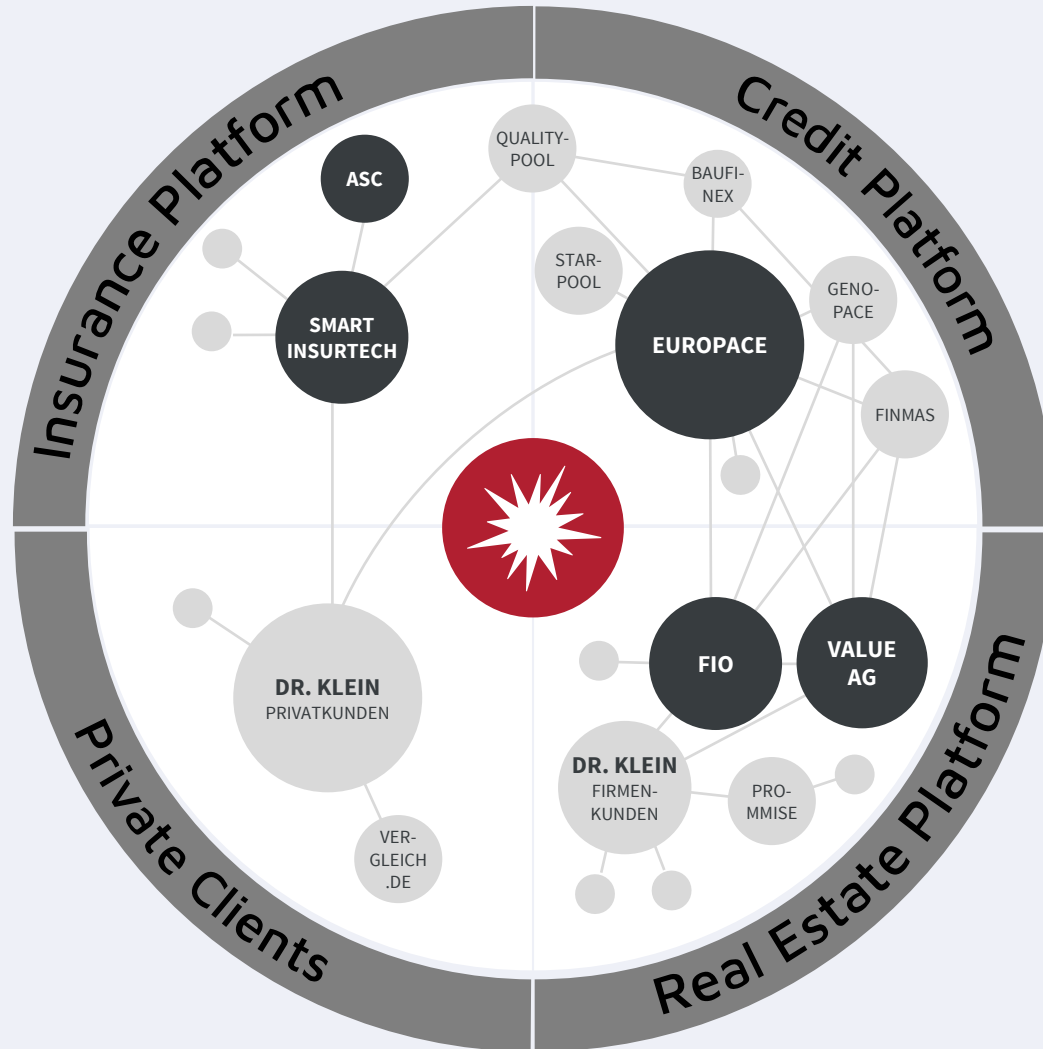


# Hypoport AG

*Results for  
the first nine months of 2018*

# Hypoport – a fast-growing network of companies

The four segments of Hypoport



Consumer



Housing industry

# Technology for the financial, property and insurance industries

Investment highlights in Q1–Q3 2018 and forecast for 2018

## Key figures for Q1–Q3 2018 (yoy)

- Revenue: €191.8 million (+33%)
- EBIT: €22.7 million (+19%)
- EPS: €2.76 (+11%)
- Market cap: approx. €1.287 billion (+40%)
- Average trading volume per day: approx. €2.1 million (-14%)

## Hypoport growing faster than the market (yoy)

- Mortgage finance market: +4%\*
- Volume of EUROPACE transactions: +18%
- Volume of new loans brokered for Dr. Klein private clients: +28%
- Volume of new loans brokered for DR. KLEIN corporate clients: -15%

## Forecast for 2018

- Hypoport expects the Group's growth to be in double figures, with revenue of €240 million to €260 million and EBIT of €29 million to €34 million.

\* Source: Deutsche Bundesbank, provisional data.

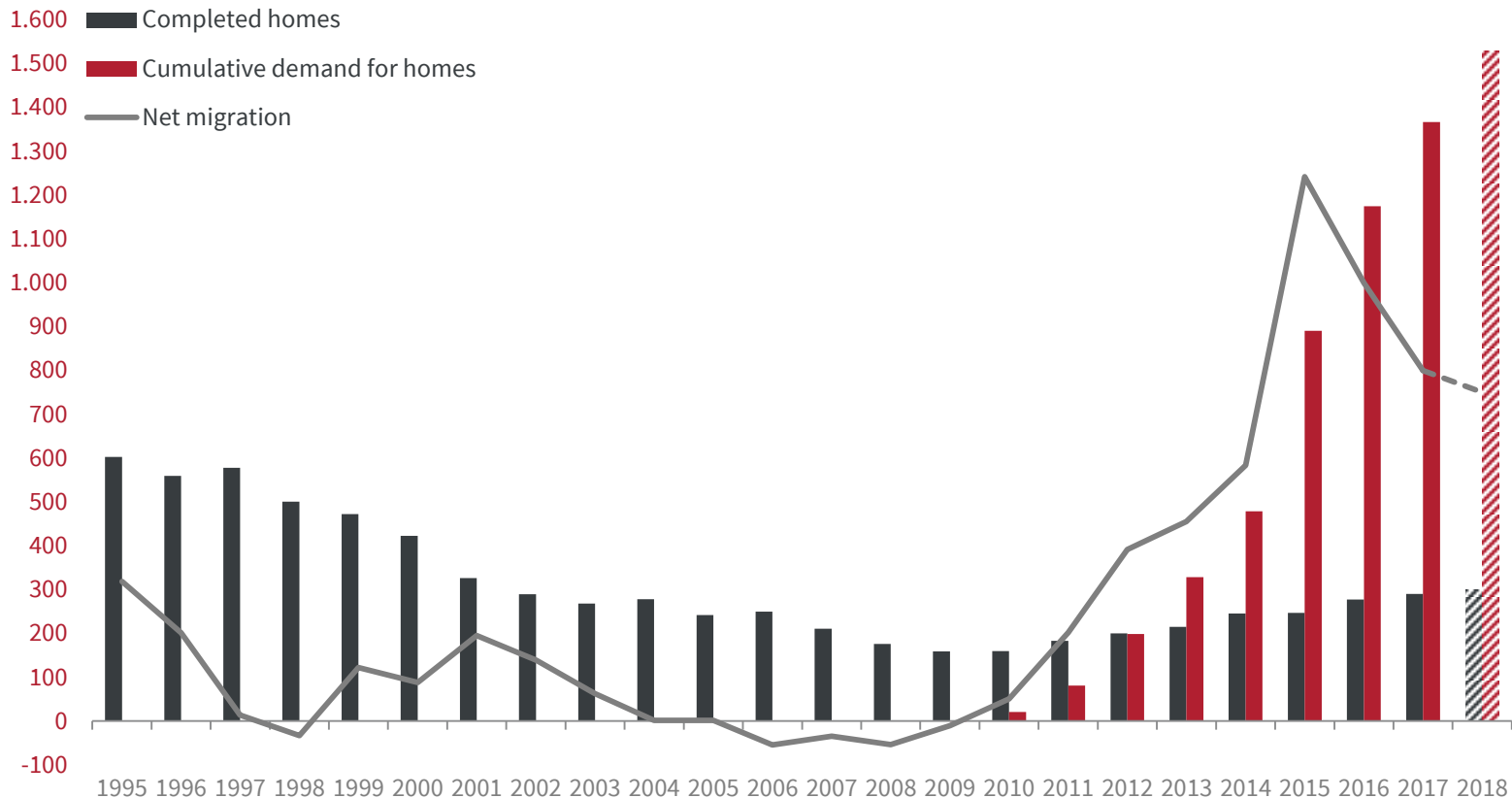
# Contents

## **1. Market environment**

2. Segment results
3. Overview of key performance indicators
4. Shares and investor relations
5. Investment highlights and outlook

