

Italy – Outdoor Design

Good resiliency of margins and CF in a tough environment

24th September 2024

H1-24 RESULTS RELEASE

RIC: GBUSS.MI
BBG: GBUS IM

Gibus reported H1-24 results characterised by sales broadly in line with expectations and the reference market trend. To cope with a harsh macroeconomic environment that lowers demand, Gibus has implemented careful cost optimisation, consequently obtaining a good level of profitability and decent cash flow generation.

Rating:

Buy

Price Target:

€ 14.50 (€ 15.50)

Upside/(Downside): 79.0%

Last Price: € 8.10

Market Cap.: € 40.7m

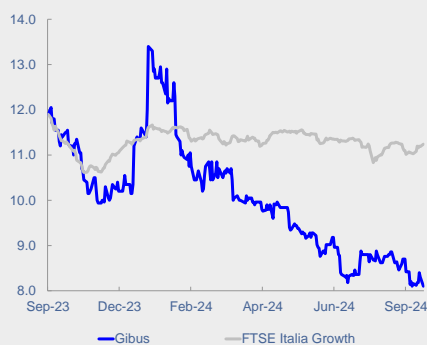
1Y High/Low: € 13.40 / € 8.02

Avg. Daily Turn. (3M, 6M): € 10k, € 10k

Free Float: 18.9%

Major shareholder:

Terra Holding 80.0%



Stock price performance

	1M	3M	12M
Absolute	-6.0%	-10.2%	-31.9%
Rel.to FTSE IT Growth	-5.8%	-9.0%	-26.4%
Rel.to Peers	-6.7%	-8.2%	-41.2%

Analysts:

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

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

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfofim.com

Estimates updated: new DCF-based PT of € 14.50/s (€ 15.50). Still a Buy

H1-24 was affected by weak demand as a result of declining consumption, which started in 2023 due to rising inflation coupled with the bad weather conditions in Europe in spring, which deterred consumers from buying outdoor items. Following the H1-24 results release, we have updated our model by fine-tuning top-line growth and decreasing profitability as well as further postponing the start of the building of the new production facility in late 2025, according to the expected recovery of demand. The combined result is an average 0.9%, 12.4%, and 18.1% decrease in revenues, EBITDA and Net Profit, respectively, in 2024-26. Moreover, we updated the DCF valuation criteria, bringing the Risk-Free Rate up to date. As a combined result, the new PT stands at € 14.50/s (€ 15.50), 79.0% upside. Buy confirmed.

Revenues of € 47.5m (-6% YoY). Good resilience of the highest value-added products

Revenues were € 47.5m, down by 6.1% YoY, as in H1-23, sales were still positively impacted by the invoice discount mechanism in Italy. The Luxury High End product line was broadly stable YoY, totalling € 18.7m in revenues (€ 18.8m in H1-23). The Design product line totalled € 24.9m, down by ca. 11% YoY, and negatively affected by the bad weather conditions in Europe in Q2, which corresponds to the spring season when historically many customers decide to buy outdoor products. 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%.

EBITDA reduction was softened by a more lucrative sales mix and a keen cost control

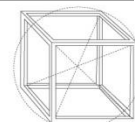
Gross margin slightly declined to 46.4% from 47.0% in H1-23, thanks to a more lucrative revenue mix which was offset by increased personnel costs due to two wage increases in mid-2023 and Jan-24 required by the national collective bargaining agreement. EBITDA was € 7.8m, 16.4% margin (€ 9.3m, 18.4% margin, in H1-23). The decrease of ca. 200bps was mainly ascribable to lower sales volumes and, consequently, an increased incidence of fixed costs on turnover. Nevertheless, the group was able to reduce overhead costs and achieve a good level of profitability despite the decrease in volumes. Moreover, the costs of a few raw materials slightly declined compared to the last two years but remain high.

A good Op. CF led to reduced indebtedness although dividend payments and Capex

EBIT reached € 5.4m, 11.3% margin (€ 6.2m, 12.3% margin, in H1-23), after D&A expenses of € 2.4m (€ 2.7m in H1-23), which mostly refer to the Leiner's Purchase Price Allocation. After net financial charges of € 0.6m (€ 0.7m in H1-23) and taxes of € 1.6m (€ 2.3m in H1-23), Net Profit was € 3.1m, 6.6% margin (€ 3.3m, 6.4% margin, in H1-23). NFP reached € 19.4m vs € 20.5m at year-end 2023, thanks to Op. CF of € 4.6m, partially offset by capex of € 0.9m, dividends payment of € 2.5m and treasury shares buyback of € 0.1m.

