

GIBUS (GBUS-IT)

Silvestro Bonora • Analyst • +39 02 92 88 02 05 • sbonora@bestinver.es

BUY

Last (€) 13.3

Valuation Range (€) 23.0-24.0

Strong 1H22 results, appealing valuation. BUY confirmed

We confirm our Buy recommendation on Gibus (VR €23-24/sh. confirmed), deeming the stock very attractive in light of undemanding valuation (over 50-40% discount vs comps multiples on 22-23E). The Italian market remain solid, and it is also well supported by the fiscal stimulus for the next two years. We welcome the improved trend in the HORECA segment as well as the Group's commitment to invest in international markets in order to diversifying the geography, in this sense we look at the establishment of the new subsidiary in the Dutch area. We slightly trimmed the profitability margins for 23-24E to factor in the more cautious Mgmt. outlook. The potential upside from current price is over 70%. Valuation: 23E EV/EBITDA 3.6x, PE 6.2x, FcF Yield on avg. (ex expansionary Capex) for 22-24E at ca. 15%.

- 1H22 results above expectation, sales grew double-digit, better than expected the profitability.** More in detail, the Group recorded sales for €45.5mn in 1H22 vs €35.8mn in 1H21, +27% YoY and +12% vs our estimates. In terms of **product segments**: the Luxury High End grew by 32% YoY, accounting for 47% of the top line, up from 45% at 1H21: Luxury High Tech increased by 34% YoY, while the Sustainable by 28% YoY. Finally, the Design segment, 51% on revenues, booked +26% growth YoY. **Geographic breakdown**: Italy grew by 36% YoY, while revenues generated abroad were +4% compared to 1H21. The Gibus Atelier network achieved revenues of €36.5mn, +28% YoY, with an uprising trend both in Italy (+34% YoY) and abroad (+9% YoY). **Profitability**: better than expected, the **EBITDA** was €9.8mn, +15.5% YoY (21.6% margin vs 23.8% in 1H21), compared to our estimates of €8.8mn and 19.3% margin, despite the loss of **Industrial Margin**, which stood at 44.0% on revenues vs 46.1% in 1H21, significantly affected by the increase in the prices of raw materials, in particular aluminium, and semi-finished products. The **contribution margin** stood at 35.7% on revenues (vs 38.3% in 1H21) with variable costs rose from 7.8% of sales to 8.3% in 1H22, while overhead costs increased from €5.2mn to €6.4mn, accounting for 14.2% of sales compared to 14.5% in 1H21. **EBIT** was €8.8mn, +16.6% YoY, compared to Bestinver Est. of €7.7mn. **Net profit** was €7.3mn, +18.9% YoY vs Bestinver Est. of €6.2mn. Finally, the Group recorded a **net cash position** for €14.6mn vs €6.8mn at 1H21 and €17.3mn at FY21.
- Company outlook**: the Mgmt. foresee a not direct impact from the escalation of the energy crisis, but mainly related to price increases by suppliers operating in energy-consuming activities such as aluminium extrusion, painting, glass processing and tempering. The profitability margins are expected to be impacted during the coming autumn and winter months, eroding the potential benefit deriving from the return of aluminium to more favorable quotations compared to those of the first half of the year (\$2.700/mt on avg. in 2H21, peak on 07/03/22 at over \$4.000/mt, current around \$2.200/mt). Moreover, the Group's projections are already incorporating a likely slowdown for the residential segment, even if it is expected a positive momentum for the HORECA one, leading the Company to invest more in communication and marketing on this channel.
- BUY recommendation and VR (€23.0-24.0/sh.) confirmed.** On the basis of our fine tuned estimates, we confirm our valuation range of €23-24/sh. on the stock, derived from the average of our DCF model (€23.0/sh.), assuming the WACC at 7.9% and the terminal growth at 1.5%, and a relative valuation vs comparable (€23.2/sh.). GBUS is currently trading at 22-23E EV/EBITDA and P/E multiples of 3.5-3.6x and 6.4-6.2x, respectively. We reiterate our positive stance on the equity story on the back of a strong profitability, healthy cash generation and undemanding valuation.

