

SIT

Initial Evidence of Turnaround Effectiveness

We view the 1H25 results as a confirmation of the company's ongoing recovery. Revenues came broadly in line with our expectations, while adjusted EBITDA outperformed, driven by stronger volumes and efficiency gains stemming from the reorganisation. We expect SIT's profitability to further benefit from the return of positive seasonality in the H&V Division (traditionally in 2H) and to progress along its normalisation path. Nevertheless, we see SIT's net financial position as still challenging, but gradually improving. The company reiterated its FY25 guidance, targeting high single-digit revenue growth and an adj. EBITDA margin in the double-digit range. Management forecasts YE25 net debt at approximately EUR 140M.

Good 1H25 results

Total sales were EUR 153.7M in 1H25 (+1.9% yoy and +2.2% in 2Q25 yoy). Heating & Ventilation Division sales grew by 3.1% yoy in 1H25 (+1.8% in 2Q25 yoy), driven by volumes. The Metering Division sales dropped by 4.3% in 1H25 yoy and were up 1% yoy in 2Q25. 1H25 adj. EBITDA was EUR 20.6M, with a 13.4% margin (in 2Q25 adj. EBITDA margin was 15.7%), thanks to volumes and efficiencies carried out with the turnaround. The cash flow from operations was positive for EUR 1.3M after EUR 3.6M capex and EUR 10.3M in net trade working capital absorption, reflecting the inventory build-up in view of the seasonality of the H&V Division and strong orders from Smart Gas Metering. The net working capital was more normalised vs. 1H24, when destocking by customers was still ongoing. Net debt reached EUR 150.8M.

Estimates revision and valuation

We have improved our EBITDA adj. projections for FY25E and onwards and lift our TP to EUR 2.1. Our TP is derived from a DCF (WACC 9.1%). We keep our BUY on the stock: we see as key drivers of SIT's recovery and growth the company's multinational footprint, its portfolio diversification, enabled by SIT's strong expertise and R&D capabilities, the normalisation of capex following years of heavy investments, and the cost optimisation initiatives that have already been implemented.

SIT – Key data

Y/E Dec (EUR M)	2023A	2024A	2025E	2026E	2027E
Revenues	326.3	299.5	319.8	333.6	346.9
EBITDA	21.68	24.70	34.86	40.70	42.67
EBIT	-25.22	-11.53	9.86	15.70	18.67
Net income	-23.39	-31.62	2.96	7.82	10.61
Adj. EPS (EUR)	-0.01	-0.42	0.18	0.31	0.42
Net debt/-cash	153.7	145.9	138.3	125.4	117.1
Adj P/E (x)	Neg.	Neg.	9.0	5.1	3.8
EV/EBITDA (x)	12.0	7.6	5.1	4.1	3.7
EV/EBIT (x)	Neg.	Neg.	18.1	10.5	8.4
Div ord yield (%)	0	0	0	0	0
FCF Yield (%)	-16.0	25.6	36.6	41.9	34.9

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 05/09/2025

8 September 2025: 14:37 CET
Date and time of production

BUY

Target Price: EUR 2.1
(from EUR 1.70)

Italy/Engineering & Machinery
Company Results

EXM

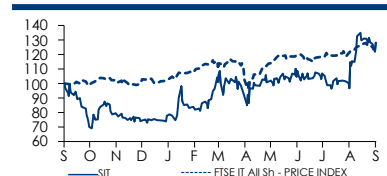
SIT - Key Data

Price date (market close)	05/09/2025
Target price (EUR)	2.1
Target upside (%)	29.17
Market price (EUR)	1.60
Market cap (EUR M)	40.05
52Wk range (EUR)	1.68/0.86

EPS – DPS changes

(EUR)	2025E	2026E	2025	2026
	EPS ▲	EPS ▲	chg%	chg%
Curr.	0.178	0.312	50.62	36.26
Prev.	0.118	0.229	-	-
	DPS =	DPS =	chg%	chg%
Prev.	0.000	0.000	-	-

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



Source: FactSet and Intesa Sanpaolo Research estimates

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First Signs of Turnaround Are Visible

1H25 sales were in line with expectations, EBITDA adj. was 16.9% better than our estimates, testifying to the initial benefits from SIT's turnaround. We see these results as a first confirmation of the positive effect from the company's initiatives.

