



IPO of BMIT Technologies plc

November 2018

Important information & disclaimers

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The offer of shares by the Company is the subject of an application with the Listing Authority and the Malta Stock Exchange and the shares shall not be issued, nor any documents associated therewith, shall be issued on an on-confidential basis without the prior approval of the Listing Authority. You are deemed to have knowledge of such facts. Furthermore, any forward-looking statements, including those relating to matters which are not historical facts and which involve projections and assumptions of future circumstances are subject to a number of risks, uncertainties, assumptions and important factors that could cause actual risks to differ materially from the expectations of the Company’s directors. No assurance is given that future results or expectations will be achieved.



IPO rationale
BMIT Technologies plc

GO Group in numbers

100 million

Investment in infrastructure
over next 5 years
announced in 2017

340 million

Total invested in Malta
over 15 years

1.3 million

Addressable market
in Malta and Cyprus

530,000+

Customer connections

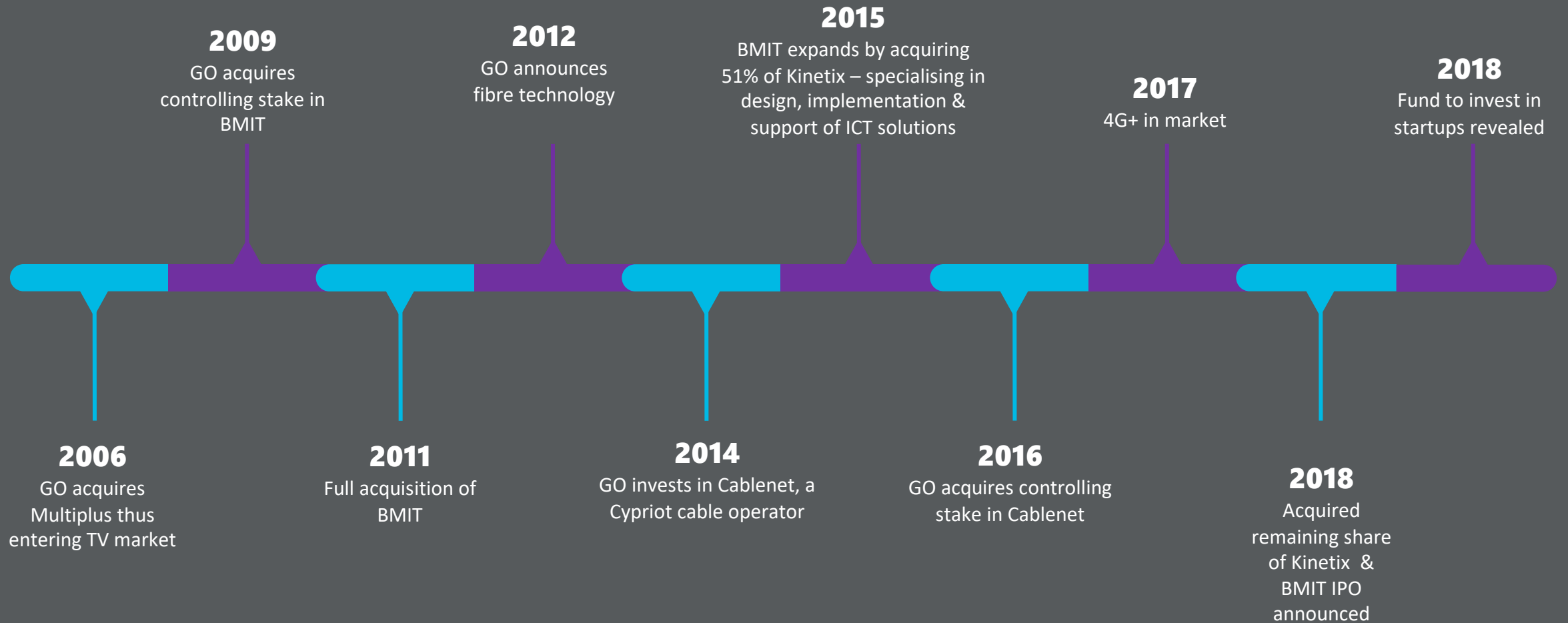
6,700

Maltese shareholders

1,100

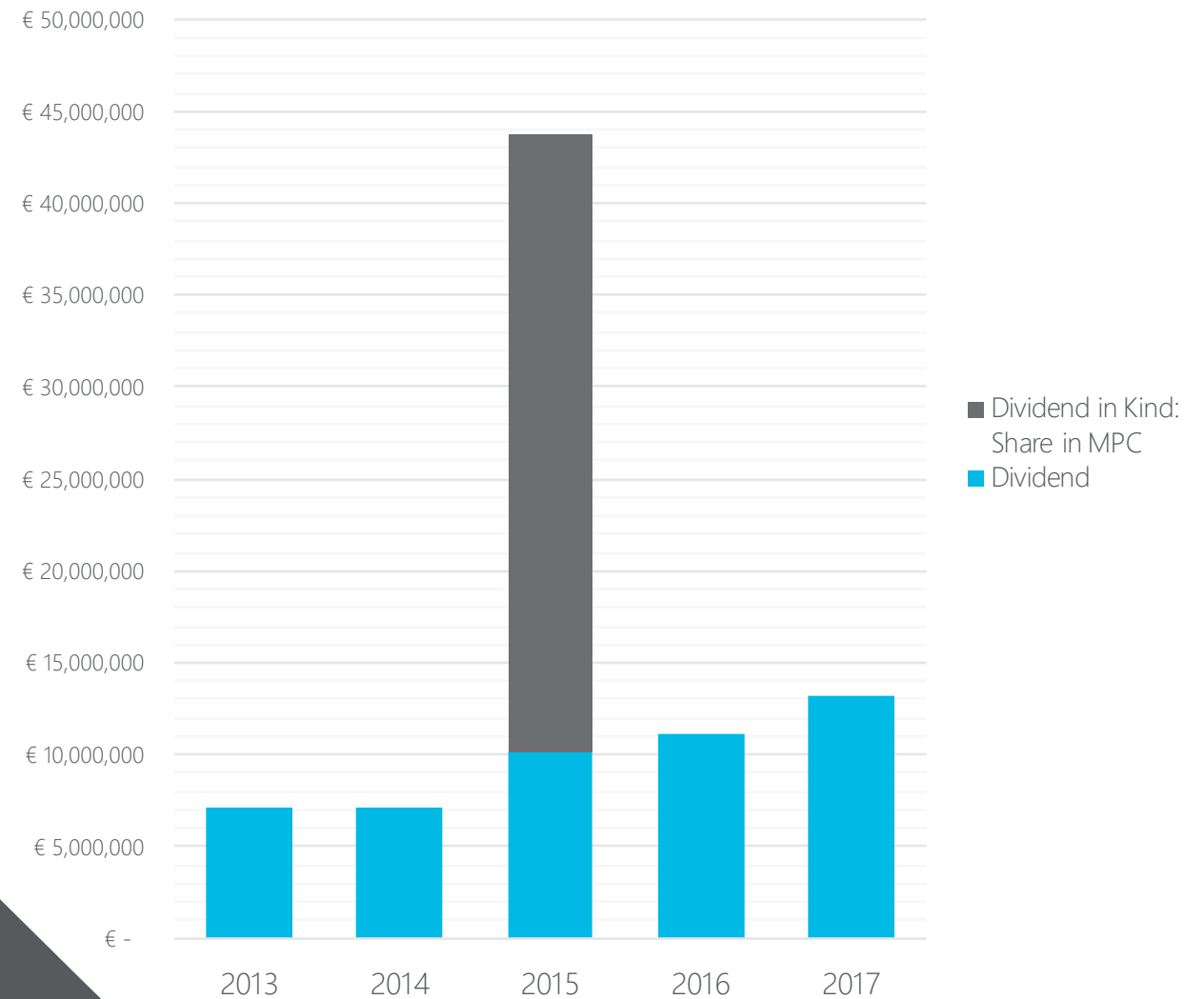
Employees and
contractors

Investing in our future



Deliver shareholders' return

Over €90m distributed to
shareholders over 5 years



BMIT Technologies overview



Largest data centre on the island



Growing revenues from diversified industry sectors



Revenue growth of 11% CAGR



Annual EBITDA of €10M

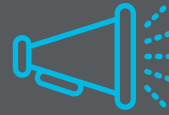


Generation of healthy cash flow

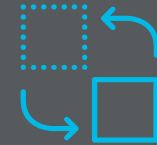


Debt free with profits for distribution and investments

Rationale for the transaction



Raise the profile of the BMIT Group



Access to Capital Markets

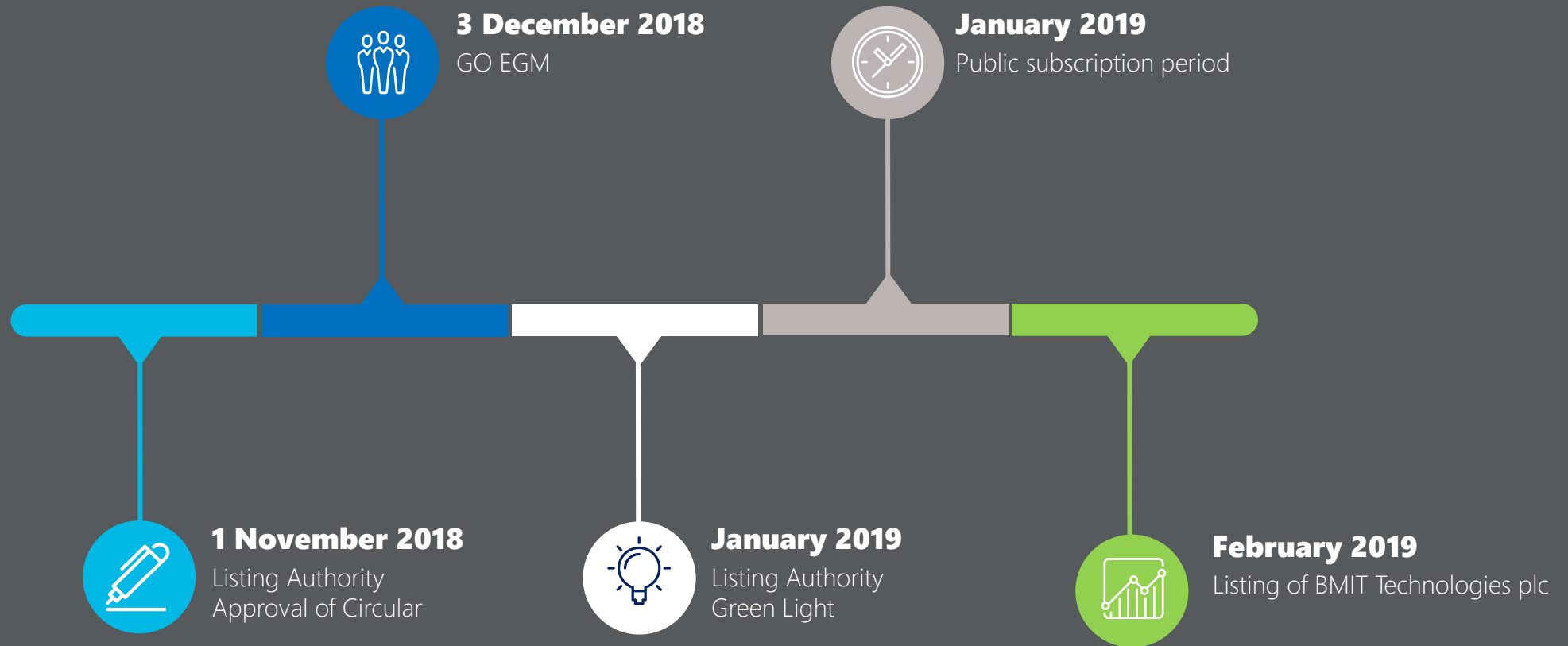


Enhanced management focus and improved governance



Delivering shareholder returns and accelerated investment in core business

The IPO of BMIT Technologies plc



Share capital structure

- Authorised and issued share capital **pre IPO**