# Huge excess demand in the housing market

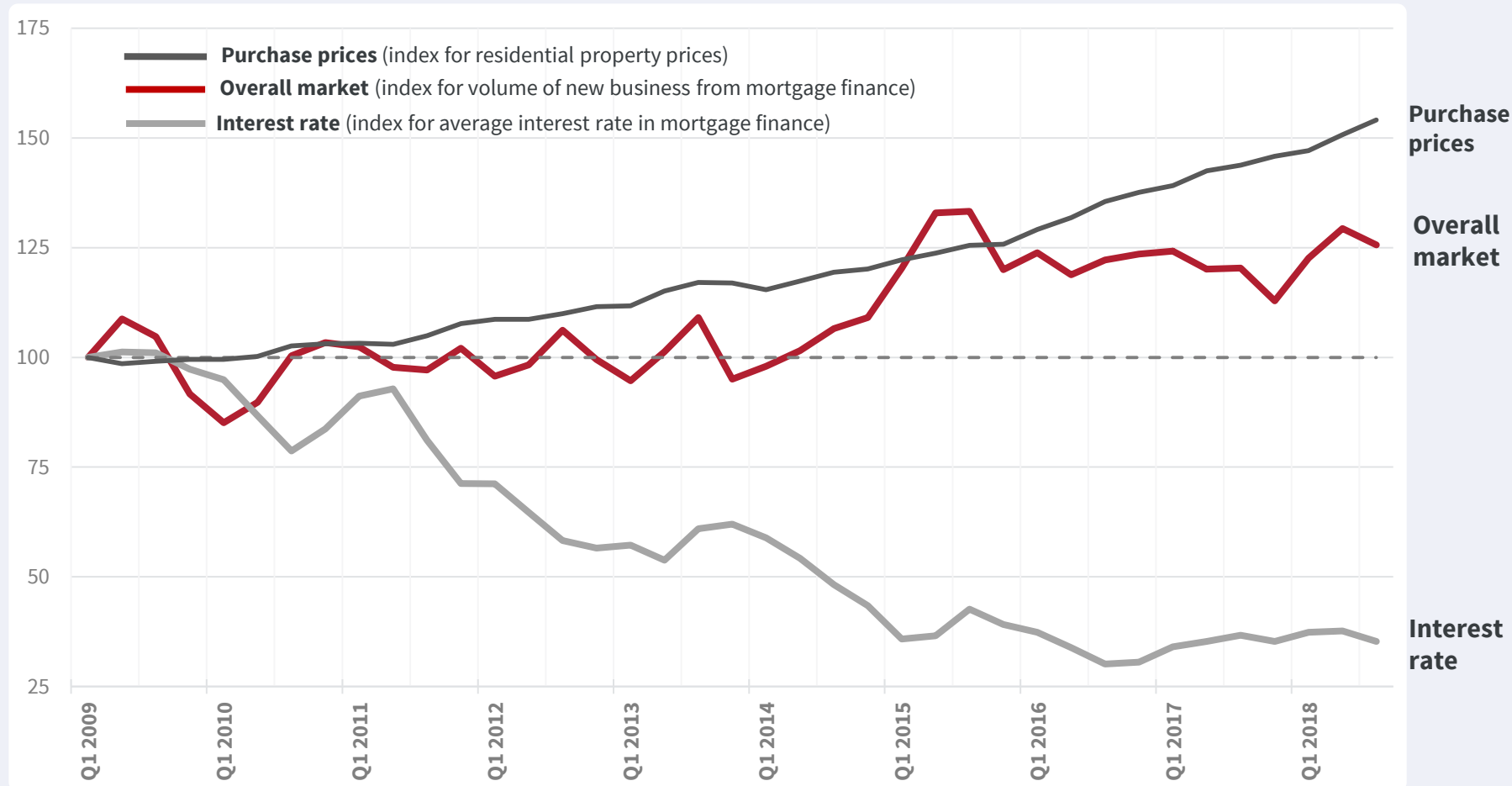
## Changes in the German housing market



Figures in thousands. Sources: 1995–2017 German Federal Statistical Office; 2017 & 2018 estimates based on data from Destatis, the Deutsche Bauindustrie & Deutsches Baugewerbe construction industry associations, and the Hans Böckler Foundation as well as on Hypoport's own projections.

# Further slight increase in volume of mortgage finance

Performance of relevant market indices in Germany since 2009



Sources: Bundesbank, EUROPACE, Dr. Klein.

# Mortgage finance – market has strong potential

Factors influencing the private and institutional residential real-estate finance markets

	Negative factors	Positive factors
<p>Finance for <b>OWNER- OCCUPIED PROPERTIES</b></p> <p>Credit Platform Private Clients</p>	<ul style="list-style-type: none"><li>• Lack of available properties</li><li>• High ancillary purchasing costs</li><li>• Legislators keep the market busy with a steady stream of new regulatory ideas</li><li>• Commercial and residential projects competing for construction resources</li></ul>	<ul style="list-style-type: none"><li>• Strong pent-up demand in and from the rental market</li><li>• Buying often cheaper than renting</li><li>• Slight growth in construction activity</li><li>• Market share of neutral loan brokerage advisors is growing</li><li>• Proportion of home ownership (less than 50%*) remains low compared with other EU countries</li></ul>
<p>Finance for <b>RENTAL PROPERTIES</b></p> <p>Real Estate Platform</p>	<ul style="list-style-type: none"><li>• Over-regulated rental market</li><li>• In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction</li><li>• New requirements resulting from the EU General Data Protection Regulation</li></ul>	<ul style="list-style-type: none"><li>• Marked increase in planned projects and approvals for the construction of affordable housing</li></ul>

\* Source: Federal Statistical Office.

