

Investor presentation

GFT Technologies SE | November 2023



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. Growth path & Outlook
3. Financials 9M/2023



GFT at a glance



GLOBAL WORKFORCE (30/09/2023)

9,089 FTE
plus 1,173 contractors

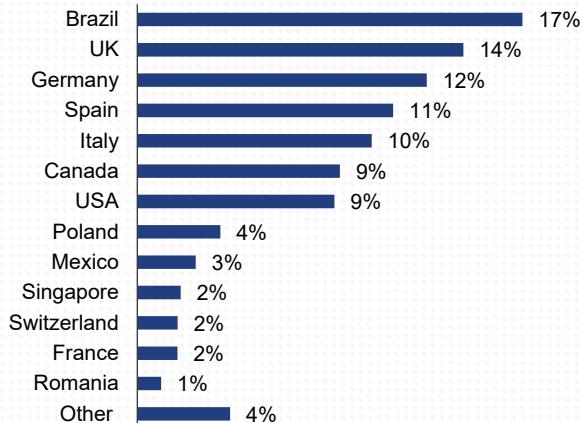
REVENUE 2023e (in million)

€ 800-810

ADJ. EBIT 2023e (in million)

€ 74-76

REVENUE BY MARKET (9M 2023)



REVENUE BY SECTOR (30/09/2023)



73%
BANKING



16%
INSURANCE



11%
INDUSTRY
& OTHERS

REVENUE BY SERVICE (H1 2023)



■ Platform Modernisation **55%**
■ Engineering Services & Regulatory **38%**
■ AI & Data **7%**

We support our clients with tailor-made future solutions



H1 2023
REVENUE
SPLIT

55%

PLATFORM MODERNISATION

Cloud migration, Mainframe
Modernisation, Open
API, Customer Centricity,
Digital Assets ...

Business in real-time

38%

ENGINEERING SERVICES & REGULATORY

Managed Services,
Engineering Services,
Regulatory Services,
Risk and Compliance services
...

License to operate

7%

AI & DATA

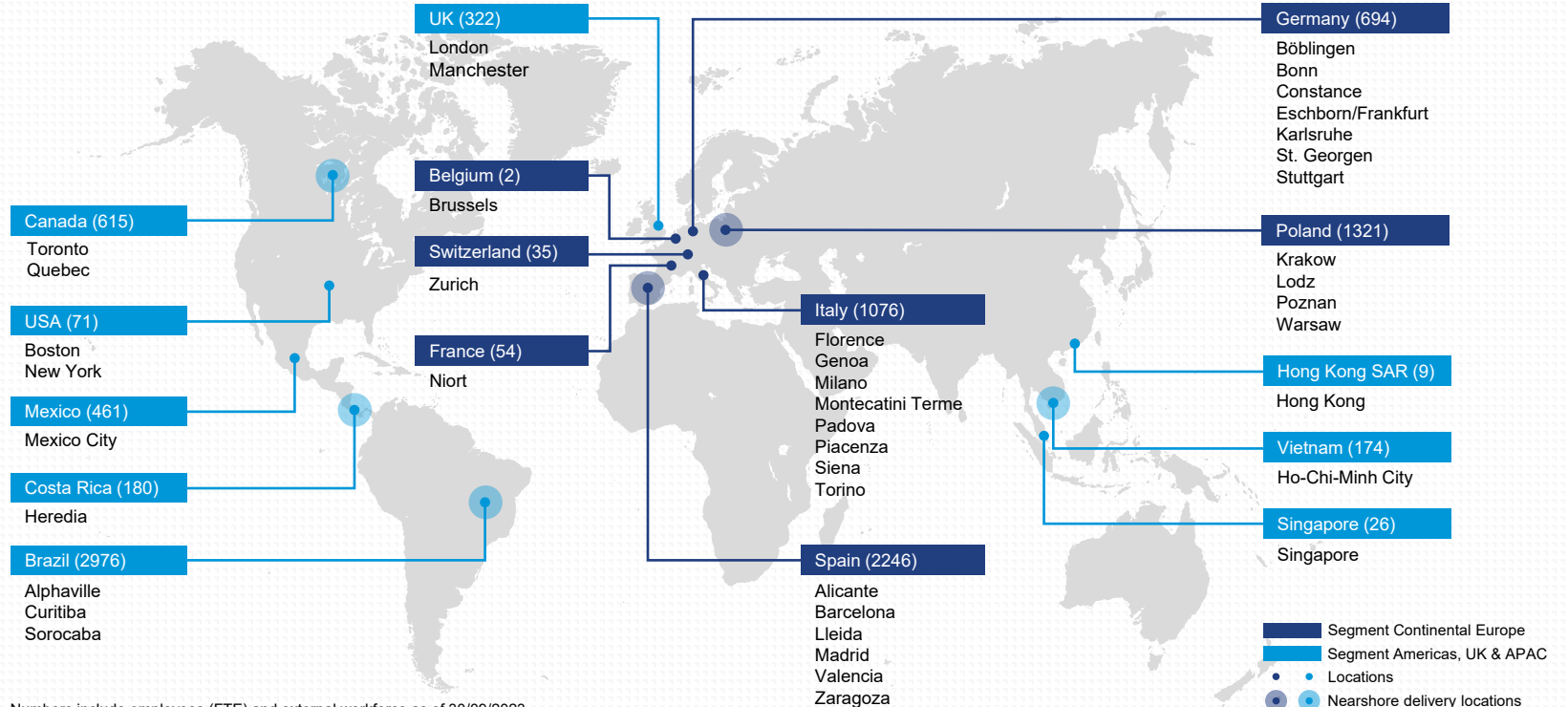
Predictive and Generative
AI, AR/VR, Robotic Process
Automation (RPA), Bots/virtual
assistants, Data Engineering
...