 - 203,595,310 ordinary shares with a nominal value of €0.10 each fully owned by GO plc
- Authorised and issued share capital **post IPO**
 - 203,595,310 Ordinary shares with an offer price of €0.49 each (share premium of €0.39 per share) equivalent to a valuation of €99.8 million
- GO plc to retain at least 51% shareholding
- Up to 49% offered to the public

Advisors

- Sponsor & Co-Manager **Rizzo Farrugia & Co. Stockbrokers Limited**
- Registrar & Co-Manager **Bank of Valletta plc**
- Legal Counsel **Mamo TCV**
- Auditors **PwC Malta**



Introduction

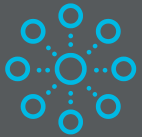
BMIT Technologies plc

The Value of BMIT



16+ years of experience

Serving **over 500 customers** across various industry sectors



A broad portfolio of services

From the desktop to the data centre to the cloud



Robust & resilient infrastructure

2 data centres / international private network / Malta-based cloud platform



A focused team of people

Offering **expertise across various technologies**



Partnerships with industry leaders

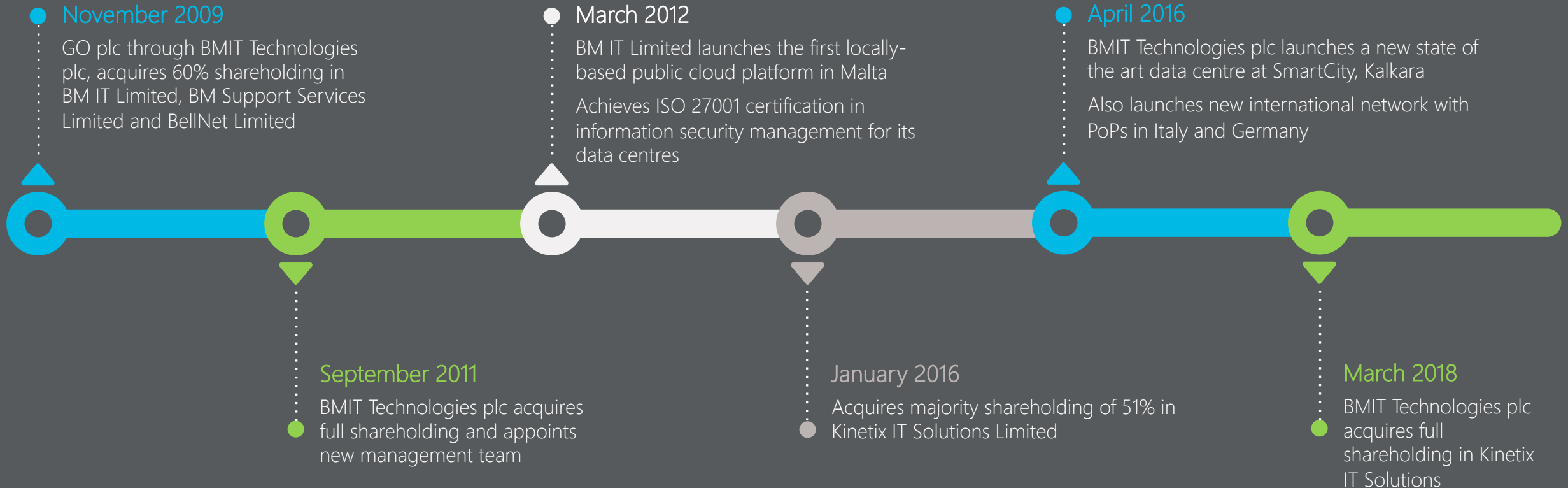
To deliver **best-of-breed solutions** for customers



