

Italy – Outdoor Design

A solid leading player in the field of sun protection systems

25th September 2023

INITIATION OF COVERAGE

RIC: GBUSS.MI
BBG: GBUS IM

Thanks to its 40 years of history in the high-end outdoor design sector, Gibus is a leading brand for customers looking for reliable, tailor-made products with a Made in Italy style. Significant international footprint, highly-innovative solutions, solid balance sheet, good cash-flow generation, decent returns on capital and attractive valuation: all makes Gibus an exciting equity story.

Rating:

Buy

Price Target:

€ 17.00

Upside/(Downside): 42.9%

Last Price: € 11.90

Market Cap.: € 59.6m

1Y High/Low: € 17.45 / € 10.10

Avg. Daily Turn. (3M, 6M): € 17k, € 17k

Free Float: 19.7%

Major shareholder:

Terra Holding 80.0%



Stock price performance

	1M	3M	12M
Absolute	-5.6%	-17.9%	-10.9%
Rel.to FTSE IT Growth	-1.8%	-12.0%	-4.3%
Rel.to Peers	-6.7%	-10.9%	-12.2%

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Initiation with Buy: PT of € 17.00/s, 42.9% upside

CFO SIM initiates coverage of Gibus with a Buy recommendation and a PT of € 17.00/s, 42.9% upside. We believe that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to factorise most effectively the value of the stock in the medium-long term. The DCF model is based on standard settings for a small-cap: $g=1%$, $\beta=1$, $WACC=10.0%$ with a 30:70 debt/equity structure. Gibus is currently trading at a discount to peers: FY2 EV/EBITDA and PER of 4.7x and 8.3x vs. 6.5x and 10.7x of peers.

A leading producer of customised high-end sun protection systems

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 an unwavering effort in R&D, Gibus boasts over 50 patents for technical solutions and 30 protected design models. The group serves customers across Europe, namely over 1,000 multibrand dealers, ad-hoc customers mainly in the Ho.Re.Ca., and the consolidated network "Gibus Atelier", composed by more than 450 authorised dealers. On a pro-forma basis, in 2022, Gibus totalled revenues of € 111.8m and EBITDA of € 22.0m, 19.7% margin. NFP stood at € 22.6m debt, on the back of the acquisition of Leiner in September.

Sales CAGR₂₂₋₂₅ of 3.8%, avg. 2023-25 ROE > 15%, DPS of € 0.50 (4.2% yield)

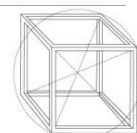
Our estimates show a top line CAGR₂₂₋₂₅ of 3.8%, as a consequence of a certain slowdown in 2023 due to declining volumes followed by a gradual recovery in 2024-25, driven by rising volumes counterbalanced by a tiny decrease in prices. We expect the Luxury High Tech and Sustainability segments to be the most resilient while we anticipate the Design segment to be the one to suffer the most in the short-term. In 2023, we anticipate EBITDA of € 13.0m, 15.3% margin, mainly due to the decreasing volumes, especially with regard to Leiner. In 2024-25, we forecast a recovery in margins mainly driven by rising volumes. In 2023, NFP is anticipated to reduce to € 17.2m and then to rise to € 22.1m in 2025 because of the starting of the construction of the new plant. In 2023-25 we forecast a stable DPS of € 0.50 (yield 4.2%). ROE is expected to be 14.1%, 17.1% and 17.1% in 2023-25, respectively. ROCE is predicted to be 9.8%, 12.7% and 14.0% in 2023-25, respectively.

Taking advantage of synergies with Leiner and continuing the international expansion

Gibus' strategy is focused on: 1) the integration of Leiner in order to take advantage of some revenue and cost synergies; 2) continuing the group's internationalisation path, also by making use of the strong distribution network of Leiner; 3) the constant investment in R&D in order to identify new quality standards for the sector as well as develop new technological solutions and product innovations; 4) the development of a new production plant in order to enlarge the production capacity and improve the operating efficiency.

Gibus, key financials and ratios

€ m	2021	2022	2023e	2024e	2025e
Revenues	72.7	83.9	85.0	89.6	94.0
EBITDA	18.2	19.0	13.0	16.0	18.0
EBIT	16.2	15.3	8.5	11.1	12.3
Net Profit	14.0	10.3	5.3	7.2	8.1
NFP (cash)/debt	(17.3)	22.6	17.2	16.0	22.1
EBITDA margin	25.0%	22.6%	15.3%	17.9%	19.2%
EBIT margin	22.3%	18.3%	10.0%	12.4%	13.1%
EPS stated FD €	2.80	2.06	1.05	1.43	1.62
EPS growth	<i>n.m.</i>	-26.6%	-48.9%	36.0%	13.4%
Dividend	1.00	0.50	0.50	0.50	0.50
Dividend Yield	7.7%	3.4%	4.2%	4.2%	4.2%
ROCE	43.5%	18.2%	9.8%	12.7%	14.0%
NWC/Sales	7.5%	21.2%	17.8%	17.0%	16.3%
Free Cash Flow Yield	21.2%	-52.9%	13.2%	6.2%	-6.1%
PER x	4.6	7.1	11.3	8.3	7.3
EV/Sales x	0.66	1.14	0.90	0.84	0.87
EV/EBITDA x	2.6	5.1	5.9	4.7	4.5
EV/EBIT x	2.9	6.3	9.0	6.8	6.6



The Company at a Glance

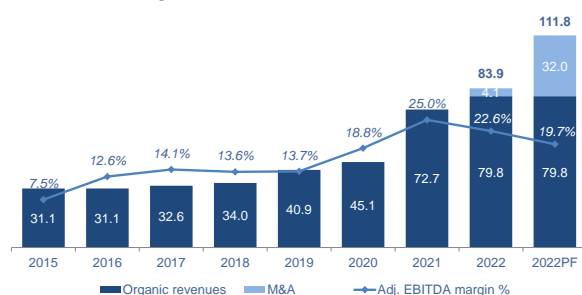
Gibus is a leading player in the outdoor design sector, designing, manufacturing and distributing bespoke high-end sun awnings, pergolas, bioclimatic pergolas and ZIP screens. Thanks to its 40 years of history in the high-end outdoor design sector, Gibus is unquestionably the leading brand for customers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

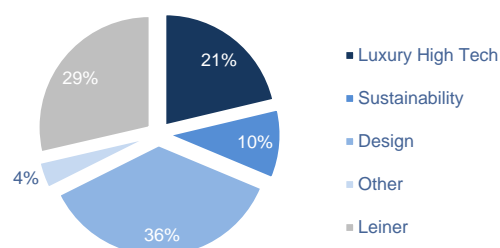
- **Luxury High Tech:** it includes bioclimatic pergolas, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades.
- **Sustainability:** this product line is composed by vertical drop-down awnings with aluminium side guides called ZIP screen. They allow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

On a pro-forma basis, in 2022, Gibus totalled revenues of € 111.8m, approximately 44% of which generated abroad, and EBITDA of € 22.0m, 19.7% margin. In the 2015-22 period, Gibus grew organically with a CAGR₁₅₋₂₂ of 14.4% (20.0% including Leiner on a pro-forma basis), with a particular boost in the last three years thanks to the invoice discount mechanism introduced in Italy in 2020 by the so-called "Recovery Decree" and linked to a few tax incentives.

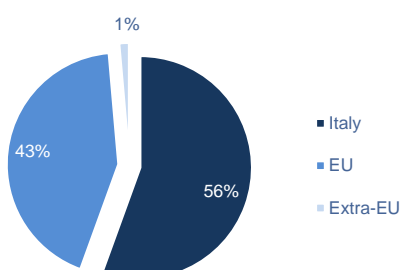
2015-22PF top line and EBITDA % evolution



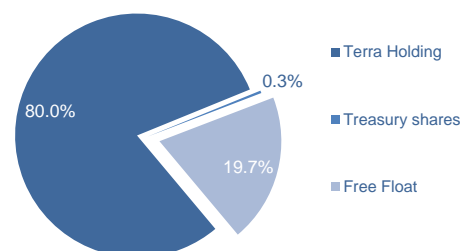
2022PF sales breakdown by product line...



... and by geography



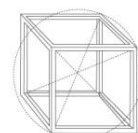
Shareholding structure



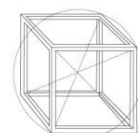
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Balco Group AB	0.81	0.84	7.2	6.6	10.7	9.5	13.5	11.9
Griffon Corp	1.33	1.29	7.2	7.4	11.3	9.0	9.5	11.0
Nien Made Enterprise Co Ltd	2.94	2.61	9.5	8.0	11.0	9.3	16.3	14.7
Sciuker Frames SpA	0.44	0.38	1.7	1.5	2.0	1.8	3.4	3.5
Sergeferri Group SA	0.53	0.48	4.6	3.8	9.2	7.0	9.3	8.0
Tyman PLC	1.08	1.02	7.0	6.4	9.9	8.7	12.0	10.5
Median	0.94	0.93	7.1	6.5	10.3	8.9	10.7	10.7
Gibus SpA	0.90	0.84	5.9	4.7	9.0	6.8	11.3	8.3

