

Investor presentation

GFT Technologies SE | November 2022



We believe in a digital world in which the intelligent use of IT is a key success factor. Our vision is to simplify this world for our clients.

We work side by side with our clients on digital transformation, enabling them to stay ahead of the competition and making change easy.

Agenda

1. **GFT at a glance**
2. GFT growth path
3. Financial results 9M/2022
4. Outlook



GFT at a glance FY 2021



GLOBAL WORKFORCE FY 2021

7,718 FTE
plus 1,305 contractors

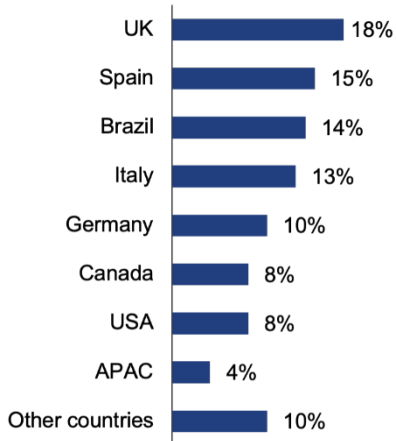
REVENUE FY 2021

€ 566 million

Adj. EBITDA FY 2021

€ 65 million

REVENUE BY MARKET FY 2021



REVENUE BY SECTOR FY 2021



73%
BANKING

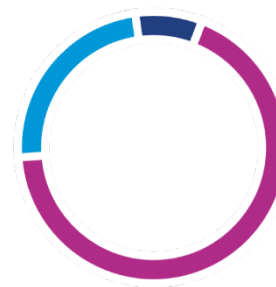


16%
INSURANCE



11%
INDUSTRY
& OTHERS

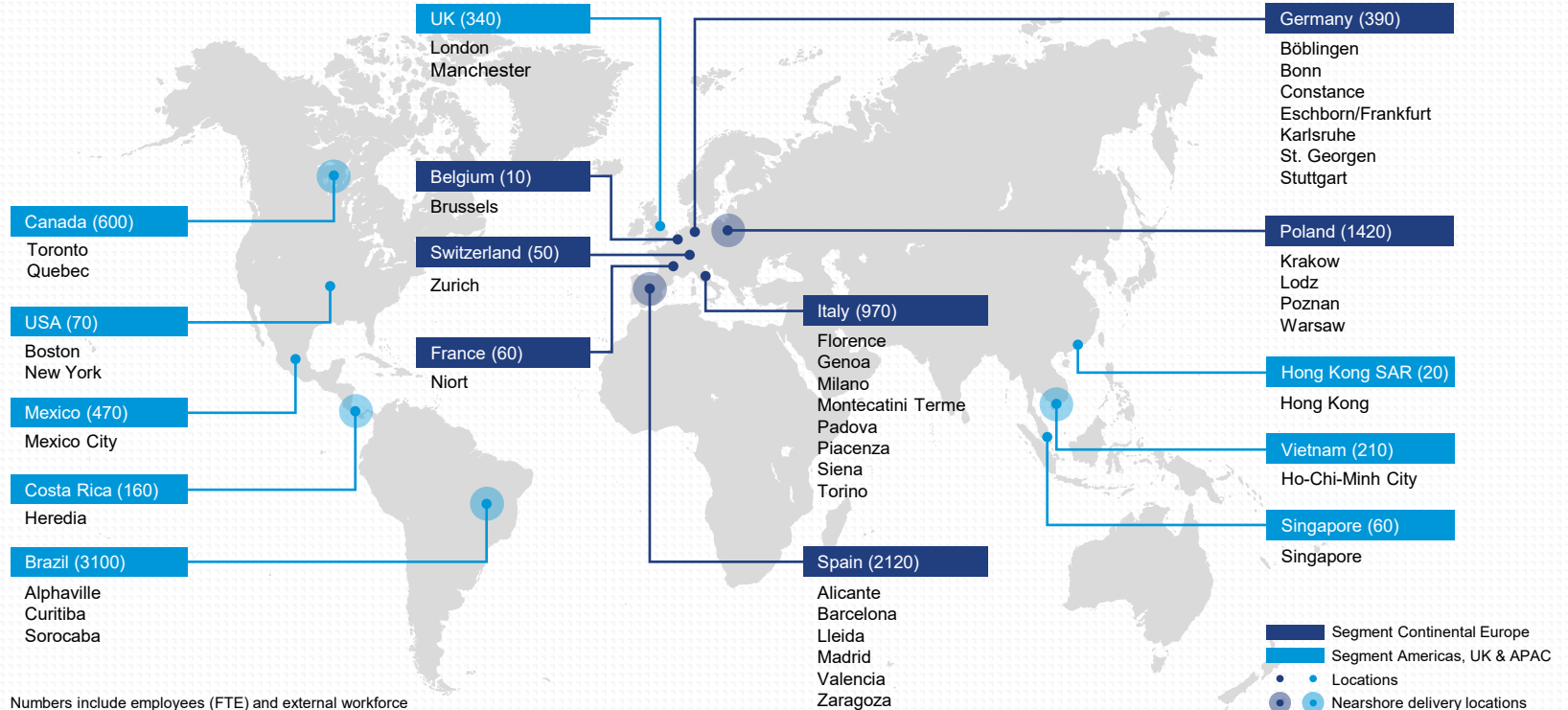
REVENUE BY SERVICE FY 2021



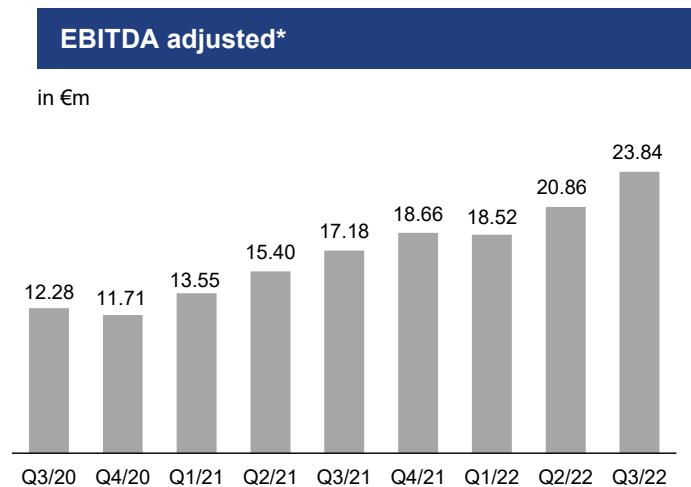
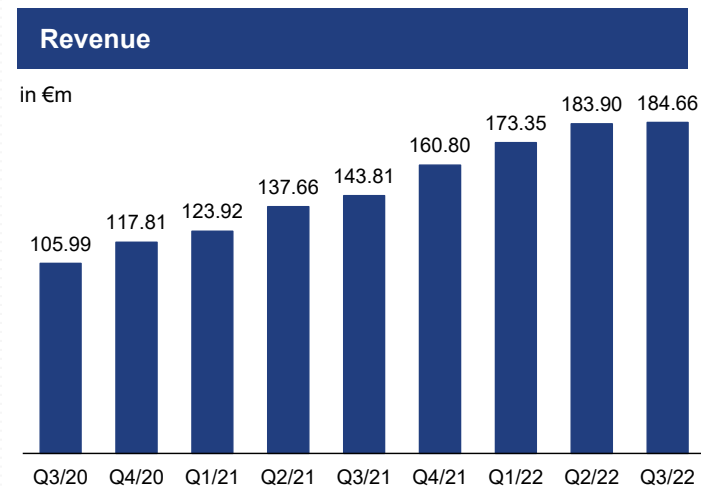
- Smart technologies **8%**
- Digital transformation **68%**
- Platform services **24%**

Proven onshore-/nearshore delivery model with 10,000+ talents

Over 40% of revenues generated nearshore | Headcount 8,766 and 1,281 contractors (09/2022)



Revenue and EBITDA adjusted by quarter



