

Italy – Outdoor Design

Tough environment in 2024 and likely recovery from 2025

22nd March 2024

FY-23 RESULTS RELEASE

RIC: GBUSS.MI
BBG: GBUS IM

In 2023, revenue growth was driven by the consolidation of Leiner, while, on a like-for-like basis, the company was affected by the stop of the invoice discount mechanism in Italy and a certain demand slowdown in the main European markets. In 2024, Gibus expects the industrial margin to remain broadly stable with declining revenues in the domestic market. Positive expectations for Leiner, with sales flat and increasing margins.

Rating:

Buy

Price Target:

€ 15.50 (€ 17.00)

Upside/(Downside): 55.0%

Last Price: € 10.00

Market Cap.: € 50.3m

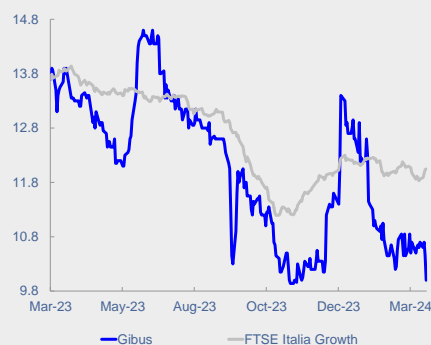
1Y High/Low: € 14.60 / € 9.84

Avg. Daily Turn. (3M, 6M): € 15k, € 13k

Free Float: 19.1%

Major shareholder:

Terra Holding 80.0%



Stock price performance

	1M	3M	12M
Absolute	-5.2%	-11.9%	-27.0%
Rel.to FTSE IT Growth	-5.2%	-12.9%	-14.9%
Rel.to Peers	-1.9%	-5.7%	-28.4%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Estimates updated: new DCF-based PT of € 15.50/s (€ 17.00). Still a Buy

Following the FY-23 results release, we have updated our model by factoring in: 1) a decline in sales in 2024 with a gradual recovery in 2025-26; 2) a fine-tuning of the cost structure; 3) slightly higher D&A and tax rate; 4) a better NWC dynamic; 5) the building of the new plant from 2025 (prev. 2024). The combined result is an avg. 5.0%, 17.0%, and 46.5% cut in revenues, EBITDA and Net Profit, respectively, in 2024-25. Moreover, we updated the DCF valuation criteria, bringing the Free Risk Rate up to date and postponing the first valuation year to 2024. As a consequence of the estimate revision and the updated valuation criteria, the new DCF-based PT stands at € 15.50/s (€ 17.00), 55.0% upside. Buy reiterated.

Revenue growth was driven by the consolidation of Leiner

Revenues were up by 8.8% YoY to € 91.3m (€ 83.9m in 2022), mainly thanks to the full contribution of Leiner (consolidated only 3M in 2022). On a LFL basis, Gibus's revenues declined by 15.7% YoY to € 67.3m (€ 79.8m in 2022), mainly because of the coming into force of the Law Decree 16-Feb-23 n.11, which prohibited the transfer of credits generated by tax incentives. In 2023, Leiner was affected by the technical recession of the German economy, declining by 25.0% YoY. Nevertheless, the cross-selling synergies with Gibus are still not visible in 2023 and are anticipated to concretise starting from 2024. The Luxury High-End segment was almost flat YoY, reporting € 34.3m (€ 35.0m in 2022). The Design segment totalled € 50.1m (€ 40.6m in 2022), including € 24.0m stemming from Leiner.

EBITDA of € 14.3m, 15.6% margin, 10% higher than our estimate

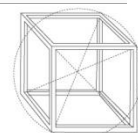
EBITDA was € 14.3m, 15.6% margin (€ 19.0m, 22.6% margin in 2022), almost 10% better than our forecast (€ 13.0m). The expected decrease in profitability was driven by: 1) still high prices of certain raw materials and semi-finished products in H1, in particular, of aluminium; 2) the higher incidence of fixed costs because of the declining turnover; 3) the costs related to the commercial branch Gibus NL BV (opened in Oct-22). EBIT reached € 8.1m, 8.9% margin (€ 15.3m, 18.3% margin, in 2022), as a result of the reasons mentioned above coupled with increased D&A due to the significant investments made in the last years as well as the PPA related to the acquisition of Leiner. Net Profit totalled € 3.7m, 4.1% margin, after net financial charges of € 1.2m (€ 2.1m of financial profits in 2022) and taxes of € 3.1m.

NFP declined to € 20.5m, 1.4x NFP/EBITDA

NFP was € 20.5m debt from € 22.6m debt at year-end 2022, after operating cash-flow of € 8.1m, partially absorbed by 1) capex of € 3.4m, 2) dividend payment of € 2.5m (€ 0.50/s), and 3) buyback of treasury shares of € 0.2m. The BoD will propose to the next AGM 1) the distribution of a DPS of € 0.50/s (5.0% yield) with ex-dividend date on 6-May, record date on 7-May, and payment date on 8-May, as well as 2) a buyback program of maximum € 1.3m.

Gibus, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Revenues	83.9	91.3	83.0	91.5	97.8
EBITDA	19.0	14.3	13.2	15.1	16.6
EBIT	15.3	8.1	7.7	9.4	10.4
Net Profit	10.3	3.7	3.6	4.6	5.1
NFP (cash)/debt	22.6	20.5	15.0	15.9	22.5
EBITDA margin	22.6%	15.6%	15.9%	16.5%	17.0%
EBIT margin	18.3%	8.9%	9.3%	10.3%	10.6%
EPS stated FD €	2.06	0.74	0.72	0.92	1.03
EPS growth	-26.6%	-64.0%	-2.5%	27.1%	11.9%
Dividend	0.50	0.50	0.50	0.50	0.50
Dividend Yield	3.4%	5.0%	5.0%	5.0%	5.0%
ROCE	18.3%	10.2%	11.2%	13.9%	12.9%
NWC/Sales	22.0%	19.8%	19.6%	19.6%	19.7%
Free Cash Flow Yield	-62.0%	9.3%	15.9%	3.1%	-8.1%
PER x	7.1	17.5	13.9	11.0	9.8
EV/Sales x	1.14	0.93	0.79	0.72	0.74
EV/EBITDA x	5.1	6.0	5.0	4.4	4.4
EV/EBIT x	6.3	10.5	8.4	7.1	7.0



The Company at a Glance

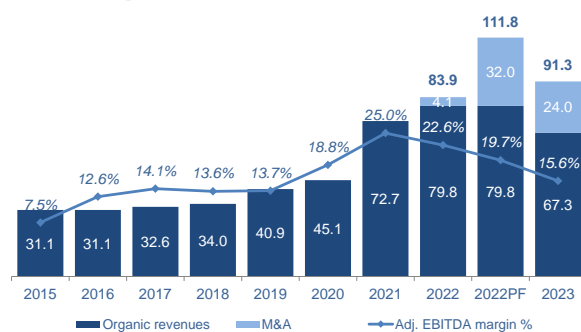
Gibus is a leading player in the outdoor design sector, designing, manufacturing and distributing bespoke high-end sun awnings, pergolas, bioclimatic pergolas and ZIP screens. Thanks to its 40 years of history in the high-end outdoor design sector, Gibus is unquestionably the leading brand for customers looking for reliable, tailor-made products with a Made in Italy style. The group has an unwavering effort in R&D activities, investing every year in technological and product innovation in order to define new quality standards in the sector. As of today, Gibus owns over 50 patents for technical solutions and 30 protected design models.

Gibus runs different product lines:

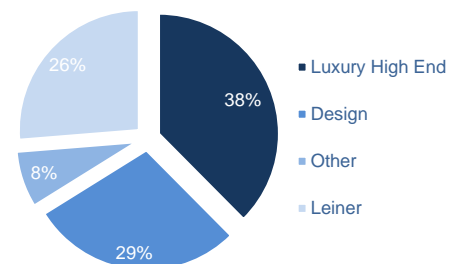
- Luxury High-End, which includes:
 - ✓ Luxury High Tech: it includes bioclimatic pergolas, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades.
 - ✓ Sustainability: this product line is composed by vertical drop-down awnings with aluminium side guides called ZIP screen. They allow to improve the thermal and visual comfort of the interiors, also reducing the building's energy consumption.
- Design: it is the historical business of the group and includes pergolas, sun awnings and glass doors, suitable as lateral closures for pergolas and patios. With regard to sun awnings, Gibus is leader in Italy thanks to its focus on products with innovative design and technology content stronger than competitors. The recently acquired Leiner manufactures and sells sun awnings, pergolas, terrace roofs and glass walls, distributed via two brands, Leiner® and Sunrain®.

