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SIT (N) – Management sees double-digit EBITDA margin and deleveraging in 2025

Italian daily Milano Finanza published during the weekend some statements from SIT's Chairman and CEO Federico de Stefani. The CEO highlighted that the reference market in the 2022-2024 period was heavily hindered by regulatory uncertainties leading to a slowdown in households' investments decision. However, according to Mr de Stefani, the market may have bottomed out with upbeat indications from order intake suggesting a positive start to 2025. SIT's CEO therefore commentated that the company may return to a double-digit EBITDA margin in 2025, also underpinned by cost control strategies already in place, and a relevant reduction in the NFP. This should be supported by agreements already signed with some customers. As for capex, Mr de Stefani reminded that the company completed the investment cycle related to increasing production capacity and that R&D should now stand at around 3-5% of total revenues. SIT's CEO finally ruled out in the interview the delisting of the company. We welcome the main messages from the article which are overall in line with our estimates, as we project for 2025E 10.5% EBITDA margin (from 9.1% in FY24E) and €133m NFP (from €149m in FY24E). We believe that the company will benefit in the coming quarters from strategic investments aimed at importantly widening the product offer, while controlling the cost base. We have a Neutral rating on the name.