

Press Release

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GFT strengthens growth with artificial intelligence and expansion in Latin America

Turnaround in Brazil completed, positive outlook

- Stable **revenue growth of 10 percent** in the financial year 2023
- **Adjusted EBIT rose by 9 percent** to around EUR 73 million
- **AI solutions generate significantly more demand** after launch of GFT AI.DA Marketplace
- **Increase in dividend** from EUR 0.45 to EUR 0.50
- **Acquisition of Sophos Solutions** successfully completed
- Guidance 2024: **growth set to continue; revenue** of approx. **EUR 920 million** and **adjusted EBIT** of approx. **EUR 85 million** expected

Stuttgart, 7 March 2024 – GFT Technologies SE (GFT) continued its **solid growth trajectory** in 2023. **Revenue rose by 10 percent** compared to the previous year. Business with **banks and industrial clients** made **particularly strong progress** with revenue growth of **13 and 12 percent, respectively**. Adjusted earnings before interest and taxes (**adjusted EBIT**) **rose by 9 percent**; adjusted for currency effects by as much as 14 percent. For the current year, the company expects revenue of around EUR 920 million and adjusted EBIT of around EUR 85 million.

The company achieved above-average growth in **Europe** with a **23 percent increase in revenue**. Moreover, **GFT's largest market Brazil completed its turnaround** in the second half of the year and is making good progress again. Growth was driven in all sectors by the noticeable **uptick in demand for AI solutions** – especially since the launch of the [GFT AI.DA Marketplace](#) in late September.

“A successful digital transformation is the prerequisite for long-term success. Not even an adverse economic environment can change this – and our clients rely on our expertise to shape their transformation,” says GFT CEO Marika Lulay. “New developments, especially in the field of AI, are accelerating the trend. We have established ourselves as a leader also in this field, as confirmed by numerous analyst reports from the past year. This positioning, as well as the further strengthening of our global footprint with the acquisition of Sophos Solutions in Latin America, will continue to drive our growth in 2024.”

The GFT Group generated **revenue of EUR 801.74 million** in its financial year 2023. The company thus **exceeded the prior-year figure** of EUR 730.14 million by **10 percent**. In the **Banking** sector, GFT achieved **growth of 13 percent** and in the **Industry & Others** sector revenue rose by **12 percent**. Whereas revenue in the **Insurance** sector fell slightly (**-2%**), business in the **other sectors remained very positive**.

Disproportionately strong growth in Europe, turnaround in Brazil

In the **Continental Europe** segment, GFT's revenue **grew by 23 percent**. This was aided in particular by the **acquisition of targens GmbH**, completed in April, with a revenue contribution of around EUR 30 million. As a result, **Germany** has now become **GFT's third-largest market**. The segment also benefited from a shift in revenue from the UK to Poland.

Revenue in the **Americas, UK & APAC** segment rose year on year **by 2 percent**. Demand for **complex modernisation and transformation projects in the finance sector** also remained high in this segment, with further dynamic growth **in the USA and Mexico in particular**. Due to the aforementioned shift in revenue to the Continental Europe segment, growth in this segment was slightly weaker.

"We achieved a further significant increase in revenue and earnings last year, despite numerous market uncertainties. At the same time, our prudent financial management enabled us to finance the acquisition of Sophos largely from our own funds," says GFT CFO Jochen Ruetz. "In the medium term, Sophos will not only contribute to our revenue growth, but also help boost our profitability."

Further growth in earnings

There were also improvements in the Group's **key earnings figures** compared to 2022. **Adjusted EBIT rose** year on year **by 9 percent to EUR 73.33 million** (2022: EUR 67.48 million). Despite burdens from necessary capacity adjustments, **adjusted EBIT without currency effects rose by 14 percent**. In the financial year 2023, the adjusted EBIT margin amounted to 9.1 percent (2022: 9.2 percent). Due to a high capacity utilisation rate, the adjusted EBIT margin remained high in the fourth quarter at 10.2 percent (Q4 2022: 10.1 percent). Compared to the prior-year period, **EBT increased by 3 percent to EUR 68.00 million** (2022: EUR 66.05 million).

