

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

Possible Surprise	Positive	Neutral	Negative
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**Results due on 21 March:** We recall that SIT had already published its preliminary FY22 core revenues in January, which stood at EUR 387.6M, 3.4% better than our estimates and the guidance provided by the company at the end of November (for the full breakdown see our Daily of 23 January). Our estimates for FY22E point to a EUR 44.9M adj. EBITDA (11.5% adj. EBITDA margin), but as they were based on forecasted sales they might turn out to be conservative. We point out that SIT guided for a FY22 adj. EBITDA margin slightly below 12%. We highlight that FY22E EBIT incorporates EUR 8.8M one-off accrual related to a dispute settlement in 3Q22. We expect net debt at YE22E at EUR 129.7M (down from EUR 138.7M in 9M22, thanks to lower inventories).

**What we think:** In a context of end-market volatility, SIT did better than expected in terms of sales in FY22. We keep our **BUY on the stock, TP EUR 8.4/sh.**

**SIT - Key Data**

16/03/2023	Engineering		
Target Price (EUR)	8.4		
Rating	BUY		
Mkt price (EUR)	5.38		
Mkt cap (EUR M)	135		
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	12.1	10.6	7.8
EV/EBITDA	7.3	5.1	4.2
EV/EBIT	33.1	12.8	9.0
Debt/EBITDA	3.6	2.3	1.7
Div yield (%)	5.6	5.6	7.4
Performance (%)	1M	3M	12M
Absolute	-14.3	-12.9	-33.1
Rel. to FTSE IT All Sh	-7.8	-19.0	-37.9

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

**Marco Cristofori** - Research Analyst  
marco.cristofori@intesasanpaolo.com

**Giada Cabrino** - Research Analyst  
giada.cabrino@intesasanpaolo.com

**SIT – 4Q/FY22 preview**

EUR M	4Q21	4Q22E	yoy %	2021A	2022E	yoy %
<b>Total revenues</b>	<b>94.3</b>	<b>101.4</b>	<b>7.5</b>	<b>380.5</b>	<b>393.1</b>	<b>3.3</b>
o/w Heating	77.3	80.2	3.8	298.2	315.0	5.6
o/w Smart Metering	15.0	21.2	41.3	77.0	72.6	-5.7
EBITDA Adj.	9.3	9.3	0.4	51.2	44.9	-12.3
Margin (%)	9.8	9.2		13.5	11.5	
EBIT	1.4	1.5	10.8	24.3	8.0	-67.1
Margin (%)	1.4	1.5		6.4	2.0	
Pre-tax	-0.3	0.8	-340.5	8.2	12.2	48.0
Net Result attr.	-0.8	1.0	-221.6	8.2	11.5	39.6
Net debt	106.7	129.7	21.6	106.7	129.7	21.6

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research