



Lleida.net

La Primera Operadora Certificadora

FR: https://investors.lleida.net/docs/fr/20200721_HRelev.pdf

ES: https://investors.lleida.net/docs/es/20200721_HRelev.pdf

ZH: https://investors.lleida.net/docs/zh/20200721_HRelev.pdf

Madrid, 21 July 2020

Regulatory announcement:

2Q 2020 AND H1 2020 RESULTS PREVIEW

Under the provisions of Article 17 of the Regulation (EU) No 596/2014 regarding market abuse and article 228 of the modified text of the Spanish Stock Market Act, approved by Spanish Royal Legislative Decree 4/2015, of 23 October and related provisions, as well as Circular 06/2018 of the Spanish Alternative Investment Market (MAB), we are hereby informing you of the following information relating to LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. (hereinafter, “Lleida.net” or The “Group”):

The information outlined in this report is an estimate of LLEIDA.NET Income Statement for 1Q 2020 prepared on the unaudited accounting information available to the Board of Directors. Therefore, this information does not in any way substitute or may be considered the equivalent of the annual financial information provided in Circular 6/2018 MAB.

We are available for any clarifications needed.

Francisco Sapena Soler

CEO and Chairman of the Board of Directors



2Q 2020 AND H1 2020 RESULTS PREVIEW

Lleida.net

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Serveis Telemàtics, S.A.

Main milestones:

- Semi-annual growth of 29% of sales, 32% in the SaaS business line and 43% in Wholesale
- Quarterly growth of the SaaS line of 27% and Wholesale of 19%.
- New international contracts in the SaaS business line will generate new revenue in Q3 and Q4: Management Financial Group (MFG), Zampost, South African Post but also national contracts with Ibercaja, Alphabet and Ald Automotive
- EBITDA mid year increase by 25% and EBITDA Cash by 118%, with a quarterly increase of 21% and 86% respectively.
- Semi-annual profit before tax positive at 341 thousand euros, an increase of over 47% over that of first half of 2019.
- First quarter where the company's Cash exceeds financial debt.
- New loans with financial institutions worth 1.2 million euros have been signed

FORECAST OF THE INCOME STATEMENT:

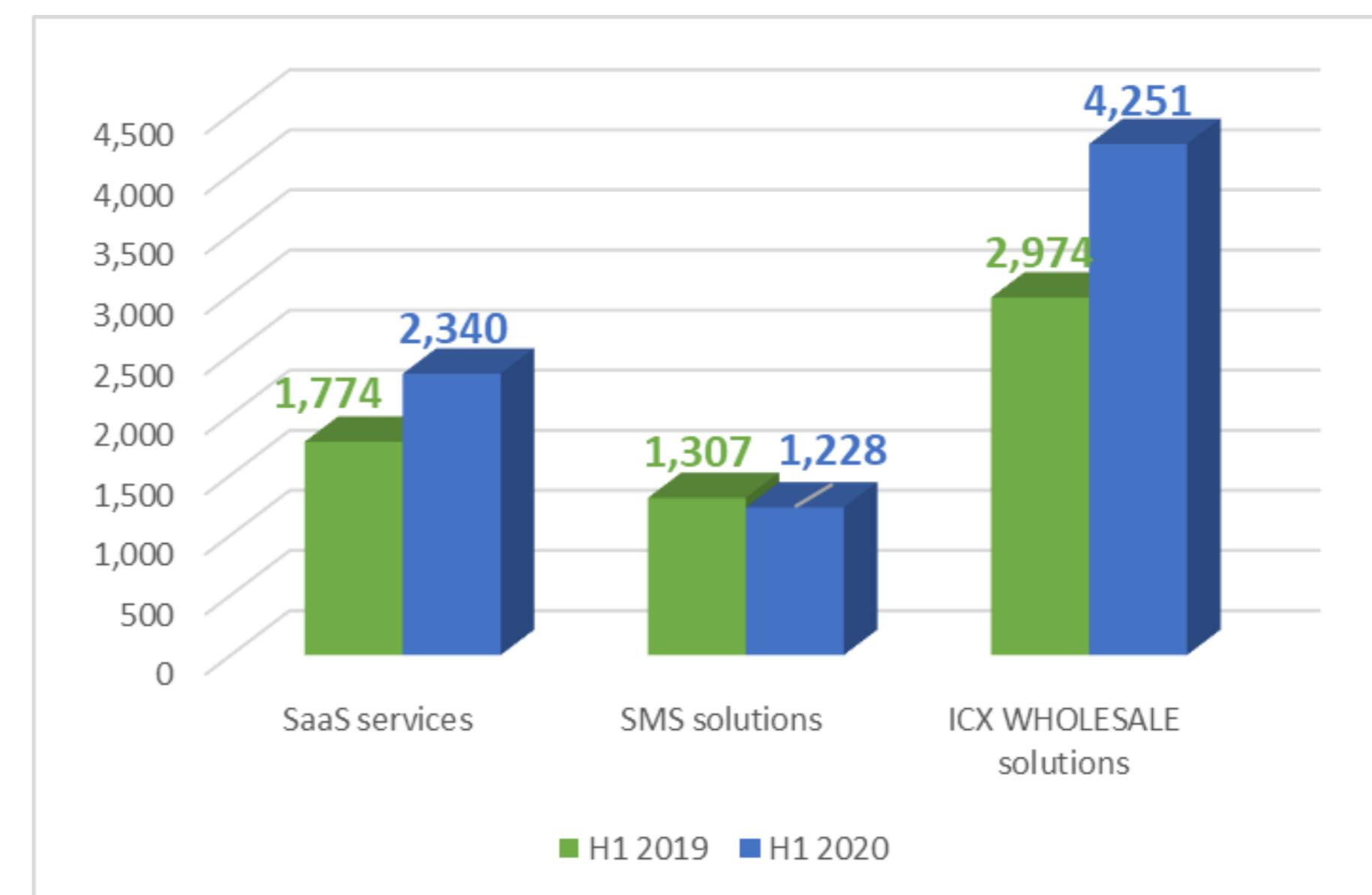
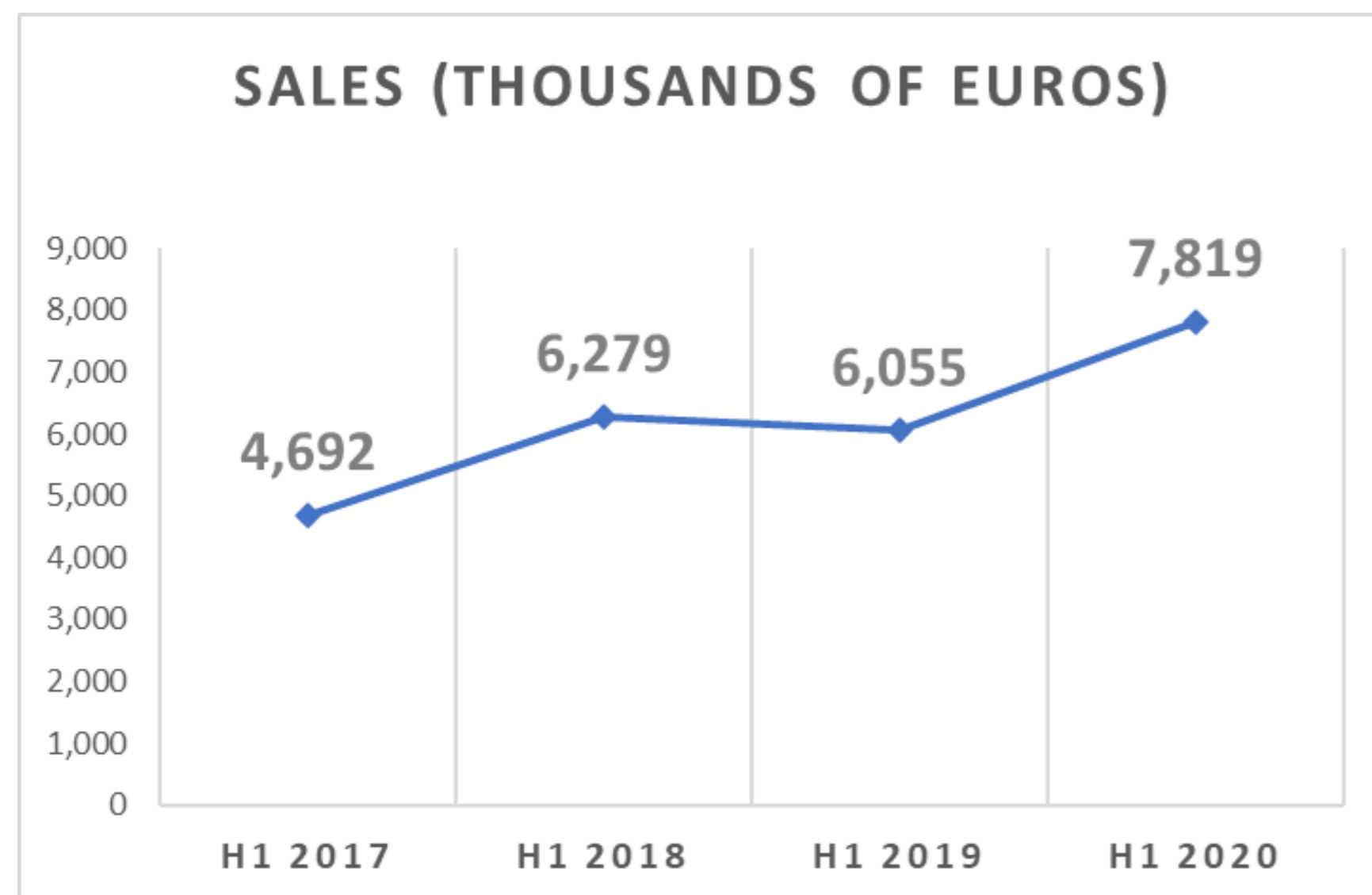
<i>Figures estimated in thousands of euros Consolidated</i>	Q2 2019	Q2 2020	Var. €	Var.%	H1 2019	H1 2020	Var. €	Var.%
Sales	3,222	3,773	551	17%	6,055	7,819	1,764	29%
Sales costs	(1,465)	(1,880)	415	28%	(2,802)	(4,036)	1,234	44%
Gross Margin	1,757	1,893	136	8%	3,253	3,783	530	16%
Personnel expenses	(822)	(876)	54	7%	(1,577)	(1,750)	173	11%
External services	(681)	(544)	(137)	-20%	(1,348)	(1,304)	(44)	-3%
Otros Ingresos	0	0	0 -		6		(6) -	
Activations	272	163	(109)	-40%	511	331	(180)	-35%
EBITDA	526	636	110	21%	845	1,060	215	25%
Depreciation	(282)	(297)	15	5%	(568)	(585)	17	3%
Impairment and earnings for disposal		(10)				(10)		
Ordinary activities result	244	329	85	35%	277	465	188	68%
Net Financial Debt	(20)	(15)	(5)	-25%	(40)	(34)	(6)	-15%
Exchange Rate Differences	(30)	(41)	11	37%	(5)	(90)	85	1700%
Earnings before Tax	194	273	79	41%	232	341	109	47%