In 2023, Gibus totalled revenues of € 91.3m, approximately 44% of which generated abroad, and EBITDA of € 14.3m, 15.6% margin. In the 2015-23 period, Gibus grew organically with a CAGR₁₅₋₂₃ of 10.1% (14.4% including M&A), with a particular boost in the last three years.

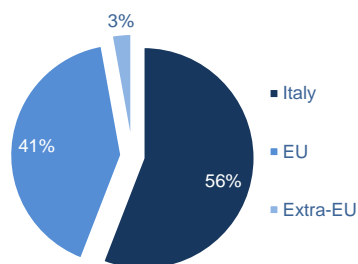
2015-23 top line and EBITDA % evolution



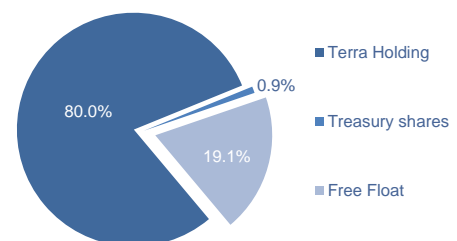
2023 sales breakdown by product line...



... and by geography



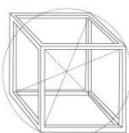
Shareholding structure



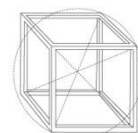
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Balco Group AB	0.79	0.68	7.4	5.3	11.0	7.3	14.6	9.0
Griffon Corp	1.85	1.73	10.1	8.6	11.8	9.8	15.8	13.2
Nien Made Enterprise Co Ltd	2.99	2.60	9.5	8.1	11.1	9.3	17.1	15.0
Sciuker Frames SpA	0.61	0.53	2.3	2.1	2.9	2.7	3.5	3.5
Sergeferrari Group SA	0.47	0.43	4.9	4.1	12.8	9.4	13.2	18.1
Tyman PLC	1.13	1.04	6.9	6.1	9.4	8.5	10.1	9.2
Median	0.96	0.86	7.2	5.7	11.1	8.9	13.9	11.2
Gibus SpA	0.79	0.72	5.0	4.4	8.4	7.1	13.9	11.0

Sources: CFO SIM, Refinitiv Eikon



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Revenues	83.9	91.3	83.0	91.5	97.8
COGS	(43.1)	(49.6)	(44.9)	(49.4)	(52.5)
Gross Profit	40.9	41.8	38.1	42.1	45.3
Other variable and overhead costs	(21.9)	(27.5)	(24.9)	(27.0)	(28.7)
EBITDA	19.0	14.3	13.2	15.1	16.6
D&A	(3.1)	(5.4)	(5.5)	(5.7)	(6.3)
Extraordinary	(0.6)	(0.7)	0.0	0.0	0.0
EBIT	15.3	8.1	7.7	9.4	10.4
Financials	2.1	(1.2)	(1.2)	(1.0)	(1.0)
Pre-Tax profit	17.5	6.9	6.6	8.4	9.3
Income taxes	(7.2)	(3.1)	(3.0)	(3.8)	(4.2)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	10.3	3.7	3.6	4.6	5.1
Adjusted Net Profit	10.6	4.1	3.6	4.6	5.1
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	18.5	18.1	16.3	18.0	19.2
Net Fixed Assets	44.2	42.1	39.1	40.9	49.2
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(5.6)	(4.2)	(3.8)	(4.2)	(4.5)
Net Invested Capital	57.1	56.0	51.6	54.7	63.9
Net Financial Debt	22.6	20.5	15.0	15.9	22.5
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	34.5	35.5	36.6	38.7	41.4
Financial Liabilities & Equity	57.1	56.0	51.6	54.7	63.9
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	10.3	3.7	3.6	4.6	5.1
Depreciation	3.1	5.4	5.5	5.7	6.3
Other non-cash charges	8.0	(1.4)	(0.4)	0.4	0.3
Cash Flow from Oper. (CFO)	21.4	7.7	8.7	10.7	11.7
Change in NWC	(13.0)	0.4	1.8	(1.7)	(1.3)
FCF from Operations (FCFO)	8.4	8.1	10.5	9.0	10.4
Net Investments (CFI)	(39.7)	(3.4)	(2.5)	(7.5)	(14.5)
Free CF to the Firm (FCFF)	(31.2)	4.7	8.0	1.5	(4.1)
CF from financials (CFF)	30.6	(7.6)	(13.5)	(6.5)	7.5
Free Cash Flow to Equity (FCFE)	(0.6)	(2.9)	(5.5)	(4.9)	3.4
Financial ratios	2022	2023	2024e	2025e	2026e
EBITDA margin	22.6%	15.6%	15.9%	16.5%	17.0%
EBIT margin	18.3%	8.9%	9.3%	10.3%	10.6%
Net profit margin	12.3%	4.1%	4.4%	5.0%	5.3%
Tax rate	41.0%	45.9%	45.0%	45.0%	45.0%
Op NWC/Sales	22.0%	19.8%	19.6%	19.6%	19.7%
Interest coverage x	(7.13)	6.50	6.64	9.08	10.07
Net Debt/EBITDA x	1.19	1.44	1.14	1.06	1.35
Debt-to-Equity x	0.65	0.58	0.41	0.41	0.54
ROIC	18.0%	6.6%	7.0%	8.4%	8.0%
ROCE	18.3%	10.2%	11.2%	13.9%	12.9%
ROACE	25.4%	9.9%	10.4%	13.7%	14.0%
ROE	29.9%	10.4%	9.9%	11.9%	12.4%
Payout ratio	24.2%	66.9%	68.6%	54.0%	48.3%
Per share figures	2022	2023	2024e	2025e	2026e
Number of shares # m	5.01	5.01	5.01	5.01	5.01
Number of shares Fully Diluted # m	5.01	5.01	5.01	5.01	5.01
Average Number of shares Fully Diluted # m	5.01	5.01	5.01	5.01	5.01
EPS stated FD €	2.06	0.74	0.72	0.92	1.03
EPS adjusted FD €	2.12	0.82	0.72	0.92	1.03
EBITDA €	3.79	2.85	2.63	3.01	3.32
EBIT €	3.06	1.62	1.55	1.88	2.07
BV €	6.89	7.09	7.31	7.74	8.27
FCFO €	1.68	1.61	2.09	1.81	2.08
FCFF €	(6.24)	0.94	1.60	0.31	(0.82)
FCFE €	(0.12)	(0.58)	(1.10)	(0.99)	0.68
Dividend €	0.50	0.50	0.50	0.50	0.50

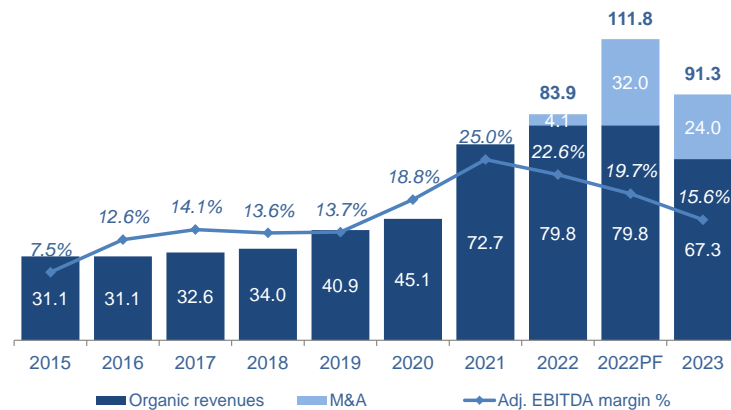


Gibus in a Nutshell

Gibus is **a leading player in the outdoor design** sector, designing, manufacturing and distributing bespoke high-end sun awnings, pergolas, bioclimatic pergolas and ZIP screens. The group has an **unwavering effort in R&D activities**, investing every year in technological and product innovation in order to define new quality standards in the sector. As of today, Gibus owns **over 50 patents for technical solutions and 30 protected design models**.

Thanks to **over 40 years of history in the high-end outdoor design sector**, Gibus is unquestionably the leading brand for customers looking for reliable, tailor-made products with a Made in Italy style. **Gibus operates three manufacturing plant in Italy** (Saccolongo, Veggiano, and Albignasego in the Veneto region) **and**, after the acquisition of Leiner, **three plants in Germany** (Horgau, Dinkelscherben and Hamburg).