- **Q3/2022 vs. Q2/2022:** slight revenue growth of 0.4%, EBITDA adjusted rises 14%
- **Q3/2022 vs. Q3/2021:** revenue plus 28%; EBITDA adjusted increases by 39%

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

Our understanding of sustainability



ENVIRONMENT

Sustainability by design

500+ GreenCoding certificates

5tCO₂e footprint per talpent



2030 GHG emission reduction targets approved by the SBTi*



SOCIAL

Grow tech talent worldwide

27 training hours per employee

18% female talents



Best Place to Code (Mexico)



GOVERNANCE

Resilient management systems

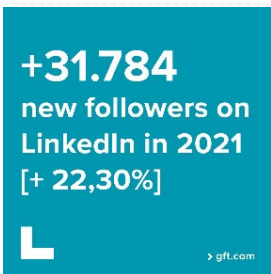
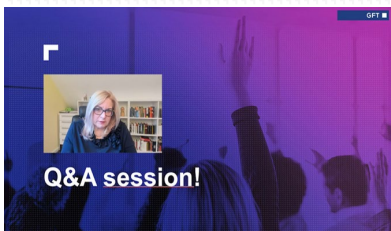
€0.00 legal costs for anticompetitive behaviour

83% top managers ESG-incentivised



signatory to UN Global Compact

* GFT commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2020 base year and reduce scope 3 GHG emissions 60% per euro value added within the same timeframe.



Business strategies might adapt – our unique values stay

Culture of...

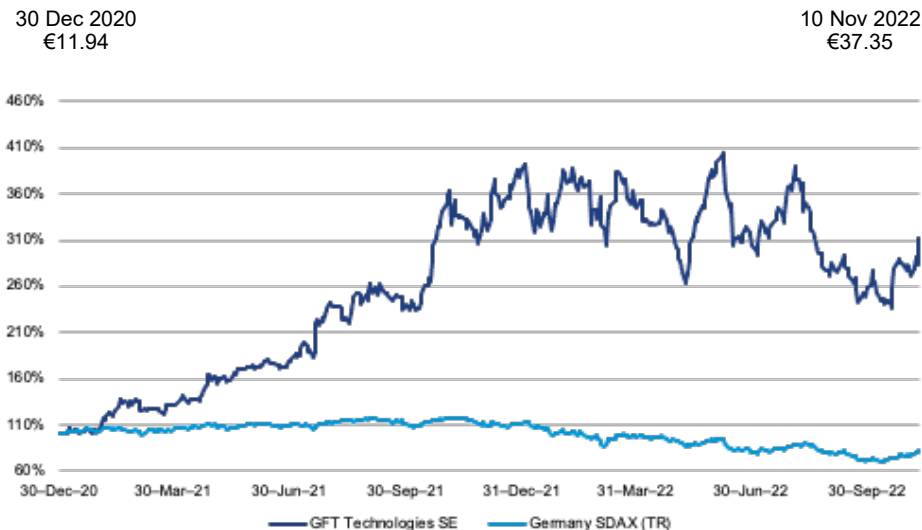
- leading from the front
- global-local responsibility mix
- continuous learning
- diversity & equality
- growing tech talent globally

➤ Differentiates us to attract and retain talents.

