



## PRESS RELEASE

**2018Q3 REVENUES: EURO 269,4 MILLION (+14,3%)**  
**EBITDA ADJUSTED: EURO 38,5 MILLION (+8,2%, 14,3% ON REVENUES)**  
**NET INCOME: EURO 16,5 MILLION**

**Padova, 3 dicembre 2018**

The Board of Directors of SIT S.p.A. ("SIT") listed on the MTA segment of the Italian Stock Exchange, ISIN code IT0005262149, at today's meeting chaired by Mr. Federico de Stefani reviewed and approved the Group's 2018Q3 financial results.

### Key financials

- UNAUDITED -

(Euro.000)	2018Q3	%	2017Q3	%	change %
Revenues from contracts with customers	269.397	100,0%	235.796	100,0%	14,3%
Adjusted EBITDA <sup>(1)</sup>	38.515	14,3%	35.605	15,1%	8,2%
EBITDA	34.708	12,9%	34.661	14,7%	0,1%
Adjusted EBIT <sup>(1)</sup>	24.360	9,0%	21.851	9,3%	11,5%
EBIT	20.552	7,6%	20.907	8,9%	(1,7%)
EBITA <sup>(2)</sup>	25.258	9,4%	25.614	10,9%	(1,4%)
Adjusted Financial charges <sup>(3)</sup>	3.158	1,2%	18.242	7,7%	(82,7%)
Financial income	6.516	2,4%	442	0,2%	1.374%
Adjusted Net income <sup>(4)</sup>	16.529	6,1%	(1.449)	(0,6%)	1.240%

(Euro.000)	30/09/2018	31/12/2017	30/09/2017
Net financial position	92.447	65.105	83.798
Net trade working capital	50.123	21.889	39.704
Net trade working capital/Revenues (annualized)	13,9%	6,8%	12,5%

<sup>(1)</sup> Adjusted EBITDA and adjusted EBIT are net of non-recurring income and charges. Non-recurring charges in 2018Q3 amount to Euro 3.808 thousand, of which Euro 2.452 thousand consisting of severance package following the mutual resolution of the General Manager's contract, Euro 1.410 thousand of service costs, mostly related to transiting project to MTA market, asset disposal gains of Euro 54 thousand. In the same period of 2017, net non-recurring charges amounted to Euro 944 thousand net, of which Euro 952 thousand of personnel costs for organizational restructuring and the remaining for asset disposal gains.

<sup>(2)</sup> EBITA is EBITDA net of the amortization of Purchase Price Allocation for Euro 4.706 thousand net of deferred tax effect of Euro 1.313 thousand, deriving from the acquisition of SIT la precisa S.p.A. in 2014.

<sup>(3)</sup> Financial charges 2017Q3 are adjusted for non-recurring, non-cash charges due to fair value accounting of the reverse merger with SPAC Industrial Stars of Italy 2, effective from July 20, 2017. The amount is equal to Euro 31.321 thousand calculated as the difference between the market value of SIT shares on the merger date and the fair value of the SPAC's assets and liabilities incorporated by SIT. 2017Q3 includes one off charges for amortized cost write off and unwinding of Interest rate swaps for respectively Euro 7.509 thousand and Euro 1.989 thousand incurred for early reimbursement of existing facilities.

<sup>(4)</sup> Net income 2017Q3 is adjusted for non-recurring, non-cash charges due to fair value accounting of the reverse merger with SPAC Industrial Stars of Italy 2, effective from July 20, 2017. The adjustment is equal to Euro 31.321 thousand.



## Revenues

2018Q3 revenues of Euro 269,4 million show an all organic growth of 14,3% (Euro 33,6 million) on 2017Q3 (Euro 235,8 million). 2018Q3 growth was 15,7% at same forex rates.

(Euro.000)	2018Q3	%	2017Q3	%	change	%change
Heating	212.240	78,8%	200.964	85,2%	11.276	5,6%
Smart Gas Metering	56.941	21,1%	34.549	14,7%	22.392	64,8%
Total product sales	269.181	99,9%	235.513	99,9%	33.668	14,3%
Other revenues	216	0,1%	283	0,1%	(67)	(23,7%)
<b>Total revenues</b>	<b>269.397</b>	<b>100%</b>	<b>235.796</b>	<b>100%</b>	<b>33.601</b>	<b>14,3%</b>

Heating Division revenues show a growth of 5,6% driven by European and American markets (respectively +10,3% and +4,6%, America is +12,1% at same forex rate). China (5,9% of Divisional sales), after a very strong 2017Q3, is slowing down (-23,5%) as government incentive program ("coal to gas policy") is currently on hold for delays in local infrastructure gas network.

Smart Gas Metering sales, mostly domestic, account for Euro 56,9 million with an increase of 64,8% vs last year.

## Financials

EBITDA Adjusted of Euro 38,5 million, with an organic growth of 8,2% (+8,8% at same forex rates) vs. 2017Q3 of Euro 35,6 million, falls short of revenue growth due to additional costs incurred to support the significant increase in demand, related production inefficiencies and increase in external costs such as electronic components and raw materials.

Financial income, equal to Euro 6,5 million, refers mostly to change in fair value of SIT Warrants and Performance Shares for Euro 5,9 million and Interest rate swaps for Euro 0,5 million.

Adjusted Net income improves by Euro 18,0 million vs. same period of last year.

Net financial position is Euro 92,4 million vs Euro 65,1 at 31.12.2017 and Euro 83,8 at 30.09.2017. The increase vs end of 2017 is mainly due to increase in capex (Euro 21,9 million vs Euro 9,5) and the swing in trade working capital (net increase of Euro 28,2 million); finally, non-recurring items impact the net financial position for Euro 4,0 million.

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## Regulatory statements

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.



# SITspa

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SIT develops, produces and distributes components and systems for controls and safety of gas-based domestic heating and catering equipment. The Group operates in the Smart Gas Metering sector, producing new generation remote meters with real-time consumption readings and communication.

It includes production companies located in Italy, Mexico, The Netherlands, Romania and China, in addition to a commercial and distribution network covering all global markets.

**SIT S.p.A.**

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