

Recommendation:
BUY (BUY)

Risk:
HIGH (HIGH)

Price Target:
EUR 15.00 (17.00)

06 August 2012

1H 2012: Hypoport expanded revenue and profitability

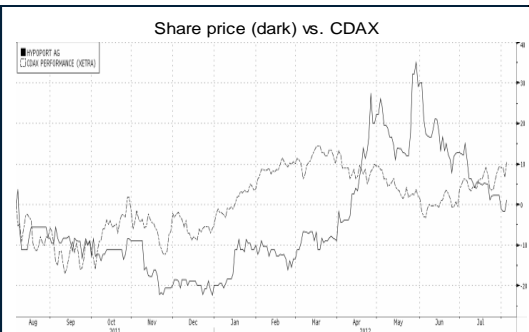
Significant growth across all business units

- Hypoport AG today disclosed today its 1H 2012 results. Thanks to double-digit revenue growth rates in all three of its business units, the company reported a 17% growth in group revenues which came in at EUR 42.2m (PY: EUR 35.8m) and were in line with our top-line estimates. The revenue contributions from the Hypoport's business divisions were composed as follows: In 1H 2012 Institutional Clients generated revenues of EUR 5.7m (PY: EUR 5.1m) – particularly driven by its success in closing several big-ticket financing deals with customers. A low level of interest rates has boosted lending business and, consequently, revenue growth in the Private Clients business unit, where revenues increased to EUR 24.2m (PY: EUR 22.1m). The Financial Service Providers business unit continued with its growth pace contributing EUR 12.0m revenues (PY: EUR 8.6m). The “growth locomotive” has primarily benefited from benign funding conditions and the ongoing expansion of the EUROPACE marketplace, where transactions with a combined volume of almost EUR 15bn were processed in 1H 2012.
- The company achieved to translate the strong revenue growth into operating margins. EBITDA jumped by 33.8% compared to previous year amounting to EUR 5.2m (PY: EUR 3.9m), whereas earnings before interest and tax (EBIT) even almost doubled from EUR 1.3m to EUR 2.6m – considerably beating our estimate due to notably lower than expected personnel and other operating expenses. The EBIT margin climbed from 3.7% to 6.2%. Net profit amounted to EUR 1.6m (PY: EUR 0.7m) or EUR 0.24 on a per share basis (PY: EUR 0.11). Outlook for 2012 – Ronald Slabke CEO still expects the Company to achieve double-digit revenue growth and a year-on-year improvement in net profit.
- The company recently announced that it will expand its collaboration with Santander Bank further. Santander Bank will in future use the support of Hypoport's EUROPACE technology to offer its customers a product mix comprising its own loans as well as the extensive product ranges of third-party institutions.
- On the back of the 1H 2012 figures and the most recent news flow, we have reconsidered our cost assumptions. Based on adjusted estimates we calculate a new fair value of EUR 15.04 per share. Hence, **we cut our price target to EUR 15.00**, but **maintain our BUY recommendation** as the stock is still trading with a considerable discount to our price target.

Key data

| Y/E Dec 31, EUR m | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|-------------------|-------|-------|-------|-------|-------|-------|
| Revenues | 50.5 | 66.9 | 84.4 | 99.0 | 112.8 | 126.5 |
| EBITDA | 4.9 | 11.1 | 11.1 | 12.4 | 15.0 | 18.2 |
| EBIT | 1.2 | 6.4 | 5.9 | 7.3 | 8.6 | 10.4 |
| Net result | -0.3 | 3.3 | 3.7 | 4.0 | 4.5 | 5.5 |
| Basic EPS | -0.06 | 0.53 | 0.61 | 0.65 | 0.72 | 0.89 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EBITDA margin | 9.7% | 16.7% | 13.1% | 12.6% | 13.3% | 14.4% |
| EBIT margin | 2.4% | 9.6% | 7.0% | 7.4% | 7.6% | 8.2% |
| EV/EBITDA | 13.5 | 6.0 | 6.0 | 5.3 | 4.4 | 3.7 |
| EV/EBIT | 54.4 | 10.3 | 11.2 | 9.1 | 7.7 | 6.4 |
| P/E | n/a | 17.2 | 15.2 | 14.0 | 12.6 | 10.2 |

