



PRESENTACIÓN A INVERSORES Y  
RESULTADOS FINANCIEROS Q1 2021  
GIGAS HOSTING, S.A.

25 de mayo de 2021

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 3/2020 del BME Growth.

Con motivo de la participación de GIGAS en el Foro MedCap 2021 virtual organizado por Bolsas y Mercados Españoles, se adjunta la presentación corporativa que será empleada en dicho foro en la presentación a inversores del día 26 de mayo 2021, y en las reuniones individuales con inversores durante el día 27 de mayo de 2021. Asimismo, la presentación adjunta será usada también en el *webinar* de presentación de resultados del primer trimestre del año, que tendrá lugar mañana 26 de mayo, a las 10.30am (CET).

Alcobendas, 25 de mayo de 2021

Diego Cabezudo Fernández de la Vega  
Consejero Delegado  
GIGAS HOSTING, S.A.

# gigas



**Moises Israel**  
Chairman



**Diego Cabezudo**  
CEO

## Investors' Presentation and Q1 2021 Results

MAY

2021



## Disclaimer

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This document and the conference-call webcast (including the Q&A session) may contain forward-looking statements and information (hereinafter, the "Information") relating to GIGAS HOSTING S.A. or GIGAS GROUP (hereinafter "Gigas", the "Company" or the "Gigas Group"). This Information may include financial forecasts and estimates based on assumptions or statements regarding plans, objectives and expectations that make reference to different matters, such as the customer base and its evolution, organic growth, potential acquisitions, Company's results and other aspects related to the activity and financial situation of the Company. The Information can be identified, in some cases, through the use of words such as "forecast", "expectation", "anticipation", "projection", "estimates", "plan" or similar expressions or variations of such expressions.

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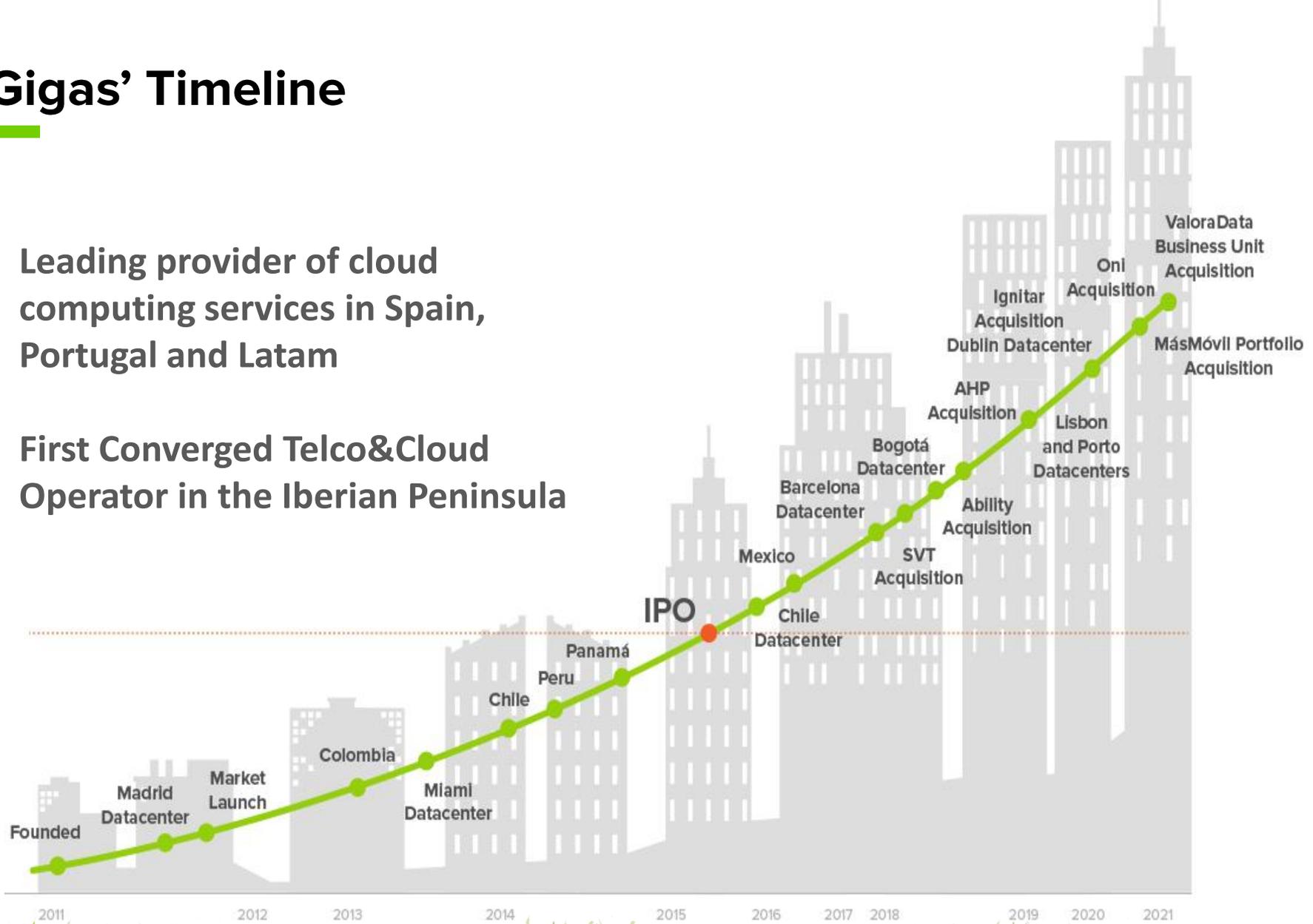
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# Gigas' Timeline

