

Hypoport SE

*Results for
Q1-Q3 2020*

Our mission

Digitalisation of the credit, real-estate and insurance industries



Credit industry



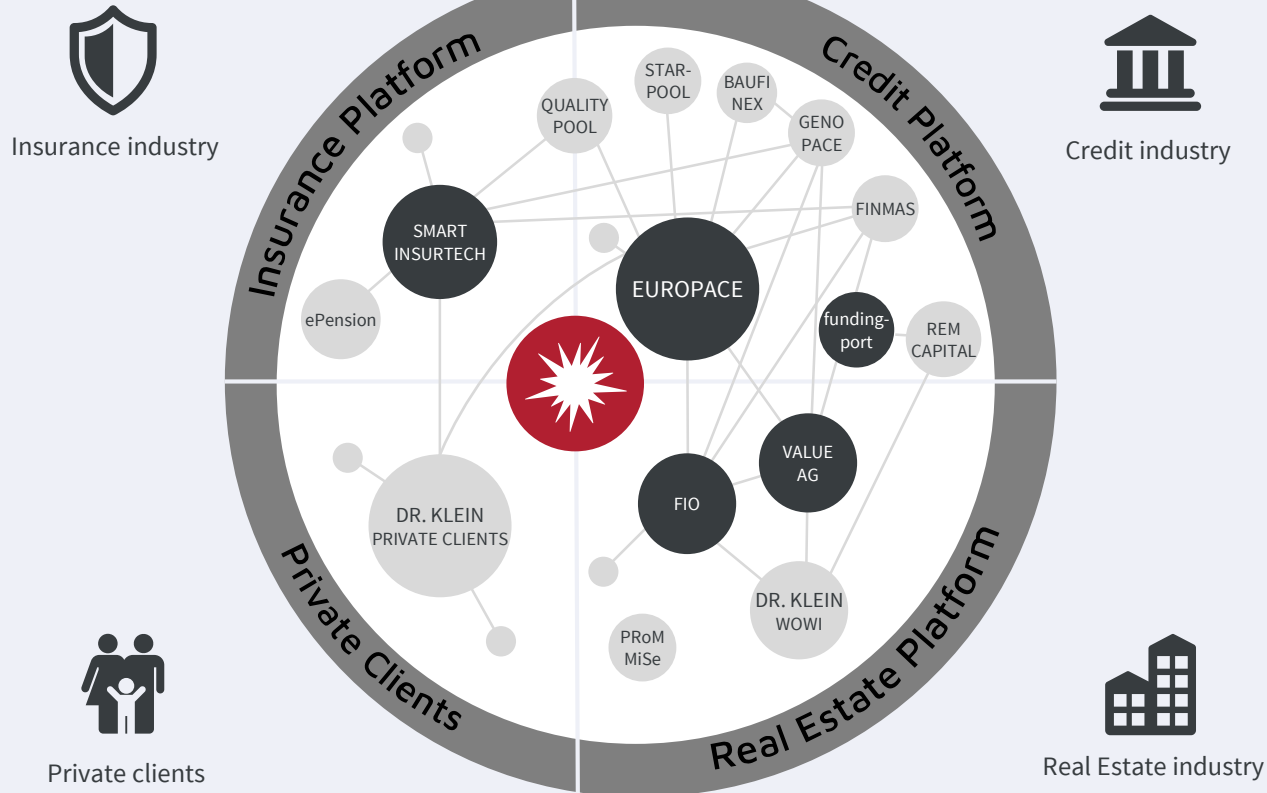
Real-estate industry



Insurance industry

Hypoport – a network of technology companies

The four segments of Hypoport



Hypoport – clearly ahead of the market

Results for Q1–Q3 2020 and forecast for 2020

Key figures for Q1–Q3 2020 (yoy)

- Revenue: €284.8 million (+15%)
- Gross profit: €149.7 million (+14%)
- EBIT: €24.2 million (-3%)
- EPS: €2.81 (-7%)

Hypoport & markets overall (yoy change)

- Credit Platform revenue: +19%
 - Private Clients revenue: +17%
 - Real Estate Platform revenue: +14%
 - Insurance Platform revenue: +1%
- Mortgage finance market: +4%*
- Housing transaction market: +4%**
- Insurance market: +7%***

Forecast for 2020

- Hypoport currently still anticipates revenue of between €400 million and €440 million and EBIT of €35 million to €40 million at Group level

*Source: Deutsche Bundesbank. **Source: GEWOS, figure for 2019 as quarterly data is not collected. ***Source: German Insurance Association (GDV), figure for 2019 as quarterly data is not collected.

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Annex

Market share gains during the coronavirus crisis

Impact of the coronavirus crisis on the Credit Platform and Private Clients segments

Segments	Market environment	Target group	Lockdown (March–May 2020)	Current post-lockdown situation (Q3 2020)	Long term (2021 onwards)
Credit Platform	Mortgage finance	Credit industry	<ul style="list-style-type: none"> Substantial use of the cloud platform for remote transactions 	<ul style="list-style-type: none"> Delays in rollout projects with new bank partners 	<ul style="list-style-type: none"> Fully integrated digitalised systems have become an even higher priority for financial product distributors and banks
	Corporate finance		<ul style="list-style-type: none"> More requests for subsidised finance (KfW loans) 	<ul style="list-style-type: none"> Greater demand for advice and loans vs. more restrictive banks 	<ul style="list-style-type: none"> Weathering the recession will have a dampening effect in the medium term; in the long term, increasingly complex CF projects will need advisors and a platform
	Consumer credit		<ul style="list-style-type: none"> More restrictive lending 	<ul style="list-style-type: none"> Lending now more restrictive again, after rules were eased in the summer 	<ul style="list-style-type: none"> No change
Private Clients	Mortgage finance	Consumers	<ul style="list-style-type: none"> Extremely high market share gains thanks to spending brought forward and video advice 	<ul style="list-style-type: none"> Gains in market share in a weaker market, thanks in part to fully digital provision of advice 	<ul style="list-style-type: none"> Importance of home ownership increasing; changing demand Growing lending volume as a result of higher property prices

Short-term effects minimal, long-term trends intact

Impact of the coronavirus crisis on the Credit Platform and Private Clients segments

