



Hypoport AG

Germany | Financial Services
Industrials

Investment Research

Company Flash Note

Reason: Company newsflow

12 March 2018

Buy

Recommendation unchanged

Share price: EUR 126.00

closing price as of 09/03/2018

Target price: EUR 164.00

Target Price unchanged

Upside/Downside Potential 30.2%

Reuters/Bloomberg HYQn.DE/HYQ GR

Market capitalisation (EURm) 781

Current N° of shares (m) 6

Free float 63%

Daily avg. no. trad. sh. 12 mth 19

Daily avg. trad. vol. 12 mth (m) 808.40

Price high/low 12 months 85.94 / 160.95

Abs Perfs 1/3/12 mths (%) 0.16/-6.25/43.34

Key financials (EUR)

Sales (m) 12/16 157 12/17e 194 12/18e 214

EBITDA (m) 28 32 40

EBITDA margin 18.1% 16.7% 18.5%

EBIT (m) 23 25 31

EBIT margin 14.8% 13.0% 14.5%

Net Profit (adj.)(m) 18 20 25

ROCE 28.4% 31.5% 36.6%

Net debt/(cash) (m) 1 (15) (38)

Net Debt Equity 0.0 -0.2 -0.3

Net Debt/EBITDA 0.0 -0.5 -0.9

Int. cover(EBITDA/Fin.int) 70.6 high 52.9

EV/Sales 3.1 4.6 3.5

EV/EBITDA 17.0 27.3 18.7

EV/EBITDA (adj.) 17.0 27.3 18.7

EV/EBIT 20.8 35.0 23.8

P/E (adj.) 25.8 43.2 30.0

P/BV 7.5 10.7 7.2

OpFCF yield 1.1% 1.6% 2.6%

Dividend yield 0.0% 0.0% 0.0%

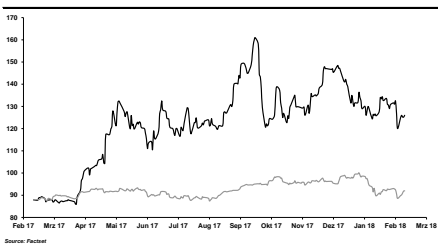
EPS (adj.) 3.01 3.37 4.20

BVPS 10.30 13.56 17.62

DPS 0.00 0.00 0.00

Shareholders

Slabke 37%;



Analyst(s)

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2018 guidance published

Hypoport has published its final Q4 results which are in line with the preliminary results. For 2018 HYP targets revenues of between EUR 220m and EUR 240m (equinet: EUR 215m) and an EBIT of between EUR 26m and EUR 31m (equinet: EUR 31.2m, consensus: 30m). While the upper end of the EBIT range is in line with expectations, the lower end looks not very ambitious. Note that HYP reached revenues of EUR 195m (+24% yoy) and an EBIT of EUR 23.3m (0% yoy) in 2017. EPS amounted to EUR 3.10 (equinet: EUR 3.37).

We see it positively that Hypoport gives a more concrete revenues and earnings guidance than in the past when it only targeted double-digit revenues and EBIT growth. We stick to our Buy recommendation with a target price of EUR 164.00 as HYP is the key beneficiary of the strong housing market in Germany which led to an increased demand for mortgage loans. Additionally HYP's online marketplace for insurance policies, should become HYP's second earnings driver in the coming years. Earnings growth should remain strong.

- ✓ As already reported early March, Q4 results were disappointing. While revenues were in line with expectations EBIT was weaker than forecasted due to a weak result for the Institutional Business unit. Although this was the second quarterly profit warning in a row we do not see it too negatively as the Institutional Business tends to be volatile. More importantly Europace and the Private Clients unit performed in line with expectations.