Fast track to AI

BANKING, INSURANCE AND OTHER INDUSTRIES

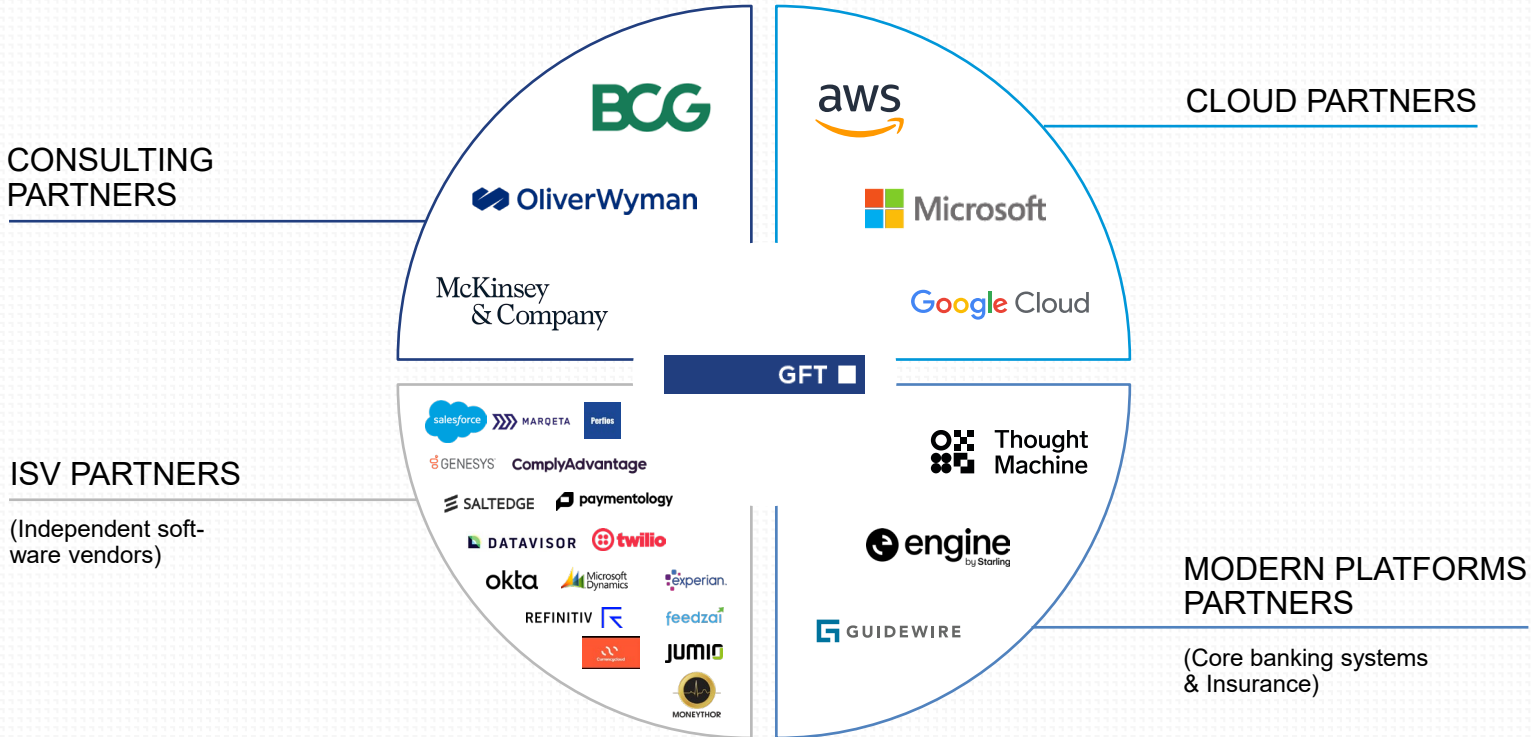
Proven onshore-/nearshore delivery model with 10,000+ talents

Over 40% of revenues generated nearshore | GFT employees 9,089 + 1,173 contractors (09/2023)



Numbers include employees (FTE) and external workforce as of 30/09/2023

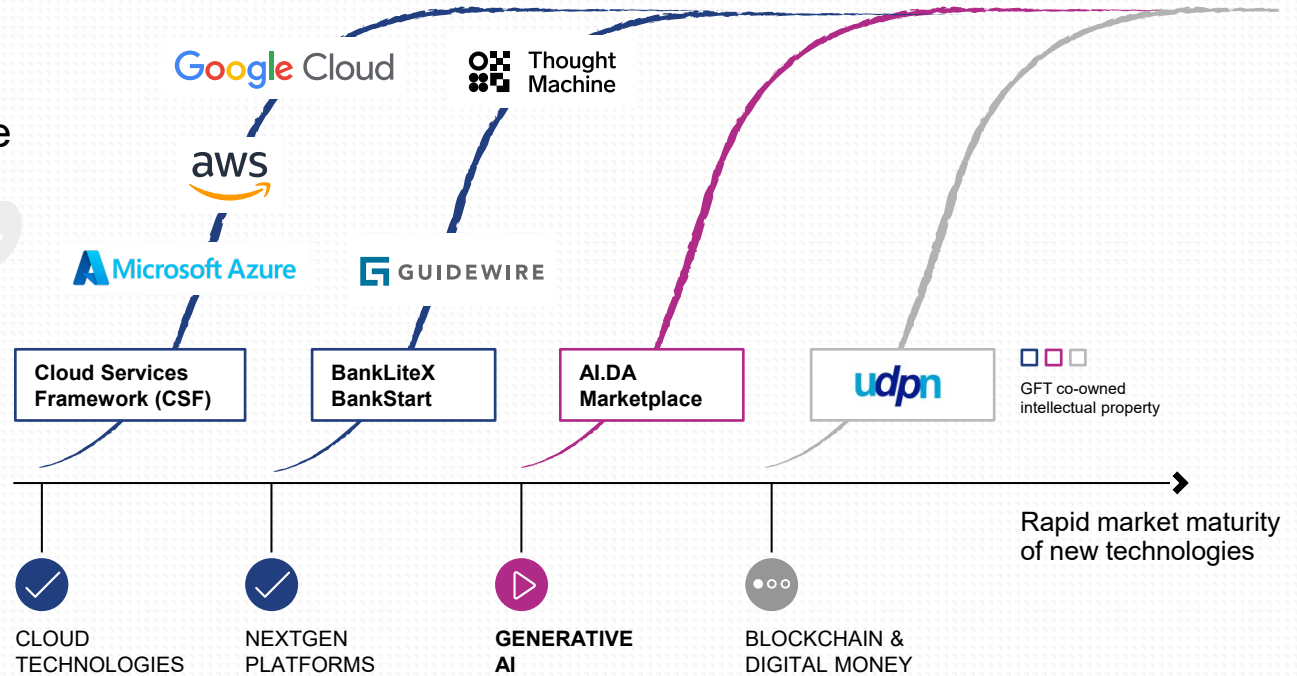
Strong partnerships – Building an ecosystem for growth



Catching the right waves with strong partners

OUR VISION

In a digital world the intelligent use of IT is a key success factor.



GFT is recognised as one of the leading industry players



LEADER on data analytics
and machine learning quadrant
IN EUROPE (ISG Provider Lens)

TOP 10 IT services providers
for large international banks
Under the

10 OUT OF THE 30 GLOBAL BANK GIANTS TRUST GFT

One of the
TOP 100
FinTech companies
in the world
(IDC ranking)

Major Contender
for Cloud Services in
NORTH AMERICA
(Everest Group)

GLOBAL **#3**
for migration in
the banking sector
(Amazon Web Services)

Sustainability: Responsibly into the digital future



Improving ESG performance



Recognitions & commitments

WE SUPPORT



2019 signed UN Global Compact



2030 emissions reduction targets approved by the independent SBTi



2023, all GFT national companies certified

Our goals



Sustainability by design

We drive new solutions and services to support sustainability aspects like energy efficiency, privacy and digital inclusion.



Grow tech talent worldwide

People are at the heart of the digital transformation. We create & empower talent for the IT industry.

GFT share – Increased dividend

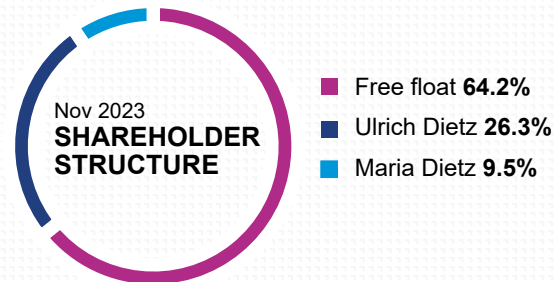
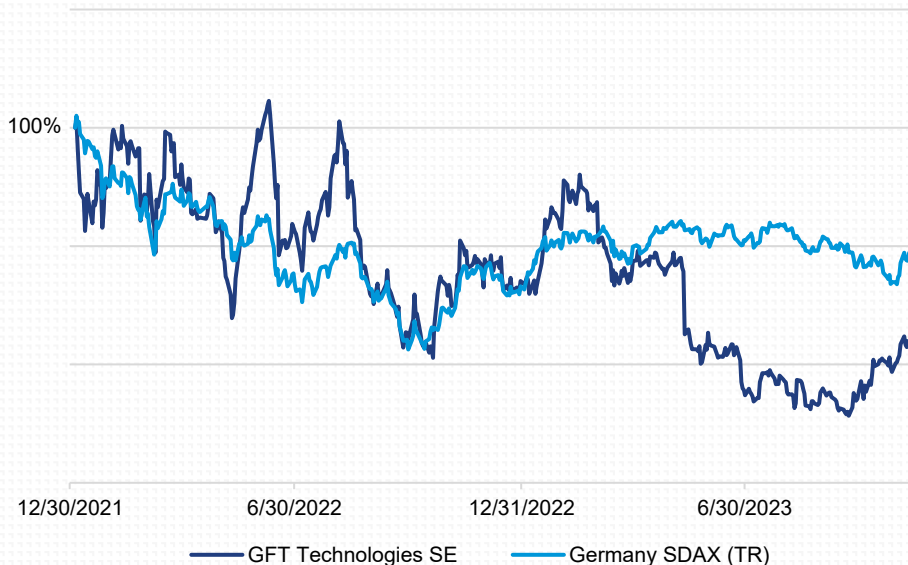


