

PRESS RELEASE

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## GFT stays on track for growth

Software group posts double-digit revenue and earnings growth

- **Revenue up 10 percent** compared to first quarter of 2022
- **Strongly improved earnings: adjusted EBIT +17 percent, EBT +12 percent**
- **Diversification across sectors and clients continued:** Insurance sector +4 percent, Industry & Others +24 percent; core market Banking with further growth: +10 percent
- **Guidance for 2023 confirmed: revenue of EUR 850 million, adjusted EBIT of EUR 80 million and EBT of EUR 72 million** expected

Stuttgart, 11 May 2023 – GFT Technologies SE (GFT) continues to grow. With **revenue growth of 10 percent**, the software group once again outpaced the market in the first quarter of 2023. **Adjusted EBIT rose by 17 percent** and **EBT by 12 percent** compared to the same period last year.

### GFT confirms guidance for 2023

“Our growth remains stable and we can confirm our guidance for 2023,” says Marika Lulay, CEO of GFT. “Although the global economic environment has become more challenging in recent months, we also see some positive signs. For example, we are growing faster than average in the world’s largest software market, the USA. We also expect demand to pick up further in the second half of the year.”

The GFT Group generated **revenue of EUR 190.67 million** in the first quarter of 2023. The company thus exceeded the prior-year figure of EUR 173.35 million by **10 percent**. GFT continued to successfully implement its diversification strategy: in the **Insurance** sector, revenue **rose by 4 percent**, in the **Industry & Others** sector **by 24 percent**. In the **Banking** sector, revenue was **up 10 percent** on the previous year.

Business made particularly **strong progress** in the world’s largest software market, the **USA**, with an increase in revenue of **62 percent**. This growth was driven above all by **complex modernisation and transformation projects in the finance sector**.

### Double-digit earnings growth

There was **significant growth** in **earnings** compared to the same quarter last year. This was due to **structurally strong demand** for digitalisation solutions, especially from banks and insurers. **EBT of EUR 15.04 million** was up **12 percent** year on year (Q1 2022: EUR 13.42 million). **Adjusted EBIT** rose by **17 percent** to **EUR 16.28 million** (Q1 2022: EUR 13.91 million).

The Group had a total of 8,792 full-time employees (FTE) as of 31 March 2023. This corresponds to an **increase of 8 percent** compared to 8,120 employees at the end of the prior-year quarter.

### Financial stability and flexibility remain at high level

**Operating cash flow** fell year on year to **EUR -3.04 million** (Q1 2022: EUR 3.62 million), due mainly to a positive special item in the previous year. **Net liquidity** remained stable at **EUR 29.65 million** (31 December 2022: EUR 35.70 million). As a result of the increase in net income, **the equity ratio rose** by one percentage point to 41 percent (31 December 2022: 40 percent).

### GFT expects solid revenue and earnings growth for 2023

GFT continues to benefit from the **ongoing digitalisation trends** in its markets. The Group has **outstanding expertise** in shaping the digital transformation, enabling it to leverage market opportunities. The company therefore expects **growth in all segments** in 2023, with further increases in both revenue and earnings.

Compared to 2022, revenue is expected to **grow by 16 percent** and **reach approximately EUR 850 million** (2022: EUR 730 million). GFT expects **earnings before taxes (EBT)** of around **EUR 72 million** (2022: EUR 66 million). This represents year-on-year **growth of 9 percent**. The Group forecasts that **adjusted EBITDA** will **improve** 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 pro rata temporis as of 1 April 2023.

**Key figures (IFRS)**

(Deviations possible due to rounding differences)

In EUR million	Q1 2023	Q1 2022	Δ
Revenue	190.67	173.35	10%
EBITDA	19.89	18.52	7%
Adjusted EBIT <sup>1)</sup>	16.28	13.91	17%
EBIT	14.83	13.45	10%
EBT	15.04	13.42	12%
Net income	10.54	9.58	10%
Earnings per share in EUR	0.40	0.36	10%
Operating cash flow	-3.04	3.62	<-100%
Employees (FTE, as of 31 March)	8,792	8,120	8%
In EUR million	31/03/2023	31/12/2022	Δ
Net liquidity	29.65	35.70	-17%
Equity ratio (in percent)	41%	40%	1

<sup>1)</sup> 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.



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 in 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 global team consisting of over 10,000 determined talents. 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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