

Ad hoc disclosure

Ad hoc disclosure pursuant to Article 17 MAR

4 March 2020, 16:46 (CET/CEST)

GFT Technologies SE announces outlook for financial year 2020 and dividend proposal for 2019

The Administrative Board of GFT Technologies SE (GFT) today adopted its outlook for 2020, also taking into account the current coronavirus developments. GFT forecasts year-on-year revenue growth of 6 % to EUR 455.00 million, an increase in adjusted EBITDA of 4 % to EUR 50.00 million and in EBT of 7 % to EUR 20.00 million. The outlook for revenue is thus slightly above market expectations for the financial year 2020, while for adjusted EBITDA and EBT it is significantly below.

GFT expects the coronavirus to have a moderate impact on the development of business. Moreover, the prioritisation of revenue growth will incur higher expenses for sales activities and the further expansion of technological expertise. All in all, the increase in adjusted EBITDA and EBT will therefore be lower than the market expected. Revenue from business without the top-2 clients* is expected to grow by 22 %. By contrast, GFT expects a further decline in revenue generated with its top 2 clients*. All in all, Group revenue is expected to grow by 6 % in 2020.

The Administrative Board intends to propose a dividend of EUR 0.30 per share for the financial year 2019 at the Annual General Meeting. Due to a higher than expected tax rate (27 %), the dividend ratio of 58 % is above the previously communicated range of 20 – 40 % of net income for the GFT Group. In future, the dividend ratio will be between 20 and 50 % of the corresponding net income.

According to preliminary calculations, Group revenue amounted to EUR 428.98 million in 2019 (2018: EUR 412.83 million). Adjusted EBITDA rose to EUR 47.91 million (2018: EUR 39.68 million). This increase includes positive effects from IFRS 16 of EUR 12.77 million. EBT amounted to EUR 18.73 million (2018: EUR 22.64 million). The outlook for 2019 was therefore exceeded.

The company will publish further preliminary figures for the financial year 2019 immediately following this ad hoc disclosure.

Due to the recent implementation of new consolidation software, the Administrative Board of GFT has decided not to publish the consolidated financial statements and Group management report 2019 on 30 March 2020 as planned, and thus within the 90-day period pursuant to section 7.1.2 sentence 3 of the German Corporate Governance Code. The Administrative Board considers this one-off deviation from the above recommendation to be reasonable in order to ensure proper financial reporting.

Directly after publication of this disclosure, an amendment to the company's Declaration of Compliance will be made permanently available on GFT's website.

GFT will publish its annual report 2019, including the consolidated financial statements, in the course of April 2020.

Explanations of the key financial figures (EBT and adjusted EBITDA) used in this ad hoc disclosure can be found on the GFT website at www.gft.com/performanceasures

* GFT's top 2 clients are Deutsche Bank and Barclays.

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