Hypoport - Q4 2017

EUR m	Q4 2017	Q4 2017e	Q4 2016	yoy	Cons.	delta
Revenues	51.1	50.5	43.1	18.5%	na	na
EBIT	4.7	6.7	6.2	-24.4%	na	na
<i>EBIT Margin</i>	<i>9.2%</i>	<i>13.3%</i>	<i>14.4%</i>	<i>-522 BP</i>	na	na
Net Profit	3.6	5.4	5.0	-28.2%	na	na

Sources: Hypoport, equinet Research

Produced by:

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For important disclosure information, please refer to the disclaimer page of this report.

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Exhibit 1: At a Glance

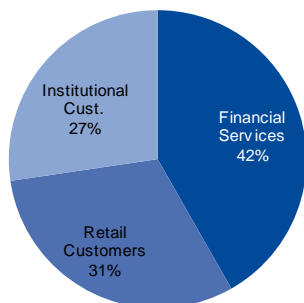
Business Units	Credit Platform	Private Clients	Institutional Clients	Insurance Platform
		 DIE PARTNER FÜR IHRE FINANZEN		
Products/ applications	Through its credit platform Europace the company is enabling banks to distribute loans of more than hundred banks to its customers. Banks can also use Europace to solely process their own loan business.	Dr. Klein is the brand through which Hypoport is servicing retail customers. Dr. Klein's more than 500 IFAs advise customers on different financial products, the focus being clearly on mortgage loans.	Hypoport is brokering real estate loans to institutional customers via Dr. Klein. In addition to the pure brokerage of loans Dr. Klein has recently started to more and more advise customers on how to finance real estate transactions.	Hypoport's youngest business unit targets the insurance market. Idea is to build an Europace for the insurance industry, i.e. an online insurance market place which comprises products comparison, advice tools and processing of the policies and claims management.
Customers	Customers range from mortgage brokers via Postbank to savings and mutual banks. Savings and mutual banks are serviced via two separate joint ventures.	Customers are normal retail customers with average financing needs. Mortgage customers should be above average incomes.	Customers are professional real estate investors, mainly public housing investors.	Potential customers include insurance brokers, IFAs and insurance companies. At the moment HYP has only customers which use certain parts of the software.
	Although we do not have any figures we do not see Europace being dependent on a few single customers.	Very diversified customer base, no dependence on single customers at all.	We do not have any figures, but the dependence on single customers may be somewhat higher in this unit.	Revenues are still on low level, i.e. customer dependence not an issue yet.
Market share/ positioning	Overall market share of Europace in GER Europace's only market, in mortgage loans is around 15%. Market share of around 50% among mortgage brokers, market share of only 2% among savings/mutual banks.	No figures available, we estimate that Dr. Klein has a market share of below 5%.	No figures available, but Dr. Klein's market share should be well below 5%.	Market share not yet meaningful as this unit is still in the ramp-up phase.
Drivers	Main driver is the demand for mortgage loans which is impacted by level of interest rates and demand for apartments/housing.	Main driver is the demand for mortgage loans which is impacted by level of interest rates and demand for apartments/housing.	High dependence on the public hand; even if the need for more public housing is high, the process until construction starts and a loan is needed may take long.	Overall growth of insurance premiums and growing need for insurers and brokers to increase efficiency.
Main competitors	Interhyp is the only important competitor offering a similar service.	Interhyp as mortgage broker, other IFAs like MLP, OVB, DVAG.	Mainly savings banks, but also mutual, private banks and other loan brokers.	At the moment similar software solutions are offered by Acturis and Finanzsoft/softair.
Entry barriers/ competitive advantage	Entry barriers depend on the different business units. Highest entry barriers exist in our view in Hypoport's strongest growing unit, Europace. With the underlying technology and the extensive customer relationships HYP has a decisive competitive advantage compared to other players.			
Strategy & Guidance	Strategy: (I) Winning more customers for Europace to realize economies of scale. (II) Build-up of an insurance marketplace in the mid-to-long term. (III) Developing Private and Institutional Clients further which should continue to benefit from the housing boom in Germany		Guidance 2017: Revenue: double-digit growth EBIT: double-digit growth	equinet Estimates Revenue: 194 y/y EBIT margin: 13.0% Consensus 192 22.9% 13.2%
2016	Sales (EURm) 156.6 y/y 12.7%	EBITDA (EURm) 28.3 Margin 18.1%	EBIT (EURm) 23.2 Margin 14.8%	EPS 5Y hist. CAGR 38.0%
Sales & EBIT Split	Sales split by division 	EBIT split by division 	Group financial development 	EBIT margin development
Shareholder structure & management	CEO Major shareholder and CEO (since 2010) <ul style="list-style-type: none"> With Hypoport since 2002 >20 years experience in the banking industry prior to becoming CEO he was board member of Hypoport (since 2002). He joined Dr. Klein & Co GmbH & Co. KG in 1996, he became a board member in 2000. 	Shareholder structure 	Board Member (since 2010) <ul style="list-style-type: none"> With Dr. Klein since 2004 almost 20 years experience in the banking/insurance industry Prior to his career at Dr. Klein Mr. Gwarecki worked for FinanceScout 24 and Deutscher Ring Mr. Gwarecki is responsible for Retail Customers and Commercial Insurance business for all distribution channels. 	
# of employees FY	709			

