

Strong transaction figures from Europace

This morning Europace, Hypoport's most important subsidiary, has reported strong Q3 transaction figures. Transaction volume increased by 18% yoy to EUR 50bn in the first nine months, in Q3 the increase amounted to 24% yoy. Hypoport has thus once again outperformed the market and further accelerated its growth vs. H1 2019 (+14% yoy). Like in previous quarters FINMAS and GENOPACE performed particularly strong with growth rates of 52% yoy and 224% yoy in Q3, respectively. The good Q3 figures are a positive indicator for Hypoport's Q3 results (4.11.) in our view. We continue to like the investment case and see Hypoport as an exciting growth story but stick nevertheless to our Hold recommendation with a target price of EUR 220 on the back of the company's valuation (2020e PER: 41x).

FINMAS and GENOPACE as growth drivers

Mortgage finance volume increased by 26% yoy in Q3 to EUR 14.56bn, building finance volume was up by 25% yoy to EUR 3.0bn. After nine months Europace reached a growth rate of 20% yoy (mortgage finance; building finance: +18% yoy) and clearly outperformed the market which reached a growth rate of 7% based upon Bundesbank figures from January to August. FINMAS, the JV with the savings banks, managed to increase the transaction volume by 52% yoy to EUR 1.8bn in Q3 (9M 2019: +55% yoy; H1 2019: +57%). GENOPACE, the JV with the mutual banks, managed even to achieve to grow the transaction volume by 224% yoy to EUR 1.4bn (9M 2019: +157% yoy; H1 2019: +120% yoy). All in all very good figures from Europace, particularly the fact that GENOPACE has accelerated its growth in 2019 is good news.

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