

Hypoport AG

*Results for
Q1-Q3 2019*

Our mission

Digitalisation of the credit, real estate and insurance industries



Credit industry



Real Estate industry



Insurance industry

Hypoport – a dynamic group of companies

Hypoport's four segments



Hypoport – a network of technology companies

Results for Q1–Q3 2019 and forecast for 2019

Key figures for Q1–Q3 2019 (yoy)

- Revenue: €247.7 million (+29%)
- Gross profit: €130.9 million (+28%)
- EBIT: €25.0 million (+13%)
- EPS: €3.02 (+9%)

Hypoport growing faster than the various overall markets (yoy change)

- Revenue growth in Credit Platform segment: +25%
 - Revenue growth in Private Clients segment: +21%
 - Revenue growth in Real Estate Platform segment: +45%
 - Revenue growth in Insurance Platform segment: +48%
- } Mortgage finance market: +9%*
- Housing transaction market: +8%**
- Insurance market: +2%***

Forecast for 2019

- Hypoport expects the Group's growth to be in double figures, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.

* Source: Deutsche Bundesbank, provisional data. ** Source: own estimate. *** Source: GDV figure for 2018 calendar year, as quarterly data is not collected.

Contents

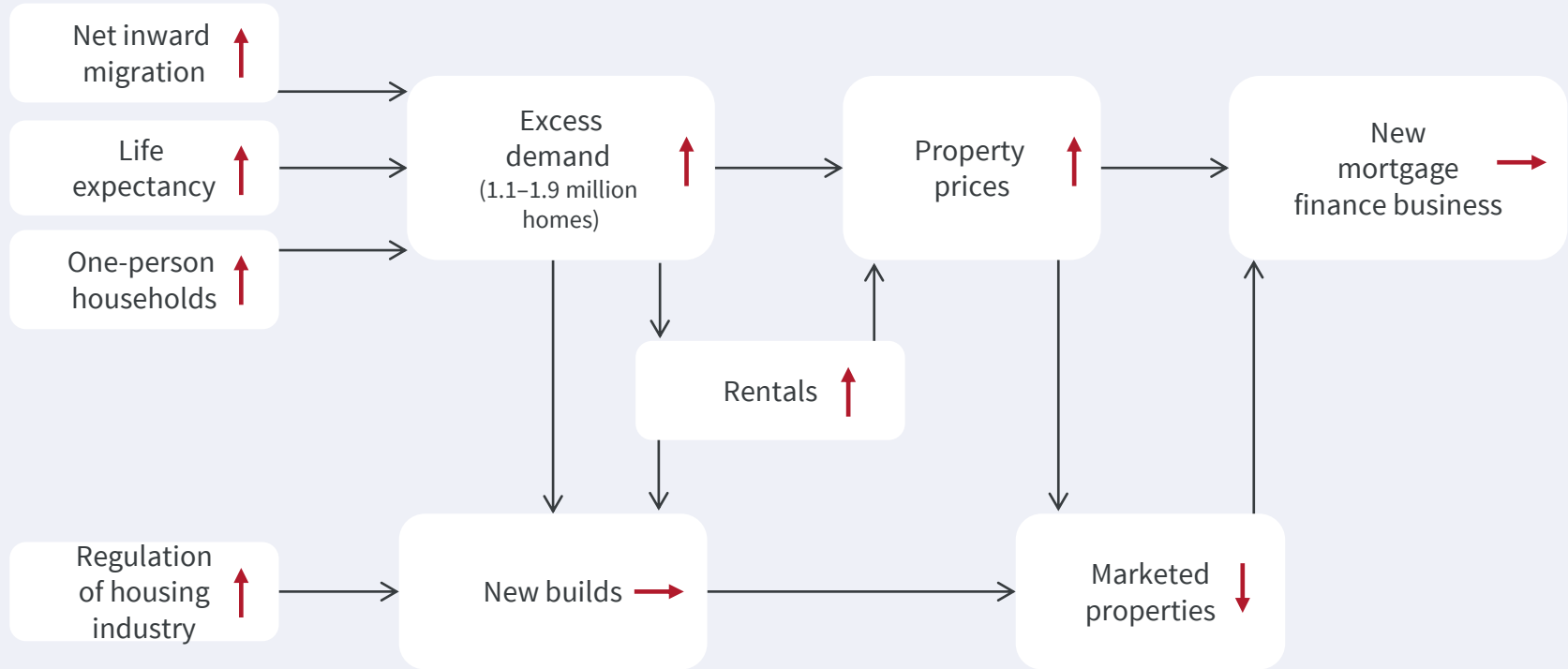
1. Market environment

2. Key performance indicators for the segments
3. Overview of key performance indicators
4. Shareholder structure and share information
5. Investment highlights and outlook

Annex

Huge excess demand in the housing market

Factors influencing the German housing market



Mortgage finance – a high-potential market

Factors influencing the private and institutional residential real-estate finance markets

	Negative factors	Positive factors
Finance for OWNER- OCCUPIED PROPERTIES Credit Platform Private Clients	<ul style="list-style-type: none">• Lack of available properties• High ancillary purchasing costs• Legislators keep the market busy with a steady stream of new regulatory ideas• Commercial and residential projects competing for construction resources	<ul style="list-style-type: none">• Strong pent-up demand in and from the rental market• Buying often cheaper than renting• Slight growth in construction activity• Market share of neutral loan brokerage advisors is growing• Low proportion of home ownership (under 50%)*
Finance for RENTAL PROPERTIES Real Estate Platform	<ul style="list-style-type: none">• Increasingly unrealistic, uneconomic ideas about rent regulation in an already over-regulated rental market• In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction	<ul style="list-style-type: none">• Marked increase in planned projects owing to pent-up demand for affordable housing, which has become a political issue

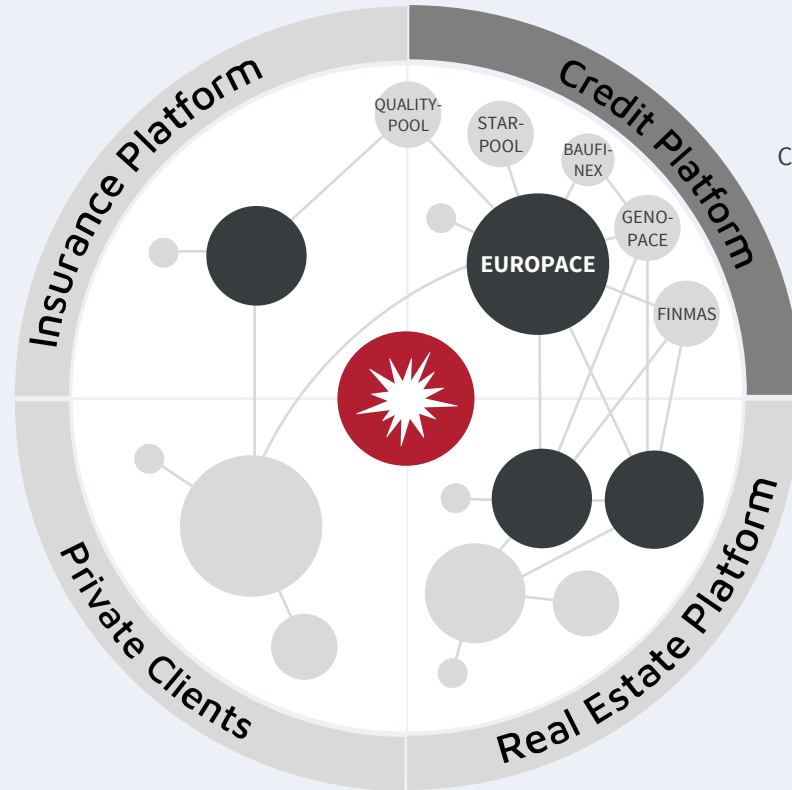
* Source: Federal Statistical Office.

