

Buy (old: Buy)

PT EUR 4.40 (old: 4.20)

Price EUR 3.25
Bloomberg GFT GR
Reuters GFTG
Sector Software

IT service company with services (IT solutions for financial services companies) and resourcing (supply of IT specialists) as core business segments


Share data: 26.02.2010 / Closing price

Market cap: EUR 85.6 m
Enterprise Value (EV): EUR 51.3 m
Book value: EUR 65.8 m
No. of shares: 26.3 m
Trading volume Ø: EUR 0.2 m

Shareholders:

 Freefloat 51.8 %
 Ulrich Dietz 28.5 %
 Maria Dietz 9.7 %
 AvW 5.0 %
 BW Invest 5.0 %

Calendar:

 Figures Q1 05/11/10
 AGM 05/20/10
 Figures Q2 08/11/10
 Figures Q3 11/10/10

Change	2009E		2010E		2011E	
	old	Δ%	old	Δ%	old	Δ%
Sales	223	-2.8	242	-3.6	269	-4.3
EBIT	5.7	28.0	7.9	5.1	11.4	1.3
EPS	0.17	5.9	0.23	4.3	0.33	0

 Analysis: SES Research
 Date of publication: 01.03.2010
 Analyst:
 Finn Henning Breiter +49 (0)40-309537-230
 breiter@ses.de

Q4 figures above expectations

GFT's published preliminary Q4 sales figures were in line with expectations; however, the EBT margin was clearly higher than expected. EPS were distorted positively in 2008 due to a special effect (deferred tax revenue) and would have amounted to EUR 0.19 on an adjusted basis.

The Software segment will be sold in H1 2010. Therefore, this discontinued business segment is already deconsolidated in the reported figures for 2009. For reasons of comparison the following table shows the reported figures as well as the figures including the Software segment.

GFT Technologies - Q4 2009

Figures in EUR m	Q4/09	Q4/09e	Q4/08	yoy	2009	2009e	2008	yoy
Sales	-	-	-	-	216.8	-	236.6	-8.4%
Sales incl. Software	59.1	60.7	64.8	-8.7%	221.4	223.0	242.3	-8.6%
EBT margin	-	-	-	-	7.9	-	9.6	-18.1%
EBT incl. Software margin	4.1%	3.3%	3.9%	-3.9%	3.6%	-	4.1%	-
EBT margin	2.5	2.0	2.5	-3.9%	6.8	6.3	6.9	-2.1%
EBT incl. Software margin	4.1%	3.3%	3.9%	-3.9%	3.1%	2.8%	2.9%	-
EPS in EUR	0.06	0.05	0.13	-53.8%	0.18	0.17	0.23	-21.7%

Sources: GFT Technologies (historical data), SES Research (estimates)

The company exceeding the earnings expectations is attributable to an improved sales mix. The most profitable Services segment (2009: 6.8% EBT margin) surpassed the sales expectations due to a stronger final quarter (sales + 6.6% to EUR 25.4 m). Therefore, the segment result (EUR 6.2 m) was above expectations (SESe: EUR 5.9 m).

In contrast, sales in the Resourcing segment, which is characterised by lower margins (2009: 2.2% EBT margin), were slightly below expectations. The effect on the earnings is however low, so earnings fell only short of expectations (SESe: EUR 2.8 m) by EUR 0.1 m.

Additionally, the expenses for the development of the Software segment were reduced against the backdrop of the upcoming sale, so the segment loss (EUR -1.0) was lower than expected (SESe EUR -1.3 m).

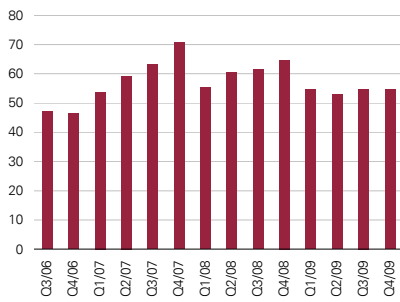
The EBT margin in the most important Services segment declined by 1.5 PP to 6.8% in 2009 reflecting price pressure in the difficult market environment. The market relevant for GFT looks set to have decreased by approx. 5% in 2009. The slight sales growth in this environment thus reflects the high company quality despite the margin pressure.

The market is expected to grow again in 2010 (Forrester expects approx. 5%). GFT is likely to benefit from this growth. This is also underpinned by a major order of Deutsche Bank (EUR 80 m over a period of 7 years) which was recently announced.

The expectations for 2010 and the following years are adjusted for the Software segment. The **PT** is raised to **EUR 4.40** (old: EUR 4.20). The **BUY rating** is reiterated.

