

SIT

The Recovery is in Sight

The tone of remarks by the company suggests a degree of confidence in future developments, supported by the streamlining of the production chain (now operating with lower fixed costs) and by diversification into segments that have the potential to deliver growth and derisk from regulation uncertainties, as well as the strengthening of strategic commercial relationships. We appreciate the outlook provided by the company, acknowledging the challenges from the current macro environment.

FY24 still weak and affected by one-offs

FY24 trend in revenues broadly reflected 9M24, adj. EBITDA was in line with our expectations, but one-offs weighed on EBIT & net income: H&V goodwill impairment and DTA devaluation led to a deep net loss. Heating & Ventilation Division revenues decreased by 11.7% yoy in FY24; the typical positive seasonality of the fourth quarter proved overall weaker. Metering Division delivered a flat FY24. EBITDA adj. was EUR 27.5M (9.2% on sales). The net loss adjusted was EUR 10.5M. Net debt improved by EUR 7.8M yoy to EUR 145.9M (5.3x EBITDA adj., in line with FY23) after EUR 18.2M cash flow from operations (vs. cash absorption of EUR 14.9M in FY23).

FY25 outlook

The company sees revenues up by high single digit, driven by market share expansion and customers' share of wallet improvement. Expected sales growth is based on existing agreements with customers, set to impact 2H25 positively. In the H&V Division, product range diversification should contribute to sales growth gradually. EBITDA margin adj. is expected to return to double-digit and to support the debt reduction. This should be thanks to the new industrial footprint and additional initiatives on cost optimisation.

Valuation

We keep our BUY rating on the stock and set a new TP of EUR 1.7 (from EUR 1.2), following our estimates' revision. We believe that the Heating & Ventilation industry is in a transitional phase, and SIT is reacting with new products to diversify its sales mix and downsizing its asset base and cost structure. Thus, a recovery in the H&V industry should be a reasonable expectation after 2 years of decline and we are reassured by the fact that the positive company's outlook is based on orders signed by customers. Furthermore, the industrial footprint's optimisation has already generated significant efficiencies and cost savings. However, despite the ongoing business recovery, SIT's financial structure remains unbalanced, characterised by a still high level of debt (4x FY25E Net Debt/EBITDA).

SIT – Key data

Y/E Dec (EUR M)	2023A	2024A	2025E	2026E
Revenues	326.3	299.5	319.8	333.6
EBITDA	21.68	24.70	34.86	38.03
EBIT	-25.22	-11.53	9.86	13.03
Net income	-23.39	-31.62	2.96	5.74
Adj. EPS (EUR)	-0.01	-0.42	0.12	0.23
Net debt/-cash	153.7	145.9	138.3	131.4
Adj P/E (x)	Neg.	Neg.	10.8	5.6
EV/EBITDA (x)	12.0	7.6	4.9	4.3
EV/EBIT (x)	Neg.	Neg.	17.3	12.6
Div ord yield (%)	0	0	0	0
FCF Yield (%)	-16.0	25.6	38.2	31.9

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 25/04/2025

28 April 2025: 12:27 CET

Date and time of production

BUY

Target Price: EUR 1.70
(from EUR 1.20)

Italy/Engineering & Machinery
Company Results

EXM

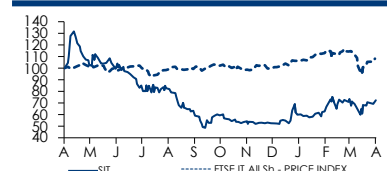
SIT – Key Data

Price date (market close)	25/04/2025
Target price (€)	1.70
Target upside (%)	33.08
Market price (€)	1.28
Market cap (EUR M)	32.14
52Wk range (€)	2.33/0.86

EPS – DPS changes

(€)	2025E	2026E	2025	2026
	EPS ▲	EPS	chg%	chg%
Curr.	0.118	0.229	NM	-
Prev.	0.010	-	-	-
	DPS =	DPS	chg%	chg%
Prev.	0.000	-	-	-

Price Perf. (RIC: SIT.MI BB: SIT IM)



Source: FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

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FY24: Core KPIs in Line with our Estimates

The trend in revenues broadly reflected 9M24, adj. EBITDA was in line with our expectations, but one-offs weighed EBIT & Net Income: H&V goodwill impairment and DTA devaluation led to a net loss. In detail:

