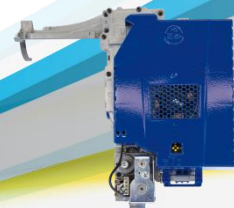




2019Q1 - Results presentation

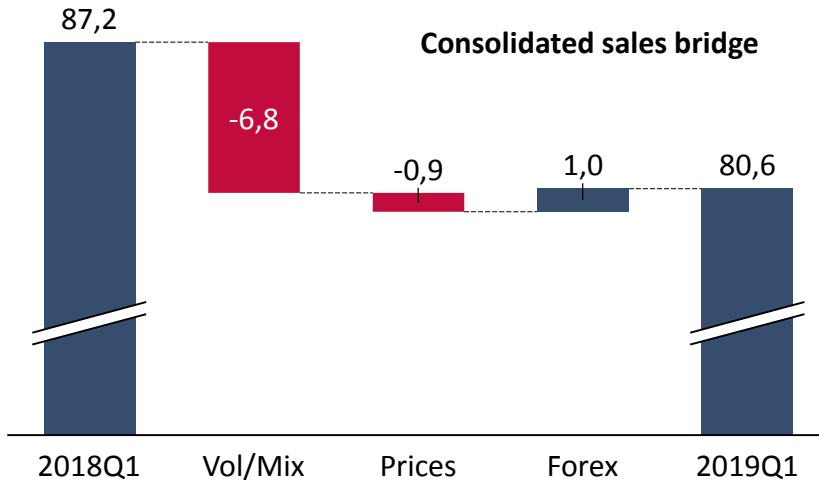


May 10, 2019

2019Q1 – Revenues

Breakdown by Division

Euro million	2019Q1	%	2018Q1	%	diff %
Heating	62,1	77,1%	70,4	80,7%	(11,7%)
Smart Gas Metering	17,7	21,9%	16,1	18,5%	9,6%
Total business sales	79,8	99,0%	86,5	99,1%	(7,8%)
Other revenues	0,8	1,0%	0,8	0,9%	6,7%
Total revenues	80,6	100%	87,2	100%	(7,6%)



Vol/Mix:

Heating, -9,4€, -13,3%

Smart Gas Metering, +2,5€, +15,5%

Price: mainly related to Smart Gas Metering

Forex: is all in Heating

2019Q1 - Heating sales by geography

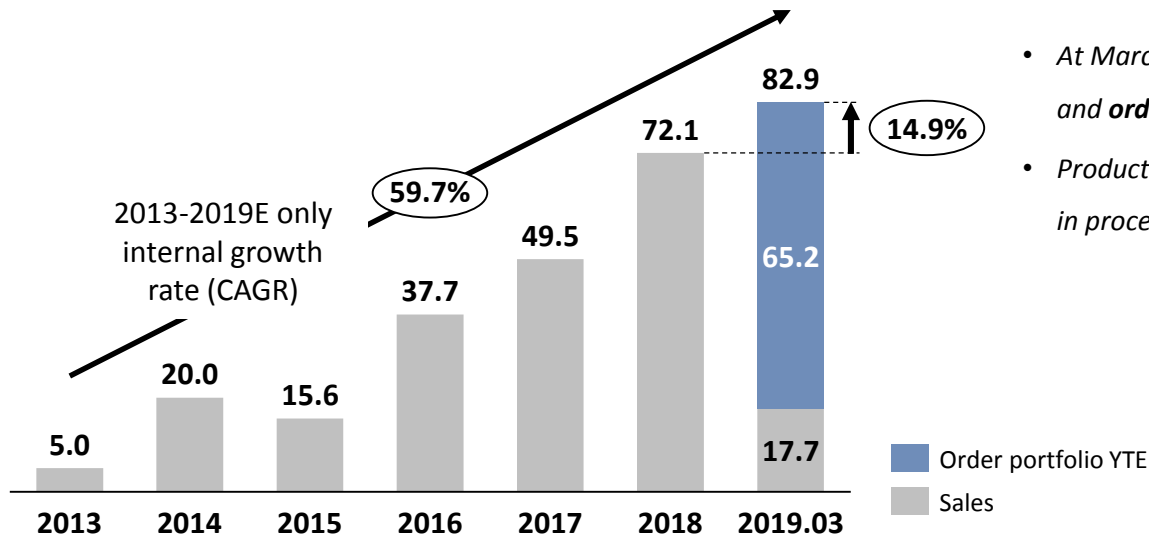
Euro million	2019Q1	%	2018Q1	%	diff %
Italy	10,9	17,6%	12,4	17,7%	(12,2%)
Europe (excluding Italy)	32,1	51,7%	39,8	56,6%	(19,4%)
America	13,7	22,1%	11,5	16,3%	19,4%
Asia / Pacific	5,4	8,6%	6,6	9,4%	(18,8%)
Total business sales	62,1	100%	70,4	100%	(11,7%)