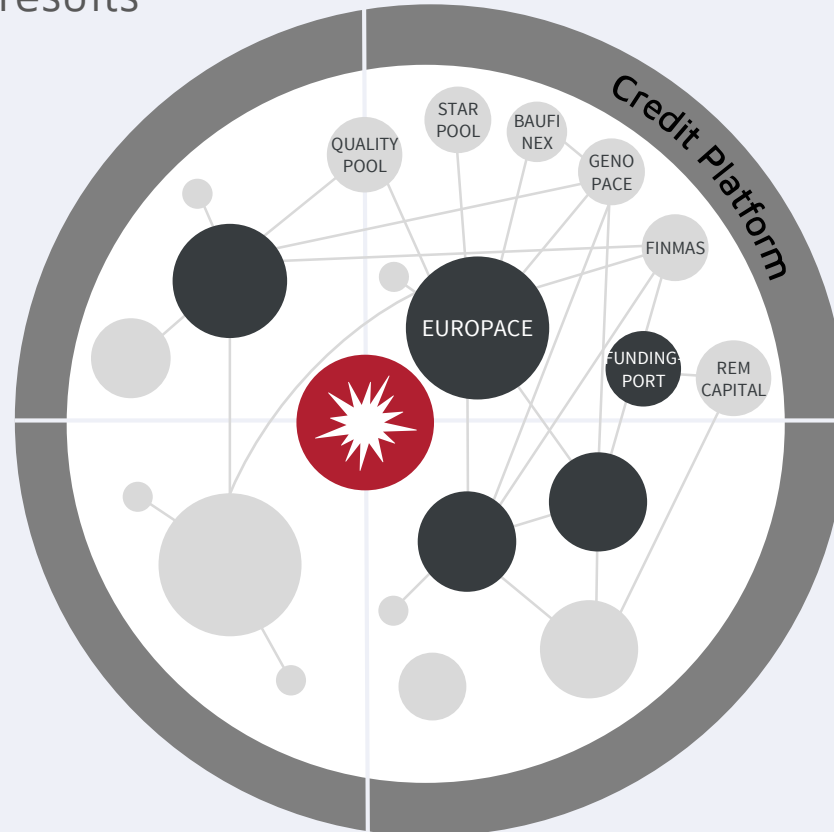
Segments	Market environment	Target group	Lockdown (March–May 2020)	Current post-lockdown situation (Q3 2020)	Long term (2021 onwards)
Real Estate Platform	Property sales	Credit industry	<ul style="list-style-type: none"> Less canvassing for property sales due to lockdown 	<ul style="list-style-type: none"> Property sales are picking up again after lockdown 	<ul style="list-style-type: none"> Digital platform solutions are the only way forward
	Residential property valuation		<ul style="list-style-type: none"> Property viewings and valuations not possible at times 	<ul style="list-style-type: none"> Property valuations possible again; some banks not yet back to full productivity 	<ul style="list-style-type: none"> Regulator will retain digital solutions
	Portfolio management Portfolio financing	Housing industry	<ul style="list-style-type: none"> No relevant impact; few rent deferrals or defaults; minor postponements of new building projects 	<ul style="list-style-type: none"> No relevant impact; few rent deferrals or defaults; minor postponements of new building projects 	<ul style="list-style-type: none"> Little change
Insurance Platform	Private insurance companies	Broker organisations, credit industry, insurtechs	<ul style="list-style-type: none"> Digital advisory services more successful Little negative impact on in-force business 	<ul style="list-style-type: none"> Digital advisory services more successful Little negative impact on in-force business 	<ul style="list-style-type: none"> Coronavirus crisis and lockdown reduce any remaining doubts about the need for a digital platform

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Credit Platform

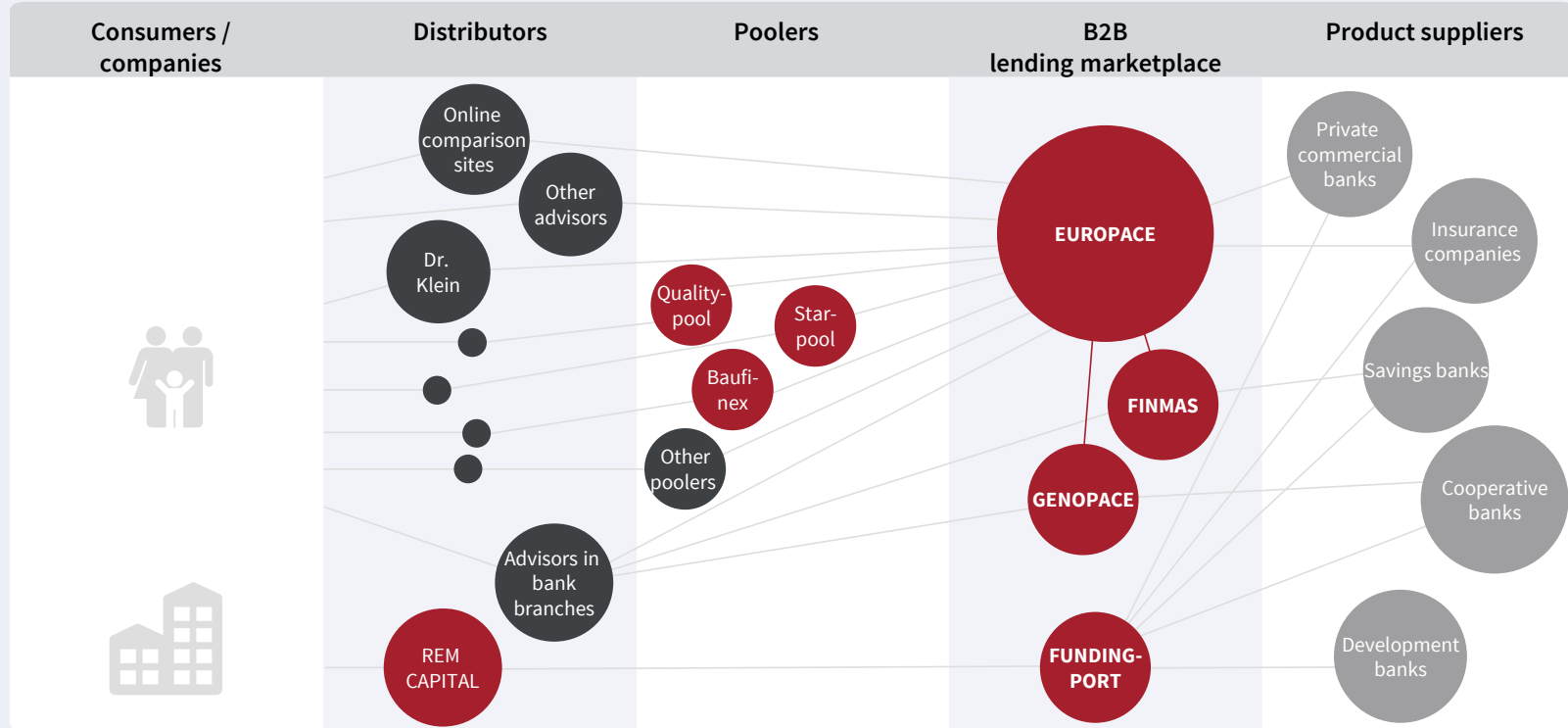
Business model & results



Credit industry

Credit Platform

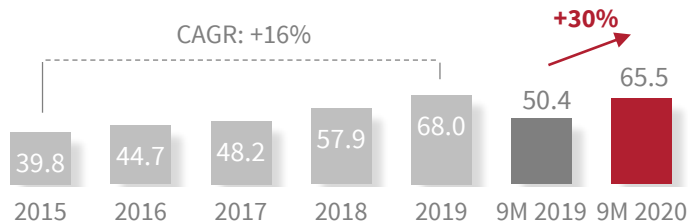
Business model



Substantial gain in market share for Europace in 2020

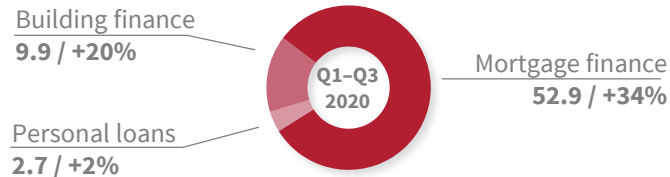
Credit Platform: Europace transaction volume

Volume of transactions (€ billion)**



** Numbers before cancellations.

Transaction volume by product group (€ billion)



