

# gigas

the cloud hosting company™

**Investors Presentation**

*May 2017*

[gigas.com](http://gigas.com)

# About Gigas

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- Gigas is a cloud computing company founded in October 2011, operating in the "**Infrastructure as a Service**" (IaaS) sector
- 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)
- The company has **local offices** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), which has been key to its success in countries such as Spain and Colombia

# Gigas at a Glance



## Employees

+75



## Sector

“Infrastructure as a Service” (IaaS)



## Customers

+3,500



## Datacenters

Spain, USA, Chile (Tier III & IV)

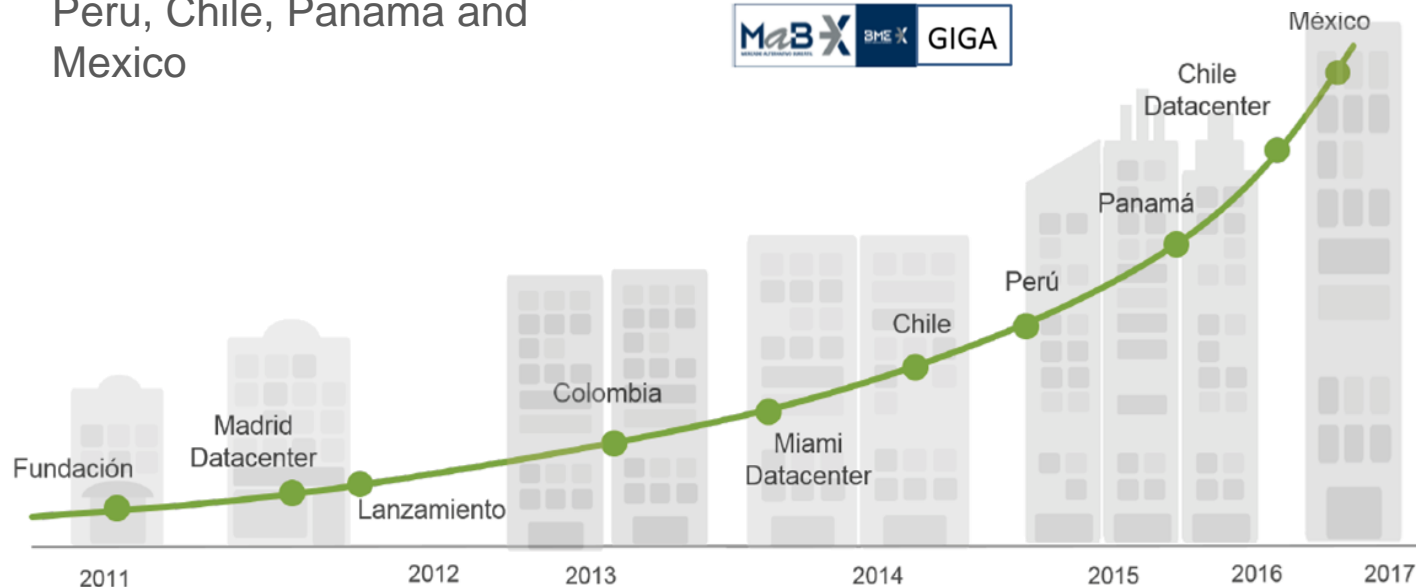


## Offices

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



## Listed on the Madrid Stock Exchange



# Track Record

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- In just five years (2012-2016), Gigas has attracted over 3,500 business customers, making it one of the leading IaaS providers in Spain and the only official Spanish cloud provider for the European Commission and its agencies
- The company's business model is based on recurring revenues and low churn, and stands out for its flexibility, cost control and innovative features as well as its ability to expand to new markets or countries in a cost efficient manner.
- With a turnover of €1.64M in Q1 2017 (€6.5M annualized), Gigas continues to grow over 20% annually and has laid the foundations required to accelerate its growth in Spain and Latam (recent office opened in Mexico and sales team strengthened)
- Gigas has a management team with vast experience in the sector and proven execution capabilities, who have received the support of important venture capital firms

**GIGAS wants to be the leading IaaS provider in the Spanish-speaking countries and has a management team with execution power**

