

JDC Group

H122 results

FY22 guidance reiterated after strong Q222

JDC Group (JDC) reported strong Q222 numbers and reiterated its FY22 guidance for revenues of €165.0–175.0m (FY21: €146.8m) and EBITDA of more than €11m in FY22 (FY21: €8.3m). We have left our estimates unchanged. In [our recent update](#), we concluded that, based on 2023e consensus EV/sales, EV/EBITDA multiples and our DCF calculation of €37.90 per share, JDC's valuation does not seem demanding.

Year end	Revenue (€m)	EBITDA (€m)	EPS* (€)	DPS (€)	EV/EBITDA (x)	P/E (x)
12/20	122.8	5.1	(0.09)	0.0	18.7	N/A
12/21	146.8	8.3	0.07	0.0	40.8	262.9
12/22e	170.5	11.6	0.24	0.0	24.2	84.4
12/23e	199.2	15.1	0.42	0.0	17.9	49.5

Note: *EPS is reported.

JDC's Q2 revenues increased by 15.7% y-o-y to €37.8m (approximately 11.3% organically) compared to 20.2% in Q122. Advisortech's revenues increased by 17.6% y-o-y (20.2% in Q1), partly driven by the acquisition of insurance market data firm Morgen & Morgen in H221. Advisory revenues were stable compared to the 10% growth in Q1. The reason for the slightly slower growth in Q2 is that part of the commission depends on the development of capital markets. JDC's H122 organic growth of approximately 13.7% compares well to the near 10% growth of the insurance activities of the company's competitor Hypoport in H122.

H122 EBITDA increased by 24% to €5.4m as gross margins grew. This was also driven by the acquisition of Morgen & Morgen, which has much higher gross margins than JDC's regular activities. JDC reported a net profit of almost €1.6m, compared to €1.0m in H121. Following the strong H122, JDC reiterated its FY22 guidance of revenues of €165.0–175.0m and EBITDA of more than €11m. However, the company did state that, although it has not been affected so far, H2 could be influenced by macro developments such as the Ukraine war, COVID-19 and the energy crisis. We believe this guidance is prudent, but it might seem conservative given that around 55% of revenues are usually made in the second half of the financial year.

Revenue contributions from large client wins like German savings banks and insurers, such as Provinzial and, to a lesser extent, Versicherungskammer Bayern, are important to the investment case. However, these contributions will probably be limited to around €5.0m this year and make a more meaningful contribution next year, according to JDC. Despite this, in H122 customer turnover increased by 31.3% to €3.5m, which we believe is creditable. We have not adjusted our estimates after the Q222 results. Our EPS estimates are slightly lower than consensus and generate a forecast P/E of 30.8x in FY24, which we believe is undemanding for what is largely a platform fintech company.

Insurance

12 August 2022
Price €21.2

Market cap €290m

Net cash (€m) at 30 June 2022 1.5m

Shares in issue 13.7m

Free float 52.0%

Code JDC

Primary exchange Deutsche Börse Scale

Secondary exchange N/A

Share price performance



Business description

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

Next events

Q3 results 15 November 2022

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