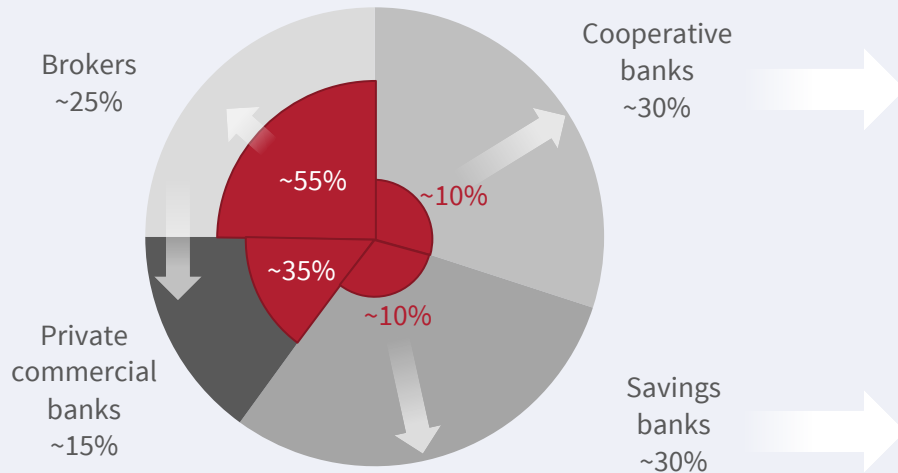
- Transaction volume per sales day* reached a record level of almost €345 million (+29% yoy) in Q1–Q3 2020
- The biggest product group, mortgage finance, grew by 34% to €53 billion, reflecting huge gain in market share (market as a whole in Q1–Q3: +4%)
- Slower growth due to weak overall mortgage finance market in Q3
- During the coronavirus crisis, regional banks are focusing slightly more on their regional corporate banking business than on mortgage finance
- Within the personal loan product group, the economic impact of the coronavirus crisis was reflected in more restrictive lending in Q2 and Q3 (Hypoport Credit Platform in Q3: +1%; overall market in Q3: -7%)

* 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).

Europace has huge potential for growth

Mortgage finance in Germany and Europace's share

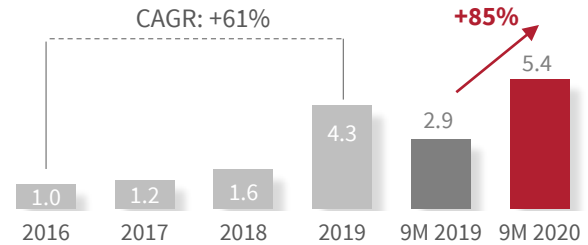
Distribution channels and Europace's share*



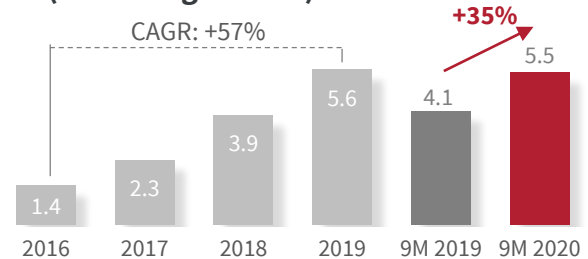
○ Mortgage finance in Germany in 2019: €263 billion // Q1-Q3 2020: €205 billion
 ■ Mortgage finance on Europace* in 2019: €54 billion // Q1-Q3 2020: €53 billion

* Numbers before cancellations. Sources: Bundesbank, Europace, own estimates.

GENOPACE (for cooperative banks)*



FINMAS (for savings banks)*



Significant growth thanks to innovation leadership

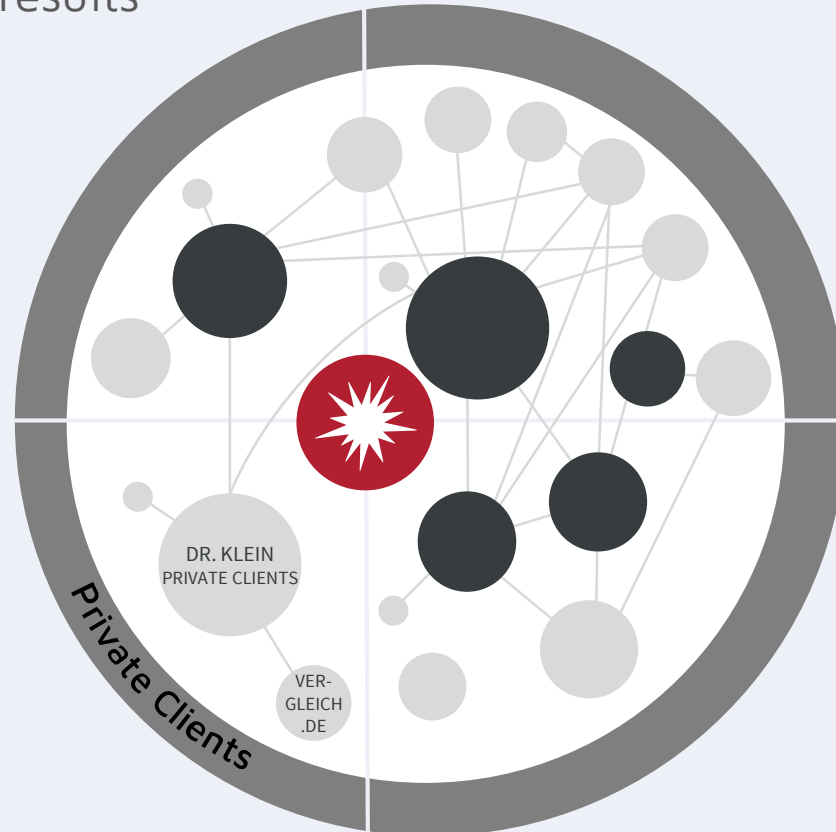
Credit Platform: revenue, gross profit and earnings



- All four distribution channels (financial product distributors, private commercial banks, cooperative institutions, savings banks) are growing at a much faster rate than the market
- Coronavirus crisis is having a huge impact on the functioning of branch-based bank structures and is accelerating digital transformation within financial product distribution
- Falling revenue in the white-label personal loans and corporate finance businesses meant revenue grew at a slightly slower rate in Q3 2020
- The segment's EBIT rose despite high levels of capital expenditure on the next generation of Europace, further expansion of key account resources for regional banks and establishment of the corporate finance business
- Q3 saw the start of banks being onboarded as product partners for the 'fundingport' corporate finance platform