GFT SHARE INDEXED

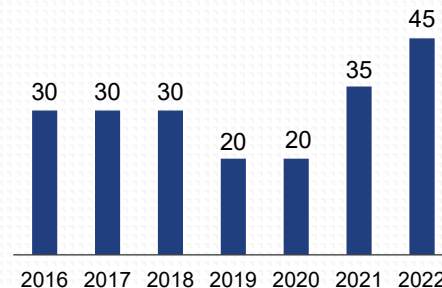
30 Dec 2021
€46.15

Average analyst price target:
€43.93

14 Nov 2023
€31.38



DIVIDEND PER SHARE IN €CENT

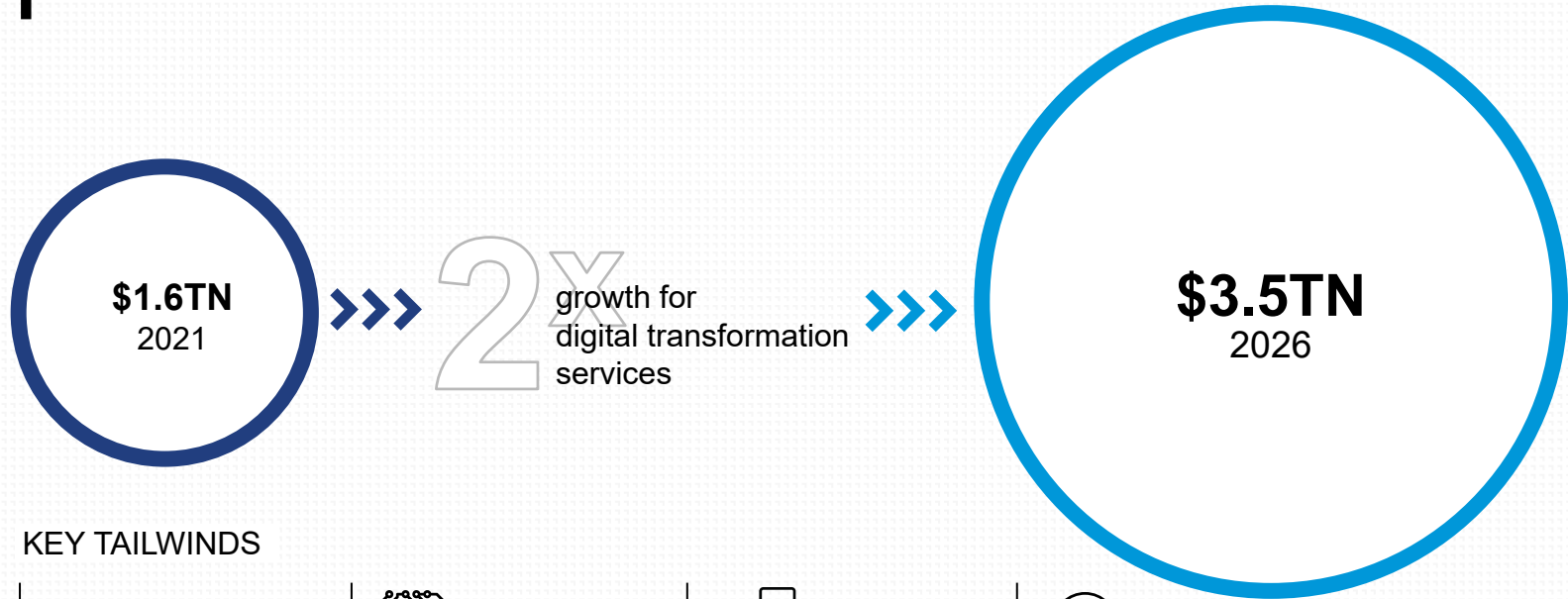


Agenda

1. GFT at a glance
- 2. Growth path & Outlook**
3. Financials H1/23



Digital transformation is our strong growth driver



KEY TAILWINDS



Cloud computing, digital
platforms and IoT



Rapid advancement
of AI



Customer experience at
the forefront of growth



Continued
digital IT adoption

Source: IDC Worldwide Digital Transformation Spending Guide, Feb. 2023

Next Generation Platform: Leading from the front



Next generation banking with Thought Machine & GFT

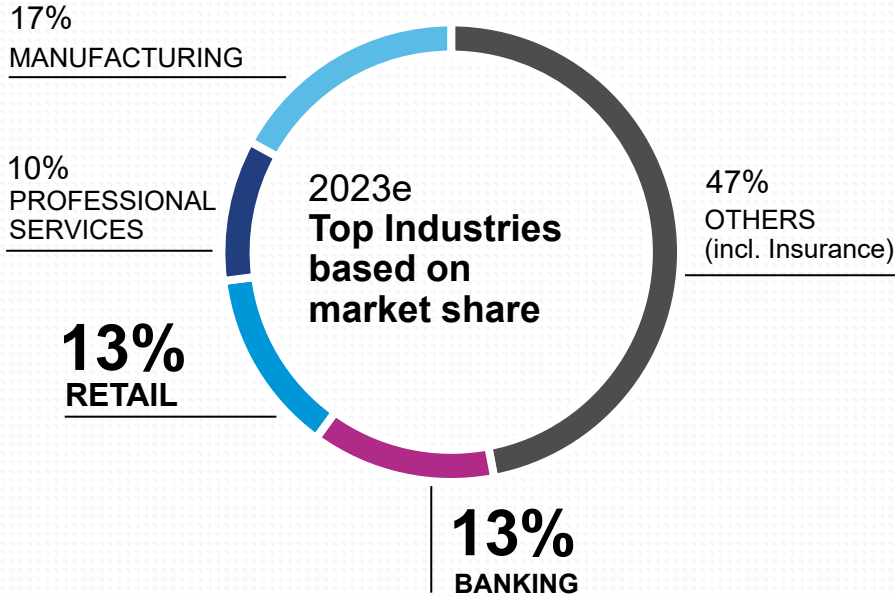
- No 1 point of contact worldwide for next generation banking
- Most certified experts worldwide
- 4 centres of excellence globally
- Experience in Asia, transferred to Europe, proceeded to the US



Global spending on AI is accelerating fast

Banking and Retail delivering highest AI investments in 2023

FORECAST GLOBAL AI SPENDINGS 2023



SPENDING ON AI
CAGR 2022-2026E

+ 27%

SPENDING ON AI-CENTRIC
SYSTEMS 2026E

**> \$300
BILLION**

Source: IDC Worldwide AI Spending Guide – Forecast 2023, Feb. 2023

GFT AI+DA Marketplace



USE CASE LIBRARY

- Visual Inspection
- Predictive Maintenance
- Customer Service
- Fraud Detection
- AI Engineering
- Shopfloor Management
- Knowledge Acquisition
- Manufacturing Analytics
- Project Portfolio Management
- Energy Management
- Software Development
- Voice-assisted Workflows