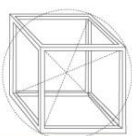
Sources: CFO SIM, Refinitiv Eikon



Income statement (€ m)	2021	2022	2023e	2024e	2025e
Revenues	72.7	83.9	85.0	89.6	94.0
COGS	(37.7)	(43.1)	(45.5)	(46.6)	(48.4)
Gross Profit	35.1	40.9	39.5	43.0	45.6
Other variable costs	(6.0)	(6.7)	(7.4)	(7.7)	(7.8)
Overhead costs	(10.9)	(15.2)	(19.1)	(19.3)	(19.7)
EBITDA	18.2	19.0	13.0	16.0	18.0
D&A	(2.0)	(3.1)	(4.5)	(5.0)	(5.7)
Extraordinary	0.1	(0.6)	0.0	0.0	0.0
EBIT	16.2	15.3	8.5	11.1	12.3
Financials	2.6	2.1	(1.5)	(1.5)	(1.5)
Pre-Tax profit	18.8	17.5	7.0	9.6	10.8
Income taxes	(4.8)	(7.2)	(1.8)	(2.4)	(2.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	14.0	10.3	5.3	7.2	8.1
Adjusted Net Profit	14.0	10.6	5.3	7.2	8.1
Balance sheet (€ m)	2021	2022	2023e	2024e	2025e
Net Working Capital	5.5	17.8	15.1	15.2	15.3
Net Fixed Assets	9.7	44.2	42.2	45.8	57.6
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(3.1)	(4.9)	(2.9)	(3.0)	(3.2)
Net Invested Capital	12.1	57.1	54.5	58.0	69.7
Net Financial Debt	(17.3)	22.6	17.2	16.0	22.1
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	29.4	34.5	37.3	42.0	47.6
Financial Liabilities & Equity	12.1	57.1	54.5	58.0	69.7
Cash Flow statement (€ m)	2021	2022	2023e	2024e	2025e
Total net income	14.0	10.3	5.3	7.2	8.1
Depreciation	2.0	3.1	4.5	5.0	5.7
Other non-cash charges	0.2	7.0	0.1	0.2	0.1
Cash Flow from Oper. (CFO)	16.2	20.5	9.8	12.3	14.0
Change in NWC	(1.3)	(12.3)	2.7	(0.1)	(0.1)
FCF from Operations (FCFO)	14.9	8.1	12.5	12.2	13.9
Net Investments (CFI)	(2.3)	(39.7)	(4.6)	(8.5)	(17.5)
Free CF to the Firm (FCFF)	12.6	(31.5)	7.9	3.7	(3.6)
CF from financials (CFF)	(7.6)	30.9	(2.5)	(7.5)	(7.5)
Free Cash Flow to Equity (FCFE)	5.1	(0.6)	5.4	(3.8)	(11.1)
Financial ratios	2021	2022	2023e	2024e	2025e
EBITDA margin	25.0%	22.6%	15.3%	17.9%	19.2%
EBIT margin	22.3%	18.3%	10.0%	12.4%	13.1%
Net profit margin	19.3%	12.3%	6.2%	8.0%	8.7%
Tax rate	25.3%	41.0%	25.0%	25.0%	25.0%
Op NWC/Sales	7.5%	21.2%	17.8%	17.0%	16.3%
Interest coverage x	(6.35)	(7.13)	5.68	7.20	8.33
Net Debt/EBITDA x	n.m.	1.19	1.32	1.00	1.23
Debt-to-Equity x	n.m.	0.65	0.46	0.38	0.46
ROIC	116.3%	18.0%	9.7%	12.4%	11.7%
ROCE	43.5%	18.2%	9.8%	12.7%	14.0%
ROACE	47.7%	25.2%	9.9%	12.7%	14.1%
ROE	47.8%	29.9%	14.1%	17.1%	17.1%
Payout ratio	35.6%	24.2%	47.5%	34.9%	30.8%
Per share figures	2021	2022	2023e	2024e	2025e
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 €	2.80	2.06	1.05	1.43	1.62
EPS adjusted FD €	2.79	2.12	1.05	1.43	1.62
EBITDA €	3.63	3.79	2.60	3.20	3.60
EBIT €	3.24	3.06	1.70	2.22	2.46
BV €	5.87	6.89	7.45	8.38	9.50
FCFO €	2.98	1.62	2.49	2.44	2.77
FCFF €	2.52	(6.29)	1.57	0.74	(0.72)
FCFE €	1.02	(0.12)	1.07	(0.76)	(2.22)
Dividend €	1.00	0.50	0.50	0.50	0.50



1. Investment Summary.....	5
2. Gibus in a Nutshell.....	6
3. History, Group Structure and Governance.....	8
4. Reference Market: Outdoor Sun Protection.....	10
4.1. Bioclimatic Pergolas.....	11
4.2. Domestic Environment.....	12
4.3. Competitive Landscape.....	13
5. Business Model.....	14
5.1. Product Portfolio.....	16
6. Leiner Acquisition.....	19
7. Strategy.....	20
8. SWOT Analysis.....	21
9. Recent Results.....	22
9.1. FY-22 Results.....	24
9.2. H1-23 Results.....	25
10. Financial Forecasts.....	27
11. Valuation & Risks.....	31
11.1. DCF.....	32
11.2. Market Multiples	34
11.3. Peer Stock Performance.....	37
11.4. Risks.....	38



1. Investment Summary

Thanks to its 40 years of history in the **high-end outdoor design sector**, **Gibus is unquestionably a 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. Significant international footprint, highly-innovative solutions, solid balance sheet, good cash-flow generation, decent returns on capital and attractive valuation: all makes Gibus an **exciting equity story**.

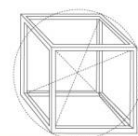
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Gibus' strategy is focused on: 1) the **integration of Leiner** in order to take advantage of some revenue and cost synergies; 2) continuing the group's **internationalisation** path, also by making use of the strong distribution network of Leiner; 3) the **constant investment in R&D** in order to identify new quality standards for the sector as well as develop new technological solutions and product innovations; 4) the development of a **new production plant** in order to enlarge the production capacity and improve the operating efficiency.

Our estimates show a top line CAGR₂₂₋₂₅ of 3.8%, as a consequence of a certain slowdown in 2023 due to declining volumes followed by a gradual recovery in 2024-25, driven by rising volumes counterbalanced by a tiny decrease in prices. In terms of product, we expect **the Luxury High Tech and Sustainability segments to be the most resilient** while we anticipate the Design segment to be the one to suffer the most in the short-term. **In 2023, we anticipate EBITDA to reduce to € 13.0m, 15.3% margin**, mainly due to the decreasing volumes, especially with regard to Leiner. In the **2024-25 period**, we forecast a **recovery in margins driven by rising volumes** and by some cost synergies with Leiner. We expect the **Op. NWC/Sales ratio to decline** in the next years, reaching 16.3% in 2025. **In 2023, NFP is anticipated to reduce to € 17.2m and then to rise to € 22.1m in 2025 because of the starting of the construction of the new plant**. In 2023-25 we forecast a stable dividend per share of € 0.50 (yield 4.2%), in line with latest dividend paid. ROE is expected to be 14.1%, 17.1% and 17.1% in 2023-25, respectively. ROCE is predicted to be 9.8%, 12.7% and 14.0% in 2023-25, respectively.

CFO SIM initiates coverage of Gibus with a Buy recommendation and a PT of € 17.00/s, 42.9% upside. CFO SIM believes that the **DCF model** is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock. The DCF model is based on standard settings for a small-cap, including a prudent $g=1%$, $\beta=1$, $WACC=10.0%$ and a sustainable 30:70 debt/equity balance-sheet structure. Gibus is currently trading at a discount to peers: i.e. FY2 EV/EBITDA and PER of 4.7x and 8.3x compared to 6.5x and 10.7x of peers, respectively.

The principal investment **risks** associated with Gibus include: 1) low expected growth rates with regard to the reference market; 2) regulatory changes, in particular with regard to tax incentives in Italy; 3) a limited M&A track record; 4) increasing price of raw materials and energy could affect margins in the short-term; 5) the rise of new innovative technologies, which is mitigated by the group's ability to continuously develop and patent new innovative solutions.

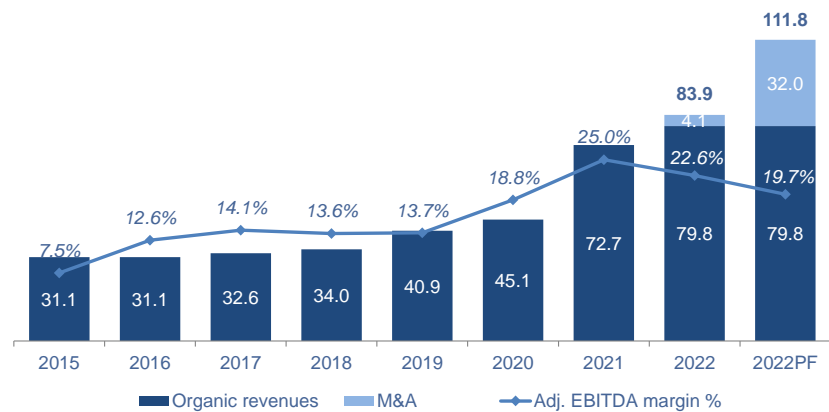


2. Gibus in a Nutshell

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).

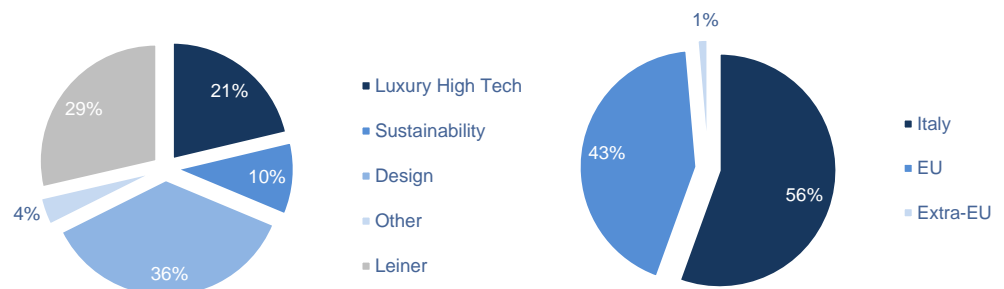
Chart 1 – Gibus, 2015-22PF revenues and EBITDA margin trend – € m / %



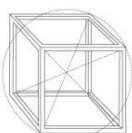
Source: CFO SIM's elaboration on company data

On a pro-forma basis, in 2022, Gibus totalled revenues of € 111.8m, approximately 44% of which generated abroad and the remainder in Italy. In particular, Leiner contributed € 32.0m in terms of top line. **Pro-forma EBITDA was € 22.0m, 19.7% margin**. In the 2015-22 period, Gibus grew organically with a **CAGR₁₅₋₂₂ of 14.4%** (20.0% including the acquisition of Leiner on a pro-forma basis), with a **particular boost in the last three years thanks to the invoice discount mechanism** introduced in Italy in 2020 by the so-called "Recovery Decree" and linked to a few tax incentives. In particular, 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, 2022PF revenues breakdown by product line and geography



Source: CFO SIM's elaboration on company data



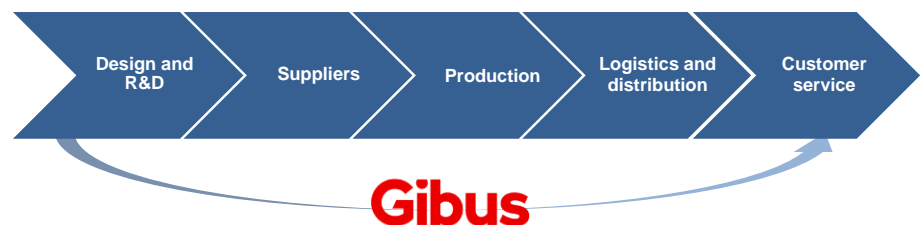
Gibus runs three product lines:

- **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**.

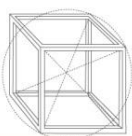
Chart 3 – Gibus, value chain



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. In 2022, the network "Gibus Atelier" totalled revenues of € 70.3m (up by 10.0% YoY), representing approximately 85% of total turnover. The **customers' concentration is very low** in Gibus, with the first customer represented slightly more than 1% of FY-22 turnover while top 5, 10 and 15 approximately 6%, 10% and 14%, respectively.

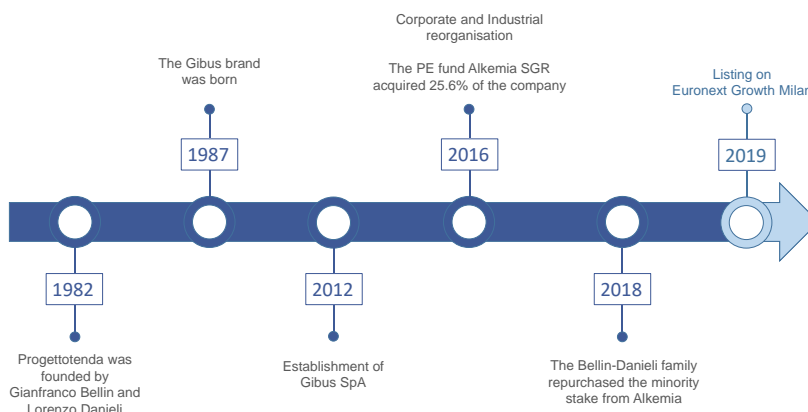
The R&D activity is one of the key success factors of the group. Gibus has a department entirely dedicated to the design and prototyping of specific innovative components, also realised through 3D printers, used for the realisation of awnings and pergolas. Overall, **the R&D team is composed of 13 people**,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



3. 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.

