EDISON

JDC Group

Pension reform could support Q4

JDC Group (JDC) reported strong EBITDA growth in Q226despite the difficult market environment in Germany. Adjusted for the acquisition of FMK and non-recurring performance fees included in Q225, organic growth in the advisortech segment was 3.8%, while advisory revenues increased 9.7%. We expect Q3 to remain subdued, with the benefits from the new German pension scheme potentially becoming visible from Q4, which is normally the strongest quarter of the year. JDC reiterated FY26 guidance for revenue of €300–330m and EBITDA of €35–38m, although management now expects to achieve the lower end of the range. We leave our estimates unchanged, with our discounted cash flow (DCF)-based valuation marginally higher at €36.32 from €36.18.

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	EV/EBITDA (x)
12/24	220.9	15.1	0.43	0.00	49.6	22.6
12/25	250.0	20.6	0.54	0.00	39.9	16.6
12/26e	312.3	36.5	1.00	0.00	21.3	9.3
12/27e	356.4	43.2	1.36	0.00	15.8	7.9

Note: EPS and EBITDA are reported.

Strong EBITDA growth despite softer new business

JDC's Q226 revenue increased 16.9% y-o-y to €68.6m. Growth was driven by the advisortech platform business (+19.8% to €58.3m) largely reflecting the consolidation of FMK since September 2025. Excluding FMK, organic growth was 3.8%. Advisory revenue increased 9.7% to €14.4m. Recurring business continued to support results, while new business remained affected by weak German consumer confidence. Reported Q2 EBITDA increased 82.5% y-o-y to €6.4m and net profit rose 59% to €1.9m. JDC maintained FY26 guidance for revenue of €300–330m and EBITDA of €35–38m but indicated that challenging economic conditions are likely to result in performance towards the lower end of the ranges. We leave our estimates unchanged, as they were already positioned at the lower end.

New German pension scheme could have big impact

The German government will launch a new pension scheme, the Altersvorsorgedepot (AVD), on 1 January 2027, replacing the current Riester pension scheme. The overall revenue impact for JDC is expected to be positive by management. We expect the transition to create some short-term volatility in new business, with Q3 likely to remain subdued before a stronger Q4. Over the longer term, we believe JDC could benefit from broader access to potential pension clients through its Morgen & Morgen and FMK offerings.

Attractive valuation

Overall we believe that JDC is well positioned to benefit from the pension reforms, while AI is also supporting both internal efficiency and external lead generation. Our DCF-based fair value increases marginally to €36.32 from €36.18, reflecting lower net debt. JDC trades at a 41.6% premium to broker peers but at a c 15% discount to platform peers.

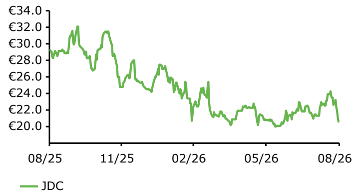
Results update

Diversified financials

24 August 2026

Price	**€21.40**
Market cap	**€289m**
Net cash/(debt) at 30 June 2026	€(52.1)m
Shares in issue	13.5m
Free float	44.5%
Code	JDC
Primary exchange	FRA
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	0.5	1.4	(29.1)
52-week high/low		€32.7	€20.3

Business description

JDC Group is a leading German insurance platform, providing advice and financial services for professional intermediaries and banks but also directly for end-customers. JDC's digital platform, for end-clients and for the administration and processing of insurance products, is also provided as a white-label product.

Next events

Q3 results	18 November 2026

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Edison profile page

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Q2 results satisfactory

JDC's Q226 revenues came in at €68.6m, compared to €58.7m in Q225, an increase of 16.9% y-o-y. Growth was driven by the platform advisortech business, which grew 19.8% to €58.3m. On a like-for-like basis, adjusted for FMK revenues (€12m) and interim recognised performance fees in the investment area (€4m) that were recorded in Q225 revenues, organic growth amounted to a satisfactory 3.8% given the low German consumer confidence and the forthcoming pension scheme. This macro environment is causing consumers to hold back on purchasing retirement provision products.

