

Sales Desk

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Company Comments

Ad pepper	1Q11 sales in line, EBITDA loss due to personnel build (Buy)
Bilfinger Berger	Comforting statements at company roadshow (Buy)
Deutsche Bank	No sale of BHF-BANK (Buy)
Deutsche Forfait	Model update (Accumulate)
Deutsche Telekom	DTE and FT form procurement JV (Buy)
Gildemeister	Mori Seiki holds already 20.1% of Gildemeister shares (Buy)
Hypoport AG	Model update (Buy)
Morphosys	The cash machine and the ugly duckling (Buy)
Phoenix Solar	4Q10 no surprise - stagnation/marginal growth in FY11 (Buy)
Symrise AG	Initiation of Coverage with Accumulate, TP EUR 24 (Accumulate)

Statistics

Index	Closing	1 Day	Month
DAX	7.178	0,4%	7,7%
MDAX	10.370	0,5%	5,2%
Tec-DAX	917,7	0,4%	5,6%
SDAX	5.203	0,1%	5,2%
Bund-Future	121,2	0,4%	-1,5%

6 Months	Ytd	52w High	52w Low
10,2%	3,8%	7.441,8	5.607,7
13,0%	2,4%	10.636	7.384
13,7%	7,9%	952,3	687,6
12,7%	0,6%	5.362	3.606
-7,3%	-3,3%	134,8	119,9

DAX Movers			
Most up	1 Day	Most down	1 Day
MERCK KGAA	2,4%	COMMERZBANK	-4,3%
ADIDAS AG	2,2%	METRO AG	-2,7%
BEIERSDORF A	2,1%	MAN SE	-1,3%
FRESENIUS ME	1,7%	DEUTSCHE BAN	-1,3%
BASF SE	1,7%	RWE AG	-1,0%

MDAX Movers			
Most up	1 Day	Most down	1 Day
LEONI AG	4,9%	AXEL SPRINGE	-4,5%
BOSS (HUGO)	3,8%	HOCHTIEF AG	-3,6%
AAAREAL BANK	3,2%	SKY DEUTSCHL	-3,1%
KABEL DEUTSC	2,7%	RHEINMETALL	-2,3%
PROSIE SA T.1	2,6%	GERRESHEIMER	-1,6%

TecDax Movers			
Most up	1 Day	Most down	1 Day
QIAGEN NV	2,2%	STRATEC BIOM	-3,1%
ROTH & RAU A	1,9%	NORDEX SE	-2,6%
CENTROTHERM	1,7%	KONTRON AG	-2,4%
BB BIOTECH -	1,6%	SMA SOLAR TE	-2,3%
WIRECARD AG	1,6%	EVOTEC AG	-2,3%

SDAX Movers			
Most up	1 Day	Most down	1 Day
ELEXIS AG	8,2%	SAF-HOLLAND	-3,7%
JUNGHEINRICH	3,2%	SIXT AG	-2,4%
HORNBACH HLD	2,9%	AIR BERLIN P	-2,1%
KOENIG & BAU	2,0%	MEDION AG	-2,0%
DIC ASSET AG	1,8%	BAUER AG	-1,8%

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For our disclosures in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz) and our disclaimer please see the end of this document. The following internet link provides further remarks on our financial analyses: www.equinet-ag.de



Buy

Recommendation unchanged

Share price: EUR 11.65

closing price as of 15/04/2011

Target price: EUR 17.00

Target Price unchanged

Reuters/Bloomberg

HYQGr.DE/HYQ GR

Market capitalisation (EURm)	72
Current N° of shares (m)	6
Free float	35%
Daily avg. no. trad. sh. 12 mth	1,622
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	11.95
Price low 12 mth (EUR)	5.90
Abs. perf. 1 mth	13.66%
Abs. perf. 3 mth	4.63%
Abs. perf. 12 mth	50.32%