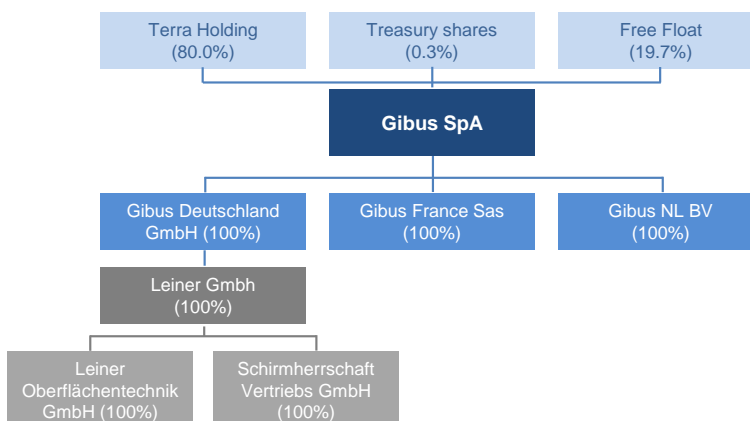
Chart 4 – Gibus, the company's history



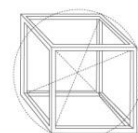
Source: CFO SIM's elaboration on company data

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:

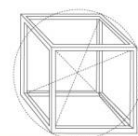
- **Gianfranco Bellin** is the **founder** of Gibus and currently serves as **Chairman**. In 1982, he established Progettotenda, active in the production of curtains and awnings for interiors and exteriors. In 1987, he contributed to create the Gibus brand with the aim of combining under a single commercial 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



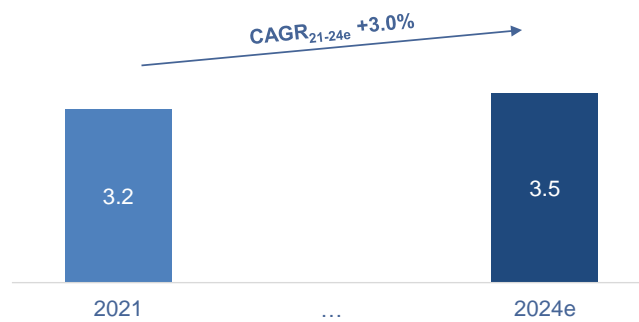
4. Reference Market: Outdoor Sun Protection

Gibus operates in the **European outdoor sun protection market**, with a specific focus on bioclimatic pergolas, ZIP screens, sun awnings and standard pergolas. In the last decades, the sun protection market unquestionably benefited from the increasing architectural demands as well as new and innovative solutions for the improvement of residential and work space.

In terms of products, the sun protection market can be segmented into the following categories: 1) ZIP screens, 2) pergolas, 3) stationary awnings, 4) cross arm awnings, and 5) other vertical systems.

In 2021, the European outdoor sun protection market was worth **€ 3.2bn** and is expected to growth to € 3.5bn in 2024, namely with a **CAGR_{21-24e} of +3.0%**.

Chart 6 – Gibus, European outdoor sun protection market - € bn



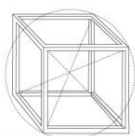
Source: IC Market Tracking

In terms of geography, the main market worldwide is Europe. In particular, **Germany, with € 1.1bn in 2021 (34% of total), is the main European market**, followed by France (22%) and Italy (22%). In particular, the Italian market was boosted by some government incentives which helped homeowners to renovate their homes.

In the last two years, high levels of demand have been driven by households increasing spending in home renovation, in particular in making outdoor areas more comfortable. In fact, lockdown measures and travel restrictions in the last years forced families to stay more time in their homes during the summer months. However, other structural factors are helping the industry, as for example higher investments in energy saving solutions and climate change.

As a consequence, the **main growth drivers** in the coming years will be:

- the increasing trend of **living open-air** which increases the importance of having liveable outdoor spaces, especially in the Ho.Re.Ca.;
- the rising demand of innovative sun protection solutions, which can be integrated with **smart home systems**;
- the **trend of reducing carbon emissions**: the sun protection systems can contribute to reducing the energy consumption of buildings.



4.1. Bioclimatic Pergolas

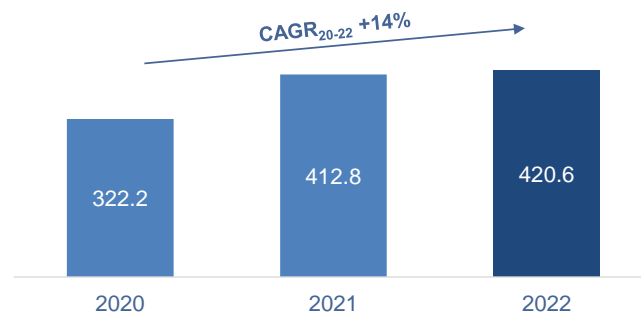
Bioclimatic pergolas are **quite sophisticated sun protection systems** and are considered as an alternative to textile pergolas. Bioclimatic pergolas allow solar protection and regulation of the temperature in a natural way, as well as the protection against rain and wind.

First introduced in Benelux and France, they become quite popular in Italy and other European countries in the last years. With respect to bioclimatic pergolas, **Europe is the main geographical market worldwide.**

In 2022, top seven European countries (i.e. Austria, Benelux, France, Germany, Italy, Spain and Switzerland) **totalled € 420.6m**, up by 2% YoY, mainly thanks to increasing prices, as volumes declined YoY, falling below 50,000 units. In fact, after a significant increase in the 2020-21 period, the segment is now starting to consolidate its dimension, in particular in the more mature markets.

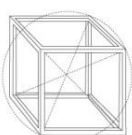
Gibus's market share is approximately 5.7%, as in 2022 the group's turnover with regard to bioclimatic pergolas was € 23.8m. Furthermore, in the 2020-22 period, **Gibus largely outperformed the reference market**, growing with a CAGR₂₀₋₂₂ of 33% compared to 14% of the market.

Chart 7 – Gibus, Bioclimatic Pergolas market – Top 7 European countries



Source: IC Market Tracking – Bioclimatic Pergolas in Europe Top 7 2022

In terms of price segment, the single countries in Europe are relatively differentiated. In Benelux, where the main premium brands dominate the market, average prices are higher while lowest average prices have been detected in France (one of the most mature market) and Spain.



4.2. Domestic Environment

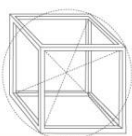
In Italy, the installation, repair, replacement or renewal of sun awnings and pergolas are considered **free building activities**, thus there is no need to require any building permission (Cil, Cila or Scia). The decree issued on 2nd March 2018, came into force as from 22nd April 2018, has therefore removed the risk of committing a crime linked to the building permission (T.U. 380 art. 3-10) with respect to the aforementioned activities. On the contrary, the installation at commercial activities (i.e. Ho.Re.Ca) remains subject to building permission. This decree unquestionably boosted the sale of sun awnings, pergolas and bioclimatic pergolas in Italy.

Furthermore, the Law Decree n. 63/2013 introduced some **tax benefits linked to energy efficiency works on buildings (i.e. Ecobonus)**. With regard to sun protection systems, including sun awnings, ZIP screens, pergolas and bioclimatic pergolas, the final customer has a tax deduction equal to 50% of the total expenditure (maximum € 60k) in 10 years. The Budgetary Law 2022 has extended this tax benefit until the end of 2024.

In addition, the Law Decree n. 34/2020 introduced the possibility to transfer the aforementioned tax incentive to banks or other financial institutions. As a consequence, in the 2020-22 period the Ecobonus-related activities benefited from a significant increase in demand, also sustained by the **mechanism of invoice discount**. Usually, final customers had the possibility to obtain a 50% discount in light of the transfer of its tax credit to the supplier, which in turn might transferred it to banks. **The Law Decree n. 11/2023 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.

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.

In Italy, Gibus is well represented within several industry associations. Gianfranco Bellin, founder and Chairman of Gibus, is also president of Assotende (federated in FederLegnoArredo) and member of the Council of Presidency and of the General Council of FederLegnoArredo, which implements industrial policies and lobbies aimed at sector development. Assotende is a member of the ES-SO European association for the promotion of the sector in the European Union.





















4.3. Competitive Landscape

Gibus is a **leading European player in the outdoor sun protection market**, thanks to its extensive and high-quality product portfolio as well as a strong brand awareness. Gibus is positioned in the **premium segment of the market**. In particular, Gibus's bioclimatic pergolas are recognised as top-notch solutions worldwide in terms of quality, design and level of customisation. The ZIP screens are among the best solutions in the European market, thanks to several technological innovations internally developed by the group.

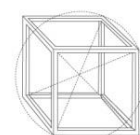
The competitive landscape is mainly composed by small-/mid-companies and some bigger players operating also in adjacent market segments, such as Warema and Hella. **Gibus is among the biggest players and**, thanks to the acquisition of Leiner in Sep-22, **has a good international presence** (i.e. approximately 45% of turnover is realised abroad).

Furthermore, the **consolidation trend** within the sector is ongoing: in May 2023, Pratic was acquired by StellaGroup, a leading French company offering closure, security and solar protection systems. StellaGroup is owned by the pan-European private equity firm PAI Partners, which acquired 61% of the group in 2019.

