



FY 2022 – Results presentation

March 21, 2023

- Q4 consolidated revenues are €102,9m, +9,1% vs Q4 2021
- Q4 Divisional sales:
 - Heating accounts €80,5m, +4,1% vs PY
 - Metering at €21,1m is +41,7%, with Gas metering at +47,2% and Water metering at +28,7% vs PY
- FY consolidated revenues are €393,3m, +3,4% vs 2021
- FY EBITDA adjusted of €47,1m, 12,0% of revenues vs €51,2m, 13,5% of 2021,
- Q4 EBITDA adjusted of €11,5m, 11,2% of revenues vs €9,3m, 9,8% of 2021
- FY Net income of €11,2m at 2,9% of revenues vs €8,2m, 2,2%
- FY Net income adjusted of €10,9m at 2,8% of revenues vs €16,3m, 4,3%
- Net debt at €130,5m vs €106,7m of PY

Key financial results



€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Revenues	393,3	100,0%	380,5	100,0%	3,4%
EBITDA adjusted	47,1	12,0%	51,2	13,5%	(8,0%)
EBITDA	38,2	9,7%	51,2	13,5%	(25,4%)
EBIT adjusted	19,4	4,9%	24,3	6,4%	(20,1%)
EBIT	10,6	2,7%	24,3	6,4%	(56,6%)
EBT	13,6	3,4%	11,7	3,1%	15,9%
Net income	11,2	2,9%	8,2	2,2%	36,0%
Net Income adjusted	10,9	2,8%	16,3	4,3%	(33,2%)
Cash flow from operations	(13,1)		27,2		
NTWC	73,8		45,4		
Net financial debt	130,5		106,7		

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Revenues	102,9	100,0%	94,3	100,0%	9,1%
EBITDA adjusted	11,5	11,2%	9,3	9,8%	24,2%
EBIT adjusted	4,1	4,0%	1,3	1,3%	220,8%
Net Income adjusted	2,7	2,6%	0,5	0,6%	388,2%

- FY consolidated revenues account 3,4% growth
- Divisional trends:
 - Heating: +5,7%, Q4 +4,1%
 - Metering: -5,7% , Q4 +41,7%
- EBITDA adjusted at €47,1m vs €51,2m of PY
- EBIT adjusted at €19,4m (4,9% of revenues) vs €24,3m (6,4%)
- Net income of €11,2m includes FV accounting effect of Warrant for +€8,7m
- Net income adjusted at €10,9m, 2,8% of revenues vs 4,3%
- Cash flow from operations is minus €13,1m after capex for €26,9m and increase in NTWC for €27,1m
- NTWC of €73,8m (18,8% of revenues) vs €45,4m of PY (11,9%) due to inventory and supply chain strategy
- Net financial debt stands at €130,5m vs €106,7m of PY

*Adjustment due to one off non-recurring accrual for €8,9m due to dispute settlement



Consolidated revenues – FY

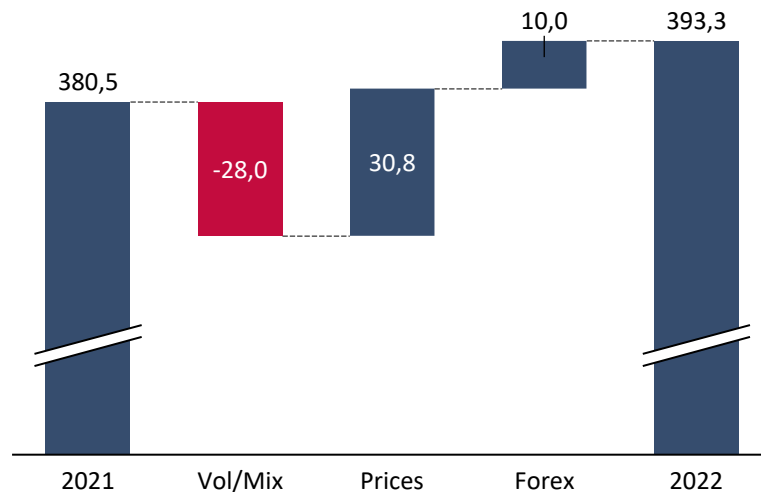
Breakdown by Division

€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Heating	315,3	80,2%	298,3	78,4%	5,7%
Metering	72,5	18,4%	76,9	20,2%	(5,7%)
Total business sales	387,9	98,6%	375,2	98,6%	3,4%
Other revenues	5,5	1,4%	5,3	1,4%	2,2%
Total revenues	393,3	100,0%	380,5	100,0%	3,4%

