

Investor Presentation

GFT Technologies SE

May 2019

Agenda

1. **GFT at a glance**
2. GFT business model
3. Financial results Q1/2019
4. Outlook

Shaping the future of digital business

GLOBAL WORKFORCE

4,910
FTE

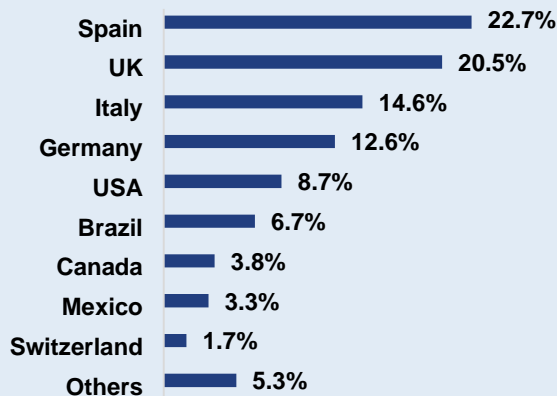
REVENUE FY 2019e

€ 420
million

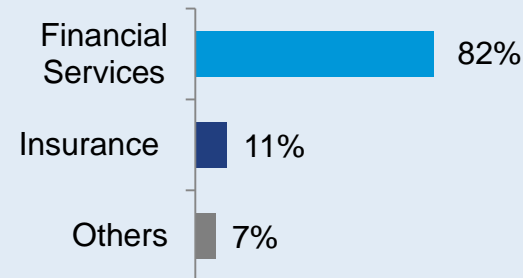
Adj. EBITDA FY 2019e*

€ 35
million

REVENUE BY COUNTRY Q1/2019



REVENUE BY SECTOR Q1/2019



*excl. IFRS 16 effects of approx. €13m



CONSULTING



DIGITAL
SOLUTIONS

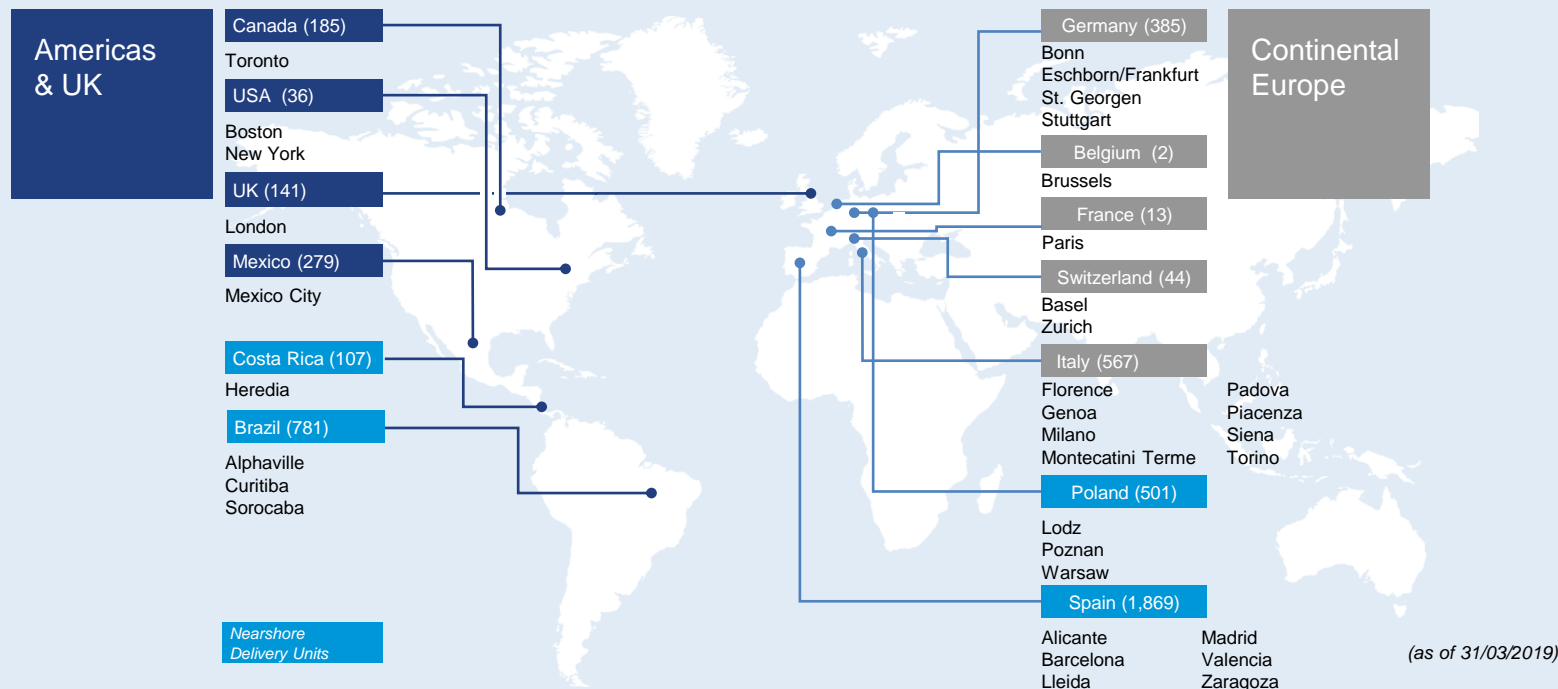


APPLICATION
MANAGEMENT &
OUTSOURCING

Proven onshore-/ nearshore delivery model (4,910 FTE)



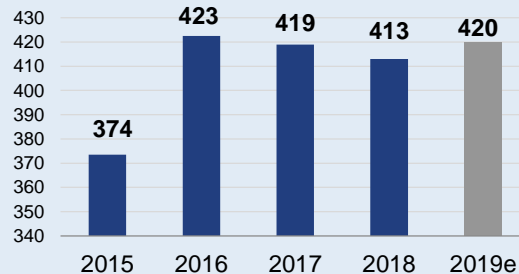
Approx. 50% of revenues generated onshore and 50% nearshore



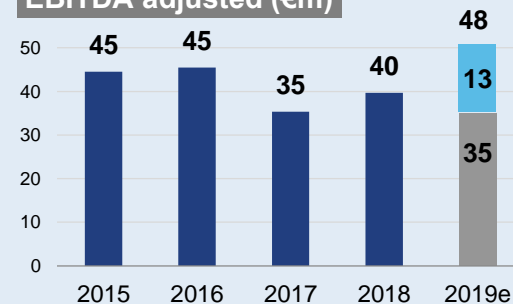
Key figures



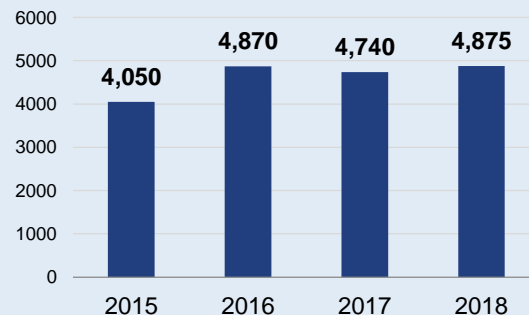
Revenue (€m)



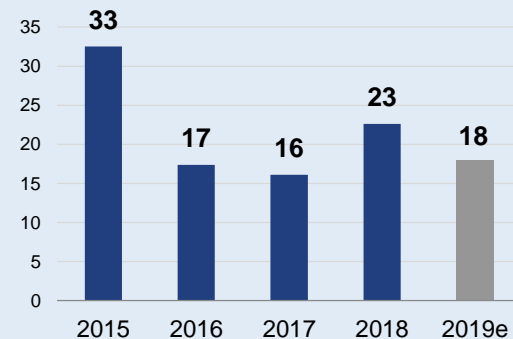
EBITDA adjusted (€m)



