

Press release

Results for the first quarter of 2019

Successful start to 2019 for Hypoport: record quarterly results and revenue increase of more than 30 per cent

- Consolidated revenue rises by 31 per cent to over €78 million in the first quarter of 2019
- Credit Platform and Private Clients segments increase their revenue by 19 per cent and 13 per cent respectively, while the overall market for mortgage finance expands by just 4 per cent
- Real Estate Platform segment's revenue advances by 46 per cent on the back of growth by acquisition
- Insurance Platform segment's revenue more than doubles in the first quarter of 2019 due to organic growth and acquisitions
- Forecast for 2019 as a whole confirmed: consolidated revenue of €310 million to €340 million and EBIT of €32 million to €40 million

Berlin, 13 May 2019: Hypoport released its results for the first three months of 2019 today, confirming the initial assessment published on 30 April 2019. Consolidated revenue rose by a considerable 31 per cent to a record €78.5 million (Q1 2018: €60.1 million). All four segments contributed to this impressive start to the new financial year.

In the first quarter of 2019, the **Credit Platform segment** increased its revenue by 19 per cent to €30.8 million (Q1 2018*: €5.6 million), thereby maintaining its strong position in a mortgage finance market that, according to statistics from Deutsche Bundesbank, expanded by just 4 per cent in the same period. The healthy rise in the segment's revenue was attributable to the volume of transactions on the B2B lending marketplace EUROPACE, which climbed by 14 per cent to €15.5 billion thanks to a greater share of the market with non-captive distributors and regional banks. Despite further investment for the future, the segment's earnings before interest and tax (EBIT) rose by 25 per cent to €6.5 million (Q1 2018*: €5.2 million).

In the **Private Clients segment**, the steady increase in demand from consumers for neutral mortgage finance advice continued. This market trend, combined with the rise in the number of loan brokerage advisors from 561 in the first quarter of 2018 to 621 in the period under review, meant that the sales volume went up by 9 per cent to €1.7 billion (Q1 2018*: €1.5 billion). As a result, revenue advanced by 13 per cent to €25.3 million (Q1 2018*: €22.3 million). Despite the growth in revenue, EBIT in the Private Clients segment fell by 35 per cent to €2.2 million (Q1 2018*: €3.5 million). This was due to a shift in the product mix, the addition of further regional product partners, capital expenditure on process digitalisation and the building up of personnel capacity in the organisation.

Since summer 2018, all property-related B2B business activities of the Hypoport Group have been grouped together in the **Real Estate Platform segment** with the aim of digitalising the financing, management, sale and valuation of properties. The segment's revenue increased by 46 per cent to €9.7 million (Q1 2018*: €6.7 million). While FIO and Value AG, which were acquired in 2018, performed well, the volume of new loans brokered on the property financing platform (DR. KLEIN Firmenkunden) declined from €0.5 billion to €0.3 billion. This was due to the relative lack of stimulus from interest rates, which actually fell slightly, and the politically motivated debate about rising rents, which made the housing industry reluctant to invest. EBIT dropped by 59 per cent to €0.9 million (Q1 2018*: €2.1 million) owing to the much smaller contribution to EBIT from the property financing platform, expenses related to expansion of the property valuation platform (Value AG) and capital expenditure to leverage synergies between the Real Estate Platform segment and the EUROPACE lending marketplace.

At the start of 2019, the **Insurance Platform segment** continued to focus 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 SMART INSUR platform. The segment's revenue advanced by 127 per cent to €12.6 million (Q1 2018: €5.6 million). Thanks to this healthy revenue growth, EBIT was up significantly year on year, amounting to a profit of €0.6 million (Q1 2018: loss of €0.8 million). However, it did receive a small boost as a result of seasonal factors in the first quarter.

Thanks to the revenue increases in the four segments, the gross profit of the Hypoport Group as a whole rose by 27 per cent to €40.2 million in the first three months of 2019 (Q1 2018: €31.5 million). The good operating performance meant that cash flow increased by 25 per cent, enabling further substantial capital expenditure – without any need for corporate actions – on the individual platform solutions and on leveraging synergies between the individual segments. The Hypoport Group also continued to forge ahead with the large-scale expansion of target-group-specific sales capacity, thereby paving the way for the future growth of the business. The Hypoport Group's EBIT climbed by 6 per cent to €8.0 million (Q1 2018: €7.5 million). Earnings per share came to €0.99 (Q1 2018: €0.98).

“Our four segments have continued on a path of organic growth complemented by targeted acquisitions at the start of the new year,” said Chief Executive Officer Ronald Slabke, commenting on the Hypoport Group's performance in the first three months of 2019. “The Credit Platform segment fared extremely well and will remain a key growth driver throughout 2019. The growth of the two newest segments, Insurance Platform and Real Estate Platform, give us cause for optimism about our short and medium-term future. Consequently, we continue to anticipate consolidated revenue of €310 million to €340 million and EBIT of €32 million to €40 million for the Hypoport Group as a whole in 2019.”

(€ million)	Q1 2019	Q1 2018	YoY change
Revenue	78.5	60.1	31%
Gross profit	40.2	31.5	27%
EBITDA	12.4	9.5	30%
EBIT	8.0	7.5	6%
Net profit for the period	6.2	5.9	5%
Earnings per share	0.99	0.98	1%
Employees	1,576	1,125	40%

* Prior-year figures adjusted; see the disclosures in the section 'Comparative figures for Q1 2018' in the interim consolidated financial statements.

About Hypoport AG

Hypoport AG is headquartered in Berlin and is the parent company of the Hypoport Group. The Group is a network of technology companies for the credit, real-estate and insurance industries with a workforce of more than 1,500 employees. It is grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates EUROPACE, which is an online B2B financial marketplace and the largest German platform offering mortgages, building finance products and personal loans. A fully integrated system links more than 600 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 30,000 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.

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgages, insurance or pension products.

All real estate-related activities of the Hypoport Group, with the exception of mortgage finance, are grouped together in the Real Estate Platform segment (previously Institutional Clients) 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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