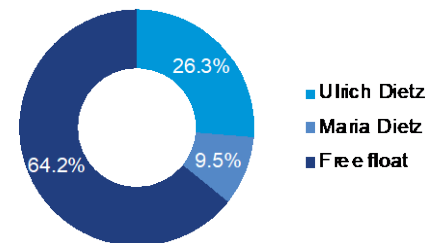
GFT share and shareholder structure



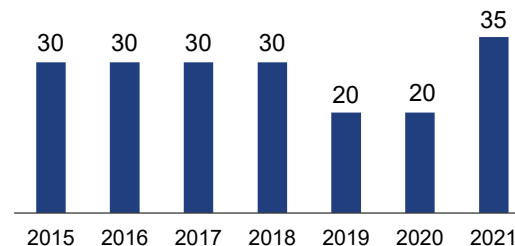
GFT share indexed



Shareholder structure



Dividend per share in Cent (for FY)

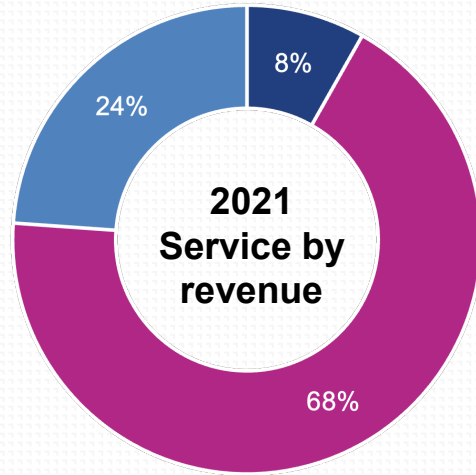


Agenda

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- 2. GFT growth path**
3. Financial results H1/2022
4. Outlook



Cloud business drives digital transformation revenues



- Smart Technologies
- Digital Transformation
- Platform Services



Megatrend digital transformation

- Smart Technologies – Enabling and boosting transformation
 - Highly innovative solutions with smaller project sizes
 - Includes: AI, DLT/Blockchain, AR/VR, Robotic Process Automation (RPA), Bots/virtual assistants and Data Engineering
- Digital Transformation – Vital elements for new ecosystems
 - Nearly 70% of GFT total revenues in 2021
 - Dynamic growth: 38% in 2021 (31% in 2020)
 - Includes: Cloud, Agile and DevOps, Customer Centricity and Collaboration Solutions
- Platform Services – Managing IT environments
 - Stable business with high amount of recurring revenues
 - Includes: Core Platform Management, Replatforming, Regulatory, Risk and Compliance services

Banking growth momentum



Capitalising on strong demand for cloud services

- Strategic investments in cloud partnerships
- Digital banking on new core banking platforms (smart contracts)



Recognitions

- Star Performer for Open Banking IT Services
 - Highlighted in Everest Group PEAK Matrix® Assessment 2020
- IT Industry Awards Services Company of the Year, UK
 - Awarded by British Computer Society & Computing Magazine



Proofpoints

- Over 900 cloud engineers and deep expertise with disruptive features
- Built fully virtual new bank MOX (Hong Kong)
- For Al Rajhi Bank Malaysia: collaboration with Oliver Wyman to design, build and launch cloud-based digital bank

GFT's Banking growth

+22.9%

FY 2021

Growth in Banking IT for Solutions 2021

+13.9%

Source: Gartner December 2021

Growth in Banking IT for Services 2021

+9.8%

Source: Gartner December 2021

Insurance growth momentum



Increasing traction with Guidewire

- Capitalising on strong business demand, Insurances reinvent themselves
- Demand for cloud-based Guidewire solutions increases
- GFT's hybrid cloud approach appeal to more insurers



Recognitions

- Major Contender and Star Performer
 - Awarded in PEAK Matrix® Assessment by Everest Group
- Innovation Award won by Guidewire for Aviva Italy
- Important Guidewire certifications achieved



Proofpoints

- For large automobile insurer: simultaneous complex upgrade to Guidewire v10 functionalities and migration to Google Cloud.
- First European full suite Guidewire implementation on cloud for La Macif

GFT's Insurance growth

+51.7%

FY 2021

Growth in Insurance IT for Solutions 2021

+14.4%

Source: Gartner December 2021

Growth in Insurance IT for Services 2021

+8.8%

Source: Gartner December 2021

Industry growth momentum



Addressing market with complete offering

- Sustainability offering based on asset sphinx open online (SOO)
- Multi-year development projects with thousands of engineers leveraging weblet asset
- Expanding US success in Visual Inspection to more countries



Recognitions

- AutoQML: solving industry challenges by leveraging the power of KI & Quantum Computing with SOO
- MAD Urban: data hub for managed autonomous driving with intelligent infrastructure



Proofpoints

- For large automotive client: fully digital car crash test process solution - includes role-based secure data sharing
- High traction of weblet projects and optimisation - 15,000 active users for one client alone

GFT's Industry & Others growth

+27.3%

FY 2021

Growth in Industry IT for Solutions 2021

+9.3%

Source: Gartner December 2021

Growth in Industry IT for Services 2021

+5.2%

Source: Gartner December 2021

Investment case summary



**Unique technology and
Sector expertise**



**Highly attractive sales and
earnings potential**



**Strong demand for
digital transformation**



Sustainability and commitment

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Continued growth in the first nine months of 2022

