



**Corporate presentation and
9M 2021 results**

December 2, 2021

AGENDA

1. **Company overview**
2. **Green paper and ESG snapshot**
3. **Key financials**
4. **9M 2021 results**
5. **Heating business**
6. **Metering business**
 - Smart Gas Metering
 - Water Metering



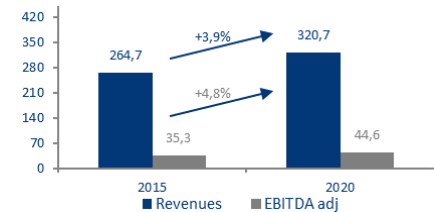
Annex: Regulatory statement and disclaimer

Company overview



SIT at a glance

- SIT develops and manufactures **measuring devices for the gas and water meters sector** and **systems** for safety and high performance of **domestic gas appliances**
- SIT currently operates in **two business divisions**:
- **Heating**: SIT has a dominant position in all segments of the **domestic gas heating** and large catering sector
- **Metering**: SIT has developed a highly innovative technology that has enabled a stunning growth in the Italian **smart gas meter market** reaching $\approx 35\%$ market share and over €88m turnover in 2019
- In 2020 SIT acquired **JANZ**, an established player of the **water metering market** with leadership position in the Iberian area and Latin America
- Over **65% of the sales are realized outside Italy** through a global sales network coverage
- SIT holds over **80 patents** and strong co-development relationships with long term customers
- Sustained and consistent organic growth in both revenues (3,9% 5Y sales CAGR) and margins (4,8% 5Y EBITDA adj CAGR)



Heating

- SIT develops and manufactures components and systems for control, performance, emission regulation and safety of gas appliances for domestic heating and large catering facilities
- 2020 business sales: €249,0m (77,6%)



Products



Mechanical controls



Electronic controls



Integrated systems



Fans



Flue exhaust systems

Appliances



Boilers



Water heaters



Fireplaces



Pellet stoves



Space heaters



Instantaneous water heaters



Professional cooking and catering

Customers



BOSCH



Vaillant

LENNOX



BAXI



Electrolux



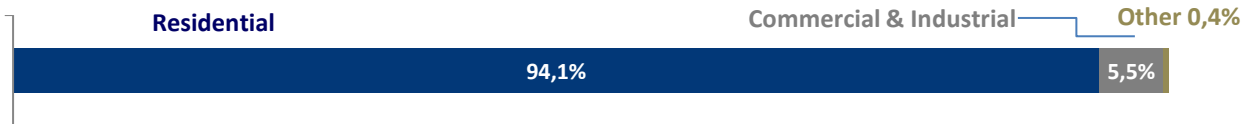
ARISTON
THERMO GROUP

VIESSMANN



- SIT has developed a new generation of connected and remotely controlled static gas meters that measure directly the gas consumption in cubic meters (without need of any compensation devices)

- 2020 business sales: €68,6m (21,4%)



Products



Residential Smart Gas Meters



Commercial & Industrial Smart Gas Meters

Appliances



Smart Grids

Customers



Water Metering

- Founded in 1915 and based in Lisbon, JANZ develops solutions for the water management market. The company produces and distributes water meters – within a fully integrated manufacturing process – water meters components and accessories. JANZ offers also water meter repair services
- Product portfolio includes volumetric meters, single-jet meters and multi-jet meters also with telemetry applications “My Water” as well as chambers, registers and other OEM components

Products



Residential meters



Industrial and commercial meters



Chambers

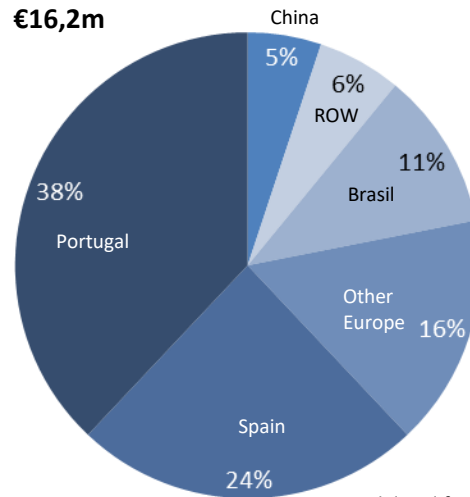


Registers



Technology and accessories

2020 sales by geography



Consolidated from 1.1.21

Customers



Global coverage...



...on a local for local production base

Italy – Padova, HQ and R&D Labs



- All centralized SG&A functions
- R&D (mechanical controls, electronics, integrated systems, new product platforms)
- Labs for R&D and reliability (new project will upgrade and expand lab facilities for both Heating and Smart Gas Metering and for hydrogen and biogas applications)

Italy - Milano

MeterJit



- Smart Gas Metering head office
- Sales & tender management
- R&D department
- Procurement & quality

Italy – Rovigo, Macerata



- Mechanical controls, Integrated systems, Sensors, Smart Gas Meters
- Captive aluminum die casting and machining
- High volumes automated assembly lines
- Flue exhaust systems, Fans

Portugal – Lisbon

- Water metering HQ
- R&D facilities
- Water meter, registers and volumetric chambers production

JANZ



Tunisia – Tunis



- Plastics suppliers insourced in Jul 2020
- Newco established in Nov 2020
- Electronics for Metering and Heating applications
- Start of production in Q2 2021

Romania - Brasov



- Mechanical controls, Integrated systems, Smart Gas Meters
- High and low volumes assembling
- Direct shipments