Breakdown by geography

€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Italy	99,5	25,3%	107,0	28,1%	(7,1%)
Europe (excluding Italy)	169,4	43,1%	167,5	44,0%	1,1%
America	85,5	21,7%	74,2	19,5%	15,1%
Asia/Pacific	39,0	9,9%	31,8	8,4%	22,6%
Total revenues	393,3	100,0%	380,5	100,0%	3,4%

Consolidated revenue bridge (€m)



Consolidated revenues – Q4

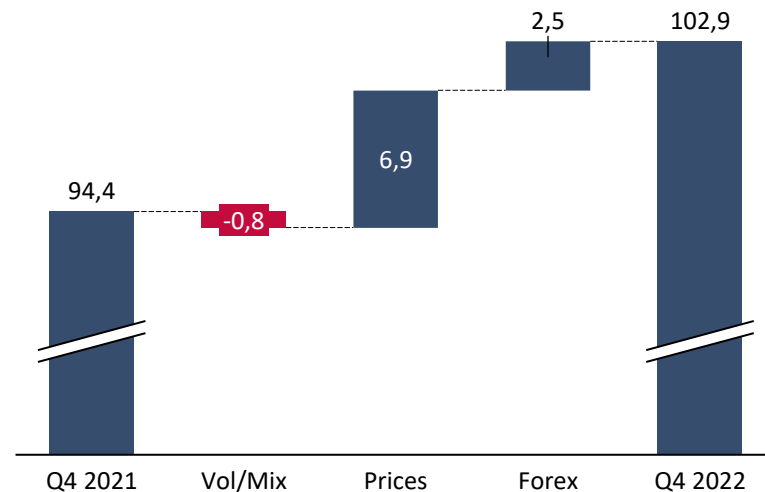
Breakdown by Division

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Heating	80,5	78,3%	77,4	82,0%	4,1%
Metering	21,1	20,5%	14,9	15,8%	41,7%
Total business sales	101,7	98,8%	92,3	97,8%	10,2%
Other revenues	1,3	1,2%	2,1	2,2%	(39,4%)
Total revenues	102,9	100,0%	94,4	100,0%	9,1%

Breakdown by geography

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Italy	32,5	31,6%	17,4	18,4%	87,5%
Europe (excuding Italy)	37,2	36,2%	47,1	50,0%	(21,1%)
America	22,9	22,2%	21,7	23,0%	5,5%
Asia/Pacific	10,3	10,0%	8,2	8,7%	25,9%
Total revenues	102,9	100,0%	94,4	100,0%	9,1%

Consolidated revenue bridge (€m)



FY Heating sales

€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Italy	56,1	17,8%	55,7	18,7%	0,8%
Europe (excuding Italy)	138,0	43,8%	140,1	47,0%	(1,5%)
America	82,8	26,3%	72,0	24,1%	15,0%
Asia/Pacific	38,4	12,2%	30,5	10,2%	25,9%
Total business sales	315,3	100,0%	298,3	100,0%	5,7%

Q4 Heating sales

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Italy	11,0	13,7%	12,7	16,4%	(12,9%)
Europe (excuding Italy)	37,0	45,9%	35,4	45,7%	4,5%
America	23,0	28,5%	21,0	27,1%	9,6%
Asia/Pacific	9,5	11,9%	8,4	10,8%	14,2%
Total business sales	80,5	100,0%	77,4	100,0%	4,1%

- Divisional sales:
 - Q4 +4,1%, +1,0% at same forex
 - FY + 5,7%, +2,5% at same forex
- Italy. FY in line with PY. Catering segment is up €1,4m, +34,7%, and Direct Heating applications (Space Heaters) grow (€+0,6m, +40,9%); Central Heating down €1,8m, -5,3%, mainly for Integrated systems
- Europe. FY down €2,1m, -1,5% vs PY. Turkey (12,1% of Divisional sales) is up €2,8m, +7,9%, due to OEM demand in Central and Direct Heating; UK, (6,4% of Divisional sales) is down €2,2m, mainly Flues (-17%); Central Europe markets grow €3,9m, +8,0%
- America. FY sales are up €10,8m, +15,0%, +3,6% at same forex
- Asia/Pacific. accounts increase for €7,9m, +25,9%, +20,0% at same forex vs PY; China, 7,6% of divisional sales, accounts +€4,4m, +22,7%; Australia +€1,1m, +15,7%