- **Heating & Ventilation Division revenues decreased by 11.7% yoy in FY24;** the typical positive seasonality of the fourth quarter proved overall weaker (4Q24 revenues -11.7% yoy). By geography, Italy was upbeat in 4Q24 (+11.9%) thanks to Central Heating, Catering and Cooker Hoods, and Pellets stoves in the Direct Heating (most of the growth came from non-combustion and non-gas related products). In FY24, revenues in Italy were EUR 35.9M (-2.2% yoy). Europe was downbeat, with FY24 revenues at EUR 94.9M (-20.7% yoy after a negative 4Q24 at -17.1% yoy); Turkey was down in 4Q24 due to fans and mechanical controls in Central Heating, Central Europe performed well in 4Q24 but in FY24 it showed a performance in line with the overall division. The Americas (EUR 45.2M revenues in FY24) were slightly positive both in the last quarter and the full year. APAC (EUR 30.7M in FY24) significantly dropped in 4Q24 due to China and Far East timing issues;
- **Metering Division delivered a flat FY24 with a slowdown in 4Q24 yoy.** Smart Gas Metering recovered most of the temporary delay of the previous quarters in 4Q24 (the geographical positioning of this segment is Italy), while the Water Metering grew by 5.6% yoy in FY24 (down 7.8% in 4Q24). The company stated that this business line (Water Metering) is safe and in line with expectations;
- **FY24 EBITDA was EUR 24.7M** (8.3% on sales, EBITDA EUR 21.7M in FY23). **EBITDA adj. was EUR 27.5M** (9.2% on sales, EBITDA adj. EUR 29M in FY23). Adjusted costs decreased by 7.8% yoy. Adjustments on EBITDA were EUR 2.8M (o/w EUR 2.4M for personnel restructuring costs; they were EUR 5.3M in FY23);
- **EBIT was negative for EUR 11.5M** (negative for EUR 25.2M in FY23); **EBIT adj. was negative for EUR 1.1M** (EUR +0.1M in FY23), following a EUR 7.7M impairment loss for the H&V Division (in FY23, the impairment loss on H&V was EUR 17M). Excluding the impact of impairments, D&A would be in line with FY23;
- **The net loss was EUR 31.6M (loss of EUR 23.4M in FY23),** after EUR 3.9M one-off cost for debt renegotiation and EUR 8.7M one-off loss related to the impairment of deferred tax assets. The net loss adjusted was EUR 10.5M;
- **The NWC** freed up cash for EUR 12.2M (vs. cash absorption of EUR 19.4M in FY23, due to a one-off commercial transaction with a customer and changes in factoring policies). Net Trade Working Capital/Sales was 22% (with inventories down 11.1% yoy) vs. 24.5% in FY23. Capex was EUR 16M (EUR 23M in FY23);
- **Net debt improved by EUR 7.8M yoy to EUR 145.9M** (5.3x EBITDA adj., in line with FY23) after EUR 18.2M cash flow from operations (vs. cash absorption of EUR 14.9M in FY23);

Figure 1 – SIT FY24 results

EUR M	4Q23A	4Q24E	4Q24A	yoy %	A/E %	FY23A	FY24E	FY24A	yoy %	A/E %
Total sales	84.2	75.1	76.7	-8.9	2.1	326.3	298.0	299.5	-8.2	0.5
o/w Heating & Ventilation	57.9	50.4	51.1	-11.7	1.4	234.0	206.0	206.7	-11.7	0.3
o/w Metering	24.7	23.6	23.1	-6.5	-2.2	88.6	88.7	88.2	-0.5	-0.6
EBITDA	1.7	8.2	5.3	214.4	-35.7	21.7	27.6	24.7	13.9	-10.6
Margin (%)	2.0	10.9	6.9			6.6	9.3	8.3		
EBITDA Adj.	7.0	8.2	8.1	15.3	-1.5	29.0	27.6	27.5	-5.1	-0.5
Margin (%)	8.4	10.9	10.5			8.9	9.3	9.2		
EBIT	-5.0	1.1	-10.1			-25.2	-0.4	-11.5		
EBIT adj.	-1.1	1.1	0.3			0.1	-0.4	-1.1		
Net Result	-4.0	0.6	-23.3			-23.4	-7.7	-31.6		
Net Result adj.	-1.2	1.5	-5.2			-0.3	-3.8	-10.5		
Net debt	153.7	151.0	145.9			153.7	151.0	145.9		

