



## PRESS RELEASE

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3Q and 9M 2018 earnings

### **Gigas reported a 41% increase in sales to EUR 7.16 million in the first nine months of the year**

The Company delivered EBITDA in the third quarter of EUR 530 thousand, nearly matching the total for all of 2017

Guidance for the full year is unchanged, calling for sales of close to EUR 10 million and EBITDA of EUR 1.5 million

Gigas (GIGA.MAB), a Spanish multinational cloud computer services company, has released its earnings for 3Q and 9M 2018 today. The numbers show that the Company continues to grow rapidly, both organically and via acquisitions. EBITDA growth is accelerating thanks to the business' high operational leverage and synergies from acquisitions.

Gross sales in the nine months ended 30 September 2018 amounted to EUR 7.16 million, up 40.8% year-on-year (from EUR 5.09 million) and 6.0% above the budget for the period (EUR 6.75 million), driven primarily by the contribution from the recently-acquired Colombian company, Ability. The Company also posted sales in the third quarter of EUR 2.55 million, up 47.5% year-on-year (from EUR 1.73 million).

The Company continues to deliver healthy organic growth, recording strong sales in the seasonally-slow third quarter, mostly to partners. The Group's strategic focus on this channel bodes well for its future earnings.

EBITDA continued to grow sharply in the third quarter, amounting to EUR 530 thousand in just three months. This nearly matched total EBITDA for 2017 and was well above the EUR 211 thousand of 3Q 2017. It is also 50.5% over the quarterly EBITDA budget (EUR 352 thousand), leaving an EBITDA margin for 3Q 2018 of 22.9%. For the nine-month period, EBITDA reached EUR 943 thousand, nearly triple the year-earlier figure of EUR 329 thousand and in line with the budget (EUR 944 thousand) despite non-recurring costs related to M&A and default by a major customer, which combined amounted to EUR 411 thousand in the first six months of the year.

With these results, the Company is upbeat and has reiterated its sales guidance for the full year, which was revised up in September, of EUR 9.8 million. It will probably beat these forecasts slightly. As for EBITDA, the Company still expects a year-end figure of around EUR 1.5 million, approximately 12% of the EBITDA budgeted at the beginning of the year and slightly over 160% above the 2017 figure (EUR 572



thousand).

In summary, today's figures underscore the success of GIGAS' business model, which is predicated on recurring revenue, low customer churn, wide gross margins and high operational leverage, boding well for strong growth in profitability once the Company reaches critical mass. The combination of solid earnings, GIGAS' organic growth, the extraction of additional synergies from the companies integrated and new acquisitions of companies bode well for GIGAS' future and value creation for its shareholders.

#### **About Gigas.com**

Gigas is a Spanish cloud computing company listed on the Mercado Alternativo Bursátil (Spanish Alternative Equity Market or MAB) since 2015 (GIGA.MAB). Founded in 2011, it has become one of the world's leader providers in the sector, according to Gartner's "Magic Quadrant for Cloud Infrastructure as a Service" report. Gigas, which offers cloud computing solutions to both large companies and SMEs, stands out for its cutting-edge technology and exceptional technical support. With data centers in Madrid, Barcelona, Miami, Bogota and Santiago de Chile, the company has offices in Spain, Colombia, Chile, Peru, Miami, Panama and Mexico.

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