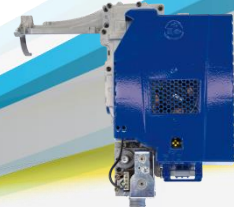




2017FY - Results presentation



March 21, 2018

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2017FY - Key financial results

(Euro.000)	2017	%	2016	%	diff%
Revenues	323.958	100,0%	288.138	100,0%	12,4%
EBITDA Adjusted (1)	45.847	14,2%	44.622	15,5%	2,7%
EBITDA	44.093	13,6%	43.212	15,0%	2,0%
EBITA	31.446	9,7%	29.752	10,3%	5,7%
EBIT	25.171	7,8%	23.477	8,1%	7,2%
Net Income Adjusted (2)	7.994	2,5%	1.720	0,6%	365%
Net Income	(23.327)	-7,2%	1.720	0,6%	n/a
Net Income of the Group	(23.327)	-7,2%	1.740	0,6%	n/a
Operating cash flow	24.245		40.697		
Net financial position	65.105		124.773		

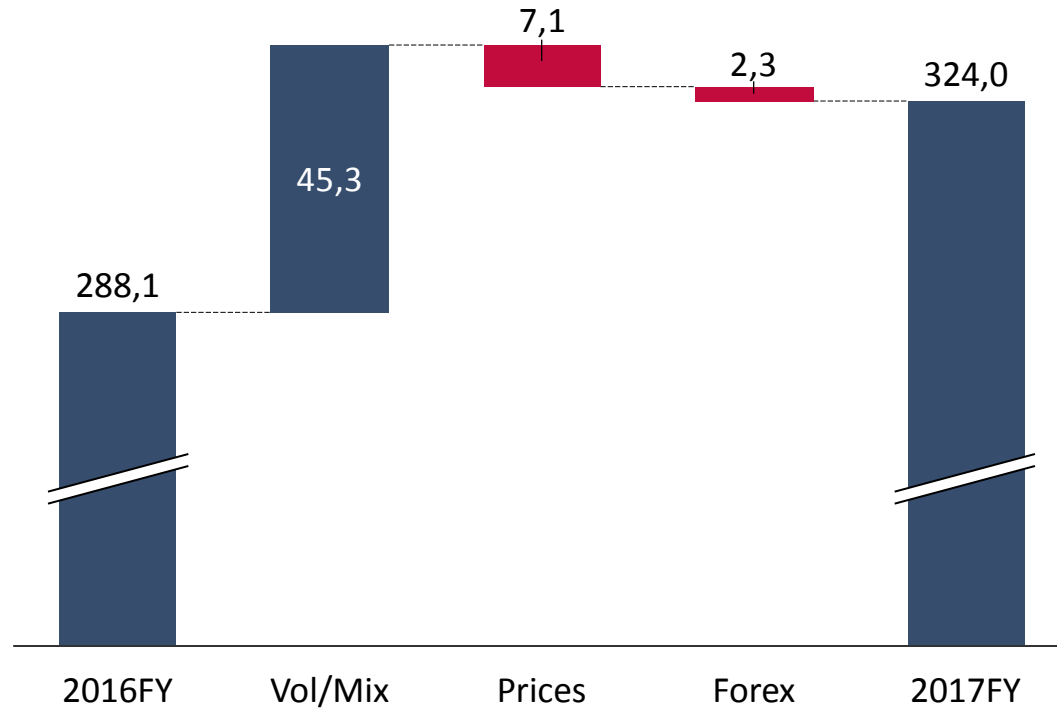
- Revenue growth of 12,4% is all **organic**:
- Heating, +24,2€ +9,7%
- Smart Gas Metering ,+11,7€ +31,1%
- Revenue growth at same forex rates is +13,2%
- EBITDA Adjusted is 45,8€, +2,7% suffers extra costs due to production capacity constraints and increase in demand
- Accelerated capex plan underway to open bottlenecks and restore operating flexibility and efficiencies
- Net Income Adjusted is 8,0€, +6,3€, + 365%, thanks to post IPO capital structure and new funding conditions

(1) Adjusted for non-recurring income and charges. In 2017 non-recurring operating charges mainly refer to AIM Italia listing project. In 2016 non-recurring items are mostly due to restructuring costs

(2) Adjusted for non-recurring, non-cash charges due to fair value accounting of the reverse merger with SPAC Industrial Stars of Italy 2. The amount is equal to Euro 31.321 thousand calculated as the difference between the market value of SIT shares on the merger date and the fair value of the SPAC's assets and liabilities incorporated by SIT. The item is accounted in financial charges and has a related reserve in equity that will be used to offset the charge in 2018 opening of accounts.

