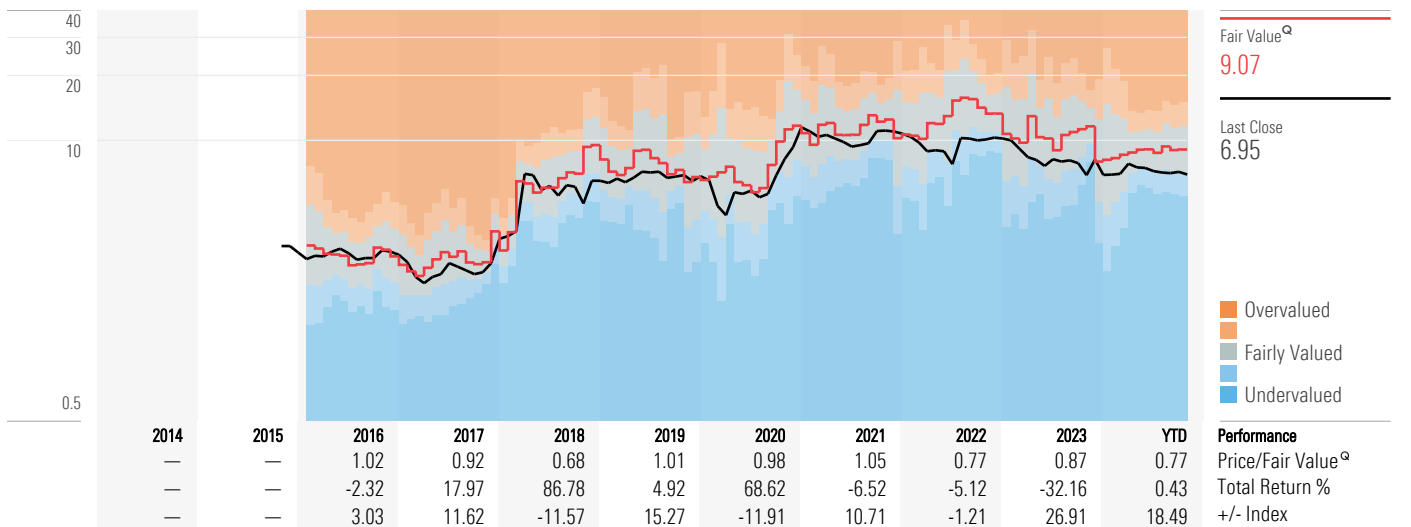


Gigas Hosting SA GIGA ★★★ Q 4 Oct 2024 22:43, UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|------------------------------------------------|----------------------------------|-------------------|-------------------------|---------------|---------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.77 | 🌐🌐🌐🌐🌐 | 0.00 | — | Small Blend | Technology | Software - Infrastructure |



¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Key Metrics as of 3 Oct 2024

| Metrics | Value | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%) | -8.2 | 25.0 |
| Sales Yield (%) | 93.8 | 69.0 |
| Book Value Yield (%) | 45.7 | 60.0 |
| Return on Assets (%)* | -3.5 | 32.0 |
| Revenue(Mil)* | 78.0 | 38.0 |
| Market Value (Mil) | 86.2 | 35.0 |
| Enterprise Value (Mil) | 92.7 | 37.0 |
| EV/MV Ratio | 1.1 | 68.0 |
| Volatility TTM (%) | 21.5 | 10.0 |
| Drawdown TTM (%) | 18.9 | 16.0 |
| Volume (K) | 3.9 | 10.0 |

*30 Jun 2024

Business Description

Gigas Hosting SA provides platforms for cloud hosting. The company offers various solutions including contingency (D&R) service that enables companies of any size to implement and integrate automatic protection; SAP required infrastructure and cloud server for Oracle. Its product offerings include cloud datacenter, firewall, load balancer and cloud VPS (Virtual Private Server).