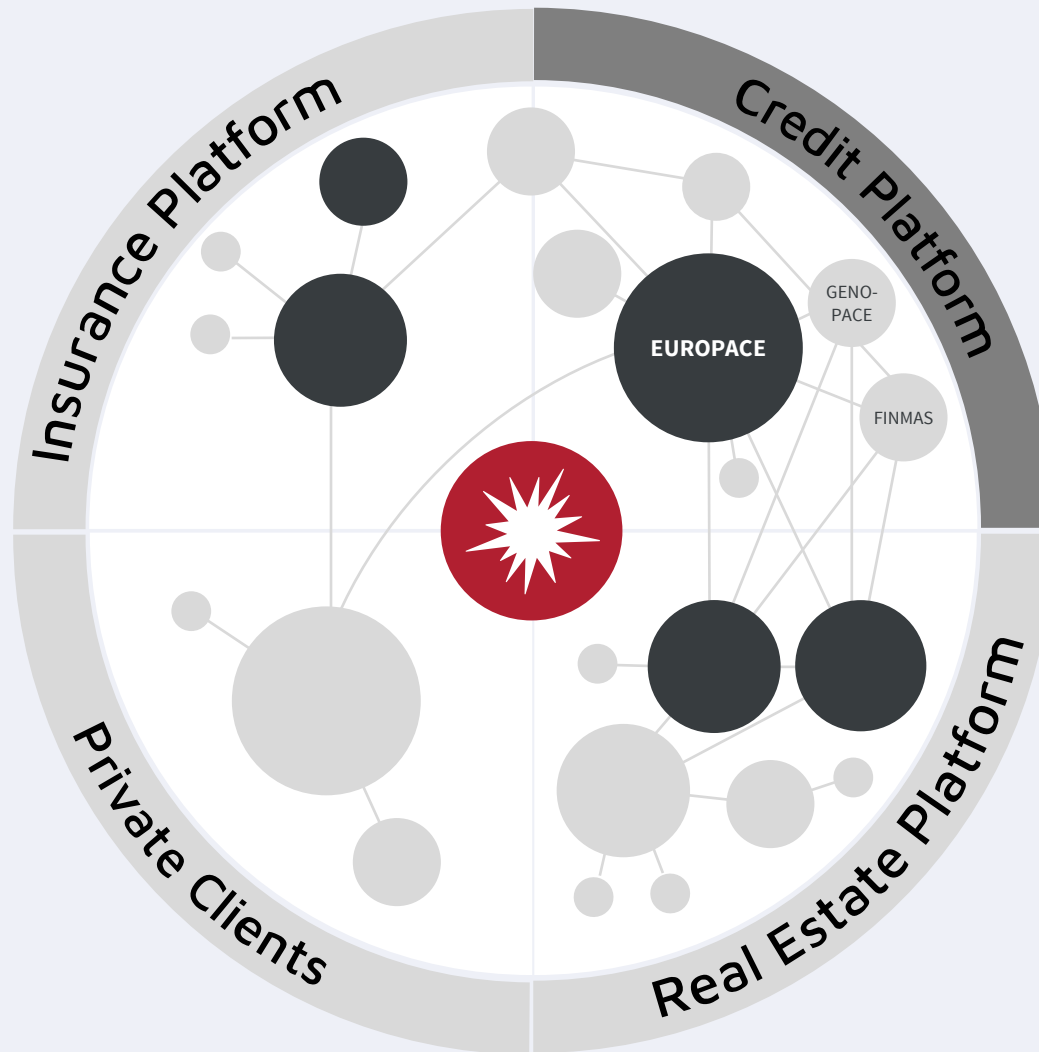
# Contents

1. Market environment
- 2. Segment results**
3. Overview of key performance indicators
4. Shares and investor relations
5. Investment highlights and outlook



# Credit Platform

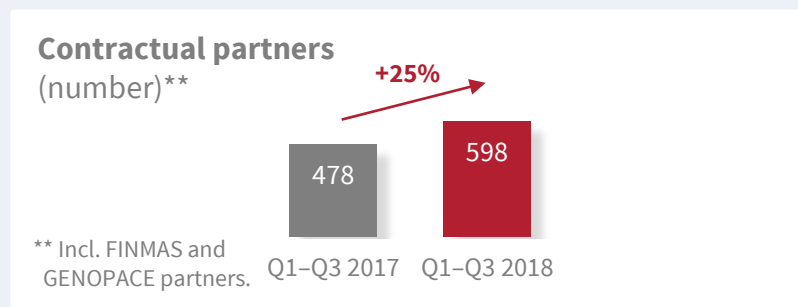
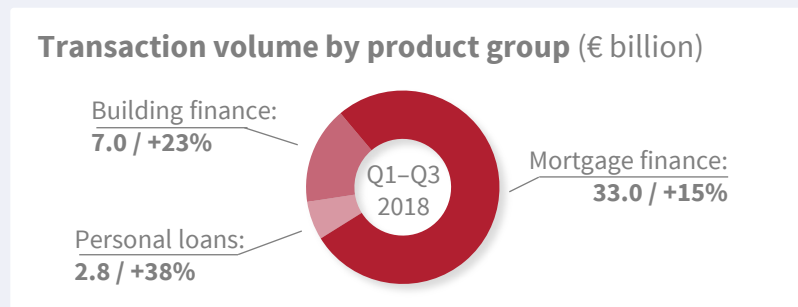
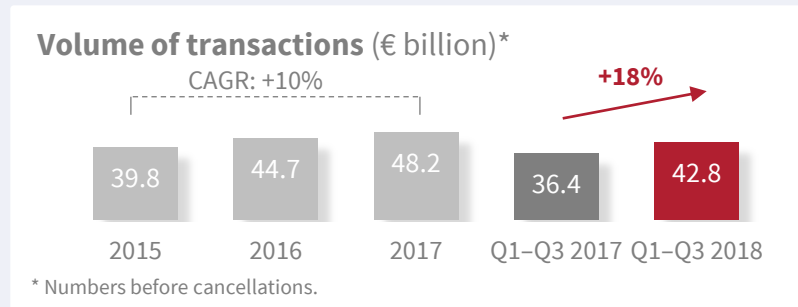
Segment results



Credit industry

# EUROPACE again outperforms the market by a long way

Credit Platform: volume of transactions and number of partners

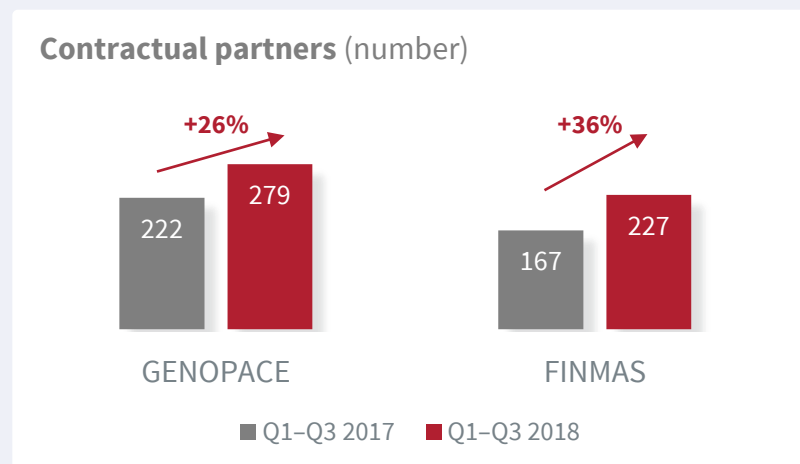
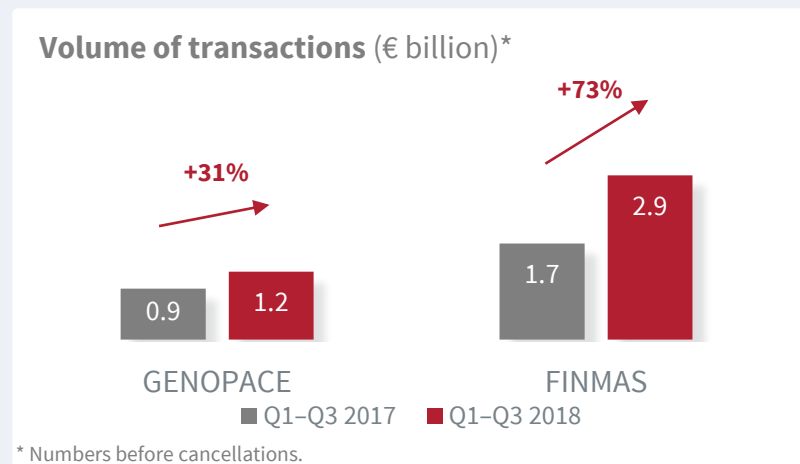


- Transaction volume per sales day\*\*\* rises to record high of €228 million (Q1-Q3) / €229 million (Q3)
- Volume of transactions on EUROPACE in the most important product group, mortgage finance, increases by 15% year on year; market as a whole only expands by just under 4%
- Growth of building finance product group linked to growth of mortgage finance due to linked sales activities
- Strong growth in the personal loans product group supported by KreditSmart – Hypoport's cutting-edge front-end technology – and white-label sales

\*\*\* The number of sales days equals the number of bank working days less half of the number of 'bridging days' (days falling between public holidays and weekends).