Contents

1. Market environment
 - 2. Key performance indicators for the segments**
 3. Overview of key performance indicators
 4. Shareholder structure and share information
 5. Investment highlights and outlook
- Annex

Credit Platform

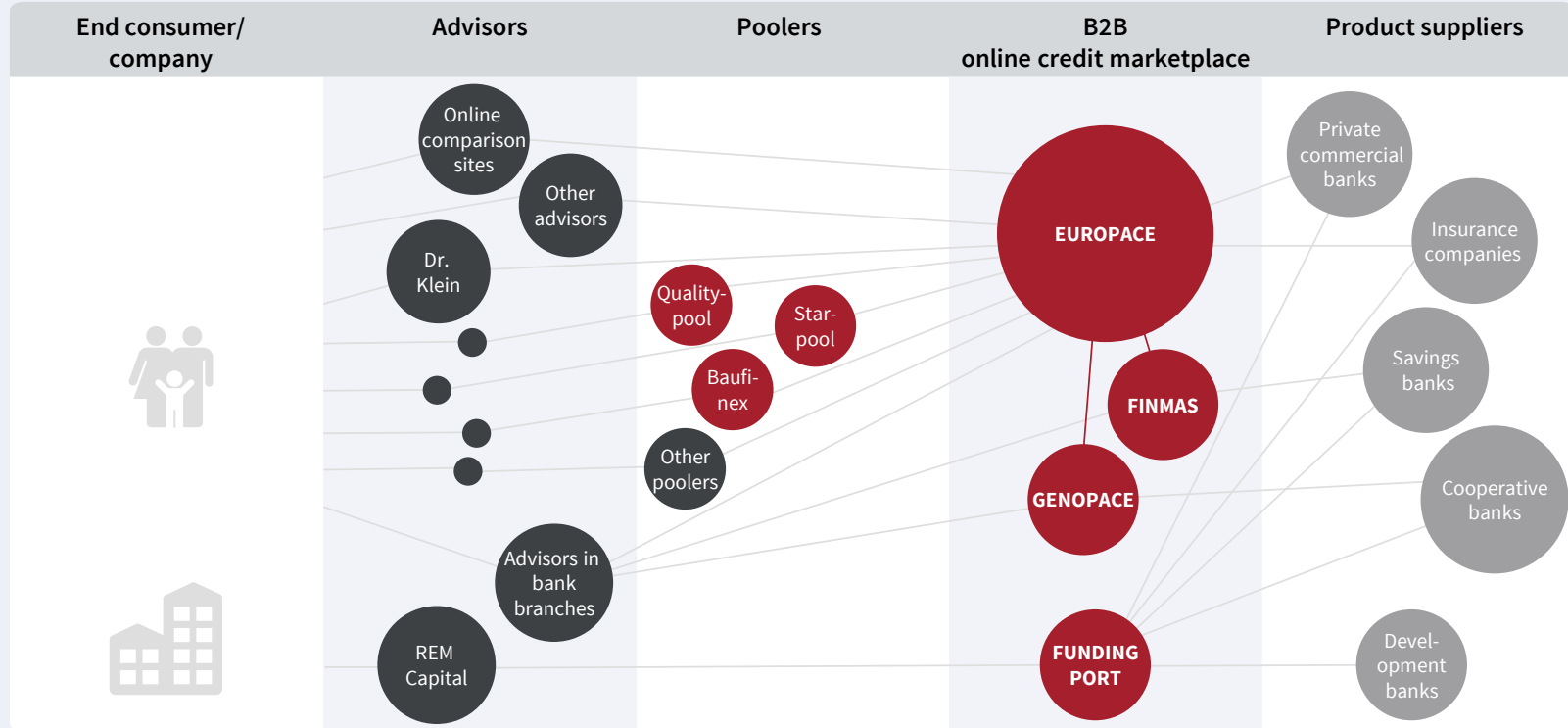
Business model & segment results



Credit industry

Credit Platform

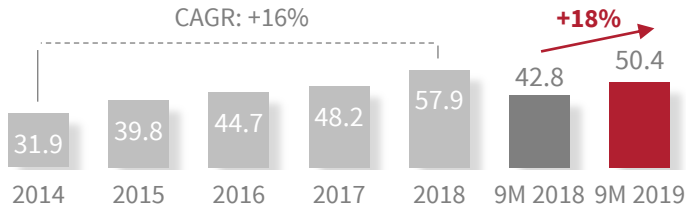
Business model



EUROPACE again outperforms the market

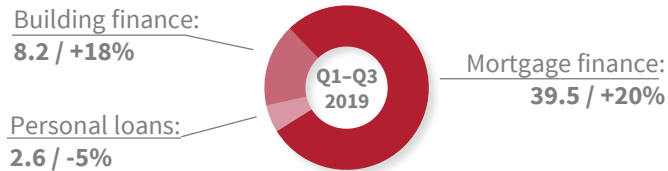
Credit Platform: volume of transactions of EUROPACE

Volume of transactions (€ billion)**



** Numbers before cancellations.

Transaction volume by product group (€ billion)



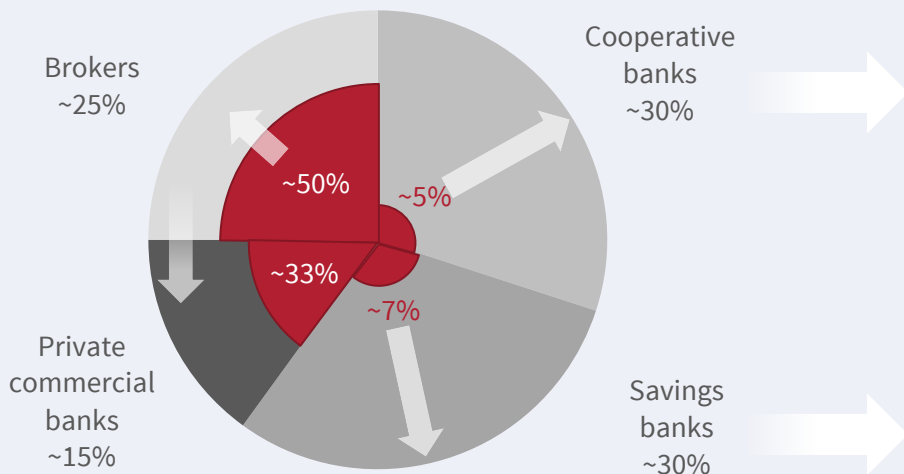
- The transaction volume per sales day* for Q1–Q3 rose to a record high of €267 million (+18% yoy); the Q3 figure was even higher at more than €280 million (+22% yoy)
- The biggest product group, mortgage finance, grew by 20% in Q1–Q3 (market as a whole: +9%)
- Growth in the building finance product group was at a comparable level due to sales activities being linked to mortgage finance
- There was a slight contraction in the smallest product group, personal loans, compared with the strong figure for the prior-year period, but the year-on-year fall was reduced to just 5% in Q1–Q3 2019 thanks to a good Q3

* The number of sales days equals the number of bank working days less half of the number of 'bridging days' (days falling between public holidays and weekends).

