

Press release

Company news

Q1-Q3 report 2009: Hypoport notches up strategic successes

Berlin, 7 November 2009: One year after the financial crisis broke, Hypoport AG is firmly on course for long-term success, posting revenue growth and an EBITDA figure that is still well in positive territory. Two of its four business units delivered an outstanding performance despite adverse market conditions in the first three quarters of 2009. Although the other two units temporarily incurred financial losses in order to win new markets, products and partners, these gains will make a valuable contribution to the future strength of the Company.

The Hypoport Group managed to achieve stable revenue and strategically notable successes in what was generally a tough operating environment in the first nine months of this year. Revenue for the first three quarters of 2009 rose by 2 per cent compared with the corresponding period of last year to €37.5 million (Q1-Q3 2008: €36.8 million). Gross profit for the reporting period fell by 2 per cent year on year owing to higher selling expenses. The Company's financial performance was impaired by persistently challenging market conditions and by costs incurred in the quest to achieve key strategic targets and objectives. Although the figure for earnings before interest, tax, depreciation and amortisation (EBITDA) of €4.1 million that it reported for the first three quarters of 2009 was still in positive territory, it was 32 per cent down on the €6.1 million posted in the first nine months of 2008. Two of the Hypoport Group's four business units immediately managed to translate the opportunities presented by the new market conditions into revenue and earnings growth. At the same time, the two business units that have significant exposure to the mortgage finance market managed to put themselves firmly on track for future growth. "Although the net profit we have generated for the reporting period is lower year on year in absolute terms, our results should be seen as a notable success when compared with those of our competitors and in view of the transformation that the mortgage finance market has undergone. The market share we have gained and the new partnerships we have forged will have a positive impact on our figures over the medium term", stressed Ronald Slabke, Co-CEO of Hypoport AG, assessing the performance of the Company's business.

The Corporate Real Estate Clients business unit achieved a new annual record in its revenue and earnings in just the first nine months of 2009. Revenue, which was dominated by the huge increase in the volume of long-term new business brokered, jumped by 16 per cent to €4.7 million. EBITDA surged by an even more impressive 77 per cent to €2.2 million. This excellent result was attributable to the robust performance of existing business and the development of new market segments – such as insurance and local authorities – and the use of new business models in areas such as bearer bonds and the formation of syndicates.

Management Board:
local court
Professor Dr Thomas Kretschmar (Co-CEO),
Ronald Slabke (Co-CEO),
DE207938067
Marco Kisperth, Thilo Wiegand
www.hypoport.com

Supervisory Board:
Dr Ottheinz Jung-Senssfelder (chairman),
Jochen Althoff (deputy chairman),
Christian Schröder

Berlin-Charlottenburg
HRB 74559
VAT reg. no.:
Website:

The Institutional Clients business unit, which is based in the Netherlands, also delivered an impressive performance. The more stringent disclosure requirements faced by the capital markets created new opportunities in this business line. Strong demand for advice and process automation around portfolio transactions generated revenue growth of 41 per cent. EBITDA rose by 24 per cent to €797 thousand.

In recent months the housing market has been characterised by three phenomena that have presented the other two business units with considerable challenges in the short term. First, bank lending has been more restrictive in the wake of the financial crisis. In addition, the terms and conditions available in the market have shifted in favour of small, regional providers that are not yet connected to the EUROPACE platform. "This has had a directly adverse impact on our revenue and, consequently, has depressed our earnings", was how Thomas Kretschmar, Co-CEO of Hypoport AG, explained the effect on the Company. Furthermore, the significant difference between the interest rates on long and short maturities resulted in much shorter fixed-interest periods. "Because fixed interest rates are one of the factors determining our commissions, this phenomenon also had an adverse impact for a while", added Kretschmar, stressing the temporary nature of these phenomena.

Nonetheless, the Private Clients business unit managed to exploit this transformation in market conditions to its own advantage, edging out rivals in its sector and winning further market segments. It raised its revenue slightly in the stagnant market for other financial products. However, the shorter average fixed-interest periods meant that revenue from mortgage finance was lower. Consequently, the revenue generated by this business unit fell by 6 per cent to €22.6 million. EBITDA declined by 13 per cent year on year to €2.1 million (Q1-Q3 2008: €2.4 million). However, a considerable amount of this decrease was attributable to the successful expansion of the Company's distribution network. The number of branches rose by 49 per cent to 173, while the number of advisers soared by 64 per cent to almost 400. The number of independent brokers working with Hypoport grew by 30 per cent to 2,178.

The revenue earned by the Financial Service Providers business unit in the first three quarters of 2009 advanced by 14 per cent year on year. Nonetheless, this business line was hit hardest by the market developments of the past nine months. EBITDA fell to €166 thousand owing to increasingly restrictive bank lending, shorter fixed-interest periods and, in parallel with these trends, capital spending on the new EUROPACE platform. In addition to Hypoport's alliance with the PSD group of cooperative online banks, another strategically important partnership will consolidate the growth generated by this business unit in future: the FINMAS financial marketplace for German savings banks set up jointly by Hypoport and Ostdeutscher Sparkassenverband (the association of eastern German savings banks) will further extend the product range available and broaden the EUROPACE platform.

Information on Hypoport AG

The Berlin-based Hypoport Group is an online provider of financial products and services and employs approximately 450 people. Its shares have been listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) since October 2007. The business model used by Hypoport AG is based on two mutually supporting pillars: the sale of financial products (Dr. Klein & Co. AG) and the provision of a transactions platform for the brokerage of financial products over the internet.



The EUROPACE B2B financial marketplace operated by Hypoport is Germany's biggest online transactions platform for selling financial products. A fully integrated system links more than 30 banks with several thousand financial advisers, thereby enabling products to be sold swiftly and directly. The highly automated processes used on this platform generate significant cost advantages. Around 400 financial transactions per day are now settled via EUROPACE. Hypoport AG publishes its monthly house price index (HPX) based on actual transaction data.

A list of the banks and financial service providers represented on the online platform can be found at <http://www.hypoport.de/partner.html>. You can download Hypoport's 2008 annual report at <http://www.hypoport.de/publikationen.html>.

Contact

Hypoport AG
Klosterstrasse 71
10179 Berlin
Germany
www.hypoport.com

Michaela Reimann
Group Communications Manager
Tel.: +49 (0)30 42086 1936
Email: michaela.reimann@hypoport.