# Experienced Team



**Moisés Israel**

**CHAIRMAN**

**José Antonio Arribas**

**COO**

**Diego Cabezudo**

**CEO**

**Lola Molins**

**MARKETING DIRECTOR**

**Alberto Fernández**

**SPAIN SALES DIRECTOR**

**Carlos García**

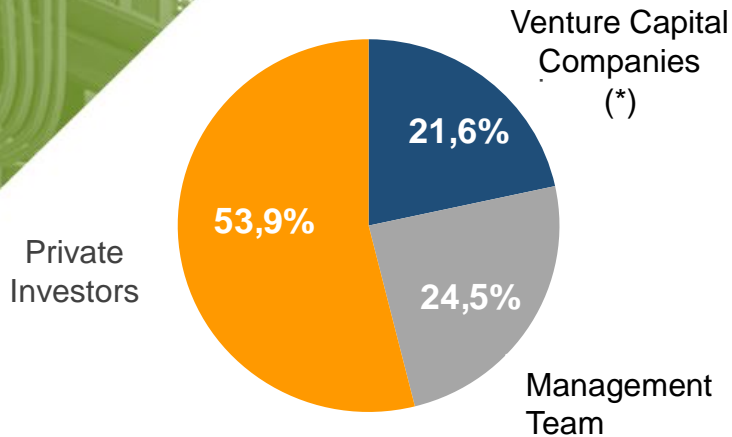
**LATAM SALES DIRECTOR**

**Cristian García**

**FIN. CONTROLLER**

# Shareholders and Board of Directors

## Shareholders



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

(\*) Mainly:

- **Cabiedes & Partners** (Investor in Privalia, Ole.com, Myalert, Trovit, Offerum, Zyncro, Bubok,...)
- **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



Board of Directors Secretary: **Patricia Manca, PWC**

Auditor: **Ernst&Young**

# Well-known Reputation

1<sup>st</sup>

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

1<sup>o</sup>

Best Global Cloud Hoster  
**The Cloud Awards 2016**

TOP  
25

Significant Global Provider  
**Gartner Cloud Infrastructure  
as a Service 2013, 2014 & 2015**

1<sup>o</sup>

Best Cloud Hosting Service  
**eAwards 2013 & 2016**

1<sup>st</sup>

Best IaaS Service  
**Eurocloud 2013 & 2014**

TOP  
5

Official Cloud Provider  
**for the European Commission**

TOP  
FT

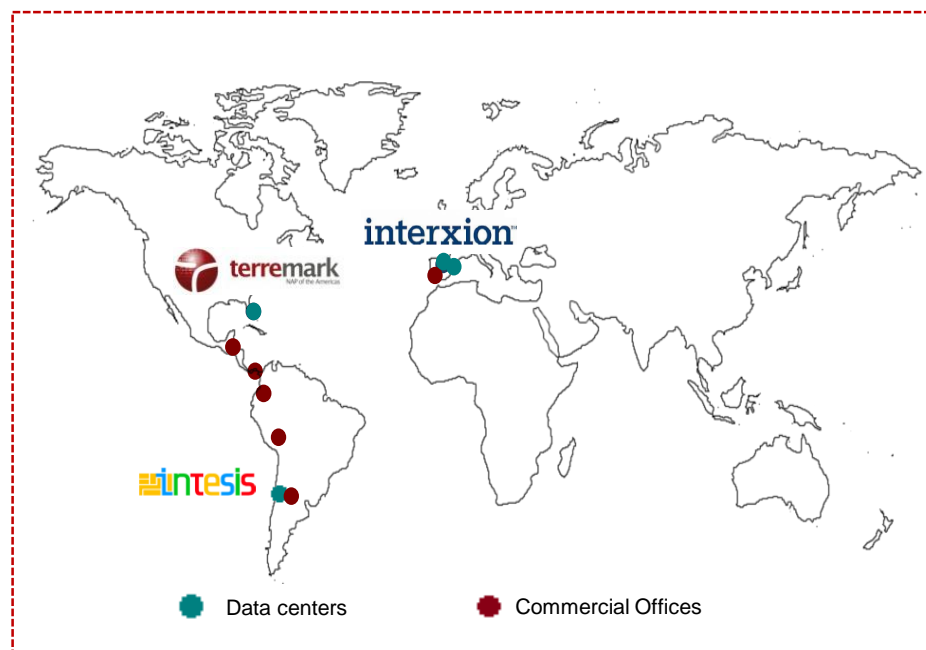
1000 Europe's Fastest Growing Companies  
(126<sup>th</sup> Ranked)  
**Financial Times 2017**