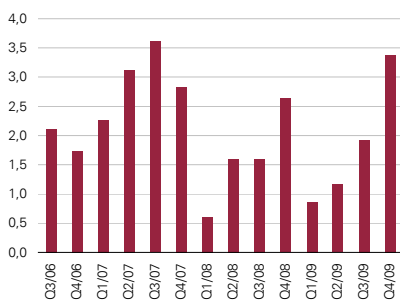
Fiscal year ending: 31.12.	2005	2006	2007	2008	2009E	2010E	2011E
Sales	121	174	247	242	217	234	258
<i>Change Sales yoy</i>	-3.7 %	43.6 %	42.3 %	-1.9 %	-10.5 %	7.8 %	10.3 %
Gross profit	73.4	86.7	97.0	93.4	86.4	95.1	105
<i>Gross margin</i>	60.7 %	49.9 %	39.3 %	38.6 %	39.8 %	40.7 %	40.6 %
EBITDA	2.6	7.6	13.2	8.1	8.5	9.6	12.9
<i>EBITDA-margin</i>	2.2 %	4.4 %	5.4 %	3.3 %	3.9 %	4.1 %	5.0 %
EBIT	1.3	6.4	11.8	6.4	7.3	8.3	11.6
<i>EBIT-margin</i>	1.1 %	3.7 %	4.8 %	2.7 %	3.4 %	3.6 %	4.5 %
Net income	1.1	5.1	8.6	6.0	4.7	6.2	8.7
EPS	0.04	0.19	0.33	0.23	0.18	0.24	0.33
Free Cash Flow per share	-0.07	0.00	0.29	0.29	0.22	0.21	0.23
Dividend	0.00	0.00	0.00	0.10	0.10	0.15	0.20
<i>Dividend Yield</i>	n.a.	n.a.	n.a.	3.1 %	3.1 %	4.6 %	6.2 %
EV/Sales	0.5	0.3	0.2	0.2	0.2	0.2	0.2
EV/EBITDA	21.7	7.5	4.3	7.0	6.3	5.4	3.8
EV/EBIT	42.1	8.8	4.8	8.8	7.4	6.1	4.3
PER	81.3	17.1	9.8	14.1	18.1	13.5	9.8
ROCE	2.4 %	10.5 %	16.9 %	8.5 %	9.3 %	10.1 %	13.4 %
Adj. Free Cash Flow Yield	2.8 %	11.6 %	21.4 %	12.1 %	10.7 %	16.0 %	23.0 %

Sales growth
in EUR m



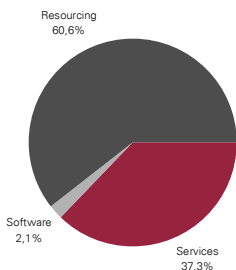
Source: GFT Technologies

EBIT growth
in EUR m



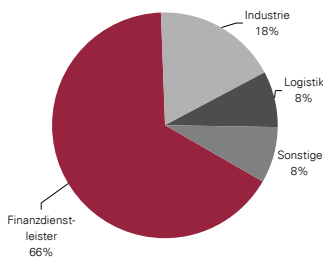
Source: GFT Technologies

Sales by segments
2008



Source: GFT Technologies

Sales by
2008



Source: GFT Technologies

Company background

As a service company in the IT environment, GFT Technologies AG offers a broad range of services from consultation to systems integration and application development to the placing of freelancers.

The activities of GFT are subdivided in the two core business segments IT Services and Resourcing. The third segment, Software, is specialised in solutions for email archiving.

- IT Services: Development, integration and maintenance of IT solutions with a focus on banks and insurance companies (sales EUR 91 m)
- Resourcing: Placing IT freelancers (sales EUR 145 m)
- Software: Email archiving (sales EUR 6 m)

Competitive quality

The core competence of GFT is in the field of IT services for banks and insurance companies. GFT is clearly focused on financial service and logistics companies in the Services segment and has a high project expertise in this sector as well as a broad knowledge of the business processes.

As a result of the long-standing track record as reliable IT partner in the financial services sector GFT is perceived as expert in the sector despite the comparatively small company size.

Hence GFT is strongly positioned in a sector which is particularly attractive for IT service companies. Banks and insurance companies make large investments to increase efficiency and always aim for improved IT processes.

So far, investments were mainly driven by the conglomerates. GFT has held its ground in spite of a high degree of competition for these customers and grew dynamically until the beginning of the financial crisis. In future, smaller banks and insurance companies are also expected to increasingly invest in the improvement of their business processes. GFT can efficiently deal with these smaller project sizes, while the partially much larger competitors are focused on major projects. GFT looks set to return to profitable growth in this niche.

The overall IT services sector is linked with the Resourcing segment as regards synergies. In addition to a high cross-selling potential the service segment is also the largest customer of the resourcing segment, making the cost structure very flexible.

GFT is clearly profitable on this basis even in the current economic crisis. With a net cash financing position of approx. EUR 34 m and an equity ratio in excess of 60% GFT also has a solid balance sheet.

Consolidated Profit & Loss GFT							
in EUR m							
	2005	2006	2007	2008	2009E	2010E	2011E
Sales	121	174	247	242	217	234	258
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.3	0.1	0.1	0.0	0.0	0.0
Total sales	121	174	247	242	217	234	258
Material Expenses	47.6	87.3	150	149	130	139	153
Gross profit	73.4	86.7	97.0	93.4	86.4	95.1	105
Personnel expenses	57.5	61.9	64.5	66.8	62.5	69.4	75.2
Other operating income	4.3	3.0	2.0	3.0	2.0	2.6	2.8
Other operating expenses	17.6	20.2	21.2	21.5	17.3	18.7	19.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.6	7.6	13.2	8.1	8.5	9.6	12.9
Depreciation of fixed assets	1.0	0.9	1.0	1.1	0.9	0.9	1.0
EBITA	1.6	6.7	12.2	7.0	7.6	8.6	11.9
Amortisation of intangible fixed assets	0.3	0.3	0.4	0.5	0.3	0.3	0.3
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.3	6.4	11.8	6.4	7.3	8.3	11.6
Interest income	0.8	0.6	0.8	0.9	0.5	0.6	0.9
Interest expenses	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Financial result	0.2	0.2	0.5	0.5	0.5	0.6	0.9
Recurring pretax income from cont. operations	1.6	6.7	12.4	6.9	7.9	8.9	12.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.6	6.7	12.4	6.9	7.9	8.9	12.5
Taxes total	0.5	1.6	3.8	0.9	1.7	2.7	3.8
Net income from continuing operations	1.1	5.1	8.6	6.0	6.2	6.2	8.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	-1.4	0.0	0.0
Net income before minorities	1.1	5.1	8.6	6.0	4.7	6.2	8.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.1	5.1	8.6	6.0	4.7	6.2	8.7

