

## Buy

Recommendation unchanged

**Share price: EUR 92.11**

closing price as of 24/04/2017

**Target price: EUR 100.00**

Target Price unchanged

**Upside/Downside Potential 8.6%**

Reuters/Bloomberg HYQGn.DE/HYQ GR

**Market capitalisation (EURm) 571**

Current N° of shares (m) 6

**Free float 63%**

Daily avg. no. trad. sh. 12 mth 20

Daily avg. trad. vol. 12 mth (m) 2,619.74

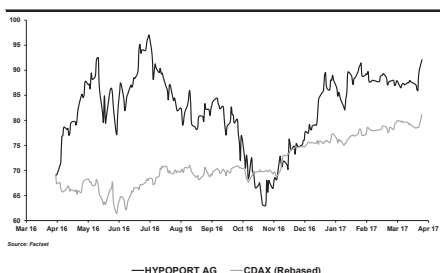
Price high/low 12 months 60.58 / 97.00

Abs Perfs 1/3/12 mths (%) 4.88/4.61/51.22

Key financials (EUR)	12/16p	12/17e	12/18e
Sales (m)	157	174	189
EBITDA (m)	30	33	37
EBITDA margin	19.0%	19.1%	19.4%
EBIT (m)	23	28	31
EBIT margin	14.8%	15.9%	16.2%
Net Profit (adj.)(m)	18	21	24
ROCE	37.8%	46.7%	54.4%
Net debt/(cash) (m)	(18)	(40)	(65)
Net Debt/Equity	-0.3	-0.4	-0.6
Debt/EBITDA	-0.6	-1.2	-1.8
Int. cover(EBITDA/Fin. int)	19.9	15.1	21.0
EV/Sales	3.0	3.1	2.7
EV/EBITDA	15.6	16.0	13.8
EV/EBITDA (adj.)	15.6	16.0	13.8
EV/EBIT	20.0	19.2	16.5
P/E (adj.)	25.9	26.4	23.3
P/BV	6.8	6.2	4.9
OpFCF yield	3.7%	3.8%	4.4%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	3.00	3.49	3.96
BVPS	11.38	14.78	18.64
DPS	0.00	0.00	0.00

## Shareholders

Slabke 37%;



## Analyst(s)

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## Good Q1 results expected

**The facts:** We expect Hypoport (HYP) to publish good Q1 results next week (4.5.), main driver should have been higher revenues due to a very good Q1 for Europace (transaction volume up by 17% yoy, the strongest quarterly increase since Q4 '15). Additionally we expect some positive share price impact from next week's investors' day which will HYP host for the first time ever.

## Our analysis:

**Europace with strong Q1:** Last week HYP reported strong Q1 transaction figures for Europace (+17% yoy to EUR 12.2.bn). Given the stable market development in January and February we had not expected such a strong performance. Growth was particularly strong at FINMAS (+63% yoy) and at GENOPACE (+52% yoy). Q1 growth rate of 17% yoy was the strongest since Q4 '15. As the mortgage loan market (based upon Bundesbank figures) has grown by only 1% yoy, i.e. assuming that March has shown a similar development (which is probably too optimistic as March 2016 was a particularly strong month) Hypoport seems to have won further market share in Q1 (Europace transaction volumes include consumer loans as well, which contribute however only around 5% to total Europace transaction volumes).

**Good Q1 results ahead:** Although strong Europace transaction volumes do not necessarily translate directly into higher revenues (as margins fluctuate to some extent and as HYP generates revenues which are not linked to Europace) they are a good indicator for the quarterly results. Hence, we expect a good Q1 result. Revenues should have increased by 20% yoy to EUR 42.8m, gross profit should have even increased by 30% yoy to EUR 24.3m. Despite higher costs (due to recent acquisitions and wage inflation) we expect EBIT to have increased by 23% yoy to EUR 6.65m which would be equivalent to an EBIT margin of 15.5%, up by 30 basis points yoy.

## Hypoport - Preview Q1 2017

EUR m	Q1 2017e	Q4 2016	yoy	Cons.	delta
<b>Revenues</b>	<b>42.8</b>	<b>35.7</b>	<b>20.0%</b>	na	na
<b>EBIT</b>	<b>6.6</b>	<b>5.4</b>	<b>22.5%</b>	na	na
<b>EBIT Margin</b>	<b>16%</b>	<b>15%</b>	<b>31 BP</b>	na	na
<b>Net Profit</b>	<b>5.3</b>	<b>4.3</b>	<b>25.1%</b>	na	na

Sources: Hypoport, equinet Research

**Investors' day should give more insight into mid-term growth potential:** On May 4 Hypoport will for the first time ever host an investors' day in Berlin giving among others a presentation on its recently launched segment InsurTech, i.e. giving an update on its progress on building an online marketplace for insurance policies (comparable to Europace). Following some smaller acquisitions in 2016 this unit should be HYP's major growth driver in the mid-term.

**Conclusion & Action:** We expect Hypoport to publish good Q1 results next week (4.5.). Furthermore, we expect the company to give some insight into the mid-term business drivers, particularly the planned online marketplace for insurance policies. Hence, we reiterate our Buy recommendation with a target price of EUR 100.00.