

# Q1 Results Investor Presentation



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**MAY**

**2019**

**gigas**



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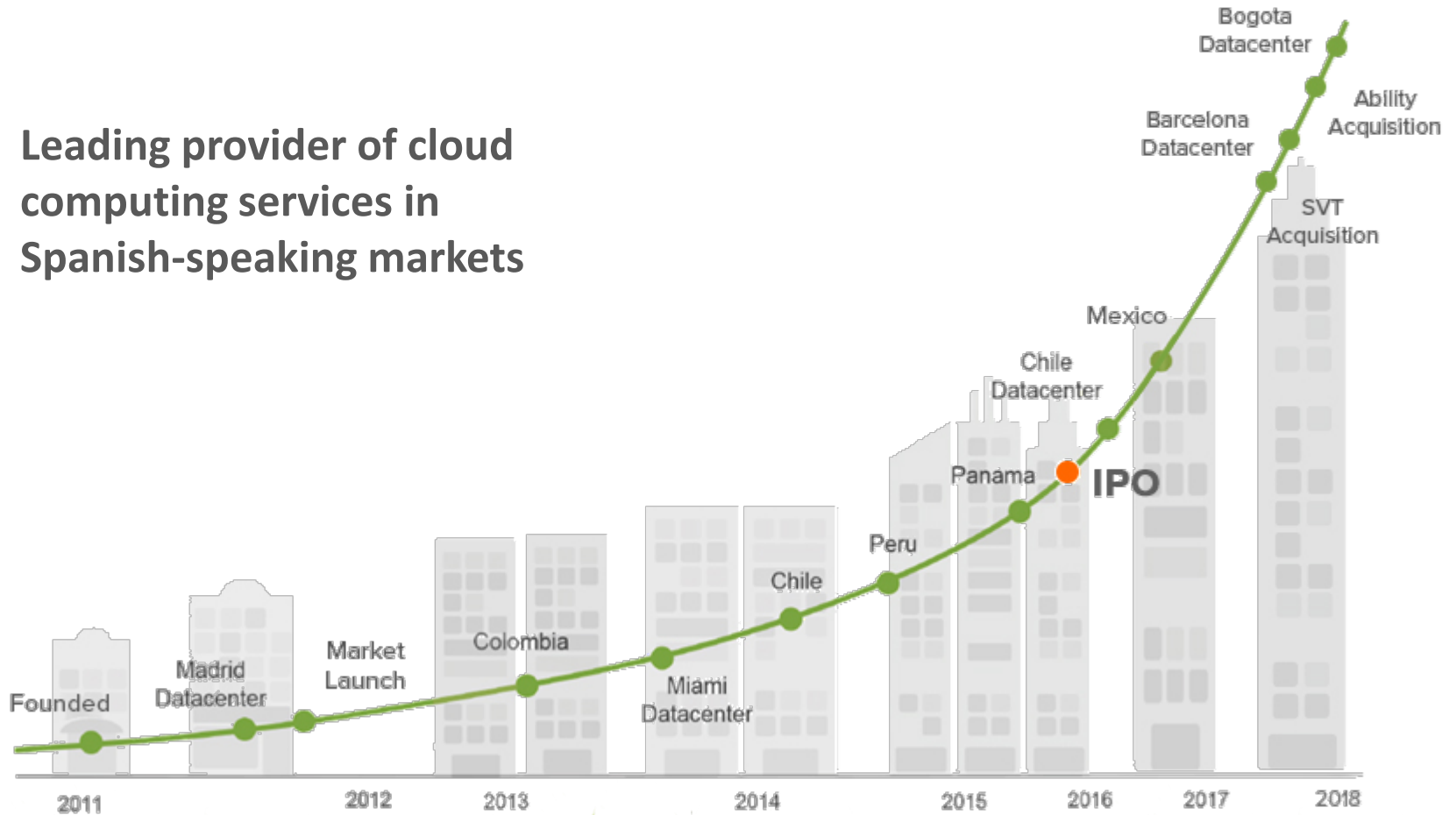
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# Gigas' Timeline