# Infrastructure & Technological Partners

- Own infrastructure in four external data centers, with the highest Security and Availability certifications:
  - Interxion I and II (Madrid): Tier III
  - Terremark (Miami): Tier-IV
  - Intesis (Santiago, Chile): Tier II
- Infrastructure provided by market leaders: HP, NetApp, Cisco, Solidfire, Fortinet.
- CAPEX Investment: €5M in the period 2011-2016
- Ratio CAPEX / Sales down from 1.0x in 2012 to 0.19x in 2016



## Main Partners





# Some Companies Hosted by Gigas



More than  
3,500  
customers



# Services – Cloud VPS

The screenshot displays the Gigas Cloud VPS website. At the top, the logo 'gigas' is followed by the tagline 'cloud hosting made easy'. A navigation bar includes links for 'Cloud Datasheet', 'Cloud VPS', 'about gigas', 'frequently asked questions', 'help & support', 'control panel', '10 reasons', 'blog', and 'twitter'. The main heading is 'Cloud VPS', with a sub-heading 'How to upgrade your old VPS to the new cloud platforms? Cloud VPS is our answer to that question. Private servers, guaranteed resources and a next generation platform with all the advantages of cloud hosting: powerful, flexible, affordable, secure, immediate and easy.' Below this, a list of benefits is shown with green checkmarks: 'Better than a VPS: all the advantages of cloud hosting', 'Choose where to host your VPS: Madrid or Miami', 'Next generation platform: guaranteed resources', 'We help you migrate your services', and 'If you are not satisfied, you get your money back'. A section titled 'Cloud VPS is great if.' features six icons representing different user scenarios: 'you have a website or a blog', 'you have a conventional VPS', 'you have multiple websites', 'you have a shared hosting', 'you use opensource solutions', and 'you are a developer or a designer'. A green banner at the bottom states 'Now all our Cloud VPS with more RAM, Basic Administration and Unlimited Transfer.' Below this, four pricing plans are listed: 'nova' at \$16.5\* per month (2 free months), 'pro' at \$38 per month (2 free months), 'élite' at \$64 per month (2 free months), and 'summum' at \$90 per month (2 free months). Each plan specifies RAM, disk space, and transfer limits.

Plan	Price	RAM	Disk	Transfer
nova	\$16.5* per month	2 gigas of RAM guaranteed	25 gigas of disk	400GB + unlimited transfer*
pro	\$38 per month	4 gigas of RAM guaranteed	50 gigas of disk	600GB + unlimited transfer*
élite	\$64 per month	5 gigas of ram guaranteed	75 gigas of disk	1200GB + unlimited transfer*
summum	\$90 per month	6 gigas of ram guaranteed	100 gigas of disk	1600GB + unlimited transfer*

## Cloud VPS

- Despite current competitor's price pressure, Gigas has actively promoted high value VPS sales since 2015, focusing more on high margin quality-seeking customers
- Churn rate has remained constant, at approx. 3% monthly
- As a result, the number of customers has been stable around the 3,100 mark (new high value customers offset the loss of low value existing ones)
- ARPU, therefore, has grown significantly in the last two years, from €250/year to the current €300/year
- The number of the two top product plans (élite and summum) has almost doubled over the last two years, from 291 customers in Q1 2015 to 549 in the same quarter in 2017