Source: CBS Research AG, Hypoport AG



Source: CBS Research AG, Bloomberg

| Change | 2012E | | 2013E | | 2014E | |
|----------|-------|------|-------|-------|-------|-------|
| EUR m | new | old | new | old | new | old |
| Revenues | 99.0 | 99.2 | 112.8 | 113.1 | 126.5 | 126.9 |
| EBIT | 7.3 | 9.3 | 8.6 | 10.9 | 10.4 | 12.1 |
| EPS | 0.65 | 0.88 | 0.72 | 0.98 | 0.89 | 1.14 |

www.hypoport.com
WKN: 549336
Reuters: HYQGn.DE

Sector: Financial Services
ISIN: DE0005493365
Bloomberg: HYQ GY

Short company profile:

The Hypoport Group is an internet-based financial services provider that consists of two mutually supportive pillars, namely Dr. Klein and EUROPACE.

Share data:

| | |
|---|-------------|
| Share price (EUR, latest closing price): | 9.10 |
| Shares outstanding (m): | 6.2 |
| Market capitalisation (EUR m): | 56.4 |
| Enterprise value (EUR m): | 66.4 |
| Ø daily trading volume (3 m., no. of shares): | 3,001 |

Performance data:

| | |
|-----------------------------------|--------|
| High 52 weeks (EUR): | 12.15 |
| Low 52 weeks (EUR): | 6.95 |
| Absolute performance (12 months): | 1.1% |
| Relative performance vs. CDAX: | |
| 1 month | -11.5% |
| 3 months | -19.2% |
| 6 months | 10.0% |
| 12 months | -9.3% |

Shareholders:

| | |
|-----------------------------|-------|
| Revenia GmbH | 34.8% |
| Kretschmar Familienstiftung | 12.9% |
| Deutsche Postbank AG | 9.7% |
| Sparta AG | 5.8% |
| Free Float | 36.8% |

Financial calendar:

| | |
|-------------------------------|------------------|
| Report on 3Q 2012 | 05 November 2012 |
| German Equity Forum Frankfurt | 12 November 2012 |

