

GFT Group with a solid start in a challenging environment

Successful M&A strategy supports growth

NEW YORK, NEW YORK, UNITED STATES, May 13, 2024 /EINPresswire.com/ --

- Group revenue growth of 13 percent in the first quarter of 2024
- Adjusted EBIT increased by 6 percent to around EUR 17 million
- Successful AI solutions and launch of the commercial UDPN All-in-One Sandbox
- Acquired companies targens and Sophos Solutions contribute to growth
- Group revenue and earnings growth forecast for 2024 confirmed: Revenue to grow by 15 percent, adjusted EBIT by 16 percent

GFT Technologies SE (GFT) continued its solid growth in the first quarter of 2024 despite the ongoing challenging market environment. Group revenue increased by 13 percent compared to the same quarter of the previous year. Growth was supported by the successful acquisitions of the German targens GmbH, which was completed in April 2023, and the Colombian company Sophos Solutions in January of this year. Business with banks and industrial customers picked up particularly strongly, with sales increases of 19 and 16 percent respectively. Adjusted earnings before interest and taxes (adjusted EBIT) rose by 6 percent. For the current year, the global company expects sales to grow by 15 percent to around EUR 905 million and adjusted EBIT by 16 percent to around EUR 85 million.

GFT recorded above-average growth in Europe with an increase in revenue of 27 percent. The most important driver here was the German market. Thanks in part to the acquisition of targens, Germany became GFT's second-largest market with a 61 percent increase in revenue. The Spanish, Italian and French markets also developed very positively. In addition, GFT also achieved dynamic growth again in Brazil, its largest market, following a successful turnaround: revenue there increased by 11 percent compared to the same quarter of the previous year.

"Despite the global challenges, our company has made a solid start to 2024. This was due to both our core business and our successful M&A strategy," says GFT CEO Marika Lulay. "We are optimally positioned also in AI and digital currencies. We can see this in the great interest in the solutions from our AI.DA Marketplace and the Universal Digital Payment Network, which recently went to market with a commercial sandbox. Several commercial and central banks in Asia and Europe are already using this UDPN test environment to test and develop the latest digital

currency technologies and use cases."

"There's a large movement happening across the Americas right now as financial institutions and manufacturers prioritize the implementation of artificial intelligence and other digital innovations into their infrastructures," said Marco Santos, CEO Americas at GFT. "We're seeing particular growth in Latin America due to GFT's focus on providing comprehensive AI solutions. GFT is in a unique position to support businesses locally and globally so that companies can stay ahead of rising challengers in their markets and pave the way for net new opportunities."

The GFT Group generated revenue of EUR 212.39 million in the first quarter of 2024. The company thus exceeded the prior-year figure of EUR 187.69 million by 13 percent. GFT achieved growth of 19 percent in the Banking sector and 16 percent in the Industry & Other sector. Revenue in the insurance business fell by 11 percent. This was due to the fact that GFT focused more strongly on expanding its core business with banks in view of the difficult economic conditions in numerous countries.

"We once again increased revenue and earnings in the first quarter of 2024, despite the rather challenging business climate in some countries," adds GFT CFO Jochen Ruetz. "The successfully completed integration of targens and the ongoing integration of Sophos Solutions are success stories that will continue to drive our growth."

Megatrends AI and digital currencies offer attractive growth opportunities

There was a noticeable increase in demand for AI solutions such as GFT AI Impact Beta in all core sectors. This solution utilizes generative AI to support various processes in the software development lifecycle. It is currently being tested by numerous Tier 1 banks, insurance companies and infrastructure companies in South America and Europe or is about to be rolled out productively in day-to-day business. It increases the overall productivity of the software development lifecycle by 25 percent – and even more in some scenarios.

The Universal Digital Payment Network (UDPN) also offers great opportunities. The platform co-developed by GFT, in which GFT is also a partial owner, enables international transactions with regulated digital currencies. Interest from both central and commercial banks is so great that a commercial sandbox was launched on the market this year. With the introduction of digital central bank currencies, GFT should generate transaction-based revenue via the platform – a business model that would be highly scalable and significantly more profitable than the traditional core business.

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

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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