

SIT

9M Still Hit by Heating Sector, but Confidence in the Future Holds

9M24 results were quite weak and uncertainty still affects the heating sector, whose short-term recovery is still crucial, in our view. The company is pursuing its repositioning in high-potential sectors through innovative and technological solutions and products, as well as by consolidating its strategic commercial partnerships, expecting to increase its market share. FY25 still shows limited visibility, but SIT is looking at it positively.

Weak 3Q/9M24 results

Sales decreased slightly in 3Q24 (-4.4% yoy) to EUR 71.9M; however, the company stated that the heating sector's positive seasonality effect was softer than expected in the quarter. In detail: 3Q24 Heating & Ventilation Division performed in line with 3Q23, with Italy up 9.7% (not related to heating), Europe ex-Italy down 11.5% (with better 3Q24 yoy vs. 2Q24 yoy), America was up 23.9% yoy and Asia Pacific down 5.5%. Metering division sales dropped by 10.7% yoy in 3Q24 to EUR 19.3M. EBITDA margin in 3Q24 was 80bps down yoy, with an implied 13.7% decrease yoy. The company reassured about the cost base revision plan, which is proceeding on schedule. The net debt stood at EUR 159M.

New guidance provided in October

Heating & Ventilation Division sales are expected to be down by low double-digits yoy due to the current market trend, especially in Europe. Metering Division sales are seen in line with FY23. Group EBITDA margin should stay slightly higher yoy, due to lower volumes. The net financial position is expected to be negative for EUR 145/150M. Downwards guidance revision was driven by lower expected volumes. We believe that the recovery postponement is strictly related to the sector where the company operates, and it is not a company-specific issue. We saw strong confidence in the new projects emerging from the tone of the conference call commenting on 9M24 results. As for the company's financial distress, they confirmed that the banks are backing the business plan, offering ongoing support.

Valuation

We use a DCF-based valuation for SIT. Following our estimates' revision, we set a **new fair value of EUR 1.2** (from EUR 2.0). Our WACC is 9.5% (from 8.9%) and is based on a 3.5% risk-free rate (from 3.75%), 6.5% market risk premium, 1.72x beta (1.7x previously) 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 and the low visibility over a possible heating sector recovery, the company's core business. Our target price offers more than 26% upside; therefore, we maintain our BUY recommendation, remaining confident about the sector's recovery and the future improvements of the company's debt sustainability.

SIT - Key data

Y/E Dec (EUR M)	2022A	2023A	2024E	2025E
Revenues	393.3	326.3	298.0	316.6
EBITDA	38.21	21.68	27.62	31.66
EBIT	10.56	-25.22	-0.38	4.66
Net income	11.21	-23.39	-7.68	0.26
Adj. EPS (EUR)	0.43	-0.02	-0.15	0.01
Net debt/-cash	130.5	153.7	151.0	141.6
Adj P/E (x)	16.9	Neg.	Neg.	93.3
EV/EBITDA (x)	8.2	12.0	6.3	5.2
EV/EBIT (x)	29.9	Neg.	NM	35.5
Div ord yield (%)	0	0	0	0
FCF Yield (%)	-10.4	-16.0	-9.7	66.0

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 20/11/2024

21 November 2024: 10:26 CET
Date and time of production

BUY

Target Price: EUR 1.20
(from EUR 2.00)

Italy/Engineering & Machinery
Company Results

EXM

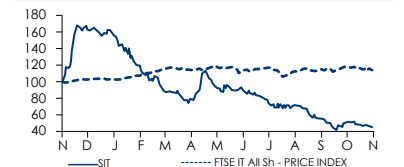
SIT - Key Data

Price date (market close)	20/11/2024
Target price (€)	1.20
Target upside (%)	26.58
Market price (€)	0.95
Market cap (EUR M)	23.80
52Wk range (€)	3.46/0.86

EPS - DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▼	EPS ▼	chg%	chg%
Curr.	-0.150	0.010	59.10	-46.80
Prev.	-0.095	0.019	-	-
	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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9M24 Results: Affected by the Weakness of the Overall Heating Sector – Cost Base Revision Is Ongoing

The revenue decline was attributable to lower volumes in the Heating segment in Europe, reflecting the weakness of the overall sector. The cost-cutting plan is on schedule.

