

2020 EBIT target below expectations

Hypoport has this morning published its final preliminary Q4 results. As already reported last Wednesday EBIT was in Q4 with EUR 8m below our forecast of EUR 10m. Main reason reasons seems to have been lower than expected EBIT contributions from the insurance platform (EUR -0.9m) and the real estate platform (EUR 2.6m). For 2020e Hypoport targets revenues of between EUR 400m and EUR 440m and an EBIT of between EUR 35m and EUR 40m. The EBIT target is below our (EUR 45.6m) and consensus (EUR 45.8m) forecasts, which comes as a negative surprise. Presumably continued high investments into the business which have already burdened 2019 earnings are the main reason for the weaker than expected EBIT target. We hope for more details at today's CC at 2pm. The targeted revenues growth of between 19% yoy and 31% yoy underlines however Hypoport's character as a growth company. As we see the weaker than expected EBIT development in 2020 as a temporary problem, we stick to our Hold recommendation with a target price of EUR 320.

Preliminary Q4 2019

EUR m	Q4 2019	Q4 2019e	Q4 2018	yoy	Cons.	delta
Revenues	89.3	84.8	74.2	20.4%	na	na
EBIT	8.0	10.0	7.1	11.6%	na	na
EBIT Margin	8.9%	11.7%	9.6%	-70 BP	na	na
Net Profit	5.5	7.1	5.6	-1.4%	na	na

Source: Pareto Securities Research

Dr Philipp Häßler CFA
+49 69 58997 414, philipp.haessler@paretosec.com

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