EUROPACE has huge potential for growth

Mortgage finance in Germany and EUROPACE's share

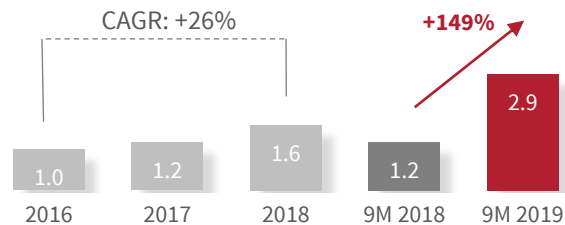
Distribution channels and EUROPACE's share*



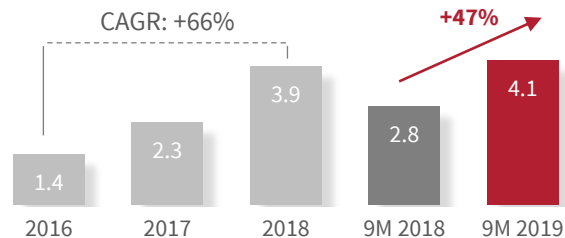
○ Mortgage finance in Germany in 2018: €241 billion / Q1-Q3 2019: €197 billion
 ■ Mortgage finance on EUROPACE in 2018: €45 billion / Q1-Q3 2019: €40 billion

* Numbers before cancellations. Sources: Bundesbank, EUROPACE, own estimates.

GENOPACE (for cooperative banks)*

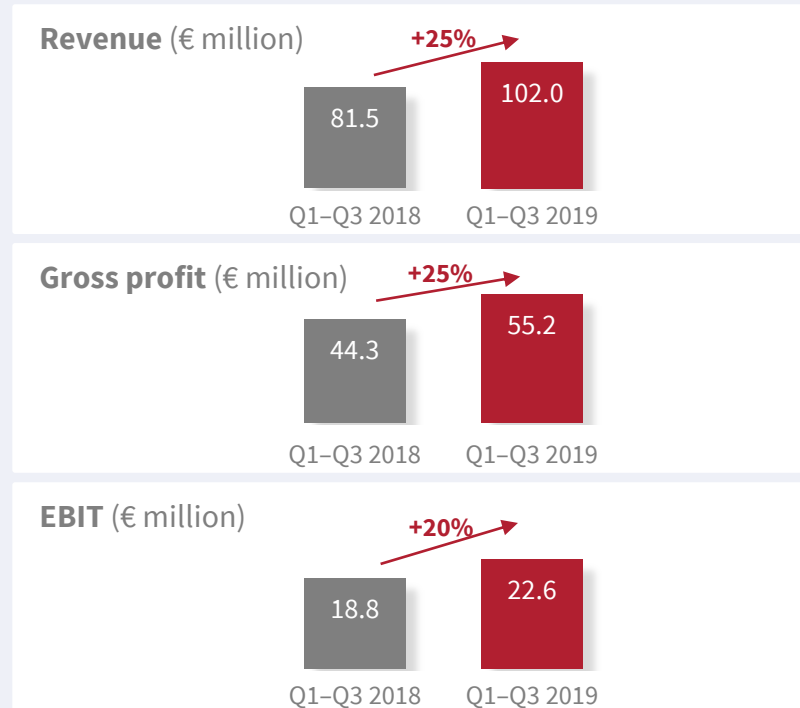


FINMAS (for savings banks)*



Substantial growth secures market leadership

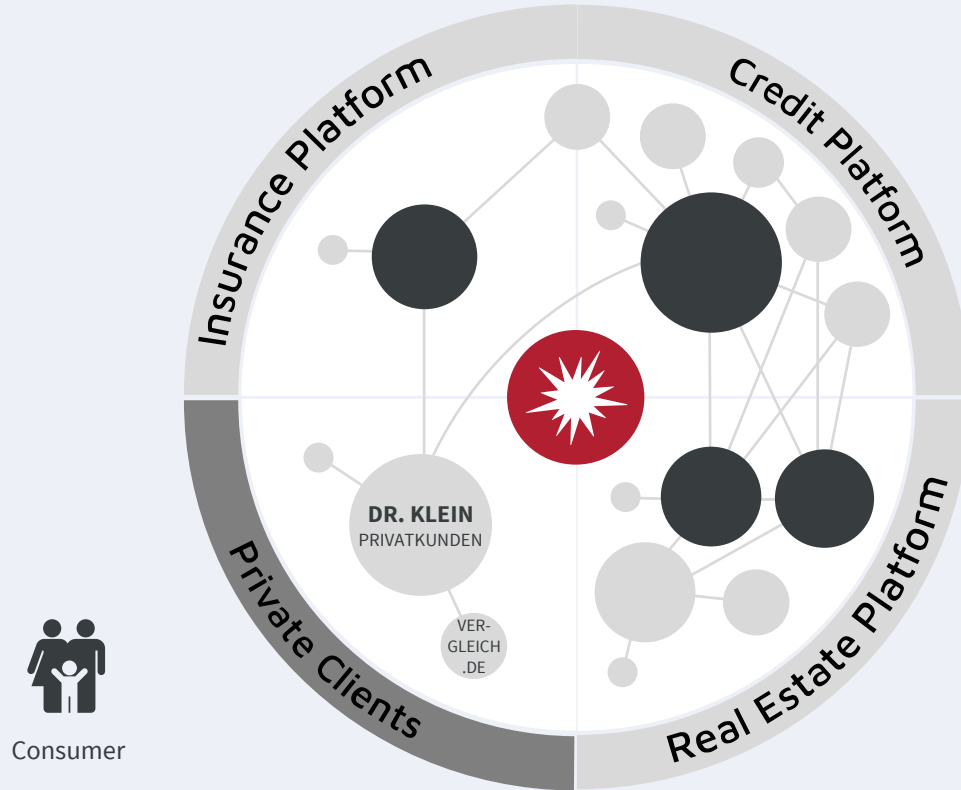
Credit Platform: revenue, gross profit and earnings



- Revenue in the Credit Platform segment rose by 25% to more than €100 million in Q1-Q3
- There was growth in all four distribution channels (financial product distributors, private commercial banks, cooperative institutions, savings banks)
- EBIT rose sharply, despite high levels of capital expenditure on the next generation of EUROPACE and on further expansion of key accounts for regional banks
- Cooperation between the Credit Platform and Real Estate Platform segments has been further intensified
- Integration of the recently acquired REM Capital has begun well; the company is making its first positive contributions to revenue and earnings