Chart 8 – Gibus, the competitive landscape – FY-22 data

Player	Country	Description	Revenues (€ m)	EBITDA margin (%)	Revenues CAGR ₁₂₋₂₂ (%)
 Gibus **		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.	112	19.7%	34.7%
 pratic		Pratic was founded in 1960 and it is one of the first Italian companies dealing with the design and production of sun awnings, pergolas, and outdoor structures.	78	31.2%	19.0%
 BRIANZATENDE <small>SPAZIO DA STARE</small>		Brianzatende was founded in 1986. The company's line of business includes the manufacturing of curtains, draperies, and other covers.	56	19.4%	19.9%
 KE <small>ENJOY THE OUTDOORS</small>		KE designs, engineers and produces shade awnings, outdoor awnings, pergolas and sail structures for business such as bars, restaurants, shops and hotels, as well as for homes.	51	21.3%	19.3%
 Corradi <small>OUTDOORS VIVENDO VIVERE</small>		Corradi has been designing and producing personalised and unique outdoor solutions for public and private spaces since 1978.	33	2.7%	13.3%
 RENSON <small>Creating healthy spaces</small>		Renson develops systems to create an ideal indoor climate and a comfortable experience outdoors. The group offers ventilation, solar shading, aluminium wall cladding and outdoor solutions (pergolas and carports).	131	17.7%	17.7%
 BRUSTOR <small>Innovator in Sun Systems</small>		Brustor NV, located in Wervik, Belgium, manufactures awnings, pergolas and sun protection systems.	119	23.0%	16.9%
 warema *		The WAREMA Group is made up of a team of companies divided into two divisions: Sun & Living Spaces and Plastics & Engineering.	686	12.6%	10.4%
 HELLA *		HELLA is an Austrian manufacturer of sun and weather protection systems for commercial and private construction.	193	5.8%	2.1%

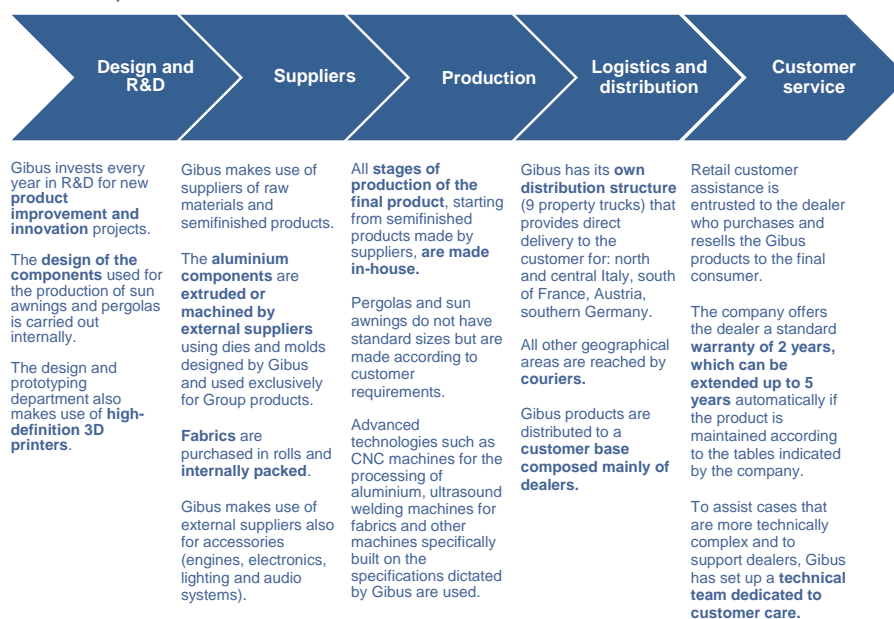
Source: CFO SIM's elaboration based on AIDA * FY-21 data ** pro-forma data



5. 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.

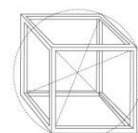
Chart 9 – Gibus, Value Chain



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.



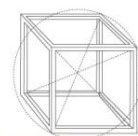
Finally, Gibus makes use of external suppliers also for electronic components, such as electric engines, lights, remote controls, audio systems, etc.

- **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. In 2022, the network "Gibus Atelier" totalled revenues of € 70.3m (up by 10.0% YoY), approximately 85% of total turnover.

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).

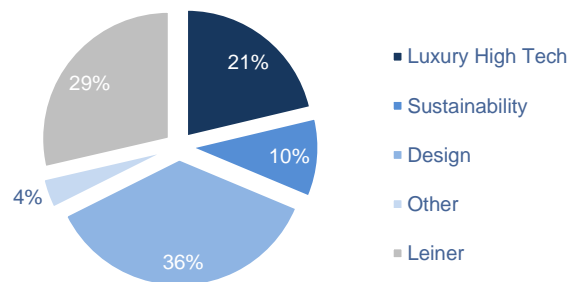
It is worth noting that, in the 2020-22 period the group's sales were significantly boosted by the tax incentives for the energy efficiency of buildings in Italy (i.e. **Ecobonus 50%**), and, in particular, by the mechanism of invoice discount. The Law Decree 16th February 2023 n.11 has prohibited the 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.



5.1 Product Portfolio

Gibus has an **extensive product portfolio in the field of outdoor design**, including bioclimatic pergolas, ZIP screens, sun awnings, pergolas, sliding glass doors, glass roofs and ancillary products. All of Gibus products are **tailor-made** and designed upon the specific requests of the final customers, which are supported by the dealer in every step, from the design to the installation phase.

Chart 10 – Gibus, 2022PF revenues by product line



Source: CFO SIM elaboration based on company data

The group's product portfolio is divided into three product lines, namely:

- **Luxury High Tech:** it includes **seven model of bioclimatic pergolas**, namely innovative pergolas characterised by a roof composed of directional and folding aluminium blades, which can be also equipped with photovoltaic panels. The cover regulates the microclimate in a natural way: when open it creates an agreeable light breeze and blocks out direct sunlight; when closed it offers protection from the rain while rainwater runs off into built-in downpipes. Furthermore, all the bioclimatic pergolas can be personalised with additional components, such as lateral closings, zip screens, glass walls, lighting solutions and sound systems.

Chart 11 – Gibus, Bioclimatic Pergola

+ Comfort – Wasted Energy

The product design is registered

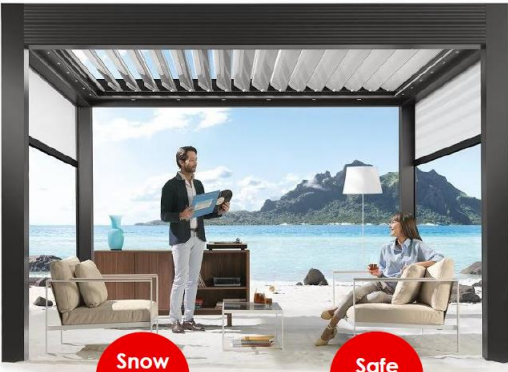
5 Innovative Patents

Side Seal

Isolates the cover perimeter

Twist Motion

Rotates the cover blades from 0° to 135° by remote control or App



Snow Melt

Safe Blades

Melts electrically the snow that falls on the roof with minimal energy expenditure


Eliminates the risk of damage to people working on the roof during maintenance and cleaning

Cover composed by adjustable aluminium blades

- ✓ Natural Ventilation
- ✓ Sun Protection
- ✓ Rain Protection

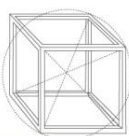
Inner Guide

It allows to integrate Zip Screen for lateral closure



ITALIAN LIFESTYLE

Source: Company presentation



These products have **registered designs** and integrate **five innovative patents**:

- 1) **Side Seal** is a perimeter sealing system of the blades which guarantees a perfect insulation from the external environment, namely waterproof and airtight.
 - 2) **Twist Motion** is a system that allows the rotation of the blades of the roof from 0° to 135° using a special remote control or a mobile App.
 - 3) **Snow Melt** is a heating system able to warm the upper surface of the blades, avoiding the accumulation of snow on the roof of the bioclimatic pergola.
 - 4) **Safe Blades** is a security system which stop the movement of the blades and immediately reverse their motion in the event of contact with foreign objects, in particular hands or fingers.
 - 5) **Inner Guide** allows the perfect integration of a ZIP screen in the structure of the bioclimatic pergola.
- **Sustainability**: this product line is composed by **vertical drop-down awnings with aluminium side guides called ZIP screen**, which allow to improve the thermal and visual comfort of the interiors, also reducing the building's energy consumption. Gibus' 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**.

All the products included in the Sustainability line are automated, electrically controlled and can be integrated into home automation systems of buildings and combined with sensors responsive to wind, rain and sun.

Chart 12 – Gibus, ZIP Screen

Vertical drop awnings with aluminium side guides

- ✓ 7 innovative patents
- ✓ Better thermal and visual comfort of the interior
- ✓ Reduction of the energy costs of the building



"MAG LOCK": EUROPEAN PATENT
Patented magnetic block designed to optimize the vertical tension of the fabric.

Thanks to this patent it is possible to obtain 25%* more resistance than a standard system

Certification
UNI EN 13561
Wind resistance
class 6

Zip system that guarantees the best lateral tensioning of the fabric



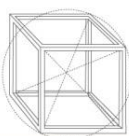
Automated, electrically controlled, and integrated into building automation systems



*Data deriving from technical tests performed internally

ITALIAN LIFESTYLE

Source: Company presentation



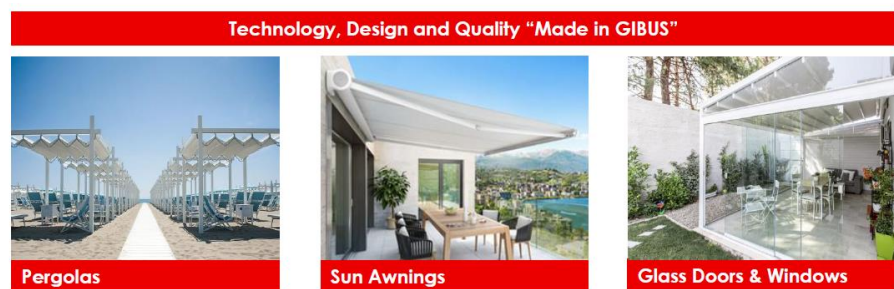
- **Design:** it is the historical business of the group and includes **pergolas, sun awnings and glass doors and walls**, suitable as lateral closures for pergolas and patios.

Pergolas are the simplest and oldest protective structure. They have waterproof and packable fabric covers and can be tilted or 90° to best suit the space around them. **Pergolas integrate 11 patents and 3 registered design models.**

With regard to sun awnings, Gibus is leader in Italy thanks to its focus on products with stronger design and technology content compared to competitors, and, consequently a higher pricing. The product range includes arm awnings, drop awnings and tension awnings. **Sun awnings integrates 5 patents and 2 registered design models.**

In order to separate or open up interiors and exteriors in homes, restaurants, hotels or shops, Gibus provides its customers with **glass doors and walls.**

Chart 13 – Gibus, Design product line



Source: Company presentation

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

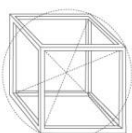
In Sep-22, Gibus acquired **Leiner**, a German company focused on the production of high-quality sun protection solutions, in particular **sun awnings, pergolas, terrace roofs and glass walls**. The acquisition was extremely strategic thanks to the **complementarity of the product portfolios** of the two companies and the **huge potential synergies**, in terms of cross-selling, cost efficiency and R&D.

In particular, Leiner developed the **patented technology Sunrain®**, consisting of a special design of awnings which provides protection from both sun and rain. This technology is particularly suitable for large outdoor areas, especially in the hospitality segment, as the high-performance PVC fabric is completely waterproof.

Chart 14 – Gibus, Sunrain® technology



Source: Company presentation



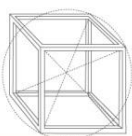
6. Leiner Acquisition

On 30-Sep-22, Gibus signed a binding agreement for the acquisition of Leiner, **a leading German player in the outdoor design sector**. Established in 1839 in Horgau (near Augsburg), Leiner has a wide product portfolio, including sun awnings, pergolas, terrace roofs and glass walls, distributed via **two brands, Leiner® and Sunrain®**. Furthermore, Leiner is **a leading player in the Ho.Re.Ca.** in Germany thanks to its subsidiary Schirmherrschaft, whose customers comprise hotels, restaurants and chain outlets, as well as bakeries and fast foods. The Leiner group boasts 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. (approximately 15% of the business).

