

Preliminary Q3 results

Hypoport has just reported preliminary Q3 results, which were, as already signaled four weeks ago, weak. Revenues have declined by 6% yoy to EUR 105m (PAsE: EUR 110m) and EBIT has declined by 95% yoy to EUR 0.5m (PAsE: EUR -0.4m). Hypoport has once again said that it plans to initiate “measures to adjust the level of costs to the current weak market environment in private and institutional mortgage finance and in the corporate finance unit”. According to the company” the results of this cost reduction will not yet impact the Q3 results but will take effect from Q1 2023”. All in all, weak Q3 results which were however no negative surprise anymore. The initiated cost reduction measures should help the company to somewhat offset the negative earnings effect from the deteriorated market environment. We do not overrate the fact that revenues came in slightly below our forecast, while EBIT was at the same time slightly better. Although we do not see any positive short-term triggers for the shares, we stick to our Buy rating with a target price of EUR 225 as we remain convinced of the mid-term growth prospects of the company. We see Hypoport as a winner of the ongoing digitization trend in the banking / real estate industry. Due to the deteriorated market environment this trend will be delayed somewhat but it will not be stopped.

Hypoport - Q3 2022 Prelim

EUR m	Q3 2022	Q3 2022e	Q3 2021	yoy	9M '22	yoy	2022e	yoy
Revenues	105.0	110.0	112.3	-6%	367.0	13%	463	4%
EBIT	0.5	-0.4	11.6	-96%	31.0	-7%	35	-27%
EBIT Margin	0.5%	-0.4%	10.3%	-985 BP	8.4%	-182 BP	7.6%	-312 BP
Net Profit	na	-1.0	8.7	na	na	na	25	-17%

Sources: Hypoport, Pareto Securities

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