Hypoport AG

Preliminary results for
2018
Mission

Digitalisation of the credit, real estate and insurance industries

Credit industry
Real Estate industry
Insurance industry
Hypoport – a network of technology companies

The four segments of Hypoport
## Technology for the credit, real estate and insurance industries

Investment highlights in 2018 and forecast for 2019

### Key figures for 2018 (yoy change)

- Revenue: €266.0 million (+36%)
- EBIT: €29.3 million (+26%)
- EPS: €3.66 (+18%)
- Market cap (31 December 2018): approx. €962 million (+7%)
- Average trading volume per day in 2018: approx. €2.2 million (-27%)

### Hypoport growing faster than the overall markets (yoy change)

- Revenue growth in Credit Platform segment: +37%
- Revenue growth in Private Clients segment: +15%
- Revenue growth in Real Estate Platform segment: +64%
- Revenue growth in Insurance Platform segment: +99%
- Mortgage finance market: +5%* // Insurance market: +2%**

### Forecast for 2019

- Hypoport expects the Group's growth to be in double figures, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.

* Source: Deutsche Bundesbank, provisional data. ** Source: German Insurance Association (GDV).
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5. Investment highlights and outlook
Huge excess demand in the housing market
Factors influencing the German housing market

Net migration
Life expectancy
One-person households

Excess demand
(1.1–1.9 million Homes)

Property prices

Volume of new business for mortgage finance

Rentals

New builds

Number of marketed properties
# Mortgage finance – market has strong potential

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

<table>
<thead>
<tr>
<th>Negative factors</th>
<th>Positive factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for <strong>OWNER-OCCUPIED PROPERTIES</strong> Credit Platform Private Clients</td>
<td>• Lack of available properties. • High ancillary purchasing costs. • Legislators keep the market busy with a steady stream of new regulatory ideas. • Commercial and residential projects competing for construction resources.</td>
</tr>
</tbody>
</table>

| Finance for **RENTAL PROPERTIES** Real Estate Platform | • Over-regulated rental market. • In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction. |

| | • Strong pent-up demand in and from the rental market. • Buying often cheaper than renting. • Slight growth in construction activity. • Market share of neutral loan brokerage advisors is growing. • Proportion of home ownership (less than 50%*) remains low compared with other EU countries. |

| | • Marked increase in planned projects and approvals for the construction of housing. |

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* Source: Federal Statistical Office.
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Credit Platform

Segment results
Credit Platform

Business model

End customer

Brokers

Poolers

B2B credit marketplace

Product suppliers

End customer

Online comparison sites

Other brokers

Dr. Klein

QUALITY-POOL

STAR-POOL

Other poolers

Advisors in bank branches

Private banks

Insurance companies

Savings banks

Cooperative banks

EUROPACE

FINMAS

GENOPACE

Hypoport AG, 2018 financial year
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 €244 million in Q4 2018 (+23% yoy).
- Volume of transactions on EUROPACE in the most important product group, mortgage finance, increases by 18% year on year (overall market: +5%).
- Growth of building finance product group (+23%) related to growth of mortgage finance due to linked sales activities.
- Strong growth (+34%) 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 in sales departments at savings banks and cooperative banks continues to increase at a faster rate than is the case for the overall marketplace.

- Savings banks are intensifying their use of FINMAS for own-account sales and are pressing ahead with rollout projects.

- The growth rate for the volume of transactions on GENOPACE accelerated over the course of the year, from 18% in Q1 (yoy) to 59% in Q4 (yoy).

- The increases in the number of contractual partners (27% and 28% respectively) create additional potential for own-account sales on FINMAS and GENOPACE.

- FINMAS: 43 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.

* Numbers before cancellations.
Substantial growth secures market leadership
Credit Platform: revenue, gross profit and earnings

- In 2018, revenue in the Credit Platform segment exceeded €100 million for the first time.
- Growth driven by all sub-segments (EUROPACE, FINMAS, GENOPACE, Qualitpool, Starpool and white-label sales of personal loans).
- The business models with high gross profits made a particularly strong contribution to the increase in revenue.
- 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.

