

Half year and full year profits coined by a massive one off coming from an insolvent product partner – nevertheless, revenues in 1H 2025 up +11%, number of clients up +5%, our rating down to Hold

Today, OVB presented the 1H 2025 report with a steep increase of group's revenues of 11%, from Euro 199m to approx. Euro 221m, with ad double digit growth in Eastern Europe (+15%) as well as in South and Western Europe (+11%). Alongside with the rising top-line the number of clients was also increasing almost 5% to 4.81 million.

The bad news is that there was a massive one off, coming from the insolvency of a product partner that delivered financial products also for OVB's clients in 4 countries in South and Western Europe, namely for Spain, Italy, Belgium and France. All in all, it's about a number of 96,000 clients in these countries and it remains to be seen, if the insolvency leads to a significant financial damage for these OVB clients, that might also hurt the relationship to their OVB advisers even if the product selection was careful and accurate, as this is the first case in the 55 years history of OVB. 96,000 clients are about 11% of the total number of clients in SWE (860k) or at least about 2% of the full Europe-wide number of clients (4.81 million). We assume that about 50% of these concerned clients are from Spain and the remaining 50% come from Italy, Belgium and France, in this order. We judge in particular the development in Spain as very important for the total group, as Spain stands for about one Third of the total SWE sales. Looking at 1H 2025 results, the Spanish revenues were still fine, even sales commissions up from Euro 20m to Euro 23m.

Some days ago, on 24 July, OVB published a profit warning for this very special and extraordinary case of an insolvent product partner, bringing down the 2025 EBIT forecast from an old range of Euro 20m to Euro 23m to half of it, as the new range is Euro 10m to Euro 15m. The company expects a massive impact for their group's P&L coming from increased sales expenses by informing their own advisers and their clients about the unbeautiful situation and by making provisions for legal advice in these 4 countries to defend claims and lawsuits.

Despite the 11% top-line hike, the half year EBIT was down almost 60% from Euro 9.3m to Euro 3.8m. The reason was the very high other operating expenses, steeply up plus Euro 10m, from Euro 28m to Euro 38m, as they include these extra expenses and provisions made. In our assumption, about Euro 4.0m to Euro 4.5m are directly connected with the one off and another Euro 2.0 to Euro 2.5m are probably reserved in 2H 2025 for more one off related extraordinary expenses. The other parts of the higher expenses are related to some extra marketing and sales related efforts and the Excellence 2027 masterplan to drive the full digitalization of the firm.

For this year, we cut our EBIT forecast from Euro 22.4m to Euro 13.8m, meaning the second half of the year might still offer an upswing in revenues, but after Euro 11m in 2H 2024, we expect a lower EBIT of ca. Euro 10m with the given extra burden. More important for the medium-term outlook of the firm is the close dialogue to the customers in these 4 above mentioned countries to avoid reputational risks. The trust is key in a customer relationship, in particular for all financial matters as old age provision etc. We take a more cautious stance at the moment and reduce our target price to Euro 22.00. We reduce our rating from Buy to Hold.