Leading provider of cloud computing services in Spain, Portugal and Latam

First Converged Telco&Cloud Operator in the Iberian Peninsula



# The new B2B convergent paradigm

## 1 Digital transformation of all businesses

- Increasing **volume, quality and reliability demands** as well as **security**
- **Growing decentralization** (working from home, internationalization, remote teams, etc.)
- Need for **wider services portfolio**, covering **cloud services** as well **enterprise comms.**
- **Mid market underserved**, with a lack of comprehensive offer

## 2 Cloud continues to grow, extending beyond storage and computing

- **Cloud becoming the best performing and most efficient solution for IT infrastructure**
- **Rising cloud platforms' consumption**
- **Increasing need for cloud interconnection** (Hybrid Cloud and multi cloud environments)

***B2B market opportunity***

- **Network functions becoming virtualized**
- Possibility to deliver **VPN, firewall and other network services with an IT approach**, better competing with traditional telco services
- Traditional Telcos **not providing convergent offering** (cloud/IT, security and communications)

## 3 Convergence of cloud/IT, security and communications

# The addressable opportunity

**1**

Digital transformation of all businesses

**B2B size in Gigas' footprint**  
(companies with > 10 employees)

# of companies

# of branches/locations



221k

419k

592k

1.286k

**The GIGAS opportunity**

**“+640 k target clients in Gigas' geographies”**

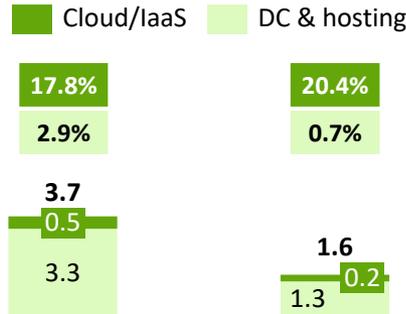
**2**

Cloud extends beyond storage and computing

**B2B cloud market**  
(size and growth<sup>(1)</sup>)

Growth  
(CAGR 19-24,%)

Cloud market revenues  
(2019, €bn)



**“A double digit growth opportunity in key segments”**

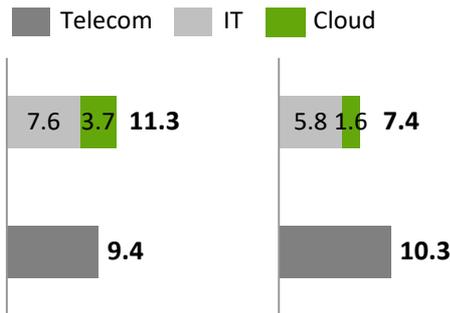
**3**

Convergence of cloud/IT, security and communications

**B2B IT & Telco markets**  
(size <sup>(1)</sup>/<sub>(2)</sub>)

IT/Cloud market revenues  
(2019, €Bn)

Telco market revenues  
(2019, €Bn)

