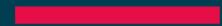




H1 2023 FINANCIAL RESULTS



CONFERENCE CALL

26 SEPTEMBER 2023

Disclaimer

This document (the "**Document**") has been prepared for the **sole purpose of presenting the company STAR7 S.p.A.** (the "Company").

The Document cannot be used for purposes other than those provided for in this disclaimer.

Certain information contained in this Document may contain **forecasts**, which include **risks and uncertainties and are subject to change.**

This Document is intended solely to **provide selected information to its recipients** and in **no way** constitutes a **recommendation to carry out share capital transactions or an offer to subscribe or purchase financial instruments** of the Company, **nor does it provide information on the economic terms of such transactions.**

The Document does **not** have the nature of an **opinion on financial, legal, tax or administrative matters.** In relation to these matters, the **recipient** of this **Document must seek advice from their own trusted consultants.**

Agenda

STAR7 H1 2023

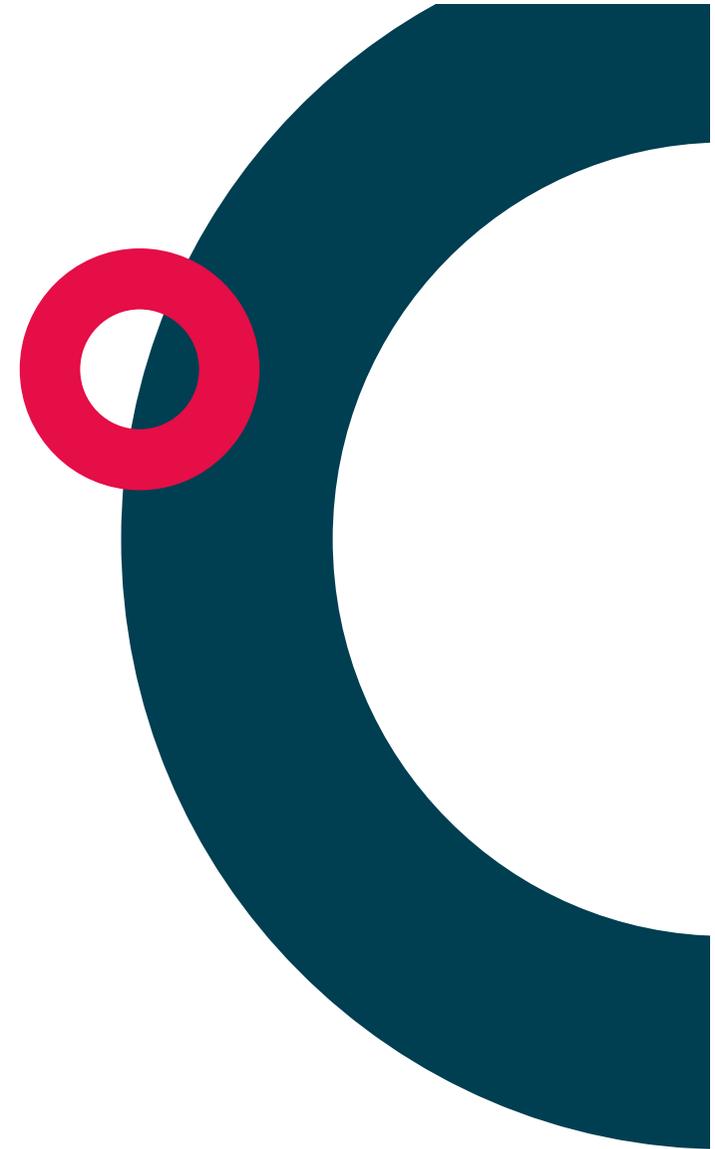
At a glance

Financial results

Achievements

Final remarks

Appendix



Today's presenting team



Lorenzo Mondo

Founder & Group CEO



Barbara Donadio

Chief Financial Officer



Matteo Gera

General Manager



STAR7 H1 2023
AT A GLANCE

H1 2023 Highlights

REVENUES	EBITDA / EBITDA ADJ*	EBITDA MARGIN/ EBIDTA MARGIN ADJ* %	NET DEBT
€ 50.9 m	€ 6.9 m / € 7.5 m	13.6% / 14.7%	€ 33.6 m
+28.3% vs H1 2022	+3.6%* vs H1 2022	-350 bps* vs H1 2022	-10.2% vs H1 2022 -4.3% vs FY 2022

*Adjusted EBITDA excludes the integration costs of the business division of CAAR Group

