



PRESS RELEASE

STAR7: BOARD OF DIRECTORS APPROVES CONSOLIDATED HALF-YEARLY REPORT AS AT 30 JUNE 2024

SIGNIFICANT IMPROVEMENT IN ALL FINANCIAL PERFORMANCE INDICATORS

**Significant growth in revenues driven by foreign countries (USA and Brazil)
 Rationalisation process and integration of CAAR completed**

Revenues: €60.4 million (+18.7% compared to €50.9 million in the first half of 2023)

Adjusted EBITDA*: €9.2 million (+22.6% compared to €7.5 million in the first half of 2023)

Adjusted EBITDA Margin*: 15.2% (+50 basis points compared to 14.7% in the first half of 2023)

Profit for the period: €1.5 million (+51.5% compared to € 1 million in the first half of 2023)

Net financial position: debt of €29.8 million as at 30 June 2024 **(-€8 million compared to debt of €37.8 million as at 31 December 2023)**

** Adjustments mainly relate to restructuring and integration costs of the CAAR Group business unit*

Valle San Bartolomeo (Alessandria, Italy), 27 September 2024 – The Board of Directors of **STAR7** (EGM ticker: STAR7) met today under the chairmanship of Lorenzo Mondo to examine and approve the Consolidated Half-yearly Report as at 30 June 2024. STAR7 is a company that provides an integrated range of product-information services, from product and process engineering support to the creation and management of technical and marketing content, translation, printing and virtual experience. The financial statements were prepared in accordance with the Euronext Growth Milan Issuers Regulation and in compliance with Italian accounting standards.

Lorenzo Mondo, Chairman and CEO of STAR7, commented: *“The results for the first half of 2024, characterised by a significant growth in revenues and an improvement in operating margins, - dynamics accompanied by a substantial reduction in net debt,- demonstrate the validity of our strategies and the effectiveness of the business model. The drive for increasing internationalisation has enabled us to take advantage of the strong rise in revenues from our activities in the US and Brazil. Leveraging on the balanced diversification of the different service lines, we were also able to benefit from increased revenue from new*



projects in Engineering and Product Knowledge. Lastly, the well-calibrated exposure to the different end sectors in which our clients operate, coupled with numerous multi-year contracts in our order portfolio, has made our performance resilient and counter-cyclical – which is particularly welcome in the first half of 2024, during an economic phase dominated by some uncertainty in businesses such as luxury, automotive and agriculture.”

Lorenzo Mondo continued: “In addition to the completion of the integration of CAAR and greater utilisation of the offshoring facility in Albania, during the first part of the year our focus has been very much on optimising working capital, with visible results in terms of deleveraging, as shown by the Debt/EBITDA ratio falling from 2.6 times at the end of 2023 to 1.8 times at the end of June 2024.

“During this period, our efforts are geared towards creating a Group with a structurally sound base, which can fully capture the efficiencies resulting from the cost rationalisation implemented and which is capable of supporting a new phase of accelerated growth. Thanks to the opportunities offered by Generative Artificial Intelligence, we will have attractive scope for development in front of us, through the new solutions we will be able to offer our customers, particularly in the areas of Product Knowledge, Global Content, and Experience. We are not only confident, but also committed to embracing this outlook. A first step in the realisation of the 7AI project will therefore materialise soon, with the presentation in mid-October of a new portfolio of solutions at an event dedicated to our main customers.”

* * *

FINANCIAL RESULTS

Revenues

STAR7 Group **revenues** amounted to **€60.4 million** in the first half of 2024, an increase of 18.7% compared to €50.9 million in the first half of 2023. The key factor in the progress achieved in the first six months of 2024 can be identified in significant **organic growth** in the **USA** and **Brazil**, driven by the Product Knowledge and Engineering service lines.

The geographical distribution of Revenues for the first half of 2024 (with a weight of the international market equal to approximately 49%, compared to approximately 43% in the first half of 2023) is testament to the success of the strategy for the increasing internationalisation of STAR7.

Geographical breakdown of Group revenues	1H23	FY23	1H2024
ITALY	57.2%	53.2%	51.2%
USA	21.6%	22.8%	24.5%
BRAZIL	14.1%	17.1%	18.1%
OTHER	7.2%	6.9%	6.2%

STAR7 has also confirmed its ability to activate all available **organic growth** levers, through the continuous acquisition of new customers and an effective cross-selling and upselling process in the services offered to existing customers.

Service Lines as a % of Group Revenues	1H23	FY23	1H24
Global Content	35.9%	35.9%	34.1%
Experience and Product Knowledge	29.0%	29.0%	34.1%
Printing	16.7%	15.5%	11.3%
set up	18.4%	19.6%	20.5%

EBITDA

In the first half of 2024, the **EBITDA** of the STAR7 Group amounted to **€8.6 million**, while **Adjusted EBITDA** (adjusted for integration and restructuring costs mainly related to the CAAR Group business unit) reached **€9.2 million**. The **EBITDA Margin** stood at 14.2% while **the Adjusted EBITDA Margin** was **15.2%**.

