

JDC Group

Strong margin development in Q4

JDC Group reported an 18.1% y-o-y increase in revenues to €74.0m, and 61.9% higher EBITDA of €9.6m in Q425. Management narrowed FY26 guidance to revenues of €300–330m (unchanged) and EBITDA of €35–38m (previously >€35m). The recently acquired FMK Group (60%) contributed €4.5m to FY25 EBITDA and is expected to contribute ~€10m more this year. AI is expected to be transformative for insurance and JDC seems to be well positioned to benefit from this. We will fine-tune our estimates and valuation after the final results, which will be reported on 31 March.

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	EV/EBITDA (x)	P/E (x)
12/23	171.7	11.7	0.28	0.00	30.4	77.3
12/24	220.9	15.1	0.43	0.00	23.5	49.9
12/25	250.0	20.6	0.57	0.00	17.3	37.6
12/26e	328.1	36.5	1.03	0.00	9.7	21.0

Note: EPS and EBITDA are reported. FY25 figures are preliminary figures as reported by the company, apart from FY25 EPS, which is Edison's estimate.

High EBITDA margin in Q4

JDC's Q425 revenues came in at €74.0m, compared to €62.7m in Q424, an increase of 18.1% y-o-y and 34% q-o-q. Q425 was the first quarter in which the company generated more than €70m in revenues. FY25 revenues came in at €250.0m, below the €260–280m guided range. However, EBITDA margin was better than guided (10.0%), reaching 11.6%, which we believe was partly driven by strong recurring life business (and less new life business at lower margin).

AI is going to be a game changer

The shares of insurance brokers, as well as JDC, have been volatile in the last few months, driven by concerns about the impact of AI on the sector. JDC expects AI to have significant implications and also offer opportunities for the industry in the longer term. However, the company should benefit from this, given its advisory and product intelligence, extensive access to not publicly available data on insurance policies and histories, as well as customer acquisition, lead generation and marketing content and in operations/automation.

FMK acquisition progresses as planned

The acquisition of FMK was consolidated into JDC's results as of 1 September. The revenues for four months were €12.0m and FMK posted a very material contribution to EBITDA of €4.5m. Work on the platform where leads generated by FMK are collected and distributed through JDC's network is progressing and almost finished, as planned. The platform is expected to give JDC more control over its revenue streams and make the company less dependent on key clients. Revenues from these clients increased 15% in FY25.

Valuation: €35.63 per share

Our discounted cash flow analysis gives a value of €35.63 per share based on our current unchanged estimates. We will fine-tune our estimates and valuation following the publication of the final results on 31 March.

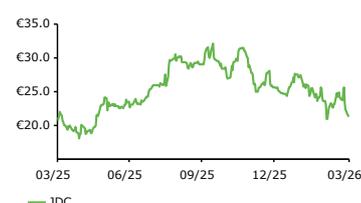
Preliminary Q425 results

Diversified financials

18 March 2026

Price	€21.60
Market cap	€303m
Net cash/(debt) at end Q3	€(52.7)m
Shares in issue	13.5m
Code	JDC
Primary exchange	FRA
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(5.1)	(12.5)	6.7
52-week high/low		€32.7	€18.1

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

FY25 results	31 March
Q126 results	11 May

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Q4 EBITDA as expected, revenues lower driven by cancellations

JDC's Q425 revenues came in at €74.0m, compared to €62.7m in Q424, an increase of 18.1% y-o-y and 34% q-o-q. This was driven by strong growth of the platform advisortech business (+20.2%), partly due to the consolidation of FMK (since September), offset by somewhat lower growth at the advisory business (+9.0%). However, revenues were ~€10m lower than guided. This was partly caused by higher cancellation rates in Q425 (new insurance contracts that are cancelled) and buying reluctance for life products. Nevertheless, this was the first quarter in which the company generated more than €70m in revenues.

The EBITDA margin of 11.6% was much better than guided (10.0%), which we believe was partly driven by the strong contribution of FMK, compared with 9.4% in Q424 and 6.4% in Q3. Also, contract cancellations do have a large impact on revenues but less on margins, as recurring business carries much higher margins.

For FY25 revenues amounted to €250.0m, 13% above FY24, largely driven by organic growth, but also by M&A (FMK). Advisortech performed less well than we had expected, with revenues of €210.9m, while advisory achieved stronger-than-expected growth of 11.1% to €56.4m. As such the guided 'lower end of the €260–280m' level was not met.