2017FY - Sales bridge

Euro millions



2017FY - Sales breakdown by division and geography

Divisional sales

Euro.000	2017	%	2016	%	diff %
Heating	273.997	84,6%	249.790	86,7%	9,7%
Smart Gas Metering	49.459	15,3%	37.740	13,1%	31,1%
Total product sales	323.455	99,9%	287.530	99,8%	12,5%
Service sales	502	0,1%	608	0,2%	-17,4%
Total revenues	323.958	100%	288.138	100%	12,4%

**5Y Revenues
CAGR: 7,7%
only internal
growth rate**

Product sales by geography

Euro.000	2017	%	2016	%	diff %
Italy	99.093	30,6%	83.034	28,9%	19.3%
Europe (excluding Italy)	139.343	43,1%	127.701	44,4%	9.1%
America	49.639	15,3%	47.012	16,4%	5.6%
Asia/Pacific	35.380	10,9%	29.783	10,4%	18.8%
Total product sales	323.455	100%	287.530	100%	12.5%

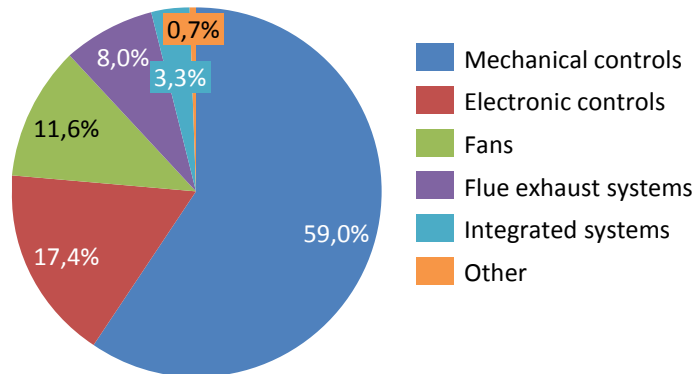
- *Smart Gas Metering realized substantially all revenues in Italy*

2017FY - Heating sales growth driven by emerging markets

Heating product sales by application

Euro.000	2017	%	2016	%	diff %
Central Heating	177.838	64,9%	153.823	61,6%	15,6%
Direct Heating	49.978	18,2%	48.353	19,4%	3,4%
Storage Water Heating	17.337	6,3%	17.798	7,1%	-2,6%
Catering	10.977	4,0%	11.227	4,5%	-2,2%
Other	17.868	6,5%	18.589	7,4%	-3,9%
Total product sales	273.997	100,0%	249.790	100,0%	9,7%

2017FY

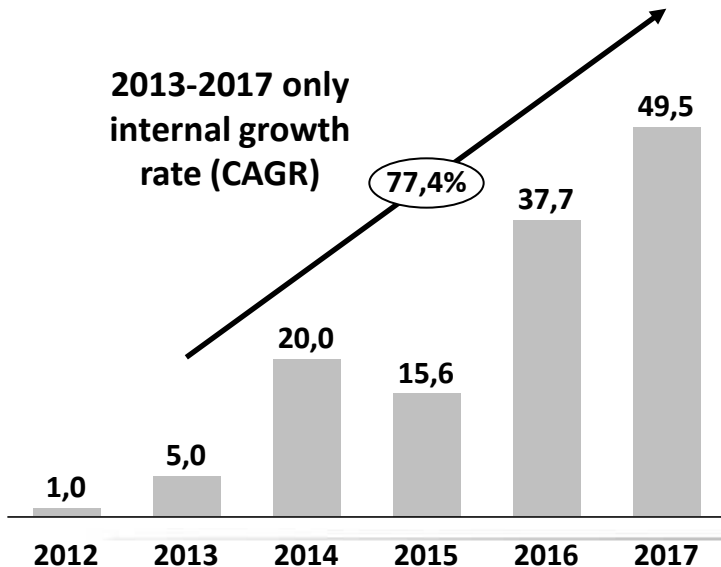


- *China, 2017 sales are €20,5 million vs €15,0 million, +36,7%*
- *Turkey, 2017 sales are €39,6 million vs €31,3 million, +26,6%*
- *Mechanical controls 2017 growth of €10,6 million, +7,0%*
- *Fans 2017 growth of €8,3 million, +35,2%*
- *Integrated systems 2017 growth of €2,4 million, + 36,9%*