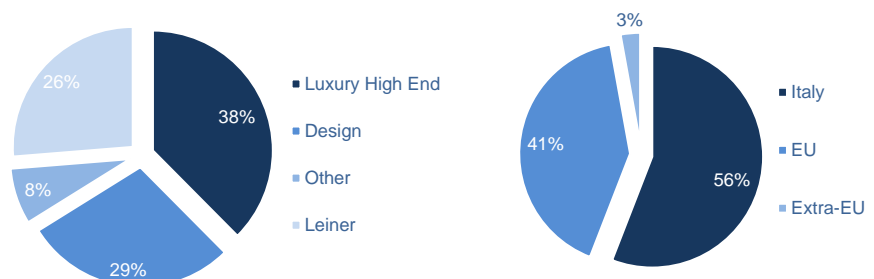
Chart 1 – Gibus, 2015-23 revenues and EBITDA margin trend – € m / %



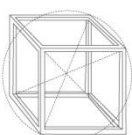
Source: CFO SIM's elaboration on company data

In 2023, **Gibus totalled revenues of € 91.3m**, approximately 44% of which generated abroad, and **EBITDA of € 14.3m, 15.6% margin**. In the 2015-23 period, Gibus grew organically with a **CAGR₁₅₋₂₃ of 10.1% (14.4% including M&A)**, with a particular boost in the last three years. In particular, in Italy sun protection systems are included in the so-called Ecobonus, which provides final customer with a tax deduction of 50% of the total expenditure for **energy efficiency works on buildings**.

Chart 2 – Gibus, 2023 revenues breakdown by product line and geography



Source: CFO SIM's elaboration on company data



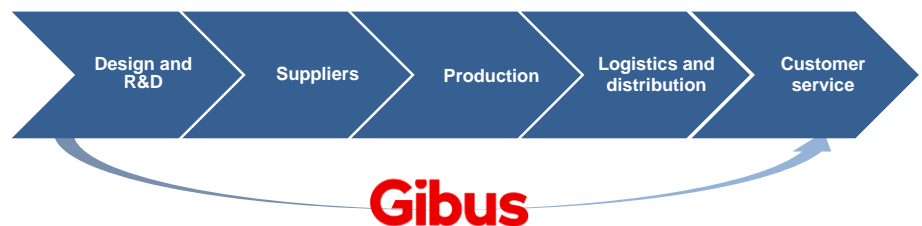
Gibus runs different product lines:

- **Luxury High-End**, which includes:
 - ✓ **Luxury High Tech**: it includes **seven model of bioclimatic pergolas**, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades. Gibus's bioclimatic pergolas have **registered designs** and integrate **5 innovative patents**.
 - ✓ **Sustainability**: this product line is composed by **vertical drop-down awnings with aluminium side guides called ZIP screen**. They allow to improve the thermal and visual comfort of the interiors, also reducing the building's energy consumption. Gibus's ZIP screens are certified for a wind resistance of class 6 (the maximum level), corresponding to wind blowing at 100 km/h, thanks to the **innovative patent Mag Lock**, a magnetic block designed to optimise the vertical tension of the fabric. Overall, **ZIP screen products integrate 7 innovative patents**.
- **Design**: it is the historical business of the group and includes **pergolas, sun awnings and glass doors**, suitable as lateral closures for pergolas and patios. In particular, pergolas integrate 11 patents and 3 registered design models and sun awnings 5 patents and 2 registered design models. **With regard to sun awnings, Gibus is leader in Italy** thanks to its focus on products with innovative design and technology content stronger than competitors.

The "Other" category includes ancillary products and services, such as bulk products.

Leiner is the German company acquired by Gibus at the end of Sep-22 and is focused on the production of high-quality sun protection solutions, in particular sun awnings, pergolas, terrace roofs and glass walls. Furthermore, the Leiner's subsidiary Schirmherrschaft is dedicated to the Ho.Re.Ca. and its customers comprise hotels, restaurants and chain outlets, such as bakeries and fast foods. The strategic rationale of the deal is **to create an European leader in the outdoor design segment by leveraging on complementary product portfolios and sales networks**.

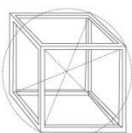
Chart 3 – Gibus, value chain



Source: CFO SIM's elaboration on company data

Gibus covers the entire value chain, including R&D, design, manufacturing, distribution and logistics as well as customer service. The group is able to provide its customers with **fully bespoke solutions**, both in terms of size and additional components. In detail, Gibus serves three type of customers, namely over 1,000 multibrand dealers, ad-hoc customers mainly in the Ho.Re.Ca., and the consolidated **network "Gibus Atelier"**. The latter is composed by **over 450 authorised dealers of Gibus products** with an exclusive agreement with respect to the outdoor segment.

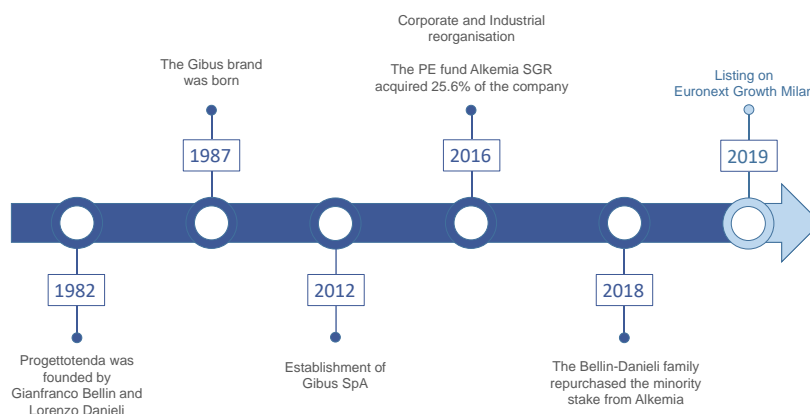
The R&D activity is one of the key success factors of the group. Gibus has a department entirely dedicated to the design and prototyping of specific innovative components, also realised through 3D printers, used for the realisation of awnings and pergolas. Overall, **the R&D team is composed of 13 people**, 8 of which in Gibus and 5 in Leiner.



History, Group Structure and Governance

In 1982, Gianfranco Bellin and Lorenzo Danieli established Progettotenda Srl, operating in the production of vertical and roller awnings as well as mosquito nets. **In 1987, the Gibus brand was born:** four Italian companies located in Veneto, Tuscany and Piedmont and operating in the sun protection field (Progettotenda Srl, Mocellini Srl, Viropa Srl and Verelux Srl), decided to commercialise their products under the same brand. **In 2012, Gibus SpA was established:** the four aforementioned companies was merged into a single industrial company. **In 2016, the company undertook a corporate and industrial reorganisation:** a few historical shareholders sold their stakes to the Bellin-Danieli family and **a Private Equity fund managed by Alkemia SGR acquired 25.6% of the company.** From the industrial point of view, Gibus decided to centralise all the activities in one single plant in the Veneto region, precisely in Saccolongo (Padova), thus closing the productive plants in Tuscany and Piedmont. The PE fund allowed Gibus to pave the way of the growth in the following years, also thanks to a new generation of managers who supported the Bellin-Danieli family in the management of the group. **In 2018, the Bellin-Danieli family repurchased the minority stake from Alkemia,** consequently owning 100% of Gibus through the holding company Terra Holding Srl.

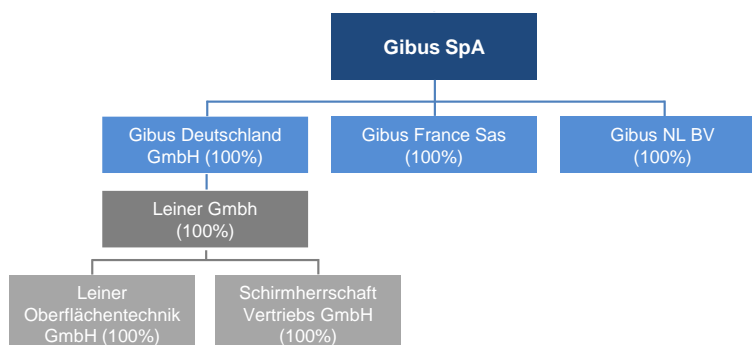
Chart 4 – Gibus, the company's history



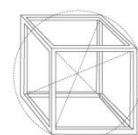
Source: CFO SIM's elaboration on company data

Gibus was listed on Euronext Growth Milan on 20-Jun-19 at € 6.00/share, corresponding to a post-money market capitalisation of € 30.0m. The IPO encompassed a **primary offer of € 5.0m**. Furthermore, on 10-Dec-21 Terra Holding sold 170,000 shares through an Accelerated Book Building at € 16.00/share in order to increase the free float.

