

UPDATE

EQUITY RESEARCH

International Care Company

ISIM
NTEGRÆ

Euronext Growth Milan | Digital Healthcare | Italy

Production 15/10/2024, h. 18:30

Published 16/10/2024, h. 07:00



Rating

BUY

unchanged

Target Price

€2,60

prev. € 3,00

Risk



Medium

Upside potential

106,0%

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 1,26
Target price	€ 2,60
Upside/(Downside) potential	106,0%
Ticker	ICC IM
Market Cap (€/mln)	€ 6,01
EV (€/mln)	€ 5,49
Free Float	21,41%
Share Outstanding	4.766.745
52-week high	€ 1,41
52-week low	€ 1,03
Average daily volumes (3 months)	2.114

Key Financials (€/mln)	FY23A	FY24E	FY25E	FY26E
Revenues	6,77	8,25	11,05	12,50
VoP	7,41	8,80	11,55	13,00
EBITDA	(0,32)	(0,15)	0,95	2,05
EBIT	(1,06)	(0,95)	0,15	1,25
Net Profit	(0,90)	(0,90)	0,10	0,90
EBITDA margin	-4,2%	-1,7%	8,2%	15,8%
EBIT margin	-14,3%	-10,8%	1,3%	9,6%
Net Profit margin	-12,1%	-10,2%	0,9%	6,9%

Mattia Petracca | mattia.petracca@integraesim.it

Alessandro Elia Stringa | alessandro.stringa@integraesim.it

Stock performance	1M	3M	6M	1Y
Absolute	5,9%	11,5%	1,6%	-5,3%
to FTSE Italia Growth	2,4%	11,0%	0,8%	-7,2%
to Euronext STAR Milan	4,0%	15,5%	1,9%	-18,2%
to FTSE All-Share	2,7%	11,6%	-0,9%	-27,9%
to EUROSTOXX	3,8%	13,4%	1,8%	-24,9%
to MSCI World Index	2,0%	8,4%	-9,5%	-35,2%

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	n/a	5,8 x	2,7 x
EV/EBIT	n/a	n/a	36,6 x	4,4 x
P/E	n/a	n/a	60,1 x	6,7 x

1H24A Results

At the end of the first half of 2024, the company's revenue amounted to €3.95 million, growing by 24.1% compared to €3.18 million in 1H23A. As of June 30, 2024, EBITDA amounted to € -0.09 million, still negative but showing a significant improvement compared to the previous period's figure of € -0.45 million. EBIT, after depreciation and amortization amounting to € 0.41 million, stood at € -0.50 million, improving from the operating loss of € -0.78 million in the previous period. Similarly, Net Income remained negative, standing at € -0.43 million, but showing an improvement compared to the figure of € -0.61 million in the previous period.

Estimates Update

In light of the results published in the 2024 half-year report, we are updating our estimates for both the current year and the following years. In particular, we estimate FY24E revenues to be €8.25 million, with an EBITDA of €-0.15 million, corresponding to a margin of -1.8%. For the following years, we expect revenues to increase to €12.50 million (CAGR 23A-25E: 22.7%) in FY26E, with EBITDA of €2.05 million (corresponding to a margin of 16.4%), up from €-0.32 million in FY23A (with an EBITDA margin of -4.7%). Looking at the balance sheet, we estimate an NFP for FY26E of €1.94 million (cash positive).

Valuation Update

We conducted our valuation of the equity value of ICC based on the DCF method. The DCF method (including, for prudential purposes, a specific risk of 2.5% in the calculation of the WACC) returned an equity value of € 12.4 million. The target price is € 2.60, with a BUY rating and MEDIUM risk.

