

**SIT (BUY)****Results Preview**

Possible Surprise	Positive	Neutral	Negative
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**Preliminary sales results due on 20 January:** At the beginning of November, during the 9M22 results' presentation, SIT provided a new guidance: FY22 sales were expected flat yoy with an EBITDA margin slightly below 12%.

Our FY22E estimates incorporate the new guidance and reflect expected market volatility in Europe and the beginning of some destocking by customers. We see Heating division sales almost flat in 4Q22E (up 4.3% in FY22 yoy) and Metering division sales down 15% in 4Q22E (down 17% in FY22E), with Janz delivering a + 37% in 4Q22 (+24% in FY22E yoy).

**What we think:** Overall, we continue to see SIT as a promising leader in its sector, with opportunities in terms of product enrichment and new geographies. We have a **BUY** rating on the stock, **TP EUR 8.4/share**.

**SIT - Key Data**

20/01/2023	Engineering		
Target Price (EUR)	8.4		
Rating	BUY		
Mkt price (EUR)	6.22		
Mkt cap (EUR M)	156		
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	14.0	12.3	9.0
EV/EBITDA	7.9	5.5	4.5
EV/EBIT	35.7	13.9	9.9
Debt/EBITDA	3.6	2.3	1.7
Div yield (%)	4.8	4.8	6.4
Performance (%)	1M	3M	12M
Absolute	1.3	3.0	-35.2
Rel. to FTSE IT All Sh	-6.2	-13.4	-30.3

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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**SIT – 4Q/FY22 sales preview**

EUR M	4Q21A	4Q22E	yoy %	FY21A	FY22E	yoy %
<b>Product revenues</b>	<b>92.3</b>	<b>88.8</b>	<b>-3.8</b>	<b>375.2</b>	<b>375.0</b>	<b>0.0</b>
o/w Heating	77.4	76.2	-1.5	298.3	311.0	4.3
o/w Smart Metering	14.9	12.6	-15.5	76.9	64.0	-16.8

A: actual; E: estimates; Source: Company data, Intesa Sanpaolo research estimates