

OTRA INFORMACIÓN RELEVANTE



PRESENTACIÓN DE RESULTADOS DEL PRIMER TRIMESTRE 2020 GIGAS HOSTING, S.A.

21 de mayo de 2020

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, y según la Circular 6/2018 del Mercado Alternativo Bursátil (en adelante “MAB”) sobre información a suministrar por Empresas en Expansión, por la presente Gigas Hosting, S.A. (en adelante “GIGAS”) comunica al mercado la invitación para asistir a la presentación de resultados financieros consolidados del primer trimestre de 2020 de la Compañía Gigas Hosting, S.A. y sus sociedades dependientes (en adelante “GIGAS”, “Grupo GIGAS”, el “Grupo”, la “Compañía” o la “Sociedad”), publicados como “Otra Información Relevante” el pasado día 18 de mayo de 2020.

La presentación de resultados se ha programado a través de una conferencia telemática o *webinar* que tendrá lugar en el día de hoy, donde su Consejero Delegado explicará en detalle los resultados financieros consolidados del primer trimestre de 2020 y estará abierta a todos aquellos inversores, analistas y personas interesadas, que podrán seguir dicha presentación online y realizar las preguntas que consideren oportunas. Posteriormente al *webinar*, el vídeo quedará almacenado y podrá ser consultado en la página web de GIGAS.

WEBINAR PRESENTACIÓN DE RESULTADOS T1 2020

FECHA Y HORA: Jueves 21 de mayo, 10:30am

ENLACE PARA INSCRIPCIÓN: <http://gigas.com/ResultadosGigas/2020Q1>

En Madrid, a 21 de mayo de 2020,

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

Q1 2020 Results Presentation for Investors



Diego Cabezudo
CEO



MAY

2020

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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.

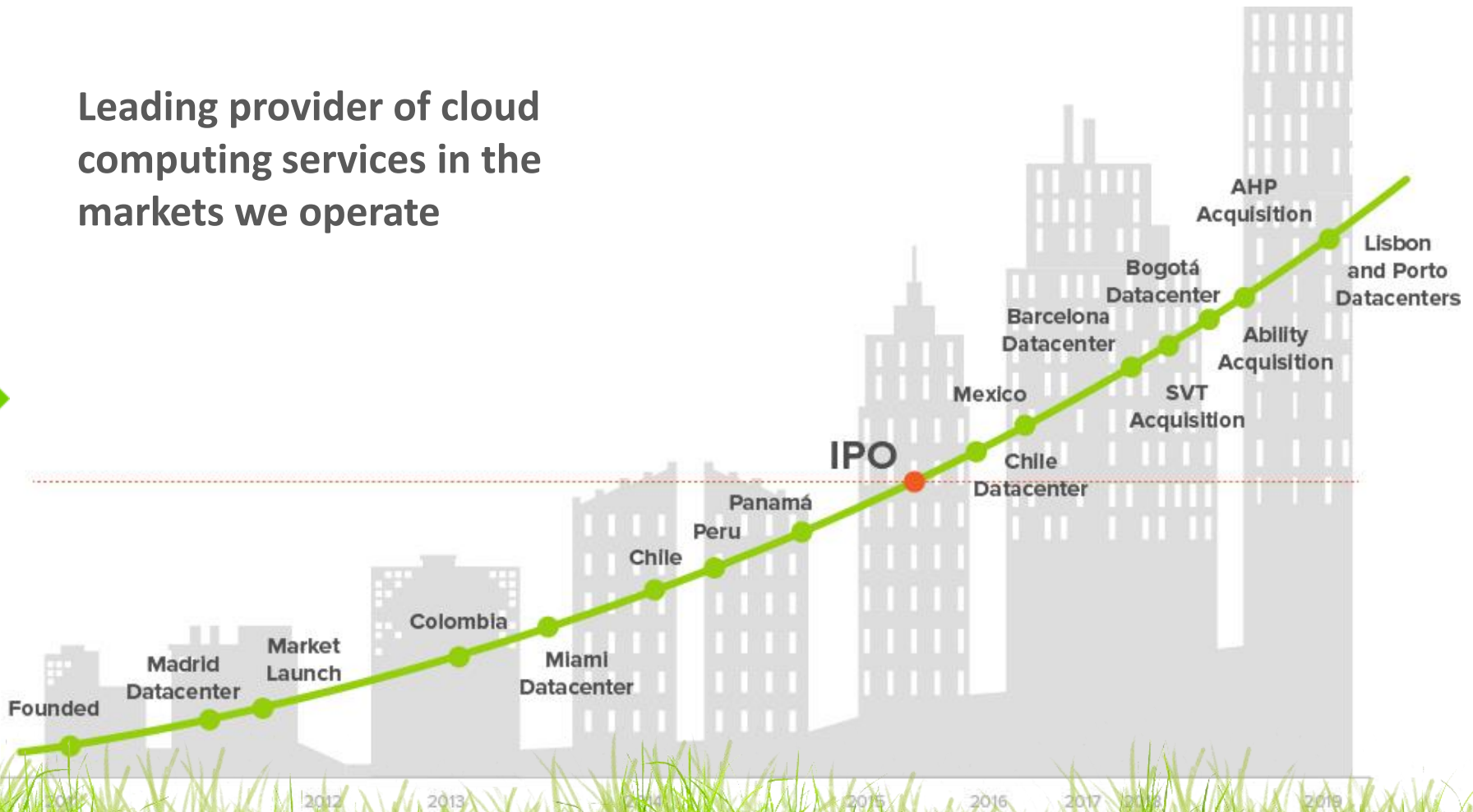
The Information reflects the current view of Gigas with respect to future events, and as such, do not represent any guarantee of future certain fulfilment, and are subject to risks and uncertainties that could cause the final developments and results to materially differ from those expressed or implied by such Information. These risks and uncertainties include those identified in the documents containing more comprehensive information filed by Gigas, such as Annual Accounts or the Incorporation Memorandum (Sept. 2015).

