

# Press release

## Preliminary results for 2018

### **Hypoport grows at an even faster pace in 2018 and predicts another record year for revenue in 2019**

- Consolidated revenue surges by 36 per cent to €266 million in 2018
- Credit Platform and Private Clients segments increase their revenue from mortgage finance by 37 per cent and 15 per cent respectively, while the overall market expands by just 5 per cent
- Real Estate Platform segment's revenue advances by 64 per cent on the back of growth by acquisition
- Insurance Platform segment's revenue doubles in 2018 due to organic growth and acquisitions
- Real Estate Platform and Insurance Platform segments remain the biggest areas of capital expenditure
- Hypoport anticipates revenue of €310 million to €340 million and EBIT of €32 million to €40 million in 2019

**Berlin, 11 March 2019: Hypoport released its preliminary results for 2018 today, confirming the initial assessment published on 4 March 2019. Hypoport has also provided more details on the performance of its four segments and on the 2019 forecast for the Group as a whole. Consolidated revenue rose by a substantial 36 per cent to €266.0 million in 2018 (2017: €194.9 million). This extremely encouraging performance was attributable to revenue increases in all four segments.**

In the **Credit Platform segment**, revenue rose by 37 per cent to €114.7 million (2017\*: €83.6 million), an exceptionally strong performance that represents a significant increase in the pace of growth. This rise in revenue was primarily attributable to a 20 per cent increase in the volume of transactions on EUROPACE to €58 billion and the good performance of the brokerage pools that are also part of the Credit Platform segment. Despite a further stepping up of investment for the future, the segment's earnings before interest and tax (EBIT) advanced by 38 per cent to €26.1 million (2017\*: €18.9 million).

Revenue also went up in the **Private Clients segment**. The increase of 15 per cent to €86.4 million (2017\*: €74.9 million) was significantly above the rate of growth for the market as a whole. This success was attributable both to a further rise in demand among consumers for neutral mortgage advice and to the increase in the number of loan brokerage advisors to 595 (2017: 541). As a result, the sales volume climbed by 30 per cent to €6.5 billion in 2018 (2017\*: €5.0 billion). The segment's EBIT rose by 9 per cent to a record €10.8 million (2017\*: €9.9 million).

All property-related B2B business activities of the Hypoport Group have been grouped together in the **Real Estate Platform segment** (previously Institutional Clients) since summer 2018 with the aim of digitalising the sale, valuation and management of properties. The segment's revenue jumped by 64 per cent to €34.1 million (2017\*: €20.8 million). This rise was partly attributable to the acquisition of FIO and Value AG. There was a very encouraging increase in EBIT, which advanced by 56 per cent to €6.0 million (2017\*: €3.8 million) despite substantial capital expenditure on digitalisation and on the establishment of key account management teams.

In 2018, the **Insurance Platform segment** focused on integrating the software companies that had been acquired and on expanding business relationships with existing clients (financial product distributors, brokerage pools and B2C insurtech start-ups) to encompass all modules of the platform. The acquisitions also accelerated the segment's growth, with revenue almost doubling year on year to reach €30.4 million (2017: €15.2 million). In 2018, the Insurance Platform segment was still experiencing start-up losses and reported negative EBIT of €2.7 million. This was due to the creation of sales and IT development capacity and to expenses in connection with due diligence for and the implementation of acquisitions.

As a result of the aforementioned revenue increases in the individual segments, the gross profit of the Hypoport Group as a whole rose by 37 per cent to €140.2 million in 2018 (2017: €102.3 million). This increase and the healthy level of cash flow from operating activities enabled the Group to again hugely increase capital expenditure on its various platform solutions and on target-group-specific sales capacity to pave the way for future growth. The Hypoport Group's EBIT climbed by 26 per cent to €29.3 million (2017: €23.3 million). Earnings per share came to €3.66 (2017: €3.10).

"Each of our four segments generated significant organic growth last year," said Chief Executive Officer Ronald Slabke, commenting on the Company's business performance in 2018. "There was also substantial growth, particularly in the new Real Estate Platform segment, as a result of the acquisition of FIO and VALUE AG. In 2018, we achieved the most successful year in Hypoport's history. Our operational focus for 2019 is on the further technical, organisational and cultural integration of the recent acquirees and on utilising additional synergies between the companies in our Hypoport network. On this basis, we anticipate consolidated revenue (before further acquisitions) of €310 million to €340 million and EBIT of €32 million to €40 million in 2019 for the Hypoport Group as a whole."

The preliminary financial results still need to be verified by the auditor and adopted by the Supervisory Board. The annual report will be published as planned on 25 March 2019.

| Preliminary KPIs for the Hypoport Group |         |         |            |         |         |           |
|---|---------|---------|------------|---------|---------|-----------|
| (€ million)                             | FY 2018 | FY 2017 | YoY change | Q4 2018 | Q4 2017 | Q4 change |
| Revenue                                 | 266.0   | 194.9   | 36%        | 74.2    | 51.2    | 45%       |
| Gross profit                            | 140.2   | 102.3   | 37%        | 38.2    | 26.5    | 44%       |
| EBIT                                    | 29.3    | 23.3    | 26%        | 7.1     | 4.7     | 51%       |

*\* Prior-year figures adjusted; see the disclosures in the section 'Comparative figures for 2017' in the consolidated financial statements.*

## About Hypoport AG

Hypoport AG is headquartered in Berlin and is the parent company of the Hypoport Group. The Group, which has a workforce of around 1,500 employees, is a network of technology companies serving the credit, real-estate and insurance industries. These independent subsidiaries are grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates EUROPACE, which is an online financial marketplace and the largest German transaction platform offering mortgages, building finance products and personal loans. A fully integrated system links more than 500 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute some 35,000 transactions per month on EUROPACE, generating a volume of around €5 billion. Besides EUROPACE, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the Credit Platform segment.

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgage finance, 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 (previously Institutional Clients segment) with the aim of digitalising the sale, valuation and management of properties.

The Insurance Platform segment operates Smart InsurTech, a web-based B2B platform for advice, comparison of tariffs and the administration of insurance policies.

The shares of Hypoport AG are listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) and have been included in the SDAX since 2015.

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## Key data on Hypoport's shares

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