# Strong growth at regional banks

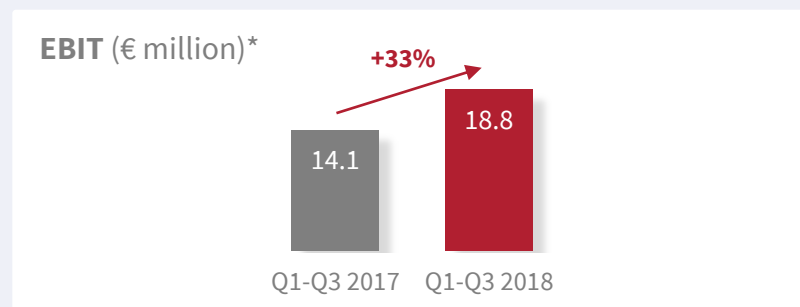
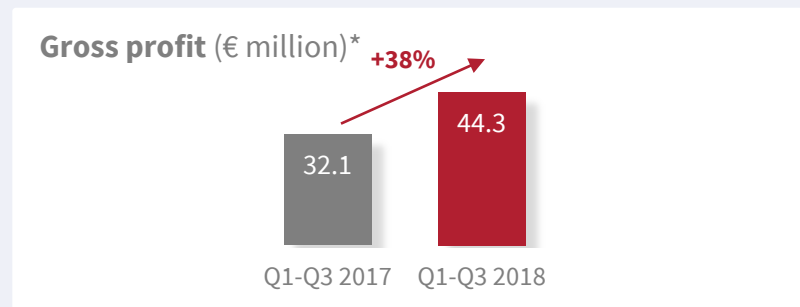
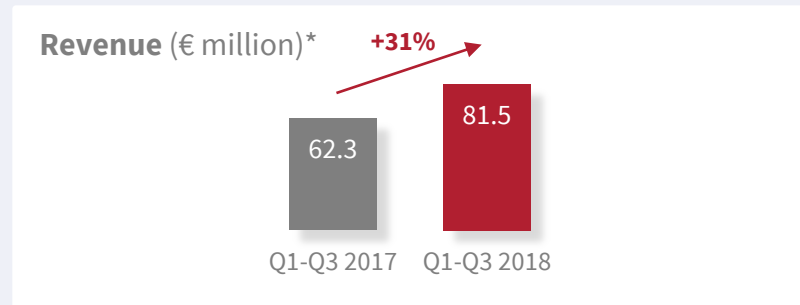
GENOPACE and FINMAS sales transaction volume and number of contractual partners



- The use of EUROPACE by savings banks and cooperative banks for own-account distribution continues to increase at a faster rate than is the case for the overall marketplace.
- Savings banks, in particular, are intensifying their use of FINMAS for own-account distribution and forging ahead with rollout projects.
- Further rise in the number of contractual partners is creating potential for other regional banks that use FINMAS or GENOPACE for own-account distribution.
- Only one of the top 25 savings banks is not yet connected to FINMAS.
- FINMAS: 42 of the top 50 savings banks are already contractual partners.
- GENOPACE: 43 of the top 50 credit cooperatives and mutually owned banks are already contractual partners.

# Substantial growth secures market leadership

Credit Platform: revenue, gross profit and earnings

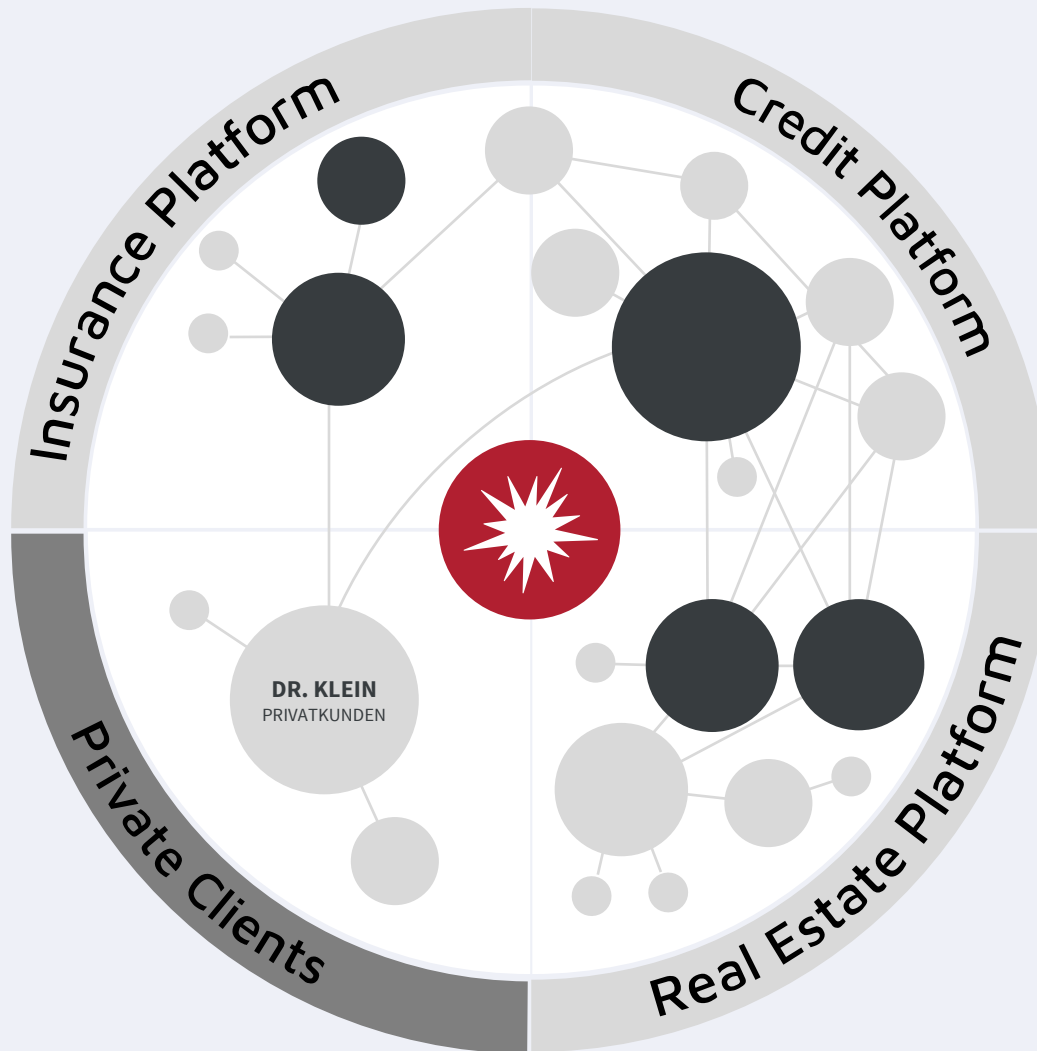


\* Prior-year figures adjusted to reflect new segment reporting.

- Revenue in the Credit Platform segment already at around €80 million for the first nine months of 2018.
- Growth driven by all sub-segments (EUROPACE, FINMAS, GENOPACE, Qualitypool, Starpool and white-label sales of personal loans).
- The contributions to revenue growth from Qualitypool and Starpool, which both have weak gross profits, were slightly below average. This explains the above-average increase in gross profit.
- Links between the Credit Platform segment and the new Real Estate Platform segment – to which the new companies FIO and Value AG belong – are creating further potential for revenue in the two segments.