H1 2023 Highlights

Continued topline growth and strong cash generation in a tough first half

- 28.3% growth in revenues driven both by organic growth and the lease of the CAAR business division
- CAAR integration already generating significant revenue synergies while lagging slightly on the cost-efficiency programme
- 14.7% Adjusted EBITDA margin reflecting the benefits from:
 - successful management of inflation impact on operating costs
 - fully structured offshoring – although yet to gain scale
- 4.3% decrease in net financial debt driven by sound cash generation

Laying the foundations for growth in 2024 and beyond

Major multi-year contracts renewed, with expanded scopes of work

New global business contracts signed with Stellantis, in partnership with leading international players

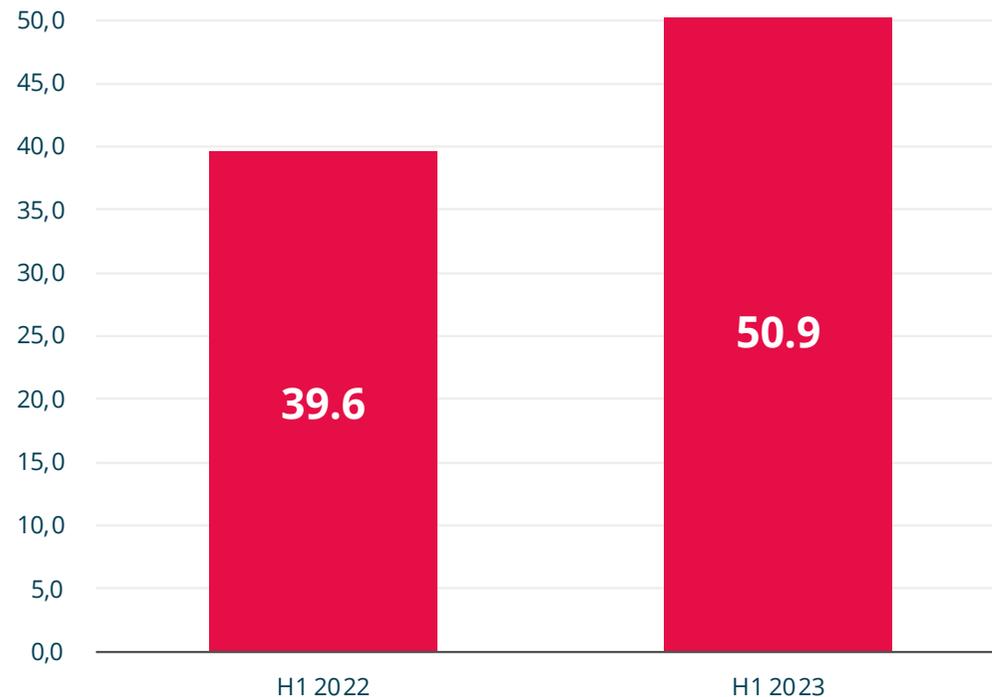


STAR7 H1 2023

FINANCIAL RESULTS

H1 2023 key highlights

REVENUES (data in €m)