Price (Euro)	21,80			
52 weeks range	23.60 / 18.70			
Key Data				
Country	Germany			
Industry	Financial Services			
Transparency	Prime Standard			
Internet	www.ovb.ag			
Symbol	O4B			
ISIN	DE0006286560			
Securities ID-No.	628656			
Reuters	O4BG.DE			
Bloomberg	O4B			
Reporting Standard	IAS/ IFRS			
Fiscal Year	31/12			
Market Cap (EUR million)	310,7			
Number of shares (million)	14,3			
Free Float	3,0%			
Free Float MarketCap (Euro million)	9,3			
CAGR pre-tax profit '24 -'27e	2,1%			
Multiples	2024	2025e	2026e	2027e
P/E-Ratio	16,2	28,2	18,3	15,2
P/S-Ratio	1,6	1,6	1,7	1,6
Dividend Yield	4,6%	3,2%	4,6%	5,5%
Key Data per Share (Euro)	2024	2025e	2026e	2027e
Earnings per Share (EPS)	1,35	0,77	1,19	1,43
Dividends per Share (DPS)	1,00	0,70	1,00	1,20
Book Value per Share (BVpS)	7,14	7,24	7,37	7,54
Financial Data (Euro '000)	2024	2025e	2026e	2027e
Brokerage Income	408.645	443.380	454.464	474.915
Total income	420.525	456.875	468.316	489.043
EBIT	20.323	13.811	21.955	25.436
EBIT-margin	5,0%	3,1%	4,8%	5,4%
Pre-tax profit (EBT)	26.536	16.226	24.194	28.214
Net profit after minorities	19.216	11.019	16.991	20.380
Shareholders' Equity	101.712	103.238	105.096	107.450
RoE after tax	19,5%	10,8%	16,3%	19,2%
Main Shareholders				
Basler Beteiligungsholding GmbH		32,6%		
Signal Iduna Lebensversicherung a. G.		31,7%		
Signal Iduna Krankenversicherung a. G.		21,3%		
Generali CEE Holding B.V.		11,5%		
Financial Calendar				
3Q 2025	30 October 2025			
2025 annual report	March 2026			
Analyst	Dipl.-Kfm. Stefan Scharff, CREA			
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OVV Holding AG

Industry:	Financial Advisory	Management Board of OVV Holding AG:	
Sub-segment:	Private households	CEO Mario Freis	
Country:	Germany	CFO Frank Burow	COO Heinrich Fritzl�r
Headquarter:	Cologne		
Foundation:	1970		
Employees:	793		
(Holding, IT and services)		Supervisory Board of OVV Holding AG:	
IR Contact:		Michael Johnigk (Chairman)	
Brigitte Bonifer (Mail: bbonifer@ovv.de)		Dr. Thomas A. Lange (Deputy Chairman)	
		Sascha Bassir	Roman Jur��s
		Markus Jost	Torsten Uhlig

Cologne-based OVV was founded in 1970 and is therefore one of the first independent financial advisors being active in Germany. Today the company is among the leading European companies distributing the complete range of financial products like for instance property-, health- and accident-insurances as well as mutual funds, provision products and corporate pension products to private households. About two Thirds of all new business is from unit-linked provision products and other old-age provision solutions. The demography of today’s society (lots of old retired people and a shrinking number of young families) demands for additional private old-age provision besides the public pension, in particular in aging Western European countries. OVV’s major target groups are the middle class households with average to affluent incomes. OVV has a broad customer base of 4.7 million clients across Europe. About 6,300 independent financial advisers provide a superior independent financial advice. At present, OVV is represented in 16 countries. To simplify reporting, countries are being classified in three regions: France, Italy, Spain, Switzerland, Austria, Greece, Belgium and Slovenia belong to South and Western Europe (SWE). SWE stands for 29% of group’s revenues at present. The lion’s share of revenues (56%) comes from Central-Eastern Europe (namely Poland, Hungary, Romania, Slovakia, Czech Republic, Croatia and Ukraine). Germany as domestic market stands for its own and has a share on total revenues of about 15%.

OVV Holding AG			
Sales companies Central and Eastern Europe	Sales companies Germany	Sales companies Southern and Western Europe	Service companies
OVV Czech Republic	OVV Germany	OVV Austria	Nord-Soft EDV-Unternehmensberatung GmbH
OVV Slovakia	Advesto Germany	OVV Switzerland	Nord-Soft Datenservice GmbH
OVV Poland	Eurenta Germany	OVV Group Greece	OVV Informatikal*
OVV Hungary		OVV France	
OVV Group Croatia		OVV Italy	
OVV Group Romania		OVV Spain	
OVV Ukraine		Willemot NV / Belgium	
OVV Slovenia			