KEY FINANCIALS

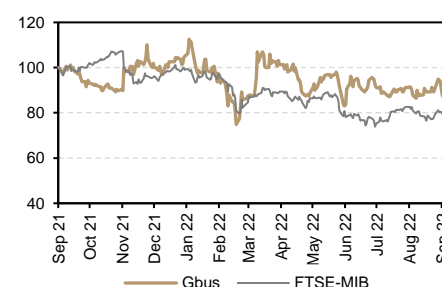
| €m | 2022E | 2023E | 2024E |
|--------------|-------|-------|-------|
| Revenues | 76.4 | 80.2 | 83.4 |
| EBITDA | 14.7 | 15.7 | 17.5 |
| EBIT | 12.4 | 13.1 | 14.6 |
| PBT | 14.2 | 14.9 | 16.4 |
| Net income | 10.3 | 10.7 | 11.8 |
| Sales growth | 5.0% | 5.0% | 4.0% |
| EBITDA mg | 19.3% | 19.6% | 21.0% |
| EBIT mg | 16.2% | 16.3% | 17.5% |
| PER | 6.4 | 6.2 | 5.7 |

Source: Bestinver Securities & Factset

EV VALUATIONS

| €m | 2022E | 2023E | 2024E |
|-------------------|-------|-------|-------|
| + Mkt Cap | 67.6 | 67.6 | 67.6 |
| + Net Debt | -15.7 | -11.1 | -10.2 |
| - Non-core assets | 0.0 | 0.0 | 0.0 |
| +/- Other | 0.0 | 0.0 | 0.0 |
| = EV | 51.9 | 56.5 | 57.4 |
| EV/Sales (x) | 0.7 | 0.7 | 0.7 |
| EV/EBITDA (x) | 3.5 | 3.6 | 3.3 |
| EV/EBIT (x) | 4.2 | 4.3 | 3.9 |
| EV/IC (x) | 2.4 | 1.8 | 1.4 |

GBUS vs FTSE-MIB



PLEASE HELP US TO PROTECT OUR RESEARCH AND DO NOT FORWARD THIS REPORT OUTSIDE YOUR FIRM

BESTINVER SOCIEDAD DE VALORES, S.A. has entered into an agreement/s with GIBUS S.P.A. relating to the provision of investment services which has been in effect over the previous 12 months or has given rise during the same period to the payment of a compensation or to the promise to get a compensation paid from GIBUS S.P.A. According to article 35, paragraph 2b of EGM Rules for Companies (Regolamento Emittenti EGM/Euronext Growth Milan), Bestinver Securities S.V., S.A. has been commissioned to produce Equity Research for the Company by arrangement with BANCA PROFILO, the broker (specialist according to EGM Rules) engaged by the Company.

■ 1H22 Results

Gibus released better than expected 1H22 **Sales** at €45.5mn vs €35.8mn in 1H21, +27% YoY, +12% vs 1H22 Bestinver Est.

Product Segments: the Luxury High End segment recorded revenues of €20.6mn, +32% YoY, accounting for 47% of the top line, up from 45% at 1H21. In particular, the Luxury High Tech accounts for 32% of revenues, increasing 34% YoY, while the Sustainable account for 14% of revenues with a 28% YoY growth. Finally, the Design segment, 51% on revenues, posted a growth of 26% YoY.

Geographic breakdown: Italy recorded 36% YoY growth, to €35.3mn vs €26mn in the 1H21, while revenues generated abroad stood at €10.2mn, +4% compared to €9.7mn in 1H21.

The **Gibus Atelier network** achieved revenues of €36.5mn, +28% YoY, with an uprising trend both in Italy (+34% YoY) and abroad (+9% YoY). As of 30 June 2022, the 50% invoice discount initiative has exceeded 11,600 files since its launch in October 2020, with a total retail turnover of €84.2mn. In 1H22 more than 4000 files were processed for a total retail turnover value of €30.2mn (1H21: approx. 3800 files, retail turnover €26.3mn).