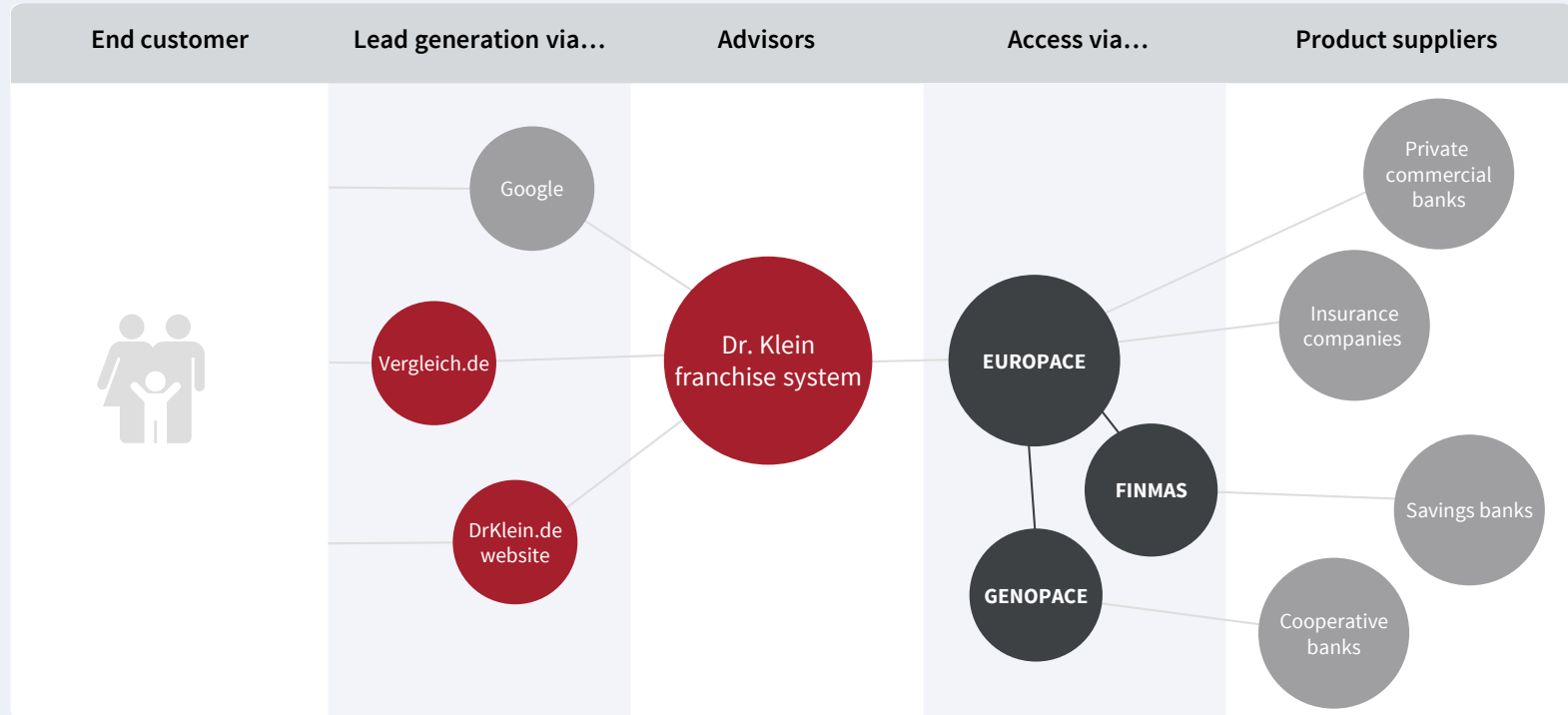
Private Clients

Business model & segment results



Private Clients

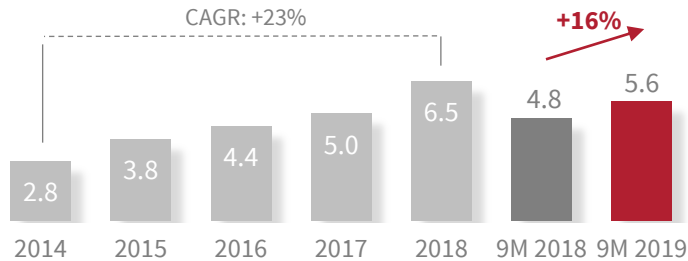
Business model



Gain in market share for Dr. Klein private clients

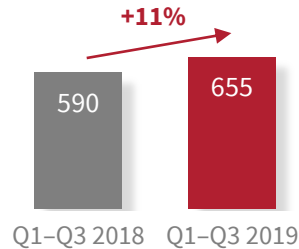
Private Clients: volume of loans brokered and number of advisors

Volume of new loans brokered (€ billion)*



* Numbers before cancellations and adjusted to reflect new segment reporting.

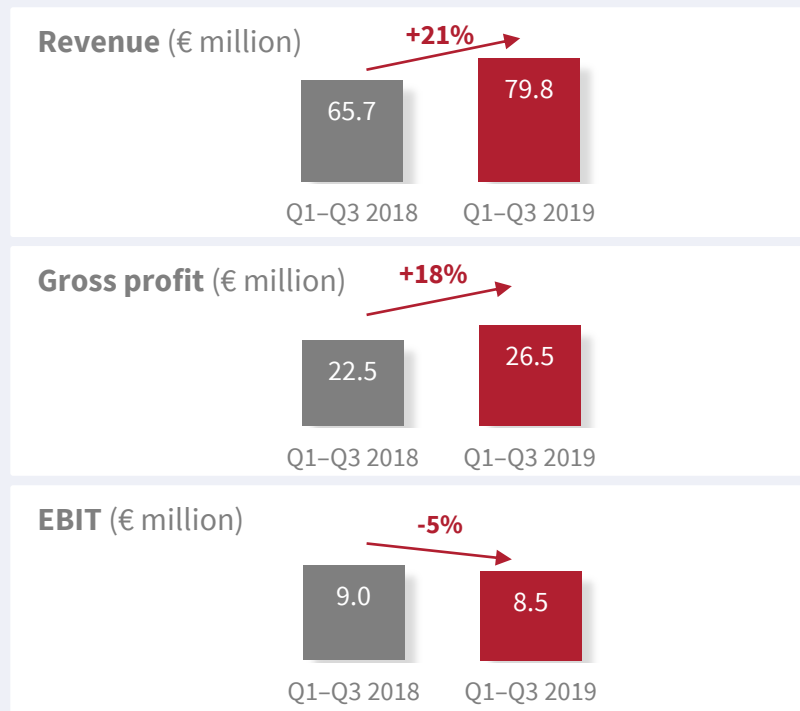
Loan brokerage advisors in branch-based sales (number)



- Market share increased again thanks to a sharp rise in the volume of new loans brokered (+16%) despite only a moderate increase in the overall mortgage finance market (+9%)
- The customer base is expanding steadily thanks to continued growth in demand from consumers for neutral loan brokerage advice
- The number of loan brokerage advisors went up by around 11% in Q1-Q3
- The rising number of advisors and increasing demand are laying the foundations for Dr. Klein's future growth