Netherlands - Hoogeveen



- Electronic controls
- Electronics R&D
- European and US customers

Mexico - Monterrey



- Mechanical controls
- Markets served: N.A.F.T.A., Australia and Argentina

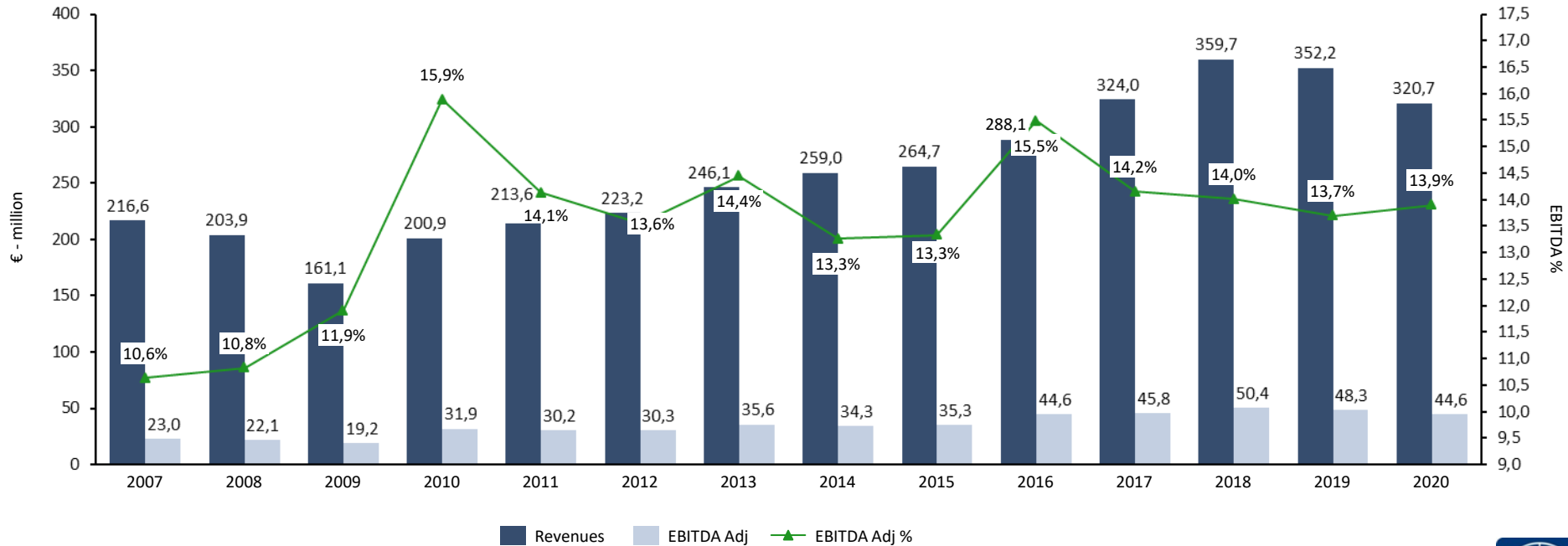
China - Suzhou



- Mechanical controls
- Purchasing hub
- Located since 2014
- Local and international OEM customers

A strong organic growth path

- In the long run SIT has achieved stable and solid organic growth rates both in revenues and margins
- In the 10y ending in 2019, before Covid impact, CAGR was 8,1% in revenues and 9,4% in EBITDA adj
- SIT business model maintains strong resilience in global slowdowns, in both 2009 and 2020 crisis
- Rebound in 2010 and 2021E thanks to core business nondiscretionary demand





Green Paper

MISSION:

“Our commitment is to create smart solutions for climate control and consumption measurement for a more sustainable world”



- INCREASED AUTOMATION OF PROCESSES
- DATA DRIVEN TRANSPARENCY & MONITORING OF RESOURCES
- VALUE ADDED SERVICES FOR CUSTOMER



- PEOPLE ENGAGEMENT & DEVELOPMENT
- DIVERSITY, INCLUSION, EQUAL OPPORTUNITIES
- HEALTH & SAFETY
- WELFARE & WORK-LIFE BALANCE

STAKEHOLDER:



- LONG TERM SUSTAINABLE ECONOMIC PERFORMANCE
- INTERNATIONAL MARKET PRESENCE
- VALUE DISTRIBUTION AMONG STAKEHOLDERS
- CUSTOMER SATISFACTION



- CORPORATE GOVERNANCE
- RISK MANAGEMENT
- BUSINESS ETHICS & INTEGRITY
- REGULATORY COMPLIANCE
- RELATIONS WITH INSTITUTIONS



- ENABLE HYDROGEN / LOW CARBON TRANSITION
- SUPPLY CHAIN SUSTAINABLE DEVELOPMENT
- ENERGY & WATER CONSUMPTIONS MANAGEMENT
- WASTE RECYCLING
- DECREASE OF CO2 EMISSIONS X UNIT

ESG snapshot

- In July 2021 SIT appointed an **executive director** in charge of Sustainability
- Consequently, a new **sustainability governance** was defined and deployed with a group sustainability steering committee -> sustainability corporate team -> sustainability local units for a total of ≈ 35 members
- 2021-2023 **long term incentive** program was issued with 20% of payout related to ESG KPI
- 2021 yearly **MBO** program includes ESG targets with 20-25% weight on total KPI
- During 2021 all debt portfolio has been refinanced with **ESG linked new finance** (Euro 130m)
- Current **composition of the BoD** is 4 out of 7 independent (57,1%) and 3 out of 7 female (42,9%)

ESG business news flow

SIT's news flow highlights consistency between business development and sustainability strategy:



- Dec 10 2019 - SIT and BOSCH co-operate to develop a **gas valve solution for hydrogen boilers**
- Jan 30 2020 - SIT, green heating is already here: **“We are ready for biomethane”** - *The world leader in components for boilers and related systems has already developed products that are bio-ready and biomethane-compatible*
- Oct 15 2020 - **SIT acquires the Portuguese Janz and enters the water meters market** - *“Our goal is to develop an international smart meter hub”*
- Nov 24 2020 - **SIT joins the European Clean Hydrogen Alliance**  
- May 3 2021 - **MeterSIT meters used in the first 100% hydrogen houses**, developed by Northern Gas Networks in the UK - *The houses, which will be completed in May 2021, will be powered entirely by hydrogen, allowing the public to witness first-hand and interact with domestic appliances created to order by the world's leading companies*
- Nov 8 2021- At **COP26** the hydrogen meter made by SIT is displayed together with BEIS  
- Nov 22 2021 - **The first MID-certified 100% hydrogen meter in the world is Italian and is produced by SIT** - *The "MID - Measuring Instruments Directive" certification, issued to MeterSIT by the Dutch NMI, certifies the accuracy and reliability of the Domusnext® 2.0 MMU6 H2* 

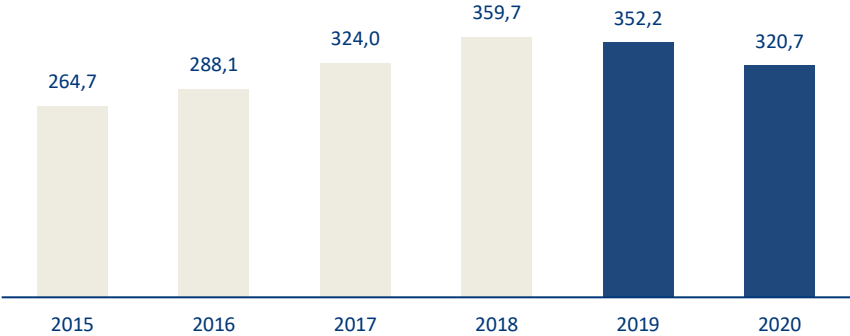


Key financials

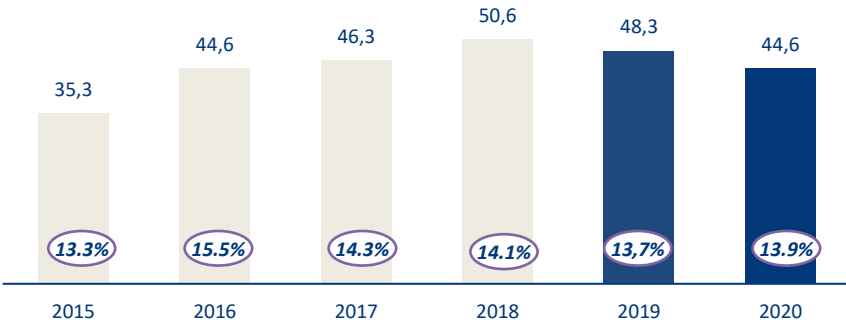


Consolidated yearly financials

Consolidated revenues (€m)