Gibus purchased **100% of Leiner for overall € 36.8m**, € 31.6m of which to acquire 100% of Leiner GmbH from the seller Zwiss GmbH and € 5.2m for the purchase from Dr. Zwissler Holding AG, which fully owns the selling company, of a loan consisting of undistributed profits. The aforementioned loan is included in the Net Financial Position of Leiner at year-end 2021. Gibus financed the deal 25% through its available cash and the remainder via a loan obtained by a pool of banks, including Crédit Agricole Friuladria and Deutsche Bank. The price paid corresponds to ca. **9x EV/EBITDA₂₁**. In 2021, Leiner totalled revenues of € 35.5m, EBITDA of € 4.7m (13.2% margin), Net profit of € 3.6m and Net debt equal to € 5.2m (including the shareholder loan). On the back of FY-22 pro-forma figures reported by Gibus, we calculated that in 2022 Leiner totalled € 32.0m in revenues (down by 10% YoY) with EBITDA equal to € 2.5m, 7.9% margin.

The acquisition of Leiner ranks Gibus among the leading European player in the outdoor design sector with 2022 pro-forma revenues of € 111.8m, EBITDA of € 22.0m, 19.7% margin, and over 400 employees. The deal represents an unique opportunity for Gibus to **strengthen its competitive position** in the reference market, allowing the group to take advantage of significant growth and value creation perspectives. In addition, the acquisition of Leiner will allow Gibus to **make use of several synergies**:

- **Cross-selling:** the **product portfolios** of the two companies **are highly-complementary**, as Leiner will be able to add to its offer the bioclimatic pergolas, the Gibus' patented systems on the ZIP screen and the retractable pergolas developed by Gibus. On the contrary, Gibus will be able to enrich its product range with the glass roofs produced by Leiner, distributing them in geographical markets not covered by Leiner, such as Italy and France.
- **R&D:** the ability to develop **technological innovations** and offer **attractive designs** will be increasingly a key success factor for the companies operating in the outdoor design arena. The collaboration between the two R&D teams (8 people in Gibus and 5 in Leiner) can generate **cross-fertilisation opportunities**, mainly thanks to the consolidated know-how of Gibus with regard to innovative designs and electronic controls as well as the strong experience of Leiner in developing glass roofs.
- **Cost synergies:** in the short-term, the increased volumes will allow the group to generate significant synergies with respect to the procurement phase. In the medium-term, the optimisation of the logistics between the Italian and German production plants will unquestionably generate additional savings. In particular, the group plans to focus the production of each product line in different plants, thus increasing the productivity.
- **Software:** Gibus will implement also in Leiner a few advanced IT tools, such as the Salesforce CRM and the 3D product configurator, in order to improve market penetration and customer service standards.
- **Communication & Marketing:** Gibus will make use of its marketing experience and communication tools to strengthen Leiner's brand positioning.



7. 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**.

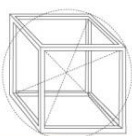
In order to sustain the group's expansion in the international markets, Gibus issued the "**Minibond GIBUS 2023-2030**", namely a bond of **€ 5.0m** backed by the Invest EU Innovation, an European warranty provided by the European Investment Fund.

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 2024, with a possible postponement to 2025 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.



8. 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

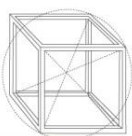
- ❑ **Limited size in the international arena**, even if the acquisition of Leiner unquestionably enlarged the group's geographical reach
- ❑ Some **key people represents a vital asset** for the company
- ❑ New customers need a certain **incubation period** to generate significant turnover (ca. 24-36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



9. Recent Results

Over the last five years, **Gibus grew organically with a CAGR₁₈₋₂₂ of 23.8%** (34.7% including the acquisition of Leiner on a pro-forma basis), with a **particular boost in the last three years** thanks a few **tax incentives for the energy efficiency** of buildings in Italy sustained by the **mechanism of the invoice discount**. This mechanism allows the final consumer to transfer the tax benefit generated by the purchase of goods compliant with tax bonuses to the supplier in return for an invoice discount.

On a pro-forma basis, **FY-22 revenues and EBITDA reached € 111.8m and € 22.0m (19.7% margin)**, respectively. Furthermore, on the back of the acquisition of Leiner, the group increased its international presence, as **foreign revenues** accounted for approximately **45% of total**.

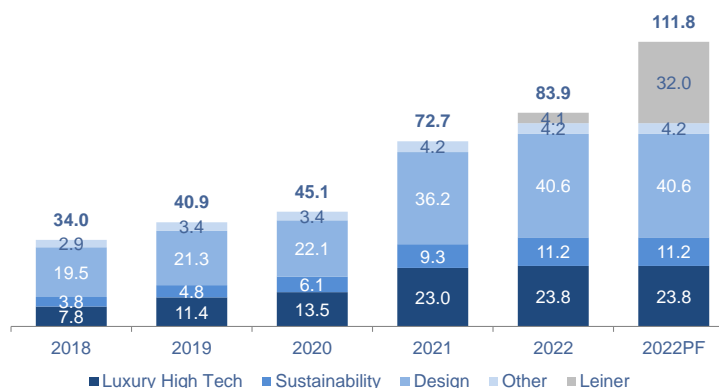
Table 2 – Gibus, FY 2018-22 key figures

€ m	2018	2019	2020	2021	2022*	% CAGR ₁₈₋₂₂
Revenues	34.0	40.9	45.1	72.7	83.9	25.4
Luxury High Tech	7.8	11.4	13.5	23.0	23.8	32.2
Sustainability	3.8	4.8	6.1	9.3	11.2	31.0
Design	19.5	21.3	22.1	36.2	40.6	20.1
Other	2.9	3.4	3.4	4.2	4.2	10.0
Leiner	-	-	-	-	4.1	n.a.
Gross Profit	16.0	18.7	21.9	35.1	40.9	26.4
% margin	47.2	45.7	48.6	48.2	48.7	
EBITDA	4.6	5.6	8.5	18.2	19.0	42.3
% margin	13.6	13.7	18.8	25.0	22.6	
EBIT	3.2	3.9	7.1	16.2	15.3	47.5
% margin	9.5	9.6	15.7	22.3	18.3	
Net Profit	2.3	2.8	5.4	14.0	10.3	45.7
% margin	6.7	6.7	12.0	19.3	12.3	
Net Financial Position	3.0	(1.9)	(7.3)	(17.3)	22.6	65.6
Net Equity	8.1	14.0	18.3	29.4	34.5	43.9
DPS (€/s)	-	0.27	0.54	1.00	0.50	
Dividend yield % **	-	4.5%	10.9%	7.7%	3.4%	

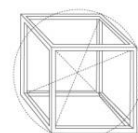
Source: Company data, CFO SIM analysis *Leiner consolidated 3 months **on annual avg. price

Gibus has constantly grown thanks to a continuous increase in volumes coupled with a **significant rise in prices in the last three years**, i.e. overall up by 25-30%. The increase in list prices was mainly attributable to rising costs of raw materials, in particular aluminium and energy. Even as of today the price of raw materials, including aluminium and energy, are significantly declining compared to mid-2022, Gibus expects only to marginally decrease prices, overall to the tune of maximum 5-7% over the next years.

Chart 15 – Gibus, FY 2018-22PF revenues breakdown by product line - € m



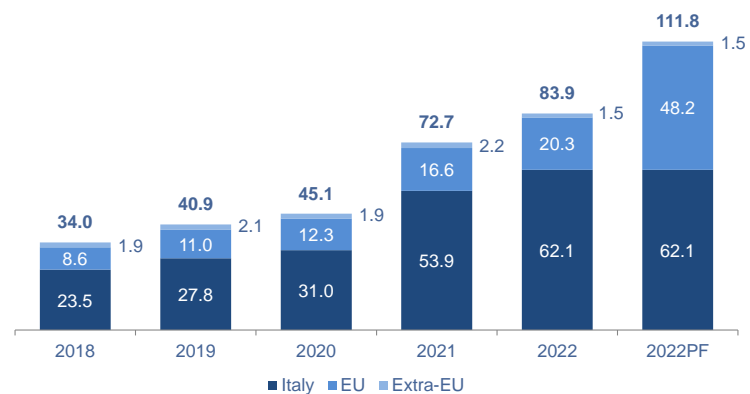
Source: Company data, CFO SIM analysis



In terms of product line, **the two most innovative product categories**, namely the Luxury High Tech (i.e. **bioclimatic pergolas**) and Sustainability (i.e. **ZIP screen**), **were those which grew the most**. In addition, the change in the product mix in favour of bioclimatic pergolas and ZIP screens drove the increase in margins, which were positively affected also by higher sales volumes.

The **Design segment**, which includes pergolas, sun awnings and glass doors and walls, is the core business of the group. It has steadily grown over the years with an acceleration as from 2021 thanks to the introduction of the mechanism of invoice discount by the so-called "Recovery Decree" in 2020.

Chart 16 – Gibus, FY 2018-22PF revenues breakdown by geography - € m

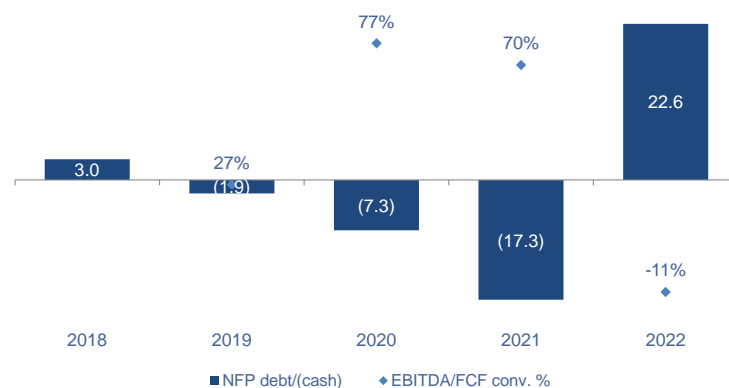


Source: Company data, CFO SIM analysis

In terms of geography, the domestic market strongly benefited from the introduction of the aforementioned mechanism of invoice discount in 2020.

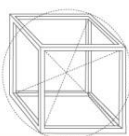
It is worth noting that **Gibus has constantly increased its international presence** over the last five years, by progressively penetrating a few strategic markets, such as Germany, Belgium, Netherlands and France. Apart from the contribution of Leiner, acquired in 2022 and consolidated only for 3 months (revenues of € 4.1m), the group's foreign expansion took place organically through the establishment of commercial branches abroad.

Chart 17 – Gibus, FY 2018-22 NFP and EBITDA/FCF conversion - € m / %



Source: Company data, CFO SIM analysis

Since the IPO in 2019, which encompassed a capital increase of € 5.0m, Gibus showed a **strong cash-flow generation**. The group was able to generate a huge amount of cash that were crucial to finalise the strategic acquisition of Leiner in 2022, which envisaged a total cash out of € 36.8m. It is worth noting that, **since the IPO, Gibus always paid dividend, for an overall amount of approximately € 11m**.



9.1. FY-22 Results

Gibus reported 2022 results characterised by growing revenues and broadly stable EBITDA in light of the sharp increase in price of raw materials, in particular aluminium, as well as energy costs. Following the acquisition of Leiner in Sep-22, Gibus enlarged its presence in Germany as well as in the neighbouring countries. On a pro-forma basis, FY-22 revenues were € 111.8m while EBITDA totalled € 22.0m, 19.7% margin.

