

Press Release

09.11.2023



Stable growth for GFT in persistently challenging environment

Above-average growth in Europe, business picks up in Brazil, significantly improved profit margins in third quarter

- Stable **revenue growth of 10 percent** in the first nine months of 2023
- Business in **Europe growing faster than average** by 22 percent
- Increase in **AI demand** following launch of GFT AI.DA Marketplace
- **EcoVadis sustainability rating upgraded** from bronze to silver
- **Revenue guidance** for 2023 **adjusted slightly** to EUR 800-810 million (previously EUR 810-820 million) and **earnings targets confirmed**

Stuttgart, 9 November 2023 – Despite a persistently challenging market environment, the digitalisation group **GFT Technologies SE (GFT)** continued its **stable growth** in the third quarter of 2023: revenue in the first nine months was up **10 percent** on the prior-year figure. There was **particularly strong progress in Europe with growth of 22 percent** and business in the group's largest market, **Brazil**, is also stabilising. On top of that, adjusted earnings before interest and taxes (**adjusted EBIT**) **rose by 7 percent**; adjusted for currency effects, GFT achieved **operating earnings growth of 14 percent**. In order to take account of the ongoing market uncertainties and the associated current reluctance of clients to invest, the company has **slightly adjusted its revenue guidance for the current financial year**. The **earnings targets remain unchanged**.

“Our clients know that a successful digital transformation is the prerequisite for long-term success. And they have chosen us as their partner for this transformation,” says GFT's CEO Marika Lulay. “This is why we were able to outpace the market again in the third quarter without compromising our margins. Although the current geopolitical situation is creating greater uncertainty, we expect growth to remain solid. One of the positive signs is that business in our largest market, Brazil, is stabilising. We are also seeing growing global demand for our AI solutions, which we have pooled in the GFT AI.DA Marketplace.”

The GFT Group generated **revenue of EUR 594.61 million** in the first nine months of 2023. The company thus exceeded the prior-year figure of EUR 541.91 million by **10 percent**. Whereas revenue in the **Insurance sector fell slightly** (-1%), business in the **other sectors remained very positive**. In the **Banking** sector, GFT achieved **growth of 12 percent** while in the **Industry & Others** sector revenue rose by as much as **15 percent**.

Disproportionately strong growth in Europe, Brazil with positive trend in the third quarter

In the **Continental Europe** segment, GFT's revenue **grew by 22 percent**. In **Germany**, revenue was **55 percent up** on the first nine months of 2022. Adjusted for the acquisition of targens GmbH in April this year, **organic segment growth** amounted to **11 percent**.

Revenue in the **Americas, UK & APAC** segment rose **by 3 percent** over the prior-year period. In the **USA**, GFT achieved revenue growth of **15 percent** and as much as **46 percent** in **Mexico**. This dynamic trend is mainly attributable to the strong increase in demand for complex modernisation and transformation projects in the finance sector.

Further growth in earnings

There were also improvements in the Group's **key earnings figures** compared to the first nine months of 2022. **Adjusted EBIT rose** year on year **by 7 percent to EUR 52.14 million** (9M 2022: EUR 48.56 million). Despite burdens from necessary capacity adjustments, **adjusted EBIT** without currency effects **rose by 14 percent**. The adjusted EBIT margin amounted to 8.8 percent in the first nine months (9M 2022: 9.0 percent). In the third quarter of 2023, the **operating profit margin rose** by almost **3 percentage points** over the second quarter of 2023 to 10.3 percent. This significant improvement is primarily attributable to a higher capacity utilisation rate. Compared to the prior-year period, **EBT increased** by **3 percent to EUR 49.38 million** (9M 2022: EUR 47.91 million).

As of 30 September 2023, the Group had a total of 9,089 full-time employees (FTE). This corresponds to an **increase of 3 percent** compared to 8,842 FTE at year-end 2022.

Financial stability and flexibility maintained despite targens acquisition

Operating cash flow decreased year on year to **EUR 13.17 million** (9M 2022: EUR 22.91 million), due mainly to a negative special item. **Net liquidity** fell to **EUR -19.18 million** (31 December 2022: EUR 35.70 million). As a result of the increase in net income, **the equity ratio rose to 42 percent** (31 December 2022: 40 percent).

EcoVadis rating upgraded from bronze to silver

GFT also made progress with regard to its internationally recognised [EcoVadis](#) sustainability rating: the company has now achieved **silver status**. This puts GFT in the **top 25 per cent** of companies assessed by EcoVadis, one of the world's largest and most reliable providers of sustainability ratings. The global platform assesses more than 100,000 companies from over 200 sectors and 175 countries based on specific benchmarks.

"Sustainability ratings create transparency, credibility and comparability for the capital market. These ratings are therefore relevant and important for the majority of our investors and clients. I am delighted with the improvement of our EcoVadis rating, as it is the result of a strong team effort. Our goal is to continuously improve our sustainability performance – even in these challenging times," says GFT's CFO Jochen Ruetz.

GFT expects solid revenue and earnings growth for 2023

GFT anticipates solid **revenue growth** and **increased earnings** in the financial year 2023. However, the heightened geopolitical risks and macroeconomic uncertainties will continue to introduce uncertainty to the markets. This could lead to a reluctance to invest. Against this backdrop, the technology group has slightly downgraded its revenue guidance for 2023. The **guidance for earnings remains unchanged**.

Specifically, the company expects **revenue of between EUR 800 and EUR 810 million** (2022: EUR 730 million; previous guidance: EUR 810-820 million). GFT has confirmed its **growth expectation for adjusted EBIT of EUR 74 million to EUR 76 million** (2022: EUR 67 million). The

group continues to expect earnings before taxes (**EBT**) in the range of **EUR 68 million to EUR 70 million** (2022: EUR 66 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	9M 2023	9M 2022	Δ
Revenue	594.61	541.91	10%
EBITDA	65.49	63.22	4%
Adjusted EBIT ¹⁾	52.14	48.56	7%
EBIT	49.57	47.65	4%
EBT	49.38	47.91	3%
Net income	34.84	33.78	3%
Earnings per share in EUR	1.32	1.28	3%
Operating cash flow	13.17	22.91	-43%
In EUR million	30/09/2023	31/12/2022	Δ
Employees (FTE)	9,089	8,842	3%
Net liquidity	-19.18	35.70	<-100%
Equity ratio (in percent)	42%	40%	2 PP

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

[Download](#) image

This press release is also available for download via the [GFT newsroom](#).

Your contacts

Press

Dr Markus Müller
Group Public Relations
GFT Technologies SE
Schelmenwasenstraße 34
70567 Stuttgart
Germany
+49 711 62042-344
markus.j.mueller@gft.com

Investors

Andreas Herzog
Investor Relations
GFT Technologies SE
Schelmenwasenstraße 34
70567 Stuttgart
Germany
+49 711 62042-383
Andreas.Herzog@gft.com

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 more than 15 markets around the globe, GFT ensures proximity to its clients. We draw on over 35 years of experience and a global team of over 10,000 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).

www.gft.com

www.blog.gft.com

www.linkedin.com/company/gft-technologies

www.twitter.com/gft_tech