

# Company Alert

## Hypoport

**Results Initial View: Strong Q3 requires a revaluation of the stock**

COMPANY



**HYPOPORT**  
THE FINANCE INTEGRATOR

RATING

**UNDER REVIEW (HOLD)**

TARGET PRICE

**UNDER REVIEW (7 EUR)**

HIGHLIGHTS

- EBIT strongly increased to EUR 2.4m (Q3/09: EUR 0.2m)
- Improved business activity signals that Hypoport has overcome the financial crisis
- We will lift both, our estimates and the target price and put the rating under review

The EBIT came in at EUR 2.4m in Q3/10 after EUR 0.2m in Q3/09 which was the best quarterly result of the last three years. The improvements were achieved due to higher revenues which climbed by 37% yoy and 6% qoq to EUR 16.9m. Hypoport's best performer was the business unit Private Clients (revenues: +43% yoy to EUR 11.0m; EBIT +30% to EUR 2.7m) which distributes the products from the EUROPACE platform. The latter achieved a new record transaction volume of some EUR 4.5 bn in Q3 resulting in an increase of revenues by 42% yoy to EUR 9.3m from the Financial Service Providers unit which turned around at the same time (EBIT: EUR 0.4m after -0.5m in Q3/09). The result in the Real Estate Companies segment (Revenues: +20% yoy to EUR 5.6m, EBIT: +5% to EUR 2.3m) also improved. Revenues and EBIT from the smaller segment Institutional Clients were both stable at EUR 2.5m resp. EUR 0.6m in Q3/10.

We will lift our EPS and the target price because there are clear signs that Hypoport achieves the turnaround one year earlier than we had foreseen. The company expects significant increases in its revenues and earnings for 2010 as a whole. Hypoport has overcome the financial crisis in our view. We have to reevaluate the company and therefore put both rating and target price under review.

in EUR m	Q3/2010	Delta	Consensus	9M/2010	Delta	Consensus
Sales	16.9	37.1	n.a.	44.9	19.9	n.a.
EBIT	2.4	>500	n.a.	3.5	151.3	n.a.
Net profit	1.4	n/m	n.a.	1.6	n/m	n.a.
EPS (in EUR)	0.23	n/m	n.a.	0.26	n/m	n.a.

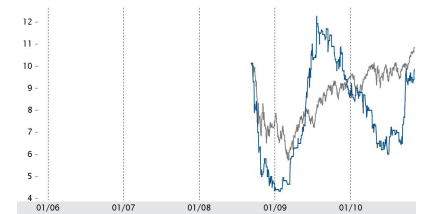
Source: Hypoport, LBBW Research

+++ Reuters: HYQGn +++ Bloomberg: HYQ GY +++

Current Price (XETRA (Germany); 2010-11-08; 09:02 am).....9.85 EUR  
 CLOSING PRICE (2010-11-05):.....9.85 EUR  
 EXPECTED PERFORMANCE:.....-28.9%  
 MARKET CAPITALIZATION:.....60.36 EUR m  
 ENTERPRISE VALUE:.....70.77 EUR m  
 NUMBER OF SHARES:.....6.13 m  
 FREE FLOAT:.....46.0%  
 INDEX (WEIGHT):.....PRIME ALL SHARE (0%)  
 AVG. DAILY TRADEVOL.:.....2,998  
 ISIN:.....DE0005493365  
 SECTOR:.....Financial Services

KEY DATA (DEC)	2010E	2011E	2012E
Company figures in m EUR, per share data in EUR			
Sales	52.9	56.1	60.8
EBITDA	4.6	5.6	8.1
EBIT	0.2	1.1	3.5
Net profit	-0.5	0.2	1.8
Free cash flow	3.3	1.9	0.1
FCF yield	5.8%	3.2%	0.2%
EPS	0.08	0.03	0.29
Dividend	0.00	0.00	0.00
EV / Sales	1.3	1.3	1.2
EV / EBITDA	15.4	12.5	8.7
EV / EBIT	353.8	61.5	20.2
P / E	n.m.	328.3	34.0
P / BV	2.60	2.58	2.39
Dividend yield	0.0%	0.0%	0.0%

PRICE PERFORMANCE



Source: Hypoport, LBBW Research, Thomson Reuters

UPCOMING EVENTS

November 22-10 Analyst conference



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<b>Hold:</b>	We take a neutral view on the stock and, based on a time horizon of up to 12 months, do not recommend either a Buy or Sell.
<b>Under review:</b>	The rating is currently updated.
<b>Suspended:</b>	The evaluation of the company is currently not feasible.

Percentage of companies within this rating category

<b>Buy:</b>	51,3%
<b>Sell:</b>	7,6%
<b>Hold:</b>	38,4%
<b>Under review:</b>	2,2%
<b>Suspended:</b>	0,4%

**Notes:** Rating definitions prior to 6th April, 2009 were:

Buy: The price potential of the share is at least 10%. Hold: The price potential of the share is between 0% and 10%. Sell: A negative price performance of the share is expected. Ratings relate to a time horizon of up to 6 months.

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