Sources: GFT (historical data), SES Research (forecasts)

Consolidated Profit & Loss GFT							
in % of Sales							
	2005	2006	2007	2008	2009E	2010E	2011E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase / decrease in inventory	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Own work capitalised	0.0 %	0.2 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.2 %	100.1 %	100.1 %	100.0 %	100.0 %	100.0 %
Material Expenses	39.3 %	50.3 %	60.8 %	61.5 %	60.2 %	59.3 %	59.4 %
Gross profit	60.7 %	49.9 %	39.3 %	38.6 %	39.8 %	40.7 %	40.6 %
Personnel expenses	47.5 %	35.7 %	26.1 %	27.6 %	28.8 %	29.7 %	29.2 %
Other operating income	3.6 %	1.7 %	0.8 %	1.2 %	0.9 %	1.1 %	1.1 %
Other operating expenses	14.6 %	11.6 %	8.6 %	8.9 %	8.0 %	8.0 %	7.5 %
Unfrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	2.2 %	4.4 %	5.4 %	3.3 %	3.9 %	4.1 %	5.0 %
Depreciation of fixed assets	0.8 %	0.5 %	0.4 %	0.5 %	0.4 %	0.4 %	0.4 %
EBITA	1.4 %	3.9 %	4.9 %	2.9 %	3.5 %	3.7 %	4.6 %
Amortisation of intangible fixed assets	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	1.1 %	3.7 %	4.8 %	2.7 %	3.4 %	3.6 %	4.5 %
Interest income	0.6 %	0.4 %	0.3 %	0.4 %	0.3 %	0.3 %	0.4 %
Interest expenses	0.0 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.2 %	0.1 %	0.2 %	0.2 %	0.2 %	0.3 %	0.4 %
Recurring pretax income from cont. operations	1.3 %	3.8 %	5.0 %	2.9 %	3.6 %	3.8 %	4.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	1.3 %	3.8 %	5.0 %	2.9 %	3.6 %	3.8 %	4.9 %
Taxes total	0.4 %	0.9 %	1.5 %	0.4 %	0.8 %	1.2 %	1.5 %
Net income from continuing operations	0.9 %	2.9 %	3.5 %	2.5 %	2.9 %	2.7 %	3.4 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	-0.7 %	0.0 %	0.0 %
Net income before minorities	0.9 %	2.9 %	3.5 %	2.5 %	2.2 %	2.7 %	3.4 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	0.9 %	2.9 %	3.5 %	2.5 %	2.2 %	2.7 %	3.4 %

Sources: GFT (historical data), SES Research (forecasts)

Balance sheet GFT

in EUR m

	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	15.7	21.1	21.2	20.8	20.7	20.9	21.2
thereof other intangible assets	0.4	0.7	0.9	0.5	0.4	0.6	0.8
thereof Goodwill	15.3	20.4	20.4	20.4	20.4	20.4	20.4
Property, plant and equipment	2.5	2.4	2.6	2.6	2.2	2.3	2.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	18.2	23.6	23.9	23.5	23.0	23.2	23.6
Inventories	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	22.6	34.1	47.9	44.1	42.6	45.4	50.1
Other Assets	8.7	10.6	11.4	10.7	10.8	10.8	10.8
Liquid assets	28.6	23.9	28.7	35.2	37.7	40.5	42.8
Current assets	60.1	68.6	88.1	90.0	91.1	96.8	104
Total assets	78.4	92.2	112	114	114	120	127
Liabilities and shareholders' equity							
Subscribed capital	26.3	26.3	26.3	26.3	26.3	26.3	26.3
Additional paid-in capital	67.3	67.3	42.1	42.1	42.1	42.1	42.1
Surplus capital	2.3	2.3	2.3	6.8	6.8	10.4	15.2
Other equity components	-51.6	-46.7	-13.1	-12.1	-9.6	-9.6	-9.6
Book value	44.5	49.4	57.7	63.2	65.8	69.3	74.1
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	44.5	49.4	57.7	63.2	65.8	69.3	74.1
Provision for pensions and similar obligations	0.8	0.8	0.9	1.0	0.5	0.5	0.5
Provisions	11.6	14.4	16.0	14.2	14.9	14.9	14.9
Financial liabilities	0.1	2.6	0.2	0.2	0.0	0.0	0.0
Accounts payable	10.3	15.6	28.9	26.1	23.3	25.6	28.2
Other liabilities	11.9	10.3	9.2	9.8	10.1	10.1	10.1
Liabilities	33.9	42.8	54.2	50.3	48.3	50.6	53.2
Total liabilities and shareholders equity	78.4	92.2	112	114	114	120	127

Sources: GFT (historical data), SES Research (forecasts)

