

**PRESS RELEASE**

08/08/2024



## GFT grows in first half of 2024 despite challenging markets

Dynamic growth in core sector banking, AI offers attractive opportunities

- **Revenue grew by 11 percent** to EUR 429.63 million in first half of 2024
- **Adjusted EBIT increased by 15 percent** to EUR 35.73 million
- **High interest for AI solutions**
- **Sophos integration running smoothly**, already creating business synergies
- 2024 outlook amended: **Revenue and adjusted EBIT expected to grow by around 12 percent**

Stuttgart, 08 August 2024 – GFT Technologies SE (GFT) continued its **solid growth** in the first half of 2024 in a market environment that remains challenging. **Group revenue increased by 11 percent** and **adjusted EBIT by 15 percent** year-on-year. This was driven by the banking and industry sectors, which recorded double-digit sales growth rates, as well as by recent acquisitions. Furthermore, **dynamic growth in Brazil**, GFT's largest market, compensated for the weak development in the Anglo-Saxon markets in the first six months. In light of the prevailing market uncertainties, the company has made a slight amendment to its outlook.

The **successful AI and Data solutions from the [GFT AI.DA Marketplace](#)** have already attracted **great interest in the market**. Leading analysts have recognised these achievements, with [ISG naming GFT a leader in AI and machine learning](#) in the Google Cloud the third year in a row. Each year, GFT has improved its position in the analyst house's report, clearly outpacing much larger, established providers. GFT's **software products and solutions** are also **contributing to GFT's solid growth course** with a significant increase of recurring revenues.

"We have continued our growth journey despite the ongoing challenges in the market. Our core business is healthy, and our products and solutions continue to grow in the areas of Next Generation Core Banking, Technology Modernisation, and AI and Data," says GFT Co-CEO Marco Santos. "We are also well positioned for the future of Artificial Intelligence. With the portfolio of solutions in our AI.DA Marketplace and especially the new product GFT AI Impact, we help our clients to substantially increase their productivity in the software development life-cycle. We are driving our clients on their successful AI journeys – across industries."

The GFT Group generated **revenue of EUR 429.63 million** in the first half of 2024. The company thus **exceeded** the prior-year figure of EUR 385.42 million by **11 percent**. GFT achieved **growth of 16 percent** in the **Banking** sector and **12 percent** in the **Industry & Others** sector. Revenue in the **insurance business** fell by **7 percent**. This was because GFT focussed more strongly on expanding its core business with banks in view of the difficult economic conditions in numerous countries.

## Dynamic growth in Continental Europe and Brazil balanced weakness in Anglo-Saxon markets in first half of 2024

**GFT performed particularly well in Continental Europe.** Revenue in the segment **grew dynamically by 20 percent**. A major driver was the **acquisition of targens GmbH** (now GFT Deutschland), which was completed in April 2023. Revenues in Spain grew by 19 percent, and in Germany by even 28 percent over the same period last year. Italy, France, and Poland also saw a strong development.

Revenue in the **Americas, UK & APAC** segment increased **by 6 percent** compared to the previous year's period. This was primarily due to the **acquisition of Sophos Solutions**, which was included in the Group figures with effect from 1 February 2024. Dynamic growth in Brazil (+12 percent) was driven by the banking sector and high demand for AI solutions.

"The first nearshore projects involving our new Sophos colleagues are underway, and we are already seeing remarkable new business and cross-selling for our clients. Full integration is on track for completion in the first quarter of 2025, solidifying our strategic vision," states Jochen Ruetz, CFO of GFT.

### Earnings continued to grow

**Adjusted EBIT increased by 15 percent** year-on-year to **EUR 35.73 million** (H1 2023: EUR 31.17 million). This was supported by an expected extraordinary income related to a provision release in Brazil. The adjusted EBIT margin was 8.3 percent in the first half of 2024 (H1 2023: 8.1 percent). **At EUR 30.05 million, EBT remained at the same level** as in the same period of the previous year (H1 2023: EUR 30.04 million).

### Financial stability and flexibility remain high

**Operating cash flow** was above the previous year's level with **EUR -5.34 million** (H1 2023: EUR -9.96 million). **Net liquidity fell to EUR -108.31 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 5 percentage points to 38 percent** (31 December 2023: 43 percent).

As at 30 June 2024, the Group employed a total of **10,772 full-time equivalents (FTEs)**, thereof 1,471 from Sophos Solutions. This corresponds to an **increase of 18 percent** compared to 9,134 FTEs at the end of 2023.

### AI megatrend presents promising opportunities for growth

Since GFT launched the [AI.DA Marketplace](#) in September 2023, **demand for the company's AI solutions has increased noticeably** in all core sectors. One example is [GFT AI Impact](#): This GFT product utilises generative AI to accelerate the software development lifecycle. In projects with tier 1 banks AI Impact was shown to **boost efficiency by as much as 90 percent** in some areas of the software development lifecycle. GFT is currently **deploying AI Impact** in several **tier-1 banks, insurance companies and industrial companies** in the Americas and Europe.

### Outlook 2024: Revenue and earnings growth rates amended

**Gartner industry experts have significantly lowered their growth expectations** for the financial services industry in particular. Growth for this industry is now projected at 5.9 percent compared to 8.3 percent at the beginning of the year. Expectations for the insurance sector (8.7 percent instead of 9.0) and manufacturing (6.4 percent instead of 7.3) were also lowered.

Despite all of this, **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.

Although GFT still considers its pipeline to be in line with its original targets, the possibility of delayed client decisions has increased. As a result, GFT has made slight adjustments to its outlook: The company now anticipates **revenue growth of 12 percent** to a total of around **EUR 885 million** (previously +15 percent to EUR 905 million). The **adjusted EBIT** is forecast to increase by **12 percent to around EUR 82 million** (previously +16 percent to EUR 85 million). The Group expects earnings before taxes (**EBT**) to reach around **EUR 70 million**, representing a growth of **3 percent** (previously +6 percent to EUR 72 million).

**Key figures (IFRS)**

(Deviations possible due to rounding differences)

In million euros	H1 2024	H1 2023	Δ
Revenue	429.63	385.42 <sup>1)</sup>	11%
EBITDA	44.43	40.55	10%
Adjusted EBIT <sup>2)</sup>	35.73	31.17	15%
EBIT	32.17	29.94	7%
EBT	30.05	30.04	0%
Net income	21.23	20.97	1%
Earnings per share in EUR	0.81	0.80	1%
Operating cash flow	-5.34	-9.96	+46%
In million euros	30.06.2024	31.12.2023	Δ
Employees (FTE)	10,772	9,134	18%
Order backlog	407.37	378.73 <sup>1)</sup>	7%
Net liquidity	-108.31	4.39	>-100%
Equity ratio (in percent)	38%	43%	-5 PP

<sup>1)</sup> Adjusted due to the reclassification of sales-related taxes of EUR -6.16 million from other operating expenses and EUR -7.34 million for order backlog.

<sup>2)</sup> 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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