Source: Hypoport, equinet Research



Exhibit 2: Investment Case in Charts

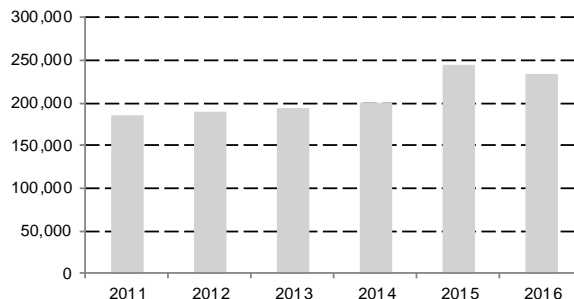
Business split



Financial Services (Europace) is Hypoport's key revenue pillar.

Source: Hypoport, equinet Research

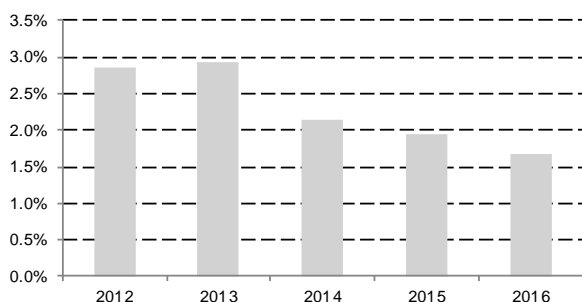
Market development (new mortgage loans in EUR m)



New mortgage loan volumes in GER have benefited from a decline in interest rates, 2016 being negatively impacted from regulation.

Source: Bundesbank, equinet Research

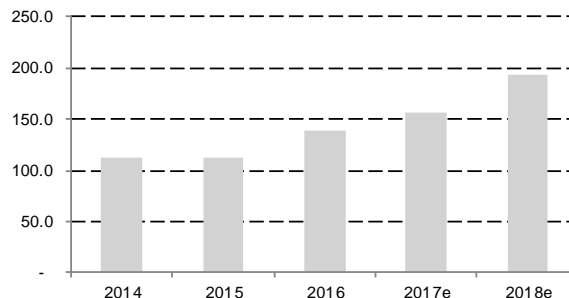
10YR Mortgage Rate development



10YR Mortgage rates on record low levels; we do not expect a sharp increase in the short term.

Source: Hypoport, equinet Research

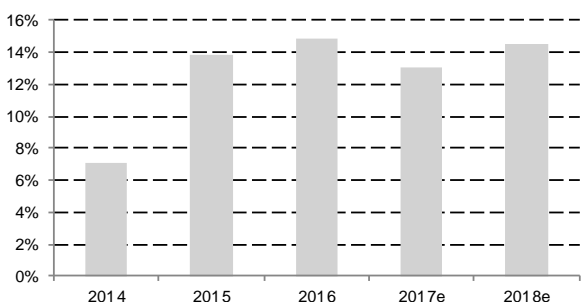
Revenues development (in EUR m)



A positive overall market development and a growing market share of Hypoport should be the main revenues drivers.