Balance sheet GFT

in % of Balance Sheet Total

	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	20.1 %	22.9 %	19.0 %	18.4 %	18.2 %	17.4 %	16.6 %
thereof other intangible assets	0.5 %	0.8 %	0.8 %	0.4 %	0.3 %	0.5 %	0.6 %
thereof Goodwill	19.6 %	22.1 %	18.2 %	17.9 %	17.9 %	17.0 %	16.0 %
Property, plant and equipment	3.2 %	2.7 %	2.3 %	2.3 %	1.9 %	1.9 %	1.9 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fixed assets	23.2 %	25.6 %	21.3 %	20.7 %	20.1 %	19.4 %	18.6 %
Inventories	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	28.9 %	37.0 %	42.9 %	38.9 %	37.3 %	37.8 %	39.4 %
Other Assets	11.1 %	11.5 %	10.2 %	9.4 %	9.5 %	9.0 %	8.5 %
Liquid assets	36.5 %	25.9 %	25.7 %	31.0 %	33.1 %	33.8 %	33.6 %
Current assets	76.7 %	74.5 %	78.7 %	79.3 %	79.9 %	80.6 %	81.5 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	33.6 %	28.6 %	23.5 %	23.2 %	23.1 %	21.9 %	20.7 %
Additional paid-in capital	85.9 %	73.0 %	37.7 %	37.1 %	36.9 %	35.1 %	33.1 %
Surplus capital	3.0 %	2.5 %	2.1 %	6.0 %	6.0 %	8.7 %	11.9 %
Other equity components	-65.8 %	-50.6 %	-11.7 %	-10.7 %	-8.4 %	-8.0 %	-7.5 %
Book value	56.7 %	53.5 %	51.6 %	55.7 %	57.6 %	57.8 %	58.2 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	56.7 %	53.5 %	51.6 %	55.7 %	57.6 %	57.8 %	58.2 %
Provision for pensions and similar obligations	1.1 %	0.9 %	0.8 %	0.9 %	0.4 %	0.4 %	0.4 %
Provisions	14.8 %	15.6 %	14.3 %	12.5 %	13.1 %	12.4 %	11.7 %
Financial liabilities	0.2 %	2.8 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Accounts payable	13.1 %	16.9 %	25.8 %	23.0 %	20.4 %	21.3 %	22.2 %
Other liabilities	15.2 %	11.2 %	8.2 %	8.7 %	8.9 %	8.5 %	8.0 %
Liabilities	43.2 %	46.5 %	48.4 %	44.3 %	42.4 %	42.2 %	41.8 %
Total liabilities and shareholders equity	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sources: GFT (historical data), SES Research (forecasts)

Statement of Cash Flows GFT

in EUR m

	2005	2006	2007	2008	2009E	2010E	2011E
Net income	1.1	5.1	8.6	6.0	4.7	6.2	8.7
Depreciation of fixed assets	1.0	0.9	1.0	1.1	0.9	0.9	1.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.3	0.4	0.5	0.3	0.3	0.3
Increase/decrease in long-term provisions	-1.8	-2.0	1.6	0.1	-0.5	0.0	0.0
Other costs affecting income / expenses	0.5	0.2	0.2	0.4	2.2	0.0	0.0
Cash Flow	1.0	4.5	11.8	8.2	7.7	7.5	10.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-4.9	-2.0	-13.8	3.8	1.5	-2.8	-4.7
Increase / decrease in accounts payable	2.9	0.1	12.2	-2.8	-2.8	2.3	2.6
Increase / decrease in other working capital positions	0.1	-1.1	-0.8	0.0	0.2	0.0	0.0
Increase / decrease in working capital	-1.8	-3.0	-2.4	1.0	-1.1	-0.5	-2.1
Cash flow from operating activities	-0.8	1.5	9.3	9.2	6.6	7.0	7.9
CAPEX	-1.1	-1.6	-1.8	-1.6	-0.8	-1.5	-1.7
Payments for acquisitions	0.0	-6.2	0.0	0.0	0.0	0.0	0.0
Financial investments	2.0	4.1	0.3	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.1	0.0	-0.2	0.1	0.0	0.0
Cash flow from investing activities	1.0	-3.6	-1.5	-1.8	-0.7	-1.5	-1.7
Change in financial liabilities	0.1	1.9	-2.4	0.0	-0.2	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	-2.6	-2.6	-3.9
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.1	-0.2	0.0	-0.1	0.2	0.0	0.0
Cash flow from financing activities	0.0	1.7	-2.4	-0.1	-2.6	-2.6	-3.9
Change in liquid funds	0.2	-0.4	5.5	7.3	3.2	2.8	2.2
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets at end of period	20.7	20.2	25.7	33.0	36.2	38.3	40.5

Sources: GFT (historical data), SES Research (forecasts)