AI JOURNEY

Assessment & Strategy

- Domain expertise
- Innovation lab
- Fast prototyping

Implementation

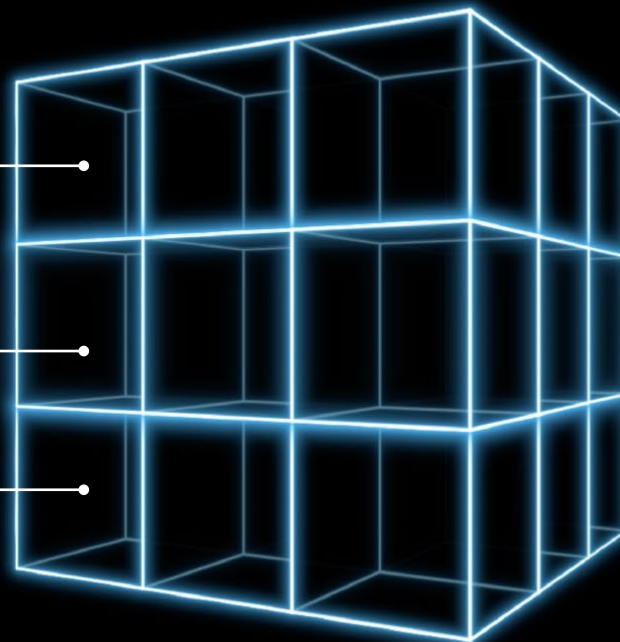
- Reference & security architectures
- Methodologies & accelerators
- Partner ecosystem

Operation

- Monitoring
- Retraining
- Adaption

MODERN DATA PLATFORM

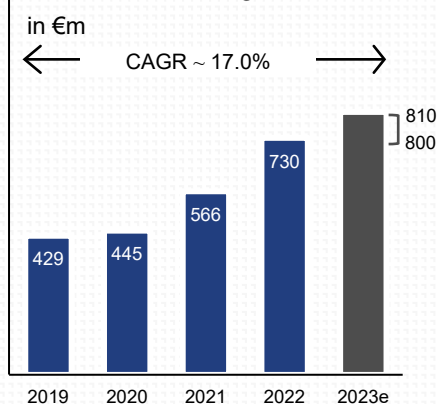
- Integration
- Lake Engineering
- Data Modelling
- Distribution
- Governance



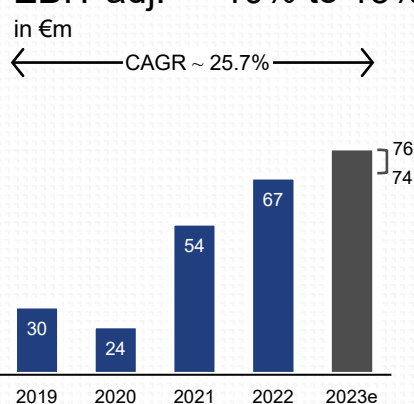
Outlook 2023



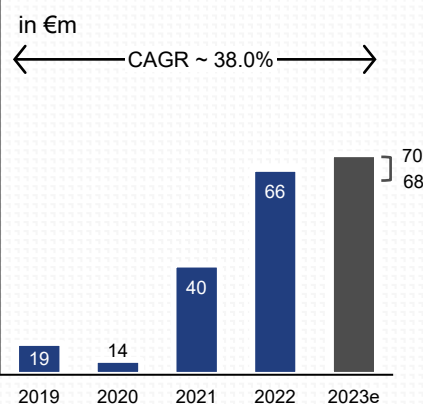
Revenue + 10% to 11%



EBIT adj.* + 10% to 13%



EBT + 3% to 6%



* Adjusted for non-operational effects from M&A activities and share price-based effects in the valuation of management remuneration –see [key performance indicators](#) (gft.com)
Please note: 2023e column for the range revenue, EBIT adj. and EBT are not proportionally depicted.

Revenue 2023e

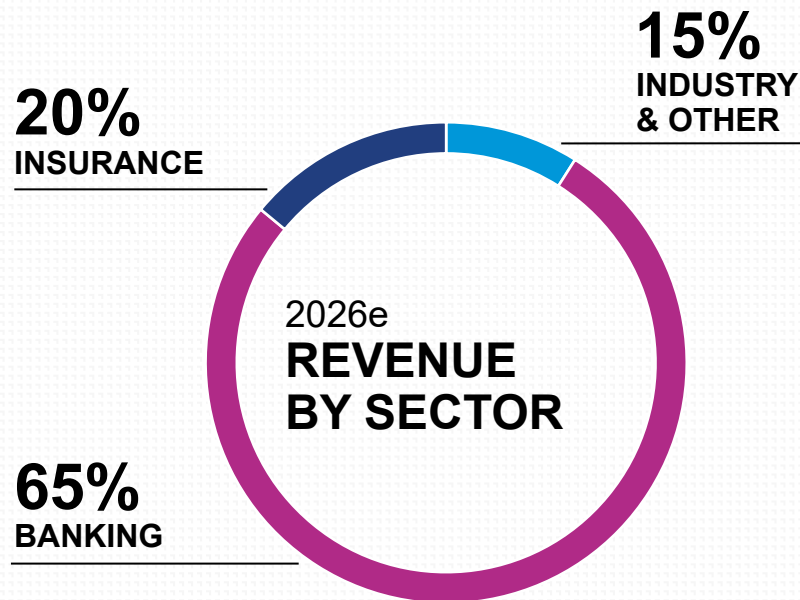
- Revenue expected in a range of €800m to €810m (incl. €33m from targens acquisition)
- Still solid growth trend due to unique position in new technologies and structural strong demand for digital transformation
- Growth in every segment and across all sectors

Earnings 2023e

- EBIT adjusted to grow to €74m to €76m (incl. €3.0m from targens acquisition)
- Development in line with revenue growth
- EBT expected to rise to €68m to €70m (€0.0 effects from targens acquisition)

GFT will stay on its sustainable and profitable growth path benefiting from AI market trends

MILESTONES 2026



REVENUE GROWTH
➤ **2x market**

ADJ. EBIT MARGIN
➤ **10%**

UTILISATION
~ **91%**

CLIENTS > 5 m€ p.a.
➤ **50**



Accelerate profitable growth backed by a differentiated strategy



Relentless focus
on delivering
high quality tech
solutions



Company culture
is agile@scale



Offering portfolio
focusses on fast
growing technologies
in our focus sectors



Leader in analyst
quadrants for
Digital Banking,
Cloud, AI & Data



Programmatic
M&A approach



Committed to
shareholder return

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3. **Financials 9M 2023**



9M 2023 – At a glance



- › Solid revenue growth
- › Margin increased in Q3
- › Revenue guidance 2023 slightly amended
- › Successful launch AI.DA marketplace
- › EcoVadis Silver medal
- › Improved leader ranking 2023 SPARK MATRIX™ for Digital Banking Services (Quadrant Knowledge Solutions)
- › Major Contender for Cloud Services in North America (Everest Group)

REVENUE 9M/23: +10%

€ 595_m

ADJ. EBIT 9M/23: +7% (EXCL. FX +14%)