Further upgrade in earnings outlook



Strong demand for digital transformation projects remains unchanged

- Growth through new clients and sustained digitalisation pressure in our core markets
- Growth driver: complex and long-term modernisation and transformation projects
- More than 10,000 experts at work for clients
- Successful price and cost management

› Outlook for 2022 raised once again

- Revenue: €730m (+29% compared to previous year)
- EBITDA adj.: €87m (+34% compared to previous year)
- EBT: €66m (+65% compared to previous year)



Performance 9M/2022

- › **+34%** revenue
- › **+70%** EBT
- › **+51%** in Insurance sector
- › **+51%** in Industry & Others sector
- › **+27%** in Banking sector
- › **+20%** employees
- › **39%** equity ratio

Strong growth in all key figures, especially EBT



in €m	9M/2022	9M/2021	Δ%
Revenue	541.91	405.39	34%
Order backlog	264.46	214.70	23%
EBITDA adjusted*	63.22	46.13	37%
EBITDA	63.22	44.19	43%
EBIT	47.65	28.87	65%
EBT	47.91	28.13	70%
Net income	33.78	21.09	60%
Earnings per share (in €)	1.28	0.80	60%
Earnings per share adjusted (in €)*	1.40	0.98	43%
Employees (in FTE)	8,766	7,286	20%

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

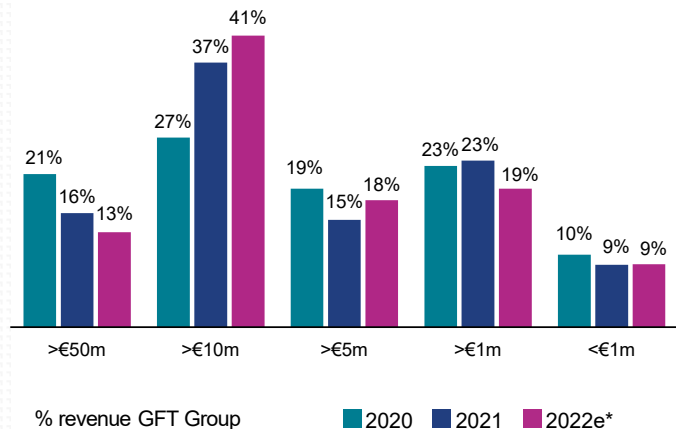
- **Revenue:** plus 34% (thereof plus 8% FX effects)
- **Order backlog** again significantly above previous year
- **Adjusted EBITDA** grows by 37%
 - Utilisation 9M/2022 stable at 90.2% (Q3/2022: 91%)
 - Capacity adjustments of €-2.23m (9M/2021: €-1.81m)
 - FX effects of €2.09m (9M/2021: €-1.38m)
 - Share price-based effects in the valuation of management remuneration amounting to €2.36m (9M/2021: €-1.45m)
- Disproportionately strong increase in **EBT**
- **EBT margin** rises to 8.8% (9M/2021: 6.9%)
- **Tax ratio** above previous year at 29% (9M/2021: 25%)

Diversification further improved



Well-balanced client portfolio

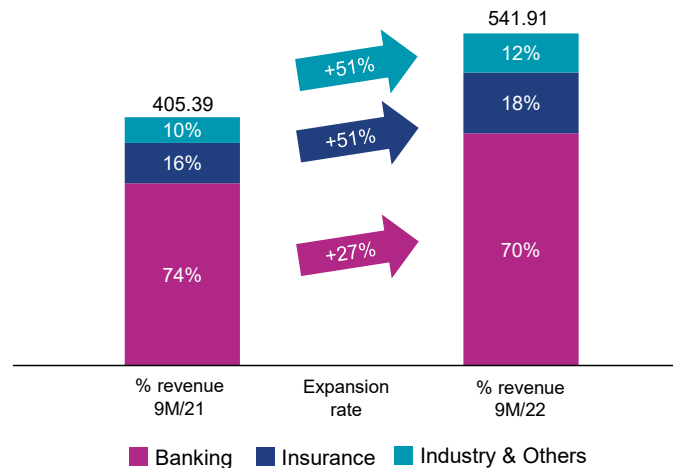
Largest client with approx. 13% of total revenue*



*Annualised extrapolation for 2022 based on the past three quarters

All sectors with strong growth

Insurance and Industry & Others grow by more than 50%



Revenue by segment



in €m	Revenue		Growth rates			
	9M/2022	9M/2021	Organic	M&A	FX	Total
Americas, UK & APAC	342.25	223.09	40%	0%	13%	53%
Continental Europe	199.16	182.14	9%	0%	0%	9%
Others	0.50	0.16	n/a	n/a	n/a	n/a
GFT Group	541.91	405.39	26%	0%	8%	34%

- **Americas, UK & APAC:** Strong market position further extended with growth of more than 50%. Strong growth especially in Brazil (+84%), Mexico (+31%), USA (+54%) and UK (+23%), each significantly driven by the banking sector, and Canada (+54%) with strong growth in insurance
- **Continental Europe:** Continued growth (+9%); strongest growth in Switzerland (+49%)
- **GFT Group:** Organic revenue growth of 26%, FX effects of +8%. Total revenue growth of 34%