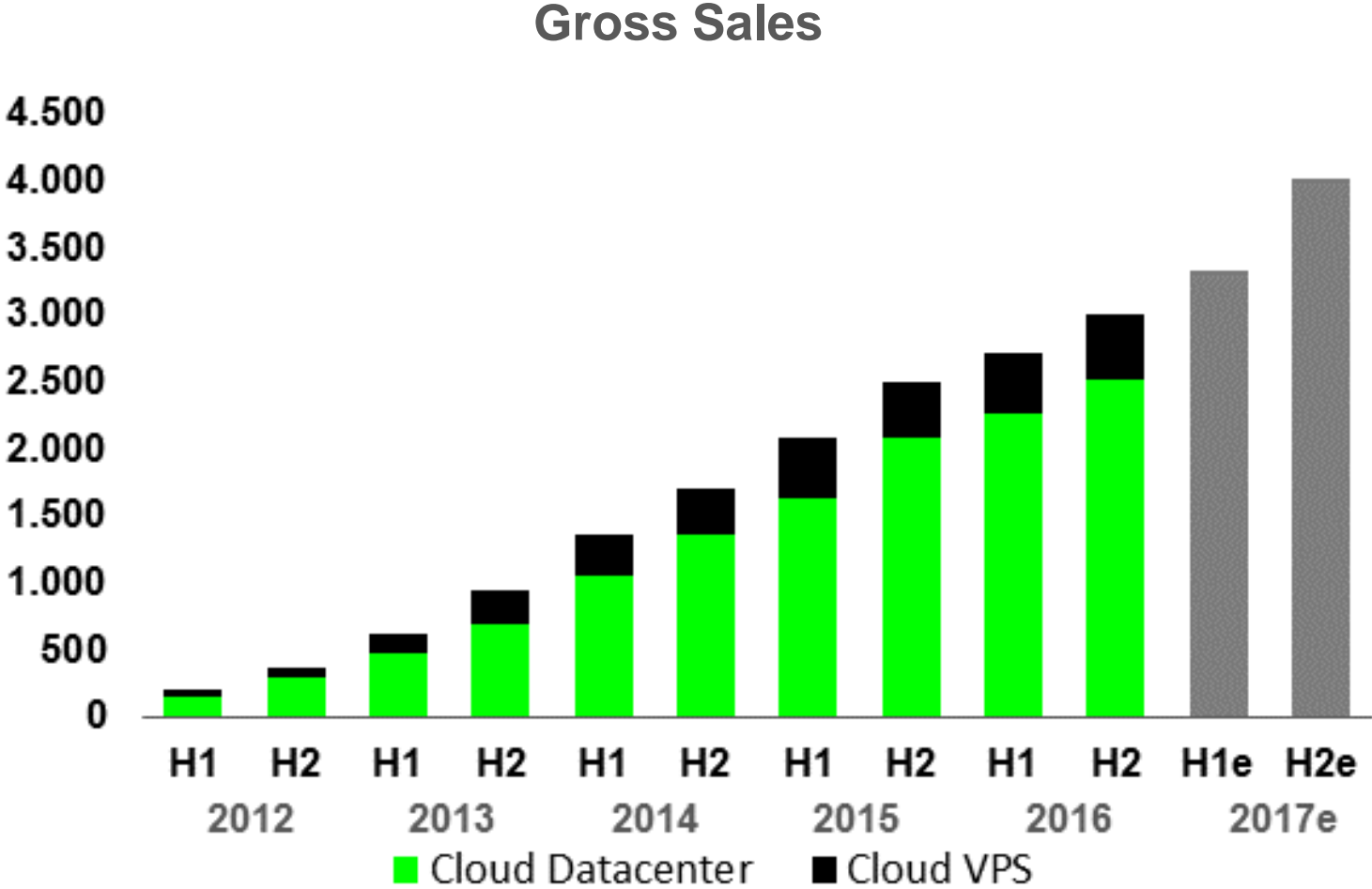
# Services – Cloud Datacenter

The screenshot shows the Gigas website's 'Cloud Datacenter' page. At the top, the logo 'gigas' is followed by the tagline 'cloud hosting made easy' and a 'customer login' link. A navigation menu includes 'Cloud Datacenter', 'Cloud VPS', 'about gigas', 'frequently asked questions', 'help & support', 'control panel', '10 reasons', 'blog', and 'twitter'. The main heading is 'Cloud Datacenter', with a sub-headline: 'Finally a cloud service easy to buy and use. Build your own cloud data center in one minute with all the power you need.' Below this is an image of server racks. A list of features is shown with green checkmarks: 'Real cloud, flexible, powerful and affordable', 'Grow up to 96GB of RAM and more than 100GHz of CPU!', 'Choose operating system and create your servers', 'Choose where to host your servers: Madrid or Miami', and 'We help you migrate your services'. A configuration section titled 'Configure your Cloud Datacenter' shows a slider set to '32 gigas' and icons for 'RAM 32GB', 'CPU 75GHZ', 'Disk 600GB', and 'Transfer 4500GB', with a 'continue' button. At the bottom, there is a 'Need a custom solution?' section with a phone icon and a '24' indicator, followed by contact information: 'Give us a call without obligation at +34 91 141 96 00 or if you prefer, we can call you, leave us your phone number here:' and a form with fields for 'Country code', 'Phone\*', and 'Email', plus a 'Call me' button.