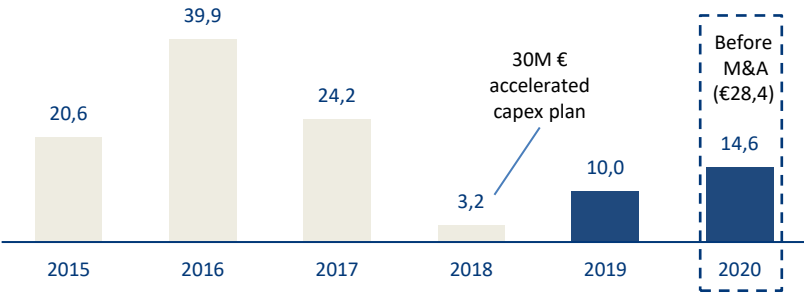


EBITDA adjusted (€m)

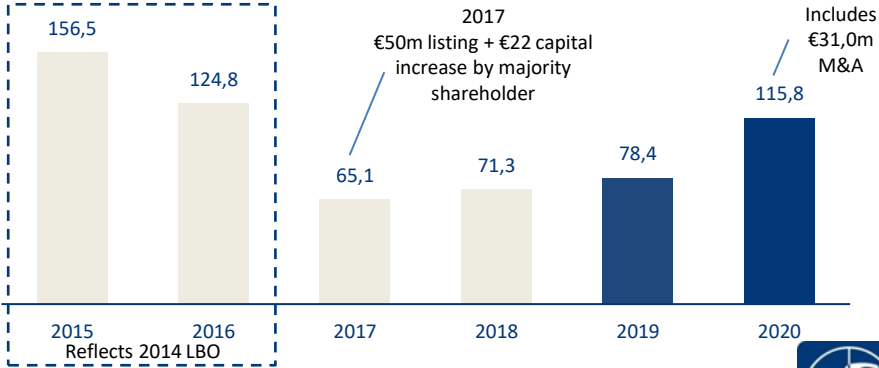


Cash flow from operations (€m)

CFO is before debt service



Net debt (€m)



2021 9M - Key financials

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Revenues	286,2	100,0%	227,0	100,0%	26,1%
EBITDA	42,0	14,7%	32,4	14,3%	29,5%
EBIT	23,1	8,1%	15,1	6,7%	52,4%
EBT	12,0	4,2%	13,2	5,8%	(8,8%)
Net income	9,1	3,2%	11,4	5,0%	(20,0%)
Net Income adjusted	15,8	5,5%	11,8	5,2%	33,7%
Cash flow from operations	7,0		(5,6)		
NTWC	62,0		58,2		
Net financial debt	123,7		96,7		

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Revenues	96,0	100,0%	93,6	100,0%	2,5%
EBITDA	13,1	13,6%	17,2	18,4%	(24,3%)
EBIT	6,8	7,1%	11,3	12,1%	(39,8%)
EBT	0,6	0,7%	9,6	10,2%	(93,2%)
Net income	(0,4)	(0,4%)	7,6	8,1%	(105,6%)
Net Income adjusted	5,3	5,5%	8,2	8,8%	(35,6%)

- 9M consolidated revenues account 26,1% growth (19,4% at same perimeter)
- Divisional trends:
 - Heating: 9M +26,7%, Q3 +9,4%
 - Metering: 9M +22,6% , Q3 -19,5%
- EBITDA at €42,0m vs €32,4m improves by 29,5%
- EBIT at €23,1m (8,1% of revenues) vs €15,1m (6,7%)
- Net income of €9,1m vs €11,4m (includes one off tax revenue for Patent Box ruling of €1,8m and nonrecurring financial charges for €8,6m, of which €7,6 due to FV of Warrants)
- Net income adjusted at €15,8m, 5,5% of revenues vs 5,2% of previous year, with 33,7% increase
- Cash flow from operations is €7,0m after capex for €19,6m
- NTWC of €62,0m, 16,2% of revenues vs 19,2% of previous year even after JANZ consolidation
- Net financial debt stands at €123,7m vs 2020-year end of €116,1m and previous year of €96,7m (before M&A of €31,7m)

Consolidated revenues – 9M

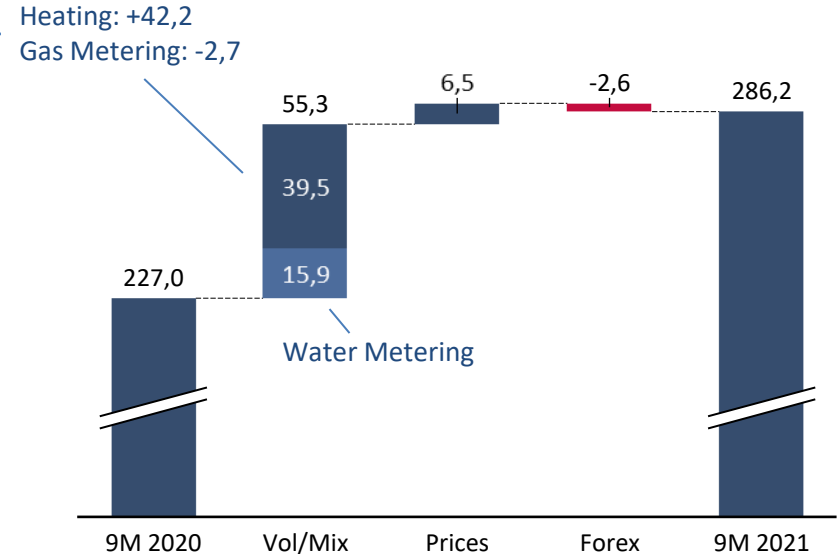
Breakdown by Division

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Heating	220,9	77,2%	174,3	76,8%	26,7%
Metering	62,0	21,7%	50,6	22,3%	22,6%
Total business sales	282,9	98,8%	224,9	99,1%	25,8%
Other revenues	3,3	1,2%	2,1	0,9%	59,2%
Total revenues	286,2	100,0%	227,0	100,0%	26,1%

Breakdown by geography

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Italy	89,7	31,3%	78,4	34,5%	14,5%
Europe (excluding Italy)	120,3	42,1%	90,9	40,0%	32,4%
America	52,6	18,4%	40,1	17,7%	31,1%
Asia/Pacific	23,6	8,3%	17,6	7,8%	33,9%
Total revenues	286,2	100,0%	227,0	100,0%	26,1%

Consolidated revenue bridge (€m)



