



Q1 2024 – Results presentation

May 9, 2024

Highlights



- Q1 consolidated revenues are €69,0 -17,4% vs Q1 2023
- Q1 Divisional sales:
 - Heating & Ventilation accounts €47,9, down 23,6% vs PY
 - Metering at €20,7 is +1,4%, with Smart Gas Metering at -2,4% and Water metering at +9,0% vs PY
- Heating & Ventilation is performing in line with expectations in Q1 with some geographies slightly higher than budget
- Smart Gas Metering has strong competitive position in the domestic market and robust backlog for the year; Water Metering in line with Q1 budget with FY expected at double digit growth vs PY
- Q1 EBITDA of €6,4 at 9,2% of revenues vs €8,3 at 9,9%, is still impacted by volumes and on-going footprint reorganization
- Net debt at €161,1 vs €143,1 of PY and €153,7 at BoP, in line with seasonality expectations
- EcoVadis, the world's largest provider of sustainability evaluation for companies, has awarded GOLD rating to SIT with 77/100 points (+14/100 improvement vs PY) positioning SIT in the best 2% performers worldwide (on +130.000 companies examined)

€ millions, unless otherwise stated

Key financial results

€M, unless otherwise stated	Q1 24	% of sales	Q1 23	% of sales	Chg. YoY
Revenues	69,0	100,0%	83,6	100,0%	(17,4%)
EBITDA	6,4	9,2%	8,3	9,9%	(23,4%)
D&A, impairment of assets	6,8		6,7		
EBIT	(0,5)	-0,7%	1,6	1,9%	(130,9%)
Net financial (charges)/income	(1,8)		(1,7)		
Net forex (charges)/income	0,2		0,3		
EBT	(2,1)	-3,0%	0,2	0,2%	-
Taxes	0,2		1,2		
Net income	(1,8)	-2,7%	1,3	1,6%	(237,9%)
Cash flow from operations	(7,6)		(10,3)		
NTWC	86,5		77,8		
Net financial debt	161,1		143,1		

- Q1 consolidated revenues account 17,4% decrease
- Divisional trends:
 - Heating & Ventilation: -23,6%
 - Metering: +1,4%
- EBITDA at €6,4 vs €8,3 of PY
- EBIT at -€0,5 vs €1,6 of PY
- Tax revenue for €0,2 due to deferred tax asset
- Net income at -€1,8 vs €1,3
- Cash flow from operations is minus €7,6 after capex for €4,4
- NTWC of €86,5 (31,2% of revenues) vs € 77,8 of PY (23,0%)
- Net financial debt stands at €161,1 vs €143,1 of PY and €153,7 at BoP

Consolidated revenues

Breakdown by Division

€M, unless otherwise stated	Q1 24	%	Q1 23	%	Chg. YoY
Heating & Ventilation	47,9	69,3%	62,7	75,0%	(23,6%)
Metering	20,7	29,9%	20,4	24,4%	1,4%
Total business sales	68,5	99,3%	83,0	99,4%	(17,5%)
Other revenues	0,5	0,7%	0,5	0,6%	(0,8%)
Total revenues	69,0	100,0%	83,6	100,0%	(17,4%)

Breakdown by geography

€M, unless otherwise stated	Q1 24	%	Q1 23	%	Chg. YoY
Italy	23,3	33,7%	25,0	30,0%	(7,1%)
Europe (excloding Italy)	29,9	43,3%	40,2	48,1%	(25,6%)
America	10,2	14,8%	12,0	14,3%	(14,5%)
Asia/Pacific	5,7	8,2%	6,4	7,6%	(11,3%)
Total revenues	69,0	100,0%	83,6	100,0%	(17,4%)

Consolidated revenue bridge (€m)



Heating & Ventilation sales

Q1 Heating & Ventilation sales by geography

€M, unless otherwise stated	Q1 24	%	Q1 23	%	Chg. YoY
Italy	9,2	19,2%	11,9	19,0%	(22,8%)
Europe (excloding Italy)	22,9	47,8%	33,0	52,6%	(30,6%)
America	9,8	20,4%	11,7	18,7%	(16,3%)
Asia/Pacific	6,0	12,6%	6,1	9,7%	(1,1%)
Total business sales	47,9	100,0%	62,7	100,0%	(23,6%)

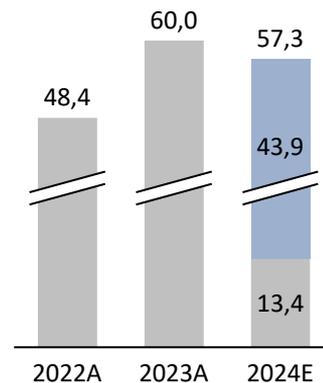
- Divisional sales -23,6%, forex impact not material
- Overall, Q1 24 reflects normalization of the expected seasonality
- Italy down 22,8% with all product families involved. Higher impact in Direct Heating due to pellet stoves
- Europe down 30,6% vs PY. Turkey (13,9% of Divisional sales), decrease above average due to fans and mechanical controls in Central Heating; Central Europe markets are down €3,3M (-30,2%) in Central Heating with Heat Recovery Units impacted by general trend in the sector
- America. Q1 sales are down €1,9M, -16,3% mainly due to Central Heating
- Asia/Pacific in line with PY; China (8,2% of Divisional sales) shows €1,0M, 9,0% increase in Central Heating; Australia (2,1% of Divisional sales) down 40%