## Cloud Datacenter

- Flagship product and revenue growth driver, with 462 customers and 86% of total sales in 1Q 2017
- Operations in Mexico just launched and strengthened the rest of sales teams globally
- Churn rate remains stable, at approx. 1% monthly
- Cloud Datacenter client size growing, thanks to improved brand positioning and upselling to existing customers. Thus, ARPU has been growing significantly, increasing from €859 at the end of 2014 to €1,037 in Q1 2017
- Sales through channel partners (system integrators and software vendors -ISVs-) continues to grow, already accounting for more than 50% of new sales

# Historical Sales Growth by Product



# 1Q 2017 P&L compared to 1Q 2016 and Budget

<b>PÉRDIDAS Y GANANCIAS CONSOLIDADA</b>	<b>2017</b>		<b>2016</b>		<b>2017est</b>
<i>Cifras en euros</i>	<b>ENE-MAR</b>	<b>% Variac.</b>	<b>ENE-MAR</b>	<b>% Variac.</b>	<b>ENE-MAR</b>
<b>Facturación a clientes</b>	<b>1.638.726</b>	<b>22,4%</b>	<b>1.339.298</b>	<b>2,0%</b>	<b>1.607.346</b>
Periodificaciones de ventas	(28.524)	(33,3%)	(42.772)	(53,8%)	(61.772)
Descuentos y promociones sobre ventas	(240.144)	32,9%	(180.692)	1,6%	(236.342)
<b>Importe neto de la cifra de negocios</b>	<b>1.370.058</b>	<b>22,8%</b>	<b>1.115.834</b>	<b>4,6%</b>	<b>1.309.232</b>
<b>Trabajos realizados para su activo</b>	<b>22.213</b>	<b>(78,3%)</b>	<b>102.505</b>	<b>(47,1%)</b>	<b>42.000</b>
<b>Ingresos Extraordinarios, Subvenciones y Otros</b>	<b>3.663</b>	<b>57,3%</b>	<b>2.328</b>	<b>(1,4%)</b>	<b>3.715</b>
<b>Aprovisionamientos</b>	<b>(267.918)</b>	<b>7,4%</b>	<b>(249.426)</b>	<b>(7,7%)</b>	<b>(290.312)</b>
Costes de captación clientes online y terceras partes	(14.954)	(57,9%)	(35.496)	(36,9%)	(23.700)
Datacenters y conectividad	(141.169)	11,7%	(126.397)	(3,1%)	(145.738)
Otros aprovisionamientos	(111.795)	27,7%	(87.533)	(7,5%)	(120.874)
<b>Gastos de personal</b>	<b>(706.662)</b>	<b>25,9%</b>	<b>(561.093)</b>	<b>0,7%</b>	<b>(701.434)</b>
Sueldos, salarios y asimilados	(554.905)	26,7%	(437.955)	(0,4%)	(556.864)
Comisiones captación clientes equipo comercial	(29.747)	27,1%	(23.398)	(7,5%)	(32.150)
Cargas sociales	(122.010)	22,3%	(99.740)	8,5%	(112.420)
<b>Otros gastos de explotación</b>	<b>(417.415)</b>	<b>25,1%</b>	<b>(333.723)</b>	<b>(5,3%)</b>	<b>(440.766)</b>
Servicios exteriores	(408.340)	28,2%	(318.452)	(4,2%)	(426.366)
Servicios profesionales y otros	(265.748)	15,7%	(229.715)	(7,8%)	(288.247)
Marketing y publicidad	(45.355)	(4,6%)	(47.525)	(14,9%)	(53.319)
Costes internacionales excepto marketing	(97.237)	135,9%	(41.212)	14,7%	(84.800)
Pérdidas, deterioro y variación provsiones ops. comerciales	(9.075)	(40,6%)	(15.271)	(37,0%)	(14.400)
<b>Otros resultados</b>	<b>(1.352)</b>	<b>(54,9%)</b>	<b>(3.001)</b>		<b>-</b>
<b>Resultado bruto de explotación (EBITDA)</b>	<b>2.587</b>	<b>(96,5%)</b>	<b>73.424</b>	<b>-</b>	<b>(77.565)</b>
<i>Resultado bruto de explotación (EBITDA) %</i>	<b>0,2%</b>		<b>6,6%</b>		<b>-5,9%</b>
<b>Margen bruto *</b>	<b>1.063.318</b>	<b>28,5%</b>	<b>827.739</b>	<b>9,4%</b>	<b>972.370</b>
<i>Margen bruto %</i>	<b>77,6%</b>		<b>74,2%</b>		<b>74,3%</b>
<b>Costes estructurales **</b>	<b>(1.086.607)</b>	<b>26,5%</b>	<b>(859.148)</b>	<b>(0,8%)</b>	<b>(1.095.650)</b>
<i>Cobertura de Costes fijos sobre Ingresos Netos</i>	<b>126,1%</b>		<b>129,9%</b>		<b>119,5%</b>