+28.3%
Change %

H1 2023 vs H1 2022

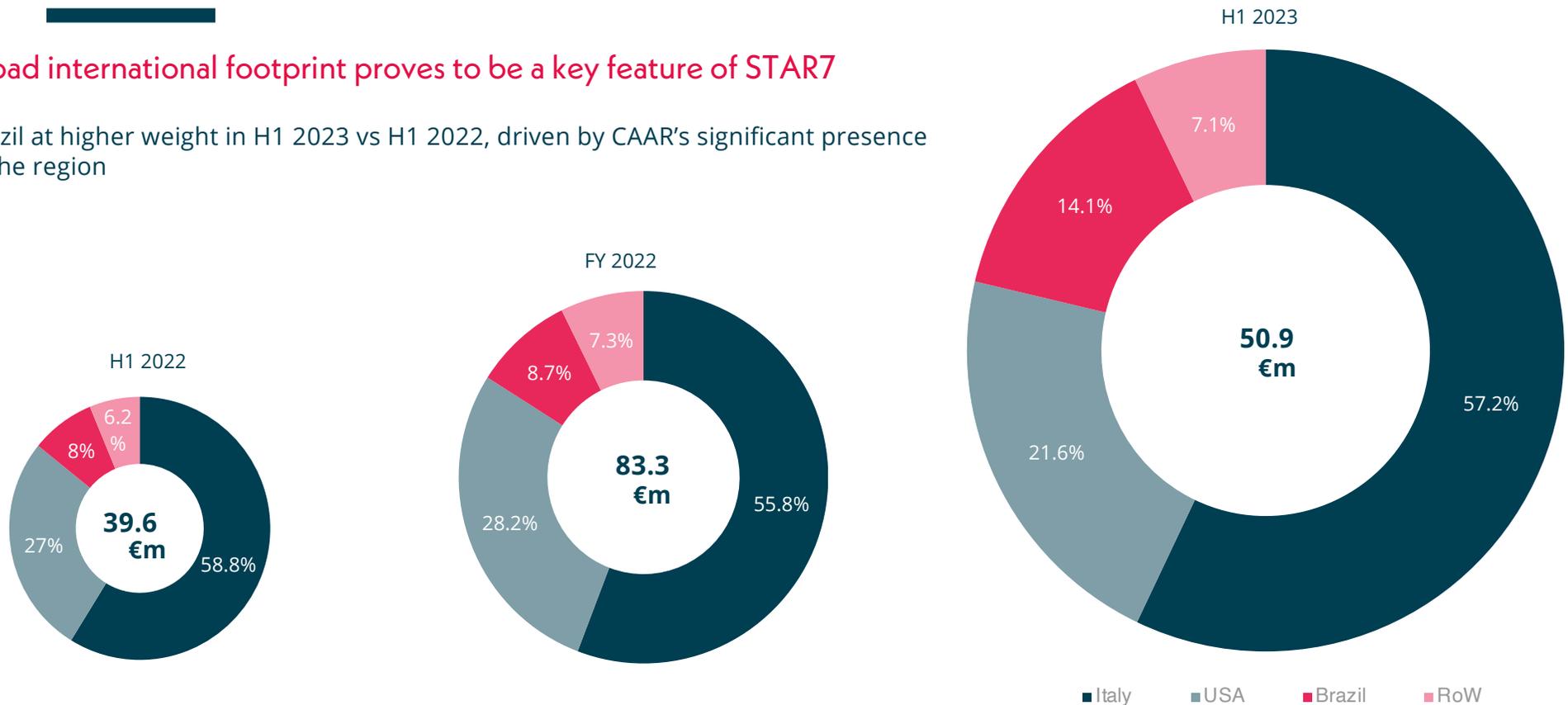
Significant **growth across all service lines and geographies.**

Successful leverage of the additional engineering capacity provided by CAAR, drawing on the **up-selling and cross-selling capacity** in the original STAR7 client portfolio.

Revenues breakdown by region

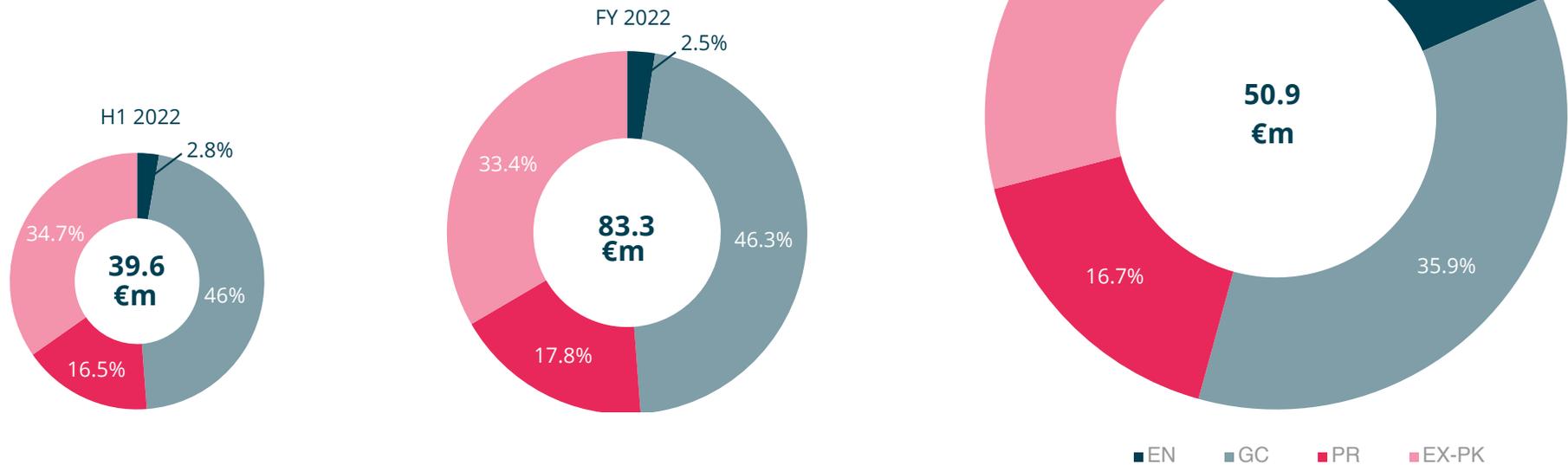
Broad international footprint proves to be a key feature of STAR7

Brazil at higher weight in H1 2023 vs H1 2022, driven by CAAR's significant presence in the region



