

GIBUS

FY 2020: Higher than expected sales
Preliminary consolidated sales in FY 2019 outperformed estimates:

Gibus recently announced preliminary FY 2019 sales which closed at Euro 40.9 m, posting a +20.4% YoY growth (Euro 34.0 m in FY 2018) and outperforming our estimates by approx. 4%. The strong result was mainly driven by a boost in the luxury segment, which with Euro 16.2 m of sales, registered +40.3% YoY (Euro 11.6 m in FY 2018), increasing significantly its share on total sales (41% vs. 35% in FY 2018).

Sales were up both in Italy (+18.6%) and abroad (+24.4%), as well as across all product lines. The premium segments of Luxury High Tech and Sustainability (29% and 12% of total sales) respectively registered a YoY growth of +46.6% and +27.2%, while the Design segment, 54% of total sales, grew by +9.3% YoY also thanks to the introduction of new products.

The Gibus Atelier network, a network of selected dealers specialized on Gibus' products, generated sales of Euro 30.8 m, (+19.3%) and accounted for 75% of total. The network recorded double digit performances both in Italy (+16.7%) and abroad (+25.2%).

Improved business mix with positive impact on profitability. Sales performance in FY 2019 confirmed our expectations of improved product and geographical mix and we therefore maintain our FY 2019 EBITDA target of 13.7%, which should imply an EBITDA in absolute terms of Euro 5.5 m, +22% vs. previous year and +4% vs. our previous estimates (Euro 5.4 m). Following higher than expected FY 2019 sales, we finetuned our forecast for FY 2019 and confirm estimates for 2020-2021.

Complete financial statements will be released on 11 March.

We confirm our positive outlook for Gibus and update our target price to Euro 9.18 p.s. (Euro 8.17 previously). Our new target price provides for a 53% upside to the current share price and was obtained by updating our DCF model and market multiples. The two methods were weighted equally (DCF Euro 9.24 p.s. and Market Multiples Euro 9.12 p.s.).

Sector: Manufacturing - Italian Lifestyle

Target Price (Euro)	9.18
Market Price (Euro)	6.00
Market Cap (Euro m)	30
EV (Euro m)	28
<i>(as of 14 January 2020)</i>	

Share Data

Market	AIM ITALIA
Bloomberg/Reuters	GIBUS:IM/GBUSS.MI
ISIN	IT0005341059
N. of Shares	5,008,204
Free Float	16.65%
CEO	Gianfranco Bellin

Aim Positioning

FY 2018	Company	AIM Sector	AIM Italia
VoP (Eu m)	34.0	96.7	42.2
Yoy	4.3%	37.0%	31.1%
EBITDA %	13.6%	-1.1%	13.7%
ND/EBITDA (x)	0.7	2.8	4.0

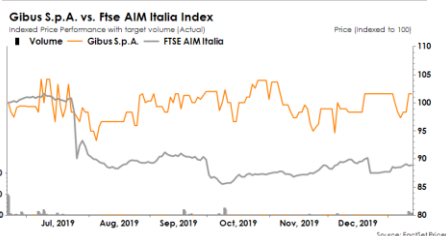
Market Data	Company	AIM Sector	AIM Italia
Mkt Cap (Eu m)	30.6	70.8	52.2
Perf. YTD	0.0%	0.4%	1.9%
Free Float	16.7%	26.9%	33.6%
ADTT YTD (Eu k)	30,040	49,344	104,488

Performance

	1M	3M	6M
Absolute	3.4%	1.7%	n.a.
Relative	4.0%	-2.0%	n.a.
52-week High/Low (Eu)	6.75 / 5.35		

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	Sales	YoY %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2018A	34.0	+4%	4.6	14%	3.2	10%	2.3	3.0
2019E	40.9	+20%	5.5	14%	4.0	10%	2.8	(2.0)
2020E	42.4	+4%	6.3	15%	4.8	11%	3.4	(3.3)
2021E	45.6	+7%	7.3	16%	5.8	13%	4.1	(4.6)