

PRESS RELEASE

08/05/2024



GFT with a solid start in a challenging environment

Successful M&A strategy supports growth

- **Revenue growth of 13 per cent** in the first quarter of 2024
- **Adjusted EBIT increased by 6 per cent** to around EUR 17 million
- **Successful AI solutions** and launch of the **commercial UDPN All-in-One Sandbox**
- Acquired companies **targens** and **Sophos Solutions** contribute to **growth**
- Revenue and earnings growth forecast for 2024 confirmed: **Revenue to grow by 15 per cent, adjusted EBIT by 16 per cent**

Stuttgart, 08 May 2024 – GFT Technologies SE (GFT) continued its **solid growth in** the first quarter of 2024 despite the ongoing challenging market environment. **Group revenue increased by 13 per cent compared** to the same quarter of the previous year. Growth was supported by the **successful acquisitions** of the German targens GmbH, which was completed in April 2023, and the Colombian company Sophos Solutions in January of this year. Business with **banks and industrial customers** picked **up particularly strongly**, with sales increases of **19 and 16 per cent respectively**. Adjusted earnings before interest and taxes (**adjusted EBIT**) **rose by 6 per cent**. For the current year, the company expects **sales to grow by 15 per cent** to around EUR 905 million and **adjusted EBIT by 16 per cent** to around EUR 85 million.

GFT recorded above-average growth in **Europe** with an **increase in revenue of 27 per cent**. The most important driver here was the German market. Thanks in part to the acquisition of targens, **Germany became GFT's second-largest market** with a 61 per cent increase in revenue. The **Spanish, Italian and French** markets also developed **very positively**. In addition, GFT also achieved **dynamic growth** again in **Brazil, its largest market**, following a successful turnaround: revenue there increased by **11 per cent** compared to the same quarter of the previous year.

"Despite the global challenges, our company has made a solid start to 2024. This was due to both our core business and our successful M&A strategy," says GFT CEO Marika Lulay. "We are optimally positioned also in AI and digital currencies. We can see this in the great interest in the solutions from our AI.DA Marketplace and the Universal Digital Payment Network, which recently went to market with a commercial sandbox. Several commercial and central banks in Asia and Europe are already using this UDPN test environment to test and develop the latest digital currency technologies and use cases."

The GFT Group generated **revenue of EUR 212.39 million** in the first quarter of 2024. The company thus **exceeded** the prior-year figure of EUR 187.69 million by **13 per cent**. GFT achieved **growth of 19 per cent** in the **Banking** sector and **16 per cent** in the **Industry & Others** sector. Revenue in the **insurance business** fell by **11 per cent**. This was due to the fact that GFT focussed more strongly on

expanding its core business with banks in view of the difficult economic conditions in numerous countries.

Above-average growth in Europe, Brazil with significant growth again

In the **Continental Europe** segment, GFT's revenue **grew by 27 per cent**. The **acquisition of targens** GmbH, which was completed in April 2023, contributed around EUR 10.65 million in revenue. This made **Germany** the **second-largest market for GFT**.

Revenue in the **Americas, UK & APAC** segment increased **by 4 per cent** compared to the previous year. This was primarily due to the **acquisition of Sophos Solutions**, which was included in the Group figures with effect from 1 February 2024. In addition, dynamic growth in Brazil and Mexico helped to offset the weak development in the Anglo-Saxon markets.

"We once again increased revenue and earnings in the first quarter of 2024, despite the rather challenging business climate in some countries," adds GFT CFO Jochen Ruetz. "The successfully completed integration of targens and the ongoing integration of Sophos Solutions are success stories that will continue to drive our growth."

Earnings continued to grow

Adjusted EBIT increased by 6 per cent year-on-year to **EUR 17.23 million** (Q1 2023: EUR 16.28 million). The adjusted EBIT margin was 8.1 per cent in the first quarter of 2024 (Q1 2023: 8.7 per cent). **At EUR 15.00 million, EBT remained at the same level** as in the same period of the previous year (Q1 2023: EUR 15.04 million).

Financial stability and flexibility remain high

Operating cash flow increased year-on-year to **EUR 6.42 million** (Q1 2023: EUR -3.04 million). **Net liquidity fell to EUR -77.12 million** (31 December 2023: EUR 4.39 million), mainly due to the acquisition of Sophos Solutions SAS. As a result of the acquisition and the associated increase in total assets, the **equity ratio** also fell **by 4 percentage points to 39 per cent** (31 December 2023: 43 per cent).

As at 31 March 2024, the Group employed a total of **10,626 full-time equivalents (FTEs) employees**. This corresponds to an **increase of 16 per cent** compared to 9,134 FTEs at the end of 2023. Sophos Solutions contributed 1,556 FTEs to this significant increase in the number of employees.

Megatrends AI and digital currencies offer attractive growth opportunities

There was a noticeable **increase in demand for AI solutions** such as [GFT AI Impact Beta](#) in all core sectors. This solution utilises generative AI to support various processes in the software development lifecycle. It is currently being tested by numerous tier 1 banks, insurance companies and infrastructure companies in South America and Europe or is about to be rolled out productively in day-to-day business. It **increases the overall productivity** of the software development lifecycle **by 25 per cent** – and even more in some scenarios.

The [Universal Digital Payment Network](#) (UDPN) also offers great opportunities. The platform co-developed by GFT, in which GFT is also a partial owner, enables **international transactions with regulated digital currencies**. Interest from both central and commercial banks is so great that a commercial sandbox was launched on the market this year. With the introduction of central bank digital currencies, GFT should generate **transaction-based revenue** via the platform – a business

model that would be **highly scalable** and **significantly more profitable** than the traditional core business.

GFT expects solid revenue and earnings growth in 2024

GFT expects **further significant growth** in Group revenue and earnings in the financial year **2024**. Both will be driven primarily by 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. **Increasing digitalisation** and the resulting **strong demand for cloud services** continue to drive GFT's business growth.

In detail, the company continues to expect **revenue growth of 15 per cent**. In order to improve cost transparency, GFT has reclassified revenue-related taxes totalling EUR 15 million in Brazil. **Revenue** is therefore **now expected to total EUR 905 million (previously: EUR 920 million)**. **Adjusted EBIT** is forecast to **increase by 16 per cent to around EUR 85 million**. The Group expects earnings before taxes (**EBT**) to be around **EUR 72 million**, which corresponds to growth of around **6 per cent**.

Key figures (IFRS)

(Deviations possible due to rounding differences)

In million euros	Q1 2024	Q1 2023	Δ
Revenue	212.39	187.69 ¹⁾	13%
EBITDA	21.81	19.89	10%
Adjusted EBIT ²⁾	17.23	16.28	6%
EBIT	15.72	14.83	6%
EBT	15.00	15.04	0%
Net income	10.62	10.54	1%
Earnings per share in EUR	0.40	0.40	0%
Operating cash flow	6.42	-3.04	>+100%
In million euros	31.03.2024	31.12.2023	Δ
Employees (FTE)	10,626	9,134	16%
Order backlog	404.58	386.08	5%
Net liquidity	-77.12	4.39	>-100%
Equity ratio (in per cent)	39%	43%	-4 PP

¹⁾ Adjusted due to reclassification of sales-related taxes in Brazil in the amount of EUR -2.98 million.

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.



Marika Lulay, CEO of GFT

Source: Ingrid Hertfelder/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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