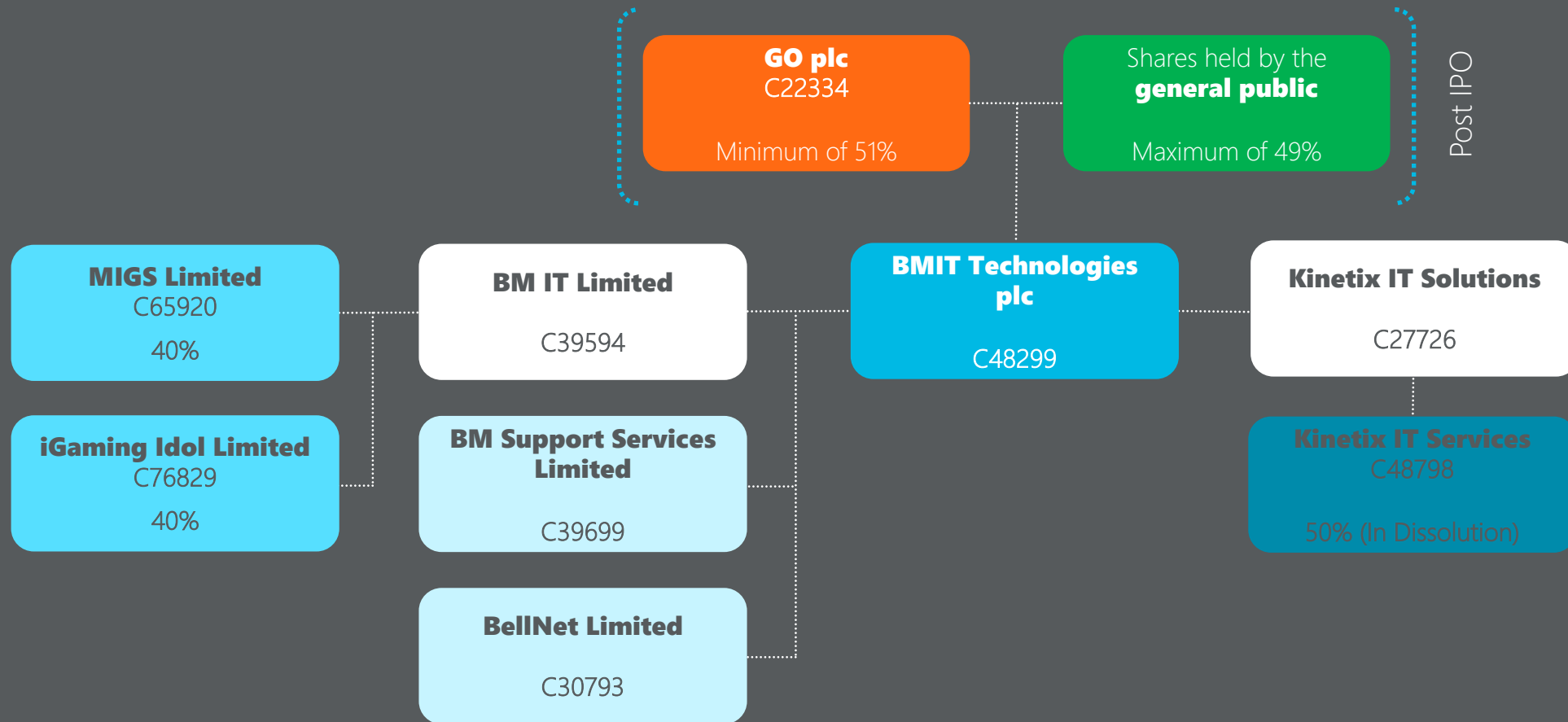
Winner of the European Business Awards Ruban d'Honneur

Acknowledged as one of the leading European iGaming data centres year on year

History of BMIT Technologies plc



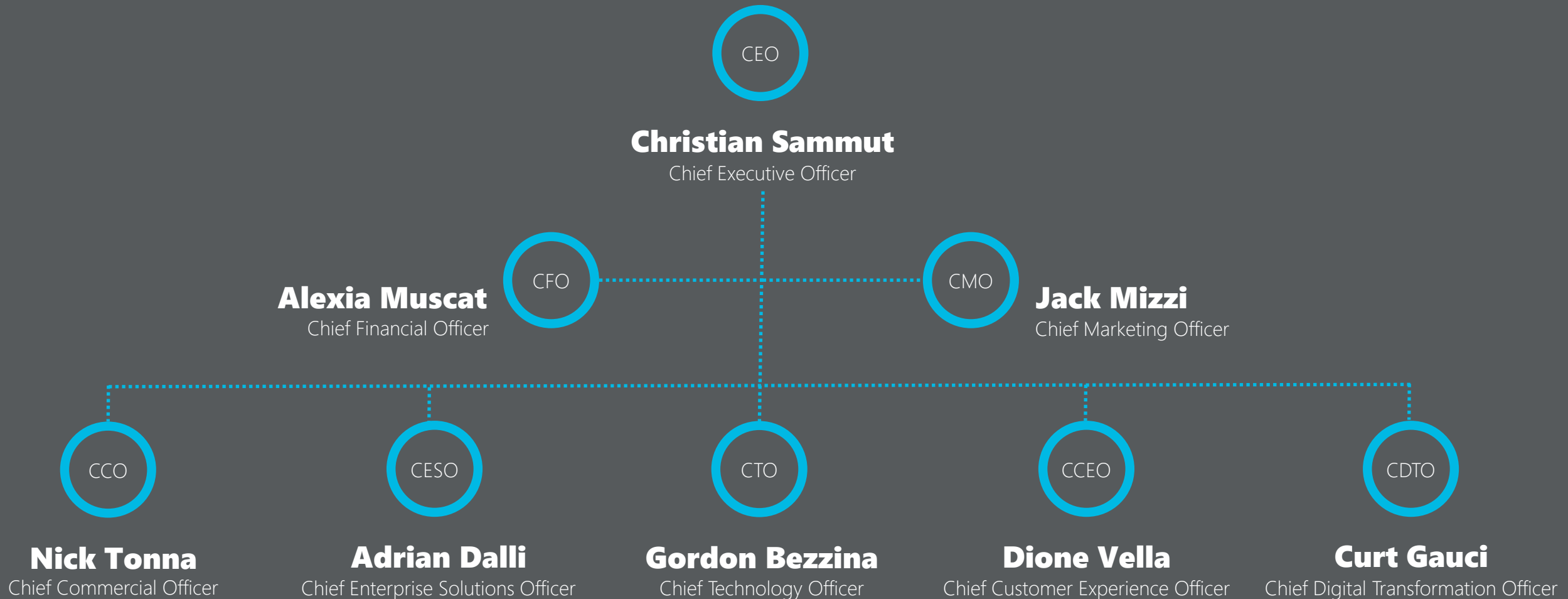
Introduction to the BMIT group



NOTE

Ownership percentages are all 100% unless otherwise stated.
All companies are registered in Malta.