- Sales decreased slightly in 3Q24** to EUR 71.9M (-4.4% in 3Q24; -8% yoy in 9M24 yoy); however, the company stated that the heating sector's positive seasonality effect was softer than expected in the quarter. In detail: 3Q24 **Heating & Ventilation Division** performed in line with 3Q23 (-1.3% yoy to EUR 52.1M), with Italy up 9.7%, Europe ex-Italy down 11.5% (with better 3Q24 yoy vs. 2Q24 yoy), America was up 23.9% yoy and APAC down 5.5%. The positive performance in Italy (14.6% of H&V Division sales) was due to an increase in Central Heating (CH) components sales, and applications unrelated to heating or combustion (e.g. catering and cooker hoods performed well), while the Direct Heating business was in line with 3Q23. In Europe (47.4% of H&V sales) Turkey drove sales down due to CH; Central Europe countries' sales also decreased due to CH (especially heat recovery units and heat pump components, due to a weak overall sector). Revenues in the Americas (23% of H&V sales) were driven by direct heating (fireplaces). We point out that 9M24 sales in H&V have a tough comparison base in 1Q23, a quarter impacted by fiscal incentives. **Metering** division sales dropped by 10.7% yoy in 3Q24 to EUR 19.3M, with revenues from the Smart Gas Metering business unit down 20.7% to EUR 11.8M, affected by shipping delays that should be recovered over the year (the company confirmed the order book in line with assumptions – around EUR 57M in our forecasts), and the Water Metering sales up by 12% to EUR 7.5M;
- EBITDA margin in 3Q24 was** 80bps down yoy, with an implied 13.7% decrease yoy in EBITDA due to decreasing sales volumes. EBITDA margin in 9M24 was 40bps up, at 8.7%. The company reassured about the cost base revision plan, which is proceeding on schedule (industrial footprint, day-by-day cost control, efficiencies in SIT's headquarters). 9M24 EBIT came out at EUR -1.5M (EUR -20.2M in 9M23, when it included a EUR 19.5M negative result of assets impairment in the H&V Division). Total net financial charges were EUR 8.7M (and included a one-off charge of EUR 3.9M as amortised cost of amended banking contracts, accounted for in 1H24). The net loss in 9M24 was EUR 8.3M;
- The net debt was EUR 159M** (in line with 9M23 and vs. EUR 153.7M at YE23) after positive operating cash flow at EUR 3.6M. We point out that EUR 159M net debt includes EUR 11.6M IFRS16 impact and EUR 5.1M Shareholder loan. Capex was EUR 11.8M. On this aspect, the company confirmed that 50/60% of FY24 capex is being allocated to new products' R&D and industrialisation. The net trade WC decreased yoy by EUR 8.2M after inventories decreased (given the company's destocking in purchasing) and receivables increased (the company no longer adopts the factoring policy towards its customers).

SIT - 3Q/9M24 results

EUR M	3Q23A	3Q24A	yoy %	9M23A	9M24A	yoy %
Total revenues	75.2	71.9	-4.4	242.1	222.8	-8.0
o/w Heating	52.7	52.1	-1.3	176.1	155.5	-11.7
o/w Metering	21.6	19.3	-10.7	64.0	65.1	1.8
EBITDA	6.8	5.9	-13.7	20.0	19.4	-3.1
Margin (%)	9.0	8.2		8.3	8.7	
EBIT	-0.3	-1.4		-20.2	-1.5	
Margin (%)	NM	NM		NM	NM	
Pre-tax	-2.0	-2.7		-24.9	-10.2	
Net Result attr.	-1.2	-2.2		-19.4	-8.3	
Net Result adjusted	-0.8	-2.2		0.9	-5.3	
Net debt	159.0	159.0		159.0	159.0	

NM: not meaningful; A: actual; Source: Company data and Intesa Sanpaolo Research estimates

FY24 Outlook and Estimates' Revision

Company FY24 outlook revised downwards

- Heating & Ventilation Division sales are expected to be down by low double-digits yoy due to the current market trend, especially in Europe (previous guidance, provided on 2 August with 1H24 release, high single-digit down);
- Metering Division sales are seen in line with FY23 (previous guidance confirmed);
- Group EBITDA margin should stay slightly higher yoy (previous guidance up 100/200 bps) due to lower volumes;
- The net financial position is expected to be negative for EUR 145/150M (previous guidance confirmed).