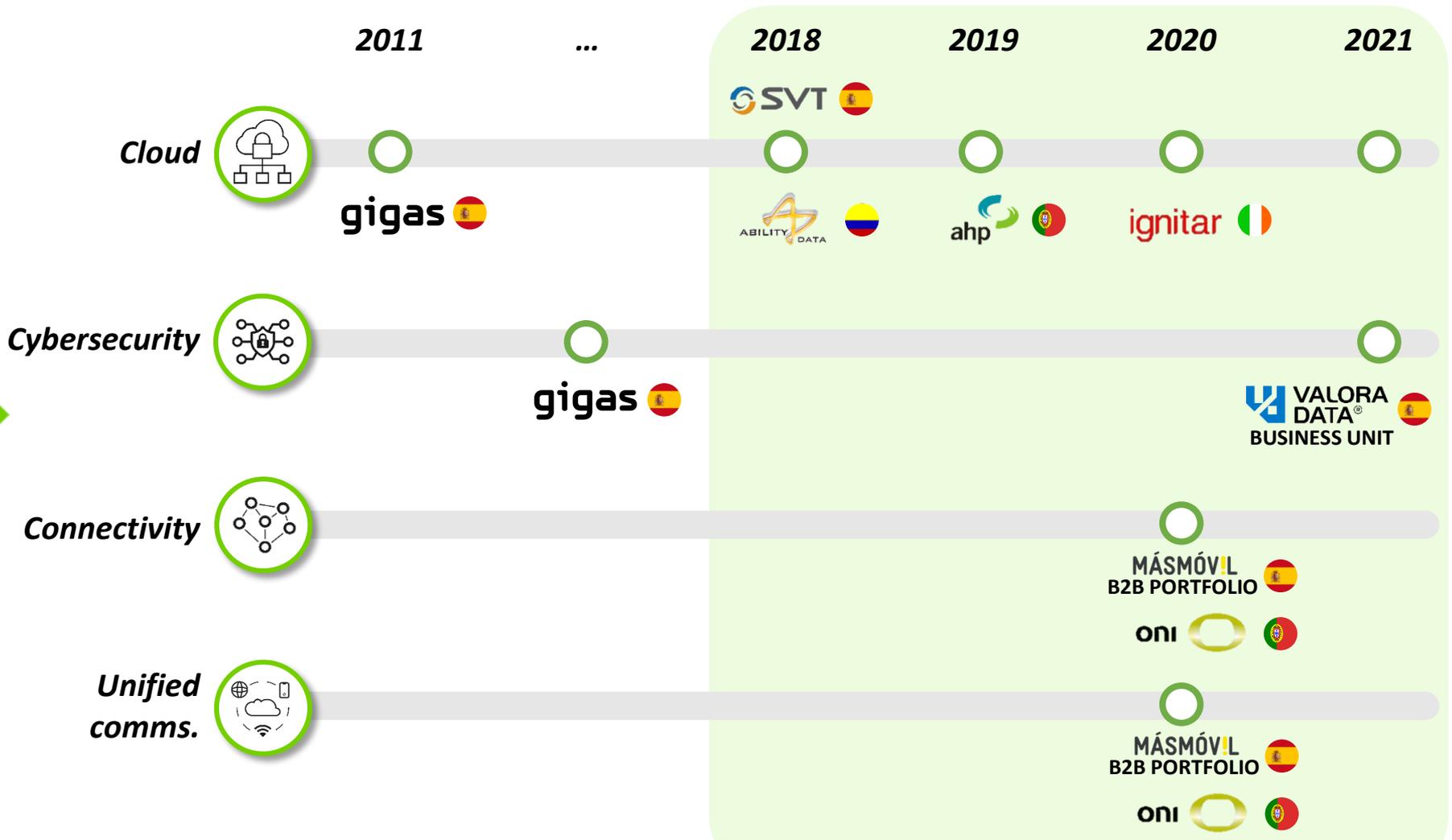


**“A 38 Bn€ addressable market”**

**NOTES:** (1): Considering only companies with more than 10 employees in each market (Gigas target segment)

(2): estimations of Gigas IT's addressable market based on Gartner (excluding consulting and implementation and end user device services markets)

# Convergence through best-in-class acquisitions



**Approx. €60M revenues and  
€12M EBITDA PROFORMA**

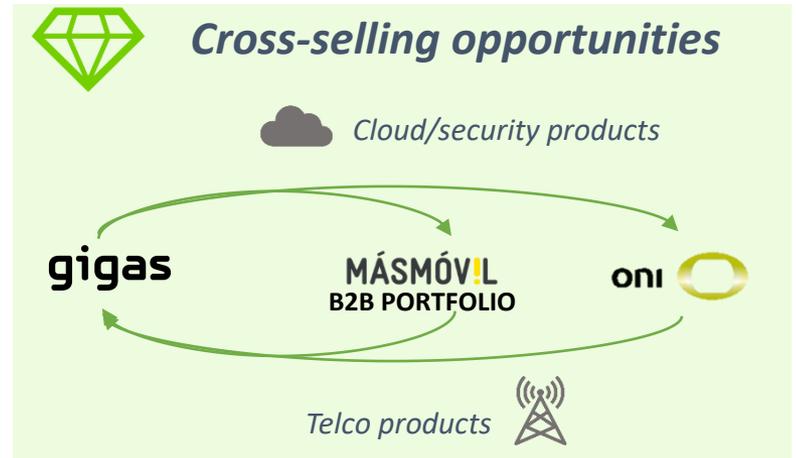
**Seven major deals in the last 4 years towards  
building a compelling convergent proposition**

# A B2B portfolio built for the digital era

## Building a forward-looking portfolio...

## ...unlocking significant value for Gigas and its clients

	<i>Current</i>	<i>New services</i>
 <b>Cloud</b>	IaaS PaaS SAP™ Cloud	Hybrid and multi Cloud
 <b>Cyber-security</b>	Disaster recovery Cloud Backup Firewall as a service Disaster Recovery	SD-WAN Managed services Clean traffic Secure access service edge
 <b>Connectivity</b>	Internet connectivity Site interconnection	Global load balancing Secure remote access & VPN
 <b>Unified comms.</b>	SIP Trunk VoIP Collaborative services Fixed Voice	Mobile communications Cloud PBX Fixed Mobile Convergence



# Strategic positioning and size of Gigas vs. peers

	Revenues (€M 2019/18, % 5yr-CAGR)	Geographies	 Cloud	 Unif. Comms.	 Connectivity		 Cybersecurity
					Fixed	Mobile	
	328 <span>-3%<sup>2</sup></span>		~	✓	✓	✗	✓
	169 <span>16%</span>		✓	✓	✓	✗	✓
 <small>AGILE • AVAILABLE • ASSURED</small>	99 <span>-5%</span>		✓	✓	✓	✗	✓
 <sup>(1)</sup>	60 <span>28%<sup>3</sup></span>		✓	✓	✓	✓	✓
 <small>by Wólkornic izllo</small>	58 <span>11%</span>		✓	✓	✓	✓	~
	54 <span>20%</span>		✓	✓	✓	✗	✓
	49 <span>5%<sup>2</sup></span>		✓	✓	✓	✗	✓
	21 <span>9%</span>		✓	✓	✓	✓	✓
	11 <span>4%<sup>2</sup></span>		✗	✓	✓	✓	✗
 <sup>(4)</sup>	11 <span>28%<sup>3</sup></span>		✓	✗	✗	✗	✓

