

Financial Figures 2016

GFT Technologies SE

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30 March 2017

- 1. Results 2016**
- 2. Outlook**

Highlights

- Double-digit growth of the GFT Group in financial year 2016
- Demand from retail banks for digitalisation solutions was main growth driver
- Growth was slowed by the general downturn in investment banking and uncertainties surrounding the Brexit referendum
- Revenue and earnings guidance for 2016 exceeded
- Headcount up 20 percent to 4,870

Key figures

Revenue
+13 %

- Total revenue growth of 13% to € 422.56m
- Adesis contributed € 13.59m (2015 € 6.42m)
- Habber Tec Brazil contributed € 4.28m
- Organic growth of 10% (12% at constant currencies)

EBITDA
+5 %

- Burdened by FX effects of € -1.97m in 2016 due to GBP devaluation (2016: -11%)
- Weaker utilisation in Anglo-Saxon markets

EBT
+ 2 %

- € -1.39m PPA from Adesis acquisition (2015: € -1.48m)
- € -0.44m PPA from Habber Tec Brazil acquisition
- € -1.47m costs for innovation project CODE_n

Employees
+ 20 %

- Habber Tec Brazil acquisition adds 102 employees in Brazil
- Continuous ramp up of employees in nearshore centres Spain, Poland, Brazil, Costa Rica (+21%)

Results at a glance

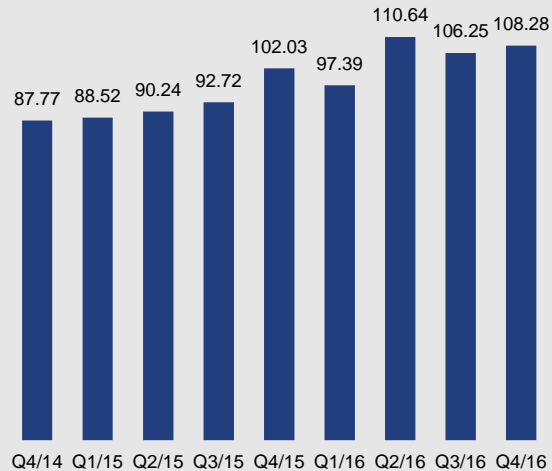
In €m	2016	2015	Δ%	Q4/2016	Q4/2015	Δ%
Revenue	422.56	373.51	13%	108.28	102.03	6%
Revenue organic	404.69	367.09	10%	104.10	99.22	5%
EBITDA	46.71	44.56	5%	12.71	13.26	-4%
EBIT	34.79	34.23	2%	9.39	10.38	-9%
EBT	33.05	32.52	2%	9.34	9.77	-4%
Net income	24.23	26.55	-9%	6.15	11.11	-45%
IAS earnings per share	€ 0.92	€ 1.01	-9%	€ 0.23	€ 0.42	-45%
Permanent employees (FTE)	4,870	4,050	20%	4,870	4,050	20%

Results at a glance per quarter

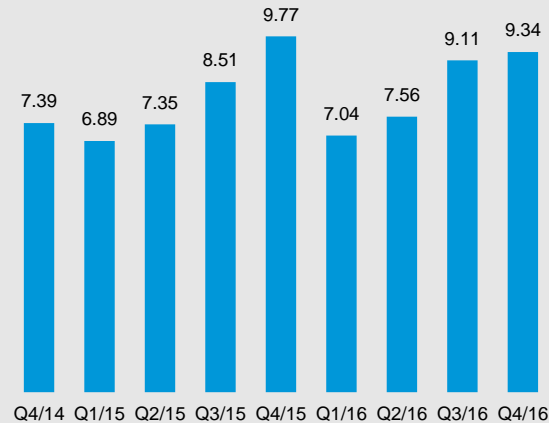
In €m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Revenue	88.52	90.24	92.72	102.03	373.51	97.39	110.64	106.25	108.28	422.56
EBITDA	9.61	10.19	11.50	13.26	44.56	10.15	11.39	12.46	12.71	46.71
EBIT	7.25	7.73	8.87	10.38	34.23	7.40	8.46	9.54	9.39	34.79
EBT	6.89	7.35	8.51	9.77	32.52	7.04	7.56	9.11	9.34	33.05
Net income	4.74	4.11	6.59	11.11	26.55	5.57	6.63	5.88	6.15	24.23
IAS earnings per share	€ 0.18	€ 0.16	€ 0.25	€ 0.42	€ 1.01	€ 0.21	€ 0.25	€ 0.23	€ 0.23	€ 0.92
Permanent employees (FTE)	3,257	3,421	3,897	4,050	4,050	4,159	4,493	4,749	4,870	4,870

Revenue and EBT per quarter (in €m)