However, higher profitability meant that full year 2025 EBITDA of €20.6m was in line with guidance (guidance was the lower end of the €20.5–22.5m range). Included in EBITDA are M&A costs of €1.6m and, adjusted for this, EBITDA came in towards the higher end of the guidance.

Without FMK, EBITDA would have been €17.7m. At 17% y-o-y, organic growth was strong. Operating leverage led to an increase in net profit before minorities of 99%, outpacing EBIT (+50.0%) and EBITDA (+35.9%). FY25 EBITDA, EBIT and net income before minorities were in line with our expectations.

Exhibit 1: JDC preliminary results

€'000s	FY23	FY24	FY25a	FY25e
– Advisortech	150.9	197.0	210.9	228.9
– Advisory	33.2	38.8	56.4	48.5
– Holding	(12.4)	(14.9)	(17.3)	(16.4)
Total revenue	171.7	220.9	250.0	261.0
EBITDA	11.7	15.1	20.6	20.7
D&A	(5.9)	(6.4)		(6.8)
EBIT	5.8	8.7	13.8	14.0

Source: JDC Group. Note: Net income reported before minorities.

For FY26, management reiterated its earlier guidance for revenues of €300–330m and narrowed its EBITDA guidance to €35–38m (previously >€35m). This implies roughly 17.5% organic top-line growth at the midpoint of guidance, which is challenging but not unrealistic given the group's historical performance. The EBITDA guidance appears conservative at this revenue level. We would expect commission expenses as a percentage of sales to drop due to the contribution of FMK.

Strong FMK contribution

The 60% acquisition of FMK was fully consolidated as of 1 September. FMK's FY25 contribution was €4.5m to EBITDA and €12.0m to revenues, which is within the range of the indicated monthly €3m revenue and €1.1m EBITDA contribution set out after the acquisition. The contribution to EBITDA was higher than our expectations (€3.6m).

During the post results call, JDC indicated that it expects ~€30m in incremental revenues and €10m in incremental EBITDA from FMK this year. Our current estimates include a €35m revenue contribution from FMK, which we keep unchanged for now.

Sector consolidation continues

Other recent news was the public offer from private equity firm Warburg Pincus for JDC's listed competitor Netfonds, which is relatively more active in equity/investment funds. Warburg Pincus is offering €78.25 per share, a premium of 64.4% to the closing price at 6 March. This suggests an equity value for Netfonds of €183m. At c 15x FY25 EV/EBITDA the implied valuation looks rather rich. Netfonds had a good revenue base of €237m in FY24, but is not nearly as efficient as JDC, with an FY24 EBITDA margin of 3.4%. Warburg Pincus already owns Blau Direct, which like JDC has a good tech stack.

Together with HG Capital's GGW and JDC's cooperation with Bain/Great West Lifeco (Summitas), there are now three larger consolidators in the German market. JDC's joint venture Summitas reached approximately €55m revenues and €15m EBITDA in FY25, according to JDC, and as such seems smaller compared to the other two. Extra competitive pressure is not expected, according to JDC, although there might be some pressure on margins.

JDC has 10% in the Summitas joint venture and insurance contracts from the acquired brokers are led through to JDC's platform. At the start of the joint venture, around €150m equity capital was committed by the partners and with that capital expected to be fully applied later this year, options might be open for the future of the joint venture. If an exit is being considered, the valuation for Netfonds certainly provides an interesting price point for the Summitas joint venture.

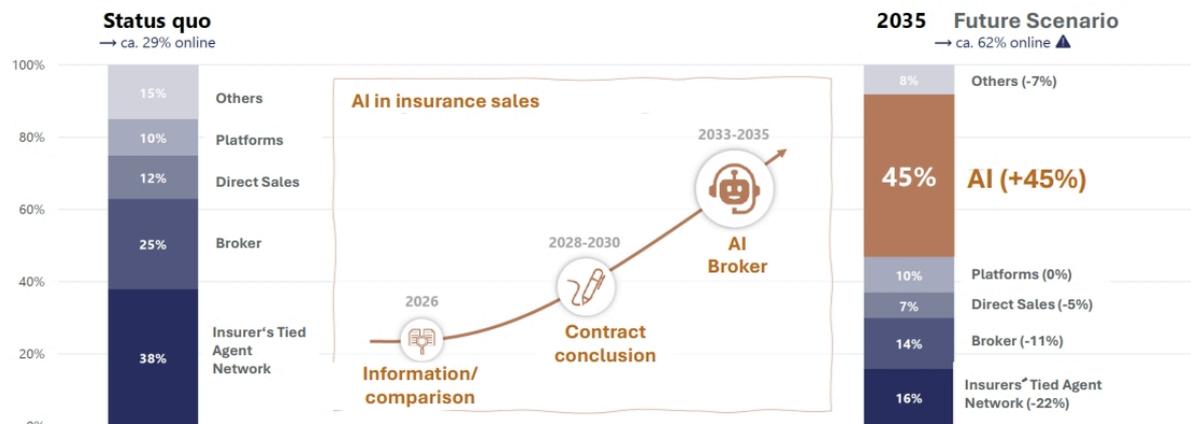
AI is going to change the insurance landscape