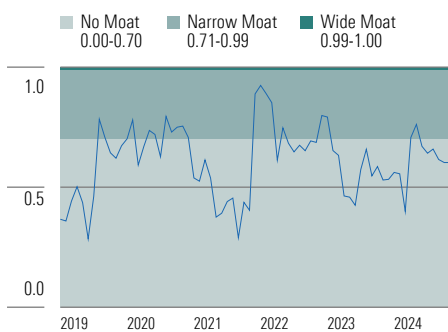
Valuation ^Q as of 4 Oct 2024

Morningstar maintains a 3-star quantitative star rating for Gigas Hosting, derived from the firm's valuation and uncertainty scores. The company's shares last closed at 6.75, below our quantitative fair value estimate of 9.02. These shares have traded between a 40.78% and 7.38% discount to their fair value estimate over the past year. In Morningstar's equity coverage universe for this methodology, the company's valuation rating lands at the 53rd percentile; in the technology sector, the firm's score lies at the 52nd percentile. Furthermore, Gigas Hosting maintains a quantitative valuation uncertainty rating of Very High. The company has held this star rating over the past year. The uncertainty rating for Gigas Hosting has remained Very High since the previous rating of Extreme, which was last assigned on 04/11/2024. The key factors behind these ratings are the company's drawdown and EV-MV ratio. The trailing 12-month maximum drawdown is 18.92%, and its maximum enterprise value-to-market value ratio is 1.37. The drawdown falls at the 16th percentile in the technology sector while the EV-MV ratio is at the 68th percentile. Over the past year, the company's drawdown has been between 18.92% and 34.35%; its EV-MV ratio has ranged between 1.04 and 1.37.

Economic Moat ^Q as of 4 Oct 2024

With a Morningstar quantitative moat rating of None, the quantitative moat score for Gigas Hosting falls at the 60th percentile in the technology sector and at the 59th in the equity coverage universe. The company has maintained its None quantitative moat rating since after 08/13/2024, when it was downgraded from Narrow. We also assign a Moderate quantitative financial health rating to Gigas Hosting. The company's raw score on this metric, termed Distance to Default, ranks at the 71st percentile overall and in the technology sector. Furthermore, this financial health rating has stayed Moderate over the last year. Supporting these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield of 45.73%, ranks at the 41st percentile in the covered equity universe and at the 60th percentile among its peers. Meanwhile, its enterprise value-to-market value ratio of 1.08, falls at the 54th percentile in the universe and the 68th percentile in the technology sector.

Economic Moat ^Q History as of 4 Oct 2024



Fundamentals as of 4 Oct 2024

The earnings per share for Gigas Hosting is -0.55. The company earns a return on invested capital of -1.17%, falling at the 34th percentile in the technology sector. The company did not report a dividend. We calculate the above figures over a trailing 12-month period.

Contact

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T +34 900247000
<https://www.gigas.com>

Gigas Hosting SA GIGA ★★★

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| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|------------------------------------------------|----------------------------------|-------------------|-------------------------|---------------|---------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.77 | 🌐🌐🌐🌐🌐 | 0.00 | — | Small Blend | Technology | Software - Infrastructure |

Earnings as of 3 Oct 2024

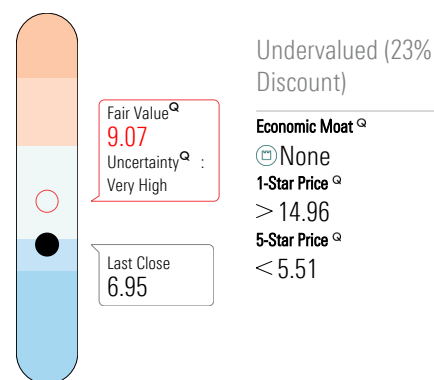
| Earnings | % | ■ Percentile in Sector |
|--------------------|------|------------------------|
| Dividend Yield* | — | — |
| Payout Ratio* | — | — |
| Price to Earnings | — | — |
| Price to Cash Flow | — | — |
| ROIC** | -1.2 | 34.0 |