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

INCOME STATEMENT (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	5,57	6,77	8,25	11,05	12,50
Other revenues	0,93	0,65	0,55	0,50	0,50
Value of Production	6,49	7,41	8,80	11,55	13,00
COGS	0,45	0,39	0,50	0,65	0,70
Services	3,45	4,16	5,05	6,25	6,40
Use of assets owned by others	0,17	0,18	0,25	0,25	0,25
Employees	2,64	2,80	3,05	3,35	3,50
Other operating costs	0,13	0,21	0,10	0,10	0,10
EBITDA	(0,34)	(0,32)	(0,15)	0,95	2,05
<i>EBITDA Margin</i>	<i>-6,1%</i>	<i>-4,7%</i>	<i>-1,8%</i>	<i>8,6%</i>	<i>16,4%</i>
D&A	0,66	0,74	0,80	0,80	0,80
EBIT	(1,00)	(1,06)	(0,95)	0,15	1,25
<i>EBIT Margin</i>	<i>-17,9%</i>	<i>-15,6%</i>	<i>-11,5%</i>	<i>1,4%</i>	<i>10,0%</i>
Financial management	(0,08)	0,04	(0,05)	(0,05)	(0,05)
EBT	(1,08)	(1,02)	(1,00)	0,10	1,20
Taxes	(0,21)	(0,12)	(0,10)	0,00	0,30
Net Income	(0,86)	(0,90)	(0,90)	0,10	0,90
BALANCE SHEET (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
Fixed Assets	3,80	3,53	3,10	2,60	2,10
Account receivable	1,99	1,33	1,65	1,90	2,20
Inventory	0,09	0,09	0,00	0,00	0,00
Account payable	0,86	0,55	0,70	0,85	1,00
Operating Working Capital	1,22	0,87	0,95	1,05	1,20
Other receivable	1,22	1,25	1,40	1,60	1,70
Other payable	0,70	0,54	0,80	0,90	1,10
Net Working Capital	1,74	1,58	1,55	1,75	1,80
Severance & other provisions	0,40	0,43	0,45	0,50	0,55
NET INVESTED CAPITAL	5,14	4,67	4,20	3,85	3,35
Share capital	5,16	5,43	5,43	5,43	5,43
Reserves	1,28	0,65	(0,25)	(1,15)	(1,05)
Net Income	(0,86)	(0,90)	(0,90)	0,10	0,90
Equity	5,58	5,19	4,29	4,39	5,29
Cash & cash equivalents	0,92	0,90	0,64	0,99	2,29
Financial debt	0,47	0,39	0,55	0,45	0,35
Net Financial Position	(0,45)	(0,51)	(0,09)	(0,54)	(1,94)
SOURCES	5,14	4,67	4,20	3,85	3,35

CASH FLOW (€/mln)	FY23A	FY24E	FY25E	FY26E
EBIT	(1,06)	(0,95)	0,15	1,25
Taxes	(0,12)	(0,10)	0,00	0,30
NOPAT	(0,93)	(0,85)	0,15	0,95
D&A	0,74	0,80	0,80	0,80
Change in NWC	0,16	0,03	(0,20)	(0,05)
Change in receivable	0,67	(0,32)	(0,25)	(0,30)
Change in inventory	0,00	0,09	0,00	0,00
Change in payable	(0,31)	0,15	0,15	0,15
Change in others	(0,20)	0,11	(0,10)	0,10
Change in provisions	0,04	0,02	0,05	0,05
OPERATING CASH FLOW	0,00	(0,00)	0,80	1,75
Capex	(0,47)	(0,37)	(0,30)	(0,30)
FREE CASH FLOW	(0,47)	(0,38)	0,50	1,45
Financial management	0,04	(0,05)	(0,05)	(0,05)
Change in Financial debt	(0,09)	0,17	(0,10)	(0,10)
Change in equity	0,50	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	(0,02)	(0,26)	0,35	1,30

Source: I.C.C. and Integrae SIM estimates

Company Overview

International Care Company (ICC) was established in 2018, by the transfer of assets from FD Service's World Wide Assistance Operations Center and FD W.OR.L.D Care's digital telemedicine services businesses. These 2 companies were then merged into FD Holding (formerly Filo Diretto), an internationally recognized company and leading player in the Italian insurance and assistance market, in which it has been operating for over 30 years. Through these transactions, ICC immediately became one of the leading Italian providers of assistance services, with a particular focus on digital healthcare services.

The Company manages over 100,000 cases per year, through to its modern, multilingual and multifunctional 24-hour Operations Center, and thanks to over thirty years of sector experience, and a network extended across Italy, involving 10,000 service providers, and across the world, involving 720,000 service providers, in addition to its proprietary DOC 24 platform, developed entirely in-house. The Company is based in Agrate Brianza, in the Province of Monza and Brianza, Italy, and operates internationally in the personal assistance services market, also through International Assistance Group, based in Paris, of which it holds a 9.53% share. The Company has been formally registered in Italy as an Innovative SME since 2021..

