



H1 2024 – Results presentation

August 2, 2024

Highlights

- Q2 consolidated revenues are €81,8, -1,8% vs Q2 2023
- Q2 Divisional sales:
 - Heating accounts €55,6, -8,4% vs PY
 - Metering at €25,2 is +14,5%, with both Gas metering and Water metering performing +14,5% vs PY
- In Heating & Ventilation Europe is still significantly down (-20% vs Q2 PY) while other markets account improvement in the quarterly trend
- H1 consolidated revenues are €150,9, -9,6% vs H1 2023
- H1 EBITDA of €13,5 (9,0% of revenues) vs €13,2 (7,9%) of PY
- H1 Net income adjusted of minus €3,1 vs €1,6 of PY
- Net debt at €160,8 vs € 146,4 of PY

€ millions, unless otherwise stated

Key financial results

€M, unless otherwise stated	H1 24	% of sales	H1 23	% of sales	Chg. YoY
Revenues	150,9	100,0%	166,9	100,0%	(9,6%)
EBITDA	13,5	9,0%	13,2	7,9%	2,4%
D&A, impairment of assets	13,7		33,2		
EBIT	(0,1)	-0,1%	(20,0)	-12,0%	(99,4%)
Net financial (charges)/income	(7,2)		(3,1)		
Net forex (charges)/income	(0,1)		0,3		
EBT	(7,4)	-4,9%	(22,8)	-13,7%	(67,3%)
Taxes	1,3		4,7		
Net income	(6,1)	-4,1%	(18,2)	-10,9%	(66,2%)
Cash flow from operations	(2,1)		(12,5)		
NTWC	83,6		74,9		
Net financial debt	160,9		146,4		

- H1 consolidated revenues account 9,6% decrease
- EBITDA at €13,5M vs €13,2M of PY
- EBIT at -€0,1M vs -€20,0M of PY (which included impairment of assets for €19,5M)
- Net financial charges include one off charge of €3,9M as amortized cost of amended banking contracts
- Tax revenue for €1,3M due to deferred tax asset
- Net income adjusted at -€3,1M vs €1,6M of PY
- Cash flow from operations is minus €2,1M after capex for €9,4M
- NTWC of €83,6M (27,6% of revenues) vs €74,9M (22,3%) of PY
- Net financial debt stands at €160,9M vs 2023-year end of €153,7M vs €146,4 of PY

Consolidated revenues – H1

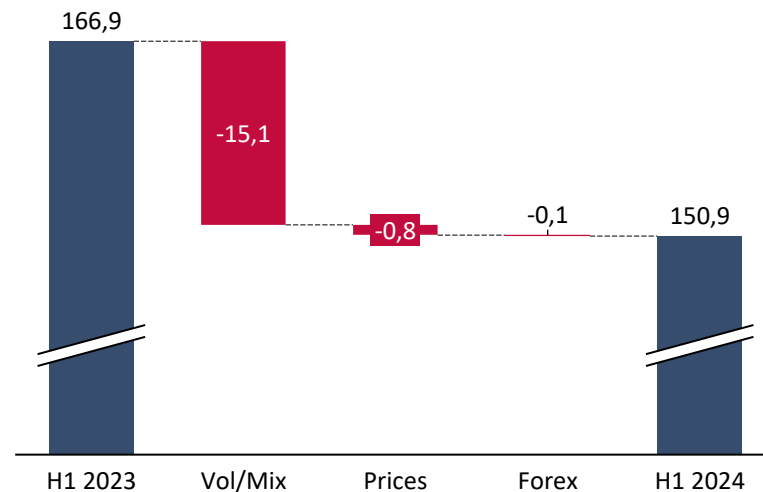
Breakdown by Division

€M, unless otherwise stated	H1 24	%	H1 23	%	Chg. YoY
Heating & Ventilation	103,5	68,6%	123,4	73,9%	(16,1%)
Metering	45,8	30,4%	42,3	25,4%	8,2%
Total business sales	149,3	98,9%	165,7	99,3%	(9,9%)
Other revenues	1,6	1,1%	1,2	0,7%	36,8%
Total revenues	150,9	100,0%	166,9	100,0%	(9,6%)