Table 3 – Gibus, FY 2022-21 results summary

€ m	2022	2021	% YoY
Luxury High Tech	23.8	23.0	3.5
Sustainability	11.2	9.3	20.4
Design	40.6	36.2	12.2
Other	4.2	4.2	(0.4)
Leiner	4.1	-	n.a.
Revenues	83.9	72.7	15.4
COGS	(43.1)	(37.7)	
Gross Profit	40.9	35.1	16.6
% margin	48.7	48.2	
Other variable costs and overheads	(21.9)	(16.9)	
EBITDA	19.0	18.2	4.4
% margin	22.6	25.0	
D&A	(3.1)	(2.0)	
Extraordinary	(0.6)	0.1	
EBIT	15.3	16.2	(5.6)
% margin	18.3	22.3	
Financials	2.1	2.6	
Pre-Tax profit	17.5	18.8	(7.1)
% margin	20.8	25.8	
Income taxes	(7.2)	(4.8)	
Tax rate	41.0%	25.3%	
Minorities	0.0	0.0	
Net Profit	10.3	14.0	(26.6)
% margin	12.3	19.3	
NFP debt/(cash)	22.6	(17.3)	n.m.

Source: Company data, CFO SIM analysis

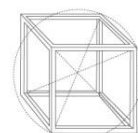
In 2022, Gibus totalled **revenues of € 83.9m, up by 15.4% YoY**, thanks to **organic growth to the tune of 9.7%** coupled with the consolidation of Leiner for three months (Oct-Dec), which contributed € 4.1m.

In terms of product line, the **Luxury High Tech** segment reached **€ 23.8m, up by 3.5% YoY**, the **Sustainability** segment **soared by 20.4% YoY to € 11.2m** while the **Design** segment totalled **€ 40.6m, up by 12.2% YoY**.

In terms of geography, **domestic revenues were € 62.1m (74% of total), up by 15.1% YoY** while **foreign revenues reached € 21.8m (26% of total), up by 16.2% YoY**, also thanks to the contribution of Leiner (€ 4.1m). On a pro-forma basis, foreign revenues accounted for approximately 45% of total.

EBITDA was € 19.0m, 22.6% margin, compared to € 18.2m, 25.0% margin in 2021. It is worth noting that, **gross margin was 48.7%, up by 50bps YoY** (48.2% in 2021), thanks to the group's ability to properly manage the rising price of raw materials. EBITDA margin declined mainly because of higher overheads due to some strategic hires during the year. Moreover, EBITDA was affected by the negative profitability of Leiner during the consolidated months (i.e. Q4, which usually is a weak quarter for the company).

EBIT was € 15.3m, 18.3% margin, slightly lower than € 16.2m, 22.3% margin, reported in 2021, as a consequence of higher D&A stemming from the significant investments made in the last years as well as the Purchase Price Allocation related to the acquisition of Leiner. D&A's deriving from the PPA was € 590k.



After an impeccable financial management, which generated net financial income of € 2.1m (€ 2.6m in 2021), **pre-tax profit reached € 17.5m** compared to € 18.8m in 2021. Gibus was able to properly invest the cash exceeding the group's financial needs as well as to make use of advantageous credit lines thanks to its excellent credit rating.

Net profit totalled € 10.3m (€ 14.0m in 2021), after taxes equal to € 7.2m (41.0% tax rate). The huge amount of taxes accounted in 2022 was due to some technical accounting policies related to the Purchase Price Allocation, which required deferred tax liabilities of € 2.3m. Net of this amount, the tax rate is in line with the historical trend.

Net Financial Position was € 22.6m debt from € 17.3m cash at year-end 2021, mainly as a result of the acquisition of Leiner as well as the dividend distribution of € 5.0m. Net equity rose to € 34.5m from € 29.4m in 2021.

9.2. H1-23 Results

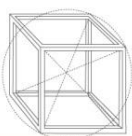
Gibus reported 2023 interim results affected by the stop of the invoice discount mechanism in Italy and a certain demand slowdown in the main European markets, especially in Germany. The first half of 2023 is characterised by the consolidation of Leiner (acquired in Sep-22), which is not included in H1-22 results.

Table 4 – Gibus, 2023-22 interim results summary

€ m	H1-23	H1-22	% YoY
Revenues	50.6	45.5	11.2
COGS	(26.8)	(25.5)	
Gross Profit	23.8	20.0	18.8
% margin	47.0	44.0	
Other variable costs and overheads	(14.5)	(10.2)	
EBITDA	9.3	9.8	(5.1)
% margin	18.4	21.6	
D&A	(2.7)	(1.1)	
Extraordinary	(0.4)	0.1	
EBIT	6.2	8.8	(29.6)
% margin	12.3	19.4	
Financials	(0.7)	1.2	
Pre-Tax profit	5.5	10.0	(44.6)
% margin	10.9	22.0	
Income taxes	(2.3)	(2.7)	
Tax rate	41.2%	26.5%	
Minorities	0.0	0.0	
Net Profit	3.3	7.3	(55.7)
% margin	6.4	16.1	
NFP debt/(cash) *	27.2	22.6	20.5

Source: Company data, CFO SIM analysis *compared to FY-22

In H1-23, Gibus reported **revenues of € 50.6m, up by 11.2% YoY exclusively thanks to the consolidation of Leiner**, which contributed € 13.2m. Thus, **organically revenues declined by 17.8% YoY to € 37.4m**. The decline was mainly ascribable to the came into force of the Law Decree 16th February 2023 n.11, which 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.



Domestic revenues declined by 18.8% YoY to € 28.7m. We believe that the decline is quite physiological on the back of the aforementioned reasons and after two years of outstanding growth rates. In H1-21 and H1-22, the group soared by 117% and 36% YoY, respectively.

Foreign revenues reached € 22.0m (43% of total revenues), € 13.2m of which stemming from the consolidation of Leiner. As a consequence, **organically foreign sales declined by 14.3% YoY to € 8.8m** (€ 10.2m in H1-22).

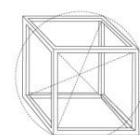
With respect to the product line, the **Luxury High Tech** segment totalled **€ 12.9m** (€ 14.3m in H1-22), the **Sustainability** segment slightly declined to **€ 5.9m** from € 6.3m in H1-22 and the **Design** segment increased to **€ 28.0m** compared to € 22.5m in H1-22. It is worth remembering that, Leiner's product portfolio is mostly oriented to sun awnings and standard pergolas, both included in the Design segment.

Gross Profit rose by 18.8% YoY to € 23.8m, 47.0% margin (€ 20.0m, 44.0% margin in H1-22), while **EBITDA was € 9.3m, 18.4% margin**, slightly lower compared to € 9.8m, 21.6% margin, reported in H1-22. The decrease in EBITDA is mainly ascribable to 1) lower sales volumes on a like-for-like basis, 2) higher costs of raw materials and 3) increasing overheads costs stemming from the strengthening of the operating structure as well as the opening of the new commercial branch in the Netherlands.

EBIT totalled € 6.2m, 12.3% margin (€ 8.8m, 19.4% margin in H1-22) after D&A increased to € 2.7m (€ 1.1m in H1-22) because of the significant investments made in the last years as well as the Purchase Price Allocation related to the acquisition of Leiner. The extraordinary costs of € 0.4m refer to a residual part of costs related to the acquisition of Leiner.

Net Profit was € 3.3m, 6.4% margin, significantly lower compared to € 7.3m reported, 16.1% margin, reported in H1-22 as a consequence of increasing financial costs stemming from the debt incurred to finance the acquisition of Leiner. Nevertheless, the group was able to generate huge financial income thanks to an **efficient cash management**, considerably reducing the impact of increasing financial charges.

Net Financial Position increased to € 27.2m compared to € 22.6m at year-end 2022, mainly as a consequence of 1) the payment of € 2.5m of dividends and 2) a financial advance in Jun-23 related to an assignment of tax credits, which has been compensated in the following months as lower taxes paid.



10. Financial Forecasts

In the last three years, 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 particular, for the Ecobonus-related products, final customers had the possibility to obtain a 50% discount in light of the transfer of its tax credit to the supplier.

In Feb-23, the Law Decree n. 11/ 2023 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. Nevertheless, the Ecobonus-related products, including **sun awnings, ZIP screens, pergolas and bioclimatic pergolas, still benefit from a tax deduction equal to 50% of the total expenditure** (maximum € 60k) in 10 years. The Budgetary Law 2022 has extended this tax benefit until the end of 2024.

Our estimates include a **certain contraction in sales in 2023**, as already visible in H1-23 results, followed by a gradual recovery in 2024-25. The decrease is entirely ascribable to **lower volumes**, as we forecast a consolidation of prices in 2023. **For the 2024-25 period, we anticipate increasing volumes counterbalanced by a tiny decrease in prices** (overall 5-7%) as a consequence of the decline in cost of raw materials and energy.

In terms of product, we expect the Luxury High Tech (i.e. **bioclimatic pergolas**) and Sustainability (i.e. **ZIP screen**) segments to be **the most resilient** in light of their high degree of innovation. As opposite, we anticipate the **Design segment**, which includes pergolas, sun awnings and glass doors and walls, to be **the one to suffer the most** in the short-term.

Overall, **CFO SIM estimates revenues to show a 3.8% CAGR₂₂₋₂₅**.

Table 5 – Gibus, 2022-25e top line growth evolution breakdown

€ m	2022*	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
Revenues	83.9	85.0	89.6	94.0	3.8
Luxury High Tech	23.8	20.2	21.6	22.7	(1.5)
Sustainability	11.2	9.5	10.2	10.7	(1.5)
Design	40.6	29.5	30.9	32.5	(7.2)
Other	4.2	3.4	3.4	3.4	(7.2)
Leiner	4.1	22.4	23.5	24.7	n.m.
% YoY					
Revenues	-	1.2	5.5	4.8	
Luxury High Tech	-	(15.0)	7.0	5.0	
Sustainability	-	(15.0)	7.0	5.0	
Design	-	(27.5)	5.0	5.0	
Other	-	(20.0)	0.0	0.0	
Leiner	-	n.m.	5.0	5.0	
% on total					
Revenues	100.0	100.0	100.0	100.0	
Luxury High Tech	28.4	23.8	24.1	24.2	
Sustainability	13.3	11.2	11.4	11.4	
Design	48.4	34.7	34.5	34.6	
Other	5.0	4.0	3.8	3.6	
Leiner	4.9	26.3	26.2	26.3	

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

It is worth remembering that, on a pro-forma basis, **FY-22 revenues and EBITDA reached € 111.8m and € 22.0m (19.7% margin)**, respectively.

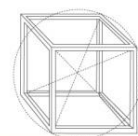


Table 6 – Gibus, 2022PF-25e top line growth evolution breakdown by company

€ m	2022PF	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
Revenues	111.8	85.0	89.6	94.0	(5.6)
Gibus	79.8	62.6	66.1	69.3	(4.6)
Leiner	32.0	22.4	23.5	24.7	(8.3)
% YoY					
Revenues	-	(24.0)	5.5	4.8	
Gibus	-	(21.6)	5.7	4.7	
Leiner	-	(30.0)	5.0	5.0	
% on total					
Revenues	100.0	100.0	100.0	100.0	
Gibus	71.4	73.7	73.8	73.7	
Leiner	28.6	26.3	26.2	26.3	

Sources: Company data, CFO SIM estimates

In 2023, Gibus stand-alone is expected to decline by approximately 22% as a consequence of falling volumes after the stop of the invoice discount mechanism. Then, in the following years we anticipate a gradual recovery with growth rates in line with those reported before the introduction of the invoice discount in 2020. In addition, Gibus will enrich its product range with the glass roofs produced by Leiner, distributing them in geographical markets not covered by Leiner, such as Italy and France.

