

**SIT, first quarter consolidated revenues at Euro 69 million.
The growth of the Water-Meter business continues,
+9% compared to 1Q 23**

*Strategic focus on sustainability obtaining a Gold rating from EcoVadis
thanks to a 14-point improvement on 2023.*

Highlights

In the first quarter of 2024, SIT achieved:

- **Consolidated revenues** of Euro 69.0 million (-17.4% compared to the same period in 2023);
- **Heating & Ventilation Division sales:** Euro 47.9 million (-23.6% compared to the same period in 2023);
- **Metering Division sales** of Euro 20.7 million (+1.4% compared to the same period in 2023), of which Smart Gas Metering sales Euro 13.4 million (-2.4%) and Water Metering Euro 7.3 million (+9.1%);
- **Consolidated EBITDA** of Euro 6.4 million (-23.4% compared to the same period in 2023);
- **Consolidated net result** reports a loss of Euro 1.8 million (net profit of Euro 1.3 million in first quarter 2023);
- **Operating cash flow** of the first quarter 2024 of Euro -7.6 million, after capex for Euro 4.4 million;
- **Net financial position** of Euro 161.1 million against Euro 153.7 million at December 31, 2023.

Sustainability: SIT achieved EcoVadis Gold rating with an overall score of 77/100, marking a 14-point improvement over the previous year and placing SIT in the top 2% of most sustainable companies.

Padua, May 09, 2024 – The Board of Directors of **SIT S.p.A.**, listed on the Euronext Milan segment of the Italian Stock Exchange, in a meeting today presided over by **Federico de' Stefani, the Chairperson and Chief Executive Officer of SIT**, approved the first quarter of 2024 consolidated results.

Federico de' Stefani, Chairperson and Chief Executive Officer of SIT stated:

"In line with what we communicated a few days ago when approving the 2023 draft Annual Report, the first quarter of 2024 sees the results of the Heating & Ventilation Division declining, even if slightly better than the internal expectations for the first three months of the year. Regarding the group's goals for 2024, we confirm the focus on growing margins and improving the financial position. The fundamentals of the Metering Division, both for water and gas, are positive.

I would like to emphasize the company's great commitment towards sustainability, which has remained unchanged despite the many challenges posed to us by the external context. The recent Gold rating awarded to us by EcoVadis is a recognition of our outstanding achievements in the ESG area."

KEY FINANCIALS

(Euro.000)	Q1 24	%	Q1 23	%	diff%
Revenues from contracts with customers	69.045	100.0%	83.552	100.0%	-17.4%
EBITDA	6.352	9.2%	8.293	9.9%	-23.4%
Operating income (EBIT)	(493)	-0.7%	1.597	1.9%	-130.9%
Earnings before taxes (EBT)	(2.051)	-3.0%	172	0.2%	-
Net income	(1.846)	-2.7%	1.338	1.6%	-237.9%
Cash flow from operations	(7.567)		(10.330)		

(Euro.000)	31/03/2024	31/12/2023	31/03/2023
Net financial debt	161.058	153.691	143.086
Net trade working capital	86.461	79.858	77.846
Net trade working capital/Revenues	31.2%	24.5%	23.0%

Sales Performance
Consolidated Revenues by Division

(Euro.000)	Q1 24	%	Q1 23	%	diff	diff %
Heating & Ventilation	47.877	69.3%	62.659	75.0%	(14.782)	(23.6%)
Metering	20.662	29.9%	20.382	24.4%	280	1.4%
Total sales	68.539	99.3%	83.041	99.4%	(14.502)	(17.5%)
Other revenues	506	0.7%	510	0.6%	(4)	(0.8%)
Total revenue	69.045	100%	83.552	100%	(14.507)	(17.4%)

Consolidated Revenues by Geographic Area

(Euro.000)	Q1 24	%	Q1 23	%	diff	diff %
Italy	23.275	33.7%	25.044	30.0%	(1.769)	(7.1%)
Europe (excluding Italy)	29.888	43.3%	40.168	48.1%	(10.280)	(25.6%)
America	10.218	14.8%	11.957	14.3%	(1.739)	(14.5%)
Asia/Pacific	5.664	8.2%	6.383	7.6%	(719)	(11.3%)
Total revenues	69.045	100%	83.552	100%	(14.507)	(17.4%)

Consolidated revenues in the first quarter of 2024 amounted to Euro 69.0 million registering a decrease of 17.4% from the first quarter of 2023 (Euro 83.6 million).