Figure 1: GBUS - 1H22 Results (€mn)

| | 1H21A | 1H22A | y/y | BS 1H22E | A/E |
|------------------------|--------------|---------------|-------|---------------|-------|
| Net Sales | 35.8 | 45.5 | 27.1% | 45.5 | |
| EBITDA | 8.5 | 9.8 | 15.5% | 8.8 | 12.1% |
| <i>margin</i> | 23.8% | 21.6% | | 19.3% | |
| D&A | 1.0 | 1.0 | | 1.2 | |
| EBIT | 7.6 | 8.8 | 16.6% | 7.7 | 15.3% |
| <i>margin</i> | 21% | 19.4% | | 16.8% | |
| Net Profit | 6.2 | 7.3 | 18.9% | 6.2 | 17.8% |
| Net Debt/(cash) | (6.8) | (14.6) | | (13.2) | |

Source: Company data, Bestinver Securities estimates

The profitability was better than expected, **EBITDA** came in at €9.8mn, +15.5% YoY (21.6% margin vs 23.8% in 1H21) vs Bestinver Est. of €8.8mn (BS Est. 19.3% margin), despite the reduced **Industrial Margin**, which stood at 44.0% on revenues vs 46.1% in 1H21, significantly affected by the increase in the prices of raw materials, in particular aluminium, and semi-finished products. The **Contribution Margin** stood at 35.7% on revenues (vs 38.3% in 1H21). Variable costs rose from 7.8% of sales to 8.3% in 1H22, while overhead costs increased from €5.2mn to €6.4mn, accounting for 14.2% of sales compared to 14.5% in 1H21.

EBIT was €8.8mn, +16.6% YoY, compared to Bestinver Est. of €7.7mn, D&A at €1mn, increased compared to 1H21 (€0.9mn), as a result of major investments made in recent years. Extraordinary income €81k.

Net Profit was €7.3mn, +18.9% YoY, vs Bestinver Est. of €6.2mn, net financials particularly positive (financial cost: €-1.1mn, financial income €2.3mn).

Net Cash Position stood at €14.6mn vs €13.2mn Bestinver Est. (1H21: €6.8mn, FY21: €17.3mn), after ca. €3.0mn of Capex, €5.0mn dividends, buy-back around €0.1mn and considering higher NWC absorption (-€2.6mn).

■ FY22-24 Estimates

While we confirm our estimates for the current year, given the relatively high visibility, we have refined our profitability estimates for the next two years, taking into account the outlook of the Mgmt. which showed more caution on the growth of the residential segment, although the trend of the HORECA business is expected to improve.

We basically maintain our expectations for FY22E, slightly lowering our EBITDA margin projections by 110/50bps for 2023-2024E respectively, considering a more challenging macro scenario in terms of cost management.

We also revised our Capex projections, estimating €8mn in 22E (which means €5mn in 2H22), €12mn in 23E and €10mn in 24E, from the previous estimates of €10mn for each year, projecting for the FY22 a net cash position of €15.7mn (prev. €13.7mn).

Figure 2: GBUS - Change in Estimates (€mn)

| | 2022E | | | 2023E | | | 2024E | | |
|--------------------------|---------------|--------|-------|---------------|--------|-------|---------------|--------|-------|
| | New | Old | % Chg | New | Old | % Chg | New | Old | % Chg |
| Revenues | 76.4 | 76.4 | 0% | 80.2 | 80.2 | 0% | 83.4 | 83.4 | 0% |
| <i>y/y</i> | <i>5.0%</i> | 5.0% | | <i>5.0%</i> | 5.0% | | <i>4.0%</i> | 4.0% | |
| EBITDA | 14.7 | 14.7 | 0% | 15.7 | 16.6 | -5% | 17.5 | 17.9 | -2% |
| <i>margin</i> | <i>19.3%</i> | 19.2% | | <i>19.6%</i> | 20.7% | | <i>21.0%</i> | 21.5% | |
| EBIT | 12.4 | 12.4 | 0% | 13.1 | 13.9 | -6% | 14.6 | 14.9 | -2% |
| <i>margin</i> | <i>16.2%</i> | 16.2% | | <i>16.3%</i> | 17.3% | | <i>17.5%</i> | 17.9% | |
| Net Profit (Loss) | 10.3 | 10.3 | 0% | 10.7 | 11.3 | -5% | 11.8 | 12.0 | -2% |
| Net Debt (Cash) | (15.7) | (13.7) | | (11.1) | (11.7) | | (10.2) | (10.8) | |

Source: Company data and Bestinver Securities estimates

■ Valuation

We carried out the valuation through our DCF model (WACC 7.9%, t.g. 1.5%) and applying the relative multiples of the reference peer group. The results lead us to confirm our valuation range (i.e. €23-24/shs.), implying more than 70% potential upside compared to current prices.