FORECAST SALES BY BUSINESS LINE IN THOUSAND EUROS

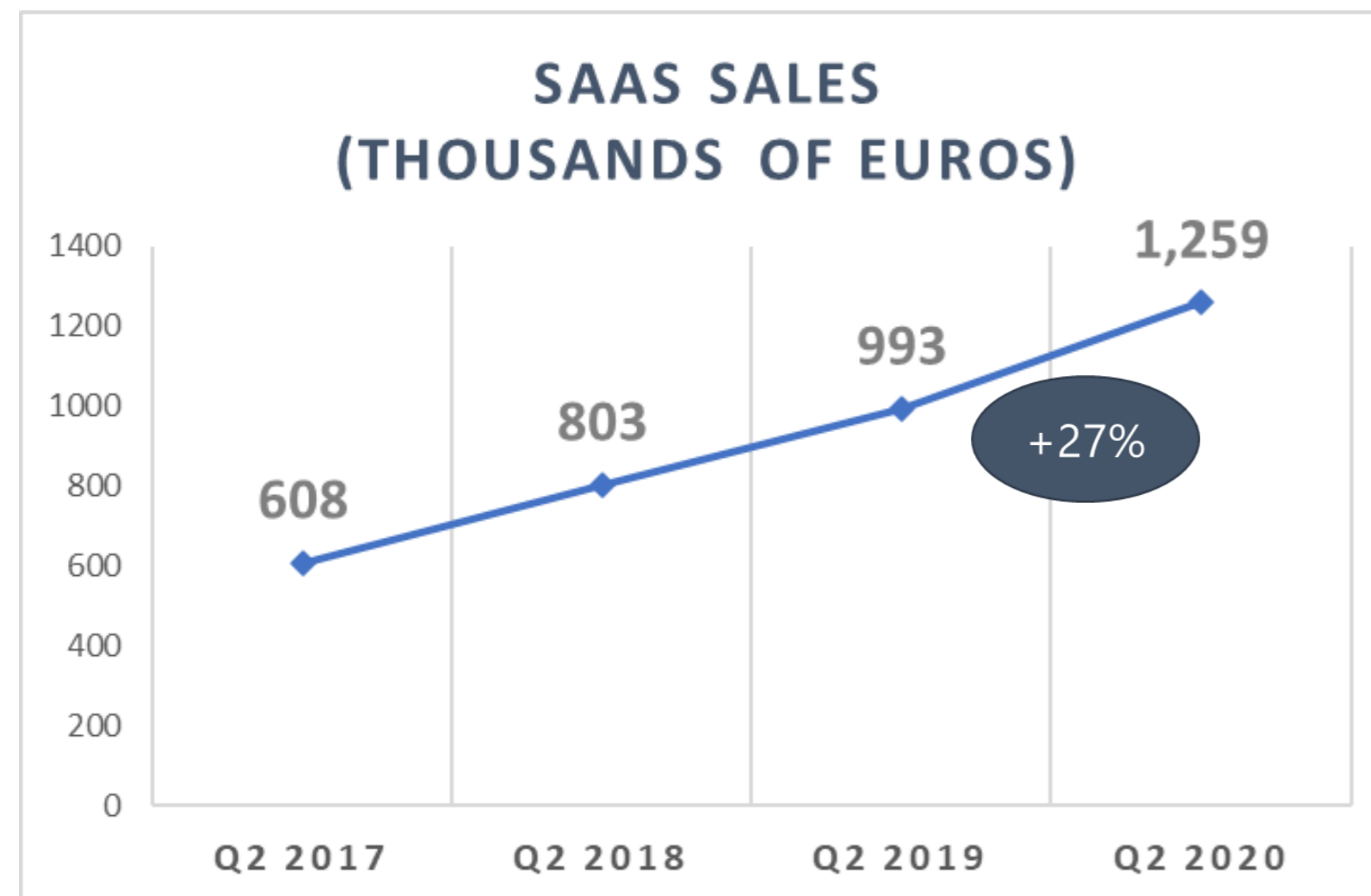
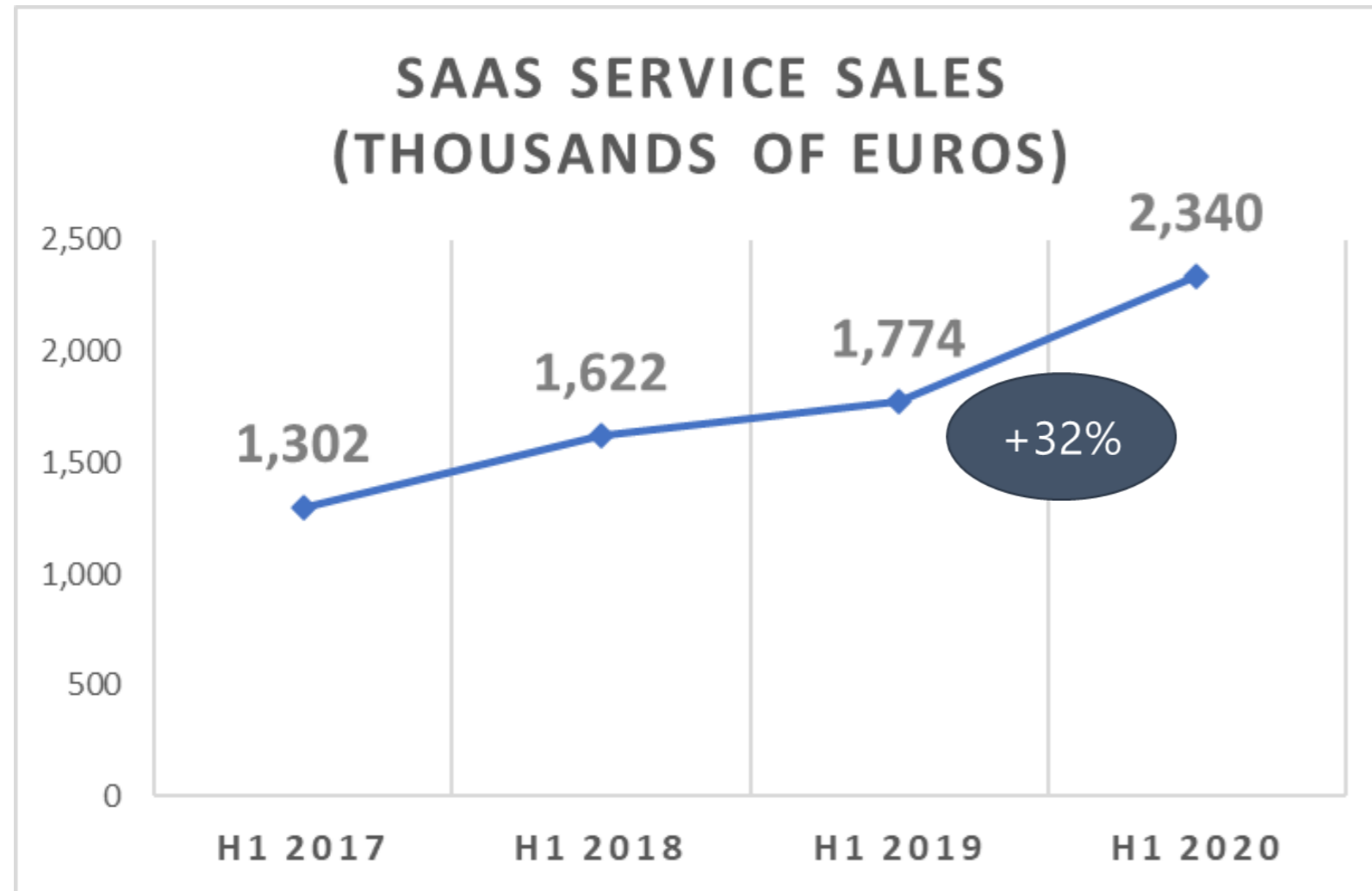
Estimated consolidated sales per business line Thousand euros

	Q2 2019	Q2 2020	Var. €	Var.%	H1 2019	H1 2020	Var. €	Var.%
SaaS services	993	1,259	266	27%	1,774	2,340	566	32%
SMS solutions	598	566	-32	-5%	1,307	1,228	-79	-6%
ICX WHOLESALE solutions	1,631	1,948	317	19%	2,974	4,251	1,277	43%
Total	3,222	3,773	551	17%	6,055	7,819	1,764	29%

29% increase in sales in 2020, up to 7,8 million euros.

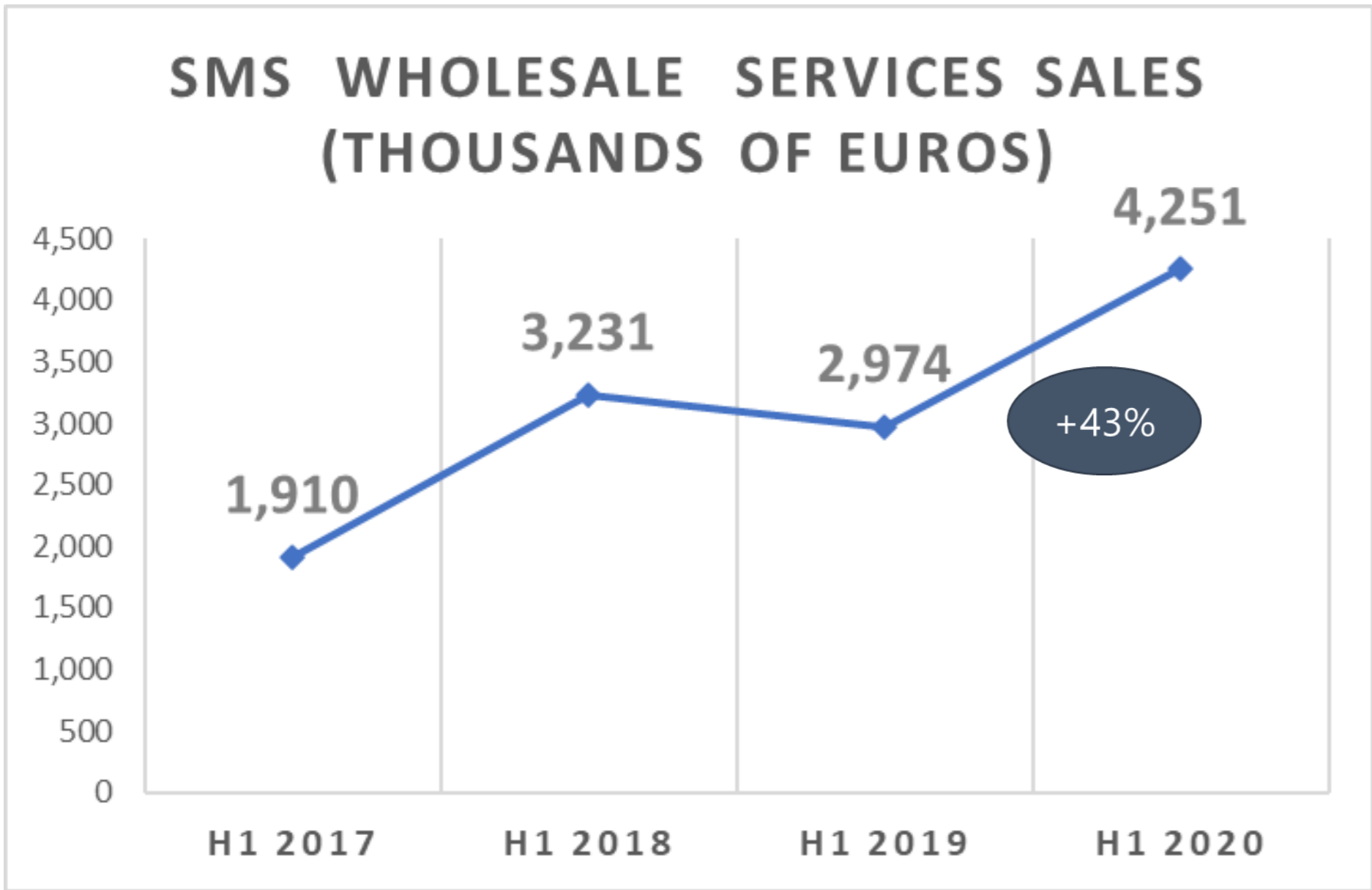


EVOLUTION OF SaaS BUSINESS LINE SALES



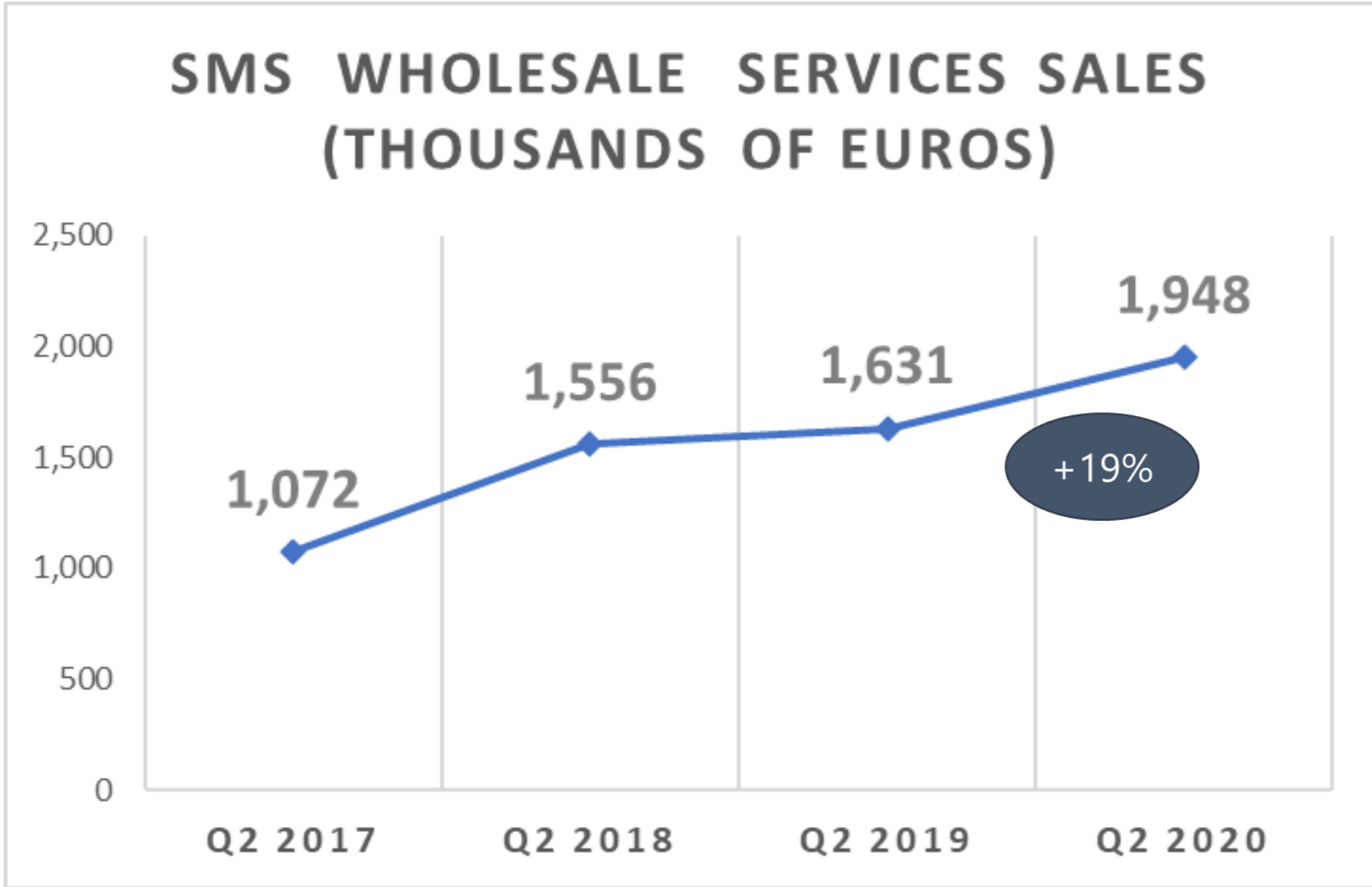
SaaS sales increase by 32% derived from:

- COVID-19 brings a new demand, arising from remote working needs.
- The types of consumption have been modified, with an increase in standard contracting and notification products
- Relevant contracts have been signed during this second quarter that will generate significant income in H2 2020, both nationally and internationally.

