



HECHO RELEVANTE
GIGAS HOSTING, S.A.

11 de diciembre de 2018

En cumplimiento de lo dispuesto 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, y según la Circular 6/2018 del MAB, sobre información a suministrar por Empresas en Expansión.

Con motivo de la participación de GIGAS en el *36th ESN European Conference* celebrada en Londres, se adjunta la presentación corporativa que será empleada en dicho foro el día 12 de diciembre 2018.

Alcobendas, 11 de diciembre de 2018

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

36th ESN European Conference Investors Presentation

DECEMBER 2018



Diego Cabezudo
CEO

gigas



About Gigas

Gigas is a cloud computing company founded in 2011, operating in the "Infrastructure as a Service" (IaaS) segment

A sector with **significant growth rates** (over 25% per year in Spain and Latam, in the 2014-2018 period, according to Gartner), and consolidation opportunities.

Gigas has developed a **leading edge technology platform** (recognized by Gartner, MSPmentor, EuroCloud, The Cloud Awards and others) with an extremely intuitive and **easy to use user interface** (Control Panel).

Besides Spain, the company has **local offices throughout Latin America** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), that has been key to its success.

Gigas at a glance



Employees

90



Customers

4,000



Offices

Spain, USA, Colombia,
Peru, Chile, Panama and
Mexico



Sector

“Infrastructure as a Service” (IaaS)



6 Datacenters

Spain, USA, Chile, Colombia
(Tier III & IV)