# Private Clients

Segment results

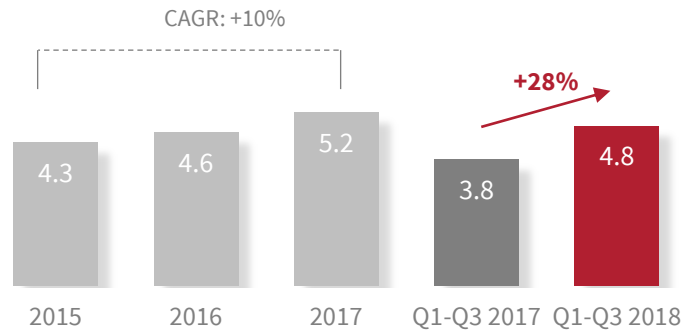


Consumer

# Dr. Klein makes significant gains in market share

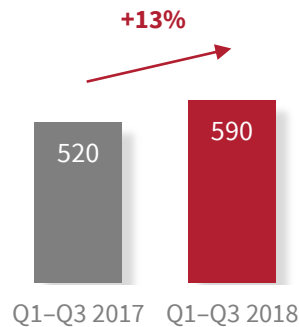
Private Clients: volume of loans brokered and number of advisors

**Volume of new loans brokered (€ billion)\***



\* Numbers before cancellations and adjusted to reflect new segment reporting.

**Loan brokerage advisors in branch-based sales (number)\***

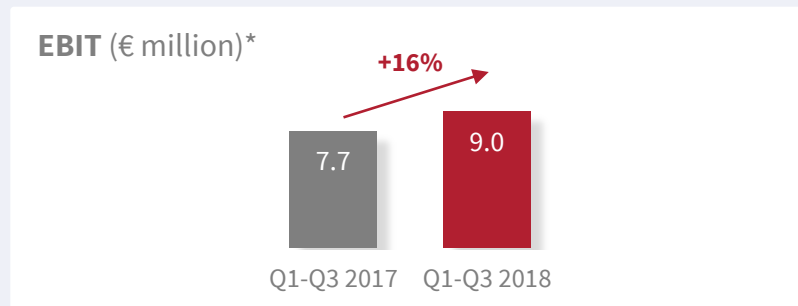
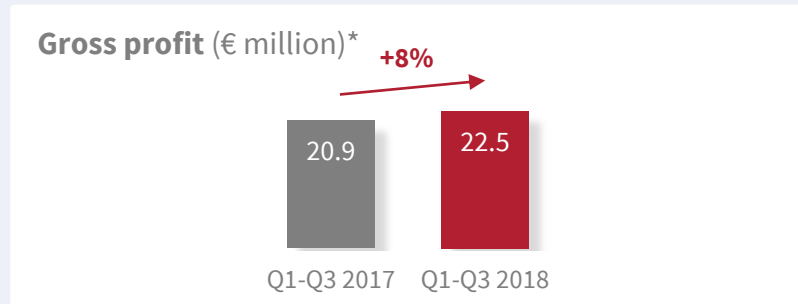
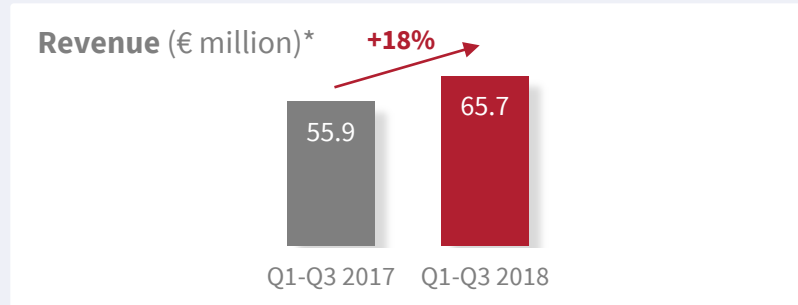


\* Prior-year figures adjusted to reflect new segment reporting.

- Dr. Klein again expands its market share in a mortgage finance market that is only experiencing slight overall growth (+4%).
- The number of loan brokerage advisors as at 30 September 2018 advances by 13% compared with the same date in 2017.
- Expanding customer base thanks to continued growth of interest in neutral loan brokerage advice among consumers.
- The combination of a rising number of advisors and increasing demand from the expanding customer base provides strong foundations for capturing further market share.

# Dr. Klein achieves record revenue and earnings

Private Clients: revenue, gross profit and earnings

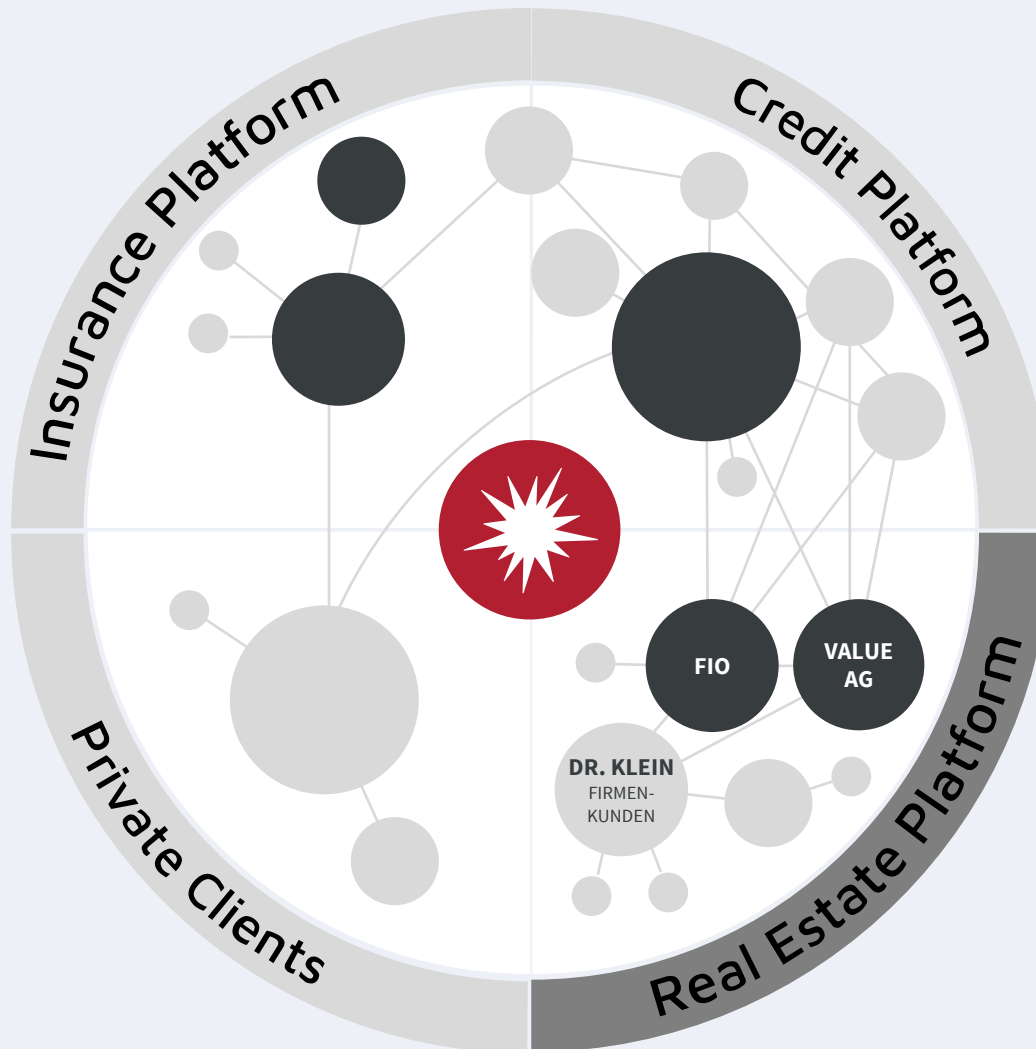


\* Prior-year figures adjusted to reflect new segment reporting.