Revenue



EBT



- **Revenue** increased by 6% in Q4/2016 to € 108.28m (Q4/2015: € 102.03m), due to a strong development of the segment Continental Europe
- **Revenue growth** (Q4/2016 vs. Q4/2015) excluding Adesis & Habber Tec Brazil +5%
- **EBT** of € 9.34m in Q4/2016 decreased by -4% (Q4/2015: € 9.77m)

Revenue per segment

in €m	Revenue		Δ%			
	2016	2015	Organic	M&A	FX	Total
Americas & UK	219.42	210.78	4.8%	3.2%	-3.9%	4.1%
Continental Europe	200.52	162.68	20.3%	3.0%	-0.1%	23.3%
Others	2.62	0.05	n/a	n/a	n/a	n/a
GFT	422.56	373.51	12.1%	3.1%	-2.1%	13.1%

EBITDA & EBT per segment

€ 1.00m Habber Tec Brazil operating EBT*
 € -0.44m PPA amortization
 € 0.56m Habber Tec Brazil EBT

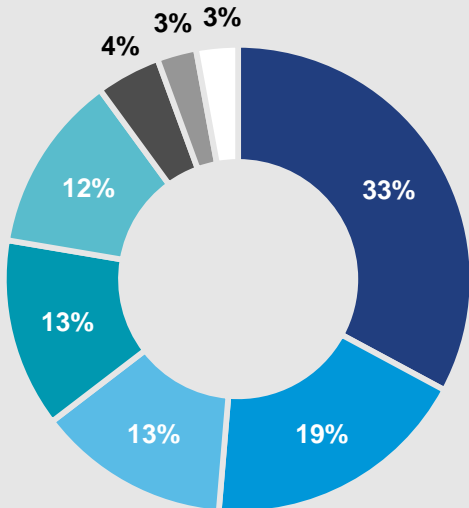
in €m	EBITDA			EBT		
	2016	2015	Δ%	2016	2015	Δ%
Americas & UK	16.11	22.21	-27%	9.43	16.07	-41%
Continental Europe	31.65	25.72	23%	25.26	20.06	26%
Others	-1.05	-3.37	n/a	-1.64	-3.61	n/a
GFT	46.71	44.56	5%	33.05	32.52	2%

Group allocations and direct charges in 2016 increased, moving earnings from operational segments to Others.

* Operating EBT without group allocation

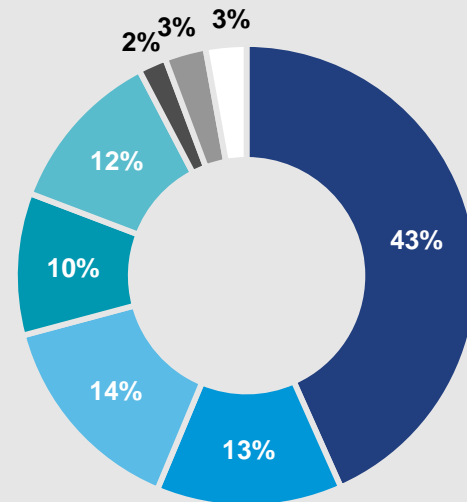
Revenue by countries

2016: € 422.56m



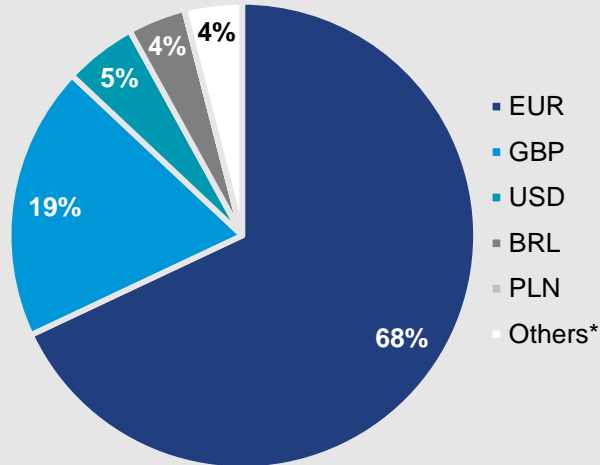
2016	Δ%	2015
€ 138.83m	UK -14%	€ 161.82m
€ 78.05m	Spain 61%	€ 48.45m
€ 56.10m	Italy 3%	€ 54.33m
€ 55.18m	USA 49%	€ 37.12m
€ 51.99m	Germany 20%	€ 43.15m
€ 18.78m	Brazil 157%	€ 7.31m
€ 11.41m	Switzerland 7%	€ 10.68m
€ 12.22m	Other countries 15%	€ 10.65m