Earnings by segment



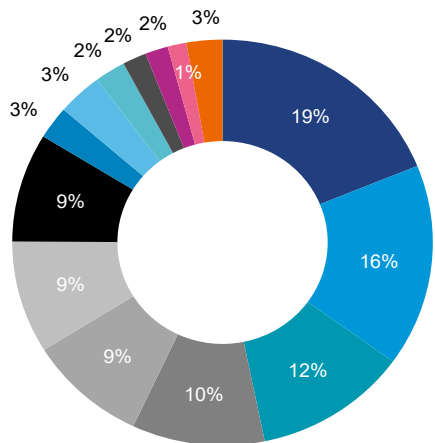
in €m	EBITDA adjusted*			EBITDA			EBT		
	9M/2022	9M/2021	Δ%	9M/2022	9M/2021	Δ%	9M/2022	9M/2021	Δ%
Americas, UK & APAC	38.72	25.05	55%	38.72	23.12	67%	32.26	16.91	91%
Continental Europe	26.90	24.68	9%	26.90	24.67	9%	18.82	15.82	19%
Others	-2.40	-3.60	33%	-2.40	-3.60	33%	-3.17	-4.60	31%
GFT Group	63.22	46.13	37%	63.22	44.19	43%	47.91	28.13	70%

- **Americas, UK & APAC:** Significant EBT increase of 91%. Client demand for complex digitalisation solutions remains high. Earnings influenced by positive FX effects (21 percentage points of EBT growth)
- **Continental Europe:** High customer demand and strong brand are reflected in EBT growth of 19%
- **GFT Group:** EBT growth of 70%, thereof 13 percentage points from FX effects

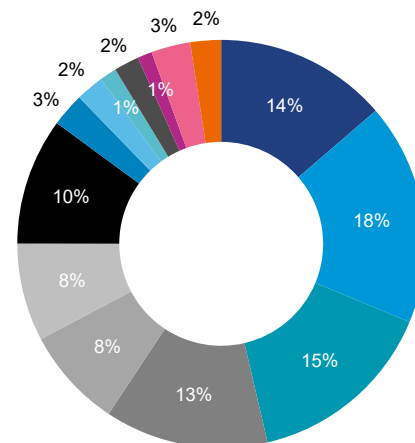
*Adjusted for non-operational effects from M&A activities; Adjustments only in prior year

Revenue by markets

Seven individual markets with growth of >30%



9M/2022	in m€	Δ%	9M/2021
103.14	Brazil	84%	56.02
88.27	UK	23%	71.97
64.64	Spain	5%	61.76
55.84	Italy	5%	53.09
50.06	Canada	54%	32.57
48.97	USA	54%	31.77
47.48	Germany	15%	41.19
14.30	Mexico	31%	10.90
13.49	Switzerland	49%	9.04
13.00	Singapore	>100%	5.56
10.03	Hong Kong (SAR)	23%	8.14
9.68	Poland	>100%	4.74
7.93	France	-38%	12.72
15.08	Other countries	>100%	5.92
541.91	Total	34%	405.39



Income statement – disproportionate earnings improvements

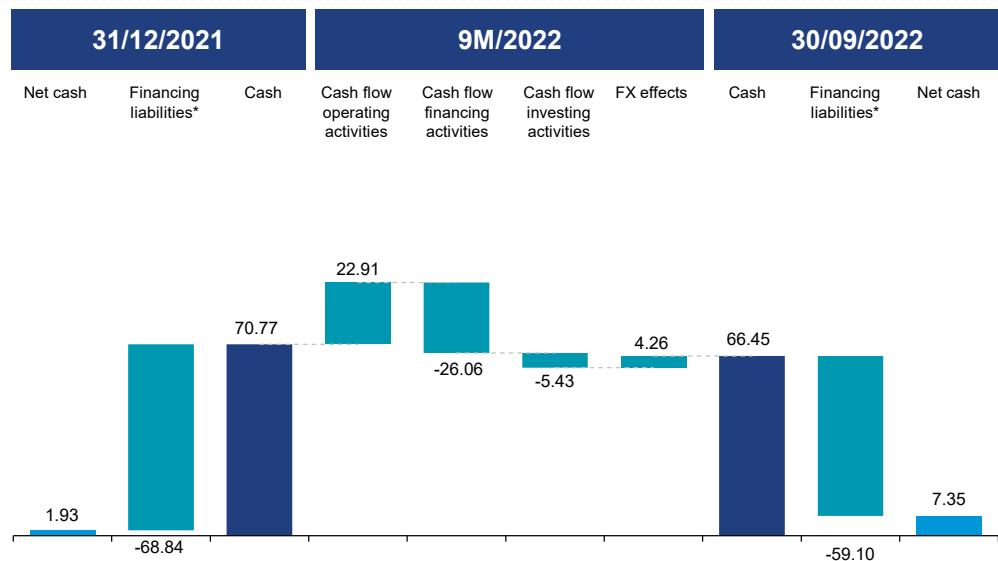


in €m	9M/2022	9M/2021	Δ%
Revenue	541.91	405.39	34%
Other operating income	11.86	8.13	46%
Cost of purchased services	-79.78	-56.79	40%
Personnel expenses	-355.57	-276.16	29%
Other operating expenses*	-55.20	-36.38	52%
EBITDA	63.22	44.19	43%
Depreciation and amortisation	-15.57	-15.32	2%
EBIT	47.65	28.87	65%
Interest income/expenses	0.26	-0.74	>100%
EBT	47.91	28.13	70%
Income taxes	-14.13	-7.04	>100%
Net income	33.78	21.09	60%
Earnings per share (in €)	1.28	0.80	60%