In detail:

- **Total sales were EUR 153.7M in 1H25 (+1.9% yoy and +2.2% in 2Q25 yoy).** Heating & Ventilation Division sales grew by 3.1% yoy in 1H25 (+1.8% in 2Q25 yoy), driven by volumes. In particular, sales in Italy increased by double-digit in both 1H25 and 2Q25, thanks to ventilation products. The company outlined that new initiatives in Italy, such as MBT JV (production of fans for cooker hoods, induction hobs, and pellet stoves), held up well. Sales in Europe ex-Italy dropped by 5.8% yoy in 1H25 due to negative performance in Turkey; ex-Turkey, they would have grown. America performed well (+35% yoy in 2Q25 at constant forex; +33% in 1H25 yoy, around 25% of revenues), driven by fireplaces and Central Heating. The Metering Division sales dropped by 4.3% in 1H25 yoy and were up 1% yoy in 2Q25. In detail, Smart Gas Metering revenues shrank by 9.2% yoy in 1H25 but improved in 2Q25; thanks to the order portfolio, expectations are for a normalisation in 2H25. Water Metering sales were strong (+6.4% yoy in 1H25, with an acceleration in 2Q25);
- **1H25 EBITDA adj. was EUR 20.6M, with a 13.4% margin** (in 2Q25 EBITDA margin adj. was 15.7%), thanks to volumes and efficiencies carried out with the turnaround. One-off costs related to the reorganisation were EUR 3.7M. 1H25 EBITDA was EUR 16.9M (11% on sales). Adj. net income was EUR 2.2M, while the reported net loss was EUR 0.7M (EUR 6.1M net loss in 1H24);
- **The cash flow from operations was positive** for EUR 1.3M after EUR 3.6M capex and EUR 10.3M in net trade working capital absorption, reflecting the inventory build-up in view of the seasonality of the H&V Division and strong orders from the Smart Gas Metering. The net working capital was more normalised vs. 1H24, when destocking by customers was still ongoing;
- **Net debt reached EUR 150.8M** vs. EUR 145.9M at YE24 and EUR 160.9M at end-June 2024. The company stated that it is fully compliant with the June 2025 covenants.

Figure 1 – SIT 2Q/1H25 results

EUR M	2Q24A	2Q25E	2Q25A	yoy %	A/E %	1H24A	1H25E	1H25A	yoy %	A/E %
Total revenues	81.8	84.0	83.6	2.2	-0.4	150.9	154.0	153.7	1.9	-0.2
o/w Heating & Ventilation	55.6	57.3	56.6	1.8	-1.2	103.5	107.4	106.7	3.1	-0.6
o/w Metering	25.2	25.2	25.4	1.0	0.8	45.8	43.6	43.8	-4.3	0.5
EBITDA Adj.	7.7	10.2	13.1	71.1	29.2	11.5	17.6	20.6	78.9	16.9
Margin (%)	9.4	12.1	15.7			7.6	11.4	13.4		
EBIT adj.	0.8	3.5	6.4	663.2	83.0	-2.2	4.3	7.5	NM	73.5
Margin (%)	1.0	4.2	7.7			NM	2.8	4.9		
Pre-tax	-5.4	2.0	3.4	NM	70.3	-7.4	-0.1	1.3	NM	NM
Net Result adj.	-1.1	2.9	3.7	NM	26.4	-4.7	1.6	2.2	NM	38.9
Net debt	160.9	149.0	150.8			160.9	149.0	150.8		

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

Figure 2 – SIT 2Q/1H25 Heating & Ventilation Division sales geo-mix

EUR M	2Q24	2Q25	yoy %	1H24	1H25	yoy %
Italy	10.0	11.1	11.5	19.2	21.8	13.5
% on H&V sales	17.9	19.7		18.5	20.4	
Europe (ex-Italy)	24.4	23.4	-4.3	47.3	44.6	-5.8
% on H&V sales	43.9	41.3		45.7	41.8	
America	11.0	14.0	27.6	20.8	26.9	29.4
% on H&V sales	19.7	24.7		20.1	25.2	
Asia/Pacific	10.2	8.1	-21.1	16.3	13.5	-16.8
% on H&V sales	18.4	14.3		15.7	12.7	
H&V sales	55.6	56.6	1.8	103.5	106.7	3.1

A: actual; Source: Company data

Figure 3 – SIT 2Q/1H25 Metering Division sales by business line

EUR M	2Q24	2Q25	yoy %	1H24	1H25	yoy %
Smart Gas Metering	18.1	17.3	-4.7	31.5	28.6	-9.2
% on Metering sales	71.8	68.1		68.8	65.3	
Water Metering	7.0	8.1	15.4	14.3	15.2	6.4
% on Metering sales	27.8	31.9		31.2	34.7	
Metering sales	25.2	25.4	1.0	45.8	43.8	-4.3

A: actual; Source: Company data

Company's Outlook and Estimates Revision

Outlook was confirmed:

- In 2H25, H&V should be back to its positive seasonal pattern;
- Smart Gas Metering is set to recover its Order/Invoicing ratio; Water Metering is expected to grow by 15/20%;
- EBITDA adj. margin should remain in the double-digit range;
- Net debt at YE25 is projected at around EUR 140M.