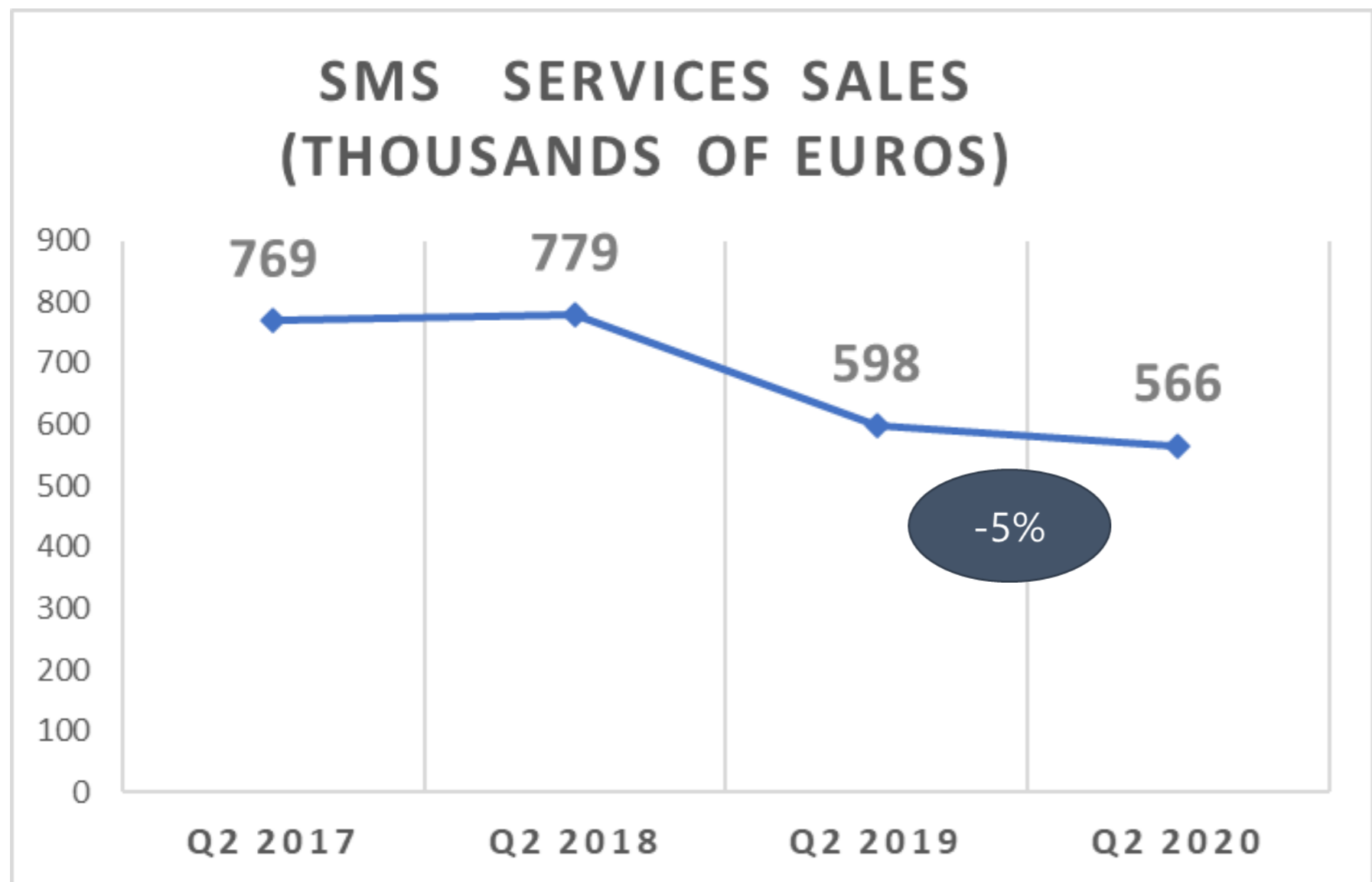
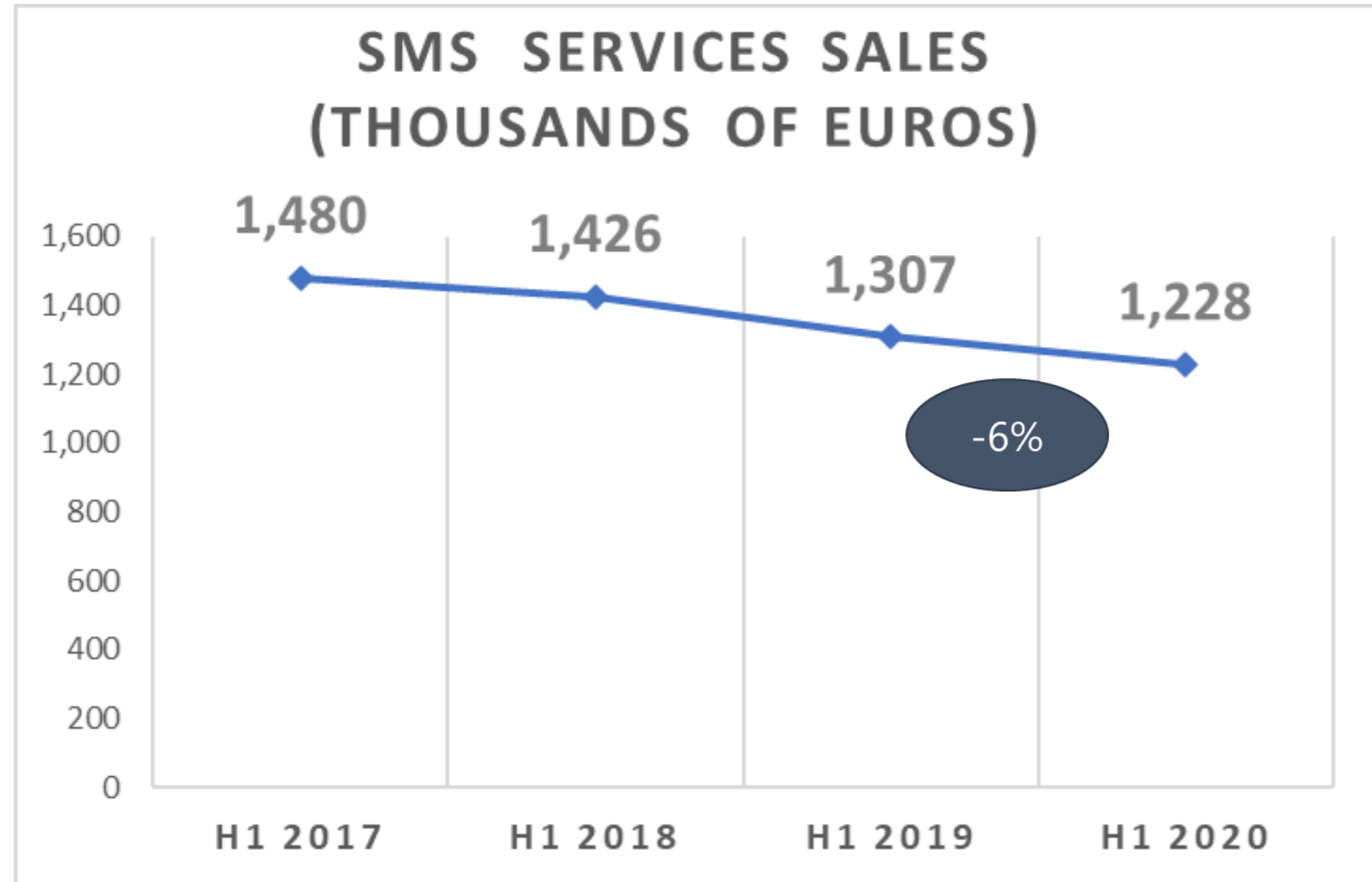


Wholesale sales continue to grow at double digit quarterly and stand at 43% semi-annually.

During this second quarter, vacation SMS traffic has disappeared, (also known as Hospitality, i.e. airline tickets, car rentals, taxis, vacation rentals ...) due to the lockdown and travel restrictions caused by COVID-19 crisis, but it has been replaced by labour, health and transactional traffic



EVOLUTION OF SALES OF THE SMS BUSINESS LINE

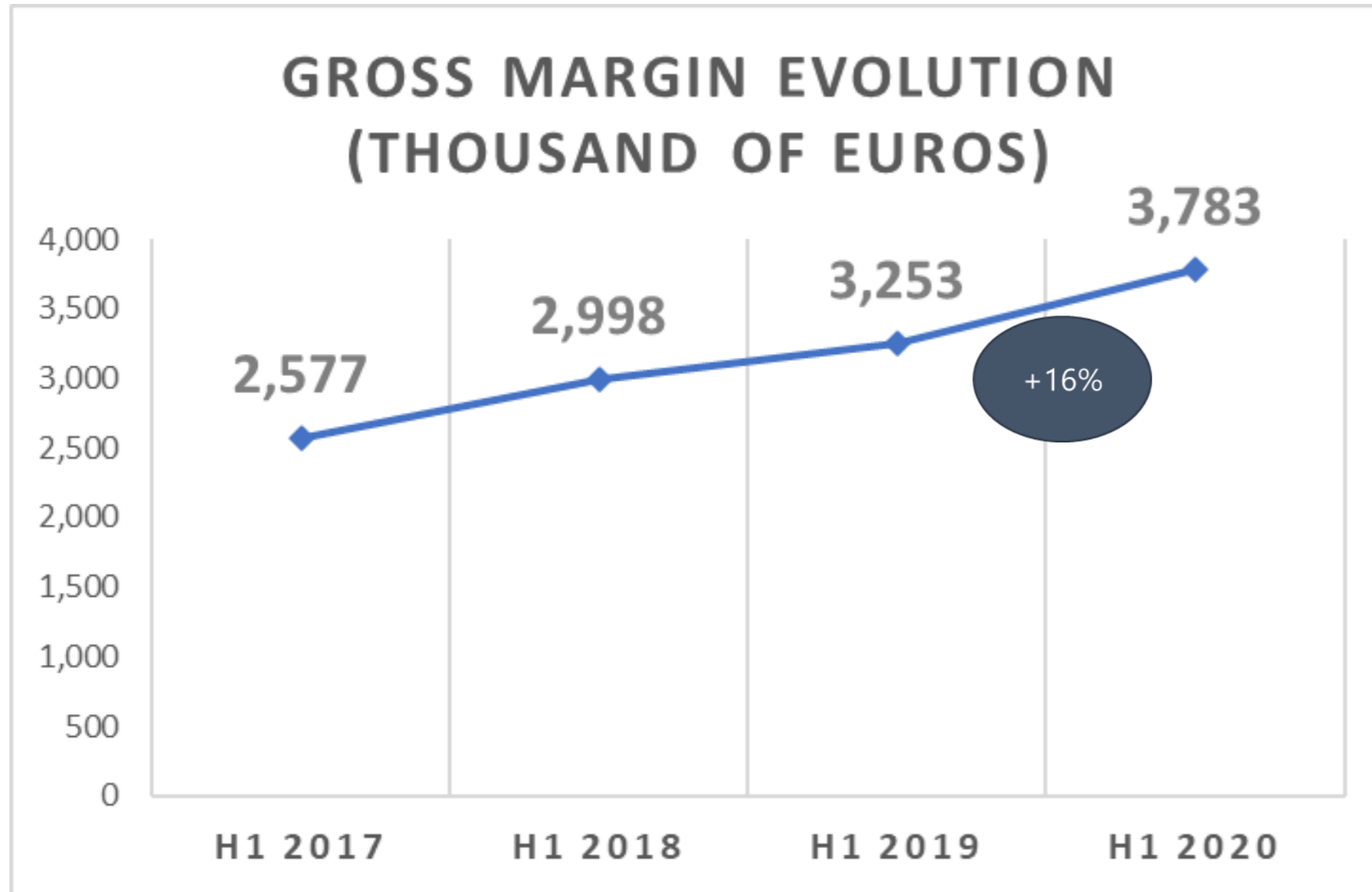


Sales of SMS for commercial purposes are those with the least potential for Lleida.net product portfolio.

