

Press release

Group results for Q1–Q3 2022

Hypoport SE: exceptionally strong first half of 2022 followed by a weak third quarter in difficult market conditions

- Consolidated revenue rises by 13 per cent to €368 million in Q1–Q3 2022 and falls by 6 per cent to €105 million in Q3
- EBIT decreases by 7 per cent to €31 million in Q1–Q3 2022 and by 93 per cent to €0.8 million in Q3

Berlin, 14 November 2022: The Hypoport Group’s growth in the first three quarters of 2022 was in double figures, whereas revenue declined in the third quarter owing to faltering momentum in the mortgage finance market and in the corporate finance business. Consolidated revenue rose by 13 per cent year on year to reach €368 million in the first nine months of 2022. However, it fell by 6 per cent to €105 million in the third quarter of the year. The Hypoport Management Board has announced that cost levels will be adjusted across the Group to reflect the current market situation.

The **Credit Platform segment** recorded a 15 per cent increase in revenue to €168 million in the first three quarters of 2022. This rise was due to the excellent performance of the private mortgage finance business models and of the corporate finance business in the first half of the year. However, the segment’s revenue declined by 10 per cent to €49 million in the third quarter of 2022. The biggest influence was the strong growth achieved in the first half of the year by the mortgage finance business on the Europace B2B lending marketplace and on the FINMAS and GENOPACE sub-marketplaces for savings banks and cooperative banks and by the corporate finance business operated through REM CAPITAL. The decrease in the third quarter can be explained by the fact that consumers and small and medium-sized enterprises in Germany were very reluctant to enter into transactions in these credit markets. Revenue from the relatively small personal loans business was less affected by the significant market volatility and increased slightly in the nine-month period. The segment’s EBIT advanced more sharply than revenue in the first nine months of the year, rising by 18 per cent to €42 million. Reflecting the fall in revenue in the third quarter, EBIT went down by 26 per cent to €11 million.

In the **Private Clients segment**, revenue increased by 5 per cent to €106 million in the first three quarters of 2022. As a result of the strong focus of the Dr. Klein franchise network on private mortgage finance, the general reticence among consumers in the third quarter caused revenue to fall by 14 per cent. The segment’s EBIT contracted by 4 per cent to €17 million in the first nine months of the year and by 41 per cent to €3 million in the third quarter.

In the **Real Estate Platform segment**, revenue swelled by 16 per cent to €49 million in the nine-month period and by 1 per cent to €14 million in the third quarter. This represented a further acceleration of growth compared with the rates of 5 per cent and 9 per cent in the first three quarters of 2020 and 2021 respectively. In the first half of 2022, the main drivers were the exceptionally strong operating business of the property financing platform on the back of the social housing industry's increased willingness to do business as a result of the rapid rise in interest rates. Another was the large-scale expansion of the Value AG property valuation platform. This momentum faded markedly in the third quarter owing to the heightened level of interest rates, surging construction and energy costs, and the absence of adequate development finance programmes for the construction of rental accommodation and for energy efficiency improvements. The revenue of the property valuation platform also fell due to the decision of the German Federal Financial Supervisory Authority (BaFin) to end its permission for virtual inspections. EBIT increased in the first half of the year but then decreased in the third quarter as the finance market weakened and cost-effective virtual inspections were prohibited. As a result, EBIT declined to a loss of €7 million in the first nine months of 2022 and to a loss of €6 million in the third quarter.

There was further progress with the process initiated in the **Insurance Platform segment** at the start of 2022 to optimise the strategic focus by creating three distinct business units (private insurance, industrial insurance and occupational pension provision). Moreover, the volume of premiums migrated to the fully integrated SMART INSUR platform continued to go up in the first nine months of the year. New customers were acquired and new platform functions implemented for ePension and SMART INSUR. The segment's revenue advanced by 25 per cent to €44 million in the first three quarters of 2022. In the same period, EBIT weakened slightly to a loss of €3 million due to high levels of investment in the platforms.

Ronald Slabke, Chief Executive Officer of Hypoport SE, views the situation in 2022 as follows: "Business performance was excellent in the first half of the year because willingness to take out new or follow-up financing was strong in the private and institutional mortgage finance business and in the corporate finance business, whereas market participants were noticeably more reticent in the third quarter. Despite growth in the supply of properties and slight price falls, potential buyers have generally been reluctant to take out mortgage finance deals since the end of the summer due to the combination of rapidly rising interest rates, extremely high inflation, concerns about a recession and hopes that property prices will fall further." Slabke continues: "Over the years, we have gone through challenging periods such as the financial crisis and the coronavirus pandemic. In all these phases, Hypoport always continued to gain market share and we do not doubt that this will again be the case in the current phase. However, as this is the first time in the past 25 years that the German housing market has seen such a rate of deceleration, it is difficult to predict how quickly the markets will return to normal. We have therefore begun to make adjustments to cost levels across the Group to reflect the current market situation. The effects of these changes will materialise in the first quarter of 2023."

The webcast today at 5pm Central European Summer Time (CET) can be accessed from our website at <http://www.hypoport.com/>

(€ million)	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 Change	Q3 2022	Q3 2021	Q3 Change
Revenue	367.5	325.3	+13%	105.0	112.3	-6%
thereof Credit Platform	167.7	145.8	+15%	48.3	53.7	-10%
thereof Private Clients	106.2	100.9	+5%	27.9	32.4	-14%
thereof Real Estate Platform	49.2	42.5	+16%	14.1	14.1	+0%
thereof Insurance Platform	43.6	35.0	+25%	14.4	11.7	+23%
thereof Holding & Reconciliation	0.8	1.1	-26%	0.2	0.4	-40%
Gross profit	206.4	175.5	+18%	61.4	63.0	-2%
EBITDA	55.1	55.1	+0%	9.1	18.9	-52%
EBIT	31.0	33.4	-7%	0.8	11.6	-93%
Net profit for the period	24.1	25.4	-5%	1.5	8.6	-82%
Earnings per share (in €) (non-diluted / diluted)	3.90	4.01	-3%	0.28	1.38	-80%

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. 2,500 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. 800 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 close to €9 billion. Besides Europace, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the credit platform. REM CAPITAL AG provides specialist advice on the arrangement of complex public-sector development loans for companies and financing for SMEs in Germany. At fundingport GmbH a corporate finance marketplace is being established.

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 property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment with the aim of digitalising the sale, valuation, financing and management of properties and, in the long term, creating a digital platform for housing.

There are three business units in the Insurance Platform segment: private insurance (SMART INSUR), industrial insurance and occupational pension provision (ePension). The insurance business of the B2B distributor Qualitypool is also assigned to this segment.

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 or MDAX since 2015.

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Financial calendar:

14 November 2022: Quarterly Statement Q3 2022
13 March 2023: Preliminary financial results for 2022
27 March 2023: Annual report 2022

Key data on Hypoport's shares

ISIN DE 0005493365
WKN 549336
Stock exchanges symbol HYQ