2015: € 373.51m

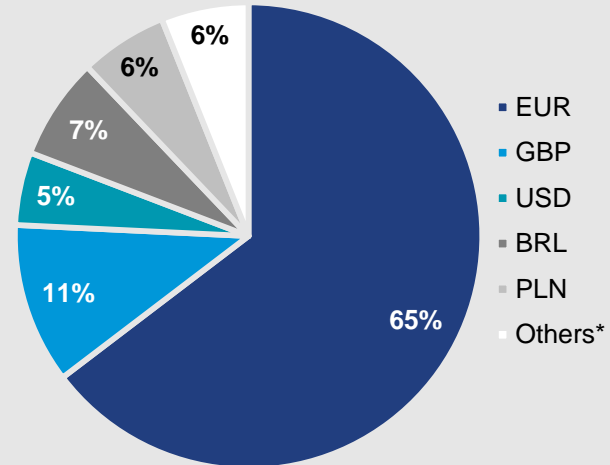


Currency distribution

Revenue



Costs



*Others include: CHF, MXN, CAD, CRC, PEN

30 biggest clients 2016 – five new entries

Capital Markets

Deutsche Bank	BARCLAYS	HSBC	UBS	Blackstone
KKR	RBS <i>The Royal Bank of Scotland</i>	CAMBRIDGE CIA ASSOCIATES	Standard Chartered	

Retail Banking

Deutsche Bank	Sabadell	INTESA SANPAOLO	MONTE DEI PASCHI DI SIENA BANCA DAL 1472	UBI Banca	BBVA	Bradesco
Serasa Experian	Bankia	CARIPARMA CREDIT AGRICOLE	LB BW	Santander	iberCaja	BPM BANCA POPOLARE DI MILANO
Banco ORIGINAL						

Private Wealth

BHF BANK PRIVAT SEIT 1864	NOTENSTEIN LA ROCHE	HSBC
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Insurance & Others

EUROPEAN COMMISSION	Kantone	Deutsche Post DHL Group	MAPFRE	UnipolSai ASSICURAZIONI
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Detailed profit & loss statement

in €m	2016	2015	Δ%	Q4/2016	Q4/2015	Δ%
Revenues	422.56	373.51	+13%	108.28	102.03	+6%
Other operating income	6.26	3.44	+82%	3.51	0.69	+410%
Cost of material & purchased services	-59.85	-62.49	-4%	-14.19	-15.96	-11%
Personnel expenses	-254.66	-215.45	+18%	-66.17	-59.27	+12%
Other operating expenses*	-67.60	-54.45	+24%	-18.72	-14.23	+32%
EBITDA	46.71	44.56	+5%	12.71	13.26	-4%
Depreciation and amortisation	-11.92	-10.33	+15%	-3.32	-2.88	+15%
EBIT	34.79	34.23	+2%	9.39	10.38	-9%
Interest and similar expenses/income	-1.74	-1.71	+2%	-0.05	-0.61	-92%
EBT	33.05	32.52	+2%	9.34	9.77	-4%
Taxes on income	-8.82	-5.97	+48%	-3.19	1.34	-338%
Net Income continued operations	24.23	26.55	-9%	6.15	11.11	-45%
Net Income discontinued operations	0.00	-1.21	-100%	0.00	-0.06	-100%
Net Income of the whole company	24.23	25.34	-3%	6.15	11.05	-44%
IAS earnings per share (in €)**	0.92	1.01	-9%	0.23	0.42	-45%

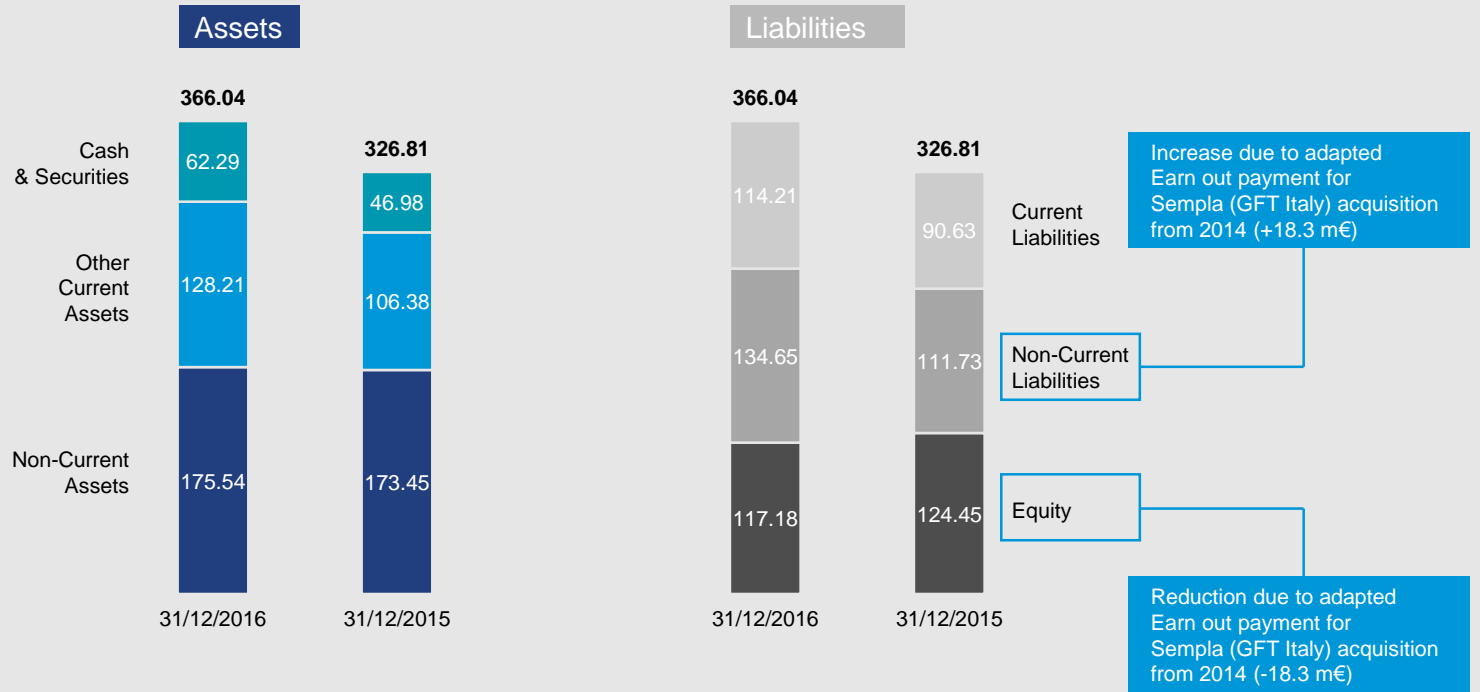
* Other operating expenses including profit share from associates and depreciation in securities