As such, recurring business drove the results. In terms of large clients, Provinzial is doing well, while progress at VKB is still limited. Major customers recorded revenue growth of 8.1% in Q2 to €16.2m. On the earnings call, CFO Ralph Konrad commented that FMK, acquired in September last year, is performing in line with the plan and contributed €12m in revenues and €3.5m in EBITDA in Q2.

EBITDA in advisortech amounted to €5.9m (€3.0m in Q225). In advisory, growth in revenue (up 9.7% to €14.4m) and EBITDA (up 11.9% to €1.5m) was satisfactory. Overall, EBITDA increased 82.5% y-o-y to €6.4m. Net profit surged 59% to €1.9m and net income attributable to JDC shareholders, after deduction of FMK minority interests, was €0.9m, somewhat lower than last year (€1.1m).

For the half year, revenues increased 18.7% to €143.5m and EBITDA increased 69.8% to €14.5m. Net profit increased 31.7% to €5.2m, and income attributable to shareholders decreased 19.7% to €3.1m.

Exhibit 1: P&L H126

(€m)	FY24	H125	H225	FY25	H126	H226	FY26	y-o-y change
Total revenue	**220.9**	**120.9**	**129.1**	**250.0**	**143.5**	**168.8**	**312.3**	18.7%
– Advisortech	185.0	102.5	108.4	210.8	124.2	145.0	269.2	21.2%
– Advisory	50.8	26.7	29.7	56.4	28.8	33.2	62.0	8.0%
– Holding	(14.9)	(8.3)	(9.0)	(17.3)	(9.6)	(9.4)	(19.0)	15.4%
Initial commission	147.1	81.0	72.1	153.0	79.1	76.9	156.0	-2.3%
Insurance products	120.1	66.2	60.2	126.4	66.4	61.0	127.4	0.2%
Investment funds	21.2	11.6	8.9	20.6	11.2	10.4	21.6	-4.0%
Shares/Closed-end funds	5.9	3.1	3.0	6.0	1.6	5.4	7.0	-48.2%
Follow-up commission	50.2	26.4	30.7	57.1	27.9	30.2	58.1	5.5%
Overrides	5.8	3.7	3.1	6.8	4.1	3.8	7.8	9.0%
Services	0.0	1.4	0.0	1.4	1.5	(0.1)	1.4	9.1%
Fee-based advisory	3.3	2.3	1.4	3.7	2.3	2.4	4.7	0.1%
Other income	12.3	6.2	23.2	29.4	28.7	0.7	29.4	363.0%
Capitalised services	1.6	0.9	0.9	1.8	0.9	1.9	2.8	1.0%
Other operating income	3.0	1.1	0.8	1.9	0.4	2.5	2.9	-65.2%
Commission expenses	(161.2)	(89.9)	(93.3)	(183.1)	(103.7)	(78.4)	(182.1)	15.4%
Commission expense as % of revenues	73.0%	74.3%	72.2%	73.3%	72.3%	46.4%	58.3%	-2.7%
Personnel expenses	(34.0)	(17.3)	(17.6)	(34.9)	(18.5)	(15.3)	(33.9)	7.1%
Other operating expenses	(15.2)	(7.1)	(9.3)	(16.4)	(8.0)	(7.4)	(15.4)	12.1%
EBITDA	**15.1**	**8.5**	**12.1**	**20.6**	**14.5**	**22.1**	**36.5**	69.8%
D&A	(6.4)	(3.2)	(3.6)	(6.8)	(3.4)	(2.4)	(5.8)	7.4%
EBIT	**8.7**	**5.3**	**8.5**	**13.8**	**11.1**	**19.7**	**30.8**	106.9%
Pre-tax profit	**7.5**	**4.6**	**7.7**	**10.4**	**7.6**	**19.0**	**27.4**	65.6%
Net income	5.9	4.0	4.5	8.4	5.2	20.2	25.4	31.7%
Minorities		0.1	(1.4)	(1.3)	2.1	(2.4)	(0.3)	3820.8%
Net income for shareholders	5.9	3.9	3.2	7.1	3.1	21.9	25.0	-19.7%
EPS (€)	**0.43**	**0.29**	**0.24**	**0.52**	**0.23**	**1.50**	**1.89**	**-18.7%**

Source: JDC Group

JDC maintained its FY26 guidance of revenues of €300–330m and EBITDA of €35–38m, but it stated that due to the currently challenging economic conditions, it expects to achieve guidance at the lower end of the range. JDC expects a meaningful seven-digit contribution from performance fees in Q4. As capital markets stand today, these performance fees would amount to €5.0m.

