

Acquisition of 49% stake in ePension

Hypoport has announced the acquisition of a 49% stake in ePension. EPension provides a digital platform for the administration of occupational pension schemes. Hypoport acquires a 49% stake with the option to buy the remaining shares in the next years; no purchase price was disclosed. We estimate that Hypoport paid around EUR 10m for the 49% stake, which would be equivalent to a valuation of around EUR 20m for 100% of ePension (we assume however that Hypoport will have to pay well above EUR 10m for the remaining 51% stake, i.e. total acquisition price should be above EUR 20m). EPension, which is headquartered in Hamburg and has around 50 employees, has generated revenue of EUR 10.5m in 2019. We see the acquisition positively as it helps SMART INSUR to further broaden its product offering which should be highly attractive for its customers as the occupational pension business will be an attractive growth market in the next years in our view. As we see Hypoport shares fairly valued at the moment with a 2021e PER of 48x we stick to our Hold recommendation with a target price of EUR 320.

EPension: digital platform provider for occupational pension schemes

According to the press release ePension has developed a portal solution for employers, employees, brokers and insurers which acts as a digital marketplace for the subsegment of occupational pension schemes. E&P Pensionsmanagement GmbH is a wholly owned subsidiary of ePension and a service provider for employers and their staff in the field of occupational pension schemes. It uses the ePension platform for the administration of its contracts. We see ePension as the perfect fit for SMART INSUR as it is now able to offer its customers an additional software product which is linked to its already existent insurance related product offering. In particular as growth rates for the occupational pension business should be above those for many other insurance products (P/C or traditional life/health insurance products) we see significant growth potential for ePension in the market. It has already been able to win large customers like Edeka or freenet for its pension software which should facilitate future growth. Becoming part of a larger group with many potential customers should help ePension to accelerate growth in the coming years. Last but not least Hypoport enters with the acquisition of ePension a new market segment and is now active as a platform provider in credit, insurance, real estate and the occupational pension business.

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