** From continued operations

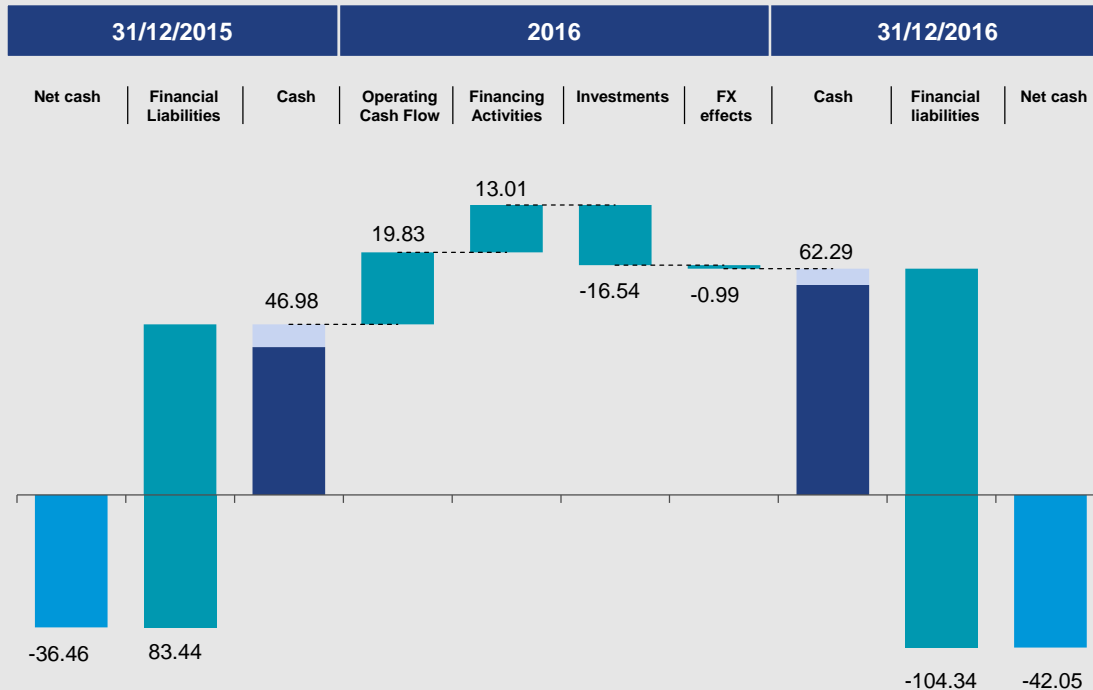
Operating profit and M&A effects

in T€	2015	2016
Operating Profit GFT	48,857	47,837
Operating Profit Holding	-3,370	-1,057
Operating Profit	45,486	46,780
PPA orderbook	-931	-69
EBITDA	44,555	46,711
Depreciation	-5,154	-6,252
PPA amortisation	-5,174	-5,665
EBIT	34,227	34,794
Interest	-1,703	-1,746
EBT	32,524	33,048

Balance Sheet (in €m)

