

UPDATE

EQUITY RESEARCH

# International Care Company

**ISIM**  
**NTEGRÆ**

Euronext Growth Milan | Digital Healthcare | Italy

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Rating

**BUY**

unchanged

Target Price

**€ 3,00**

prev. € 3,30

Risk



Medium

Upside potential

**149,6%**

Key Financials (€/mln)	FY23A	FY24E	FY25E	FY26E
Revenues	6,77	9,25	11,05	12,45
VoP	7,41	9,80	11,55	12,95
EBITDA	(0,32)	0,75	1,80	2,55
EBIT	(1,06)	(0,10)	0,90	1,70
Net Profit	(0,90)	(0,10)	0,60	1,15
EBITDA margin	-4,2%	7,7%	15,6%	19,7%
EBIT margin	-14,3%	-1,0%	7,8%	13,1%
Net Profit margin	-12,1%	-1,0%	5,2%	8,9%

## Stocks performance relative to FTSE Italia Growth



### Stock Data

Price	€ 1,20
Target price	€ 3,00
Upside/(Downside) potential	149,6%
Ticker	ICC IM
Market Cap (€/mln)	€ 5,72
EV (€/mln)	€ 5,21
Free Float	22,88%
Share Outstanding	4.766.745
52-week high	€ 1,91
52-week low	€ 1,10
Average daily volumes (3 months)	7.371

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Stock performance	1M	3M	6M	1Y
Absolute	-2,4%	-5,5%	-4,0%	-27,3%
to FTSE Italia Growth	-2,1%	-3,1%	-9,4%	-14,8%
to Euronext STAR Milan	0,5%	-3,2%	-21,1%	-24,1%
to FTSE All-Share	-0,4%	-17,1%	-27,6%	-49,9%
to EUROSTOXX	-1,4%	-14,4%	-26,5%	-41,3%
to MSCI World Index	-0,1%	-9,8%	-23,8%	-48,0%

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	6,9 x	2,9 x	2,0 x
EV/EBIT	n/a	n/a	5,8 x	3,1 x
P/E	n/a	n/a	9,5 x	5,0 x

## FY23A Results

The Company's revenues at the end of FY23A stood at € 6.77 million, marking a growth of 21.6% compared to the figure of € 5.57 million for FY22A, and in line with our estimate of € 6.80 million. EBITDA for the period, equal to € -0.32 million, was an improvement on our estimate of € -0.50 million, and substantially in line with the value for the previous financial year of € -0.34 million. EBIT came in at € -1.06 million, in line with the result of the previous year of € -1.00 million, and better than our expectation of € -1.15 million. Consequently, the Net Income was also negative at € -0.90 million. The NFP came in at a cash positive € 0.51 million, slightly up on last year's figure of € 0.45 million (cash positive).

## Estimates Update

In light of the results published in the annual report for 2023, we have updated our estimates for both the current year and the following years. In particular, we now estimate an FY24E value of production of € 9.80 million, and an EBITDA of € 0.75 million, corresponding to a margin of 8.1%. In the following years, we expect the value of production to reach € 12.95 million (CAGR 23A-25E: 20.4%) in FY26E, with EBITDA equal to € 2.55 million (corresponding to a margin of 20.5%), up from € -0.32 million in FY23A (corresponding to an EBITDA margin of -4.7%). On the balance sheet, we estimate a cash positive NFP for FY26E of € 5.04 million.