Consolidated revenues – Q3

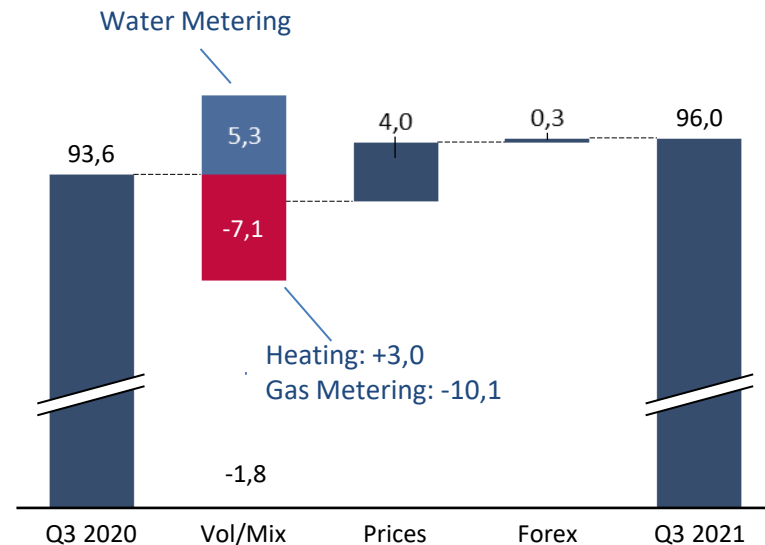
Breakdown by Division

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Heating	76,2	79,4%	69,6	74,4%	9,4%
Metering	18,8	19,6%	23,4	25,0%	(19,5%)
Total business sales	95,0	99,0%	93,1	99,5%	2,1%
Other revenues	0,9	1,0%	0,5	0,5%	85,9%
Total revenues	96,0	100,0%	93,6	100,0%	2,6%

Breakdown by geography

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Italy	30,7	32,0%	34,8	37,2%	(11,6%)
Europe (excluding Italy)	37,7	39,3%	35,9	38,4%	4,9%
America	18,8	19,6%	15,6	16,7%	20,3%
Asia/Pacific	8,7	9,1%	7,2	7,7%	20,6%
Total revenues	96,0	100,0%	93,6	100,0%	2,6%

Consolidated revenue bridge (€m)



Heating sales

9M Heating sales

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Italy	43,0	19,5%	31,1	17,9%	38,2%
Europe (excluding Italy)	104,7	47,4%	84,9	48,7%	23,4%
America	51,0	23,1%	39,7	22,7%	28,7%
Asia/Pacific	22,1	10,0%	18,7	10,7%	18,5%
Total business sales	220,9	100,0%	174,3	100,0%	26,7%

Q3 Heating sales

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Italy	14,3	18,8%	12,5	17,9%	14,5%
Europe (excluding Italy)	36,1	47,4%	34,0	48,8%	6,3%
America	18,2	23,9%	15,2	21,8%	19,9%
Asia/Pacific	7,6	10,0%	8,0	11,5%	(5,6%)
Total business sales	76,2	100,0%	69,6	100,0%	9,4%

- Divisional sales:
 - 9M +26,7%, +28,2% at same forex
 - Q3 +9,4%, +9,0% at same forex
- Italy. 9M accounts +38,2%, €11,9m increase vs previous year supported by Central Heating demand; main product family's performance are Mechanical controls (+€5,8m, +39,0%) Fans (+€5,5m, +53,3%) and Flues kits (+€0,6m, +43%)
- Europe. 9M reports increase (€19,8m) in all geographies. Turkey (12,1% of Divisional sales) is up €6,5m, +32,2%, due to OEM demand in Central Heating; UK, (7,5% of Divisional sales) is up €2,6m, +18,3%; Central Europe markets grow €3,2m, +27,6%
- America. 9M sales are up €11,4m, +28,7%, +36,3% at same forex
- Asia/Pacific. 9M accounts increase for €3,4m, +18,5% vs previous year; China, 6,4% of divisional sales, accounts +€4,3m, +42,8% y/y as retail market picks up

Metering sales

9M Smart Gas Metering

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Residential	42,8	91,7%	47,5	94,0%	(9,9%)
Commercial & Industrial	3,6	7,7%	2,8	5,5%	29,5%
Other	0,3	0,6%	0,2	0,5%	20,8%
Total business sales	46,7	100,0%	50,6	100,0%	(7,6%)

Q3 Smart Gas Metering

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Residential	12,5	92,8%	22,1	94,6%	(43,5%)
Commercial & Industrial	0,9	6,4%	1,2	4,9%	(24,5%)
Other	0,1	0,8%	0,1	0,5%	(4,9%)
Total business sales	13,5	100,0%	23,4	100,0%	(42,3%)

9M Water Metering

€m, unless otherwise stated	9M 21	%	9M 20	%	Chg. YoY
Water meters, finished	7,7	50,6%	5,5	47,1%	39,7%
Water meter parts	6,5	42,7%	5,4	45,8%	21,5%
Other	1,0	6,7%	0,8	7,1%	23,7%
Total business sales	15,3	100,0%	11,7	100,0%	30,2%

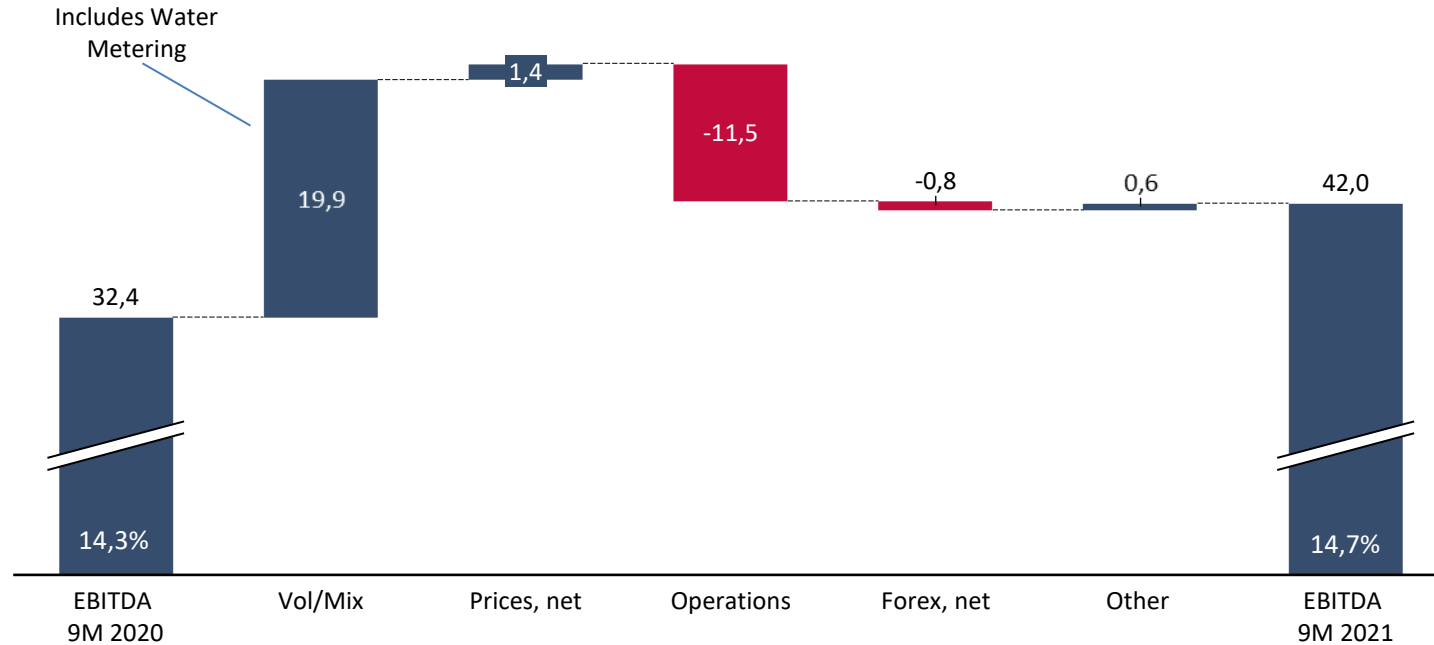
2020 Water Metering only for comparison, consolidated from 2021