Leading provider of cloud computing services in Spanish-speaking markets



# FY 2018 Key Highlights



Growth continues strong, Q1 gross revenues up 42.3% YoY and net revenues 34.2% YoY



EBITDA reaches €0.64M in Q1, more than double EBITDA Q1'18 and 27.6% higher than budgeted



Positive cash flow and net result for the quarter



Cloud Datacenter customers reached 753 (26.3% up YoY), representing 91% of Gigas' revenues



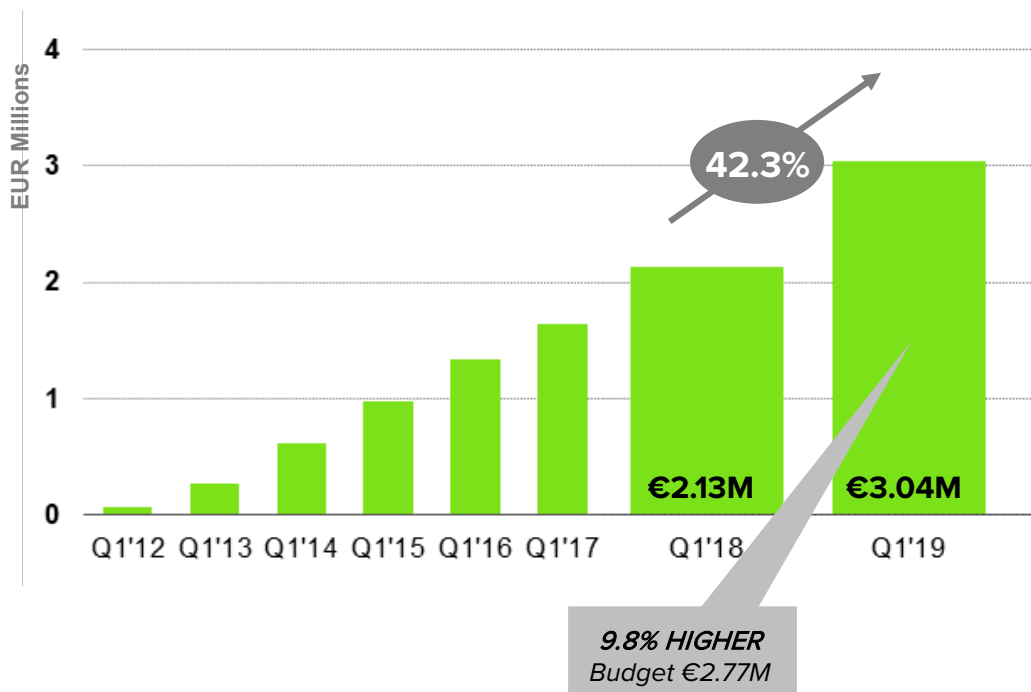
Net Financial Debt reduced, reaching 0.6x 2019 est. EBITDA (excl. *in the money* convertible bonds)