The company stated that it is pursuing its repositioning in high-potential sectors, through innovative and technological solutions and products, as well as through the consolidation of strategic commercial partnerships, and expects to increase its market share. FY25 still shows limited visibility, but SIT is looking at it positively.

We note that SIT also plans to enlarge its product range offer: from the pure residential to the commercial and industrial segments, including Ho.Re.Ca. (depending on the product offered). For example, new solutions for commercial customers in the heat pump ventilation field are being developed.

Recent updates

JANZ 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, the 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. First revenues are expected in FY25.

Hybitat secured the first sale contract ahead of plan. The sale is for a first storage system with a capacity of 200 kWh of energy that will be installed in 1Q25 in a private residence in Northern Italy. Hybitat is a joint venture that develops a new and innovative hydrogen generation and storage system for residential use.

Estimates' revision

As for FY24E, we have incorporated the company's guidance in our estimates, for flat revenues in the Metering Division and low double-digit down sales in the Heating & Ventilation Division. EBITDA margin is 50bps lower than in our previous estimates and is 40bps better vs. FY23A. The net debt is in the high range of the company's outlook in our estimates, at EUR 151.4M.

As for FY25E, it is reasonable to expect at least a small recovery in the H&V Division after the rather sharp decline in FY24, although the company said that visibility remains very low. We confirm our growth expectations for FY25E, given the company's plans to strengthen its commercial relationship with some important customers.

We also expect a positive contribution from the Ventilation business (including the MBT JV and the partnership with Panasonic). As for the heat pumps sector, we note that according to some sector players, there should be a potential recovery from 2H25, after the softness started in 3Q23 (see LU-VE's company presentation on its 9M24 results). Another sector player

noted that already in 3Q24 there has been a monthly sequential increase in the number of heat pump incentive approvals in Germany (see Ariston's 9M24 company presentation). We expect a low single-digit increase in the Smart Gas Metering Division and a double-digit increase in the Water Metering (also helped by SMART IO). We forecast an improvement in EBITDA margin, given the ongoing cost rationalisation and operating leverage triggered by the Tunisian facility. The net debt should go towards EUR 141.6M at YE25E.

SIT – New vs. old estimates FY24/25E

EUR M	2024E Old	2024E New	2024E New/Old %	2025E Old	2025E New	2025E New/Old %
Total sales	307.6	298.0	-3.1	326.5	316.6	-3.0
Core sales	303.9	294.7	-3.0	322.7	313.3	-2.9
o/w Heating and Ventilation	215.2	206.0	-4.3	221.7	215.3	-2.9
o/w Metering	88.7	88.7	0.0	101.0	98.0	-3.0
EBITDA Adj.	30.1	27.6	-8.3	33.8	31.7	-6.2
% margin on total sales	9.8	9.3		10.3	10.0	
EBIT	2.1	-0.4	NM	6.8	4.7	-31.1
% margin on total sales	0.7	NM		2.1	1.5	
Net result	-6.3	-7.7		0.5	0.3	
Net result Adj.	-2.4	-3.8		0.5	0.3	
Net Debt/-Cash	150.6	151.0		145.9	141.6	

E: estimates; Source: Intesa Sanpaolo Research estimates

SIT – New estimates FY24/25E

EUR M	2023A	2024E	yoy %	2025E	yoy %
Total sales	326.3	298.0	-8.7	316.6	6.3
Core sales	322.6	294.7	-8.7	313.3	6.3
o/w Heating and Ventilation	234.0	206.0	-12.0	215.3	4.5
o/w Metering	88.6	88.7	0.1	98.0	10.5
EBITDA Adj.	29.0	27.6	-4.6	31.7	14.6
% margin on total sales	8.9	9.3		10.0	
EBIT	-25.2	-0.4		4.7	
% margin on total sales		NM		1.5	
Net result	-23.4	-7.7		0.3	
Net result Adj.	-0.4	-3.8		0.3	
Net Debt/-Cash	153.7	151.0		141.6	

