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# Full Year 2022 Results Presentation for Investors



APRIL

2023



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# FY 2022 Key Highlights



**FY22 net revenues grew 18.0% YoY up to €61.6M** fuelled by corporate transactions and organic growth



**Adj. EBITDA €16.5M, 25.8% higher than the €12.1M of 2021** and 13.2% higher than the €14.6M budgeted for the year



Focus on **integrating companies** (4 acquisitions in 2021) and **launch of innovative convergent servs.** UCaaS provider TPartner acquired in 2022



**Ops Cashflow €11.6M in 2022. Cash Position of €13.7M by end of year**, despite almost €8.4M cash payments in M&A.







**New Financing deal with 6 banks, up to €90M;** €60M initially with potential for an additional €30M in case a large acquisition was to be made

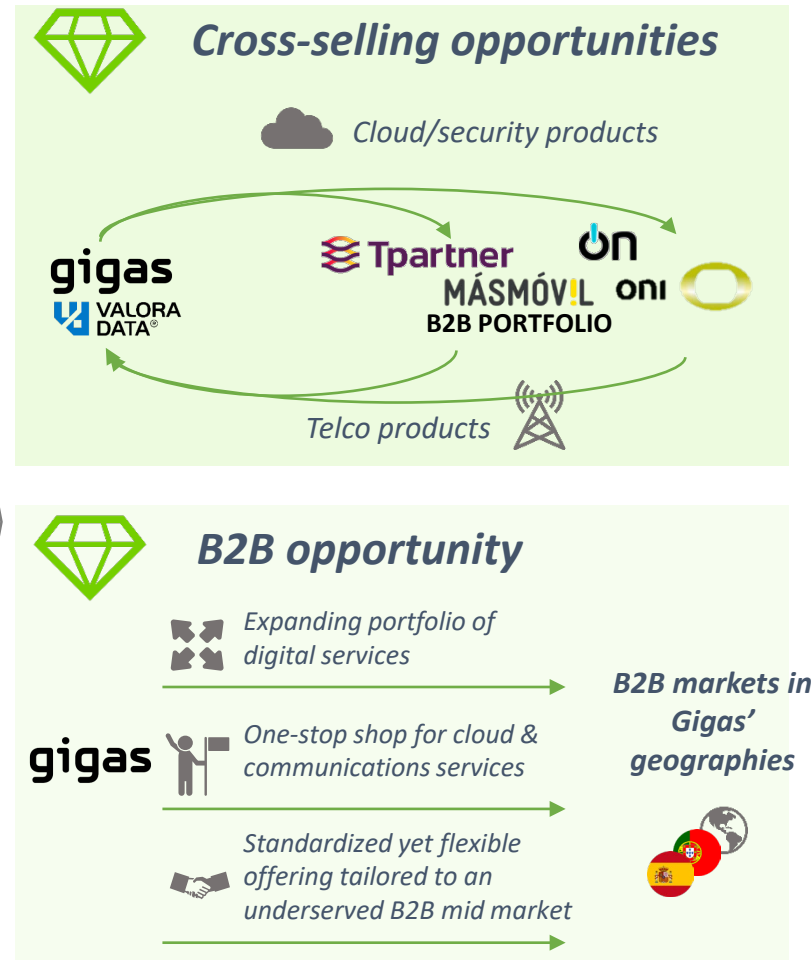


# A B2B portfolio built for the digital era

## Building a forward-looking service portfolio...

	<i>Initial Services</i>	<i>Convergent Services</i>
 <b>Cloud</b>	IaaS PaaS SAP™ Cloud	Hybrid and multi Cloud
 <b>Cyber-security</b>	Disaster recovery Cloud Backup Firewall as a service Disaster Recovery	SD-WAN Managed services Clean traffic Secure access service edge
 <b>Connectivity</b>	Internet connectivity Site interconnection	Flexible Fiber (pay per use) Global load balancing Secure remote access & VPN Private Cloud Connect
 <b>Unified comms.</b>	SIP Trunk VoIP Collaborative services Fixed Voice	Mobile communications Cloud PBX Fixed Mobile Convergence