Employees (FTE)



EBT (€m)

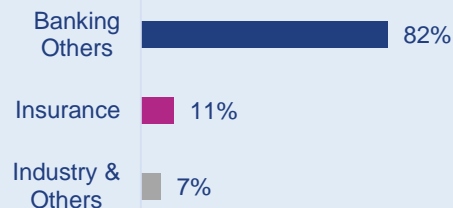


Effects from IFRS 16

30 biggest clients Q1/2019 – six new entries



Revenue by sector



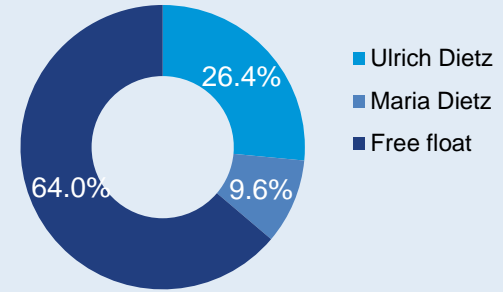
GFT share and shareholder structure



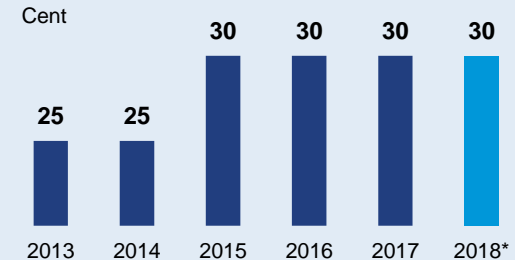
GFT share indexed and in EUR



Shareholder structure



Dividend per share in Cent (for financial year)

