

Q1 KPIs show first signs of stabilization

Hypoport reported weak Q1 KPIs on a yoy comparison, but the figures improved qoq. Europace's transaction volume declined by 51% yoy to EUR 16.5bn, qoq the volume was up by 7% yoy. While the mortgage loan volume increased by 10% qoq, building finance volume was down by 16% qoq (-51% yoy). Consumer finance volume was up by 2% yoy (+29% qoq due to seasonal effects). Dr. Klein reported a decline by 57% yoy but qoq the volume was up by 10%. The value of properties valued by Value AG was down by 9% yoy, the value of properties sold via FIA was down by 30% yoy and the transaction volume of Dr. Klein WoWi declined by 50% yoy. The Volume of policies migrated to SMIT increased by 10% yoy (+1% qoq). All in all, very weak figures on a yoy comparison but the positive news is in our view that volumes at Europace and Dr. Klein Privatkunden have stabilized on a qoq comparison. We stick to our Buy recommendation with a target price of EUR 215.

KPIs (EUR bn)	Q1 2023	Q1 2022	yoy	qoq
Transaction volume Europace	16.5	33.8	-51%	7%
of which mortgage finance	13.0	28.1	-54%	10%
Transaction vol. Dr. Klein Privatkunden	1.5	3.5	-57%	10%
Value of properties valued by VALUE AG	8.2	9.0	-9%	-2%
Value of properties sold via FIO	2.4	3.4	-30%	-10%
Transaction vol. Dr. Klein WoWi	0.29	0.58	-50%	-33%
Volume of policies migrated to SMIT	3.8	3.5	9%	1%

Sources: Hypoport, Pareto Securities

Note, that Bundesbank new business volumes in February reached the lowest level since February 2010 with EUR 12.1bn (-54% yoy, -5% mom), i.e. the market has not yet found a bottom. Even if the Bundesbank and the Europace figures are not 100% comparable it is clear, that the market environment remains difficult. Also, we think it is fair to draw the conclusion that Europace is outperforming the market and winning market share. Transaction volume of FINMAS (sub-market place for savings banks) increased e.g. by 17% and the transaction of GENOPACE (sub-market place for mutual banks) increased even by 22% qoq. This supports our positive view for the shares. 2023 will be a difficult year for Hypoport but we expect the company to further improve its market position in the next years.

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