

Weak KPIs for Q3

This morning Hypoport has reported its KPIs for Q3 which are weak. Europace transaction volume is down by 18% yoy to EUR 19.8bn, after 9 months volume is up by 5% yoy. Mortgage financing volume was even down by 22% yoy and building finance volume declined by 8% yoy. Consumer loan finance volume increased by 21% yoy to EUR 1.3bn. While FINMAS reported a decline by 23% yoy for Q3, GENOPACE reported a decline by 9%. The retail clients segment reported a decline by 23% yoy to EUR 1.8bn. Positively, the value of properties valued by Value AG increased by 18% yoy to EUR 8.7bn while the value of properties sold via FIO was down by 20% yoy to EUR 2.7bn. Last but not least, financing volume of Dr. Klein WoWi declined by 27% yoy to EUR 0.35bn. All in all, weak KPIs for Q3 which came however not as a surprise following the company's profit warning. The market environment has deteriorated for Hypoport and we do not expect a quick recovery. 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.

KPIs (EUR bn)	Q3 2022	Q2 2021	yoy	qoq
Transaction volume Europace	19.8	24.1	-18%	-25%
of which mortgage finance	15.7	20.0	-22%	-26%
Transaction vol. Dr. Klein Privatkunden	1.8	2.3	-23%	-29%
Value of properties valued by VALUE AG	8.72	7.4	18%	-3%
Value of properties sold via FIO	2.72	3.4	-20%	-18%
Transaction vol. Dr. Klein WoWi	0.35	0.48	-27%	-53%
Volume of policies migrated to SMIT	3.8	3.3	15%	3%

Sources: Hypoport, Pareto Securities

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