Breakdown by geography

€M, unless otherwise stated	H1 24	%	H1 23	%	Chg. YoY
Italy	51,0	33,8%	50,9	30,5%	0,2%
Europe (excluding Italy)	62,3	41,3%	78,1	46,8%	(20,2%)
America	22,4	14,9%	23,9	14,3%	(6,0%)
Asia/Pacific	15,1	10,0%	14,0	8,4%	7,9%
Total revenues	150,9	100,0%	166,9	100,0%	(9,6%)

Consolidated revenue bridge (€M)



Consolidated revenues – Q2

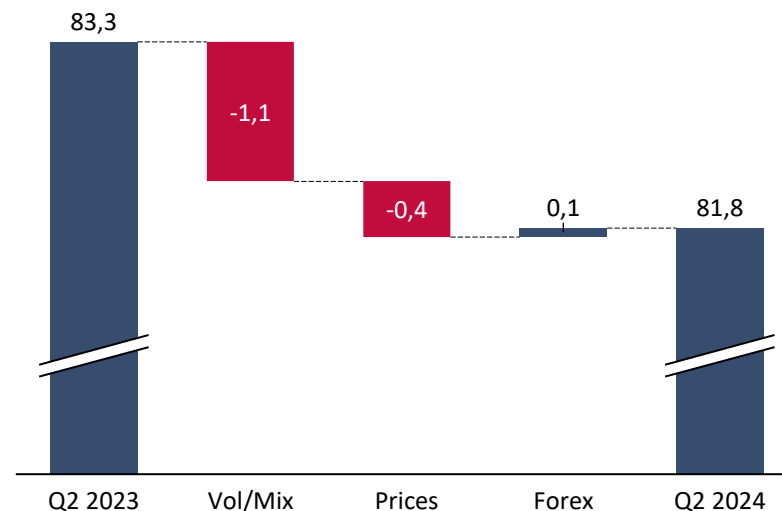
Breakdown by Division

€M, unless otherwise stated	Q2 24	%	Q2 23	%	Chg. YoY
Heating & Ventilation	55,6	67,9%	60,7	72,8%	(8,4%)
Metering	25,2	30,7%	22,0	26,4%	14,5%
Total business sales	80,8	98,7%	82,7	99,2%	(2,3%)
Other revenues	1,1	1,3%	0,7	0,8%	66,2%
Total revenues	81,8	100,0%	83,3	100,0%	(1,8%)

Breakdown by geography

€M, unless otherwise stated	Q2 24	%	Q2 23	%	Chg. YoY
Italy	27,7	33,9%	25,9	31,0%	7,2%
Europe (excluding Italy)	32,4	39,6%	37,9	45,5%	(14,5%)
America	12,2	14,9%	11,9	14,3%	2,6%
Asia/Pacific	9,5	11,6%	7,6	9,2%	23,8%
Total revenues	81,8	100,0%	83,3	100,0%	(1,8%)

Consolidated revenue bridge (€M)



Heating & Ventilation sales

Q2 sales by geography

€M, unless otherwise stated	Q2 24	%	Q2 23	%	Chg. YoY
Italy	10,0	17,9%	9,7	15,9%	3,0%
Europe (excloding Italy)	24,4	43,9%	31,2	51,4%	(21,6%)
America	11,0	19,7%	11,1	18,3%	(1,2%)
Asia/Pacific	10,2	18,4%	8,7	14,4%	17,0%
Total business sales	55,6	100,0%	60,7	100,0%	(8,4%)

H1 sales by geography

€M, unless otherwise stated	H1 24	%	H1 23	%	Chg. YoY
Italy	19,2	18,5%	21,6	17,5%	(11,3%)
Europe (excloding Italy)	47,3	45,7%	64,1	52,0%	(26,2%)
America	20,8	20,1%	22,8	18,5%	(9,0%)
Asia/Pacific	16,2	15,7%	14,8	12,0%	9,6%
Total business sales	103,5	100,0%	123,4	100,0%	(16,1%)

