JDC Group

Lower FY26 estimates after Q3 results

Q326 results and updated estimates

Diversified financials

20 November 2026

JDC Group (JDC) reported Q3 results that were affected by weak consumer confidence and the new German pension scheme that will start next year. Nevertheless, revenues increased 17.2% (organic 5.4%) and EBITDA more than doubled compared to Q325, driven by the acquisition of FMK. With a weaker than expected Q4 as a result of the new AVD pension scheme, JDC lowered its FY26 guidance. We have reduced our estimates accordingly and adjusted our estimates for FY27. A potential share buyback could help support the share price that fell heavily after the Q3 report. At our new estimates our DCF model-based fair value arrives at €35.27 (was €36.32).

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	EV/EBITDA (x)
12/24	220.9	15.1	0.43	0.00	43.4	20.2
12/25	250.0	20.6	0.54	0.00	34.8	14.8
12/26e	287.6	29.2	0.60	0.00	31.0	10.4
12/27e	343.9	38.4	1.11	0.00	16.8	7.9

Note: EPS and EBITDA are reported.

Guidance lowered

JDC's Q3 organic revenue growth is gaining traction again at 5.4%, despite weak German consumer confidence and performance fees that were included in Q325 and will be recorded in Q426. Total revenue increased 17.2% y-o-y to €64.5m, driven by the 2025 acquisition of FMK. The Advisortech platform business grew 20.4%, and the Advisory division recorded decent 16.2% growth. EBITDA more than doubled to €5.6m (Q325: €2.5m) and net profit was €0.9m, compared with a net loss of €0.9m in Q325. Nevertheless, JDC lowered its FY26 guidance to revenue of €280–300m (previously the lower end of €300–330m) and EBITDA of €28–32m (previously the lower end of €35–38m). Although this implies a strong Q4 with record revenue of c €80m and EBITDA of almost €10m, performance will not be as strong as anticipated due to the new AVD pension scheme.

German pension reforms affect estimates

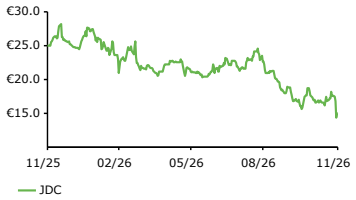
The new German AVD pension scheme that will take effect in FY27 is playing out differently than previously expected. Where a positive effect was expected as of Q4, it has become clear that ahead of this regulation, new life insurance business will shift from Q426 into the first quarters of 2027. It is also expected that advisers will defer customer appointments until the new year. This is the reason that FY27 is expected to become a very strong growth year. We have reduced our top-line estimates for FY26 and FY27 by 7.9% and 3.5%, respectively. EBITDA estimates are lowered 20.0% and 11.1%.

Valuation is undemanding

JDC's share price took a severe hit following the Q3 results and is now c €15 from well above €20 earlier in 2026. We assume that JDC is well positioned to benefit from 2027 German pension reforms. The weaker than expected Q4 will largely be offset by stronger quarters in FY27, while AI continues to support both internal efficiency and external lead generation. As such we find the current valuation very undemanding. Our DCF-based valuation at our new estimates lead to a fair value of €35.27 (was €32.36). A potential share buyback could also support the share price.

Price	**€18.70**
Market cap	**€254m**
Net cash/(debt)	€(51.5)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	4.5	(17.8)	(34.0)
52-week high/low		€31.8	€15.7

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.

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Edison profile page

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Lower estimates for FY26 and FY27

Organic growth for JDC Group amounted to 5.4%, which is an improvement compared to Q2 and what we wanted to see. FMK, which was acquired in September last year, had revenues of €9.2m in Q326, compared with €2.7m in Q325, when it was only consolidated for one month, and it is performing as expected. EBITDA more than doubled to €5.6m, of which FMK contributed €2.5m, but, excluding FMK, EBITDA, also more than doubled. As such the Q3 developments were quite strong.

However, now that we are well into Q4, it has become clear that the life/pension business of the group will not show the increase that was expected, but a decrease as German consumers await the final steps around the new Altersvorsorgedepot (AVD) pension scheme. This scheme, with c 45 million eligible German people, will probably have a great impact on the market in the coming years. In the conference call after the results, CEO Sebastian Grabmaier stated to expect that FY27 will show a catchup of the missed FY26 business plus regular annual business. The wave of new business related to this scheme is expected to peak in 2027 and 2028 and flatten in 2029 and 2030. We expect that FMK and Morgen & Morgen will continue to do very well in this environment as consumers will compare life/pension products online.

As expected and given current financial markets, JDC will be able to recognise an extra €4–5m of performance fees in Q4 compared to last year. All in all, despite the lower than expected number, we believe that Q4 will be a record revenue quarter at c €80m and EBITDA nearing €10m.

We have updated our estimates for FY26 but also for FY27. For FY27, we anticipate that revenue growth will be higher than previously expected, as life-insurance income will shift from Q426 to FY27, but because this higher growth is from a lower base, we still see 3.5% lower revenues in FY27 than before. Our EBITDA estimates are 20.0% lower in FY26 and 11.1% lower for FY27. We do believe that our estimates now carry more uncertainty than before as a result of the dependence of the introduction on the new scheme, which could also mark a shift towards other suppliers/competition.

Parties like JDC that have direct relations with consumers seem to be best positioned in the coming transition. From these parties, JDC is also the frontrunner on digital/AI financial products with FMK and Morgen & Morgen. However, a later introduction of final AVD products (market not ready) could also lead to further postponements over FY27 and not in Q127.

