

SIT back to growth: revenues exceed Euro 70 million in Q1 2025

Strong Increase in Sales for the Heating&Ventilation Division

The Group's adjusted EBITDA increase from 3.8 million to 7.4 million (+94.7% compared to Q1 2024)

Highlights

In the first quarter of 2025, SIT returned:

- **Consolidated Revenues** of Euro 70.1 million (+1.5% on 2024);
- **Heating&Ventilation Division Sales** of Euro 50.1 million (+4.7% on 2024 first quarter);
- **Metering Division Sales** of Euro 18.4 million (-10.8% compared to the same period in 2024), of which Smart Gas Metering Sales of Euro 11.3 million (-15.4%) and Water Metering Sales of Euro 7.1 million (-2.4%);
- **Consolidated adjusted EBITDA** of Euro 7.4 million, representing 10.6% of total revenues (+94.7% on first quarter of 2024);
- **Consolidated adjusted Net Result** of Euro -1.5 million with a 57.3% improvement;
- **Operating Cash Flow** for Q1 2025 positive of Euro 2.0 million after investments of Euro 2.4 million;
- **Net financial position** of Euro 147.2 million, compared to Euro 161.1 million as of March 31, 2024.

Padua, May 9, 2025 - The Board of Directors of **SIT S.p.A.**, listed on the Euronext Milan segment of the Italian Stock Exchange, in a meeting today presided over by **Federico de' Stefani, the Chairperson and Chief Executive Officer of SIT**, approved the consolidated results for the first quarter of 2025.

Federico de' Stefani, Chairperson and Chief Executive Officer of SIT, stated: "The results for the first quarter of 2025 confirm our expectations and, in line with what was communicated during the approval of the 2024 financial statements, the structural effects of the measures we have implemented are starting to materialize: revenues and Adjusted EBITDA are growing, driven by the performance of the Heating&Ventilation Division, which recorded significant sales increases in both Italy and the Americas (up +15.7% and +31.4%, respectively, compared to the first three months of 2024). The order backlog, both for the Heating&Ventilation Division and the Metering Division, encourages us to pursue the Group's 2025 targets".

KEY FINANCIALS

(Euro,000)	Q1 2025	%	Q1 2024	%	change %
Revenues from contracts with customers	70,054	100.0%	69,045	100.0%	1.5%
EBITDA	5,577	8.0%	6,352	9.2%	-12.2%
Adjusted EBITDA	7,434	10.6%	3,819	5.5%	94.7%
EBIT	(814)	-1.2%	(493)	-0.7%	-65.1%
Adjusted EBIT	1,043	1.5%	(3,025)	-4.4%	134.5%
Net result	(2,879)	-4.1%	(1,846)	-2.7%	-56.0%
Adjusted net result	(1,540)	-2.2%	(3,607)	-5.2%	57.3%
Cash flow from operating activities after investing activities	1,994		(7,567)		

(Euro,000)	31/03/2025	31/12/2024	31/03/2024
Net financial debt	147,225	145,850	161,058
Net financial debt /Adjusted EBITDA (last 12 months)	4.7x	5.3x	6.6x
Net trade working capital	66.951	65,605	86.461
Net trade working capital/Revenues	23.6%	21.9%	31.2%

Sales Performance
Consolidated Revenues by Division

(Euro,000)	Q1 25	%	Q1 24	%	change	change %
Heating&Ventilation	50,115	71.5%	47,877	69.3%	2,238	4.7%
Metering	18,428	26.3%	20,662	29.9%	(2,233)	(10.8%)
Total sales	68,543	97.8%	68,539	99.3%	4	0.0%
Other revenues	1,511	2.2%	506	0.7%	1,005	198.6%
Total sales	70,054	100%	69,045	100%	1,009	1.5%

Consolidated Revenues by Geographic Area

(Euro,000)	Q1 25	%	Q1 24	%	change	change %
Italy	21,963	31.4%	23,275	33.7%	(1,312)	(5.6%)
Europe (excluding Italy)	28,607	40.8%	29,888	43.3%	(1,282)	(4.3%)
The Americas	13,957	19.9%	10,218	14.8%	3,739	36.6%
Asia/Pacific	5,528	7.9%	5,664	8.2%	(136)	(2.4%)
Total sales	70,054	100%	69,045	100%	1,009	1.5%

Consolidated revenues for the first quarter of 2025 amounted to Euro 70.1 million, representing an increase of 1.5% compared to the first quarter of 2024 (Euro 69.0 million).