- Profitable **revenue growth** due to sustained demand for long-term and complex digitalisation solutions
- Increase in **other operating income** mainly driven by higher foreign exchange gains
- Ratio **cost of purchased services** to revenue of 15% slightly above prior-year level (9M/2021: 14%)
- Increased **personnel expenses** caused by higher average headcount, esp. in Brazil. Ratio of personnel expenses w/o capacity adjustments plus purchased services to revenue of 80% (9M/2021: 82%)
- Disproportionate strong increase in **other operating expenses** primarily due to higher personnel-related expenses and costs for IT licenses
- Increase in **effective tax rate** of 4 percentage points to 29% (9M/2021: 25%) mainly as a result of EBT improvements in countries with higher tax rates

*incl. results of investments accounted for using the equity method

Cash flow analysis (€m) – increased net cash



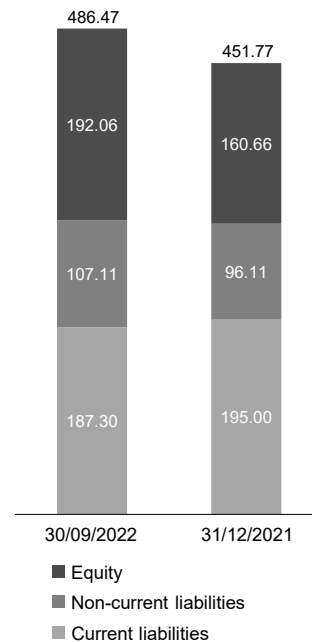
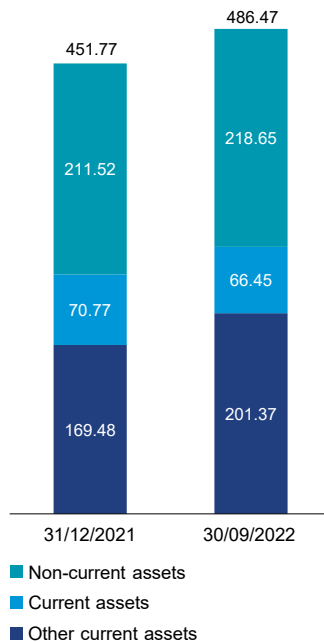
*Financing liabilities include liabilities to banks

- Unchanged solid **financing structure** with unused credit lines of €43.81m (31/12/2021: €35.08m) and improved net liquidity of €7.35m (31/12/2021: €1.93m)
- Slight decrease in **group cash** to €66.45m (31/12/2021: €70.77m) mainly due to increased funds tied up in trade receivables from customers and repayment of bank loans
- **Operating cash flow** of €22.91m below prior-year level (9M/2021: €30.97m) predominantly due to negative working capital effects
- **Cash flow from financing activities** of €-26.06m (9M/2021: €-31.52m) mainly influenced by redemption of bank loans amounting to €9.74m (9M/2021: €19.24m) as well as shareholder dividend of €9.21m (9M/2021: €5.27m)
- **Cash flow from investing activities** of €-5.43m (9M/2021: €-4.89m) primarily characterised by capital expenditures in property, plant and equipment