€ 52_m

REVENUE BY SECTORS



- Banking 73%
- Insurance 16%
- Industry & Others 11%

GUIDANCE 2023

REVENUE

€ 800-810_m

Adj. EBIT

€ 74-76_m

targens is a perfect strategic fit for GFT



REVENUE CONTRIBUTION
FY 2023e

€~33 million

EXPERTS

~300

36%

SOFTWARE
SOLUTIONS

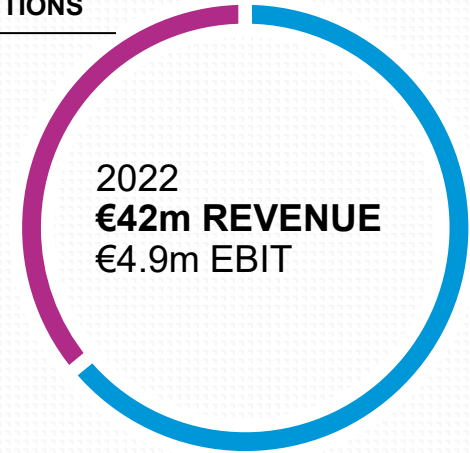
PRODUCT PORTFOLIO ENHANCED WITH LEADING COMPLIANCE SOFTWARE

‘SMARAGD Compliance Suite’

- Used by 7 out of 10 German biggest banks
- Installed in 56 countries

Strategic benefits

- Enhanced expertise in the areas of consulting and compliance solutions
- Doubling of market share in the German financial industry
- Improved economies of scale and diversification



64%
CONSULTING

Transaction details: 100% acquisition closed on Apr 3, 2023 | cash deal, financed via liquidity & existing credit lines

9M 2023 key figures – Double-digit sales growth



in €m	9M/2023	9M/2022	Δ
Revenue	594.61	541.91	10%
Order backlog	262.38	264.46	-1%
EBITDA	65.49	63.22	4%
EBIT adjusted*	52.14	48.56	7%
<i>EBIT adjusted margin</i>	<i>8.8%</i>	<i>9.0%</i>	
EBIT	49.57	47.65	4%
EBT	49.38	47.91	3%
<i>EBT margin</i>	<i>8.3%</i>	<i>8.8%</i>	
Net income	34.84	33.78	3%
Earnings per share (in €)	1.32	1.28	3%
Employees (in FTE)	9,089	8,766	4%

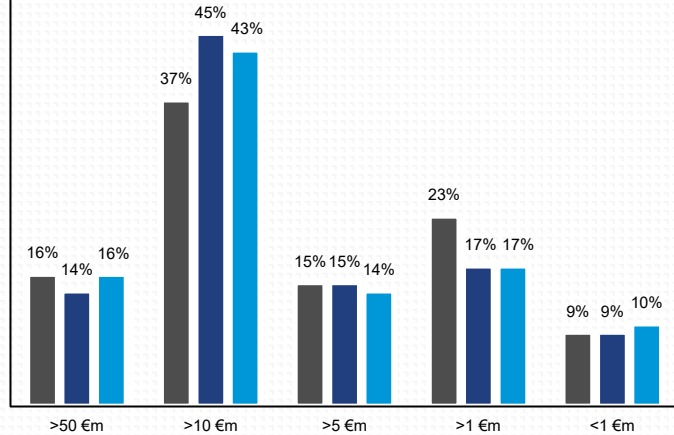
- **Revenue: +10%**
- **Order backlog** influenced by first time integration of targets (€12.6m); reflects usual seasonal decrease and shorter order cycles
- **Adjusted EBIT** increased by 7%
 - Capacity adjustments: €-3.6m (9M/2022: €-2.2m)
 - FX effects of €-0.9m (9M/2022: €+2.1m)
 - Excluding FX effects: +14%
- **Adjusted EBIT margin** at 8.8% (9M/2022: 9.0%)
- **EBT** up by 3% to €49.4m (9M/2022: €47.9m)
- **Stable tax rate** at 29% (9M/2022: 29%)

* Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators \(gft.com\)](https://www.gft.com/key-performance-indicators)

Growth in Banking and Industry & Others continued



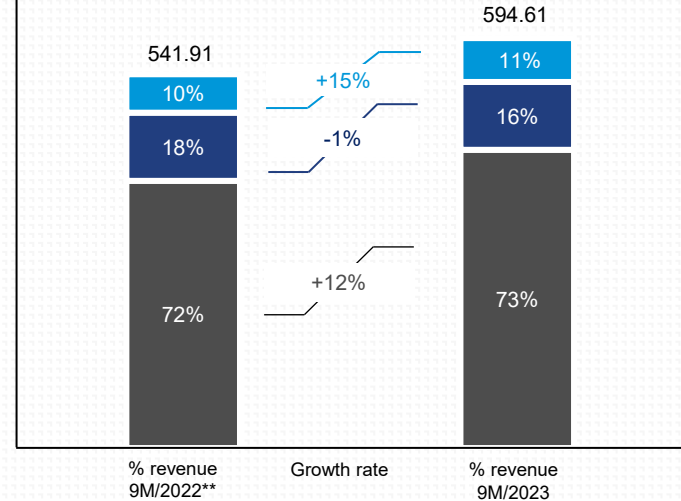
Well-balanced client portfolio
Largest client with temporarily higher portion



% revenue GFT Group ■ 2021 ■ 2022 ■ 9M/2023*

*Revenue portion 9M

Solid growth of Banking and Industry & Others



■ Banking ■ Insurance ■ Industry & Others

** Prior-year figures adjusted to correctly reflect client allocation.

Revenue and earnings by segment



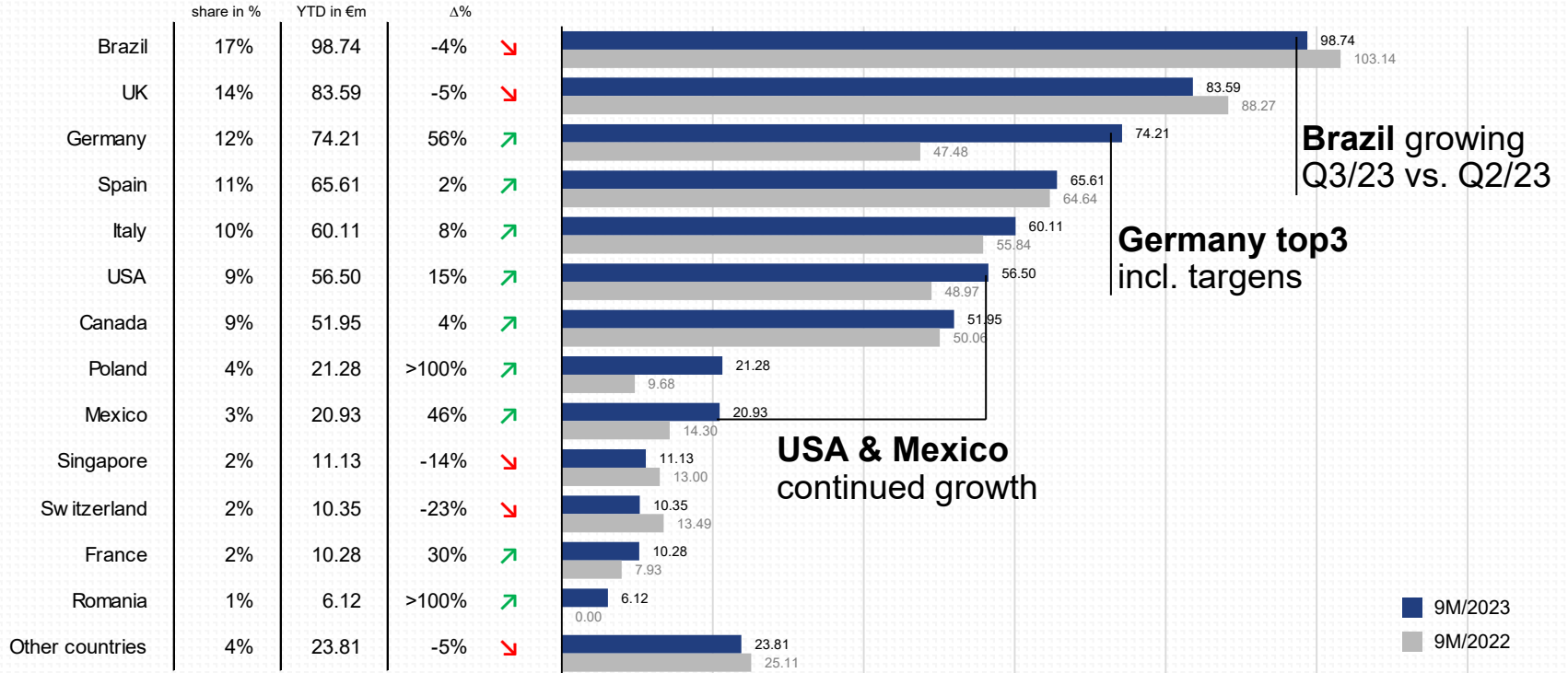
in €m	Revenue		Growth rates				EBIT adjusted*		
	9M/2023	9M/2022	Organic	M&A	FX	Total	9M/2023	9M/2022	Δ%
Americas, UK & APAC	351.28	342.25	4%	0%	-1%	3%	31.44	34.54	-9%
Continental Europe	242.66	199.16	11%	11%	0%	22%	26.03	18.79	39%
Others	0.67	0.50	n/a	n/a	n/a	n/a	-5.33	-4.77	-12%
GFT Group	594.61	541.91	7%	4%	-1%	10%	52.14	48.56	7%