- The increase in the volume of new loans brokered in the mortgage finance product group resulted in a further year-on-year rise in revenue in the first three quarters of 2018.
- The lower rate of growth in gross profit is attributable to a change in the product mix and the exceptional performance of the franchise stores compared with the Company's seven flagship stores.

# Real Estate Platform (formerly Institutional Clients)

Segment results

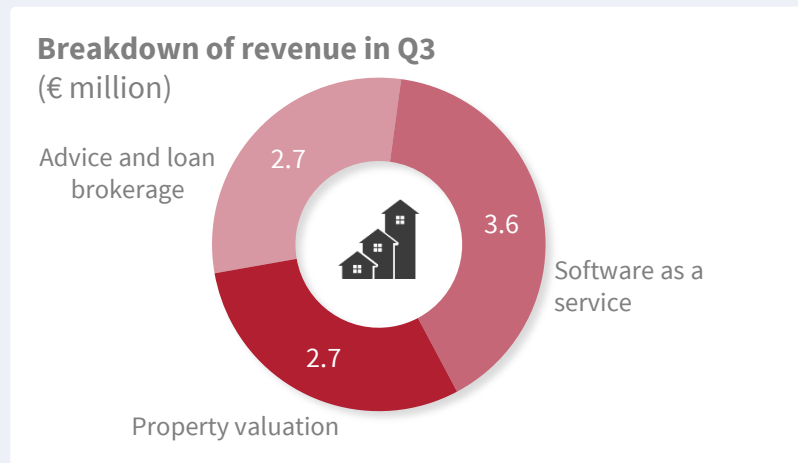
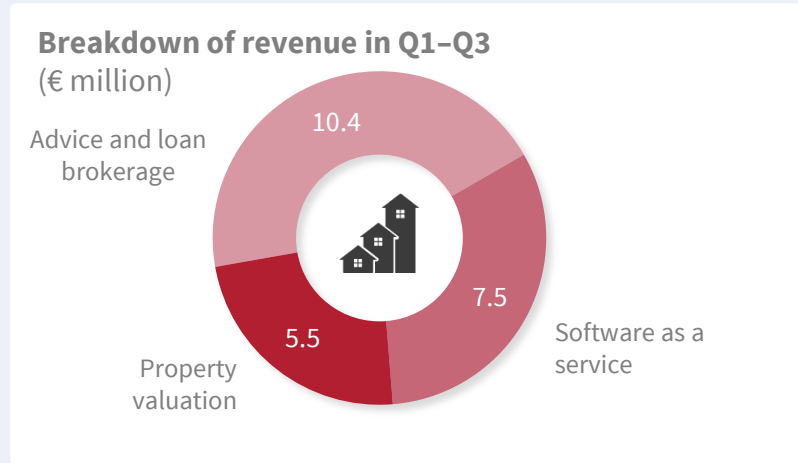


Housing industry



# Boost to revenue from new subsidiaries

## Real Estate Platform: performance of product groups

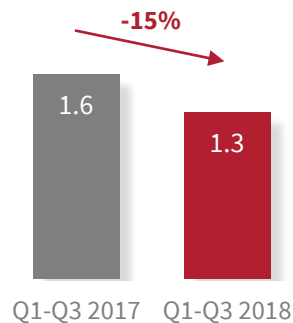


- Since summer 2018, all of the Group's property-related activities (except loan brokerage for private clients) have been grouped together in the new Real Estate Platform segment.
- The segment's aim is to digitalise the sale, valuation and management of properties; its target groups are the housing and property industries, estate agents and mortgage lenders.
- FIO (software as a service, SaaS) and Value AG (property valuation) have been included in the consolidated financial statements since May. They were successfully presented as new members of the Hypoport network at the FINMAS and EUROPACE conferences in September.

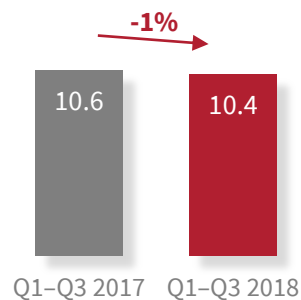
# No support from the market

Real Estate Platform: advice and loan brokerage product group

Volume of new loans brokered (€ billion)



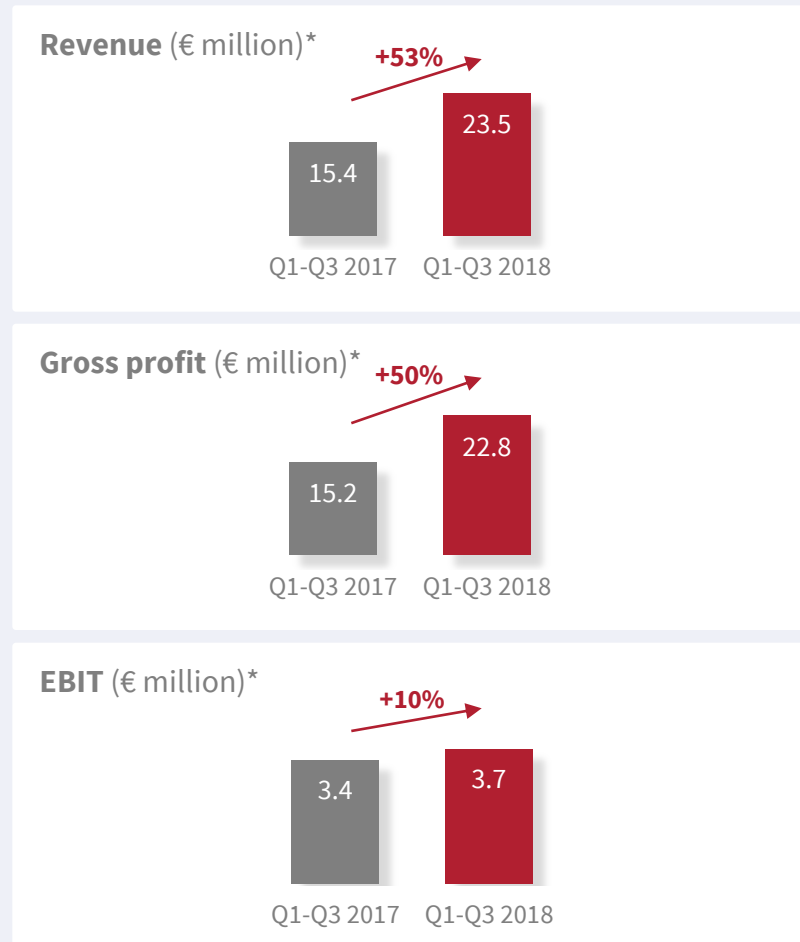
Advice and loan brokerage revenue (€ million)\*



- The lack of stimulus from interest rates caused the volume of transactions in the advice and loan brokerage product group to fall by 15% to €1.3 billion in the first three quarters of 2018.
- The resulting decrease in revenue was limited to around €0.15 million thanks to the conclusion of lucrative one-off deals.
- There was a disproportionately large reduction in EBIT for the advice and loan brokerage product group as a result of building up additional sales capacity in order to utilise synergies between FIO and Dr. KLEIN corporate clients over the long term.

# Added value of recent acquisitions can already be seen

## Real Estate Platform: revenue, gross profit and earnings



\* Prior-year figures adjusted to reflect new segment reporting.

