

The Company releases its consolidated earnings for the first quarter

## **Gigas more than triples revenues and EBITDA**

- **Net revenue soared by 251% year-on-year to €9.32M and EBITDA by 215% to €2.12M**
- **This was the first set of results after the latest acquisitions**
- **With these acquisitions, Gigas has become a group with annual revenue of c. €60M and EBITDA of €12M**

**Madrid, 24 May 2021.-** Gigas, a Spanish multinational specialised in converged telecommunications services, IT and cloud services for companies, today released its results for the first quarter of 2021, which illustrate the marked change in the consolidated Group in the wake of the latest acquisitions. Growth should continue in the second quarter with the consolidation of ONI for a full quarter and the inclusion of the business unit acquired from ValoraData.

Gigas, which now provides converged telco/cloud/cybersecurity services to over 10 thousand business customers, has become a group with c. €60M of annual revenue and €12M of EBITDA.

Net revenue in the first quarter of 2021 amounted to €9.32M, driven by the acquisitions made in recent months and outperforming the budget thanks to the earlier-than-expected consolidation of ONI's earnings (the budget did not factor in ONI in the first quarter). This marked a more than 3.5-fold increase on Q1 2020 (€2.66M) and was 73% above €5.40M budgeted.

Telecom revenue (from ONI and the MasMovil portfolio) accounted for 62% of the total, and cloud and cybersecurity 38%. Gross margin in Q1 was €5.60M, up 197% in absolute terms from the €1.88M of Q1 2020. This amounted to 60.1% of revenue, well below last year's 70.8% due to the lower margins contributed by the acquired companies, especially telecoms, which was factored into the Company's budget for this year.

Adjusted EBITDA in Q1 2021 (excluding €0.163M of M&A costs and €0.118M of incentive programmes and stock options) was €2.12M, 215% above the figure for Q1 2020 (€0.67M) and 74% above the €1.22M budgeted thanks to the consolidation of ONI. Accounting EBITDA (excluding costs of M&A and incentive programmes) was €1.84M, more than triple the year-earlier figure (€0.60M).

The adjusted EBITDA/revenue ratio was 22.7%, below the 25.3% of Q1 2020 due to the inclusion of acquirees with lower EBITDA margins, but slightly above budget (22.6%).

Gross debt, excluding the €2.5M of convertible bonds subscribed by Inveready and the debt related to the payment for ONI, which was settled recently with Gigas shares, ended March 2021 at €19.22M, compared to €5.18M at 31 March 2020. However, with the two monetary capital increases carried out at the end of 2020, for a combined €20.72M to fund these acquisitions, and the payment of part of ONI's price with shares, net financial debt (€11.55M) amounted to 1.1x estimated EBITDA for the full year. With net financial debt/EBITDA ratio at this level and €7.70M of cash at the end of the quarter, the Company is in a comfortable position and has plenty of room to increase leverage for future acquisitions.

# gigas

According to **Diego Cabezudo, CEO and co-founder of Gigas**, "2021 looks set to be a year of transition, with the focus on integrating and consolidating the acquisitions made. We are extremely upbeat about our new strategy to become the leading converged operator in the Iberian Peninsula's enterprise market. We expect to see considerable cross-selling opportunities in existing customer portfolios and organic growth in business customers, which are increasingly demanding a personalised one-stop shop that meets their IT needs". He added "Penetration of the telco market has expanded our potential target market considerably; the mid market for telecoms companies in our footprint markets is estimated at nearly €20Bn, compared to around €700M".

In March, Gigas carried out its fourth M&A deal in six months with the acquisition of Valoradata's cloud backup business unit. Also towards the end of March, the tech company announced that it had completed the acquisition of ONI, a leading telecommunications operator in Portugal. Previously, in February, Gigas acquired a portfolio of business customers from MásMóvil and in September 2020 it acquired Ignitar, an Irish cloud services provide specialising in SAP.

## About Gigas

Gigas is a Spanish multinational specialised in converged telecommunications services, IT and cloud services for companies, and is listed on the BME Growth market (GIGA.MAB). Set up in 2011, it has become a pioneer in offering technologically innovative, knowledge-based comprehensive turnkey service to address the challenges that today's telecommunications pose for companies. Offering comprehensive and customised solutions to both large companies and SMEs, it stands out for its exceptional technical support and for being there for its customers every step of the way. With 11 datacenters in Europe, the USA and Latin America, the company has offices in Spain, Portugal, Ireland, Colombia, Chile, Peru, Mexico and the USA.

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