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SIT (N) – 4Q24A results in line; Supportive indications on FY25E
SIT unveiled its full set of 4Q/FY24A results followed by a conference call.
Looking at the main figures, we note:

- 4Q24 sales stood at €76.7m, implying an YoY decline of -9%. Sales in the last quarter of the year were therefore close to our expectation of €74.4m. As such, FY24A sales were €299.5m, down -8% YoY composed of -12% in Heating and a flattish Smart Metering, overall in line with company guidance. In more detail, in the FY, Water Metering increased mid-single-digit while Gas Metering was down low-single-digit;

- 4Q24 adj. EBITDA was €8.1m with an adj. EBITDA margin of 10.5%. This compares to €7.6m and 10.3% in our estimates. As a result, SIT generated a FY adj. EBITDA of €27.5m with 9.2% margin vs 8.9% recorded in 2023. As a reminder, company guidance was pointing to EBITDA margin "slightly higher" than 2023 thanks to strict control of operating costs and production footprint efficiencies;

- FY bottom line recorded an adj. net loss €10.5m vs MBe of €6.2m. We note that SIT generated a net loss of €0.3m in 2023;

- As expected, NFP improved QoQ as SIT closed the year with €146m net debt (it was €159m at the end of September). NFP was therefore a touch below our expectation of €149m (company guidance entailed NFP in the range €145-150m).

SIT also provided its outlook for FY25E including

i) high-single-digit growth in revenues,
ii) return of adj. EBITDA margin into double digit territory and
iii) reducing NFP.

SIT FY24A results came in overall in line with our expectations on both the top-line and the profitability level, while FCF was marginally ahead of our estimates.
We also note that indications for FY25E seem overall consistent with our numbers.
Interesting to note that management highlighted that .
i) 2025 growth expectations are primarily driven by market share expansion and increasing share of wallet and ii) diversification of the product offer within the Heating & Ventilation segment is expected to gradually contribute to top-line growth. Profitability should finally benefit from the annualized carry over of cost savings related to the new industrial footprint and to additional strategic initiatives started in 2025. We have a Neutral rating on SIT.