

Press release

Results for the first nine months of 2019

For the first time in its history, Hypoport generates a quarter of a billion euros in revenue during the first nine months of the year

- Consolidated revenue for the first nine months of 2019 rises by 29 per cent to €248 million
- Continued high levels of capital expenditure on platforms and sales capacity to drive future growth
- EBIT up by 13 per cent to €25 million

Berlin, 4 November 2019: Hypoport AG published its Q1–Q3 report today and confirmed the preliminary results for the first nine months of 2019 that it had announced on 21 October 2019, with consolidated revenue jumping 29 per cent to €247.7 million (Q1–Q3 2018: €191.8 million). All four of Hypoport’s segments contributed to this strong performance.

The **Credit Platform segment** generated revenue in excess of €100 million in the first nine months of 2019 – a new record. The market share of the B2B lending marketplace EUROPACE expanded as a result of an 18 per cent increase in the volume of transactions to a total of €50.4 billion. This was achieved in a market where, according to the Bundesbank, the volume of new mortgage finance business grew by only 9 per cent. This once again demonstrates the platform’s technical superiority over banks’ proprietary technologies. The segment’s revenue increased by 25 per cent to €101.9 million (Q1–Q3 2018: €81.5 million), which – despite capital expenditure aimed at future growth – lifted its earnings before interest and tax (EBIT) by 20 per cent to €22.6 million (Q1–Q3 2018: €18.8 million).

The **Private Clients segment**, with its well-known B2C brand Dr. Klein, saw its sales volume rise by 16 per cent to €5.6 billion (Q1–Q3 2018: €4.8 billion) on the back of growing demand from consumers for neutral mortgage finance advice and an increase in the number of loan brokerage advisors. As a result, revenue advanced by 21 per cent to €79.8 million (Q1–Q3 2018: €65.7 million). Despite this healthy revenue growth, the segment’s EBIT fell slightly, by 5 per cent to €8.5 million (Q1–Q3 2018: €9.0 million), due to a shift in the product mix, the addition of further regional product partners, capital expenditure on process digitalisation and adjustments to personnel capacity. However, the segment’s EBIT in Q3 2019 was significantly higher than the prior-year period, which was a first for the year following weak results for the first and second quarters of 2019.

Revenue from the **Real Estate Platform segment** grew by 45 per cent to €34.0 million in the first nine months of 2019 (Q1–Q3 2018: €23.5 million). A relatively flat interest-rate environment and the politically charged debate about rent caps caused revenue from the property financing platform for the

housing industry to fall slightly. By contrast, revenue from the property management platform and property sales platform increased sharply, partly because of the exceptionally robust project business. The property valuation platform also substantially strengthened its number of contractual partners and market position. The segment's EBIT climbed by 24 per cent to €4.7 million (Q1–Q3 2018: €3.7 million).

The **Insurance Platform segment**, which is centred on the fully integrated SMART INSUR platform, continued to focus on expanding business relationships with existing clients (distribution organisations, brokerage pools and B2C insurtech start-ups) to encompass all modules of the SMART INSUR platform. This, combined with growth by acquisition, drove revenue up by 48 per cent to €32.5 million (Q1–Q3 2018: €21.9 million). EBIT improved, as budgeted, from a loss of €1.5 million in the first nine months of 2018 to a loss of €0.6 million in the reporting period.

In the first nine months of 2019, Hypoport forged ahead with the aforementioned growth-oriented capital expenditure on the segments' individual platform solutions and the leveraging of synergies between the individual segments. Despite this, the Hypoport Group's EBIT rose by 13 per cent to €25.0 million (Q1–Q3 2018: €22.2 million). Earnings per share increased by 9 per cent to €3.02 (Q1–Q3 2018: €2.76).

Ronald Slabke, Hypoport's Chief Executive Officer, had the following to say on the business performance in the first nine months of 2019: "Following a good first half of the year, the Hypoport Group saw accelerated growth in the third quarter. Our Credit Platform segment fared extremely well again. The Private Clients segment also had a very strong third quarter. The smaller Insurance Platform and Real Estate Platform segments also grew, and are investing heavily in their future growth, meaning that we are confirming our full-year guidance for the Group as a whole (revenue: €310 million to €340 million; EBIT: €32 million to €40 million)."

The complete report for the first nine months of 2019 is now available on Hypoport AG's website under [Investor Relations](#).

(€ million)	Q1–Q3 2019	Q1–Q3 2018	Q1–Q3 change	Q3 2019	Q3 2018	Q3 change
Revenue	247.7	191.8	29%	90.6	70.0	29%
Gross profit	130.9	102.0	28%	48.7	36.7	33%
EBITDA	39.0	29.2	34%	14.2	10.2	40%
EBIT	25.0	22.2	13%	9.2	7.4	25%
Net profit for the period	18.9	16.9	12%	6.9	5.6	25%
Earnings per share	3.02	2.76	9%	1.10	0.88	25%

About Hypoport AG

Hypoport AG is headquartered in Lübeck (Germany) and is the parent company of the Hypoport Group. The Group is a network of technology companies for the credit, real-estate and insurance industries with a workforce of approx. 1,700 employees. It is grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates EUROPACE, which is an online B2B financial marketplace and the largest German platform offering mortgages, building finance products and personal loans. A fully integrated system links more than 650 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 30,000 transactions per month on EUROPACE, generating a volume of more than €6 billion. Besides EUROPACE, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the credit platform.

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgages, insurance or pension products.

All real estate-related activities of the Hypoport Group, with the exception of mortgage finance, are grouped together in the Real Estate Platform segment (previously Institutional Clients) with the aim of digitalising the financing, management, sale and valuation of properties.

The Insurance Platform segment operates SMART INSUR, a web-based B2B platform for advice, comparison of tariffs and the administration of insurance policies. The segment also incorporates the insurance unit of Qualitypool, a B2B distribution company.

The shares of Hypoport AG are listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) and have been included in the SDAX since 2015.

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