2017FY - Smart Gas Metering confirms growth trend

Smart Gas Metering product sales by application

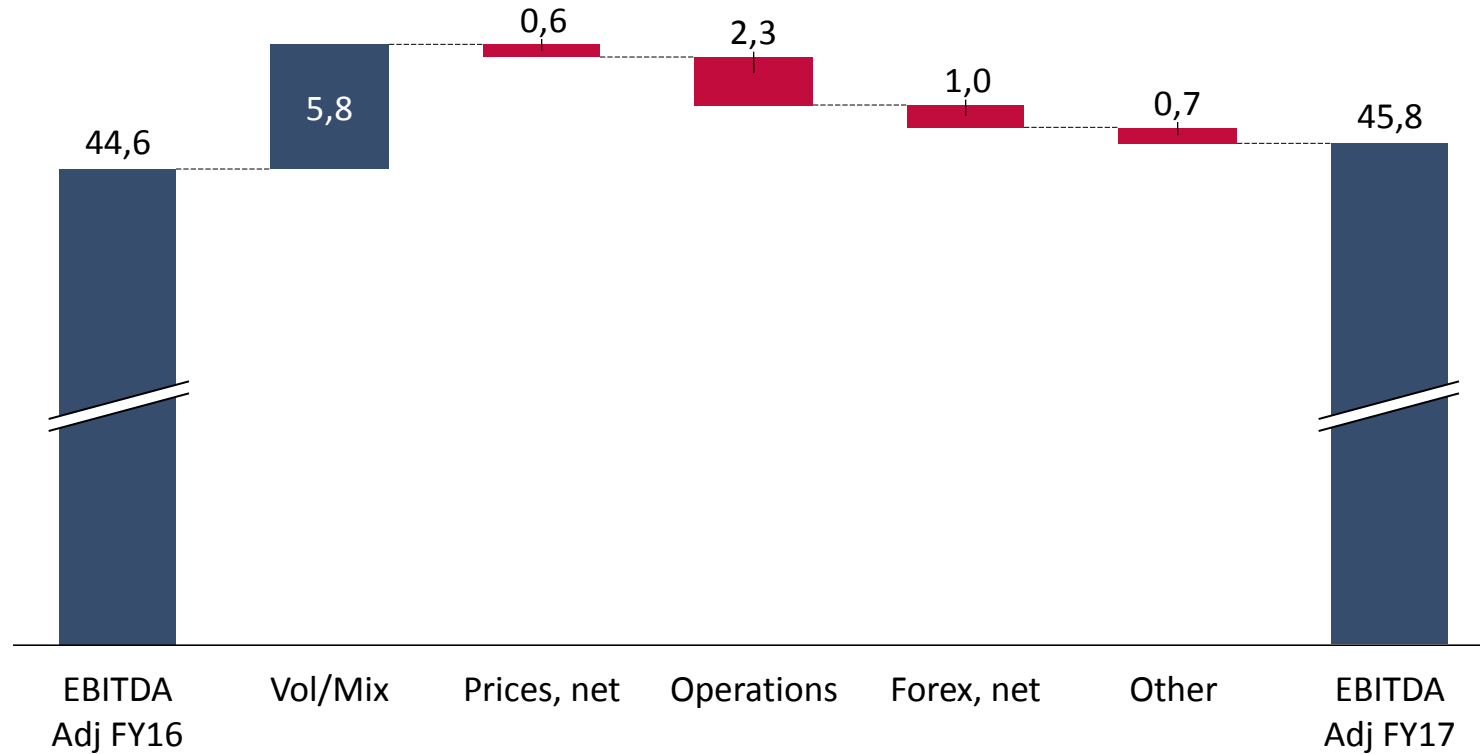
Euro.000	2017	%	2016	%	diff %
Residential	46.457	93,9%	35.988	95,4%	29,1%
Commercial & Industrial	2.779	5,6%	1.722	4,6%	61,4%
Other	224	0,5%	30	0,1%	-
Total product sales	49.459	100,0%	37.740	100,0%	31,1%



- **At Feb 2018, Revenues are €9,0 million and order portfolio stands at €66,9 million of which 56,5€ is for delivery in 2018. (At Feb 2017 Revenues and portfolio were respectively €6,4 and €27,0)**
- *Reference market is still Italy*
- *Product qualification and pilot testing in foreign markets are in process*

2017FY – EBITDA Adjusted bridge

Euro millions



2017FY – Financial charges

Euro.000	2017	2016	diff
Net financial charges - reported	46.968	19.722	27.246
Fair value accounting effect of merger	31.321	-	
Net financial charges - Adjusted	15.647	19.722	(4.075)
Reported financial charges include:			
<i>Write off of amortized cost</i>	7.509	4.289	
<i>Unwinding of interest rate swaps</i>	1.989	-	
Net financial charges – normalized*	6.149	15.433	(9.284)