Private Clients

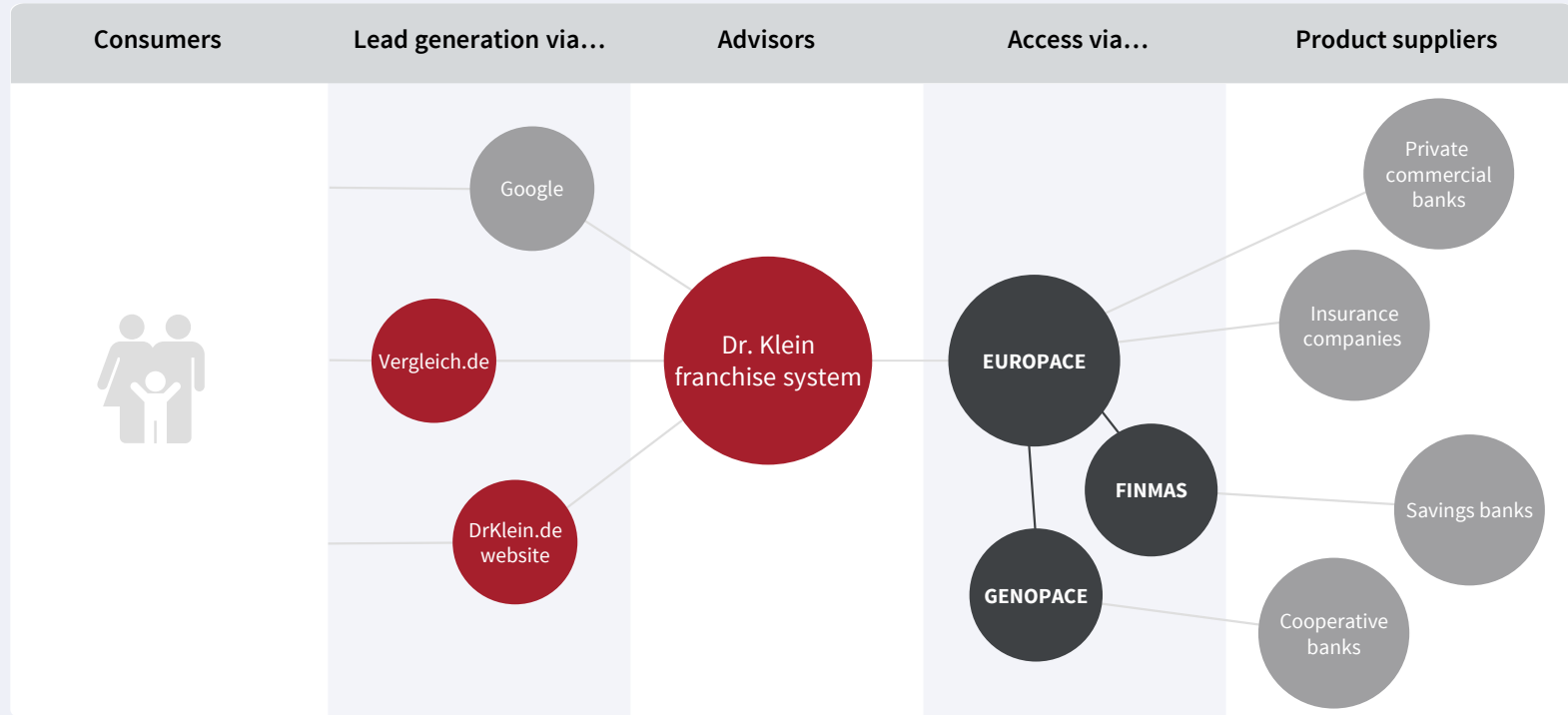
Business model & results



Private clients

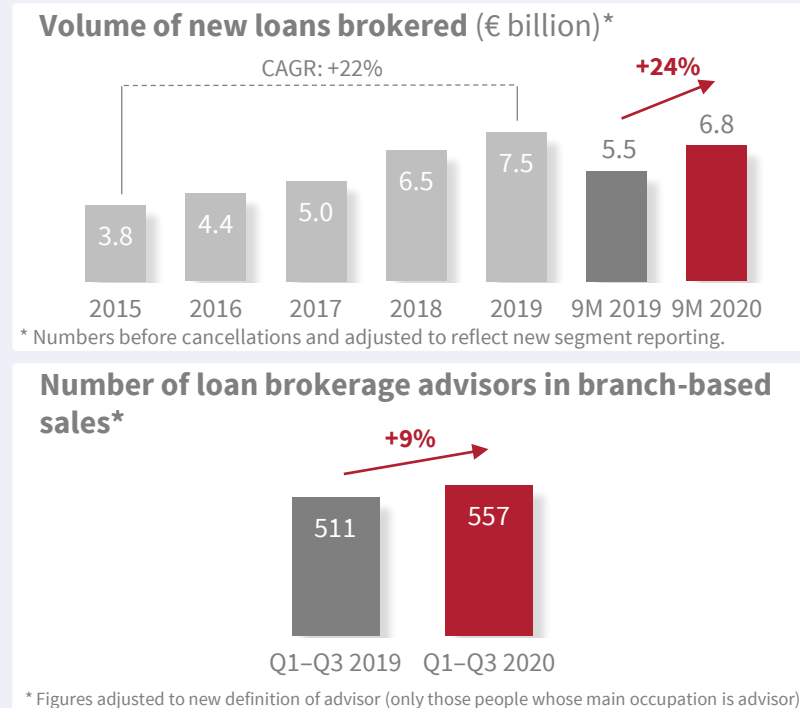
Private Clients

Business model



Significant gain in market share for Dr. Klein

Private Clients: volume of loans brokered and number of advisors



- Significant increase in market share
- Fully digital provision of advice and digital processing of financing applications submitted to banks via Europace create a clear competitive advantage over advisors and bank product distributors who do not use digital technologies to the same extent, particularly during lockdown
- Whereas recruitment of additional advisors slowed slightly in Q2 owing to the coronavirus crisis, there was a significant increase of 26 new advisors in Q3
- Sustained long-term trend of growing consumer demand for independent financial advice
- The rising number of advisors and increasing demand are strengthening the foundations for Dr. Klein's future growth

Sharp rise in EBIT for the Private Clients segment

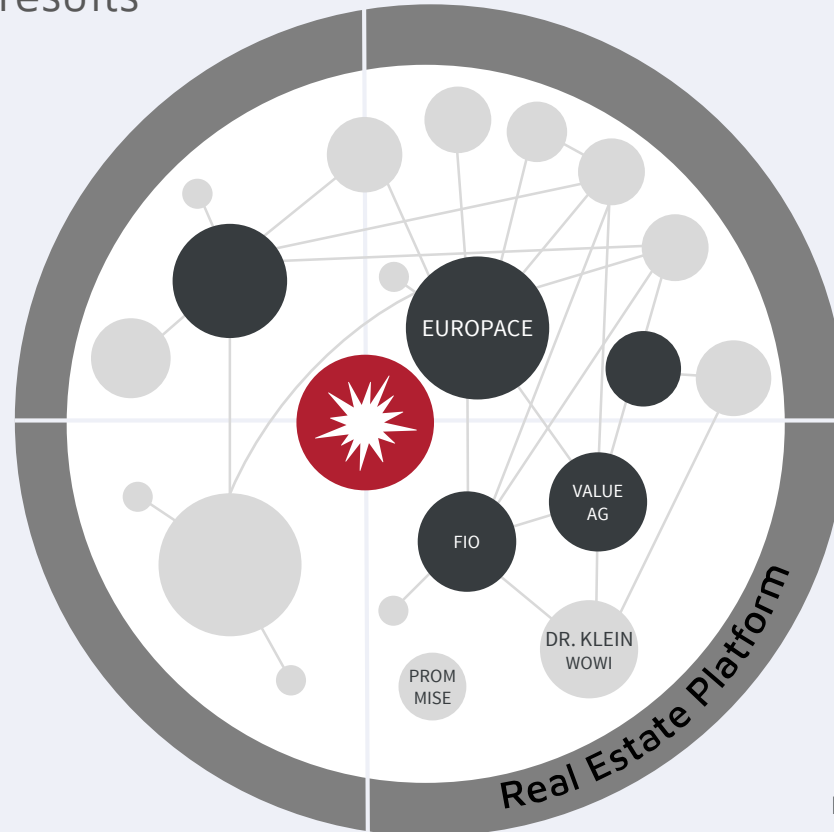
Private Clients: revenue, gross profit and earnings



- Revenue growth was again in double digits (+16%) thanks to an increased volume of new loans brokered
- Capital expenditure carried out in 2019 to integrate a high number of regional product partners, further digitalise processes and build up the workforce is paying off
- As a result, EBIT increased by an exceptionally strong 61%

Real Estate Platform

Business model & results



Real-estate industry

Creation of a 'platform for housing'

Real Estate Platform – business model

Credit industry
(owner-occupied properties)

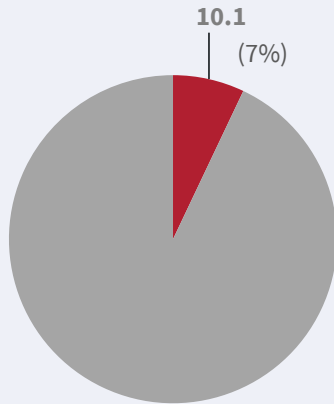
Housing industry
(rentals)