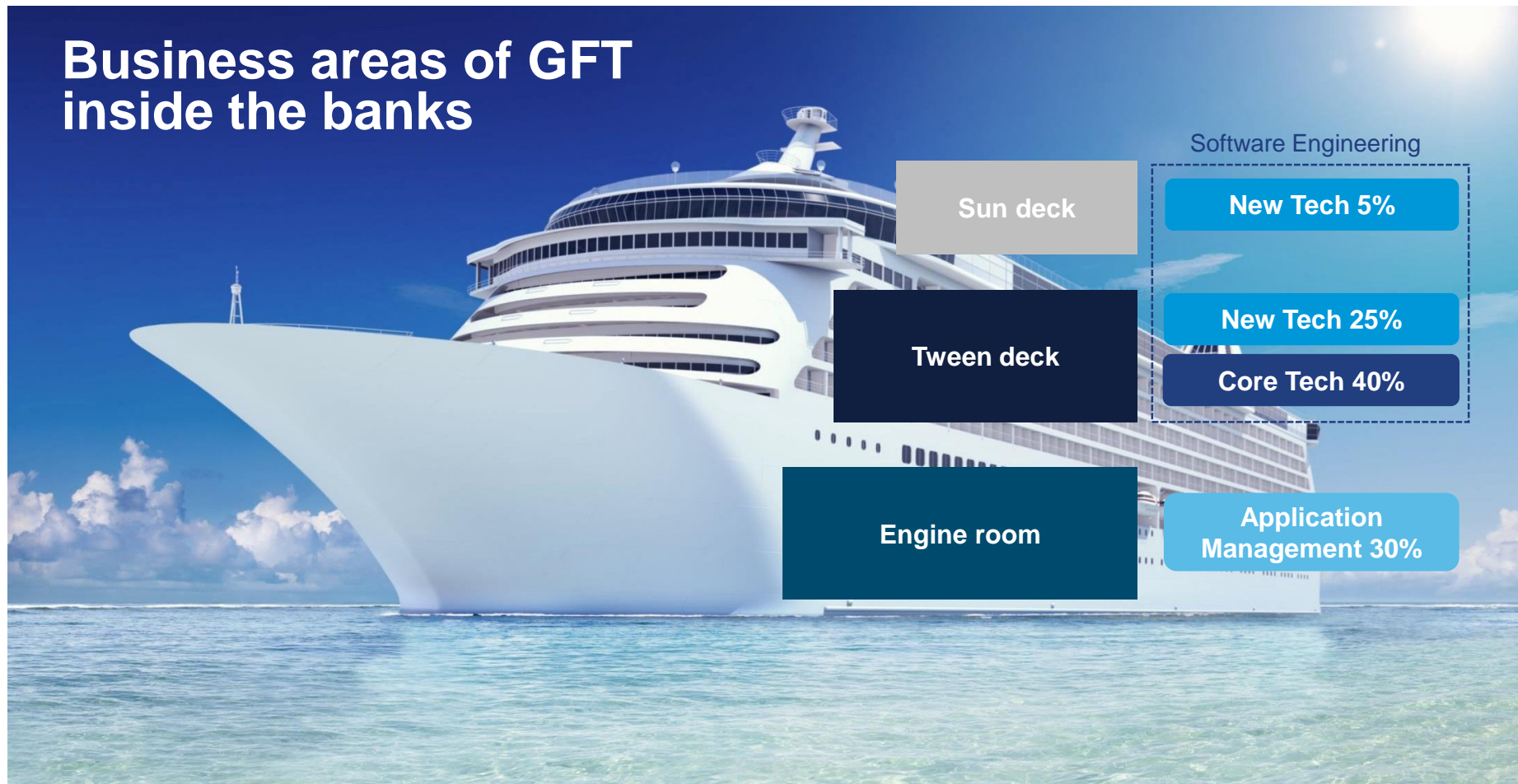


* proposed

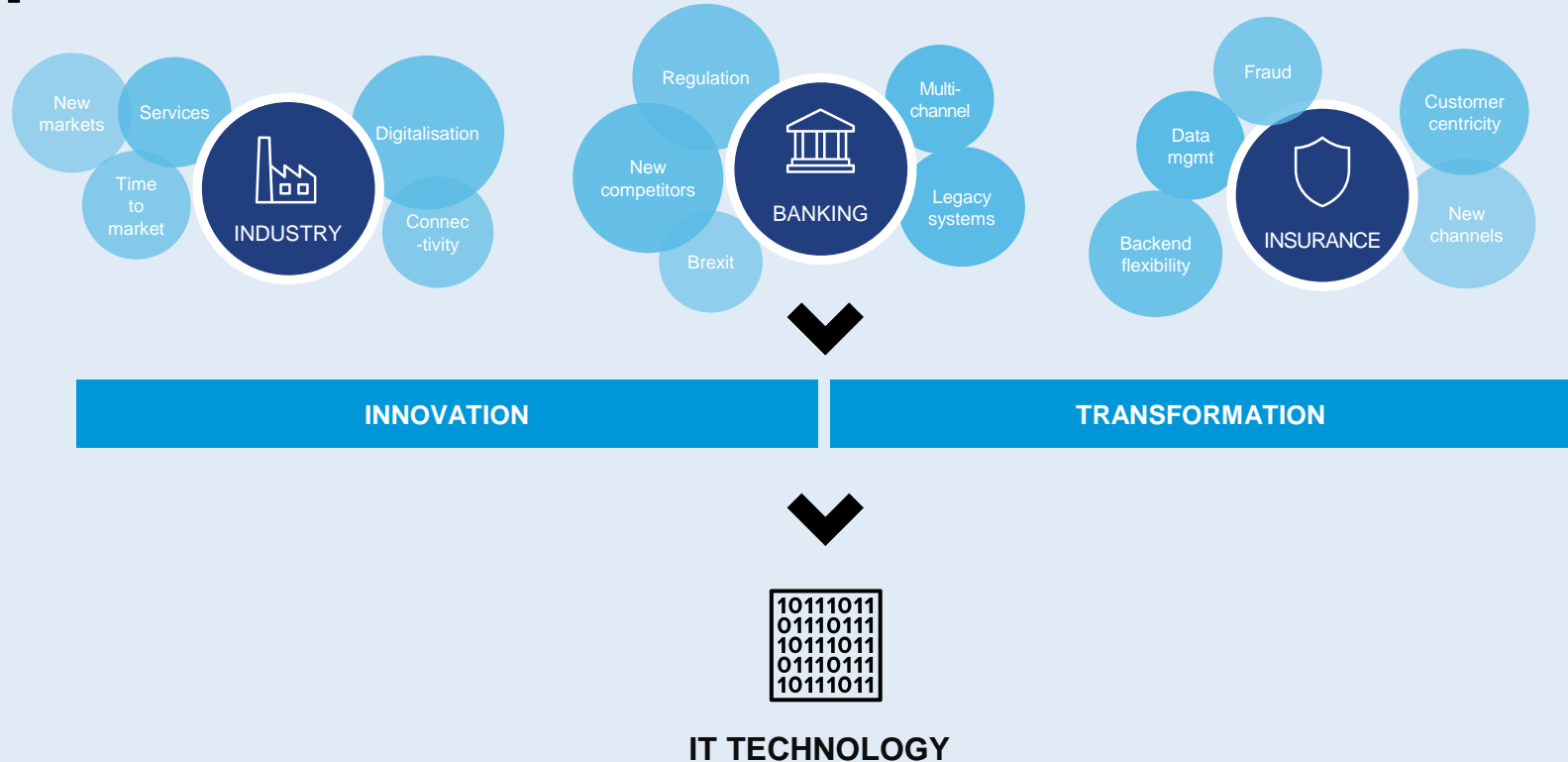
Agenda

1. GFT at a glance
- 2. GFT business model**
3. Financial results Q1/2019
4. Outlook

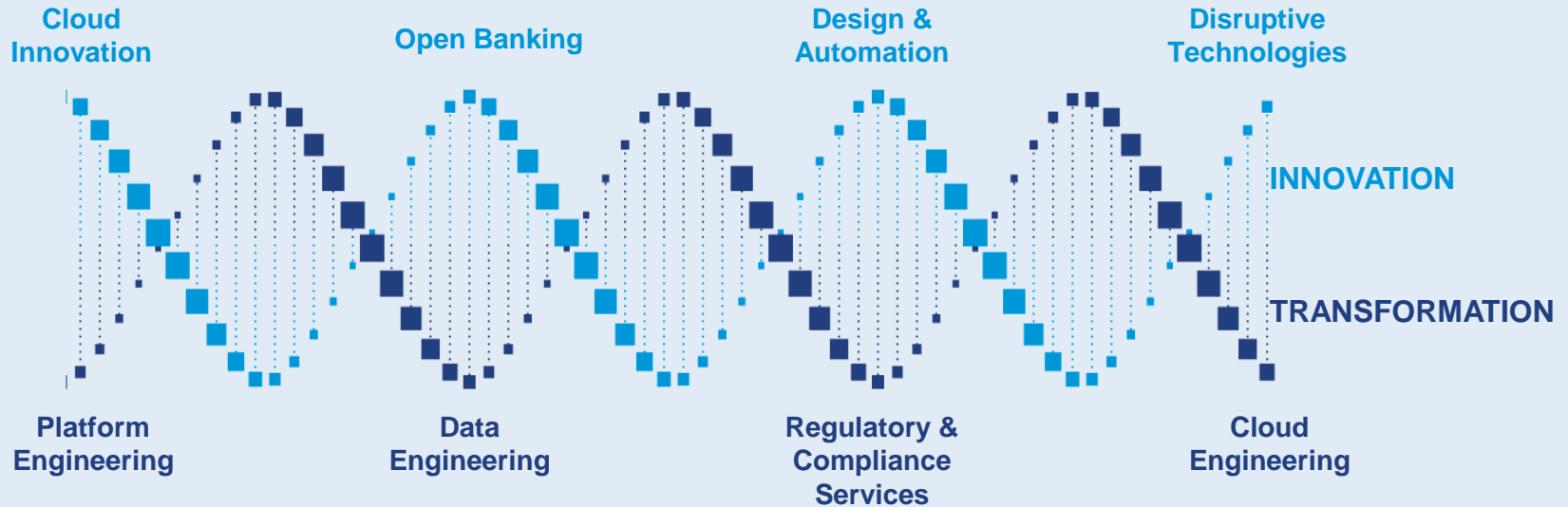
Business areas of GFT inside the banks



IT technology meets client business challenges



GFT Partner for Innovation and Transformation



Accelerating growth in exponential cloud technology with Google



GFT a Premier Google Cloud partner

- Preferred partner in financial services
- Strategic investments to strengthen relationship with Google:
 - Continuous build up of talent and sales team
 - Development of Cloud Accelerators
 - Capabilities from native cloud implementation to cloud application dev.



Target 2019

- Doubling revenues from Cloud Services to €20m



GFT Cloud projects delivering efficiency and scale

- Big Data decision-making process for fund managers
- Native Cloud solution for Life Insurance business
- Data Analytics & Cloud solution for trade surveillance in capital markets

Google Cloud &

GFT ■

350

CERTIFIED
ENGINEERS
FOR 2019

- Public cloud revenue to grow 17.3% in 2019 and 50% by 2021*
- Google invested \$30.9 billion in GCP offering over last 3 years**

* Gartner ** Google

Creating win-win with Guidewire expansion in Europe



Acquisition of Canadian V-NEO, leading Guidewire specialist

- Guidewire as a top ranked IT-solution for digitalising of insurance sector
- Strategic investments to strengthen position as Guidewire specialist:
 - Continuous build up of talent (currently 130 trained experts)
 - Creation of nearshore Guidewire Development Centres
 - Insurance offering expansion in Europe and North America



Target 2019

- 10% revenue share with Insurance services in 2019



Growing number of Guidewire projects

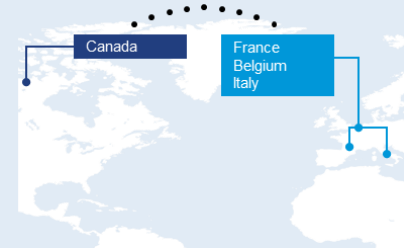
- Customer-centric Claim Processing for insurer in Belgium
- Guidewire support for Agriculture Insurance company in Brazil
- New major customer pipeline in France; Italy and Spain at exploration stage