Gibus, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Revenues	83.9	91.3	82.2	90.7	97.0
EBITDA	19.0	14.3	10.8	13.6	15.0
EBIT	15.3	8.1	5.7	8.5	9.2
Net Profit	10.3	3.7	2.5	4.1	4.5
NFP (cash)/debt	22.6	20.5	16.4	16.5	25.1
EBITDA margin	22.6%	15.6%	13.2%	15.0%	15.5%
EBIT margin	18.3%	8.9%	7.0%	9.3%	9.5%
EPS stated FD €	2.06	0.74	0.50	0.82	0.90
EPS growth	-26.6%	-64.0%	-32.3%	62.7%	10.3%
Dividend	0.50	0.50	0.50	0.50	0.50
Dividend Yield	3.4%	6.2%	6.2%	6.2%	6.2%
ROCE	18.3%	10.2%	8.4%	12.8%	11.8%
NWC/Sales	22.0%	19.8%	19.7%	19.8%	19.8%
Free Cash Flow Yield	-76.6%	11.5%	16.1%	5.9%	-15.2%
PER x	7.1	17.5	16.2	10.0	9.0
EV/Sales x	1.14	0.93	0.70	0.63	0.68
EV/EBITDA x	5.1	6.0	5.3	4.2	4.4
EV/EBIT x	6.3	10.5	10.0	6.8	7.1



The Company at a Glance

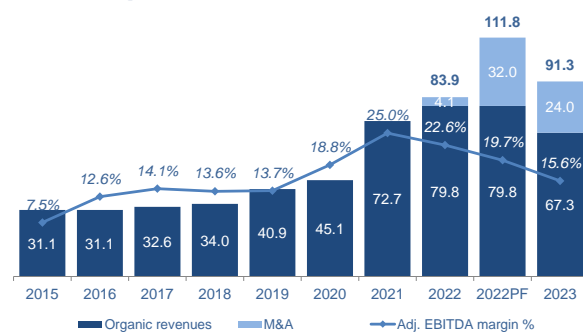
Gibus is a leading player in the outdoor design sector, designing, manufacturing and distributing bespoke high-end sun awnings, pergolas, bioclimatic pergolas and ZIP screens. Thanks to its 40 years of history in the high-end outdoor design sector, Gibus is unquestionably the leading brand for customers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

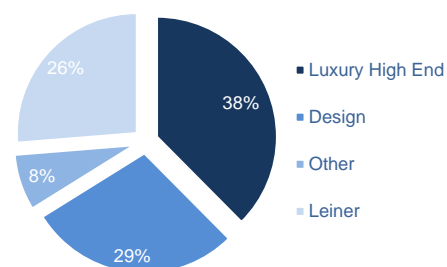
- Luxury High-End, which includes:
 - ✓ Luxury High Tech: it includes bioclimatic pergolas, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades.
 - ✓ Sustainability: this product line is composed by vertical drop-down awnings with aluminium side guides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

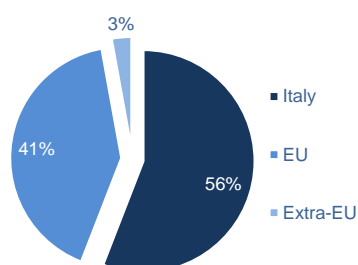
2015-23 top line and EBITDA % evolution



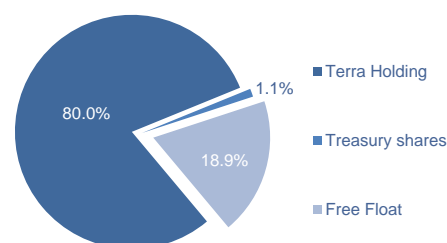
2023 sales breakdown by product line...