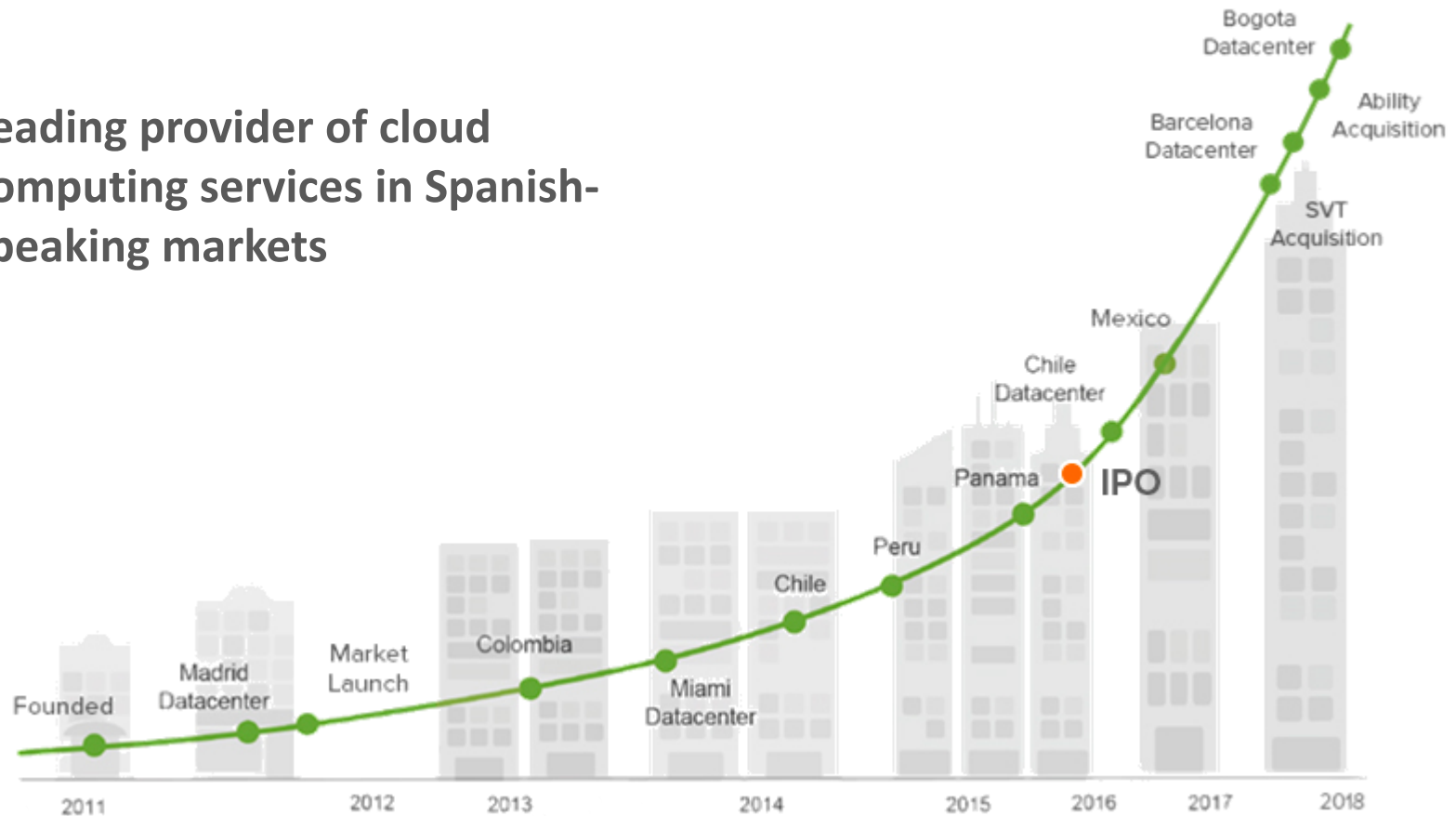


Listed on the Madrid Stock Exchange



Gigas' Timeline

Leading provider of cloud computing services in Spanish-speaking markets



Gigas Experience Team



Moisés Israel
CHAIRMAN



Diego Cabezudo
CEO



José Antonio Arribas
COO

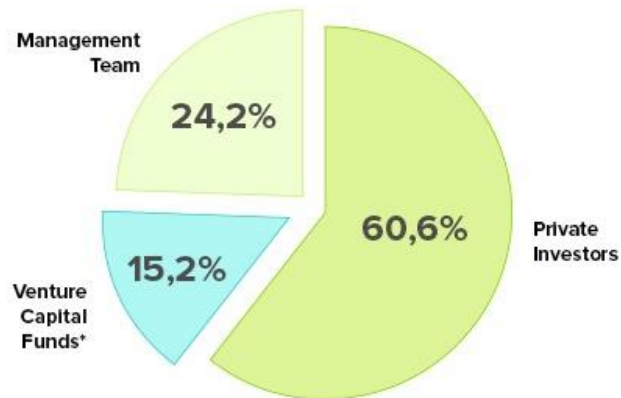
Lola Molins
MARKETING DIRECTOR

Alberto Fernández
SALES DIRECTOR

Joaquín Miranda
LATAM DIRECTOR

Cristian García
FINANCE CONTROLLER

Shareholders and Board of Directors



100% of Gigas shares are listed on the Alternative Stock Market (MAB) in the Madrid Stock Exchange.

*Venture Capital Funds:

- Bonsai Venture Capital (Investor in idealista.com, Softonic, Tuenti, Infojobs, Offerum, Top Rural, Wuaki tv,...)
- Caixa Capital Risc, La Caixa Group (investor in Privalia, Groupalia, La Nevera Roja,...)



Board of Directors Secretary: **Patricia Manca, PWC**
Auditor: **Ernst&Young**

Award Winning Technology



Cloud Service Provider in Spain
**MSPmentor Global Edition,
2015 & 2016**



Significant Global Provider
**Gartner Cloud Infrastructure
as a Service 2013, 14, 15 & 17**



Best IaaS Service
Eurocloud 2013 & 2014



Best Global Cloud Hosters
The Cloud Awards 2016, 2017



Best Cloud Hosting Service
eAwards 2013 & 2016



Official Cloud Provider
for the European Commission



1000 Europe's Fastest Growing Companies
(126th position)
Financial Times 2017, 18



Some Companies Hosted at Gigas



Infrastructure & Technology Partners

Getting the cloud infrastructure as close to the customer as possible is key for user experience, technical and regulatory reasons:

- Own infrastructure in six external data centers, with the highest Security and Availability certifications (Tier III and Tier IV): Madrid (two datacenters), Barcelona, Miami, Santiago de Chile, Bogota
- CAPEX Investment: ~€7.2M in the period 2011-2018
- Ratio CAPEX / Sales down from 1.0x in 2012 to 0.17x in 2017 and 0.11x expected in 2018
- Plan is to continue opening new datacenters, with Mexico probably being the next location

Main Technological Partners:

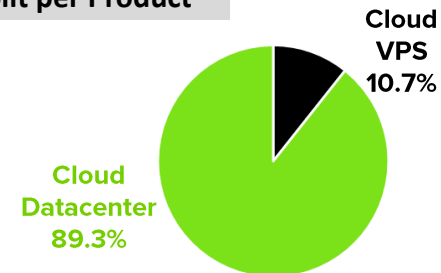


Cloud Datacenter

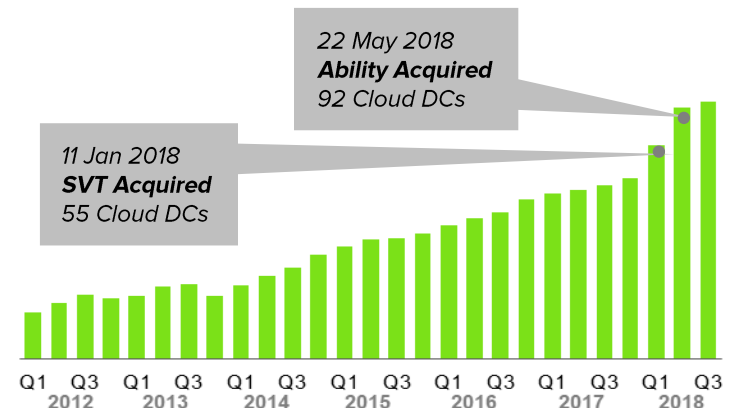
The screenshot shows the Gigas Cloud Datacenter website. The header includes the Gigas logo and navigation links. The main section features a video player with a play button and a description of the Cloud Datacenter as a cloud-based infrastructure solution. Below this, there are logos for VMware, SAP HANA, and Oracle. A pricing section shows a configuration with 4 gigs, 8 gigs, 12 gigs, and 16 gigs, with a total price of 179€. The bottom section highlights the benefits of the Cloud Datacenter, such as scalability, flexibility, and security.

- The **Cloud Datacenter**, aimed at medium and large corporates, with **89.3% of total ytd 2018 gross revs.** is the focus of Gigas and continues to grow both in terms of customers and ARPU

Revenue Split per Product

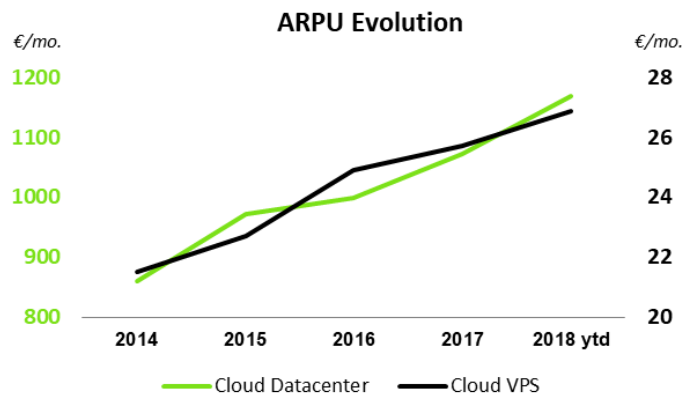


- Cloud Datacenter customers reached **714** at the end of the Q3 (15 more than Q2'18 and **232 more than a year ago**), helped by the customers brought in by the SVT and Ability acquisitions



Cloud VPS and ARPUs

- The Cloud VPS segment is very price sensitive. Gigas focuses only on high value customers and trades growing customers for higher ARPU and margins, together with low acquisition costs
- Cloud VPS customers reached 3,243 at the end of the Q3** (21 less than Q2'18 and 124 more than a year ago), helped by the customers brought in by the SVT acquisition (207 VPS customers)



- ARPU continues to grow strong for both segments
- Cloud DC ARPU reached €1,168/mo. during 2018, 9% higher than in 2017**, due to customer upgrades and winning of larger projects
- Cloud VPS ARPU averaged €26.5/mo. during 2018, 4.5% higher than in 2017**



Planes Cloud VPS

Para aplicaciones web ligeros	Para aplicaciones web con bases de datos ligeras	Para sistemas de gestión empresarial (ERP)	Para aplicaciones con bases de datos robustas
VPS nova	VPS pro	VPS elite	VPS summum
15,8€* al mes	29€ al mes	49€ al mes	69€ al mes
2 gigas de ram garantizada	4 gigas de ram garantizada	5 gigas de ram garantizada	6 gigas de ram garantizada
2 cores 2 threads	4 cores 2 threads	6 cores 2 threads	8 cores 2 threads
50 gigas de disco	100 gigas de disco	150 gigas de disco	200 gigas de disco
400GB *transferencia limitada	600GB *transferencia limitada	1200GB *transferencia limitada	1600GB *transferencia limitada
Firewall incluido	Firewall incluido	Firewall incluido	Firewall incluido
Continuar	Continuar	Continuar	Continuar

*Otros para contribuciones anuales. Precio mensual calculado sobre el precio anual entre 12

	nova	pro	elite	summum
Mensual	15€	29€	49€	69€
Soportado	99%	145%	245%	345%
Anual	150€	251€	441€	621€
Soporte técnico	✓	✓	✓	✓
Firewall Estándar	✓	✓	✓	✓
Backup Estándar	✗	✗	✓	✓
Comprar	Comprar	Comprar	Comprar	Comprar