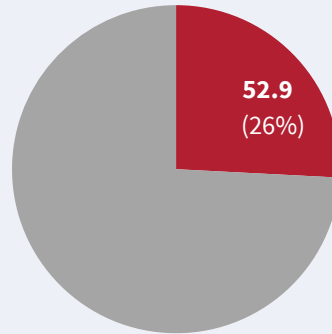
Strong cross-selling potential

Market share for residential property in Q1–Q3 2020

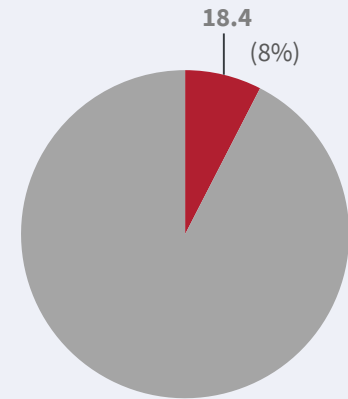
Property sales
approx. €143 billion



Property financing
€205 billion



Property valuation
approx. €244 billion



○ Overall German market: approx. €143 billion
■ Sales via FIO's platform: €10 billion

○ Overall German market: €205 billion
■ Mortgage finance on EUROPACE*: €53 billion

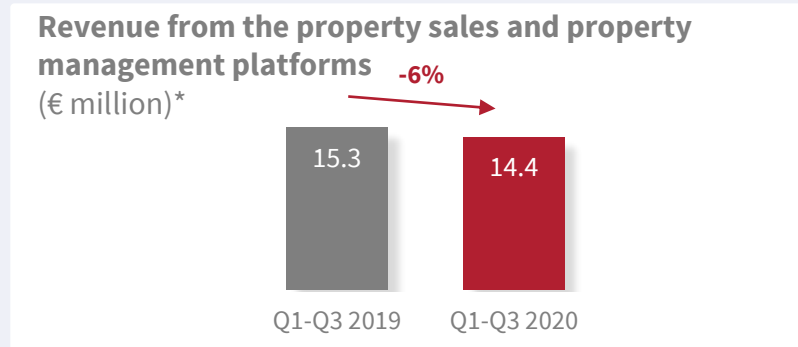
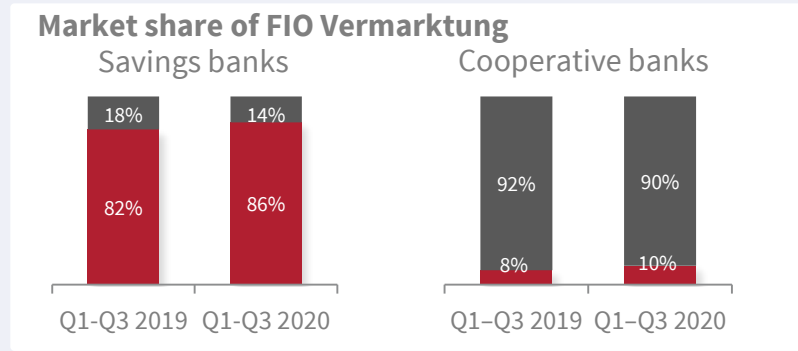
○ Overall German market: approx. €244 billion
■ Valuation through VALUE AG: €18 billion

* Numbers before cancellations.

Sources: Bundesbank, GEWOS, Europace, FIO SYSTEMS, VALUE AG, own estimate.

Better scalability and less project business

Real Estate Platform: property sales platform and property management platform

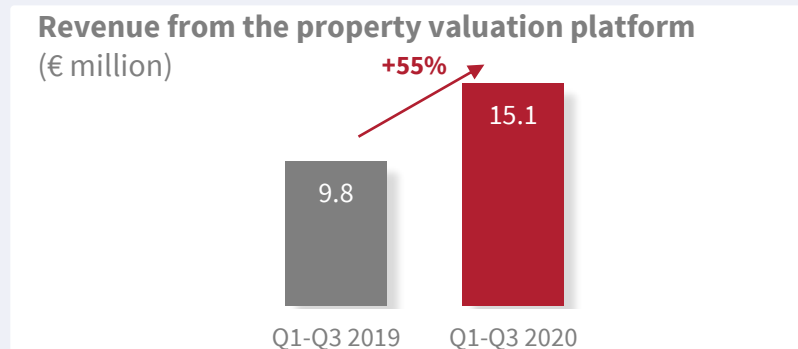
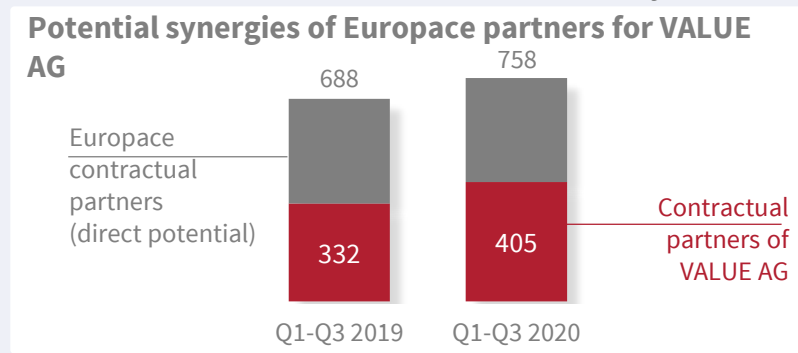


* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

- Development of software solutions for the sale and management of residential properties in the housing and credit industries
- The credit industry occupies a leading position in Germany when it comes to residential property sales
- FIO market share among savings banks already over 86%; good potential among the cooperative banks
- Majority of Germany's top ten estate agents already use the solution provided by FIO
- Fall in revenue due to planned eschewal of individual project business in favour of a scalable platform business model
- Technical migration to new generation represents significant progress in expanding the platform business model

Efforts to integrate additional contractual partners are progressing well

Real Estate Platform: property valuation platform

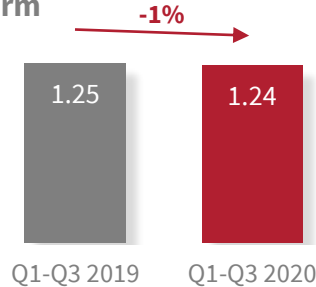


- The business model consists of integrated property valuations for the lending banks, i.e. for Europace product partners
- Restricted valuation activity because of coronavirus led to slower growth in Q2; this trend was still discernible in Q3, but less pronounced
- Good track record of cross-selling, with huge potential still to be tapped through incremental improvements to the technical integration of the Europace and VALUE AG platforms
- Huge increase in the number of employees in 2019; bigger organisation still has significant potential for greater efficiency
- Capital expenditure on a proprietary property valuation platform with a high degree of automation in order to increase productivity in the valuation business, where processes are often still manual

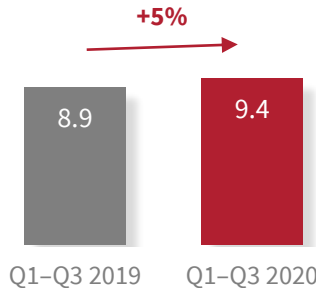
Slightly improved conditions thanks to volatile interest rates in 2020

Real Estate Platform: property financing platform

Volume of new loans brokered on the property financing platform
(€ billion)



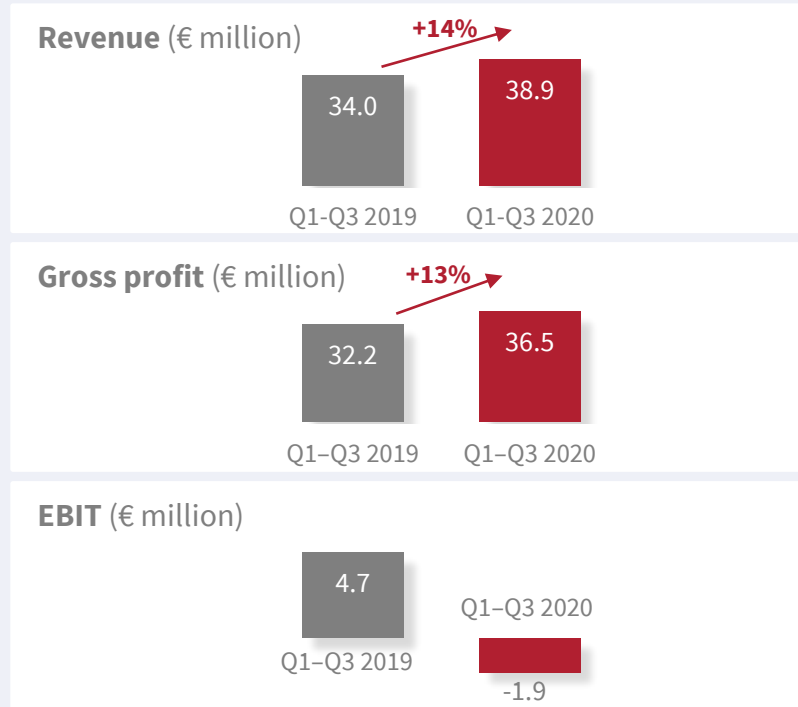
Revenue from the property financing platform
(€ million)