Balance sheet (€m) – improved equity ratio

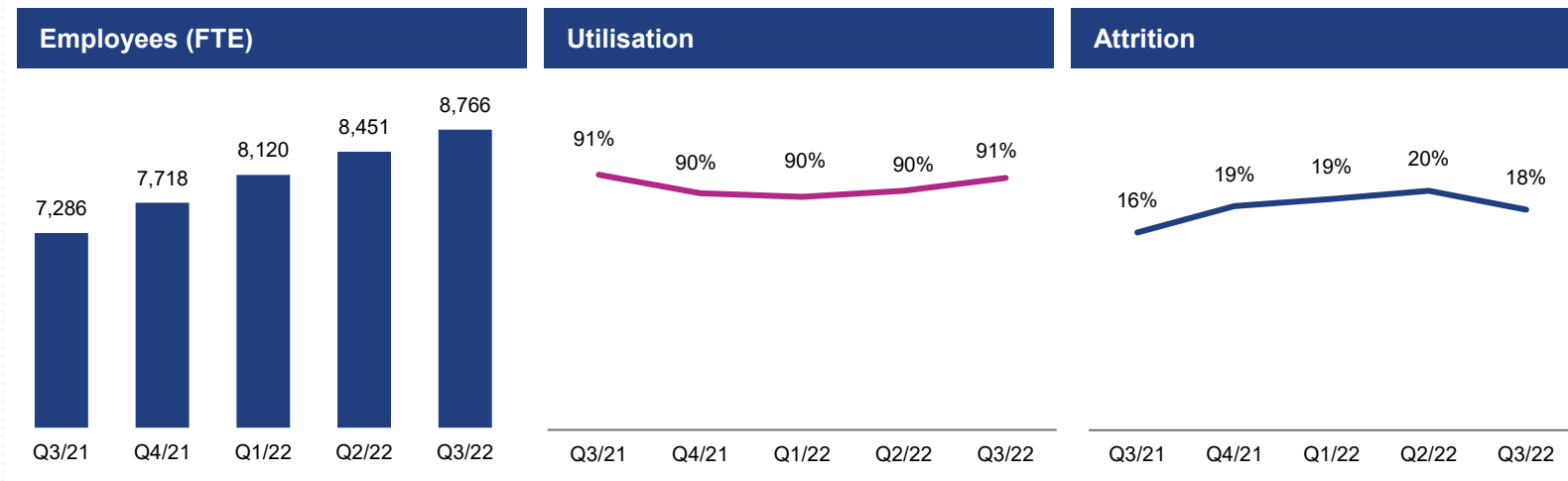


- **Balance sheet total** expanded by 8% due to increased claims to customers and investments for real estate leasing
- Rise of **non-current assets** by 3% to €218.65m mainly driven by follow-on investments for real estate leasing. Non-current assets account for 45% of balance sheet total (31/12/2021: 47%)
- Decrease in **cash and cash equivalents** of €4.32m to €66.45m mainly due to funds tied-up in receivables from customers and bank loan repayments
- Increase in **other current assets** of €31.89m to €201.37m (31/12/2021: €169.48m) attributed to higher (conditional) receivables from contracts with clients, tax prepayments as well as increased prepaid expenses



- With a net income of €33.78m (9M/2021: €21.09m), **equity** currency-adjusted up by €24.35m; Equity ratio of 39% improved by 3 percentage points (31/12/2021: 36%)
- Increase of **non-current liabilities** by €11.00m to €107.11 (31/12/2021: €96.11m) mainly due to increased liabilities for leasing and personnel
- **Current liabilities** of €187.30m by €7.70m below prior year's level (31/12/2021: €195.00m). Decrease primarily influenced by lower contract liabilities (€-20.13m) and liabilities to banks (€-9.49m). Main opposing effect from increased personnel related other provisions (€+16.47m)

Team expansion to more than 10,000 experts



- More than 10,000 experts worldwide
- Employees (FTE): plus 20% year-on-year, growth especially in Brazil and Poland
- Number of external contractors increased from 1,160 to 1,281
- Stable utilisation of 91% in Q3 at very high level (9M/2022: 90.2%)
- Attrition decreases to 18%, prior-year figure influenced by Covid-19

We are a Great Place To Work for >10k talents!

Proofpoint that helps employee growth and to keep up with demand



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Reaching new heights in 2022



Megatrend digital transformation pushes GFT up

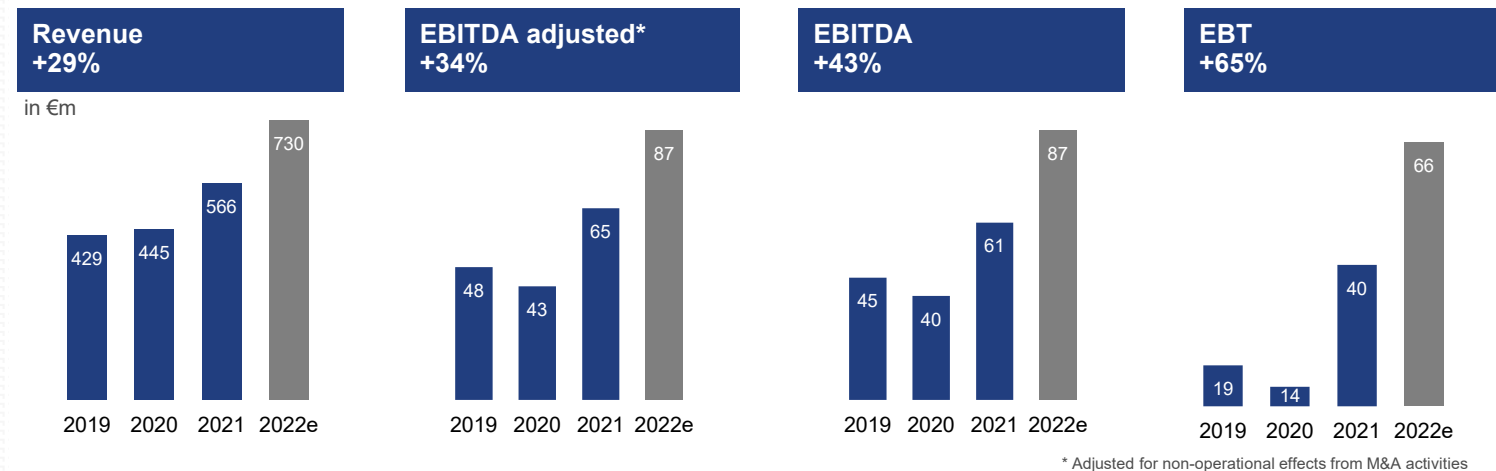
- Anticipating growth in every sector
- Highest dynamic with cloud technologies
- AI & DLT/Blockchain projects increasing too
- Global talent pool and sourcing as competitive advantage
- Solid client structure; biggest client approx. 12% revenue



... while keeping solid foundation

- Focus on double-digit revenue growth while improving earnings yoy
- Banking, Insurance, Industry & Others at 65:20:15 in mid-term
- Maintain solid balance sheet and cash position
- Seize bolt-on acquisition opportunities
- Shareholder friendly dividend policy with 20-50% net profit

Outlook 2022 – Raised in October for the third time



Revenue 2022e

- Revenue expected at €730m (after €680m in March and €720m in May).
- Sustained growth due to megatrend of digitisation, cost pressure on clients leading to further orders
- Growth in all segments, disproportionately strong in Industry & Others and Insurance sectors

Earnings 2022e

- Adjusted EBITDA of €87m (after €75.5m in March, €79m in May and €81m in August).
- EBT of €66m now expected (after €54.5m in March and €58m in May and €60m in August)
- Influencing factors: persistently high utilisation rate, FX effects and share price-based effects in the valuation of management remuneration