## 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 € 14.3 million. The target price is € 3.00, 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	9,25	11,05	12,45
Other revenues	0,93	0,65	0,55	0,50	0,50
<b>Value of Production</b>	<b>6,49</b>	<b>7,41</b>	<b>9,80</b>	<b>11,55</b>	<b>12,95</b>
COGS	0,45	0,39	0,75	0,95	1,10
Services	3,45	4,16	4,95	5,25	5,50
Use of assets owned by others	0,17	0,18	0,25	0,20	0,20
Employees	2,64	2,80	3,00	3,25	3,50
Other operating costs	0,13	0,21	0,10	0,10	0,10
<b>EBITDA</b>	<b>(0,34)</b>	<b>(0,32)</b>	<b>0,75</b>	<b>1,80</b>	<b>2,55</b>
<i>EBITDA Margin</i>	<i>-6,1%</i>	<i>-4,7%</i>	<i>8,1%</i>	<i>16,3%</i>	<i>20,5%</i>
D&A	0,66	0,74	0,85	0,90	0,85
<b>EBIT</b>	<b>(1,00)</b>	<b>(1,06)</b>	<b>(0,10)</b>	<b>0,90</b>	<b>1,70</b>
<i>EBIT Margin</i>	<i>-17,9%</i>	<i>-15,6%</i>	<i>-1,1%</i>	<i>8,1%</i>	<i>13,7%</i>
Financial management	(0,08)	0,04	(0,05)	(0,05)	(0,05)
<b>EBT</b>	<b>(1,08)</b>	<b>(1,02)</b>	<b>(0,15)</b>	<b>0,85</b>	<b>1,65</b>
Taxes	(0,21)	(0,12)	(0,05)	0,25	0,50
<b>Net Income</b>	<b>(0,86)</b>	<b>(0,90)</b>	<b>(0,10)</b>	<b>0,60</b>	<b>1,15</b>
BALANCE SHEET (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Fixed Assets</b>	<b>3,80</b>	<b>3,53</b>	<b>3,05</b>	<b>2,40</b>	<b>1,85</b>
Account receivable	1,99	1,33	1,50	1,80	2,00
Inventory	0,09	0,09	0,00	0,00	0,00
Account payable	0,86	0,55	0,85	0,90	1,00
<b>Operating Working Capital</b>	<b>1,22</b>	<b>0,87</b>	<b>0,65</b>	<b>0,90</b>	<b>1,00</b>
Other receivable	1,22	1,25	1,35	1,15	0,65
Other payable	0,70	0,54	0,85	0,95	1,00
<b>Net Working Capital</b>	<b>1,74</b>	<b>1,58</b>	<b>1,15</b>	<b>1,10</b>	<b>0,65</b>
Severance & other provisions	0,40	0,43	0,50	0,60	0,70
<b>NET INVESTED CAPITAL</b>	<b>5,14</b>	<b>4,67</b>	<b>3,70</b>	<b>2,90</b>	<b>1,80</b>
Share capital	5,16	5,43	5,43	5,43	5,43
Reserves	1,28	0,65	(0,25)	(0,35)	0,25
Net Income	(0,86)	(0,90)	(0,10)	0,60	1,15
<b>Equity</b>	<b>5,58</b>	<b>5,19</b>	<b>5,09</b>	<b>5,69</b>	<b>6,84</b>
Cash & cash equivalents	0,92	0,90	1,69	3,09	5,34
Financial debt	0,47	0,39	0,30	0,30	0,30
<b>Net Financial Position</b>	<b>(0,45)</b>	<b>(0,51)</b>	<b>(1,39)</b>	<b>(2,79)</b>	<b>(5,04)</b>
<b>SOURCES</b>	<b>5,14</b>	<b>4,67</b>	<b>3,70</b>	<b>2,90</b>	<b>1,80</b>

CASH FLOW (€/mln)	FY23A	FY24E	FY25E	FY26E
EBIT	(1,06)	(0,10)	0,90	1,70
Taxes	(0,12)	(0,05)	0,25	0,50
<b>NOPAT</b>	<b>(0,93)</b>	<b>(0,05)</b>	<b>0,65</b>	<b>1,20</b>
D&A	0,74	0,85	0,90	0,85
Change in NWC	0,16	0,43	0,05	0,45
Change in receivable	0,67	(0,17)	(0,30)	(0,20)
Change in inventory	0,00	0,09	0,00	0,00
Change in payable	(0,31)	0,30	0,05	0,10
Change in others	(0,20)	0,21	0,30	0,55
Change in provisions	0,04	0,07	0,10	0,10
<b>OPERATING CASH FLOW</b>	<b>0,00</b>	<b>1,30</b>	<b>1,70</b>	<b>2,60</b>
Capex	(0,47)	(0,37)	(0,25)	(0,30)
<b>FREE CASH FLOW</b>	<b>(0,47)</b>	<b>0,92</b>	<b>1,45</b>	<b>2,30</b>
Financial management	0,04	(0,05)	(0,05)	(0,05)
Change in Financial debt	(0,09)	(0,09)	0,00	0,00
Change in equity	0,50	0,00	0,00	0,00
<b>FREE CASH FLOW TO EQUITY</b>	<b>(0,02)</b>	<b>0,79</b>	<b>1,40</b>	<b>2,25</b>

Source: ICC 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.