Executive management of BMIT Technologies plc



Board of directors and corporate governance



BOARD of
DIRECTORS

Nikhil Patil Chairman

Charmaine Farrugia

Reuben Zammit

Arthur Galea Salomone *

Saviour Portelli *

Francis Galea Salomone

Company Secretary



AUDIT
COMMITTEE

Saviour Portelli Chairman

Reuben Zammit

Arthur Galea Salomone

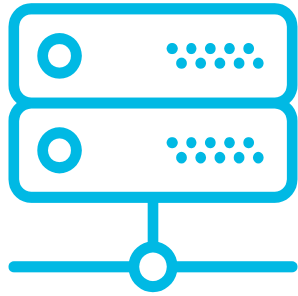
* Independent Directors



Service offering & customers

BMIT Technologies plc

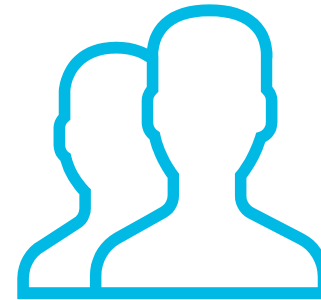
Portfolio overview



Data Centre
Services



Cloud
Services



Managed IT
Services

Data centre services



MALTA'S LARGEST DATA CENTRE PROVIDER

2 Facilities
5 Data Floors
450 Racks
4000 Operational servers



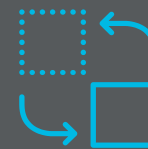
MULTI-SITE & MULTI-JURISDICTIONAL

2 Facilities in Malta
Presence in Italy & Germany



INTERNATIONAL PRIVATE NETWORK

Tier 1 IP Connectivity
Direct connectivity to public cloud providers



RESILIENT & SECURE INFRASTRUCTURE

Redundant design
ISO27001 & PCI-DSS certified
Multi-Tier DDOS mitigation



PRIVATE & HYBRID CLOUD SOLUTIONS

Design, delivery & management

Cloud services



MALTA'S ONLY PUBLIC CLOUD PLATFORM

Automated Provisioning
Self Managed
Pay-per-Use Billing



MULTI-SITE & MULTI-JURISDICTIONAL

Deploy services in 2 sites
Cyprus also available
Tunisia soon



HOSTED IN MALTA OR ON VENDOR PUBLIC CLOUDS

Best of breed approach according to business, technical and regulatory requirements



VARIETY OF IAAS, PAAS & SAAS SCENARIOS

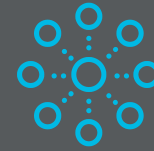
Virtual Private Infra
Web Hosting
Storage or Backup
Disaster Recovery
Productivity



MULTI-CLOUD CONNECT FOR HYBRID SCENARIOS

Integrate locally
Hosted with AWS,
Azure, Google or
Others

Managed IT services



VARIETY OF IT MANAGEMENT SERVICES

Infra Management
Sys Admin
DB Admin
Managed Backup



SYSTEMS DESIGN & IMPLEMENTATION

OFF Premise
ON Premise
In the Cloud

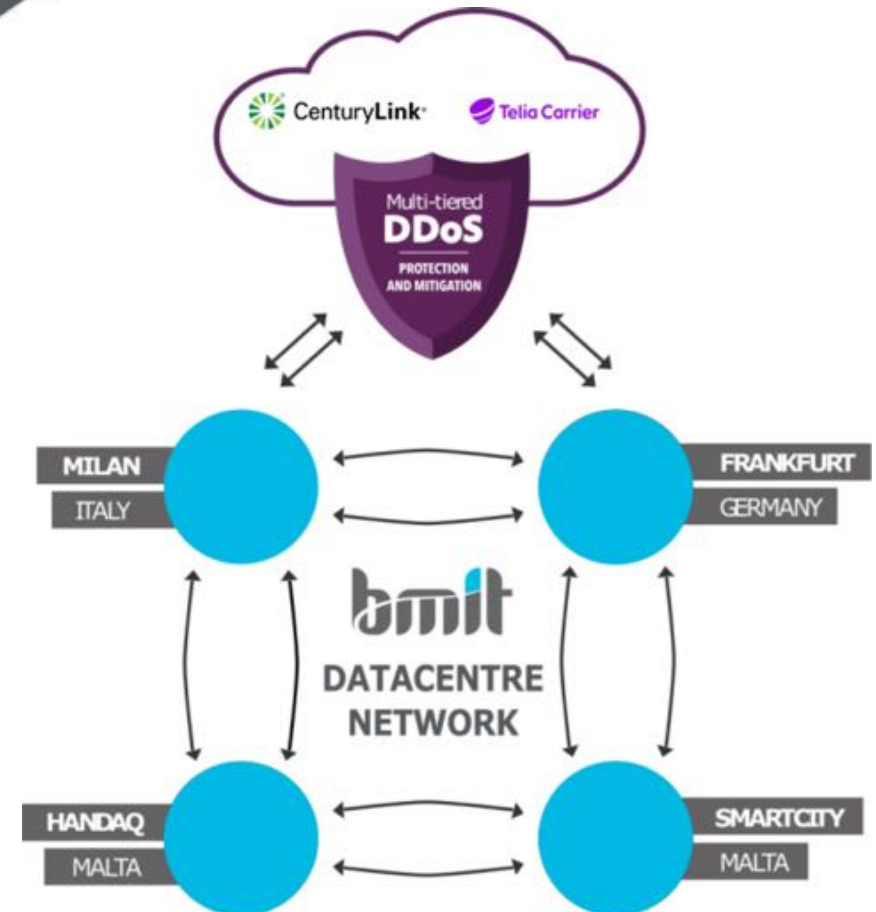


BROAD TECHNOLOGY EXPERTISE

HPE Infra
vmWare & Hyper V
Linux & Windows
SQL Server & mySQL
Veeam

International network

- Multiple, redundant links between locations, through distinct geographical routes
- Very high capacity connectivity to the Internet, through leading global IP providers
- Deployment of multi-tier DDoS protection and mitigation service
- DDoS attacks stopped before they reach the Malta data centres