Revenues breakdown by services

- Strong impact on **group revenues** related to the **extension of the Engineering services**
- Limited growth of **Global Content activities** due to the seasonality of **new projects with major customers** such as Iveco Group, CNHi, Apple
- Positive trend confirmed for **Printing services and Product Knowledge activities**
- Well balanced sharing between **services to enhance Integrale⁷ approach and crossselling**



H1 2023 key highlights

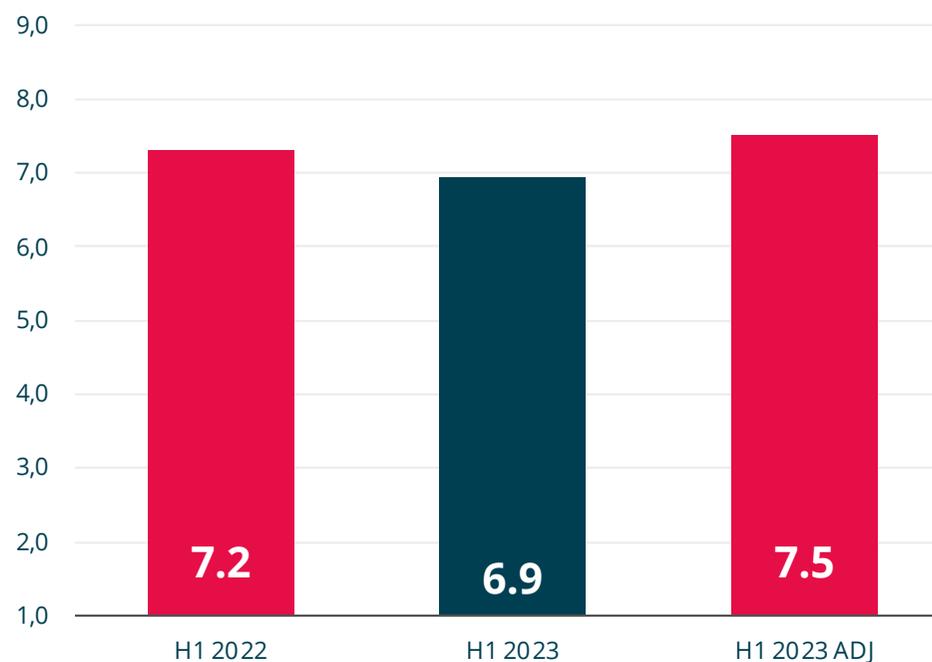
EBITDA ADJUSTED (data in €m)

+3.6%

Change %

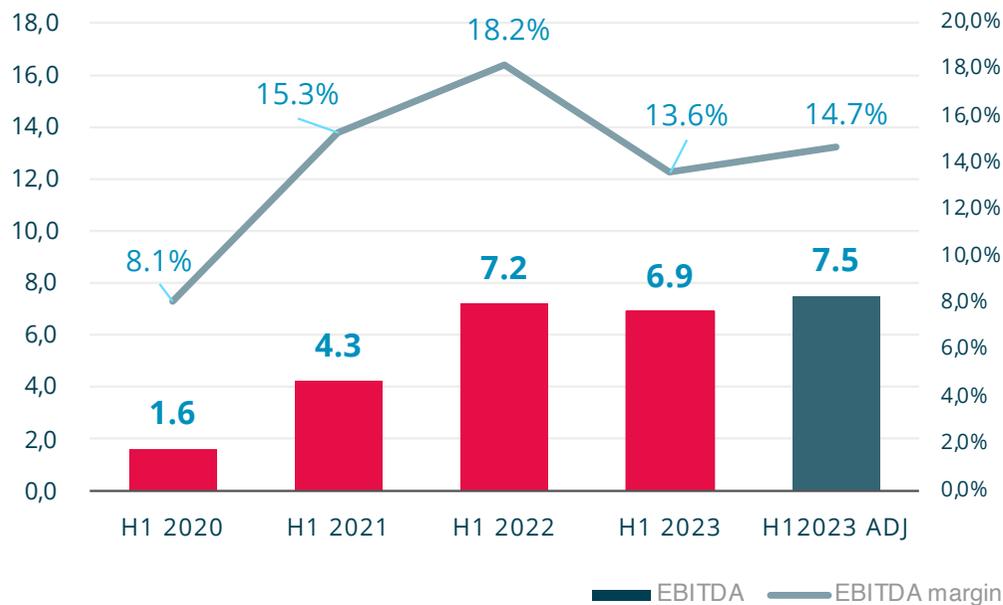
H1 2023 ADJ VS. H1 2022

Adjusted EBITDA shows progress, despite inflation, integration costs generated by the absorption of the CAAR business unit, and efficiencies still to be realised.