With respect to Leiner, it is worth noting that the German economy is currently in technical recession and it is projected to stagnate in 2023. In particular, in Germany the harsh inflation led people to drastically reduce consumption. As a consequence, we expect Leiner to decrease by ca. 30% in 2023, totalling € 22.4m in sales. In the 2024-25 period, we anticipate revenues to grow by 5% per year thanks to the recovery of the internal demand coupled with cross-selling activities, namely adding to Leiner's product portfolio bioclimatic pergolas, retractable pergolas and Gibus' patented systems on ZIP screens.

Table 7 – Gibus, 2022-25e profitability evolution

€ m	2022*	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
Revenues	83.9	85.0	89.6	94.0	3.8
COGS	(43.1)	(45.5)	(46.6)	(48.4)	
Gross Profit	40.9	39.5	43.0	45.6	3.7
% margin	48.7	46.5	48.0	48.5	
Other variable costs	(6.7)	(7.4)	(7.7)	(7.8)	
Overhead costs	(15.2)	(19.1)	(19.3)	(19.7)	
EBITDA	19.0	13.0	16.0	18.0	(1.7)
% margin	22.6	15.3	17.9	19.2	
D&A	(3.1)	(4.5)	(5.0)	(5.7)	
Extraordinary	(0.6)	0.0	0.0	0.0	
EBIT	15.3	8.5	11.1	12.3	(7.0)
% margin	18.3	10.0	12.4	13.1	

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

The company's cost structure is anticipated to be broadly stable at ca. 30-70 fixed-variable costs, thus there is space to make use of operating leverage. In particular Leiner's cost structure is rather inelastic because of the significant amount of fixed costs due to a lower make use of temporary workers compared to Gibus. As a consequence, a decrease in turnover significantly impacts profitability, as we can see in our forecast for FY-23 (i.e. EBITDA margin of 4.5% compared to 7.9% in 2022). On the contrary, the increase in sales volume generates significant improvements in margins.

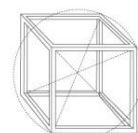


Table 8 – Gibus, 2022PF-25e EBITDA evolution by company

€ m	2022PF	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
EBITDA	22.0	13.0	16.0	18.0	(6.4)
Gibus	19.5	12.0	14.9	16.4	(5.5)
Leiner	2.5	1.0	1.2	1.6	(14.0)
% EBITDA margin					
Total	19.7	15.3	17.9	19.2	
Gibus	24.4	19.2	22.5	23.7	
Leiner	7.9	4.5	5.0	6.5	

Sources: Company data, CFO SIM estimates

On a consolidated basis, **in 2023 we anticipate EBITDA to reduce to € 13.0m, 15.3% margin**, compared to € 22.0m, 19.7% margin, in 2022 pro-forma. In the 2024-25 period, we forecast an increase in margins driven by rising volumes and to a lesser extent by some cost synergies with Leiner.

D&A are expected to increase in 2024-25 as a consequence of the start of the construction of the new production plant.

Table 9 – Gibus, 2022-25e below EBIT evolution

€ m	2022*	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
EBIT	15.3	8.5	11.1	12.3	(7.0)
% margin	18.3	10.0	12.4	13.1	
Financials	2.1	(1.5)	(1.5)	(1.5)	
Pre-Tax profit	17.5	7.0	9.6	10.8	(14.7)
% margin	20.8	8.3	10.7	11.5	
Income taxes	(7.2)	(1.8)	(2.4)	(2.7)	
Tax rate	41.0%	25.0%	25.0%	25.0%	
Minorities	0.0	0.0	0.0	0.0	
Net Profit	10.3	5.3	7.2	8.1	(7.6)
% margin	12.3	6.2	8.0	8.7	

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

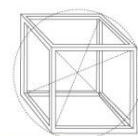
Below EBIT, **CFO SIM anticipate net financial expenses broadly stable to the tune of € 1.5m per year**. It is worth remembering that before the acquisition of Leiner, Gibus had a net cash position and in the last years a good cash management generated significant financial profits. The **tax burden is predicted to be steady at a 25.0% rate**, in line with the historical trend. The huge amount of taxes accounted in 2022 was due to some technical accounting policies related to the Purchase Price Allocation.

Table 10 – Gibus, 2022-25e Net Financial Position and financial solidity

€ m	2022	2023e	2024e	2025e
Year-end NFP (Cash)/Debt	22.6	17.2	16.0	22.1
Average (Cash)/debt	2.6	19.9	16.6	19.1
Gross debt	45.0	45.0	40.0	35.0
EBITDA	19.0	13.0	16.0	18.0
Shareholders' equity	34.5	37.3	42.0	47.6
Minorities	0.0	0.0	0.0	0.0
Interest charges	2.1	(1.5)	(1.5)	(1.5)
DPS €/s	0.50	0.50	0.50	0.50
Pay-out ratio %	24.2%	47.5%	34.9%	30.8%
Dividend yield %	3.4%	4.2%	4.2%	4.2%
NFP/Equity - x	0.7	0.5	0.4	0.5
NFP/EBITDA - x	1.2	1.3	1.0	1.2
EBITDA/charges - x	(8.8)	8.7	10.4	12.2
Debt/Equity - x	1.3	1.2	1.0	0.7

Sources: Company data, CFO SIM estimates

Gibus has a rather asset-light business model, with low capex requirement to properly run the business. We anticipate maintenance capex to the tune of € 2.0m per year coupled with capitalised R&D costs of € 0.5m per year.



Furthermore, **Gibus plans to build a new headquarters and production plant** in Teolo (near Saccolongo, where the company is currently located). We anticipate an **overall investment of € 30m**, starting from 2024, with the bulk of investments expected in the 2024-25 period. The new plant will allow Gibus to increase production efficiency, reducing the throughput time thanks to improved internal logistics. Furthermore, the new facility will allow the group to easily manage over € 110m of turnover.

It is worth noting that **organic growth included in our forecasts is achievable also with the current productive structure**, which can support approximately € 80m of turnover in Italy coupled with more than € 30m in Germany (considering only one shift). Thus, there is the possibility that Gibus could decide to slightly postpone the investment in the new plant.

Table 11 – Gibus, 2023-25e capex plan

€ m	2023e	2024e	2025e
Maintenance capex	2.0	2.0	2.0
R&D	0.5	0.5	0.5
New plant	-	6.0	15.0
Total Capex	2.5	8.5	17.5

Sources: Company data, CFO SIM estimates

In 2023, Net Financial Position is anticipated to reduce to € 17.2m from € 22.6m at year-end 2022, mainly thanks to a significant decline in Net Working Capital, which in 2022 sharply increased as a consequence of a voluntarily overstocking of raw materials and semi-finished products in order to avoid price increases and shortages. We expect the **Op. NWC/Sales ratio to decline in the next years, reaching 16.3% in 2025**.

In 2025, Net Financial Position is expected to rise to € 22.1m because of the starting of the construction of the new plant.

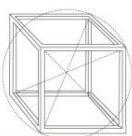
Furthermore, in the 2023-25 period we forecast a **stable dividend per share of € 0.50 (yield 4.2%)**, in line with latest dividend payed.

ROE is expected to be 14.1%, 17.1% and 17.1% in 2023-25, respectively. ROCE is predicted to be 9.8%, 12.7% and 14.0% in 2023-25, respectively.

Table 12 – Gibus, 2022-25e Net Financial Position and financial solidity

€ m	2022	2023e	2024e	2025e
Op NWC	17.8	15.1	15.2	15.3
Inventories	19.4	16.3	16.5	16.5
Receivables	12.4	15.6	16.0	16.7
Payable	(13.9)	(16.8)	(17.2)	(17.9)
Op NWC/Sales	21.2%	17.8%	17.0%	16.3%
Capital Employed	84.3	87.2	87.1	88.0
Capital Employed turnover - x	2.1	2.2	2.0	1.9
NFP debt/(cash)	22.6	17.2	16.0	22.1
NFP repayment YoY	-	(5.4)	(1.2)	6.1
ROACE%	25.2	9.9	12.7	14.1
ROCE %	18.2	9.8	12.7	14.0
ROE %	29.9	14.1	17.1	17.1
EBITDA - FCF Conversion %	(10.7)	76.6	23.1	(20.0)
Free Cash Flow	(2.0)	10.0	3.7	(3.6)
EBITDA	19.0	13.0	16.0	18.0
Capex	10.2	2.5	8.5	17.5

Sources: Company data, CFO SIM estimates



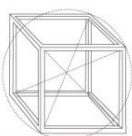
11. Valuation & Risks

CFO SIM initiates coverage of Gibus with a Buy recommendation and a PT of € 17.00/s, 42.9% upside to current price levels. CFO SIM believes that **the DCF model is the most appropriate methodology to get a reasonable valuation**, in order to better factor in the medium-long term value of the stock and to avoid to incorporate the increased volatility of the stock market.

The **DCF model** is based on standard settings for a small-cap, including a prudent $g=1\%$, $\beta=1$, $WACC=10.0\%$ and a sustainable 30:70 debt/equity balance-sheet structure. In accordance with the DCF model, we obtain a **valuation of Gibus of € 17.00/s.**

We have also run a **market multiples analysis as a cross-check**, by setting up a peer group composed of companies operating in the outdoor design industry. By applying the peer group's EV/EBITDA and PER multiple median to Gibus' metrics we attain an **appraisal of Gibus of € 14.90/s**, using 2023-24 estimates and multiples, equally weighted.

We highlight that Gibus is currently trading at a discount to peers: FY2 EV/EBITDA and PER of 4.7x and 8.3x with regard to Gibus compared to 6.5x and 10.7x of peers, respectively.



11.1. DCF

In applying the DCF valuation method, we assess explicit estimates until 2027 and a cautious long-term growth of 1.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 13 – 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.)	4.20%
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 and disquiet that an investor might have. 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 14 – Gibus, DCF model

€ m	2023e	2024e	2025e	2026e	2027e	Term. Val.
EBIT	8.5	11.1	12.3	13.7	15.2	
Tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	
Operating profit (NOPAT)	6.4	8.3	9.2	10.3	11.4	
Change working capital	2.7	(0.1)	(0.1)	(0.1)	(0.1)	
Depreciation	4.5	5.0	5.7	4.1	2.5	
Investments	(4.6)	(8.5)	(17.5)	(7.0)	(2.5)	
Free Cash Flows	8.9	4.7	(2.6)	7.3	11.3	126.8
Present value	8.7	4.2	(2.1)	5.3	7.5	84.3
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	
Long-term growth rate	1.0%					

Source: CFO SIM

Table 15 – Gibus, DCF derived from:

€ m	
Total EV present value € m	107.9
	<i>thereof terminal value</i>
	78.1%
NFP FY-22	(22.6)
Pension provision	(0.4)
Equity value € m	85.0
#m shares	4.99
Equity value €/s	17.00
<i>% upside/(downside)</i>	42.9%

Source: CFO SIM

The application of our DCF model generates an equity value of € 17.00/s for Gibus.

