

Preliminary 2018 results slightly lower than expected

Yesterday evening Hypoport reported preliminary 2018 results which were slightly below our forecast on an EBIT level. Sales in 2018 were up by 36% yoy to EUR 266m (PAS: EUR 265m, consensus: EUR 263m) and EBIT was up by 26% yoy to EUR 29m (PAS: EUR 29.8m, consensus: EUR 30.7m), which is equivalent to an EBIT margin of 10.9% (PAS: 11.2%). Sales growth in Q4 stood at 45% yoy, EBIT growth amounted to 45% yoy as well. EBIT margin was at 9.2% below the previous quarters' level. Hypoport reported strong preliminary figures for Q4 with 45% sales/EBIT growth even if they fell slightly short of our expectation. As Hypoport has integrated several companies in 2018 we would not be surprised if the slightly lower than expected EBIT margin was at least partially effected from these measures. We stick to our Buy rating with a target price of EUR 190.

Final Q4 results will be published next Monday (March 11). A conference call will be hosted at this occasion.

Preliminary Q4 results

EUR m	Q4 2018	Q4 2018e	Q4 2017	yoy	Cons.	delta
Revenues	74.2	73.2	51.2	45.1%	na	na
EBIT	6.8	7.6	4.7	44.9%	na	na
EBIT Margin	9.2%	10.4%	9.2%	-1 BP	na	na
Net Profit	na	5.6	3.7	na	na	na

Source: Pareto Securities Research

Recommendation: We recommend buying the shares with a target price of EUR 190 on the back of the expected strong earnings growth for the next two years (2018e-2020e EPS CAGR of 26%). Driven by the real estate platform for institutional clients and the insurance platform revenues should grow at least double-digit in the next years. Importantly, Hypoport should be relatively immune against the current negative macroeconomic/political market environment

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