Inorganic Growth

- The cloud and hosting market is dominated by 3-4 large players (c.50% of the market) whereas the other half is extremely fragmented.
- Gigas is exploiting the opportunity to acquire companies with good business customer bases which bring volume and significant synergies.
- **Two companies already acquired this year (January and May) and integration progressing well, with the first phase of integration completed.**



SVT

Country: Spain
Est. 2018 Revenue: €0.83M
EBITDA 2017: €0.15M (18%)
EV: 0.8x sales



ABILITY

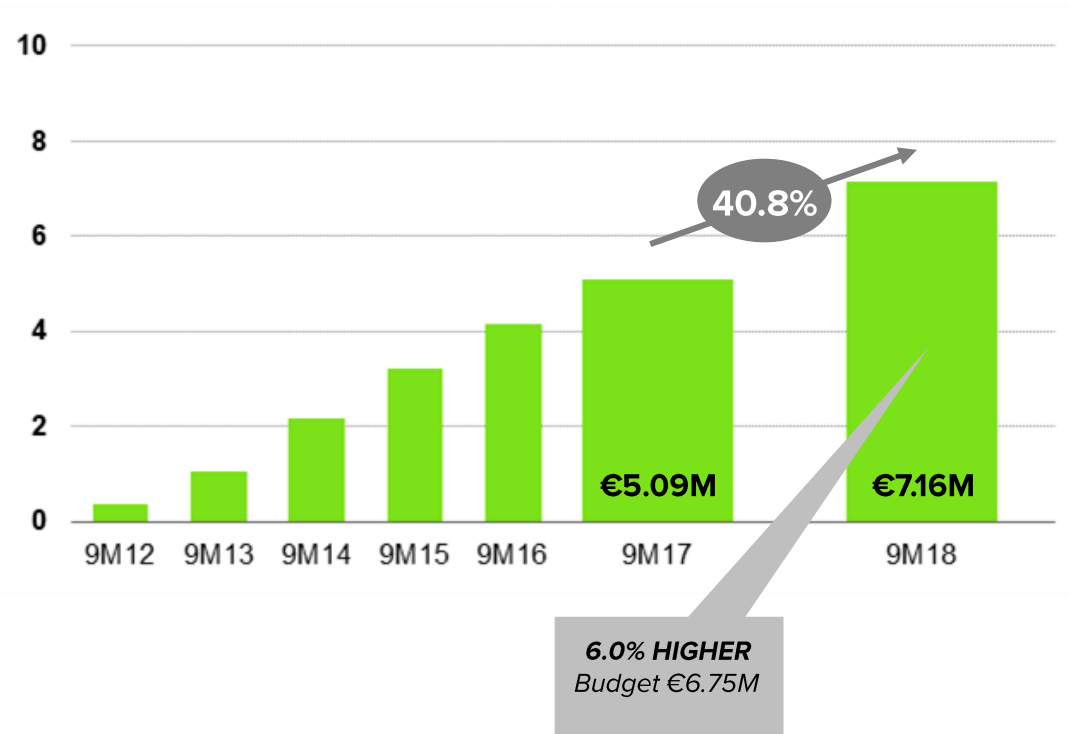
Country: Colombia
Est. 2018 Revenue: €1.63M
EBITDA 2017: €0.4M (25%)
EV: 1.2x sales

- The Company continues to evaluate new acquisition opportunities, both in Spain and in Latinamerica

