

CORPORATE NEWS

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JDC Group AG confirms positive results and outlook

- Revenues grow by 17.3% to €111.5 million in 2019
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- EBITDA rose significantly to €4.2 million after €1.5 million in previous year
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- Positive Outlook 2020 confirmed
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JDC Group AG (ISIN DE000A0B9N37) published its financial figures for 2019 confirming the preliminary figures published on March 10.

Revenues and earnings growth accelerated

Consolidated revenues increased significantly in 2019, by 17.3 per cent, to €111.5 million (2018: €95.0 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew strongly to €4.2 million (2018: €1.5 million). However, the increase in earnings included around €1.0 million resulting from the first-time application of mandatory new accounting rules from IFRS 16. Earnings before interest and taxes (EBIT) also improved significantly to negative €0.1 million (2018: negative €1.6 million).

In the promising technology platform business (Advisortech segment), revenue increased even more significantly by 20.0% to €92.3 million (previous year: €76.9 million). Results for the Advisory segment were also positive, showing revenue growth of 13.7% to €29.9 million (previous year: €26.3 million).

Expansion of the technical platform

In 2019, we focused consistently on further development, expansion and further utilisation of our technical platform. In the year under review, we were able to attract additional key clients for our outsourcing services, including the conclusion of cooperation agreements with the insurance broker of BMW AG (Bavaria Wirtschaftsagentur GmbH) and with Rheinland Versicherung. We also concluded the first long-term, major client agreements with banks — following on from Sparda Bank Baden-Württemberg in the first half of the year, the second half of the year saw comdirect Bank, one of the leading direct banks in Germany, and Volkswagen Bank, one of the largest auto banks, also joining us as clients. In 2020 we further added the broker business of Boehringer Ingelheim and the direct sales general agent of Nürnberger Versicherung.

As a result, the utilisation of our platform is rising continuously. For instance, the insurance portfolio (the sum of all premiums of all new contracts for one year) on the JDC platform increased by more than €100 million during the reporting period. The insurance portfolio now totals around €700 million and is continuing to grow.

"The cost of operating our platform, on the other hand, barely increased in 2019. As a result, we are fulfilling our promise from last year to invest more in efficiency and automation", says JDC CFO Ralph Konrad, expressing his satisfaction with the results. "We will see further impact in this area in the future. We were also able to achieve an early refinancing of our bond before year end, enabling us to secure the financing of the company for the next five years and create a liquidity buffer. This gives us financial stability during the coronavirus crisis".

"Despite the coronavirus and resulting economic crisis, we are remaining positive with regards to our development in 2020", explains JDC CEO Dr Sebastian Grabmaier: "As a digitalisation platform, we are not dependent on supply chains or third-party vendors. On the contrary: The enhanced flexibility and modularity of our technology platform enables us to connect a wide range of partnerships and distribution models in the finance and insurance industries over a short period of time via rapidly deployable interfaces. This will ensure that, in the future, we continue to be one of the first points of contact for banks, insurance companies, major brokers and all other market participants who sell or manage insurance in any way when they are looking for a digitalisation solution".

Based on cooperation agreements already concluded, the company expects revenue to increase to between €125 million and €132 million in 2020 and expects a further increase in EBITDA.

If the effects of the Coronavirus crisis lead to a severe recession, this could of course also have an impact on the business development of JDC Group AG.

The key financial figures 2019 were as follows:

	2019	2018	Delta	Delta
	[kEUR]	[kEUR]	abs.	%
Revenues	111,471	95,029	16,442	17.3
thereof Advisortech	92,285	76,921	10,340	20.0
thereof Advisory	29,910	26,317	3,593	13.7
EBITDA	4,166	1,508	2,658	>100.0
EBITDA-Marge [%]	3.7	1.6		
EBIT	-145	-1.602	1,457	90.9
EBIT-Marge [%]	-0.1	-1.7		

The complete consolidated financial statement is available at www.jdcgroup.de in the Investor Relations section.

About JDC Group AG

JDC Group AG (ISIN: DE000A0B9N37) stands for modern financial advice and intelligent financial technology for advisors and customers. In the "Advisortech" business unit, via our subsidiary Jung, DMS & Cie., we provide our customers and advisors with modern advisory and administration technology. While many sales and distribution partners perceive the technological transformation as a problem and the young Fintech companies as the new competitors, we perceive the "technology" factor to be a great opportunity. Solutions from the "Advisortech" business unit help advisors, brokers, banks and other intermediaries to take even better care of their customers and generate increased sales in their earnings. In the "Advisory" segment, we procure financial products for private end customers via free advisors using the FiNUM Group. With over 16,000 connected sales partners we are one of the market leaders in the German-speaking region.

Disclaimer:

The Directors of JDC Group AG hold a participating interest in JDC Group AG and have a self-interest in the nature and content of the information provided in this release.