

GIBUS

Strong set of FY19 results boosted by Luxury segment

Five years of continuous growth: Gibus' shareholders recently approved FY 2019 results which closed with revenues of Euro 40.9 m, exceeding Euro 40 m for the first time and confirming growth for the fifth consecutive year, by posting a +20.4% YoY growth (Euro 34.0 m in FY 2018).

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). The increase in revenues translated on profitability level into an increase in EBITDA and Net Income by +21% and 20% respectively. All results came in in line with our latest estimates (January 2020).

Outlook and Estimates

Since listing the Group has continued to present new products and to invest in export markets in line with IPO strategies. We believe that the structural trend that support Gibus' equity story does not change. The global spread of the COVID -19 has however forced the Company to make a two months halt in production whereas commercial and R&D functions remained operational in smart working. Production has recently resumed, but Management stated that it is still difficult and premature to assess short-term effects on the Group's FY 2020 financials. Shareholders adopted a prudential approach, and resolved not to distribute dividend for the time being, but to delay the decision to when the outcome is more predictable.

In light of the above we revised our 2020-2021 forecasts and added 2022 to our explicit estimate horizon. We cut our FY20 top-line growth assumption, now assuming a c. 20% contraction (from c. +4% yoy growth). As for FY 21 we expect demand to experience a steady recovery. Overall, we cut our revenues and EPS forecast with an average of -18% and -55% respectively. However, we stress that unpredictable temporal extension and geographical spread of the COVID-19 emergency could undermine the feasibility of our estimates.

Valuation

We set a target price of Euro 7.09 per share, (Euro 9.18 p.s. previously), providing for a +78% upside on current stock price and obtained by weighting equally the DCF and the multiple comparison analysis.

Sector: Manufacturing - Italian Lifestyle

Target Price (Euro)	7.09 (9.18pr)
Market Price (Euro)	3.98
Market Cap (Euro m)	20
EV (Euro m)	21

(as of 27th April 2020)

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)	40.9	96.7	42.2
Yoy	20%	37.0%	26%
EBITDA %	13.7%	11%	13.7%
ND/EBITDA (x)	-0.3	2.8	3.8

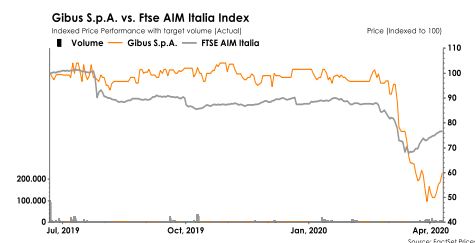
Market Data	Company	AIM Sector	AIM Italia
Mkt Cap (Eu m)	20	62	46
Perf. YTD	-34%	-17%	-14%
Free Float	16.7%	27%	33%
ADTT YTD (Eu k)	17,756	50,879	83,187

Performance

	1M	3M	6M
Absolute	+23.9%	-34.2%	-37.8%
Relative	+3.3%	+13.8%	n.a.
52-week High/Low (Eu)	6.75 / 2.90		

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	Sales	YoY %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	40.9	+20%	5.6	14%	3.9	10%	2.8	(1.9)
2020E	32.7	-20%	3.0	9%	1.2	4%	0.7	(2.4)
2021E	39.3	+20%	6.0	15%	4.0	10%	2.8	(4.4)
2022E	43.2	+10%	7.3	17%	5.1	12%	3.6	(5.8)