Chart 5 – Gibus, the group's and shareholders' structure



Source: CFO SIM's elaboration on company data



In addition to the Issuer, Gibus SpA, **the consolidation scope includes** the following branches:

- **Gibus Deutschland GmbH**, established in 2017, is focused on developing the business in the German market. In Sep-22, through this subsidiary, Gibus acquired 100% of Leiner, a German player active in the production of high-quality sun protection systems.
- **Gibus France Sas**, was established in 2021 in order to strengthen the group's presence in the French market.
- **Gibus NL BV**, established in 2022 with the aim of strengthening the group's presence in the Netherlands and in the Flemish region of Belgium, which is the fourth largest European market regarding sun protection systems.

Gibus has a **structured management team** composed of several key people. In particular:

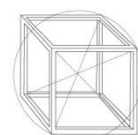
- **Gianfranco Bellin** is the **founder** of Gibus and currently serves as **Chairman**. In 1982, he established Progettotenda, active in the production of curtains and awnings for interiors and exteriors. In 1987, he contributed to create the Gibus brand with the aim of combining under a single commercial strategy four family companies operating in the field of sun screening. Since 2013 he has been president of ASSOTENDE, the national association of category industries within FEDERLEGNO.
- **Alessio Bellin** serves as **Chief Executive Officer** of the company. Born in 1987, he graduated in Architecture at the IUAV University of Venice in 2012. After some experience as an architect with Italian and foreign firms, in 2013 he joined Gibus as product design manager. Between 2014 and 2016 he obtained an MBA from the CUOA Foundation in Vicenza. In 2016 he joined the Board of Directors of the company; he operates with specific focus on the Business Development of international markets and coordinating product design.
- **Federico Bolcato** serves as **Chief Financial Officer** of Gibus since 2016. Born in 1982, he graduated in 2007 in Business Administration at the University of Verona. He began his career in KPMG for 7 years up to the level of Supervising Senior. He has worked mainly in the audit area, but has also followed projects in the transaction and restructuring field. Later he formed his professional background at an important fashion sportswear company such as Administrative Manager, Head of Management Control, Head of the Consolidated Financial Statements.

The **Board of Directors** is composed of 5 members, one of whom being an independent director. Furthermore, out of five directors, two are female.

Table 1 – Gibus, Board of Directors

Name	Role
Gianfranco Bellin	Chairman
Alessio Bellin	Chief Executive Officer
Lucia Danieli	Executive Director
Anna Lambiase	Non-executive Director
Giovanni Costa	Independent Director

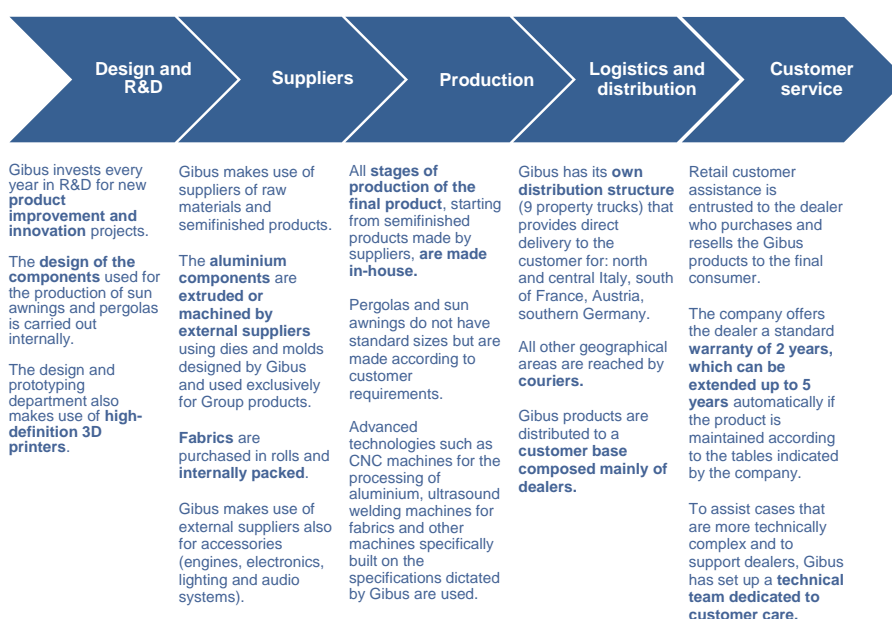
Source: CFO SIM's elaboration on company data



Business Model

Gibus has been operating in the **high-end outdoor design** sector for more than 40 years by developing, producing and selling sun awnings, pergolas, bioclimatic pergolas and ZIP screens for both the residential and the Ho.Re.Ca. market. **Gibus covers the entire value-chain**, from the R&D activity to the customer service, passing through the design, the production and the distribution phases. The group is able to provide its customers with **fully bespoke solutions**, both in terms of size and additional components.

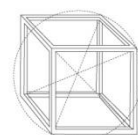
Chart 6 – Gibus, Value Chain



Source: Company Presentation

In detail, Gibus' value chain focuses on the following activities:

- **Design and R&D:** Gibus constantly invest in R&D in order to identify new quality standards for the sector and develop new technological solutions and product innovations. The group currently owns **over 50 patents for technical solutions and 30 protected design models**. Furthermore, Gibus has a department entirely dedicated to the design and prototyping of specific innovative components, realised also through 3D printers, used for the realisation of awnings and pergolas. Overall, **the R&D team is composed of 13 people**, 8 of which in Gibus and 5 in Leiner.
- **Suppliers:** the procurement activity includes both the purchase of raw materials and semi-finished products. In particular, **the main purchases are aluminium and fabrics**. With regard to aluminium, the procurement takes place via purchase commitments of a certain quantity at a defined price for a specific time period. Gibus has **long lasting relationships with several domestic suppliers**, even if they are easily replaceable. Gibus works with aluminium suppliers able to guarantee an **high quality of extrusion and painting** as well as a rapid delivery time. The ownership of the raw material is transferred to Gibus only when the billet is extruded while the remaining quantity of committed aluminium remains on the extruder's balance sheet. Typically, the purchase commitments are negotiated in October/November and cover 75-80% of the production of the following year. In June/July, Gibus defines the purchase of the residual needs. Furthermore, the **re-entry of the processing waste into the manufacturing process** allows the group to mitigate the aluminium purchase cost. Fabrics are purchased in rolls and then internally cut and sewed.



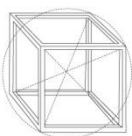
Finally, Gibus makes use of external suppliers also for electronic components, such as electric engines, lights, remote controls, audio systems, etc.

- **Production:** Gibus takes care of the **entire production process in house**, starting from raw materials and semi-finished products and realising the finished product ready to be installed at the final customer. The manufacturing activity is carried out with **state-of-the-art technologies**, namely CNC machineries for the aluminium processing, ultrasonic welding machines for sewing fabrics and machineries with specific features request by Gibus. The **highly-automated production process** allows the group to sustain significant production volumes with a fast time-to-market. As of today, **the group's production capacity is made use to approximately 80%**. The group works only on one shift. Along the entire production process, Gibus carries out a **strict quality control** both on the characteristics of raw materials as well as on finished products. Following the acquisition of Leiner, the group boasts **three plants in Italy** (Saccolongo, Veggiano and Albignasego, near Padova) and **three plants in Germany** (Horgau, Dinkelscherben, nearby Horgau, and Hamburg).
- **Logistics and distribution:** the delivery of finished products to customers, which are mainly dealers, takes place both through the group's own distribution structure and couriers. In particular, Gibus delivers directly to customers in Northern and Central Italy, Southern France, Austria and Germany through some owned vehicles.
- **Customer service:** the dealer who purchases and resells a Gibus product provides the final customers also with post-sale assistance. Gibus offers the standard warranty of two years, which can be automatically extended up to five years if the maintenance planned by Gibus is done regularly. Furthermore, **Gibus offers both pre-sale and post-sale services:** thanks to qualified and specialised staff, including architects and sales engineers, Gibus supports the dealer in the design phase in order to personalise the project featuring the requests of the final customer. Post-sale assistance is provided by a team of specialised technicians, which supports the dealer in solving the problems reported by customers.