Metering sales

Q1 Smart Gas Metering

€M, unless otherwise stated	Q1 24	%	Q1 23	%	Chg. YoY
Residential	11,0	82,0%	11,2	82,0%	(2,3%)
Commercial & Industrial	2,4	17,7%	2,4	17,7%	(2,5%)
Other	0,0	0,3%	0,0	0,3%	(16,5%)
Total business sales	13,4	100,0%	13,7	100,0%	(2,4%)

Q1 24 Smart Gas Metering are 99% in Italy vs 94,5% of PY



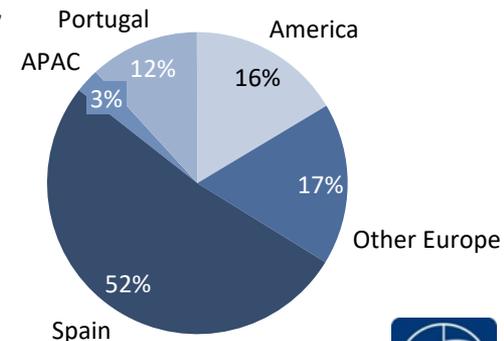
Q1 Smart Gas Metering current order book

■ YTE 24 Order book
■ Sales Q1

Q1 Water Metering

€M, unless otherwise stated	Q1 24	%	Q1 23	%	Chg. YoY
Water meters, finished	2,8	38,9%	2,6	39,2%	8,3%
Water meter parts	4,0	55,4%	3,5	52,9%	14,1%
Other	0,4	5,7%	0,5	7,9%	(20,9%)
Total business sales	7,3	100,0%	6,7	100,0%	9,1%

Q1 Water Metering by geography



Net trade working capital

€M, unless otherwise stated	2024.03	2023.12	Q1 24 Change	2023.03	2022.12	Q1 23 Change	YoY change
Inventory	90,9	83,3	7,5	101,5	91,4	10,1	(10,6)
Accounts receivables	63,3	63,5	(0,2)	51,1	63,8	(12,7)	12,2
Accounts payables	(67,7)	(66,9)	(0,8)	(74,7)	(81,4)	6,7	7,0
Net Trade Working Capital	86,5	79,9	6,6	77,8	73,8	4,1	8,6
<i>NTWC/Revenues</i>	<i>31,2%</i>	<i>24,5%</i>	<i>6,7%</i>	<i>23,0%</i>	<i>18,8%</i>	<i>4,2%</i>	<i>8,2%</i>

YTD reported Q1 24 NTWC: +€6,6

- Inventory increase (+€7,5) reflects seasonality in H&V and order book in the Metering business
- Account Receivables and Account payables are flat due to volumes decrease

YOY change in NTWC: +€8,6)

- Inventory decrease (-€10,6) and destocking impact on purchasing (+€7,0)
- Change in factoring policy

Cash flow and net debt

Change in net debt

€M, unless otherwise stated	Q1 24	Q1 23
Current cash flow	4,0	9,1
Change in NTWC	(6,0)	(3,2)
Inventory	(7,0)	(9,2)
Accounts Receivables	0,4	13,1
Accounts Payables	0,5	(7,1)
Other working capital	(1,1)	(11,2)
Capex, net	(4,4)	(5,0)
Cash flow from operations	(7,6)	(10,3)
Financial charges	(2,3)	(2,0)
IFRS 16 - Leases	(0,1)	-
Other	2,6	(0,3)
Change in net debt	(7,4)	(12,6)
Net debt - BoP	153,7	130,5
Net debt - EoP	161,1	143,1

- Current cash flow of €4,0 vs €9,1 of PY
- NTWC burns €6,0 mostly due to inventory seasonality
- Other working capital in PY (-€11,2m) accounted dispute cash settlement with customer
- Capex for €4,4 vs €5,0 of PY

Net financial position

€m, unless otherwise stated	31/03/2024**	31/03/2024*	31/12/2023*	31/03/2023*
(Cash & cash equivalents)	(11,3)	(6,3)	(8,7)	(20,4)
Current debt, net	32,3	56,6	50,9	28,9
Non current debt	127,8	98,5	97,8	120,1
MTM derivatives & M&A debt	(0,6)	(0,6)	0,2	0,3
IFRS 16 - Leases	12,8	12,8	13,5	14,2
Net debt - EoP	161,1	161,1	153,7	143,1

- * Net Debt reported
- ** Net Debt pro-forma, amended agreements include covenant reset and €5,0 shareholder loan executed in April

Final comments confirm FY outlook

Looking forward we have different visibility on the two Divisions:

- Metering provides positive outlook thanks to awarded tenders and positive cycle
- Heating & Ventilation is expected to recover by year-end showing a quarter-on-quarter improvement
- Management focus KPI is on EBITDA and NFP

FY 2024 outlook

- Metering business top line expected further increase at high single digit increase
- Heating & Ventilation is expected to recover over the course of the year, with the first quarter still down double digit and the second quarter expected to be down single digit, compared to the previous year. Visibility on H2 24 suggests an improvement as compared to the first part of the year
- EBITDA improvement will come from carry over of structural cost reductions (€2,0) and manufacturing footprint reorganization (€2,5)
- Consolidated EBITDA margin expected to improve between 100 e 200 bps
- Capex planned between €20 - €25M
- Net debt expected between €140 - €147

Regulatory statement

The manager responsible for the preparation of the company's accounts, Paul Fogolin, hereby declares, as per article 154-bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this presentation are fairly representing the accounts and the books of the company.

Paul Fogolin

Chief Financial Officer

paul.fogolin@sitgroup.it

Investor Relations

Mara Di Giorgio

+39 335 773 7417

investorrelations@sitgroup.it

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