... and by geography



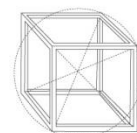
Shareholding structure



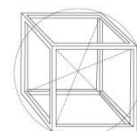
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Balco Group AB	0.77	0.61	9.8	5.4	18.1	7.1	15.5	8.8
Griffon Corp	1.80	1.67	9.4	8.2	11.3	9.3	14.4	12.3
Nien Made Enterprise Co Ltd	4.58	4.08	14.1	12.3	16.1	13.9	22.8	21.0
Sciuker Frames SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sergeferrari Group SA	0.45	0.43	5.2	4.1	36.2	9.1	neg.	9.6
Tyman Ltd	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median	1.29	1.14	9.6	6.8	17.1	9.2	15.5	11.0
Gibus SpA	0.70	0.63	5.3	4.2	10.0	6.8	16.2	10.0

Sources: CFO SIM, Refinitiv Eikon



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Revenues	83.9	91.3	82.2	90.7	97.0
COGS	(43.1)	(49.6)	(45.2)	(49.5)	(52.4)
Gross Profit	40.9	41.8	37.0	41.3	44.6
Other variable and overhead costs	(21.9)	(27.5)	(26.1)	(27.7)	(29.6)
EBITDA	19.0	14.3	10.8	13.6	15.0
D&A	(3.1)	(5.4)	(5.1)	(5.1)	(5.8)
Extraordinary	(0.6)	(0.7)	0.0	0.0	0.0
EBIT	15.3	8.1	5.7	8.5	9.2
Financials	2.1	(1.2)	(1.2)	(1.0)	(1.1)
Pre-Tax profit	17.5	6.9	4.6	7.4	8.2
Income taxes	(7.2)	(3.1)	(2.1)	(3.3)	(3.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	10.3	3.7	2.5	4.1	4.5
Adjusted Net Profit	10.6	4.1	2.5	4.1	4.5
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	18.5	18.1	16.2	17.9	19.2
Net Fixed Assets	44.2	42.1	39.5	39.8	49.5
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	51.9	53.6	64.3
Net Financial Debt	22.6	20.5	16.4	16.5	25.1
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	34.5	35.5	35.5	37.1	39.2
Financial Liabilities & Equity	57.1	56.0	51.9	53.6	64.3
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	10.3	3.7	2.5	4.1	4.5
Depreciation	3.1	5.4	5.1	5.1	5.8
Other non-cash charges	8.0	(1.4)	(0.4)	0.4	0.3
Cash Flow from Oper. (CFO)	21.4	7.7	7.2	9.6	10.6
Change in NWC	(13.0)	0.4	1.9	(1.7)	(1.3)
FCF from Operations (FCFO)	8.4	8.1	9.1	7.9	9.3
Net Investments (CFI)	(39.7)	(3.4)	(2.5)	(5.5)	(15.5)
Free CF to the Firm (FCFF)	(31.2)	4.7	6.6	2.4	(6.2)
CF from financials (CFF)	30.6	(7.6)	(13.5)	(6.5)	7.5
Free Cash Flow to Equity (FCFE)	(0.6)	(2.9)	(6.9)	(4.1)	1.3
Financial ratios	2022	2023	2024e	2025e	2026e
EBITDA margin	22.6%	15.6%	13.2%	15.0%	15.5%
EBIT margin	18.3%	8.9%	7.0%	9.3%	9.5%
Net profit margin	12.3%	4.1%	3.1%	4.5%	4.6%
Tax rate	41.0%	45.9%	45.0%	45.0%	45.0%
Op NWC/Sales	22.0%	19.8%	19.7%	19.8%	19.8%
Interest coverage x	(7.13)	6.50	4.87	8.14	8.75
Net Debt/EBITDA x	1.19	1.44	1.51	1.21	1.67
Debt-to-Equity x	0.65	0.58	0.46	0.44	0.64
ROIC	18.0%	6.6%	4.8%	7.6%	7.0%
ROCE	18.3%	10.2%	8.4%	12.8%	11.8%
ROACE	25.4%	9.9%	7.8%	12.6%	12.8%
ROE	29.9%	10.4%	7.1%	11.0%	11.5%
Payout ratio	24.3%	67.5%	99.8%	61.3%	55.6%
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	0.50	0.82	0.90
EPS adjusted FD €	2.12	0.82	0.50	0.82	0.90
EBITDA €	3.79	2.85	2.17	2.72	3.00
EBIT €	3.06	1.62	1.15	1.69	1.85
BV €	6.89	7.09	7.09	7.42	7.82
FCFO €	1.68	1.61	1.81	1.58	1.86
FCFF €	(6.24)	0.94	1.31	0.48	(1.23)
FCFE €	(0.12)	(0.58)	(1.38)	(0.81)	0.27
Dividend €	0.50	0.50	0.50	0.50	0.50



H1-24 Results

Gibus reported H1-24 results characterised by sales broadly in line with expectations and the reference market trend, which was 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. To cope with this harsh macroeconomic environment characterised by lowering demand, Gibus has implemented careful cost optimisation, consequently obtaining a good level of profitability and decent cash generation.