Gibus serves three type of customers, namely over 1,000 multibrand dealers, ad-hoc customers mainly in the Ho.Re.Ca. sector, and the consolidated **network "Gibus Atelier"**. The latter is composed by **over 450 authorised dealers of Gibus products** with an exclusive agreement with respect to the outdoor segment. The dealers who adhere to the network "Gibus Atelier" pay to Gibus a subscription fee in return of communication initiatives, a dedicated training, a constant updating activity, technical and marketing support as well as privileged discounts.

Leiner boats a vast and well-structured distribution network composed of ca. **700 specialised dealers** (which generates about 85% of turnover) in addition to **direct sales to end customers**, mainly operating in the **Ho.Re.Ca.** (ca. 15% of the business).

It is worth noting that, in the 2020-22 period the group's sales were significantly boosted by the tax incentives for the energy efficiency of buildings in Italy (i.e. **Ecobonus 50%**), and, in particular, by the mechanism of invoice discount. The Law Decree 16th February 2023 n.11 has prohibited the transfer of credits generated by different tax incentives, including the Ecobonus, and therefore the possibility to make use of the invoice discount mechanism. In order to offer to final customers the possibility to continue to acquire a pergola or a sun awning only paying 50% when buying, Gibus developed together with Deutsche Bank Easy **"EASY GIBUS ECOBONUS 50%":** it is **a consumer credit loan with a duration of 10 years, which is the same time period of the tax deduction** stemming from the Ecobonus. With this financial product, the consumer has the possibility to finance half of the purchase of a Gibus product and correlate the repayment of debt to the income deriving from the tax deduction. Overall, the tax deduction covers approximately 70% of the cost of debt.



Strategy

Following its establishment, Gibus unveiled a remarkable growth path, with a particular boost in the last three year also thanks to the tax incentives for the energy efficiency of buildings in Italy (i.e. Ecobonus). In the coming years, the group will be focused on consolidating its organic growth and maximising synergies with the recently acquired Leiner.

In detail, Gibus' strategy is based on the following pillars:

- **Integration of Leiner:** following the acquisition of Leiner, Gibus expects to take advantage of some revenue and cost synergies. In particular, thanks to the highly-complementary product portfolios and geographical reaches, the cross-selling opportunities are huge. Cost-side, the group will unquestionably benefit from an increased bargaining power with suppliers on the back of higher purchase volumes.
- **Internationalisation:** in the last years the group has constantly increased its international presence, both organically, through its commercial subsidiaries in Germany and France, and via M&A, with the acquisition of the German company Leiner. With regard to the **German market**, the goal is now to make use of the strong distribution network of Leiner in order to distribute Gibus' products. Furthermore, the group will benefit from the cooperation of the salesforce in certain key markets, such as **Austria, Switzerland and Benelux**.

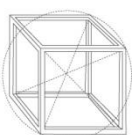
In order to sustain the group's expansion in the international markets, Gibus issued the "**Minibond GIBUS 2023-2030**", namely a bond of **€ 5.0m** backed by the Invest EU Innovation, an European warranty provided by the European Investment Fund.

In addition, in Aug-22, Gibus established the Dutch branch Gibus NL BV with the aim of reinforcing its presence in the **Netherlands** and in the Flemish region of Belgium, which are the fourth largest European market and are anticipated to significantly grow in the coming years.

- **Organic growth:** Gibus plans to **constantly invest in R&D** in order to identify new quality standards for the sector and develop new technological solutions and product innovations. The group's focus will remain on bioclimatic pergolas and ZIP screens, as they are characterised by higher market growth rates and profitability compared to the other product categories.

The group's organic growth is also supported by the **significant investment in marketing and communication**. Gibus participates to the main trade fairs of the outdoor design sector (R+T in Stuttgart, Polyclose in Belgium, Equipebaie and Batimat in Paris, Vateco in Madrid, Salone del Mobile in Milan) and carries out several advertising campaign on TV, web and social media.

- **Production capacity:** considering the decline in volumes expected in 2023, Gibus still has free production capacity. In fact, the Italian production facilities can support up to approximately € 80m in sales while Leiner's plants easily sustain over € 30m of turnover. Nevertheless, **the group has already developed a project for a new headquarters and production plant** in Teolo, near Saccolongo, where Gibus is currently located. We estimate the entire project requires an **investment of approximately € 30m** and a **lead time of 4-5 years**. We believe Gibus will start the construction not earlier than 2025, with a possible postponement to 2026 if sale volumes will not recover fast. The new plant will allow Gibus to **enlarge production capacity** as well as **improve productive efficiency** thanks to a better internal logistics, and, consequently, reduce the time to manufacture products. In addition, with the new production plant, the group will be able to **internalise the painting phase**, now externalised to selected suppliers.



SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out with regard to a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

Strengths: characteristics of the business that give it an advantage over others.

Weaknesses: characteristics that place the business at a disadvantage vs. others.

Opportunities: elements that the project could use to its advantage.

Threats: elements in the environment that could cause harm or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the 60s/70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ A **leading player with 40 years of experience** in the outdoor design sector and a **well-recognised brand**
- ❑ **Fully vertical-integrated**, from R&D to distribution
- ❑ **Strong R&D effort:** +50 patents and +30 protected design models
- ❑ A **wide product portfolio**, entirely customisable
- ❑ **Low customers' concentration**

WEAKNESSES

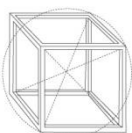
- ❑ **Limited size in the international arena**, even if the acquisition of Leiner unquestionably enlarged the group's geographical reach
- ❑ Some **key people represent a vital asset** for the company
- ❑ New customers need a certain **incubation period** to generate significant turnover (ca. 24-36 months)

OPPORTUNITIES

- ❑ Further expansion in **international markets** (i.e. Germany and DACH area)
- ❑ Take advantage of revenue and cost **synergies with Leiner**
- ❑ Increasing penetration in the **Ho.Re.Ca.** thanks to Leiner's expertise
- ❑ **M&As** with the aim of further enriching the product portfolio and vertically integrating the business

THREATS

- ❑ **Regulatory changes**, in particular with regard to tax incentives in Italy
- ❑ The **sun awnings market is rather mature**, thus having low expected growth rates
- ❑ Increasing price of **raw materials and energy** could affect margins in the short-term
- ❑ Development of **new innovative technologies or products**, not mastered by Gibus



FY-23 Results

In 2023, revenue growth was driven by the consolidation of Leiner, while, on a like-for-like basis, the company was affected by the stop of the invoice discount mechanism in Italy and a certain demand slowdown in the main European markets. Nevertheless, **FY-23 sales came in higher than the consensus estimates and even higher than CFO SIM's FY-24 forecasts**, both concerning Gibus stand-alone as well as Leiner. As expected, **EBITDA declined YoY but came in almost 10% better than our forecast** while the bottom line was lower than our projection because of higher-than-expected D&A and tax rate.

The BoD will propose to the next AGM 1) the distribution of a DPS of € 0.50/s (5.0% yield) with the ex-dividend date on 6-May, the record date on 7-May, and the payment date on 8-May, as well as 2) **a buyback program of maximum € 1.3m.**

Table 2 – Gibus, FY-23 results

€ m	2023	2022*	% YoY	2023e	% Diff
Luxury High End	34.3	35.0	(2.0)	29.8	15.3
Design	26.1	40.6	(35.7)	29.5	(11.4)
Other	6.9	4.2	64.1	3.4	n.m.
Leiner	24.0	4.1	n.m.	22.4	7.2
Revenues	91.3	83.9	8.8	85.0	7.5
COGS	(49.6)	(43.1)		(45.5)	
Gross Profit	41.8	40.9	2.1	39.5	5.7
% margin	45.7	48.7		46.5	
Other variable costs and overheads	(27.5)	(21.9)		(26.5)	
EBITDA	14.3	19.0	(24.8)	13.0	9.9
% margin	15.6	22.6		15.3	
D&A	(5.4)	(3.1)		(4.5)	
Extraordinary	(0.7)	(0.6)		0.0	
EBIT	8.1	15.3	(47.1)	8.5	(5.0)
% margin	8.9	18.3		10.0	
Financials	(1.2)	2.1		(1.5)	
Pre-Tax profit	6.9	17.5	(60.8)	7.0	(2.4)
% margin	7.5	20.8		8.3	
Income taxes	(3.1)	(7.2)		(1.8)	
Tax rate	45.9%	41.0%		25.0%	
Minorities	0.0	0.0		0.0	
Net Profit	3.7	10.3	(64.0)	5.3	(29.6)
% margin	4.1	12.3		6.2	
NFP debt/(cash)	20.5	22.6	(9.2)	17.2	19.1

Source: Company data, CFO SIM estimates * Leiner consolidated 3-months

Revenues were up by 8.8% YoY to € 91.3m, compared to € 83.9m in 2022 (€ 111.8m on a pro-forma basis), **mainly because of the contribution of Leiner** for 12 months in 2023, while, in 2022, it was consolidated only 3 months (Oct-Dec).