**NOTA \*:** Margen Bruto calculado como la diferencia entre el Importe Neto de la Cifra de Negocios menos Aprovisionamientos, Comisiones de Captación de Clientes que figuran en gastos de Personal y las Pérdidas por Deterioro y Variación de Provisiones de Operaciones Comerciales que figuran en Otros Gastos de Explotación.

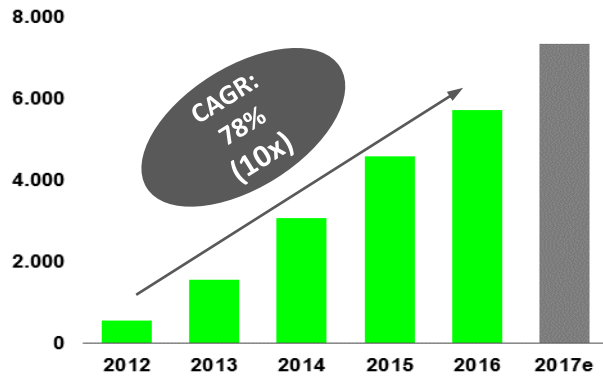
**NOTA \*\*:** Costes Estructurales, calculados como la suma de los Gastos de Personal más Otros Gastos de Explotación y Otros resultados, menos las Comisiones de Captación Comercial y las Pérdidas por Deterioro y Variación de Provisiones de Operaciones Comerciales. Se incluye también la cobertura de los mismos con los ingresos netos, donde 100% o superior supone que el Importe Neto de la Cifra de Negocios cubre dichos Costes Estructurales.



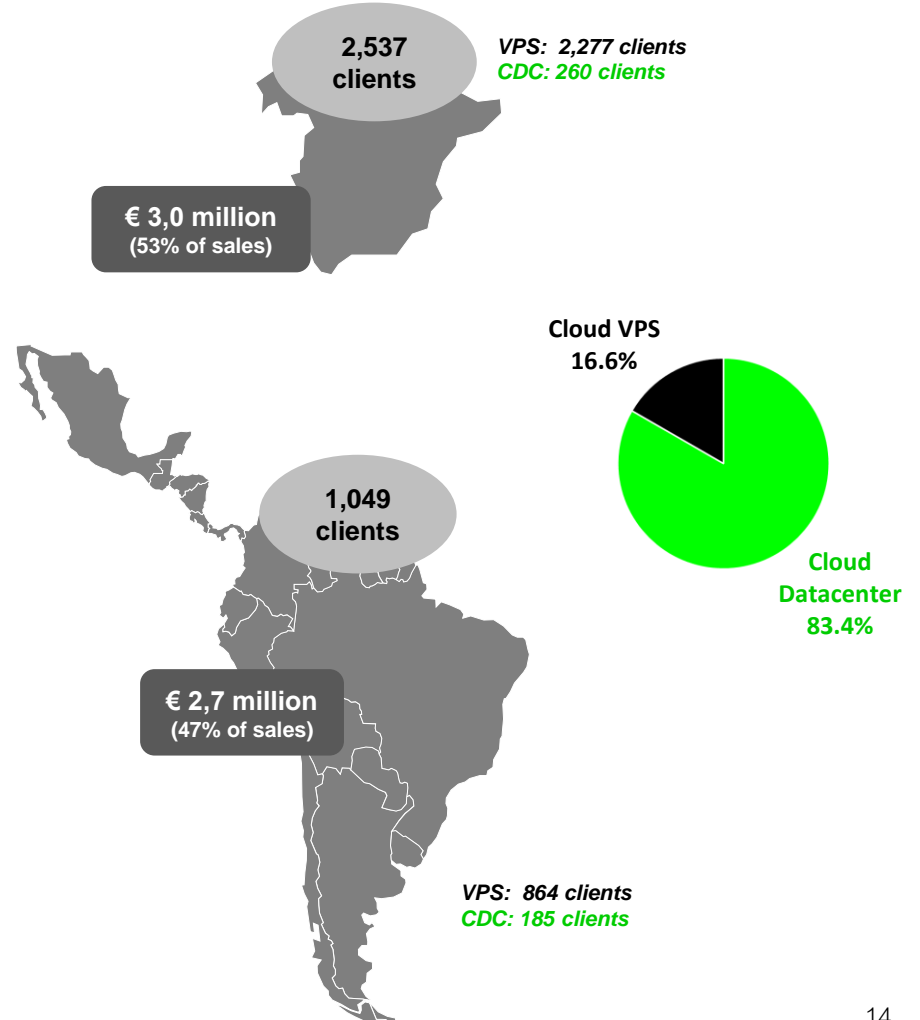
# Sales and Customer KPIs 2012-2016 & 2017e