Except as required by applicable law, Gigas does not assume any obligation to publicly update the Information to adapt it to events or circumstances taking place after the date of this presentation, including changes in the Company's strategy or any other circumstance.

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Gigas' Timeline

Leading provider of cloud computing services in the markets we operate



Some Companies Hosted at Gigas



FY 2020 Key Highlights



Limited growth due mostly to Latam currencies; net revenues grow 6.3% year on year



EBITDA reaches €0.60M in Q1, €0.67M before M&A and Stock Options, representing 25.6% EBITDA margin



Results significantly impacted by the severe depreciation of the currencies in Latam



Cloud Datacenter customers reached 801 (6.4% up YoY), representing over 91% of Gigas' revs.



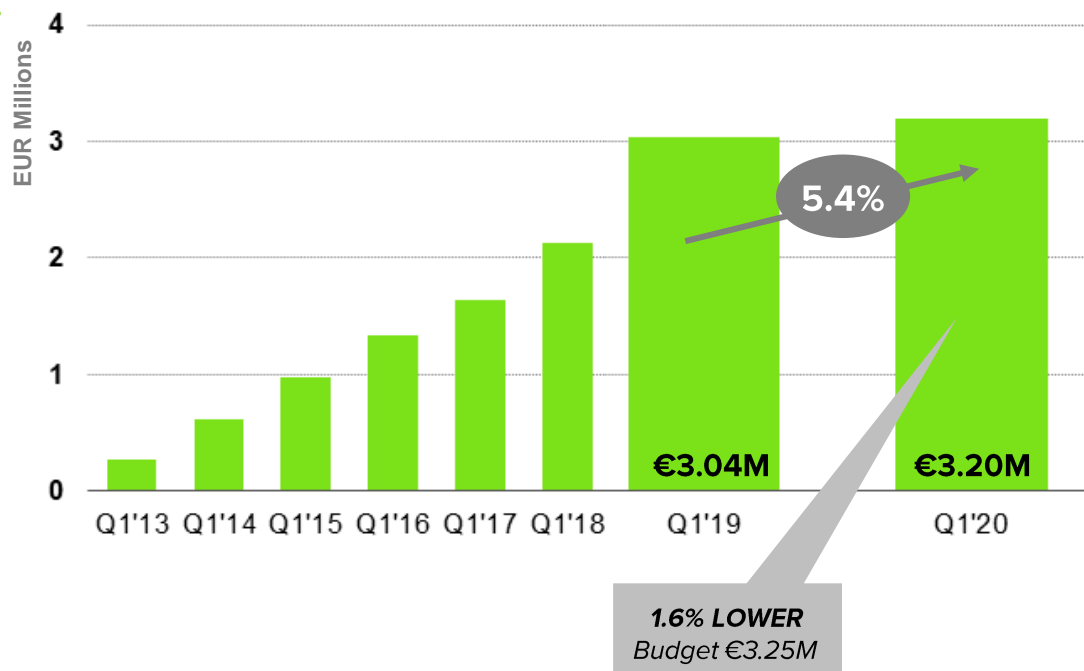
Company continues to generate cash, but net result affected by M&A amortizations and FX