Strategy & investments

BMIT Technologies plc



Vision

of BMIT Technologies plc



To enhance business potential through the power and scale of our infrastructure, expertise and human resource



SWOT

Strengths

- State of the art Infrastructure
- Strong brand and reputation
- Economies of Scale
- Diversified customer base and products
- Experienced management team

Weaknesses

- Reliance on gaming
- Sourcing of talent
- Focus on Malta
- Cost of bandwidth

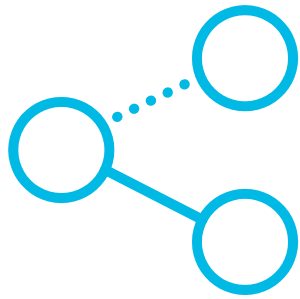
Opportunities

- Increased capacity with Zejtun expansion
- Synergies within the group
- Partnerships with leading international vendors
- Brexit
- Blockchain, AI, etc
- International markets

Threats

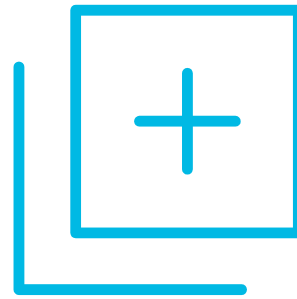
- Pricing pressures
- International technology providers
- Evolution of Malta & EU legislation (gaming & tax)
- Loss of key customers & personnel

Key strategic pillars



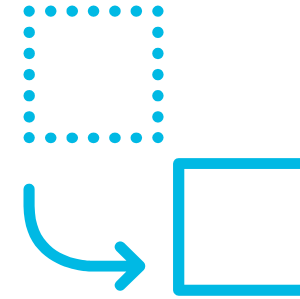
Consolidate

Short Term



Grow

Medium Term



Transform

Long Term

Continuous investment

- New data centres at Smart City Malta and improved facilities
- Local cloud platform to address technical and regulatory aspects
- Offshore hosting and cloud services to facilitate access to high growth markets
- Service management programme aimed at improving overall service delivery
- PCI-DSS and ISO27001 security certifications
- Dedicated high capacity and resilient international private network & advanced DDOS mitigation system
- Processes, systems and human talent



Gold Datacenter



Future investment

Zejtun data centre

- An investment of circa €10 million
- Over 400 racks
- Increase in capacity of nearly 30%
- Certified to Tier III by the Uptime Institute
- To be commissioned QTR 1 in 2020
- GO Secured as an anchor client