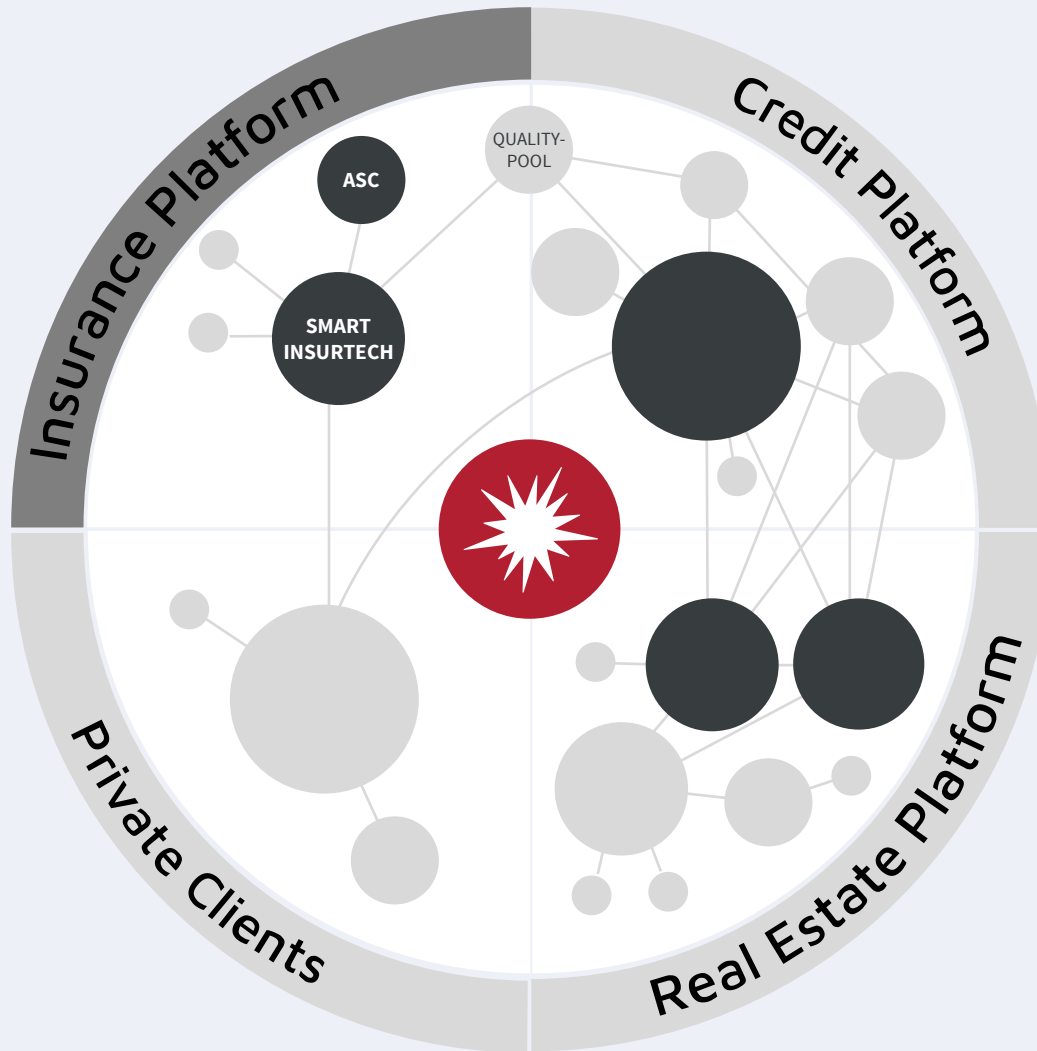
- The segment's revenue growth was driven by the new subsidiaries FIO and Value AG.
- Increasing proportion of recurring services (SaaS, property valuation) is leading to steady contributions to revenue that are not affected by interest rates.
- The full beneficial impact of FIO and Value AG on revenue is not yet apparent, as they were only consolidated in May and their revenue thus only included for five of the nine months.
- Relatively weak growth of EBIT because sales resources are being built up at Dr. KLEIN corporate clients and in the property valuation product group.

# Insurance Platform

Segment results



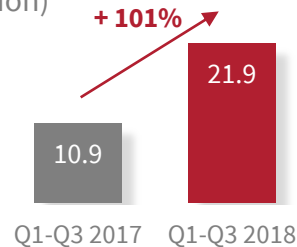
Insurance industry



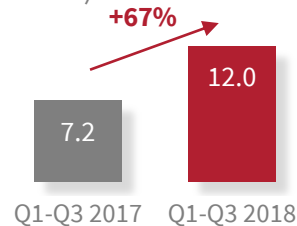
# Insurance technologies grouped together in this segment

Insurance Platform: revenue, gross profit and earnings

Revenue (€ million)



Gross profit (€ million)



EBIT (€ million)



- The technical and cultural integration of the acquired companies is progressing well and unlocking the anticipated synergies.
- The focus is on gaining market share by offering integrated end-to-end solutions and attractive pricing structures.
- The connection of B2C insurtechs / insurapp providers that use the insurance platform as a back-end solution is going far better than expected.
- The segment generated a small profit in the third quarter thanks to the exceptionally strong contribution to earnings from ASC.

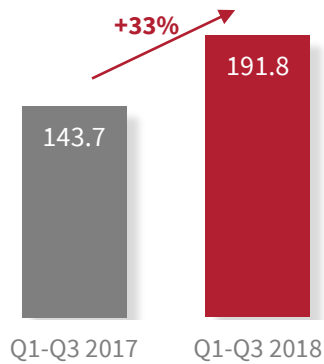
# Contents

1. Market environment
2. Segment results
- 3. Overview of key performance indicators**
4. Shares and investor relations
5. Investment highlights and outlook

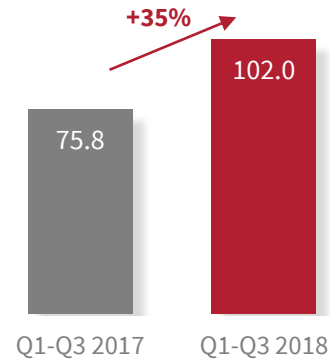
# Hypoport Group generates strong growth