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

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 1.2 (from EUR 2.0)**. Our WACC is 9.5% (from 8.9%) and is based on a 3.5% risk-free rate (from 3.75%), 6.5% market risk premium, 1.72x beta (1.7x previously) 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 153.7M net debt at YE23 vs. EUR 24M market cap as of 15/11/2024, net debt/EBITDA 5.5x at YE24E) and the low visibility over a possible heating sector recovery, the company's core business. Our target price offers more than 26% upside; therefore, we maintain our BUY recommendation, remaining confident about the sector's recovery and the future improvements of the company's debt sustainability.

SIT - WACC calculation (%)

Risk free rate	3.5
Debt spread	1.0
Cost of debt [net]	3.2
Market risk premium	6.5
Company-specific risk	1.0
Beta (x)	1.7
Cost of equity	16.4
Weight of Debt	51.8
Weight of Equity	48.2
WACC	9.5

Source: Intesa Sanpaolo Research estimates

SIT – DCF

	Valuation EUR M	% Weighting	P.S. EUR
Sum of PV 2024-32 FCF	80.0	42.4	3.2
Terminal value	108.7	57.6	4.3
Total Enterprise value	188.7	100.0	7.5
- Pension Provision	-5.1		(0.2)
- Net cash/-debt 2023A	-153.7		(6.1)
Total Equity value	29.9		1.2
F.D. number of shares M	25.1		
Fair value per share EUR	1.2		

Source: Intesa Sanpaolo Research estimates

Peers' multiples: a quick overview

SIT – Peer comparison based on international peers

x	Mkt Price EUR	Mkt Cap. EUR M	P/E		EV/EBITDA	
			2024E	2025E	2024E	2025E
Bucher Industries	356.9	3,659	14.1	15.3	8.3	8.6
Beijer Ref	13.5	6,874	34.2	28.2	19.5	17.3
Emerson Electric	122.7	69,971	24.4	21.7	18.7	16.8
Trane Technologies	390.8	87,943	37.0	32.4	25.5	23.1
Landis + Gyr	69.2	2,002	13.9	12.2	9.1	8.3
Lindab International	19.2	1,510	24.5	16.8	11.8	9.9
NIBE Industrier	3.9	7,908	75.0	28.4	24.5	16.0
Resideo Technologies	25.0	3,681	13.8	11.5	8.9	8.1
Schneider Electric	236.8	136,309	29.0	25.2	18.8	16.8
SPX Corporation	158.4	7,342	30.0	26.5	20.2	18.3
Sulzer	139.6	4,781	16.7	14.7	9.6	8.8
Weir Group	25.3	6,563	17.8	16.1	11.2	10.3
Average			27.5	20.8	15.5	13.5
SIT*	0.95	24	NM	93.3	6.3	5.2
Premium/-discount %				NM	-59.2	-61.4

NM: not meaningful; Priced at market close on 20/11/2024; Source: FactSet and *Intesa Sanpaolo Research estimates for P/E 24/25E and EV/EBITDA 24/25E

SIT – Peer comparison based on Italian companies

x	Market Cap. EUR M	P/E		EV/EBITDA	
		2024E	2025E	2024	2025E
Gefran	138	13.1	12.4	4.7	4.3
Interpump*	4,551	18.5	17.2	10.2	9.4
LU-VE*	580	17.4	15.9	8.5	7.8
Sabaf	191	14.5	11.3	6.7	5.7
Ariston*	1,300	9.8	9.4	4.0	3.8
Average		14.7	13.2	6.8	6.2
SIT*	24	NM	93.3	6.3	5.2
Premium/-discount %			NM	-7.2	-15.9

NM: not meaningful; Priced at market close on 20/11/2024; Source: FactSet and *Intesa Sanpaolo Research estimates for P/E 24/25E and EV/EBITDA 24/25E

Valuation and Key Risks

Valuation basis

Our EUR 1.2/sh target price is derived from a DCF model (WACC 9.5%, 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.