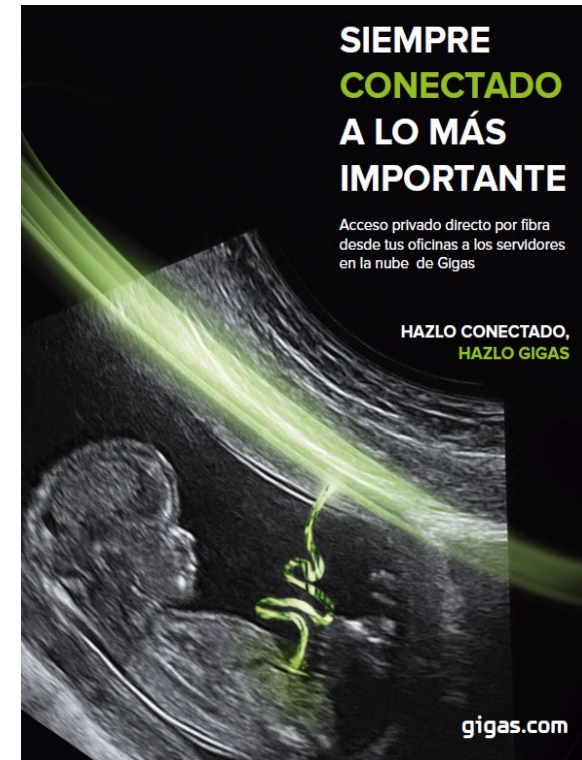
## ...unlocking significant value for Gigas and its clients



# New Services: Bringing Telco, Cyber and Cloud together

## New Innovative Convergent Services:

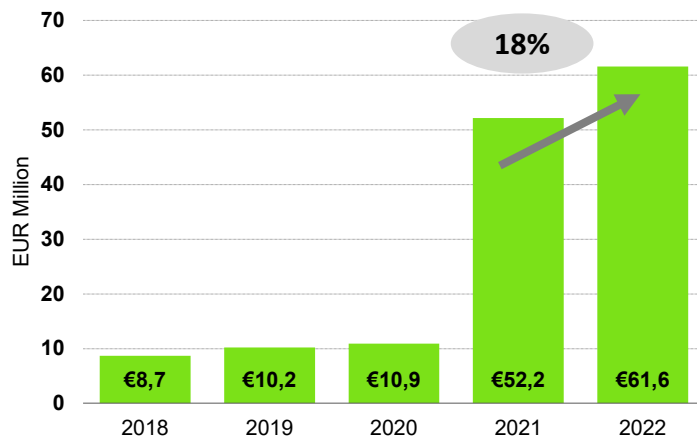
- **Fibra Flexible:** pay as you go, €1c per 100Mbps per hour
- **Private Cloud Connect:** Direct private fiber connection from your office to the Gigas cloud
- **gBackup:** New backup services launched, including workstation backups and antiransomware immutable backups
- **Cloud PBX:** Unified fixed mobile voice communications
- **Disaster and Recovery:** High availability services at the cost of backup services to provide affordable redundancy and security to business customers
- **Teams Voice:** Voice public services integrated with MS Teams