Key financials (EUR)	12/10	12/11e	12/12e
Sales (m)	67	76	88
EBITDA (m)	11	14	17
EBITDA margin	16.7%	18.7%	19.1%
EBIT (m)	6	8	10
EBIT margin	9.6%	11.0%	11.6%
Net Profit (adj.)(m)	3	5	6
ROCE	11.0%	13.8%	16.2%
Net debt/(cash) (m)	9	6	1
Net Debt/Equity	0.3	0.2	0.0
Debt/EBITDA	0.8	0.4	0.1
Int. cover(EBITDA/Fin. int)	7.0	10.3	11.9
EV/Sales	1.0	1.0	0.8
EV/EBITDA	6.1	5.5	4.4
EV/EBITDA (adj.)	6.1	5.5	4.4
EV/EBIT	10.6	9.3	7.2
P/E (adj.)	17.9	14.6	11.7
P/BV	2.1	2.2	1.9
OpFCF yield	4.1%	4.4%	6.6%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.53	0.80	1.00
BVPS	4.39	5.19	6.18
DPS	0.00	0.00	0.00



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Model update

The facts: Following the publication of the final Q4 results we have updated our earnings estimates. While we have increased our sales estimates we leave our EBIT estimates unchanged, i.e. calculate with lower EBIT margins than before. We have however reduced our estimates for the financial result which ultimately led to the following EPS revisions: 2011e EPS EUR 0.80 (EUR 0.87), 2012e: EUR EPS 1.00 (EUR 1.10). Last Friday Europace reported good transaction volume figures for Q1 which makes us confident that Hypoport will report a positive Q1 result (unlike in 2010 when Q1 result was negative). As we remain convinced about the strong growth prospective of Hypoport we leave our Buy recommendation with a TP of EUR 17.00 unchanged.

Our analysis:

Q4 results came in well above our expectations on a sales and EBIT level with EUR 22m (equinet: EUR 16.1m) and EUR 2.9m (equinet: EUR 2.3m), respectively. Negatively, the financial result turned out to be well below our expectation with EUR -0.83m (equinet: -0.3m) which resulted in a Q4 net profit being only slightly better than expected (EUR 1.65m vs. EUR 1.56m). The reason for the high negative financial result in Q4 is the increase in long term receivables (towards commercial real estate clients) during 2010. These receivables have to be discounted under IFRS and are then released in the coming years (until maturity).

Hypoport's 2011 guidance with a double digit sales growth and a stable EBIT development is too conservative in our view. Given the still very positive economic development in Germany and the favourable interest rate environment we expect Hypoport to repeat the strong 2010 result of the commercial real estate financing clients unit in 2011. The other units should show be able to further increase revenues and particularly Europace should benefit from economies of scale and to be able to further increase its EBIT margin.

Good growth prospects remain intact. Following a company road show with the CEO in Frankfurt we remain convinced that the mid term growth prospects look good for Hypoport. For the retail business we see EBIT margins of 20% in three years (2010: 9%) and for Europace of above 30% (2010: 8%) as reachable. Sales growth should continue to be double digit for both units, the Europace business having the higher potential, in our view.

Financials: We increase our sales estimates for 2011e and 2012e but leave our EBIT estimates unchanged, i.e. we calculate with lower EBIT margins. Hypoport is benefiting from economies of scale but to a lower extent than we had expected. As we expect another strong business contribution from commercial real estate clients in 2011 we have reduced our estimates for the financial result. Hence, we have reduced our EPS estimates from EUR 0.87 to EUR 0.80 and from EUR 1.10 to EUR 1.00 for 2011 and 2012, respectively.

Conclusion & Action: Hypoport has reported strong Q4 results on a sales and EBIT level. Negatively, the financial result was well below our estimates which led to a Q4 net profit only in line with our forecast. We lower our earnings estimates by around 10% for both 2011e and 2012e but stick to our Buy recommendation with an unchanged target price of EUR 17.00 as we think that the management is guiding too cautiously for 2011e and as the mid term growth prospects of the company remain strong.