It is a straightforward SMS market for small volume clients.

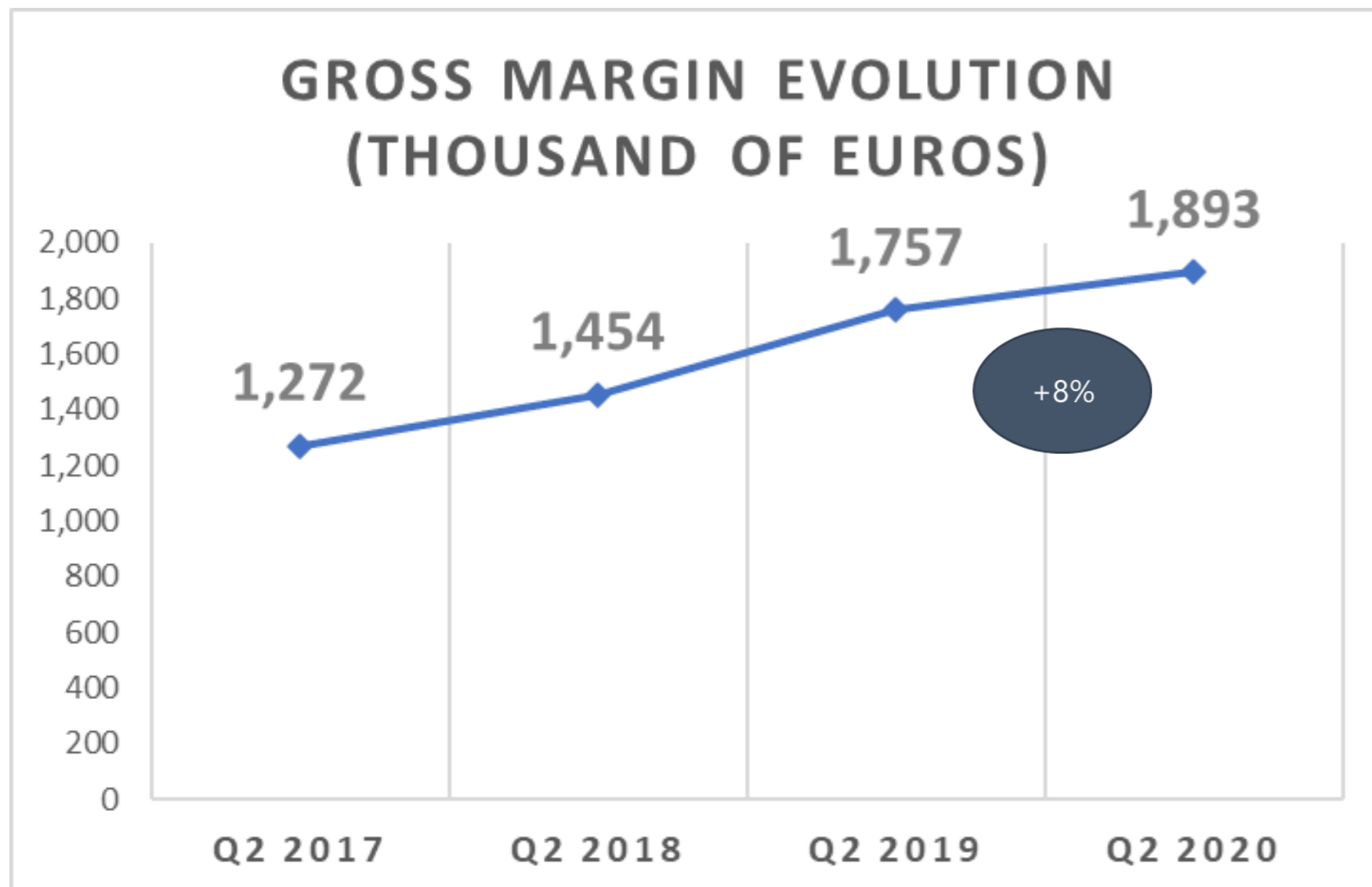
The only expected increases in this business line during 2020, are the ones to hold current sales volumes.

GROSS MARGIN EVOLUTION

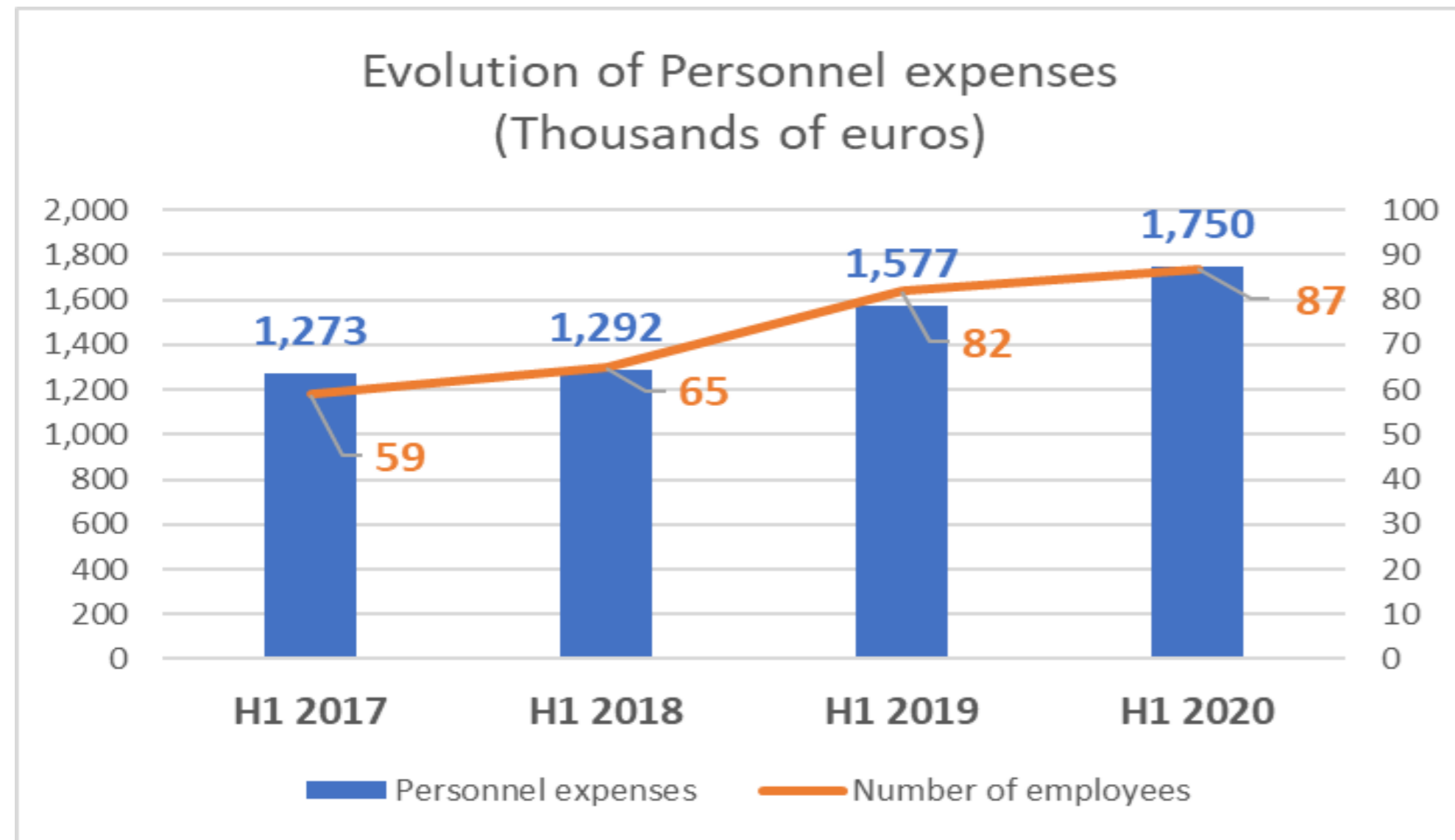


Gross margin increased 530 thousand euros for the six month period, derived from the increase in sales.

The margin ratio between sales, stands at 48% biannually and 50% quarterly.

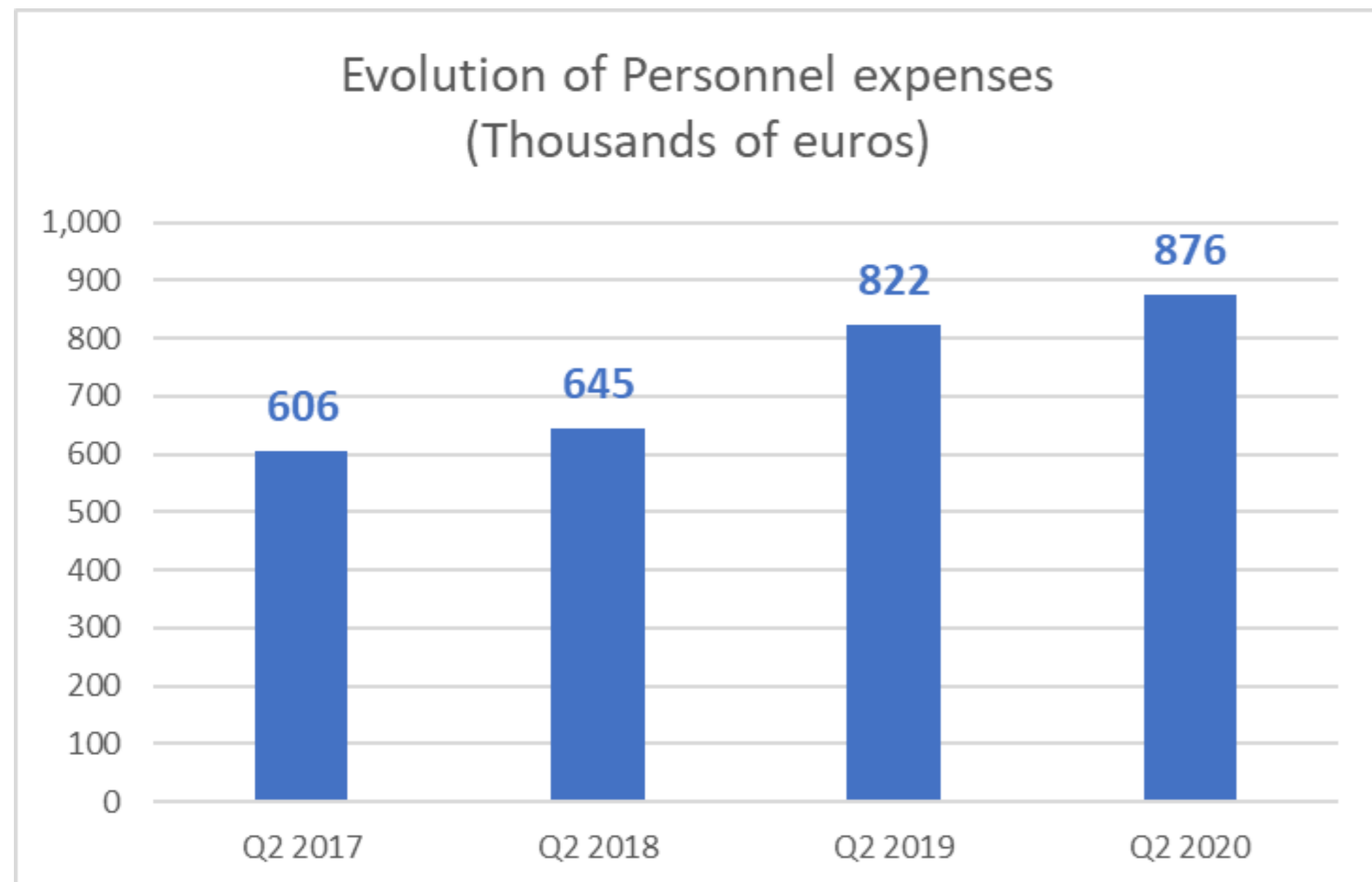


EVOLUTION OF PERSONNEL EXPENSES



Personal expenses stand at 173 thousand euros, an increase of 11% over the same semester last year.