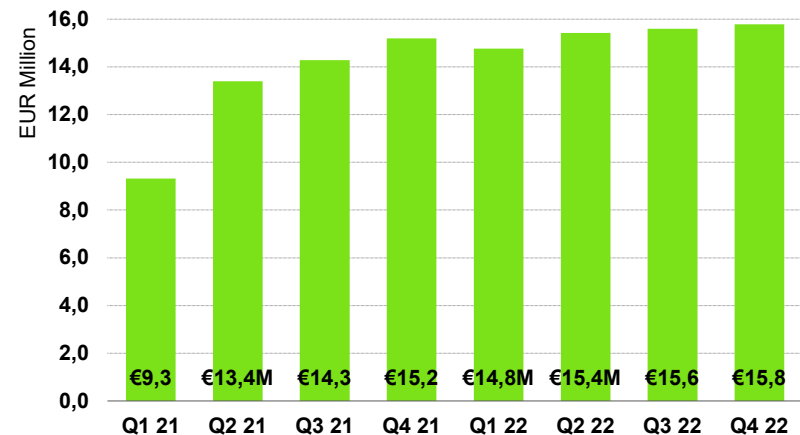
# Revenues 2022

- **Net revenues reached €61.56 million in 2022, 18.0% higher than in 2021 (€52.18M).** Growth driven by the last 2 acquisitions closed in Sept 2021 (OnMovil) and Sept 2022 (TPartner) and by organic growth, specially in the cloud segment
- **Very good organic growth albeit impacted by portfolio acquired from MasMovil**
  - **Perimeter of MasMovil customer portfolio adjusted and a number of customers lost in the migration process, resulting in a significant reduction in size for this acquisition, heavily impacting 2022 growth.** Migration process now completed and a **€1.8M price reduction** agreed with MasMovil
  - Nevertheless, **rest of the business performed well in 2022, with 7.9% growth YoY.** Significant growth in **LATAM, with 26.7% increase in revs over 2021**

## ANNUAL NET REVENUES



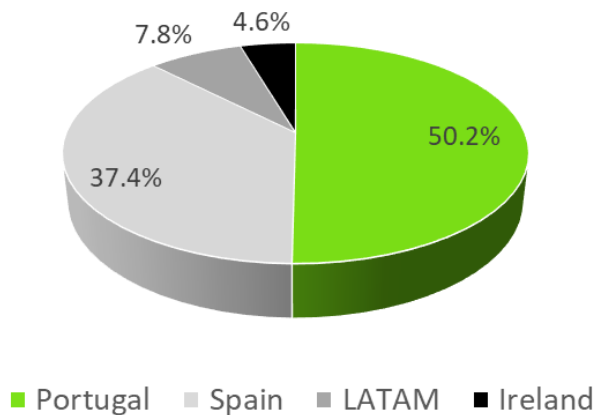
## QUARTERLY NET REVENUES



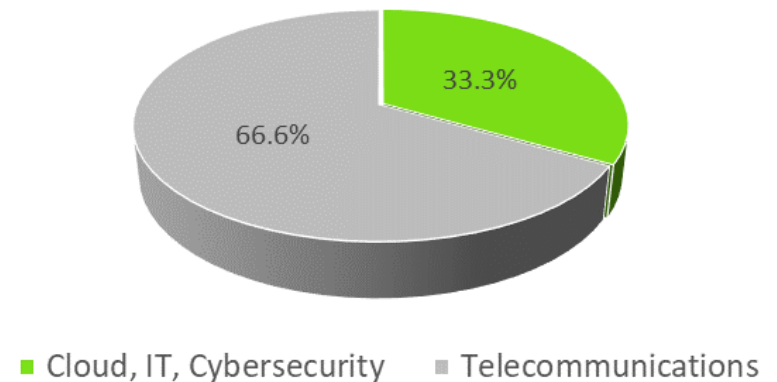
# Revenue Split, Customers and ARPU 2022

- In terms of revenues, Telecom leads with **66.6%** of net revenues, followed by Cloud, IT and Cybersecurity with **33.3%**
- In terms of geographies, the **Iberian Peninsula contributes with 87.6%** of total net revenues (Portugal 50.1%), followed by LATAM (7.8%) and Ireland (4.6%).
- GIGAS had a total of **6,952 business customers by the end of 2022**, including 201 partner customers from ONMOVIL, who manage over 80,000 mobile lines.
- **Blended average monthly ARPU of €754,5 in 2022**, considering all revenues (telecom, cloud and cybersecurity) and all customer segments (SMEs, Corporate, etc.)

