

The Company releases its first quarter 2019 results

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- *Gross customer revenue in the first quarter of 2019 amounted to EUR 3.04 million, up 42.3% year-on-year and 9.8% above budget*

Gigas (GIGA.MC), a Spanish multinational cloud computer services company, released its results for the 1Q of 2019 today, showing a significant interannual growth in both customer revenue and EBITDA.

Customer revenue (gross sales) in the first quarter of 2019 amounted to EUR 3.04 million, up 42.3% year-on-year (from EUR 2.13 million in 1Q 2018) and 9.8% above budget (EUR 2.77 million, see price sensitive information disclosed on 15 January 2019). Net revenue in 1Q 2018 amounted to EUR 2.47 million, up 34.2% year-on-year (from EUR 1.84 million) and 1.3% above the budget (EUR 2.44 million).

EBITDA through March totalled EUR 639 thousand, nearly double the EUR 307 thousand obtained in first quarter of last year and reaching an EBITDA margin of 25.8%. It also outstripped the EUR 501 thousand budgeted by 27.6%, thanks to revenue growth but more so to cost containment and synergies. Gross income totalled EUR 1.91 million in the first three months of 2019, leaving the gross margin at 77.2%. The gross margin narrowed from the year-ago figure because of the acquisition of two companies in 2018, both of which command thinner gross margins than GIGAS, and due to the addition of two new datacenters (Barcelona and Bogota, inherited from the acquisitions) and the increasing inclusion of third-party software licenses in the Company's products.

Net debt at 31 March 2019 amounted to EUR 1.47 million (excluding the EUR 2.5 million of convertible bonds subscribed by Inveready which are in the money and, therefore, expected to be converted). Taking budgeted EBITDA for the full year (EUR 2.55 million), this gives an EBITDA ratio of 0.6 times. In summary, reported sales and EBITDA for the first quarter of 2019 were significantly higher-than-budgeted, increasing the company's profitability, thanks to the successful integration of the two companies acquired and the efforts made by management to streamline costs.



GIGAS continues to assess potential acquisitions to speed up its growth and contribute value to its shareholders.

Analysts are still upbeat on GIGAS shares, with all seeing upside potential. Just this morning, GVC Gaesco raised the (12-month) target price to EUR 10 from EUR 9.10 per share, implying 53% upside from the closing price yesterday, 28 May 2019, of EUR 6.74 per share.

About Gigas.com

Gigas is a Spanish cloud computing company listed on the Mercado Alternativo Bursátil (Spanish Alternative Equity Market or MAB) since 2015 (GIGA.MAB). Founded in 2011, it has become one of the world's leader providers in the sector, according to Gartner's "Magic Quadrant for Cloud Infrastructure as a Service" report. Gigas, which offers cloud computing solutions to large corporations and SMEs alike, is widely known for its cutting-edge technology and unrivalled technical support. The company has data centres in Madrid, Miami and Santiago de Chile and offices in Spain, Colombia, Chile, Peru, Miami, Panama and Mexico.