



1H22 healthy growth trend confirmed, strengthened international market presence

Sector: Manufacturing - Italian Lifestyle

Gibus continued its solid double-digit growth trajectory (sales +27% EBITDA +16%). Gibus has published another sound set of results confirming the healthy trend already seen in 2021. Revenues continued to grow at double-digit rates and reached Euro 45.5 m, +27% vs 1H20 (Euro 35.8 m). The result was largely in line with our expectations and, although showing a slowdown in top-line growth compared to the last three quarters, still at very good levels considering the very difficult comparison base (average of +60% since 2H20). As in FY21, growth was driven by the domestic market which saw revenues spur by +35% to Euro 35.3 m (Euro 26.0 m in 1H21) following government subsidies (Eurobonus) and the Company's offering of a Eurobonus related "50% invoice discount". Sales abroad enjoyed +4% YoY growth and landed at Euro 10.2 m (Euro 9.7 m in 1H21). In terms of product lines, the premium lines continued to drive the revenue increase with the Luxury High Tech and Sustainability lines growing by +34% and +14% respectively. Good performance also for the Design line (51% of total revenues) which posted +26% YoY growth. Regarding profitability EBITDA came to Euro 9.8 m, +16% YoY but, as expected, with a contraction on last year in terms of margin (-220 bps) as the price increases passed on to clients only partially offset the rise in production costs. Finally, Net Cash was Euro 14.6 m (Euro 17.3 m at Year end 2021) reflecting the seasonality of the business and including the Euro 5.0 m of dividends paid in May (Euro 5.0 m).

Positive outlook as the Company is well-positioned to continue to grow above market rates. Our outlook for the Company remains positive as we believe it will benefit in the mid-term from growth forecasts for the reference markets. The continuous investments in R&D, brand awareness and international expansion, should enable the Company to approach the market with a wider product range and wider geographical footprint and therefore potentially grow above market rates. To confirm the above, FY22 so far has seen the launch of three new models within the Luxury High Tech line characterized by patented proprietary technologies as well as the commercial launch of a system that allows for the integration of photovoltaic panels on the bioclimatic pergolas. The Company also recently opened its third (after France and Germany) international subsidiary in the Netherlands to further expand in the Dutch speaking markets. However, given the current geopolitical and macroeconomic situation we remain cautious as we believe that we may not yet have seen the full effect from the price increase in raw materials and energy in terms of profitability and the inflationary effect on consumer spending. Management however remains positive especially on the recovery of the HORECA segment, which benefitted from a very strong summer season, thus laying good ground for investments in 2H22. We highlight that the Company currently holds a significant amount of cash at hand (c. Euro 20 m) which we believe will be used for the construction of the new production plant, which will significantly increase production capacity and possibly also for M&A in line with IPO strategies.

Estimate revision and Valuation update. Given the above we slightly reviewed top-line growth for FY22 and 23 now assuming +2% and +5% respectively. We confirm our expectation for FY22 EBITDA margin while slightly trimming FY23 (now 20% vs. 22% pr.) as we believe that the direct and indirect effects of the higher energy prices will come through in FY23. We also added FY24 to our explicit forecast. Overall, we changed our expectations for revenues, EBITDA and EPS by -5%, -13% and -18% respectively. Based on our updated estimates and peers' multiple re-rating (c. -10% since our last report), we updated our target price to Euro 21.37 p.s. (26.13 pr.) providing for an upside on current stock price of 58%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 3.9x and 3.8x at an average discount of 51% to peers. At our target price the stock would be trading at 6.7x and 6.6x respectively.

Target Price 21.37 (26.13 pr.)

Market Cap (€ m) **68**

EV (€ m) **53**

Market Price (€) **13.50**

As of September 19th 2022

Share Data

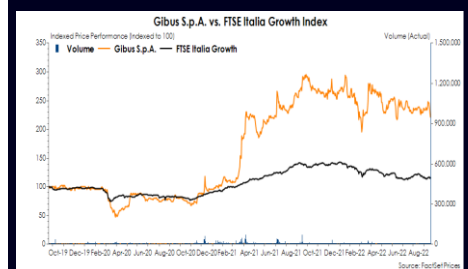
Market	Euronext Growth Milan
Reuters/Bloomberg	GIBUS:IM/CBUS.MI
ISIN	IT0005341059
N. of Shares	5,008,204
Market	20.05%
Main Shareholder	Terra Holding S.r.l. (79.95%)
CEO	Alessio Bellin

Financials

	21A	22E	23E	24E
Sales	72.7	74.2	77.9	85.7
YoY %	61%	2%	5%	10%
EBITDA	18.2	13.7	14.0	17.1
EBITDA %	25%	19%	18%	20%
EBIT	16.2	11.3	11.3	14.1
EBIT %	22%	15%	14%	16%
Net Income	14.0	9.6	9.2	10.9
Net D/(C)	(17.3)	(16.5)	(8.5)	(1.6)
Net Equity	29.4	33.7	41.0	49.8

Performance

	1M	3M	1Y
Absolute %	-3%	-6%	-24%
Relative (FTSE Italia Growth)	+1%	-7%	-7%
52-week High/Low (Eu)	18.30	/	10.60



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