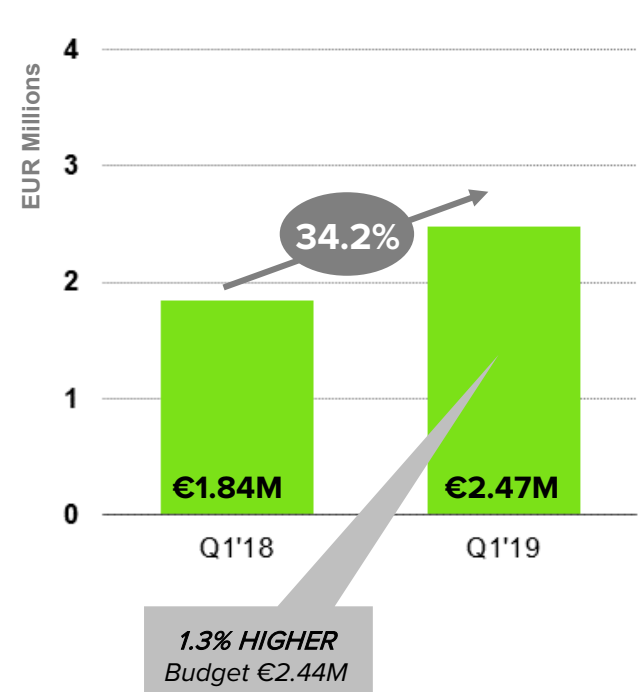
# Revenues Q1 2019

- **Gross revenues reached €3.04 million in Q1 2019, 42.3% higher than Q1 2018.** Net revenues reached €2.47M in Q1 2019, 34.2% higher than the €1.84M in Q1 2018
- **Revenues higher than budgeted**, particularly gross revenues, due to annual contracts signed in first quarter. Growth limited by the impact of the end of a large contract in Chile

## Gross Revenues



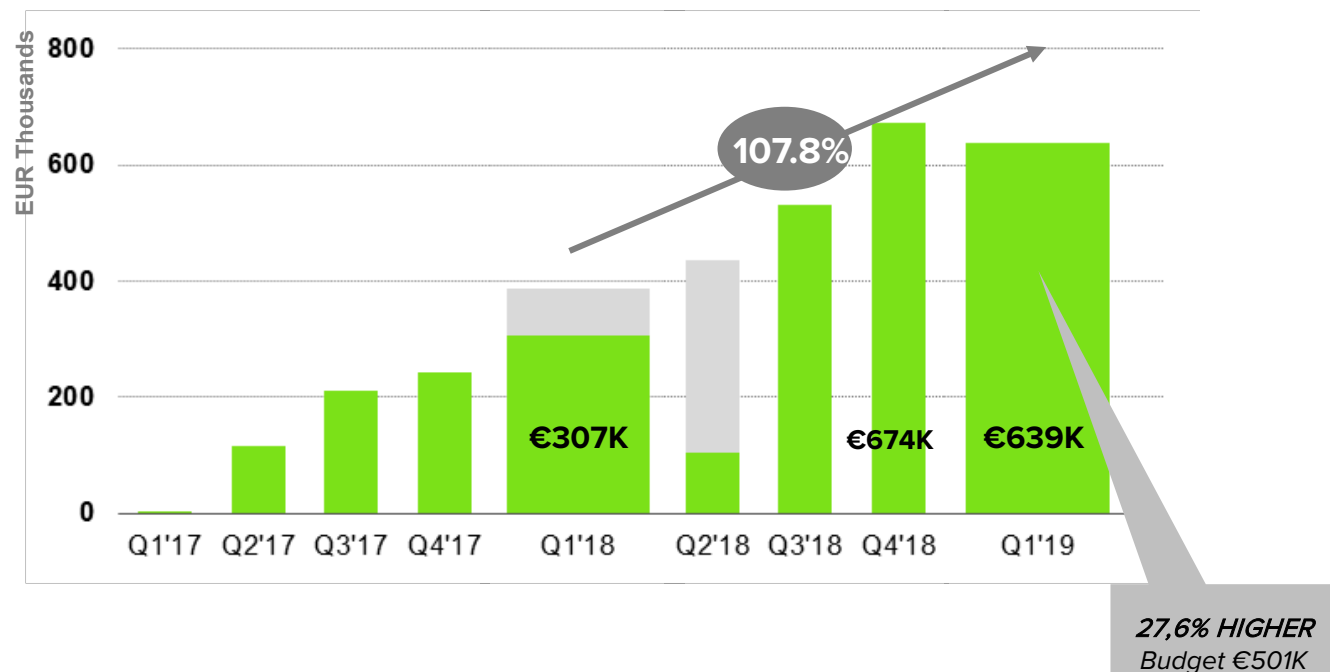
## Net Revenues



# EBITDA

- Q1 2019 EBITDA grew 107.8% YoY, reaching €0.64M in the quarter
- EBITDA in the quarter was significantly higher than budgeted (27.6% higher) due to revenue growth and cost efficiencies
- EBITDA slightly lower than the previous quarter due to annual cost increases from software licenses, personnel and datacenters and the aforementioned contract loss