Source: Hypoport, equinet Research

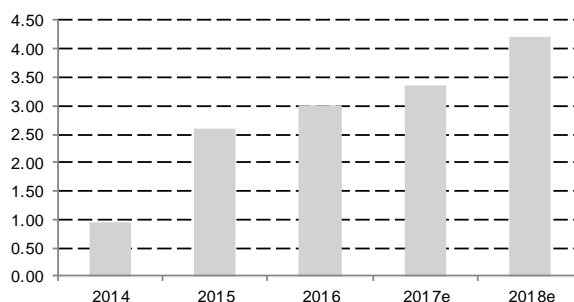
EBIT margin development



EBIT Margins should not further increase in 2017e/'18e due to investments into the online insurance marketplace.

Source: Hypoport, equinet Research

EPS development (in EUR)



We forecast EPS CAGR of 18% (2016e-'18e).

Source: Hypoport, equinet Research



Hypoport AG : Summary tables

PROFIT & LOSS (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Sales	112	139	157	194	214	242
Cost of Sales & Operating Costs	0.0	0.0	0.0	0.0	0.0	0.0
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	12.7	25.1	28.3	32.4	39.7	46.8
EBITDA (adj.)*	12.7	25.1	28.3	32.4	39.7	46.8
Depreciation	4.8	5.8	5.1	7.1	8.5	10.0
EBITA	17.5	30.9	33.4	39.5	48.2	56.8
EBITA (adj)*	17.5	30.9	33.4	39.5	48.2	56.8
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.9	19.3	23.2	25.3	31.2	36.8
EBIT (adj.)*	7.9	19.3	23.2	25.3	31.2	36.8
Net Financial Interest	-0.7	-0.1	-0.4	0.0	-0.8	-0.8
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	7.3	19.1	22.8	25.3	30.4	36.0
Tax	1.3	3.2	4.8	5.1	5.2	6.1
<i>Tax rate</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	5.9	15.9	18.0	20.2	25.2	29.7
Net Profit (adj.)	5.9	15.9	18.0	20.2	25.2	29.7
CASH FLOW (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Cash Flow from Operations before change in NWC	10.7	23.7	25.8	23.1	32.7	38.7
Change in Net Working Capital	-2.3	2.9	-7.5	-2.3	-3.0	-2.0
Cash Flow from Operations	8.4	26.7	18.3	20.8	29.7	36.7
Capex	-6.2	-7.1	-13.3	-6.0	-9.0	-10.0
Net Financial Investments	-1.2	-6.9	-7.4	2.7	2.1	2.1
Free Cash Flow	1.1	12.7	-2.3	17.5	22.8	28.8
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	-1.1	-3.6	1.5	-1.8	0.0	0.0
Change in Net Debt	0.0	9.1	-0.8	15.7	22.8	28.8
NOPLAT	5.6	13.5	16.3	17.7	21.8	25.7
BALANCE SHEET & OTHER ITEMS (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Tangible Assets	2.2	2.6	2.6	0.0	0.0	0.0
Net Intangible Assets (incl. Goodwill)	31.0	31.9	41.7	43.2	43.7	43.7
Net Financial Assets & Other	0.1	0.0	1.1	1.1	1.1	1.1
Total Fixed Assets	33.3	34.5	45.4	44.3	44.8	44.8
Cash (-)	-12.0	-24.8	-22.4	-39.9	-62.6	-91.5
Shareholders Equity	38.6	52.4	63.8	84.0	109	139
Minority	0.3	0.3	0.3	0.4	0.5	0.6
Total Equity	38.9	52.7	64.1	84.4	110	139
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	-5.8	-9.3	-6.7	-12.2	-11.2	-10.2
Total Long Term Liabilities	-5.8	-9.3	-6.7	-12.2	-11.2	-10.2
Short term interest bearing debt	21.1	24.7	23.2	25.0	25.0	25.0
Net Working Capital	8.9	8.9	12.9	13.0	16.0	18.0
GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
<i>Sales growth</i>	<i>11.1%</i>	<i>23.7%</i>	<i>12.7%</i>	<i>24.0%</i>	<i>10.3%</i>	<i>13.0%</i>
EBITDA (adj.)* growth	55.7%	97.5%	12.9%	14.5%	22.4%	17.8%
<i>EBITA (adj.)* growth</i>	<i>41.4%</i>	<i>76.9%</i>	<i>8.1%</i>	<i>18.3%</i>	<i>21.9%</i>	<i>17.8%</i>
<i>EBIT (adj.)* growth</i>	<i>100.1%</i>	<i>142.7%</i>	<i>20.6%</i>	<i>9.0%</i>	<i>23.1%</i>	<i>17.9%</i>