- Market position in **Americas, UK & APAC** further improved by 3% revenue growth, growth in USA (+15%) and Mexico (+46%), both mainly driven by the banking sector; adjusted EBIT burdened by weaker performance in Brazil, shift of profitable projects from UK to Poland and negative FX effects
- Dynamic growth in **Continental Europe** (+22%) supported by first-time consolidation of acquired targens and growing local business, Germany grew by 55%; strongest growth in Poland (>100%) due to revenue shifts from UK; strong growth in adjusted EBIT by 39% supported by first time targens contribution and shift of profitable projects from UK to Poland
- **GFT Group**: Organic revenue growth of 7% (excluding targens); improvement in adjusted EBIT of 7%, due to better utilisation and despite burdens from FX effects and capacity adjustments

*Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators.gft.com](https://www.gft.com/key-performance-indicators)

Revenue by markets

Stabilisation in Brazil



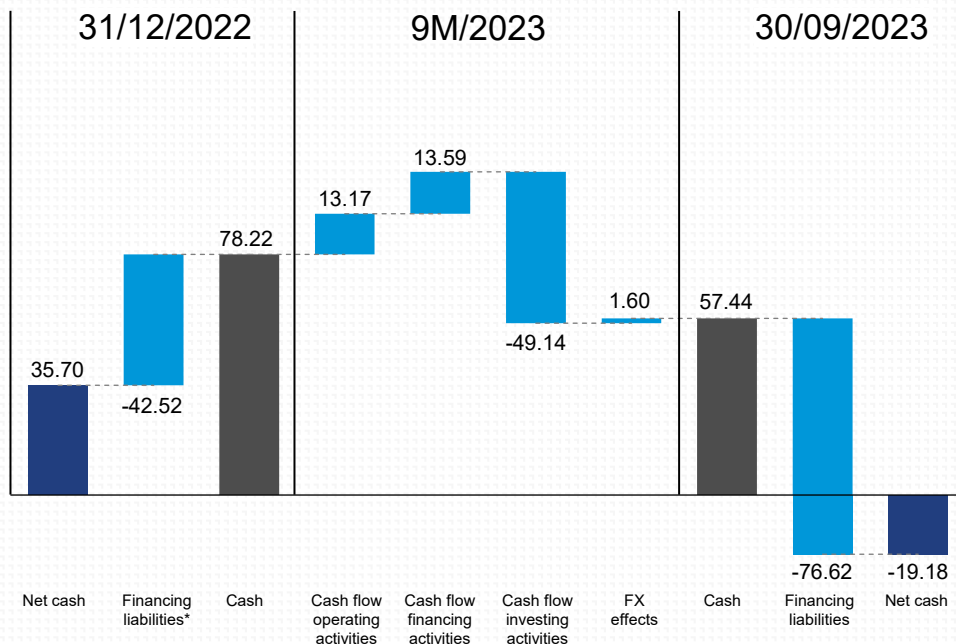
Income statement – Increased profitability



in €m	9M/2023	9M/2022	Δ%
Revenue	594.61	541.91	10%
Other operating income	9.69	11.86	-18%
Cost of purchased services	-78.37	-79.78	-2%
Personnel expenses	-401.03	-355.57	13%
Other operating expenses	-59.41	-55.20	8%
EBITDA	65.49	63.22	4%
Depreciation and amortisation	-15.92	-15.57	2%
EBIT	49.57	47.65	4%
Interest income/expenses	-0.19	0.26	<-100%
EBT	49.38	47.91	3%
Income taxes	-14.54	-14.13	3%
Net income	34.84	33.78	3%
Earnings per share (in €)	1.32	1.28	3%

- **Revenue** growth driven by complex modernisation and transformation projects in the finance sector
- Decline in **other operating income** mainly attributed to lower foreign exchange gains (gross)
- Ratio of **cost of purchased services** to revenue of 13% decreased in year-on-year comparison (9M/2022: 15%)
- Increase in **personnel costs** predominantly due to larger workforce in Germany (acquisition related), Spain and Italy. Ratio of personnel expense excluding capacity adjustments plus purchased services to revenue of 80.0% essentially at previous year's level (9M/2022: 79.9%)
- **Other operating expenses** increased mainly due to higher personnel-related expenses (travel), increased IT license costs and foreign currency losses
- **Income taxes** slightly above previous year's level. Effective tax rate at 29% (9M/2022: 29%) essentially in line with expectations

Cash flow analysis (€m) – Resilient funding structure



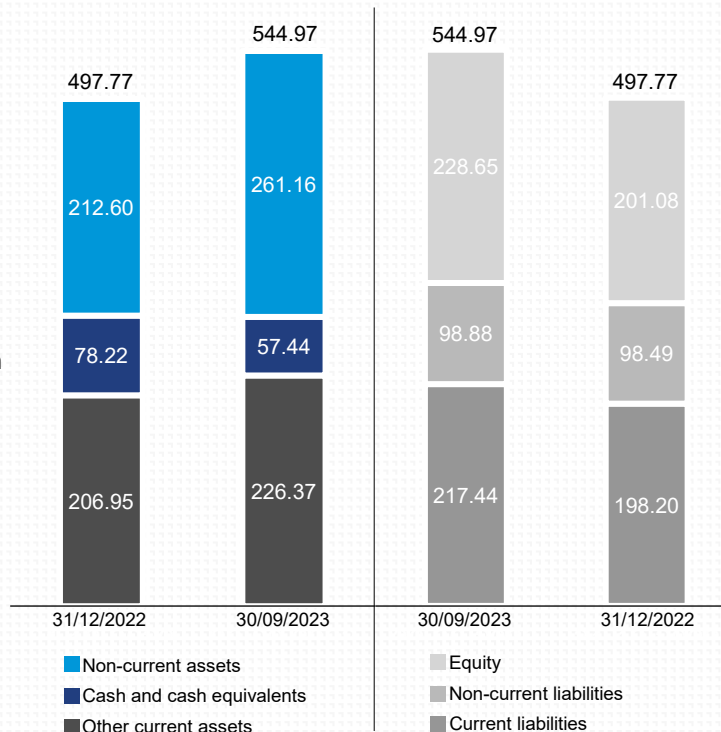
*Financing liabilities include liabilities to banks

