

PRESS RELEASE

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Pressure to digitalise banks spurs growth of GFT

Strong demand for group's expertise in modern cloud-native banking software

- **Strong revenue growth** in 2022, **upgraded guidance reached**: +29 percent to **EUR 730.14 million**
- **Significantly improved earnings**: **EBT +65 percent**, **adjusted EBITDA +33 percent**
- **Diversification across sectors and clients continued**: Insurance sector +44 percent, Industry & Others +21 percent; **further growth in core market Banking**: +27 percent
- Administrative Board proposes **dividend increase** of 29 percent to **EUR 0.45** per share (previous year: EUR 0.35)
- **Guidance 2023**: growth set to continue; **revenue of EUR 850 million**, **adjusted EBIT of EUR 80 million** and **EBT of EUR 72 million** expected

Stuttgart, 2 March 2023 – **A wave of modernisation is sweeping through the banking world.** In a 2021 study¹⁾ by Gartner®, 28 percent of the respondents reported making major replacements to their core banking systems, and 30 percent reported making phased replacements in the past 12 months, or will do over the next two years. In replacing their systems, more and more banks are switching to the **latest generation of core banking systems** that run in the **cloud**.

GFT Technologies SE (GFT) **benefits** from this development in **two ways**: the Group has made a name for itself with its **expertise in state-of-the-art core banking systems** and **cloud computing**. GFT also generated disproportionately strong growth with its clients in the insurance and industrial sectors. This constellation led to **highly dynamic and profitable growth** for the IT group over the course of 2022: **revenue rose by 29 percent**, **EBT by 65 percent** and **adjusted EBITDA by 33 percent**.

GFT outpaces market growth

“Clients from all sectors want to partner with us for their digital transformation. They know you need a reliable helmsman for such a journey,” says Marika Lulay, CEO of GFT. “Our strong sector focus, our extensive expertise with cloud-based applications and our close partnerships with all major cloud infrastructure and solution providers have proven to be decisive time and again. We act as one team and are thus able to mobilise our global capabilities for the respective client situation – which is why we have once again grown significantly faster than our market.”

In 2022, the GFT Group generated **revenue of EUR 730.14 million**. As a result, the company exceeded its prior-year figure of EUR 566.19 million by **29 percent**. The diversification strategy also proved to be a key driver of this growth once again: in the **Insurance** sector, revenue **was raised by 44 percent**, in the **Industry & Others** sector by **21 percent**. In the **Banking** sector, revenue was **27 percent higher** than in the previous year.

Business made particularly **strong progress** in the **Americas, UK & APAC** segment with an increase in revenue of **44 percent**. This growth was driven above all by **complex modernisation and transformation projects of banks and insurers**.

Significantly improved earnings

There was **disproportionately strong growth in earnings** during the past year. This was due to **structurally strong demand** for digitalisation solutions – especially from insurers and banks – as well as positive currency effects. Compared to the previous year, **EBT** rose by **65 percent** to **EUR 66.05 million** (previous year: EUR 40.03 million). **Adjusted EBITDA** increased by **33 percent** to **EUR 86.04 million** (previous year: EUR 64.79 million); **EBIT** improved by **60 percent** to **EUR 65.55 million** (previous year: EUR 40.88 million). The **EBT margin** rose to **9.0 percent** (previous year: 7.1 percent). These improvements resulted from profitable revenue growth and related economies of scale, as well as from positive, share price-based valuation contributions.

Global team grows to more than 10,000 experts

GFT made significant **progress** in the fiercely **competitive global market for talented experts** in 2022. As of 31 December 2022, the Group employed a total of 8,842 full-time employees (FTE), an **increase of 15 percent** compared to 7,718 employees at the end of the previous year. The number of employees and freelancers **has passed the 10,000 mark**. This increase is mainly due to strong growth in Brazil. By mid-2022, all GFT companies with more than a minimum of 10 employees had also received the globally recognised **“Great Place to Work” certification**.

Financial stability and flexibility remain high

In the financial year 2022, **cash flow from operating activities** improved to **EUR 57.49 million** (2021: EUR 52.99 million), primarily due to EBT. **Net liquidity** increased to **EUR 35.70 million** (31 December 2021: EUR 1.93 million). Due to the increase in equity capital, the **equity ratio** of **40 percent** was four percentage points up on the previous year (31 December 2021: 36 percent).

Further revenue and earnings growth in 2023

The fundamental digitalisation trends in GFT’s markets remain intact and the Group is excellently positioned to benefit from market opportunities thanks to its in-depth sector and technology expertise. The company therefore expects to grow in all segments during 2023 and to achieve **further growth in revenue and earnings** in the financial year 2023.

Compared to 2022, revenue is expected to grow by **16 percent** to **EUR 850 million**. The GFT Group expects **earnings before taxes** to reach around **EUR 72 million** (2022: EUR 66 million), corresponding to year-on-year growth of **9 percent**. **Adjusted EBIT** is expected to increase to around **EUR 80 million** (2022: EUR 67 million), **19 percent more** than in 2022. This guidance takes into account the acquisition of targens GmbH, as announced on 23 February 2023, pro rata temporis as of 1 April 2023.

Key figures (IFRS)

(Deviations possible due to rounding differences)

In EUR million	2022	2021	Δ
Revenue	730.14	566.19	29%
Adjusted EBITDA ²⁾	86.04	64.79	33%
EBITDA	86.04	60.75	42%
Adjusted EBIT ³⁾	67.48	54.19	25%
EBIT	65.55	40.88	60%
EBT	66.05	40.03	65%
Net income	46.25	29.89	55%
Earnings per share in EUR	1.76	1.14	55%
Operating cash flow	57.49	52.99	8%
Employees (FTE, as of 31 December)	8,842	7,718	15%
In EUR million	31/12/2022	31/12/2021	Δ
Net liquidity	35.70	1.93	>100%
Equity ratio (in percent)	40%	36%	4

¹⁾ Gartner report “Core Banking Legacy Modernization to Enable Digital Business — What Works and What Doesn’t”, 27 January 2023.

²⁾ Adjusted for special items from M&A activities in the comparative period 2021.

³⁾ 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.

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Marika Lulay, CEO of GFT

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About GFT – Shaping the future of digital business.

GFT is a digital transformation pioneer that develops sustainable solutions based on new technologies including artificial intelligence and blockchain/DLT. Services range from core system modernisation and migration to open cloud platforms, as well as the introduction of carbon conscious coding.

GFT's strengths include deep technical expertise, strong partnerships and comprehensive market insights. The company uses them to design digital transformation for clients from the finance and insurance sectors as well as the manufacturing industry. Through the intelligent use of technology it

adds value and increases productivity for clients. GFT experts create and implement scalable software applications that make access to innovative business models safe and easy.

With locations in more than 15 markets around the globe, GFT ensures proximity to its clients. The company draws on over 35 years of experience and a team of over 10,000 determined experts. 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).

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