H1 2023 EBITDA margin

(data in €m)

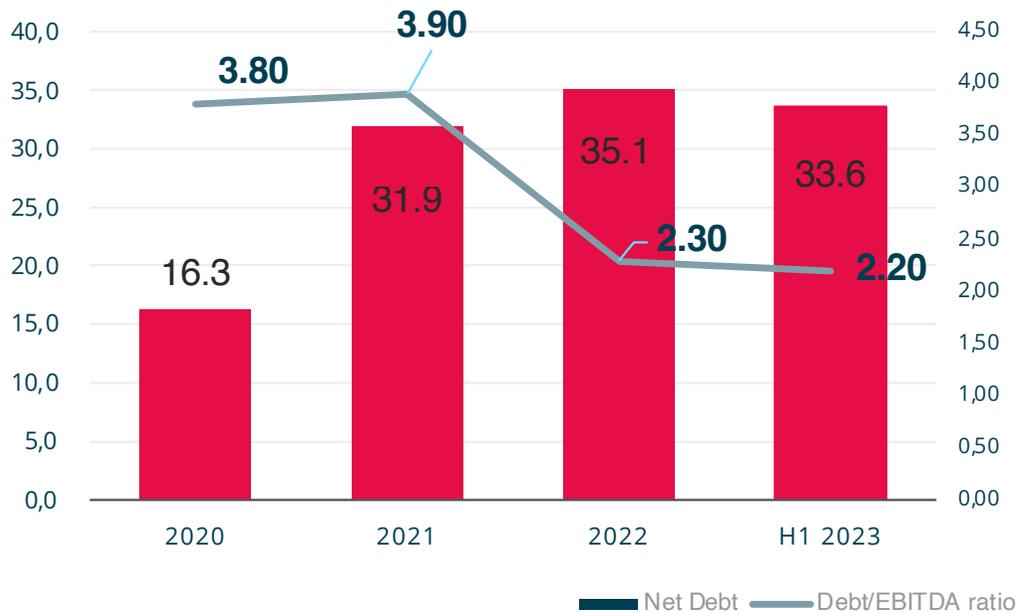


H1 2023 EBITDA margin mainly impacted by:

- **CAAR Group integration costs** (excluded in Adjusted EBITDA) while efficiencies are yet to be realised.
- **Offshoring** only partly offsetting higher **inflation and staff costs** following the rollover of national labour contracts.

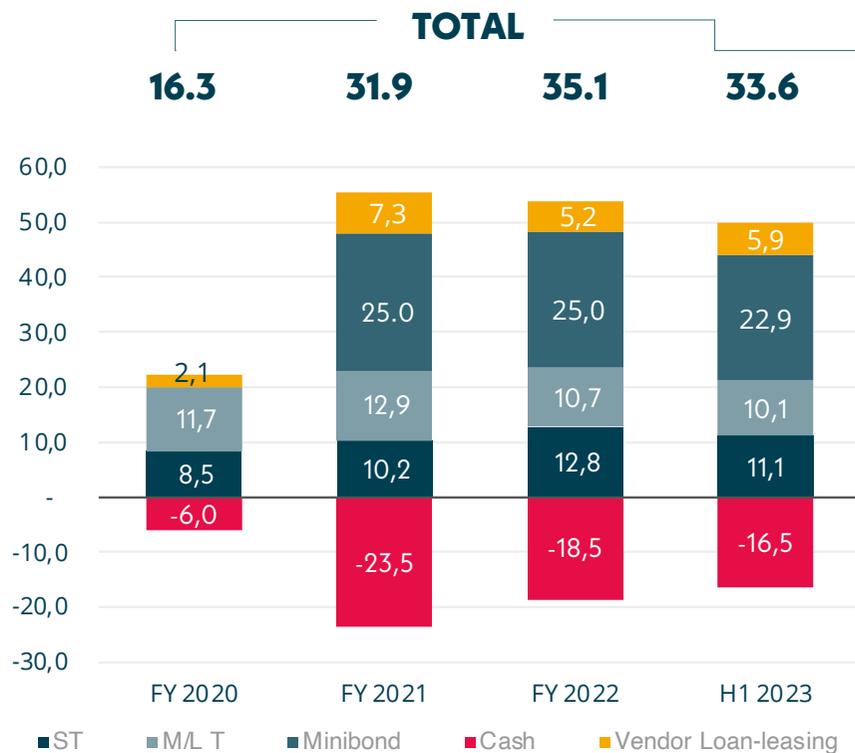
Net Debt – Debt-to-EBITDA ratio

(data in €m)



- Net financial debt decreased to **€33.6m** as at 30 June 2023 (from **€35.1m** as at 2022YE) reflecting the successful management of net working capital, notwithstanding the negative impact from the inclusion of CAAR Group working capital (approx. **€2m**).
- **The Debt-to-EBITDA ratio** continued to decrease, from 2.3x (FY2022) **to 2.2x** based on EBITDA for the period 01/07/2022-30/06/2023, which was €15.1m.