Q3 Water Metering

€m, unless otherwise stated	Q3 21	%	Q3 20	%	Chg. YoY
Water meters, finished	2,8	51,6%	2,6	64,6%	5,2%
Water meter parts	2,2	41,7%	1,8	43,4%	26,6%
Other	0,4	6,6%	(0,3)	(7,9%)	(209,8%)
Total business sales	5,3	100,0%	4,1	100,0%	31,6%

2020 Water Metering only for comparison, consolidated from 2021

EBITDA bridge – 9M



Euro millions



From EBITDA to net income – 9M

€m, unless otherwise stated	9M 21	% of sales	9M 20	% of sales	Chg. YoY
EBITDA	42,0	14,7%	32,4	14,3%	29,5%
D&A, impairment of assets	18,9		17,3		
EBIT	23,1	8,1%	15,1	6,7%	52,4%
Net financial (charges)/income	(11,5)		(3,1)		
Net forex (charges)/income	0,5		1,1		
EBT	12,0	4,2%	13,2	5,8%	(8,8%)
Taxes	(2,9)		(1,8)		
Net income	9,1	3,2%	11,4	5,0%	(20,0%)
Net financial (charges)/income adjusted	(2,9)	(1,0%)	(2,7)	(1,2%)	9,6%
Net income adjusted	15,8	5,5%	11,8	5,2%	33,7%

- D&A is 6,6% of revenues vs 7,6% of previous year; includes additional Janz PPA amortisation of €0,9m
- EBIT of €23,1m at 8,1% of revenues, +52,4%
- Net financial charges include change in FV of Warrants for €7,6m; unwinding of IRS for €0,6m and write off of amortized cost for € 0,4m due to Q3 refinancing
- Net forex income of €0,5m vs €1,1m
- YTD 21 taxes includes one off revenue for Patent Box ruling for €1,8m, net
- Net income of €9,1m at 3,2% of revenues vs 5,0% of previous year
- Net financial charges adjusted are net of FV accounting effects of equity instruments and refinancing effects
- Net income adjusted at €15,8m at 5,5% vs 5,2% of previous year, +33,7%

Net trade working capital

€m, unless otherwise stated	2021.09	2020.12	YTD change	2020.09	2019.12	YTD change	YoY change
Inventory	69,5	56,6	12,9	57,6	51,1	6,5	11,8
Accounts receivables	66,6	65,4	1,3	63,2	57,2	6,0	3,4
Accounts payables	(74,1)	(72,2)	(1,9)	(62,7)	(73,3)	10,6	(11,4)
Net Trade Working Capital	62,0	49,7	12,3	58,2	35,0	23,2	3,9
<i>NTWC/Revenues</i>	<i>16,2%</i>	<i>15,5%</i>	<i>0,7%</i>	<i>19,2%</i>	<i>9,9%</i>	<i>9,3%</i>	<i>-3,1%</i>

- YoY change includes increase of NTWC for JANZ of €7,6m

- Reported 2021 NTWC YTD increase of €12,3m reflects Inventory trend to support Heating sales seasonality
- Reported 2020 NTWC YTD reflected covid related contingency plan and supply chain support provided to vendors

Cash flow and net debt

Change in net debt

€m, unless otherwise stated	9M 21	9M 20
Current cash flow	42,8	33,9
Change in NTWC	(12,2)	(23,1)
Inventory	(12,6)	(8,4)
Accounts Receivables	(1,0)	(6,8)
Accounts Payables	1,5	(8,0)
Other working capital	(4,0)	(7,1)
Capex, net	(19,6)	(9,2)
Cash flow from operations	7,0	(5,6)
Financial charges	(3,2)	(2,0)
Dividends paid	(6,9)	(3,5)
IFRS 16 - Leases	(1,5)	(2,7)
Other	(3,0)	(4,6)
Change in net debt	(7,6)	(18,3)
Net debt - BoP	116,1	78,4
Net debt - EoP	123,7	96,7

- Current cash flow reflects significant improvement in EBITDA
- NTWC absorbs €12,2m due to increase in Inventory for €12,6m that reflects seasonality in Heating sales, and increase in volumes for both AR and AP
- Capex of €19,6m in line with forecasted project pipeline, includes Tunisian plant setup and acquisition of NGA assets for electronic SWH controls and ramp up of New R&D labs
- Dividends paid in 2021 amount to €6,9m vs €3,5m in previous year

Net financial position

€m, unless otherwise stated	30/09/2021	31/12/2020	30/09/2020
(Cash & cash equivalents)	(41,7)	(42,3)	(34,0)
Current debt, net	24,8	46,4	35,8
Non current debt	121,6	91,9	85,5
MTM derivatives & M&A debt	3,9	4,4	2,6
IFRS 16 - Leases	15,1	15,7	6,9
Net debt - EoP	123,7	116,1	96,7

ESG financing:

Aug 21: €90m, 5y bank loan refinancing with interest margins linked to ESG KPI

- Net Debt/EBITDA: 2,28x vs 2,60x vs 2,26x of previous year

Final comments and 2021 outlook

Outlook confirms 2021FY guidance provided at H1 reporting:

- In the second half of 2021 SIT expects consolidated sales in line with reported H1 sales
- YoY sales are expected to grow by 15-20% at both consolidated and divisional level including the contribution of the Water Metering business
- In the Smart Gas Metering, in 2021FY, the foreign market will contribute for 5-10% of divisional sales
- Consolidated EBITDA expected to grow vs previous year, with margin in line
- Expected improvement of H1 net financial position by year end, after accelerated capex plan including NGA business line, Tunisian plant start up and New Labs

The assumptions included in current estimates consider a macroeconomic scenario not conditioned by unforeseeable events. If the economic situation were to undergo significant changes, the actual values could differ from the forecast data

SIT shares

Current shareholder base

Shareholder base at Oct. 2021	n. ordinary shares	%
SIT Technologies S.p.A	18.725.779	74,9%
Treasury shares	649.418	2,6%
Market	5.632.268	22,5%
Total	25.007.465	100,0%

- No outstanding special or performance shares

ISIN	IT0005262149
Bloomberg	SIT:IM
Reuters	SIT.MI
Industry	INDUSTRIA
Super Sector	EDILIZIA E MATERIALI
Market Segment	MTA

Comments

- Outstanding SIT Warrants: n. 5.224.733
- SIT Technologies holds n. 3.113.314 SIT Warrants

- Convertible between share price of €9,30 - € 13.00 (with a max of 0.2868 conversion rate)
- Expiring in July 2022
- Max n. of ordinary shares to be issued due to warrant exercise: 1.498.453

- Dividends paid since public listing:
 - €0,25 per share in 2018
 - €0,28 per share in 2019
 - €0,14 per share in 2020 (*Covid contingency plan*)
 - €0,28 per share in 2021