* Prior-year figures adjusted to reflect new segment reporting.
Private Clients
Segment results
Private Clients

Business model

End customer  Lead generation via…  Broker  Product access via…  Product suppliers

- Google
- Vergleich.de
- DrKlein.de website

Dr. Klein Franchise system

- EUROPACE
- FINMAS
- GENOPACE
- Private banks
- Insurance companies
- Savings banks
- Cooperative banks

End customer
Dr. Klein makes significant gains in market share

Private Clients: volume of loans brokered and number of advisors

- Dr. Klein again expands its market share in a mortgage finance market that is only experiencing slight overall growth (+5%).
- The number of loan brokerage advisors as at 31 December 2018 advances by 10% 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 Dr. Klein with strong foundations for capturing further market share.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.8</td>
<td>3.8</td>
<td>4.4</td>
<td>5.0</td>
<td>6.5</td>
</tr>
</tbody>
</table>

CAGR: +23%

+30%

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>12M 2017</th>
<th>12M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>541</td>
<td>595</td>
</tr>
</tbody>
</table>

+10%

*Prior-year figures adjusted to reflect new segment reporting.
Dr. Klein achieves record revenue and earnings

Private Clients: revenue, gross profit and earnings

- 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 2018.

- The integration of additional product partners in the second half of 2018 resulted in greater complexity for a while, which meant that revenue increased at a slightly slower rate than the volume of new loans brokered.

- 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.

<table>
<thead>
<tr>
<th></th>
<th>12M 2017</th>
<th>12M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong> (€ million)*</td>
<td>74.9</td>
<td>86.4</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Gross profit</strong> (€ million)*</td>
<td>27.8</td>
<td>29.5</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>EBIT</strong> (€ million)*</td>
<td>9.9</td>
<td>10.8</td>
<td>+9%</td>
</tr>
</tbody>
</table>

* Prior-year figures adjusted to reflect new segment reporting.
Real Estate Platform
Segment results
Digitalisation of the German housing industry

Business model

- Housing industry
- Credit industry

- Financing platform
- Valuation platform
- Management platform (ERP)
- Marketing platform

Hypoport AG, 2018 financial year
No support from the market

Real Estate Platform: Financing platform

- The business purpose is the brokerage of financial products for the housing industry and an additional advisory service.

- The lack of stimulus from interest rates in the second half of 2018 caused the volume of transactions in the advice and loan brokerage product group to fall by 13% to €1.9 billion.

- The resulting revenue held steady at €14.3 million thanks to the conclusion of lucrative one-off deals and a small rise in revenue from advice products.

- In the second half of 2018, the building up of additional sales capacity had negative impact on EBIT for the financing platform.
The business purpose is the development of software solutions for the management and marketing of real estate. Its customers are the credit and housing industries.

• Credit industry is market leader in brokering properties. 6 of the top 10 brokers are using FIO.

• The technical integration of EUROPACE and FIO Marketing platform started in 2018.

• FIO was successfully introduced as new service provider in the Hypoport network at the FINMAS, EUROPACE and GENOPACE conferences.

* Revenue from FIO SYSTEMS AG and Hypoport B.V. (PRoMMiSe)
Connecting new bank partners

Real Estate platform: Valuation platform

- Business purpose is the integrated valuation of properties. Clients are banks.
- Strong increase of revenue in 2018 because of organic and inorganic growth.
- From 2019 all valuation activities will be bundled under the strong VALUE AG brand.
- The technical integration of EUROPACE and VALUE AG extended in 2018.
- Value AG was successfully presented as new service provider in the Hypoport network at the FINMAS, EUROPACE and GENOPACE conferences.
The added value of recent acquisitions is already visible

Real Estate Platform: revenue, gross profit and earnings

- The segment's revenue growth was largely driven by Management platform and Marketing platform as well as Valuation platform.
- Increasing proportion of recurring services, such as SaaS and 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 2018 and their revenue thus only included for eight of the twelve months.
- Smaller increase in EBIT because sales resources are being built up not only at DR. KLEIN corporate clients in order to leverage synergies with FIO but also in the property valuation product group.

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

Segment results
Insurance Platform

Business model

End customer       Broker       Poolers       B2B platform       Product suppliers

- Insur apps
- Dr. Klein
- Other poolers
- QUALITY-POOL
- SMART INSUR

- Other brokers
- Banks
- Insurers
- Insurance companies

Hypoport AG, 2018 financial year
Insurance technologies grouped together in this segment

Insurance Platform: revenue, gross profit and earnings

• 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.

• Far more B2C insurtechs / insur app providers that use the insurance platform as a back-end solution are being added than expected.