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Appendix

Financials

Profit and loss y/y comparison

| | IFRS | EURm | 1H 12 | 1H 11 | Δ | % change | 2Q 12 | 2Q 11 | Δ | % change |
|---|------|------|-------------|-------------|------------|---------------|-------------|-------------|------------|----------------|
| Revenue | | | 42.0 | 35.8 | 6.1 | 17.1% | 21.4 | 18.2 | 3.2 | 17.7% |
| Selling expenses | | | -18.7 | -15.9 | -2.8 | 17.8% | -9.7 | -8.6 | -1.1 | 12.7% |
| % of total revenue | | | -44.6% | -44.3% | | | -45.2% | -47.2% | | |
| Gross Profit | | | 23.2 | 20.0 | 3.3 | 16.5% | 11.7 | 9.6 | 2.1 | 22.1% |
| Gross Profit margin in % | | | 55.4% | 55.7% | | | 54.8% | 52.8% | | |
| Own work capitalised | | | 2.2 | 1.8 | 0.4 | 21.3% | 1.2 | 0.9 | 0.3 | 34.7% |
| % of total revenue | | | 5.3% | 5.1% | | | 5.7% | 5.0% | | |
| Other operating income | | | 0.8 | 0.9 | 0.0 | -4.8% | 0.6 | 0.4 | 0.2 | 56.5% |
| % of total revenue | | | 2.0% | 2.4% | | | 2.6% | 1.9% | | |
| Cost of materials | | | 0.0 | 0.0 | 0.0 | n.a. | 0.0 | 0.0 | 0.0 | n.a. |
| % of total revenue | | | 0.0% | 0.0% | | | 0.0% | 0.0% | | |
| Personnel expenses | | | -14.8 | -12.8 | -2.0 | 15.2% | -7.2 | -6.3 | -0.9 | 14.6% |
| % of total revenue | | | -35.2% | -35.8% | | | -33.8% | -34.7% | | |
| Other operating expenses | | | -6.3 | -6.0 | -0.4 | 6.3% | -3.1 | -2.9 | -0.1 | 4.7% |
| % of total revenue | | | -15.1% | -16.6% | | | -14.3% | -16.0% | | |
| EBITDA | | | 5.2 | 3.9 | 1.3 | 33.8% | 3.2 | 1.6 | 1.6 | 96.8% |
| EBITDA margin in % | | | 12.4% | 10.8% | | | 15.0% | 9.0% | | |
| Depreciation, amortisation exp. & impairment loss | | | -2.6 | -2.5 | 0.0 | 1.7% | -1.3 | -1.3 | 0.0 | 1.3% |
| % of total revenue | | | -6.2% | -7.1% | | | -6.1% | -7.0% | | |
| EBIT | | | 2.6 | 1.3 | 1.3 | 95.0% | 1.9 | 0.4 | 1.6 | 444.7% |
| EBIT margin in % | | | 6.2% | 3.7% | | | 8.9% | 1.9% | | |
| Financial result | | | -0.7 | -0.4 | -0.2 | 55.7% | -0.3 | -0.2 | -0.1 | 41.0% |
| % of total revenue | | | -1.6% | -1.2% | | | -1.4% | -1.2% | | |
| EBT | | | 1.9 | 0.9 | 1.0 | 113.3% | 1.6 | 0.14 | 1.5 | 1060.4% |
| EBT margin in % | | | 4.6% | 2.5% | | | 7.5% | 0.8% | | |
| Taxes on income & def. | | | -0.4 | -0.3 | -0.2 | 65.1% | -0.6 | -0.1 | -0.5 | 725.7% |
| % of EBT | | | -21.9% | -28.3% | | | -37.9% | -53.2% | | |
| Net profit/loss for the year | | | 1.52 | 0.65 | 0.9 | 132.3% | 1.00 | 0.07 | 0.9 | 1441.5% |
| Attributable to non-controlling/minority interest | | | -0.04 | -0.04 | 0.0 | 18.9% | -0.02 | 0.00 | 0.0 | -1150.0% |
| Attributable to Hypoport AG shareholders | | | 1.56 | 0.69 | 0.9 | 126.2% | 1.0 | 0.07 | 0.9 | 1282.4% |
| Weighted number of shares , basic in million shares | | | 6.19 | 6.18 | 0.0 | 0.2% | 6.19 | 6.13 | 0.1 | 1.1% |
| Weighted number of shares , diluted in million shares | | | 6.19 | 6.18 | 0.0 | 0.2% | 6.19 | 6.16 | 0.0 | 0.5% |
| EPS Basic | | | 0.24 | 0.11 | 0.1 | 131.8% | 0.16 | 0.01 | 0.2 | 1425.1% |
| EPS Diluted | | | 0.24 | 0.11 | 0.1 | 131.8% | 0.16 | 0.01 | 0.2 | 1433.6% |