The following tables illustrate that the sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of € 15.62-18.70/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 € 15.73-18.50/s (free risk range between 4.95% and 3.45%) and 3) compared to changes in the risk premium, including small size premiums, it results in an equity value of € 14.57-20.16/s (risk premium range between 10.50% and 7.50%).

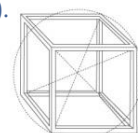


Table 16 – Gibus, equity value sensitivity to changes in terminal growth rate

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	23.6	23.6	23.6	23.6	23.6	23.6	23.6
PV of terminal value	77.3	79.5	81.9	84.3	87.0	89.7	92.7
Total value	100.9	103.1	105.5	107.9	110.6	113.3	116.3
NFP FY-22	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	77.9	80.2	82.5	85.0	87.6	90.4	93.3
Equity value/share €	15.62	16.07	16.54	17.00	17.56	18.11	18.70

Source: CFO SIM

Table 17 – Gibus, equity value sensitivity to changes in free risk rate

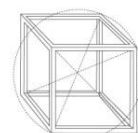
€ m	3.45%	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
Present value of CF	23.9	23.8	23.7	23.6	23.5	23.4	23.4
PV of terminal value	91.4	88.9	86.6	84.3	82.2	80.1	78.1
Total value	115.2	112.7	110.3	107.9	105.7	103.5	101.5
NFP FY-22	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	92.3	89.8	87.3	85.0	82.7	80.6	78.5
Equity value/share €	18.50	17.99	17.50	17.00	16.58	16.15	15.73

Source: CFO SIM

Table 18 – 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	24.1	23.9	23.8	23.6	23.4	23.3	23.1
PV of terminal value	99.4	93.9	88.9	84.3	80.1	76.2	72.6
Total value	123.5	117.9	112.7	107.9	103.5	99.5	95.7
NFP FY-22	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)	(22.6)
Pension provision	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	100.6	94.9	89.8	85.0	80.6	76.5	72.7
Equity value/share €	20.16	19.03	17.99	17.00	16.15	15.33	14.57

Source: CFO SIM



11.2. 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.

Based on CFO SIM estimates, entailing only organic growth, **Gibus offers investors stronger Sales and EPS CAGR than peers' median**. Furthermore, **Gibus shows broadly in line EBITDA margin and ROCE in comparison with peers**.

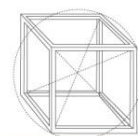


Table 19 – Gibus, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	ROCE FY1	Sales CAGR ₂₂₋₂₅	EBITDA CAGR ₂₂₋₂₅	EBIT CAGR ₂₂₋₂₅	EPS CAGR ₂₃₋₂₅	NFP/ EBITDA
Balco Group AB	SW	79	111	13	11.4%	10.4%	-6.3%	2.1%	2.2%	22.7%	0.9
Griffon Corp	US	2,038	2,470	453	18.3%	n.a.	-5.5%	2.1%	1.7%	3.5%	2.7
Nien Made Enterprise Co Ltd	TW	2,708	806	248	30.8%	34.1%	2.7%	7.4%	7.2%	11.2%	n.m.
Sciuker Frames SpA	IT	102	220	57	26.0%	88.3%	16.9%	14.8%	9.2%	-5.1%	n.m.
Sergeferrari Group SA	FR	112	355	41	11.5%	8.4%	4.2%	4.8%	2.6%	19.0%	1.9
Tyman PLC	UK	665	777	119	15.4%	10.5%	1.9%	2.1%	7.5%	14.8%	1.4
Median		388	566	88	16.8%	10.5%	2.3%	3.5%	4.9%	13.0%	1.6
Gibus SpA	IT	60	85	13	15.3%	9.8%	3.8%	-1.7%	-7.0%	24.2%	1.3

Sources: CFO SIM, Refinitiv Eikon

Table 20 – Gibus, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Balco Group AB	0.81	0.84	0.83	7.2	6.6	5.5
Griffon Corp	1.33	1.29	1.24	7.2	7.4	6.4
Nien Made Enterprise Co Ltd	2.94	2.61	2.35	9.5	8.0	7.1
Sciuker Frames SpA	0.44	0.38	0.41	1.7	1.5	1.5
Sergeferrari Group SA	0.53	0.48	0.43	4.6	3.8	3.3
Tyman PLC	1.08	1.02	0.86	7.0	6.4	5.2
Median	0.94	0.93	0.85	7.1	6.5	5.3
Gibus SpA	0.90	0.84	0.87	5.9	4.7	4.5
% premium/(discount) to peers	(4.2)	(9.1)	3.0	(16.5)	(27.6)	(15.1)

Sources: CFO SIM, Refinitiv Eikon

Table 21 – Gibus, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Balco Group AB	10.7	9.5	7.5	13.5	11.9	9.0
Griffon Corp	11.3	9.0	7.7	9.5	11.0	8.9
Nien Made Enterprise Co Ltd	11.0	9.3	8.1	16.3	14.7	13.2
Sciuker Frames SpA	2.0	1.8	1.9	3.4	3.5	3.7
Sergeferrari Group SA	9.2	7.0	6.0	9.3	8.0	6.6
Tyman PLC	9.9	8.7	6.7	12.0	10.5	9.1
Median	10.3	8.9	7.1	10.7	10.7	8.9
Gibus SpA	9.0	6.8	6.6	11.3	8.3	7.3
% premium/(discount) to peers	(12.6)	(23.0)	(6.2)	5.3	(22.3)	(17.8)

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 € 14.90/s**, using 2023-24 estimates and multiples, equally weighted.

Table 22 – Gibus, equity assessment, 1#3

€ m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Median Peers (x)	0.94	0.93	0.85	7.1	6.5	5.3
Gibus metric	85.0	89.6	94.0	13.0	16.0	18.0
NFP	(17.2)	(16.0)	(22.1)	(17.2)	(16.0)	(22.1)
Gibus Equity Value	63.0	67.2	57.3	74.8	88.4	74.2
Gibus Equity Value/share €	12.63	13.47	11.48	14.99	17.72	14.87
% upside/(downside)	6.1	13.2	(3.6)	25.9	48.9	25.0

Sources: CFO SIM, Refinitiv Eikon

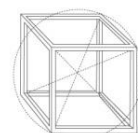


Table 23 – Gibus, equity assessment, 2#3

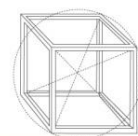
€ m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Median Peers (x)	10.3	8.9	7.1	10.7	10.7	8.9
Gibus metric	8.5	11.1	12.3	5.3	7.2	8.1
NFP	(17.2)	(16.0)	(22.1)			
Gibus Equity Value	70.7	82.3	65.0	56.6	76.7	72.6
Gibus Equity Value/share €	14.17	16.49	13.02	11.35	15.38	14.54
% upside/(downside)	19.1	38.6	9.5	(4.7)	29.2	22.2

Sources: CFO SIM, Refinitiv Eikon

Table 24 – Gibus, equity assessment, 3#3

€	FY1	FY2	FY3
EV/EBITDA	14.99	17.72	14.87
PER	11.35	15.38	14.54
Median	13.17	16.55	14.71
Weighting	50.0%	50.0%	0.0%
Equity Value/share	14.90		
% upside/(downside)	25.2%		

Sources: CFO SIM, Refinitiv Eikon



11.3. 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 (+98.3% since the IPO)**, and reached a 1Y maximum price of € 17.45/s on 12-Jan-23 and a minimum level of € 10.10/s on 14-Sep-23.

Table 25 – Gibus, peer group and index absolute performance

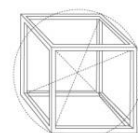
	1D	1W	1M	3M	6M	YTD	1Y
Balco Group AB	0.8	1.7	2.3	(6.6)	(0.5)	(2.2)	(30.8)
Griffon Corp	(0.6)	2.4	0.1	6.2	38.7	18.5	43.0
Nien Made Enterprise Co Ltd	2.3	(2.9)	5.5	(7.3)	(5.4)	7.5	18.8
Sciuker Frames SpA	1.6	(19.7)	(26.1)	(32.0)	(28.8)	(35.9)	(26.5)
Sergeferrari Group SA	(1.7)	(11.6)	(17.2)	(36.5)	(33.2)	(15.5)	(16.0)
Tyman PLC	(0.5)	(2.8)	3.0	17.8	23.0	30.6	43.0
Median	0.2	(2.9)	1.2	(7.0)	(2.9)	2.7	1.4
Gibus SpA	0.8	15.5	(5.6)	(17.9)	(14.1)	(23.7)	(10.9)
MSCI World Index	(0.2)	(2.7)	(1.1)	(0.8)	7.0	10.6	15.7
EUROSTOXX	(0.3)	(2.0)	(0.6)	(0.8)	1.6	8.5	18.1
FTSE Italia All Share	(0.5)	(1.2)	1.0	4.1	8.6	18.4	28.9
FTSE Italia STAR	(0.8)	(2.7)	(4.4)	(9.9)	(11.9)	(8.5)	2.1
FTSE Italia Growth	(0.3)	(1.3)	(3.8)	(6.0)	(8.5)	(8.0)	(6.6)

Source: Refinitiv Eikon

Table 26 – Gibus, relative performances

	1D	1W	1M	3M	6M	YTD	1Y
to Peers Median	1.1	18.3	(4.5)	(17.2)	(21.0)	(34.4)	(26.5)
to MSCI World Index	1.1	17.6	(4.9)	(17.1)	(15.7)	(32.3)	(28.9)
to EUROSTOXX	1.3	16.7	(6.5)	(22.0)	(22.7)	(42.1)	(39.8)
to FTSE Italia All Share	1.6	18.2	(1.1)	(8.0)	(2.2)	(15.2)	(12.9)
to FTSE Italia STAR	1.2	16.8	(1.8)	(12.0)	(5.6)	(15.7)	(4.3)
to FTSE Italia Growth	0.7	18.4	(6.7)	(10.9)	(11.2)	(26.4)	(12.2)

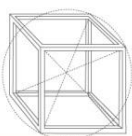
Source: Refinitiv Eikon



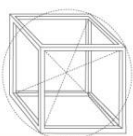
11.4. Risks

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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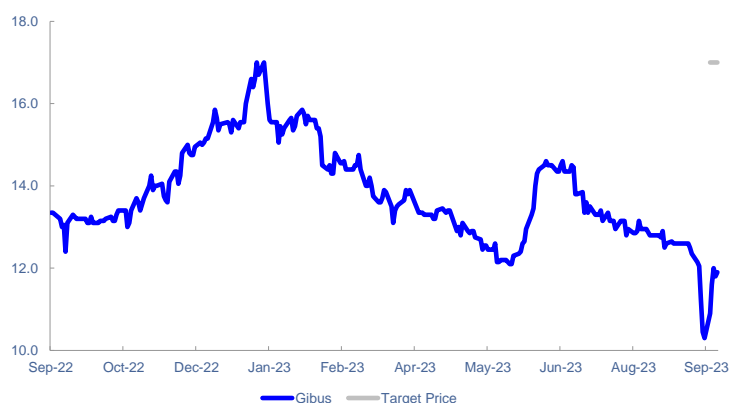
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DATE	TARGET PRICE	RATING
25/09/2023	€17.00	BUY

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