Heating&Ventilation Division

Sales for the Heating&Ventilation Division in the first quarter of 2025 reached Euro 50.1 million, up 4.7% compared to Euro 47.9 million in the same period of 2024 (exchange rate impact not material).

The following table shows the characteristic sales by geographical area of the Heating&Ventilation Division based on management criteria:

(Euro,000)	Q1 25	%	Q1 24	%	change	change %
Italy	10,636	21.2%	9,191	19.2%	1,444	15.7%
Europe (excluding Italy)	21,162	42.2%	22,869	47.8%	(1,707)	(7.5%)
America	12,860	25.7%	9,788	20.4%	3,072	31.4%
Asia/Pacific	5,457	10.9%	6,028	12.6%	(571)	(9.5%)
Total sales	50,115	100%	47,877	100%	2,238	4.7%

At the geographical level, in the first quarter, Italy recorded a 15.7% increase compared to the same period in 2024, confirming the positive trend observed over the last quarters of the previous year, mainly driven by ventilation products.

As for Europe, excluding Italy, the first quarter registered a 7.5% decline in sales compared to the same period in the previous year. Despite the overall decrease, the quarter's performance is considered positive, as the decline was concentrated in specific areas such as Turkey (-31.4% compared to the first quarter of 2024), which was impacted by local conditions and the presence of certain OEMs operating in the Central Heating sector. Other markets, such as Central Europe, reported 10.7% growth, driven by the Electronics segment, while the UK recorded revenues in line with those registered in the first quarter of 2024.

The Americas experienced strong growth in the first quarter, up +31.4% compared to the same period in the previous year, driven by solid performances in the fireplace and Central Heating segments, with no significant exchange rate impact.

The Asia-Pacific area recorded a 9.5% decline in the first quarter of 2025 compared to the same period in 2024. This decrease is mainly due to the performance of the Chinese market, only partially offset by the solid results from the Australian market.

Metering Division

Sales in the Metering Division amounted to Euro 18.4 million in the first quarter of 2025, reflecting a 10.8% decline compared to the same period in 2024.

Sales in the **Smart Gas Metering** sector totalled Euro 11.3 million, down from Euro 13.4 million in the first quarter of 2024. This temporary decline is primarily due to order fulfilment delays, which are expected to be recovered during the second quarter. Over 90% of the sales in this segment were generated in Italy, with the UK sales forecast concentrated in the second half of the year.

Sales in the **Water Metering** segment reached Euro 7.1 million, a 2.4% decrease compared to the same period in 2024. Sales were generated in Spain for 24.2%, in Portugal for 17.9%, in the rest of Europe for 40.3% and for 14.8% and 2.8% in America and Asia respectively.

Operating performance

Consolidated revenues for the first quarter of 2025 amounted to Euro 70.1 million, reflecting a 1.5% increase compared to Euro 69.0 million in the same period in 2024.

The **adjusted EBITDA** reached Euro 7.4 million, marking a 94.7% increase from Euro 3.8 million in the first quarter of 2024 was affected by the effect of higher volumes in the Heating&Ventilation division and the consolidation of efficiency measures implemented in 2024.

The **purchase cost of raw materials and consumables**, including inventory variations, amounted to Euro 33.5 million, representing 47.8% of revenues, compared to 50.5% in the first quarter of 2024.

Service costs amounted to Euro 11.8 million, up from Euro 11.0 million in the first quarter of 2024, accounting for 16.8% and 16.0% of revenues, respectively.

Personnel costs stood at Euro 18.6 million, down from Euro 19.1 million in the same period in 2024, representing 26.6% of revenues compared to 27.6% in 2024. Excluding one-time reorganization expenses, personnel costs were Euro 17.0 million, or 24.3% of revenues.

Depreciation and amortization costs amounted to Euro 6.4 million, slightly lower than the Euro 7.0 million reported in the first quarter of 2024.

The **operating result (EBIT)** amounted to Euro -0.8 million, compared to a loss of Euro 0.5 million in the first quarter of 2024.

The **adjusted operating result (EBIT adjusted)** for the first quarter of 2025 stood at Euro 1.0 million.

Net financial charges for the first quarter of 2025 were Euro 1.4 million, down from Euro 1.8 million in the same period in 2024.

Taxes for the period amounted to Euro 0.8 million, compared to a deferred tax provision of Euro 0.2 million in the first quarter of 2024.

The **net result for the period** registered a loss of Euro 2.9 million, compared to a loss of Euro 1.8 million in the same period in 2024.

The **adjusted net result for the period** was a loss of Euro 1.5 million, compared to a loss of Euro 3.6 million in the same period in 2024.