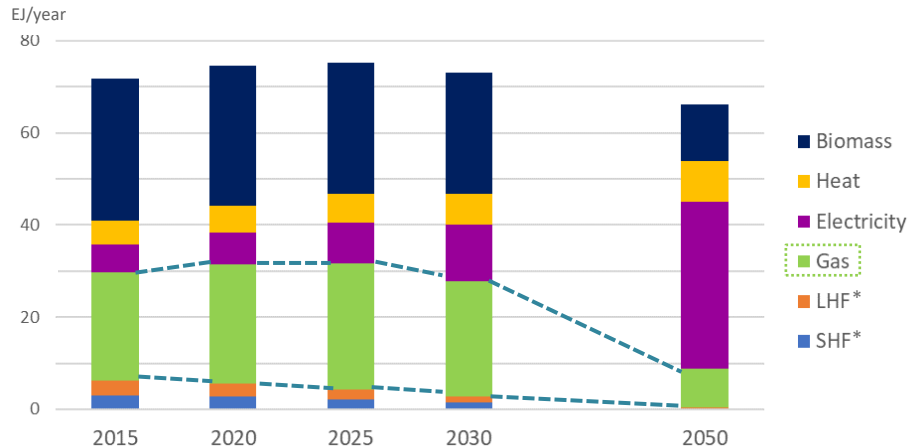
Market scenario and priorities for SIT



Decarbonization

Scenario macro trends

Global residential heating and cooking



*LHF: Liquid Hydrocarbon Fuel

*SHF: Solid Hydrocarbon Fuel

Implications and priorities for SIT

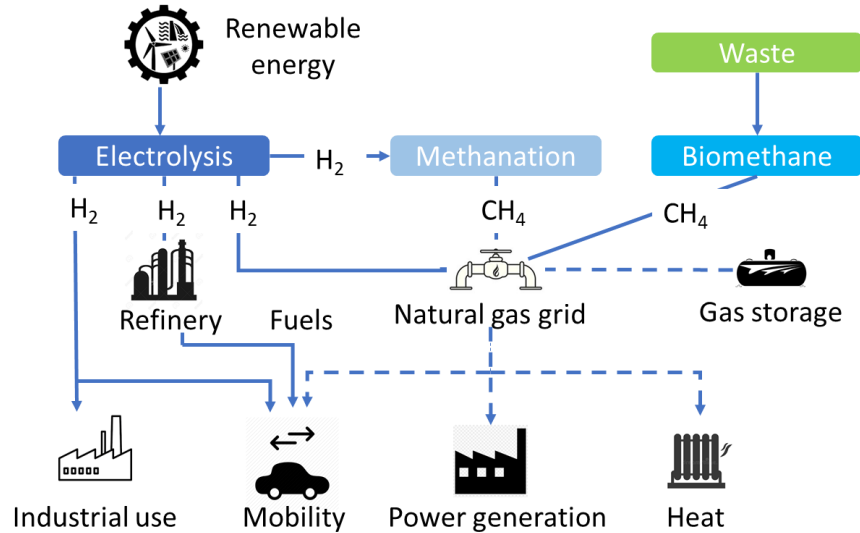
- Gas will maintain a key role at least for the next decade
- Maximize return from current profit pool
- Evaluate adjacencies not linked to gas consumption for mid-long term opportunities

Power to gas

Scenario macro trends

Implications and priorities for SIT

Power to gas and H₂ role

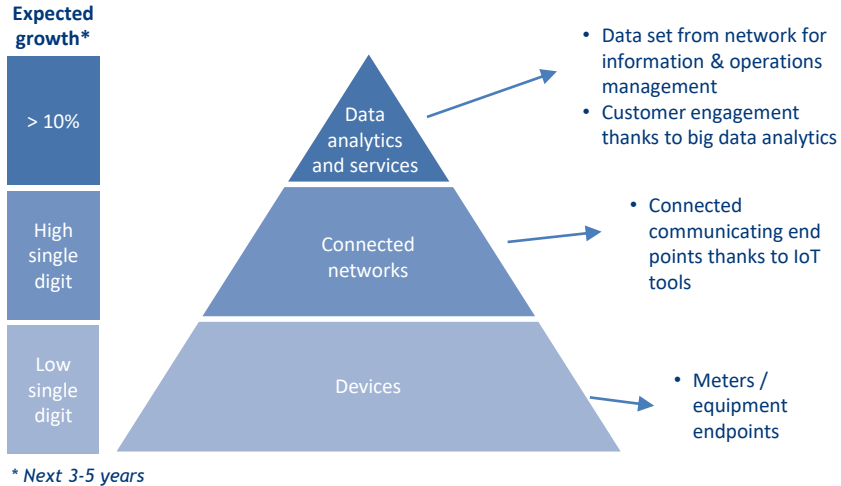


- Hydrogen and biomethane will be injected into the network
- Adapt and prepare products for H₂ / biomethane

Servitization

Scenario macro trends

From devices to services



Implications and priorities for SIT

- Market growth led by network solutions, new services and big data analytics
- Investigate opportunities for servitization
- From devices to IoT and intelligent equipment, data management and services

Heating business

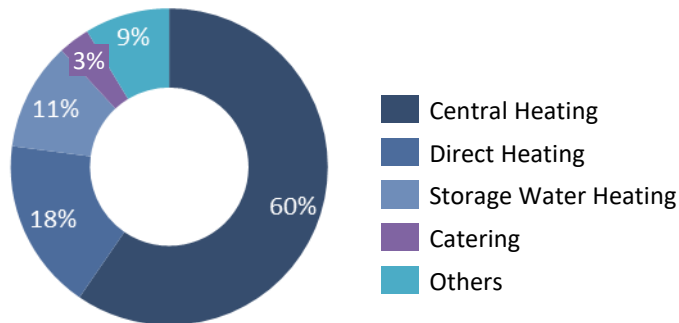


Market segments and products

SIT operates in these main market segments:

- **Central heating** ▶ Boilers for domestic and water heating
- **Direct heating** ▶ Gas stoves and fireplaces for room heating
- **Storage water heating** ▶ Boilers for domestic water heating
- **Catering** ▶ Professional and collective gas cooking appliances

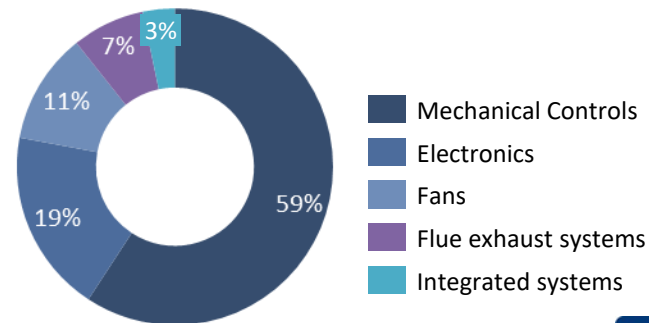
2020 sales



Current product families include:

- **Mechanical controls** ▶ Multifunctional regulating safety gas valves
- **Electronic controls** ▶ Mainboards, devices and displays
- **Fans** ▶ Applications for heating and cooking hoods
- **Integrated systems** ▶ Pre tested and assembled modules for condensing gas boilers
- **Flues exhaust kits** ▶ For domestic boilers

2020 sales



Central heating

- The Central heating business relates to boilers combining home heating and domestic hot water



Products

- SIT is the world's top name in the production of multifunctional, regulating, safety gas valves



- SIT is the main player for the non captive electronic controls market



- Air management technology (Fans and Exhaust systems) complete SIT traditional offering



- Innovative solutions for sub-assembled and pre-tested integrated systems (modules) for condensing boilers



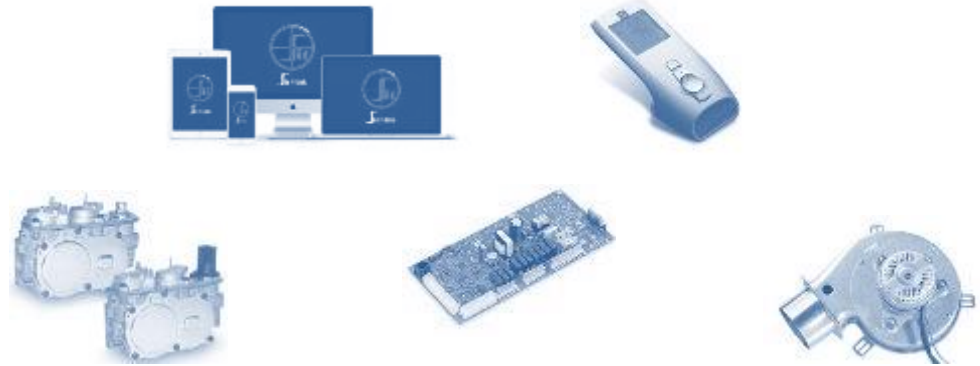
Direct heating

- The Direct heating business is connected with fireplaces and stoves (being both gas and pellet)



Products

- SIT provides mechanical controls (gas valves and sensors), electronic controls (main boards, remote controls and user interfaces) and fans for gas fireplaces, stoves and spaceheaters
- SIT main markets in this business are North America, United Kingdom and Europe



Storage water heating

- The Storage water heating business regards water heating for domestic purposes



Products

- New efficiency standards and electronic features have been recently introduced in the US market providing opportunities to increase technological content and differentiation of offering
- SIT main markets in this business are North America, Argentina and Australia
- SIT provides mechanical controls and pilots



Professional cooking and catering appliances







- The professional cooking and catering appliances business relates to equipments used in the food preparation industry (mainly restaurants and catering servicers)

Products

- SIT provides mechanical controls and fans for collective and community cooking appliances and high end cooker hoods
- SIT main markets in this business are the United States and Europe (where the company is market leader)



Heating competition overview

		Valves					CMS		Integrated systems	Electronics		Fans						Flues
		Boilers	SWH	IWH	Fireplace	Furnace	Valve	Electronics		BIC - IFC/DF	Connectivity	Premix <40 kW	Premix <70 kW	Premix <40 kW	Std. Efficiency	Pellet	Cooker Hoods	
		✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
resideo		✓	✓			✓	✓			✓	✓							
<i>Robertshaw</i>			✓															
White Rodgers			✓		✓					✓								
ERCO		✓	✓															
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GRUPPA IORRANO						✓	✓			✓	✓							
ebmpapst		✓				✓		✓		✓		✓	✓	✓	✓	✓	✓	✓
FIME												✓	✓	✓	✓	✓	✓	✓
FASCO												✓	✓	✓				
<i>SOHON</i>												✓			✓			
M&G																		✓
GROPPALI																		✓
Cox Geelen																		✓



Heating development priorities



- Gas adaptive and combustion management valves and solutions
- Complete platform for major customers: Electronics + valve+ fan+ ECMS + accessories
- Integrated systems



- Renewal of fan product line-up (improved performance and new applications)



- New products development to strengthen offering for North America



- Hydrogen: components and CMS



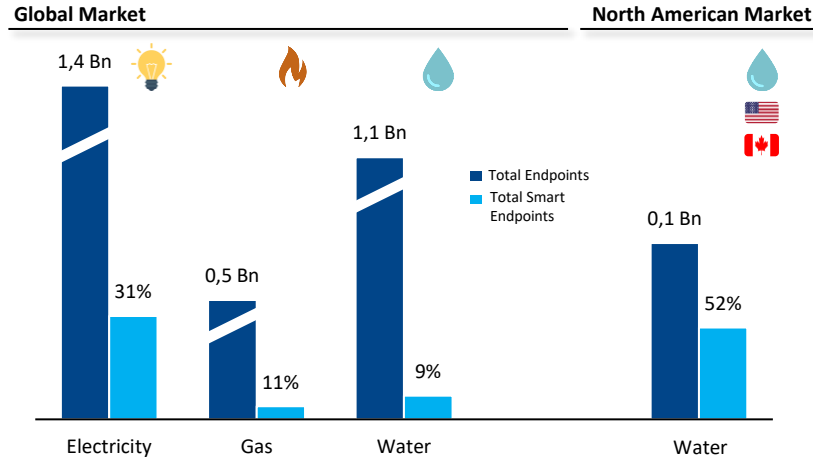
- Aftermarket

SIT Metering business



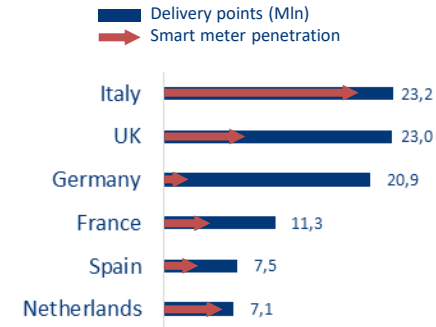
Market size and smart penetration

Global Endpoints¹



- On global scale, still room for growth in terms of automation of endpoints
- Gas and Water Metering Markets exhibit the lowest smart penetration rate (11% and 9% respectively), therefore are expected to present a sound growth trend in the next years
- North American market is the most advanced, with 52% of smart water meters installed

European Gas Delivery Points and smart penetration



- Opportunities in European markets both for replacement (e.g. Italy) and new installations (e.g. UK, Germany,...)