Financial Ratios GFT

	2005	2006	2007	2008	2009E	2010E	2011E
Operational Efficiency							
Total Operating Costs / Sales	97.8 %	95.8 %	94.7 %	96.7 %	96.1 %	95.9 %	95.0 %
Sales per Employee	119,747	168,130	230,474	235,913	189,518	201,421	209,554
EBITDA per Employee	2,581	7,345	12,344	7,863	7,468	8,258	10,478
EBIT-margin	1.1 %	3.7 %	4.8 %	2.7 %	3.4 %	3.6 %	4.5 %
EBITDA / Operating Assets	17.4 %	36.1 %	61.1 %	39.1 %	39.7 %	43.4 %	53.0 %
ROA	5.8 %	21.7 %	36.0 %	25.7 %	20.7 %	26.8 %	36.7 %
Efficiency of Capital Employment							
Plant Turnover	48.8	70.9	94.4	92.5	99.0	104	106
Operating Assets Turnover	8.1	8.3	11.4	11.7	10.1	10.6	10.6
Capital Employed Turnover	2.2	2.6	3.3	3.1	2.7	2.8	2.9
Return on Capital							
ROCE	2.4 %	10.5 %	16.9 %	8.5 %	9.3 %	10.1 %	13.4 %
EBITDA / Avg. Capital Employed	4.7 %	12.4 %	18.9 %	10.7 %	10.8 %	11.6 %	14.9 %
ROE	2.4 %	10.4 %	14.9 %	9.6 %	7.2 %	9.0 %	11.7 %
Net Profit / Avg. Equity	2.4 %	10.9 %	16.0 %	10.0 %	7.4 %	9.2 %	12.1 %
Recurring Net Profit / Avg. Equity	2.4 %	10.9 %	16.0 %	10.0 %	9.6 %	9.2 %	12.1 %
ROIC	1.9 %	7.7 %	11.6 %	7.8 %	6.7 %	7.3 %	9.7 %
Solvency							
Net Debt	-28.5	-21.3	-28.6	-35.0	-37.7	-40.5	-42.8
Net Gearing	-64.1 %	-43.2 %	-49.5 %	-55.5 %	-57.3 %	-58.5 %	-57.7 %
Book Value of Equity / Book Value of Debt	31307.7 %	1923.7 %	38486.7 %	42115.3 %	n.a.	n.a.	n.a.
Current ratio	2.7	2.4	2.3	2.5	2.7	2.7	2.7
Acid Test Ratio	1.8	1.6	1.6	1.8	1.9	1.9	1.9
EBITDA / Interest Paid	79.0	66.0	101.0	230.7	356.0	n.a.	n.a.
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	-1.9	-0.1	7.6	7.6	5.8	5.5	6.2
Free Cash Flow / Sales	-1.6 %	0.0 %	3.1 %	3.1 %	2.7 %	2.3 %	2.4 %
Adj. Free Cash Flow	1.6	6.6	12.1	6.9	5.8	8.2	11.4
Adj. Free Cash Flow / Sales	0.8 %	2.5 %	3.5 %	2.5 %	2.6 %	2.3 %	2.9 %
Free Cash Flow / Net Profit	-180.7 %	-1.3 %	88.2 %	125.2 %	122.3 %	87.8 %	71.1 %
Interest Received / Avg. Cash	2.6 %	2.4 %	3.1 %	2.9 %	1.5 %	1.5 %	2.2 %
Interest Paid / Avg. Debt	29.6 %	8.5 %	9.6 %	23.3 %	32.0 %	n.a.	n.a.
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	43.5 %	42.5 %	63.5 %	60.6 %
Fund Management							
Investment ratio	-0.7 %	-1.4 %	0.6 %	0.7 %	0.3 %	0.6 %	0.7 %
Maint. Capex / Sales	0.8 %	0.6 %	0.4 %	0.5 %	0.6 %	0.6 %	0.6 %
Capex / Dep	-70.1 %	-215.6 %	104.6 %	100.3 %	62.6 %	121.5 %	132.0 %
Avg. Working Capital / Sales	8.2 %	8.9 %	7.6 %	7.6 %	8.6 %	8.4 %	8.1 %
Trade Creditors / Trade Debtors	220.7 %	218.9 %	165.8 %	169.1 %	182.9 %	177.3 %	177.7 %
Inventory turnover (days)	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Receivables collection period (DSOs)	68.3	71.7	70.8	66.5	71.7	71.0	71.0
Payables collection period (days)	31.0	32.8	42.7	39.3	39.2	40.0	40.0
Cash conversion cycle (days)	37.8	39.0	28.1	27.2	32.5	31.0	31.0
Valuation							
Dividend Yield	n.a.	n.a.	n.a.	3.1 %	3.1 %	4.6 %	6.2 %
P/B	1.9	1.7	1.5	1.4	1.3	1.2	1.2
EV/sales	0.5	0.3	0.2	0.2	0.2	0.2	0.2
EV/EBITDA	21.7	7.5	4.3	7.0	6.3	5.4	3.8
EV/EBIT	42.1	8.8	4.8	8.8	7.4	6.1	4.3
EV/FCF	n.m.	n.m.	7.5	7.5	9.3	9.4	8.0
P/E	81.3	17.1	9.8	14.1	18.1	13.5	9.8
P/CF	85.5	19.1	7.3	10.4	11.1	11.5	8.6
Adj. Free Cash Flow Yield	1.8 %	7.9 %	20.8 %	14.5 %	14.2 %	14.5 %	20.2 %

Sources: GFT (historical data), SES Research (forecasts)