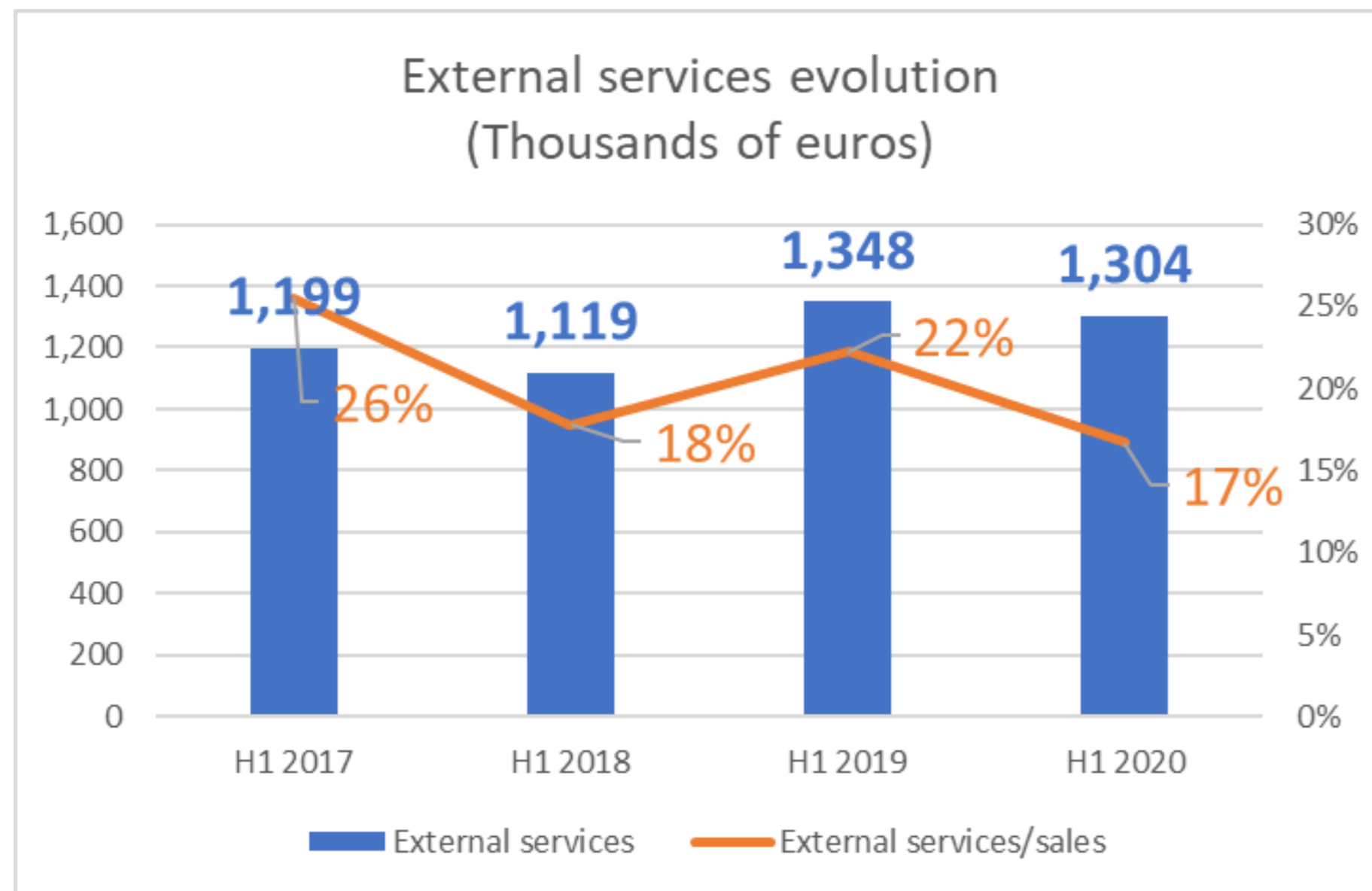
One of the cornerstones of Lleida.net is the constant incorporation of talent, required to the development of new products, to attract new customers and to open new markets.



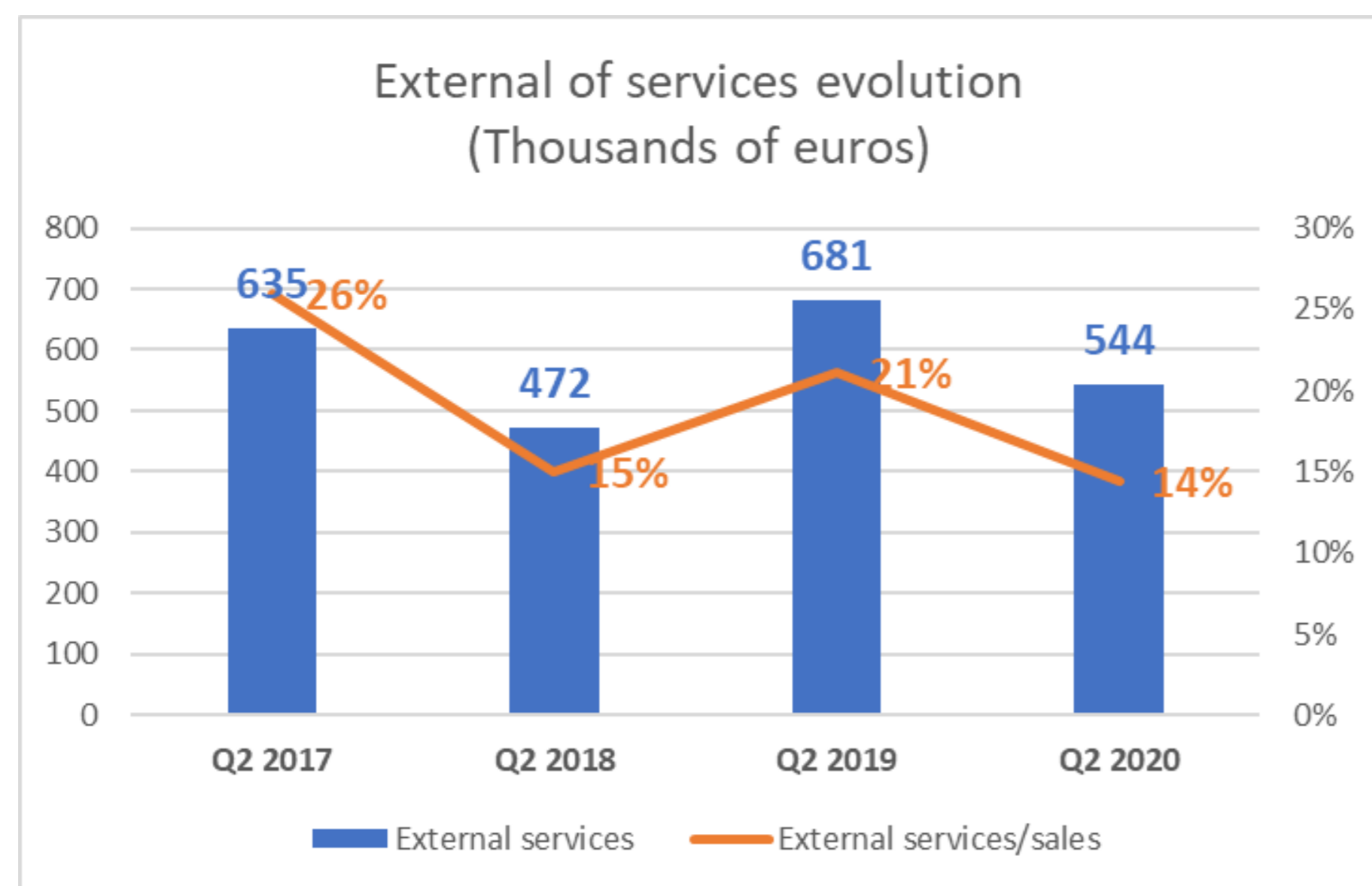
Lleida.net workforce has increased by 6% if we compare year-on-year data.

New recruits have been designed to meet the demand for additional information as a result of COVID-19 outbreak.

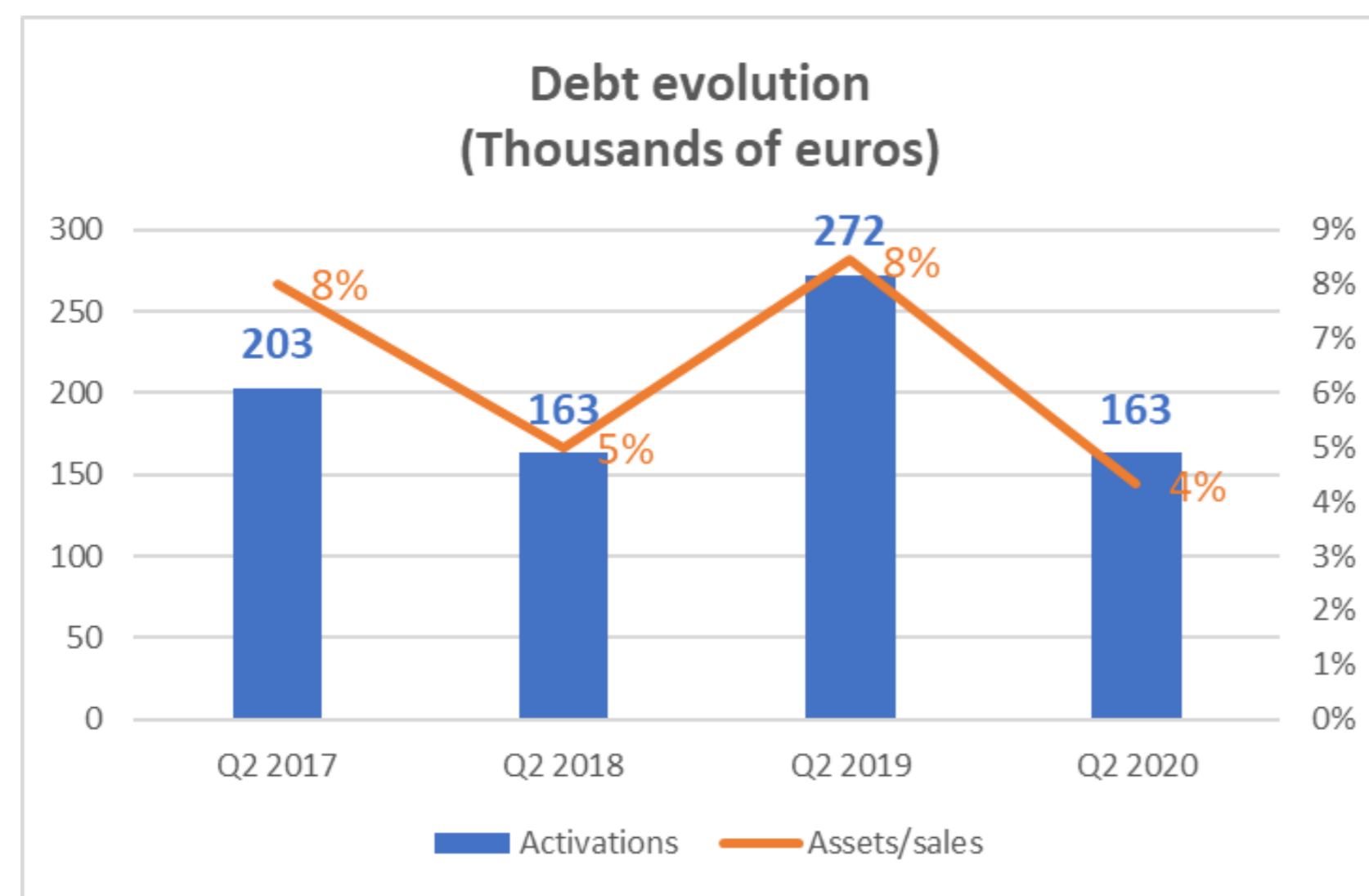
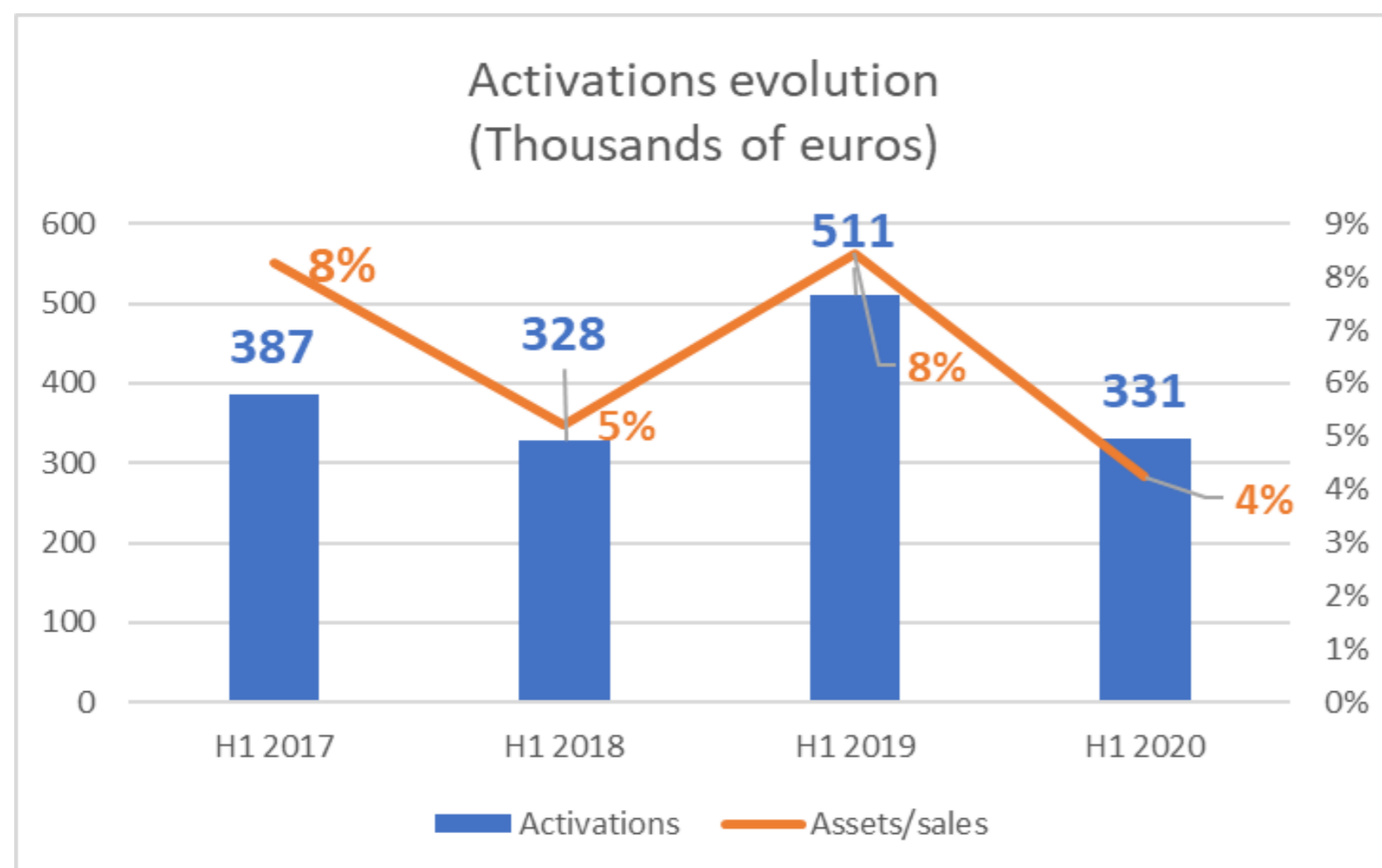
EVOLUTION OF EXTERNAL SERVICES EXPENSES



