

PRESS RELEASE

14/11/2024



GFT maintains growth momentum

Strong growth in banking, GFT AI Impact product adoption accelerates

- **Revenue grew by 10 percent** to EUR 646 million in first nine months of 2024
- **Adjusted EBIT increased by 10 percent** to EUR 57 million
- Generative AI product **GFT AI Impact gaining traction**
- **Client base broadened in USA and UK, major new deal** with Sophos Solutions at Colombia's largest bank
- **Outlook 2024 amended: EUR 865 million revenue, EUR 77 million adjusted EBIT**

Stuttgart, 14 November 2024 – GFT Technologies SE (GFT) maintained its **growth momentum** on **revenues and earnings** in the first nine months of 2024 in a market environment that remained challenging. **Group revenue and adjusted EBIT both increased by 10 percent** year-on-year. This was driven by the strong performance in the banking sector, which recorded 14 percent growth. **Growth was especially dynamic in Brazil**, GFT's largest market, as well as **most European key markets**.

GFT AI Impact is also gaining traction: This generative AI product that accelerates the software development life cycle can **boost productivity by 50 to 90 percent**. It includes advanced generative AI automated prompts for story creation, code refactoring, code analysis, review and fixes, as well as vulnerability checks and comprehensive program documentation. In the last quarter, GFT has won ten new clients for the product, sold over 170 licenses and is realising more than 20 proofs of concept.

“Our strategic acquisition of Sophos Solutions is continuing to excel: We have just won a major new deal in core banking modernisation at Colombia's largest bank.” said GFT Co-CEO Marco Santos. “We have also achieved some major milestones with our AI solutions. Especially the successful market adoption of our product GFT AI Impact, which leverages generative AI into the heart of GFT software development process stands out.”

The GFT Group generated **revenue of EUR 645.50 million** in the first nine months of 2024. The company thus **exceeded** the prior-year figure of EUR 585.10 million by **10 percent**. GFT achieved **growth of 14 percent** in the **Banking** sector and **7 percent** in the **Industry & Others** sector. Revenue in the **insurance business** decreased by **3 percent** year-on-year, but improved compared to the previous quarter (H1 2024: -7 percent). This improvement was driven by strategic project wins with leading insurance players in the Americas and Europe.

Dynamic growth in Continental Europe and Brazil, clients in UK and US remain cautious

GFT showed solid growth in Continental Europe. Revenue in the segment **grew by 16 percent**. A major driver was the strategic **acquisition of targens GmbH** (now GFT Deutschland), which was

completed in April 2023. Revenues in Spain grew by 16 percent, and in Germany by 17 percent over the same period last year. Italy, France, and Poland also saw dynamic growth.

Revenue in the **Americas, UK & APAC** segment increased **by 6 percent** compared to the previous year's period. This includes the **acquisition of Sophos Solutions**, which is reflected in the group figures with effect from 1 February 2024, as well as strong growth in Brazil while business in the USA and Canada is stable quarter on quarter.

"We are expanding our reach with new growth clients and are winning ambitious projects with trusted partners even in markets where many hesitate to make bold moves," stated Jochen Ruetz, CFO of GFT. He continued: "By broadening our client base and securing major projects in key markets, we've continued to position GFT for sustained growth."

Stable operating earnings margin

Adjusted EBIT increased by 10 percent year-on-year to **EUR 57.10 million** (9M/2023: EUR 52.14million). This was supported by an extraordinary income related to a provision release in Brazil. The adjusted EBIT margin was 8.8 percent in the first nine months of 2024 (9M/2023: 8.9 percent). **At EUR 48.07 million, EBT remained at the same level** as in the same period of the previous year (9M/2023: EUR 49.38 million).

Financial stability and flexibility remain high

Operating cash flow was above the previous year's level with **EUR 22.43 million** (9M/2023: EUR 13.17 million). **Net liquidity fell to EUR -84.18 million** (31 December 2023: EUR 4.39 million), mainly due to the acquisition of Sophos Solutions. As a result of the acquisition and the associated increase in total assets, the **equity ratio** also fell **by 2 percentage points to 41 percent** (31 December 2023: 43 percent).