Source: Arthur D. Little analysis

Notes: (1) 2020 figures; does not include ONI, ValoraData or MásMóvil revenues

(2) CAGR 2014-2018

(3) CAGR 2014-2020, does not take into account ONI & MásMóvil's business

(4) Includes ONI, ValoraData and MásMóvil revenues

# Trusted by more than 10,000 business customers



# An experienced team with a successful track-record



**MOISÉS ISRAEL, PRESIDENTE NO EJECUTIVO.** Ha ocupado desde 1985 varios puestos directivos en bancos como Citibank, Santander Investment y Merrill Lynch, además de haber sido **Consejero Delegado de Ya.com, proveedor de acceso a Internet (ISP) adquirido por T-Online (Deutsche Telekom), en el periodo 2000-2003.** Igualmente, fue socio de la boutique de Banca de Inversión Atlas Capital entre 2004 y 2011. En la actualidad es inversor en diversas empresas tecnológicas y consejero independiente de Banca March. Es Ingeniero Industrial y de Gestión y MBA por Tel Aviv University.



**DIEGO CABEZUDO, CEO.** Anteriormente CEO de AGS, compañía de servicios IT gestionados donde expandió el negocio internacionalmente. Previamente fue **COO de FON Wireless, la mayor red global de WiFi y Responsable de Estrategia para el operador móvil O2,** liderando, entre otros, el despliegue y lanzamiento de la red 3G en Irlanda. Comenzó su trayectoria profesional en 1995 en el **operador de cable TeleCable** y trabajó también como **Consultor de Estrategia para Telcos en DMR, Fujitsu Consulting y Coleago Consulting.** Es Ingeniero de Telecomunicaciones y MBA por la London Business School.

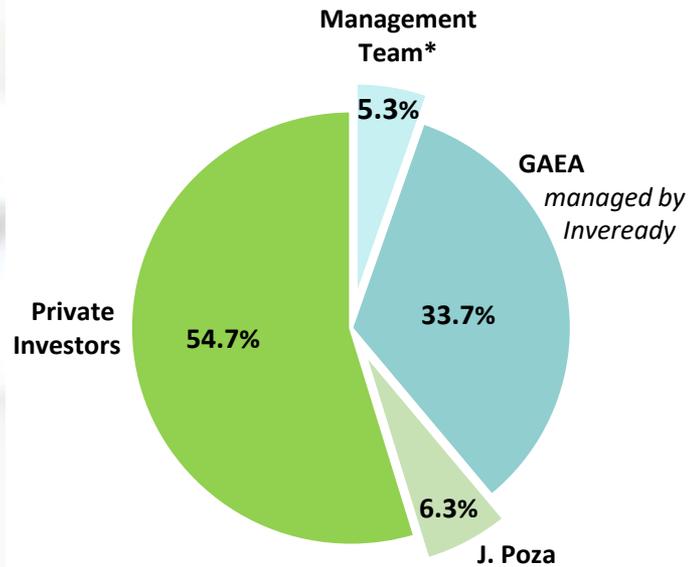


**JOSÉ ANTONIO ARRIBAS, COO.** Anteriormente trabajó fue CTO de la compañía de consultoría IT y servicios gestionados AGS, siendo también responsable de estrategia de producto y proyectos, para España y Latinoamérica. Previamente desempeñó su labor como **CTO en FON Wireless,** donde creó y desarrolló los servicios técnicos de la compañía, ofrecidos en 14 países. Fue también **Director Técnico de Ya.com (Deutsche Telekom Group)** desarrollando servicios y soportando operaciones para cientos de miles de usuarios finales y empresas **y responsable de sistemas de los servicios ISP de Retevisión.**



**JAVIER CAÑETE, CFO y DIRECTOR GENERAL.** Hasta 2020 fue el **Director Financiero en Grupo Zener.** Previamente, y como **Director de Control de Gestión del Grupo Euskaltel,** desarrolló los planes de negocio del Grupo para su expansión a nivel nacional. Desde 1995 desempeñó funciones de **Director de Finanzas, Administración y Recursos Humanos en TeleCable,** operador de telecomunicaciones en Asturias. Javier inició su actividad profesional en 1990, trabajando como profesional de auditoría en la firma Blanco, González y Mier, SRC. Javier es Licenciado en Ciencias Económicas y Empresariales por la Universidad de Oviedo.

# Shareholders and Board of Directors



100% of Gigas 11.6 million shares are listed on the Alternative Stock Market (BME Growth) in the Madrid Stock Exchange

\*There is also a stock option plan for the executive founders which represents approx.. 3.5% of the issued shares.