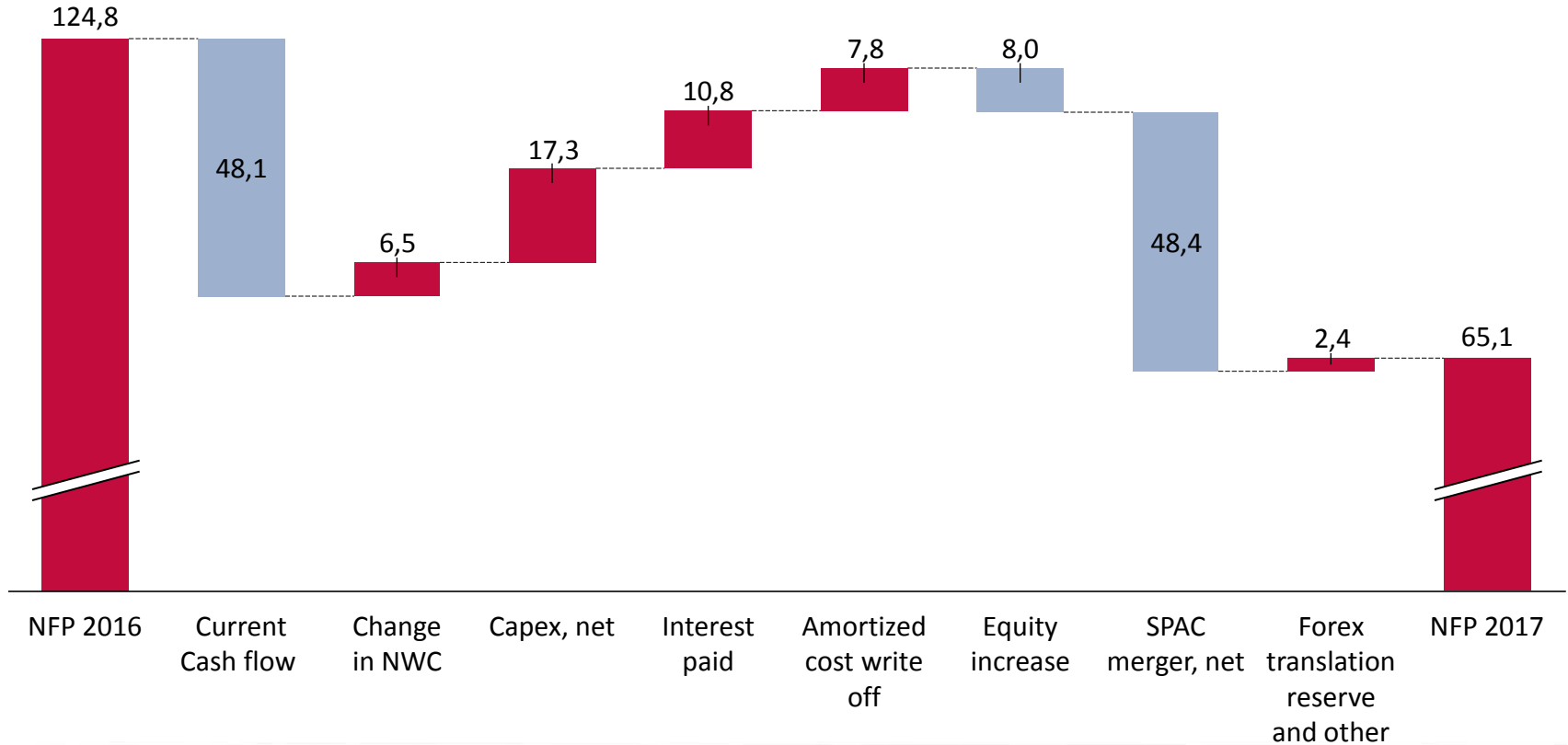
* Reported financial charges are affected by one-off charges related to:

- 2016 partial reimbursement of Shareholder loan
- 2017 residual reimbursement of Shareholder loan and Bank loan refinancing with new Senior Financial Agreement

2017FY – Net financial position

Euro millions

BoP NFP/EBITDA Adj: 2,8x
EoP NFP/EBITDA Adj : 1,4x



2017FY – Net trade working capital

Euro.000	2017	2016	diff
Inventory	38.130	38.490	(360)
Accounts receivables	52.126	44.660	7.466
Accounts payables	68.367	59.965	(8.402)
Reported Net Trade Working Capital	21.889	23.185	(1.296)
NTWC / Revenues	6,8%	8,0%	(1,2%)
<i>Non recourse factoring</i>	9.098	10.000	(902)
<i>Capex accounts payables</i>	4.680	3.535	1.145
Net Trade Working Capital – Adjusted	35.667	36.720	(1.053)
NTWC Adjusted/ Revenues	11,0%	12,7%	(1,7%)

NTWC @ End of Period

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