## Quarterly EBITDA



# Q1 2019 Results vs. Q1 2018 and vs. Budget

## CONSOLIDATED INCOME STATEMENT

Figures in EUR

	2019 JAN-MAR	% Chg.	2018 JAN-MAR	% Chg.	2019 budget JAN-MAR
<b>Gross sales</b>	<b>3.036.615</b>	<b>42,3%</b>	<b>2.134.305</b>	<b>9,8%</b>	<b>2.766.364</b>
Accrued sales	(148.969)	-	27.111	1.106,1%	(12.351)
Sales discounts and promotions	(413.529)	30,0%	(318.162)	32,3%	(312.628)
<b>Revenue</b>	<b>2.474.118</b>	<b>34,2%</b>	<b>1.843.254</b>	<b>1,3%</b>	<b>2.441.385</b>
<b>Own R&amp;D costs capitalised</b>	<b>62.714</b>	<b>13,7%</b>	<b>55.152</b>	<b>2,4%</b>	<b>61.236</b>
<b>Non-recurring income, grants and other</b>	<b>9.987</b>	<b>19,2%</b>	<b>8.376</b>	<b>37,5%</b>	<b>7.263</b>
					-
<b>Cost of sales</b>	<b>(563.174)</b>	<b>47,7%</b>	<b>(381.246)</b>	<b>(2,6%)</b>	<b>(578.251)</b>
Online and third-party customer acquisition costs	(16.301)	3,5%	(15.755)	(50,4%)	(32.835)
Datacenters and connectivity	(257.580)	59,5%	(161.486)	0,8%	(255.514)
Other supplies	(289.292)	41,8%	(204.006)	(0,2%)	(289.902)
<b>Personnel expenses</b>	<b>(874.737)</b>	<b>19,0%</b>	<b>(735.276)</b>	<b>(7,5%)</b>	<b>(945.281)</b>
Salaries and wages	(733.340)	20,1%	(610.604)	(6,8%)	(786.628)
Social security costs	(141.397)	13,4%	(124.672)	(10,9%)	(158.653)
<b>Other operating expenses</b>	<b>(467.774)</b>	<b>(3,0%)</b>	<b>(482.384)</b>	<b>(3,7%)</b>	<b>(485.702)</b>
External services	(426.111)	0,5%	(423.980)	(5,0%)	(448.750)
Professional services and other	(286.779)	(17,4%)	(347.241)	5,0%	(273.249)
Marketing and publicity	(37.564)	19,6%	(31.409)	(41,3%)	(64.001)
International expenses, except marketing	(101.768)	124,5%	(45.330)	(8,7%)	(111.501)
Losses, impairment and changes in trade provisions	(41.663)	(28,7%)	(58.404)	12,7%	(36.952)
<b>Other income and expenses</b>	<b>(2.502)</b>	<b>317,0%</b>	<b>(600)</b>	-	-
<b>EBITDA</b>	<b>638.633</b>	<b>107,8%</b>	<b>307.276</b>	<b>27,6%</b>	<b>500.649</b>
	<i>EBITDA margin, %</i>	<i>25,8%</i>	<i>16,7%</i>	<i>20,5%</i>	
<b>Gross income *</b>	<b>1.910.944</b>	<b>30,7%</b>	<b>1.462.008</b>	<b>2,6%</b>	<b>1.863.134</b>
	<i>Gross margin, %</i>	<i>77,2%</i>	<i>79,3%</i>	<i>76,3%</i>	

NB \*: Gross income calculated as "Revenue" less "Cost of sales".