The decrease in spending on foreign services, both semi-annually and quarterly, is marked by the "slowdown" in expenses and in commercial trips due to global confinement.

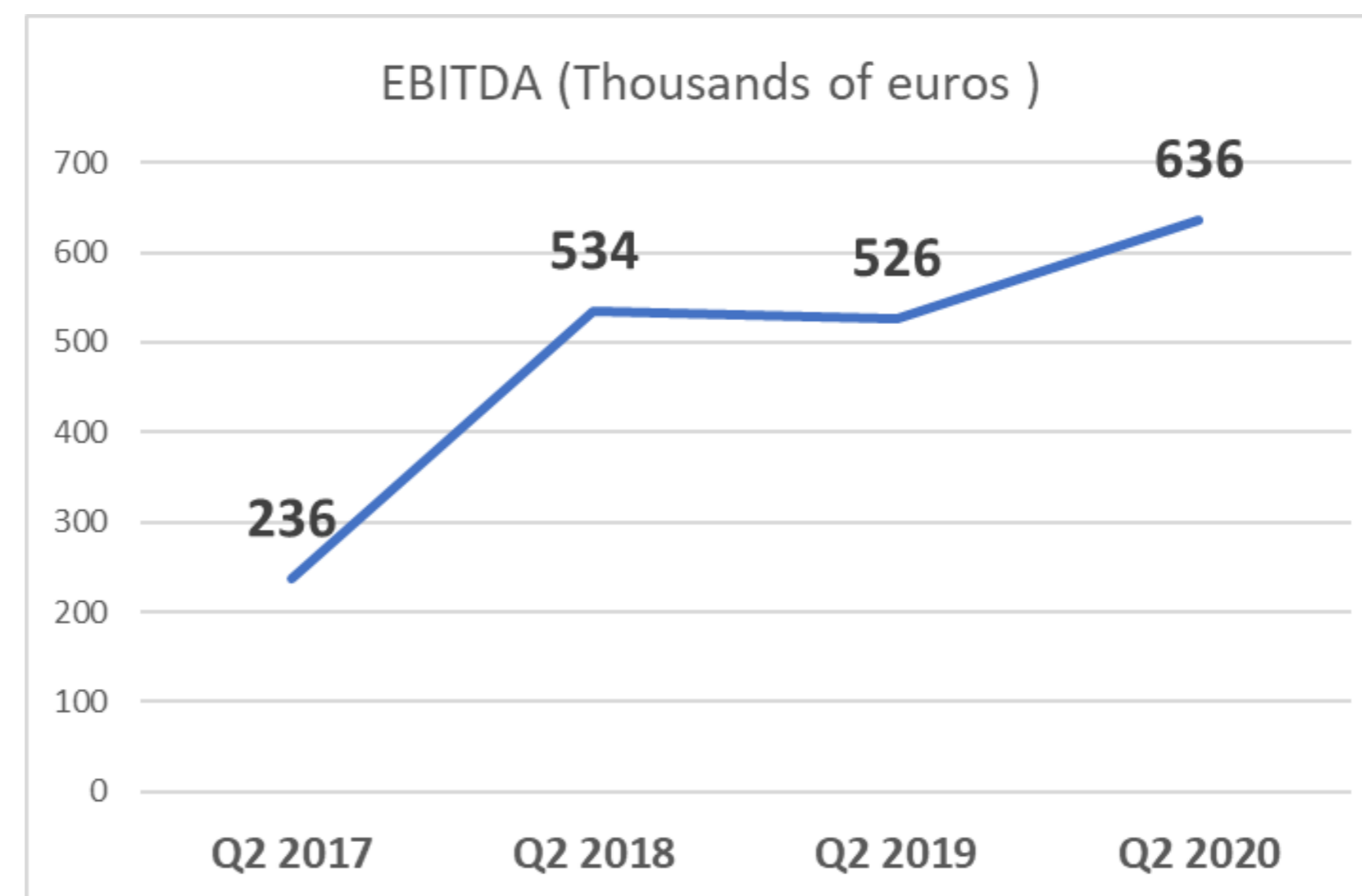
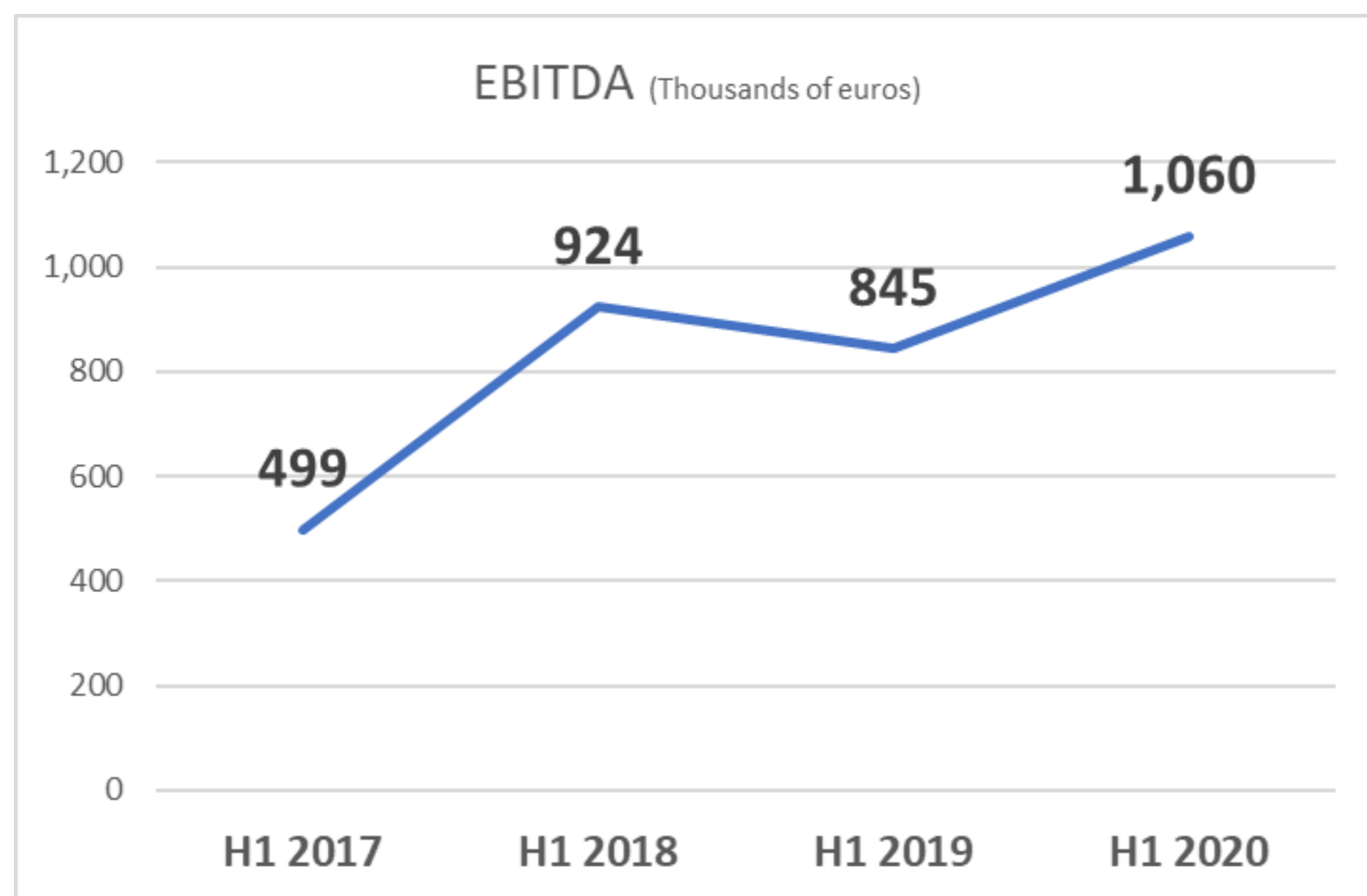