The company confirmed that for 2025, consolidated revenues are set to post high single-digit growth vs. 2024, driven primarily by continued market share expansion. In the second half, the Heating & Ventilation Division is expected to return to its typical seasonal profile, reflecting a rebalancing of demand and delivery trends. This division should benefit from growing contributions from boiler applications and the U.S. market, both in fireplaces and boilers. Smart Gas Metering has secured a new contract in Italy (a strategic partnership with Italgas, which is expected to launch the new roll-out of Nimbus in 2026 for around 6M pieces), partially offsetting the postponement to 2026 of sales under the 3-year UK contract signed in January. Meanwhile, Water Metering should continue to show strong momentum, with double-digit growth projections, particularly in electronic products—both hybrid solutions and those linked to the launch of the new Smartio smart water meter.

The expected recovery in operating profitability should be supported by the full-year benefits of initiatives implemented during 2024, as well as further organisational efficiency measures scheduled for 2025.

The company's updated financial projections confirm compliance with all covenants and financial commitments in the short and medium term.

The deleverage should be triggered by improved profitability, but also, in our understanding, by possible asset optimisations.

In our view, the key drivers of SIT's recovery and growth lie in its multinational footprint, portfolio diversification (enabled by the company's strong expertise and R&D capabilities), the normalisation of capex following years of heavy investments, and the cost optimisation initiatives that have already been implemented.

Our estimate revision

We have included in our FY25E estimates the positive 1H25 performance, while keeping revenues at the same level as in our previous projections and adopted a less cautious view on EBITDA adj. development, which we see now growing by 40.2% yoy (12.1% EBITDA margin adj.) vs. our previous projections of 26.8% growth yoy in FY25E. We see room for further improvement after 9M25 results.

Figure 2 - SIT new vs. old estimates FY25/27E

EUR M	2025E Old	2025E New	2025E New/Old %	2026E Old	2026E New	2026E New/Old %	2027E New
Total sales	319.8	319.8	0.0	333.6	333.6	0.0	346.9
Core sales	315.1	315.1	0.0	328.7	328.7	0.0	342.0
o/w Heating & Ventilation	219.1	219.1	0.0	226.7	226.7	0.0	234.7
o/w Metering	96.0	96.0	0.0	102.0	102.0	0.0	107.3
EBITDA Adj.	34.9	38.6	10.6	38.0	40.7	7.0	42.7
% margin	10.9	12.1		11.4	12.2		12.3
EBIT	9.9	9.9	0.0	13.0	15.7	20.5	18.7
% margin	3.1	3.1		3.9	4.7		5.4
Net result	3.0	3.0	0.0	5.7	7.8	36.3	10.6
Net result Adj.	3.0	4.4	50.6	5.7	7.8	36.3	10.6
Net Debt/(Cash)	138.3	138.3		131.4	125.4		117.1

E: estimates; Source: Intesa Sanpaolo Research

Figure 3 - SIT new estimates FY25/27E

EUR M	2024A	2025E	yoy %	2026E	yoy %	2027E	yoy %
Total sales	299.5	319.8	6.8	333.6	4.3	346.9	4.0
Core sales	294.9	315.1	6.9	328.7	4.3	342.0	4.0
o/w Heating & Ventilation	206.7	219.1	6.0	226.7	3.5	234.7	3.5
o/w Metering	88.2	96.0	8.9	102.0	6.3	107.3	5.2
EBITDA Adj.	27.5	38.6	40.2	40.7	5.5	42.7	4.8
% margin	9.2	12.1		12.2		12.3	
EBIT	-11.5	9.9		15.7	59.2	18.7	18.9
% margin		3.1		4.7		5.4	
Net result	-31.6	3.0	NM	7.8	164.0	10.6	35.6
Net result Adj.	-10.5	4.4	NM	7.8	75.3	10.6	35.6
Net Debt/(Cash)	145.9	138.3		125.4		117.1	

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

Our estimates for YE25/26E incorporate compliance with the existing covenants (i.e. covenants on NFP/EBITDA adj. for FY25: 3.9x, for FY26: 2.9x).