Revenue Distribution by Geography



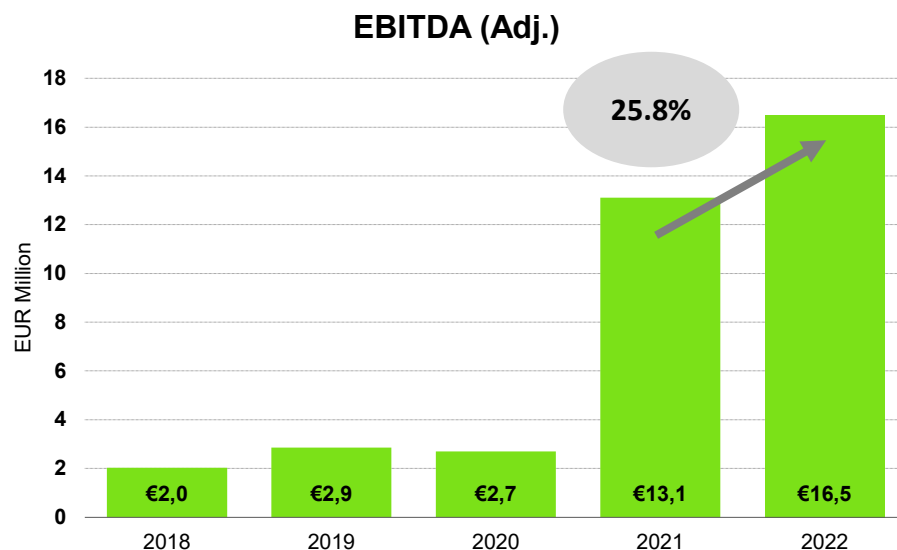
Revenue Contribution by Service



**NOTE:** For simplicity, revenues are now accounted by location of subsidiary, whereas historically they have been reported by location of the customer

# Gross Margin and EBITDA 2022

- **Gross Margin of 61.9% during 2022, better than 58.8% of last year, and better than budgeted (56.7%),** due mostly to extraordinary saving related to renegotiated telecom contracts in 2022
- **Adjusted EBITDA reached €16.49M** (before long term remuneration plans and M&A and other extraordinary costs), **25.8% higher than previous year (€13.1M).** IFRS Conversion contributed with approx. €1.0M additional EBITDA in both years
- **EBITDA Margin was 26.8% over Revenues, higher than 2021 (25.1%),** due to higher gross margin, operating leverage and synergies obtained with acquisitions





# 2022 IFRS Results Compared to 2021 and Budget

## GIGAS

### CONSOLIDATED P&L

<i>Figures in euros</i>	2022		2021		Budget 2021	
	Jan-Dec	% Var	Jan-Dec	% Var	Jan-Dec	% Var
<b>Net Revenues</b>	<b>61,555,737</b>	<b>18.0%</b>	<b>52,183,320</b>	<b>-7.5%</b>	<b>66,533,790</b>	
Cloud, IT & Cybersecurity Services	20,474,348	24.3%	16,475,902	4.0%	19,692,229	
Telecommunications Services	40,960,030	14.9%	35,658,130	-12.6%	46,841,561	
Extraordinary Income, Subsidies & O.	121,359	146.2%	49,288	-	-	
<b>Cost of Sales</b>	<b>(23,442,549)</b>	<b>9.0%</b>	<b>(21,499,611)</b>	<b>-18.7%</b>	<b>(28,839,886)</b>	
Direct Product Costs	(21,536,781)	9.3%	(19,698,007)	-18.8%	(26,537,720)	
Operations and Technical costs	(1,905,768)	5.8%	(1,801,603)	-17.2%	(2,302,166)	
		-		-		
<b>Gross Margin</b>	<b>38,113,187</b>	<b>24.2%</b>	<b>30,683,709</b>	<b>1.1%</b>	<b>37,693,904</b>	
<i>Gross Margin %</i>	61.9%	5.3%	58.8%		56.7%	
<b>Personnel Costs</b>	<b>(11,304,027)</b>	<b>18.1%</b>	<b>(9,574,693)</b>	<b>0.6%</b>	<b>(11,236,906)</b>	
Salaries and Social Security	(13,874,925)	21.5%	(11,422,698)	2.7%	(13,516,091)	
Capitalised R&D	2,570,898	39.1%	1,848,005	12.8%	2,279,186	
<b>Corporate Costs</b>	<b>(10,319,737)</b>	<b>29.0%</b>	<b>(7,997,208)</b>	<b>-13.2%</b>	<b>(11,892,760)</b>	
Customer Operations and Marketing	(3,721,985)	112.2%	(1,753,861)	-16.6%	(4,463,562)	
Network, Operations and IT	(3,070,615)	-10.2%	(3,419,878)	-32.5%	(4,547,184)	
Other Corporate Costs	(3,527,137)	24.9%	(2,823,468)	22.4%	(2,882,014)	
<b>Adjusted EBITDA</b>	<b>16,489,424</b>	<b>25.8%</b>	<b>13,111,809</b>	<b>13.2%</b>	<b>14,564,238</b>	
<i>Adjusted EBITDA %</i>	26.8%		25.1%		21.9%	
<b>Maintenance CAPEX</b>	<b>3,915,585</b>	<b>10.1%</b>	<b>3,556,687</b>	<b>-28.5%</b>	<b>5,473,332</b>	
<i>% over Revenues</i>	6.4%		6.8%		8.2%	
<b>EBITDA - Maintenance CAPEX</b>	<b>12,573,839</b>	<b>31.6%</b>	<b>9,555,122</b>	<b>38.3%</b>	<b>9,090,906</b>	
<i>% over Revenues</i>	17.2%		18.3%		13.7%	