Exhibit 1: JDC changed estimates

	FY25	FY26e old	FY26e new	Change	FY27e old	FY27e new	Change
Total revenue (€m)	250.0	312.3	287.6	-7.9%	356.4	343.9	-3.5%
EBITDA (€m)	20.6	36.5	29.2	-20.0%	43.2	38.4	-11.1%
EPS (€)	0.54	1.00	0.61	-39.4%	1.36	1.11	-18.2%

Source: Edison Investment Research

Valuation is undemanding

At our reduced estimates, partly offset by a lower net debt, our discounted cash flow (DCF)-based valuation arrives at €35.27 (previously €36.32). JDC is now trading at a discount compared to broker peers of 12.8% and also a discount of 15.9% to platform peers. Please note that Netfonds is being acquired by PE Warburg Pincus at a significant premium (64.4% vs share price pre offer), which has led to relatively high multiples for this company. In our estimates in Exhibit 2, 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.

Although peer multiples have come down as well, we believe JDC's valuation looks very undemanding at the current share price levels given the AVD optionality, potential share buybacks and the probably very strong position that the acquisitions of Morgen & Morgen and FMK in combination with AI use have given JDC in the transition to the AVD in Germany.

Exhibit 2: Peer valuation

	Market cap (local currency, m)	FY26e EV/sales (x)	FY27e EV/sales (x)	FY26e EV/EBITDA (x)	FY27e EV/EBITDA (x)
Mony Group Plc	1,070	2.3	2.2	7.2	6.8
Netfonds	183	0.6	0.6	9.8	8.6
Average financial brokers		**1.5**	**1.4**	**8.5**	**7.7**
Goosehead	1,111	3.3	2.8	11.2	9.4
Hypoport	546	0.9	0.8	7.8	6.5
Average platforms		**2.1**	**1.8**	**9.5**	**8.0**
JDC Group	192	0.9	0.7	9.9	6.7
Premium/(discount) financial brokers		-41.6%	-51.2%	16.3%	-12.8%
Premium/(discount) to platform		-59.6%	-63.3%	4.7%	-15.9%

Source: 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 3: 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	287.6	343.9
Cost of Sales	(79.8)	(89.1)	(105.1)	(108.3)	(118.8)	(156.6)	(178.1)	(216.2)	(259.1)
Gross Profit	31.7	33.7	41.7	47.8	52.9	64.3	71.9	71.3	84.8
EBITDA	4.2	5.1	8.4	9.0	11.7	15.1	20.6	29.2	38.4
Operating profit (before amort. and excepts.)	(0.1)	0.5	3.0	2.9	5.8	8.7	13.8	21.1	30.1
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	21.1	30.1
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	16.2	25.6
Profit Before Tax (reported)	(1.8)	(1.0)	1.4	1.1	3.8	7.4	10.4	16.2	25.6
Reported tax	(0.1)	(0.1)	(0.5)	(0.2)	0.1	(1.4)	(2.0)	(4.0)	(6.4)
Profit After Tax (norm)	(1.8)	(1.2)	0.9	0.9	3.8	6.0	8.4	12.1	19.2
Profit After Tax (reported)	(1.9)	(1.2)	0.9	0.9	3.8	6.0	8.4	12.1	19.2
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	8.1	14.8
Net income (reported)	(1.8)	(1.2)	0.9	0.9	3.8	5.9	7.3	8.1	14.8
Basic average number of shares outstanding (m)	13.0	12.6	13.7	13.7	13.7	13.5	13.5	13.3	13.3
Average Number of Shares Outstanding (m)	12.8	12.8	13.1	13.7	13.7	13.6	13.5	13.4	13.3
Reported EPS (€)	(0.14)	(0.09)	0.07	0.07	0.28	0.43	0.54	0.61	1.11
EPS – normalised (€)	(0.1)	(0.09)	0.07	0.07	0.28	0.43	0.54	0.60	1.11
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	24.8	24.6
EBITDA Margin (%)	3.7	4.2	5.7	5.7	6.8	6.8	8.2	10.2	11.2
Normalised Operating Margin (%)	(0.1)	0.4	2.0	1.9	3.4	4.0	5.5	7.3	8.7
BALANCE SHEET									
Fixed Assets	59.4	59.5	78.0	74.5	87.4	94.7	165.7	163.5	162.1
Intangible Assets	49.9	47.9	66.4	64.1	69.2	69.7	139.7	138.0	137.0
Tangible Assets	2.7	5.1	5.6	4.9	8.7	9.2	8.7	8.1	7.8
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	82.7	110.3
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	43.9	52.5
Cash & cash equivalents	21.1	11.7	21.9	16.7	26.4	24.7	21.0	33.7	51.6
Other	2.8	2.3	2.6	4.2	3.7	4.2	4.5	5.1	6.2
Current Liabilities	45.8	25.8	36.9	32.7	39.2	43.9	41.0	46.7	55.3
Creditors	28.5	19.9	23.8	18.1	29.0	28.5	37.9	43.6	52.1
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	76.1	93.8
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	72.0	89.4
CASH FLOW									
Operating Cash Flow	(1.7)	3.3	5.6	7.2	8.4	19.8	18.6	25.2	32.0
Working capital	5.5	5.5	9.3	0.4	9.6	(4.7)	(1.0)	(0.7)	(1.1)
Net operating cash flow	0.0	8.9	14.9	7.6	18.0	15.1	17.6	24.5	30.9
Capex	0.0	(2.0)	(2.1)	(3.2)	(13.3)	(11.9)	(5.1)	(5.9)	(7.0)
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)	12.6	17.9
Opening net debt/(cash)	7.3	(2.0)	(11.6)	(1.4)	3.0	(7.0)	(5.3)	62.5	49.9
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	49.9	32.0

Source: JDC Group, Edison Investment Research

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