

Italy – Outdoor Design

Sales as expected, focus on Germany and the Netherlands

12th July 2024

H1-24 PRELIMINARY REVENUES

RIC: GBUSS.MI
BBG: GBUS IM

Gibus reported H1-24 preliminary sales broadly in line with expectations as well as the reference market trend, which is still affected by the slowdown in demand already experienced in 2023, due to different reasons around Europe, namely a negative impact of the cancellation of the invoice discount mechanism in Italy, a weak macroeconomic environment in central-northern Europe and bad weather conditions in spring.

Rating:

Buy

Price Target:

€ 15.50

Upside/(Downside): 89.5%

Last Price: € 8.18

Market Cap.: € 40.8m

1Y High/Low: € 13.50 / € 8.14

Avg. Daily Turn. (3M, 6M): € 11k, € 12k

Free Float: 19.0%

Major shareholder:

Terra Holding 80.0%



Stock price performance

	1M	3M	12M
Absolute	-8.5%	-17.4%	-39.9%
Rel.to FTSE IT Growth	-8.8%	-16.9%	-28.9%
Rel.to Peers	-9.4%	-22.1%	-46.1%

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Revenues of € 47.6m, 57% of our FY forecast. Estimates, rating and PT confirmed

In H1-24, revenues were € 47.6m, down by 6.2% compared to € 50.7m in H1-23. Please bear in mind that, in H1-23, sales were still positively impacted by the invoice discount mechanism in Italy, thus the comparison with H1-24 is tough. Leiner contributed € 12.8m to the H1-24 turnover (€ 13.2m in H1-23), thus Gibus stand-alone declined by ca. 7% YoY. Nevertheless, H1-24 sales accounted for 57% of our forecast for FY-24, in line with the H1-23 figure, which accounted for 56% of the FY-23 turnover. At the current price levels, Gibus trades at undemanding 3.8x EV/EBITDA₂₅ and offers an appealing 6.1% dividend yield.

The bioclimatic pergola and ZIP screen products confirmed their resiliency

€ m	H1-24	% on tot.	H1-23	% on tot.	% YoY
Luxury High End	18.7	39%	18.8	37%	(0.5)
Design	24.9	52%	28.0	55%	(11.1)
Other	4.0	8%	3.9	8%	1.3
Total Revenues	47.6	100%	50.7	100%	(6.2)

The Luxury High End product line was broadly stable YoY, totalling € 18.7m in revenues compared to € 18.8m in H1-23. In particular, the Luxury High Tech segment (i.e. bioclimatic pergolas) totalled € 12.8m vs € 12.9m in H1-23, while the Sustainability (i.e. ZIP screens) segment reached € 5.8m vs € 5.9m in H1-23. The Design product line totalled € 24.9m, down by ca. 11% compared to € 28.0m reported in H1-23, and negatively affected by the bad weather conditions in Europe in Q2, the quarter corresponding to the spring season when historically a great number of customers decide to buy sun awnings. In detail, Leiner contributed € 12.8m, approximately 3% lower than € 13.2m achieved in H1-23, thus, concerning the Design segment, Gibus stand-alone declined by approximately 18%.

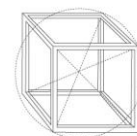
Exports affected by the tough situation of the German economy

€ m	H1-24	% on tot.	H1-23	% on tot.	% YoY
Italy	26.3	55%	28.7	57%	(8.4)
Abroad	21.3	45%	22.0	43%	(3.4)
Total Revenues	47.6	100%	50.7	100%	(6.2)

In terms of geography, domestic revenues were € 26.3m, down by ca. 8% compared to € 28.7m reported in H1-23, mainly as a result of the progressive normalisation of the domestic market after the government's decision to prohibit the transfer of the tax credits, including the Ecobonus, in February 2023 and consequently the possibility to use the invoice discount mechanism. Foreign sales accounted for € 21.3m, 45% of the total (€ 22.0m in H1-23).