Heating & Ventilation Division

Heating & Ventilation Division sales in the first quarter of 2024 accounted Euro 47.9 million, -23.6% against 62.7 million in the same period 2023 (exchange rate impact not material).

The following table shows sales by geographical area of the Heating & Ventilation Division:

(Euro.000)	Q1 24	%	Q1 23	%	diff	diff %
Italy	9.191	19.2%	11.911	19.0%	(2.720)	(22.8%)
Europe (excluding Italy)	22.869	47.8%	32.956	52.6%	(10.087)	(30.6%)
America	9.788	20.4%	11.698	18.7%	(1.910)	(16.3%)
Asia/Pacific	6.028	12.6%	6.094	9.7%	(66)	(1.1%)
Total sales	47.877	100%	62.659	100%	(14.782)	(23.6%)

Sales in Italy decreased 22.8% compared to the same period in 2023. This trend affected all major products with a greater impact in the Direct Heating segment due to applications for Pellet Stoves and Space Heaters.

As for **Europe**, excluding Italy, there is a reduction in sales in the first quarter of 2024 of Euro 10.1 million, 30.6% compared with the first quarter of the previous year. **Turkey**, the top shipping market with 13.9% of divisional sales, shows a higher-than-average reduction vs the division especially for Fans and Mechanical Controls for Central Heating applications.

Sales in America marked a decrease of 16.3%. The reduction particularly affected Central Heating applications, due to concentrated delays in some customers, and to a lesser extent the Direct Heating segment in fireplaces. There was a slight improvement in Storage Water Heating.

Asia/Pacific sales were broadly in line with the first quarter of the previous year. Regarding China, 8.2% of divisional sales, sales for the quarter recorded growth of 9.0%, 14.9% at same exchange rates, thanks to local producers. Australia records a sharp reduction in the first quarter of 2024 (-41.7%) due to the market slowdown.

Metering Division

Metering Division sales in the first quarter of 2024 amounted to Euro 20.7 million, broadly in line with the same period in 2023.

Sales in the **Smart Gas Metering sector** totaled Euro 13.4 million compared with Euro 13.7 million in the first quarter of 2023. The performance is substantially in line with sales in the same period and are realized entirely in the Italian market, where the group enjoys a strong competitive position and is an proactive participant in new developments and replacement projects launched by major customers in the market.

Water Metering sales sector totaled Euro 7.3 million, up 9.1% over the same period in 2023. Sales were made in Spain for 51.8%, in Portugal for 11.8%, in the rest of Europe for 17.3% and in America and Asia respectively for 16.5% and 2.6%.

Operating performance

Consolidated revenues for the first quarter of 2024 amounted to Euro 69.0 million with a reduction of 17.4% compared to the same period 2023 (Euro 83.6 million).

EBITDA, amounting to Euro 6.4 million, was down 23.4% compared to the first quarter of the previous year (Euro 8,3 million) and was impacted by volumes, particularly in the Heating & Ventilation division which was only partially offset by the Metering division and efficiency and cost containment actions.

Purchase costs of raw materials and consumables, including changes in inventories, amounted to Euro 34.9 million (50.5% of revenues, compared to 49.1% in the same period 2023).

Service costs amounted to Euro 11.0 million, compared to Euro 13.2 million in the first quarter 2023 (respectively 16.0% and 15.8% of revenues).

Personnel expense is equal to Euro 19.1 million against Euro 20.7 million with a revenue share of 27.6%, up from 24.8% in the same period last year.

Depreciation and amortization, amounting to Euro 7.0 million, are up slightly from the first quarter of 2023 because of new investments made during the year and the new signing of operating leases accounted for under IFRS16.

EBIT amounted to Euro -0.5 million against Euro 1.6 million in the first quarter 2023.

Net financial charges for the first quarter of 2024 amounted to Euro 1.8 million against Euro 1.7 million in the same period 2023.

Taxes for the period are positive in the amount of Euro 0.2 million and reflect deferred tax assets revenues.

Net result for the period was a loss of Euro 1.8 million against a net profit of Euro 1.3 million in the first quarter 2023.

Cash Flow performance

As of March 31, 2024, **net financial debt** was Euro 161.1 million compared to Euro 153.7 million as of December 31, 2023. The evolution of the net financial position is shown in the table below and is influenced by the different factoring policy adopted in the first quarter of 2024 compared to the same period 2023.