In the presentation after the FY25 preliminary results, JDC spend a considerable amount of time discussing the expected impact of AI on its business. In the stock market there is a good deal of uncertainty on how AI, especially agentic AI, is going to affect existing business models. The insurance sector and its distribution channel are no exception and insurance broker stocks have especially been under pressure.

Exhibit 2: Distribution channels in insurance

Sales Channels in the Insurance Industry?

SOME STUDIES PREDICT DRASTIC CHANGES IN SALES CHANNELS ...



Quelle: CFIN, GFV, Bitkom, EIOPA, BaFin; Anzahl der Abschlüsse gemittelt über verschiedene Produkt- und Anbietertypen

... and the markets reacted with a sharp decrease in valuation

Source: JDC Group presentation

From the above exhibit, it is clear that AI is expected to have a substantial impact on distribution channels over the longer term to 2035. Broker sales, insurer tied agent networks and direct sales are expected to take a hit. For insurance platforms the impact is expected to be neutral.

JDC believes this expected fundamental change of the market will offer great potential, because leveraging these new opportunities depends fundamentally on strong data quality (often protected) and a modern processing infrastructure. JDC has an angle on both:

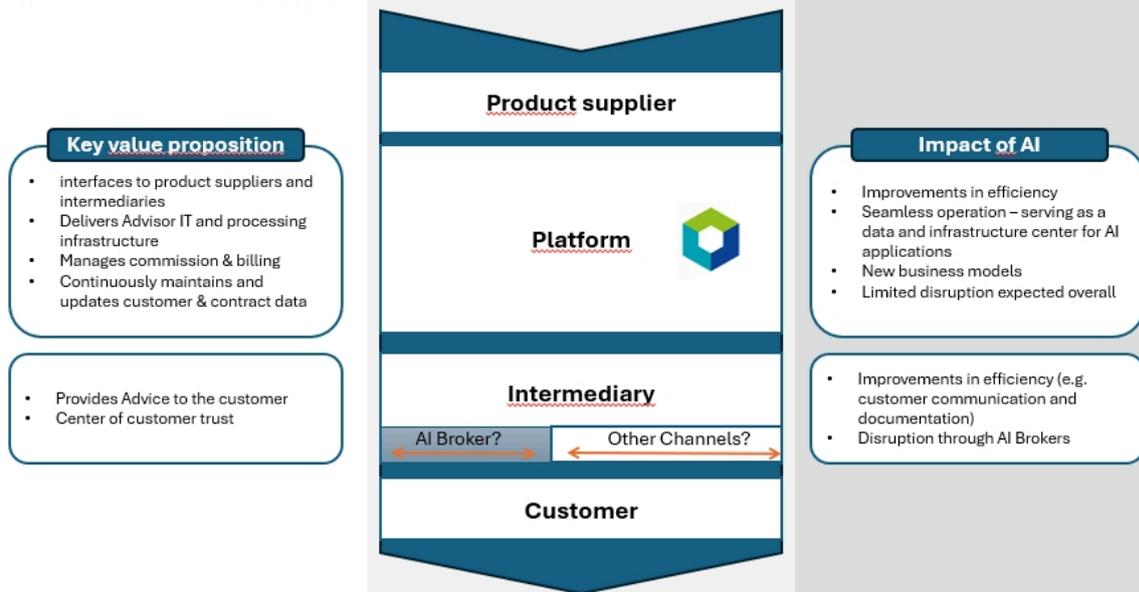
- With Morgen & Morgen, JDC possesses the largest and best historical data set in the German insurance market across all insurers, data that AI needs in order to generate meaningful comparison results.
- With the Jung, DMS & Cie. platform, it operates leading infrastructure for automated processing.
- With FMK, it has one of the largest lead generators in the German market. Early results from FMK’s AI advertisement endeavours are encouraging, with 1.8x higher click-through rates and 1.5–2.4x better conversion rates.