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 2.1 (from EUR 1.7)**. Our WACC is 9.1% (vs. 9.5% previously) and is based on a 3.5% risk-free rate, 6% market risk premium (vs. 6.5% previously), 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 40M market cap as of 05/09/2025, net debt/EBITDA 3.9x at YE25E). Our target price offers around 29% 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 4 – SIT WACC calculation %

Risk-free rate	3.5
Debt spread	1.0
Cost of debt [net]	3.2
Market risk premium	7.0
Company-specific risk	1
Beta (x)	1.7
Cost of equity	15.5
Weight of Debt	51.8
Weight of Equity	48.2
WACC	9.1

Source: Intesa Sanpaolo Research estimates

Figure 5 – SIT DCF

	Valuation EUR M	% Weighting	P.S. EUR
Sum of PV 2025-33 FCF	99.9	49.5	4.0
Terminal value	102.2	50.5	4.1
Total Enterprise value	202.1	100.0	8.0
- Pension Provision	-4.5		(0.2)
- Net cash/-debt 2024A	-145.9		(5.8)
Total Equity value	51.7		2.1
F.D. number of shares M	25.1		
Fair value per share EUR	2.1		

Source: Intesa Sanpaolo Research estimates

Peers' multiples: a quick overview

Figure 6 – SIT International peers

x	Mkt Price EUR	Mkt Cap. EUR M	2025E	P/E 2026E	2027E	2025E	EV/EBITDA 2026E	2027E
Bucher Industries	407.5	4,177	18.1	16.5	14.6	10.0	9.3	8.3
Beijer Ref	14.8	7,548	31.6	27.9	25.1	18.9	17.6	16.3
Emerson Electric	112.9	63,562	22.1	20.2	18.6	17.2	15.9	15.0
Trane Technologies	352.6	78,459	31.6	28.1	25.0	22.3	20.3	18.4
Landis + Gyr	69.7	2,016	24.1	19.2	16.0	12.6	10.9	9.9
Lindab International	18.6	1,464	21.3	15.5	13.3	11.1	9.5	8.7
NIBE Industrier	3.5	6,998	29.2	22.3	19.7	15.1	13.1	12.0
Resideo Technologies	30.5	4,531	13.4	13.6	12.1	8.9	8.3	7.9
Schneider Electric	218.3	125,986	24.9	22.0	19.5	15.9	14.5	13.2
SPX Corporation	160.0	7,482	28.7	25.2	23.4	19.7	17.4	15.5
Sulzer	154.7	5,299	15.8	14.1	12.9	9.4	8.6	8.0
Weir Group	29.2	7,573	20.0	17.7	16.0	12.9	11.7	10.8
Average			23.4	20.2	18.0	14.5	13.1	12.0
SIT*	1.60	40	9.0	5.1	3.8	5.1	4.1	3.7
Premium/-discount %				-61.6	-74.6	-79.0	-64.7	-69.5

Priced at market close on 05/09/2025 Source: FactSet and *Intesa Sanpaolo Research estimates

Figure 7 - SIT Italian peers

x	Market Price EUR	Market Cap. EUR M	2025E	P/E 2026E	2027E	2025	EV/EBITDA 2026E	2027E
Gefran	10.7	154	15.3	13.0	11.8	5.4	5.0	4.6
Interpump*	40.7	4,429	20.5	18.7	17.2	10.5	9.5	8.6
LU-VE*	32.6	725	19.0	16.5		9.5	8.3	
Sabaf	14.3	165	12.2	9.7	8.7	5.8	5.1	4.9
Ariston*	4.2	1,475	16.9	14.5	12.9	4.9	4.4	3.9
Average			16.8	14.5	12.6	7.2	6.5	5.5
SIT*	1.60	40	9.0	5.1	3.8	5.1	4.1	3.7
Premium/-discount %				-46.5	-64.7	-70.1	-29.3	-33.5

Priced at market close on 05/09/2025 Source: FactSet and *Intesa Sanpaolo Research estimates

Valuation and Key Risks

Valuation basis

Our EUR 2.1/sh target price is derived from a DCF model (WACC 9.1%, 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.

