

SIT (BUY)**Acquisition of 10% Stake in UpSens**

Market Mover (SIT-IT)	Positive	Neutral	Negative
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What's up? In yesterday's press release, SIT announced that they had bought a 10% stake in UpSens, through a dedicated capital increase. UpSens is an Italian SME, specialising in the development of devices for monitoring indoor environmental parameters, with specific expertise in air quality. UpSens is part of the Optoi group, an Italian company that specialises in the design of microelectronic optical sensors and electronic devices for industrial use.

SIT and UpSens will develop further synergies in air quality solutions, particularly in the CMV (Controlled Mechanical Ventilation) segment. SIT is already a supplier of control electronics for the CMV segment and plans to further expand its range over the coming years. The partnership with UpSens is part of this strategic development for the segment.

The market for CMV systems is expected to grow strongly over the coming years: about 3M systems are expected to be installed in Europe in 2026, thus tripling the current number, according to the company.

What we think: The company did not provide any numbers on the transaction, but we think that the impact could be material only in the mid term. We see this as an interesting business opportunity for SIT, **Rating BUY and TP EUR 8.4/share.**

SIT - Key Data

18/01/2023	Engineering		
Target Price (EUR)	8.4		
Rating	BUY		
Mkt price (EUR)	6.18		
Mkt cap (EUR M)	155		
Main Metrics (€ M)	2022E	2023E	2024E
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
Ratios (x)	2022E	2023E	2024E
Adj. P/E	13.9	12.2	8.9
EV/EBITDA	7.9	5.5	4.5
EV/EBIT	35.6	13.8	9.8
Debt/EBITDA	3.6	2.3	1.7
Div yield (%)	4.9	4.9	6.5
Performance (%)	1M	3M	12M
Absolute	0.0	-0.3	-37.6
Rel. to FTSE IT All Sh	-8.6	-17.9	-33.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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