- The business model is based on loan brokerage for the municipal and cooperative housing industries
- Despite unfavourable conditions in the medium term caused by political debate at federal and state level about intervention in the German rental market, the volume of new loans brokered remained almost unchanged
- This was due to volatile interest rates, which meant that the housing industry was slightly more willing to do business again, and lucrative one-off transactions
- The coronavirus crisis continues to have virtually no effect on the housing industry; barely any delays in new projects or significant rent defaults

Growth segment with high levels of capital expenditure for the future

Real Estate Platform: revenue, gross profit and earnings



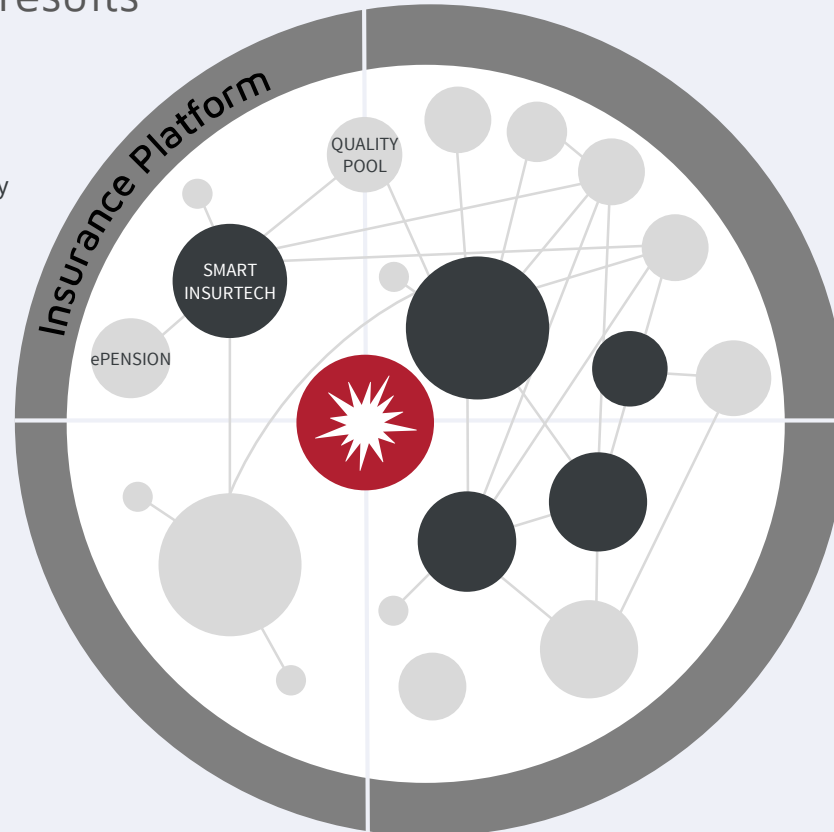
- Increase in segment revenue thanks to the healthy operating performance of all four platforms (property sales, valuation, financing and management)
- Strategic reduction in project business compared with Q3 2019; operational revenue increase of more than 14%
- Capital expenditure in the Hypoport Group continues to be focused on the 'platform for housing' in 2020
- Cross-selling via the credit platform (Europace, FINMAS, GENOPACE) or the property financing platform (Dr. Klein WoWi) provides the basis for further gains in market share
- The transformation from a software/service provider to a platform solution offers significant potential for revenue and profit growth
- EBIT just into negative territory due to high levels of capital expenditure