Source: CBS Research AG, Hypoport AG

Profit and loss account

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|--|------|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | | | 50.5 | 66.9 | 84.4 | 99.0 | 112.8 | 126.5 |
| YoY growth | | | -4.2% | 32.6% | 26.1% | 17.3% | 13.9% | 12.2% |
| Selling expenses | | | -18.5 | -26.6 | -39.9 | -45.5 | -52.5 | -59.7 |
| % of total revenue | | | -36.6% | -39.8% | -47.3% | -47.0% | -46.6% | -47.2% |
| Gross Profit | | | 32.0 | 40.3 | 44.5 | 53.4 | 60.2 | 66.9 |
| Gross Profit margin in % | | | 63.4% | 60.2% | 52.7% | 54.0% | 53.4% | 52.8% |
| Own work capitalised | | | 4.6 | 5.7 | 4.0 | 5.0 | 5.7 | 6.4 |
| % of total revenue | | | 9.1% | 8.6% | 4.9% | 5.1% | 5.1% | 5.1% |
| Other operating income | | | 1.0 | 1.4 | 1.8 | 1.9 | 2.2 | 2.5 |
| % of total revenue | | | 2.0% | 2.0% | 2.2% | 2.0% | 2.0% | 2.0% |
| Personnel expenses | | | -21.7 | -24.6 | -26.7 | -33.3 | -36.6 | -38.8 |
| % of total revenue | | | -43.0% | -36.8% | -31.6% | -33.6% | -32.5% | -30.7% |
| Other operating expenses | | | -11.0 | -11.6 | -12.6 | -14.7 | -16.6 | -18.8 |
| % of total revenue | | | -21.8% | -17.4% | -14.9% | -14.9% | -14.7% | -14.8% |
| EBITDA | | | 4.9 | 11.1 | 11.1 | 12.4 | 15.0 | 18.2 |
| EBITDA margin in % | | | 9.7% | 16.7% | 13.1% | 12.6% | 13.3% | 14.4% |
| Depreciation, amortisation exp. & impairment loss | | | -3.7 | -4.7 | -5.2 | -5.1 | -6.4 | -7.8 |
| EBIT | | | 1.2 | 6.4 | 5.9 | 7.3 | 8.6 | 10.4 |
| EBIT margin in % | | | 2.4% | 9.6% | 7.0% | 7.4% | 7.6% | 8.2% |
| Financial result | | | -1.0 | -1.6 | -0.8 | -1.8 | -2.2 | -2.5 |
| EBT | | | 0.3 | 4.8 | 5.1 | 5.5 | 6.4 | 7.9 |
| EBT margin in % | | | 0.5% | 7.2% | 6.1% | 5.6% | 5.7% | 6.2% |
| Taxes on income & def. | | | -0.5 | -1.6 | -1.4 | -1.5 | -1.9 | -2.4 |
| % of EBT | | | -208.0% | -32.4% | -26.6% | -27.2% | -30.0% | -30.0% |
| Profit/loss from continuing operations, net of tax | | | -0.3 | 3.3 | 3.7 | 4.0 | 4.5 | 5.5 |
| as % of total revenue | | | -0.6% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |
| Profit/loss from discontinued operations | | | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit/loss for the year | | | -0.3 | 3.3 | 3.7 | 4.0 | 4.5 | 5.5 |
| Net profit margin in % | | | -0.7% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |
| Attributable to non-controlling/minority interest | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Attributable to Hypoport AG shareholders | | | -0.3 | 3.3 | 3.8 | 4.0 | 4.5 | 5.5 |
| Weighted number of shares, basic in million shares | | | 6.12 | 6.15 | 6.19 | 6.19 | 6.19 | 6.19 |
| Weighted number of shares, diluted in million shares | | | 6.17 | 6.18 | 6.19 | 6.19 | 6.19 | 6.19 |
| EPS Basic | | | -0.06 | 0.53 | 0.61 | 0.65 | 0.72 | 0.89 |
| EPS Diluted | | | -0.06 | 0.53 | 0.61 | 0.65 | 0.72 | 0.89 |