* Indirect investment
(no operational business,
entity in liquidation)

Due to an early engagement as outrider in CEE already in early Nineties, OVV has a very sound and in some countries even a leading market position. Therefore, the majority of advisers are active in the CEE-region (almost 4,000 of c. 6,300 advisers) and usually generate the largest contribution to group’s operating profit (about 70%). However, the sixteen national markets of OVV count a population of more than 412 million people. The company generates far more than 80% of its total revenues outside Germany and has therefore by far the most significant foreign business compared to other German competitors within the IFA industry. With its diversified revenues from old-age solutions and a growing business in real estate finance OVV is not very dependent on the economic development or a changing regulation of one single country, which helps in an economic downturn, as seen with a steep 15% hike in revenues and +14% in EBIT in 2024, even without any significant economic tailwind in any country. Anyhow, the management continuously screens further national markets to expand its reach in Europe (the Baltics might be a topic for later years, also Portugal and Lux for nearer future). Regarding to the Evolution 2022 program the firm attracted almost 1 million new clients in the years 2017 to 2022 and lifted the number of advisers by about 1,000 to more than 5,700, until end of 2022. Now, it climbed to almost 6,300 until year-end 2024, by another 10% in only 2 years. The company kept the dividend stable at 90 Cents for the years 2021 to 2023 despite the global challenges of the Corona turmoil. For the successful 2024 results the management decided for a higher Euro 1.00 dividend payout to continue the shareholder friendly policy. With the good results from 2024 and the continuation of the OVV Excellence 2027 program the management gave a guidance for growing revenues and EBIT that was valid until 24 July 2025. On this day the company had to react to an insolvency of a product partner that delivered financial products into 4 OVV countries (Spain, Italy, Belgium, France). The revenues will still climb in 2025, but the new targeted EBIT range is much lower than the Euro 20m in 2024. With the one off expenses OVV only expects a 2025 EBIT of Euro 10m to Euro 15m.