Board of Directors Secretary: **Patricia Manca and Javier Mateos, PwC**  
Auditor: **Ernst & Young**

# Q1 2021 Key Highlights



Q1'21 net revenues reached **€9.3M, 251% up YoY and 73% higher than budgeted**, due mainly to acquisitions and earlier consolidation of ONI



**Gross margin of €5.6M (60.1% of revenues) in the quarter**, 197% higher than the €1.9M of same quarter last year, and 176% higher than budgeted



Adj. **EBITDA for the quarter reached €2.1M**, almost as much as the entire 2020, **up 215% YoY** and 74% higher than the €1.2M in the budget for Q1'21



**Low leverage (NFD of 1.1x EBITDA budget for 2021)** and **good cash position (€7.7M+)** leaving ample margin for further acquisitions



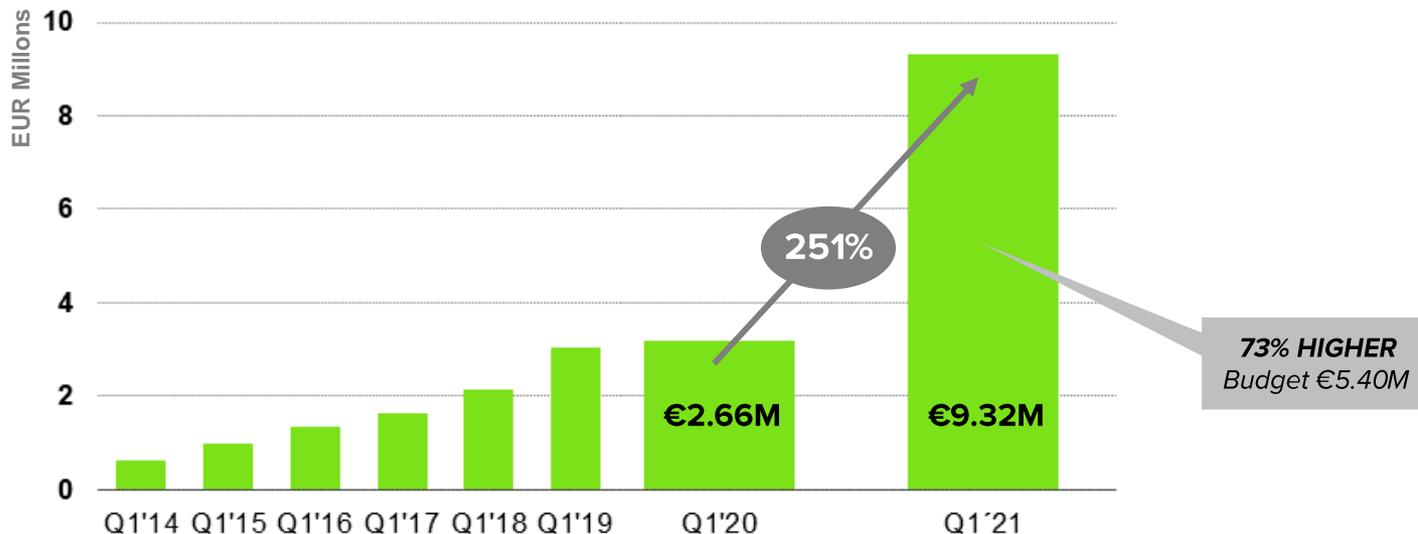
Four acquisitions in the last six months (Cloud and backup provider in Ireland and Spain, and Telcos in Spain and Portugal, **shaping a group with circa €60M annual revenues and €12M EBITDA**)



# Revenues Q1 2021

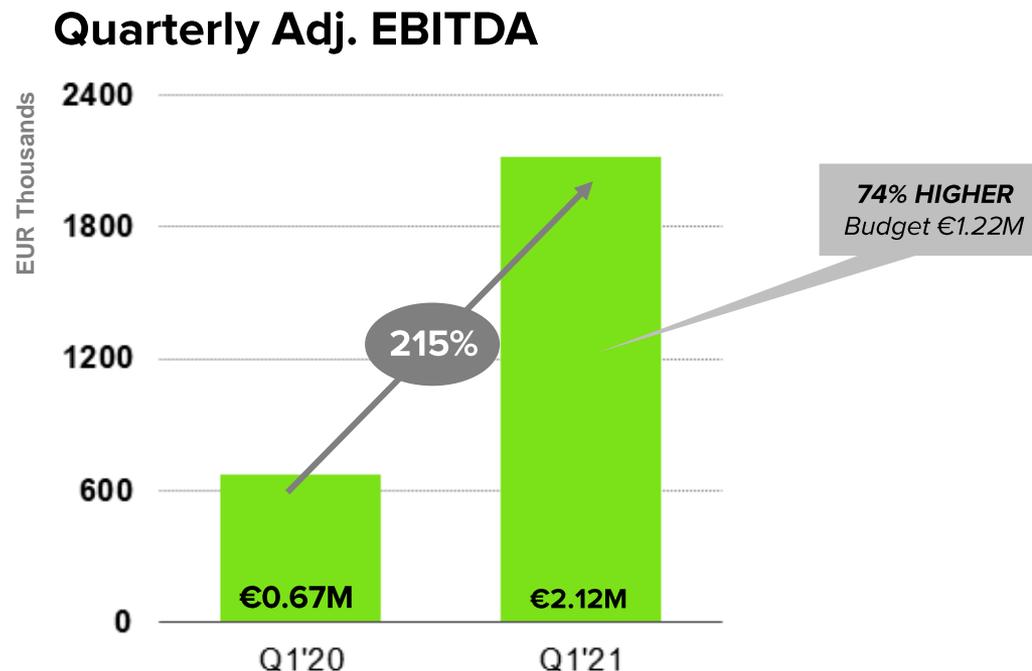
- Net revenues grew to €9.32M in the quarter, 3.5x higher than the €2.66M of same period last year, thanks to the consolidation of the customer portfolio from MasMovil and Ignitar, and also to ONI, which was partially consolidated
- Revenue figure was 73% higher than budgeted due mainly to early consolidation of ONI
- Telecommunications services represented 62.0% of total revenues, while cloud and cybersecurity represented 38.0%. ValoraData business unit acquired on the 31<sup>st</sup> of March and therefore not consolidated in these figures
- Full consolidation of ONI and ValoraData in Q2 will push revenues higher

