

Buy EUR 265.00	Value Indicators: EUR DCF: 264.52	Warburg ESG Risk Score: 3.7 ESG Score (MSCI based): 4.0 Balance Sheet Score: 4.0 Market Liquidity Score: 3.0	Description: Technology-based financial services provider
	Market Snapshot: EUR m Market cap: 732.89 No. of shares (m): 6.25 EV: 881.78 Freefloat MC: 452.19 Ø Trad. Vol. (30d): 1.33 m	Shareholders: Freefloat: 61.70 % Revenia (Ronald Slabke): 34.60 % Treasury shares: 3.70 %	Key Figures (WRe): 2022e Beta: 1.2 Price / Book: 2.8 x Equity Ratio: 45 % Net Fin. Debt / EBITDA: 3.2 x Net Debt / EBITDA: 3.2 x
Price: EUR 117.30 Upside: 125.9 %			

First Glance: Real-estate financing markets declined further

Hypoport has reported trading figures for the past quarter, which showed a continuation of the disastrous condition of the current real-estate financing market that already became visible in Q3.

- The transaction volume in the Credit Platform segment declined by -6.6% in 2022 to EUR 95.46bn (WRe EUR 98bn), while Q4 standalone showed a slump of -40.5%. The private financing volume showed even worse development declining -9.5% in 2022 and -45.1% respectively. This is in line with the adverse overall market development in the real-estate financing market as interest rates increased significantly while house prices have just started to come down. This led to a significant decline in real-estate transactions which is expected to have bottomed in Q4 22 and Q1 23. However, private loans showed a slight improvement in Q4 at +4.8% to EUR 1.09bn, whilst the total growth rate of +29.1% to EUR 5.29bn in full 2022 is somewhat higher.
- In line with the private real-estate financing market, the volume in the Private Clients segment declined another -44.7% to EUR 1.38bn in Q4, bringing the growth rate for the full year to -7.3% to EUR 9.21bn.
- The volume of valued real-estate at Value AG grew by +11.9% to EUR 8.28bn, showing some robustness against the private real-estate financing market, presumably also due to some catch-up effects from previous quarters. The value of brokered real-estate via FIO declined by -33.3% in Q4 and the volume of institutional real-estate financing business dropped by -20%.
- The volume of insurance premia within the Insurance Platform showed once again some growth and increased by +10.3% to 3.8bn, only a slight improvement qoq (EUR 3.78bn after Q3).

Assessment: In line with further decreasing market volumes, the business handled on Hypoport's platforms dropped as well. However, this development was more or less expected as real-estate prices in Germany have just started to decline whilst interest rates increased significantly faster. While interest rates recently showed a stabilization, we expect the real-estate market will have seen its trough in Q4 22 or Q1 23. However, the company also announced that cost reductions in 2023, from the cost reduction programme initiated in Q4, will amount to about EUR 35 to 40m. We expected this to be around EUR 15 to 20m, which is clearly a positive sign.



Rel. Performance vs SDAX:	
1 month:	12.8 %
6 months:	-42.5 %
Year to date:	10.8 %
Trailing 12 months:	-54.5 %

Company events:	
13.03.23	Prel. FY 2022
27.03.23	FY 2022
08.05.23	Q1
14.08.23	Q2

FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	6.3 %	265.96	337.24	387.73	446.35	465.61	468.11	535.74
Change Sales yoy		36.5 %	26.8 %	15.0 %	15.1 %	4.3 %	0.5 %	14.4 %
Gross profit margin		56.7 %	58.9 %	59.7 %	61.2 %	58.0 %	58.9 %	60.1 %
EBITDA	0.3 %	39.09	52.22	63.85	77.10	47.66	56.60	77.90
Margin		14.7 %	15.5 %	16.5 %	17.3 %	10.2 %	12.1 %	14.5 %
EBIT	-1.6 %	29.29	33.01	36.24	47.68	19.86	28.79	45.37
Margin		11.0 %	9.8 %	9.3 %	10.7 %	4.3 %	6.2 %	8.5 %
Net income	3.8 %	22.47	24.40	27.27	30.16	13.89	20.84	33.74
EPS	3.8 %	3.60	3.90	4.36	4.83	2.22	3.34	5.40
EPS adj.	3.8 %	3.60	3.90	4.36	4.83	2.22	3.34	5.40
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		2.75	3.07	1.59	4.35	-0.52	0.55	2.59
FCF / Market cap		1.7 %	1.4 %	0.4 %	0.9 %	-0.4 %	0.5 %	2.2 %
EV / Sales		3.9 x	4.4 x	6.9 x	7.5 x	1.9 x	1.9 x	1.6 x
EV / EBITDA		26.7 x	28.5 x	41.7 x	43.1 x	18.6 x	15.6 x	11.1 x
EV / EBIT		35.6 x	45.0 x	73.5 x	69.8 x	44.6 x	30.6 x	19.1 x
P / E		44.2 x	57.2 x	92.0 x	105.3 x	52.8 x	35.1 x	21.7 x
P / E adj.		44.2 x	57.2 x	92.0 x	105.3 x	52.8 x	35.1 x	21.7 x
FCF Potential Yield		3.2 %	3.0 %	2.2 %	1.9 %	4.9 %	5.7 %	7.9 %
Net Debt		49.26	90.89	156.89	149.11	152.34	148.89	132.72
ROCE (NOPAT)		16.3 %	10.9 %	9.3 %	8.4 %	3.8 %	5.2 %	7.9 %
Guidance:	Guidance suspended							

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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	161	75
Hold	44	21
Sell	6	3
Rating suspended	3	1
Total	214	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

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