Free Cash Flow Yield - GFT Technologies

Figures in EUR m	2005	2006	2007	2008	2009e	2010e	2011e	
Net Income	1.1	5.1	8.6	6.0	4.7	6.2	8.7	
+ Depreciation + Amortisation	1.3	1.2	1.4	1.6	1.2	1.2	1.3	
- Net Interest Income	0.2	0.2	0.5	0.5	0.5	0.6	0.9	
+ Taxes	0.5	1.6	3.8	0.9	1.7	2.7	3.8	
- Maintenance Capex	1.0	1.0	1.1	1.2	1.3	1.4	1.5	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	1.6	6.6	12.1	6.9	5.8	8.2	11.4	
Adjusted Free Cash Flow Yield	2.8%	11.6%	21.4%	12.1%	10.7%	16.0%	23.0%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	56.7	56.7	56.7	56.7	54.1	51.3	49.5	
= Fair Enterprise Value	16.1	65.9	121.3	68.8	58.0	81.8	113.8	
- Net Debt (Cash)	-35.0	-35.0	-35.0	-35.0	-37.7	-40.5	-42.8	
- Pension Liabilities	1.0	1.0	1.0	1.0	0.5	0.5	0.5	
- Others	5.2	5.2	5.2	5.2	5.8	5.8	6.2	
= Fair Market Capitalisation	44.9	94.7	150.2	97.6	89.4	116.1	149.9	
No. of shares (m)	26.3	26.3	26.3	26.3	26.3	26.3	26.3	
= Fair value per share (EUR)	1.71	3.60	5.71	3.71	3.40	4.41	5.70	
premium (-) / discount (+) in %	-47.5%	10.7%	75.6%	14.1%	4.5%	35.7%	75.2%	
Sensitivity Fair value per Share (EUR)								
	13.0%	1.57	3.02	4.64	3.11	2.89	3.69	4.70
	12.0%	1.61	3.18	4.94	3.27	3.03	3.89	4.97
	11.0%	1.65	3.37	5.29	3.47	3.20	4.13	5.30
Hurdle rate	10.0%	1.71	3.60	5.71	3.71	3.40	4.41	5.70
	9.0%	1.78	3.88	6.22	4.00	3.64	4.75	6.18
	8.0%	1.86	4.22	6.86	4.36	3.95	5.19	6.78
	7.0%	1.97	4.67	7.68	4.83	4.34	5.74	7.55

Sources: GFT Technologies (historical data), SES Research (estimates)

DCF Model - GFT Technologies

Figures in EUR m	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
Sales	239.9	258.5	285.1	305.0	323.3	342.7	363.3	381.4	400.5	416.5	433.2	446.2	459.6	473.4
Change	-1.0%	7.8%	10.3%	7.0%	6.0%	6.0%	6.0%	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	3.0%
EBIT	7.3	8.3	11.6	13.1	14.5	15.4	14.5	15.3	16.0	16.7	15.2	15.6	13.8	14.2
EBIT-Margin	3.1%	3.2%	4.1%	4.3%	4.5%	4.5%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.0%	3.0%
Tax rate	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%
NOPAT	5.1	5.8	8.1	9.1	10.1	10.7	10.1	10.6	11.1	11.6	10.5	10.9	9.6	9.9
Depreciation	1.2	1.2	1.3	1.8	1.9	1.7	1.8	1.9	2.0	2.1	2.2	2.2	2.3	2.4
in % of Sales	0.5%	0.5%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Change in Liquidity from														
- Working Capital	-1.3	-0.5	-2.1	-1.5	-1.4	-1.5	-1.6	-1.4	-1.5	-1.2	-1.3	-1.0	-1.0	-1.1
- Capex	-0.8	-1.5	-1.7	-1.7	-1.8	-1.7	-1.8	-1.9	-2.0	-2.1	-2.2	-2.2	-2.3	-2.4
Capex in % of Sales	0.3%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Other	-0.5	0.0	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC-Model)	3.8	5.0	5.5	8.0	8.8	9.5	8.6	9.2	9.7	10.4	9.3	9.9	8.6	8.8

Model parameter

Debt ratio	0.00%	Beta	1.50
Costs of Debt	n.a.	WACC	11.88%
Market return	9.25%		
Risk free rate	4.00%	Terminal Growth	2.50%

Valuation (mln)

Present values 2022e	57.0		
Terminal Value	22.3		
Liabilities	-0.9		
Liquidity	31.9	No. of shares (mln)	26.33
Equity Value	110.3	Value per share (EUR)	4.19

Sensitivity Value per Share (EUR)**Terminal Growth**

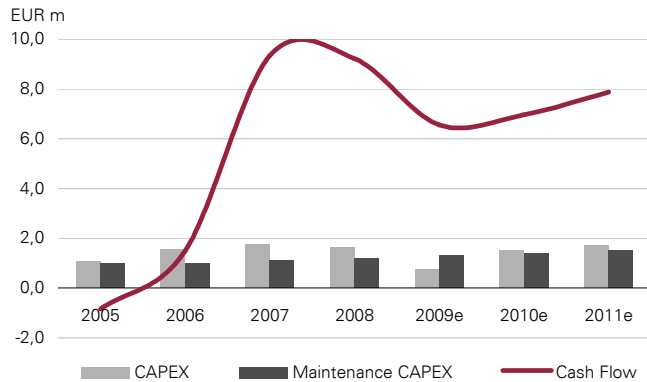
WACC	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
12.88%	3.88	3.89	3.91	3.92	3.94	3.96	3.98
12.38%	4.00	4.01	4.03	4.05	4.07	4.09	4.11
12.13%	4.06	4.08	4.10	4.12	4.14	4.16	4.18
11.88%	4.13	4.15	4.17	4.19	4.21	4.24	4.26
11.63%	4.20	4.22	4.24	4.26	4.29	4.32	4.34
11.38%	4.27	4.29	4.32	4.34	4.37	4.40	4.43
10.88%	4.43	4.46	4.49	4.52	4.55	4.58	4.62

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
12.88%	2.58	3.03	3.48	3.92	4.37	4.82	5.26
12.38%	2.64	3.11	3.58	4.05	4.52	4.99	5.46
12.13%	2.67	3.16	3.64	4.12	4.60	5.08	5.56
11.88%	2.71	3.20	3.70	4.19	4.68	5.18	5.67
11.63%	2.75	3.25	3.76	4.26	4.77	5.28	5.78
11.38%	2.78	3.30	3.82	4.34	4.86	5.38	5.90
10.88%	2.86	3.42	3.97	4.52	5.07	5.62	6.17