Overall, we leave our FY26 and FY27 estimates intact. Although Q3 might be a difficult quarter, there are several levers that could make Q4 particularly strong: JDC still could earn performance fees of €4m (or more at current markets), the new AVD regulation will give renewed attention to pension plans for Germans who do not have provisions, and we would expect a catch-up effect from clients who have not purchased retirement provisions this year.

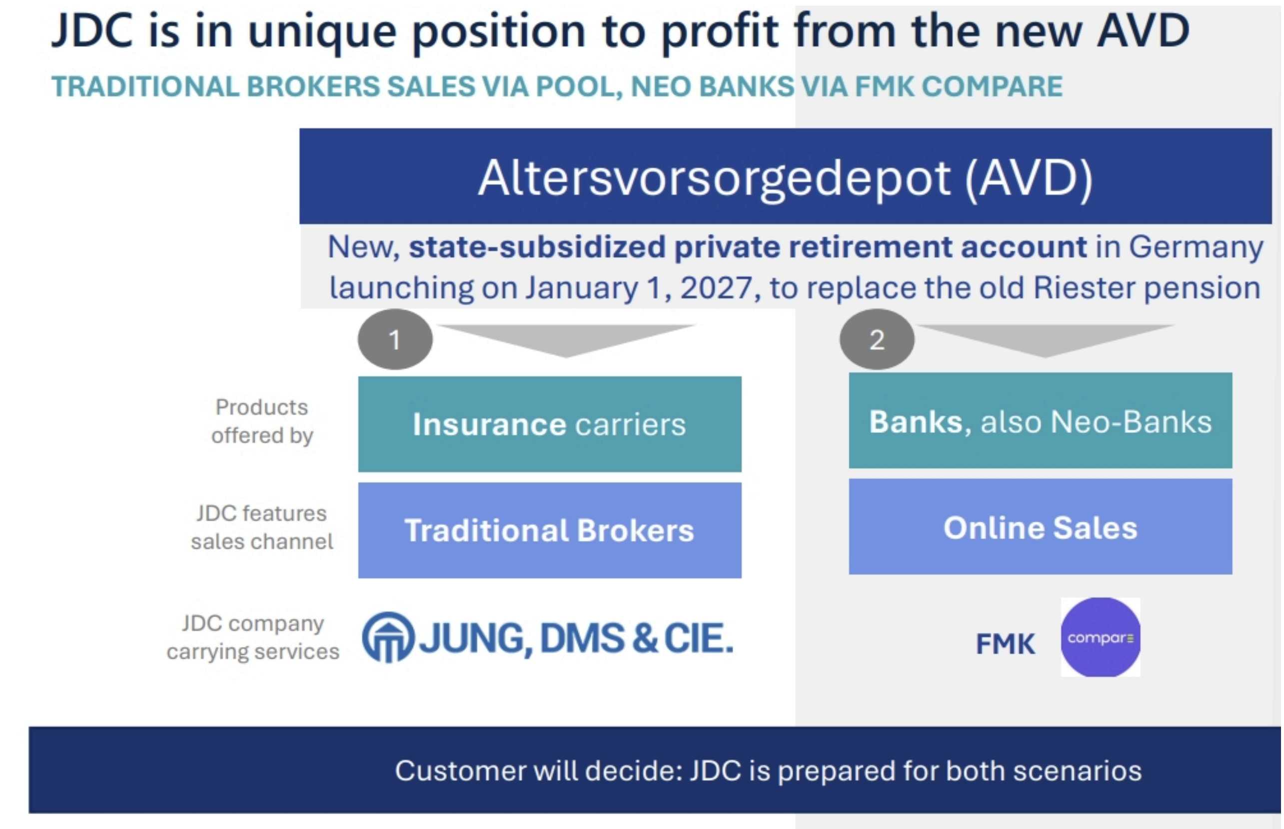
New German pension regulation expands the opportunity

The German government will launch the new AVD private pension scheme on 1 January 2027, replacing the current Riester pension scheme. Where the Riester scheme had a strict 100% capital guarantee, which forced providers into low-yield investments, AVD holders can choose a level of capital protection (from 0–100%) that offers the opportunity of higher-return investments such as equity. In addition, state subsidies and payout terms have been amended. Existing Riester account holders can transfer their accumulated capital into the AVD without consent from their current provider.