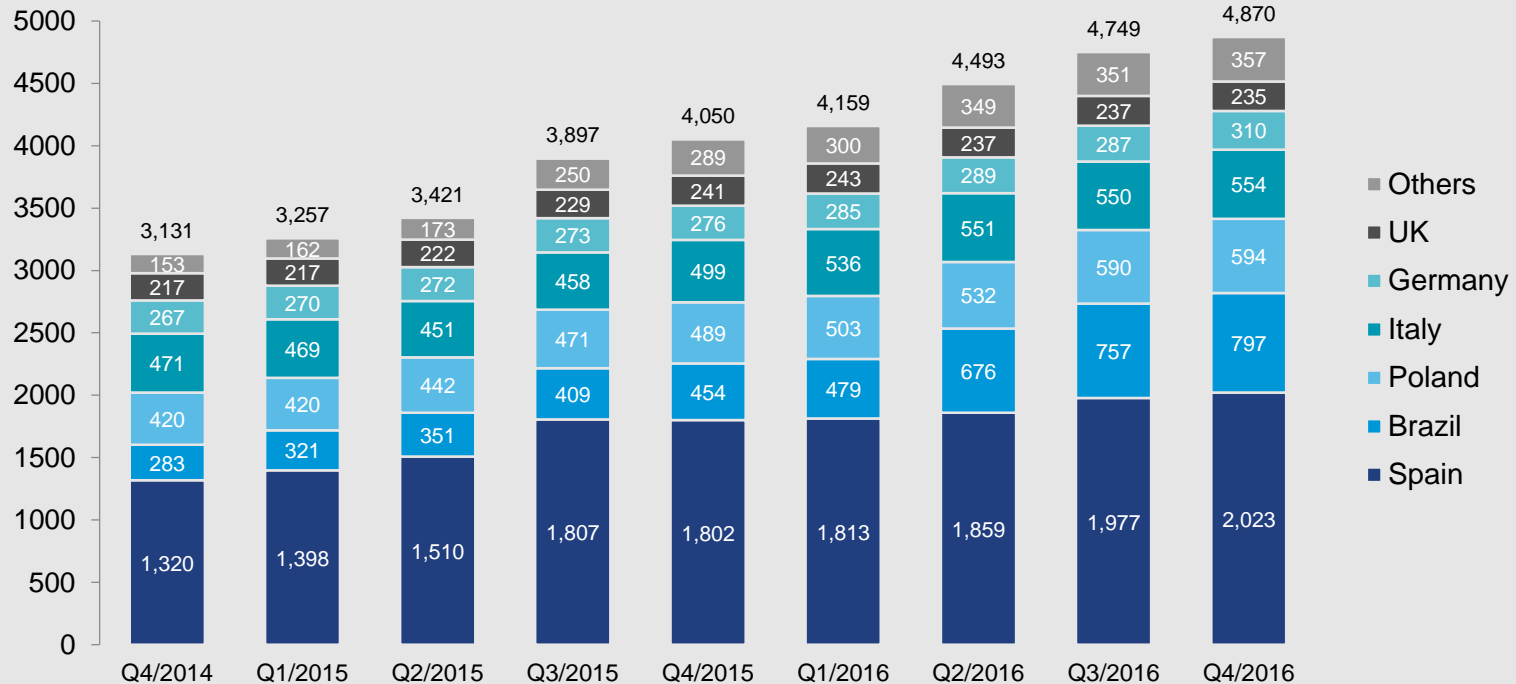


Cash Flow analysis (in €m)



- GFT's biggest clients overpay in December in order to utilise internal budgets. Overpaid amount indicated by light blue colour
 31/12/2015 = € 6.34m
 31/12/2016 = € 4.55m
- Positive development in the Operating Cash Flow, but cash inflow on the final days of the year below previous year
- Financing Activities are mainly influenced by raising loans
- Investments include Habber Tec Brazil purchase price