## Net Revenues



# EBITDA Q1

- **Adjusted (recurring) EBITDA reached €2.12M** in the first quarter, **215% higher** than the **€0.67M** in the same period a year ago and **74% higher** than the **€1.22M budgeted** due to recent acquisitions and earlier consolidation of ONI
- After M&A costs and multiyear remuneration plans (stock options, etc.), **accounting EBITDA reached €1.84M**, much higher than Q1'20 (€0.6M) and the budget



\*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs and multiyear remuneration plans (stock options, etc.)

# Q1 2021 Results Compared to Q1 2020 and Budget

## Consolidated Income Statement Q1 2021

Figures in EUR

	Q1 2021	% Chg.	Q1 2020	% Chg.	BUDGET Q1 2021
<b>Net Revenues</b>	<b>9,323,108</b>	<b>251%</b>	<b>2,658,707</b>	<b>73%</b>	<b>5,398,224</b>
Cloud, IT and Cybersecurity Services	3,523,012	34%	2,631,089	15%	3,057,823
Telecommunication Services	5,789,479	-	-	148%	2,329,871
Non-recurring income, grants and other	10,618	-62%	27,618	1%	10,530
<b>Cost of Sales</b>	<b>(3,721,243)</b>	<b>380%</b>	<b>(775,053)</b>	<b>68%</b>	<b>(2,210,657)</b>
Product direct costs	(3,301,024)	715%	(405,199)	88%	(1,759,503)
Technical and operation costs	(420,219)	14%	(369,854)	-7%	(451,154)
<b>Gross Margin</b>	<b>5,601,865</b>	<b>197%</b>	<b>1,883,654</b>	<b>176%</b>	<b>3,187,566</b>
<i>Gross Margin %</i>	<i>60.1%</i>	<i>-15%</i>	<i>70.8%</i>	<i>1.8%</i>	<i>59.0%</i>
<b>Personnel Expenses</b>	<b>(1,961,782)</b>	<b>114%</b>	<b>(917,529)</b>	<b>55%</b>	<b>(1,261,995)</b>
Salaries and Social Security	(2,248,699)	119%	(1,028,639)	58%	(1,420,225)
Own R&D costs capitalised	286,917	158%	111,111	81%	158,230
<b>Other Corporate Costs</b>	<b>(1,522,281)</b>	<b>418%</b>	<b>(293,804)</b>	<b>115%</b>	<b>(707,566)</b>
Customer operations, Marketing et al.	(284,425)	-	-	-26%	(383,528)
Network, Operations and IT	(631,897)	-	-	-	-
Other G&A Costs	(605,959)	106%	(293,804)	87%	(324,038)
Other Results	-	-	-	-	-
<b>Adjusted EBITDA*</b>	<b>2,117,802</b>	<b>215%</b>	<b>672,321</b>	<b>74%</b>	<b>1,218,006</b>
<i>Adjusted EBITDA %</i>	<i>22.7%</i>	<i>-10%</i>	<i>25.3%</i>	<i>0.7%</i>	<i>22.6%</i>

\*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs and multiyear remuneration plans (stock options, etc.)

# 2021 Budget

- New strategy to offer converged telco/cloud/cybersecurity services fueled by acquisitions which have changed the scale of the Company
- Net revenues estimated to reach €48.9M, 4.5x 2020 revenues and EBITDA estimated to reach to €10.7M, 5x 2020 accounting EBITDA. Gross Margins expected at c. 60%
- **Proforma figures with ONI and ValoraData since 1<sup>st</sup> of January would reach almost €60M in net revenues and over €12M in EBITDA**

