



Hypoport AG

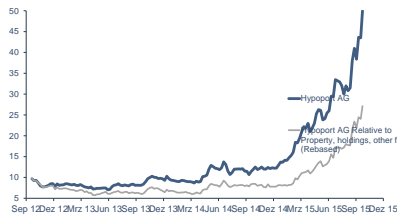
Buy → | Target price : 57.00 EUR

Price : 50.00 EUR | Upside : 14 %

Est.chg	2015e	2016e
EPS	-	-

Prel. Q3 EBIT well above our expectations supporting our investment case

Friday 23 October 2015



Preliminary EBIT 14.3% above our forecast

Hypoport AG just released very strong preliminary Q3 2015 figures: Revenues came in at € 35.5m (+3.7% qoq: +19.4% yoy), 6.3% above our Q3 2015 revenue forecast. According to management all three business units - Private Clients (PC), Financial Service Providers (FSP) and Institutional Clients (IC) - made very solid EBIT contributions allowing for an EBIT of € 5.6m which exceeds the record figure achieved in Q2 2015 by 6.2% (+183.7% yoy) and our estimate by almost 15%.

Q3 2015 preliminaries vs. consensus

IFRS	Q3 15p	Q2 15	Chg.	Q2 14	Chg.	Q3 15e	Delta
Revenues	35.5	34.2	3.7%	28.0	19.4%	33.4	6.3%
EBIT	5.6	5.3	6.2%	1.7	183.7%	4.9	14.3%
Net inc.	-	4.3	n/a	1.3	198.2%	3.9	n/a
EPS	-	0.70	n/a	0.21	198.2%	0.64	n/a

Source : Company data, Oddo Seydler Bank AG

Capital			
HYQ GY HYQGn.DE			
Market Cap (EURm)			307
Enterprise value (EURm)			303
Extrema 12 months	11.70	-	50.00
Free Float (%)			37.6
Performance (%)	1m	3m	12m
Absolute	27.3	55.8	324.6
Perf. rel. "sector"	19.2	68.6	274.3
Perf. rel. Property, holdings	19.6	66.9	223.4
P&L	12/15e	12/16e	12/17e
Sales (EURm)	134	156	178
EBITDA (EURm)	23.7	28.1	32.9
Current EBIT (EURm)	18.5	21.9	25.8
Attr. net profit (EURm)	14.6	17.3	20.4
Adjusted EPS (EUR)	2.38	2.82	3.32
Dividend (EUR)	0.00	0.00	0.00
P/E (x)	21.0	17.7	15.1
P/B (x)	5.8	4.4	3.4
Dividend Yield (%)	0.0	0.0	0.0
FCF yield (%)			
EV/Sales (x)	2.26	1.87	1.55
EV/EBITDA (x)	12.8	10.4	8.4
EV/Current EBIT (x)	16.4	13.3	10.7
Gearing (%)	-10	-24	-36
Net Debt/EBITDA(x)	ns	ns	ns

Operating margins doubled yoy

Despite an outstanding ytd performance, the current share price still does not reflect the earning potential of the company. The sound Q3 preliminaries therefore support our investment case. Given the business momentum achieved, so far, in the FSP segment, as well as the strong margin improvement in the PC segment, our full-year earnings forecast seems conservative. The 9M consolidated EBIT-margin improved from 7.4% in 2014 to 14.3% in 2015 and more impressively the Q3 2015 consolidated EBIT margin even reached 15.7% (Q3 2014: 6.2%). However, for the time being we stick to our estimates and eagerly await the final Q3 2015 results due to be published on the 2 November.

Buy; TP € 57.00

Our Buy recommendation and target price of € 57.00 remain unchanged.

Next Events

02.11.2015 Q3 Results

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HYQGN.DE | HYQ GY
Financial Services | Germany