Source: Company Data, SRC Research

P&L Account for OVB Holding AG

31/12 IFRS ('000 Euro)	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR '24 - '27e
Brokerage Income*	257.819	270.563	320.696	331.947	354.348	408.645	443.380	454.464	474.915	5,1%
Other operating income	11.244	10.158	10.959	14.972	13.315	11.880	13.495	13.852	14.128	
Total income	269.063	280.721	331.655	346.919	367.663	420.525	456.875	468.316	489.043	5,2%
Brokerage expenses	-170.060	-181.460	-215.485	-218.259	-235.831	-274.880	-299.978	-308.129	-321.800	
Gross profit	87.759	89.103	105.211	113.688	118.517	133.765	143.402	146.335	153.115	
<i>Gross margin</i>	<i>34,0%</i>	<i>32,9%</i>	<i>32,8%</i>	<i>34,2%</i>	<i>33,4%</i>	<i>32,7%</i>	<i>32,3%</i>	<i>32,2%</i>	<i>32,2%</i>	
Personnel expenses	-37.997	-39.278	-42.298	-45.575	-50.124	-53.992	-60.520	-61.212	-62.441	
Other operating expenses	-40.044	-38.144	-44.372	-52.579	-55.633	-61.046	-71.245	-64.875	-65.025	
EBITDA	20.962	21.839	29.500	30.506	26.075	30.607	25.132	34.100	39.777	
<i>EBITDA-margin</i>	<i>8,1%</i>	<i>8,1%</i>	<i>9,2%</i>	<i>9,2%</i>	<i>7,4%</i>	<i>7,5%</i>	<i>5,7%</i>	<i>7,5%</i>	<i>8,4%</i>	
Depreciation and amortisation	-6.880	-6.948	-7.734	-8.495	-8.245	-10.284	-11.321	-12.145	-14.341	
Operating profit (EBIT)	14.082	14.891	21.766	22.011	17.830	20.323	13.811	21.955	25.436	7,8%
<i>EBIT margin</i>	<i>5,5%</i>	<i>5,5%</i>	<i>6,8%</i>	<i>6,6%</i>	<i>5,0%</i>	<i>5,0%</i>	<i>3,1%</i>	<i>4,8%</i>	<i>5,4%</i>	
Financial result	1.311	-210	393	-601	3.115	6.213	2.415	2.239	2.778	
Earnings before taxes (EBT)	15.393	14.681	22.159	21.410	20.945	26.536	16.226	24.194	28.214	2,1%
<i>EBT margin</i>	<i>6,0%</i>	<i>5,4%</i>	<i>6,9%</i>	<i>6,4%</i>	<i>5,9%</i>	<i>6,5%</i>	<i>3,7%</i>	<i>5,3%</i>	<i>5,9%</i>	
Taxes on income	-4.141	-3.957	-6.463	-6.349	-6.181	-7.073	-4.745	-6.682	-7.182	
<i>Tax rate</i>	<i>26,9%</i>	<i>27,0%</i>	<i>29,2%</i>	<i>29,7%</i>	<i>29,5%</i>	<i>26,7%</i>	<i>29,2%</i>	<i>27,6%</i>	<i>25,5%</i>	
Consolidated net income for the year	11.252	10.724	15.696	15.061	14.764	19.463	11.481	17.512	21.032	
Minority interests	-240	-239	19	-390	-449	-247	-462	-521	-652	
Net profit after minorities	11.012	10.485	15.715	14.671	14.315	19.216	11.019	16.991	20.380	2,0%
<i>Return on sales</i>	<i>4,3%</i>	<i>3,9%</i>	<i>4,9%</i>	<i>4,4%</i>	<i>4,0%</i>	<i>4,7%</i>	<i>2,5%</i>	<i>3,7%</i>	<i>4,3%</i>	
Number of shares ('000)	14.251	14.251	14.251	14.251	14.251	14.251	14.251	14.251	14.251	
Earnings per Share (EPS)	0,77	0,74	1,10	1,03	1,00	1,35	0,77	1,19	1,43	
Dividends per Share (DPS)	0,75	1,00	0,90	0,90	0,90	1,00	0,70	1,00	1,20	
Book Value per Share (BVPS)	6,36	6,32	6,41	6,56	6,72	7,14	7,24	7,37	7,54	
Total assets	215.991	233.484	257.825	261.113	272.963	295.876	307.238	307.237	321.062	
Shareholders' Equity	90.637	90.000	91.371	93.514	95.698	101.712	103.238	105.096	107.450	1,8%
* without secondary contracts										