- *Italy reflects exceptional demand in 2018Q1*
- *Main drivers of sales trend in Europe (-7,7€) are:*
 - *Turkey (-6,6€, -51,7%, going from 17,9% to 9,8% of Divisional business sales) because of change in regulation that took place in 2018Q1 (adoption of ErP – Energy Related Products directive);*
 - *Ukraine and Cekia respectively -1,0€, -61,5% and -0,6€, -19,6% for different seasonality;*
 - *UK (approx. 11,1% of Divisional sales) is up 17,1%, +1,0€.*
- *America grows significantly (+2,2€, +19,4%, +1,3€, 10,9% at same forex rates)*
- *Trend in Asia/Pacific (-1,2€) is mainly due to*
 - *China, 4,3% of Divisional sales, which accounts -0,9€, -25,8% as the government incentive program (Coal to Gas policy), which was still effective in 2018Q1, is temporarily on hold and has been so for the remaining part of 2018FY*

2019Q1 - Smart Gas Metering keeps growing

Smart Gas Metering business sales by application

Euro million	2019Q1	%	2018Q1	%	diff %
Residential	16,7	94,6%	15,5	96,0%	8,0%
Commercial & Industrial	0,9	5,0%	0,6	3,6%	52,9%
Other	0,1	0,4%	0,1	0,4%	(4,3%)
Total business sales	17,7	100%	16,1	100%	9,6%



- At March 2019, **business sales are €17,7** (+9,6% vs. 2019Q1) and **order portfolio stands at €65,2** for delivery in 2019
- Product qualification and pilot testing in foreign markets are in process

Euro million



2019Q1 - Key financial results

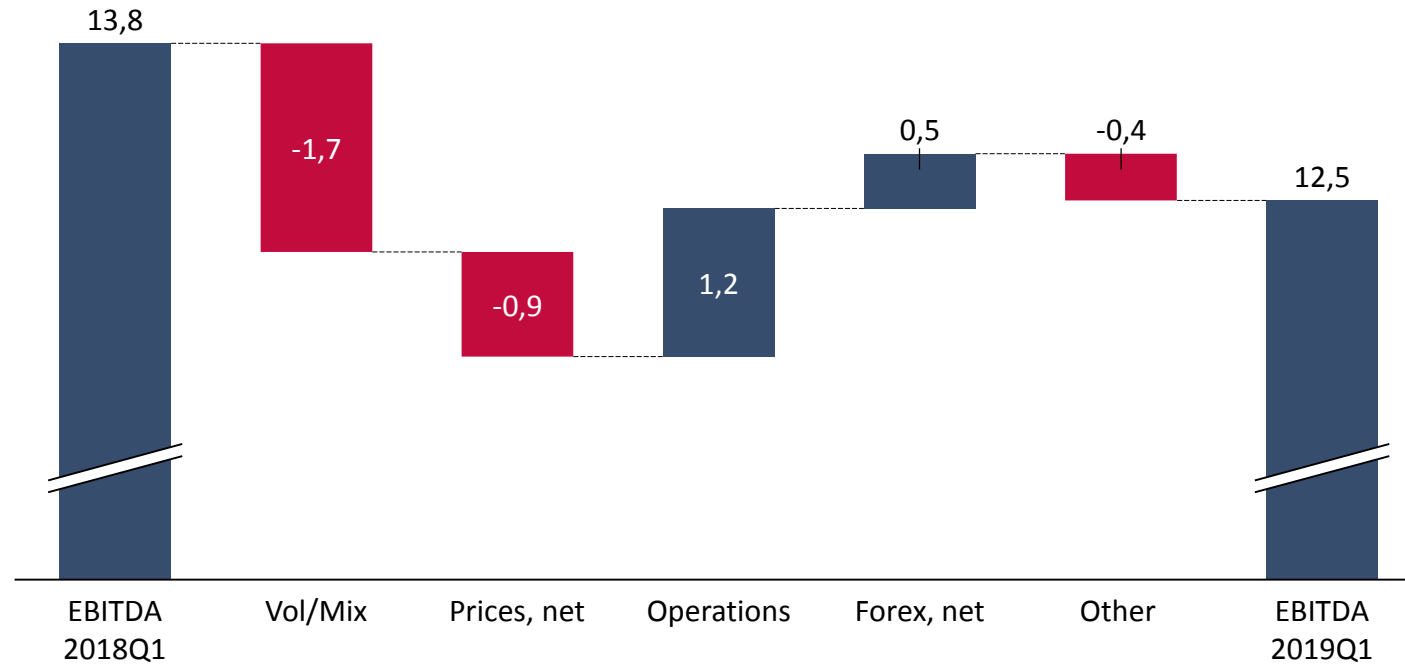
(Euro million)	2019Q1	%	2018Q1	%	diff%
Revenues	80,6	100,0%	87,2	100,0%	-7,6%
EBITDA ⁽¹⁾	12,5	15,5%	13,8	15,8%	-9,6%
EBIT ⁽¹⁾	7,1	8,9%	9,4	10,8%	-24,0%
Cash flow from operations	(12,2)		(19,8)		
NTWC	46,6	14,2%	47,3	13,4%	
Net financial debt ⁽¹⁾	91,0		85,1		