In the new AVD scheme, banks and online sales from (neo) banks and direct online sales channels will play a role in the distribution of standard capital market products (see Exhibit 2) alongside private pension offerings through insurance carriers and traditional brokers. For the larger part of the market, it is expected that insurance brokers will continue to have an advisory role with more guaranteed products. However, the change in regime will be a substantial transition, and the effects on JDC and the landscape for banks, insurance brokers and insurers are still uncertain.

Under the new regulation, JDC's Morgen & Morgen (comparison tools) and FMK (lead generation) offerings could attract new customers to the new sales channels, in addition to the products it already offers through its broker network and insurance carriers (see Exhibit 2). We believe that competitors like Blau Direct and Netfonds lack access to channels like this to gain consumer interest.

Exhibit 2: Consequences of the AVD regulation for JDC



Source: JDC Group H1 results presentation

While German consumers have been reluctant to add money into their pension schemes this year, we expect the new regulation to draw attention to the importance of personal pension arrangements in place and, hence, a higher inflow of pension capital in Q4 in anticipation of the new scheme. In addition, in some instances, it could make sense to start a Riester pension scheme before the end of the year. Therefore, we expect this year's Q4 to be an especially good quarter.

We also expect that the new scheme will spark a redistribution of the existing pension plan assets, as customers evaluate their current pension plans and probably add more risk and a smaller guarantee. With Morgen & Morgen and FMK's comparison tools, we expect JDC to be well positioned to attract new customers.

In the earnings call, CEO Sebastian Grabmaier said that JDC expects c 75–80% of broker-advised business will be flowing into similar products to the ones they are today. The standard low-cost or pure capital markets products will have a smaller scale and more of a one-off commission income profile for providers. JDC believes that commission rates under the AVD reform could decline c 15–20%. With a larger addressable market, as more people get access to retirement accounts, revenues from the new regime are anticipated to more than offset the expected reduction in relative commission fees.

Internal and external AI progress

As we explained in our thematic note about the effect of AI on insurance platforms, we expect one of the most effective AI applications for insurance will be platforms using AI to become more efficient in operations and in customer acquisition through AI ads and intelligence. JDC is making progress in realising those platform benefits.

On the customer acquisition side, FMK is JDC's main application of AI in customer acquisition. According to Peec AI search analytics and JDC's own research, when an LLM answers a financial prompt in Germany it is usually reading FMK's content. In almost 69% of the cases, FMK is mentioned in the answer to the financial prompt. Because FMK features prominently in LLM-generated responses to German financial queries, it is seen as an expert and not as an advertiser. This supports that FMK is generating high-quality leads for JDC, and we are starting to see this in revenues. The JDC/FMK project is now generating six-figure commission income.

In operations, the benefits of AI automation are also becoming visible. In the earnings call, JDC COO Ramona Evens shared the example that in 2023 JDC processed fewer than 400,000 insurance contract transfers; this year, the number is expected be c 720,000 transfers. Because of automation and with AI tools integrated throughout the system, this can now be done with 15% less full-time equivalent employees compared to 2023. In addition, 94% of all documents are now processed by machines instead of manually, compared with 88% in 2023.

Exhibit 3: FMK dominates LLM answers in the German finance market

Source: JDC Group

Valuation

We have not made changes to our estimates for JDC, as we were already on the lower side of the guidance. Nevertheless, we do expect more risk in reaching the guidance. Q326 will probably be slow, continuing the trend from Q1 and Q2, and as such Q4 has to be exceptionally strong if the guidance is to be reached, with revenues of c €100m (Q425: €74m). Given that Q4 is always by far the strongest quarter of the year, this could be possible.

