

PRESS RELEASE
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GFT further accelerates growth

Significant growth in earnings and revenue thanks to structurally stronger demand in the first nine months of 2021

- Significant **increase in EBT** of 211 percent and in revenue of 24 percent
- Strong demand enables focus on **higher-margin projects**
- Active **cost management** slows increase in administrative expenses
- **Successful diversification**: Insurance sector +40 percent revenue growth, Industry & Others +30 percent
- **High level of orders received** indicates further significant growth in 2021 and 2022

Stuttgart, 11 November 2021 – Investments in **future technologies**, such as [cloud](#) and artificial intelligence are growing fast. Around 482 billion US dollars are expected to be spent worldwide on cloud projects alone in 2022 – an **increase of 54%** over 2020¹⁾. Thanks to its strong expertise in these fields, **GFT Technologies SE (GFT)** will **benefit more than average** from this trend. This is illustrated by the company's strong performance in the first nine months and its consistently high level of orders received.

In the first nine months, revenue rose year on year by 24 percent to EUR 405.39 million, while **pre-tax earnings (EBT)** even **tripled** to EUR 28.13 million. This strong growth resulted from **structurally high demand** and an **increased focus on high-margin projects**. The positive business performance also indicates dynamic growth in revenue and earnings for the rest of 2021 and the coming year. As a result of consistently strong demand and the high level of orders received, GFT raised its outlook for the current financial year once again on 21 October.

Marika Lulay, CEO of GFT explained: “We believe in a digital world in which the intelligent use of IT is key to success – for our employees, clients and investors, and of course for GFT itself. Our clients are also convinced of this, as demand for digitalisation solutions continues to grow and grow. This is enabling us to focus on projects with higher margins.”

Growth in the first nine months further accelerated

In the first nine months of 2021, the GFT Group generated revenue of EUR 405.39 million. This corresponds to an increase of 24 percent over the prior-year figure of EUR 327.04 million. Adjusted for the top-2 clients²⁾, growth even reached 32 percent.

GFT rigorously continued its diversification strategy, aimed at reducing the risk of client concentration: the share of total revenue contributed by the company's top-2 clients was decreased further to 17 percent (9M/2020: 22 percent). There was disproportionately strong growth of 40 percent in the Insurance sector and of 30 percent in the Industry & Others sector.

As of 30 September 2021, the GFT Group employed a total of 7,286 people (full-time equivalents) and thus reached a new all-time high. This figure represents a 27 percent growth compared to the end of the prior-year period (5,754 employees). The increase resulted mainly from strong expansion in Brazil.

Disproportionately strong earnings growth

There was disproportionately strong growth in earnings during the first nine months of 2021. This was due to stronger structural demand for high-margin digitalisation solutions as well as to active cost management which slowed the increase in administrative expenses. In the first nine months of 2021, adjusted EBITDA rose by 50 percent to EUR 46.13 million (9M/2020: EUR 30.81 million). EBIT grew by 169 percent to EUR 28.87 million (9M/2020: EUR 10.74 million) and EBT by 211 percent to EUR 28.13 million (9M/2020: EUR 9.05 million). Net income jumped by 230 percent to EUR 21.09 million (9M/2020: EUR 6.38 million).

Financial stability and flexibility remain high

In the first nine months of 2021, operating cash flow of EUR 30.97 million remained at the high prior-year level (9M/2020: EUR 31.19 million). The Group's liquidity position declined to EUR 66.82 million (31 December 2020: EUR 70.87 million). Net liquidity of the GFT Group improved further to EUR -16.12 million (31 December 2020: EUR -31.35 million). The balance sheet was strengthened once again; the equity ratio improved to 35 percent as of 30 September 2021 (31 December 2020: 31 percent).

Revenue and earnings outlook 2021 raised significantly again

The positive development of the GFT Group continued to gather momentum in the financial year 2021, resulting in a further guidance upgrade on 21 October 2021. This was due to active cost management and above all the structurally stronger demand for high-margin digitalisation solutions. Thanks to its strong technological and sector expertise, attractive solutions offerings and proven partner network, GFT is the preferred choice for the implementation of innovative digitalisation projects. As a result, orders received have exceeded expectations. This enables GFT to focus even more on higher-margin projects. Administrative expenses, on the other hand, have risen more slowly than expected, as a result of active cost management.

Due to the high level of new orders for the fourth quarter of 2021 and for 2022, the GFT Group expects a very positive business performance. For the financial year 2021, GFT forecasts a very significant increase in revenue of 26 percent to EUR 560 million (2020: EUR 444.85 million). Earnings are expected to grow disproportionately fast. Adjusted EBITDA is likely to grow very strongly by 53 percent and reach EUR 65 million (2020: EUR 42.52 million). EBT is expected to grow by as much as 184 percent to around EUR 40 million (2020: EUR 14.11 million).

GFT also anticipates a further very positive business performance in the coming year: revenue is likely to grow by around 20 percent compared to 2021, while the ratio of adjusted EBITDA to revenue is expected to be around 11.5 percent and the EBT margin around 7.5 percent.