Record revenue in the Private Clients segment

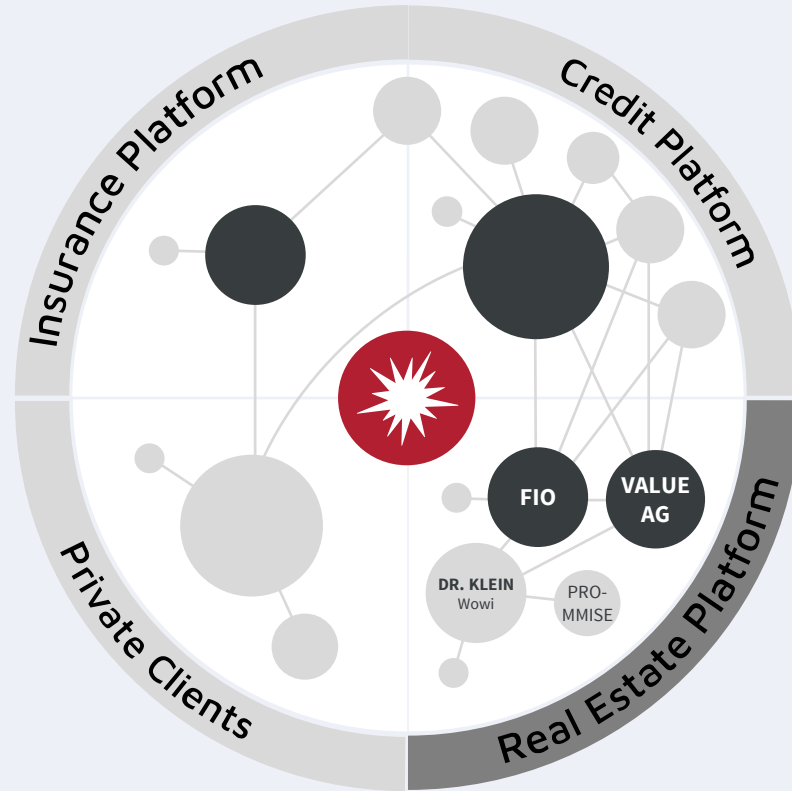
Private Clients: revenue, gross profit and earnings



- Revenue rose sharply compared with Q1–Q3 2018 thanks to an increased volume of new loans brokered
- An exceptionally good performance in Q3 2019 contributed to this uptrend
- The integration of numerous new regional product partners is temporarily squeezing the average margin this year
- The decrease in EBIT was due to the costs resulting from the integration of new product partners, capital expenditure on process digitalisation and the building up of the workforce
- Following a weak Q1 and Q2 2019, EBIT in Q3 was up significantly year on year for the first time

Real Estate Platform

Business model and segment results



Real Estate industry

Digitalisation of the German housing industry

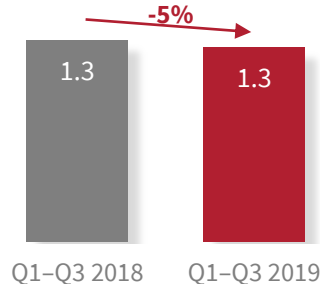
Real Estate Platform – business model



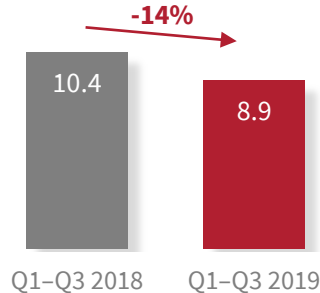
Reticence due to political discourse

Real Estate Platform: property financing platform

Volume of new loans on property financing platform
(€ billion)



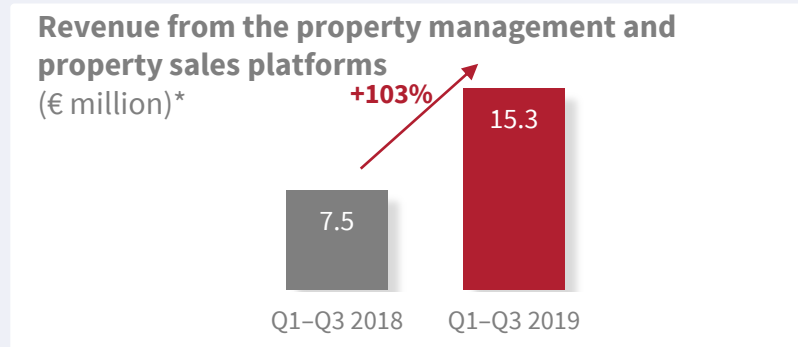
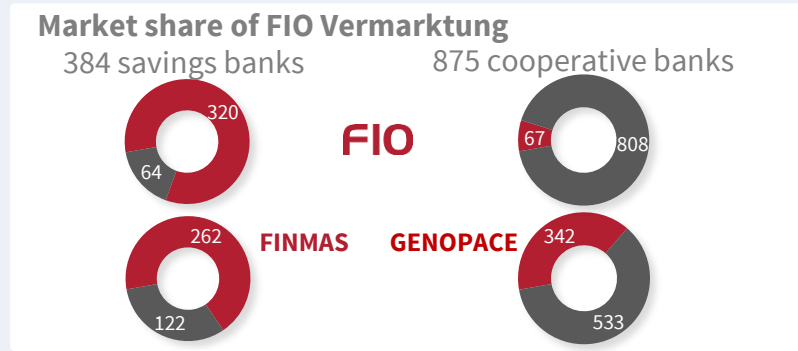
Revenue from the property financing platform
(€ million)



- The business model consists of loan brokerage for the German housing industry
- The lack of stimulus from interest rates since summer 2018 has created unfavourable conditions
- Moreover, political debate at federal and state level about intervention in the German rental market is resulting in a reluctance to invest in the housing sector
- The impact on the volume of new loans brokered has been limited, despite the unfavourable conditions
- Revenue decreased year on year, partly due to lucrative one-off transactions in 2018

FIO's huge market potential becoming apparent

Real Estate Platform: property management platform and property sales platform



* Revenue of FIO SYSTEMS AG and Hypoport B.V. (PRoMMiSe).

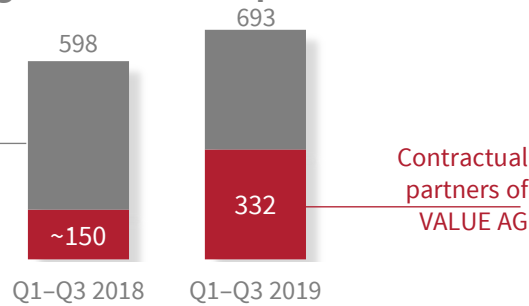
- The business model consists of the development of software solutions for property management and sales in the housing and credit industries
- The credit industry occupies a leading position in Germany when it comes to property sales; six of Germany's top ten estate agents now use the FIO solution
- Revenue was very high in Q3 2019 due to the exceptionally large volume of project business
- FIO, a new offering from the Hypoport network for FINMAS, EUROPACE and GENOPACE partners, is enjoying a high level of buy-in
- The business model's shift from SaaS to a platform model began in Q3 2019

Integration of further partners going very well

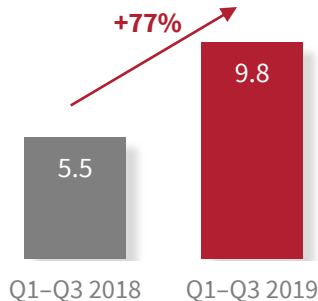
Real Estate Platform: property valuation platform

Potential synergies of EUROPACE partners for VALUE AG

EUROPACE contractual partners (direct potential)



Revenue from the property valuation platform (€ million)