EBIT

The **EBIT** of the STAR7 Group amounted to **€4.5 million**, an increase of 45% compared to €3.1 million in the first half of 2023.

Profit for the period

The STAR7 Group reported a **Net Profit** of **€1.5 million** in the first half of 2024, an increase of about 50% compared to €1 million in the first half of 2023.



The results for the first half of 2024 were achieved thanks to a high-quality order book and efficiency initiatives to maximise the profitability of current orders.

The M&A transactions carried out to date have generated net goodwill of €28 million as at 30 June 2024, resulting in €2 million in amortisation. Gross of this amortisation, in line with the representation of the main international standards, the **Net Profit** for the first half of 2024 would have been **€3.5 million**.

Net financial position

The **net financial position** as at 30 June 2024 was a debt of **€29.8 million** (€37.8 million at 31 December 2023). This result confirms the effectiveness of the strategies implemented by management to improve working capital management and reflects the sales results achieved by the Group in the first half of 2024. Gross debt stood at €47.1 million (€47.3 million at 31/12/2023). The **Net Debt/EBITDA ratio** of **1.8** as at 30 June 2024 compares to a value of 2.6 as at 31 December 2023 and 2.2 as at 30 June 2023.

The Group's liquidity includes €4 million from a Credem loan linked to the acquisition of the C.A.A.R. S.p.A. and S.T.I. s.r.l. business units, scheduled for competitive auction on 22 October 2024.

STAR7 also continues to comply with the covenants of its outstanding bonds and loans.

OUTLOOK

The operating and financial results achieved in the first half of 2024, combined with the solid trend in sales activity, allow us to take a positive view of the second half of the year. The Group will also continue to increase its focus on cash generation and consequent debt reduction.

FILING OF DOCUMENTATION

A copy of the Consolidated Half-yearly Financial Report as at 30 June 2024, including the Independent Auditors' Report, will be made available to the public within the terms set out by law at the company's registered office in Valle San Bartolomeo (Alessandria, Italy), on the company's website www.star7.com in the section "Investor Relations/Reports and financial statements", and on the authorised storage mechanism www.1info.it.

CONFERENCE CALL TO PRESENT H1 2024 RESULTS



The results for the first half of 2024 will be presented by STAR7's management today, Friday 27 September 2024, at 3 p.m. CEST, during a conference call.

The conference call can be joined by registering at the following URL:

<https://events.teams.microsoft.com/event/cf4556b0-42d6-4fda-b032-c15945181725@1d88a220-5f5c-42a8-8081-4a67baa01fc4>

The presentation will be available from the start of the conference call on the company website at:

<https://www.star-7.com/en/investor-relations/presentations>

This press release is available on the STAR7 website www.star-7.com (in the "Investor Relations/Press releases" section) and on the storage system for regulated information www.1info.it.

STAR7

For more than 20 years, STAR7 has served its customers as a leader in the product information sector. Support for product and process engineering, creating and managing technical content, as well as marketing, translation, printing and virtual experience: STAR7's range of services means it can assist its customers throughout the product life-cycle – from design to aftersales.

STAR7's hallmark has always been an approach combining specific know-how, technology and vision to offer the best possible solutions to the needs of customers and the global market. This approach has seen STAR7 strike major partnerships with leading international companies, establishing it as a reliable and credible global partner.

STAR7 is part of the STAR Group network.
www.star-7.com.

FOR MORE INFORMATION:

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ANNEXES INCOME STATEMENT

	30/06/24	30/06/23	Change	Change %
Net revenues	60,365,165	50,860,071	9,505,094	18.7%
Other revenues	442,626	713,669	-271,043	-38.0%
Change in inventories and increases in fixed assets	-231,836	51,929	-283,765	-546.4%
External costs	-25,626,279	-23,172,895	-2,453,384	10.6%
Added Value	34,949,676	28,452,774	6,496,902	22.8%
Personnel costs	-26,360,238	-21,520,769	-4,839,469	22.5%
EBITDA	8,589,438	6,932,005	1,657,433	23.9%
Depreciation, writedowns and other provisions	-4,089,777	-3,825,040	-264,737	6.9%
EBIT	4,499,662	3,106,965	1,392,697	44.8%
Net financial income	-1,632,337	-1,193,797	-438,540	36.7%
Profit before taxes	2,867,325	1,913,167	954,157	49.9%
Income taxes	-1,368,761	-923,891	-444,870	48.2%
Net profit	1,498,563	989,276	509,287	51.5%