- Divisional sales
 - Q2 -8,4%, H1 -16,1%, forex impact not material
- Overall H1 sales performance vs PY reflects Q1 impact (-24% vs 23). Q2 performance in line with expectations
- Italy, Q2 is up €0,3M , 3,0% vs PY. Increase is accounted in Central Heating (€0,8M), Catering (€0,2M) and Cooker Hoods (€0,1M) while Direct Heating is down €0,6M (mainly Pellet stoves and Space heaters).
- Europe. Q2 down €6,7M, -21,6% vs PY. Turkey accounts 50% of the decrease (€3,3M, -28,5%) due to fans and mechanical controls in Central Heating; Central Europe markets are down €2,1M (-20,5%) in Central Heating with Heat Recovery Units (-60%) impacted by general trend in the sector.
- America. Q2 sales in line with PY. Fireplaces are up €2,0M, +50% vs PY; SWH is up €0,2M, +10%; Central Heating, mainly electronics accounts reduction of 36,6%
- Asia/Pacific Q2 accounts +€1,5M, +17,0%, due to China +€1,6M, +29,1%, in Central Heating; decrease in Australia for €0,2M, -10,6%

Metering sales

Q2 Smart Gas Metering

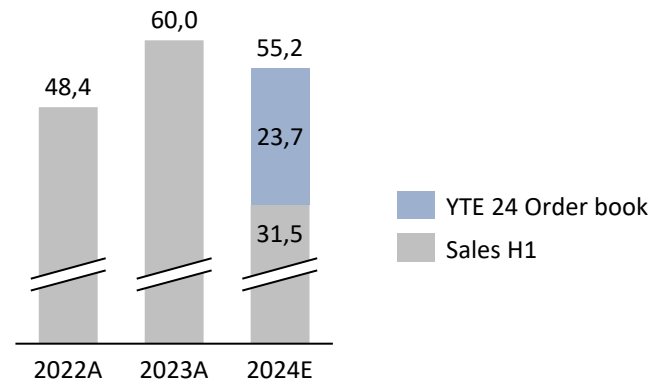
€M, unless otherwise stated	Q2 24	%	Q2 23	%	Chg. YoY
Residential	12,0	66,5%	12,8	80,7%	(5,7%)
Commercial & Industrial	3,5	19,2%	3,0	19,1%	15,1%
Other	2,6	14,4%	0,0	0,3%	-
Total business sales	18,1	100,0%	15,8	100,0%	14,5%

H1 Smart Gas Metering

€M, unless otherwise stated	H1 24	%	H1 23	%	Chg. YoY
Residential	23,0	73,1%	24,0	81,3%	(4,1%)
Commercial & Industrial	5,8	18,5%	5,4	18,4%	7,3%
Other	2,6	8,4%	0,1	0,3%	-
Total business sales	31,5	100,0%	29,5	100,0%	6,6%

H1 24 Smart Gas Metering are 97% in Italy vs 94% of PY

H1 Smart Gas Metering current order book



Metering sales

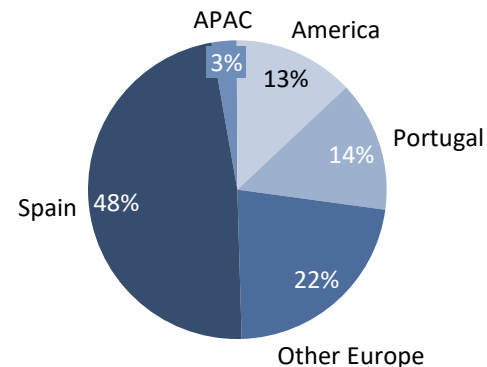
Q2 Water Metering

€M, unless otherwise stated	Q2 24	%	Q2 23	%	Chg. YoY
Water meters, finished	3,0	43,4%	2,1	34,5%	44,2%
Water meter parts	3,6	50,7%	3,5	56,5%	2,8%
Other	0,4	6,0%	0,6	9,0%	(23,9%)
Total business sales	7,0	100,0%	6,1	100,0%	14,6%

H1 Water Metering

€M, unless otherwise stated	H1 24	%	H1 23	%	Chg. YoY
Water meters, finished	5,9	41,1%	4,7	36,9%	24,3%
Water meter parts	7,6	53,1%	7,0	54,6%	8,5%
Other	0,8	5,9%	1,1	8,4%	(22,5%)
Total business sales	14,3	100,0%	12,8	100,0%	11,7%

