

GFT accelerates dynamic growth in Q2 2016 with 23 percent increase in revenue

- Consolidated revenue up 23 percent to EUR 110.64 million in the second quarter
- Strong growth momentum from ongoing digitisation of business processes in the financial services industry
- 12 percent improvement in second quarter earnings (EBITDA) to EUR 11.39 million
- Revenue guidance for 2016 upgraded by EUR 10 million
- Special items prompt EUR 2 million downgrade in full-year earnings guidance

Stuttgart, 11 August 2016 – GFT Technologies SE announced its results for the second quarter and first half of 2016 today. Following an expected development of business in the first quarter, GFT greatly accelerated its dynamic growth in the second quarter. This trend was driven mainly by the rising demand for solutions to digitise business processes in the financial services industry. Further growth momentum resulted from consistently high demand for digital solutions to implement compliance requirements. Due to the encouraging development of revenue, GFT has raised its full-year guidance for revenue by EUR 10 million to EUR 420 million. As a result of special items caused by the devaluation of the British pound in connection with the Brexit referendum, full-year guidance for earnings before interest, taxes, depreciation and amortisation (EBITDA), as well as for pre-tax earnings (EBT), was reduced in each case by EUR 2 million to EUR 46.5 million and EUR 33 million, respectively.

Development of business in the second quarter of 2016

Consolidated revenue rose year-on-year by 23 percent to EUR 110.64 million in the second quarter of 2016 (Q2/2015: EUR 90.24 million). Adjusted for the revenue contribution of the companies acquired in July 2015 (Adesis Netlife S.L.) and April 2016 (Habber Tec Brazil), GFT's organic growth in the second quarter amounted to 17 percent.

In the UK, GFT's largest sales market, revenue in the second quarter was down 4 percent to EUR 38.69 million (Q2/2015: EUR 40.50 million). This was due to shifts in the budgets of certain clients from the UK to the USA, as well as to delays in project decisions in the field of investment banking. There was a corresponding increase in revenue generated in the USA during the second quarter of 55 percent to EUR 14.66 million (Q2/2015: EUR 9.44 million). In Spain, demand from retail banks for solutions to digitise their business processes remained strong in the second quarter. As a result, revenue here almost doubled to EUR 19.74 million in the second quarter (Q2/2015: EUR 10.12 million).

In the second quarter of 2016, earnings before interest, taxes, depreciation and amortisation (EBITDA) were burdened by currency effects of EUR 1.14 million and rose by 12 percent to EUR 11.39 million (Q2/2015: EUR 10.19 million). Pre-tax earnings (EBT) of EUR 7.56 million were slightly up on the previous year (Q2/2015: EUR 7.35 million). Earnings per share improved to EUR 0.25 in the second quarter (Q2/2015: EUR 0.16).

Revenue and earnings trend in the first half of 2016

In the first half of 2016, GFT raised revenue by 16 percent to EUR 208.03 million (H1/2015: EUR 178.76 million). Adjusted for the revenue contributions of the acquired companies Adesis and Habber Tec Brazil, GFT achieved organic growth of 12 percent in the first half-year. EBITDA was burdened by exchange rate effects of EUR -2.43 million in total during the first six months (H1/2015: EUR 0.32 million) and rose by 9 percent to EUR 21.54 million (H1/2015: EUR 19.80 million). Pre-tax earnings of EUR 14.60 million were slightly up on the previous year (H1/2015: EUR 14.23 million). In the first half-year, earnings per share improved to EUR 0.46 (H1/2015: EUR 0.34).

Development of the segments in the first half of 2016

In the first half of 2016, the *Americas & UK* segment raised revenue by 7 percent to EUR 110.84 million (H1/2015: EUR 103.80 million). As a result of negative exchange rate effects, segment earnings fell to EUR 4.45 million (H1/2015: EUR 6.53 million). The *Continental Europe* segment achieved revenue growth of 29 percent to EUR 96.71 million (H1/2015: EUR 74.96 million). The segment result improved by 7 percent to EUR 10.06 million (H1/2015: EUR 9.40 million).

Headcount grows to around 4,500

GFT had a total of 4,493 full-time employees on 30 June 2016, corresponding to a year-on-year increase of 31 percent (30 June 2015: 3,421). The rise in headcount results from the takeover of Adesis with 277 employees in Spain and Mexico, from the acquisition of Habber Tec Brazil with 102 employees, as well as from the hiring of new staff – mostly at the company's development centres in Spain, Brazil, Poland and Costa Rica.