The new AVD scheme launching on 1 January 2027 brings uncertainty around the timing, size and impact of the changes on JDC's results, although JDC appears well positioned structurally.

If capital markets stay where they are, JDC could recognise an extra €4–5m of performance fees in Q4 compared to last year, which would also benefit its Q4 revenues. We expect that FMK and Morgen & Morgen will continue to do very well in this environment.

Our DCF-based fair value now stands at €36.32 (from €36.18), as a result of lower net debt. JDC is trading at a large premium compared to broker peers (+41.6%) but at a discount of 14.8% to platform peers, although that was not the case after the FY25 results, when it was still trading at a premium on EV/EBITDA. In our estimates in Exhibit 4, we have adjusted JDC's EBITDA for the minority interest of FMK and have taken the FY26 expected net debt, leading to different numbers than in the front-page table, which reflects the reported numbers.

Exhibit 4: Peer valuation

	Market cap (local currency, m)	FY26e EV/sales (x)	FY27e EV/sales (x)	FY26e EV/EBITDA (x)	FY27e EV/EBITDA (x)
Money Group Plc	1,070	2.3	2.2	7.0	6.7
Netfonds	198	0.6	0.6	11.2	9.1
Average financial brokers		**1.4**	**1.4**	**9.1**	**7.9**
Goosehead	1,578	4.4	3.8	14.7	12.5
Hypoport	571	1.0	0.8	8.0	6.4
Average platforms		**2.7**	**2.3**	**11.3**	**9.4**
JDC Group	319	1.1	0.9	10.4	8.0
Premium/(discount) financial brokers		-23.6%	-26.9%	13.6%	41.6%
Premium/(discount) to platform		-59.5%	-60.8%	-8.6%	-14.8%

Source: Edison Investment Research, LSEG Data & Analytics. Note: JDC's EBITDA is adjusted for the minority interest in FMK; JDC EV figures use FY26 expected net debt.