Source: SES Research

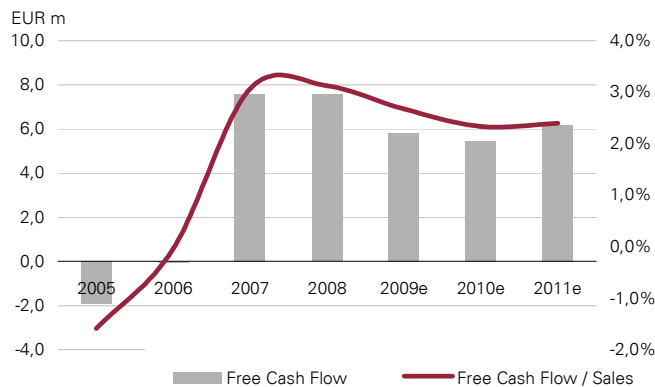
CAPEX and Cash Flow - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- Continuous increase of CF until 2007 (record year)
- 2008 and 2009 burdened by financial crisis
- Low investment needs

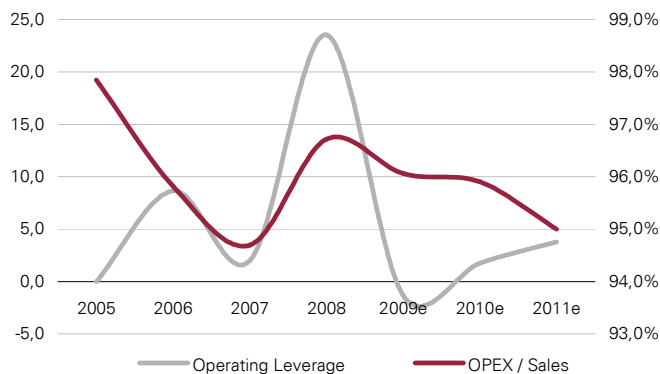
Free Cash Flow Generation - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- FCF determined by operating CF at constantly low investments
- 2007: Historic record year
- FCF/Sales should grow due to almost constant investments

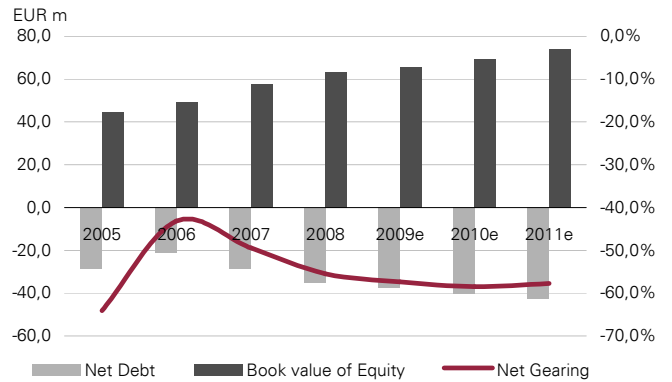
Operating Leverage - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- OL deviates due to different margins in the segments
- Turnaround in 2005, strong sales growth due to resourcing in 2007
- Disproportionate earnings decline due to lower service sales in 2008

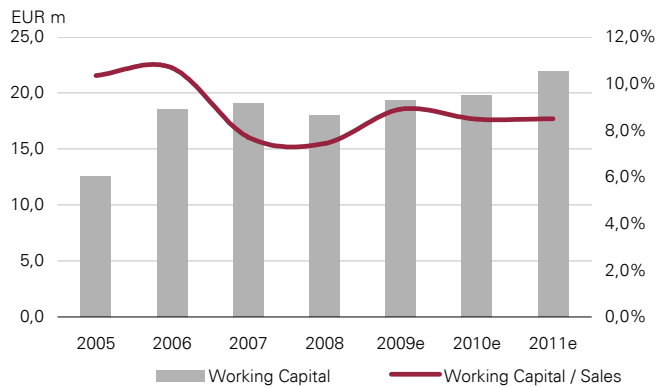
Balance Sheet Quality - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- Traditionally strong cash position
- High net liquidity planned to be used for acquisitions
- Continuous strengthening of equity base since 2005

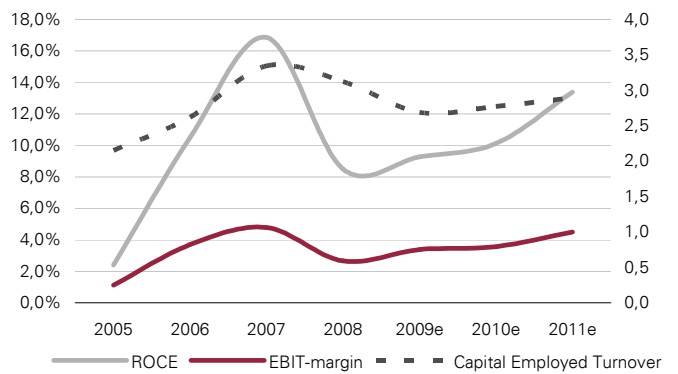
Working Capital - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- Working Capital consists exclusively of receivables and liabilities
- Development expected to be proportionate to sales beginning from 2009

ROCE Development - GFT Technologies



Sources: GFT Technologies (historical data), SES Research (forecasts)

- ROCE negatively distorted due to high cash position
- However, peak values of >15% in 2007
- Drop to below 10% only temporary due to financial crisis