## FY23A Results

TABLE 2 – FY23A VS FY23E

€/mln	Revenues	EBITDA	EBITDA %	EBIT	Net Income	NFP
FY23A	6,77	(0,32)	-4,7%	(1,06)	(0,90)	(0,51)
FY23E	6,80	(0,50)	-7,4%	(1,15)	(0,95)	(1,08)
Change	-0,5%	37,0%	2,7%	8,1%	5,7%	n/a

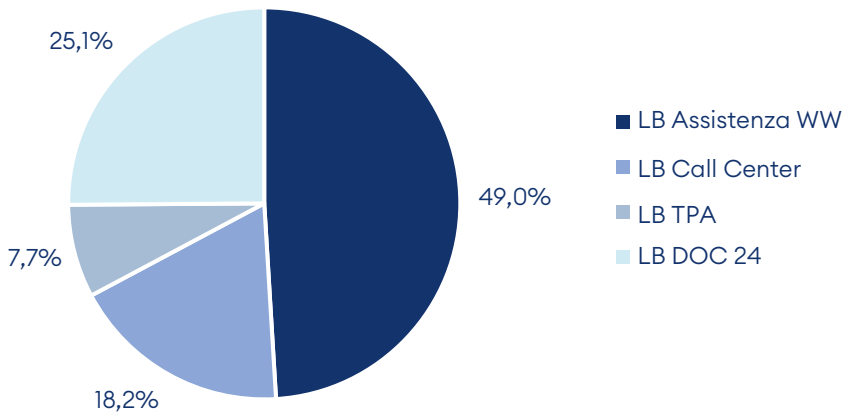
Source: Integrae SIM

In the annual results press release of March 28, 2024, ICC President and CEO, Gualtiero Ventura commented: *“2023 was a year of great satisfaction, in which we began to see the beginning of the growth process that I am sure will contribute to consolidating International Care Company’s positioning as a protagonist of innovation in the care services and tele-medicine sector over the coming years, and in both the B2B and B2C markets. The results of this financial year are confirmation that the strategic choice to continue investing in research into cutting-edge technological solutions and improvements to the quality and efficiency of the services we offer to our partners and end-customers is the winning path. This choice continues to make ICC the Partner of Choice of many important clients at an international level, and we are certain that it will lead to increasingly positive results, and their consolidation over the medium to long term. My gratitude goes to the entire ICC team and to all the employees of our Operations Center, who, with dedication, professionalism and passion, contribute every day to the achievement of important results”.*

The Company’s revenues at the end of FY23A stood at € 6.77 million, marking a growth of 21.6% compared to the figure of € 5.57 million for FY22A, and in line with our estimate of € 6.80 million. In order to have a more consistent vision of the growth of the Company’s turnover for the year, the contribution of the revenue line relating to the re-invoicing of external costs (the SV3 line covered by the World Wide Assistance business unit) can be discounted. Net of this business line, International Care Company’s growth in turnover is strong and positive at 13.0%. Similarly, discounting the effects of contracts canceled in 2022 due to excessive claims, the Company’s growth would be even more marked, at as much as 15.7%. Finally, the value of production of the Company rose from € 6.49 million in the previous year to € 7.41 million (up 14.2%), in this case beating our expectation of € 7.20 million.

Going into more detail, and looking at the contribution of the individual business units to the Company’s turnover, we note that services relating to the World Wide Assistance business unit contributed the largest share of revenues, amounting to 49.0% of the total. The DOC 24 and Call Center business units followed, with 25.1% and 18.2% respectively. Finally, the TPA Claims Management business unit contributed the remaining 7.7% of revenues.