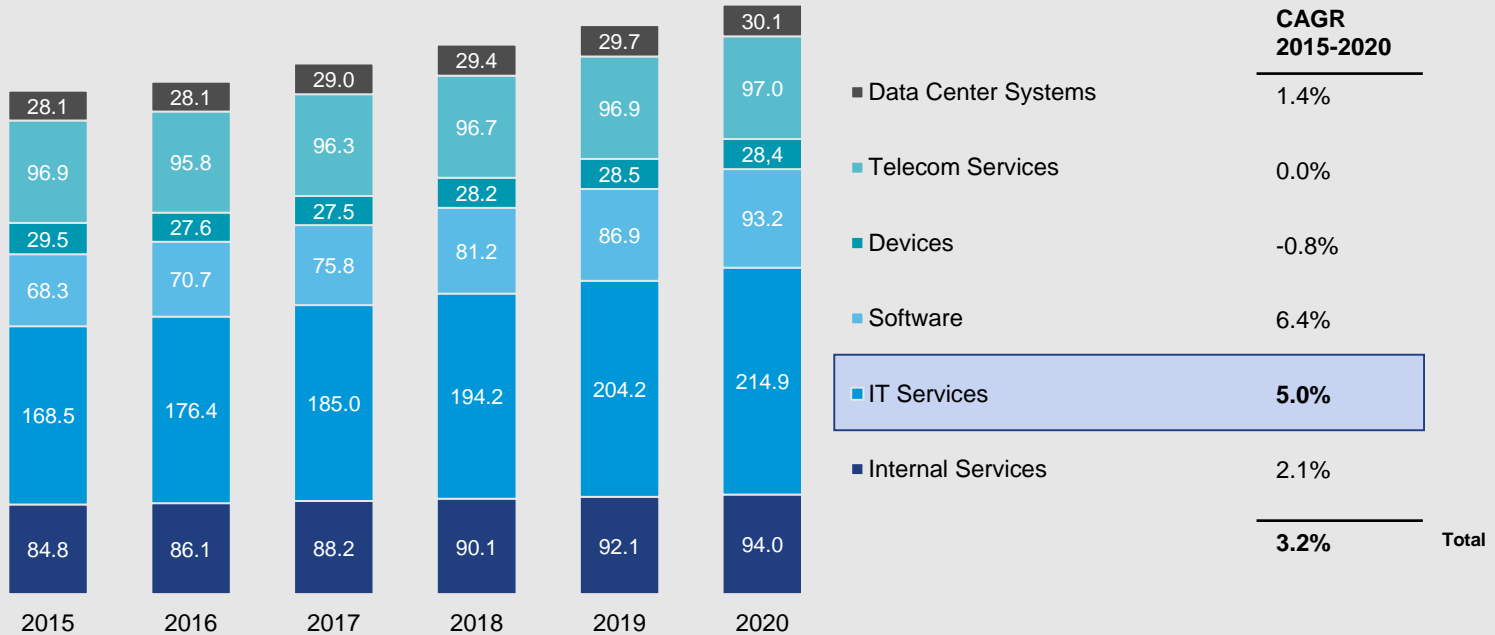
Employees by countries (FTE)



Agenda

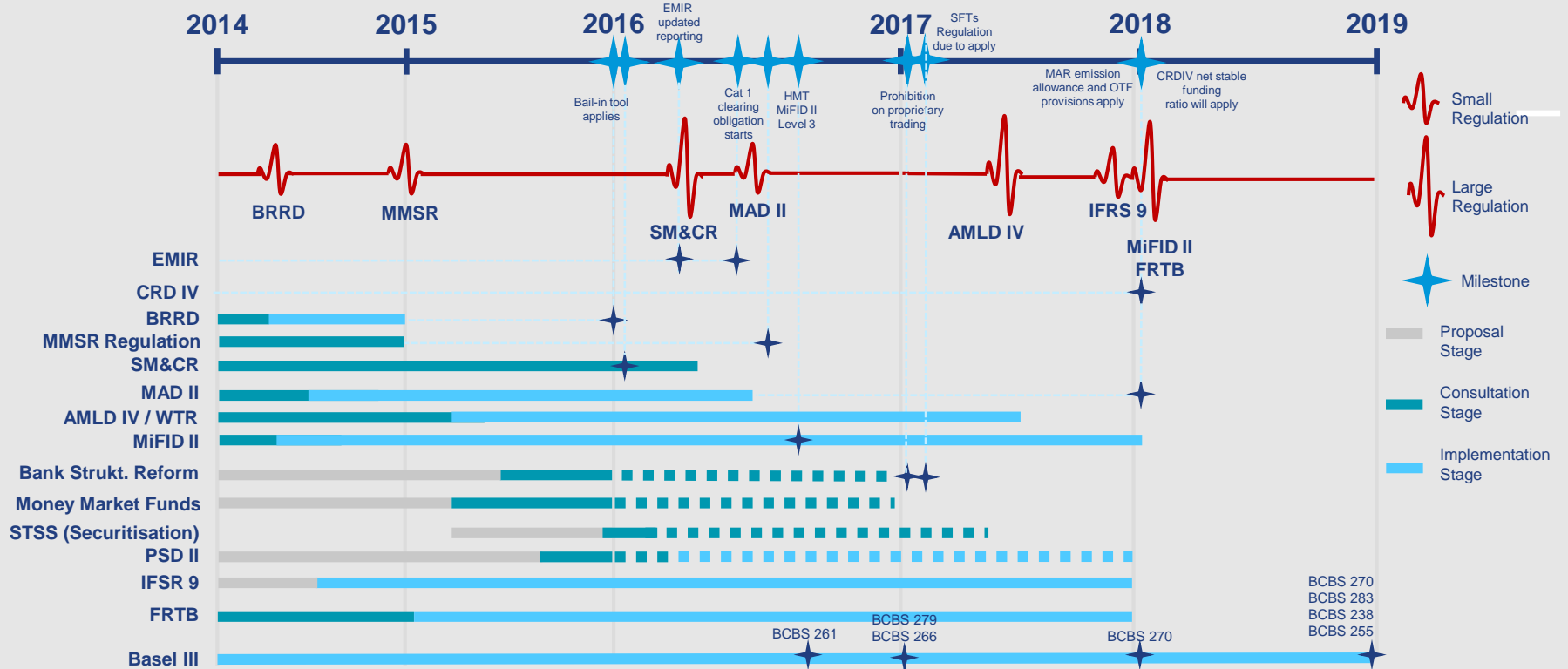
1. Results 2016
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Banking and Securities IT Spending