1H24A Results

TABLE 2 – 1H24A VS 1H23A

€/mln	Revenues	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H24A	3,95	(0,09)	-2,3%	(0,50)	(0,43)	(0,16)
1H23A	3,18	(0,45)	-14,1%	(0,78)	(0,61)	(0,51)*
Change	24,1%	80,2%	11,9%	35,9%	29,3%	n/a

Source: Integrae SIM

*NFP as of 31/12/2023

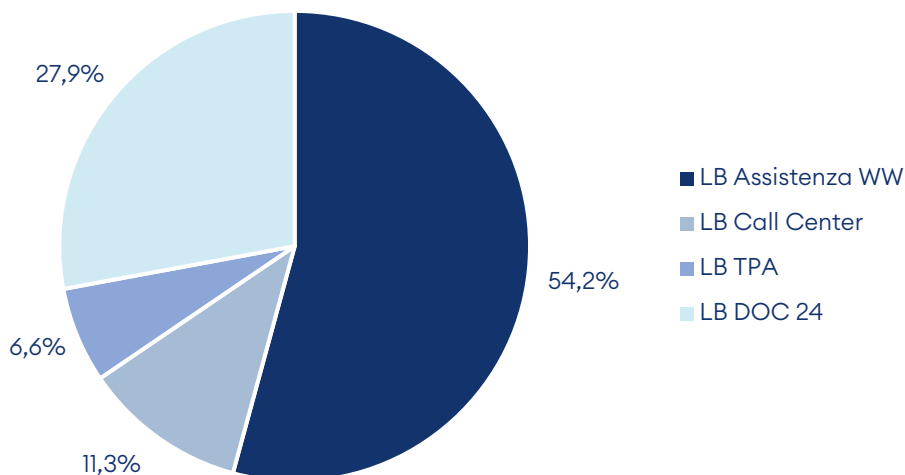
In the press release dated September 26, 2024, Ing. Gualtiero Ventura, Chairman and CEO of International Care Company, commented on the half-year results: *“The constant effort over the past few years, not only to consolidate and expand relationships with key companies that are already our clients but also to seek new clients both nationally and internationally, has had a noticeable impact in this first half. However, we expect the full potential of these partnerships and certain projects to be fully realized in future fiscal years, considering the complex nature of their implementation and integration, both from an IT and operational standpoint, as well as in market communication. We continue to make significant investments in our most ambitious projects: DOC 24, where we were the first in Italy to introduce a real-time Italian Sign Language interpretation service, designed to ensure maximum inclusivity without any barriers and to promote equality and accessibility to all assistance services; and AIDA CARE, a project dedicated to people over 65 living alone, which represents a breakthrough and true innovation for the entire ‘Silver Age’ sector, but requires time to generate revenue and, above all, market awareness. The experience of these first six months of 2024 has confirmed the product’s viability and an important latent demand in the market. Our solid financial management has allowed us to support all of our development programs and continue investing heavily in technology and communication, confirming our commitment to providing our clients with high-quality and innovative services in all areas in which we operate, while maintaining our position as early adopters and pioneers in the field of personal assistance.”*

At the end of the first half of 2024, the Company’s revenue amounted to €3.95 million, growing by 24.1% compared to €3.18 million in 1H23A. Also in the first half of this year, International Care Company secured a significant series of contracts with high-profile international companies such as Esselunga, Vittoria, Wakam, Tokyo Marine, AIG, Porsche, Luci, and Tesla, which will bring benefits primarily in future years. Indeed, the phases of system integration and contract implementation require long timelines, which prevent the full exploitation of the potential offered by these clients from the beginning. As usual, to provide a more coherent view of the Company’s revenue growth during the half-year, it is possible to “neutralize” the contribution of the revenue line related to the re-invoicing of external costs (the SV3 line included within the Worldwide Assistance BU). Excluding this business line, the Company’s revenue remains on an upward trend, registering a +14.0% growth.

In terms of value of production, International Care Company achieved a result of €4.21 million, marking an increase of 19.7% compared to €3.51 million in 1H23A.

Looking at the composition of revenues, the following chart analyzes the contribution of each Business Unit to the Company's revenue. In particular, it shows that the services provided by the Worldwide Assistance BU contribute the majority of International Care Company's revenue, accounting for 54.2%. This is followed by the DOC 24 BU and the Call Center BU, which contribute 27.9% and 11.3% of the total, respectively. Lastly, the TPA Claims Management business line accounts for the remaining 6.6% of the revenue.