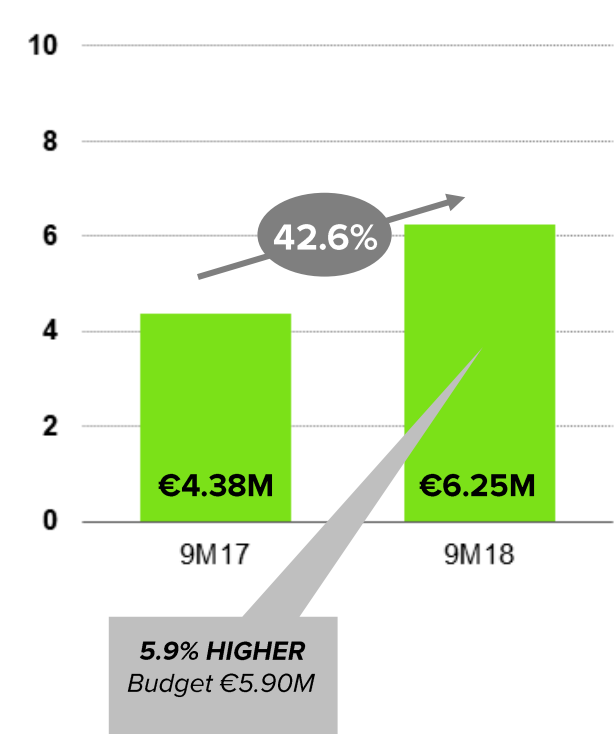
Revenues 9M18

- Revenues continue to grow strong, both due to organic growth and acquisitions
- SVT and Ability acquisitions contributing to higher than budgeted revenues, despite Ability only consolidating for a bit less than half of the period

Gross Revenues



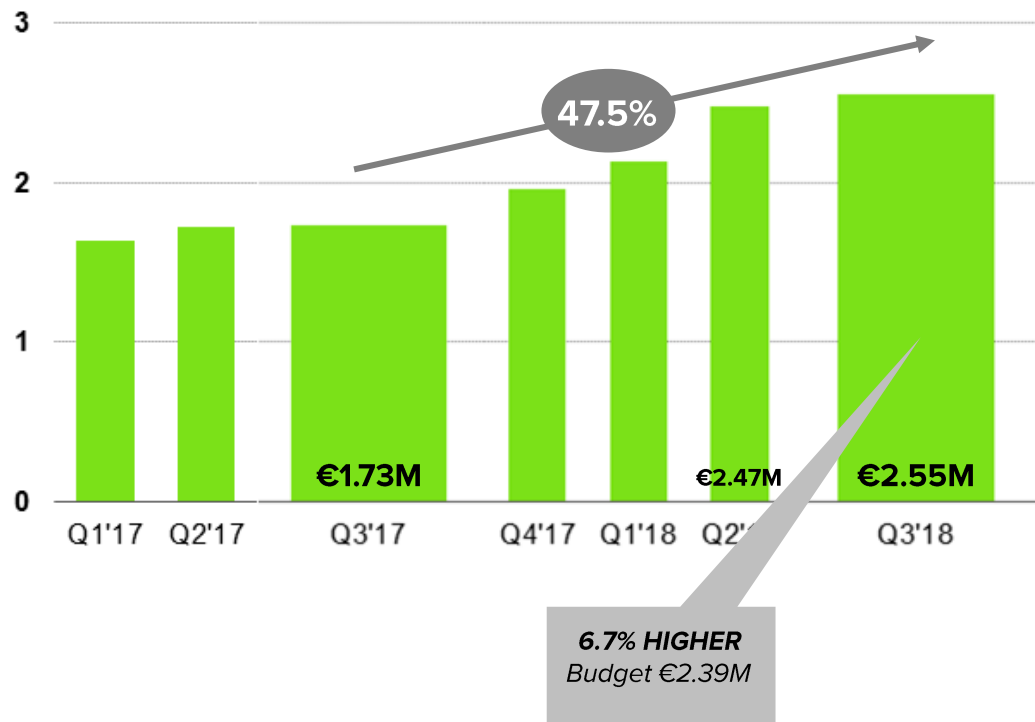
Net Revenues



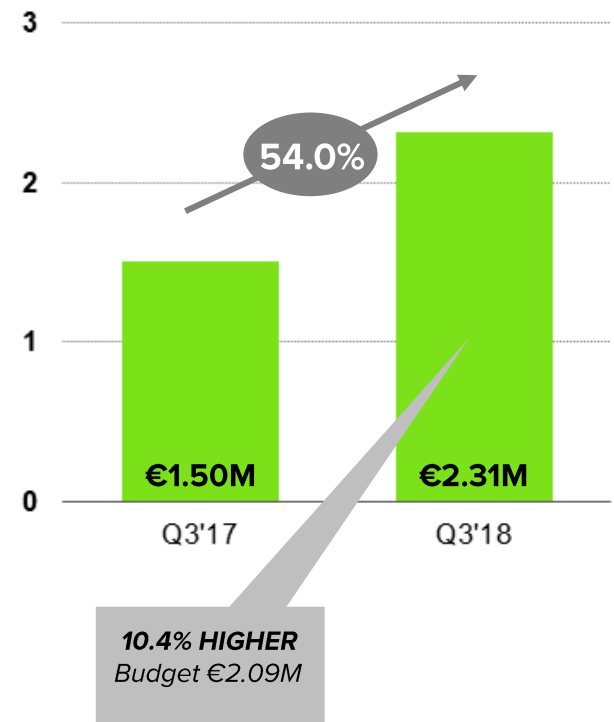
Revenues Q3

- **Growth Y-o-Y very significant in the quarter, due to the contribution of SVT and Ability**, which bring in more than half of the growth in the period
- Large customer lost in June impacted results, since it would have added almost €50K in the quarter