Source: Gartner, 2017 Total Banking and Securities IT Spending by Segment, Worldwide, (Billions of U.S. Dollars)

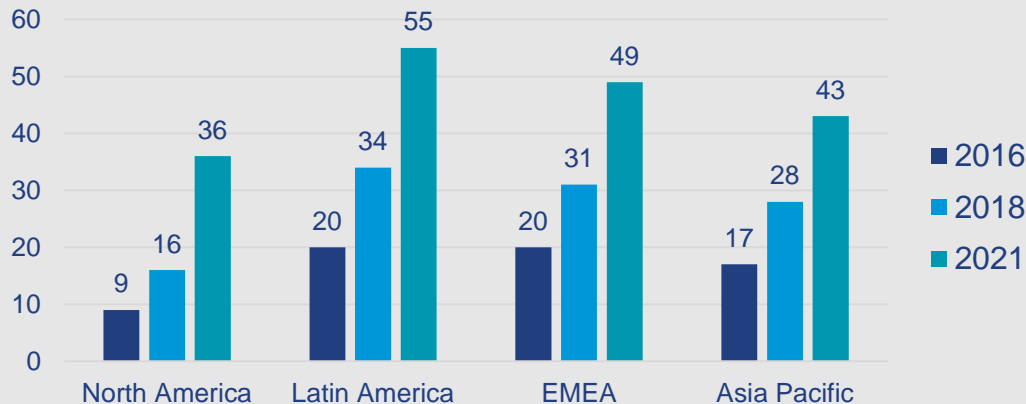
Regulatory Roadmap



Digital revenue opportunities for banks

Expectations for digital revenue growth

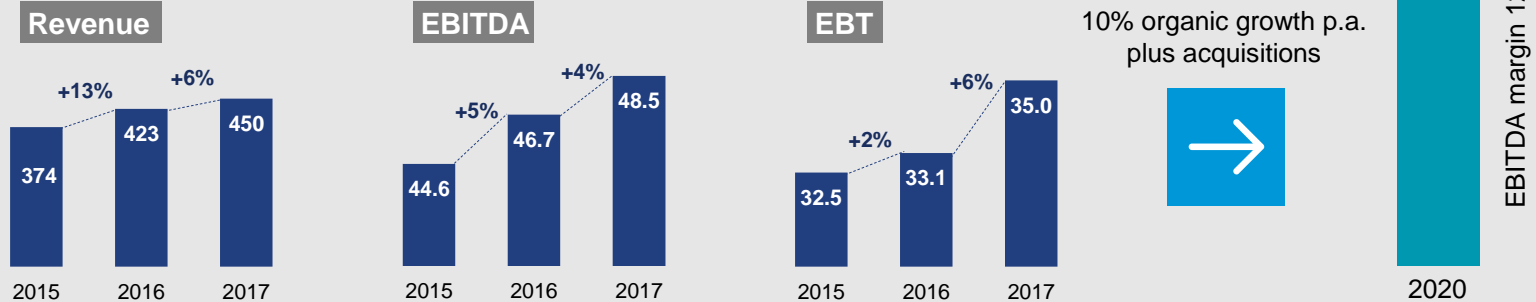
(average percentage of revenues)



- Financial services CEOs and CIOs expect digital revenue to more than double in most regions
- In North America they expect digital revenue to nearly quadruple by 2021
- They expect their digital initiatives to force more business through cheaper, more efficient online channels

Source: Gartner October 2016

Forecast Fiscal Year 2017 (in €m)



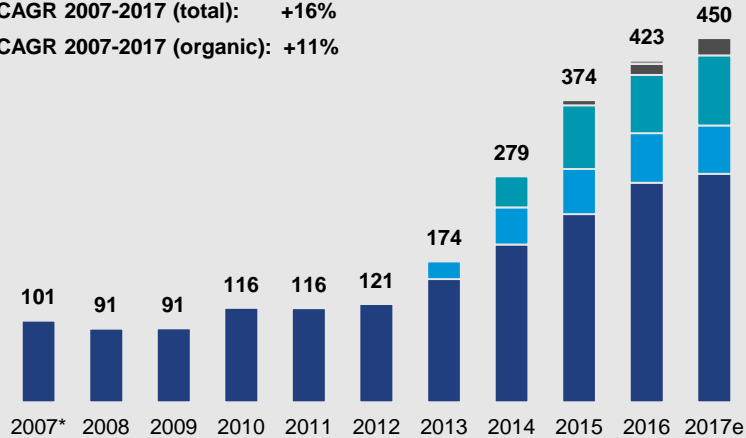
- Increasing demand from retail banks for digitalisation solutions will drive further growth in Continental Europe
- Stable demand for solutions to implement compliance requirements und Americas & UK
- H1/2017 still characterised by project delays by investment banks in UK
- New offerings of digitalisation solutions for retail banking division of UK & North American clients