(1) First time adoption of IFRS 16 – Leases has the following impact on 2019Q1 financials: EBITDA +0,7€, EBIT +0,2€, Net financial debt +6,7€.

- Change in revenues of -7,6% is due to:
 - Heating, -8,3€, -11,7%
 - Smart Gas Metering, +1,5€, +9,6%
- At same forex rates revenues are -8,8%
- EBITDA, 12,5€, 15,5% of revenues reflects the improved efficiencies in internal operations and product redesign that have partially offset the decrease in revenues
- EBIT is 7,1€, 8,9% of revenues and accounts the increase in fixed cost due to the 2018FY accelerated capex plan
- 2019Q1 Cash flow from operations is -12,2€ after capex for 5,0€ (+20% vs LY)
- 2019.03 NTWC includes non recourse factoring for 14,7€ (0,6€ in 2018.03)

2019Q1 – EBITDA bridge

Euro million



2019 – Key projects and initiatives

- New product development
 - In the Heating sector, at the main industry trade exhibition (Frankfurt – ISH), SIT disclosed an advanced stage concept for a new platform of Integrated Systems that was very well received by customers
 - Product development for the US market of Water Heating applications is on going and the new platform will be introduced to target customers
 - In the Smart Gas Metering business substantial R&D resources are focused on the UK certification (that has revealed being a very high product specification standard)
- JV with local partner in India is being addressed as a possible way to grow in the Smart Gas Metering market
- Performance improvement initiatives:
 - Lean production projects extended from Romanian plant to other plants
 - Kick off of a company wide Digital transformation assessment and roadmap
- New organization with better Divisional integration has been deployed in the operations area

- The positive outlook for the **Smart Gas Metering** business is supported by the significant order backlog and consolidated improvement in product cost thanks to redesign and purchasing economies
- In the **Heating Division** volumes are expected to slightly contract versus the previous year also due to general economic conditions and external regulatory and policy framework
- Improvement initiatives will be partially offset by volume decrease and higher fixed cost base deriving from 2018 accelerated capex
- Overall, in the absence of significant changes in the general economy, the 2019FY target is to substantially maintain 2018FY revenue and operating margin levels

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.

Paul Fogolin

Chief Financial Officer

paul.fogolin@sitgroup.it

IR contact:

Mara Di Giorgio

Investor Relations Dept.

+39 335 7737417

SIT – Investor Relations@sitgroup.it



- This presentation has been prepared by SIT S.p.A. only for information purposes and for the presentation of the Group's results and strategies.
- For further details on the SIT Group, reference should be made to publicly available information.
- Statements contained in this presentation, particularly those regarding any SIT Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.
- Any reference to past performance of the SIT Group shall not be taken as an indication of future performance.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- By attending or reading this presentation you agree to be bound by the foregoing terms.