## Gross Sales

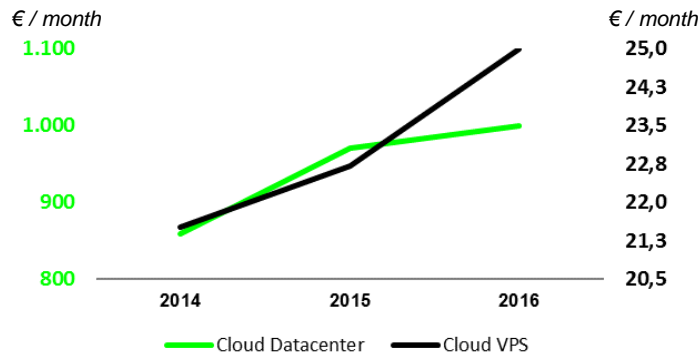
Thousands of Euros



## 2016 Geographic Split of Customers and Sales



## ARPU



# 2017 Budget

## PRESUPUESTO 2017 CONSOLIDADO

<i>Cifras en euros</i>	1Te	2Te	3Te	4Te	2017e	% Var.	2016
<b>Facturación a clientes</b>	<b>1.607.346</b>	<b>1.718.041</b>	<b>1.935.496</b>	<b>2.081.991</b>	<b>7.342.874</b>	<b>28,5%</b>	<b>5.712.889</b>
Periodificaciones de ventas	(61.772)	(21.215)	(13.475)	(27.467)	(123.929)	-	13.100
Descuentos y promociones sobre ventas	(236.342)	(244.049)	(252.161)	(266.317)	(998.869)	12,0%	(892.200)
<b>Importe neto de la cifra de negocios</b>	<b>1.309.232</b>	<b>1.452.777</b>	<b>1.669.860</b>	<b>1.788.207</b>	<b>6.220.076</b>	<b>28,7%</b>	<b>4.833.789</b>
Trabajos realizados para su activo	42.000	42.000	42.000	42.000	168.000	(49,1%)	330.226
Ingresos Extraordinarios, Subvenciones y Otros	3.715	3.715	3.715	3.715	14.860		10.263
<b>Aprovisionamientos</b>	<b>(290.312)</b>	<b>(319.690)</b>	<b>(330.894)</b>	<b>(345.933)</b>	<b>(1.286.829)</b>	<b>24,1%</b>	<b>(1.036.602)</b>
Costes de captación clientes online y terceras partes	(23.700)	(23.700)	(23.700)	(23.700)	(94.800)	(45,0%)	(172.255)
Datacenters y conectividad	(145.738)	(163.788)	(170.554)	(183.837)	(663.917)	29,4%	(513.161)
Otros aprovisionamientos	(120.874)	(132.202)	(136.640)	(138.396)	(528.112)	50,4%	(351.186)
<b>Gastos de personal</b>	<b>(701.434)</b>	<b>(783.395)</b>	<b>(776.690)</b>	<b>(786.638)</b>	<b>(3.048.157)</b>	<b>13,5%</b>	<b>(2.685.248)</b>
Sueldos, salarios y asimilados	(556.864)	(609.962)	(612.046)	(613.712)	(2.392.584)	15,5%	(2.071.100)
Comisiones captación clientes equipo comercial	(32.150)	(48.219)	(39.080)	(46.962)	(166.411)	1,1%	(164.585)
Cargas sociales	(112.420)	(125.214)	(125.564)	(125.964)	(489.162)	8,8%	(44.9563)
<b>Otros gastos de explotación</b>	<b>(440.766)</b>	<b>(492.254)</b>	<b>(448.035)</b>	<b>(476.148)</b>	<b>(1.857.203)</b>	<b>13,7%</b>	<b>(1.633.996)</b>
Servicios exteriores	(426.366)	(477.854)	(433.635)	(461.748)	(1.799.603)	13,2%	(1.590.396)
Servicios profesionales y otros	(288.247)	(307.342)	(303.958)	(303.057)	(1.202.604)	12,2%	(1.071.598)
