

PRESS RELEASE

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Strong first quarter: GFT upgrades guidance

Global growth momentum unbroken

- **EBT up by 91 percent** compared to first quarter of 2021, revenue up by 40 percent
- **Revenue guidance for 2022 upgraded** from EUR 680 million to around EUR 720 million and EBT guidance from EUR 54.5 million to around EUR 58 million
- **Sustained dynamic growth** thanks to complex, long-term projects
- **Successful diversification continues:** Insurance sector grows year on year by 67 percent, Industry & Others by 59 percent

Stuttgart, 12 May 2022 – **Digital transformation** has been a dominant topic across almost all industries for several years now – however this wave is **still far from peaking**. In 2025, [global spending on digital transformation will be more than double the amount](#) it was in 2020¹).

GFT Technologies SE (GFT) is exploiting this digitalisation wave and **continuing its dynamic growth**. After its record results in 2021, the company achieved further strong growth in the first quarter of 2022: **revenue rose by 40 percent** and **earnings before taxes (EBT) by as much as 91 percent**.

Extensive and complex projects

This very positive development is being driven by consistently strong demand for **extensive and complex digitalisation projects**. The **high level of new orders** means strong growth is also expected for the rest of the financial year. The Group has therefore upgraded its **revenue guidance for 2022 to around EUR 720 million** (previously: EUR 680 million). This corresponds to revenue **growth of around 27 percent** compared to 2021. **Pre-tax earnings** for the full year are likely to reach around **EUR 58 million** (previously: EUR 54.5 million), corresponding to expected year-on-year **growth of around 45 percent**. The Group expects adjusted EBITDA to grow to around EUR 79 million, around 22 percent more than in 2021. The war in Ukraine has had no negative impact on GFT's business so far.

“We see particularly strong growth in the Americas region and in Asia. Our clients there are pioneers in the use of cutting-edge technologies,” explains Jochen Ruetz, CFO of GFT. “There are also numerous European companies planning to launch major projects over the coming years in order to leverage these innovative technologies.”

Diversification driving growth

The GFT Group generated **revenue of EUR 173.35 million in the first quarter of 2022**. The company thus exceeded the prior-year figure of EUR 123.92 million by 40 percent. Its diversification strategy has proven to be a key driver of this growth: in the **Insurance** sector, revenue rose **by 67 percent**, in the **Industry & Others** sector **by 59 percent**. In the **Banking** sector, revenue was **31 percent higher** than in the same period last year.

As of 31 March 2022, the GFT Group employed a total of **8,120 people** (FTE). This represents **growth of 30 percent** compared to the end of the previous year (6,225 employees). The increase resulted mainly from strong expansion in Brazil.

Disproportionately strong growth in key earnings figures

As expected, there was disproportionately strong growth in earnings in the first quarter of 2022. This was due to the further increase in demand for large and sophisticated digitalisation projects, as well as the market's less critical assessment of the Covid-19 pandemic compared to the same quarter last year. Adjusted EBITDA rose year on year by 37 percent to EUR 18.52 million (Q1/2021: EUR 13.55 million). EBT climbed by 91 percent to EUR 13.42 million (Q1/2021: EUR 7.01 million). Net income improved by 86 percent to EUR 9.58 million (Q1/2021: EUR 5.16 million).

Financial stability and flexibility remain high

In the first quarter of 2022, operating cash flow amounted to EUR 3.62 million (Q1/2021: EUR 15.12 million). The decline was mainly attributable to negative working capital effects. The GFT Group's net liquidity improved strongly to EUR 4.1 million (31 December 2021: EUR 1.93 million). The balance sheet was strengthened once again; the equity ratio increased significantly to 39 percent as of 31 March 2021 (31 December 2021: 36 percent).

Revenue and earnings outlook 2022 raised

The positive development of the GFT Group continued to gather momentum in the first quarter of the financial year 2022. This trend is rooted in consistently high demand for **extensive and complex digitalisation projects**. GFT is well-known on the market for its profound technological expertise, its many years of experience in various sectors, its attractive product offerings and its proven partner network. For its clients, the company is a preferred partner for the implementation of demanding digitalisation projects. This enables GFT to focus on projects with high margins.

Due to the high level of new orders, the GFT Group expects its very positive business performance to continue in 2022. GFT has upgraded its revenue guidance for 2022 and now expects revenue growth of 27 percent to around EUR 720 million (previously: EUR 680 million; 2021: EUR 566.19 million). Adjusted EBITDA is likely to grow by 22 percent and reach around EUR 79 million (2021: EUR 64.79 million). EBT is expected to increase by 45 percent to around EUR 58 million (2021: EUR 40.03 million). For all three key figures, the forecast is thus above that of 3 March 2022.

Key figures (IFRS, unaudited)

(Deviations possible due to rounding differences)

In EUR million	Q1/2022	Q1/2021	Δ
Revenue	173.35	123.92	40%
Adjusted EBITDA ²⁾	18.52	13.55	37%
EBITDA	18.52	12.90	44%
EBIT	13.45	7.37	82%
EBT	13.42	7.01	91%
Net income	9.58	5.16	86%
Earnings per share in EUR	0.36	0.20	86%
Operating cash flow	3.62	15.12	-76%
Employees (FTE, as of 31 March)	8,120	6,225	30%
In EUR million	31.03.2022	31.12.2021	Δ
Net liquidity	4.1	1.93	112%
Equity ratio (in percent)	39	36	3

¹⁾ <https://www.idc.com/getdoc.jsp?containerId=prUS48372321>

²⁾ Adjusted for special items from M&A activities.

Further information on the definition of alternative performance measures is provided [here](#) on the GFT website.



Dr. Jochen Ruetz, CFO of GFT

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About GFT – Shaping the future of digital business

As a pioneer for digital transformation GFT develops sustainable solutions across new technologies – from cloud engineering and artificial intelligence to blockchain/DLT.

With its deep technological expertise, strong partnerships and comprehensive market know-how GFT offers advice to the financial and insurance sectors, as well as in the manufacturing industry. Through the intelligent use of IT solutions GFT increases productivity and creates added value for clients. Companies gain easy and safe access to scalable IT-applications and innovative business models.

Founded in 1987 and located in more than 15 markets to ensure proximity to clients, the GFT team consists of over 9,000 determined talents. GFT provides them with career opportunities in all areas of software engineering and innovation. The GFT Technologies SE share is listed in the SDAX index of the German Stock Exchange (ticker: GFT-XE).

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