- **Net cash** down at €-19.18m (31/12/2022: €35.70m) | Financing structure remains resilient despite targens acquisition; undrawn credit lines of €35.77m (31/12/2022: €51.31m)
- Decline of **Group cash** to €57.44m (31/12/2022: €78.22m) mainly resulting from investing activities
- **Cash flow from operating activities** of €13.17m (9M/2022: €22.91m) driven by positive business performance and solid working capital trend. Cashflow in current period burdened by transfer of grants received for third-party account of €14.34m
- **Cash flow from financing activities** of €13.59m (9M/2022: €-26.06m) primarily impacted by net bank borrowings of €34.10m (9M/2022: net repayment of €9.74m) and the dividend distribution to shareholders of €11.85m (9M/2022: €9.21m)
- **Cash flow from investing activities** of €-49.14m (9M/2022: €-5.43m) substantially driven by cash outflows related to the targens acquisition amounting to €46.25m

Balance sheet (€m) – Equity ratio improved

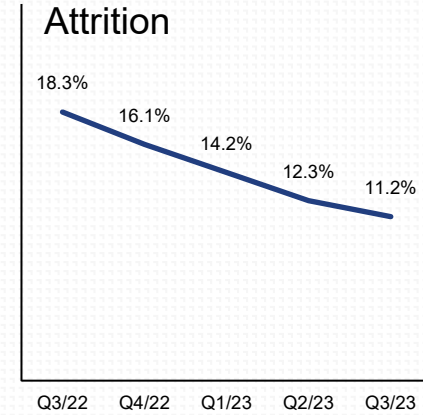
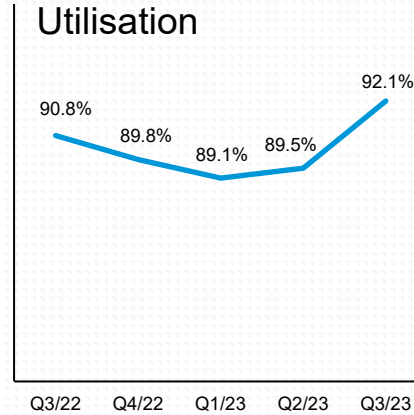
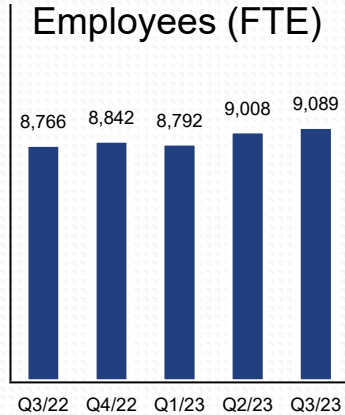


- Rise in **balance sheet total** by 9% to €544.97m essentially attributed to targens acquisition
- **Non-current assets** up by 23% to €261.16m (31/12/2022: €212.60m). Increase mainly due to the purchase price allocation for targens, whereof €37.70m relate to goodwill. Non-current assets as a proportion of total assets rose to 48% (31/12/2022: 43%)
- Decline in **cash and cash equivalents** by €20.78m to €57.44m primarily on account of the self-financed proportion of the purchase price in the context of the targens acquisition
- **Other current assets** up by €19.42m to €226.37m (31/12/2022: €206.95m) due to increased (conditional) trade receivables as of the reporting date and prepaid expenses, particularly for IT licenses



- **Equity** currency-adjusted up by €22.99m (+11%); net income of €34.84m exceeds dividend to shareholders of €11.85m | equity ratio improved by two percentage points to 42% (31/12/2022: 40%)
- **Non-current liabilities** of €98.88m essentially unchanged (31/12/2022: €98.49m). Increase of deferred taxes was largely offset by a term-related reclassification of bank liabilities to short-term debt
- Increase in **current liabilities** to €217.44 (31/12/2022: €198.20m) overall mainly attributed to additional bank borrowings of €35.00m to finance the targens acquisition and a term-related reclassification from non-current financial debt (see above). Effects partly offset by decreased contract liabilities from fixed-price contracts with customers (€-16.44m)

Moderate employee growth, Attrition significantly reduced



- Around 10,500 talents* worldwide
- Number of employees up by 3% compared to year-end 2022: reduction in Brazil, Poland, Vietnam and Mexico; increase in Germany (acquisition-related), Italy and Spain
- Number of external contractors down to 1,136 (1,173 incl. targets) as of 30/09/2023 compared to 1,275 at year-end 2022
- Utilisation rate significantly up to 92%
- Attrition significantly reduced to 11% (Q3/2022: 18%)

* Headcounts GFT Group + external contractors

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



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



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



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

Clients in 2022 – 44 new qualified clients

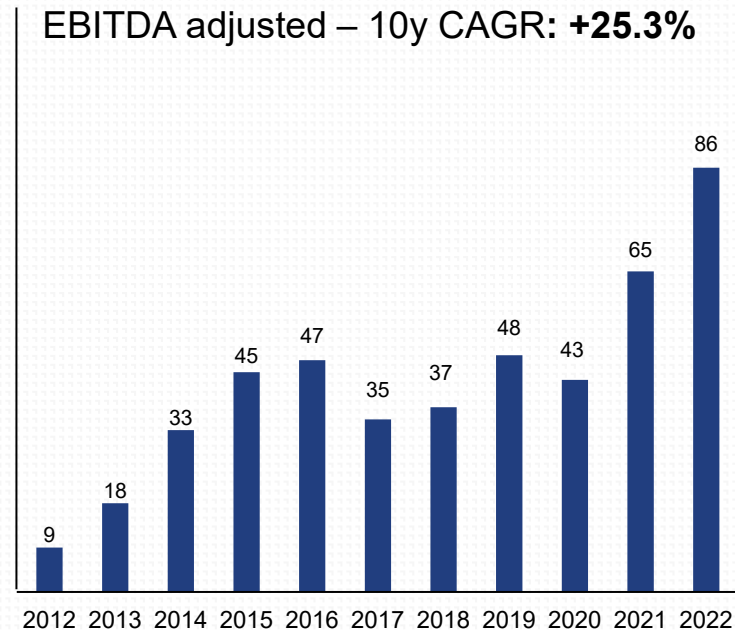
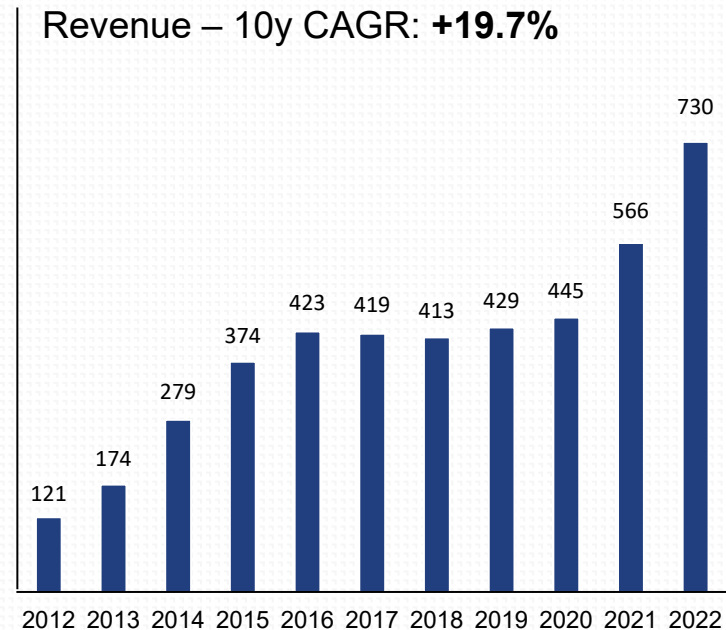