Table 1 – Gibus, H1-24 results

€ m	H1-24	H1-23	% YoY
Luxury High End	18.7	18.8	(0.5)
Design	12.1	14.8	(18.2)
Other	3.9	3.8	2.6
Leiner	12.8	13.2	(3.0)
Revenues	47.5	50.6	(6.1)
COGS	(25.5)	(26.8)	
Gross Profit	22.0	23.8	(7.4)
% margin	46.4	47.0	
Other variable costs and overheads	(14.2)	(14.5)	
EBITDA	7.8	9.3	(16.4)
% margin	16.4	18.4	
D&A	(2.4)	(2.7)	
Extraordinary	0.0	(0.4)	
EBIT	5.4	6.2	(13.7)
% margin	11.3	12.3	
Financials	(0.6)	(0.7)	
Pre-Tax profit	4.8	5.5	(14.0)
% margin	10.0	10.9	
Income taxes	(1.6)	(2.3)	
Tax rate	34.3%	41.2%	
Minorities	0.0	0.0	
Net Profit	3.1	3.3	(3.9)
% margin	6.6	6.4	
NFP debt/(cash) *	19.4	20.5	(5.2)

Source: Company data * compared to FY-23

In H1-24, **revenues were € 47.5m, down by 6.1% 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), therefore 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 55% of the FY-23 turnover**.

- **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, which corresponds to the spring season when historically many customers decide to buy outdoor products. 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%.

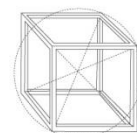


Table 2 – Gibus, H1-24 revenues by geography

€ m	H1-24	H1-23	% YoY
Italy	26.3	28.7	(8.4)
Abroad	21.3	22.0	(3.2)
Revenues	47.5	50.6	(6.1)

Source: Company data

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 decided 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, 43% of the total).

Gross margin slightly declined to 46.4% from 47.0% in H1-23, thanks to a more lucrative revenue mix (higher share of Luxury High End products, accounting for 39% of the total in H1-24 compared to 37% in H1-23) which was offset by **increased personnel costs due to two wage increases in mid-2023 and January 2024 required by the national collective bargaining agreement**.

EBITDA totalled € 7.8m, 16.4% margin, compared to € 9.3m, 18.4% margin, reported in H1-23. In particular, the decrease of ca. 200bps was mainly ascribable to lower sales volumes and, consequently, an increased incidence of fixed costs on turnover. Nevertheless, **the group was able to reduce overhead costs and achieve a good level of profitability despite the decrease in volumes**. Moreover, it is worth noticing that the costs of a few raw materials slightly declined compared to the last two years but remain high.

EBIT reached € 5.4m, 11.3% margin, compared to € 6.2m, 12.3% margin, in H1-23, after D&A expenses of € 2.4m (€ 2.7m in H1-23), which mostly refer to the Leiner's Purchase Price Allocation.

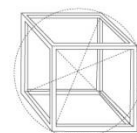
After net financial charges of € 0.6m (€ 0.7m in H1-23) and taxes of € 1.6m (€ 2.3m in H1-23), **Net Profit was € 3.1m, 6.6% margin**, compared to € 3.3m, 6.4% margin, in H1-23.

Net Financial Position reached € 19.4m vs € 20.5m at year-end 2023, thanks to Op. CF of € 4.6m, partially offset by capex of € 0.9m, dividends payment of € 2.5m and treasury shares buyback of € 0.1m.