Revenue and EBT development

Revenue in €m

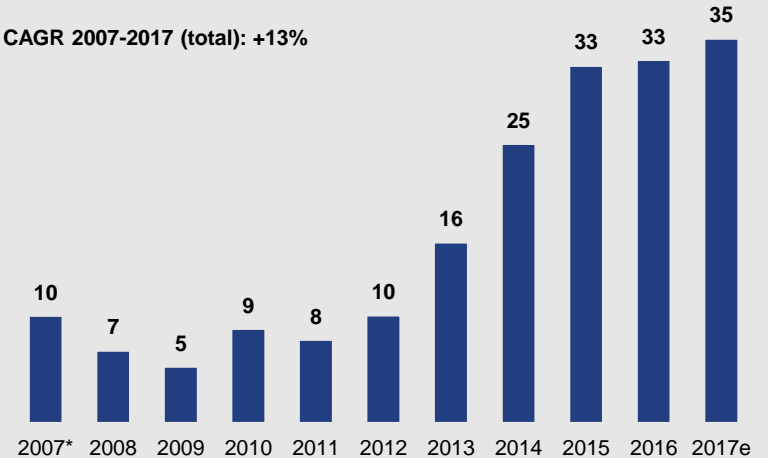
- GFT
- GFT Rule
- Habber Tec Brazil**
- GFT Italy
- Adesis

CAGR 2007-2017 (total): +16%
 CAGR 2007-2017 (organic): +11%



EBT in €m

CAGR 2007-2017 (total): +13%



* 2007 EBT peak due to the final billing of 5-year fix price project for Bradesco in Brazil (EBT-contribution in 2007 was exceptionally high at about € 4m)

** Habber Tec Brazil merged in 2017 into GFT Brazil

2017: split into operating profit and M&A effects

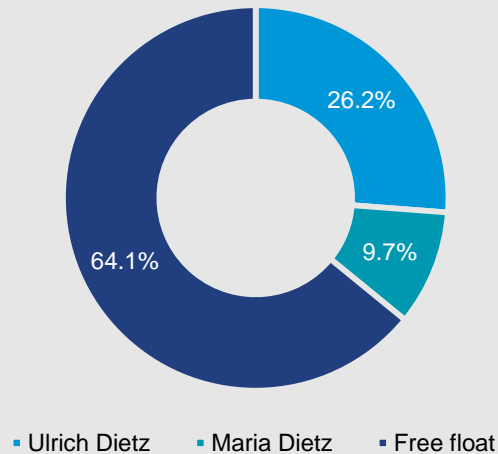
In T€	2016	2017
Operating Profit GFT	47,837	50,500
Operating Profit Holding	-1,057	
Operating Profit	46,780	50,500
Restructure UK	0	-1,000
Earn-out Accruals	0	-1,000
PPA orderbook	-69	0
EBITDA	46,711	48,500
Depreciation	-6,252	-6,000
PPA amortisation	-5,665	-5,500
EBIT	34,794	37,000
Interest	-1,746	-2,000
EBT	33,048	35,000

Restructure initiative in UK in order to address under-utilization challenges (one time effect in 2017 of -1m€)

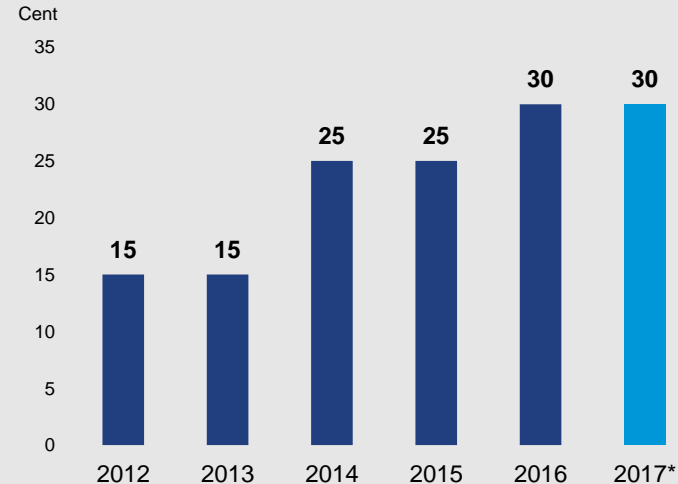
In line with IFRS the Earn-out payment to former Habber Tec Brazil Owners - who are now part of the GFT workforce - have to be shown under "personnel expenses" (one time effect in 2017 of -1m€)

Stable dividend policy

Shareholder structure



Dividend per share



*Proposal by the Administrative Board to the Shareholders Meeting

Shaping the future of digital business

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