(Euro.000)	Q1 2024	Q1 2023
Cash flow from current activities (A)	4.028	9.092
Change in inventories	(6.983)	(9.228)
Change in trade receivables	435	13.137
Change in trade payables	541	(7.117)
Change in other current assets and liabilities and for taxes	(1.149)	(11.213)
Cash flow from changes in Working Capital (B)	(7.156)	(14.421)
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	(3.128)	(5.329)
Cash flow from investing activities (C)	(4.439)	(5.001)
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)	(7.567)	(10.330)
Changes for interest	(2.305)	(1.979)
Changes MTM derivatives and amortised cost	487	314
Changes in translation reserve	(185)	(589)
Changes to financial assets	2.272	-
IFRS 16	(70)	-
Change in net financial position	(7.368)	(12.584)
Opening net financial position	153.690	130.503
Closing net financial position	161.058	143.087

Cash flows for the first quarter of 2024 show the generation of cash flows from current operations in the amount of Euro 4.0 million against Euro 9.1 million of the same period 2023, difference due to economic performance in the two periods.

In the first quarter of 2024, the **absorption of working capital** was Euro 7.2 million against an absorption of Euro 14.4 million of the same period 2023.

Inventories absorbed Euro 7.0 million in the first quarter of 2024 while in the same period 2023 it absorbed Euro 9.2 million - a trend that reflects the seasonality of the Heating & Ventilation business and the level of the order backlog in the Smart Gas Metering business. In the first quarter of 2024, trade receivables and trade payables maintained essentially the same level as at the beginning of the year. The amount of trade receivables in the first quarter of 2024 reflects a different factoring policy compared to the same period in the previous year.

For **other items in current assets**, it should be noted that in the first quarter of 2023, cash settlement with a customer dispute occurred as part of the agreement reached in the third quarter of 2022.

The **investment flows** amount to Euro 4.4 million against Euro 5.0 million in the first quarter of 2023.

Cash flows from operations after capital expenditures amounted to Euro -7.6 million against Euro -10.3 million in the first quarter of 2023.

Cash flows from financial operations in the first quarter of 2024 included interest of Euro 2.3 million against Euro 2.0 million in the first quarter of 2023.

Subsequent events

SIT-MBT S.r.l., SIT's company in the cooker hood fan business, started operations on April 1, 2024.

On April 22 and April 23, 2024, agreements amending the relevant loan agreements were signed with the Company's main medium-term lenders, as disclosed in the press release of April 24, 2024, pertaining to the approval of the draft 2023 Financial Statements.

Outlook

During the first months of 2024, the Metering business showed a positive performance, with an expected high single digit growth for the entire year. This positive performance is boosted by the awarding of major tenders in recent months, the progress of ongoing projects with primary customers, and substantial investments made by utilities.

The Heating & Ventilation business unit is expected to recover over the course of the year, with the second quarter expected to be a single-digit reduction from the previous year. Visibility on the second half of the year indicates potential improvement compared to the first six months.

The group's focus for 2024 will be on improving margins (EBITDA) by reducing fixed costs by about Euro 2 million and reorganizing the production set-up by Euro 2.5 million. At the consolidated level, the expected increase in EBITDA margin is expected to be between 100 and 200 basis points.

Planned investments, which will amount to approximately Euro 20-25 million, will be focused mainly on the R&D area and the completion of the Company's new headquarters. Net financial debt is expected to be between Euro 140 and 147 million, a reduction from 2023 and the figure reported as of March 31, 2024.

Declaration of the manager responsible for the preparation of the Company's accounts

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 press release are fairly representing the accounts and the books of the Company. This press release and the results presentation for the period are available on the website www.sitcorporate.it in the Investor Relations section.

Today at 16:00 CEST, SIT management will hold a conference call to present to the financial community and press the results for the period. You may participate through the following link: <https://shorturl.at/lrIJY>

The support documentation shall be published in the "Investor Relations" section on the company website (www.sitcorporate.it) before the conference call.