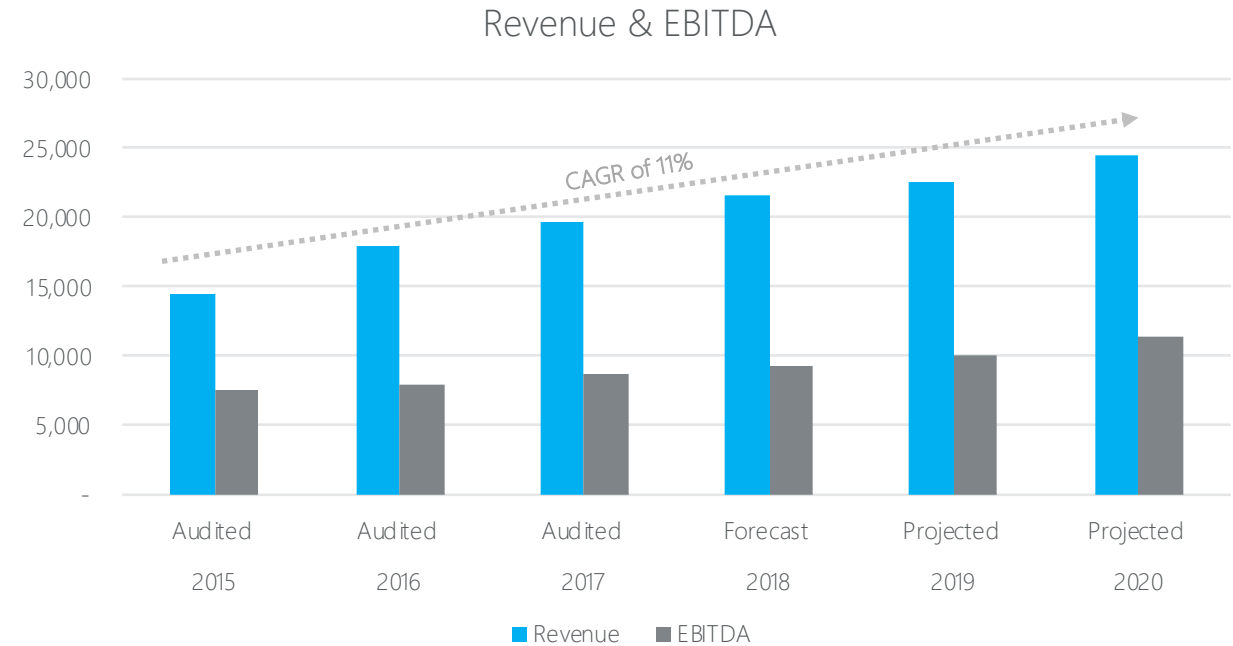


Financial information

BMIT Technologies plc

Revenue & EBITDA

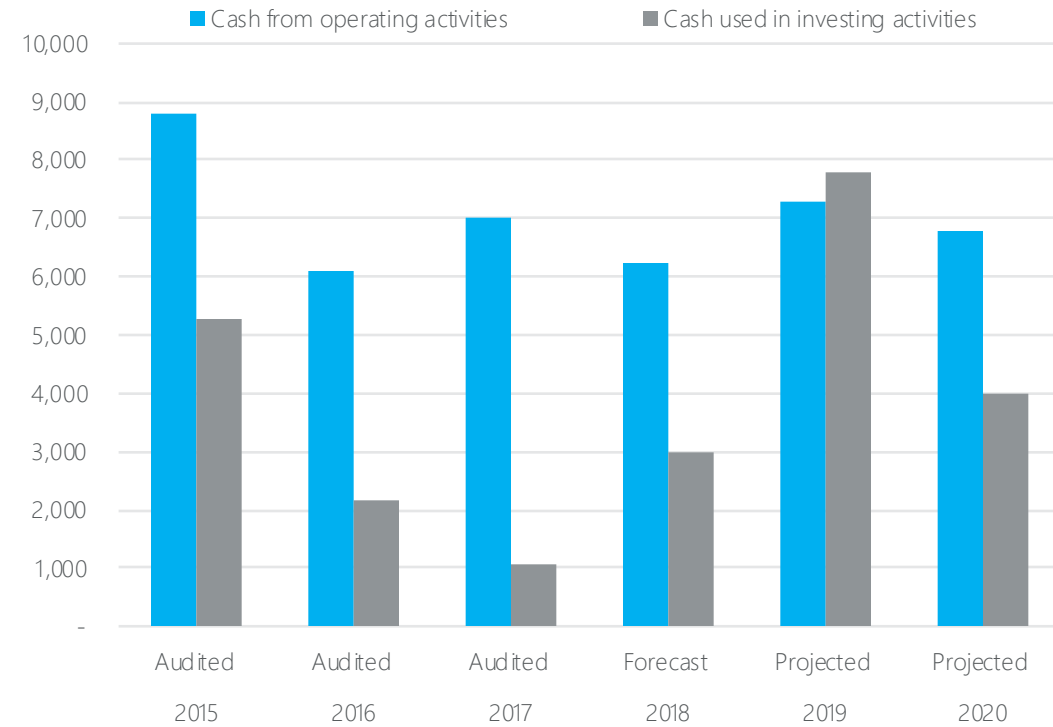
- Revenue to increase from €14.5m in 2015 to €24.6m in 2020
- Revenue mix:
 - 60% Data centre services (Colocation, Power & Connectivity)
 - 30% Cloud and managed services
 - 10% Hardware sales
- EBITDA to increase from €7m in 2015 to €11.4m in 2020
 - An increase of 10% over the years
- Strong EBITDA margin of **45%** throughout the period



Cash flow

- Healthy cash generation of an average of €6.5m every year
- Annual recurring CAPEX of €1m with additional investments made in certain years
- Significant cash reserves left for the payment of dividend

Operating & investing activities

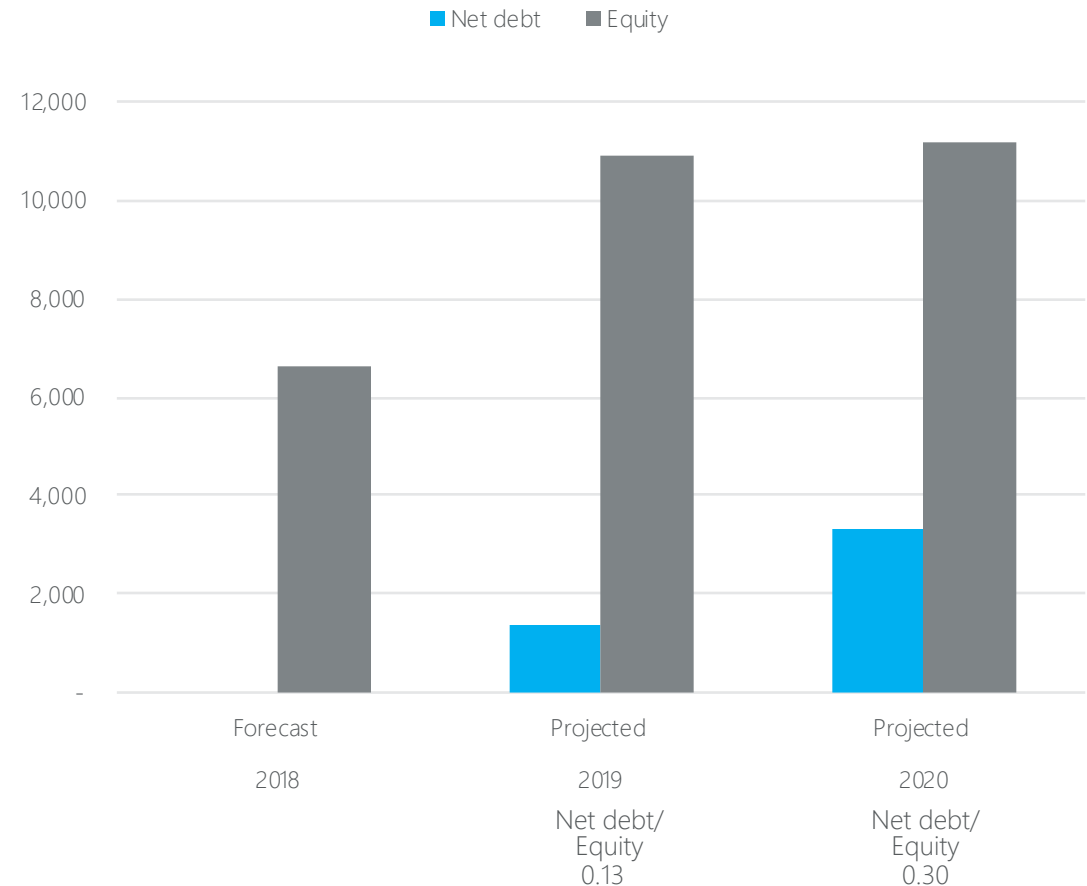


Net debt*

- No interest-bearing debt as at 31 December 2018
- €10m development in Zejtun financed by a loan through GO
 - Drawdown of €7m in 2019 and €3m in 2020
- The Group enjoys low leverage of 13% in 2019 and 30% in 2020