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

Figure 2 – SIT FY24 Heating & Ventilation Division sales geo-mix

EUR M	4Q23A	4Q24A	yoy %	FY23A	FY24A	yoy %
Italy	8.1	9.1	11.9	36.7	35.9	-2.2
% on H&V sales	14.1	17.8		15.7	17.4	
Europe (ex-Italy)	27.6	22.9	-17.1	119.6	94.9	-20.7
% on H&V sales	47.7	44.8		51.1	45.9	
America	12.3	12.5	1.4	44.8	45.2	1.0
% on H&V sales	21.2	24.4		19.1	21.9	
Asia/Pacific	9.8	6.7	-32.3	32.9	30.7	-6.7
% on H&V sales	17.0	13.0		14.1	14.9	
H&V sales	57.9	51.1	-11.7	234.0	206.7	-11.7

A: actual; Source: Company data

Figure 3 – SIT FY24 Metering Division sales by business line

EUR M	4Q23A	4Q24A	yoy %	FY23A	FY24A	yoy %
Smart Gas Metering	15.5	14.6	-5.6	60.0	58.0	-3.3
% on Metering sales	62.8	63.2		67.7	65.8	
Water Metering	9.1	8.4	-7.8	28.6	30.2	5.6
% on Metering sales	36.8	36.4		32.3	34.2	
Metering sales	24.7	23.1	-6.5	88.6	88.2	-0.5

A: actual; Source: Company data

Outlook and New Estimates

FY25 outlook: SIT stated that it is diversifying its revenue stream and technology portfolio while reshaping its business model to increase flexibility and scalability through a structure more skewed to variable costs. **The company sees revenues high-single-digits up**, driven by market share expansion and customers' share of wallet improvement. Expected sales growth is based on existing agreements with customers, set to impact 2H25 positively. In the H&V Division's product range diversification should contribute to sales growth gradually. **EBITDA margin adj. is expected to return to double-digit levels** and to support the debt reduction. This should be thanks to the new industrial footprint and additional initiatives on cost optimisation.

Recent developments: In January, SIT announced that, through its controlled MeterSIT, it won a contract worth more than EUR 20M with one of Europe's biggest energy companies. Under the multi-year contract, SIT will provide residential gas smart meters to help MeterSIT improve energy efficiency.

Potential growth drivers in the following 2 years could be:

- In the Metering Division, SIT could benefit from the SmartIO distribution, the ultrasonic residential water meter developed in a joint venture with the Swiss technology partner GWF, whose revenues should be substantial starting from FY25 (roll-out). Moreover, SIT outlined the increasing demand for water meter components from OEMs (Original Equipment Manufacturers) and utilities;
- At present, there shouldn't be any impact from the domestic market consolidation in the gas distribution sector (Italgas and 2i Rete Gas merger), according to the company, and the relationship with Italgas remains strong. We also recall the expected massive replacement of gas meters with the Smart Gas Meter Nimbus by Italgas, which should take place in Italy starting from 2026 throughout 2029, where SIT should play a significant role;
- In the cooker hoods segment (fans for cooker hoods, induction hobs, and pellet stoves), the company sees growth opportunities from the upgrade of EU energy labels, defined by the ECO labelling regulation. Moreover, SIT plans to enter the Ho.Re.Ca. business segment in FY26;
- As for the US H&V market, SIT expects to increase its market share in the storage water heater segment through the NGA electronic valve product.

Our estimate revisions

We believe that the Heating & Ventilation industry is in a transitional phase, and SIT is reacting with new products to diversify its sales mix and downsize its asset base and cost structure. Thus, a recovery in the H&V industry should be a reasonable expectation after 2 years of decline. Therefore, we estimate a 6% sales increase in this division for FY25E, with the bulk of growth in 2H25E, interpreting the company's guidance conservatively and waiting for more visibility on the materialisation of the positive seasonality typical of the last months of the year. For FY26E, our assumptions are prudent (+3.5% revenue growth in the H&V Division), waiting for more visibility on orders in 2H25. The Metering Division should grow by 8.9% and 6.3% in our estimates in FY25E and FY26E, respectively.

