



ITALIAN WAKE-UP CALL



MEDIOBANCA
SECURITIES

SIT (N) – 4Q22E: focus is on profitability and 23E outlook

SIT is set to unveil its full set of FY22 results on March 21. Conference call scheduled on March 21 at 4pm CEST. To access the call, please [click here](#).

As a reminder, the company already unveiled its FY22A preliminary sales implying an YoY growth of 3.3% above MB e and company guidance. Looking at other FY figures, we expect:

- EBITDA at €45.3m, implying an YoY decline of c12% and an EBITDA margin of 11.8%;
- Adj. EBIT and adj. net profit pointing to €18.2m and €10.3m respectively;
- NFP only slightly improving to €135m from €139m at 9M22.

Beyond FY22A, we expect revenues to benefit from solid recovery in gas metering business and persistent growth in water in 23E. We also see EBITDA margin to slightly improve to 12.0%

Focus of the release, in our view, should be on the impact of increasing 4Q volumes on profitability and cash generation and on messages related to demand and margin enhancement for 23E. We have a Neutral rating on the name.

€m	4Q22E	4Q21A	YoY	FY22E	FY21A	YoY
Total sales	94.0	94.3	0%	384.4	380.5	1%
EBITDA adj.	9.7	9.3	5%	45.3	51.2	-12%
<i>EBITDA margin</i>	<i>10.3%</i>	<i>9.8%</i>		<i>11.8%</i>	<i>13.5%</i>	
EBIT adj.	2.8	1.3	Nm	18.2	24.3	-25%
<i>EBIT margin</i>	<i>3.0%</i>	<i>1.3%</i>		<i>4.7%</i>	<i>6.4%</i>	
Adj. Net profit	2.0	0.5	nm	10.3	16.3	-37%
Net Debt/(Cash)	134.9	106.7		134.9	106.7	