FY Smart Gas Metering

€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Residential	39,6	81,9%	51,5	90,2%	(23,1%)
Commercial & Industrial	8,5	17,5%	5,2	9,2%	61,8%
Other	0,3	0,6%	0,4	0,7%	(25,3%)
Total business sales	48,4	100,0%	57,1	100,0%	(15,4%)

2022 Smart Gas Metering foreign sales are 7,5%, in Greece, Croatia, Central Europe and UK

Q4 Smart Gas Metering

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Residential	12,6	82,2%	8,7	83,5%	45,0%
Commercial & Industrial	2,7	17,4%	1,6	15,8%	62,0%
Other	0,1	0,4%	0,1	0,8%	(16,9%)
Total business sales	15,4	100,0%	10,4	100,0%	47,2%

FY Water Metering

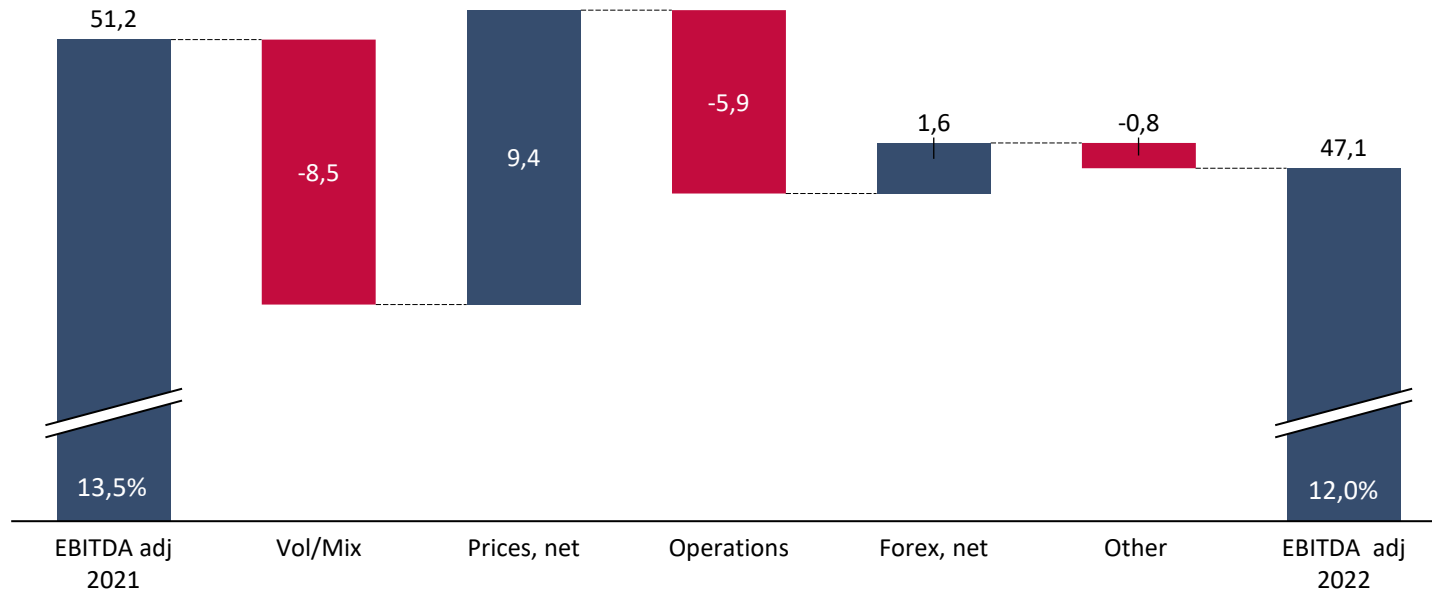
€m, unless otherwise stated	FY 22	%	FY 21	%	Chg. YoY
Water meters, finished	9,5	39,4%	9,3	47,2%	2,1%
Water meter parts	12,7	52,7%	9,1	46,0%	39,9%
Other	1,9	7,9%	1,3	6,8%	41,3%
Total business sales	24,2	100,0%	19,8	100,0%	22,2%

2022 geography breakdown: Portugal 24,6%, Spain 30,0%, Rest of Europe 32,5%, Americas 7,0%, Asia/Pacific 6,0%

Q4 Water Metering

€m, unless otherwise stated	Q4 22	%	Q4 21	%	Chg. YoY
Water meters, finished	1,9	33,5%	1,6	35,5%	21,2%
Water meter parts	3,3	57,1%	2,6	57,3%	28,4%
Other	0,5	9,4%	0,3	7,2%	68,0%
Total business sales	5,8	100,0%	4,5	100,0%	28,7%