* Net debt is defined as interest-bearing loans net of cash reserves

Net debt vs. Equity





Valuation & dividend distribution
BMIT Technologies plc

Valuation approach

- Valuation is based primarily on the [Income Approach](#), whereby projected cash flows from the Group's operations are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment
- The financial projections for the period up to 2024 (representing the stabilised year) and an estimate of the Terminal Value were discounted to present value using an assessment of the Group's cost of capital
- The [Market Approach](#) was applied primarily to benchmark the valuation multiples implied in the valuation to observed valuation multiples for comparable publicly traded companies (e.g. EV/EBITDA multiples)
- Valuation assessed as at 31 July 2018 based on latest available consolidated management accounts

Valuation (carried out by PwC)

- Enterprise Value of the Group based on the Income Approach is estimated at c. €100m
- Implied EV/ EBITDA multiple between 9x and 11x
- Listed peer companies trading at an average EV/ EBITDA multiple of 20x
- BMIT Group's equity value is estimated at c. €100m
- P/E ratio in the region of 20x

EV/ EBITDA (2018) x
EV/ EBITDA (2019) x
EV/ EBITDA (2020) x

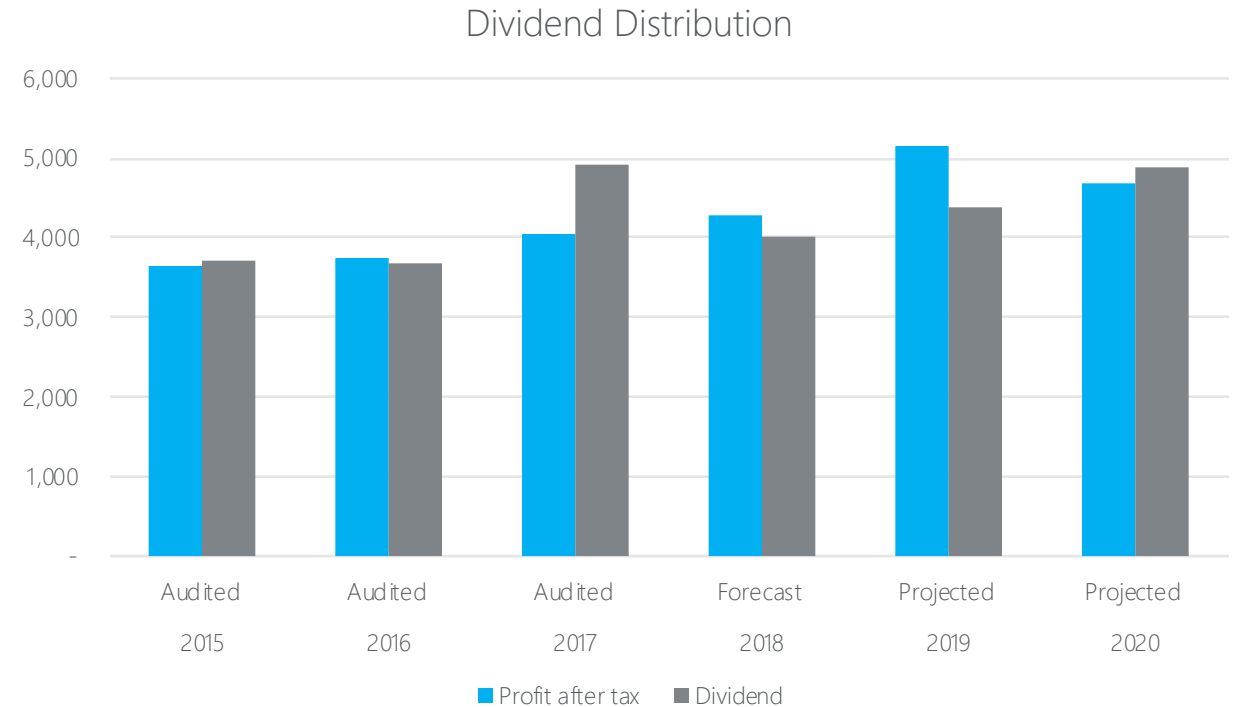
P/E ratio (2018) x
P/E ratio (2019) x
P/E ratio (2020) x

	Base Case	Excluding intangibles amortisation	Listed peers *
EV/ EBITDA (2018) x	10.7x	10.7x	
EV/ EBITDA (2019) x	9.9x	9.9x	20.2x
EV/ EBITDA (2020) x	8.8x	8.8x	
P/E ratio (2018) x	23.4x	19.5x	
P/E ratio (2019) x	19.6x	18.5x	
P/E ratio (2020) x	21.4x	20.4x	

* Listed peers include a mix of EU and US based data centres like InterXion, Internap and Equinix

Dividend policy

- BMIT has an established track record of paying dividends
- Total Net Dividend payment of €13.3m between 2018 & 2020
 - €4.0m for FY 2018
 - €4.4m for FY2019
 - €4.9m for FY2020
- Dividend policy based on up to 90% of the Group's free cash flows generated during the year
 - Capped at 95% of distributable profits



Dividend policy

- Net dividend yield in the region of 4.4% in 2019 and increasing to 4.9% in 2020
- This is substantially higher than that offered by other companies listed on the MSE averaging at 2.8%
- Dividend yield is based on an enterprise valuation of c. €100m for a total issued share capital of 203,595,310 shares at a share price of €0.49

	2019 Projected	2020 Projected	Market average
Gross dividend declared (€m)	6,755	7,532	
Net dividend declared (€m)	4,391	4,896	
Gross dividend yield %	6.8%	7.5%	4.3%
Net dividend yield %	4.4%	4.9%	2.8%
Corporate tax rate	35.0%		