GUIDEWIRE &

GFT ■

128

TRAINED
ENGINEERS
in 2018



Only provider ranked as leader globally by both IDC & Gartner

**High demand by insurers
revenue CAGR 2016-2018:**

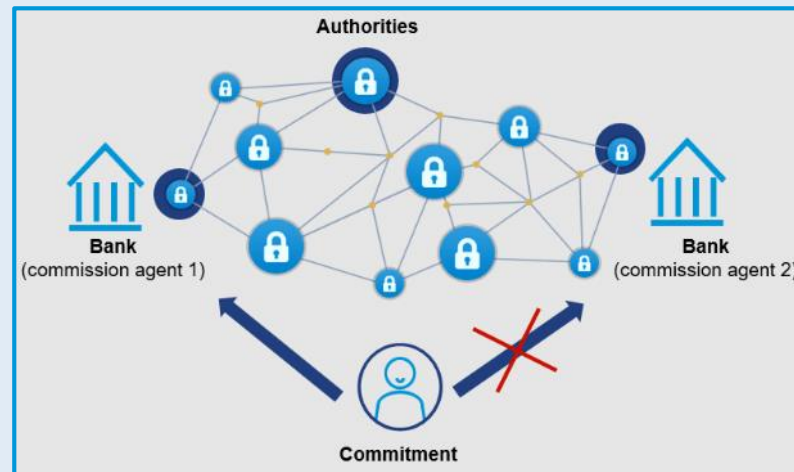
NORTH AMERICA	28%
EMEA	24%

Advance invoice lending with use of blockchain



Blockchain

- Risk for the lender when a fraudulent customer tries to obtain credit for the same invoice at multiple banks
- GFT was asked to develop a use case together with financial services partner; within 3 months a panel of 10 Italian banks was created
- Ongoing scale up to a secure, interoperable, multi-platform Blockchain-DLT network
- Clear benefits of a blockchain solution:
 - Transparent sharing of multiple data between a consortium of x different parties in real-time
 - Fraud prevention
 - Scalability of infrastructure
 - Transferable use case into other industries



AI document processing



Artificial Intelligence

- Banks are challenged to handle huge amounts of messages and unstructured scanned documents
- Machine learning and deep learning algorithms automatically classify documents in pre-defined classes, supported by human-in-the-loop assessments
- This helped to greatly accelerate the processing of documents at a middle size retail bank
- Process automation is integrated into the organization
- Highly scalable and extensible to other use cases



IoT projects for Trumpf



Industry 4.0

- To increase capacity with agile and flexible measures as well as the improvement of usability and time to market are the ratio behind the IoT projects with our industrial client Trumpf
 - GFT developed a high-level-strategy for the creation of an IT-unit
 - Development of a stable, standardized software solution
 - Assigned two nearshore core-teams
 - Utilization of existing GFT's software and especially data analytics competencies
 - Use of agile measures

„Together we want to strengthen our partnership in order to secure long-term IT know-how at Trumpf.“

Dr.-Ing. Mathias Kammüller (Chief Digital Officer, Trumpf)



TRUMPF



Agenda

1. GFT at a glance
2. GFT business model
- 3. Financial results Q1/2019**
4. Outlook

Highlights in the first quarter 2019



- Further expansion of client and sector diversification
- 19% revenue growth without top-2 clients*
- Revenue share of insurance business amounts to 11%
- Revenue slightly below prior-year quarter
- Adjusted EBITDA up by 11%, positive accounting effects from IFRS 16
- Earnings burdened as expected by under-utilisation and restructuring
- FY 2019 outlook confirmed

** GFT's top-2 clients are Deutsche Bank and Barclays.*

Key figures



in €m	Q1/2019	Q1/2018	Δ%
Revenue	105.72	106.99	-1%
Revenue w/o V-NEO	99.84	106.99	-7%
EBITDA adjusted*	11.16	10.05	11%
EBITDA	10.28	10.05	2%
EBIT	3.87	6.87	-44%
EBT	3.18	6.24	-49%
Net income	2.71	4.69	-42%
Earnings per share (in €)	0.10	0.18	-42%
Earnings per share adjusted (in €)*	0.18	0.24	-25%
Employees (in FTE)	4,910	4,735	4%

- **Revenue** decreased slightly by -1% (organic -7%)
Revenue contribution of V-NEO €5.88m
- Increase in **EBITDA adjusted** by 11% shaped by positive effects from IFRS 16 of €+3.6m
- **EBITDA** with negative effects from V-NEO acquisition: €-0.88m
- **EBIT** with positive €+0.3m IFRS 16 effect
- **EBT** burdened by:
Restructuring charges of €-1.4m (Q1/2018: €-0.2m)
Currency effects of €-0.7m (Q1/2018: €-0.5m)
Underutilization of €-0.8m (Q1/2018: -)
Increased sales efforts €-0.6m (Q1/2018: -)
V-NEO acquisition €-0.3m (Q1/2018: -)

* Adjusted for non-operational effects from M&A activities (EBITDA) plus applicable tax effects (Net income and EPS)

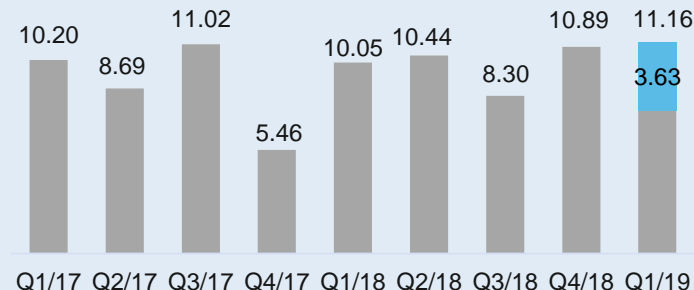
Revenue and EBITDA adjusted by quarter (in €m)



Revenue



EBITDA* adjusted



- EBITDA adjusted supported by positive IFRS 16 effect in the amount of €3.63m

IFRS 16 effects

* Adjusted for non-operational effects from M&A activities

Revenue by segment



	Revenue in €m		Growth rates			
	Q1/2019	Q1/2018	Organic	M&A	FX	Total
Americas & UK	49.88	47.90	-9%	12%	1%	4%
Continental Europe	55.71	58.98	-6%	0%	0%	-6%
Others	0.13	0.11	n/a	n/a	n/a	19%
GFT Group	105.72	106.99	-7%	5%	1%	-1%

- **Americas & UK:** weaker business with top-2 clients, positive development in Mexico, Brazil and Canada
- **Continental Europe:** on-going challenging business with top-2 clients, esp. in Germany
- **M&A-effects:** positive dynamic development of V-NEO as expected

Revenue by segment for top-2 clients



in €m		Revenue		Δ%
		Q1/2019	Q1/2018	
Americas & UK	Top-2 clients	16.55	26.14	-37%
	Other clients	33.33	21.76	53%
	Total	49.88	47.90	4%
Continental Europe	Top-2 clients	18.00	21.05	-15%
	Other clients	37.71	37.93	-1%
	Total	55.71	58.98	-6%
GFT Group*	Top-2 clients	34.55	47.19	-27%
	Other clients	71.05	59.69	19%
	Total	105.59	106.88	-1%

* Excluding segment „Others“

- Revenue decrease with **top-2 clients** within expectations, strong decrease especially in UK (segment Americas & UK) and within Germany (segment Continental Europe)
- Revenue with **other clients** with strong dynamic in Americas & UK, but in Continental Europe currently behind expectations

EBITDA adjusted, EBITDA and EBT by segment

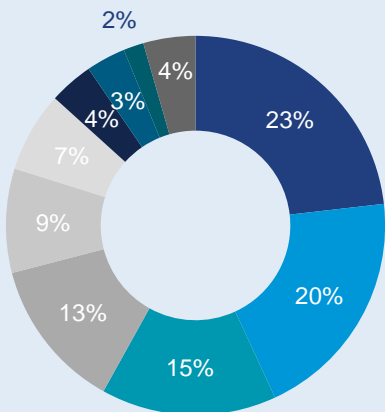


in €m	EBITDA adjusted*			EBITDA			EBT		
	Q1/2019	Q1/2018	Δ%	Q1/2019	Q1/2018	Δ%	Q1/2019	Q1/2018	Δ%
Americas & UK	2.67	3.37	-21%	1.79	3.37	-47%	-0.30	1.89	< -100%
Continental Europe	8.99	6.73	33%	8.99	6.73	33%	4.13	4.63	-11%
Others	-0.50	-0.05	>100%	-0.50	-0.05	>100%	-0.65	-0.28	>100%
GFT Group	11.16	10.05	11%	10.28	10.05	2%	3.18	6.24	-49%