EBITDA adjusted bridge



From EBITDA to net income



€m, unless otherwise stated	FY 22	% of sales	FY 21	% of sales	Chg. YoY
EBITDA	38,2	9,7%	51,2	13,5%	(25,4%)
D&A, impairment of assets	27,7		26,9		
EBIT	10,6	2,7%	24,3	6,4%	(56,6%)
Net financial (charges)/income	4,5		(13,7)		
Net forex (charges)/income	(1,3)		1,0		
EBT	13,6	3,4%	11,7	3,1%	15,9%
Taxes	(2,4)		(3,5)		
Net income	11,2	2,9%	8,2	2,2%	36,0%
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Ebitda adjusted	47,1	12,0%	51,2	13,5%	(8,0%)
Ebit adjusted	19,4	4,9%	24,3	6,4%	(20,1%)
Net financial (charges)/income adjusted	(4,2)	(1,1%)	(3,7)	(1,0%)	14,6%
Net income adjusted	10,9	2,8%	16,3	4,3%	(33,2%)

- D&A for €27,7m, 7,0% of revenues vs €26,9m, 7,1%
- Net financial (charges)/income account changes in FV of Warrants for income of €8,7m expired in 2022
- EBT of €13,6m at 3,4% of revenues
- FY21 taxes includes one off revenue for Patent Box ruling for €1,8m
- Net income of €11,2m at 2,9% of revenues vs 2,2% of previous year
- Net financial charges adjusted are 1,1% of revenues vs 1,0% of PY
- Net income adjusted is equal to €10,9m

- 2022 adjustment due to one off non-recurring accrual for €8,9m for dispute settlement and FV revenues for warrant €8,7
- 2021 adjustment includes FV charge for warrant €7,6, refinancing charges €1,0 and patent box tax revenue €1,8



Cash flow, net debt, net trade working capital

Change in net debt

€m, unless otherwise stated	FY 22	FY 21
Current cash flow	46,4	52,2
Change in NTWC	(27,1)	4,8
Inventory	(19,7)	(13,0)
Accounts Receivables	(6,7)	9,9
Accounts Payables	(0,7)	7,9
Other working capital	(5,5)	(3,7)
Capex, net	(26,9)	(26,1)
Cash flow from operations	(13,1)	27,2
Financial charges	(3,3)	(3,7)
Dividends paid	(7,3)	(6,9)
IFRS 16 - Leases	(2,0)	(3,0)
Other	2,0	(4,4)
Change in net debt	(23,8)	9,3
Net debt - BoP	106,7	116,0
Net debt - EoP	130,5	106,7

Net trade working capital

€m, unless otherwise stated	2022.12	2021.12	YoY change
Inventory	91,4	70,1	21,2
Accounts receivables	63,8	56,1	7,7
Accounts payables	(81,4)	(80,8)	(0,6)
Net Trade Working Capital	73,8	45,4	28,3
NTWC/Revenues	18,8%	11,9%	6,8%

- Increase in Inventory due to procurement strategy to address shortage issues and maintain customer service levels

Net financial position

€m, unless otherwise stated	31/12/2022	31/12/2021
(Cash & cash equivalents)	(23,5)	(46,7)
Current debt, net	20,5	20,1
Non current debt	117,5	114,0
MTM derivatives & M&A debt	1,2	3,4
IFRS 16 - Leases	14,9	15,9
Net debt - EoP	130,5	106,7

- 90% of debt portfolio is at fixed rate since origination

- Net Debt/EBITDA adj: 2022 2,8x vs 2021 2,1x

Final comments



- The first months of 2023 confirm the impact of external factors that are affecting the possibility of making reliable forecasts of yearly sales trends
- The safety procurement strategies occurred in 2022 in the Heating market supply chains resulted in high inventory levels, whose destocking timing cannot be predicted at the moment
- Geographically, expectations in some areas are positive while uncertainty remains in the markets directly and indirectly affected by the Russia/Ukraine conflict
- During the year, the planned production footprint will become fully operational from which an improvement in performances are expected, with greater contribution of the Tunisian plant
- SIT fundamentals are positive given the proactive role in the opportunities provided by the energy transition



Regulatory statement



The manager responsible for the preparation of the company's accounts, Paul Fogolin, hereby declares, as per article 154-bis, paragraph 2, of the "Testo Unico della Finanza", that all information related to the company's accounts contained in this presentation are fairly representing the accounts and the books of the company.

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