Insurance Platform

Business model & results

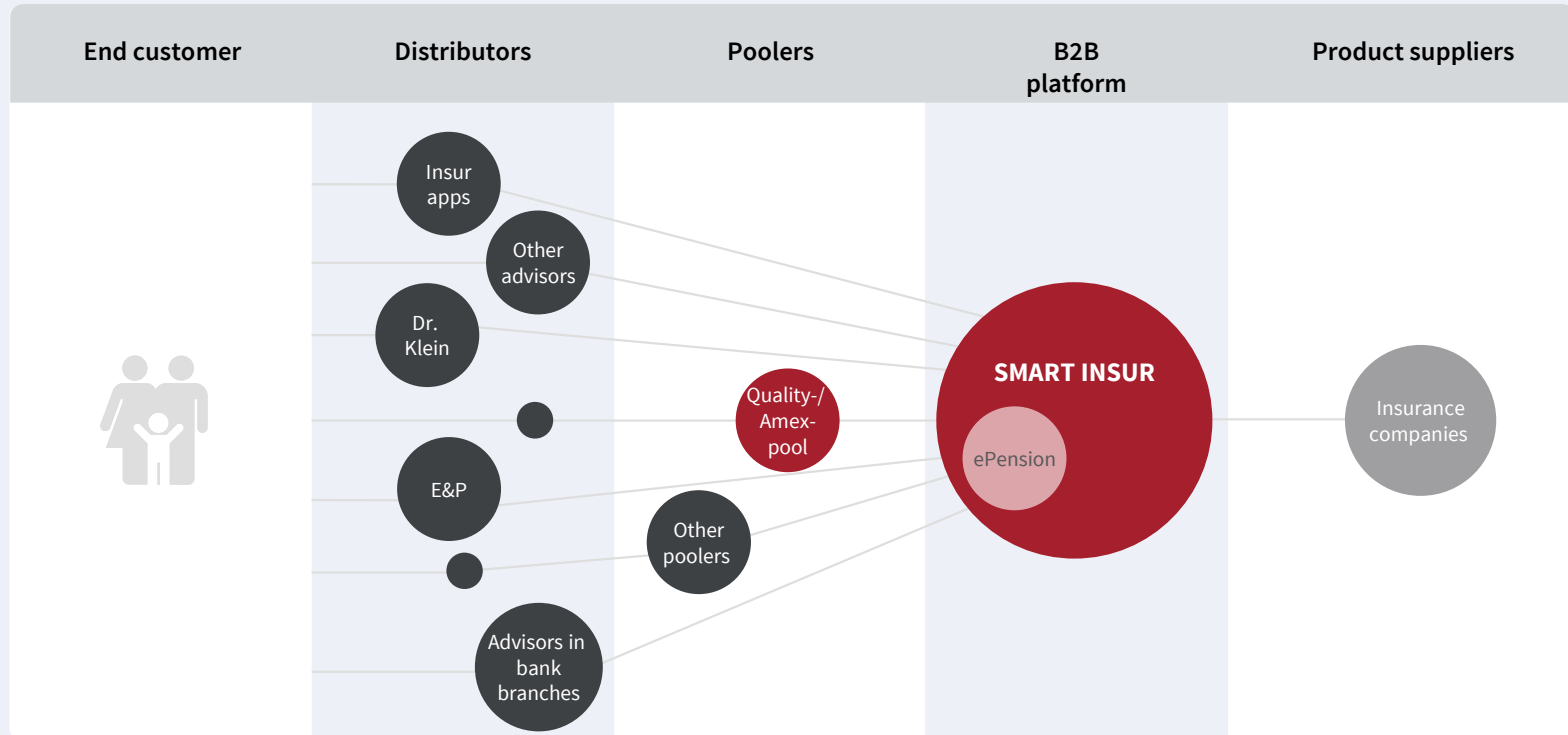


Insurance industry



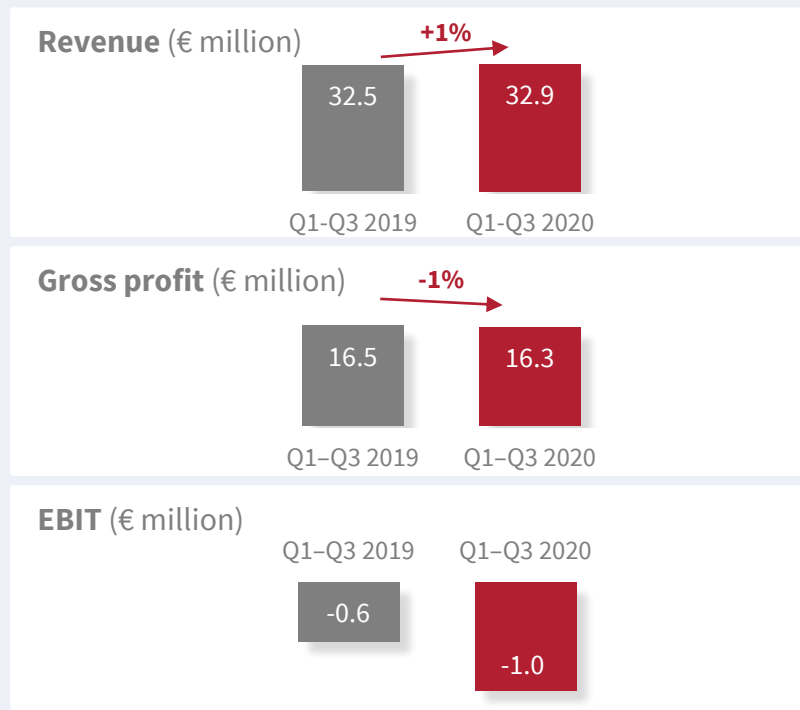
Insurance Platform

Business model



Focus on recurring revenue

Insurance Platform: revenue, gross profit and earnings



- Large broker organisations and broker pools are the primary target groups; insurtechs and banks are also important client groups
- Additional clients were signed up for the platform in Q1-Q3, highlighting the increasing buy-in among this target group
- Revenue increased only slightly due to a reduction in project business and the focus on expanding the platform

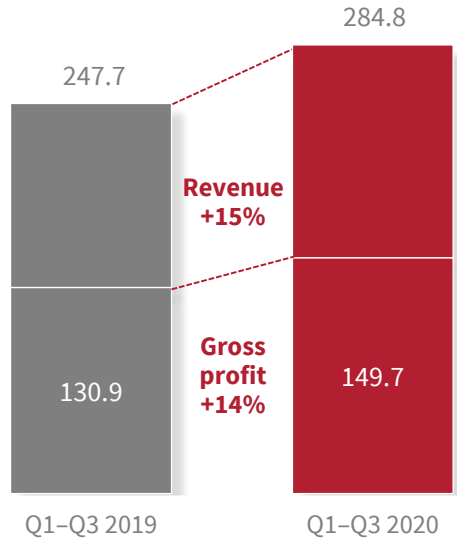
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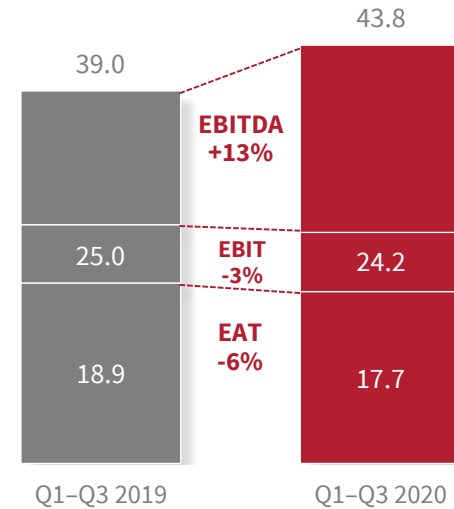
Impressive growth despite coronavirus

Overview of Hypoport's key performance indicators

Growth (€ million)



Earnings (€ million)



20 years as a growth company

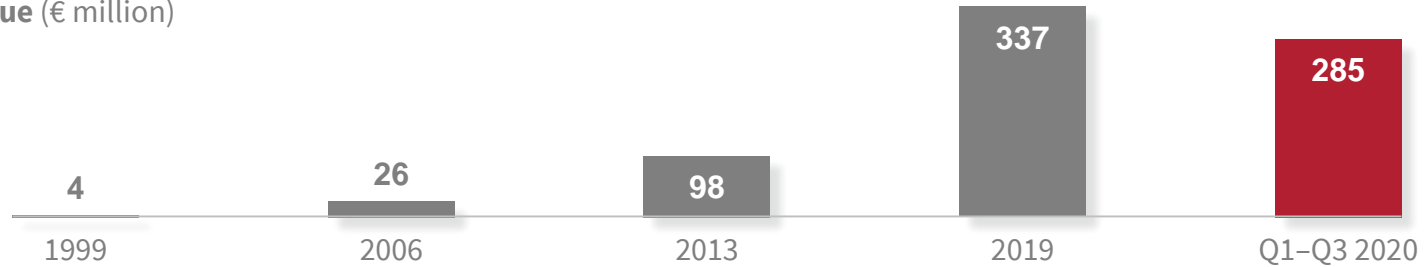
Long-term changes in revenue and EBITDA

Start-up

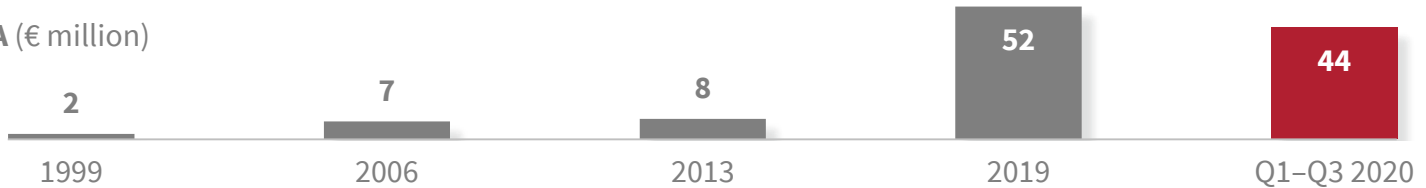
Established
despite fin. crisis

Upscaling and expansion

Revenue (€ million)



EBITDA (€ million)



Foundations for growth in 2020 laid in 2019

Areas of capital expenditure with an impact on earnings in 2019

Credit Platform (level of investment: €€€)

- Substantial increase in **key account resources** for regional banks (FINMAS / GENOPACE)
- Marked rise in **development resources** for Europace
- **Links** to the Real Estate Platform (VALUE AG, FIO)
- Establishment of 'fundingport' **corporate finance platform**

Private Clients (level of investment: €)

- Investment in the **digitalisation** of the advisory process to improve lead generation and customer retention
- Expansion of **product management** at regional banks

Real Estate Platform (level of investment: €€)

- **Adjustment of the pace of growth** of acquired businesses to that of Hypoport
- Expansion of the **IT platforms** for property sales, valuation and management
- Significant **headcount** expansion in property valuation

Insurance Platform (level of investment: €€)

- Expansion of sales capacity
- Cultural and technical **integration** of acquired businesses
- Making the acquired businesses scalable

