

Preliminary Q2 results slightly below expectations

Hypoport has just published preliminary Q2 results which were slightly below our forecast. Revenues have increased by 28% yoy to EUR 78m (PAS: EUR 81 m) and EBIT has increased by 7% yoy to c. EUR 8m (PAS EUR 8.6m) which is equivalent to an EBIT margin of c. 10%. As we have no additional information on the Q2 results we can only speculate about the reasons for the slightly lower than expected Q2 performance. We assume that this development was due to a once again somewhat weaker performance of Dr. Klein Institutional Clients which should have continued to suffer from a sluggish loan demand of the institutional housing industry. Additionally the onboarding of new product partners in Dr. Klein Retail Clients may have burdened profitability again somewhat. Having reached an EBIT of c. EUR 16m in H1 2019 our (EUR 39.7m) and consensus 2019 EBIT forecasts (EUR 37.9m) look challenging to achieve from today's point of view. Market expectations remain however clearly reachable if Dr. Klein Institutional Clients delivers a strong H2 performance; as this business comes with a relatively high earnings volatility on a quarterly basis such a development is possible. We stick to our Hold recommendation with a target price of EUR 200 as we see the shares fairly valued at the moment.

Hypoport - Q2 2019

EUR m	Q2 2019	Q2 2019e	Q2 2018	yoy	Cons.	delta
Revenues	78.0	81.0	61.6	28.0%	na	na
EBIT	8.0	8.6	7.3	7.0%	na	na
EBIT Margin	10.3%	10.6%	11.8%	-151 BP	na	na
Net Profit	na	6.4	5.5	na	na	na

Sources: Hypoport, Pareto Research

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