Source: CBS Research AG, Hypoport AG

Balance Sheet

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|---|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| Assets | | | | | | | | |
| Total non-current assets | | | 28.5 | 37.0 | 35.0 | 37.2 | 36.7 | 35.3 |
| as % of total assets | | | 52.1% | 55.1% | 48.6% | 47.5% | 43.3% | 38.3% |
| Intangible assets | | | 25.6 | 27.8 | 27.9 | 29.7 | 29.4 | 28.4 |
| Tangible Assets; PPE | | | 1.8 | 2.4 | 2.5 | 2.4 | 1.8 | 0.9 |
| Financial assets | | | 0.4 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Trade receivables | | | 0.0 | 5.0 | 2.5 | 2.9 | 3.3 | 3.7 |
| Deferred tax assets | | | 0.7 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 |
| Other assets | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current assets | | | 26.3 | 30.1 | 37.1 | 41.1 | 48.1 | 56.9 |
| as % of total assets | | | 47.9% | 44.9% | 51.4% | 52.5% | 56.7% | 61.7% |
| Trade receivables | | | 16.8 | 15.5 | 25.1 | 29.5 | 33.6 | 37.7 |
| Other assets | | | 2.2 | 3.0 | 3.9 | 3.9 | 3.9 | 3.9 |
| Current income tax assets | | | 0.1 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 |
| Cash & cash equivalents | | | 7.2 | 11.2 | 7.5 | 7.2 | 10.0 | 14.8 |
| Total assets | | | 54.8 | 67.2 | 72.1 | 78.3 | 84.7 | 92.2 |
| Total Shareholder's Equity & Liabilities | | | | | | | | |
| Total shareholders equity | | | 23.9 | 27.4 | 31.3 | 35.3 | 39.8 | 45.3 |
| as % of total equity and liabilities | | | 43.7% | 40.8% | 43.3% | 45.1% | 46.9% | 49.1% |
| Subscribed capital | | | 6.1 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| Reserves | | | 17.6 | 21.0 | 24.9 | 28.9 | 33.4 | 38.9 |
| Treasury shares | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minority interests | | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Non-current liabilities | | | 17.6 | 20.6 | 10.3 | 10.3 | 10.3 | 10.3 |
| as % of total equity and liabilities | | | 32.1% | 30.6% | 14.3% | 13.1% | 12.1% | 11.2% |
| Financial liabilities | | | 17.2 | 17.9 | 7.8 | 7.8 | 7.8 | 7.8 |
| Provisions | | | 0.0 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other liabilities | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax liabilities | | | 0.4 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Current liabilities | | | 13.3 | 19.2 | 30.6 | 32.7 | 34.7 | 36.6 |
| as % of total equity and liabilities | | | 24.3% | 28.6% | 42.4% | 41.7% | 40.9% | 39.7% |
| Provisions | | | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Financial liabilities | | | 1.7 | 2.7 | 10.9 | 10.9 | 10.9 | 10.9 |
| Trade payables | | | 5.7 | 9.6 | 12.2 | 14.3 | 16.3 | 18.3 |
| Current income tax liabilities | | | 0.2 | 0.1 | 0.9 | 0.9 | 0.9 | 0.9 |
| Other liabilities | | | 5.6 | 6.6 | 6.3 | 6.3 | 6.3 | 6.3 |
| Total liabilities | | | 30.9 | 39.8 | 40.9 | 43.0 | 45.0 | 46.9 |
| as % of total equity and liabilities | | | 56.3% | 59.2% | 56.7% | 54.9% | 53.1% | 50.9% |
| Total liabilities | | | 54.8 | 67.2 | 72.1 | 78.3 | 84.7 | 92.2 |

Source: CBS Research AG, Hypoport AG

Cash flow statement

| | IFRS | EURm | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|--|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| Earnings before interest and tax (EBIT) | | | 1.2 | 6.4 | 5.9 | 7.3 | 8.6 | 10.4 |
| from continuing operations | | | 1.2 | 6.4 | 5.9 | 7.3 | 8.6 | 10.4 |
| from discontinued operations | | | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-cash income (+) / expense (-) from income tax | | | -0.2 | -1.5 | -0.6 | 0.0 | 0.0 | 0.0 |
| Net Interest received (+) / paid (-) | | | -1.0 | -1.2 | -1.0 | -1.8 | -2.2 | -2.5 |
| Net income taxes receipts (+) / payments (-) | | | -0.3 | -0.4 | -0.4 | -1.5 | -1.9 | -2.4 |
| Depreciation and amortisation expense, impairment losses (+) / reversals of impairm | | | 3.5 | 4.7 | 5.2 | 5.1 | 6.4 | 7.8 |
| Gains (-) / losses (+) on the disposal of non-current assets | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow | | | 3.2 | 8.0 | 9.1 | 9.2 | 10.9 | 13.3 |
| Increase (+) / decrease (-) in current provisions | | | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Increase (-) and decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities | | | 1.2 | -5.4 | -8.1 | -4.7 | -4.5 | -4.5 |
| Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities | | | 2.0 | 7.4 | 3.6 | 2.1 | 2.0 | 2.0 |
| Cash flows from operating activities | | | 6.5 | 10.0 | 4.7 | 6.5 | 8.4 | 10.8 |
| from discontinued operations | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from the disposal of property, plant and equipment / intangible assets (+) | | | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments to acquire property, plant and equipment / intangible assets (-) | | | -5.0 | -7.6 | -5.3 | -6.8 | -5.5 | -6.0 |
| Payments for acquisitions to be consolidated | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from the disposal of financial assets (+) | | | 0.1 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 |
| Purchase of financial assets (-) | | | -0.7 | -0.4 | -0.6 | 0.0 | 0.0 | 0.0 |
| Cash flows from investing activities | | | -5.6 | -7.7 | -5.7 | -6.8 | -5.5 | -6.0 |
| from discontinued operations | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from additions to equity (+) | | | 0.1 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments to shareholders and minority interest (-) | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net issue (+) / redemption of bonds and loans | | | -1.2 | 1.5 | -2.6 | 0.0 | 0.0 | 0.0 |
| Cash flows from financing activities | | | -1.2 | 1.7 | -2.6 | 0.0 | 0.0 | 0.0 |
| from discontinued operations | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net change in cash and cash equivalents | | | -0.3 | 4.0 | -3.7 | -0.4 | 2.9 | 4.8 |
| Cash and cash equivalents at the beginning of the period | | | 7.5 | 7.2 | 11.2 | 7.5 | 7.2 | 10.0 |
| Cash and cash equivalents at the end of the period | | | 7.2 | 11.2 | 7.5 | 7.2 | 10.0 | 14.8 |
| from discontinued operations | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: CBS Research AG, Hypoport AG

