

Preliminary Q2 results below expectations

Hypoport has published preliminary Q2 results which were weaker than expected both on revenues and EBIT level. Revenues were up by 13% yoy to EUR 88.8m (Q1 2020: +28% yoy) which was below our forecast of EUR 96.0m. EBIT declined by 16% yoy to EUR 6.6m (Q1 2020: EUR 10.5m, +31% yoy) which was also lower than forecasted (EUR 7.8m). EBIT margin was with 7.4% below our forecast of 8.1%. This is clearly not good news but nothing to worry about in our view as it should be presumably mainly explainable by the lockdown during April. Positively, Hypoport has not taken down its full-year earnings guidance (sales of between EUR 400m and EUR 440m, EBIT of between EUR 35m and EUR 40m). Given H1 revenues of EUR 189m and EBIT of EUR 17m we see Hypoport's full-year targets as achievable assuming a further normalization of the market environment in Germany and thus a good performance by Hypoport in H2 2020. We forecast Hypoport to achieve a full-year EBIT of EUR 37.3m (consensus: EUR 37.1m). We stick to our Buy recommendation with a target price of EUR 400 as the growth story remains intact (2019-2022e EPS CAGR: 21%). The lock-down in April should be even positive for Hypoport in the mid-term as it will accelerate the digitalization process in the banking and insurance industry.

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