Cash flow performance

As of March 31, 2025, the **net financial debt** amounted to Euro 147.2 million, compared to Euro 145.9 million as December 31, 2024 and Euro 161.1 million as March 31, 2024. The evolution of the net financial position is shown in the table below:

(Euro,000)	Q1 2025	Q1 2024
Cash flow from current activities (A)	6,022	4,028
Change in inventories	(5,452)	(6,983)
Change in trade receivables	3,001	435
Change in trade payables	2,108	541
Change in other current assets and liabilities and for taxes	(1,241)	(1,149)
Cash flow from changes in Working Capital (B)	(1,584)	(7,156)
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	4,438	(3,128)
Cash flow from investing activities (C)	(2,444)	(4,439)
OPERATING CASH FLOW AFTER INVESTING ACTIVITIES (A + B + C)	1,994	(7,567)
Changes for interest	(1,692)	(2,305)

Changes MTM derivatives and amortised cost	76	487
Changes in translation reserves and other assets	(288)	(185)
Changes to financial assets	(1,120)	2,272
IFRS 16	(345)	(70)
Change in Net Financial Position	(1,375)	(7,368)
Opening Net Financial Position	145,850	153,690
Closing Net Financial Position	147,225	161,058

Financial flows in the first quarter of 2025 highlight a cash generation from current activities of Euro 6.0 million, compared to Euro 4.0 million in the same period of 2024. The difference is due to the economic performance over the two periods.

In the first quarter of 2025, the **absorption of working capital** amounted to Euro 1.6 million, compared to Euro 7.2 million absorbed in the same period of the previous year.

At the level of commercial working capital trends, there has been an increase in inventories of Euro 5.5 million, in line with the seasonality of the Heating&Ventilation business and the level of the order backlog in the Smart Gas Metering sector. Trade receivables and payables recorded a variation during the quarter that substantially offsets the cash absorption of the inventory since the beginning of the year.

Cash flow from investing activities amounted to Euro 2.4 million, compared to Euro 4.4 million in the first quarter of 2024.

As a result, **operating cash flow after investing activities** was positive at Euro 2.0 million, compared to a cash absorption of Euro 7.6 million in the first quarter of the previous year.

Among the **financing activities**, the first quarter of 2025 includes interest expenses of Euro 1.7 million and changes in financial receivables for an additional Euro 1.1 million.

Significant events after the reporting period

No significant events have occurred after the end of the quarter.

Outlook

The forecasts communicated on April 17, 2025, during the presentation of the 2024 draft financial statements have been confirmed. Accordingly, consolidated revenues for 2025 are expected to grow in the high single-digit range, mainly driven by market share expansion. This growth is anticipated to materialize in the second half of the year, based on existing client agreements.

The product range diversification launched in 2024 within the Heating&Ventilation segment is also expected to gradually support revenues growth.

In addition, positive carry-over effects from the newly implemented industrial footprint and further initiatives starting in 2025 will contribute to enhancing cost efficiency throughout the year.

The adjusted EBITDA margin is expected to return to double digits and will support a further reduction in net financial debt.

The current outlook does not consider recent developments concerning duties and tariffs, or any future adjustments thereto.

Declaration of the manager responsible of the preparation of the Company's accounts

The manager responsible of the preparation of the Company's accounts, Mr. Paul Fogolin, hereby certifies — pursuant to paragraph 2 of Article 154-bis of the "Testo Unico della Finanza" — that the accounting information contained in this press release are fairly representing the accounts and the books of the Company. This press release and the related results presentation for the period are made available on the website www.sitcorporate.it in the "Investor Relations" section and in the storage system www.emarketstorage.it.

Today at 3:00 PM CEST, SIT's management will hold a **conference call** to present the Group's consolidated results for the period to the financial community and the press.

Participation in the call is available at the following link: <https://shorturl.at/xEmeo>

Supporting documentation will be published in the "Investor Relations" section of the Company's website (www.sitcorporate.it) prior to the start of the conference call, as well as on the authorized centralized storage mechanism "eMarket Storage".