We highlight that, at the target price, GBUS would trade at an EV/EBITDA multiple of 6.8-6.7x for 22-23E (currently 3.5/3.6x), that would be broadly in line with current comps multiples (i.e. 7.2/6.3x), therefore implying a sizeable undervaluation of the equity story at the current prices, as our numbers suggest.

In other words, if we apply the median avg. comps EV/EBITDA of 7.2/6.3x to our estimated enterprise value for the current and the next year, the market seems to discount that GBUS's EBITDA would be about €7/9mn for 22-23E, respectively (about -50/-40% compared to our figures for the two years we are looking at, bearing in mind that in the 1H22 the EBITDA was already €9.8mn). In our view, the stock price incorporates an overly pessimistic scenario that we do not agree with.

Figure 3: GBUS - Multiples

| | EV/Sales | | EV/EBITDA | | EV/EBIT | | P/E | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2022E | 2023E | 2022E | 2023E | 2022E | 2023E | 2022E | 2023E |
| Williams-Sonoma | 1.0 x | 1.0 x | 5.3 x | 5.4 x | 6.0 x | 6.2 x | 8.1 x | 8.4 x |
| RH | 1.8 x | 1.7 x | 7.2 x | 7.2 x | 8.3 x | 8.1 x | 10.7 x | 12.2 x |
| Lowe's Companies | 1.5 x | 1.6 x | 10.3 x | 10.4 x | 11.8 x | 11.9 x | 14.2 x | 13.2 x |
| SergeFerrari Group | 0.6 x | 0.6 x | 4.5 x | 4.0 x | 8.2 x | 7.2 x | 8.8 x | 7.4 x |
| Somfy | 2.0 x | 1.9 x | 8.9 x | 8.3 x | 11.0 x | 10.3 x | 14.4 x | 14.0 x |
| Elica | 0.4 x | 0.3 x | 3.7 x | 3.1 x | 6.4 x | 5.0 x | 8.8 x | 7.6 x |
| Griffon Corporation | 1.2 x | 1.1 x | 7.6 x | 7.0 x | 9.6 x | 8.4 x | 8.4 x | 8.5 x |
| Balco Group | 1.0 x | 0.9 x | 7.7 x | 6.3 x | 10.1 x | 8.1 x | 12.3 x | 10.4 x |
| Tyman | 0.7 x | 0.7 x | 4.7 x | 4.6 x | 6.4 x | 6.3 x | 6.1 x | 6.3 x |
| Mean | 1.1 x | 1.1 x | 6.7 x | 6.3 x | 8.7 x | 7.9 x | 10.2 x | 9.8 x |
| Median | 1.0 x | 1.0 x | 7.2 x | 6.3 x | 8.3 x | 8.1 x | 8.8 x | 8.5 x |
| Gibus | 0.7 x | 0.7 x | 3.5 x | 3.6 x | 4.2 x | 4.3 x | 6.4 x | 6.2 x |
| <i>Premium/Discount vs. median</i> | <i>-35%</i> | <i>-28%</i> | <i>-51%</i> | <i>-43%</i> | <i>-50%</i> | <i>-47%</i> | <i>-26%</i> | <i>-26%</i> |
| GBUS @ €23-24/sh. | 1.3 x | 1.3 x | 6.8 x | 6.7 x | 8.1 x | 8.0 x | 11.2 x | 10.8 x |