Marketing y publicidad	(53.319)	(72.855)	(38.207)	(62.168)	(226.549)	(11,0%)	(254.421)
Costes internacionales excepto marketing	(84.800)	(97.657)	(91.470)	(96.523)	(370.450)	40,1%	(264.377)
Pérdidas, deterioro y var. de provisiones ops. Comerc.	(14.400)	(14.400)	(14.400)	(14.400)	(57.600)		(43.600)
<b>Otros resultados</b>	-	-	-	-	-	-	<b>(4.437)</b>
<b>Resultado bruto de explotación (EBITDA)</b>	<b>(77.565)</b>	<b>(96.847)</b>	<b>159.956</b>	<b>225.203</b>	<b>210.747</b>	-	<b>(186.005)</b>
<i>Resultado bruto de explotación (EBITDA) %</i>	<b>-5,9%</b>	<b>-6,7%</b>	<b>9,6%</b>	<b>12,6%</b>	<b>3,4%</b>	-	<b>-3,8%</b>
<b>Margen bruto *</b>	<b>972.370</b>	<b>1.070.468</b>	<b>1.285.486</b>	<b>1.380.912</b>	<b>4.709.236</b>	<b>31,2%</b>	<b>3.589.002</b>
<i>Margen bruto %</i>	<b>74,3%</b>	<b>73,7%</b>	<b>77,0%</b>	<b>77,2%</b>	<b>75,7%</b>		<b>74,2%</b>
<b>Costes Estructurales **</b>	<b>- 1.095.650</b>	<b>- 1.213.030</b>	<b>- 1.171.245</b>	<b>- 1.201.424</b>	<b>- 4.681.349</b>	<b>13,9%</b>	<b>- 4.111.059</b>
<i>Costes Estructurales %</i>	<b>83,7%</b>	<b>83,5%</b>	<b>70,1%</b>	<b>67,2%</b>	<b>75,3%</b>		<b>85,0%</b>

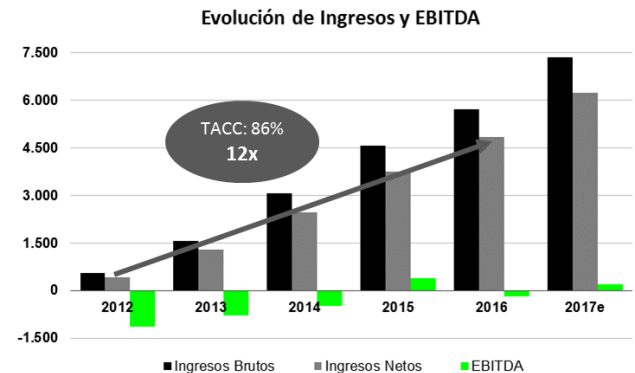
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# Growth Opportunities

- From 2012 to 2016, gross sales have grown 10.2x and net sales 12.0x
- EBITDA still low, due to the significant weight of fixed expenses (offices in 6 countries)
- Current gross margin 77.6%, higher than projected 74.3%
- Volume critical to achieve good profit ratios and better compete with large providers
- Growth and efforts of the Company focused on:
  - Continuing organic growth, both in Spain and Latam, with the strengthening of the countries' structures and the recent opening of the Mexican office
  - Negotiation of new white label (OEM) agreements which will allow us to expand our sales reach and expand to new countries efficiently
  - Explore inorganic opportunities to accelerate growth and profitability



# Contact Information

More info: [gigas.com/en/inversores.html](http://gigas.com/en/inversores.html)

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Thank you!

**gigas**