Table 3 – Gibus, H1-24 Operating Net Working Capital

€ m	H1-24	FY-23	Δ %	Δ € m
Op NWC	22.5	18.1	24.4	4.4
Inventories	14.8	13.8	7.4	0.6
Receivables	22.0	11.8	86.0	9.8
Payables	(14.3)	(9.3)	(53.6)	(4.6)

Source: Company data



Estimates, Valuation and Risks

The first half of 2024 was affected by weak demand as a result of declining consumption, which started in 2023 due to rising inflation coupled with the bad weather conditions in Europe in spring, which deterred consumers from buying outdoor items. In Italy, the outdoor market is progressively normalising after being drugged to a certain extent by some credit transfer mechanisms like the so-called "invoice discount".

Following the H1-24 results release, **we have updated our model** by fine-tuning top-line growth and decreasing profitability as well as further postponing the start of the building of the new production facility in late 2025, according to the expected recovery of demand. **The combined result is an average 0.9%, 12.4%, and 18.1% decrease in revenues, EBITDA and Net Profit, respectively, in 2024-26.**

Table 4 – Gibus, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	82.2	83.0	(1.0)	(0.8)
EBITDA	10.8	13.2	(17.8)	(2.4)
% margin	13.2	15.9		
EBIT	5.7	7.7	(25.8)	(2.0)
% margin	7.0	9.3		
Net Profit	2.5	3.6	(30.6)	(1.1)
% margin	3.1	4.4		
NFP debt / (cash)	16.4	15.0	9.5	1.4

Source: CFO SIM

Table 5 – Gibus, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	90.7	91.5	(0.8)	(0.8)
EBITDA	13.6	15.1	(9.8)	(1.5)
% margin	15.0	16.5		
EBIT	8.5	9.4	(9.9)	(0.9)
% margin	9.3	10.3		
Net Profit	4.1	4.6	(11.2)	(0.5)
% margin	4.5	5.0		
NFP debt / (cash)	16.5	15.9	3.4	0.5

Source: CFO SIM

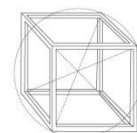
Table 6 – Gibus, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	97.0	97.8	(0.8)	(0.8)
EBITDA	15.0	16.6	(9.6)	(1.6)
% margin	15.5	17.0		
EBIT	9.2	10.4	(10.9)	(1.1)
% margin	9.5	10.6		
Net Profit	4.5	5.1	(12.4)	(0.6)
% margin	4.6	5.3		
NFP debt / (cash)	25.1	22.5	11.6	2.6

Source: CFO SIM

Moreover, we updated the DCF valuation criteria, bringing the Risk-Free Rate up to date, which now points to 3.80% (prev. 4.18%). As a consequence of the estimate revision and the updated valuation criteria, **the new DCF-based PT stands at € 14.50/s (€ 15.50), 79.0% 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.)	3.80%
Beta levered (x)	1.00
Required ROE	12.8%

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 3.80%** (previously 4.18%) 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 a usual conservative value for a small cap.

Table 8 – Gibus, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	5.7	8.5	9.2	12.1	13.5	
Tax rate	45.0%	45.0%	45.0%	25.0%	25.0%	
Operating profit (NOPAT)	3.2	4.7	5.1	9.1	10.1	
Change working capital	1.9	(1.7)	(1.3)	(0.7)	(0.1)	
Depreciation	5.1	5.1	5.8	4.1	2.5	
Investments	(2.5)	(5.5)	(15.5)	(9.0)	(2.5)	
Free Cash Flows	7.6	2.6	(5.9)	3.6	10.1	116.3
Present value	7.5	2.3	(4.8)	2.7	6.8	78.2
WACC	9.7%	9.7%	9.7%	9.7%	9.7%	
Long-term growth rate	1.0%					

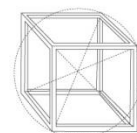
Source: CFO SIM

Table 9 – Gibus, DCF derived from:

€ m	
Total EV present value € m	92.6
	<i>thereof terminal value</i>
	84.4%
NFP FY-23	(20.5)
Pension provision	(0.4)
Equity value € m	71.7
#m shares FD	4.95
Equity value €/s	14.50
<i>% upside/(downside)</i>	<i>79.0%</i>

Source: CFO SIM

The application of our DCF model generates an equity value of € 14.50/s (€ 15.50) for Gibus, 79.0% 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 **€ 13.13-16.10/s (perpetuity range between 0.25% and 1.75%)**, while 2) compared to changes in the risk-free rate it produces an equity value of **€ 13.26-15.88/s (risk-free range between 4.55% and 3.05%)** and 3) compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 12.18-17.46/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	14.4	14.4	14.4	14.4	14.4	14.4	14.4
PV of terminal value	71.5	73.6	75.9	78.2	80.7	83.4	86.2
Total value	85.9	88.0	90.3	92.6	95.1	97.8	100.6
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	65.0	67.2	69.4	71.7	74.2	76.9	79.7
Equity value/share €	13.13	13.56	14.01	14.50	15.00	15.53	16.10

