

**SIT (BUY)****New Products in Smart Metering**

Market Mover (SIT-IT)	Positive	Neutral	Negative
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**What's up?** SIT is set to present its 4 new smart metering solutions for both water and gas at Enlit Europe in Frankfurt (29 November – 1 December), the main European trade fair dedicated to the technologies and innovations for utilities. In detail, **concerning water metering**, SIT will unveil the new range of smart water meters branded Janz: **"eRegister"**, a fully integrated meter that combines in a single product volumetric metrology, Janz's strength, with communication technology; **"add-on radio module"** which, applied to traditional Janz mechanical meters, allows measurement to be communicated, effectively transforming them into smart meters. This new product range allows to connect meters to utilities' smart grids, thus permitting an improved grid management and a reduction in waste. **As far as smart gas meters are concerned**, MeterSIT will present: **"Domusnext Vision"** a meter for residential and commercial use that introduces in the market important innovations such as the dual communication "NB-IoT" and "Wireless Mbus", the anti-fraud system, the artificial intelligence that allows one to remotely identify anomalies or leaks and the capacity to detect the percentage of hydrogen, allowing utilities to manage lower carbon blends; the **"Domusnext MMU6"** meter in a new version that supports the measurement of blends of natural gas and hydrogen up to 23%.

**What we think:** As a reminder, the Smart Metering division accounted for 20.5% of SIT sales. After an expected rather weak 2022E, we see this division as the main driver for 2023E growth. Indeed, SIT expects to increase its market share on some products and, as witnessed with the new product launches, it is investing in new technologies. Moreover, new tenders in water metering are expected in Italy and abroad. We

**SIT - Key Data**

29/11/2022	Engineering		
Target Price (EUR)	8.4		
Rating	BUY		
Mkt price (EUR)	6.12		
Mkt cap (EUR M)	154		
<b>Main Metrics (€ M)</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Revenues	380.5	397.8	416.6
EBITDA	36.09	48.14	55.20
EPS (EUR)	0.45	0.51	0.69
Net debt/-cash	129.7	110.2	94.55
<b>Ratios (x)</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Adj. P/E	13.7	12.1	8.8
EV/EBITDA	7.9	5.5	4.5
EV/EBIT	35.4	13.7	9.8
Debt/EBITDA	3.6	2.3	1.7
Div yield (%)	4.9	4.9	6.5
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	0.3	-10.8	-39.4
Rel. to FTSE IT All Sh	-7.2	-19.3	-35.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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