As the company outlined in its FY24 results presentation, annualised savings would be an additional EUR 3M at the EBITDA level. They would have led to a FY24 10.2% margin on sales. We therefore see a 170bps increase in FY25E EBITDA margin adj. as feasible, backed by

volume increases (+70bps assuming additional EUR 3M annualised savings in FY24, or 10.2% FY24 EBITDA margin).

Figure 4 - SIT New vs. old estimates FY25/26E

EUR M	2025E Old	2025E New	2025E New/Old %	2026E New	2026E yoy %
Total sales	316.6	319.8	1.0	333.6	4.3
Core sales	313.3	315.1	0.6	328.7	4.3
o/w Heating & Ventilation	215.3	219.1	1.8	226.7	3.5
o/w Metering	98.0	96.0	-2.0	102.0	6.3
EBITDA Adj.	31.7	34.9	10.1	38.0	9.1
% margin	10.0	10.9		11.4	
EBIT	4.7	9.9	NM	13.0	32.1
% margin	1.5	3.1		3.9	
Net result	0.3	3.0	NM	5.7	NM
Net result Adj.	0.3	3.0	NM	5.7	NM
Net Debt/(Cash)	141.6	138.3		131.4	

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

Figure 5 - SIT new estimates FY25/26E

EUR M	2024A	2025E	yoy %	2026E	yoy %
Total sales	299.5	319.8	6.8	333.6	4.3
Core sales	294.9	315.1	6.9	328.7	4.3
o/w Heating & Ventilation	206.7	219.1	6.0	226.7	3.5
o/w Metering	88.2	96.0	8.9	102.0	6.3
EBITDA Adj.	27.5	34.9	26.8	38.0	9.1
% margin	9.2	10.9		11.4	
EBIT	-11.5	9.9		13.0	32.1
% margin		3.1		3.9	
Net result	-31.6	3.0	NM	5.7	NM
Net result Adj.	-10.5	3.0	NM	5.7	NM
Net Debt/(Cash)	145.9	138.3		131.4	

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

1Q25 results preview (out on 9 May)

We expect 1Q25E total revenues up 0.9% yoy. We have incorporated a mild recovery in the Heating & Ventilation Division (as already outlined, we expect the bulk of the FY25E increase in 2H25E). We have assumed possible delays in shipments in the Metering Division (as in 3Q24), which should drag revenues down by 8% (however, we continue to see this division growing yoy in the following quarters). As for profitability, we expect for SIT a 1Q25E EBITDA margin in line with the normalised FY24 EBITDA margin (including savings not fully booked during the year) or at a 10%. We do not forecast major impacts from the net working capital and assume the net debt is similar to YE24.

Figure 6 - SIT 1Q25 preview

EUR M	1Q24A	1Q25E	yoy %
Total revenues	69.0	69.7	0.9
o/w Heating	47.9	49.5	3.4
o/w Metering	20.7	19.0	-8.0
EBITDA	6.4	7.0	10.2
Margin (%)	9.2	10.0	
EBIT	-0.5	1.0	NM
Margin (%)		1.4	
Pre-tax	-2.1	-0.5	NM
Net Result	-1.8	-0.5	NM
Net debt	161.1	146.0	

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

Valuation

We use a DCF-based valuation for SIT, which we think reflects the company's fundamentals. Following our estimates' revision, we set a **new fair value of EUR 1.7 (from EUR 1.2)**. Our WACC is 9.5% (unchanged) and is based on a 3.5% risk-free rate, 6.5% market risk premium, 1.72x beta and 1.5% g; to our WACC calculation we add a 1% corporate-specific risk to reflect the stock's low liquidity, the company's unbalanced financial structure (EUR 145.9M net debt at YE24 vs. EUR 31M market cap as of 23/04/2025, net debt/EBITDA 4x at YE25E) and the low visibility over a possible short-term recovery for the heating sector, the company's core business. Our target price offers around 33% upside; therefore, we maintain our BUY recommendation, remaining confident about the sector's medium-term recovery and the future improvements of the company's debt sustainability.