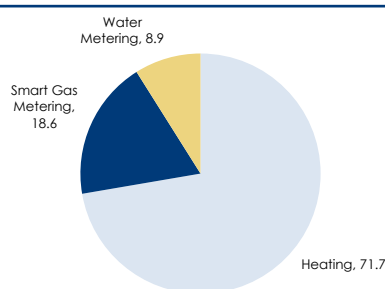
Key data

Mkt price (€)	0.95	Free float (%)	22.1
No. of shares	25.11	Major shr	SIT Tech. 73.4
52Wk range (€)	3.46/0.86	(%)	
Reuters	SIT.MI	Bloomberg	SIT IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-9.3	-1M	-4.2
-3M	-33.9	-3M	-34.2
-12M	-54.0	-12M	-59.0

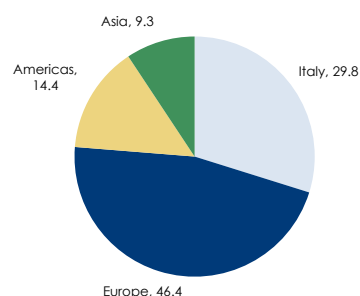
Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Sales	326.3	298.0	NM	316.6	NM	NA	NA
EBITDA	21.68	27.62	NM	31.66	NM	NA	NA
EBIT	-25.22	-0.38	NM	4.66	NM	NA	NA
Pre-tax income	-31.30	-9.78	NM	-1.44	NM	NA	NA
Net income	-23.39	-7.68	NM	0.26	NM	NA	NA
Adj. EPS (€)	-0.02	-0.15	NM	0.01	NM	NA	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 20/11/2024)

SIT – Key Data

Rating	Target price (€/sh)		Mkt price (€/sh)		Sector
BUY	Ord 1.20		Ord 0.95		Engineering & Machinery
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E
No. ordinary shares (M)	25.09	25.11	25.11	25.11	25.11
Total no. of shares (M)	25.09	25.11	25.11	25.11	25.11
Market cap (EUR M)	214.31	184.63	105.91	23.80	23.80
Adj. EPS	0.65	0.43	-0.02	-0.15	0.01
BVPS	6.1	6.6	5.7	5.4	5.4
Dividend ord	0.30	0	0	0	0
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E
Revenues	380.5	393.3	326.3	298.0	316.6
EBITDA	51.22	38.21	21.68	27.62	31.66
EBIT	24.33	10.56	-25.22	-0.38	4.66
Pre-tax income	11.71	13.62	-31.30	-9.78	-1.44
Net income	8.24	11.21	-23.39	-7.68	0.26
Adj. net income	16.31	10.90	-0.44	-3.78	0.26
Cash flow (EUR M)	2021A	2022A	2023A	2024E	2025E
Net income before minorities	8.2	11.2	-23.4	-7.7	0.3
Depreciation and provisions	26.9	19.0	46.9	28.0	27.0
Others/Uses of funds	-1.7	-8.6	-6.9	1.8	5.8
Change in working capital	4.4	-23.3	-10.5	-5.3	1.4
Operating cash flow	37.8	-1.7	6.1	16.8	34.5
Capital expenditure	-26.1	-30.3	-23.0	-16.0	-13.0
Financial investments	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0
Free cash flow	11.7	-28.1	-16.9	0.8	21.5
Dividends	-6.9	-7.3	0	0	0
Equity changes & Non-op items	4.2	2.8	-6.3	1.9	-11.8
Net change in cash	9.0	-32.6	-23.2	2.7	9.7
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E
Net capital employed	260.4	296.0	296.8	286.4	277.3
of which associates	0	0	0	0	0
Net debt/-cash	106.7	130.5	153.7	151.0	141.6
Minorities	0	0	0	0	0
Net equity	153.7	165.5	143.1	135.4	135.7
Minorities value	0	0	0	0	0
Enterprise value	321.0	315.1	259.6	174.8	165.4
Stock market ratios (x)	2021A	2022A	2023A	2024E	2025E
Adj. P/E	13.1	16.9	Neg.	Neg.	93.3
P/CFPS	5.7	16.7	17.3	1.7	0.83
P/BVPS	1.4	1.1	0.74	0.18	0.18
Payout (%)	46	0	0	0	0
Dividend yield (% ord)	3.5	0	0	0	0
FCF yield (%)	5.5	-10.4	-16.0	-9.7	66.0
EV/sales	0.84	0.80	0.80	0.59	0.52
EV/EBITDA	6.3	8.2	12.0	6.3	5.2
EV/EBIT	13.2	29.9	Neg.	NM	35.5
EV/CE	1.2	1.1	0.87	0.61	0.60
D/EBITDA	2.1	3.4	7.1	5.5	4.5
D/EBIT	4.4	12.4	Neg.	Neg.	30.4
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E
EBITDA margin	13.5	9.7	6.6	9.3	10.0
EBIT margin	6.4	2.7	-7.7	-0.1	1.5
Tax rate	29.6	17.3	25.3	21.5	NM
Net income margin	2.2	2.9	-7.2	-2.6	0.1
ROCE	9.3	3.6	-8.5	-0.1	1.7
ROE	5.4	7.0	-15.2	-5.5	0.2
Interest cover	1.7	2.2	-4.1	-0.0	0.8
Debt/equity ratio	69.5	78.9	107.4	111.5	104.3
Growth (%)		2022A	2023A	2024E	2025E
Sales		3.4	-17.0	-8.7	6.3
EBITDA		-25.4	-43.3	27.4	14.6
EBIT		-56.6	NM	98.5	NM
Pre-tax income		16.4	NM	68.8	85.2
Net income		36.0	NM	67.2	NM
Adj. net income		-33.2	NM	NM	NM