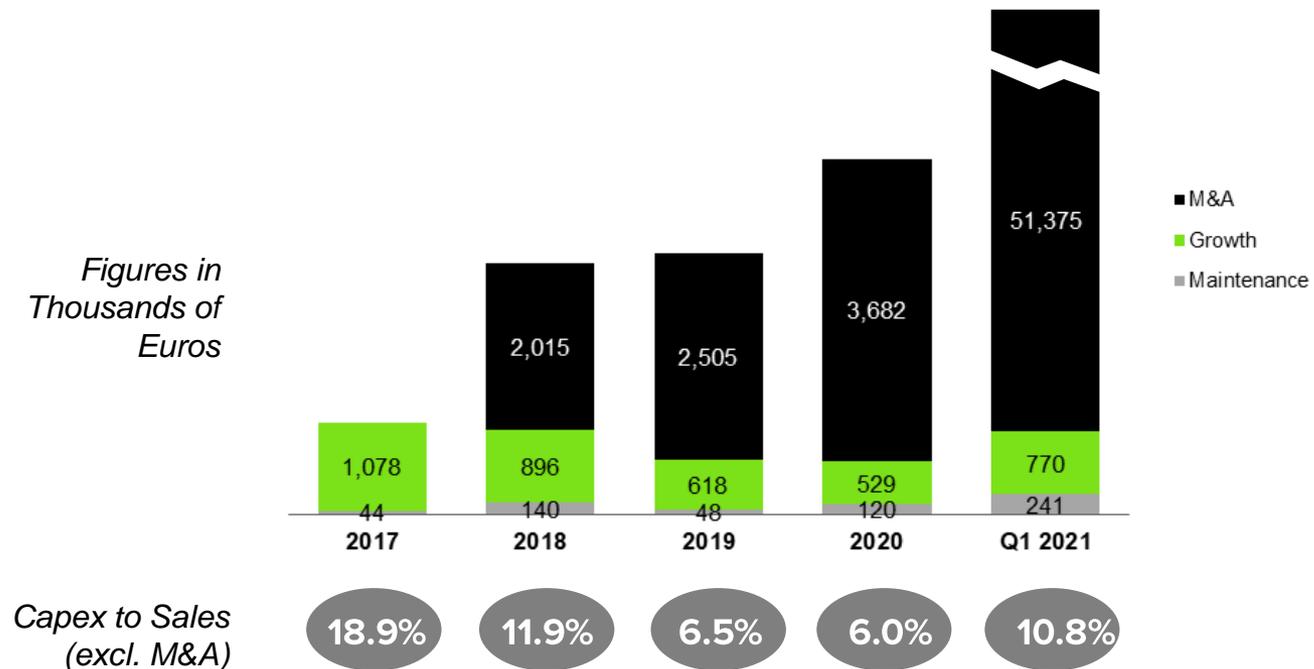
## 2021 CONSOLIDATED BUDGET

EUR	Q1b	Q2b	Q3b	Q4b	2021b	% Chg.	2020real
<b>Gross Sales</b>	<b>6,008,274</b>	<b>14,511,659</b>	<b>14,955,975</b>	<b>15,709,415</b>	<b>51,185,322</b>	<b>298.0%</b>	<b>12,862,085</b>
Accrued sales	(122,834)	113,818	54,134	(121,395)	(76,277)	264.5%	(20,928)
Sales, discounts and promotions	(497,746)	(575,954)	(581,357)	(593,459)	(2,248,515)	12.4%	(2,001,077)
Non-recurring income, grants and other	10,530	10,530	10,530	10,530	42,121	-35.8%	65,646
<b>Net revenue</b>	<b>5,398,224</b>	<b>14,060,054</b>	<b>14,439,283</b>	<b>15,005,091</b>	<b>48,902,652</b>	<b>348.4%</b>	<b>10,905,727</b>
<b>Cost of sales</b>	<b>(2,210,656)</b>	<b>(5,918,162)</b>	<b>(6,056,941)</b>	<b>(6,260,849)</b>	<b>(20,446,608)</b>	<b>493.7%</b>	<b>(3,444,085)</b>
Direct product costs	(1,759,503)	(5,469,145)	(5,597,722)	(5,790,811)	(18,617,181)	919.2%	(1,826,656)
Technical and operating expenses	(451,154)	(449,016)	(459,219)	(470,038)	(1,829,427)	13.1%	(1,617,429)
<b>Gross Margin</b>	<b>3,187,568</b>	<b>8,141,892</b>	<b>8,382,342</b>	<b>8,744,242</b>	<b>28,456,044</b>	<b>284.7%</b>	<b>7,395,995</b>
<b>Gross Margin, %</b>	<b>59.0%</b>	<b>57.9%</b>	<b>58.1%</b>	<b>58.3%</b>	<b>58.2%</b>	<b>-14.7%</b>	<b>68.2%</b>
<b>Personnel Costs</b>	<b>(1,261,995)</b>	<b>(2,479,296)</b>	<b>(2,488,605)</b>	<b>(2,502,098)</b>	<b>(8,731,994)</b>	<b>137.0%</b>	<b>(3,684,198)</b>
Salaries, wages and social security	(1,420,225)	(3,023,014)	(3,031,336)	(3,045,816)	(10,520,391)	151.6%	(4,182,010)
Own work capitalised	158,230	543,718	542,731	543,718	1,788,397	259.3%	497,811
<b>Other overhead costs</b>	<b>(707,566)</b>	<b>(2,780,707)</b>	<b>(2,699,297)</b>	<b>(2,816,328)</b>	<b>(9,003,898)</b>	<b>735.5%</b>	<b>(1,077,710)</b>
<b>Adjusted EBITDA*</b>	<b>1,218,007</b>	<b>2,881,889</b>	<b>3,194,440</b>	<b>3,425,816</b>	<b>10,720,152</b>	<b>297.1%</b>	<b>2,699,733</b>
<b>Adjusted EBITDA %</b>	<b>22.6%</b>	<b>20.5%</b>	<b>22.1%</b>	<b>22.8%</b>	<b>21.9%</b>	<b>-12.0%</b>	<b>24.9%</b>

\* Excludes M&A costs and multiyear remuneration plan ( stock options and others)