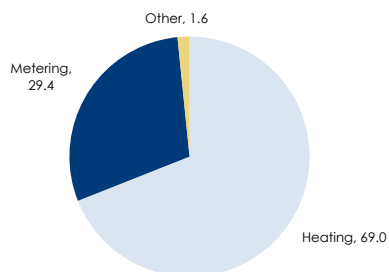
Key data

Mkt price (EUR)	1.60	Free float (%)	22.7
No. of shares	25.11	Major shr	SIT Tech.
52Wk range (EUR)	1.68/0.86	(%)	73.4
Reuters	SIT.MI	Bloomberg	SIT IM
Performance (%)	Absolute	Rel. FTSE IT All Sh	
-1M	32.4	-1M	29.8
-3M	18.1	-3M	14.7
-12M	28.1	-12M	3.9

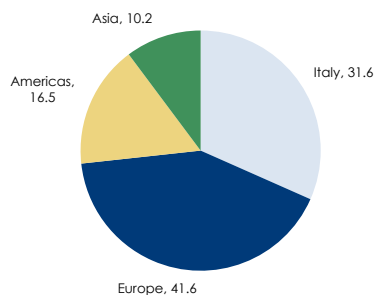
Estimates vs. consensus

EUR M (Y/E Dec)	2024A	2025E	2025C	2026E	2026C	2027E	2027C
Sales	299.5	319.8	NM	333.6	NA	346.9	NA
EBITDA	24.70	34.86	NM	40.70	NA	42.67	NA
EBIT	-11.53	9.86	NM	15.70	NA	18.67	NA
Pre-tax income	-20.71	3.86	NM	10.10	NA	13.67	NA
Net income	-31.62	2.96	NM	7.82	NA	10.61	NA
Adj. EPS	-0.42	0.18	NM	0.31	NA	0.42	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 05/09/2025)

SIT – Key Data

Rating BUY	Target price (EUR/sh) Ord 2.1		Mkt price (EUR/sh) Ord 1.60		Sector Engineering & Machinery	
Values per share (EUR)	2022A	2023A	2024A	2025E	2026E	2027E
No. ordinary shares (M)	25.11	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	25.11
Market cap (EUR M)	184.63	105.91	42.76	40.05	40.05	40.05
Adj. EPS	0.43	-0.01	-0.42	0.18	0.31	0.42
BVPS	6.6	5.7	4.0	4.2	4.5	4.9
Dividend ord	0	0	0	0	0	0
Income statement (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E
Revenues	393.3	326.3	299.5	319.8	333.6	346.9
EBITDA	38.21	21.68	24.70	34.86	40.70	42.67
EBIT	10.56	-25.22	-11.53	9.86	15.70	18.67
Pre-tax income	13.62	-31.30	-20.71	3.86	10.10	13.67
Net income	11.21	-23.39	-31.62	2.96	7.82	10.61
Adj. net income	10.90	-0.35	-10.50	4.41	7.82	10.61
Cash flow (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E
Net income before minorities	11.2	-23.4	-31.6	3.0	7.9	10.7
Depreciation and provisions	19.0	46.9	36.2	25.0	25.0	24.0
Others/Uses of funds	-8.6	-6.9	0.6	-1.0	-3.0	3.5
Change in working capital	-23.3	-10.5	21.7	-2.9	2.9	-10.2
Operating cash flow	-1.7	6.1	26.9	24.0	32.7	27.8
Capital expenditure	-30.3	-23.0	-16.0	-11.0	-16.0	-14.0
Financial investments	0	0	0	0	0	1.0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	-28.1	-16.9	10.9	13.0	16.7	14.8
Dividends	-7.3	0	0	0	0	0
Equity changes & Other items	2.8	-6.3	-3.0	-5.5	-3.8	-6.3
Net change in cash	-32.6	-23.2	7.8	7.6	12.9	8.5
Balance sheet (EUR M)	2022A	2023A	2024A	2025E	2026E	2027E
Net capital employed	296.0	296.8	247.3	243.6	238.5	240.6
of which associates	0	0	0	0	0	1.0
Net debt/-cash	130.5	153.7	145.9	138.3	125.4	117.1
Minorities	0	0	0	0	0	0
Net equity	165.5	143.1	101.4	104.4	112.2	122.8
Minorities value	0	0	0	0	0	0
Enterprise value	315.1	259.6	188.6	178.3	165.4	156.2
Stock market ratios (x)	2022A	2023A	2024A	2025E	2026E	2027E
Adj. P/E	16.9	Neg.	Neg.	9.0	5.1	3.8
P/CFPS	16.7	17.3	1.6	1.6	1.2	1.4
P/BVPS	1.1	0.74	0.42	0.38	0.36	0.33
Payout (%)	0	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	-10.4	-16.0	25.6	36.6	41.9	34.9
EV/sales	0.80	0.80	0.63	0.56	0.50	0.45
EV/EBITDA	8.2	12.0	7.6	5.1	4.1	3.7
EV/EBIT	29.9	Neg.	Neg.	18.1	10.5	8.4
EV/CE	1.1	0.87	0.76	0.73	0.69	0.65
D/EBITDA	3.4	7.1	5.9	4.0	3.1	2.7
D/EBIT	12.4	Neg.	Neg.	14.0	8.0	6.3
Profitability & financial ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA margin	9.7	6.6	8.2	10.9	12.2	12.3
EBIT margin	2.7	-7.7	-3.8	3.1	4.7	5.4
Tax rate	17.3	25.3	NM	22.0	22.0	22.0
Net income margin	2.9	-7.2	-10.6	0.9	2.3	3.1
ROCE	3.6	-8.5	-4.7	4.0	6.6	7.8
ROE	7.0	-15.2	-25.9	2.9	7.2	9.0
Interest cover	2.2	-4.1	-1.3	1.6	2.8	3.7
Debt/equity ratio	78.9	107.4	143.8	132.5	111.7	95.4
Growth (%)		2023A	2024A	2025E	2026E	2027E
Sales		-17.0	-8.2	6.8	4.3	4.0
EBITDA		-43.3	13.9	41.1	16.7	4.8
EBIT		NM	54.3	NM	59.2	18.9
Pre-tax income		NM	33.8	NM	NM	35.4
Net income		NM	-35.2	NM	NM	35.6
Adj. net income		NM	NM	NM	77.2	35.6