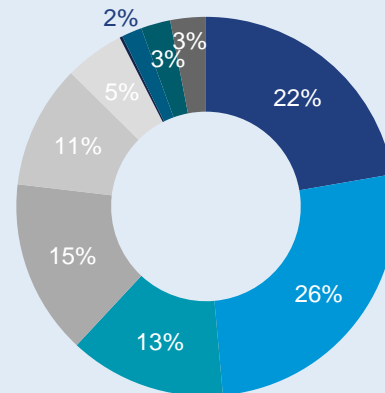
* Adjusted for non-operational effects from M&A activities

- **Americas & UK:** earnings burdened by decreasing revenue share of top-2 clients as well as higher sales expenses, however, positive impetus from Brazil and Mexico
- **Continental Europe:** restructuring expenses and underutilization in the first quarter

Revenue by country (in €m)



Q1/2019		Δ%	Q1/2018
24.02	Spain	1%	23.84
21.71	United Kingdom	-23%	28.13
15.50	Italy	8%	14.30
13.36	Germany	-16%	15.97
9.20	USA	-18%	11.28
7.11	Brazil	31%	5.43
3.89	Canada	>100%	0.26
3.49	Mexico	89%	1.85
1.78	Switzerland	-34%	2.69
5.66	Others	75%	3.24



Detailed profit & loss statement (in €m)

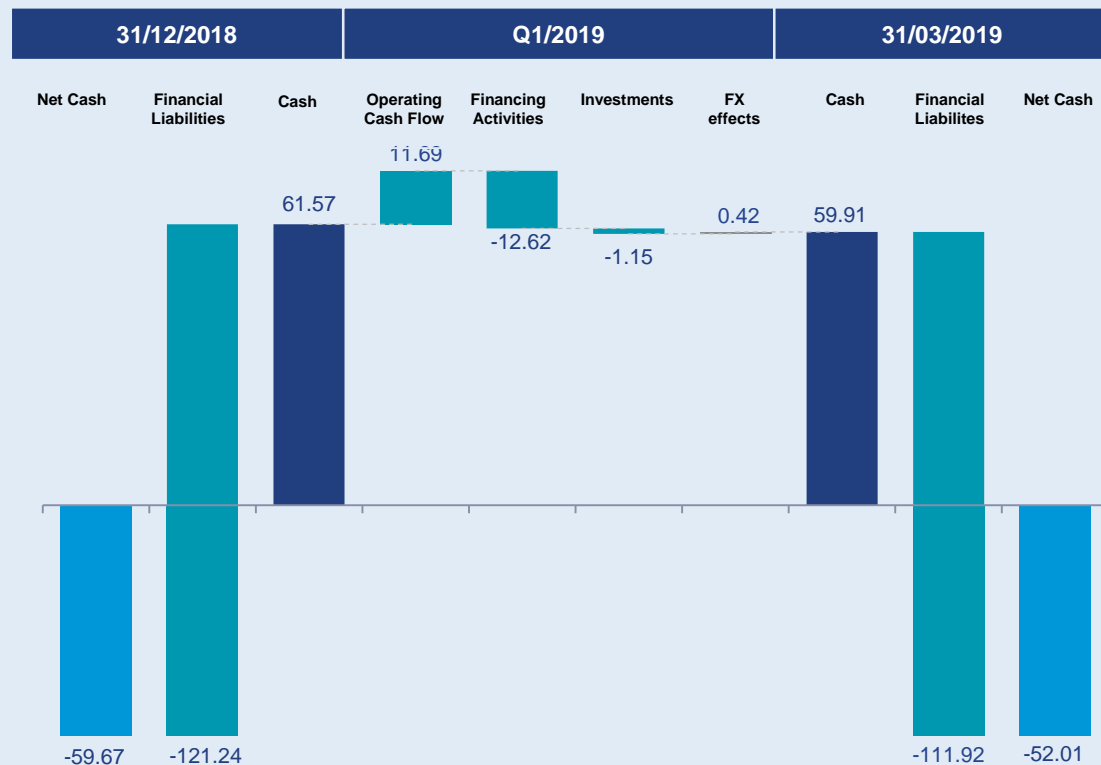


	Q1/2019	Q1/2018	Δ%
Revenues	105.72	106.99	-1%
Other operating income	1.96	0.66	197%
Cost purchased services	-12.05	-14.38	-16%
Personnel expenses	-73.71	-68.06	8%
Other operating expenses*	-11.64	-15.16	-23%
EBITDA	10.28	10.05	2%
Depreciation and amortisation	-6.41	-3.18	102%
EBIT	3.87	6.87	-44%
Interest and similar expenses/income	-0.69	-0.63	10%
EBT	3.18	6.24	-49%
Income taxes	-0.47	-1.55	-70%
Net income	2.71	4.69	-42%
Earnings per share - basic	0.10	0.18	-42%

* Other operating expenses including results of investments accounted for using the equity method

- **Revenue** with organic decrease by 7%
- Share of **cost of purchased services** at 11% of revenue (Q1/2018: 13%)
- Increased **personnel expenses** due to higher average number of employees as well as restructuring expenses.
- Ratio of „personnel expenses (excl. restructuring) plus purchased services to revenue“ at 80% (Q1/2018: 77%, FY 2018: 78%)
- **Other operating expenses** adjusted for positive effects from first-time application of IFRS 16 in the amount of €3.63m basically at prior-year level
- **EBITDA** without positive IFRS 16 effects decreased by 34 %
- Increase of **depreciation and amortisation** shaped by IFRS 16 effect in the amount of €3.32m
- **Net income** with positive effect from lower income tax-rate of 15 % (Q1 2018: 25 %)

Cash flow analysis (in €m)



- **Solid financing structure:** not drawn credit facilities in the amount of €48.83m (Q1/2018: €78.15m). Net cash at €52.01m (31/12/2018: €59.67m)
- **Cash** slightly lower at €59.91m (31/12/2018: €61.57m)
- **Operating cash flow** adjusted for IFRS 16 effects operating cash flow was below prior-year level, due to the general business development in the first quarter
- **Cash flow from financing activities** adjusted for IFRS 16 effects cash flow from financing activities was affected by redemption payments €9.58m (Q1/2018: €5.07m)
- Slightly increased outflows for **investments** driven by intangible assets

Balance sheet (in €m)

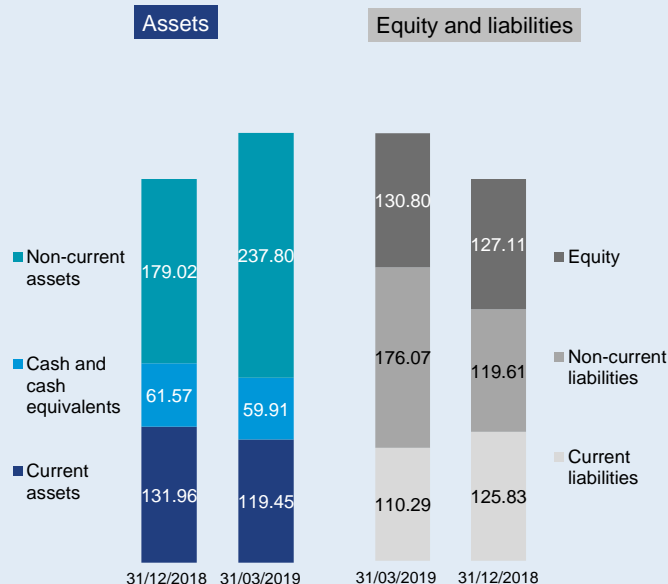


Growth of balance sheet total by €44.61m largely driven by initial application of IFRS 16

Increase of **non-current assets** by €58.78m due to capitalisation related to right-of-use assets according to IFRS 16 in the amount of €60.38m. Share of non-current assets amounted to 57% of balance sheet total (31/12/2018: 48%)

Cash and cash equivalents slightly decreased by 3% due to loan redemptions.