Source: Factset, Bestinver Securities estimates

Figure 4: GBUS - DCF Valuation Model: Sensitivity analysis

| | Terminal Growth | | | | | | |
|-------------|-----------------|------|-------------|-------------|-------------|------|------|
| | 0.0% | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| 6.4% | 24.0 | 25.4 | 27.1 | 29.1 | 31.6 | 34.7 | 38.8 |
| 6.9% | 22.5 | 23.7 | 25.1 | 26.7 | 28.7 | 31.1 | 34.2 |
| 7.4% | 21.2 | 22.2 | 23.3 | 24.7 | 26.3 | 28.2 | 30.6 |
| 7.9% | 20.0 | 20.9 | 21.9 | 23.0 | 24.3 | 25.9 | 27.8 |
| 8.4% | 19.0 | 19.8 | 20.6 | 21.6 | 22.7 | 24.0 | 25.5 |
| 8.9% | 18.1 | 18.8 | 19.5 | 20.3 | 21.3 | 22.4 | 23.7 |
| 9.4% | 17.3 | 17.9 | 18.5 | 19.2 | 20.1 | 21.0 | 22.1 |
| 9.9% | 16.6 | 17.1 | 17.7 | 18.3 | 19.0 | 19.8 | 20.7 |

Source: Bestinver Securities estimates

Applying the aforementioned methodologies, from the average of the two outcomes, we confirm our valuation range of EUR 23-24/sh., which implies a potential upside over 70% compared to current market prices.

Figure 5: GBUS - Summary of Valuation Methodologies

| Method | € ps | |
|------------------------|--------------|---------------------------|
| DCF | 23.0 | Hyp: 7.9% WACC, 1.5% t.g. |
| Multiples | 23.2 | EV/EBITDA |
| Fair Value | 23.1 | |
| Valuation Range | 23-24 | |

Source: Factset, Bestinver Securities estimates

Summarised P&L Account and key ratios

| €m | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--------------------------|-------------|----------------|--------------|--------------|--------------|--------------|
| Sales | 40.9 | 45.1 | 72.7 | 76.4 | 80.2 | 83.4 |
| EBITDA | 5.6 | 8.5 | 18.2 | 14.7 | 15.7 | 17.5 |
| Depr/Prov | (1.7) | (1.4) | (1.9) | (2.3) | (2.6) | (2.9) |
| EBIT | 3.9 | 7.1 | 16.2 | 12.4 | 13.1 | 14.6 |
| Net Int.Cost | (0.1) | (0.0) | 2.6 | 1.8 | 1.8 | 1.8 |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment & Other | 0.0 | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 |
| PBT | 3.8 | 7.1 | 18.8 | 14.2 | 14.9 | 16.4 |
| Taxes | (1.1) | (1.7) | (4.8) | (3.8) | (4.2) | (4.6) |
| Discontinued operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit | 2.8 | 5.4 | 14.0 | 10.3 | 10.7 | 11.8 |
| EPS | 0.5 | 1.1 | 2.8 | 2.1 | 2.1 | 2.4 |
| Sales growth | 20.4% | 10.2% | 61.3% | 5.0% | 5.0% | 4.0% |
| EBITDA growth | 21.5% | 50.6% | 114.9% | (19.1%) | 6.8% | 11.4% |
| Net Profit growth | 20.3% | 97.0% | 158.4% | (26.2%) | 3.5% | 10.1% |
| EBITDA margin | 13.7% | 18.8% | 25.0% | 19.3% | 19.6% | 21.0% |
| EBIT margin | 9.6% | 15.7% | 22.3% | 16.2% | 16.3% | 17.5% |
| Net Pr. Margin | 6.7% | 12.0% | 19.3% | 13.5% | 13.4% | 14.1% |
| Gross Int. Cover (x) (1) | 30.3 | 1,102.5 | (6.3) | (7.1) | (7.5) | (8.3) |