Exhibit 3: AI influence on JDC Group value chain

How AI will influence our value chain



FOR PLATFORMS LIKE JDC, AI DRIVES EFFICIENCY AND SHOWS NEW OPPORTUNITIES



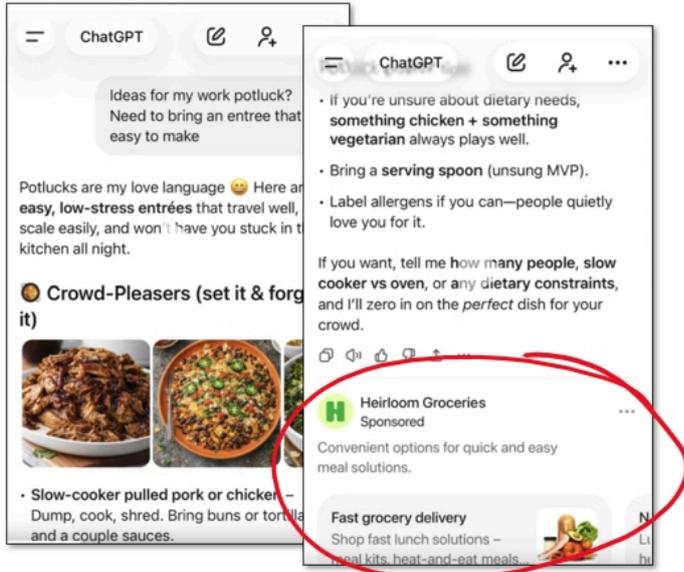
Source: JDC Group

Exhibit 4: FMK's AI opportunity

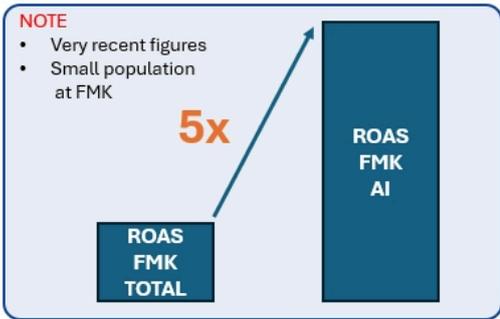
FMK: Positioned to benefit from AI-driven customer acquisition



FIRST KPIS IN AI MARKETING MUCH BETTER – FMK OPERATES CHANNEL-AGNOSTIC



- Free Chat GPT Ads started in US Feb. 2026
 - AI-powered advertising formats already showing **strong performance**
 - **1.8x higher click-through rates** vs. traditional search ads
 - **Conversion 1.5x to 2.4x better** than Google Ads
 - **2x faster purchase decisions in AI-driven environments**
- NOTE**



NOTE: Figures are very recent, empirical evidence is still pending

Source: JDC Group

The effects of AI will become visible in the coming years. CEO Sebastian Grabmaier noted during the analyst call that for now it is still very early and very small. However, AI is already being used in many parts of the company. JDC is seeing much stronger AI activity with intermediaries and clients. According to JDC, the use of AI is not so much in agentic AI (with the AI doing transactions itself), but more in information gathering, getting information for clients and making the life of intermediaries much easier, also through JDC's platform.

In addition, the insurance sector has a demographic problem, in that the average intermediary is quite old, and AI brokers could provide a good solution for that problem in the longer term.

Estimates

As JDC's numbers are preliminary and we do not have all the figures yet, we will revise our model after the final results, which will be published on 31 March. At present, our FY26 estimates remain within company guidance.