Hypoport AG : Summary tables

GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Profit growth	97.0%	168.1%	13.7%	11.7%	24.8%	18.2%
EPS adj. growth	97.0%	175.1%	14.6%	11.7%	24.8%	18.2%
DPS adj. growth						
EBITDA (adj)* margin	11.3%	18.0%	18.1%	16.7%	18.5%	19.3%
EBITA (adj)* margin	15.5%	22.2%	21.3%	20.3%	22.5%	23.4%
EBIT (adj)* margin	7.1%	13.9%	14.8%	13.0%	14.5%	15.2%
RATIOS	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Net Debt/Equity	0.2	0.0	0.0	-0.2	-0.3	-0.5
Net Debt/EBITDA	0.7	0.0	0.0	-0.5	-0.9	-1.4
Interest cover (EBITDA/Fin.interest)	18.5	n.m.	70.6	high	52.9	58.4
Capex/D&A	-129.8%	-121.3%	-260.6%	-84.5%	-105.9%	-100.0%
Capex/Sales	5.5%	5.1%	8.5%	3.1%	4.2%	4.1%
NWC/Sales	8.0%	6.4%	8.2%	6.7%	7.5%	7.4%
ROE (average)	16.6%	34.9%	31.0%	27.3%	26.0%	24.0%
ROCE (adj.)	13.2%	31.1%	28.4%	31.5%	36.6%	41.7%
WACC	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
ROCE (adj.)/WACC	1.7	4.0	3.7	4.1	4.7	5.4
PER SHARE DATA (EUR)***	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Average diluted number of shares	6.2	6.0	6.0	6.0	6.0	6.0
EPS (reported)	0.96	2.63	3.01	3.37	4.20	4.97
EPS (adj.)	0.96	2.63	3.01	3.37	4.20	4.97
BVPS	6.23	8.46	10.30	13.56	17.62	22.42
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
EV/Sales	0.8	3.6	3.1	4.6	3.5	2.9
EV/EBITDA	6.7	19.9	17.0	27.3	18.7	15.3
EV/EBITDA (adj.)*	6.7	19.9	17.0	27.3	18.7	15.3
EV/EBITA	4.8	16.1	14.4	22.4	15.4	12.6
EV/EBITA (adj.)*	4.8	16.1	14.4	22.4	15.4	12.6
EV/EBIT	10.7	25.9	20.8	35.0	23.8	19.4
EV/EBIT (adj.)*	10.7	25.9	20.8	35.0	23.8	19.4
P/E (adj.)	12.7	30.6	25.8	43.2	30.0	25.4
P/BV	2.0	9.5	7.5	10.7	7.2	5.6
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	2.0	11.5	8.4	15.8	12.4	11.6
OpFCF yield	3.0%	3.9%	1.1%	1.6%	2.6%	3.4%
OpFCF/EV	2.6%	3.9%	1.0%	1.7%	2.8%	3.7%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2014	12/2015	12/2016	12/2017e	12/2018e	12/2019e
Price** (EUR)	12.16	80.50	77.75	145.35	126.00	126.00
Outstanding number of shares for main stock	6.2	6.2	6.2	6.2	6.2	6.2
Total Market Cap	75	499	482	900	781	781
Net Debt	9	0	1	-15	-38	-66
<i>o/w Cash & Marketable Securities (-)</i>	<i>-12</i>	<i>-25</i>	<i>-22</i>	<i>-40</i>	<i>-63</i>	<i>-91</i>
<i>o/w Gross Debt (+)</i>	<i>21</i>	<i>25</i>	<i>23</i>	<i>25</i>	<i>25</i>	<i>25</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	85	499	483	886	743	714