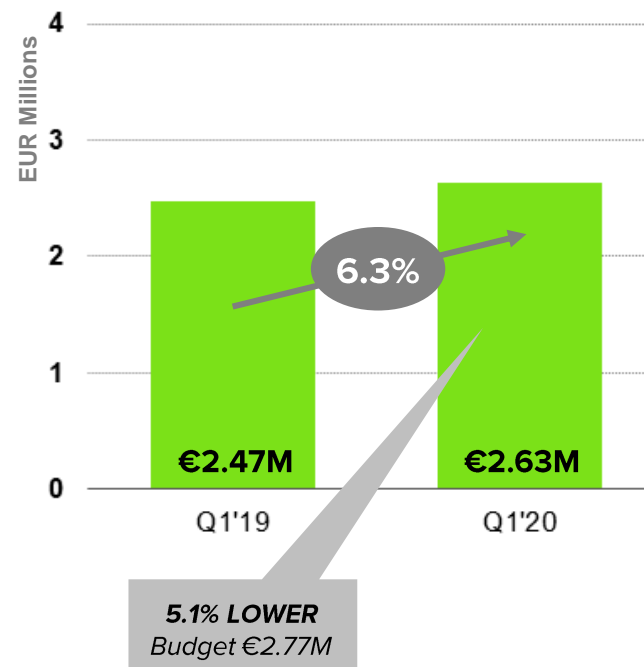
Revenues Q1 2020

- **Gross revenues reached €3.20 million in Q1 2020, 5.4% higher than in Q1 2019.** Net revenues reached €2.63M in Q1 2020, 6.3% higher than the €2.47M from Q1 2019
- **Revenues lower than budgeted**, significantly impacted by severe depreciation of currencies in LATAM (down 25-30% in some countries). Revenues at currency constant rates would be €93K higher, representing a growth of 10.1%, y-o-y