# 2019 Budget

## 2019 CONSOLIDATED BUDGET

<i>EUR</i>	Q1	Q2	Q3	Q4	2019b
<b>Gross sales</b>	<b>2.766.364</b>	<b>2.885.117</b>	<b>2.975.718</b>	<b>3.205.072</b>	<b>11.832.270</b>
Accrued sales	(12.351)	(9.292)	64.910	(28.217)	15.050
Sales discounts and promotions	(312.628)	(317.968)	(310.054)	(336.704)	(1.277.354)
<b>Revenue</b>	<b>2.441.385</b>	<b>2.557.856</b>	<b>2.730.574</b>	<b>2.840.152</b>	<b>10.569.966</b>
Own R&D costs capitalised	61.236	59.236	56.736	60.736	237.944
Non-recurring income, grants and other	7.263	7.263	7.263	7.263	29.052
<b>Cost of sales</b>	<b>(578.251)</b>	<b>(583.332)</b>	<b>(613.439)</b>	<b>(632.254)</b>	<b>(2.407.276)</b>
Online and third-party customer acquisition costs	(32.835)	(34.295)	(37.873)	(39.033)	(144.035)
Datacenters and connectivity	(255.514)	(261.414)	(275.214)	(282.814)	(1.074.957)
Other supplies	(289.902)	(287.623)	(300.352)	(310.407)	(1.188.284)
<b>Personnel expenses</b>	<b>(945.281)</b>	<b>(981.297)</b>	<b>(971.209)</b>	<b>(976.743)</b>	<b>(3.874.531)</b>
Salaries and wages	(786.628)	(815.189)	(806.836)	(810.649)	(3.219.302)
Social security costs	(158.653)	(166.108)	(164.374)	(166.094)	(655.229)
<b>Other operating expenses</b>	<b>(485.702)</b>	<b>(508.661)</b>	<b>(480.818)</b>	<b>(527.430)</b>	<b>(2.002.611)</b>
External services	(448.750)	(470.654)	(440.928)	(486.194)	(1.846.527)
Professional services and other	(273.249)	(273.567)	(275.620)	(276.211)	(1.098.646)
Marketing and publicity	(64.001)	(88.058)	(53.827)	(97.415)	(303.301)
International expenses, except marketing	(111.501)	(109.029)	(111.481)	(112.568)	(444.579)
Losses, impairment and changes in trade provisions	(36.952)	(38.006)	(39.890)	(41.236)	(156.084)
<b>Other income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EBITDA</b>	<b>500.649</b>	<b>551.065</b>	<b>729.106</b>	<b>771.723</b>	<b>2.552.544</b>
<i>EBITDA margin, %</i>	<i>20,5%</i>	<i>21,5%</i>	<i>26,7%</i>	<i>27,2%</i>	<i>24,1%</i>
<b>Gross income</b>	<b>1.863.134</b>	<b>1.974.524</b>	<b>2.117.134</b>	<b>2.207.897</b>	<b>8.162.690</b>
<i>Gross margin, %</i>	<i>76,3%</i>	<i>77,2%</i>	<i>77,5%</i>	<i>77,7%</i>	<i>77,2%</i>



# Customer Figures

- **Cloud VPS customers reached 3,083 in the Q1**, lower than the 3,310 customers a year earlier, but in line with Gigas' strategy of focusing on greater added value customers