- The business model consists of integrated property valuations for the lending banks, i.e. for EUROPACE product partners
- Revenue increased substantially in Q1-Q3 due to organic growth and acquisitions
- The number of EUROPACE banking partners using the services of VALUE AG is rising, highlighting the success of cross-selling
- The technical integration of the EUROPACE and VALUE AG platforms has continued
- Capital expenditure on a proprietary property valuation platform with a high degree of automation is laying the foundations for the future of the valuation business, which is still predominantly manual

Strong revenue growth and further capital expenditure

Real Estate Platform: revenue, gross profit and earnings



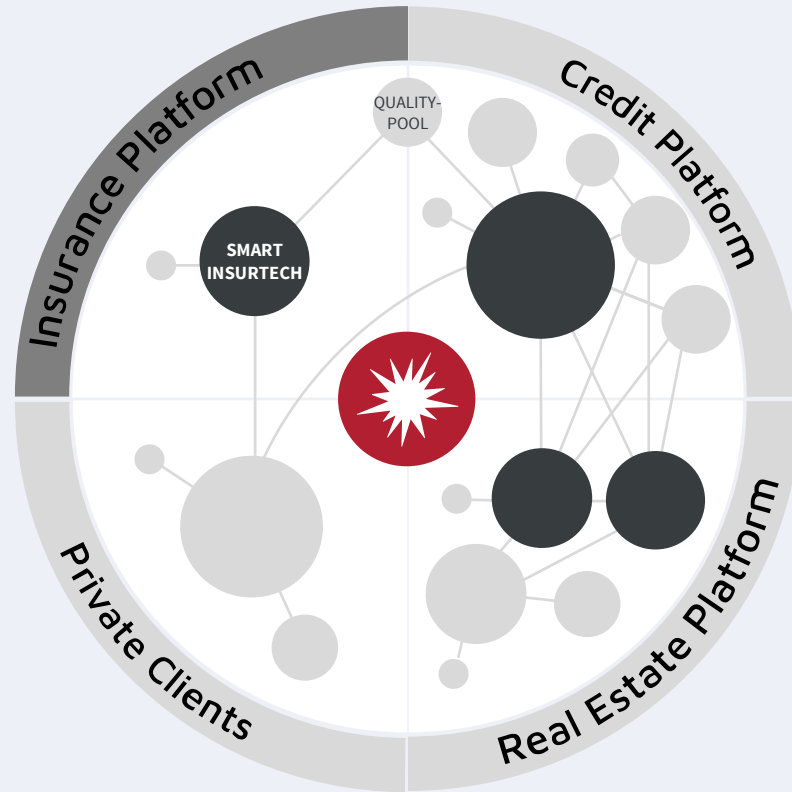
- The segment's revenue growth was thanks to the very healthy operating performance of the property management platform, property sales platform and property valuation platform
- The property financing platform was the only platform to register a small decrease in revenue
- An increased proportion of recurring services, such as SaaS and property valuation, is leading to steady revenue streams that are unaffected by interest rates
- The shift to a platform solution is creating further potential for revenue and earnings due to increased efficiency
- EBIT went up despite the German housing sector's reticence regarding loan brokerage and despite initial capital expenditure on the property valuation platform

