

Growth has slowed down in Q3

Europace has achieved a 16% growth of total transaction volume for the first 9 months, in Q3 the growth amounted to 2% yoy. Mortgage finance volume grew by 4% yoy to EUR 20.0bn, the building finance volume declined by 15% yoy and the personal loans volume increased by 16% yoy to EUR 1.1bn. GENOPACE reached a growth of 48% yoy in Q3, FINMAS reached a growth of 9% yoy. Dr. Klein reported an increase of the brokered volume by 2% yoy to EUR 2.3bn. The value of properties valued by Value AG increased by 9% yoy to EUR 7.4bn, the value of properties sold via FIO declined by 12% yoy to EUR 3.4bn. Dr. Klein property financing platform reached a strong result with an increase of the brokered volume by 86% yoy to EUR 480m. Last but not least, the volume of migrated insurance premiums to SMIT increased by 10% qoq to EUR 3.3bn. Given the double-digit growth figures of Europace of previous quarters, the Q3 growth rates look disappointing at first glance. The somewhat weaker performance can however be explained by 1) the holiday season, which seems to have had a stronger impact in 2021 than in 2020 and 2) a base effect as Q3 2020 was quite a strong quarter with a 28% increase yoy of Europace transaction volume. Year-to-date Europace has however continued to win market shares which is the important message in our view. We expect Europace to return to double-digit growth rates in the next quarters again. We stick to our Buy rating with a target price of EUR 575 as we remain convinced of Hypoport's strong growth prospects.

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