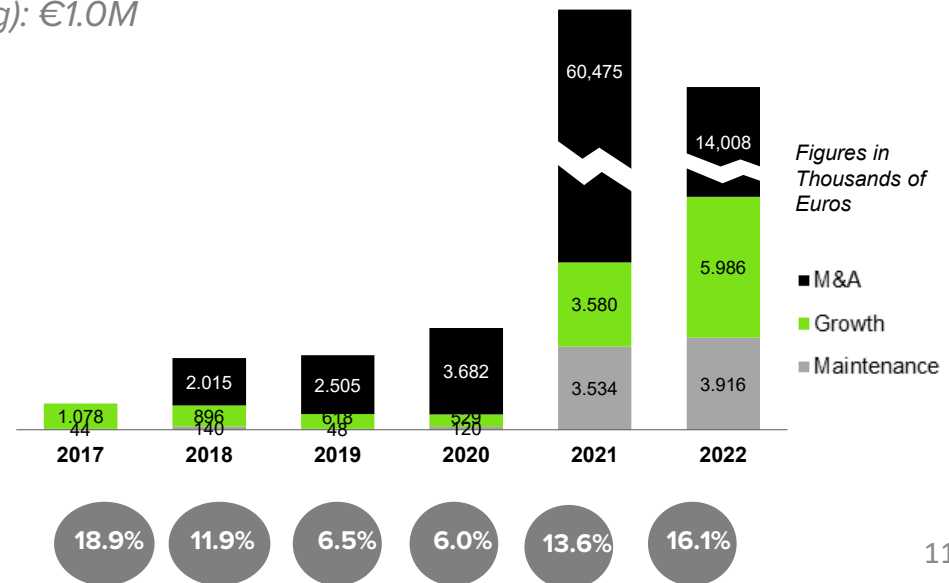
## Other Financials

- **Amortizations grew to €13.56M** in 2022 (€12.12M in 2021) mostly related to Customer Relations. Goodwill is not amortized under IFRS criteria
- **Financial expenses** grew to €2.80M in 2022 (€1.90M in 2021), due to IRUs (*Indefeasible Rights of Use*, telecom infrastructure long term rental agreements) in ONI (€1.35M), financial expenses related to bank debt (€1.0M) and interest from convertible bonds (€0.35M)
- **Net Loss of €3.78M in 2022, from €2.10M in 2021**, mainly due to amortization increase of intangible assets and extraordinary items related to the MasMovil portfolio already mentioned
- **Cashflow from Operations reached €11.64M and cash at the end of the year amounted to €13.72M**
- **Net Financial Debt of €31.9M, representing a ratio of 1.9x EBITDA**