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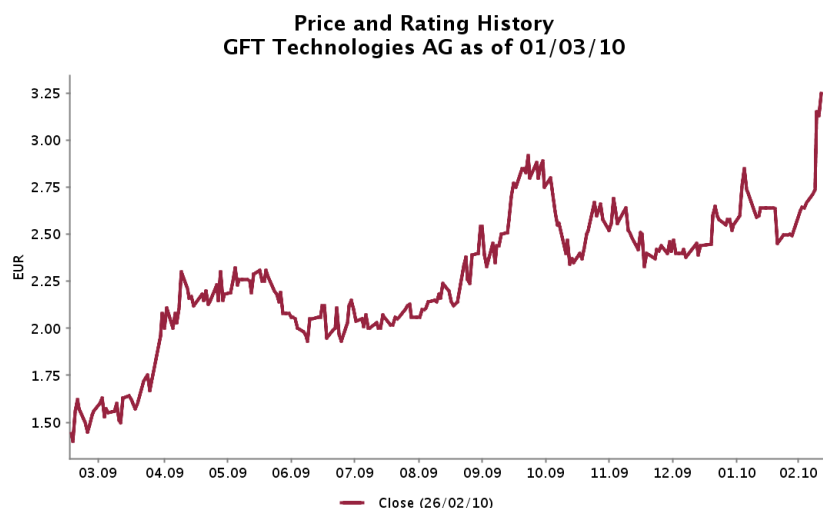
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Sell	16	8%
Rating suspended	16	8%
Total	203	

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Buy	84	64%
Hold	33	25%
Sell	4	3%
Rating suspended	11	8%
Total	132	



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SES Research GmbH

SES Research GmbH | Hermannstraße 9 | 20095 Hamburg

Phone: +49 40 309537 - 0 | Fax: +49 40 309537 - 110 | info@ses.de | www.ses.de

SES | RESEARCH
A Member of the Warburg Group

Analyse

Felix Ellmann	+49 (0)40-309537 - 120 ellmann@ses.de	Tim Kruse	+49 (0)40-309537 – 180 kruse@ses.de
Henner Rüschemier	+49 (0)40-309537 - 270 rueschmeier@ses.de	Frank Laser	+49 (0)40-309537 – 235 laser@ses.de
Robert Suckel	+49 (0)40-309537 - 190 suckel@ses.de	Jochen Reichert	+49 (0)40-309537 – 130 reichert@ses.de
Dr. Karsten von Blumenthal	+49 (0)40-309537 - 150 blumenthal@ses.de	Malte Schaumann	+49 (0)40-309537 – 170 schaumann@ses.de
Björn Blunck	+49 (0)40-309537 – 160 blunck@ses.de	Franziska Schmidt-Petersen	+49 (0)40-309537 – 100 schmidt-petersen@ses.de
Daniel Bonn	+49 (0)40-309537 – 250 bonn@ses.de	Claudia Vedder	+49 (0)40-309537 – 105 vedder@ses.de
Annika Boysen	+49 (0)40-309537 – 220 boysen@ses.de	Katrin Wauker	+49 (0)40-309537 – 200 wauker@ses.de
Finn Henning Breiter	+49 (0)40-309537 – 230 breiter@ses.de	Andreas Wolf	+49 (0)40-309537 – 140 wolf@ses.de
Torsten Klingner	+49 (0)40-309537 – 260 klingner@ses.de		

M.M. Warburg & CO KGaA

M.M. Warburg & CO KGaA | Ferdinandstraße 75 | 20095 Hamburg

Phone: +49 40 3282 - 0 | Fax: +49 40 3618 - 1000 | info@mmwarburg.com | www.mmwarburg.com



M. M. WARBURG & CO
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Institutional Sales

Barbara C. Effler Head of Equities	+49 (0)40-3282 - 2686 beffler@mmwarburg.com	Holger Nass Head of Equity Sales	+49 (0)40-3282 - 2669 hnass@mmwarburg.com
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Gudrun Bolsen Sales Trading	+49 (0)40-3282 - 2679 gbolsen@mmwarburg.com	Matthias Fritsch Equity Sales	+49 (0)40-3282 – 2696 mfritsch@mmwarburg.com
Bastian Quast Sales Trading	+49 (0)40-3282 - 2701 bquast@mmwarburg.com	Benjamin Kassen Equity Sales	+49 (0)40-3282 - 2630 bkassen@mmwarburg.com
Patrick Schepelmann Sales Trading	+49 (0)40-3282 - 2700 pschepelmann@mmwarburg.com	Michael Kriszun Equity Sales	+49 (0)40-3282 - 2695 mkriszun@mmwarburg.com
Jörg Treptow Sales Trading	+49 (0)40-3282 - 2658 jtreptow@mmwarburg.com	Dirk Rosenfelder Equity Sales	+49 (0)40-3282 - 2692 drosenfelder@mmwarburg.com
Andrea Carstensen Sales Assistance	+49 (0)40-3282 - 2632 acarstensen@mmwarburg.com	Felix Schulte Equity Sales	+49 (0)40-3282 - 2666 fschulte@mmwarburg.com
Wiebke Möller Sales Assistance	+49 (0)40-3282 - 2703 wmoeller@mmwarburg.com	Marco Schumann Equity Sales	+49 (0)40-3282 - 2665 mschumann@mmwarburg.com
Katharina Bruns Roadshow / Marketing	+49 (0)40-3282 - 2694 kbruns@mmwarburg.com	Philipp Stumpfegger Equity Sales	+49 (0)40-3282 - 2635 pstumpfegger@mmwarburg.com
		Andreas Wessel Equity Sales	+49 (0)40-3282 - 2663 awessel@mmwarburg.com