

Press release

Preliminary results for 2019

Hypoport forecasts revenue of over €400 million for 2020

- Consolidated revenue surges by 27 per cent to €337 million in 2019
- Revenue rises by more than 20 per cent in both the Credit Platform segment and the Private Clients segment; in the Real Estate Platform and Insurance Platform segments, revenue jumps by 47 per cent and 38 per cent respectively thanks to organic growth and acquisitions
- Investment in the future again hugely increased in order to create more sales capacity and development resources for the individual platforms and to improve integration within the Group
- Hypoport anticipates revenue of between €400 million and €440 million and EBIT of €35 million to €40 million in 2020

Berlin, 9 March 2020: Hypoport released its preliminary results for 2019 today, confirming the Management Board's initial assessment published on 4 March 2020. Consolidated revenue rose by a substantial 27 per cent to €337.2 million in 2019 (2018: €266.0 million). All four segments contributed to the strong performance of the Group as a whole.

In the **Credit Platform segment**, revenue amounted to €141.5 million (2018: €115.6 million), representing healthy growth of 22 per cent. This rise in revenue was primarily attributable to an 18 per cent increase in the volume of transactions on EUROPACE to €68 billion and the good performance of the brokerage pools that are also part of the Credit Platform segment. REM Capital AG, which was acquired in 2019, contributed revenue for the first time. Despite the further stepping up of future-oriented investment in sales and the leveraging of synergies with the Real Estate Platform segment, the Credit Platform segment's earnings before interest and tax (EBIT) advanced by 20 per cent to €31.2 million (2018: €26.1 million).

Revenue in the **Private Clients** segment grew at a similar rate of 21 per cent, reaching €104.6 million (2018: €86.5 million). This success was thanks to the expansion of sales and the sustained rise in demand from consumers for neutral mortgage finance advice. As a result, the sales volume climbed by 14 per cent to €7.5 billion (2018: €6.5 billion). The increase in the segment's EBIT was less pronounced at 3 per cent, reaching a total of €11.1 million (2018: €10.8 million), owing to a shift in the product mix, the addition of further regional product partners and capital expenditure to improve the efficiency of lead generation processes.

All property-related B2B business activities of the Hypoport Group are grouped together in the **Real Estate Platform segment** with the aim of digitalising the sale, valuation, financing and management of properties. Revenue from the property sales and property management platforms increased sharply,

partly because of exceptionally robust project business in the second half of the year. The property valuation platform also substantially strengthened its number of contractual partners and market position. 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 in 2019. The segment's overall revenue increased by 47 per cent to €50.1 million (2018: €34.1 million). Owing to a much smaller contribution to EBIT from the property financing platform, high levels of initial capital expenditure on the property valuation platform and other capital expenditure, the segment's EBIT fell by 9 per cent to €5.4 million (2018: €6.0 million).

In 2019, the **Insurance Platform segment** focused on expanding business relationships with existing clients (financial product distributors, brokerage pools, B2C insurtech start-ups and branch-based retail banks) to encompass all modules of the Smart InsurTech platform. Additional small and medium-sized enterprises were also signed up as pilot customers for the overall platform. Consequently, the segment's revenue increased by 38 per cent to €42.6 million (2018: 30.9 € million). The start-up losses for the segment declined, resulting in negative EBIT of 1.4 million (2018: negative EBIT of €2.7 million).

As a result of the aforementioned revenue growth in the individual segments in 2019, the gross profit of the Hypoport Group as a whole jumped by 30 per cent to €181.9 million (2018: €140.2 million). The sharp rises in revenue and gross profit enabled the Group to again hugely increase capital expenditure on expansion of existing platform technology, other investment projects and further expansion of target-group-specific sales capacity to pave the way for future growth. The Hypoport Group's EBIT climbed by 13 per cent to €33.0 million (2018: €29.3 million). Earnings per share came to €3.90 (2018: €3.66).

"Our Hypoport Group maintained its familiar trajectory of rapid growth last year, with all four segments again making a contribution," said Ronald Slabke, Chief Executive Officer, commenting on business performance in 2019. The Credit Platform and Private Clients segments each raised their revenue by over 20 per cent, thereby increasing their share of an overall market that only managed single-digit growth. We are confident that we will further increase our market share in 2020. The – as yet – much smaller segments, Insurance Platform and Real Estate Platform, also performed well in 2019 and will again be a focus of our capital expenditure in 2020. There is huge potential for the growth of our integrated platforms in these two industries. Overall, therefore, we expect the revenue of the Group as a whole to be at a level of €400 million to €440 million and EBIT to be between €35 million and €40 million in 2020.

The preliminary financial results still need to be verified by the auditor and adopted by the Supervisory Board. The annual report will be published as planned on 23 March 2020.

(€ million)	Q1–Q4 2019	Q1–Q4 2018	Q1–Q4 change	Q4 2019	Q4 2018	Q4 change
Revenue	337.2	266.0	27%	89.6	74.2	21%
Gross profit	181.9	140.2	30%	51.1	38.2	34%
EBITDA	52.2	39.1	34%	13.3	9.9	34%
EBIT	33.0	29.3	13%	8.0	7.1	12%
Net profit for the period	24.4	22.5	9%	5.5	5.6	-2%
Earnings per share	3.90	3.66	7%	0.88	0.90	-2%

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. 1,800 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 approx. 700 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 35,000 transactions per month on EUROPACE, generating a volume of approx. €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 sale, valuation, financing and management 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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Key data on Hypoport's shares

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