Gross Revenues



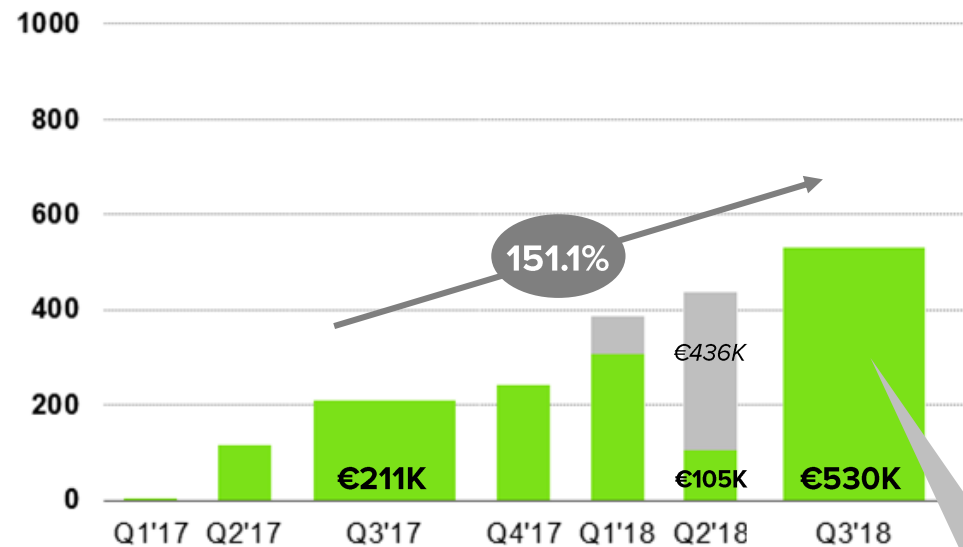
Net Revenues



EBITDA

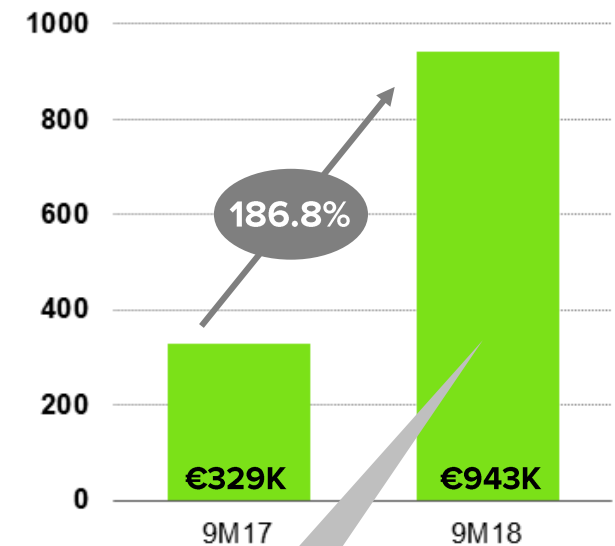
- **Much higher than budgeted EBITDA in the quarter, reaching €0.53M**, due to Ability (not included in original budget) and cost efficiencies, including SVT synergies
- A total of €411K of non-recurring costs related to M&A and a extraordinary bad debt provision were accounted in the first half of the year. Without those, EBITDA in the 9M18 would have reached €1.53M, 43.4% higher than budgeted