CHART 1 – REVENUES BREAKDOWN BY SEGMENT

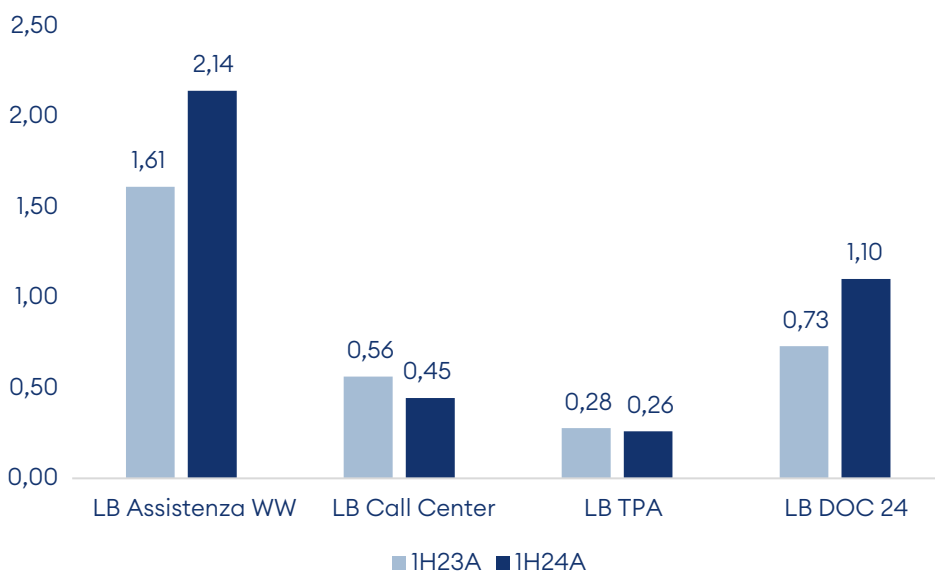


Source: International Care Company

Similarly, comparing the contribution of the various BUs across both periods under analysis, it can be noted that the Company achieved excellent growth in its main business lines, registering only slight and temporary slowdowns in the lines that provide a smaller contribution.

In detail, the significant growth of the Worldwide Assistance BU (+32.9%) stands out, rising from €1.61 million to €2.14 million at the end of 1H24A, driven by the performance of the SV2 line related to third-party assistance management. This line is expected to grow further in the second half of the year, thanks to new contracts being finalized with key international players such as Tokyo Marine, Wakam, and AIG. Similarly positive was the performance of the DOC 24 BU, which generated revenues of €1.10 million at the end of the half-year, growing by 51.0% compared to €0.73 million in 1H23A. The platform saw a 12.1% increase in processed cases, reaching a total of 7,525, demonstrating the public's appreciation for the platform. Finally, while the TPA BU remained essentially in line with the previous period in terms of revenue (€0.26 million vs. €0.28 million), the Call Center BU recorded a more pronounced negative variation, reaching €0.45 million at the end of the period compared to €0.56 million in the previous period. However, this variation does not raise concerns regarding the business line's development, as it is due to the postponement to the second half of the year of the sale of 1,000 satellite units to Inside (already contracted).

CHART 2 – REVENUES BREAKDOWN BY BU 1H23A VS 1H24A



Source: International Care Company

As of June 30, 2024, EBITDA amounted to € -0.09 million, still negative but showing a significant improvement compared to the previous period's figure of € -0.45 million. This improvement is due, on the one hand, to the increase in the Company's activity volume. On the other hand, analyzing the costs, there was an optimization of external costs borne by the Company and a contained increase in labor costs.

EBIT, after depreciation and amortization amounting to € 0.41 million, stood at € -0.50 million, improving from the operating loss of € -0.78 million in the previous period. Similarly, Net Income remained negative, standing at € -0.43 million, but showing an improvement compared to the figure of € -0.61 million in the previous period.

NFP as of June 30, 2024, amounted to € 0.16 million (cash positive), deteriorating compared to the € 0.51 million cash positive figure as of December 31, 2023. This variation is mainly attributable to the investments made during the half-year, including renovation and furnishing work for the newly leased space for the expansion of the Operations Center.

In conclusion, during the half-year, the Company managed to achieve growing operational results, completing many projects for high-profile clients and continuing to develop DOC 24 and AIDACARE, the most innovative projects of International Care Company.