*—
**30 Jun 2024

Dividends as of 4 Oct 2024



Valuation ^Q as of 4 Oct 2024



Financials (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 06/2024 | Fiscal |
|--------|-------|--------|-------|-------|------|------|------|------|------|---------|---------------------------|
| 2.47 | 3.75 | 4.83 | 5.95 | 8.68 | — | — | — | — | — | 70.77 | Revenue (Mil) |
| -0.86 | -0.16 | -0.88 | -0.26 | 0.63 | — | — | — | — | — | -0.90 | Operating Income (Mil) |
| -34.81 | -4.21 | -18.22 | -4.33 | 7.28 | — | — | — | — | — | -1.86 | Operating Margin (%) |
| -0.65 | -0.21 | -0.77 | -0.49 | -0.15 | — | — | — | — | — | -5.71 | Net Income (Mil) |
| — | — | -0.18 | -0.12 | -0.04 | — | — | — | — | — | -0.55 | Diluted Earnings/Share |
| -1.61 | 0.15 | -0.59 | -0.08 | 0.48 | — | — | — | — | — | 9.60 | Operating Cash Flow (Mil) |
| 0.82 | 0.87 | 0.83 | 1.06 | 0.94 | — | — | — | — | — | 11.82 | Capital Spending (Mil) |
| -1.69 | -1.16 | -1.41 | -0.96 | 0.69 | — | — | — | — | — | 5.74 | Free Cash Flow (Mil) |
| — | — | 4.19 | 4.19 | 4.28 | — | — | — | — | — | 4.28 | Avg Shares Outstand(Mil) |

Valuation as of 4 Oct 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|------|------|------|------|-------|--------|-------|-------|-------|-------|---------|-------------------------------|
| — | — | 1.02 | 0.92 | 0.68 | 1.01 | 0.98 | 1.05 | 0.77 | 0.87 | 0.77 | Price/Fair Value ^Q |
| — | — | — | 2.56 | 3.89 | 2.98 | 4.73 | 2.27 | 2.22 | 1.21 | 1.10 | Price/Sales |
| — | — | — | — | — | 105.63 | — | — | — | — | — | Price/Earnings |
| — | — | — | — | 34.05 | 13.80 | 27.95 | 33.48 | 14.83 | 11.05 | 4.42 | Price/Cash Flow |
| — | — | — | 3.51 | 5.53 | 5.88 | 9.76 | 2.62 | 2.88 | 1.94 | 2.25 | Price/Book |

Operating Performance (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 06/2024 | Fiscal (%) |
|--------|-------|--------|--------|-------|------|------|------|------|------|---------|-------------------------|
| -13.44 | -3.01 | -8.62 | -5.64 | -1.33 | — | — | — | — | — | -3.45 | Return on Assets |
| -39.32 | -6.22 | -16.00 | -11.42 | -3.23 | — | — | — | — | — | -14.80 | Return on Equity |
| -24.08 | -3.57 | -11.41 | -7.02 | 0.69 | — | — | — | — | — | -1.17 | Rtn on Invested Capital |

Dividends as of 4 Oct 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| — | — | — | — | — | — | — | — | — | — | — | Dividend Per Share |
| — | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Trailing Dividend Yield |
| — | — | — | — | — | 1.11 | — | — | 0.45 | 0.02 | — | Buyback Yield |

Appendix

Economic Moat [®]History as of 4 Oct 2024 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| 2024 | 0.56 | 0.56 | 0.40 | 0.71 | 0.76 | 0.67 | 0.64 | 0.66 | 0.62 | 0.60 | — | — |
| 2023 | 0.79 | 0.65 | 0.63 | 0.46 | 0.46 | 0.42 | 0.57 | 0.66 | 0.55 | 0.59 | 0.53 | 0.53 |
| 2022 | 0.92 | 0.89 | 0.85 | 0.61 | 0.75 | 0.68 | 0.65 | 0.67 | 0.65 | 0.69 | 0.69 | 0.80 |
| 2021 | 0.54 | 0.53 | 0.61 | 0.54 | 0.38 | 0.39 | 0.44 | 0.45 | 0.29 | 0.44 | 0.40 | 0.89 |
| 2020 | 0.70 | 0.78 | 0.59 | 0.67 | 0.74 | 0.72 | 0.63 | 0.79 | 0.73 | 0.75 | 0.75 | 0.71 |
| 2019 | 0.37 | 0.36 | 0.44 | 0.50 | 0.44 | 0.28 | 0.46 | 0.78 | 0.71 | 0.64 | 0.62 | 0.67 |

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Quantitative Equity Ratings

Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

★★ – the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

Other Definitions

i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

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