

**SIT (BUY)****SIT IM; SIT-IT****1Q25 Preview: Out on 9 May**

Possible Surprise (SIT-IT)	Positive	Neutral	Negative
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**Results due on 9 May:** We expect 1Q25 total revenues up 0.9% yoy. We incorporate a mild recovery in the Heating & Ventilation Division (we expect the bulk of the FY25 increase in 2H25). We assume 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 a particular impact from the working capital and assume the net debt in line with YE24 (when it was at EUR 145.9M).

**What we think:** 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, we think a recovery in the H&V industry in FY25 should be a reasonable expectation after 2 years of decline, and we are reassured by the fact that the company's positive outlook is based on orders signed by customers. Furthermore, the industrial footprint optimisation has already generated efficiencies and cost savings. However, we outline that SIT's financial structure remains unbalanced, characterised by a still high level of debt (4x FY25E net debt/EBITDA). We confirm our BUY rating and TP of EUR 1.7 in view of SIT's ongoing fundamentals recovery.

**SIT - Key Data**

08/05/2025	Engineering		
Target Price (€)	1.70		
Rating	BUY		
Mkt price (€)	1.3		
Mkt cap (EUR M)	31.4		
<b>Main Metrics (€ M)</b>	<b>2025E</b>	<b>2026E</b>	
Revenues	319.8	333.6	
EBITDA	34.86	38.03	
EPS (EUR)	0.12	0.23	
Net debt/-cash	138.3	131.4	
<b>Ratios (x)</b>	<b>2025E</b>	<b>2026E</b>	
Adj. P/E	10.6	5.5	
EV/EBITDA	4.9	4.3	
EV/EBIT	17.2	12.6	
Debt/EBITDA	4.0	3.5	
Div yield (%)	0	0	
<b>Performance (%)</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	17.9	22.0	-46.1
Rel. to FTSE IT All Sh	1.1	17.8	-51.7

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

**Giada Cabrino** - Research Analyst  
+39 02 4127 9024  
giada.cabrino@intesasnpaolo.com

**Figure 12 – SIT 1Q25 results preview (EUR M)**

	1Q24A	1Q25E	yoy %
<b>Total revenues</b>	<b>69.0</b>	<b>69.7</b>	<b>0.9</b>
o/w Heating & Ventilation	47.9	49.5	3.4
o/w Metering	20.7	19.0	-8
<b>EBITDA</b>	<b>6.4</b>	<b>7.0</b>	<b>10.2</b>
<b>Margin (%)</b>	<b>9.2</b>	<b>10.0</b>	
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 estimates