As at 30 September 2024, the group employed a total of **11.304 full-time equivalents (FTEs)**, thereof 1,445 from Sophos Solutions. This corresponds to an **increase of 24 percent** compared to 9,134 FTEs at the end of 2023.

Further leveraging the **AI** megatrend, GFT has entered into a **collaboration with NVIDIA** to deliver advanced AI solutions for the financial services and manufacturing sectors. The collaboration will combine GFT's deep expertise in digitalising global banks, financial institutions and manufacturers with NVIDIA's AI software tools and accelerated computing platform for generative AI to drive a new level of innovation and efficiency in both industries.

GFT has also been recognised once again for its leading position in Digital Banking Services. For the third consecutive year, GFT has been **listed as a Technology Leader** in the Quadrant SPARK Matrix report for **Digital Banking Services**. This year, GFT has further strengthened its leadership position, earning the highest rating for Service Excellence and ranking among the top three providers for Customer Impact.

Outlook 2024 amended: Further growth in revenue and adjusted EBIT

Although some markets remain challenging, **GFT expects further growth in group revenue and adjusted EBIT** in the financial year 2024. This includes the acquisition of Sophos Solutions, which is recognised pro rata temporis from the closing of the transaction on 1 February 2024.

The integration of the company is proceeding according to plan and should be completed in the first quarter of 2025. In addition, increasing digitalisation and the resulting demand for core banking modernisation, data platforms and cloud services continue to drive GFT's business growth.

Although GFT sees business improvement in some markets and stabilisation in others, the overall market environment remains challenging. This is expected to result in a less dynamic business development in the remaining months of the year than previously assumed. As a result, GFT has made slight adjustments to its outlook: The company now anticipates **revenue growth of 10 percent** to a total of around **EUR 865 million** (previously +12 percent to EUR 885 million). The **adjusted EBIT** is forecast to increase by **5 percent to around EUR 77 million** (previously +12 percent to EUR 82 million). The group expects earnings before taxes (**EBT**) to reach around **EUR 65 million** (incl. EUR -9.5m negative effects from the Sophos acquisition due to M&A effects and interest expenses; previously +3 percent to EUR 70 million), representing a decrease of **4 percent**.

Key figures (IFRS)

(Deviations possible due to rounding differences)

In EUR million	9M/2024	9M/2023	Δ
Revenue	645.54	585.12 ¹⁾	10%
EBITDA	69.58	65.49	6%
Adjusted EBIT ²⁾	57.10	52.14	10%
EBIT	51.88	49.57	5%
EBT	48.07	49.38	-3%
Net income	33.86	34.84	-3%
Earnings per share in EUR	1.29	1.32	-2%
Operating cash flow	22.43	13.17	+70%
Order backlog	326.73	258,72 ¹⁾	26%
In EUR million	30.09.2024	31.12.2023	Δ
Employees (FTE)	11,304	9,134	24%
Net liquidity	-84.19	4.39	>-100%

Equity ratio (in percent)	41%	43%	-2 PP
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¹⁾ Adapted due to the reclassification of sales-related Brazilian taxes in the amount of €-3.66m and order backlog in the amount of €+12.58m of the acquired targens GmbH (now GFT Deutschland GmbH).

²⁾ Adjusted for effects from M&A activities and share price-based effects in connection with the valuation of variable management remuneration.

Further information on the definition of alternative performance indicators can be found [here](#) on the GFT website.



Marco Santos, Co-CEO of GFT

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About GFT - Shaping the future of digital business

GFT is a digital transformation pioneer. By leveraging next-generation technologies, we enable clients to boost their productivity with intelligent software solutions. We focus on Digital Finance, Enterprise AI & Data Solutions, and Platform Modernisation.

GFT's strengths include deep technological excellence, a strong ecosystem of partners, and industry expertise. We are [agile@scale](#) and boost digital transformation for clients from the finance and insurance sectors, as well as the manufacturing industry. GFT talents create, implement, and manage software applications to enable innovative businesses while complying with regulations.

With locations in 20 markets around the globe, GFT ensures proximity to its clients. We draw on over 35 years of experience and a global team of over 12,000 determined talents. GFT provides them with career opportunities in the most innovative areas of software engineering. The GFT Technologies SE share is listed in the SDAX index of the German Stock Exchange (ticker: GFT-XE).

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