Overview of Hypoport's key performance indicators

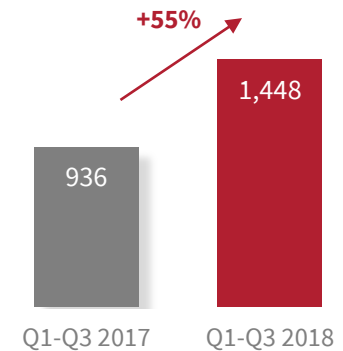
**Revenue (€ million)**



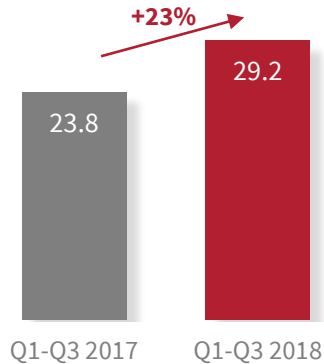
**Gross profit (€ million)**



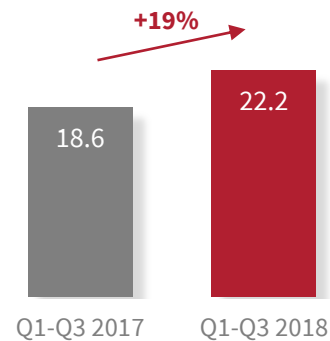
**Employees (number)**



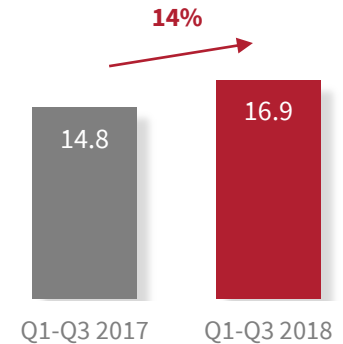
**EBITDA (€ million)**



**EBIT (€ million)**



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

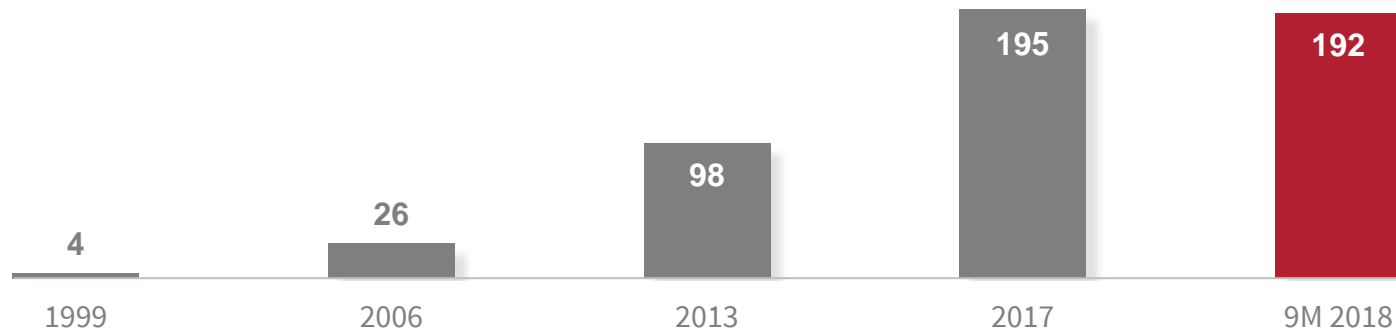


# History of Hypoport Group

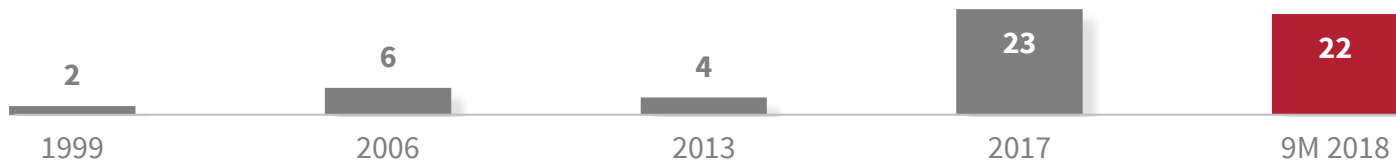
Long-term changes in revenue and EBIT



Revenue (€ million)



EBIT (€ million)





# Contents

1. Market environment
2. Segment results
3. Overview of key performance indicators
- 4. Shares and investor relations**
5. Investment highlights and outlook

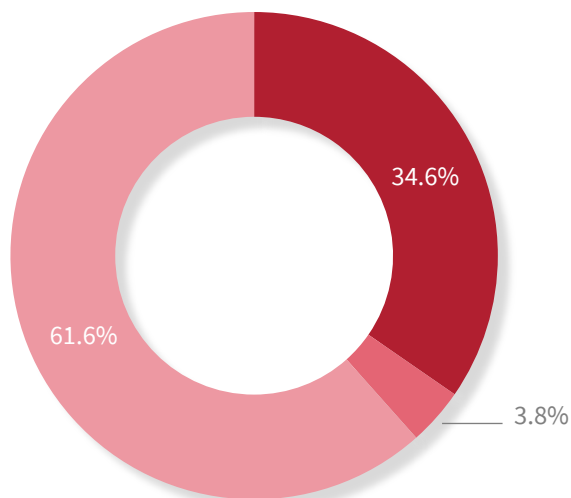
# Market capitalisation of more than €1 billion

## Shareholder structure and share information

### Breakdown of shareholders as at 30 September 2018

- Ronald Slabke (CEO)
- Treasury shares
- Free float

(of which more than 5% held by Union Investment, more than 3% held by Nicolas Schulmann and more than 3% held by Wasatch)



### KPIs and indices

KPI	DETAILS	VALUE
EPS	Earnings per share in Q1–Q3 2018	€2.76
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation as at 30 September 2018	approx. €1.3 billion
High	Highest closing price in Q1–Q3 2018	€204.00
Low	Lowest closing price in Q1–Q3 2018	€120.00
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

# Contents

1. Market environment
2. Segment results
3. Overview of key performance indicators
4. Shares and investor relations
- 5. Investment highlights and outlook**

# Many reasons for investing in Hypoport

## Investment highlights

- Network of technology companies for the financial, property and insurance industries
- The growth in the volume of transactions on the different platforms comfortably surpassed the growth of the related individual markets.
- Strong organic growth of previous years is continuing and has been combined with growth by acquisition since 2016.
- Great opportunities in the German housing market hold additional potential for growth.
- Regulation and pressure on margins are accelerating the digitalisation of financial services and boosting the revenue potential of Hypoport Group.
- Solid balance sheet structure and reliable cash flow create financial scope for growth.
- For 2018, Hypoport expects the Group's growth to be in double figures, with revenue of €240 million to €260 million and EBIT of €29 million to €34 million.

# Contacts

## **Christian Würdemann**

Head of Group Operations

Tel: +49 (0)30 420 860

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

## **Jan H. Pahl**

Investor Relations Manager

Tel: +49 (0)30 420 861 942

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

## **Hypoport AG**

Klosterstrasse 71

10179 Berlin

Germany

# Disclaimer

This presentation does not address the investment objectives or financial situation of any particular person or legal entity. Investors should seek independent professional advice and perform their own analysis regarding the appropriateness of investing in any of our securities.

While Hypoport AG has endeavoured to include in this presentation information it believes to be reliable, complete and up-to-date, the company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such information.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. Such statements naturally are subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, changes in capital markets and other circumstances may cause the actual events or results to be materially different to those anticipated by such statements.

This presentation is for information purposes only and does not constitute or form part of an offer or solicitation to acquire, subscribe to or dispose of any of the securities of Hypoport AG.

©Hypoport AG. All rights reserved.

# Annex



# Share price rises sharply

Share price: from the date of joining the SDAX to Q3 2018 (daily closing price, Xetra, €)





# Further expansion of investor relations activities

Investor events, analyst recommendations and awards

ANALYST	RECOMMEN- DATION	TARGET PRICE	DATE
Bankhaus Metzler	Hold	€200.00	25 Sep 2018
Berenberg	Hold	€180.00	26 Sep 2018
Commerzbank	Hold	€211.00	18 Oct 2018
equinet	Hold	€190.00	25 Oct 2018
ODDO BHF	Hold	€191.00	18 Oct 2018
Warburg	Buy	€250.00	10 Oct 2018

## HYPOPORT INCLUDED IN

- Warburg: Best Ideas 2017
- Berenberg: 15 Top Picks 2017 (GARP)
- SdK: Company of the year 2017

Date	2018 financial reports
5 Nov 2018	Q1-Q3 2018 report

RECENT INVESTOR EVENTS		
Investor conference	Munich	Sep 2018
Roadshow	London	Sep 2018
Roadshow	Vienna	Sep 2018
Investor conference	Copenhagen	Aug 2018
Roadshow	Oslo, Helsinki	Aug 2018
Roadshow	Edinburgh	Aug 2018
Investor conference	Hamburg	Jun 2018
Roadshow	Brussels	May 2018
Roadshow	Frankfurt	May 2018
Roadshow	Zurich	May 2018
Roadshow	USA (east)	Apr 2018
Roadshow	London	Mar 2018
Investor conference	Frankfurt	Feb 2018
Investor conference	Lyon	Jan 2018
Investor conference	London	Dec 2017
Investor conference	Frankfurt	Nov 2017
Investor conference	Berlin	Nov 2017
Roadshow	London	Nov 2017