Backup

Investment case in detail



Unique technology and sector expertise

- Longstanding expertise in digital transformation for financial institutions
- Strong focus on latest technologies: AI, Cloud, Blockchain, Data Analytics, DevOps
- GFT positioned as leader in analyst quadrants
- Partnerships with market leaders: AWS, Azure, Google, Guidewire, Thought Machine, Mambu
- Technology-driven diversification into IoT
- Proven client-focused onshore / nearshore delivery model



Highly attractive sales and earnings potential

- Accelerated growth due to high structural demand
- Increasing profit margins
- Attractive free cash flow generation with low capex (approx. 2 % of sales)
- Shareholder-friendly dividend policy at 20-50 % of net profit



Strong demand for digital transformation

- Digital transformation is a megatrend
- Cloud business to grow dynamically
- Large IT budgets to innovate banking
- On-going industrial automation



Sustainability and commitment

- CEO & CFO more than ten years with GFT
- Two anchor shareholders own 36 % of shares
- Commitment to grow IT talent worldwide, with Great Place to Work certification
- GreenCoding initiatives

Market influencers recognise GFT as a leader

Proofpoint that helps drive demand

GFT “Leader in Data Analytics and Machine Learning in the Google Cloud partner ecosystem”

[ISG](#) praises GFT for:

- Strong industry traction and expertise in computer vision technology
- Extensive, attractive product and service portfolio and strong market and competitive position
- Extensive expertise in visual quality control based on computer vision technologies
- Strong market presence in Europa and abroad



ISG Provider Lens™ Google Cloud
Partner Ecosystem - Europe 2022

GFT “Leader for Digital Banking Services by Quadrant Knowledge Solutions”

[Quadrant](#) highlights GFT for:

- Strong ratings across the parameters of service excellence and customer impact
- GFT’s BankLiteX is a unified solution for developing a cloud-based digital bank entity with short time to market
- Enabling rapid development and deployment of a cloud-based, digital banking entity
- Reduced time to market for new banking features



SPARK Matrix™: Digital Banking
Platform, 2022

Clients in 2021 – 46 new qualified clients



Revenue	2015	2016	2017	2018	2019	2020	2021
< €1.0m	255	252	258	263	232	345	371
> €1.0m	30	38	35	48	52	45	56
> €5.0m	4	3	7	5	7	13	11
> €10.0m	5	6	5	5	7	7	12
Total	294	299	305	321	298	410	450

- Further increase of clients below €1.0m annual revenue – securing ‘land & expand’ growth opportunities
- 46 new qualified clients added*

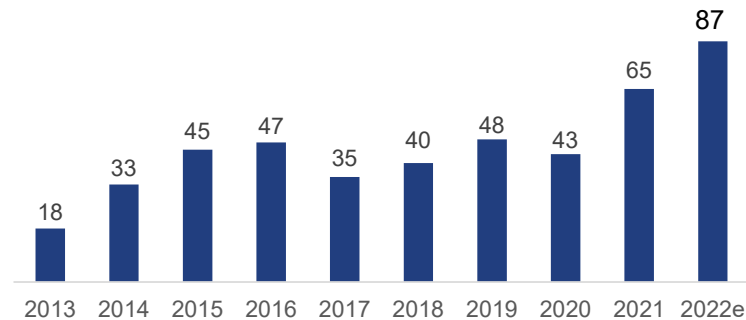
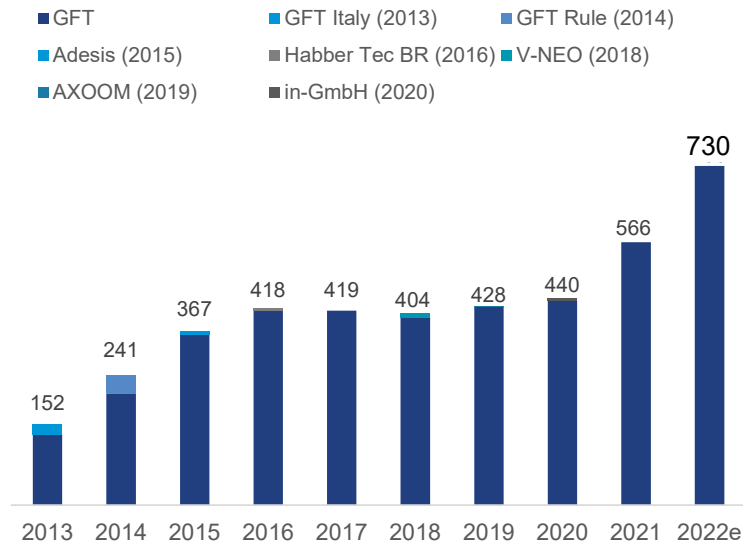
* New qualified clients per GFT’s definition: customers with a revenue runrate >€100k annually and w/o GFT revenues in the previous year.

10-year development



REVENUE – 10y CAGR: 17.3%

EBITDA adjusted – 10y CAGR: 19.1%



Shaping the future of digital business

GFT Technologies SE

Dr Jochen Ruetz
CFO

Schelmenwasenstr. 34
70567 Stuttgart

T +49 711 62042-422

jochen.ruetz@gft.com

GFT Technologies SE

Andreas Herzog, CIAA, CIRO
Head of Investor Relations

Schelmenwasenstr. 34
70567 Stuttgart

T +49 711 62042-383

ir@gft.com