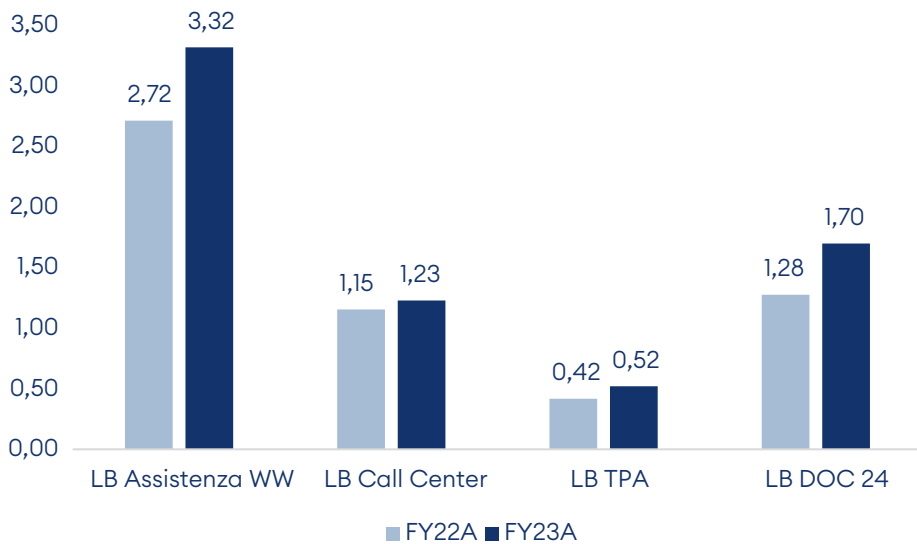
CHART 1 – REVENUES BREAKDOWN BY SEGMENT



Source: International Care Company

The increase in the Company’s turnover was driven by a generalized growth in all of the business units. As can be seen in the previous figure, the World Wide Assistance business unit generated a turnover of € 3.32 million, up 22.3% from the FY22A figure of € 2.72 million. The DOC 24 business unit saw a growth of 33.2%, bringing in € 1.70 million by the end of 2023, compared to € 1.28 million in the previous period. Finally, the Call Center business unit produced revenues of € 1.23 million, with a growth of 6.5%, while the TPA Claims Management business unit, with a growth of 24.3%, brought in € 0.52 million by the end of the reference period.

CHART 2 – REVENUES BREAKDOWN BY SEGMENT FY23A VS FY22A



Source: International Care Company

EBITDA for the period, equal to € -0.32 million, was an improvement on our estimate of € -0.50 million, and substantially in line with the value for the previous financial year of € -0.34 million. Furthermore, we note that, in the second half of the year, the Company managed to achieve a positive EBITDA of € 0.13 million, mitigating the loss of € 0.45 million at the end of 1H23A. The overall negative performance is attributable to the lack of revenues from the AIDA CARE project, due to the need to continue refining the approach strategy for the B2C market, as well as to the lack of revenues in the DOC 24 line in relation to the Intesa San Paolo Assicura contract (worth € 0.24 million). Margins were also impacted by the Riparabrezza and Deloitte Società Benefit contracts, discontinued or reformulated at the end of 2022, due to excessively high accident rates. These, in any case, generated costs in 2023, attributable to personnel and related duties, amounting to € 0.22 million. Furthermore, there was an increase in labor costs, due to the new tabular minimums of the National Association of Insurance Companies (ANIA) national employment contract, which the Company decided not to offset with super-minimums or the introduction of a welfare plan.

EBIT, after depreciation and amortization of € 0.74 million, came in at € -1.06 million, in line with the result of the previous year of € -1.00 million, and better than our expectation of € -1.15 million. Consequently, the Net Income was also negative at € -0.90 million, in line with our estimate of € -0.95 million and the FY22A result of € -0.86 million.

The NFP came in at a cash positive € 0.51 million, slightly up on last year's figure of € 0.45 million (cash positive).

During the year, the projects indicated in the management relating to the 2022 budget were continued and largely made operational, including in particular the following:

- The DOC 24 application was also released in English, and the back-end was reprogrammed to manage more languages (which will be included in the future). Furthermore, new services aimed at improving the user experience were integrated.
- The AIDA CARE WEB platform, aimed at the B2B market, was developed. In general, it was an important year for the project from the point of view of investments in R&D.
- A partnership was established with a player in the Car Assistance market to develop a platform that will allow for the optimization of economic and operational management.