I.C.C. has collaborated with several clients to develop innovative and customized projects, always aiming to enhance user experience. With Intesa San Paolo Assicura, it launched the Horus Project, a high-impact initiative. For ENI, it integrated a psychological support service into the DOC 24 app, providing tangible assistance to employees. In the insurance

sector, I.C.C. oversaw the integration of IT flows for various companies such as REVO Italia, Bene Assicurazioni, Global Assistance, and Vittoria Assicurazioni, and is currently working on a project for the analysis of Revo in Spain. For the Cupsolidale portal, I.C.C. created a solution to ensure immediate medical assistance in emergencies, developing a system for calling, service delivery, and data management. Since May 2024, the Company has been working with ENI on the “Road to Future” project for the 2025 Jubilee, an initiative that involves creating an innovative TOTEM to offer free services to tourists, such as health check-ups and locating medications and pharmacies, providing a unique welcoming experience.

Regarding DOC 24, International Care Company has launched a pilot project that leverages artificial intelligence to simplify the medical expense reimbursement process through the DOC 24 app, allowing users to upload receipts by simply taking a photo, with the system calculating the amount and verifying eligibility for reimbursement. At the same time, a new real-time Italian Sign Language interpretation service was introduced, making I.C.C. the only Company in Italy to offer this option for deaf people. On the technology front, DOC 24 is working to integrate with the Samsung Health Kit, expanding the functionalities already available on Apple devices to Android users. Finally, to enhance the user experience, a system is being implemented that will allow for extra subscription payments via PayPal, making everything simpler and more traceable.

The interventions on AIDACARE have focused on access platforms, as well as methods and customer experience. One initial project saw the Company invest in launching a new version of the AidaCare website for customers, also providing the option of installment payments and simplified subscriptions (Easy, Bracelet, and Bed Band). Similarly, a new interface for the Aida Care tablet is being developed, which will allow multiple family members to easily access their profiles, making the device more practical and immediate to use. Lastly, the “A Friend for You” project, now in its second research phase, aims to explore new solutions using avatars based on artificial intelligence that can manage webinars and entertainment activities, making everything more efficient and cost-effective.

FY24E – FY26E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E - FY26E

€/mln	FY24E	FY25E	FY26E
Revenues			
New	8,3	11,1	12,5
Old	9,3	11,1	12,5
Change	-10,8%	0,0%	0,4%
EBITDA			
New	(0,1)	1,0	2,1
Old	0,8	1,8	2,6
Change	n/a	-47,2%	-19,6%
EBITDA %			
New	-1,8%	8,6%	16,4%
Old	8,1%	16,3%	20,5%
Change	n/a	-7,7%	-4,1%
EBIT			
New	(0,9)	0,2	1,3
Old	(0,1)	0,9	1,7
Change	n/a	-83,3%	-26,5%
Net Income			
New	(0,9)	0,1	0,9
Old	(0,1)	0,6	1,2
Change	n/a	-83,3%	-21,7%
NFP			
New	(0,1)	(0,5)	(1,9)
Old	(1,4)	(2,8)	(5,0)
Change	n/a	n/a	n/a

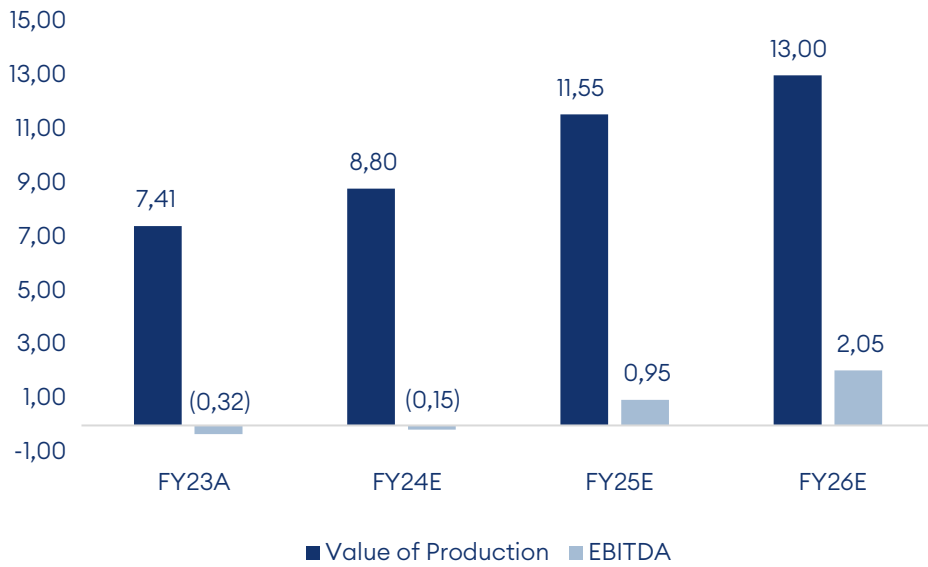
Source: Integrae SIM

In light of the results published in the 2024 half-year report, we are updating our estimates for both the current year and the following years.