Figure 7 – SIT WACC calculation %

Risk-free rate	3.5
Debt spread	1.0
Cost of debt [net]	3.2
Market risk premium	7.5
Company-specific risk	1.0
Beta (x)	1.7
Cost of equity	16.4
Weight of Debt	52.0
Weight of Equity	48.0
WACC	9.5

Source: Intesa Sanpaolo Research estimates

Figure 8 – SIT DCF

	Valuation EUR M	% Weighting	P.S. EUR
Sum of PV 2025-33 FCF	95.9	49.7	3.8
Terminal value	97.2	50.3	3.9
Total Enterprise value	193.1	100.0	7.7
- Pension Provision	-4.5		(0.2)
- Net cash/-debt 2024A	-145.9		(5.8)
Total Equity value	42.8		1.70
F.D. number of shares M	25.1		
Fair value per share EUR	1.70		

Source: Intesa Sanpaolo Research estimates

Peers' multiples: a quick overview

Figure 9 – SIT International peers

x	Mkt Price EUR	Mkt Cap. EUR M	P/E		EV/EBITDA	
			2025E	2026E	2025E	2026E
Bucher Industries	367.3	3,765	15.1	14.1	8.2	7.7
Beijer Ref	13.3	6,758	28.7	25.4	17.3	16.0
Emerson Electric	92.6	52,221	17.8	16.3	14.3	13.4
Trane Technologies	306.1	68,652	27.3	24.4	19.6	18.0
Landis + Gyr	53.5	1,548	12.7	11.5	9.0	7.9
Lindab International	17.8	1,401	19.9	14.1	10.5	8.9
NIBE Industrier	3.6	7,351	29.5	23.3	15.4	13.5
Resideo Technologies	14.3	2,124	7.7	7.1	6.3	6.0
Schneider Electric	217.9	125,401	22.9	20.3	14.9	13.5
SPX Corporation	117.7	5,506	21.8	19.5	14.4	13.1
Sulzer	145.4	4,983	14.8	13.8	8.5	8.0
Weir Group	27.1	7,026	17.7	15.8	10.8	9.7
Average			19.7	17.1	12.4	11.3
SIT*	1.28	32	10.8	5.6	4.9	4.3
Premium/-discount %			-44.8	-67.3	-60.6	-61.7

Priced at market close on 25/04/2025 Source: FactSet and *Intesa Sanpaolo Research estimates

Figure 10 - SIT Italian peers

x	Market Price EUR	Market Cap. EUR M	P/E		EV/EBITDA	
			2025E	2026E	2025E	2026E
Gefran	9.0	130	11.8	10.6	4.1	3.7
Interpump*	29.5	3,208	14.9	13.5	7.8	6.9
LU-VE*	29.0	644	16.9	14.7	8.6	7.5
Sabaf	14.7	169	11.7	9.4	5.4	4.8
Ariston*	4.0	1,473	16.3	11.9	4.8	4.3
Average			14.3	12.0	6.1	5.4
SIT*	1.28	32	10.8	5.6	4.9	4.3
Premium/-discount %			-24.2	-53.4	-20.3	-20.6

Priced at market close on 25/04/2025 Source: FactSet and *Intesa Sanpaolo Research estimates

Valuation and Key Risks

Valuation basis

Our EUR 1.7/sh target price is derived from a DCF model (WACC 9.5%, g=1.5%). We have included in our WACC calculation a 1% corporate-specific risk parameter.

Key Risks

Company specific risks:

- Concentration of smart gas metering roll-out in Italy;
- Supply chain risks;
- Potential shortage of components could reduce production;
- High amount of debt

Sector generic risks:

- Disruptive sector innovation which could affect the overall heating sector
- Lengthy time to market for new products due to the length of the testing and homologation process.
- Inflation risk

Company Snapshot

Company Description

The SIT Group, through its 3 business units Heating and Ventilation Smart Gas Metering and Water Metering creates intelligent solutions for the control of environmental conditions and consumption measurement for a more sustainable world. A market-leading multinational company, listed on the MTA segment of Borsa Italiana, SIT aims to be the number one sustainable partner for energy and climate control solutions for its customers, focusing on experimentation and the use of alternative gases with low environmental profiles. The Group has production sites in Italy, Mexico, Romania, China, Tunisia and Portugal, in addition to a commercial structure covering all global markets.