Quarterly EBITDA



50.6% HIGHER
Budget €352K

9M EBITDA



ON BUDGET
Budget €944K

2018 Budget

CONSOLIDATED GROUP BUDGET

Figures in EUR

	Q1	Q2	Q3	Q4	2018est	% Chg.	2017
Customer revenue	2.138.015	2.222.952	2.391.316	2.541.191	9.293.474	31,8%	7.053.165
Accrued sales	(18.965)	39.143	8.865	(59.557)	(30.514)	17,1%	(26.058)
Sales discounts and promotions	(288.006)	(287.715)	(305.554)	(310.116)	(1.191.392)	10,3%	(1.080.281)
Net revenue	1.831.044	1.974.380	2.094.627	2.171.517	8.071.568	35,7%	5.946.826
Own R&D costs capitalised	54.708	55.083	53.788	54.368	217.947	31,4%	165.833
Non-recurring income, grants and other	18.338	18.663	17.483	18.098	72.582	106,5%	35.151
Cost of sales	(410.973)	(442.529)	(480.896)	(499.897)	(1.834.295)	70,3%	(1.077.128)
Online and third-party customer acquisition costs	(18.505)	(19.190)	(18.416)	(20.564)	(76.675)	4,5%	(73.384)
Datacenters and connectivity	(180.546)	(192.182)	(208.471)	(217.467)	(798.666)	38,8%	(575.416)
Other supplies	(211.922)	(231.157)	(254.009)	(261.865)	(958.953)	123,9%	(428.328)
Personnel expenses	(747.115)	(802.556)	(841.967)	(840.493)	(3.232.132)	11,8%	(2.891.301)
Salaries and wages	(611.532)	(651.743)	(685.045)	(681.510)	(2.629.830)	10,7%	(2.375.557)
Social security costs	(135.583)	(150.814)	(156.922)	(158.983)	(602.302)	16,8%	(515.744)
Other operating expenses	(457.919)	(499.181)	(490.788)	(508.956)	(1.956.844)	22,1%	(1.603.090)
External services	(420.995)	(460.966)	(441.929)	(459.405)	(1.783.295)	18,8%	(1.500.460)
Professional services and other	(294.541)	(307.183)	(319.649)	(309.306)	(1.230.679)	15,3%	(1.066.996)
Marketing and publicity	(46.427)	(59.272)	(35.166)	(58.527)	(199.391)	37,6%	(144.936)
International expenses, except marketing	(80.027)	(94.511)	(87.114)	(91.572)	(353.224)	22,4%	(288.528)
Losses, impairment and changes in trade provisions	(36.924)	(38.214)	(48.859)	(49.551)	(173.549)	69,1%	(102.630)
Other income and expenses	-	-	-	-	-	-	(4.265)
EBITDA	288.083	303.859	352.247	394.637	1.338.827	134%	572.026
EBITDA margin, %	15,7%	15,4%	16,8%	18,2%	16,6%	72,4%	9,6%
Gross margin	1.383.146	1.493.636	1.564.872	1.622.070	6.063.724	30,4%	4.649.643
Gross margin, %	75,5%	75,7%	74,7%	74,7%	75,1%	(3,9%)	78,2%

FY 2018 Guidance Update

- Guidance provided in September, when releasing H1 results was to close 2018 with €9.8M in gross revenues and €8.5M in net revenues, higher than the €9.3M and €8.1M included in Budget
- The Company confirms such estimates and given the good performance of the past few months believes revenues could be a bit higher
- EBITDA for H2 estimated to surpass €1M, closing 2018 with a total of approximately €1.5M in EBITDA (higher than €1.3M budgeted)