The Company operates in a market that, though not yet mature on a national level, has considerable growth potential, with demand significantly lower than in more developed countries regarding the services in question, such as the USA, the UK, and Northern Europe. In recent years, the numbers of customers, downloads and users have increased considerably. Indeed, the DOC 24 service reached 31.7% of users, compared to 28.7% in 2022, and 5.0% in 2019, confirming the growth trend, while the percentage of downloads grew to 43.9% in 2023, compared to 40.0% in the previous period, and 12.0% in 2019.

## FY24E – FY26E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E - FY26E

€/mln	FY24E	FY25E	FY26E
<b>Value of Production</b>			
New	9,8	11,6	13,0
Old	8,7	11,3	n/a
Change	12,6%	2,2%	n/a
<b>EBITDA</b>			
New	0,8	1,8	2,6
Old	1,0	2,4	n/a
Change	-25,0%	-23,4%	n/a
<b>EBITDA %</b>			
New	8,1%	16,3%	20,5%
Old	12,0%	21,4%	n/a
Change	-3,9%	-5,1%	n/a
<b>EBIT</b>			
New	(0,1)	0,9	1,7
Old	0,3	1,7	n/a
Change	n/a	-45,5%	n/a
<b>Net Income</b>			
New	(0,1)	0,6	1,2
Old	0,3	1,4	n/a
Change	n/a	-55,6%	n/a
<b>NFP</b>			
New	(1,4)	(2,8)	(5,0)
Old	(1,3)	(2,7)	n/a
Change	n/a	n/a	n/a

Source: Integrae SIM

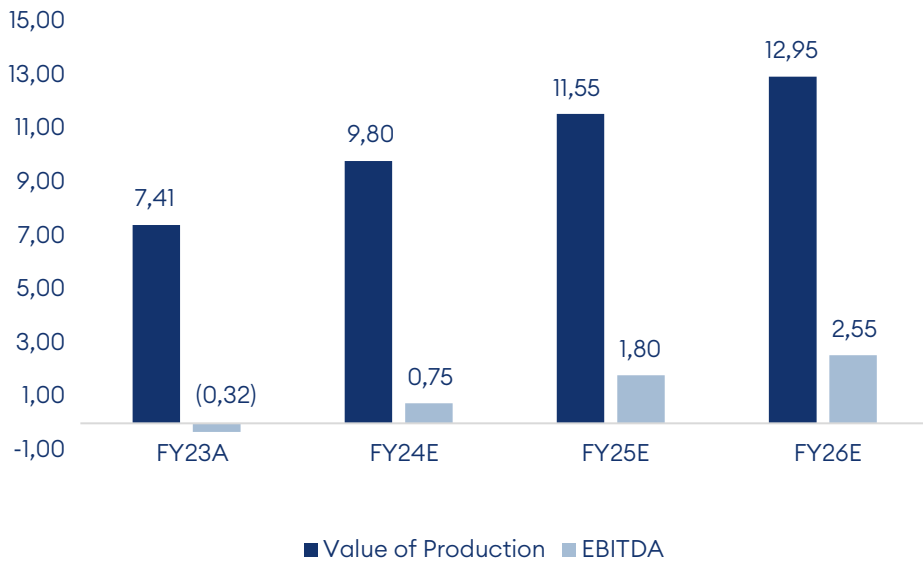
In light of the results published in the annual report for 2023, we have updated our estimates for both the current year and the following years.

In particular, we now estimate an FY24E value of production of € 9.80 million, and an EBITDA of € 0.75 million, corresponding to a margin of 8.1%. In the following years, we expect the value of production to reach € 12.95 million (CAGR 23A-25E: 20.4%) in FY26E, with EBITDA equal to € 2.55 million (corresponding to a margin of 20.5%), up from € -0.32 million in FY23A (corresponding to an EBITDA margin of -4.7%).

On the balance sheet, we estimate a cash positive NFP for FY26E of € 5.04 million.