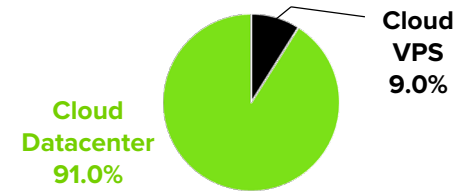
Planes Cloud VPS

Para aplicaciones web ligeros	Para aplicaciones web con bases de datos ligeros	Para servidores de gestión empresarial (ERP)	Para aplicaciones con bases de datos robustas
VPS nova	VPS pro	VPS elite	VPS summum
15,8€ / mes	29€ / mes	49€ / mes	69€ / mes
2 gigas de ram generados	4 gigas de ram generados	5 gigas de ram generados	6 gigas de ram generados
2 cores x86/x64	4 cores x86/x64	6 cores x86/x64	8 cores x86/x64
50 gigas de disco	100 gigas de disco	150 gigas de disco	200 gigas de disco
400GB + transferencia ilimitada	600GB + transferencia ilimitada	1200GB + transferencia ilimitada	1600GB + transferencia ilimitada
Firewall incluido	Firewall incluido	Firewall incluido + Backup incluido	Firewall incluido + Backup incluido
Continuar	Continuar	Continuar	Continuar

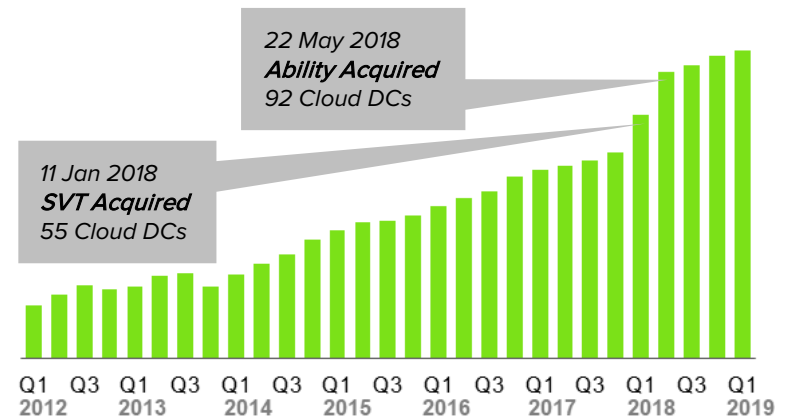
¡Ojo! Para condiciones actuales. Precio mensual cuando viene disponible en el sitio.

	nova	pro	elite	summum	limit	nova	pro	elite	summum
Mensual	19€	29€	49€	69€	2.00	4.00	5.00	6.00	6.00
Trimestral	59€	87€	147€	207€	6.00	12.00	15.00	18.00	18.00
Anual	190€	290€	480€	620€	18.00	36.00	45.00	54.00	54.00
RAM	2 GB	4 GB	5 GB	6 GB	2 GB	4 GB	5 GB	6 GB	6 GB
Disco	50 GB	100 GB	150 GB	200 GB	50 GB	100 GB	150 GB	200 GB	200 GB
Transferencia	400 GB	600 GB	1200 GB	1600 GB	400 GB	600 GB	1200 GB	1600 GB	1600 GB
Soporte técnico	✓	✓	✓	✓	✓	✓	✓	✓	✓
Firewall incluido	✓	✓	✓	✓	✓	✓	✓	✓	✓
Backup incluido	✗	✗	✓	✓	✗	✗	✓	✓	✓
	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar

- **Cloud Datacenter**, aimed at medium and large corporates, is Gigas' main product, accounting for 91.0% of gross revenues, and continues to grow



- **Cloud Datacenter customers reached 753 at the end of Q1 2019 (vs 596 a year ago)**, mainly due to the addition of customers from Ability (acquired on May/2018)





# Share Evolution and Analysts' Reports

- Share price increased 86.8% over 2018, from €3.48 to €6.50
- Share Price closed at €7.16 on May 30th, 2019 (10,2% up YTD)
- GVC Gaesco raised the (12-month) target price to €10 from €9.10 per share, implying 53% upside from the closing price on May, 27th, (€6.54 per share)
- The analyst included GIGAS in their European TOP PICKS, a list of only 29 companies (10 Blue Chips and 19 Mid & Small caps)



# Q&A



## Q1 2019 Results Investors Presentation



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**gigas**

**Thank  
you**