**Est. Revs.
2018 Growth**

40%+

**Est. EBITDA
2018 Growth**

160%+



H1 2018 Balance Sheet and 2018 YE estimations

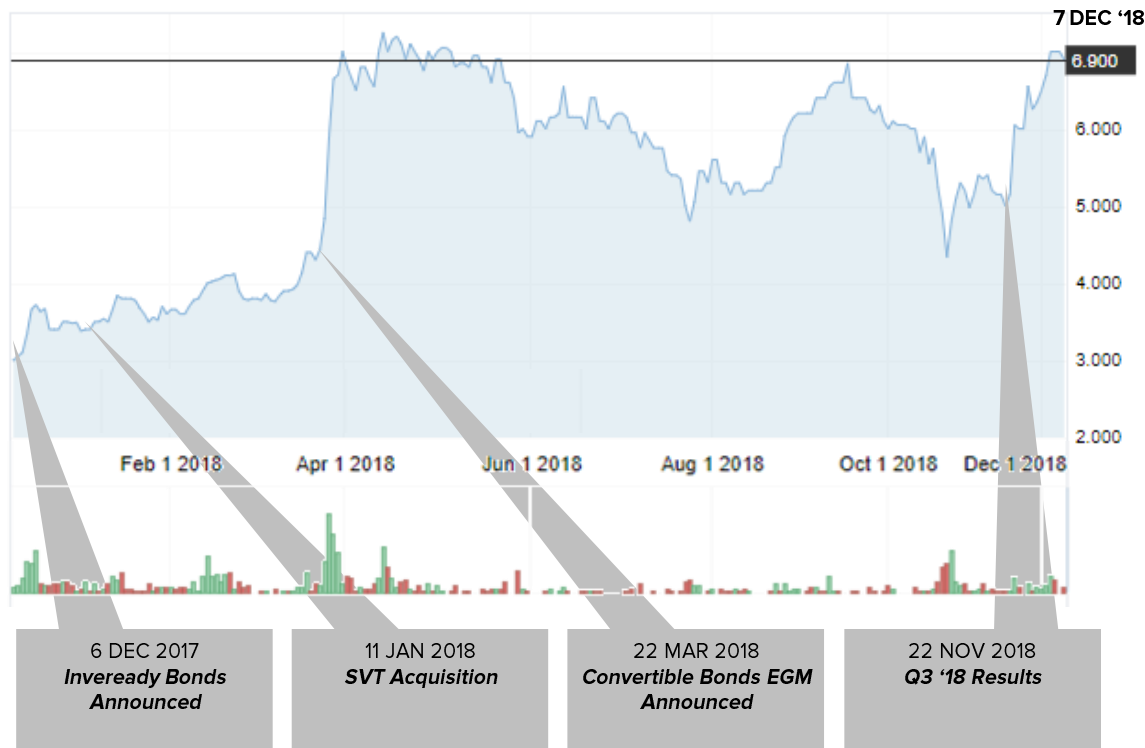
- Trade payables and receivables now normalized after acquisitions this year
- Convertible bonds issued this year (€2.5M) accounted as Other Equity Instruments (c. 30%) and Non-Current Liabilities (c. 70%)
- Intangible assets increase due to acquisitions. Goodwill temporary until the PPA (*Price Purchase Allocation*) for Ability is finalized. Most expected to be Customer relations
- Year End estimations: €2.4M cash and equivalents and €3.9M gross debt, excluding convertible bonds, resulting in a Net Debt of €1.5M and Net Debt to EBITDA ratio of 1x

	1H 2018 Limited rev.	2017 Audited		1H 2018 Limited rev.	2017 Audited
NON-CURRENT ASSETS	9,472,178	5,966,724	EQUITY	4,978,530	4,099,096
Intangible assets	3,882,398	1,340,788	Shareholders' equity	4,950,032	4,070,902
Development	110,581	165,833	Capital	86,446	85,500
Licenses, patents	36,574	38,990	Share premium	8,726,612	8,427,563
Software	1,157,262	1,135,965	Reserves	(243,601)	(243,601)
Goodwill	2,142,285	-	Treasury shares	(219,192)	(225,062)
Customer relations	435,696	-	Prior year's losses	(4,205,379)	(3,712,869)
Property, plant and equipment	2,960,216	2,315,512	Loss for the period	(266,454)	(492,510)
Non-current investments	281,195	181,033	Other equity instruments	1,071,599	231,881
Deferred tax assets	2,348,369	2,129,391	Translation differences	(15,791)	(23,460)
CURRENT ASSETS	3,840,653	2,756,632	Grants, donations and bequests	44,289	51,654
Trade and other receivables	1,676,677	894,031	NON-CURRENT LIABILITIES	4,401,710	1,992,922
Trade receivables	1,501,098	805,516	Non-current payables	4,175,168	1,912,722
Other receivables and employee receivables	72,093	20,115	Deferred tax liabilities	226,542	80,200
Current tax assets	80,904	50,673	CURRENT LIABILITIES	3,932,591	2,631,339
Other receivables	22,582	17,727	Current provisions	98,245	120,534
Investments	16,823	2,088	Current payables	1,873,118	1,586,512
Current accruals	207,050	211,127	Trade and other payables	1,382,017	428,965
Cash and cash equivalents	1,940,103	1,649,386	Current accruals	579,211	495,328
TOTAL ASSETS	13,312,831	8,723,356	TOTAL LIABILITIES	13,312,831	8,723,356

Share Price Evolution

- Share price developing very well: Up **112.3%** since IPO, **130.0%** in the last 12 months and **98.3%** ytd
- **Second most liquid stock in MAB-EE** in relative terms and fourth in absolute terms

GIGA Share Price 12M



Liquidity Scores

	Negotiated Vol. (€'000s)	
	JAN-OCT	Avg. Daily
#1 Atrys Health	9,824	46
#2 Ebioss Energy	9,019	42
#3 Eurona Telecom	8,908	42
#4 Gigas Hosting	8,281	39
#5 AB Biotics	6,705	31

	% of Total Shares Negotiated (10M18)
#1 Ebioss Energy	98%
#2 Gigas Hosting	36%
#3 VozTelecom	33%
#4 Facephi	29%
#5 Catenon	27%

Source: **renta4banco**
CORPORATE FINANCE



gigas

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 @diegocabezudo

**Thank
you**

