



## A game-changing acquisition

### Sector: Manufacturing - Italian Lifestyle

Thanks to the investment in Leiner, Gibus is set to gain market share and place itself among the top international players: FY21 pro-forma revenues of Euro 108.3 m. We believe that the acquisition of Leiner GmbH is a perfect strategic fit for Gibus with its well-structured distribution network, strong experience in the HORECA segment and dominant position in the German market. The deal should i) create a new international top player, ii) offer significant cross-selling opportunities, cost and economics of scale synergies, iii) allow Gibus to penetrate the fast-growing German and Benelux markets, iv) rebalance Gibus' financial structure (Net Cash position of Euro 15 m as of 1H22) and v) allow for important synergies in R&D and marketing. Overall, we expect the acquisition to enhance earnings in the next years despite the payment of a control premium with an implicit FY22 EV/EBITDA of c. 8x based on our estimates for FY22 and not considering earn-out payment which Management stressed that they do not expect to pay.

### International expansion in key markets and important cost/production synergies

Leiner, founded in 1839 in Augsburg, is a German producer of high-quality sun protection solutions. The company is present in the market with a product portfolio that includes awnings systems, conservatory awnings, folding roofs and terrace roofs and a distribution network of over 700 regional specialist dealers in Germany and the Netherlands where about 5% of total sales are realized. In addition, thanks to a dedicated patented product line, the Liener group, through its fully owned subsidiary Schirmherrschaft, holds a leadership position in the Ho.re.ca segment where it can rely on a global customer base to which it sells directly. In FY21, Leiner group counted 159 employees total revenues of Euro 35.5 m and an EBITDA of Euro 4.7 m (EBITDA margin 13.2%). The European market for sun protection equipment recorded a value of Euro 3.2 b in 2021 and is expected to grow to Euro 3.5 b in 2024. With a total value of Euro 1.1 b the German market is the largest geographical segment (34%) and is expected to grow in line with the market.

**Outlook and estimates.** Maintaining on our previous estimates for Gibus we adjusted our forecast to factor in the acquisition. We assume, rather prudentially an 8% YoY top-line growth for Leiner FY22-24 and an EBITDA in line with FY21 in FY22 (13%) progressively improving through FY24 thanks to synergies. We recall that the financial statements for the Group will include Leiner only for the last three months of the year in the P&L accounts. We left our expected Gibus EBITDA margin unchanged for now although we believe synergies should represent and upside on our estimates. On the balance sheet we did not assume earn-out payment which Management stressed that they do not expect to pay.

**New target price at Euro 27.04 p.s..** In our view the acquisition of Leiner strongly reinforces Gibus' position in the outdoor design market and allows the new Group to benefit from a leading position in Europe's largest market. Updating our DCF and multiple based valuation model to factor in our new estimates we obtained a new target price of Euro 27.04 p.s. (Euro 21.37 pr.) corresponding to an Equity value of Euro 135m, and a potential upside on current stock price of 108%. As the stock is currently trading at about 5x FY22E PF EV/EBITDA multiple we see the new Gibus group as a very attractive investment opportunity.

**Target Price 27.04 (21.37 pr.)**

Market Cap (€ m) **65**

EV (€ m) **90\***

Market Price (€) **13.00**

**As of November 2<sup>nd</sup> 2022**

### Share Data

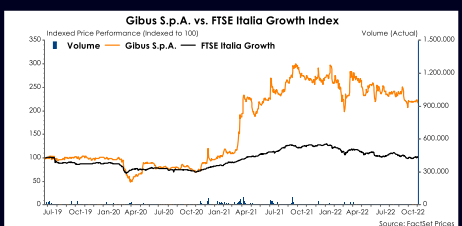
Market	Euronext Growth Milan
Reuters/Bloomberg	GIBUS:IM/CBUS.MI
ISIN	IT0005341059
N. of Shares	5,008,204
Market	20.05%
Main Shareholder	Terra Holding S.r.l. (79.95%)
CEO	Alessio Bellin

### Financials

	21A	22E	23E	24E
Sales	73	80	115	125
YoY %	61%	10%	43%	9%
EBITDA	18	14	19	23
EBITDA %	25%	18%	16%	18%
EBIT	16	12	15	18
EBIT %	22%	14%	13%	15%
Net Income	14	9	12	14
Net D/(C)	(17)	25	27	30
Net Equity	29	33	43	55

### Performance

	1M	3M	1Y
Absolute	-1%	-9%	-21%
Relative (FTSE Italia Growth)	-3%	-2%	-2%
52-week High/Low (Eu)	17.90	/	10.60



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\*Based on current Market Capitalization and estimated post transaction Net Debt