Exhibit 5: Financial summary

Year end 31 December, €m	2019	2020	2021	2022	2023	2024	2025	2026e	2027e
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue	111.5	122.8	146.8	156.1	171.7	220.9	250.0	312.3	356.4
Cost of Sales	(79.8)	(89.1)	(105.1)	(108.3)	(118.8)	(156.6)	(178.1)	(233.6)	(266.8)
Gross Profit	31.7	33.7	41.7	47.8	52.9	64.3	71.9	78.7	89.5
EBITDA	4.2	5.1	8.4	9.0	11.7	15.1	20.6	36.5	43.2
Operating profit (before amort. and excepts.)	(0.1)	0.5	3.0	2.9	5.8	8.7	13.8	28.4	34.9
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit	(0.1)	0.5	3.0	2.9	5.8	8.7	13.8	28.4	34.9
Net Interest	(1.6)	(1.5)	(1.6)	(1.5)	(2.0)	(1.4)	(3.5)	(6.0)	(6.0)
Joint ventures & associates (post tax)	0.0	0.0	0.0	(0.3)	(0.0)	0.1	0.1	1.0	1.5
Profit Before Tax (norm)	(1.8)	(1.0)	1.4	1.1	3.8	7.4	10.4	23.5	30.4
Profit Before Tax (reported)	(1.8)	(1.0)	1.4	1.1	3.8	7.4	10.4	23.5	30.4
Reported tax	(0.1)	(0.1)	(0.5)	(0.2)	0.1	(1.4)	(2.0)	(5.9)	(7.6)
Profit After Tax (norm)	(1.8)	(1.2)	0.9	0.9	3.8	6.0	8.4	17.6	22.8
Profit After Tax (reported)	(1.9)	(1.2)	0.9	0.9	3.8	6.0	8.4	17.6	22.8
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	(4.0)	(4.4)
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	(1.8)	(1.2)	0.9	0.9	3.8	5.9	7.3	13.6	18.4
Net income (reported)	(1.8)	(1.2)	0.9	0.9	3.8	5.9	7.3	13.6	18.4
Basic average number of shares outstanding (m)	13.0	12.6	13.7	13.7	13.7	13.5	13.5	13.5	13.5
Average Number of Shares Outstanding (m)	12.8	12.8	13.1	13.7	13.7	13.6	13.5	13.5	13.5
Reported EPS (€)	(0.14)	(0.09)	0.07	0.07	0.28	0.43	0.54	1.00	1.36
EPS – normalised (€)	(0.1)	(0.09)	0.07	0.07	0.28	0.43	0.54	1.00	1.36
DPS (€)	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin (%)	28.4	27.5	28.4	30.6	30.8	29.1	28.8	25.2	25.1
EBITDA Margin (%)	3.7	4.2	5.7	5.7	6.8	6.8	8.2	11.7	12.1
Normalised Operating Margin (%)	(0.1)	0.4	2.0	1.9	3.4	4.0	5.5	9.1	9.8
BALANCE SHEET									
Fixed Assets	59.4	59.5	78.0	74.5	87.4	94.7	165.7	164.0	162.9
Intangible Assets	49.9	47.9	66.4	64.1	69.2	69.7	139.7	138.4	137.6
Tangible Assets	2.7	5.1	5.6	4.9	8.7	9.2	8.7	8.3	8.0
Investments & other	6.8	6.4	6.0	5.6	9.5	15.8	17.3	17.3	17.3
Current Assets	42.9	32.3	43.7	38.5	54.5	57.0	63.7	91.5	120.5
Stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors	19.0	18.4	19.2	17.6	24.5	28.2	38.2	47.7	54.4
Cash & cash equivalents	21.1	11.7	21.9	16.7	26.4	24.7	21.0	38.2	59.7
Other	2.8	2.3	2.6	4.2	3.7	4.2	4.5	5.6	6.4
Current Liabilities	45.8	25.8	36.9	32.7	39.2	43.9	41.0	50.5	57.1
Creditors	28.5	19.9	23.8	18.1	29.0	28.5	37.9	47.3	54.0
Tax and social security	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term borrowings	12.6	1.1	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	4.6	4.9	12.1	14.6	10.2	15.4	3.2	3.2	3.2
Long-Term Liabilities	26.0	38.7	46.0	43.3	49.9	50.5	123.4	123.4	123.4
Long-term borrowings	19.2	19.4	19.5	19.7	19.4	19.9	86.8	86.8	86.8
Other long-term liabilities	6.9	19.3	26.5	23.6	30.5	30.7	36.6	36.6	36.6
Net Assets	30.5	27.3	38.8	37.0	52.8	57.3	64.9	81.5	102.8
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	(3.5)	(4.0)	(4.4)
Shareholders' equity	30.5	27.3	38.8	37.0	52.8	57.3	61.5	77.5	98.4
CASH FLOW									
Operating Cash Flow	(1.7)	3.3	5.6	7.2	8.4	19.8	18.6	30.7	35.6
Working capital	5.5	5.5	9.3	0.4	9.6	(4.7)	(1.0)	(1.2)	(0.8)
Net operating cash flow	0.0	8.9	14.9	7.6	18.0	15.1	17.6	29.5	34.8
Capex	0.0	(2.0)	(2.1)	(3.2)	(13.3)	(11.9)	(5.1)	(6.4)	(7.3)
Acquisitions/disposals	0.0	0.0	(11.0)	0.0	0.0	0.0	(66.0)	0.0	0.0
Net interest	0.0	0.0	0.0	(6.4)	6.1	(4.8)	(3.5)	(6.0)	(6.0)
Equity financing	0.0	0.0	10.6	(3.2)	(1.2)	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	10.1	(16.3)	(2.2)	0.0	0.0	0.0	53.4	0.0	0.0
Net Cash Flow	9.3	(9.4)	10.2	(5.2)	9.7	(1.7)	(3.6)	17.1	21.5
Opening net debt/(cash)	7.3	(2.0)	(11.6)	(1.4)	3.0	(7.0)	(5.3)	62.5	45.4
FX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash movements	0.0	(0.2)	0.0	(1.6)	(0.3)	0.0	0.0	0.0	0.0
Closing net debt/(cash)	(2.0)	(11.6)	(1.4)	3.0	(7.0)	(5.3)	62.5	45.4	23.9

Source: JDC Group, Edison Investment Research

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