

## EQUITY RESEARCH

### STAR7 RESULTS REVIEW

BUY

TP 12.2€ (vs 12.0€)  
Up/Downside: 118%

### STAR7 sta diventando sempre più internazionale.

**STAR7 ha pubblicato ieri i dati preliminari relativi ai ricavi del S1 2024, in crescita organica del 18%, significativamente superiore alla nostra stima del 12.4%. La crescita è stata trainata dalla divisione Product Knowledge (+39.2% YoY) e dalla divisione Engineering (+30.8% YoY) ed è stata principalmente concentrata in Brasile (+51.5% YoY) e negli Stati Uniti (+37.7% YoY).**

STAR7 ha pubblicato ieri i risultati preliminari per il primo semestre del 2024, mostrando una crescita interamente organica del 18% (rispetto al 12.4% previsto). La divisione Product Knowledge and Experience è diventata nuovamente la principale divisione (34.2% dei ricavi), grazie a una crescita YoY del 39.2%, in parte trainata dal nuovo contratto di collaborazione con un nuovo cliente negli Stati Uniti e in Brasile. Successivamente, Global Content (34.1% dei ricavi) è cresciuta del 12.1% YoY, grazie ai significativi progressi con il principale cliente della divisione, con il quale l'azienda sta attivamente collaborando allo sviluppo di tecnologie principalmente rivolte al mercato indiano. La divisione Engineering (20.4% dei ricavi) è cresciuta del 30.8%, evidenziando sempre più la capacità di cross-selling dell'azienda. Infine, la divisione Printing (11.3% dei ricavi) ha chiuso con un calo YoY del 20.2%.

Analizzando gli stessi dati per regione, l'Italia rimane il principale mercato di STAR7, generando il 51.2% dei ricavi del primo semestre (+5.7% YoY). Gli Stati Uniti seguono, rappresentando ora il 25.1% dei ricavi grazie a una significativa crescita del 37.7%. Anche il Brasile è cresciuto sostanzialmente, con un aumento del +51.5% YoY, rimanendo il terzo polo geografico dell'azienda con il 18.1% dei ricavi. Infine, il resto del mondo (principalmente l'Europa) ha registrato un calo YoY del 9.2%.

Abbiamo rivisto al rialzo le nostre previsioni di crescita dei ricavi per il 2024 al 15% (rispetto al 12.4% precedentemente), così come l'EBITDA, ora a €19m (rispetto ai €18.8m precedentemente). La previsione del debito netto di fine anno rimane invariata a causa di tre aggiustamenti. Abbiamo ridotto la previsione degli investimenti in capex di circa €2m, poiché stimiamo che l'azienda sia ben avanzata nella fase di integrazione di CAAR e quindi avrà bisogno di investire meno. Abbiamo anche migliorato la generazione di flussi di cassa operativi di €3m, poiché riteniamo che l'azienda sarà in grado di gestire meglio il suo capitale circolante quest'anno. Infine, abbiamo incluso un'uscita di cassa per il pagamento della divisione ingegneristica di CAAR di €5m, poiché stimiamo che l'acquisizione potrebbe essere pagata entro la fine dell'anno. L'impatto sul debito netto per il 2024 è neutrale, ma lo scenario di generazione di cassa a partire dal 2025 è significativamente migliorato. Stiamo alzando il target di prezzo su STAR7, che riteniamo fortemente sottovalutata, a €12.2.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	105.6	121.5	129.3	137.3	EV/Sales	0.7	0.6	0.5
Current Op Inc (m €)	10.0	13.3	14.9	16.3	EV/EBITDA	4.5	3.8	3.2
Current op. Margin (%)	9.5	11.0	11.5	11.9	EV/EBIT	6.5	5.4	4.6
EPS (€)	0.76	1.04	1.17	1.30	PE	5.4	4.8	4.3
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-2.7	7.0	5.9	5.2				

#### Key data

Price (€)	5.6
Industry	Corporate Services
Ticker	STAR7-IT
Shares Out (m)	9.000
Market Cap (m €)	50.4

Source: FactSet

#### Ownership (%)

Dante Srl	41.7
Star Ag	33.4
Kairos Partners SGR SpA	6.1
Free float	18.8

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	1.04	1.17	1.30
Change vs previous estimates (%)	2.88	3.78	10.02

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.8	-6.7	-26.3
Rel FTSE Italy	-1.3	-9.0	-34.8



Source: FactSet

Consensus FactSet - Analysts:2	12/24e	12/25e	12/26e
Sales	118.9	128.6	137.5
EBIT	10.4	12.1	13.4
Net income	5.4	6.8	7.6