On a like-for-like basis, Gibus's revenues declined by 15.7% YoY to € 67.3m (€ 79.8m in 2022), mainly because of the coming into force of the Law Decree 16th February 2023 n.11, which prohibited the transfer of credits generated by different tax incentives, including the Ecobonus, and therefore curbed the possibility to make use of the invoice discount mechanism.

Regarding Leiner, it is worth noting that the German economy was in a technical recession in 2023 and the harsh inflation led people to drastically reduce consumption. **On a like-for-like basis, Leiner declined by 25% YoY.** Nevertheless, according to the management, Leiner declined **less than its closest competitors**, thus showing a certain resiliency. Moreover, the **cross-selling synergies with Gibus are still not visible in the 2023 results and are anticipated to concretise starting from 2024.**

The **Luxury High-End segment** (i.e. bioclimatic pergolas and ZIP screens) **was almost flat YoY**, reporting € 34.3m (€ 35.0m in 2022). The **Design segment totalled € 50.1m** (€ 40.6m in 2022), including € 24.0m stemming from Leiner.

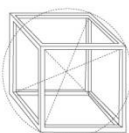


Table 3 – Gibus, FY-23 results by geography

€ m	2023	2022*	% YoY
Italy	51.0	62.1	(17.8)
EU	37.7	20.3	85.5
Extra-EU	2.6	1.5	68.9
Revenues	91.3	83.9	8.8

Source: Company data * Leiner consolidated 3-months

Domestic revenues declined by 17.8% YoY to € 51.0m. Nevertheless, the decline is quite natural after two years of outstanding growth rates sustained by the invoice discount mechanism. In 2021 and 2022, the group's domestic turnover soared by 15% and 74% YoY, respectively. **Foreign revenues totalled € 40.3m (44% of the total)**, benefiting from the consolidation of Leiner. By excluding Leiner, we calculated foreign revenues only slightly declined, showing a certain slowdown in the main European markets.

EBITDA was € 14.3m, 15.6% margin, compared to € 19.0m, 22.6% margin in 2022, and **almost 10% better than our forecast of € 13.0m**, on the back of the higher-than-expected turnover. The decrease in profitability was expected and was driven by: 1) still high prices of certain raw materials and semi-finished products in the first half of the year, in particular, aluminium, which is the main item purchased by the group; 2) the higher incidence of fixed costs due to the declining turnover; 3) the costs related to the commercial branch Gibus NL BV, which was opened in the Netherlands in October 2022 to oversee the DACH area.

EBIT reached € 8.1m, 8.9% margin, compared to € 15.3m, 18.3% margin, in 2022, as a result of the reasons mentioned above coupled with increased D&A due to the significant investments made in the last years as well as the Purchase Price Allocation (€ 2.5m) related to the acquisition of Leiner. The extraordinary costs of € 0.7m refer to a residual part of the costs related to the acquisition of Leiner. The difference compared to our forecast of € 8.5m is ascribable to a higher-than-anticipated D&A and the one-off items.

Net Profit totalled € 3.7m, 4.1% margin, after net financial charges of € 1.2m (€ 2.1m of financial profits in 2022) and taxes of € 3.1m. It is worth noting that, **the increase in financial charges was due to the debt incurred to finance the acquisition of Leiner**, even if the management highlighted that the incidence of **net financial charges on average debt was below 3%**, significantly lower than current interest rates, thus reflecting the good management of the extra-cash by the group. Concerning the Net Profit, the difference with our projection of € 5.3m is related to an underestimated tax rate, which came in at 45.9%, due to the tax effect of the PPA, compared to our estimate of 25.0%.

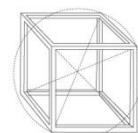
Table 4 – Gibus, Operating NWC and Capex

€ m	2023	2022*	% YoY	2023e	% Diff
Op NWC	18.1	18.5	(1.9)	15.1	19.6
Inventories	15.1	19.4	(21.9)	16.3	(7.2)
Receivables	13.0	12.4	5.3	15.6	(16.6)
Payables	(10.0)	(13.3)	24.4	(16.8)	40.2
Capex	3.4	4.9	(30.8)	2.5	34.9

Source: Company data, CFO SIM estimates * Leiner consolidated 3-months

NFP was € 20.5m debt (1.4x NFP/EBITDA) from € 22.6m debt at year-end 2022, after **operating cash-flow of € 8.1m**, partially absorbed by 1) capex of € 3.4m, 2) dividend payment of € 2.5m (€ 0.50/s), and 3) buyback of treasury shares of € 0.2m.

The difference compared with our estimate of € 17.2m is due to a **higher-than-expected NWC** (€ 18.1m vs our forecast of € 15.1m) **and capex** (€ 3.4m vs our forecast of € 2.5m). Concerning NWC, we highlight that the main difference with our projection is regarding trade payables, which totalled € 10.0m compared to our projection of € 16.8m (DPO of 44 vs 80 included in our estimates). This difference was partly compensated by better-than-anticipated DSO and DIO, which came in at 52 and 60, respectively, compared to our projections of 67 and 70.



Estimates, Outlook, Valuation and Risks

As expected, the FY-23 results confirmed a certain contraction in sales due to lower volumes and stable prices. It is worth remembering that, in the 2020-22 period, Gibus's turnover significantly benefited from the mechanism of the invoice discount linked to a few tax incentives for the energy efficiency of buildings in Italy. In Feb-23, the Law Decree n. 11/2023 prohibited the transfer of credits generated by different tax incentives and therefore the possibility to make use of the invoice discount, thus strongly affecting sales of energy efficiency-related products. Nevertheless, **H1-23 sales were still positively impacted by the invoice discount mechanism, thus we expect a tough comparison with H1-24.**

In addition, in 2023, the soaring inflation led people to reduce consumption of discretionary products drastically. In particular, the German economy experienced a recession year, strongly affecting Leiner's turnover, which declined by 25%.

Despite the fact that the level of uncertainty concerning the macroeconomic environment is still high, in 2024, inflation and interest rates are expected to decline, at least in the second half of the year. **The costs of raw materials, in particular aluminium, are expected to remain broadly stable throughout the year,** following a significant decline from the peaks reached in 2022. Nevertheless, Gibus's management highlighted that the **personnel cost was increased because of contractual adjustments linked to the inflation index.** As a combined result, Gibus expects the **industrial margin to remain broadly stable YoY.**

Following the FY-23 results release, **we have updated our model** by factoring in: 1) a decline in sales in 2024 with a gradual recovery in 2025-26; 2) a fine-tuning of the cost structure; 3) slightly higher D&A and tax rate, mainly due to the PPA, coherently with what reported in 2023; 4) a better NWC dynamic; 5) the postponement of the start of the building of the new plant in 2025 (previously 2024). **The combined result is an average 5.0%, 17.0%, and 46.5% cut in revenues, EBITDA and Net Profit, respectively, in 2024-25.** Furthermore, we introduced 2026 projections.