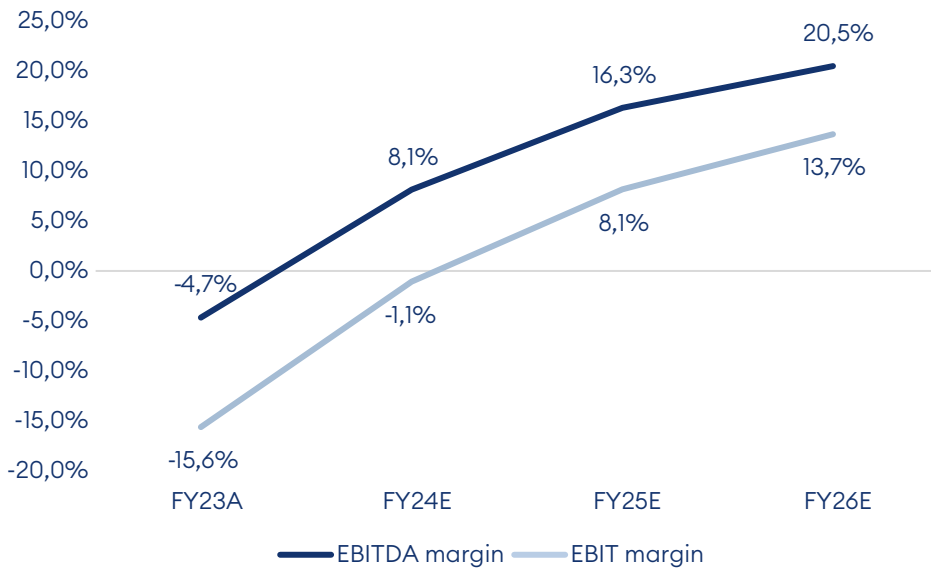


CHART 3 – VOP AND EBITDA FY23A-26E



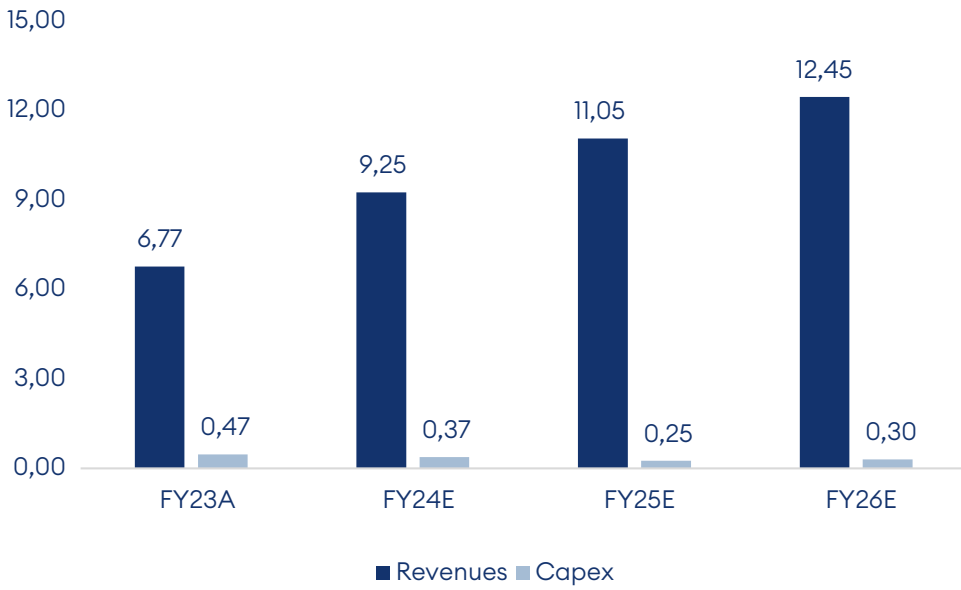
Source: Integrae SIM

CHART 4 – MARGIN FY23A-26E



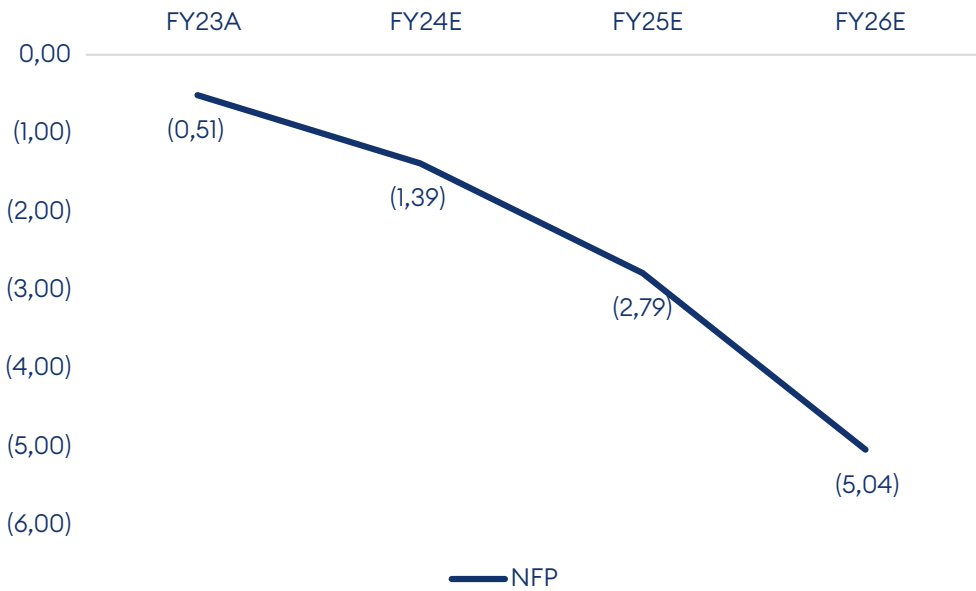
Source: Integrae SIM

CHART 5 – CAPEX FY23A-26E



Source: Integrae SIM

CHART 6 – NFP FY23A-26E



Source: Integrae SIM

# Valuation

We conducted our valuation of the equity value of International Care Company based on the DCF method.

## DCF Method

TABLE 4 – WACC

WACC			12,7%
D/E 11,1%	Risk Free Rate 3,2%	$\beta$ Adjusted 1,1	$\alpha$ (specific risk) 2,5%
$K_d$ 3,0%	Market Premium 7,8%	$\beta$ Relevered 1,1	$K_e$ 13,9%

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 12.7%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO actualized	3,7	27%
TV actualized DCF	10,1	73%
<b>Enterprise Value</b>	<b>13,8</b>	<b>100%</b>
NFP (FY23A)	(0,5)	
<b>Equity Value</b>	<b>14,3</b>	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, **the result is an equity value of € 14.3 million. The target price is therefore € 3.00 (prev. € 3.30). We confirm a BUY rating and MEDIUM risk.**

TABLE 6 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln	WACC							
		11,2%	11,7%	12,2%	12,7%	13,2%	13,7%	14,2%
Growth Rate (g)	3,0%	18,5	17,5	16,6	15,8	15,1	14,4	13,8
	2,5%	17,7	16,8	16,0	15,3	14,6	14,0	13,4
	2,0%	17,0	16,2	15,4	14,7	14,1	13,6	13,0
	1,5%	16,3	15,6	14,9	14,3	13,7	13,2	12,7
	1,0%	15,8	15,1	14,4	13,9	13,3	12,8	12,4
	0,5%	15,2	14,6	14,0	13,5	13,0	12,5	12,1
	0,0%	14,7	14,1	13,6	13,1	12,6	12,2	11,8

Source: Integrae SIM

TABLE 7 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	18,4 x	7,6 x	5,4 x
EV/EBIT	n/a	n/a	15,3 x	8,1 x
P/E	n/a	n/a	23,8 x	12,4 x

Source: Integrae SIM

TABLE 8 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	n/a	6,9 x	2,9 x	2,0 x
EV/EBIT	n/a	n/a	5,8 x	3,1 x
P/E	n/a	n/a	9,5 x	5,0 x

Source: Integrae SIM

# Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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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
01/08/2023	1,90	Buy	4,20	Medium	Flash Note
23/10/2023	1,25	Buy	3,30	Medium	Update

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### Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), 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 expected total return 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, 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).

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At the time of publication of the update, Integrae SIM owns 0.74% of the Company's share capital, deriving from the activity of specialists.

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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.