Profit and loss account

| IFRS | (common size) | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Selling expenses | | -36.6% | -39.8% | -47.3% | -46.0% | -46.6% | -47.2% |
| Gross Profit | | 63.4% | 60.2% | 52.7% | 54.0% | 53.4% | 52.8% |
| Own work capitalised | | 9.1% | 8.6% | 4.8% | 5.1% | 5.1% | 5.1% |
| Other operating income | | 2.0% | 2.0% | 2.2% | 2.0% | 2.0% | 2.0% |
| Cost of materials | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Personnel expenses | | -43.0% | -36.8% | -31.6% | -33.6% | -32.5% | -30.7% |
| Other operating expenses | | -21.8% | -17.4% | -14.9% | -14.9% | -14.7% | -14.8% |
| EBITDA | | 9.7% | 16.7% | 13.1% | 12.6% | 13.3% | 14.4% |
| Depreciation, amortisation exp. & impairment loss | | -7.3% | -7.1% | -6.1% | -5.2% | -5.7% | -6.2% |
| EBIT | | 2.4% | 9.6% | 7.0% | 7.4% | 7.6% | 8.2% |
| Financial result | | -1.9% | -2.4% | -1.0% | -1.8% | -2.0% | -2.0% |
| EBT | | 0.5% | 7.2% | 6.1% | 5.6% | 5.7% | 6.2% |
| Taxes on income & def. | | -1.1% | -2.3% | -1.6% | -1.5% | -1.7% | -1.9% |
| Profit/loss from continuing operations, net of tax | | -0.6% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |
| Profit/loss from discontinued operations | | -0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net profit/loss for the year | | -0.7% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |
| Attributable to non-controlling/minority interest | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Attributable to Hypoport AG shareholders | | -0.7% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |

Source: CBS Research AG, Hypoport AG

Balance Sheet

| IFRS | (common size) | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | | |
| Total non-current assets | | 52.1% | 55.1% | 48.6% | 47.5% | 43.3% | 38.3% |
| Intangible assets | | 46.8% | 41.4% | 38.6% | 37.9% | 34.7% | 30.8% |
| Tangible Assets; PPE | | 3.2% | 3.6% | 3.4% | 3.0% | 2.1% | 1.0% |
| Financial assets | | 0.8% | 0.7% | 1.4% | 1.3% | 1.2% | 1.1% |
| Trade receivables | | 0.0% | 7.4% | 3.5% | 3.7% | 3.9% | 4.1% |
| Deferred tax assets | | 1.3% | 1.9% | 1.7% | 1.6% | 1.4% | 1.3% |
| Other assets | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Current assets | | 0.2% | 0.7% | 0.8% | 0.8% | 0.7% | 0.6% |
| Trade receivables | | 30.7% | 23.0% | 34.8% | 37.6% | 39.6% | 40.8% |
| Other assets | | 4.0% | 4.5% | 5.4% | 4.9% | 4.6% | 4.2% |
| Current income tax assets | | 0.2% | 0.7% | 0.8% | 0.8% | 0.7% | 0.6% |
| Cash & cash equivalents | | 13.1% | 16.7% | 10.4% | 9.2% | 11.9% | 16.1% |
| Total assets | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total Shareholder's Equity & Liabilities | | | | | | | |
| Total shareholders equity | | 43.7% | 40.8% | 43.3% | 45.1% | 46.9% | 49.1% |
| Subscribed capital | | 11.2% | 9.2% | 8.6% | 7.9% | 7.3% | 6.7% |
| Reserves | | 32.1% | 31.3% | 34.5% | 36.9% | 39.4% | 42.2% |
| Treasury shares | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | | 43.3% | 40.5% | 43.0% | 44.8% | 46.7% | 48.9% |
| Minority interests | | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% |
| Non-current liabilities | | 32.1% | 30.6% | 14.3% | 13.1% | 12.1% | 11.2% |
| Financial liabilities | | 31.3% | 26.7% | 10.8% | 9.9% | 9.2% | 8.4% |
| Provisions | | 0.1% | 0.7% | 0.4% | 0.4% | 0.4% | 0.3% |
| Other liabilities | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Deferred tax liabilities | | 0.6% | 3.3% | 3.1% | 2.8% | 2.6% | 2.4% |
| Current liabilities | | 24.3% | 28.6% | 42.4% | 41.7% | 40.9% | 39.7% |
| Provisions | | 0.2% | 0.3% | 0.4% | 0.4% | 0.3% | 0.3% |
| Financial liabilities | | 3.1% | 4.0% | 15.1% | 13.9% | 12.9% | 11.8% |
| Trade payables | | 10.5% | 14.3% | 16.9% | 18.2% | 19.2% | 19.8% |
| Current income tax liabilities | | 0.4% | 0.2% | 1.3% | 1.2% | 1.1% | 1.0% |
| Other liabilities | | 10.2% | 9.8% | 8.8% | 8.1% | 7.5% | 6.9% |
| Total liabilities | | 56.3% | 59.2% | 56.7% | 54.9% | 53.1% | 50.9% |
| Total Liabilities and Equity | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: CBS Research AG, Hypoport AG