EVOLUTION OF ACTIVATIONS



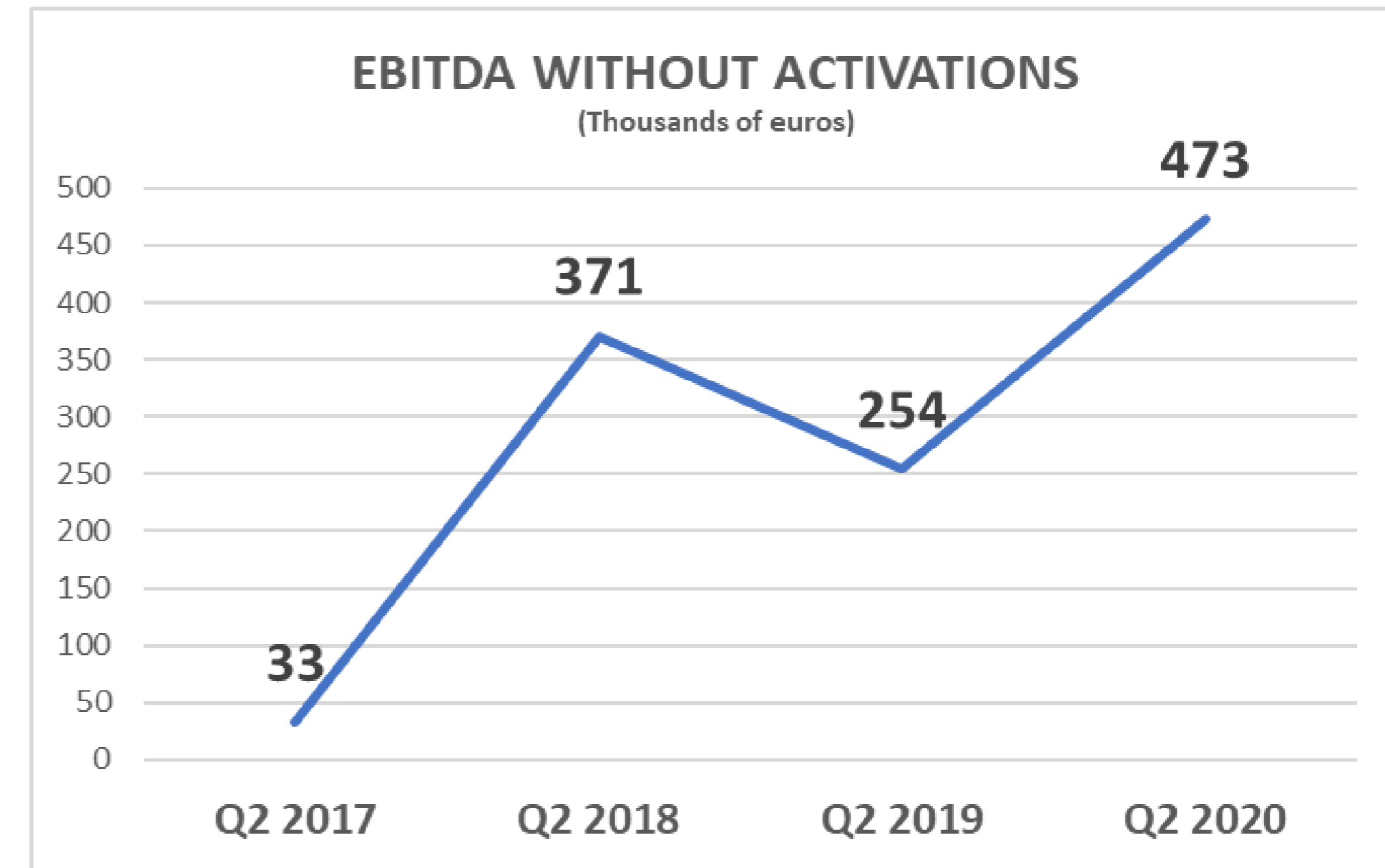
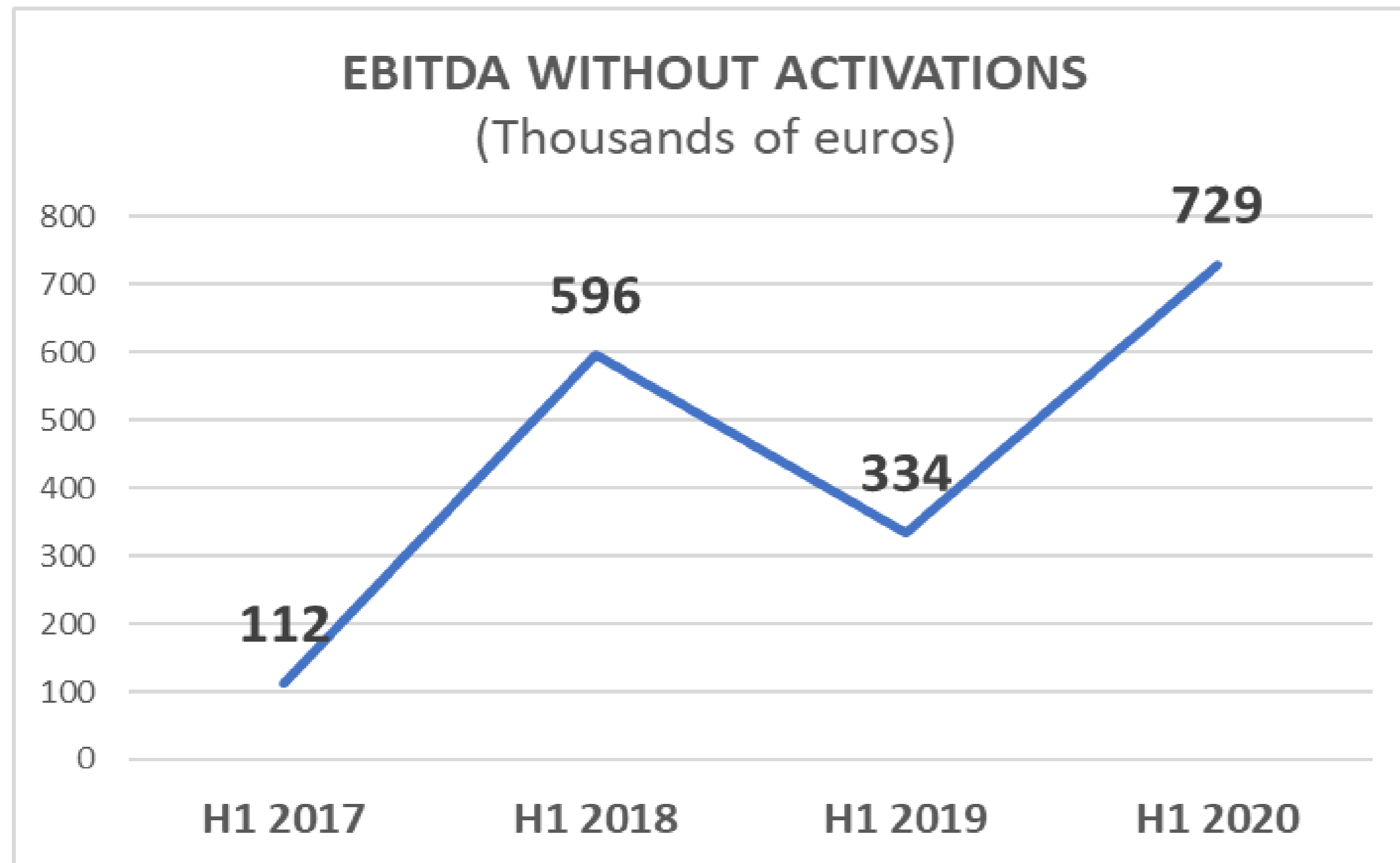
It should be noted that the group, regardless of the change in accounting criteria, continues to carry out the same hard work in for developing products, mainly in the SaaS business line, with innovation being a basic pillar within the company's strategy and strengthening its talented workforce

EBITDA



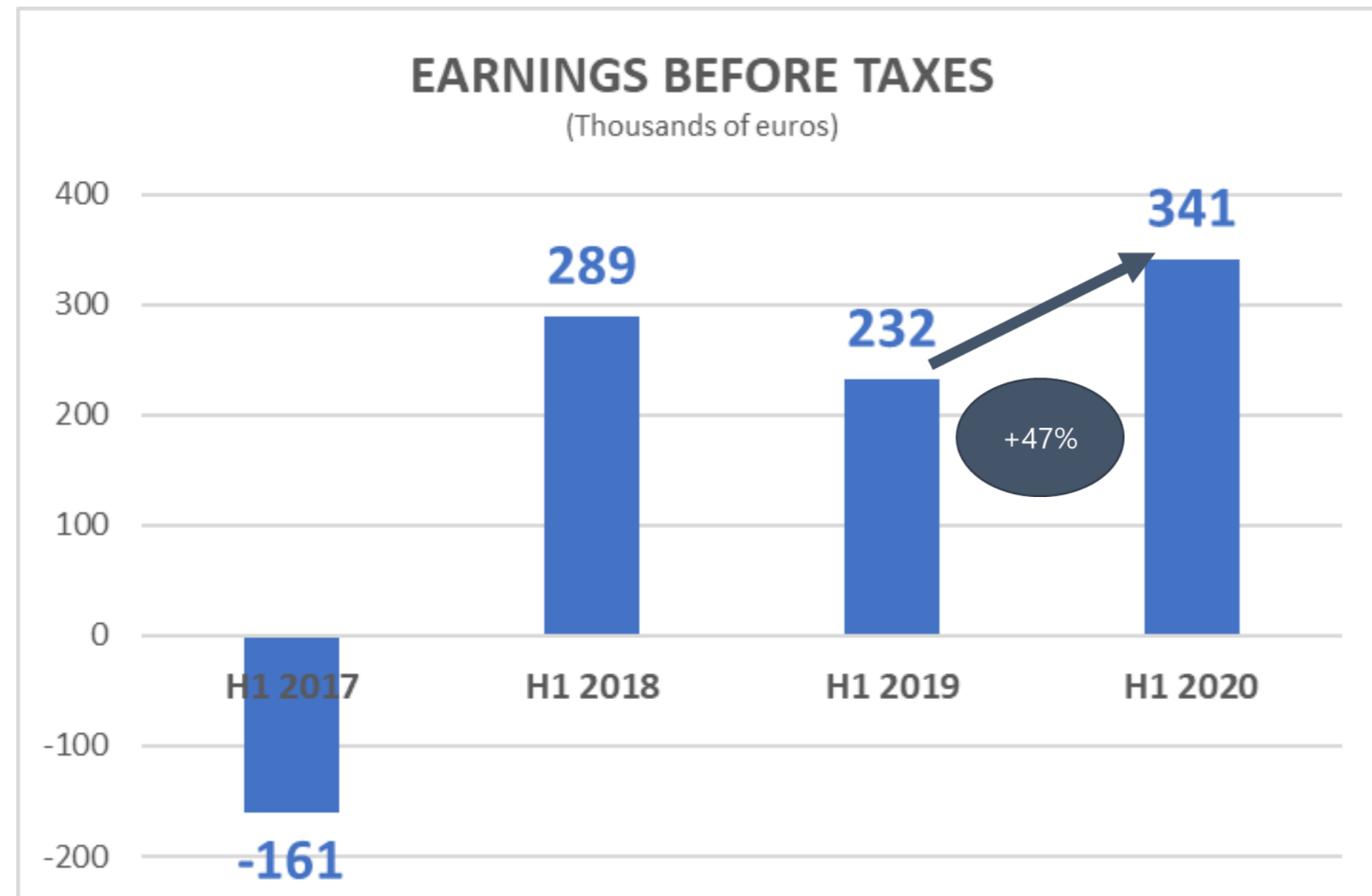
EBITDA reaches 1 million euros which represents an increase of 25% compared to the same period of the 2019 financial year.

EBITDA WITHOUT ACTIVATIONS

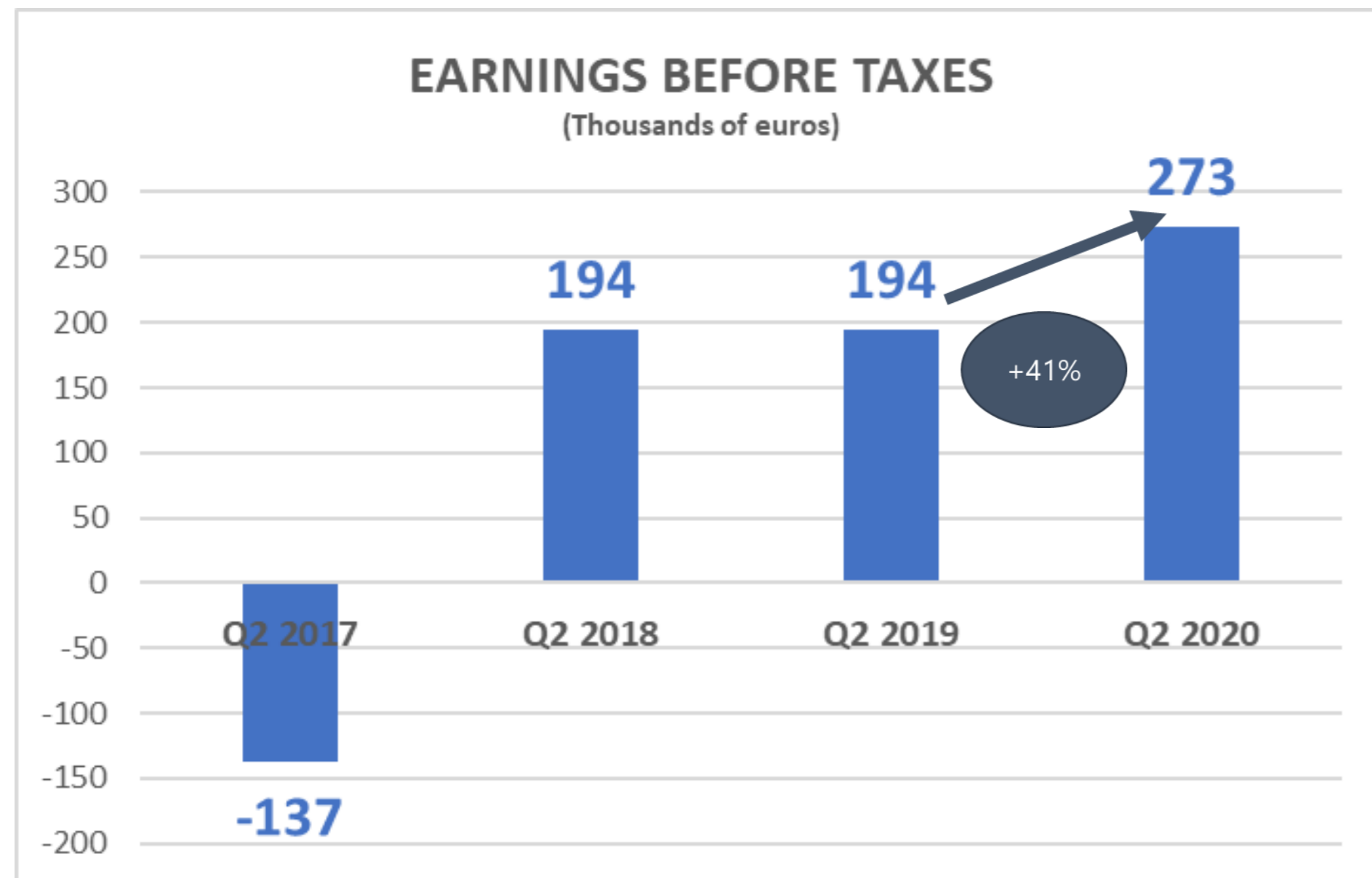


EBITDA without activations multiplies by two compared to the same semester of 2019, and quarterly EBITDA increases by 86% compared to the second quarter of 2019.