In particular, we estimate FY24E revenues to be €8.25 million, with an EBITDA of €-0.15 million, corresponding to a margin of -1.8%. For the following years, we expect revenues to increase to €12.50 million (CAGR 23A-25E: 22.7%) in FY26E, with EBITDA of €2.05 million (corresponding to a margin of 16.4%), up from €-0.32 million in FY23A (with an EBITDA margin of -4.7%).

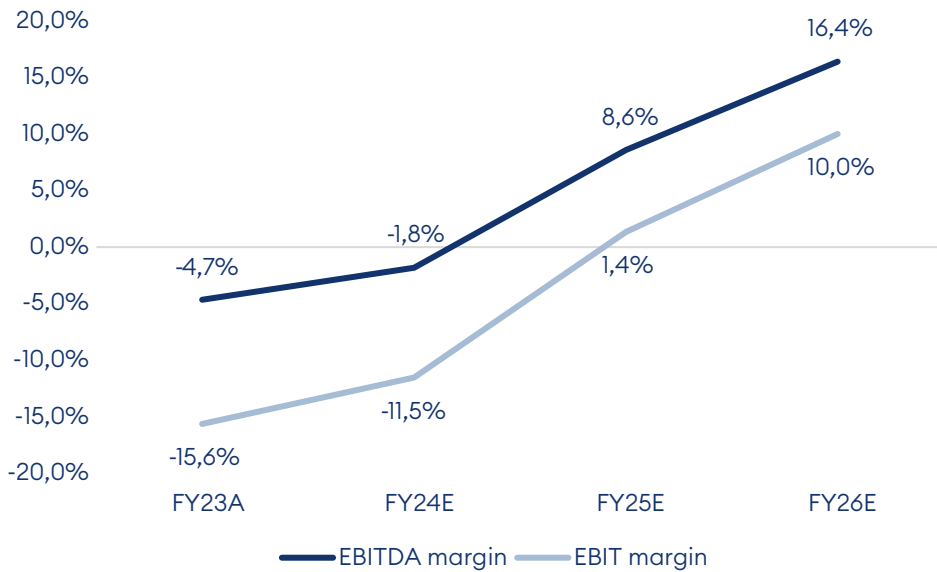
Looking at the balance sheet, we estimate an NFP for FY26E of €1.94 million (cash positive).

