

Press release

Group results for Q1 2020

Hypoport SE records quarterly revenue of more than €100 million for the first time ever

- Consolidated revenue rises by 28 per cent year on year to a record volume of €101 million in Q1 2020
- Earnings before interest and tax (EBIT) increases by 31 per cent compared with Q1 2019 to exceed €10 million for the first time, despite continued high levels of capital expenditure
- Forecast for 2020 confirmed

Berlin, 11 May 2020: Hypoport released its results for the first three months of 2020 today, confirming the Management Board's initial assessment published on 5 May 2020. Consolidated revenue exceeded the €100 million mark for the first time in a quarterly period, rising by 28 per cent to €100.6 million (Q1 2019: €78.5 million). All four segments contributed to the Group's robust performance.

In the **Credit Platform segment**, revenue amounted to a record €40.6 million (Q1 2019: €30.8 million), representing a healthy rise of 32 per cent. This revenue growth was primarily driven by the increase in the volume of transactions on the B2B lending marketplace Europace, which was up by 34 per cent to €20.8 billion. In particular, the FINMAS and GENOPACE sub-marketplaces continued to establish themselves with Germany's two large associations of regional banks in the first quarter of this year. Another positive factor was the increase in revenue from the sales-supporting brokerage pools and from REM Capital, which specialises in corporate finance advice. Earnings before interest and tax (EBIT) in the Credit Platform segment rose by 24 per cent to €8.0 million (Q1 2019: €6.5 million), despite continued high levels of capital expenditure.

Revenue in the **Private Clients segment** grew at a similar rate of 31 per cent, reaching €33.2 million (Q1 2019: €25.3 million). The main B2C brand Dr. Klein, in particular, captured significant market share as a result of using Europace and deploying video technology for its advisory meetings. The sales volume in the first three months of 2020 increased by a substantial 39 per cent to €2.4 billion. Because of a high level of capital expenditure in the first quarter of 2019, the segment's EBIT more than doubled to reach €5.0 million in the reporting period (Q1 2019: €2.2 million).

In the **Real Estate Platform segment**, there were disproportionately strong increases in revenue for the property sales and property management platforms of FIO Systems (up by 51 per cent) and for the Value AG property valuation platform (up by 91 per cent), which is closely integrated with the credit platform. The property financing platform for the housing industry reported a rise in revenue of 15 per cent due to very volatile interest rates in March. Overall, the Real Estate Platform segment's total

revenue advanced by 49 per cent to €14.5 million (Q1 2019: €9.7 million). The continued high levels of capital expenditure meant that EBIT went up by only 5 per cent to €0.9 million (Q1 2019: €0.9 million).

In the first quarter of 2020, 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 INSUR platform. Further high-profile pilot customers were signed up for the platform, most recently Versicherungskammer Bayern, Germany's seventh largest primary insurer. Revenue fell slightly compared with the prior-year period, by 1 per cent, to reach €12.5 million (Q1 2019: €12.6 million) due to a reduction in project business and the focus on recurring revenue streams from the platform business. EBIT remained in positive territory at €0.4 million (Q1 2019: €0.6 million).

As a result of the aforementioned revenue growth in the individual segments, the gross profit of the Hypoport Group as a whole went up by 31 per cent to €52.5 million (Q1 2019: €40.2 million). EBIT jumped by 31 per cent to €10.5 million in the first three months of 2020 (Q1 2019: €8.0 million), partly due to the capital investment and expenditure in 2019 and previous years on new technology, the expansion of sales capacity and the connection of new product partners. Earnings per share increased by 28 per cent to €1.27 (Q1 2019: €0.99).

“We have identified two key reasons why our business fared well,” said Ronald Slabke, Chief Executive Officer of Hypoport SE, commenting on the Group's strong performance in the face of the coronavirus crisis. “Firstly, the markets in which we operate – the German credit, housing and insurance sectors – tend to be fairly immune to short-term economic trends and only react later in the cycle, if at all. Secondly, we are a cutting-edge technology company that is currently capturing market share from traditional competitors thanks to our much greater level of efficiency. The best examples of this are the use of video in advisory meetings with end customers and the digital processing of financing applications that are submitted to banks on Europace. This is significantly strengthening our position compared with market participants that do not use digitalised technologies to the same extent.”

(€ million)	Q1 2020	Q1 2019	Q1 change
Revenue	100.6	78.5	28%
Gross profit	52.5	40.2	31%
EBITDA	16.7	12.4	35%
EBIT	10.5	8.0	31%
Net profit for the period	8.0	6.2	30%
Earnings per share	1.27	0.99	28%

About Hypoport SE

Hypoport SE 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. 2,000 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 700 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 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 SE 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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