Source: CFO SIM

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

€ m	3.05%	3.30%	3.55%	3.80%	4.05%	4.30%	4.55%
Present value of CF	14.6	14.5	14.5	14.4	14.4	14.3	14.3
PV of terminal value	84.9	82.6	80.4	78.2	76.2	74.2	72.3
Total value	99.5	97.1	94.8	92.6	90.5	88.5	86.6
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	78.6	76.2	73.9	71.7	69.6	67.6	65.7
Equity value/share €	15.88	15.39	14.93	14.50	14.07	13.66	13.26

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	14.7	14.6	14.5	14.4	14.3	14.2	14.1
PV of terminal value	92.6	87.4	82.6	78.2	74.2	70.5	67.1
Total value	107.3	102.0	97.1	92.6	88.5	84.7	81.2
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	86.4	81.1	76.2	71.7	67.6	63.8	60.3
Equity value/share €	17.46	16.38	15.39	14.50	13.66	12.89	12.18

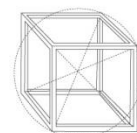
Source: CFO SIM

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 Clopay, 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	79	128	10	7.9%	7.0%	12.2%	18.1%	24.0%	35.0%	2.0
Griffon Corp	US	3,100	2,364	455	19.2%	n.a.	-0.4%	5.4%	6.6%	58.1%	2.6
Nien Made Enterprise Co Ltd	TW	4,215	832	270	32.4%	31.6%	7.7%	12.7%	12.9%	9.9%	n.m.
Sciuker Frames SpA	IT	45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.a.
Sergeferrari Group SA	FR	67	323	28	8.7%	4.1%	3.0%	-5.0%	19.3%	25.5%	2.8
Tyman Ltd	UK	924	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median		501	578	149	14.0%	7.0%	5.3%	9.1%	16.1%	30.3%	2.6
Gibus SpA	IT	41	82	11	13.2%	10.2%	2.0%	1.7%	4.5%	6.7%	1.5

Sources: CFO SIM, Refinitiv Eikon

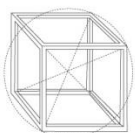


Table 14 – Gibus, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Balco Group AB	0.77	0.61	0.53	9.8	5.4	4.4
Griffon Corp	1.80	1.67	n.a.	9.4	8.2	n.a.
Nien Made Enterprise Co Ltd	4.58	4.08	3.67	14.1	12.3	10.9
Sciuker Frames SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sergeferrari Group SA	0.45	0.43	0.36	5.2	4.1	3.1
Tyman PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median	1.29	1.14	0.53	9.6	6.8	4.4
Gibus SpA	0.70	0.63	0.68	5.3	4.2	4.4
% premium/(discount) to peers	(45.9)	(44.7)	28.5	(44.9)	(38.1)	(1.0)

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	18.1	7.1	5.9	15.5	8.8	7.7
Griffon Corp	11.3	9.3	n.a.	14.4	12.3	10.7
Nien Made Enterprise Co Ltd	16.1	13.9	12.3	22.8	21.0	19.0
Sciuker Frames SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sergeferrari Group SA	36.2	9.1	5.6	neg.	9.6	5.6
Tyman PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median	17.1	9.2	5.9	15.5	11.0	9.2
Gibus SpA	10.0	6.8	7.1	16.2	10.0	9.0
% premium/(discount) to peers	(41.9)	(26.4)	20.2	4.8	(8.9)	(1.5)

Sources: CFO SIM, Refinitiv Eikon

By applying the peer group's EV/EBITDA and PER multiple medians to Gibus' metrics we attain an **equity valuation of Gibus of € 12.70/s (€ 13.10)**, using 2024 estimates and multiples.