Buy
Upside

14.00%

Price
TP

50.00EUR
57.00EUR

	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
PER SHARE DATA (EUR)								
Adjusted EPS	0.53	0.60	-0.13	0.51	0.96	2.38	2.82	3.32
Reported EPS	0.53	0.60	-0.13	0.51	0.96	2.38	2.82	3.32
Growth in EPS(%)	ns	13.2%	ns	ns	88.0%	ns	18.5%	17.7%
Net dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCF to equity per share								
Book value per share	4.43	5.01	4.81	5.34	6.29	8.67	11.49	14.81
Number of shares market cap	6.15	6.19	6.16	6.14	6.14	6.14	6.14	6.14
Number of diluted shares	6.18	6.19	6.16	6.14	6.14	6.14	6.14	6.14
VALUATION	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
12m highest price	9.90	11.95	12.15	10.46	13.78	50.00		
12m lowest price	5.90	6.95	6.95	7.03	8.67	12.16		
(*) Reference price	7.88	9.42	8.94	8.27	11.01	50.00	50.00	50.00
Capitalization	48	58	55	51	68	307	307	307
Restated Net debt	9.4	11	9.7	5.9	3.9	-5.2	-16.7	-32.9
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.6	2.5	1.9	0.5	1.0	1.0	1.0	1.0
Enterprise Value	60	72	67	57	72	303	291	275
P/E (x)	15	16	ns	16	11	21	18	15
P/CF (x)								
Net Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)								
P/B incl. GW (x)	1.78	1.88	1.86	1.55	1.75	5.77	4.35	3.38
P/B excl. GW (x)	1.78	1.88	1.86	1.55	1.75	5.77	4.35	3.38
EV/Sales (x)	0.90	0.85	0.76	0.58	0.65	2.26	1.87	1.55
EV/EBITDA (x)	5.4	6.3	8.2	7.0	5.7	13	10	8.4
EV/EBIT (x)	9.4	11	21	14	9.1	16	13	11
<i>(*) historical average price</i>								
(PROFIT AND LOSS (EURm))	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
Sales	67	84	88	98	112	134	156	178
EBITDA	11	11	8.1	8.1	13	24	28	33
Depreciations	-4.7	-4.7	-4.9	-4.2	-4.8	-5.2	-6.2	-7.1
Current EBIT	6.4	6.8	3.2	3.9	7.9	18	22	26
Published EBIT	6.4	6.8	3.2	3.9	7.9	18	22	26
Net financial income	-1.6	-0.7	-0.9	-0.9	-0.7	-0.4	-0.5	-0.6
Corporate Tax	-1.6	-1.6	-0.4	0.1	-1.3	-3.4	-4.1	-4.8
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	-0.7	-2.8	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	3.3	3.7	-0.8	3.1	5.9	15	17	20
Adjusted attributable net profit	3.3	3.7	-0.8	3.1	5.9	15	17	20
BALANCE SHEET (EURm)	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other intangible assets	28	28	28	30	31	32	30	28
Tangible fixed assets	2.4	2.5	2.6	2.2	2.2	2.6	2.5	2.3
WCR	7.4	12	11	6.9	9.0	13	21	28
Financial assets	1.8	2.2	0.5	0.8	1.6	1.6	1.6	1.6
Ordinary shareholders equity	27	31	30	33	39	53	71	91
Minority interests	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Shareholders equity	27	31	30	33	39	53	71	91
Non-current provisions	2.6	2.5	1.9	0.5	1.0	1.0	1.0	1.0
Net debt	9.4	11	9.7	5.9	3.9	-5.2	-16.7	-32.9
CASH FLOW STATEMENT (EURm)	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
EBITDA	11.1	11.5	8.1	8.1	12.7	23.7	28.1	32.9
Change in WCR	2.0	-4.4	1.2	3.7	-3.0	-4.2	-7.5	-7.2
Interests & taxes	-1.6	-1.4	-1.5	-1.5	-1.3	-3.9	-4.6	-5.4
Others								
Operating Cash flow								
CAPEX	-7.6	-5.3	-6.5	-5.7	-6.2	-6.5	-4.5	-4.1
Free cash-flow								
Acquisitions / disposals	-0.1	-0.5	0.1	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net capital increase	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	0.0
Others	1.7	-2.6	0.4	-1.4	-1.2	-1.1	-1.1	-1.1
GROWTH MARGINS PRODUCTIVITY	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
Sales growth	32.6%	26.1%	4.0%	11.8%	14.5%	19.5%	15.9%	14.3%
Lfl sales growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current EBIT growth	ns	5.1%	-52.7%	23.5%	ns	ns	18.5%	17.7%
Growth in EPS(%)	ns	13.2%	ns	ns	88.0%	ns	18.5%	17.7%
Net margin	4.9%	4.4%	-0.9%	3.2%	5.3%	10.9%	11.1%	11.5%
EBITDA margin	16.7%	13.6%	9.3%	8.3%	11.3%	17.6%	18.1%	18.5%
Current EBIT margin	9.6%	8.0%	3.6%	4.0%	7.1%	13.8%	14.1%	14.5%
CAPEX / Sales	-11.3%	-6.2%	-7.4%	-5.8%	-5.5%	-4.8%	-2.9%	-2.3%
WCR / Sales	11.1%	14.7%	12.2%	7.0%	8.0%	9.8%	13.3%	15.7%
Tax Rate	32.4%	25.8%	16.9%	-3.3%	18.2%	19.0%	19.0%	19.0%
Normative tax rate	-32.4%	-23.8%	-53.2%	-31.1%	-20.1%	-28.3%	-30.3%	-25.8%
Asset Turnover	1.8	2.1	2.1	2.5	2.8	3.0	3.1	3.2
ROCE post-tax (normative tax rate)	23.5%	20.8%	11.7%	13.0%	23.6%	52.8%	56.4%	58.3%
ROCE post-tax hors GW (normative tax rate)	23.5%	20.8%	11.7%	13.0%	23.6%	52.8%	56.4%	58.3%
ROE	12.9%	12.8%	-2.7%	10.1%	16.6%	31.8%	28.0%	25.3%
DEBT RATIOS	12/10	12/11	12/12	12/13	12/14	12/15e	12/16e	12/17e
Gearing	34%	36%	33%	18%	10%	-10%	-24%	-36%
Net Debt / Market Cap	0.19	0.19	0.18	0.12	0.06	-0.02	-0.05	-0.11
Net debt / EBITDA	0.84	0.97	1.20	0.72	0.31	ns	ns	ns
EBITDA / net financial charges	ns	ns	ns	ns	ns	ns	ns	ns

Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)
21.10.15	Buy	57.00	49.99
22.07.15	Buy	41.00	32.09
04.05.15	Buy	26.00	21.32
17.03.15	Buy	21.00	18.04
04.08.14	Buy	17.00	12.10

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