H1 Water Metering by geography



Net trade working capital

€M, unless otherwise stated	2024.06	2023.12	H1 24 Change	2023.06	2022.12	H1 23 Change	YoY change
Inventory	91,8	83,3	8,5	98,9	91,4	7,6	(7,1)
Accounts receivables	72,0	63,5	8,5	52,5	63,8	(11,3)	19,5
Accounts payables	(80,2)	(66,9)	(13,3)	(76,5)	(81,4)	4,9	(3,7)
Net Trade Working Capital	83,6	79,9	3,7	74,9	73,8	1,2	8,6
<i>NTWC/Revenues</i>	<i>27,6%</i>	<i>24,5%</i>	<i>3,1%</i>	<i>22,3%</i>	<i>18,8%</i>	<i>3,5%</i>	<i>5,3%</i>

YTD reported H1 24 NTWC: +€3,7

- Inventory increase (+€8,5) reflects seasonality in H&V and order book in the Metering business
- Account Receivables and Account payables are in line with volume effect

YOY change in NTWC: +€8,6)

- Inventory decrease (-€7,1) and destocking impact on purchasing (+€3,7)
- Change in factoring policy

Cash flow and Net debt

Change in net debt

€M, unless otherwise stated	H1 24	H1 23
Current cash flow	10,0	15,2
Change in NTWC	(4,1)	0,5
Inventory	(9,0)	(5,9)
Accounts Receivables	(8,6)	12,3
Accounts Payables	13,6	(5,8)
Other working capital	1,4	(17,0)
Capex, net	(9,4)	(11,3)
Cash flow from operations	(2,1)	(12,5)
Financial charges	(4,4)	(3,2)
IFRS 16 - Leases	(0,4)	(0,5)
Other	(0,3)	0,3
Change in net debt	(7,2)	(15,9)
Net debt - BoP	153,7	130,5
Net debt - EoP	160,9	146,4

- Current cash flow of €10,0M vs €15,2M of PY
- YTD change in NTWC mostly due to inventory seasonality
- Other working capital in H1 23 (-€17,0M) includes dispute settlement with customer
- Capex for €9,4M vs €11,3M of PY

Net financial position

€M, unless otherwise stated	30/06/2024	31/12/2023	30/06/2023
(Cash & cash equivalents)	(7,2)	(8,7)	(23,8)
Current debt, net	28,6	50,9	47,3
Non current debt	127,1	97,8	109,1
MTM derivatives & M&A debt	0,0	0,2	0,0
IFRS 16 - Leases	12,3	13,5	13,8
Net debt - EoP	160,9	153,7	146,4

- Net Debt/EBITDA LTM: 6,2x vs 5,3x vs 3,9x of previous year

Update on new ventures and projects

- **Hybitat**, the JV for the development and production of a new hydrogen generation and long-term storage system for residential use, will book first sale already in 2024
- Partnership with **Panasonic** for the launch of a range of new fans for residential Heat Pumps ready to start sales in 2025
- **SIT - MBT**, the JV dedicated to the design and production of fans for kitchen hoods and induction hobs, has acquired first new customer
- **SmartIO**, the new smart water meter for residential use based on ultrasonic technology developed in a joint venture with GWF, a Swiss technological partner, has received orders for start of production in Q4 2024

Final comments and outlook

Market scenario described in previous reporting seasons is confirmed:

- There is no single relevant segment in the Heating & Ventilation market that is expected to structurally recover in the second half of the year
- Regulators, market players and end users are on hold: after a period of volatility and market disruption there is no clear trend in the short-term, therefore postponing decision making and spending

To cope with this environment SIT is transitioning towards a sustainable, proactive and flexible organization:

- Structural cost reductions and manufacturing footprint redesign deployed on time
- Evolution of a new management culture based on *agile* methodologies in the development of electrical components to complete SIT product range

FY 2024 outlook

- Metering business top line affected by UK postponement will bring FY sales in line with PY
- Heating & Ventilation FY performance is expected in line with Q2 change vs PY
- Consolidated EBITDA margin expected to improve between 100 e 200 bps
- Capex planned in the range of €20M
- Net debt expected between €145 - €150M

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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