# CAPEX 2022

- **CAPEX (excl. M&A and R&D) grew to €9.9M this year**, due to 10Gbps fiber deployment, new systems and platforms, migration and integration and full consolidation of ONI
- **Budget for the year was €10.9M** (€7.1M in 2021), and therefore **investment was one million euros lower than budgeted**, representing a Capex to sales ratio of 16.1%
- **M&A CAPEX represented €14M** in 2022 linked to TPartner acquisition. €7.05M paid this year in cash (including €1.2M of NFD adjustment) and €6.95M deferred
- **Main growth projects in 2022:**
  - *GPON Network and other Fiber Deployment: €2.4M*
  - *SAC and Customer Installations: €1.2M*
  - *New Systems, Platforms and Services: €1.0M*
  - *Cloud Capacity (Storage and Computing): €1.0M*



Capex to Sales  
(excl. M&A)

# Debt Evolution as of 31<sup>st</sup> DEC 2022

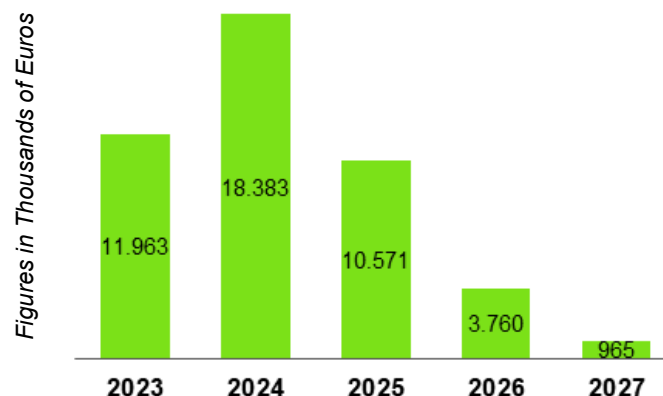
- Gross Debt at 31 DEC22 reached €45.6M.
- Cash at hand amounted €13.69M as of 31/DEC22, resulting in a net financial debt position of €31.9M, or 1.9x EBITDA 2022
- Gross debt does not include convertible bonds (€2.5M) or long term rental agreements liabilities (IFRS 16 related) linked to the Lisbon datacenter and telecoms infrastructure indefeasible rights of use contracts (IRUs, €26.7M)

Figures in Euros

	DEC 2022	DEC 2021
R&D and Banks Debt LT	27.229.872	16.525.064
M&A Related Debt LT	6.450.000	2.177.500
R&D and Banks Debt ST	9.285.638	5.682.250
M&A Related Debt ST	2.677.500	5.305.000
<b>GROSS FINANCIAL DEBT</b>	<b>45.643.010</b>	<b>29.689.814</b>
Cash at hand	13.695.585	12.292.022
<b>Net Financial Debt</b>	<b>31.947.426</b>	<b>17.397.792</b>
Adj. EBITDA	16.489.424	13.111.809
<b>NFD/EBITDA</b>	<b>1,94</b>	<b>1,33</b>

- NFD/EBITDA calculated over adjusted EBITDA
- Convertible bonds not included as financial debt
- Current Investments included in Cash at hand (€144K)

## Financial Debt Maturities



# New Debt Agreement

- **Six Banks: Banco Santander, Banco Sabadell, BBVA, CaixaBank, HSBC and Deutsche Bank**
- A tranche of up to **€60M, secured by Santander Bank**, divided into 4 sub-tranches:
  - Tranche A: €36M, to substitute existing bank debt
  - Tranche B1 and B2: €16M, to finance growth CAPEX and small corporate operations.
  - Tranche RCF: €8M
- The **term of the Secured financing will be a maximum of 5 years.**
- Growing amortization scheme, with most amortization happening at the last year
- Interest rate will be EUR 3M or 6M plus a margin between 1.6% and 3.1% depending on the leverage ratio.
- The €60M is subject to **covenants related** such as maximum leverage or restricted dividend distribution
- **Permitted additional financing up to €5M**, and a **promissory note programme.**
- Additionally, there is an **uncommitted tranche of up to €30M** for large corporate deals, linked to certain requirements

# 2023 Budget

- Net revenues estimated to reach €72.6M in 2023, 18.0% higher than in 2022 and representing an organic growth of 11%
- EBITDA to reach €17.3M, 4.7% higher than 2022 (lower growth due to lower gross margin as compared to the extraordinary margin of 2022)