CHART 3 – VOP AND EBITDA FY23A-26E



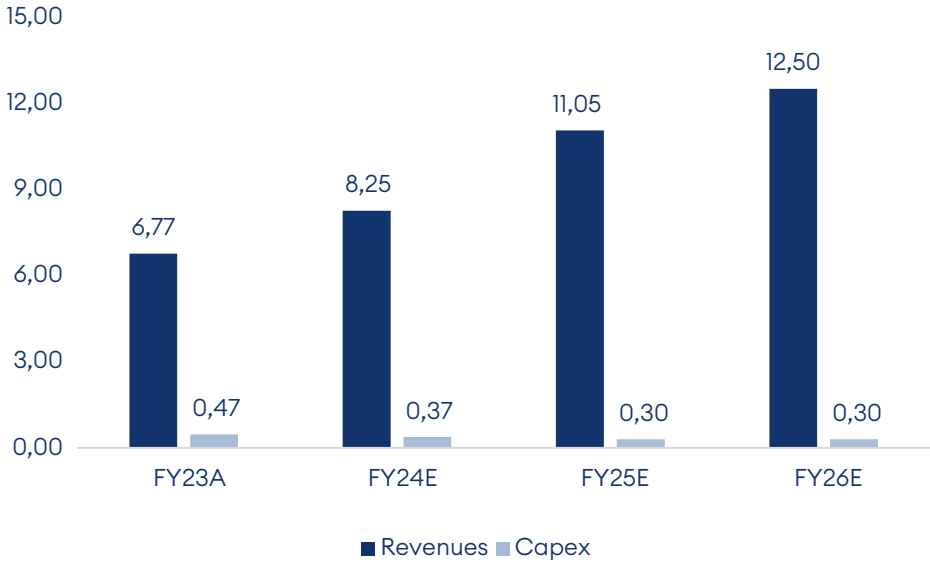
Source: Integrae SIM

CHART 4 – MARGIN FY23A-26E



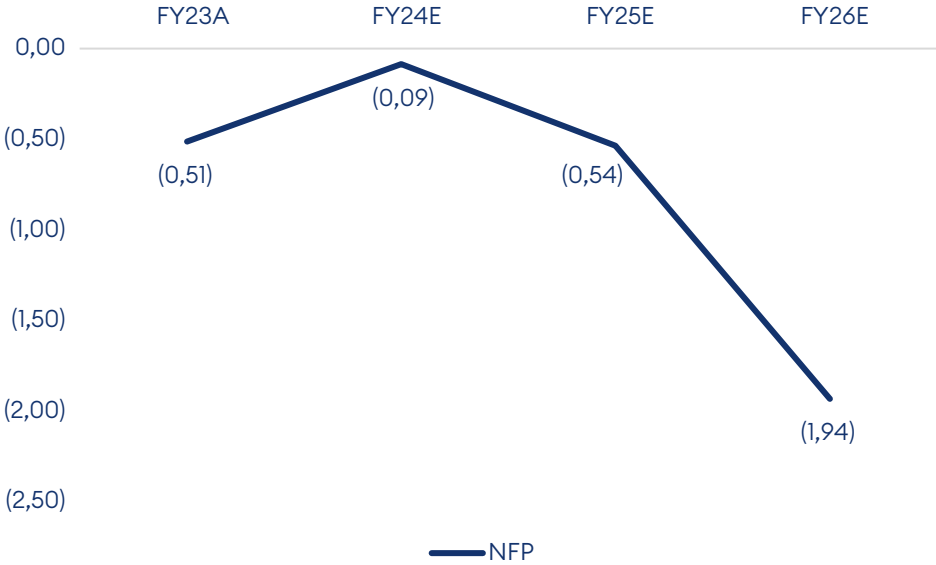
Source: Integrae SIM

CHART 5 – CAPEX FY23A-26E



Source: Integrae SIM

CHART 6 – NFP FY23A-26E



Source: Integrae SIM

Valuation

We conducted the valuation of International Care Company's equity value using the DCF methodology.

DCF Method

TABLE 4 – WACC

WACC				11,3%
D/E 11,1%	Risk Free Rate 2,7%	β Adjusted 1,0	α (specific risk) 2,5%	
K_d 3,0%	Market Premium 6,8%	β Relevered 1,1	K_e 12,4%	

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%, resulting in a WACC of 11,3%.

TABLE 5 – DCF VALUATION

DCF	% of EV	
FCFO actualized	2,2	19%
TV actualized DCF	9,7	81%
Enterprise Value	11,9	100%
NFP (FY23A)	(0,5)	
Equity Value	12,4	

Source: Integrae SIM

Based on the above data and using our estimates and assumptions, **the resulting equity value is €12.4 million. The target price is therefore €2.60 (previously €3.00). We confirm a BUY rating and MEDIUM risk.**

TABLE 6 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln	WACC							
		9,8%	10,3%	10,8%	11,3%	11,8%	12,3%	12,8%
Growth Rate (g)	3,0%	17,3	16,1	15,0	14,1	13,3	12,6	11,9
	2,5%	16,3	15,2	14,3	13,5	12,7	12,1	11,4
	2,0%	15,4	14,5	13,6	12,9	12,2	11,6	11,0
	1,5%	14,7	13,8	13,1	12,4	11,8	11,2	10,7
	1,0%	14,0	13,2	12,5	11,9	11,3	10,8	10,3
	0,5%	13,4	12,7	12,1	11,5	11,0	10,5	10,0
	0,0%	12,9	12,2	11,6	11,1	10,6	10,2	9,7

Source: Integrae SIM

TABLE 7 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	n/a	12,5 x	5,8 x
EV/EBIT	n/a	n/a	79,1 x	9,5 x
P/E	n/a	n/a	123,7 x	13,7 x

Source: Integrae SIM

TABLE 8 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	n/a	5,8 x	2,7 x
EV/EBIT	n/a	n/a	36,6 x	4,4 x
P/E	n/a	n/a	60,1 x	6,7 x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

Analyst/s certification

The analyst(s) which has/have produced the following analyses hereby certifies/certify that the opinions expressed herein reflect their own opinions, and that no direct and/or indirect remuneration has been, nor shall be received by the analyst(s) as a result of the above opinions or shall be correlated to the success of investment banking operations. Neither the analysts nor any of their relatives hold administration, management or advising roles for the Issuer. Mattia Petracca is Integrae SIM's current Head of Research. Giuseppe Rivello, Alessandro Colombo, Edoardo Luigi Pezzella, Alessandro Elia Stringa and Alessia Di Florio are the current financial analysts.