SIT, through its Business Units Heating & Ventilation, Smart Gas Metering, and Water Metering, creates intelligent solutions for environmental condition control and consumption measurement for a more sustainable world. A multinational leader in its reference markets and listed on the Euronext Milan segment, SIT aims to be the leading sustainable partner for energy and climate control solutions serving client companies, paying great attention to experimentation and the use of alternative gasses with low environmental impact. The group has production sites in Italy, Mexico, Romania, China, Tunisia, and Portugal, and has a commercial structure covering all global reference markets. SIT adheres to the United Nations Global Compact and its related principles that promote a responsible way of doing business and has obtained the Gold sustainability rating by EcoVadis. SIT is also a member of the European Heating Industry and the European Clean Hydrogen Alliance, as well as the Water Value Community for Italy - www.sitcorporate.it/en

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Annex 1
BALANCE SHEET

(Euro.000)	31/03/2024	31/12/2023
Goodwill	70.946	70.946
Other intangible assets	49.752	50.781
Property, plants and equipment	103.758	105.270
Investments	657	657
Non-current financial assets	3.768	2.533
Deferred tax assets	19.386	18.874
Non-current assets	248.267	249.061
Inventories	90.852	83.315
Trade receivables	63.300	63.458
Other current assets	13.664	14.264
Tax receivables	3.577	3.752
DOther current assets	7.241	6.630
Cash and Cash Equivalents	6.271	8.700
Current assets	184.904	180.119
Total assets	434.059	429.181
Share capital	96.162	96.162
Total Reserves	48.231	70.350
Net Profit	(1.846)	(23.388)
Minority interests net equity	-	-
Shareholders' Equity	143.435	143.124
Medium/long-term loans and borrowings	58.861	58.182
Other non-current financial liabilities and derivative financial instruments	50.814	51.434
Provisions for risks and charges	11.027	10.513
Post-employment benefit provision	4.819	5.096
Other non-current liabilities	6	6
Deferred tax liabilities	11.735	12.094
Non-current liabilities	137.262	137.325
Short-term bank loans	51.500	50.809
Other current financial liabilities and derivative financial instruments	13.397	8.596
Trade payables	67.691	66.915
Other current liabilities	19.556	20.768
Tax payables	1.218	1.645
Current liabilities	153.362	148.733
Total Liabilities	290.624	286.057
Total Shareholders' Equity and Liabilities	434.059	429.181

Annex 2
INCOME STATEMENT

(Euro.000)	1Q 2024	1Q 2023
Revenues from sales and services	69.045	83.552
Raw materials, ancillaries, consumables and goods	41.924	51.309
Change in inventories	(7.030)	(10.246)
Services	11.033	13.169
Personnel expense	19.068	20.699
Depreciation, amortisation and write-downs	7.021	6.712
Provisions	159	126
Other charges (income)	(2.637)	188
EBIT	(493)	1.597
Investment income/(charges)	-	-
Financial income	128	539
Financial charges	(1.885)	(2.215)
Net exchange gains (losses)	199	251
Impairments on financial assets	-	-
Profit before taxes	(2.051)	172
Income taxes	206	1.166
Net profit for the year	(1.846)	1.338
Minority interest result	-	-
Group net profit	(1.846)	1.338

Annex 3
CASH FLOW STATEMENT

(Euro.000)	2024/03	2023/03
Net profit	(1.846)	1.338
Amortisation & depreciation	6.845	6.697
Non-cash adjustments	(2.520)	549
Income taxes	(208)	(1.168)
Net financial charges/(income)	1.757	1.676
CASH FLOW FROM CURRENT ACTIVITIES (A)	4.028	9.092
Changes in assets and liabilities:		
Inventories	(6.983)	(9.228)
Trade receivables	435	13.137
Trade payables	541	(7.117)
Other assets and liabilities	(1.087)	(9.829)
Income taxes paid	(62)	(1.384)
CASH FLOW GENERATED (ABSORBED) FROM CHANGES IN WORKING CAPITAL (B)	(7.156)	(14.421)
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	(3.128)	(5.329)
CASH FLOW FROM INVESTING ACTIVITIES (C)	(4.439)	(5.801)
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)	(7.567)	(11.130)
Financing activities:		
Interest paid	(682)	(617)
Repayment of non-current financial payables	(2.289)	-
Increase (decrease) current financial payables	7.750	4.946
Increase (decrease) other financial payables	(753)	(753)
New loans	1.297	5.000
CASH FLOW FROM FINANCING ACTIVITIES (D)	5.323	8.576
Change in translation reserve	(185)	(589)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	(2.429)	(3.143)
Cash & cash equivalents at beginning of the year	8.700	23.535
Increase (decrease) in cash and cash equivalents	(2.429)	(3.143)
Cash & cash equivalents at end of the year	6.271	20.392