

PRESS RELEASE

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GFT achieves double-digit growth in volatile environment

Digital transformation group anticipates further growth in second half of the year

- Profitable **revenue growth of 10 percent** in the first half of 2023
- **Above-average growth** across all sectors in the **USA** and **Mexico**
- Strong demand for **long-term** and **complex digitalisation projects**
- Dynamic development of **cloud** and **artificial intelligence**
- **Guidance for 2023 adjusted: revenue of EUR 810-820 million, adjusted EBIT of EUR 74-76 million and EBT of EUR 68-70 million** expected

Stuttgart, 10 August 2023 – **GFT Technologies SE (GFT) continues to grow**. With **revenue growth of 10 percent**, the digital transformation pioneer maintained its upward trajectory in the first six months of 2023. Compared to the first half of 2022, **adjusted earnings before interest and taxes (adj. EBIT) rose** by 4 percent or **by 11 percent adjusted for currency effects**.

Demand expected to grow in second half of the year

“Despite a volatile environment, we continue to outpace market growth,” says Marika Lulay, CEO of GFT. “Thanks to our global footprint, we were able to mitigate very effectively the slowing investment in our largest market, Brazil. Our medium-term growth drivers, including our project pipeline, are fully intact. There is a noticeable uptick in client demand in the fields of cloud and artificial intelligence in particular. We are therefore confident that we can accelerate our growth in the second half of the year.”

The GFT Group generated **revenue of EUR 391.58 million** in the first half of 2023. The company thus exceeded the prior-year figure of EUR 357.25 million by **10 percent**. In the **Insurance** sector, revenue **rose by 1 percent**, in the **Industry & Others** sector **by 13 percent**. In the **Banking** sector, revenue was **up 11 percent** on the previous year.

Disproportionately strong growth in USA and Mexico

There was further **disproportionately** strong growth in the world’s largest software market, the **USA**, with an increase in revenue of **35 percent**. In **Mexico**, GFT succeeded in raising revenue by as much as **63 percent**. This growth was driven above all by **complex modernisation and transformation projects in the finance sector**. In Germany, business was boosted by the successful **integration of targens GmbH**. Compared to the same period last year, revenue in **Germany was up 43 percent**.

Further growth in earnings

There were also improvements in the Group's **key earnings figures** compared to the first half of 2022 with **year-on-year growth in adjusted EBIT of 4 percent to EUR 31.17 million** (H1 2022: EUR 30.10 million). This item was burdened by currency losses and capacity adjustments in the reporting period. Without currency effects, adjusted EBIT would have risen by **11 percent**. Compared to the prior-year period, **EBT increased by 3 percent to EUR 30.04 million** (H1 2022: EUR 29.16 million).

As of 30 June 2023, the Group had a total of 9,008 full-time employees (FTE). This corresponds to an **increase of 2 percent** compared to 8,842 employees at year-end 2022.

Financial stability and flexibility maintained despite targens acquisition

Operating cash flow fell year on year to **EUR -9.96 million** (H1 2022: EUR -0.44 million), due mainly to unfavourable working capital effects in connection with fixed-price projects and a further negative special item. **Net liquidity** decreased to **EUR -38.74 million** (31 December 2022: EUR 35.70 million). As a result of the increase in net income, **the equity ratio remained stable at 40 percent** (31 December 2022: 40 percent).

GFT expects solid revenue and earnings growth for 2023

GFT still expects to **continue its growth** and to raise both revenue and earnings in the financial year 2023. Recognised by the market for its **extensive sector and technological expertise**, the Group has an **attractive portfolio** of digitalisation and cloud solutions. As a result, it **continues to be excellently positioned** to benefit from growth trends.

Due to the volatile macroeconomic environment, GFT has downgraded its guidance slightly. Group Revenue is expected to reach around **EUR 810-820 million** (2022: EUR 730 million; previous guidance: EUR 850 million). The Group anticipates **growth in adjusted EBIT** to around **EUR 74-76 million** (2022: EUR 67 million; previous guidance: EUR 80 million). GFT's **earnings before taxes (EBT)** are expected to reach **EUR 68-70 million** (2022: EUR 66 million; previous guidance: EUR 72 million). This guidance takes into account the acquisition of targens GmbH pro rata temporis as of 1 April 2023.

Key figures (IFRS)

(Deviations possible due to rounding differences)

In EUR million	H1 2023	H1 2022	Δ
Revenue	391.58	357.25	10%
EBITDA	40.55	39.38	3%
Adjusted EBIT ¹⁾	31.17	30.10	4%
EBIT	29.94	29.02	3%
EBT	30.04	29.16	3%
Net income	20.97	20.69	1%
Earnings per share in EUR	0.80	0.79	1%
Operating cash flow	-9.96	-0.44	<-100%
In EUR million	30/06/2023	31/12/2022	Δ
Employees (FTE)	9,008	8,842	2%
Net liquidity	-38.74	35.70	<-100%
Equity ratio (in percent)	40%	40%	0

¹⁾ Adjusted for special items from M&A activities and share price-based effects in connection with the measurement of variable management compensation.

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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About GFT – Shaping the future of digital business.

GFT is a digital transformation pioneer that develops sustainable solutions based on new technologies including artificial intelligence and blockchain/DLT. Services range from core system modernisation and migration to open cloud platforms, as well as the introduction of carbon conscious coding.

GFT's strengths include deep technical expertise, strong partnerships and comprehensive market insights. The company uses them to design digital transformation for clients from the finance and insurance sectors as well as in the manufacturing industry. Through the intelligent use of technology it

adds value and increases productivity for clients. GFT experts create and implement scalable software applications that make access to innovative business models safe and easy.

With locations in more than 15 markets around the globe, GFT ensures proximity to its clients. The company draws on over 35 years of experience and a team consisting of over 10,000 determined experts. 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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