

**PRESS RELEASE**

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## **Strong first quarter for GFT – significant revenue growth, earnings more than doubled**

- Significant increase in revenue of 10 percent and in EBT of 132 percent
- Broad demand for digitisation solutions
- Strong orders received indicate further high growth
- Growth driven by all segments, sectors and client groups
- Revenue Insurance sector +25 percent, Industry & Others +14 percent

**Stuttgart, 12 May 2021 – GFT Technologies SE (GFT) can look back on a very successful first quarter 2021 with significant growth in revenue and earnings. There was a year-on-year increase in revenue of 10 percent to EUR 123.92 million, while pre-tax earnings (EBT) rose by as much as 132 percent to EUR 7.01 million. Strong orders received also indicate consistently high growth for the following quarters.**

Marika Lulay, CEO of GFT states: “In the first quarter, we recorded significant revenue growth compared to the same quarter last year – and more than doubled our pre-tax earnings. In the insurance sector, we achieved disproportionately strong growth of 25 percent and in our industrial business growth of 14 percent. Our clients – both existing and new clients in all sectors – are increasingly asking us for digitisation solutions. And our orders received indicate that this trend is set to continue.”

According to Lulay, the latest business figures demonstrate the success of the company’s strategy: “The groundwork we put in place over the past few years is now paying off in full. A lot of companies are launching large-scale, long-term digitisation projects that rely on cutting-edge technologies such as cloud, artificial intelligence, DLT and data analytics. We have built up substantial know-how in these fields over the past few years. Combined with our many years of expertise in our clients’ markets, we are a very attractive partner for the implementation of these projects.”

### **Dynamic growth**

In the first three months of 2021, the GFT Group generated revenue of EUR 123.92 million. This corresponds to an increase of 10 percent over the prior-year figure of EUR 112.48 million. Adjusted for the top-2 clients<sup>1)</sup>, growth even reached 17 percent.

GFT continued its diversification strategy aimed at reducing the risk of client concentration: the share of total revenue contributed by the company’s top-2 clients was decreased further to 18 percent (Q1/2020: 23 percent). Business with insurance clients rose to 15 percent of total revenue (Q1/2020: 13 percent). Compared to the same period last year, revenue in this sector increased by 25 percent.

In the Continental Europe segment, revenue of EUR 60.44 million in the first three months of 2021 was on a par with the previous year (Q1/2020: EUR 59.90 million). Revenue in the Americas, UK & APAC segment grew by 21 percent to EUR 63.45 million (Q1/2020: EUR 52.50 million).

As of 31 March 2021, the GFT Group employed a total of 6,225 people (full-time equivalents) and thus 14 percent more than at the end of the first quarter of 2020 (5,460 employees). This increase was mainly due to the strong expansion of expertise in Brazil. As a result, Brazil has overtaken Spain as the largest location within the GFT Group.

### **Upward trend for earnings**

Due to the growth in revenue, the increased utilisation and efficiency measures implemented in the previous year, earnings in the first quarter of 2021 were significantly improved. In the first three months of 2021, adjusted EBITDA rose by 30 percent to EUR 13.55 million (Q1/2020: EUR 10.39 million). EBIT grew by 104 percent to EUR 7.37 million (Q1/2020: EUR 3.61 million) and EBT by 132 percent to EUR 7.01 million (Q1/2020: EUR 3.02 million). Net income increased by 126 percent to EUR 5.16 million (Q1/2020: EUR 2.28 million).

### **GFT with solid balance sheet – financial stability and flexibility remain high**

In the first quarter of 2021, operating cash flow remained high at EUR 15.12 million (Q1/2020: EUR 15.20 million). Compared to year-end 2020, the Group's liquidity fell slightly to EUR 62.12 million (31 December 2020: EUR 70.87 million) but also remains high. Following the redemption of loans, the GFT Group's net liquidity improved further to EUR -19.98 million (31 December 2020: EUR -31.35 million). The balance sheet was strengthened once again; the equity ratio improved to 34 percent as of 31 March 2021 (31 December 2020: 31 percent).

### **Revenue and earnings outlook 2021 raised significantly – GFT benefitting from stronger digitisation trend**

The GFT Group significantly upgraded its outlook for the financial year 2021 on 26 April. The company expects significant revenue growth in the current financial year, driven by its successful market positioning and the increasingly strong digitisation trend. GFT forecasts revenue growth of 17 percent to EUR 520 million for 2021 (2020: EUR 444.85 million). Together with improved margins and revenue growth, the measures implemented in the financial year 2020 to enhance operating efficiency will result in significant earnings growth: adjusted EBITDA is expected to improve significantly by 32 percent to EUR 56 million (2020: EUR 42.52 million). For EBT, GFT even expects a strong increase of 113 percent to EUR 30 million (2020: EUR 14.11 million).



Marika Lulay, CEO of GFT

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### Key figures (IFRS, unaudited)

(Deviations possible due to rounding differences)

In EUR million	Q1/2021	Q1/2020	Δ
Revenue	123.92	112.48	10%
Adjusted EBITDA <sup>2)</sup>	13.55	10.39	30%
EBITDA	12.90	9.26	39%
EBIT	7.37	3.61	104%
EBT	7.01	3.02	132%
Net income	5.16	2.28	126%
Earnings per share in EUR	0.20	0.09	126%
Operating cash flow	15.12	15.20	-1%
Employees (FTE, as of 31 March)	6,225	5,460	14%
In EUR million	31/03/2021	31/12/2020	Δ
Net liquidity	-19.98	-31.35	-36%
Equity ratio (in percent)	34	31	3

<sup>1)</sup> GFT's top 2 clients are defined as Deutsche Bank and Barclays.

<sup>2)</sup> Adjusted for special items from M&A activities. Further information on the definition of alternative performance measures is provided [here](#) on the GFT website.

This press release is also available for download via the [GFT newsroom](#)

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#### About GFT:

GFT is driving the digital transformation of the world's leading companies in the financial and insurance sectors, as well as in the manufacturing industry. As an IT services and software engineering provider, GFT offers strong consulting and development skills across all aspects of pioneering technologies, such as cloud engineering, artificial intelligence, mainframe modernisation and the Internet of Things for Industry 4.0.

With its in-depth technological expertise, profound market know-how and strong partnerships, GFT implements scalable IT solutions to increase productivity. This provides clients with faster access to new IT applications and innovative business models, while also reducing risk.

Founded in 1987 and located in more than 15 markets to ensure close proximity to its clients, GFT employs over 6,000 experts. GFT provides them with career opportunities in all areas of software engineering and innovation. The GFT Technologies SE share is listed in the Prime Standard segment of the Frankfurt Stock Exchange (ticker: GFT-XE).

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