Key data	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	2024	1Q 2025	2Q 2025
Clients	4.270.000	4.270.000	4.410.000	4.460.000	4.500.000	4.500.000	4.550.000	4.600.000	4.650.000	4.700.000	4.700.000	4.760.000	4.810.000
Advisers	5.772	5.785	5.806	5.896	5.892	5.892	5.939	6.005	6.143	6.278	6.278	6.349	6.407
Total sales revenues	331.900.000	83.400.000	87.200.000	89.700.000	94.000.000	354.300.000	96.800.000	101.800.000	99.500.000	110.545.000	408.645.000	108.300.000	112.400.000
EBIT	22.000.000	3.100.000	3.800.000	4.500.000	6.400.000	17.800.000	4.300.000	5.000.000	4.600.000	6.423.000	20.323.000	3.000.000	800.000
EBIT Margin	6,6%	3,7%	4,4%	5,0%	6,8%	5,0%	4,4%	4,9%	4,6%	5,8%	5,0%	2,8%	0,7%
Net profit (after minorities)	14.671.000	2.343.000	2.968.000	3.825.000	5.179.000	14.315.000	4.387.000	4.841.000	4.092.000	5.896.000	19.216.000	1.373.000	1.574.000
Regions													
CEE	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	2024	1Q 2025	2Q 2025
Clients	2.920.000	2.910.000	3.040.000	3.080.000	3.110.000	3.110.000	3.150.000	3.190.000	3.240.000	3.280.000	3.280.000	3.310.000	3.350.000
Advisers	3.461	3.549	3.581	3.658	3.695	3.695	3.700	3.776	3.864	3.951	3.951	4.000	4.042
Total sales revenues	174.400.000	45.200.000	49.900.000	51.000.000	52.400.000	198.500.000	52.700.000	58.200.000	55.900.000	61.600.000	228.400.000	58.800.000	68.200.000
EBIT	18.800.000	2.700.000	5.600.000	4.800.000	6.500.000	19.600.000	4.600.000	5.900.000	6.300.000	7.100.000	23.900.000	4.600.000	6.600.000
EBIT Margin	10,8%	6,0%	11,2%	9,4%	12,4%	9,9%	8,7%	10,1%	11,3%	11,5%	10,5%	7,8%	9,7%
Germany	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	2024	1Q 2025	2Q 2025
Clients	616.224	613.588	613.813	613.767	613.037	613.037	610.757	600.064	598.843	599.690	599.690	598.135	597.034
Advisers	1.219	1.161	1.165	1.172	1.120	1.120	1.089	1.092	1.105	1.118	1.118	1.081	1.087
Total sales revenues	61.200.000	13.800.000	13.900.000	15.000.000	16.000.000	58.700.000	14.800.000	15.200.000	15.000.000	16.700.000	61.700.000	15.400.000	14.400.000
EBIT	7.200.000	1.400.000	1.000.000	800.000	1.600.000	4.800.000	800.000	1.000.000	500.000	2.100.000	4.400.000	1.000.000	1.000.000
EBIT Margin	11,8%	10,1%	7,2%	5,3%	10,0%	8,2%	5,4%	6,6%	3,3%	12,6%	7,1%	6,5%	6,9%
South-Western Europe	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	2024	1Q 2025	2Q 2025
Clients	738.712	747.983	757.584	767.136	779.678	779.678	792.122	807.136	819.235	830.014	830.014	845.555	860.312
Advisers	1.092	1.075	1.060	1.066	1.077	1.077	1.150	1.137	1.174	1.209	1.209	1.268	1.278
Total sales revenues	96.300.000	24.300.000	23.400.000	23.700.000	25.800.000	97.200.000	29.300.000	28.500.000	28.500.000	32.200.000	118.500.000	34.200.000	29.800.000
EBIT	5.200.000	1.200.000	400.000	700.000	900.000	3.200.000	1.700.000	900.000	200.000	-1.100.000	1.700.000	1.000.000	-3.600.000
EBIT Margin	5,4%	4,9%	1,7%	3,0%	3,5%	3,3%	5,8%	3,2%	0,7%	-3,4%	1,4%	2,9%	-12,1%

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Rating Chronicle	Date	rating	former share price	former target
OVB Holding AG	8-May-25	Buy	22,60 €	28,00 €
OVB Holding AG	28-Mar-25	Buy	22,60 €	28,00 €
OVB Holding AG	7-Nov-24	Buy	19,10 €	27,00 €
OVB Holding AG	13-Aug-24	Buy	18,90 €	27,00 €
OVB Holding AG	8-May-24	Buy	19,80 €	25,00 €
OVB Holding AG	21-Mar-24	Buy	19,80 €	25,00 €
OVB Holding AG	8-Nov-23	Buy	20,20 €	25,00 €
OVB Holding AG	11-Aug-23	Accumulate	22,00 €	24,00 €
OVB Holding AG	9-May-23	Hold	23,80 €	24,00 €
OVB Holding AG	29-Mar-23	Accumulate	22,20 €	24,00 €

Please note:

The OVB share price mentioned in this report is from closing of 7 August 2025. OVB mandated SRC Research for covering the OVB share.

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