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Financial Services Industrials/FinSvcs Industrials

Company Description: Hypoport is a financial service provider focusing on real estate loans. Key product is the Europace platform which is an internet based platform enabling banks on the one hand to more efficiently process their mortgage basis and on the other hand to get access to more than 250 product partners.



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Rüzgar	19.50	Neutral	2/3/5	MLP	Häßler	7.50	Buy	2/3
Aareal Bank	Häßler	42.00	Accumulate		MTU Aero Engines	Rüzgar	142.00	Neutral	2
adidas	Josefson	211.00	Accumulate		Munich Re	Häßler	210.00	Accumulate	
Adler Modemaerkte	Josefson	6.00	Neutral	7	Nemetschek SE	Mildner	47.00	Reduce	5
ADLER Real Estate	Mayer	15.70	Buy		NexusAG	Drost e	28.00	Buy	
Aixtron	Sen	11.60	Accumulate	2/3	Norma Group	Schuldt	61.00	Neutral	
Allianz	Häßler	200.00	Neutral		OHB SE	Rüzgar	40.00	Neutral	7
Axel Springer	Josefson	66.50	Reduce		OVB Holding AG	Häßler	20.00	Accumulate	2/5/7
Bayer	Miemietz	118.00	Buy		Patrizia	Mayer	21.50	Accumulate	
BB Biotech	Miemietz	73.00	Buy	7	Pfeiffer Vacuum	Sen	162.00	Accumulate	5
Biotest	Miemietz	18.00	Neutral	2/3	Procredit Holding	Häßler	15.60	Buy	2/3/5
BMW	Schuldt	100.00	Accumulate		PSI SOFTWAREAG	Mildner	20.00	Accumulate	2/3
Brenntag	Hinkel	59.80	Buy	2	Puma	Josefson	430.00	Buy	
Ceconomy AG	Bruns	10.70	Reduce		PWO	Schuldt	51.00	Buy	2/3
Cenit	Drost e	22.50	Buy		Rheinmetall	Rüzgar	110.00	Accumulate	
comdirect	Häßler	11.20	Neutral		RIB Software	Mildner	16.50	Buy	2/3
Commerzbank	Häßler	13.00	Neutral		RTL Group	Josefson	72.00	Accumulate	
Continental	Schuldt	270.00	Buy		S&TAG	Sen	21.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	69.00	Buy	2/5	SAF-Holland	Schuldt	17.00	Accumulate	7
CTS Eventim	Heilmann	41.00	Neutral		SCOUT24	Heilmann	31.00	Reduce	2
Daimler AG	Schuldt	80.00	Accumulate		Siegfried Holding AG	Miemietz	295.00	Accumulate	
Daldrup & Soehne	Becker	14.50	Buy	2/3/5	SLM Solutions	Sen	24.00	Sell	
Demire	Mayer	4.55	Buy	2/5	SMT Scharf AG	Rüzgar	16.70	Buy	2/3
Deutsche Bank	Häßler	18.00	Buy		Software AG	Mildner	30.00	Sell	
Deutsche EuroShop	Mayer	33.00	Neutral		Stabilus	Tanzer	89.00	Buy	
Deutsche Pfandbriefbank	Häßler	13.50	Neutral		Suedzucker	Bruns	15.50	Reduce	
Deutsche Telekom	Sen	15.50	Neutral		SuessMicroTec	Sen	14.30	Reduce	2/3
Drillisch	Sen	66.00	Buy		Surteco	Mildner	30.00	Buy	2/3
Duerr	Augustin	120.00	Buy		Symrise AG	Hinkel	67.00	Neutral	
EringKlinger	Schuldt	12.40	Reduce		Syzygy AG	Heilmann	12.00	Accumulate	2/3
elumeo SE	Josefson	10.90	Accumulate		TAKKTAG	Bruns	22.30	Neutral	2
Epigenomics AG	Miemietz	4.72	Accumulate	2/3	Talanx Group	Häßler	40.00	Accumulate	