Insurance Platform

Business model and segment results

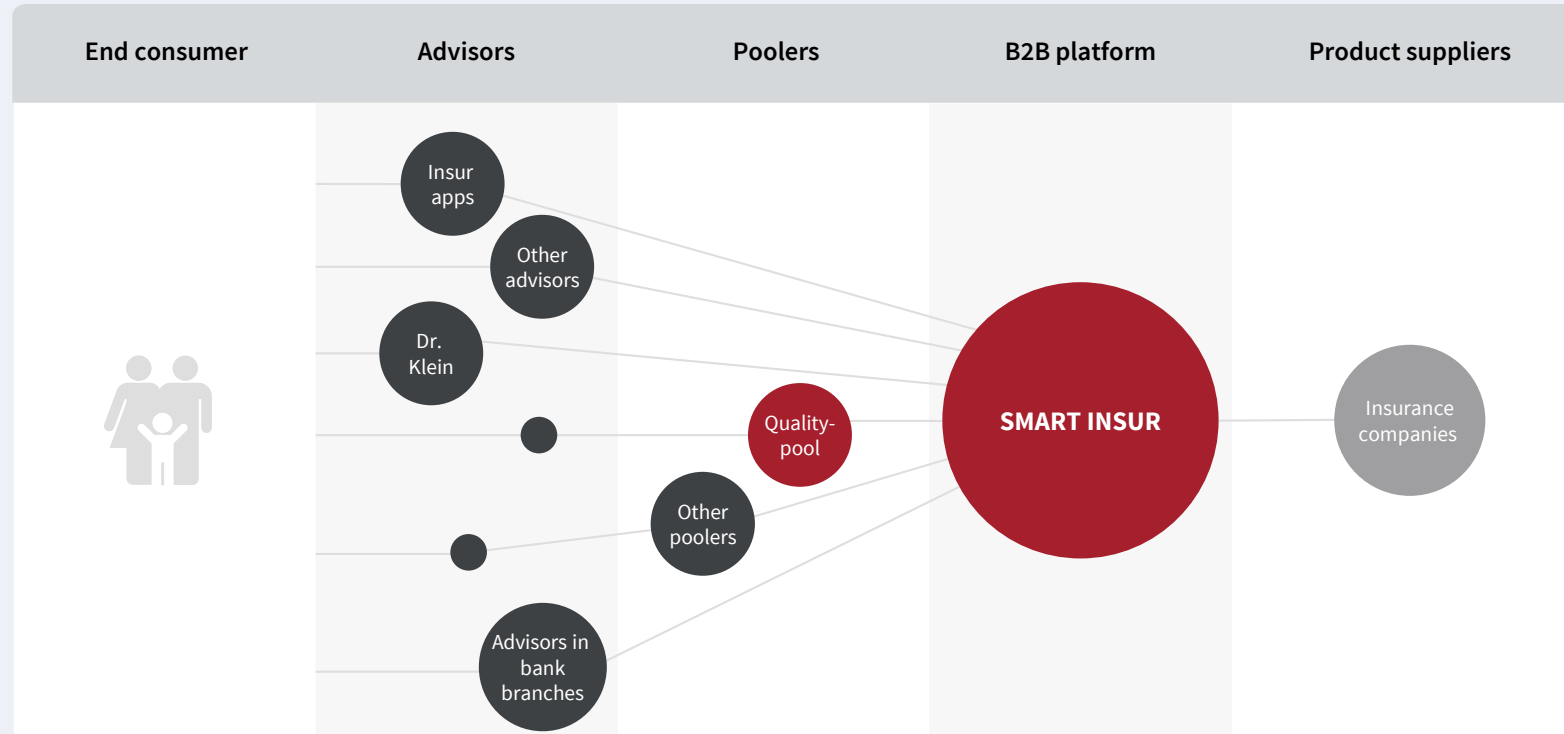


Insurance industry



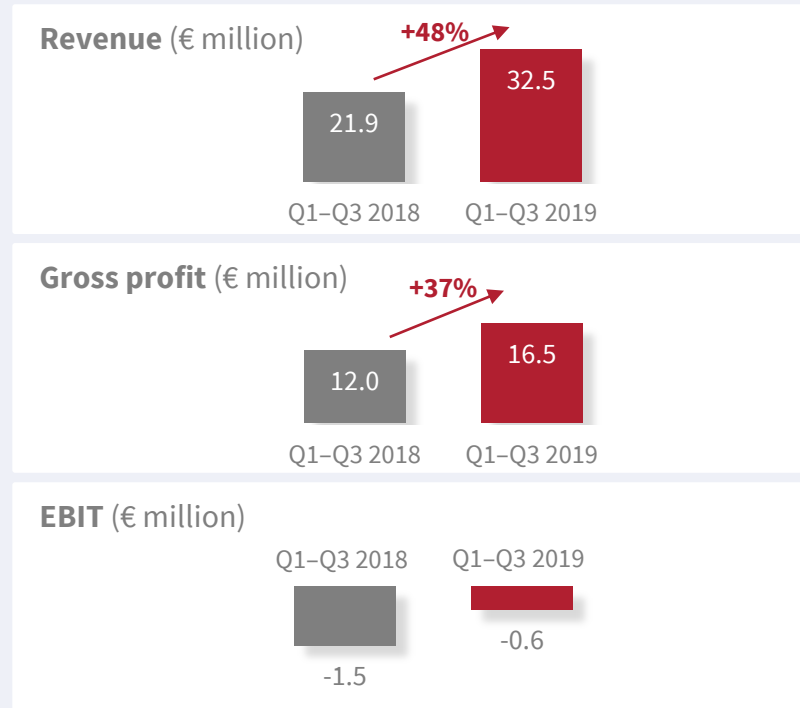
Insurance Platform

Business model



Insurance technologies grouped together in this segment

Insurance Platform: revenue, gross profit and earnings



- The technical and cultural integration of the acquired companies is progressing well and unlocking the anticipated synergies, including between segments
- The priority is to gain market share by offering an integrated platform and attractive pricing structures
- The target groups for distribution are large broker organisations and broker pools, but banks are also showing interest in using SMART INSUR in order to expand their sales channel for multi-insurer products and services
- Like EUROPACE, Smit has begun with industry conferences so that it can collaborate with partners on refining the platform
- A significant improvement in EBIT is anticipated for 2019

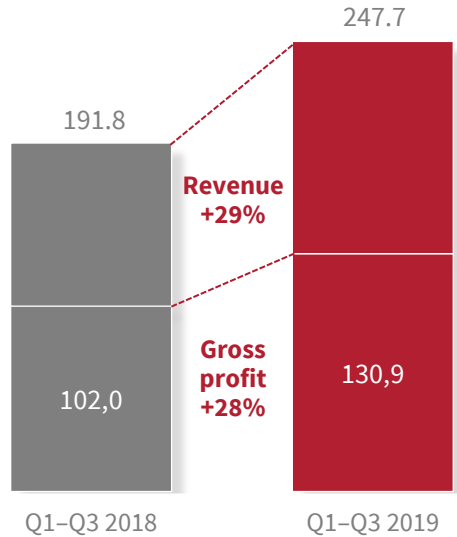
Contents

1. Market environment
 2. Key performance indicators for the segments
 - 3. Overview of key performance indicators**
 4. Shareholder structure and share information
 5. Investment highlights and outlook
- Annex

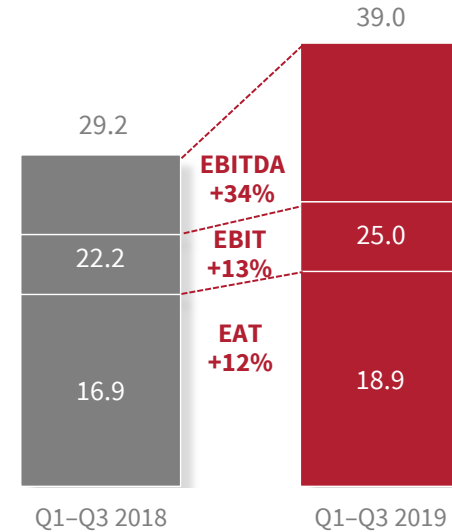
Hypoport Group generates strong growth

Overview of Hypoport's key performance indicators

Growth (€ million)



Earnings (€ million)

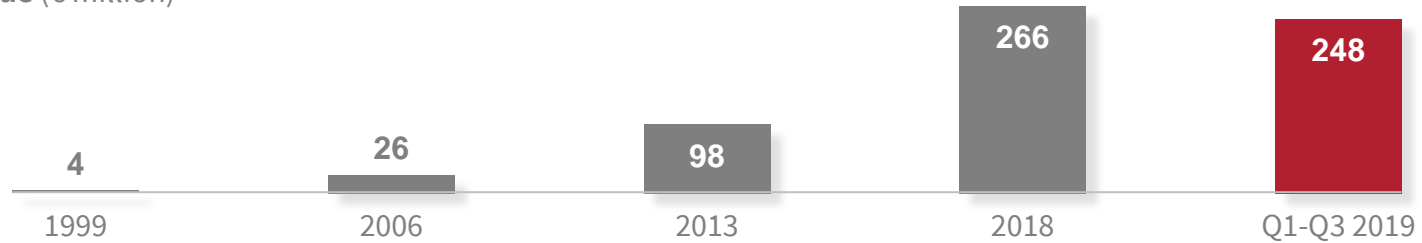


History of Hypoport Group

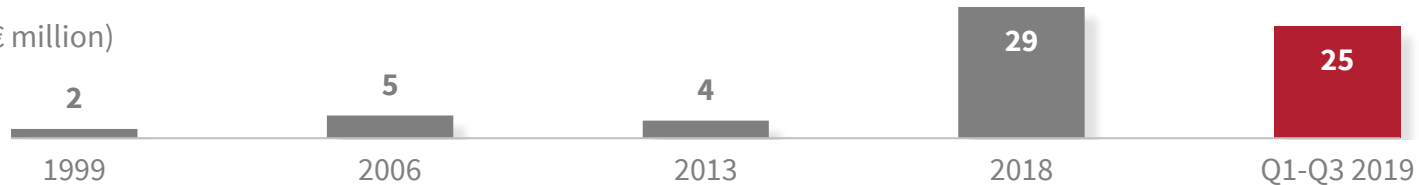
Long-term changes in revenue and EBIT



Revenue (€ million)



EBIT (€ million)



Contents

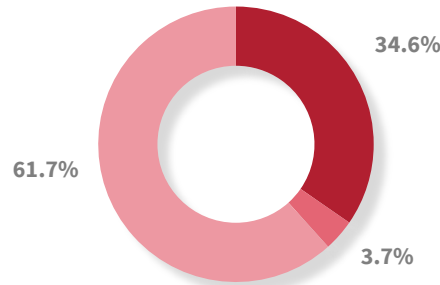
1. Market environment
 2. Key performance indicators for the segments
 3. Overview of key performance indicators
 - 4. Shareholder structure and share information**
 5. Investment highlights and outlook
- Annex

Market capitalisation of around €1.5 billion

Shareholder structure and share information

Breakdown of shareholders as at 30 September 2019

- Ronald Slabke (CEO)
 - Treasury shares
 - Free float
- of which more than 5% held by Union Investment, more than 3% by Nicolas Schulmann and more than 3% by Wasatch



KPIs and indices

KPI	DETAILS	VALUE
EPS	Earnings per share in Q1–Q3 2019	€3.02
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation as at 30 September 2019	approx. €1.5 billion
Trading volume	Average trading volume per day in Q1–Q3 2019	approx. €1.5 million
High	Highest closing price in Q1–Q3 2019	€259.00
Low	Lowest closing price in Q1–Q3 2019	€147.00
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

Contents

1. Market environment
2. Key performance indicators for the segments
3. Overview of key performance indicators
4. Shareholder structure and share information

5. Investment highlights and outlook

Annex

Investment highlights

+22% REVENUE GROWTH
CAGR 5 years

2.3 MODERATE DEBT LEVEL
Gross debt /
12M EBITDA

+50% EBIT INCREASE
CAGR 5 years

+20 YEARS
of experience with platform-
based business models

+10 ACQUISITIONS
in 5 years

83% OUR EMPLOYEES
are satisfied or even very
satisfied with Hypoport as
an employer

Forecast for 2019

Hypoport expects its **growth to be in double figures** in 2019, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.