Net financial position



- The **debt structure** remains **well balanced** between short and long term.
- The average **cost of debt** is **3.55%**.
- STAR7 has **€16.5m cash available** to fund future **M&A deals**, with a low **leverage** leaving **financial firepower**.



STAR7 H1 2023

ACHIEVEMENTS

M&A ongoing activities

The strategy of geographical and industry diversification continues to drive the M&A scouting process

AS ANTICIPATED IN M&A STRATEGY FOR 2023, WE ARE PROCEEDING AND ENTERING INTO THE:

 Final stage of negotiation with the target active in Italy (PK - ENG): **Q4 2023 – Q1 2024**

Good news

- ✓ Award of **global STELLANTIS technical authoring contract** (PK)
- ✓ Renewal of **contracts for technical documentation** (PK-GC) for **IVECO**
- ✓ Renewal of **contracts for technical documentation** (PK-GC) for **CNHI**
- ✓ Renewal of **engineering services contracts with enlarged scope** for **FPT**
- ✓ Award of **contract for service centre activities** (PK) for **IVECO defence**



AI roadmap

We believe that **AI will enable the evolution of new services** and **bring more value to STAR7's current service portfolio.**

That is why we are launching **7AI**, a new suite of services **INTEGRATING AI FEATURES** that draw on our expertise and the knowledge gained from long-term relationships with our clients.

As proven by GC activities, MT and automation have driven rising content and volumes, generating business and opportunities.
THIS TREND WILL EXTEND TO ALL OTHER SERVICES AS WELL.

7AI

Sustainability - Policies and Performance

STAR7 FIRST SUSTAINABILITY REPORT – YEAR 2022

— ECONOMIC PERFORMANCE

ECONOMIC VALUE
GENERATED

€84.8 m

VALUE DISTRIBUTED

€72.6 m

— ENVIRONMENTAL PERFORMANCE

WASTE SENT FOR RECOVERY

+90%

— SOCIAL PERFORMANCE

OF EMPLOYEES

859 (+60% 2020-2022)

FEMALE EMPLOYEES

45%
(29% in managerial positions)

EMPLOYEES UNDER 30

58%

TRAINING

16 hours per employee



ESG GOALS

13

TIMEFRAME

2023-2025

Strong focus on the social field

High service **quality**,
R&D investments,
data **confidentiality**
and initiatives dedicated to
employees



STAR7 H1 2023

FINAL REMARKS

STAR7's next steps

H1 2023 Consolidating strong future pipeline and working on cost efficiency

Sticking to our strategies

We continue to pursue our growth drivers:

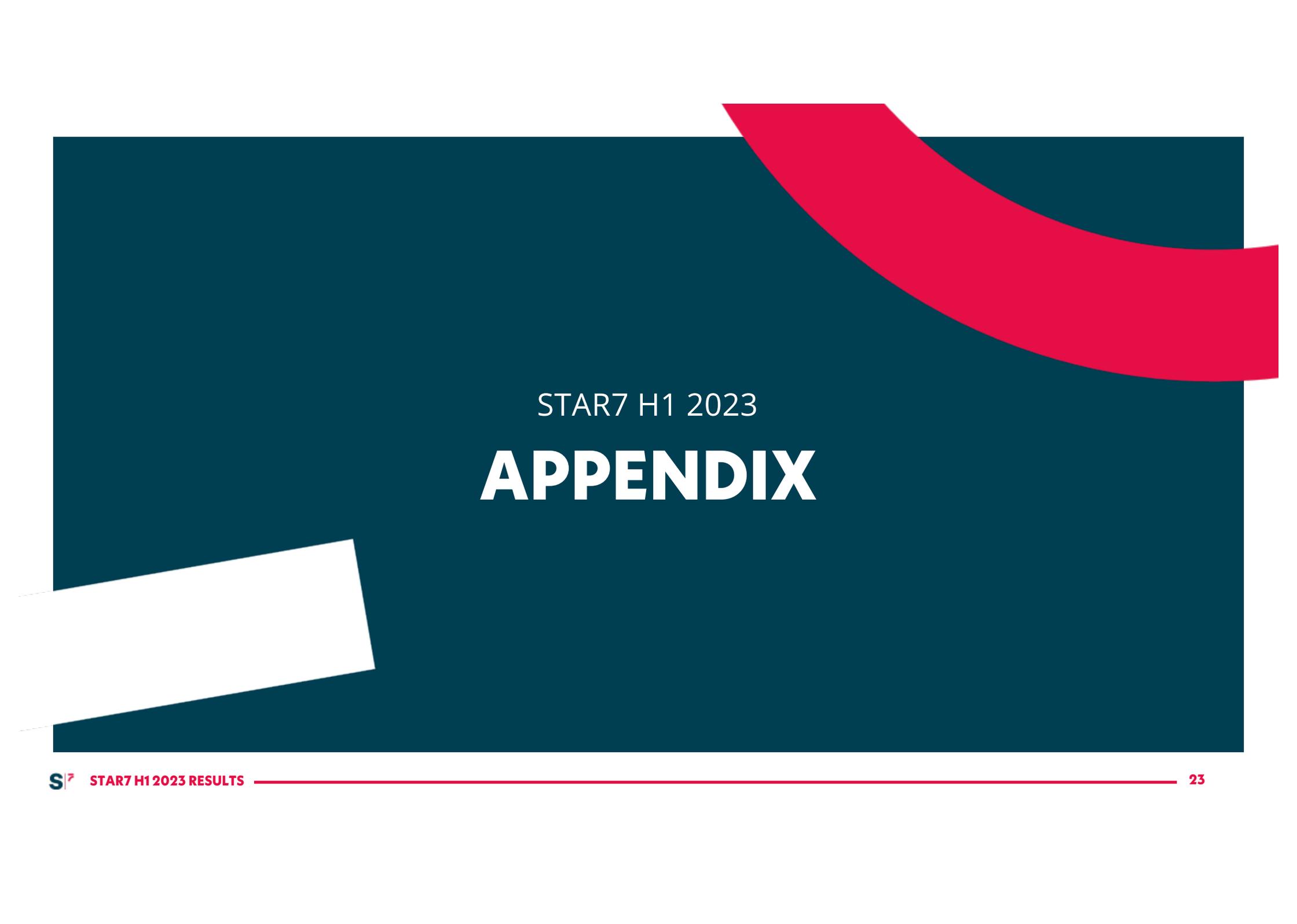
- Internationalisation
- Organic growth **driven by cross-selling**, leveraging ever stronger and more balanced service lines

High potential M&A opportunities

- Significant and well-structured portfolio of opportunities **to high values market** for our services
- **Advanced discussion** with a target operating in Product Knowledge business specialised in **Packaging and automation sector** (Italy)

Embracing disruptive technologies

- Launching **7AI**: a venture builder to bring together the **next generation of STAR7 services and solutions**
- **Ready to seize the opportunities** that Generative AI will enable in our sector



STAR7 H1 2023

APPENDIX

Income statement

	30/06/2023	30/06/2022	Change	Change %
Net Revenues	50,860,071	39,649,244	11,210,827	28.3%
Other revenues	713,669	701,342	12,327	1.8%
Change in inventories and increases in fixed assets	51,929	109,883	-57,954	-52.7%
External costs	-23,172,895	-18,928,207	-4,244,688	22.4%
Added Value	28,452,774	21,532,263	6,920,512	32.1%
Personnel costs	-21,520,769	-14,292,558	-7,228,211	50.6%
EBITDA	6,932,005	7,239,704	-307,699	-4.3%
Depreciation, writedowns and other provisions	-3,825,040	-3,690,190	-134,851	3.7%
EBIT	3,106,956	3,549,515	-442,550	-12.5%
Net financial income	-1,193,797	-1,018,585	-175,212	17.2%
Ordinary income	1,913,167	2,530,930	-617,762	-24.4%
Gain (losses) on investments	-	0	0	0.0%
Profit before taxes	1,913,167	2,530,930	-617,762	-24.4%
Income taxes	-923,891	-1,037,528	113,637	-11.0%
Net profit	989,276	1,493,401	-504,125	-33.8%