BALANCE SHEET

	30/06/24	31/12/23	Change	Change %
Net intangible assets	36,113,112	38,215,878	-2,102,766	-5.5%
Net tangible assets	8,781,775	9,194,650	-412,875	-4.5%
Equity holdings and other financial investments	536,273	277,808	258,465	93.0%
Fixed assets	45,431,159	47,688,336	-2,257,177	-4.7%
Inventories	2,554,312	2,541,276	13,036	0.5%
Trade receivables	34,488,258	37,172,859	-2,684,601	-7.2%
Receivables from associates and related parties	537,845	855,010	-317,164	-37.1%
Other receivables	7,719,190	6,149,817	1,569,373	25.5%
Accruals and prepaid expenses	2,810,325	1,714,080	1,096,245	64.0%
Current assets	48,109,930	48,433,042	-323,112	-0.7%
Trade payables	-12,274,865	-8,678,976	-3,595,889	41.4%
Other payables to associates and related parties	-833,092	-442,162	-390,930	88.4%
Advance payments	-10,684	-39,885	29,202	0.0%
Outstanding tax and social security debts	4,131,214	-3,907,864	-223,350	5.7%
Other payables	-5,472,450	-3,824,696	-1,647,754	43.1%
Accruals and deferred income	-1,929,005	-2,189,703	260,699	-11.9%
Current liabilities	-24,651,310	-19,083,287	-5,568,024	29.2%
Net working capital	23,458,620	29,349,755	-5,891,136	-20.1%
Severance pay indemnity	-6,612,755	-6,368,713	-244,043	3.8%
Tax and social security debts (beyond the following fiscal year)	-	-	0	0.0%
Other non-current liabilities	-1,076,727	-1,040,398	-36,330	3.5%
Non-current liabilities	-7,689,483	-7,409,110	-280,372	3.8%
Invested Capital	61,200,296	69,628,981	-8,428,685	-12.1%
Shareholders' Equity	-31,376,275	-31,873,399	497,124	-1.6%
Short-term Net Financial Position	-2,623,096	-10,693,185	8,070,089	-75.5%
MLT Net Financial Position	-27,200,925	-27,062,397	-138,528	0.5%
Net equity and Net financial debt	-61,200,296	-69,628,981	8,428,685	-12.1%

CASH FLOW STATEMENT

	30/06/24	30/06/23
A) Cash flow from operations (indirect method)		
Net profit (loss)	1,498,563	989,276
Income taxes	1,368,761	923,891
Financial charges/(income)	1,679,104	1,239,705
Losses (gains) from asset disposals	-8,960	-
1. Profit (loss) before taxes, financial charges, dividends and losses (gains) from asset disposals	4,537,468	3,152,872
Adjustments for non-cash items that had no impact on net working capital		
Provisions	708,091	701,368
Depreciation/amortization of fixed assets	4,018,421	3,788,978
Financial instruments	9,645	47,201
Others upward/(downward) adjustments for non-cash items	-403,384	-25,391
Adjustments for non-cash items that had no impact on net working capital	4,332,774	4,512,156
2. Cash flow before changes in net working capital	8,870,243	7,665,028
Changes in net working capital		
Decrease/(increase) of inventories	-13,036	-196,348
Decrease/(increase) of trade receivables	2,684,601	- 540,620
Decrease/(increase) of trade payables	3,595,889	1,192,353
Decrease/(increase) of accrued income and prepaid expenses	-1,096,245	- 482,415
Decrease/(increase) of accrued charges and deferred income	- 258,789	-789,622
Other variations of net working capital	- 472,044	1,809,034
Changes in net working capital	4,440,377	992,382

3. Cash flow after changes in net working capital	13,310,620	8,657,410
Other adjustments		
Interest received/(paid)	-1,681,014	-1,239,705
(Income taxes paid)	-747,784	-923,891
(Decrease of severance and other provisions)	- 427,719	- 432,675
3. Cash flow after other adjustments	-2,856,518	-2,596,271
CASH FLOW FROM OPERATING ACTIVITIES (A)	10,454,102	6,061,139
B.Cash flow from investing activities		
Tangible assets		
(Additions)	-601,271	-2,686,664
Disposals	78,441	-
Intangible assets		
(Additions)	-1,099,557	-1,674,274
Disposals	-	-
Financial assets		
(Investments)	-17,657	- 215,448
Disposals	-	-
CASH FLOW FROM INVESTING ACTIVITIES (B)	- 1,640,043	- 4,576,386
C. Cash flow from financing activities		
Third parties		
Increase/(decrease) of short term loans	-1,310,063	-1,435,362
Increase/(decrease) of long term loans	6,119,144	3,267,995
Loans repayment	-5,000,890	-5,346,454
Operation on Shareholders' Equity		
Dividends	- 565,750	-
Subscription of capital	-	-
CASH FLOW FROM FINANCING ACTIVITIES (C)	-757,559	-3,513,821

INCREASE/(DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C))	8,056,501	-2,029,068
Exchange rate variation of cash and cash equivalents	-35,752	29,389
Cash and cash equivalents as of January 1st	9,287,425	18,486,312
Cash and cash equivalents as of June 30	17,308,174	16,486,634