Table 5 – Gibus, 2024e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Revenues	83.0	89.6	(7.4)	(6.7)
EBITDA	13.2	16.0	(17.8)	(2.9)
% margin	15.9	17.9		
EBIT	7.7	11.1	(30.2)	(3.4)
% margin	9.3	12.4		
Net Profit	3.6	7.2	(49.5)	(3.6)
% margin	4.4	8.0		
Y/E net debt/(cash)	15.0	16.0	(6.3)	(1.0)

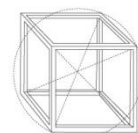
Source: CFO SIM

Table 6 – Gibus, 2025e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Revenues	91.5	94.0	(2.6)	(2.5)
EBITDA	15.1	18.0	(16.3)	(2.9)
% margin	16.5	19.2		
EBIT	9.4	12.3	(23.7)	(2.9)
% margin	10.3	13.1		
Net Profit	4.6	8.1	(43.5)	(3.5)
% margin	5.0	8.7		
Y/E net debt/(cash)	15.9	22.1	(27.9)	(6.2)

Source: CFO SIM

Moreover, we updated the DCF valuation criteria, bringing the Free Risk Rate up to date and postponing the first valuation year to 2024. As a consequence of the estimate revision and the updated valuation criteria, **the new DCF-based PT stands at € 15.50/s (€ 17.00), 55.0% upside. Buy recommendation confirmed.**



DCF

In applying the DCF valuation method, explicit estimates until 2028 and a long-term growth of 1.0% were used. Cash flows were discounted back at a weighted average cost of capital calculated in accordance with the following parameters:

Table 7 – WACC derived from:

Interest costs, pre-tax	3.5%
Tax rate	25.0%
Int. costs, after taxes	2.6%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	4.18%
Beta levered (x)	1.00
Required ROE	13.2%

Source: CFO SIM, Refinitiv Eikon

Risk premium at 9.0% factorises in the minute size of the company and basically all Euronext Growth Milan market segment related concerns that an investor might have. The **risk-free rate at 4.18%** (previously 4.20%) corresponds to the 200-day moving average of the 10Y Italian Government Bond yield. The WACC is computed using a sustainable **30:70 debt/equity** balance-sheet structure. **Beta at 1.00** is an usual conservative value for a small cap.

Table 8 – Gibus, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	7.7	9.4	10.4	12.6	15.2	
Tax rate	45.0%	45.0%	45.0%	25.0%	25.0%	
Operating profit (NOPAT)	4.3	5.2	5.7	9.5	11.4	
Change working capital	1.8	(1.7)	(1.3)	(0.7)	(0.1)	
Depreciation	5.5	5.7	6.3	4.4	2.5	
Investments	(2.5)	(7.5)	(14.5)	(8.5)	(2.5)	
Free Cash Flows	9.0	1.7	(3.8)	4.7	11.3	126.8
Present value	8.4	1.5	(2.9)	3.3	7.2	80.4
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	
Long-term growth rate	1.0%					

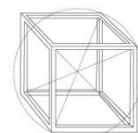
Source: CFO SIM

Table 9 – Gibus, DCF derived from:

€ m	
Total EV present value € m	97.7
	<i>thereof terminal value</i>
	82.3%
NFP FY-23	(20.5)
Pension provision	(0.4)
Equity value € m	76.8
#m shares FD	4.96
Equity value €/s	15.50
<i>% upside/(downside)</i>	<i>55.0%</i>

Source: CFO SIM

The application of our DCF model generates an equity value of € 15.50/s (€ 17.00) for Gibus, 55.0% upside to current prices.



The following tables illustrate that the sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of **€ 14.12-17.07/s (perpetuity range between 0.25% and 1.75%)**, while 2) compared to changes in the free risk rate it produces an equity value of **€ 14.19-16.92/s (free risk range between 4.93% and 3.43%)** and 3) compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 13.05-18.56/s (risk premium range between 10.50% and 7.50%)**.

Table 10 – Gibus, equity value sensitivity to changes in terminal growth rate

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	17.3	17.3	17.3	17.3	17.3	17.3	17.3
PV of terminal value	73.6	75.8	78.0	80.4	82.9	85.5	88.3
Total value	91.0	93.1	95.3	97.7	100.2	102.8	105.6
NFP FY-23	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	70.1	72.2	74.4	76.8	79.3	81.9	84.7
Equity value/share €	14.12	14.54	14.99	15.50	15.97	16.51	17.07

Source: CFO SIM

Table 11 – Gibus, equity value sensitivity to changes in free risk rate

€ m	3.43%	3.68%	3.93%	4.18%	4.43%	4.68%	4.93%
Present value of CF	17.5	17.5	17.4	17.3	17.2	17.2	17.1
PV of terminal value	87.3	84.9	82.6	80.4	78.2	76.2	74.2
Total value	104.8	102.4	100.0	97.7	95.5	93.4	91.3
NFP FY-23	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	83.9	81.5	79.1	76.8	74.6	72.5	70.4
Equity value/share €	16.92	16.41	15.93	15.50	15.03	14.60	14.19

Source: CFO SIM

Table 12 – Gibus, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	17.8	17.6	17.5	17.3	17.2	17.0	16.9
PV of terminal value	95.2	89.8	84.9	80.4	76.2	72.3	68.8
Total value	113.0	107.4	102.4	97.7	93.4	89.4	85.7
NFP FY-23	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)	(20.5)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	92.1	86.5	81.5	76.8	72.5	68.5	64.8
Equity value/share €	18.56	17.44	16.41	15.50	14.60	13.80	13.05

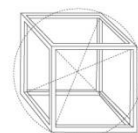
Source: CFO SIM

Market Multiples

Gibus operates in the **European outdoor sun protection market**, with a specific focus on bioclimatic pergolas, ZIP screen, sun awnings and standard pergolas. Thanks to its extended and high-quality product portfolio as well as a strong brand awareness, Gibus is positioned in the **premium segment of the market**.

In order to provide investors with an overview of the reference market, both in terms of trading multiples as well as expected growth rates, we set up a peer group composed of listed companies operating in the **outdoor design** industry:

Balco Group AB is a Sweden-based company, which provides glazed balcony solutions to tenant-owner associations, private landlords, the public housing sector and construction companies. It mainly delivers glazed balconies and balcony solutions, primarily on the renovation market. The Company is specialised in replacing existing balconies with new glazed balconies in accordance with the so called Balco-method. It operates mainly in Sweden, Denmark and Norway, as well as on other markets, which comprise Germany, Finland, the United Kingdom and the Netherlands.



Griffon Corporation is a diversified management and holding company, which conducts its business through its subsidiaries. The company's segments include Consumer and Professional Products (CPP) and Home and Building Products (HBP). CPP segment manufactures branded consumer and professional tools; residential, industrial and commercial fans; home storage and organisation products, and products that enhance indoor and outdoor lifestyles. HBP segment conducts its operations through Clipay, which is a manufacturer and marketer of garage doors and rolling steel doors in North America.

Nien Made Enterprise Co Ltd is a Taiwan-based company principally engaged in the production and sales of curtains and curtain parts. The company's main products include shutters, soft shades and blinds. Nien Made Enterprise distributes its products in domestic market and to overseas markets, such as the Americas and Europe.

Sciuker Frames SpA is an Italy-based company, which designs and manufactures, mainly, aluminium and wood structural glass windows. The company uses Stratec, a patented technology obtained by the coupling and combination of four lamellar profiles. Its product portfolio includes a variety of window fixtures divided in four collections: Stratek, Skill, Isik and Persiane. The products are divided according to the materials used to create them. The company operates locally through a network of showrooms and stores owned, in partnership or in franchising.

Sergeferrari Group SA is a France-based company, which produces flexible composite materials. It designs and produces such products as performance building materials (tensile architecture, bioclimatic facade, solar protection and acoustic solutions), advanced materials (modular structures, agro-energy and environmental protection) and design & outdoor materials (yachting protection, contract and outdoor furniture, awnings and canopies, visual communication and ecolodge).

Tyman PLC is a supplier of engineered fenestration components and access solutions to the construction industry. The company's product portfolio includes: hardware components and seals for the window and patio door industry; specialty access products for both residential and commercial applications; decorative and security hardware and smart ware for residential doors and windows; architectural door hardware, predominantly for commercial applications.