Exhibit 5: Financial summary

Year end 31 December, €m	2019	2020	2021	2022	2023	2024	2025e	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	261.0	328.1	394.2
Cost of Sales	(79.8)	(89.1)	(105.1)	(108.3)	(118.8)	(156.6)	(190.8)	(249.5)	(300.2)
Gross Profit	31.7	33.7	41.7	47.8	52.9	64.3	70.2	78.6	94.0
EBITDA	4.2	5.1	8.4	9.0	11.7	15.1	20.7	36.5	49.2
Operating profit (before amort. and excepts.)	(0.1)	0.5	3.0	2.9	5.8	8.7	14.0	28.4	40.9
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	14.0	28.4	40.9
Net Interest	(1.6)	(1.5)	(1.6)	(1.5)	(2.0)	(1.4)	(2.9)	(6.0)	(6.0)
Joint ventures & associates (post tax)	0.0	0.0	0.0	(0.3)	(0.0)	0.1	1.0	1.5	2.5
Profit Before Tax (norm)	(1.8)	(1.0)	1.4	1.1	3.8	7.5	12.1	23.9	37.4
Profit Before Tax (reported)	(1.8)	(1.0)	1.4	1.1	3.8	7.5	12.1	23.9	37.4
Reported tax	(0.1)	(0.1)	(0.5)	(0.2)	0.1	(1.5)	(3.0)	(6.0)	(9.4)
Profit After Tax (norm)	(1.8)	(1.2)	0.9	0.9	3.8	6.0	9.1	18.0	28.1
Profit After Tax (reported)	(1.9)	(1.2)	0.9	0.9	3.8	6.0	9.1	18.0	28.1
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	(0.9)	(4.0)	(4.6)
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	8.1	13.9	23.4
Net income (reported)	(1.8)	(1.2)	0.9	0.9	3.8	5.9	8.1	13.9	23.4
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	0.60	1.03	1.73
EPS – normalised (€)	(0.1)	(0.09)	0.07	0.07	0.28	0.43	0.60	1.03	1.73
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	26.9	24.0	23.8
EBITDA Margin (%)	3.7	4.2	5.7	5.7	6.8	6.8	7.9	11.1	12.5
Normalised Operating Margin (%)	(0.1)	0.4	2.0	1.9	3.4	4.0	5.4	8.7	10.4
BALANCE SHEET									
Fixed Assets	59.4	59.5	78.0	74.5	87.4	94.7	168.1	177.7	190.6
Intangible Assets	49.9	47.9	66.4	64.1	69.2	69.7	141.2	148.4	158.1
Tangible Assets	2.7	5.1	5.6	4.9	8.7	9.2	11.0	13.4	16.6
Investments & other	6.8	6.4	6.0	5.6	9.5	15.8	15.8	15.8	15.8
Current Assets	42.9	32.3	43.7	38.5	54.5	57.0	67.0	82.5	103.7
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	33.3	41.9	50.3
Cash & cash equivalents	21.1	11.7	21.9	16.7	26.4	24.7	28.7	34.4	45.9
Other	2.8	2.3	2.6	4.2	3.7	4.2	5.0	6.3	7.5
Current Liabilities	45.8	25.8	36.9	32.7	39.2	43.9	49.1	57.8	66.3
Creditors	28.5	19.9	23.8	18.1	29.0	28.5	33.7	42.4	50.9
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	15.4	15.4	15.4
Long-Term Liabilities	26.0	38.7	46.0	43.3	49.9	50.5	120.5	120.5	120.5
Long-term borrowings	19.2	19.4	19.5	19.7	19.4	19.9	89.9	89.9	89.9
Other long-term liabilities	6.9	19.3	26.5	23.6	30.5	30.7	30.7	30.7	30.7
Net Assets	30.5	27.3	38.8	37.0	52.8	57.3	65.4	81.8	107.4
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	(0.9)	(4.0)	(4.6)
Shareholders' equity	30.5	27.3	38.8	37.0	52.8	57.3	64.5	77.8	102.8
CASH FLOW									
Operating Cash Flow	(1.7)	3.3	5.6	7.2	8.4	19.8	17.7	30.5	39.9
Working capital	5.5	5.5	9.3	0.4	9.6	(4.7)	(0.7)	(1.2)	(1.2)
Net operating cash flow	0.0	8.9	14.9	7.6	18.0	15.1	17.0	29.4	38.7
Capex	0.0	(2.0)	(2.1)	(3.2)	(13.3)	(11.9)	(14.1)	(17.7)	(21.3)
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)	(2.9)	(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	70.0	0.0	0.0
Net Cash Flow	9.3	(9.4)	10.2	(5.2)	9.7	(1.7)	4.0	5.7	11.5
Opening net debt/(cash)	7.3	(2.0)	(11.6)	(1.4)	3.0	(7.0)	(5.3)	61.2	55.5
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)	61.2	55.5	44.0

Source: Company data, Edison Investment Research

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