# 2019 Guidance published

***This morning Hypoport has published its preliminary Q4 results which it had already pre-released last week. Additionally Hypoport has published its 2019 guidance. It targets total revenues of between EUR 310m and EUR 340m (PAS: EUR 299m, consensus: EUR 311m), which is equivalent to a YoY growth of between 17% and 28%. HYQ targets an EBIT of between EUR 32m and EUR 40m (PAS: EUR 39m, consensus: EUR 40m) which would be equivalent to a mid-point EBIT margin of 11.1% (PAS: 13%, consensus: 12.9%; 2018: 11%). Growth rate would be between 9% and 37% yoy. While the EBIT target looks in line with our estimate, even though the lower end of the range does not seem very ambitious, the EBIT margin looks quite low. This can be probably be explained by the recent acquisitions which seem to have lower margins than the "old" Hypoport business. The higher than forecasted sales can be most likely explained by a larger than expected impact from the acquired companies and stronger than expected underlying growth. We stick to our Buy rating with a TP of EUR 190. Note that HYQ will host a CC at 2pm today.***

**Q4 results**

| EUR m | Q4 2018 | Q4 2018e | Q4 2017 | yoy | Cons. | delta |
|---|---|---|---|---|---|---|
| **Revenues** | **74.2** | **73.2** | **51.2** | **45.1%** | **na** | **na** |
| **EBIT** | **7.1** | **7.6** | **4.7** | **51.2%** | *na* | **na** |
| *EBIT Margin* | *9.6%* | *10.4%* | *9.2%* | *39 BP* | *na* | *na* |
| **Net Profit** | **na** | **5.6** | **3.7** | **na** | *na* | na |

*Source: Pareto Securities Research, Hypoport*

**Investment Case:** We recommend buying the shares with a target price of EUR 190 on the back of the expected strong earnings growth for the next two years (2018e-2020e EPS CAGR of 26%). Driven by the real estate platform for institutional clients and the insurance platform revenues should grow at least double-digit in the next years. Importantly, Hypoport should be relatively immune against the current negative macroeconomic/political market environment.

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