Key figures (IFRS, unaudited)

(Deviations possible due to rounding differences)

In EUR million	9M/2021	9M/2020	Δ
Revenue	405.39	327.04	24%
Adjusted EBITDA ³⁾	46.13	30.81	50%
EBITDA	44.19	27.80	59%
EBIT	28.87	10.74	169%
EBT	28.13	9.05	211%
Net income	21.09	6.38	230%
Earnings per share in EUR	0.80	0.24	230%
Operating cash flow	30.97	31.19	-1%
Employees (FTE, as of 30 September)	7,286	5,754	27%
In EUR million	30/09/2021	31/12/2020	Δ
Net liquidity	-16.12	-31.35	49%
Equity ratio (in percent)	35	31	4

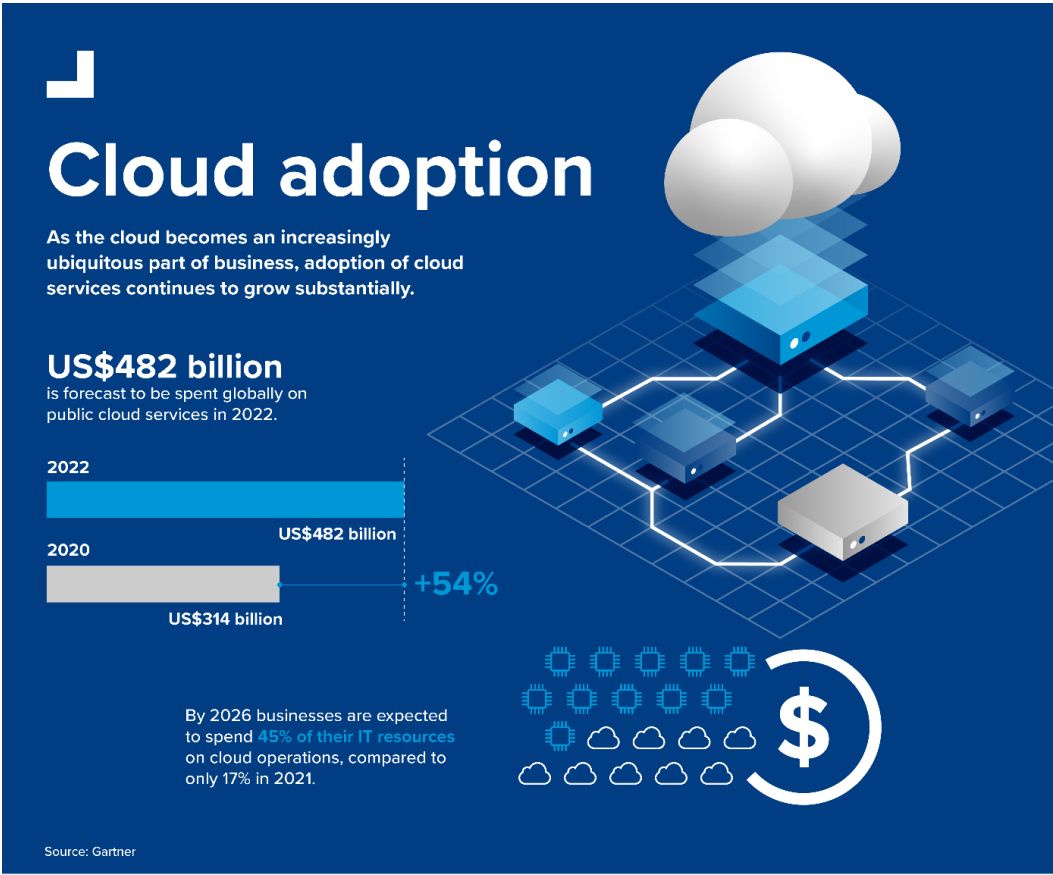
¹⁾ [Gartner Says Four Trends Are Shaping the Future of Public Cloud](#)

²⁾ GFT's top 2 clients are defined as Deutsche Bank and Barclays.

³⁾ Adjusted for special items from M&A activities. Further information on the definition of alternative performance measures is provided [here](#) on the GFT website.



Marika Lulay, CEO of GFT
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Cloud adoption is set to further accelerate in the next years. [Download](#) this graphic

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About GFT – Shaping the future of digital business

As a pioneer for digital transformation GFT develops sustainable solutions across new technologies – from cloud engineering and artificial intelligence to Blockchain/DLT.

With its deep technological expertise, strong partnerships and comprehensive market know-how GFT offers advice to the financial and insurance sectors, as well as in the manufacturing industry. Through the intelligent use of IT solutions GFT increases productivity and creates added value for clients. Companies gain easy and safe access to scalable IT-applications and innovative business models.

Founded in 1987 and located in more than 15 markets to ensure proximity to its clients, the GFT team consists of over 8,000 determined experts. GFT provides them with career opportunities in all areas of software engineering and innovation. The GFT Technologies SE share is listed in the Prime Standard segment of the Frankfurt Stock Exchange (ticker: GFT-XE).

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