Key figures and ratios

| | 2009 | 2010 | 2011 | 2012E | 2013E | 2014E |
|---|---------|----------|---------|---------|---------|---------|
| Growth analysis | | | | | | |
| Revenue growth in % | -4.2% | 32.6% | 26.1% | 17.3% | 13.9% | 12.2% |
| EBITDA growth in % | -39.2% | 127.4% | -0.5% | 12.0% | 20.7% | 21.1% |
| EBIT growth in % | -75.4% | 426.7% | -8.0% | 23.7% | 17.6% | 20.3% |
| EPS growth in % | 22.9% | -1038.5% | 14.0% | 7.7% | 10.9% | 23.1% |
| Profitability ratios | | | | | | |
| Gross profit margin in % | 63.4% | 60.2% | 52.7% | 54.0% | 53.4% | 52.8% |
| EBITDA margin in % | 9.7% | 16.7% | 13.1% | 12.6% | 13.3% | 14.4% |
| EBIT margin in % | 2.4% | 9.6% | 7.0% | 7.4% | 7.6% | 8.2% |
| Net profit margin in % | -0.7% | 4.9% | 4.4% | 4.1% | 4.0% | 4.4% |
| Return on equity (ROE) in % | -1.5% | 13.0% | 12.9% | 12.4% | 11.9% | 13.0% |
| Return on assets (ROA) in % | -0.6% | 5.5% | 5.7% | 5.6% | 5.5% | 6.2% |
| Return on net assets (RONA) in % | -0.8% | 6.8% | 9.0% | 8.9% | 8.9% | 9.9% |
| Basic Earnings Power Ratio in % | 2.2% | 9.6% | 8.2% | 9.3% | 10.2% | 11.2% |
| Efficiency ratios | | | | | | |
| Operating costs / revenues in % | 64.9% | 54.2% | 46.5% | 48.5% | 47.1% | 45.5% |
| Revenues per employee in EUR | 113,680 | 147,059 | 185,464 | 217,524 | 247,852 | 278,058 |
| EBITDA per employee in EUR | 11,041 | 24,499 | 24,385 | 27,322 | 32,988 | 39,948 |
| Personnel expenses per employee in EUR | 48,917 | 54,073 | 58,659 | 73,121 | 80,434 | 85,255 |
| Liquidity ratios | | | | | | |
| Current Ratio | 2.0 | 1.6 | 1.2 | 1.3 | 1.4 | 1.6 |
| Acid Ratio | 2.0 | 1.6 | 1.2 | 1.3 | 1.4 | 1.6 |
| Cash Ratio | 0.5 | 0.6 | 0.2 | 0.2 | 0.3 | 0.4 |
| Operating Cash Flow Ratio | 0.3 | 0.5 | 0.2 | 0.3 | 0.4 | 0.6 |
| Activity ratios | | | | | | |
| Asset turnover | 0.9 | 1.0 | 1.2 | 1.3 | 1.3 | 1.4 |
| Assets / Revenues | 1.1 | 1.0 | 0.9 | 0.8 | 0.8 | 0.7 |
| Solvency ratios | | | | | | |
| Debt Ratio in % | 56.3% | 59.2% | 56.7% | 54.9% | 53.1% | 50.9% |
| Net debt to equity ratio (Gearing) in % | 48.9% | 34.3% | 35.6% | 32.6% | 21.7% | 8.4% |
| Long-term debt to equity Ratio in % | 31.3% | 26.7% | 10.8% | 9.9% | 9.2% | 8.4% |
| Total debt to EBITDA Ratio | 384.6% | 184.7% | 168.2% | 150.1% | 124.3% | 102.7% |
| Net debt to EBITDA Ratio | 2.4 | 0.8 | 1.0 | 0.9 | 0.6 | 0.2 |
| Cash flow analysis | | | | | | |
| Free cash flow / revenues in % | 5.5% | 6.1% | -0.6% | 0.7% | 3.9% | 5.2% |
| FCF / net income in % | -809.2% | 124.1% | -13.4% | 18.2% | 98.8% | 118.5% |
| FCF yield in % | 190.6% | 275.6% | -34.1% | 50.0% | 301.2% | 444.4% |
| CAPEX / revenues in % | 9.9% | 11.3% | 6.2% | 6.9% | 4.9% | 4.8% |
| CAPEX / depn in % | 136.2% | 160.6% | 101.7% | 133.9% | 85.6% | 77.0% |
| Per share data | | | | | | |
| EPS Basic | -0.06 | 0.53 | 0.61 | 0.65 | 0.72 | 0.89 |
| Operating cash flow per share | 1.06 | 1.63 | 0.75 | 1.05 | 1.35 | 1.75 |
| Book value per share | 3.91 | 4.46 | 5.05 | 5.70 | 6.42 | 7.31 |
| Dividends per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend payout ratio | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Valuation Ratios | | | | | | |
| P/E-Ratio | n/a | 17.2 | 15.2 | 14.0 | 12.6 | 10.2 |
| EV/EBIT | 54.4 | 10.3 | 11.2 | 9.1 | 7.7 | 6.4 |
| EV/EBITDA | 13.5 | 6.0 | 6.0 | 5.3 | 4.4 | 3.7 |
| EV/Sales | 1.3 | 1.0 | 0.8 | 0.7 | 0.6 | 0.5 |
| P/B | 1.2 | 1.0 | 0.9 | 0.8 | 0.8 | 0.7 |
| Dividend Yield in % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Source: CBS Research AG, Hypoport AG

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HOLD: The expected performance of the share price is between 0% and +10%.

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| Date | Recommendation | Price at change date | Price target |
|------------------|----------------|----------------------|--------------|
| 10 August 2011 | BUY | EUR 8.45 | EUR 16.00 |
| 07 November 2011 | BUY | EUR 8.20 | EUR 17.00 |
| 05 March 2012 | BUY | EUR 8.00 | EUR 17.00 |
| 20 March 2012 | BUY | EUR 8.00 | EUR 17.00 |

| | | | |
|----------------|-----|-----------|-----------|
| 07 May 2012 | BUY | EUR 10.88 | EUR 17.00 |
| 06 August 2012 | BUY | EUR 9.10 | EUR 15.00 |

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