Gross Revenues



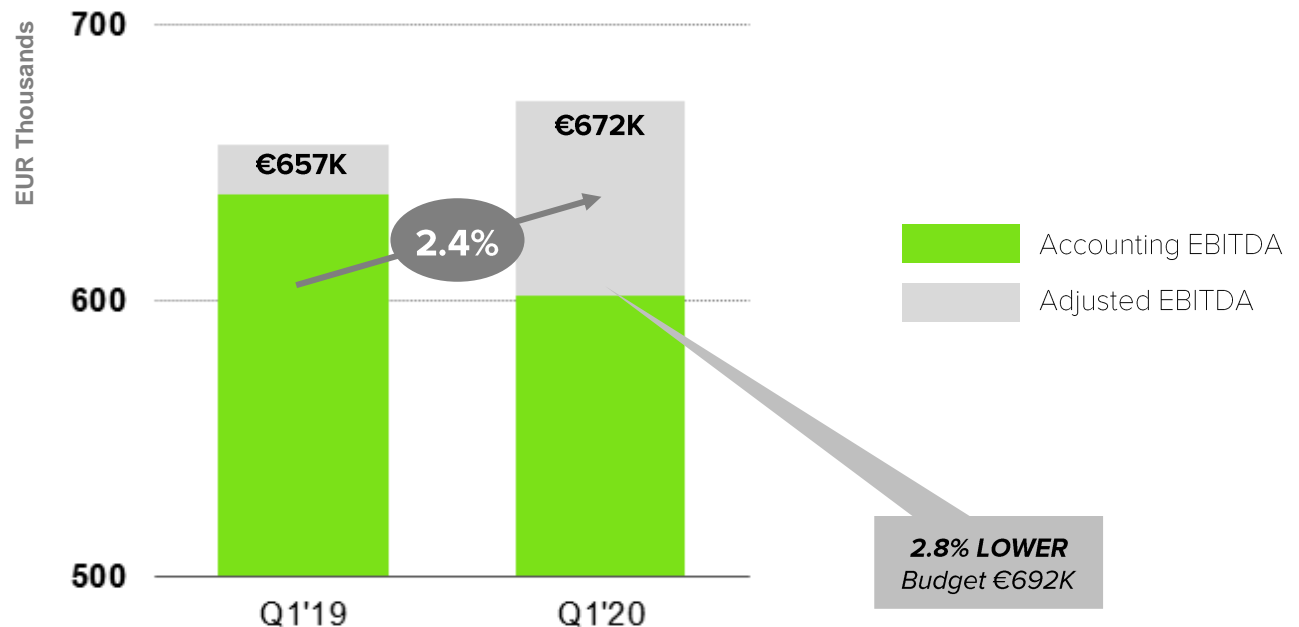
Net Revenues



EBITDA Q1 2020

- **Q1 2020 EBITDA (before M&A and stock options) reached €0.67M in the quarter, 2.4% higher than the EBITDA from Q1 2019**
- **EBITDA in the quarter was slightly below budget**, due mostly to the impact from currencies in LATAM. At constant currency rates, EBITDA would have been €0.74M, 12.1% higher than a year ago
- EBITDA also lower than the previous quarter due to annual cost increases from software licenses, personnel and datacenters and the aforementioned FX impact

Quarterly EBITDA



Q1 2020 Results vs. Q1 2019 and vs. Budget

CONSOLIDATED INCOME STATEMENT

Figures in EUR

	2020 JAN-MAR	2019 JAN-MAR	2020 budget JAN-MAR
		% Chg.	
Gross sales	3.200.613	5,4%	3.036.615
Accrued sales	(125.410)	(15,8%)	(148.969)
Sales discounts and promotions	(444.114)	7,4%	(413.529)
Revenue	2.631.089	6,3%	2.474.118
Own R&D costs capitalised	111.110	77,2%	62.714
Non-recurring income, grants and other	27.618	176,5%	9.987
Cost of sales	(686.199)	21,8%	(563.174)
Online and third-party customer acquisition costs	(6.968)	(57,3%)	(16.301)
Datacenters and connectivity	(302.578)	17,5%	(257.580)
Other supplies	(376.653)	30,2%	(289.292)
Gross margin *	1.944.890	1,8%	1.910.944
Gross margin, %	73,9%		77,2%
Personnel expenses	(1.037.935)	18,7%	(874.737)
Salaries and wages	(863.694)	17,8%	(733.340)
Social security costs	(174.241)	23,2%	(141.397)
Other operating expenses	(444.030)	(5,1%)	(467.774)
External services	(418.836)	(1,7%)	(426.111)
Professional services and other	(390.429)	0,5%	(388.547)
Marketing and publicity	(28.407)	(24,4%)	(37.564)
Losses, impairment and changes in trade provisions	(25.194)	(39,5%)	(41.663)
Other income and expenses	(6)	(99,8%)	(2.502)
EBITDA	601.647	(5,8%)	638.633
EBITDA margin, %	22,9%		25,8%
EBITDA before M&A and stock options	672.321	2,4%	656.755
Adjusted EBITDA margin, %	25,6%		25,0%