Summarised Balance Sheet and key ratios

| €m | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fixed assets | 7.9 | 9.3 | 9.8 | 15.4 | 24.8 | 31.8 |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Inventories | 5.5 | 5.6 | 8.1 | 8.6 | 8.6 | 8.5 |
| Trade Receivables | 7.4 | 8.1 | 12.9 | 13.9 | 14.8 | 15.7 |
| Cash + S/T Invest. + Other | 6.2 | 19.7 | 27.5 | 28.6 | 26.5 | 23.6 |
| Total Assets | 27.0 | 42.8 | 58.3 | 66.5 | 74.7 | 79.7 |
| Sharehold. Equity | 14.0 | 18.3 | 29.4 | 34.7 | 40.4 | 47.3 |
| L-T Financial Debt | 1.9 | 5.8 | 2.2 | 5.4 | 8.4 | 6.9 |
| S-T Financial Debt | 1.4 | 4.9 | 3.5 | 3.0 | 2.5 | 2.0 |
| Trade Payables | 6.6 | 9.5 | 15.1 | 16.4 | 16.3 | 16.2 |
| Provisions + Other | 3.0 | 4.4 | 8.0 | 6.9 | 7.1 | 7.2 |
| Total Liabilities | 27.0 | 42.8 | 58.3 | 66.5 | 74.7 | 79.7 |
| Net Debt | (1.9) | (7.3) | (17.3) | (15.7) | (11.1) | (10.2) |
| WACC | 7.7% | 7.9% | 7.7% | 7.9% | 7.9% | 7.9% |
| Net Debt/Equity | (0.1) | (0.4) | (0.6) | (0.5) | (0.3) | (0.2) |
| ROCE (2) | 23% | 49% | 100% | 48% | 32% | 28% |
| ROE | 20% | 30% | 48% | 30% | 27% | 25% |
| ROCE/WACC (x) | 3.0 | 6.2 | 13.0 | 6.0 | 4.1 | 3.6 |

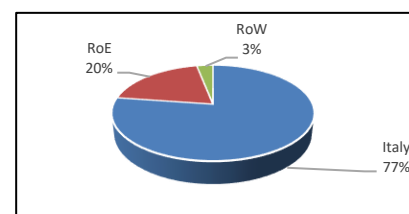
Simplified Cash Flow Statement and key ratios

| €m | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Profit | 2.8 | 5.4 | 14.0 | 10.3 | 10.7 | 11.8 |
| + Depr. & Amortis. | 1.7 | 1.4 | 1.9 | 2.3 | 2.6 | 2.9 |
| +/- other | 0.6 | 1.1 | 1.2 | (1.1) | 0.2 | 0.1 |
| = Operating CF | 5.0 | 7.9 | 17.1 | 11.6 | 13.5 | 14.9 |
| - Change in Working K | (1.1) | 2.0 | (1.6) | (0.2) | (1.1) | (0.9) |
| - CAPEX of which | (2.1) | (3.2) | (2.5) | (8.0) | (12.0) | (10.0) |
| expansionary CAPEX | (0.4) | (1.8) | (0.6) | (5.7) | (9.4) | (7.1) |
| = FCF | 1.9 | 6.7 | 13.1 | 3.4 | 0.4 | 4.0 |
| - Dividends | (1.8) | (1.4) | (2.7) | (5.0) | (5.1) | (4.8) |
| FCF Yield (Mkt Cap) | 6.3% | 26.9% | 20.1% | 5.1% | 0.7% | 5.9% |
| FCF Yield (EV) | 7.1% | 38.2% | 22.0% | 3.2% | (2.4%) | 3.9% |
| FCF (3) | 2.3 | 8.5 | 13.6 | 9.1 | 9.8 | 11.0 |
| FCF Yield (Mkt Cap) | 7.6% | 34.4% | 21.0% | 13.6% | 14.7% | 16.6% |
| FCF Yield (EV) | 8.4% | 48.8% | 23.2% | 14.3% | 14.4% | 16.4% |

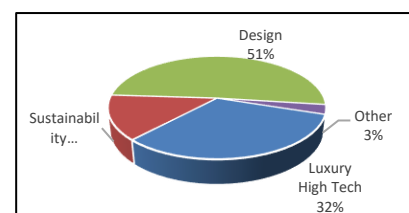
EV valuations

| €m | 2022E | 2023E | 2024E |
|-------------------|-------------|-------------|-------------|
| + Mkt Cap | 67.6 | 67.6 | 67.6 |
| + Net Debt | -15.7 | -11.1 | -10.2 |
| - Non-core assets | 0.0 | 0.0 | 0.0 |
| +/- Other | 0.0 | 0.0 | 0.0 |
| = EV | 51.9 | 56.5 | 57.4 |
| EV/Sales (x) | 0.7 | 0.7 | 0.7 |
| EV/EBITDA (x) | 3.5 | 3.6 | 3.3 |
| EV/EBIT (x) | 4.2 | 4.3 | 3.9 |
| EV/IC (x) | 2.4 | 1.8 | 1.4 |

