

Analysar

1 September 2021

Accumulate

Recommendation unchanged

Share price: EUR **9.70**

closing price as of 31/08/2021

Target price: EUR **11.59**

Target Price unchanged

Upside/Downside Potential **19.5%**

Reuters/Bloomberg

GIGAH.MC/GIGA SM

Market capitalisation (EURm) **114**

Current N° of shares (m) 12

Free float **55%**

Daily avg. no. trad. sh. 12 mth (k) 29

Daily avg. trad. vol. 12 mth (k) 23.45

Price high/low 12 months 12.70 / 5.85

Abs Perfs 1/3/12 mths (%) 2.11/-1.42/71.68

Key financials (EUR) 12/20 12/21e 12/22e

Sales (m) 11 50 68

EBITDA (m) 2 11 15

EBITDA margin 19.4% 21.8% 22.2%

EBIT (m) (0) 4 6

EBIT margin nm 7.8% 8.9%

Net Profit (adj.)(m) (0) 2 4

ROCE -0.4% 4.7% 7.1%

Net debt/(cash) (m) (16) 12 10

Net Debt/Equity -0.6 0.2 0.2

Debt/EBITDA -7.4 1.1 0.7

Int. cover(EBITDA/Fin. int) 3.6 13.4 13.6

EV/Sales 3.1 2.5 1.8

EV/EBITDA 16.2 11.5 8.2

EV/EBITDA (adj.) 16.2 11.5 8.2

EV/EBIT nm 32.3 20.6

P/E (adj.) nm 49.3 30.9

P/BV 2.0 2.4 2.2

OpFCF yield 1.0% 0.3% 4.1%

Dividend yield 0.0% 0.0% 0.0%

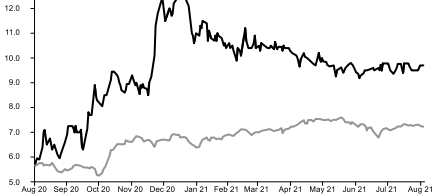
EPS (adj.) (0.11) 0.20 0.31

BVPS 5.87 4.06 4.36

DPS 0.00 0.00 0.00

Shareholders

GAEA 34%; Consejeros 6%; Key Wolf , S.L 6%;



Source: FactSet
GIGAS HOSTING IGBM (Rebased)

Analyst(s)

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Q2 results: In the good direction

The facts: Last night, the company published its first half-year results preview, which already includes all the acquisitions made in recent months.

GIGAS HOSTING. POST-Q2'21 RESULTS.

EURm	Q2'20	Q2'21	Δ% y/y	H1'20	H1'21	Δ% y/y
Net income	2.52	13.39	430.8%	5.18	22.72	338.4%
Cloud, IT & Cybersecurity		4.17	n.a		7.69	n.a
Telecom		9.22	n.a		15.01	n.a
Extraordinary income, subsidies, others		0.01	n.a		0.02	n.a
Supplies	-0.62	-5.35	758.9%	-1.40	-9.07	548.9%
Product direct costs		-4.89	n.a		-8.19	n.a
Technical costs & others		-0.46	n.a		-0.88	n.a
Gross margin	1.90	8.04	323.2%	3.78	13.64	260.6%
% gross margin	75.3%	60.0%		73.0%	60.1%	
Personnel Expenses & others	-0.73	-2.49	239.0%	-1.65	-4.45	169.5%
Personnel costs		-3.00	n.a		-5.24	n.a
Work carried out on its assets		0.51	n.a		0.80	n.a
Other structure costs	-0.58	-2.15	272.5%	-0.87	-3.68	321.6%
Commercial & Marketing		-0.15	n.a		-0.43	n.a
Network & IT		-1.17	n.a		-1.80	n.a
other general costs		-0.84	n.a		-1.45	n.a
others		n.a	n.a		0.00	n.a
EBITDA adj	0.59	3.40	477.5%	1.26	5.52	337.7%
EBITDA adj M.	23.3%	25.4%	2.1pp	24.3%	24.3%	.0pp

Source: Gigas Hosting & GVC Gaesco Valores

Our analysis: The company has presented results above budget thanks to the incorporation of Oni into the consolidation perimeter ahead of budget (February vs. April) as well as the acquisition of Valoradata (which contributes around EUR0.5M in revenues and EUR0.12M in EBITDA). These figures allow us to estimate that the estimates for 2021 that we had projected will be achieved.

The margins presented by the company (both gross margin and EBITDA margin) are in line with our estimates and give us confidence in the integration of the acquisitions and in the future development of the businesses.

The EBITDA presented is adjusted EBITDA excluding M&A expenses (EUR367k in the quarter) and stock options, which do not represent cash outflows (EUR396k). The book EBITDA would therefore reach EUR4.8M (margin of 21.1%, in line with our estimates and the budget).

The capex for the half year reached EUR3M due to some delays in integration projects and also to efficiencies in investments. These figures indicate that the annual capex will be closer to our guidance (EUR8.8M) than to budget (EUR10.3M).

The company's net financial debt stands at EUR10.7M (around 1x DN/EBITDA21e), which is very similar to our end-2021 estimates (EUR11.8M).

The company has indicated that it continues to look for potential targets in the market to help strengthen its portfolio and has EUR10M in cash.

Conclusion & Action: Good results, especially at the margin level, confirming that the integration of acquisitions is proceeding at a good pace.