Disclaimer

This publication was produced by INTEGRAE SIM SpA. INTEGRAE SIM SpA is licensed to provide investment services pursuant to Italian Legislative Decree n. 58/1998, released by Consob, with Resolution n. 17725 of March 29th 2011.

INTEGRAE SIM SpA performs the role of corporate broker for the financial instruments issued by the company covered in this report.

INTEGRAE SIM SpA is distributing this report in Italian and in English, starting from the date indicated on the document, to approximately 300 qualified institutional investors by post and/or via electronic media, and to non-qualified investors through the Borsa Italiana website and through the leading press agencies.

Unless otherwise indicated, the prices of the financial instruments shown in this report are the prices referring to the day prior to publication of the report. INTEGRAE SIM SpA will continue to cover this share on a continuing basis, according to a schedule which depends on the circumstances considered important (corporate events, changes in recommendations, etc.), or useful to its role as specialist.

The table below, shows INTEGRAE SIM's recommendation, target price and risk issued during the last 12 months:

Date	Price	Recommendation	Target Price	Risk	Comment
23/10/2023	1,25	Buy	3,30	Medium	Update
26/04/2024	1,20	Buy	3,00	Medium	Update

The list of all recommendations on any financial instrument or issuer produced by Integrae SIM Research Department and distributed during the preceding 12-month period is available on the Integrae SIM website.

The information and opinions contained herein are based on sources considered reliable. INTEGRAE SIM SpA also declares that it takes all reasonable steps to ensure the correctness of the sources considered reliable; however, INTEGRAE SIM SpA shall not be directly and/or indirectly held liable for the correctness or completeness of said sources.

The most commonly used sources are the periodic publications of the company (financial statements and consolidated financial statements, interim and quarterly reports, press releases and periodic presentations). INTEGRAE SIM SpA also makes use of instruments provided by several service companies (Bloomberg, Reuters, JCF), daily newspapers and press in general, both national and international. INTEGRAE SIM SpA generally submits a draft of the analysis to the Investor Relator Department of the company being analyzed, exclusively for the purpose of verifying the correctness of the information contained therein, not the correctness of the assessment. INTEGRAE SIM SpA has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them. Integrae SIM SpA has formalized a set of principles and procedures for dealing with conflicts of interest. The Conflicts Management Policy is clearly explained in the relevant section of Integrae SIM's web site (www.integraesim.it). This document is provided for information purposes only. Therefore, it does not constitute a contractual proposal, offer and/or solicitation to purchase and/or sell financial instruments or, in general, solicitation of investment, nor does it constitute advice regarding financial instruments. INTEGRAE SIM SpA does not provide any guarantee that any of the forecasts and/or estimates contained herein will be reached. The information and/or opinions contained herein may change without any consequent obligation of INTEGRAE SIM SpA to communicate such changes. Therefore, neither INTEGRAE SIM SpA, nor its directors, employees or contractors, may be held liable (due to negligence or other causes) for damages deriving from the use of this document or the contents thereof. Thus, Integrae SIM does not guarantee

any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, Integrae SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 20307/2018, as subsequently amended and supplemented, either as a printed document and/or in electronic form.

Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the Upside Potential (increase in value or return that the investment could achieve based on the current price and a future target price set by the analysts), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the upside potential may temporarily fall outside the proposed range

Equity Total Return (ETR) for different risk categories

Rating	Low Risk	Medium Risk	High Risk
BUY	ETR \geq 7.5%	ETR \geq 10%	ETR \geq 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR \leq -5%	ETR \leq -5%	ETR \leq 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

Valuation methodologies (long term horizon: 12 months)

The methods that INTEGRAE SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, EV/EBIT and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integrae SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies). The estimates and opinions expressed in the publication may be subject to change without notice. Any copying and/or redistribution, in full or in part, directly or indirectly, of this document are prohibited, unless expressly authorized.

Conflict of interest

In order to disclose its possible interest conflict Integrae SIM states that:

- It operates or has operated in the past 12 months as the entity responsible for carrying out the activities of Euronext Growth Advisor of the International Care Company SpA;
- It plays, or has played in the last 12 months, role of specialist financial instruments issued by International Care Company SpA;
- In the IPO phase, Integrae SIM played the role of global coordinator.