

GFT Group continues its growth path in Q1 2017

- Consolidated revenue grows by 14 percent to EUR 111.10 million
- Revenue in Continental Europe up 22 percent to EUR 56.08 million
- Digitalisation of business processes still strongest growth driver
- Consolidated earnings (EBITDA) of EUR 9.92 million slightly down on previous year due to special items
- Guidance for 2017 confirmed

Stuttgart, 11 May 2017 – Demand for solutions to digitalise business processes remained strong in the first quarter of 2017, resulting in further dynamic revenue growth for the GFT Group's *Continental Europe* segment. Classic retail banks in particular are expanding their digital offerings in order to provide their customers with new and innovative banking solutions. The *Americas & UK* segment achieved a slight increase in revenue during the first quarter. Business in this segment was dominated by the reduced capital spending of investment banks in the UK and USA. In order to increasingly target clients in these countries with innovative digital solutions, measures were implemented to adapt the respective local sales organisations. These will be completed by the end of the first six months and have a positive impact on earnings in the second half of the year. Based on the positive development of business in the first quarter, the GFT Group can confirm its guidance for 2017.

Consolidated revenue up 14 percent

In the first quarter of 2017, consolidated revenue rose by 14 percent to EUR 111.10 million (Q1/2016: EUR 97.39 million). Habber Tec Brazil, which was acquired in April 2016, accounted for EUR 2.90 million of this total (Q1/2016: EUR 0.00 million). Adjusted for this revenue contribution, the GFT Group generated organic growth of 11 percent.

The *Continental Europe* segment achieved dynamic revenue growth of 22 percent to EUR 56.08 million in the first quarter of 2017 (Q1/2016: EUR 46.05 million). The segment's share of consolidated revenue rose to 51 percent (Q1/2016: 47 percent). The main growth driver was strong demand for solutions to digitalise business processes. In Spain, revenue rose by 32 percent to EUR 22.97 million (Q1/2016: EUR 17.37 million). There was also strong growth in Germany and Switzerland with increases of 14 percent to EUR 13.20 million (Q1/2016: EUR 11.54 million) and 84 percent to EUR 4.56 million (Q1/2016: EUR 2.48 million), respectively. Despite the country's current banking crisis, revenue in Italy was up 2 percent on the previous year at EUR 13.58 million (Q1/2016: EUR 13.30 million).

Revenue in the *Americas & UK* segment rose by 7 percent to EUR 54.86 million in the first quarter of 2017 (Q1/2016: EUR 51.18 million). Business in this segment was dominated by the reduced capital spending of investment banks in the UK and USA in view of the forthcoming Brexit negotiations and the deregulation plans of the new US government. The sales organisations of these two countries were adapted to the changing market environment. Based on the Group's extensive experience with its long-standing clients in Continental Europe, greater emphasis will now also be placed on targeting universal banks in the UK and USA with solutions for the digitalisation of their business processes, in order to tap this highly promising market potential.

Earnings down slightly on the previous year

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 9.92 million in the first quarter were slightly down on the same period last year (Q1/2016: EUR 10.15 million). This figure includes expenses of EUR 1.00 million for adapting the sales organisations in the UK and USA to changed market conditions. Earnings also include personnel expenses for performance-based payment obligations (earn-out) of EUR 0.25 million from the takeover of Habber Tec Brazil. Adjusted for these two effects, EBITDA of EUR 11.17 million in the first quarter was 10 percent or EUR 1.02 million above the prior-year figure. Pre-tax earnings (EBT) fell by 6 percent to EUR 6.63 million (Q1/2016: EUR 7.04 million). The measures to optimise the sales organisations of the *Americas & UK* segment will be completed by the end of the first half-year and have a positive impact on earnings from the second half of the year onwards.

Headcount up 16 percent

As of 31 March 2017, the GFT Group had a total of 4,833 full-time employees, corresponding to year-on-year growth of 16 percent (31 March 2016: 4,159). The increase in headcount was mainly at the company's development centres in Brazil, Costa Rica, Poland and Spain. The acquisition of Habber Tec Brazil resulted in the addition of 102 employees in Brazil. In the UK, headcount fell by 7 percent to 227 (31 March 2016: 243) and in the USA by 13 percent to 62 (31 March 2016: 71).

Additional key data

As of 31 March 2017, cash, cash equivalents and securities amounted to EUR 44.13 million. This represents a decrease of EUR 18.16 million compared to the year-end 2016 figure (31 December 2016: EUR 62.29 million). Equity of EUR 121.71 million at the end of the first quarter of 2017 was EUR 4.53 million above the balance sheet figure at the end of 2016 (31 December 2016: EUR 117.18 million). As of 31 March 2017, the equity ratio was 34 percent and thus 2 percentage points above the year-end 2016 figure of 32 percent.

Outlook

Based on the positive development of business in the first quarter and persistently strong demand for digital solutions in the banking sector, the GFT Group can confirm its guidance for 2017. Consolidated revenue is expected to reach EUR 450.00 million in the financial year 2017. EBITDA for the year as a whole is expected to improve to EUR 48.50 million with an increase in EBT to EUR 35.00 million.

“Over the course of the year, GFT will further expand its position as the leading technology partner for the digitalisation of the financial sector and continue along its growth trajectory. In the second half of the year, we also expect significant efficiency gains from optimisation measures already implemented in the UK and USA,” commented Ulrich Dietz, CEO of GFT.

Detailed financial figures can be found in the Investor Relations section of GFT's website at:
<http://www.gft.com/ir>.

Key figures (IFRS, unaudited)

(deviations possible due to rounding differences)

In EUR million	Q1/2017	Q1/2016	Δ %
Revenue	111.10	97.39	14%
EBITDA	9.92	10.15	-2%
EBIT	6.95	7.40	-6%
Pre-tax earnings (EBT)	6.63	7.04	-6%
Net income for the period	4.99	5.57	-10%
Earnings per share in EUR	0.19	0.21	-10%
Equity ratio in percent	34 (31/03/2017)	32 (31/12/2016)	
Employees (full-time) as of 31/03/	4,833	4,159	16%

About the GFT Group:

GFT Technologies SE (GFT) is a business change and technology consultancy trusted by the world's leading financial services institutions to solve their most critical challenges. Specifically defining answers to the current constant of regulatory change – whilst innovating to meet the demands of the digital revolution. GFT brings together advisory, creative and technology capabilities with innovation culture and specialist knowledge of the finance sector, to transform the clients' businesses.

Utilising the CODE_n innovation platform, GFT is able to provide international start-ups, technology pioneers and established companies access to a global network, which enables them to tap into the disruptive trends in financial services markets and harness them for their out of the box thinking.

GFT plans to generate total revenue of around EUR 450 million in its financial year 2017. Founded in 1987, the company is represented in twelve countries with a global team of around 5,000 employees. The GFT share is listed on the Frankfurt Stock Exchange in the TecDAX (ISIN: DE0005800601).

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