Decrease of **other current assets** by €12.51m mostly caused by lower receivables from customers in consequence of lower revenue

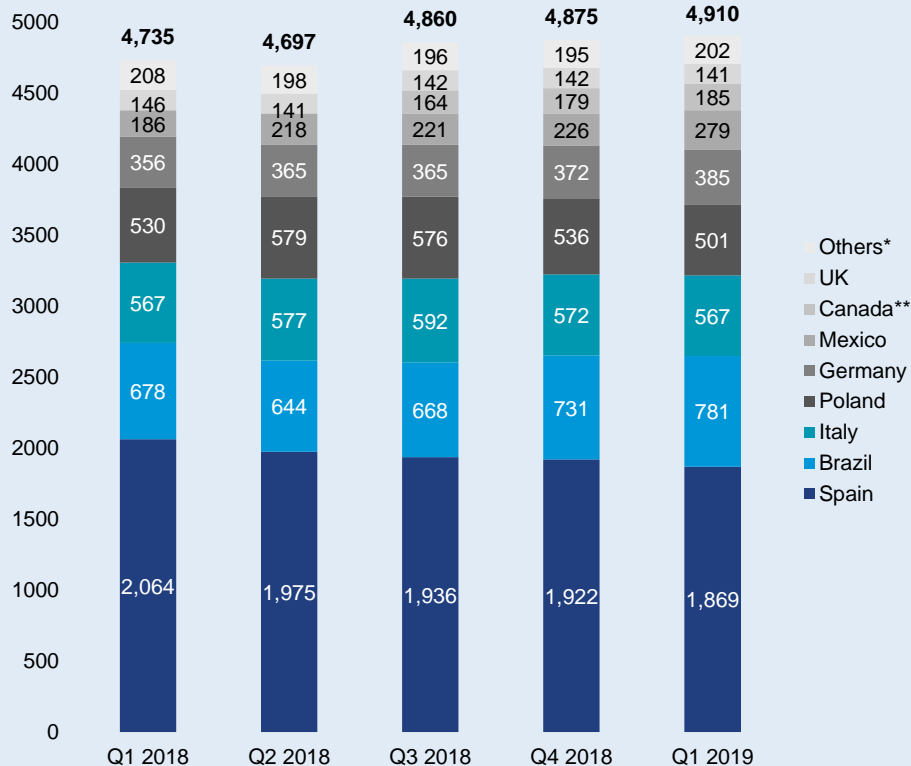


Increase in **equity** by €3.69m driven by net income in the amount of €2.71m as well as positive effects from currency translation of €3.33m. This was opposed by effects from the initial application of IFRS 16 (€-2,34m). Equity ratio of 31% (31/12/2018: 34%)

Rise of **non-current liabilities** in connection to IFRS 16 by €56.22m.

Drop in **current liabilities** mostly due to loan redemptions (€9.25m) as well as a decrease of contract liabilities (€5.88m). Opposing effect from accounting of lease liabilities under IFRS 16 (€6.94m)

Employees by country (FTE)



- Increase of number of employees against prior-year comparable (31/03/2018) due to V-NEO acquisition as well as staff expansion in Mexico and Brazil
- Decrease of headcount in Spain and Poland
- Corporate functions with 115 employees (Q1/2018: 119)
- Utilization rate below prior-year at 89% (Q1/2018: 90%)

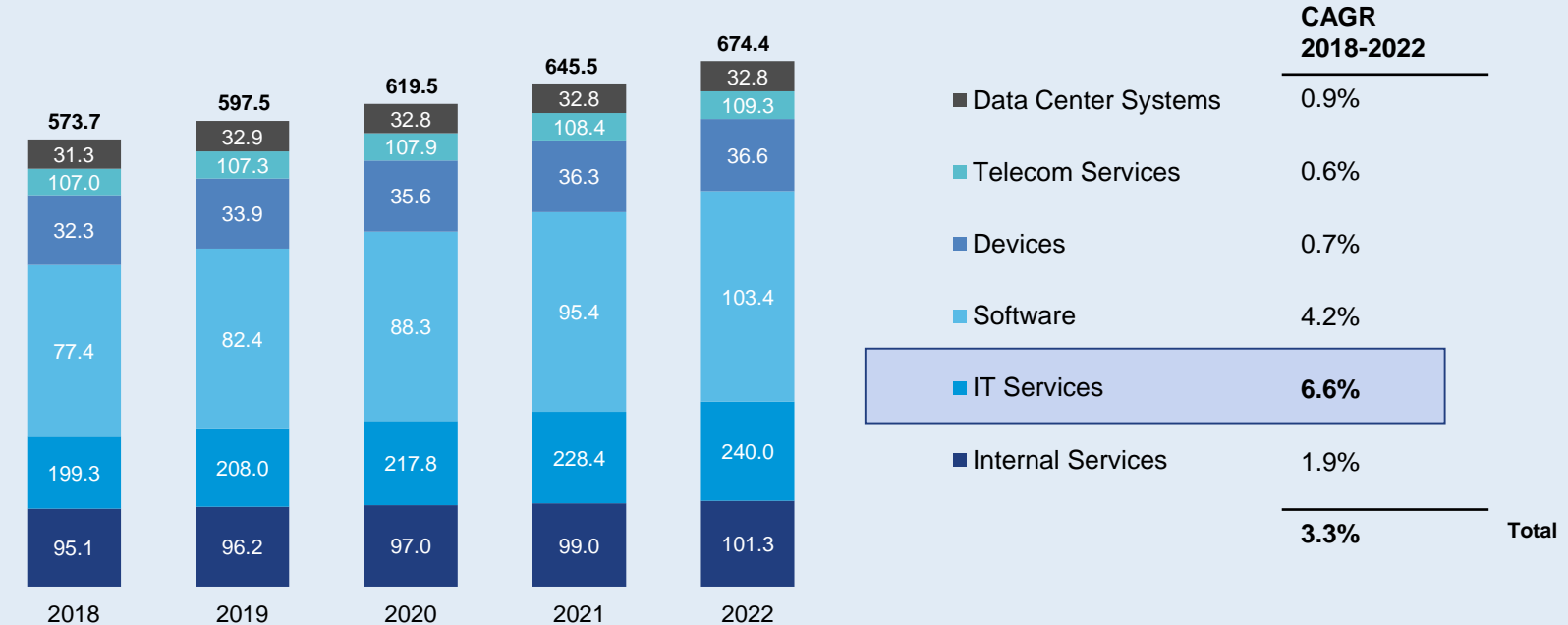
*Others: Costa Rica, Switzerland, USA, Belgium, France