Contacts

Christian Würdemann

Head of Group Operations

Tel: +49 (0)30 420 860

Email: [ir\(at\)hypoport.de](mailto:ir(at)hypoport.de)

Jan H. Pahl

Investor Relations Manager

Tel: +49 (0)30 420 861 942

Email: [ir\(at\)hypoport.de](mailto:ir(at)hypoport.de)

Hypoport AG

Klosterstrasse 71

10179 Berlin

Germany

Disclaimer

This presentation does not address the investment objectives or financial situation of any particular person or legal entity. Investors should seek independent professional advice and perform their own analysis regarding the appropriateness of investing in any of our securities.

While Hypoport AG has endeavoured to include in this presentation information it believes to be reliable, complete and up-to-date, the company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such information.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. Such statements naturally are subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, changes in capital markets and other circumstances may cause the actual events or results to be materially different to those anticipated by such statements.

This presentation is for information purposes only and does not constitute or form part of an offer or solicitation to acquire, subscribe to or dispose of any of the securities of Hypoport AG.

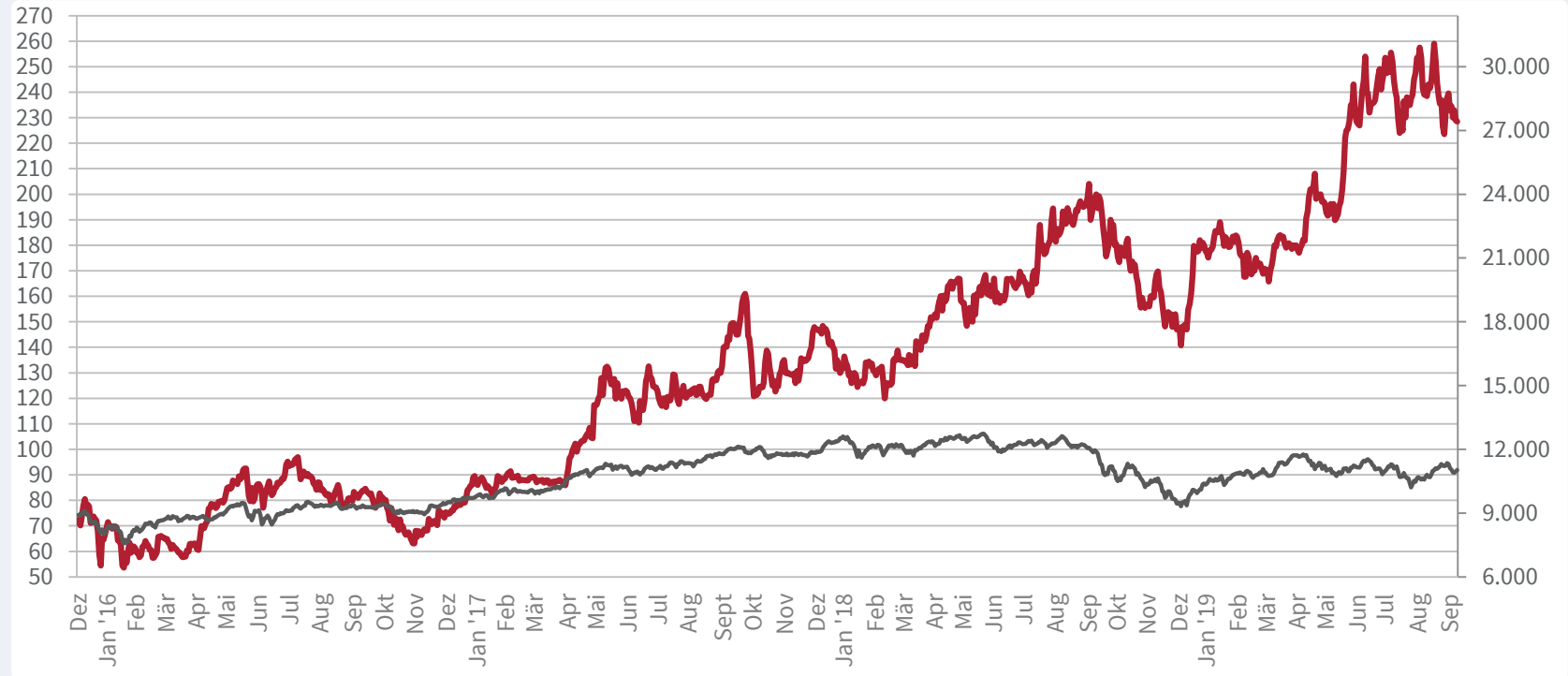
©Hypoport AG. All rights reserved.

Annex

Share price rises sharply

Share price since the date of joining the SDAX (daily closing price, Xetra, €)

— HYQ — SDAX



Hypoport's investor relations activity

Investor events, professional analysts' assessments, awards

Analyst	Recommendation	Target price	Date
Bankhaus Metzler	Hold	€233.00	9 Oct 2019
Berenberg	Buy	€255.00	6 Aug 2019
Commerzbank	Hold	€231.00	7 Oct 2019
KBW (Stifel)	Buy	€255.00	8 Jul 2019
Pareto Securities	Hold	€220.00	7 Oct 2019
Warburg	Buy	€280.00	14 Aug 2019

Index and awards

- SDAX
- Warburg 'Best Ideas 2019'
- Berenberg 'DACH Mid Caps Top Picks 2019'
- Pareto Securities 'German Best Ideas Portfolio 01/19'
- Sdk 'company of the year 2017'

Date	Publication dates in 2019
4 November 2019	Q3 results
9 March 2020	Preliminary results for 2019

Recent IR events

Conference	Munich	Sep 2019
Roadshow	Paris	Sep 2019
Conference	Frankfurt	Aug 2019
Roadshow	Zurich	Aug 2019
Roadshow	London	Aug 2019
Conference	Hamburg	Jun 2019
Conference	Berlin	Jun 2019
Conference	New York	May 2019
Roadshow	Chicago	May 2019
Conference	Warsaw	Apr 2019
Roadshow	Copenhagen, Helsinki	Apr 2019
Conference	Paris	Apr 2019
Roadshow	Brussels	Apr 2019
Roadshow	London	Mar 2019
Conference	Frankfurt	Feb 2019
Conference	Lyon	Jan 2019
Conference	London	Dec 2018
Conference	Berlin	Nov 2018
Conference	Frankfurt	Nov 2018
Roadshow	Paris	Nov 2018