SIT, through its Business Units Heating&Ventilation, Smart Gas Metering, and Water Metering, creates intelligent solutions for environmental condition control and consumption measurement for a more sustainable world. A multinational leader in its reference markets and listed on the Euronext Milan segment, SIT aims to be the leading sustainable partner for energy and climate control solutions serving client companies, paying great attention to experimentation and the use of alternative gasses with low environmental impact. The group has production sites in Italy, Mexico, Romania, China, Tunisia, and Portugal, and has a commercial structure covering all global reference markets. SIT adheres to the United Nations Global Compact and its related principles that promote a responsible way of doing business and has obtained the Gold sustainability rating by EcoVadis. SIT is also a member of the European Heating Industry and the European Clean Hydrogen Alliance, as well as the Water Value Community for Italy - www.sitcorporate.it/en

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Annex 1
BALANCE SHEET

(Euro.000)	31/03/2025	31/12/2024
Goodwill	63.278	63.278
Other intangible assets	45.655	46.978
Property, plants and equipment	91.910	95.229
Investments	1.081	1.081
Non-current financial assets	3.391	2.573
Deferred tax assets	12.076	12.665
Non-current assets	217.391	221.804
Inventories	77.491	72.263
Trade receivables	57.221	60.274
Other current assets	10.917	10.517
Tax receivables	1.666	2.372
Other current assets	3.965	5.505
Cash and Cash Equivalents	11.932	14.038
Current assets	163.194	164.971
Total assets	380.585	386.775
Share capital	96.162	96.162
Total Reserves	4.348	35.972
Net Profit	(3.849)	(31.573)
Minority interests net equity	970	862
Shareholders' Equity	97.631	101.422
Medium/long-term loans and borrowings	76.521	76.610
Other non-current financial liabilities and derivative financial instruments	55.002	54.560
Provisions for risks and charges	10.074	9.337
Post-employment benefit provision	4.403	4.504
Other non-current liabilities	3.898	3.825
Deferred tax liabilities	10.465	10.629
Non-current liabilities	160.363	159.465
Short-term bank loans	17.747	19.356
Other current financial liabilities and derivative financial instruments	13.854	14.868
Trade payables	67.761	66.933
Other current liabilities	21.877	22.957
Tax payables	1.352	1.774
Current liabilities	122.590	125.887
Total Liabilities	282.954	285.353
Total Shareholders' Equity and Liabilities	380.585	386.775

Annex 2
INCOME STATEMENT

(Euro.000)	Q1 2025	Q1 2024
Revenues from sales and services	70.054	69.045
Raw materials, ancillaries, consumables and goods	39.130	41.924
Change in inventories	(5.671)	(7.030)
Services	11.793	11.033
Personnel expense	18.631	19.068
Depreciation, amortisation and write-downs	6.394	7.021
Provisions	246	159
Other charges (income)	344	(2.637)
EBIT	(814)	(493)
Investment income/(charges)	-	-
Gains/(Losses) from valuations of minority option liabilities	-	-
Financial income	113	128
Financial charges	(1.548)	(1.885)
Net exchange gains (losses)	156	199
Impairments on financial assets	-	-
Profit before taxes	(2.092)	(2.051)
Income taxes	(787)	206
Net profit for the year	(2.879)	(1.846)
Minority interest result	109	-
Group net profit	(2.987)	(1.846)

Annex 3
CASH FLOW STATEMENT

(Euro.000)	2025/03	2024/03
Net profit	(2.879)	(1.846)
Amortisation & depreciation	6.391	6.845
Non-cash adjustments	290	(2.520)
Income taxes	786	(208)
Net financial charges/(income)	1.434	1.757
CASH FLOW FROM CURRENT ACTIVITIES (A)	6.022	4.028
<i>Changes in assets and liabilities:</i>		
Inventories	(5.452)	(6.983)
Trade receivables	3.001	435
Trade payables	2.108	541
Other assets and liabilities	(762)	(1.087)
Income taxes paid	(479)	(62)
CASH FLOW GENERATED (ABSORBED) FROM CHANGES IN WORKING CAPITAL (B)	(1.584)	(7.156)
CASH FLOW FROM OPERATING ACTIVITIES (A + B)	4.438	(3.128)
CASH FLOW FROM INVESTING ACTIVITIES (C)	(2.444)	(4.439)
CASH FLOW FROM OPERATING & INVESTING ACTIVITIES (A + B + C)	1.994	(7.567)
<i>Financing activities:</i>		
Interest paid	(387)	(682)
Repayment of non-current financial payables	(645)	(2.289)
Increase (decrease) current financial payables	(2.911)	7.750
Increase (decrease) other financial payables	(795)	(753)
New loans	926	1.297
CASH FLOW FROM FINANCING ACTIVITIES (D)	(3.812)	5.323
Change in translation reserve	(288)	(185)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	(2.106)	(2.429)
Cash & cash equivalents at beginning of the year	14.038	8.700
Increase (decrease) in cash and cash equivalents	(2.106)	(2.429)
Cash & cash equivalents at end of the year	11.932	6.271