• New potential sales channel, banks, positioned for brokerage of insurance products.
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Hypoport Group generates strong growth
Overview of Hypoport's key performance indicators

**Revenue (€ million)**
- 12M 2017: 194.9
- 12M 2018: 266.0

**Gross profit (€ million)**
- 12M 2017: 102.3
- 12M 2018: 140.2

**Employees (number)**
- 31 Dec 2017: 1,009
- 31 Dec 2018: 1,500

**EBITDA (€ million)**
- 12M 2017: 30.1
- 12M 2018: 39.1

**EBIT (€ million)**
- 12M 2017: 23.3
- 12M 2018: 29.3

**Net profit for the year (€ million)**
- 12M 2017: 18.4
- 12M 2018: 22.5
## History of Hypoport Group

Long-term changes in revenue and EBIT

### Revenue (€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>4</td>
</tr>
<tr>
<td>2006</td>
<td>26</td>
</tr>
<tr>
<td>2013</td>
<td>98</td>
</tr>
<tr>
<td>2017</td>
<td>195</td>
</tr>
<tr>
<td>2018</td>
<td>266</td>
</tr>
</tbody>
</table>

### EBIT (€ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>2</td>
</tr>
<tr>
<td>2006</td>
<td>6</td>
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<tr>
<td>2013</td>
<td>4</td>
</tr>
<tr>
<td>2017</td>
<td>23</td>
</tr>
<tr>
<td>2018</td>
<td>29</td>
</tr>
</tbody>
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Market capitalisation of around €1 billion

Shareholder structure and share information

### Breakdown of shareholders as at 31 December 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

<table>
<thead>
<tr>
<th>KPI</th>
<th>DETAILS</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>Earnings per share in 2018</td>
<td>€3.66</td>
</tr>
<tr>
<td>Number of shares</td>
<td>Total number of shares</td>
<td>6,493,376</td>
</tr>
<tr>
<td>Market cap</td>
<td>Market capitalisation as at 31 December 2018</td>
<td>approx. €1.0 billion</td>
</tr>
<tr>
<td>High</td>
<td>Highest closing price in 2018</td>
<td>€204.00</td>
</tr>
<tr>
<td>Low</td>
<td>Lowest closing price in 2018</td>
<td>€120.00</td>
</tr>
<tr>
<td>Indices</td>
<td>SDAX, Prime All Share, CDAX, DAXplus Family, GEX</td>
<td></td>
</tr>
</tbody>
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Many reasons for investing in Hypoport

Investment highlights

- Network of technology companies for the credit, real estate 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.
- Regulation and pressure on margins are accelerating the digitalisation of the financial services sector and boosting the revenue potential of the Hypoport Group.
- Solid balance sheet structure and reliable cash flow create financial scope for growth.
- For 2019, Hypoport expects the Group's growth to be in double figures, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.
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Annex
Share price rises sharply

Share price: from the date of joining the SDAX to March 2019 (daily closing price, Xetra, €)
Further expansion of investor relations activities
Investor events, analyst recommendations and awards

<table>
<thead>
<tr>
<th>ANALYST</th>
<th>RECOMMENDATION</th>
<th>TARGET PRICE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankhaus Metzler</td>
<td>Hold</td>
<td>€186.00</td>
<td>21 Jan 2019</td>
</tr>
<tr>
<td>Berenberg</td>
<td>Buy</td>
<td>€210.00</td>
<td>14 Jan 2019</td>
</tr>
<tr>
<td>Commerzbank</td>
<td>Buy</td>
<td>€207.00</td>
<td>19 Nov 2018</td>
</tr>
<tr>
<td>Pareto</td>
<td>Buy</td>
<td>€190.00</td>
<td>14 Jan 2019</td>
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<tr>
<td>ODDO BHF</td>
<td>Hold</td>
<td>€189.00</td>
<td>22 Feb 2019</td>
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<tr>
<td>Warburg</td>
<td>Buy</td>
<td>€250.00</td>
<td>6 Nov 2018</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RECENT INVESTOR EVENTS</th>
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<tbody>
<tr>
<td>Investor conference</td>
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<td>Roadshow</td>
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<td>Roadshow</td>
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<tr>
<td>Investor conference</td>
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</table>

HYPOPORT INCLUDED IN
- SDAX
- Warburg 'Best Ideas 2019'
- Berenberg 'DACH Mid Caps Top Picks 2019'
- Pareto Securities 'German Best Ideas Portfolio 01/19'
- Sdk 'Company of the year 2017'

Date | Publication dates in 2019
--- | ------------------------
25 March 2019 | 2018 annual report
13 May 2019 | Q1 2019 report
5 August 2019 | Q2 2019 report