Balance sheet

	30/06/2023	31/12/2022	Change	Change %
Net intangible assets	37,824,787	39,248,910	-1,424,122	-3.6%
Net tangible assets	8,990,985	6,906,497	2,084,488	30.2%
Equity holdings and other financial investments	799,083	751,110	47,973	6.4%
Fixed assets	47,614,855	46,906,516	708,339	1.5%
Inventories	2,664,499	2,468,151	196,348	8.0%
Trade receivables	30,026,379	29,485,759	540,621	1.8%
Receivables from associates	671,801	683,938	-12,137	-1.8%
Other receivables	5,608,206	5,845,649	-237,443	-4.1%
Accruals and prepaid expenses	2,485,705	2,003,291	482,414	24.1%
Current assets	41,456,590	40,486,787	969,802	2.4%
Trade payables	-9,767,208	-8,574,855	-1,192,353	13.9%
Other payables to associates	-315,948	-669,672	353,724	-52.8%
Advance payments	-	-	0	0.0%
Outstanding tax and social security debts	- 3,650,532	- 2,278,916	-1,371,616	60.2%
Other payables	- 3,957,464	- 2,995,946	-961,518	32.1%
Accruals and deferred income	- 1,647,735	- 2,437,357	789,622	-32.4%
Current liabilities	-19,338,888	-16,956,747	-2,382,140	14.0%
Net working capital	22,117,702	23,530,040	-1,412,338	-6.0%
Severance pay	-4,965,526	-4,716,159	-249,367	5.3%
Tax and social security debts (beyond the following fiscal year)	-	-	0	0.0%
Other non-current liabilities	-1,140,018	-1,132,021	-7,997	0.7%
Non-current liabilities	-6,105,544	-5,848,180	-257,364	4.4%
Invested Capital	63,627,013	64,588,377	-961,363	-1.5%
Shareholders' Equity	-30,046,146	-29,493,367	-552,779	1.9%
Short-term Net Financial Position	-795,206	-366,809	-428,397	116.8%
MLT Net Financial Position	-32,785,6621	-34,728,201	1,942,539	-5.6%
Net equity and Net financial debt	-63,627,013	-64,588,377	961,363	-1.5%

Cash Flow Statement

30/06/2023 30/06/2022

A. CASH FLOW FROM OPERATIONS (INDIRECT METHOD)

Profit (loss) for the year	989,276	1,493,401
Income taxes	923,891	1,037,529
Financial charges/(income)	1,239,705	1,029,642
(Capital gains)/losses from assets disposal		
1. Profit (loss) for the year before taxes, financial charges, dividends and capital gains/losses from disposals	3,152,872	3,560,572
Adjustments for non-cash items that had no impact on net working capital		
Provisions	40,843	32,000
Depreciation/amortisation of fixed assets	3,788,978	3,649,000
Severance provisions	660,525	614,458
Others upward/(downward) adjustments for non-cash items	-25,391	281,800
Financial instruments	47,201	-295,846
	4,512,157	4,281,412
2. Cash flow before changes in net working capital	7,665,029	7,841,984
Changes in net working capital		
Decrease/(increase) in inventories	-196,348	-754,088
Decrease/(increase) of trade receivables	-540,620	-3,063,878
Increase/(decrease) in trade payables	1,192,353	-939,393
Decrease/(increase) in accruals and prepaid expenses	-482,415	-724,476
Increase/(decrease) in accrued charges and deferred income	-789,622	-753,882
Other variations of net working capital (receivables)	249,581	-528,393
Other variations of net working capital (payables)	1,559,453	-2,242,119
	992,382	-9,006,229
3. Cash flow after changes in net working capital	8,657,410	-1,164,245
Other adjustments		
Interest received/(paid)	-1,239,705	-1,029,642
(Income taxes paid)	-923,891	-1,064,219
(Use of severance provisions)	-432,675	-318,736
4. Cash flow after other adjustments	-2,596,271	-2,412,597
CASH FLOW FROM OPERATING ACTIVITIES (A)	6,061,139	-3,576,842

30/06/2023 30/06/2022

B. CASH FLOW FROM INVESTING ACTIVITIES

Tangible assets		
(Investments)	-2,686,664	-330,869
Disposals	0	0
Intangible Assets		
(Investments)	-1,674,274	-776,792
Disposals	0	0
Financial assets		
(Investments)	-135,612	-1,957
Disposals	0	0
Acquisitions	-79,836	-968,465
CASH FLOW FROM INVESTING ACTIVITIES (B)	-4,576,386	-2,078,083

C. CASH FLOW FROM FINANCING ACTIVITIES

Third parties		
Increase/(decrease) in long term bank loans	3,267,995	1,226,428
Loans repayment	-5,346,454	3,646,000
Increase/(decrease) in short term bank loans	-1,435,362	-1,879,839
Operation on Shareholders' Equity		
Dividends	0	0
Subscription of capital		
CASH FLOW FROM FINANCING ACTIVITIES (C)	-3,513,821	2,992,589
Exchange rate effect on cash and cash equivalents	29,389	176,916
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	-1,999,678	-2,485,420
Cash and cash equivalents at 1 January 2023	18,486,312	23,485,538
Cash and cash equivalents at 30 June 2023	16,486,634	21,000,118



THANK YOU