Due to the positive development of earnings, the Administrative Board will recommend to the Annual General Meeting on 20 June 2024 the distribution of a **dividend of EUR 0.50** per no-par share for the financial year 2023 (2022: EUR 0.45). This corresponds to a **total payout** to shareholders of **EUR 13.16 million** (2022: EUR 11.85 million) and a **payout ratio of 27%** (2022: 26%) based on net income.

Financial stability and flexibility maintained despite targens acquisition

Operating cash flow decreased year on year to **EUR 40.44 million** (2022: EUR 57.49 million), due mainly to a negative special item. **Net liquidity** fell to **EUR 4.39 million** (31 December 2022: EUR 35.70 million) – an extremely solid development in view of the acquisition of targens GmbH, since renamed GFT Deutschland GmbH. As a result of the increase in net income, **the equity ratio rose by 3 percentage points to 43 percent** (31 December 2022: 40 percent).

As of 31 December 2023, the Group had a total of **9,134 full-time employees** (FTE). This corresponds to an **increase of 3 percent** compared to 8,842 FTE at year-end 2022.

Significant improvement in three ESG ratings

GFT also made progress in several internationally recognised sustainability ratings. The company achieved **silver status** in the [EcoVadis](#) rating – putting GFT in the top **25 per cent** of companies assessed by EcoVadis. In the [CDP](#) Score Report, GFT advanced to a B rating and now lies above the IT and software sector average of C. And in the [S&P](#) ESG Rating, the company improved from 49 to 51 points.

Acquisition of Sophos Solutions successfully closed

The **acquisition of Sophos Solutions S.A.S.** was already **successfully closed** on 01 February, exactly one week after its announcement. This acquisition has expanded GFT's client base, as well as its global footprint and team by almost 20 percent. Sophos is expected to be fully integrated into GFT by the end of the year.

GFT expects solid revenue and earnings growth for 2024

GFT anticipates significant revenue **growth** and **increased earnings in its financial year 2024**, driven above all by the completed acquisition of Sophos Solutions – included in the outlook on a prorated basis as of the completion of the transaction on 01 February 2024. The pressure on companies to digitalise and the resulting strong demand for cloud solutions as part of the digital transformation will continue to accelerate the growth of GFT's business.

Specifically, the company expects **revenue growth of 15 percent to approx. EUR 920 million**. According to guidance, **adjusted EBIT** is expected to **improve by 16 percent to around EUR 85 million**. The Group anticipates earnings before taxes (**EBT**) of approximately **EUR 72 million**, corresponding to growth of around **6 percent**.

Key figures (IFRS)

(Deviations possible due to rounding differences)

In EUR million	2023	2022	Δ
Revenue	801.74	730.14	10%
EBITDA	89.76	86.04	4%
Adjusted EBIT ¹⁾	73.33	67.48	9%
EBIT	68.40	65.55	4%
EBT	68.00	66.05	3%
Net income	48.36	46.25	5%
Earnings per share in EUR	1.84	1.76	5%
Operating cash flow	40.44	57.49	-30%
In EUR million	31/12/2023	31/12/2022	Δ
Employees (FTE)	9,134	8,842	3%
Net liquidity	4.39	35.70	-88%
Equity ratio (in percent)	43%	40%	3 PP

¹⁾ 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

Source: Ingrid Hertfelder/GFT

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About GFT – Shaping the future of digital business.

GFT is a digital transformation pioneer. By leveraging next-generation technologies, we enable clients to boost their productivity with intelligent software solutions. We focus on Digital Finance, Enterprise AI & Data Solutions, and Platform Modernisation.

GFT's strengths include deep technological excellence, a strong ecosystem of partners, and industry expertise. We are [agile@scale](#) and boost digital transformation for clients from the finance and insurance sectors, as well as the manufacturing industry. GFT talents create, implement, and manage software applications to enable innovative businesses while complying with regulations.

With locations in 20 markets around the globe, GFT ensures proximity to its clients. We draw on over 35 years of experience and a global team of over 12,000 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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