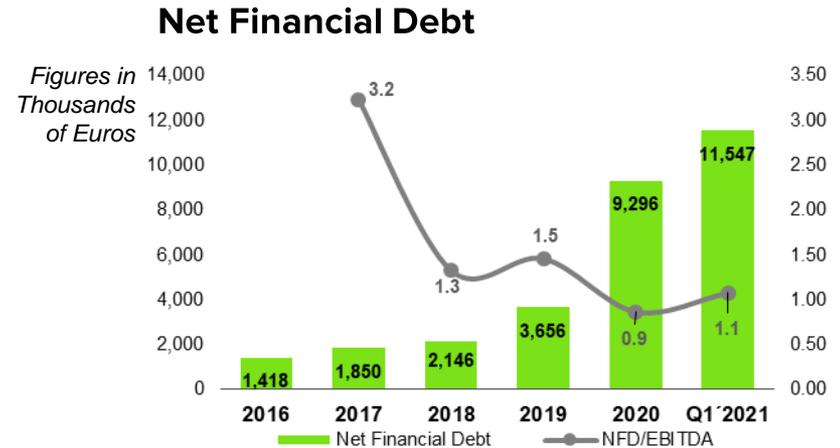
# CAPEX Evolution 2016-2019

- CAPEX to Sales ratio (excl. M&A and R&D) will increase significantly this year, from the 6.0% in 2020, due to the telco profile of the company and one-off integration and new product investments. **Budget for the year is €10.30M** (€0.65M in 2020) and €1.01 invested in Q1, representing 10.8% of revenues
- Large M&A Capex (€51.38M) invested in Q1 linked to MásMóvil portfolio, ONI and ValoraData acquisitions. €23.9M paid in cash during the period, 24.5M paid in Gigas' shares and €2.5M deferred 12 months)
- R&D personnel works capitalized not included as CAPEX



# Debt Evolution as of 31<sup>st</sup> MAR 2021

- €51.4M invested in three acquisitions in Q1'21
  - ONI: €39.5M (€15.0M cash paid)
  - MM Customer Portfolio: €9M (€7.2M paid, rest in 12m)
  - ValoraData Bus. Unit: €2.38M (€1.7M paid, rest in 12m)
- New debt raised for ValoraData acquisition and CAPEX investments
- NFD/EBITDA over budgeted adj. EBITDA, although proforma EBITDA is higher

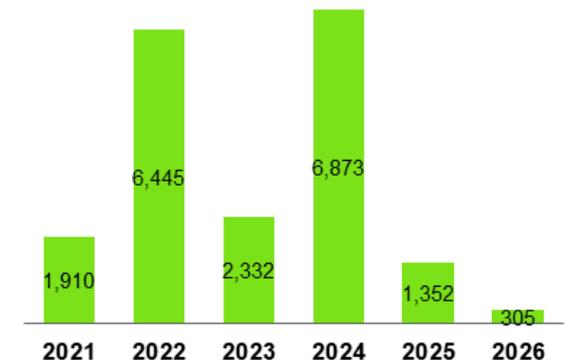


Figures in Euros

	MAR 2021	DEC 2020	Diff %
<b>R&amp;D and Banks Debt LT</b>	13,464,930	4,681,514	187.6%
<b>M&amp;A Related Debt LT</b>	3,842,500	3,267,500	17.6%
<b>R&amp;D and Banks Debt ST</b>	1,402,931	1,591,604	-11.9%
<b>M&amp;A Related Debt ST</b>	507,171	22,712,727	-97.8%
<b>GROSS FINANCIAL DEBT</b>	<b>19,217,532</b>	<b>32,253,345</b>	<b>-40.4%</b>
<b>Cash at hand</b>	7,669,940	22,957,175	-66.6%
<b>Net Financial Debt</b>	<b>11,547,592</b>	<b>9,296,169</b>	<b>24.2%</b>
<b>Adj. EBITDA*</b>	10,720,152	10,720,152	0.0%
<b>NFD/EBITDA</b>	1.08	0.87	24.2%

### Financial Debt Maturities

Figures in Thousands of Euros



- \* NFD/EBITDA calculated over budgeted adjusted EBITDA for 2021
- Convertible bonds not included as financial debt
- Current Investments not included in Cash at hand (€144K)



## Share Evolution

- Share price rallied at the end of last year, as the market welcomed corporate transactions and new strategy, **ending at €11.50, a 68.6% increase during the year**
- Large amount of new shares issued, with a total of 11.64 million shares, including recently issued shares (3.9M) to pay for ONI
- At current price, **market cap will be €116M and EV €128M, representing just over 10x EBITDA proforma**
- **Analysts very positive about the Company. GVC Gaesco targeting a €11.6 price**

# Comparables



Country	UK	Italy	UK	UK
Annual Revenues 2020	£393.8M	€52.5M	£112.6M	£87.5M
EBITDA 2020 (margin %)	£79.0M (20%)	€18.3M (35%)	£43.5M (39%)	£20.6M (24%)
Enterprise Value (EV)	£1,763M	€503M	£347M	£256M
EV/ Revenues	4.5	9.6	3.1	2.9
EV/ EBITDA	22.3	27.5	8.0	12.4
Net debt 2020 (NFD/EBITDA)	-£48M (-0.6x)	€95M (5.2x)	£58M (1.3x)	£35M (1.7x)

SOURCE: Renta4, Gigas, ADL

\* Figures for iomart and Redcentric are for fiscal year ending March 2020  
Rest of financial figures are for calendar year 2020. EV as of 19/MAY/2021

# Q&A



## Q1 2021 Results Investors Presentation



# gigas

Moisés Israel, Chairman  
Diego Cabezudo, CEO

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**gigas**

**Thank  
you**