**Canada: since Q3/2018 incl. V-NEO

Agenda

1. GFT at a glance
2. GFT business model
3. Financial results Q1/2019
4. **Outlook**

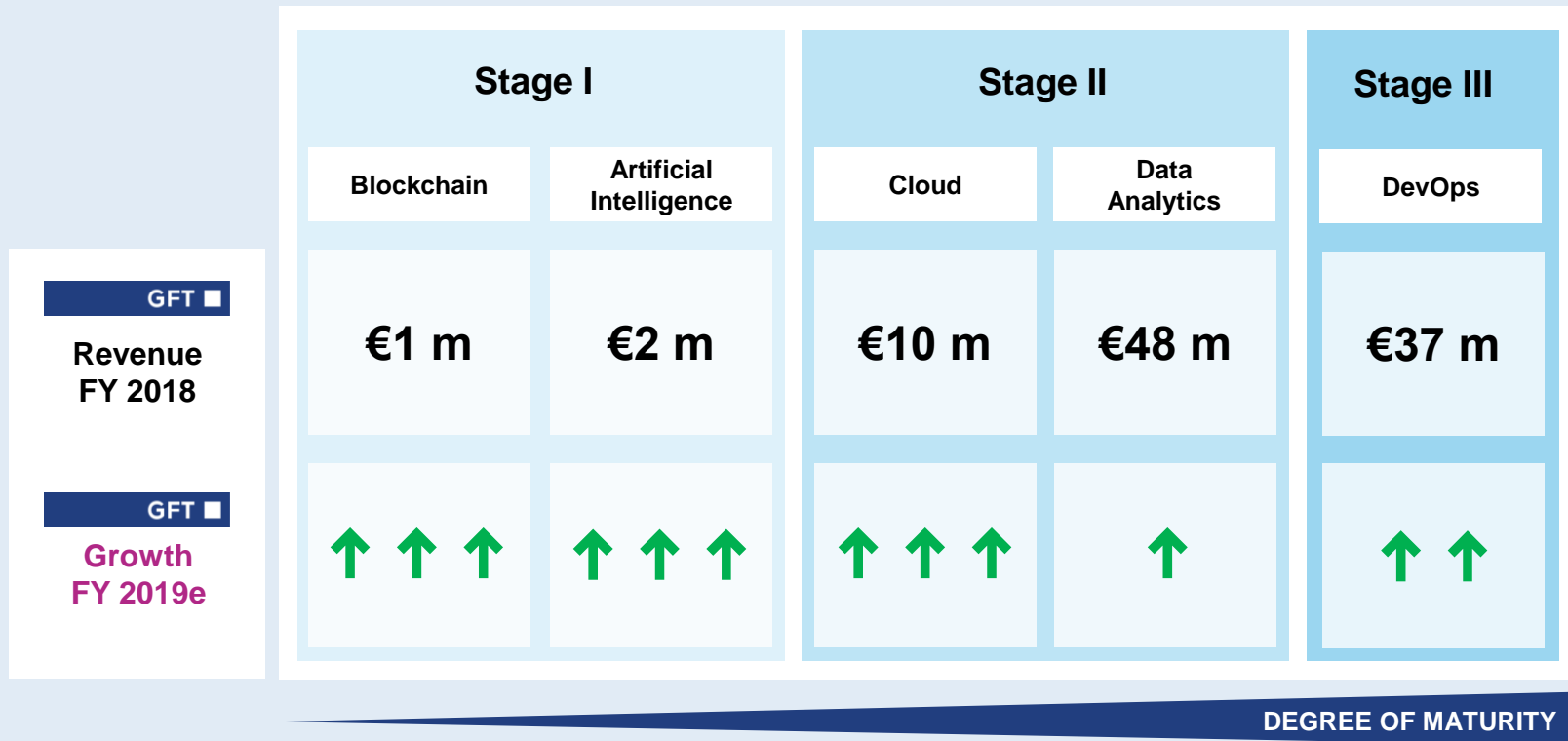
Banking and Securities IT Spending Forecast



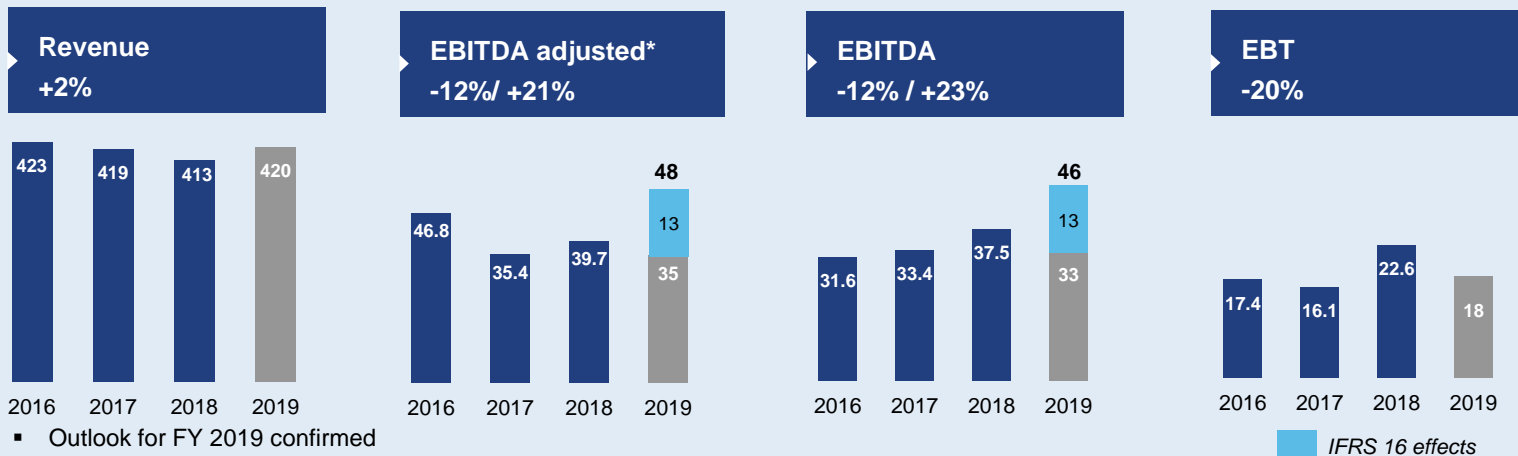
In Billions of U.S. Dollars

Source: Gartner

Development of exponential technologies at GFT



Outlook FY 2019 (in €m)



- Outlook for FY 2019 confirmed
- Decrease in revenue with top-2 clients of approx. 30%
- On-going success in diversification ex top-2 clients :
 - Growth without top-2 clients of over 20%
 - Share of insurance business to reach over 10% of revenues
- Earnings burdened by short-term restructuring charges and underutilisation in connection with top-2 clients as well as permanently increased sales expenses for further client diversification
- Effects from IFRS 16 are detailed in the backup

* adjusted for non-operational effects from M&A activities

Backup

Revenue for top-2 clients in FY 2019*



in €m		Revenue			Δ%	Δ%
		2019	2018	2017	2019/2018	2019/2017
Americas & UK	Top-2 Clients	56.00	84.79	114.34	-34%	-51%
	Other Clients	140.00	98.66	81.05	42%	73%
Continental Europe	Top-2 Clients	58.00	79.56	76.34	-27%	-24%
	Other Clients	166.00	149.32	146.15	11%	14%
GFT Group*	Top-2 Clients	114.00	164.35	190.68	-31%	-40%
	Other Clients	306.00	247.97	227.20	23%	35%
	Total	420.00	412.32	417.88	2%	1%

