

Press release

Group results for Q1–Q3 2020

Hypoport SE remains on growth trajectory with 15 per cent increase in revenue

- Consolidated revenue rises by 15 per cent year on year to €285 million in the first nine months of 2020
- Economic impact of the coronavirus crisis slows the pace of growth in the third quarter, but Europace transaction volume still up by 28 per cent on the prior-year period
- EBIT for first three quarters of 2020 slightly down on prior-year period at €24 million (3 per cent lower) as the Group continues to invest heavily in its future growth

Berlin, 2 November 2020: The Hypoport Group is continuing to grow, generating a 15 per cent increase in revenue for the first nine months of the year to a total of €284.8 million.

The **Credit Platform segment** performed well, increasing its revenue by 19 per cent to €120.9 million. This rise in revenue was mainly driven by the growth of mortgage finance business on the Europace B2B lending marketplace. FINMAS and GENOPACE, the sub-marketplaces for the savings banks and cooperative banks respectively, delivered a particularly robust performance. Non-captive financial product distributors and private commercial banks also recorded significant volume growth. Revenue in the white-label personal loans business fell as a result of more restrictive lending policies by banks in the wake of the coronavirus crisis. Despite a weak overall market, revenue increased by 14 per cent in the third quarter to €41.4 million. Earnings before interest and tax (EBIT) in the Credit Platform segment rose by 11 per cent in the first nine months of 2020 to €25.2 million, despite continued high levels of investment.

In the **Private Clients segment**, revenue increased by 17 per cent to €93.4 million. The main B2C brand, Dr. Klein, captured significant market share as a result of using Europace and deploying video technology for its advisory meetings, especially during the coronavirus lockdown in the second quarter. Despite an exceptionally strong prior-year period and a generally weak market, revenue in the third quarter of 2020 increased by 5 per cent year on year to €30.7 million. The segment's EBIT grew at the significantly higher rate of 61 per cent to reach €13.8 million.

In the **Real Estate Platform segment**, the property valuation platform recorded a 55 per cent jump in revenue in the first nine months of the year. The property sales platform and the property management platform delivered a strong operating performance, but revenue fell by 6 per cent as a result of the strategic decision to forego project business in favour of a scalable platform model. The property financing platform for the housing industry reported a slight increase in revenue of 5 per cent in the first nine months of the year due to the boost provided by interest rates. Overall, revenue for the entire Real

Estate Platform segment thus rose by 14 per cent to €38.9 million. Looking just at the third quarter in isolation, revenue fell by 7 per cent from €13.1 million to €12.3 million as a result of the loss of project business. EBIT fell sharply to a loss of €1.9 million in the first nine months of the year. This was in line with expectations due to the high level of investment and the planned loss of project business.

The **Insurance Platform segment** continued to focus on the progressive expansion of 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. There was only a slight increase in revenue of 1 per cent for the Insurance Platform segment, from €32.5 million in the first nine months of 2019 to €32.9 million, as a result of the ongoing reduction in project business in favour of recurring revenue streams from the platform business. In the third quarter, revenue edged down by 1 per cent to €11.8 million (Q3 2019: €11.9 million). EBIT for the first nine months deteriorated slightly from a loss of €0.6 million to a loss of €1.0 million.

As a result of the aforementioned revenue growth in the individual segments, the gross profit of the Hypoport Group as a whole increased by 14 per cent in the first nine months of 2020 to €149.7 million (Q1–Q3 2019: €130.9 million). EBIT for the entire Hypoport Group in the first nine months of 2020 fell by just 3 per cent to €24.2 million (Q1–Q3 2019: €25.0 million) despite high levels of investment in the operating business models of the individual segments, further investment at the level of the holding company and the loss of project business.

Ronald Slabke, Chief Executive Officer of Hypoport SE, gave his analysis of the results for the first nine months of the year: “The revenue growth of 15 per cent demonstrates once again the robust nature of our platform business models even in difficult times such as the current recession. This resilience can only be achieved through innovation and large market shares with business models that provide recurring revenue streams. Project business, despite the short-term profitability that it offers, is a distraction from these strategic objectives and ties up valuable development resources, which we intend to focus ever more strongly on the expansion of our platforms.”

(€ million)	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 change	Q3 2020	Q3 2019	Q3 change
Revenue	284.8	247.7	15%	95.4	90.6	5%
thereof Credit Platform	120.9	101.9	19%	41.4	36.4	14%
thereof Private Clients	93.4	79.8	17%	30.7	29.3	5%
thereof Real Estate Platform	38.9	34.0	14%	12.3	13.1	-7%
thereof Insurance Platform	32.9	32.5	1%	11.8	11.9	-1%
thereof Holding & Reconciliation	-1.3	-0.5	-	-0.7	-0.2	-
Gross profit	149.7	130.9	14%	49.9	48.7	2%
EBITDA	43.8	39.0	13%	13.9	14.2	-3%
EBIT	24.2	25.0	-3%	7.1	9.2	-23%
Net profit for the period	17.7	18.9	-6%	5.4	6.9	-22%
Earnings per share	2.81	3.02	-7%	0.85	1.10	-23%

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 more than 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 750 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute approx. 35,000 transactions per month on Europace, generating a volume of more than €7 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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