Revenue	2016	2017	2018	2019	2020	2021	2022
< €1.0m	252	258	263	232	345	371	366
> €1.0m	38	35	48	52	45	56	55
> €5.0m	3	7	5	7	13	11	15
> €10.0m	6	5	5	7	7	12	21
Total	299	305	321	298	410	450	457

- Further increase of clients above €5.0m and €10m annual revenue – proving ‘land & expand’ strategy and reflect the high level of trust and competence
- 44 new qualified clients* added, improving client diversification

* 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



Consolidated income statement



in €	9M/2023	9M/2022	Δ%
Revenue	594,611,529.97	541,912,750.74	10%
Other operating income	9,685,051.19	11,855,462.41	-18%
Cost of purchased services	78,368,752.93	79,781,405.43	-2%
Personnel expenses	401,026,693.67	355,568,994.53	13%
Other operating expenses	59,406,247.32	55,195,119.43	8%
Result from operating activities before depreciation and amortisation	65,494,887.24	63,222,693.76	4%
Depreciation and amortisation of intangible assets and property, plant and equipment	15,923,261.90	15,574,824.89	2%
Result from operating activities	49,571,625.34	47,647,868.87	4%
Interest income	2,188,091.46	1,241,250.09	76%
Interest expenses	2,380,268.76	977,371.59	>100%
Financial result	-192,177.30	263,878.50	< -100%
Earnings before taxes	49,379,448.04	47,911,747.37	3%
Income taxes	14,536,466.90	14,127,080.65	3%
Net income for the period	34,842,981.14	33,784,666.72	3%
Earnings per share – basic	1.32	1.28	3%

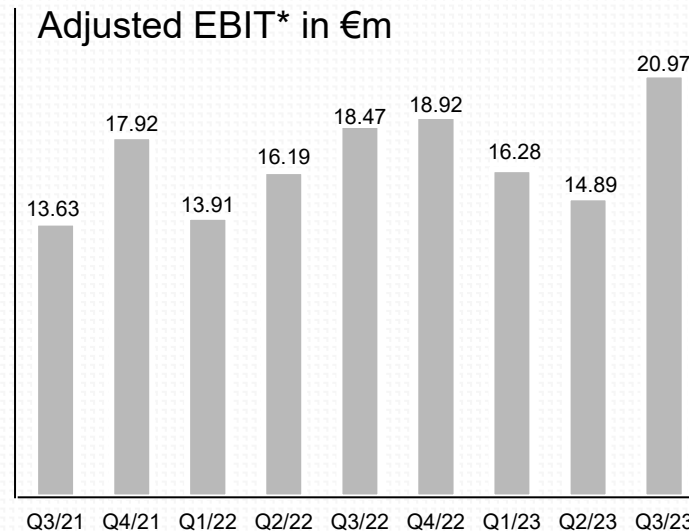
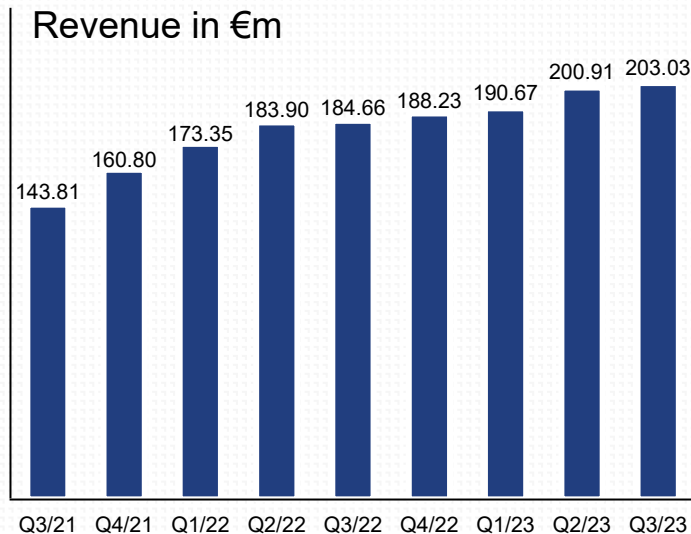
Consolidated balance sheet



Assets			
in €	30/09/2023	31/12/2022	Δ%
Non-current assets			
Goodwill	163,125,964.8	123,968,225.19	32%
Other intangible assets	20,860,629.87	5,914,809.30	>100%
Property, plant and equipment	61,705,148.99	63,577,276.37	-3%
Financial investments	696,217.60	696,217.60	0%
Other financial assets	1,804,225.13	1,907,834.26	-5%
Deferred tax assets	10,760,358.63	12,040,713.13	-11%
Income tax assets	385,190.60	385,190.60	0%
Other assets	1,823,151.8	4,109,110.88	-56%
	261,160,887.52	212,599,377.33	23%
Current assets			
Inventories	352,246.89	13,848.32	>100%
Trade receivables	138,718,935.27	152,560,851.68	-9%
Contract assets	51,420,732.90	21,731,617.03	>100%
Cash and cash equivalents	57,436,925.05	78,222,547.05	-27%
Other financial assets	5,181,519.8	4,902,675.35	6%
Income tax assets	9,557,706.18	10,182,222.91	-6%
Other assets	21,141,218.	17,557,484.81	20%
	283,809,284.22	285,171,247.15	0%
	544,970,171.74	497,770,624.48	9%

Equity and liabilities			
in €	30/09/2023	31/12/2022	Δ%
Shareholders' equity			
Share capital	26,325,946.00	26,325,946.00	0%
Capital reserve	42,147,782.15	42,147,782.15	0%
Retained earnings	160,568,804.24	137,572,498.80	17%
Other reserves	-393,123.54	-4,964,588.78	92%
	228,649,408.85	201,081,638.17	14%
Non-current liabilities			
Financing liabilities	37,000,000.00	42,168,443.39	-12%
Other financial liabilities	29,138,169.06	31,163,462.72	-6%
Provisions for pensions	5,774,871.43	5,388,399.91	7%
Other provisions	4,857,450.92	7,553,890.33	-36%
Deferred tax liabilities	10,078,255.22	3,990,744.41	>100%
Other liabilities	12,035,338.91	8,225,973.37	46%
	98,884,085.54	98,490,914.13	0%
Current liabilities			
Trade payables	10,923,090.68	11,798,941.74	-7%
Financing liabilities	39,615,230.63	350,591.12	>100%
Other financial liabilities	22,528,625.49	18,387,520.68	23%
Other provisions	44,856,844.83	48,173,128.91	-7%
Income tax liabilities	13,714,699.52	8,614,151.55	59%
Contract liabilities	23,157,735.33	39,596,844.80	-42%
Other liabilities	62,640,450.87	71,276,893.38	-12%
	217,436,677.35	198,198,072.18	10%
	544,970,171.74	497,770,624.48	9%

Ongoing moderate sales increase in Q3 2023



- **Q3/2023 vs. Q3/2022:** Solid revenue growth (+10%) and increased adjusted EBIT (+14%), mainly due to improved profitable top line growth, higher utilisation – despite negative FX impacts
- **Q3/2023 vs. Q2/2023:** Moderate revenue growth (+1%); adjusted EBIT increased 41%, mainly due to improved utilisation in Q3/2023, reduced negative FX impacts and normalisation of Brazilian business

*Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators](#) (gft.com)

Calculation adjusted EBIT 9M/2023



in thsd. €	9M/2023	9M/2022
Revenue	594,612	541,913
EBIT adjusted	52,141	48,564
M&A Amortisation PPA	-3,731	-3,275
M&A Acquisition related costs	-348	0
Share-price related effects from valuation of management remuneration	1,510	2,359
EBIT	49,572	47,648
Interest	-192	264
EBT	49,379	47,912
EBIT adjusted margin	8.8%	9.0%
EBT margin	8.3%	8.8%

Shaping the future of digital business

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