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

2020 Budget and Potential COVID-19 Impact

- Due to COVID-19 crisis and currencies, we expect Q2 to be impacted negatively from discounts and subsidies offered to help customers, loss of some customers, bad debt and the already mentioned currency impact
- We expect to see an improvement in Q3, and later Q4 going back to normal levels

2020 CONSOLIDATED BUDGET

EUR	Q1	Q2	Q3	Q4	2020b	%	2019
Gross sales	3,252,899	3,263,105	3,431,583	3,843,509	13,791,095	16.4%	11,846,249
Accrued sales	(82,970)	92,818	131,134	(118,283)	22,699	-69.0%	73,291
Sales discounts and promotions	(398,023)	(396,336)	(421,410)	(485,780)	(1,701,548)	0.6%	(1,691,622)
Revenue	2,771,906	2,959,588	3,141,307	3,239,445	12,112,246	18.4%	10,227,918
Own R&D costs capitalised	105,705	107,705	96,205	87,205	396,820	20.7%	328,655
Non-recurring income, grants and other	9,063	9,063	9,063	9,063	36,252	-56.9%	84,087
Cost of sales	(730,238)	(750,260)	(768,054)	(783,019)	(3,031,571)	26.0%	(2,406,276)
Online and third-party customer acquisition costs	(5,572)	(10,235)	(13,267)	(13,669)	(42,744)	-27.5%	(58,973)
Datacenters and connectivity	(312,016)	(312,246)	(316,246)	(316,246)	(1,256,753)	17.2%	(1,072,622)
Other supplies	(412,650)	(427,779)	(438,541)	(453,104)	(1,732,074)	35.9%	(1,274,681)
Gross profit	2,041,668	2,209,328	2,373,253	2,456,426	9,080,675	16.1%	7,821,643
Gross profit margin %	73.7%	74.6%	75.5%	75.8%	75.0%	-2.0%	76.5%
Personnel expenses	(1,052,329)	(1,085,240)	(1,071,269)	(1,044,645)	(4,253,483)	13.8%	(3,737,552)
Salaries and wages	(880,594)	(908,215)	(896,730)	(867,112)	(3,552,651)	14.5%	(3,102,409)
Social security costs	(171,735)	(177,025)	(174,539)	(177,533)	(700,832)	10.3%	(635,143)
Other operating expenses	(482,797)	(524,996)	(504,230)	(542,288)	(2,054,311)	4.2%	(1,971,043)
External services	(446,302)	(484,811)	(463,210)	(499,058)	(1,893,381)	2.5%	(1,847,758)
Professional services and other	(409,377)	(421,960)	(418,435)	(427,783)	(1,677,555)	0.8%	(1,664,349)
Marketing and publicity	(36,925)	(62,851)	(44,775)	(71,275)	(215,826)	17.7%	(183,409)
Losses, impairment and changes in trade provisions	(36,494)	(40,185)	(41,020)	(43,230)	(160,930)	30.5%	(123,285)
Other income and expenses	-	-	-	-	-		(21,287)
EBITDA	621,310	715,860	903,022	965,761	3,205,953	28.0%	2,504,501
EBITDA margin, %	22.4%	24.2%	28.7%	29.8%	26.5%	8.1%	24.5%

Customer Numbers

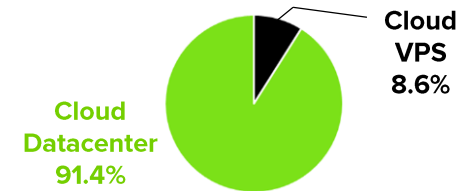
- Cloud VPS customers reached **2,766** in the **Q1**, lower than the 3,083 customers a year earlier, but in line with Gigas' strategy to focus on high value add customers at the expense of customer numbers