Smart gas metering

- The business is driven by two major forces:
 1. Smart technology, deployed by regulation aiming at smart grids, network efficiency and consumer needs
 2. Data driven services through connected meters and devices

Regulatory framework

- European directive on smart gas metering (EU 2009/73)
- Italy: early adopter with directive ARG/gas155/08 issued by the national Authority (AEEG)
- European installed base over 120 million pcs

Company

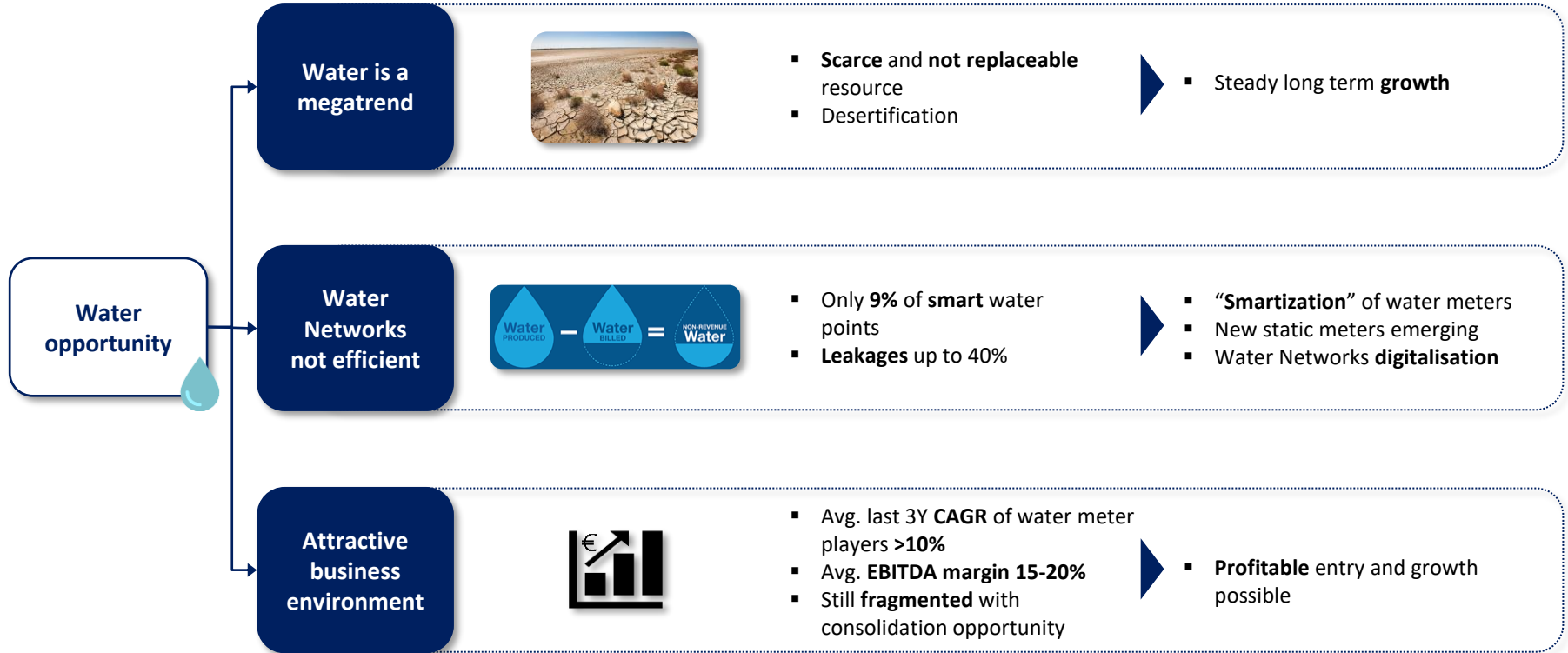


Technology

- Innovative **thermo-flow sensor technology** that provides accurate measurement features in all conditions without add-on of compensation devices or calculations – truly disruptive, particularly on Commercial & Industrial applications
- Complete range of meters for both Residential and Commercial & Industrial purposes
- Developed and assembled with modular approach

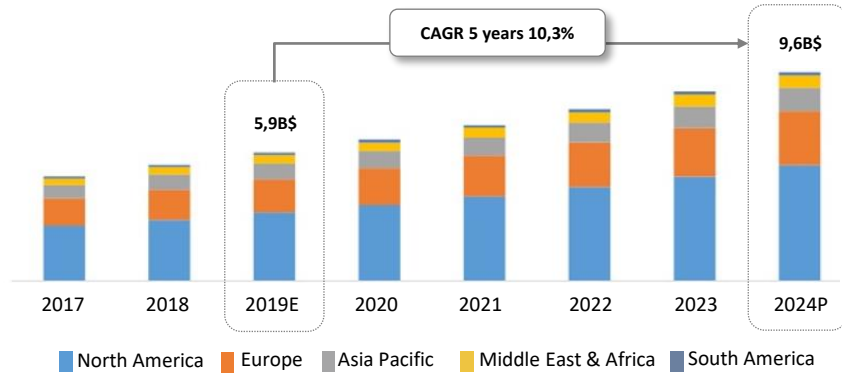


Water Opportunity



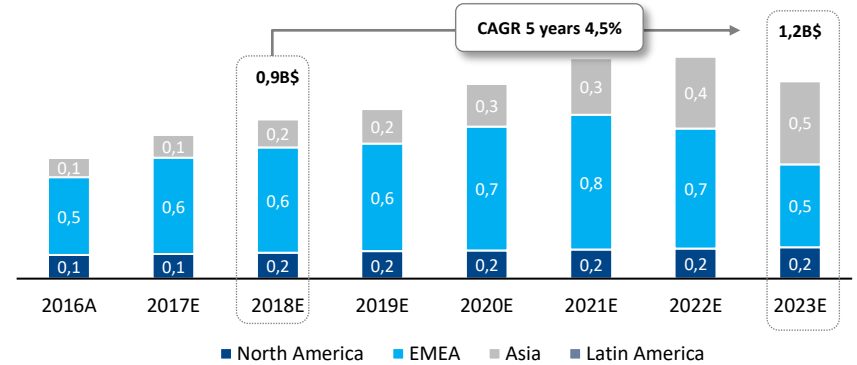
Smart metering market trends

Smart Water Metering Market Data¹

























































- ~1/3 of installed base would be smart by the end of 2025²
- Smart Water Metering 10,3% growth rate up to 2024³ driven by:
 - Aging infrastructure and increasing water consumption
 - Governments/utilities initiatives to reduce non revenue water, accurate meter reading and development of smart city infrastructure
 - Residential segment is expected to grow faster also boost by the need for billing accuracy

Smart Gas Metering Market Data²






- Global market for smart gas meters is predicted to grow from 0,9B\$ in 2018 to 1,2B\$ in 2023
- Opportunities in European markets both for replacement (e.g. Italy) and new installations (e.g. UK)
- Italian market: expected to recover in 2023 thanks to replacement, after slower path until 2022 due to roll-out ending
- UK market deployment wave will peak to compensate Italian market decline from 2021 onwards
- Indian opportunity in smart meters

Metering competitive landscape

	Gas Meters		Gas Network		Water Meters		Heat Meters	Electricity Meters	Software Solutions / Services	
	Residential	C&I	Transports & Distributors	Pressure Regulators	Residential	C&I			MDC / MDM	Smart Grids (NTW)
										
 	✓	✓								
 					✓	✓			✓	
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Metering development priorities



- Residential Meter Zigbee SMETS 2 
- Residential Meter Walk-by for India
- NB-IoT (Narrow Band Internet of Things) 
- LoRa 



- New Platform (Mechanics and Electronics)
- Ultra sonic water meter
- Water/gas synergy
- Ready for H, L, E + 23% H₂



- Explore H₂ opportunities and prepare meters for H₂/CH₄ blends
- Explore safety opportunities (% of H₂, Pressure, Earthquake)



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.

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