EARNINGS BEFORE TAXES



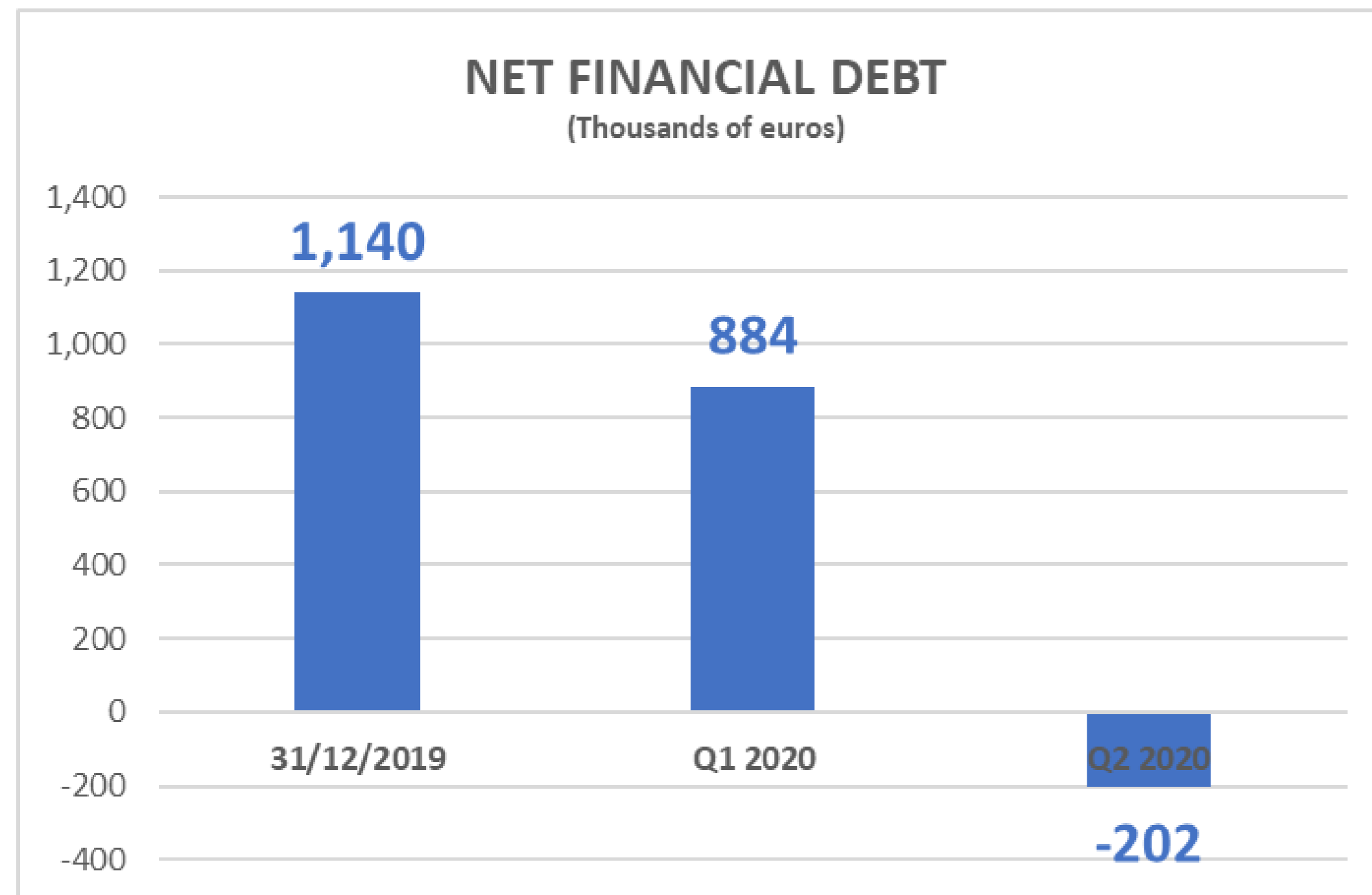
The semi-annual result is positive at 341 thousand euros, representing an increase of 47%, despite the exchange rate differences that represent an expense of 90 thousand euros due to the evolution of Latin American currencies.



NET FINANCIAL DEBT

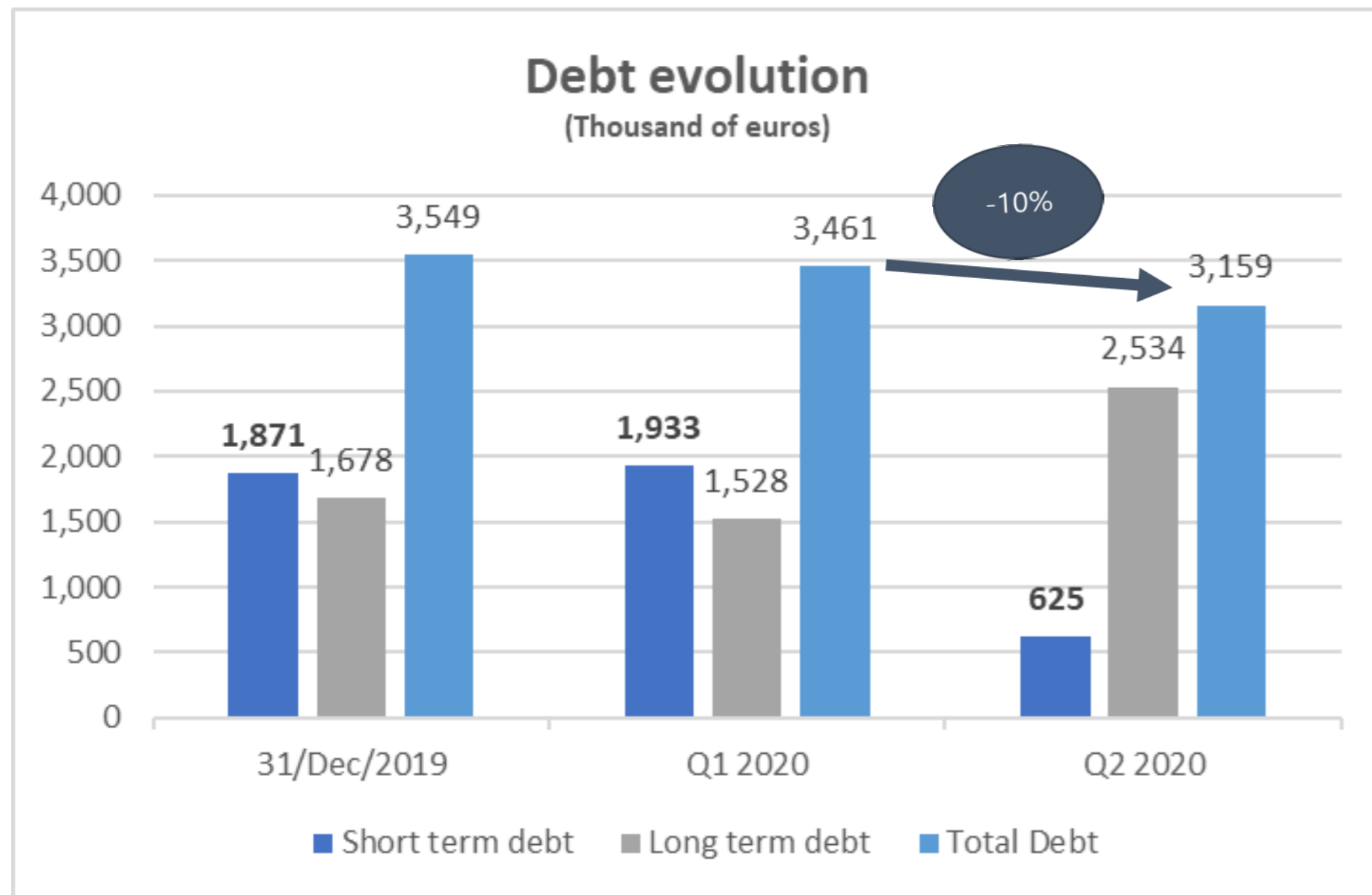
Diff Q1 2020-Q2 2020

Thousands of euros	2,019	Q1 2020	Q2 2020	Thousand:	Percentage
Short term debts	1,871	1,933	625	(1,308)	(209%)
Long term debts	1,678	1,528	2,534	1,006	40%
Total Financial debt	3,549	3,461	3,159	(302)	(10%)
Available cash	2,409	2,577	3,361	784	23%
NFD	1,140	884	-202	(1,086)	538%

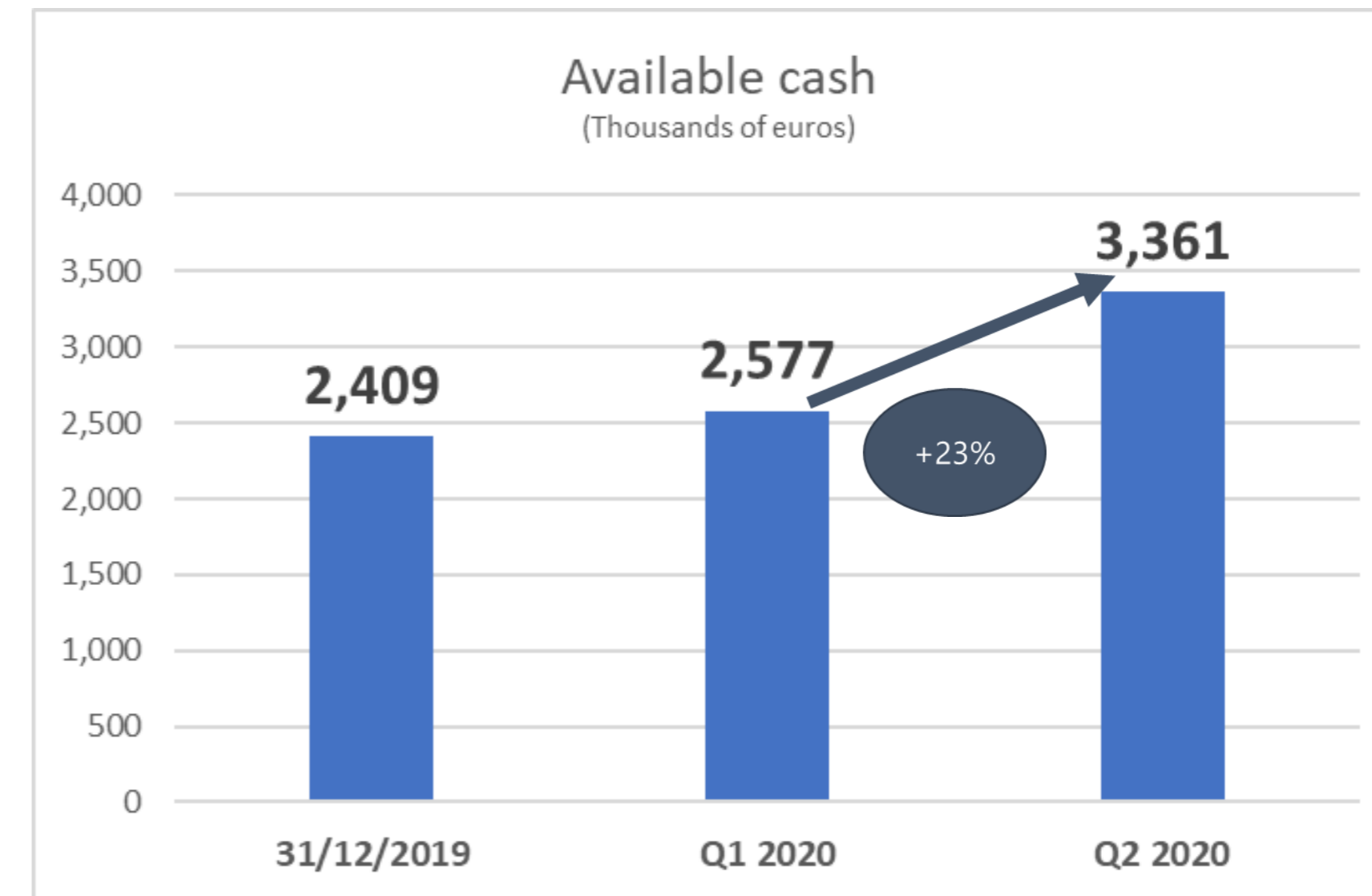


Net financial debt continues to decrease and we currently have an excess of the available cash compared to total debt to over 200 thousand euros.

DEBT EVOLUTION AND AVAILABLE LIQUID ASSETS



New bank loan contracts have been signed amounting to 1.2 million euros, so that a less demanding short-term debt repayment position is possible.



Cash available increase (Treasury + Short-term financial investments) in 784 thousand euros derived from:

- Cash generated by the activity of the company itself
- Sale of treasury stock by the liquidity provider.



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25 years
anniversary



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