



## FY21 results outperforming estimates

### Sector: Manufacturing Italian Lifestyle

**Seventh year of consecutive growth, 2016-2021 CAGR of +18%.** Yet another record-year for Gibus as the Company posted FY21 revenues of Euro 72.7 m, marking the seventh consecutive year of revenue growth, +61% vs FY20 (Euro 45.1 m) and +15% vs our estimates (Euro 63.1 m). The very positive results were driven by a strong 2H21 (+36% YoY and +35% vs. our expectations) supported by a newfound interest for the outdoor living sector triggered by the Covid-19 pandemic and further boosted, in the domestic market, by the introduction of the Ecobonus incentive. The Company's efficient implementation of a "50% invoice discount" helped drive domestic revenues which grew by +74% to Euro 53.9 m increasing its total weight to 74% (69% in FY20). Good performance also in export markets which grew by +33% YoY, even in the absence of fiscal incentives. In terms of product lines, the premium lines continued to drive the revenue increase with the Luxury High Tech and Sustainability lines posting growth rates of +71% and +53% respectively. Good performance also for the Design line (51% of total revenues) which posted +64% YoY growth. At the end of FY21 revenues from the Gibus Atelier Network represented 82% of total revenues.

**EBITDA more than doubled, EBITDA margin at 25%.** FY21 EBITDA came in at Euro 18.2 m, +115% vs. Euro 8.5 in FY20 and outperformed our estimates by +52% (Euro 12.0 m) and with an EBITDA margin of 25% (19% in FY20 and as of our estimates). The significant increase in profitability was driven by the higher sales volumes which more than offset a slight reduction in gross margin (48.2% vs. 48.6% in FY20) following the increase in raw material prices (aluminum, steel, and packaging material). Management stressed that the scalability of the business is the result of operational efficiency allowing the Company to absorb the important increase in sales volumes (SG&As fell from 20% to 15% on revenues in FY21). After D&As of Euro 2.0 m, in line with prior year and our estimates (both Euro 1.9 m) EBIT stood at Euro 16.2 m vs. Euro 7,1 in FY20. Net Income was of Euro 14.0 m, (+158% YoY) posting a Net margin of 19%.

**Solid balance sheet allowing for investments and dividend.** At the end of FY21, Gibus presented a Net Cash position of Euro 17.3 m, up from Euro 7.3 m in FY20 thanks to good operation cash flow, and despite Euro 2.5 m of investments and a dividend payment of Euro 2.7 m in 1H21. Net Equity stood at Euro 29.4 m (Euro 18.3 m in FY20). Management has proposed to offer a dividend of Euro 1.0 p.s. (pay-out ratio of 37.5 % and dividend yield of 6.6% on current share price). We highlight that the Company currently holds a significant amount of cash at hand (c. Euro 23 m) which we believe will be used for the construction of the new production plant, expected to be ready by the end of 2023, and which will allow to significantly increase production capacity.

**Positive outlook for 2022 and beyond.** Through the pandemic Gibus has shown strong resilience and great capability to adapt to market trends. This coupled with the growth trend in the outdoor sector, which we believe will persist in the medium term, and the extension of the Eurobonus incentives until 2024 should lay good ground for future growth. Regarding the 2022 outlook Management stated that the first months of the year have been characterized by the uncertainty on the evolution of the pandemic and the effects that the war in Ukraine may have on the global economy also in terms of raw material and energy prices and supply shortage. Management however remains confident and positive about the solidity of the growth trend of the market and underlined that the Company is not directly present in neither Ukraine nor Russia.

**Estimate revision and Valuation update.** Given the above we reviewed our estimates leaving unchanged FY22-23 revenue growth and FY22 EBITDA margin (19%) as we believe that effect of higher raw material prices will come through in FY22 despite adjustments in list price. However, based on the Company's ability to generate EBITDA margins above 20% confirmed over the last three quarters, we raised our expectations on FY23 EBITDA margin to 22% (19% pr.). Overall, we increased our expectations for revenues, EBITDA and EPS by 15%, 22% and 32% respectively. Based on our updated estimates and peers' multiple re-rating (c. -20% since our last report), we updated our target price to Euro 26.13 p.s. (21.17 pr.) providing for an upside on current stock price of 60%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 4.6x and 3.5x at an average discount of 53% to peers. At our target price the stock would be trading at 8.0x and 6.1x respectively.

**Target Price 26.13 (21.17 pr.)**

Market Cap (€ m) **82**

EV (€ m) **64**

Market Price (€) **16.30**

As of 25<sup>th</sup> March 2022

#### Share Data

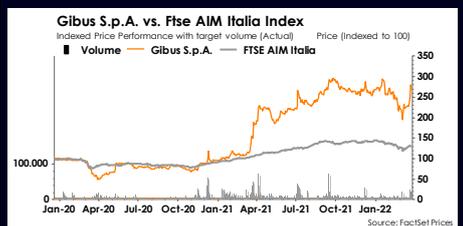
Market	Euronext Growth Milan
Reuters/Bloomberg	GIBUS:IM/CBUS.MI
ISIN	IT0005341059
N. of Shares	5,008,204
Free Float	20.05%
Main Shareholder	Terra Holding S.r.l. (79.95%)
Chairman and CEO	Gianfranco Bellin

#### Financials

	2020A	2021A	2022E	2023E
Sales	45.1	72.7	76.4	84.0
YoY %	10%	61%	5%	10%
EBITDA	8.5	18.2	14.1	18.5
EBITDA %	19%	25%	19%	22%
EBIT	7.1	16.2	11.6	15.8
EBIT %	16%	22%	15%	19%
Net Income	5.4	14.0	10.1	13.2
Net D/(C)	(7.3)	(17.3)	(9.1)	(4.9)

#### Performance

	1M	3M	1Y
Absolute %	+16%	+6%	+42%
Relative (FTSE Italia Growth)	+14%	+15%	+15%
52-week High/Low (Eu)	19.80	/	8.80



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