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	60.0	85.0	105.6	121.5	129.3	137.3
Changes (%)	34.6	41.6	24.3	15.0	6.5	6.1
Gross profit	56.3	79.8	99.6	116.0	123.9	131.8
% of Sales	93.7	93.9	94.3	95.5	95.8	96.0
<b>EBITDA</b>	<b>8.3</b>	<b>15.5</b>	<b>14.6</b>	<b>19.0</b>	<b>21.1</b>	<b>23.1</b>
% of Sales	13.8	18.3	13.8	15.6	16.3	16.8
<b>Current operating profit</b>	<b>5.2</b>	<b>11.8</b>	<b>10.0</b>	<b>13.3</b>	<b>14.9</b>	<b>16.3</b>
% of Sales	8.6	13.9	9.5	11.0	11.5	11.9
Non-recurring items	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
EBIT	5.1	11.6	10.0	13.3	14.8	16.2
Net financial result	-0.6	-2.3	-3.0	-3.0	-2.9	-2.8
Income Tax	-0.9	-1.9	-1.2	-2.3	-2.9	-3.4
Tax rate (%)	19.8	20.8	16.8	22.8	24.4	25.6
<b>Net profit, group share</b>	<b>3.3</b>	<b>7.1</b>	<b>5.8</b>	<b>7.9</b>	<b>9.0</b>	<b>10.0</b>
EPS	0.43	0.92	0.76	1.04	1.17	1.30
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	35.5	33.6	30.0	30.2	25.7	21.5
Tangible and intangible assets	12.0	12.5	17.4	17.5	17.4	16.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.3	0.8	0.3	0.3	0.3	0.3
Working capital	15.3	24.9	31.0	33.0	37.2	43.1
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>63.1</b>	<b>71.8</b>	<b>78.7</b>	<b>81.1</b>	<b>80.6</b>	<b>81.7</b>
Shareholders equity group	24.6	28.3	30.5	34.9	40.3	46.6
Minorities	0.9	1.2	1.3	1.3	1.3	1.3
LT & ST provisions and others	5.7	7.2	9.0	9.0	9.0	9.0
Net debt	31.9	35.1	37.8	35.8	29.9	24.7
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Liabilities</b>	<b>63.1</b>	<b>71.8</b>	<b>78.7</b>	<b>81.1</b>	<b>80.6</b>	<b>81.7</b>
Net debt excl. IFRS 16	31.9	35.1	37.8	35.8	29.9	24.7
Gearing net	1.3	1.2	1.2	1.0	0.7	0.5
Leverage	3.9	2.3	2.6	1.9	1.4	1.1
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	7.7	12.4	12.3	13.6	15.2	16.8
<b>ΔWCR</b>	<b>2.2</b>	<b>-9.6</b>	<b>-5.7</b>	<b>-2.1</b>	<b>-4.2</b>	<b>-5.9</b>
Operating cash flow	9.9	2.8	6.6	11.5	11.0	10.9
Net capex	-6.1	-4.2	-9.3	-4.6	-5.1	-5.7
FCF	3.8	-1.4	-2.7	7.0	5.9	5.2
Acquisitions/Disposals of subsidiaries	-31.6	-2.2	0.0	-5.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	33.1	-1.8	-6.5	-5.2	-2.8	-2.8
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	11.8	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.1	0.0	0.0	0.0	0.0
Change in net cash over the year	17.4	-5.2	-9.1	-3.3	3.1	2.4
ROA (%)	5.7%	10.3%	7.4%	9.8%	11.1%	12.2%
ROE (%)	14.6%	26.2%	19.1%	22.7%	22.3%	21.4%

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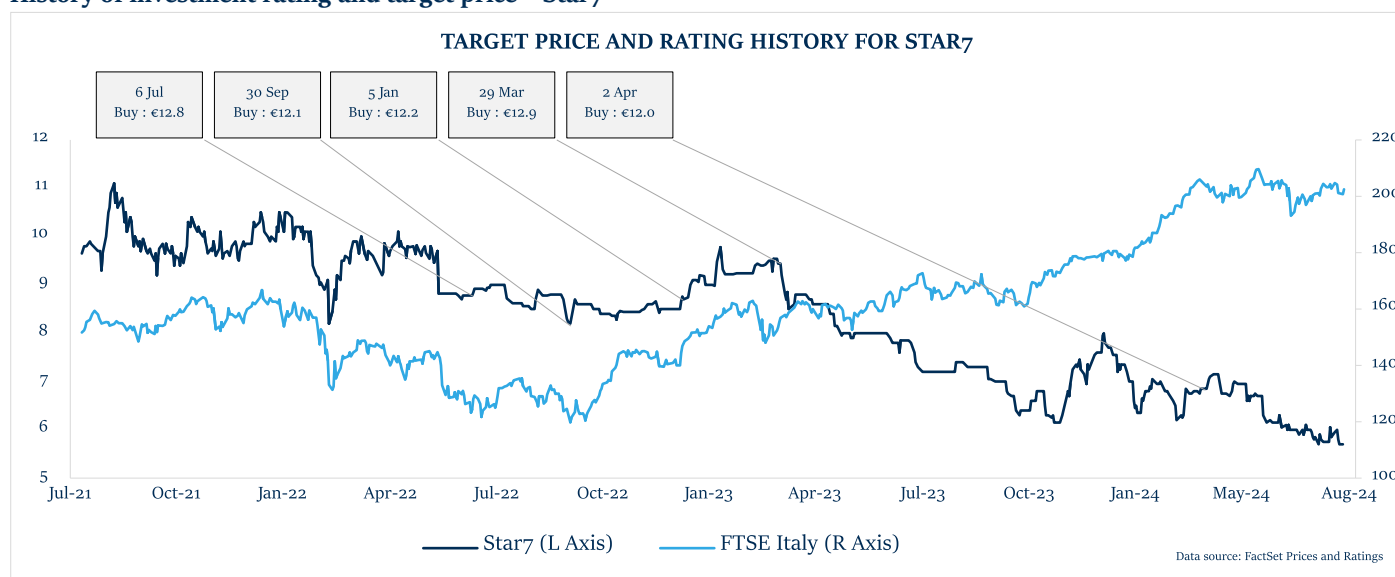
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Sell	2%	0%
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