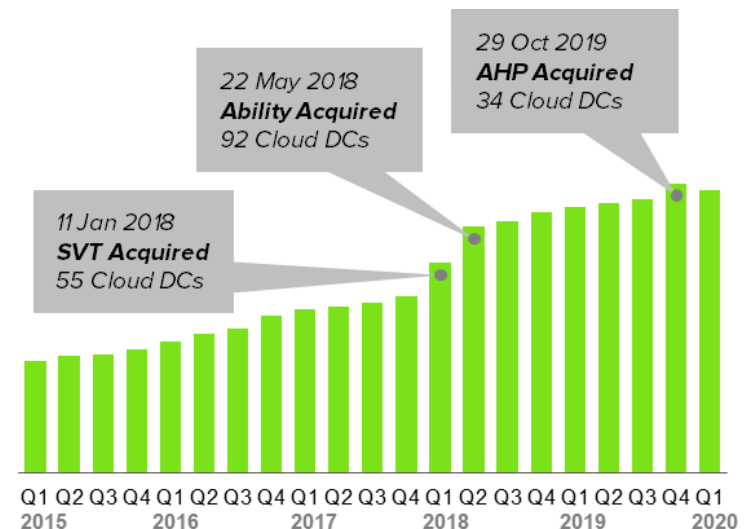
Para aplicaciones web ligeros	Para aplicaciones web con bases de datos ligeros	Para sistemas de gestión empresarial (CRM)	Para aplicaciones con bases de datos robustas
VPS nova	VPS pro	VPS elite	VPS summum
15,8€ / mes	29€ / mes	49€ / mes	69€ / mes
2 gigas de ram	4 gigas de ram	5 gigas de ram	6 gigas de ram
2 cores intelcore	4 cores intelcore	6 cores intelcore	8 cores intelcore
50 gigas de disco	100 gigas de disco	150 gigas de disco	200 gigas de disco
400GB	600GB	1200GB	1600GB
1 hora de backup	1 hora de backup	1 hora de backup	1 hora de backup
Firewall incluido	Firewall incluido	Firewall incluido	Firewall incluido
Continuar	Continuar	Continuar	Continuar

	nova	pro	elite	summum	data	nova	pro	elite	summum
Memoria	1GB	2GB	4GB	6GB	Cores	2	4	6	8
Disco duro	50 GB	100 GB	150 GB	200 GB	Disco duro	50 GB	100 GB	150 GB	200 GB
Almacenamiento	400 GB	600 GB	1200 GB	1600 GB	Almacenamiento	400 GB	600 GB	1200 GB	1600 GB
Firewall	✓	✓	✓	✓	Firewall	✓	✓	✓	✓
Backup	✓	✓	✓	✓	Backup	✓	✓	✓	✓
Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar	Continuar

- The **Cloud Datacenter**, aimed at medium and large corporates, is Gigas' main product, with 91.4% of gross revenues, and continues to grow



- Cloud Datacenter customers reached **801** at the end of **Q1 2020** (vs 753 a year earlier), helped by customers from AHP acquisition last Oct but already impacted by some customer losses due to currencies and COVID-19





Share Evolution and Analysts' Reports

- Share remained fairly flat during 2019, ending at €6.82 at year end, a 4.9% increase during the year
- Share Price hit by the COVID-19 impact on markets reaching a low of €4.15 in March, but recovering since then
- Management believes share price will continue recovering when the markets stabilize and will reflect the value of GIGAS and its growing cash generation
- **Analysts also very positive about the Company, with an consensus target price of €8.97**
 - GVC Gaesco, **BUY**, €9.86. MAR'20
 - Estrategias de Inversión, **BUY**. APR'20
 - Renta4, **BUY**, €8.6-€9.2. OCT'19
 - UDEKTA, **BUY**, €8.9. APR'20
 - MABIA, **BUY**, €8.25. JUL'19

Q&A



Q1 2020 Results Investors Presentation



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CEO

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**Thank
you**