Geographical Sales BreakDown



Divisional Sales BreakDown



Debt Structure (€m)

| | |
|-----------------------------------|------------|
| Total Debt in the B. Sheet | 5.8 |
| Short Term | 3.5 |
| Long Term | 2.2 |
| <i>maturing in 24M</i> | |
| <i>maturing in 36M</i> | |
| <i>maturing in 48M or more</i> | |
| Cost Range | 2.5% |
| Rating (Moody's) | |
| <i>Short term</i> | NA |
| <i>Long term</i> | NA |

Estimated Off B/S Liabilities

| | |
|--|-------|
| Share Information | |
| Outstanding # shares (m) | 5.0 |
| Market Cap (€ m) | 69.9 |
| Avg. daily volume (€ m, last 6 months) | 0.01 |
| Free float % | 16.7% |

| | |
|---------------------------|-------|
| Major shareholders | |
| Terra Holding S.r.l. | 83.3% |

Management shares option scheme

| | |
|-----------------|--|
| % of Capital | |
| Nearest to vest | |

1) calculated as EBIT/Int. expenses (2) calculated as ROCE after taxes (3) calculated ex-expansionary CAPEX

(*) Source: company data and Bestinver Securities estimates

BESTINVER SOCIEDAD DE VALORES S.A.

Calle Velázquez 140 • 28006 Madrid
 Tel.: +34 / 91 566 24 00 • Fax: +34 / 91 566 24 50
infosecurities@bestinver.es • www.bestinver.es
 CIF A-83563767

BESTINVER SOCIEDAD DE VALORES, S.A. is an investment firm regulated and supervised by the Comisión Nacional de Mercado de Valores (CNMV) and registered in the CNMV's Registry with number 205.

MILAN BRANCH

Galleria del Corso 1 • 20122 Milano •
 Tel.: +39 / 02 928 02 00 • Fax: +39 / 02 367 052 39
infosecurities.milan@bestinver.es • www.bestinver.es
 P. Iva: 06793880962

The Milan Branch of BESTINVER SOCIEDAD DE VALORES S.A. is also regulated and supervised by the Commissione Nazionale per le Società e la Borsa (CONSOB) and registered in the CONSOB's Registry with number 2723.

INFORMATION IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Analyst Certification

Each research analyst(s) as indicated on the first page of each report or note primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer (s) or securities.

Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report nor to the positive outcome of investment banking transactions.

Neither the research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor his/her/their relatives have any significant financial interest in the securities which are the subject of this report or are officers or directors of any company mentioned in this report.

Disclaimer

This publication has been prepared by Bestinver Sociedad de Valores S.A., including the Italian Branch, ("Bestinver Sociedad de Valores") solely for the information of clients of Bestinver Sociedad de Valores S.A.. This product is not for retail clients. This product is only available to persons qualifying as eligible counterparties or professional clients, as defined under the relevant applicable regulations. This product is distributed primarily in electronic form. No part of this document may be reproduced, distributed or published by any person for any purpose without the prior express consent of Bestinver Sociedad de Valores. Acceptance of this product implies that the relevant recipient is bound by the above mentioned limitations.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, sell or subscribe to any securities or other instruments or otherwise constitutes a personal recommendation. The information herein has been obtained from, and any opinions herein are based upon sources believed reliable, but Bestinver Sociedad de Valores makes no representation as to its accuracy, integrity or completeness. Neither the research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor Bestinver Sociedad de Valores intend to provide an exhaustive analysis of the commercial or financial situation or the growth perspectives of the companies mentioned in this report and the relevant recipient should not rely on this report for such purposes.

The information contained herein is subject to change without notice. Bestinver Sociedad de Valores. may also cease, update or initiate coverage of a stock at its sole discretion. The investments and the strategies described in this report may not be suitable for all the recipients; accordingly, at the time of considering them, we invite you to take into account your own profile and characteristics as a professional investor.

Neither Bestinver Sociedad de Valores nor any officer or employee of Bestinver Sociedad de Valores accepts any liability whatsoever for any direct, indirect or consequential loss arising from any use of this publication or its contents.