Outlook 2016

At the end of the first half-year, GFT adjusted its guidance for the financial year 2016. Due to the positive development of business, especially with solutions for the digitisation of business processes, revenue guidance was raised by EUR 10 million to EUR 420 million (previously EUR 410 million). In terms of earnings, GFT expects growth to be slightly slower than planned. This is mainly a result of special items in the first half-year due to the devaluation of the British pound in connection with the Brexit referendum. Earnings before interest, taxes, depreciation and amortisation (EBITDA) are now expected to reach EUR 46.5 million (previously EUR 48.5 million). Pre-tax earnings (EBT) of EUR 33 million are now expected (previously EUR 35 million).

“Despite the challenging conditions resulting from the Brexit referendum, GFT achieved dynamic growth in the first half-year,” says Ulrich Dietz, CEO of GFT. “In the second half of the year, we expect strong growth momentum from the increasing digitisation of business processes in the finance sector. Moreover, banks will need to make further investments in IT projects to implement regulatory reforms.”

Additional key data

As of 30 June 2016, cash, cash equivalents and securities amounted to EUR 42.22 million and were thus EUR 4.76 million below the year-end figure for 2015 (31 December 2015: EUR 46.98 million). Equity as of 30 June 2016 stood at EUR 122.41 million, corresponding to a decrease of EUR 2.04 million since 31 December 2015 (EUR 124.45 million). Total assets as of 30 June 2016 were up EUR 19.79 million at EUR 346.60 million (31 December 2015: EUR 326.81 million). As of 30 June 2016, the equity ratio was 3 percentage points below the year-end figure (31 December 2015: 38 percent).

Detailed financial figures can be found in the Investor Relations section of the GFT website at:
<http://www.gft.com/ir>

Key figures (IFRS, unaudited)

(deviations possible due to rounding differences)

In EUR million	Q2/2016	Q2/2015	Δ %
Revenue	110.64	90.24	23
EBITDA	11.39	10.19	12
EBIT	8.46	7.73	10
Earnings before taxes (EBT)	7.56	7.35	3
Net income for the period	6.63	4.11	61
Earnings/share in EUR	0.25	0.16	56
Equity ratio in percent	35 (30/06/2016)	38 (31/12/2015)	-
Employees (full-time) as of 30 June	4,493	3,421	31

In EUR million	H1/2016	H1/2015	Δ %
Revenue	208.03	178.76	16
EBITDA	21.54	19.80	9
EBIT	15.86	14.98	6
Earnings before taxes (EBT)	14.60	14.23	3
Net income for the period	12.21	8.85	38
Earnings/share in EUR	0.46	0.34	38
Equity ratio in percent	35 (30/06/2016)	38 (31/12/2015)	-
Employees (full-time) as of 30 June	4,493	3,421	31

About GFT:

GFT Technologies SE (GFT) is a business change and technology consultancy trusted by the world's leading financial services institutions to solve their most critical challenges. Specifically defining answers to the current constant of regulatory change – whilst innovating to meet the demands of the digital revolution. GFT brings together advisory, creative and technology capabilities with innovation culture and specialist knowledge of the finance sector, to transform the clients' businesses.

Utilising the CODE_n innovation platform, GFT is able to provide international start-ups, technology pioneers and established companies access to a global network, which enables them to tap into the disruptive trends in financial services markets and harness them for their out of the box thinking.

Headquartered in Germany, GFT achieved consolidated revenue of around EUR 374 million in 2015. The company is represented in twelve countries with a global team spanning approx. 4,500 employees. The GFT share is listed on the Frankfurt Stock Exchange in the TecDAX (ISIN: DE0005800601).

Contact:

Jutta Stolp, CIRO
Investor Relations Manager
GFT Technologies SE
Schelmenwasenstraße 34
70567 Stuttgart
Germany
T +49 711 62042-591
F +49 711 62042-301
jutta.stolp@gft.com
www.gft.com

Anja Ebert
Press Spokeswoman
GFT Technologies SE
Schelmenwasenstraße 34
70567 Stuttgart
Germany
T +49 711 62042-108
anja.ebert@gft.com
www.gft.com