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%	6.1%	6.1%	6.1%	6.1%
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	-76.5%	11.5%	19.6%	3.8%	-10.0%
PER x	7.1	17.5	11.3	8.9	7.9
EV/Sales x	1.14	0.93	0.67	0.62	0.65
EV/EBITDA x	5.1	6.0	4.2	3.8	3.8
EV/EBIT x	6.3	10.5	7.2	6.0	6.1



The Company at a Glance

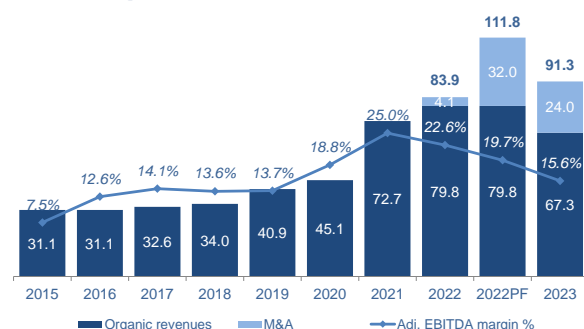
Gibus is a leading player in the outdoor design sector, designing, manufacturing and distributing bespoke high-end sun awnings, pergolas, bioclimatic pergolas and ZIP screens. Thanks to its 40 years of history in the high-end outdoor design sector, Gibus is unquestionably the leading brand for customers 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:

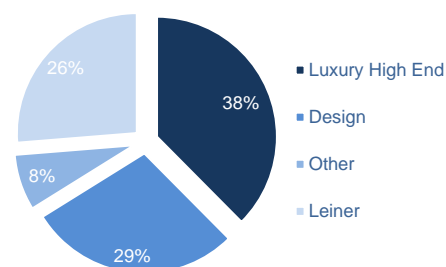
- Luxury High-End, which includes:
 - Luxury High Tech: it includes bioclimatic pergolas, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades.
 - Sustainability: this product line is composed by vertical drop-down awnings with aluminium side guides 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.

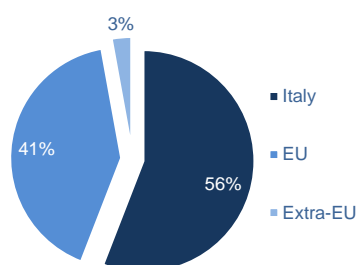
2015-23 top line and EBITDA % evolution



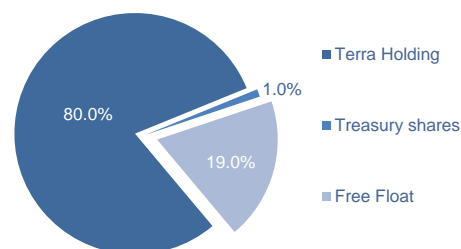
2023 sales breakdown by product line...



... and by geography



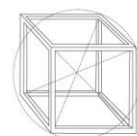
Shareholding structure



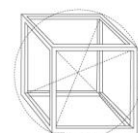
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Balco Group AB	0.80	0.65	8.3	5.7	12.5	7.8	17.2	9.5
Griffon Corp	1.71	1.58	9.0	7.7	10.2	8.5	13.4	11.5
Nien Made Enterprise Co Ltd	3.20	2.84	10.3	8.8	11.9	10.1	17.7	16.1
Sciuker Frames SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sergeferrari Group SA	0.49	0.45	5.0	4.1	13.0	8.2	32.3	10.1
Tyman PLC	1.31	1.21	8.0	7.1	10.2	9.3	11.9	11.0
Median	1.31	1.21	8.3	7.1	11.9	8.5	17.2	11.0
Gibus SpA	0.67	0.62	4.2	3.8	7.2	6.0	11.3	8.9

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	38.8	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	24.3%	67.5%	69.2%	54.5%	48.7%
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



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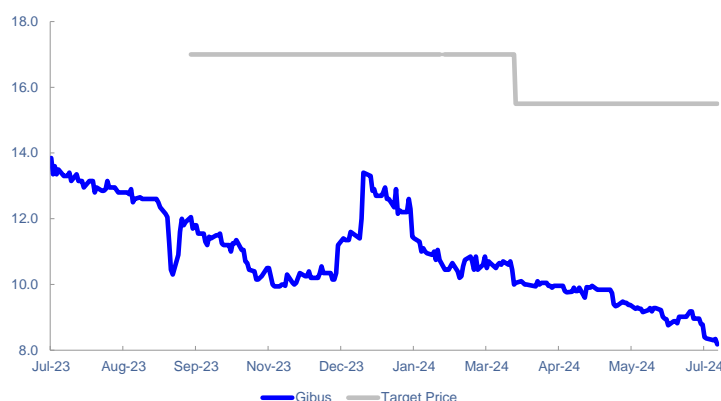
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DATE	TARGET PRICE	RATING
12/07/2024	€15.50	BUY
22/03/2024	€15.50	BUY
17/01/2024	€17.00	BUY
25/09/2023	€17.00	BUY

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