Conflict of interests

From time to time, Bestinver Sociedad de Valores, any other company of Grupo Acciona and/or any of its officers, directors or employees may, to the extent permitted by the law, have a position or otherwise be interested in any transactions or investments directly or indirectly in securities which are the subject of this report. Bestinver Sociedad de Valores and/or any other company of Grupo Acciona may from time to time perform services for or solicit business from any company mentioned in this report.

As a result thereof, investors should be aware that Bestinver Sociedad de Valores may have a conflict of interests. All the relevant conflicts of interest of Bestinver Sociedad de Valores are disclosed accordingly.

Bestinver Sociedad de Valores has adopted internal rules of conduct, procedures and policies in order to guarantee the independence of the research analysts and has developed and implemented a set of measures to: (i) identify the possibilities of having conflicts of interest, (ii) try to avoid them, and, if necessary, (iii) solve them. It is possible to consult the conflicts of interest policy of Bestinver Sociedad de Valores by clicking on "[Legal information](#)"

In accordance with this policy, Bestinver Sociedad de Valores has implemented a segregation of functions aimed to prevent potential conflicts of interest. In particular, Bestinver Sociedad de Valores and the other companies within its group have segregated functions in order to prevent the exchange of (insider) information between conflicting activities that may impair or damage one or more clients' interests. This segregation implies an organizational structure through restricted IT access privileges, Chinese walls and separate reporting channels. Moreover, Bestinver Sociedad de Valores assures segregated management and supervision of different departments (or individuals in the same department), with a real or potential risk of generating a conflict of interest in the provision of the relevant services to its clients. An internal commission is responsible for reviewing and guaranteeing the independence of our opinions. There is a "Restricted list" of equities that are being covered by our research analysts to which our reports and our daily recommendations refer. The Compliance Department manages the "Restricted list" and it is permanently updated and distributed to the staff.

Bestinver S.V., S.A. does not own a net long or short position exceeding the threshold of 0.5% of the total issued share capital of the issuer, calculated in accordance with Article 3 of Regulation (EU) No 236/2012 and with Chapters III and IV of Commission Delegated Regulation (EU) No 918/2012. Besides, holdings exceeding 5% of Bestinver S.V., S.A.'s total issued share capital are not held by the issuer.

[GBUS] BESTINVER SOCIEDAD DE VALORES, S.A. has entered into an agreement/s with GIBUS S.P.A. relating to the provision of investment services which has been in effect over the previous 12 months or has given rise during the same period to the payment of a compensation or to the promise to get a compensation paid from GIBUS S.P.A. According to article 35, paragraph 2b of EGM Rules for Companies (Regolamento Emittenti EGM /Euronext Growth Milan), Bestinver Securities S.V., S.A. has been commissioned to produce Equity Research for the Company by arrangement with BANCA PROFILO, the broker (specialist according to EGM Rules) engaged by the Company.

Guide to fundamental research

Reports on companies under coverage are published normally on a quarterly basis, to comment on results and important news flow. Valuation and risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company specific research report at <https://clientes.bestinver-securities.es/equities/login.aspx> or contact your Bestinver Sociedad de Valores representative.

A draft of this document may have been sent to the issuer for the limited purpose of review of factual information. No material changes were made to the document as a result of this review.

In its recommendations, Bestinver Sociedad de Valores uses an "absolute" rating system, which is not related to market performance. Ratings are as follows:

BUY: 12-month valuation is at least 10% higher than the current market price.

HOLD: 12-month valuation is 0%-10% higher than the current market price.

SELL: 12-month valuation is lower than the current market price.

The prices of the financial instruments that are the subject of this report (referred as current market prices) are the closing price of the day prior to the publication of the report (i.e. prices at 5.30 p.m. of the day prior to the publication of the report).

Please refer to the most recently published report on this company for detailed analysis on the relevant strategy/profile, risks and basis of valuation or methodology used to evaluate or to set a price target for the equities subject of this report, which is available at <https://clientes.bestinver-securities.es/equities/login.aspx>

The recommendation history and target price trends and the updated recommendation allocation (buy / hold /sell) is available at <https://clientes.bestinver-securities.es/equities/allRecomendationsHistory.aspx?country=italy>

This report has been completed and published on 21 September 2022 at 7:35 AM CET