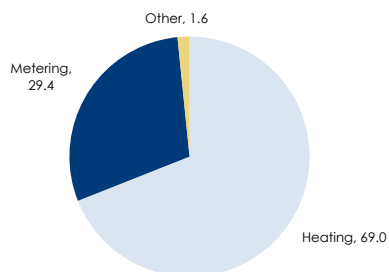
Key data

Mkt price (€)	1.28	Free float (%)	22.7
No. of shares	25.11	Major shr	SIT Tech.
52Wk range (€)	2.33/0.86	(%)	73.4
Reuters	SIT.MI	Bloomberg	SIT IM
Performance (%)	Absolute	Rel. FTSE IT All Sh	
-1M	-1.5	-1M	3.6
-3M	20.2	-3M	16.7
-12M	-27.7	-12M	-34.1

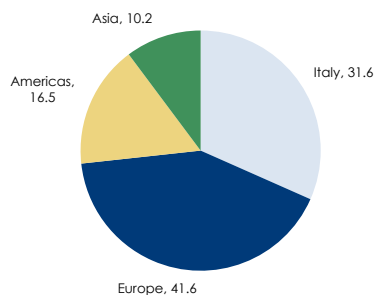
Estimates vs. consensus

EUR M (Y/E Dec)	2024A	2025E	2025C	2026E	2026C	2027E	2027C
Sales	299.5	319.8	NM	333.6	NA	NA	NA
EBITDA	24.70	34.86	NM	38.03	NA	NA	NA
EBIT	-11.53	9.86	NM	13.03	NA	NA	NA
Pre-tax income	-20.71	3.86	NM	7.43	NA	NA	NA
Net income	-31.62	2.96	NM	5.74	NA	NA	NA
Adj. EPS	-0.42	0.12	NM	0.23	NA	NA	NA

Sales breakdown by product (%)



Sales breakdown by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 25/04/2025)

SIT – Key Data

Rating BUY	Target price (€/sh) Ord 1.70	Mkt price (€/sh) Ord 1.28			Sector Engineering & Machinery
Values per share (EUR)	2022A	2023A	2024A	2025E	2026E
No. ordinary shares (M)	25.11	25.11	25.11	25.11	25.11
Total no. of shares (M)	25.11	25.11	25.11	25.11	25.11
Market cap (EUR M)	184.63	105.91	42.76	32.14	32.14
Adj. EPS	0.43	-0.01	-0.42	0.12	0.23
BVPS	6.6	5.7	4.0	4.2	4.4
Dividend ord	0	0	0	0	0
Income statement (EUR M)	2022A	2023A	2024A	2025E	2026E
Revenues	393.3	326.3	299.5	319.8	333.6
EBITDA	38.21	21.68	24.70	34.86	38.03
EBIT	10.56	-25.22	-11.53	9.86	13.03
Pre-tax income	13.62	-31.30	-20.71	3.86	7.43
Net income	11.21	-23.39	-31.62	2.96	5.74
Adj. net income	10.90	-0.35	-10.50	2.96	5.74
Cash flow (EUR M)	2022A	2023A	2024A	2025E	2026E
Net income before minorities	11.2	-23.4	-31.6	3.0	5.8
Depreciation and provisions	19.0	46.9	36.2	25.0	25.0
Others/Uses of funds	-8.6	-6.9	0.6	-1.2	-0.3
Change in working capital	-23.3	-10.5	21.7	1.5	-4.2
Operating cash flow	-1.7	6.1	26.9	28.2	26.1
Capital expenditure	-30.3	-23.0	-16.0	-16.0	-16.0
Financial investments	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0
Free cash flow	-28.1	-16.9	10.9	12.2	10.1
Dividends	-7.3	0	0	0	0
Equity changes & Non-op items	2.8	-6.3	-3.0	-4.4	-3.0
Net change in cash	-32.6	-23.2	7.8	7.8	7.1
Balance sheet (EUR M)	2022A	2023A	2024A	2025E	2026E
Net capital employed	296.0	296.8	247.3	243.6	242.4
of which associates	0	0	0	0	0
Net debt/-cash	130.5	153.7	145.9	138.3	131.4
Minorities	0	0	0	0	0
Net equity	165.5	143.1	101.4	104.4	110.1
Minorities value	0	0	0	0	1.0
Enterprise value	315.1	259.6	188.6	170.4	164.5
Stock market ratios (x)	2022A	2023A	2024A	2025E	2026E
Adj. P/E	16.9	Neg.	Neg.	10.8	5.6
P/CFPS	16.7	17.3	1.6	1.1	1.2
P/BVPS	1.1	0.74	0.42	0.31	0.29
Payout (%)	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0
FCF yield (%)	-10.4	-16.0	25.6	38.2	31.9
EV/sales	0.80	0.80	0.63	0.53	0.49
EV/EBITDA	8.2	12.0	7.6	4.9	4.3
EV/EBIT	29.9	Neg.	Neg.	17.3	12.6
EV/CE	1.1	0.87	0.76	0.70	0.68
D/EBITDA	3.4	7.1	5.9	4.0	3.5
D/EBIT	12.4	Neg.	Neg.	14.0	10.1
Profitability & financial ratios (%)	2022A	2023A	2024A	2025E	2026E
EBITDA margin	9.7	6.6	8.2	10.9	11.4
EBIT margin	2.7	-7.7	-3.8	3.1	3.9
Tax rate	17.3	25.3	NM	22.0	22.0
Net income margin	2.9	-7.2	-10.6	0.9	1.7
ROCE	3.6	-8.5	-4.7	4.0	5.4
ROE	7.0	-15.2	-25.9	2.9	5.4
Interest cover	2.2	-4.1	-1.3	1.6	2.3
Debt/equity ratio	78.9	107.4	143.8	132.5	119.3
Growth (%)		2023A	2024A	2025E	2026E
Sales		-17.0	-8.2	6.8	4.3
EBITDA		-43.3	13.9	41.1	9.1
EBIT		NM	54.3	NM	32.1
Pre-tax income		NM	33.8	NM	92.4
Net income		NM	-35.2	NM	93.8
Adj. net income		NM	NM	NM	93.8

