

Preliminary Q3 results below expectations

Hypoport has reported preliminary Q3 results. Sales increased by around 5% yoy to EUR 95m which was below our forecast of EUR 100m. EBIT fell by around 20% yoy to around EUR 7m which was also lower than expected (EUR 10.8m). According to Hypoport the lower EBIT in Q3 resulted mainly from the strategically planned elimination of project business in the Real Estate platform and Insurance platform segments. Q3 results look disappointing at first glance, but the main reason for falling short of our expectations should be the elimination of the project business. Hence, we do not overrate the lower than expected Q3 results. Having reached an EBIT of EUR 24m after 9M, the company's full-year EBIT target of between EUR 35m and EUR 40m has however become ambitious to reach. As we remain convinced of the long-term growth prospects of the company (2019-2022e EPS CAGR of 21%) we stick to our Buy recommendation with a target price of EUR 440.

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