Table 13 – Gibus, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	ROCE FY1	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₃₋₂₆	NFP/ EBITDA
Balco Group AB	SW	82	123	13	10.6%	9.2%	8.6%	16.6%	22.0%	36.8%	1.2
Griffon Corp	US	3,352	2,448	449	18.3%	n.a.	0.9%	7.1%	8.6%	62.1%	2.6
Nien Made Enterprise Co Ltd	TW	2,981	861	271	31.5%	28.6%	10.1%	14.9%	14.6%	13.2%	n.m.
Sciuker Frames SpA	IT	71	168	45	26.5%	n.a.	16.6%	7.8%	1.6%	0.8%	0.7
Sergeferrari Group SA	FR	73	336	32	9.5%	4.2%	2.9%	n.a.	n.a.	n.a.	2.7
Tyman PLC	UK	696	783	128	16.4%	11.5%	4.0%	6.3%	10.9%	23.6%	1.5
Median		389	559	86	17.4%	10.3%	6.3%	7.8%	10.9%	23.6%	1.5
Gibus SpA	IT	50	83	13	15.9%	10.2%	2.3%	5.2%	8.6%	11.5%	1.1

Sources: CFO SIM, Refinitiv Eikon

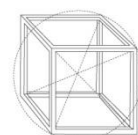


Table 14 – Gibus, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Balco Group AB	0.79	0.68	n.a.	7.4	5.3	n.a.
Griffon Corp	1.85	1.73	1.60	10.1	8.6	7.4
Nien Made Enterprise Co Ltd	2.99	2.60	2.22	9.5	8.1	6.6
Sciuker Frames SpA	0.61	0.53	0.44	2.3	2.1	1.9
Sergeferrari Group SA	0.47	0.43	0.39	4.9	4.1	3.5
Tyman PLC	1.13	1.04	0.96	6.9	6.1	5.5
Median	0.96	0.86	0.96	7.2	5.7	5.5
Gibus SpA	0.79	0.72	0.74	5.0	4.4	4.4
% premium/(discount) to peers	(18.0)	(15.9)	(22.4)	(31.0)	(23.3)	(20.1)

Sources: CFO SIM, Refinitiv Eikon

Table 15 – Gibus, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Balco Group AB	11.0	7.3	n.a.	14.6	9.0	7.6
Griffon Corp	11.8	9.8	8.2	15.8	13.2	10.7
Nien Made Enterprise Co Ltd	11.1	9.3	7.6	17.1	15.0	12.3
Sciuker Frames SpA	2.9	2.7	2.5	3.5	3.5	3.4
Sergeferrari Group SA	12.8	9.4	7.1	13.2	18.1	12.1
Tyman PLC	9.4	8.5	7.3	10.1	9.2	8.4
Median	11.1	8.9	7.3	13.9	11.2	9.5
Gibus SpA	8.4	7.1	7.0	13.9	11.0	9.8
% premium/(discount) to peers	(23.6)	(20.4)	(3.5)	0.0	(2.0)	2.7

Sources: CFO SIM, Refinitiv Eikon

By applying the peer group's EV/EBITDA and PER multiple median to Gibus' metrics we attain an **equity valuation of Gibus of € 13.10/s (€ 14.90)**, using 2024 estimates and multiples (previously 2023-24 equally weighted).

Table 16 – Gibus, equity assessment, 1#3

€ m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Median Peers (x)	0.96	0.86	0.96	7.2	5.7	5.5
Gibus metric	83.0	91.5	97.8	13.2	15.1	16.6
NFP	(15.0)	(15.9)	(22.5)	(15.0)	(15.9)	(22.5)
Gibus Equity Value	64.7	62.9	71.4	79.7	70.5	68.6
Gibus Equity Value/share €	13.03	12.67	14.39	16.06	14.20	13.83
% upside/(downside)	30.3	26.7	43.9	60.6	42.0	38.3

Sources: CFO SIM, Refinitiv Eikon

Table 17 – Gibus, equity assessment, 2#3

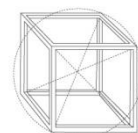
€ m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Median Peers (x)	11.1	8.9	7.3	13.9	11.2	9.5
Gibus metric	7.7	9.4	10.4	3.6	4.6	5.1
NFP	(15.0)	(15.9)	(22.5)			
Gibus Equity Value	70.6	67.3	53.0	50.3	51.4	49.0
Gibus Equity Value/share €	14.22	13.56	10.67	10.14	10.35	9.88
% upside/(downside)	42.2	35.6	6.7	1.4	3.5	(1.2)

Sources: CFO SIM, Refinitiv Eikon

Table 18 – Gibus, equity assessment, 3#3

€	FY1	FY2	FY3
EV/EBITDA	16.06	14.20	13.83
PER	10.14	10.35	9.88
Median	13.10	12.28	11.86
Weighting	100.0%	0.0%	0.0%
Equity Value/share	13.10		
% upside/(downside)	31.0%		

Sources: CFO SIM, Refinitiv Eikon



Peer Stock Performance

Gibus was listed on Euronext Growth Milan on 20-Jun-19 at € 6.00/share corresponding to a post-money market capitalisation of € 30.0m. **Gibus now trades well above the IPO price (+66.7% since the IPO)**, and reached a 1Y maximum price of € 14.60/s on 4-Jul-23 and a minimum level of € 9.84/s on 21-Mar-24.

Table 20 – Gibus, peer group and index absolute performance

	1D	1W	1M	3M	6M	YTD	1Y
Balco Group AB	0.8	(4.0)	(4.5)	(10.0)	(5.9)	(13.2)	(6.1)
Griffon Corp	2.1	5.1	9.0	26.1	84.1	20.8	155.1
Nien Made Enterprise Co Ltd	(0.7)	(2.5)	(5.2)	1.1	11.4	(0.1)	9.0
Sciuker Frames SpA	3.8	0.8	(11.0)	(27.6)	(29.1)	(25.6)	(51.7)
Sergeferrari Group SA	(0.5)	0.5	(2.2)	(20.7)	(36.4)	(27.2)	(57.8)
Tyman PLC	1.9	4.7	0.3	(2.4)	1.5	(4.5)	26.0
Median	1.3	0.7	(3.4)	(6.2)	(2.2)	(8.8)	1.4
Gibus SpA	(4.3)	(5.7)	(5.2)	(11.9)	(15.3)	(25.4)	(27.0)
MSCI World Index	0.6	1.5	3.1	9.2	19.0	8.4	27.9
EUROSTOXX	1.0	1.3	3.7	8.9	15.6	8.8	15.7
FTSE Italia All Share	0.2	1.6	5.9	12.7	19.3	12.4	27.3
FTSE Italia STAR	0.8	1.7	0.4	(0.8)	10.4	(1.4)	(2.9)
FTSE Italia Growth	0.1	1.8	(0.0)	1.0	(4.3)	(1.6)	(12.1)

Source: Refinitiv Eikon

Table 21 – Gibus, relative performances

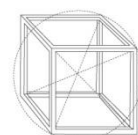
	1D	1W	1M	3M	6M	YTD	1Y
to Peers Median	(4.9)	(7.2)	(8.4)	(21.1)	(34.3)	(33.8)	(54.9)
to MSCI World Index	(5.3)	(7.0)	(8.9)	(20.7)	(30.9)	(34.2)	(42.7)
to EUROSTOXX	(4.5)	(7.3)	(11.1)	(24.6)	(34.6)	(37.8)	(54.3)
to FTSE Italia All Share	(5.1)	(7.3)	(5.6)	(11.1)	(25.7)	(23.9)	(24.1)
to FTSE Italia STAR	(4.4)	(7.5)	(5.2)	(12.9)	(10.9)	(23.8)	(14.9)
to FTSE Italia Growth	(5.6)	(6.3)	(1.9)	(5.7)	(13.1)	(16.5)	(28.4)

Source: Refinitiv Eikon

Risks

The principal investment **risks** associated with Gibus include:

- low expected growth rates with regard to the reference market;
- regulatory changes, in particular with regard to tax incentives in Italy;
- a limited M&A track record;
- increasing price of raw materials and energy could affect margins in the short-term;
- the rise of new innovative technologies, which is mitigated by the group's ability to continuously develop and patent new innovative solutions.



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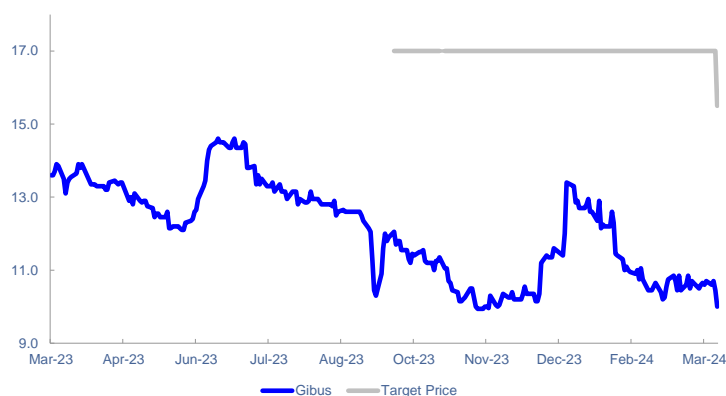
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DATE	TARGET PRICE	RATING
22/03/2024	€15.50	BUY
17/01/2024	€17.00	BUY
25/09/2023	€17.00	BUY

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- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