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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Equity Rating Key (long-term horizon: 12M)

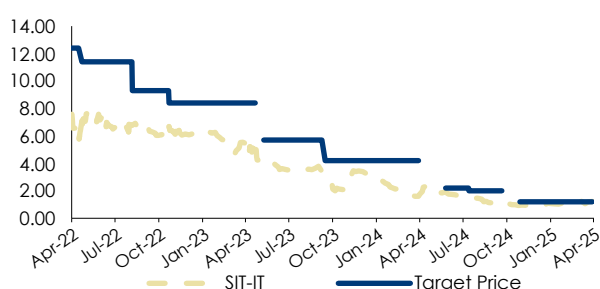
Long-term rating	Definition
BUY	BUY stocks are expected to have a total return of at least 10% and are considered the most attractive stocks in the analyst's/analyst's team cluster in a 12M period.
NEUTRAL	NEUTRAL stocks are expected to have a total return of at least 0% and are less attractive stocks than BUY rated stocks in the analyst's/analyst's team cluster in a 12M period.
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Historical recommendations and target price trends (long-term horizon: 3Y)

The 3Y rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->.

SIT:

Target price and market price trend (-3Y)**Historical recommendations and target price trend (-3Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
21-Nov-24	BUY	1.20	0.95
21-Oct-24	Under Review	Under Review	1.07
06-Aug-24	BUY	2.00	1.48
18-Jun-24	BUY	2.2	1.90
25-Apr-24	BUY	Under Review	1.77
09-Oct-23	BUY	4.2	2.9
02-Jun-23	BUY	5.7	4.2
19-May-23	Under Review	Under Review	4.3
15-Nov-22	BUY	8.4	6.7
30-Aug-22	BUY	9.3	6.8
16-May-22	BUY	11.4	7.1

Important Note: On 7 April 2025, Intesa Sanpaolo renamed the following terms of its rating key: BUY (previously BUY); NEUTRAL (previously HOLD) and UNDERPERFORM (previously SELL); the rating key methodology behind the ratings assigned remains unchanged (see section above).

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at April 2025)**

Number of companies considered: 177	BUY	NEUTRAL (PREV. HOLD)	UNDERPERFORM (PREV. SELL)
Total Equity Research Coverage relating to last rating (%)*	67	32	1
of which Intesa Sanpaolo's Clients (%)**	59	43	50

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

Equity Research Publications in Last 12M

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<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

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