Table 16 – Gibus, equity assessment, 1#3

€ m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Median Peers (x)	1.29	1.14	0.53	9.6	6.8	4.4
Gibus metric	82.2	90.7	97.0	10.8	13.6	15.0
NFP	(16.4)	(16.5)	(25.1)	(16.4)	(16.5)	(25.1)
Gibus Equity Value	89.3	87.0	26.1	87.3	75.9	41.4
Gibus Equity Value/share €	18.03	17.58	5.28	17.63	15.33	8.37
% upside/(downside)	122.6	117.0	(34.8)	117.6	89.3	3.3

Sources: CFO SIM, Refinitiv Eikon

Table 17 – Gibus, equity assessment, 2#3

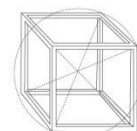
€ m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Median Peers (x)	17.1	9.2	5.9	15.5	11.0	9.2
Gibus metric	5.7	8.5	9.2	2.5	4.1	4.5
NFP	(16.4)	(16.5)	(25.1)			
Gibus Equity Value	81.9	61.3	29.7	38.9	44.7	41.4
Gibus Equity Value/share €	16.54	12.38	5.99	7.85	9.04	8.35
% upside/(downside)	104.2	52.8	(26.0)	(3.1)	11.6	3.1

Sources: CFO SIM, Refinitiv Eikon

Table 18 – Gibus, equity assessment, 3#3

€	FY1	FY2	FY3
EV/EBITDA	17.63	15.33	8.37
PER	7.85	9.04	8.35
Median	12.74	12.18	8.36
Weighting	100.0%	0.0%	0.0%
Equity Value/share	12.70		
% upside/(downside)	56.8%		

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 (35.0% since the IPO)**, and reached a 1Y maximum price of € 13.40/s on 2-Jan-24 and a minimum level of € 8.02/s on 17-Sep-24.

Table 19 – Gibus, peer group and index absolute performance

%	1D	1W	1M	3M	6M	YTD	1Y
Balco Group AB	(1.5)	(0.4)	(3.8)	(9.5)	(4.2)	(15.9)	(9.6)
Griffon Corp	3.0	4.2	5.2	5.7	(4.2)	14.7	75.9
Nien Made Enterprise Co Ltd	0.8	6.7	9.5	36.5	48.4	45.0	64.1
Sciuker Frames SpA	(1.9)	(4.3)	(24.9)	(26.0)	(35.0)	(53.3)	(56.2)
Sergeferrari Group SA	0.4	(0.9)	(9.5)	(8.8)	(10.4)	(32.8)	(40.2)
Tyman PLC	-	(1.4)	10.2	4.7	31.6	26.6	28.2
Median	0.2	(0.6)	0.7	(2.0)	(4.2)	(0.6)	9.3
Gibus SpA	(2.4)	(0.2)	(6.0)	(10.2)	(19.8)	(39.6)	(31.9)
MSCI World Index	0.3	1.3	1.3	5.1	7.8	16.4	28.1
EUROSTOXX	0.2	0.8	0.2	(0.6)	(2.0)	6.6	13.6
FTSE Italia All Share	(0.2)	0.3	0.1	(0.7)	(2.8)	10.2	17.6
FTSE Italia STAR	(0.0)	0.4	(2.2)	(5.8)	(4.4)	(4.6)	7.8
FTSE Italia Growth	0.5	1.4	(0.2)	(1.2)	(1.1)	(3.2)	(5.5)

Source: Refinitiv Eikon

Table 20 – Gibus, relative performances

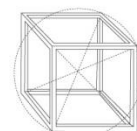
%	1D	1W	1M	3M	6M	YTD	1Y
to Peers Median	(2.7)	(1.6)	(7.3)	(15.3)	(27.6)	(55.9)	(60.0)
to MSCI World Index	(2.6)	(1.1)	(6.2)	(9.6)	(17.8)	(46.2)	(45.6)
to EUROSTOXX	(2.2)	(0.6)	(6.1)	(9.5)	(17.0)	(49.8)	(49.5)
to FTSE Italia All Share	(2.4)	(0.6)	(3.8)	(4.4)	(15.4)	(34.9)	(39.7)
to FTSE Italia STAR	(2.9)	(1.7)	(5.8)	(9.0)	(18.7)	(36.4)	(26.4)
to FTSE Italia Growth	(2.6)	0.4	(6.7)	(8.2)	(15.6)	(38.9)	(41.2)

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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DATE	TARGET PRICE	RATING
24/09/2024	€14.50	BUY
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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- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- 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.