CONSOLIDATED P&L <i>Figures in euros</i>	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	2023b vs 2022est	
	Q1 23	Q2 23	Q3 23	Q4 23	2023b	% Var	2022est
<b>Net Revenues</b>	<b>16,751,303</b>	<b>17,405,301</b>	<b>18,731,644</b>	<b>19,751,930</b>	<b>72,640,178</b>	<b>18.0%</b>	<b>61,555,737</b>
Cloud, IT & Cybersecurity Services	6,596,652	6,949,232	7,284,355	7,964,922	28,795,161	40.6%	20,474,348
Telecommunications Services	9,929,652	10,231,068	11,222,289	11,562,008	42,945,017	4.8%	40,960,030
Extraordinary Income, Subsidies & O.	225,000	225,000	225,000	225,000	900,000	641.6%	121,359
<b>Cost of Sales</b>	<b>(6,855,476)</b>	<b>(7,215,824)</b>	<b>(7,735,390)</b>	<b>(8,259,195)</b>	<b>(30,065,886)</b>	<b>28.3%</b>	<b>(23,442,549)</b>
Direct Product Costs	(6,351,359)	(6,696,770)	(7,204,770)	(7,734,680)	(27,987,579)	30.0%	(21,536,781)
Operations and Technical costs	(504,117)	(519,054)	(530,621)	(524,515)	(2,078,307)	9.1%	(1,905,768)
<b>Gross Margin</b>	<b>9,895,827</b>	<b>10,189,476</b>	<b>10,996,254</b>	<b>11,492,735</b>	<b>42,574,292</b>	<b>11.7%</b>	<b>38,113,187</b>
<i>Gross Margin %</i>	59.1%	58.5%	58.7%	58.2%	58.6%	-5.3%	61.9%
<b>Personnel Costs</b>	<b>(3,382,468)</b>	<b>(3,374,869)</b>	<b>(3,365,321)</b>	<b>(3,389,121)</b>	<b>(13,511,779)</b>	<b>19.5%</b>	<b>(11,304,027)</b>
Salaries and Social Security	(3,980,249)	(3,972,649)	(3,963,101)	(3,986,901)	(15,902,900)	14.6%	(13,874,925)
Capitalised R&D	597,780	597,780	597,780	597,780	2,391,121	-7.0%	2,570,898
<b>Corporate Costs</b>	<b>(2,770,639)</b>	<b>(2,824,075)</b>	<b>(3,044,950)</b>	<b>(3,156,625)</b>	<b>(11,796,289)</b>	<b>14.3%</b>	<b>(10,319,737)</b>
Customer Operations and Marketing	(1,024,583)	(1,105,265)	(1,117,717)	(1,227,216)	(4,474,780)	20.2%	(3,721,985)
Network, Operations and IT	(856,749)	(856,749)	(856,749)	(856,749)	(3,426,997)	11.6%	(3,070,615)
Other Corporate Costs	(889,307)	(862,061)	(1,070,484)	(1,072,660)	(3,894,511)	10.4%	(3,527,137)
	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>3,742,720</b>	<b>3,990,532</b>	<b>4,585,983</b>	<b>4,946,989</b>	<b>17,266,225</b>	<b>4.7%</b>	<b>16,489,424</b>
<i>Adjusted EBITDA %</i>	22.3%	22.9%	24.5%	25.0%	23.8%		26.8%



## Share Evolution

- **Share ended at €10.30 in 2022** and it was influenced by high market volatility in the first months of 2023
- **Share Price closed at €8.20** on 21<sup>st</sup> of April, unfortunately below the price at start of the year but still a **significant premium (31.2%)** since last capital increase in **Q4'20 (€6.25)**
- At current prices, **market cap is €95.5M**
- Adding current Net Financial Debt, **Enterprise Value would reach €127.4M, which implies a multiple of 7.7x EBITDA 2022**, lower than most comparable companies
- **Analysts very positive about the Company. GVC Gaesco, for example, targets a €12.5 price** in its latest report

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**Thank  
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