Euromicron AG	Drost e	13.00	Buy	2/3/5	Technotrans	Becker	45.70	Neutral	2/3
Ferratum	Häßler	30.00	Buy		TELECOLUMBUS	Sen	11.00	Buy	
Fielmann	Heilmann	79.00	Accumulate		Telefonica Deutschland	Sen	3.70	Sell	
Freenet	Sen	36.00	Buy	2	United Internet	Sen	63.00	Buy	
Fuchs Petrolub	Hinkel	47.00	Neutral		Vapiano	Bruns	26.50	Buy	2/7
Gea Group	Augustin	39.00	Neutral		va-Q-tec	Sen	17.00	Neutral	2/3/5
Gerr Resheimer AG	Rüzgar	75.00	Neutral		Viscom	Rüzgar	29.50	Accumulate	2/3
Gerry Weber	Josefson	8.00	Neutral		Volkswagen	Schuldt	170.00	Neutral	
Gesco	Becker	36.00	Accumulate	2/3/5	Wacker Neuson SE	Becker	27.20	Neutral	
GFT Technologies	Mildner	15.50	Buy	2/3	windeln.de	Josefson	3.10	Buy	2
Gigaset	Sen	0.85	Accumulate	2/3	XINGAG	Heilmann	315.00	Buy	
Grenke	Häßler	90.00	Neutral		Zalando	Josefson	44.50	Neutral	
Hannover Re	Häßler	110.00	Neutral						
Heidelberg Pharma	Miemietz	3.50	Buy	2/3					
Heidelberger Druck	Augustin	3.60	Buy						
HELLA GmbH & Co. KGaA	Tanzer	57.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	80.00	Buy						
Hypoport AG	Häßler	164.00	Buy	7					
INDUS Holding AG	Becker	64.50	Neutral						
K+S AG	Hinkel	24.40	Accumulate						
Koenig & Bauer	Augustin	67.00	Accumulate						
Krones AG	Augustin	121.00	Accumulate						
KWS SAAT	Hinkel	348.00	Neutral						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	175.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3/5					
Manz AG	Rüzgar	35.00	Neutral	2/3					
MAX Automation AG	Becker	9.40	Buy	2/3/5					
Merck	Miemietz	112.00	Buy						
Merkur Bank	Häßler	9.30	Buy	2/7					
Metro AG	Bruns	29.00	Buy	2					

* =Coverage suspended

Source: equinet Recommendations



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Remarks

Recommendation System

Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

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-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main



Recommendation history for HYPOPORT AG

Date	Recommendation	Target price	Price at change date
01. Nov 17	Buy	164.00	126.10
03. Aug 17	Accumulate	131.00	119.15
08. Mai 17	Accumulate	114.00	103.00
25. Aug 16	Buy	100.00	82.50

Source: Factset & ESN, price data adjusted for stock splits.

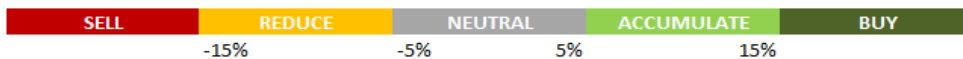
This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Philipp Häßler, CFA (since 25/08/2016)





ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



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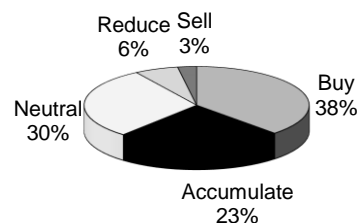
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- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
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- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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