

SIT (BUY)

SIT IM; SIT-IT

A New Contract for Janz

Market Mover (SIT-IT)	Positive	Neutral	Negative
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What's up? In a press release yesterday SIT communicated that through its subsidiary JANZ, it had won a public tender (together with a consortium of companies) for the foreign supply of 99,600 smart water meters. Of these, 80,000 will be delivered over the next 3 years.

The overall value of the contract is EUR 13M; the amount for JANZ is about EUR 6.1M (approximately 50% of the total). JANZ's water meters, object of the contract, are smart, meaning that they report readings and send alarms on demand, allowing for a very high degree of precision in measuring the water flow.

What we think: We see this news as positive, as the contract award testifies to the company's development efforts in a new European market for Janz and paves the way for further developments, in our view. We outline that Smart Water Metering sales account for around 10% of SIT's value of production in our estimates (EUR 32M in FY24E), and that this is the fastest-growing business line (+11.9% yoy in FY24E). **Rating BUY and TP EUR 2.0.**

SIT - Key Data

16/10/2024	Engineering		
Target Price (€)	2.0		
Rating	BUY		
Mkt price (€)	1.0		
Mkt cap (EUR M)	25.6		
Main Metrics (€ M)	2024E	2025E	
Revenues	307.6	326.5	
EBITDA	30.14	33.76	
EPS (EUR)	-0.09	0.02	
Net debt/-cash	150.6	145.9	
Ratios (x)	2024E	2025E	
Adj. P/E	Neg.	53.4	
EV/EBITDA	5.8	5.1	
EV/EBIT	82.5	25.4	
Debt/EBITDA	5.0	4.3	
Div yield (%)	0	0	
Performance (%)	1M	3M	12M
Absolute	-12.4	-37.4	-63.0
Rel. to FTSE IT All Sh	-14.9	-37.6	-69.8

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to SIT

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