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	2021	2022	2023	Target	Trend
Emissions					
CO2eq (Scope 1) tons k	5.7	5.0	4.2	Scope 1 and Scope 2: -12% CO2 emissions	+
CO2eq (Scope 2 location based) tons k	11.1	11.5	10.7		+
CO2eq (Scope 2 market based) tons k	14.2	14.4	13.3	The % reduction will be defined for every single project	+
Scope 3	NA	9.3	6.4		+
Circular Economy					
Total hazardous waste (ton)	643.0	432.0	256.8		+
% of total waste	16.2	11.6	9.3		+
% Electricity from renewable	NA	NA	NA	Assessment and definition of energy saving actions for every plant in Italy	-
Water withdrawals (m3/ton)	142.6	138.2	126.7		+
Notes (Environmental):					
S					
Women in leadership roles* (%)	10.5	9.5	10.3		=
Training hrs per capita (No.)	27.4	25.8	17.5		-
Turnover ratio (%)	48.9	43.9	125.0		-
Work related injuries per M of working hours	4.2	3.9	2.7		+
Ethical code	Yes	Yes	Yes		
G					
Independent directors' rate (%)	57.1	57.1	57.1		=
Women in BoD (%)	42.9	42.9	42.9		=
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		

Note: the indicators +/- refer to how the company, in ISP view, is progressing towards its targets and/or vs. its historic trend; //: no explicit targets; Source: Company data and Intesa Sanpaolo Research elaboration

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Equity Research Publications in Last 12M

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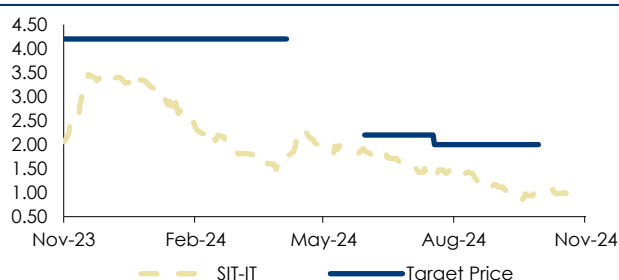
Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
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SIT:

Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
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

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at October 2024)**

Number of companies considered: 158	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	69	31	0
of which Intesa Sanpaolo's Clients (%)**	64	41	0

* 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

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