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

ESG Matrix

SIT - ESG Matrix

	Main KPIs	2022	2023	2024	Target	Trend
E	Emissions	5.0	4.2	4.1	-38% in 2030	-
	CO2eq (Scope 1) tons k	11.5	10.7	12.3	-38% in 2030	-
	CO2eq (Scope 2 location based) tons k	14.4	13.3	13.8	8.714 in 2030	=
	CO2eq (Scope 2 market based) tons k	9.3	6.4	NA	NA	-
	Scope 3					
	Circular Economy					
	Total hazardous waste (ton)	432.0	256.8	288.0	NA	-
	% of total waste	11.6	9.3	11.7	NA	=
	% Electricity from renewable	NA	NA	NA	Assessment and definition of energy saving actions for every plant in Italy	
	Water withdrawals (m3/ton)	138.2	126.7	105.8	NA	-
S	Notes (Environmental):					
	Women in leadership roles* (%)	9.5	10.3	12.0		=
	Training hrs per capita (No.)	25.8	17.5	NA		-
	Turnover ratio (%)	43.9	125.0	47.5		-
	Work related injuries per M of working hours	3.9	2.7	7.6	< 3.5% in 2025	
G	Ethical code	Yes	Yes	Yes		
	Independent directors' rate (%)	57.1	57.1	71.4	//	NA
	Women in BoD (%)	42.9	42.9	42.9	//	NA
	Anti-corruption	Yes	Yes	Yes	//	=
	Management Remuneration Policy linked to ESG goals	Yes	Yes	Yes	//	=
	ESG Report	Yes	Yes	Yes	//	=
	Shareholders'/Consulting Agreement	No	No	No	//	=
	Loyalty Shares	No	No	No	//	=

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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.
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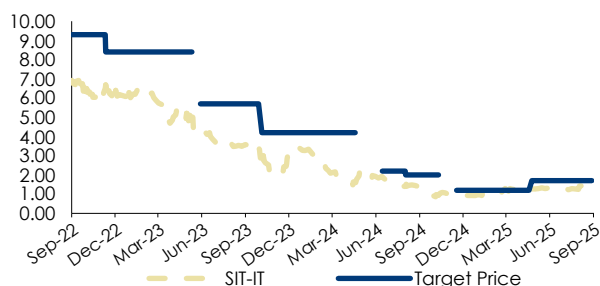
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SIT:

Target price and market price trend (-3Y)



Historical recommendations and target price trend (-3Y)

Date	Rating	TP (EUR)	Mkt Price (EUR)
28-Apr-25	BUY	1.70	1.28
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

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)

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Number of companies considered: 178	BUY	NEUTRAL (PREV. HOLD)	UNDERPERFORM (PREV. SELL)
Total Equity Research Coverage relating to last rating (%)*	63	34	3
of which Intesa Sanpaolo's Clients (%)**	59	42	40

* 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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