* Excluding segment „Others“

Split of operative and M&A Effects



in €m	Q1/2019			Q1/2018	
	GFT stand alone	V-NEO	GFT Total	GFT stand alone	GFT Total
EBITDA adjusted	10.11	1.05	11.16	10.05	10.05
M&A earn-out & retention	0.00	-0.83	-0.83	0.00	0.00
M&A consult & integrate	0.00	0.00	0.00	0.00	0.00
M&A amortisation orderbook	0.00	-0.05	-0.05	0.00	0.00
EBITDA	10.11	0.17	10.28	10.05	10.05
Depreciation & amortisation	-5.30	0.01	-5.29	-1.78	-1.78
M&A amortisation	-0.73	-0.39	-1.12	-1.40	-1.40
EBIT	4.08	-0.21	3.87	6.87	6.87
Interest	-0.64	-0.05	-0.69	-0.35	-0.35
M&A interest	0.00	0.00	0.00	0.00	-0.28
EBT	3.44	-0.26	3.18	6.52	6.24
Income taxes	-0.51	0.03	-0.47	-1.55	-1.55
Net income	2.93	-0.23	2.71	4.97	4.69
Net income adjusted	3.66	1.13	4.79	6.37	6.37
Shares outstanding (m.)	26.33	26.33	26.33	26.33	26.33
EPS (€) - basic	0.11	-0.01	0.10	0.19	0.18
EPS adjusted (€)	0.14	0.04	0.18	0.24	0.24

Effects after initial application of IFRS 16

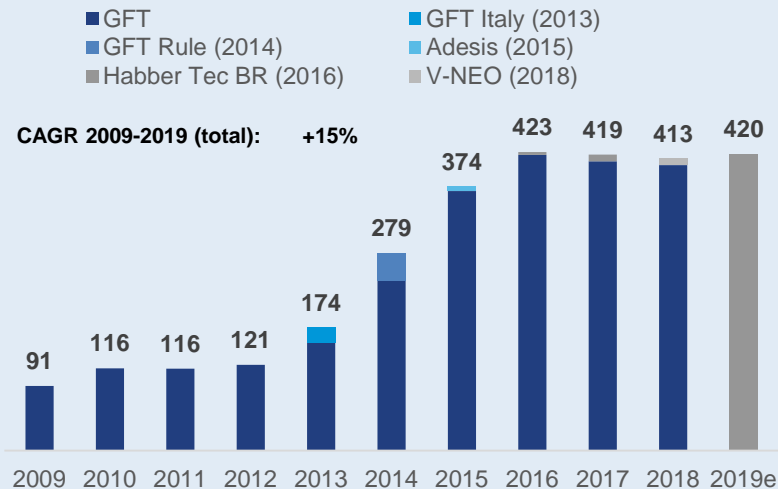


	Q1/2019			2019 expected		
in m€	after IFRS 16	adjustment	before IFRS 16	after IFRS 16	adjustment	before IFRS 16
EBITDA adjusted	11.16	3.63	7.53	approx. 48	approx. 13	approx. 35
EBITDA	10.28	3.63	6.65	approx. 46	approx. 13	approx. 33
EBIT	3.87	0.32	3.55	approx. 21	approx. 1	approx. 20
EBT	3.18	-0.03	3.21	approx. 18	approx. -0.05	approx. 18

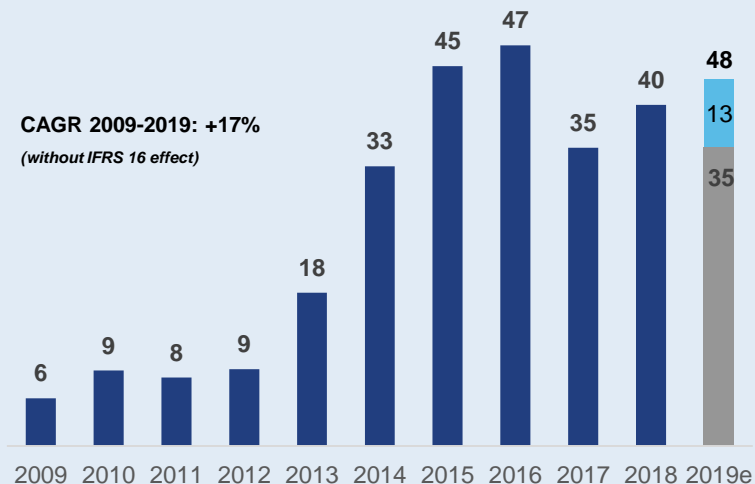
Revenue and EBITDA development



Revenue in €m



EBITDA adjusted in €m



■ Effects from IFRS 16

Peer group (limited comparability – not focused on financial sector)



Company	LC	Price in LC	MC in LC m	P / E		EV / Sales		EV / EBITDA	
				19e	20e	19e	20e	19e	20e
European IT Services									
Capgemini SE	EUR	104.60	17,498.9	16.3x	14.8x	1.3x	1.3x	9.4x	8.7x
Devoteam SA	EUR	101.00	841.6	18.0x	16.0x	1.0x	0.9x	8.6x	7.7x
First Derivatives plc	GBP	30.25	793.6	34.5x	30.9x	3.5x	3.2x	19.7x	17.7x
Indra Sistemas, S.A. Class A	EUR	9.98	1,763.0	12.5x	11.2x	0.8x	0.8x	7.5x	7.0x
Reply S.p.A.	EUR	55.95	2,093.2	20.1x	18.2x	1.8x	1.6x	12.4x	11.3x
Global IT Services									
Accenture Plc Class A	USD	173.94	110,944.7	23.8x	21.9x	2.5x	2.4x	15.2x	14.0x
Cognizant Technology Solutions Corporation Class A	USD	58.51	33,308.8	14.6x	13.3x	1.8x	1.7x	9.3x	8.5x
EPAM Systems, Inc.	USD	170.29	9,296.5	33.4x	27.2x	4.0x	3.3x	22.2x	18.2x
Luxoft Holding, Inc. Class A	USD	58.45	1,327.6	20.0x	-	1.9x	1.6x	15.4x	13.0x
Indian IT Services									
HCL Technologies Limited	INR	1132.20	1,535,579.0	14.1x	12.8x	2.2x	2.0x	9.5x	8.7x
Infosys Limited	INR	718.10	3,137,329.8	18.7x	16.8x	3.2x	2.9x	12.9x	11.6x
Tata Consultancy Services Limited	INR	2152.65	8,077,570.5	23.3x	21.1x	4.8x	4.3x	17.7x	16.0x
Wipro Limited	INR	290.80	1,754,852.0	17.5x	15.9x	2.4x	2.2x	11.6x	10.8x
Average (all)				20.5x	18.3x	2.4x	2.2x	13.2x	11.8x
Median (all)				18.7x	16.4x	2.2x	2.0x	12.4x	11.3x
GFT Technologies SE	EUR	8.11	213.5	12.2x	10.1x	0.7x	0.6x	7.5x	6.6x

Factset as of 8 May 2019

Shaping the future of digital business

GFT Technologies SE

Dr Jochen Ruetz
CFO

Schelmenwasenstraße 34
70567 Stuttgart

T +49 711 62042-422

jochen.ruetz@gft.com

GFT Technologies SE

Karl Kompe
Investor Relations Manager

Schelmenwasenstraße 34
70567 Stuttgart

T +49 711 62042-323

karl.kompe@gft.com