€35
million

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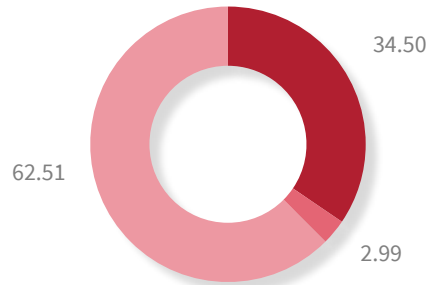
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Market capitalisation of more than €3 billion

Shareholder structure and share information

Breakdown of shareholders as at 30 September 2020

- Ronald Slabke (CEO)
- Treasury shares
- Free float
(of which more than 3% held by Nicolas Schulmann, more than 3% by Ameriprise Financial and more than 3% by Union Investment)



Key performance indicators

KPI	Details	Value
EPS	Earnings per share in Q1–Q3 2020	€2.81
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation as at 30 September 2020	approx. €3.5 bn
Trading volume	Average trading volume per day in 2020	approx. €4.8 mn
High	Highest closing price in Q1–Q3 2020	€434.00
Low	Lowest closing price in Q1–Q3 2020	€212.00
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

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Investment highlights

+25% REVENUE GROWTH
CAGR 5 years

2.4 MODERATE DEBT LEVEL
Financial liabilities /
12M EBITDA

+33% EBIT INCREASE
CAGR 5 years

20+ YEARS
of experience with platform-
based business models

10+ ACQUISITIONS
in 5 years

86% OF OUR EMPLOYEES
are satisfied or even
extremely satisfied with
Hypoport as an employer

Forecast for 2020

For 2020, Hypoport anticipates revenue of between €400 million and €440 million and EBIT of €35 million to €40 million.

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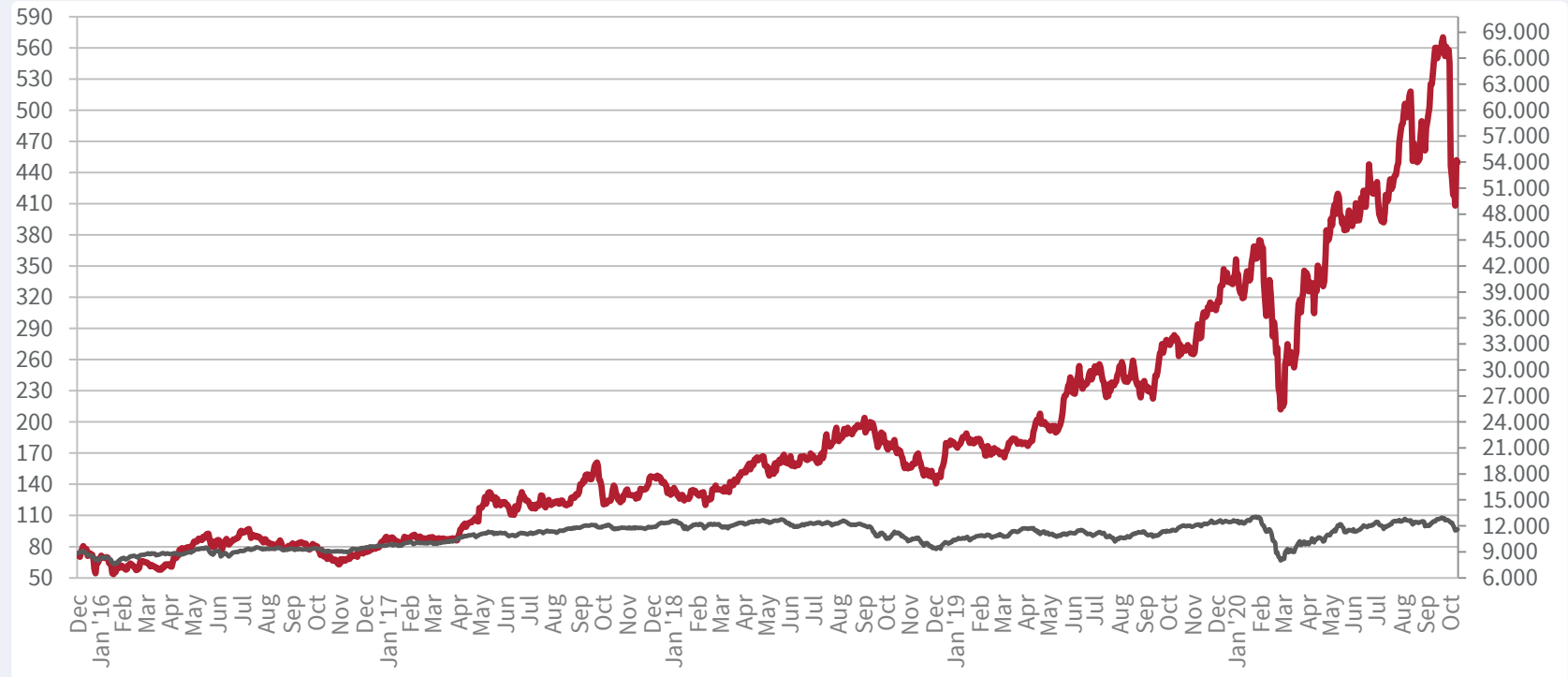
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Annex

Share price rises sharply

Share price since the date of joining the SDAX (daily closing price, Xetra, €)

— HYQ — SDAX



Hypoport's investor relations activity

Investor events, professional analysts' assessments, awards

Analyst	Recommendation	Target price	Date
Bankhaus Metzler	Sell	€425.00	22 Oct 2020
Berenberg	Buy	€440.00	22 Sep 2020
Commerzbank	Buy	€550.00	22 Oct 2020
Pareto Securities	Buy	€440.00	22 Oct 2020
Warburg	Buy	€490.00	4 Aug 2020

Index and awards

- SDAX
- Commerzbank 'Top ideas', September 2020
- Berenberg 'DACH Mid Caps Top Picks', November 2019
- Sdk 'Company of the year 2017'

Date	Publication dates in 2021
Mid-January 2021	Platform volume for Q4 2020
15 March 2021	Preliminary results for 2020

Recent IR events

Conference (digital)	Munich	Sep 2020
Roadshow (digital)	D, AT, CH, Copenhagen	Sep 2020
Conference (digital)	Frankfurt	Sep 2020
Roadshow (digital)	London, Edinburgh	Aug 2020
Roadshow (digital)	USA	Aug 2020
Roadshow (digital)	USA/Canada	May 2020
Roadshow (digital)	D, AT, CH, UK	Apr 2020
Conference	London	Mar 2020
Conference	Lyon	Jan 2020
Conference	London	Dec 2019
Conference	Berlin	Nov 2019
Conference	Frankfurt	Nov 2019
Roadshow	Edinburgh	Nov 2019
Conference	Munich	Sep 2019
Roadshow	Paris	Sep 2019
Conference	Frankfurt	Aug 2019
Roadshow	Zurich	Aug 2019
Roadshow	London	Aug 2019
Conference	Hamburg	Jun 2019
Conference, roadshow	New York, Chicago	May 2019

Mortgage finance – a high-potential market

Factors influencing the private and institutional residential mortgage finance markets

	Negative factors	Positive factors
Finance for OWNER- OCCUPIED PROPERTIES Credit Platform Private Clients	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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• Low proportion of home ownership (under 50%)*
Finance for RENTAL PROPERTIES Real Estate Platform	<ul style="list-style-type: none">• Increasingly unrealistic, uneconomic ideas about rent regulation in an already over-regulated rental market• In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction	<ul style="list-style-type: none">• Marked increase in planned projects owing to pent-up demand for affordable housing, which has become a political issue

* Source: Federal Statistical Office.

Long-term trends not affected by coronavirus

Factors influencing the German housing market

