



1H2020 Results Presentation

September 2020





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Results Snapshot

Resilient performance despite Covid-19, with top-line declining by a modest 10% amid severe operational disruptions during April and May

EGP 950 mn

Revenue in 1H 2020

▼ 10% y-o-y

EGP 446 mn

Gross Profit in 1H 2020

▼ 10% y-o-y / 47% margin

1H 2019 figures included the impact of the 100 Million Healthy Lives campaign in Egypt. **Excluding the campaign, the Group's consolidated revenue records a modest 6% year-on-year.**

EGP 367 mn

EBITDA in 1H 2020

▼ 17% y-o-y / 39% margin

EGP 175 mn

Net Profit in 1H 2020

▼ 19% y-o-y / 18% margin

Performance was supported by a ramp up of IDH's house calls service and higher demand for Covid-19 indicative tests* in Egypt, alongside offering Covid-19 testing in Jordan*.

EGP 85

Average revenue per test in 1H 2020

▲ 24% y-o-y

462

Operational branch labs in 1H 2020

▲ 10 branches vs FY2019

Contribution to revenue from the house calls service expanded from only 12% in the first quarter of the year to constituting almost **a third our top line in Egypt by June 2020.**

11.2 mn

Tests completed in 1H 2020

▼ 28% y-o-y

2.9 mn

Patients served in 1H 2020

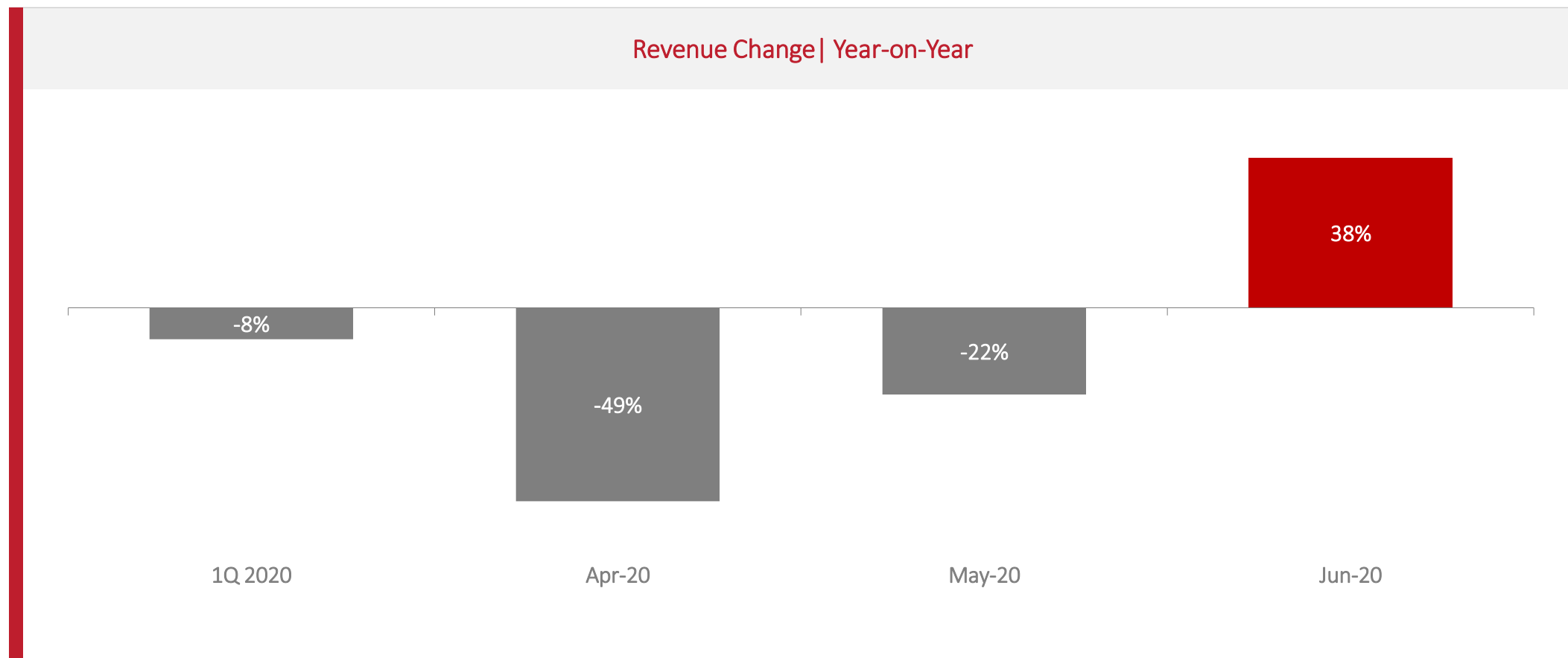
▼ 21% y-o-y

IDH captured the growing demand for Covid-19 indicative tests, including inflammation and clotting markers, providing our patients with bundled test packages that help support the Group's top-line.

**Covid-19 indicative tests in Egypt include a bundle of inflammatory and clotting markers such as Complete Blood Picture, ESR, D-Dimer, Ferritin and CRP, among others. Covid-19 testing in Jordan includes PCR and antibody tests*

Monthly Revenue Progression

IDH witnessed a sharp recovery beginning June 2020, with revenue for the month increasing by approximately 38% versus the same month last year

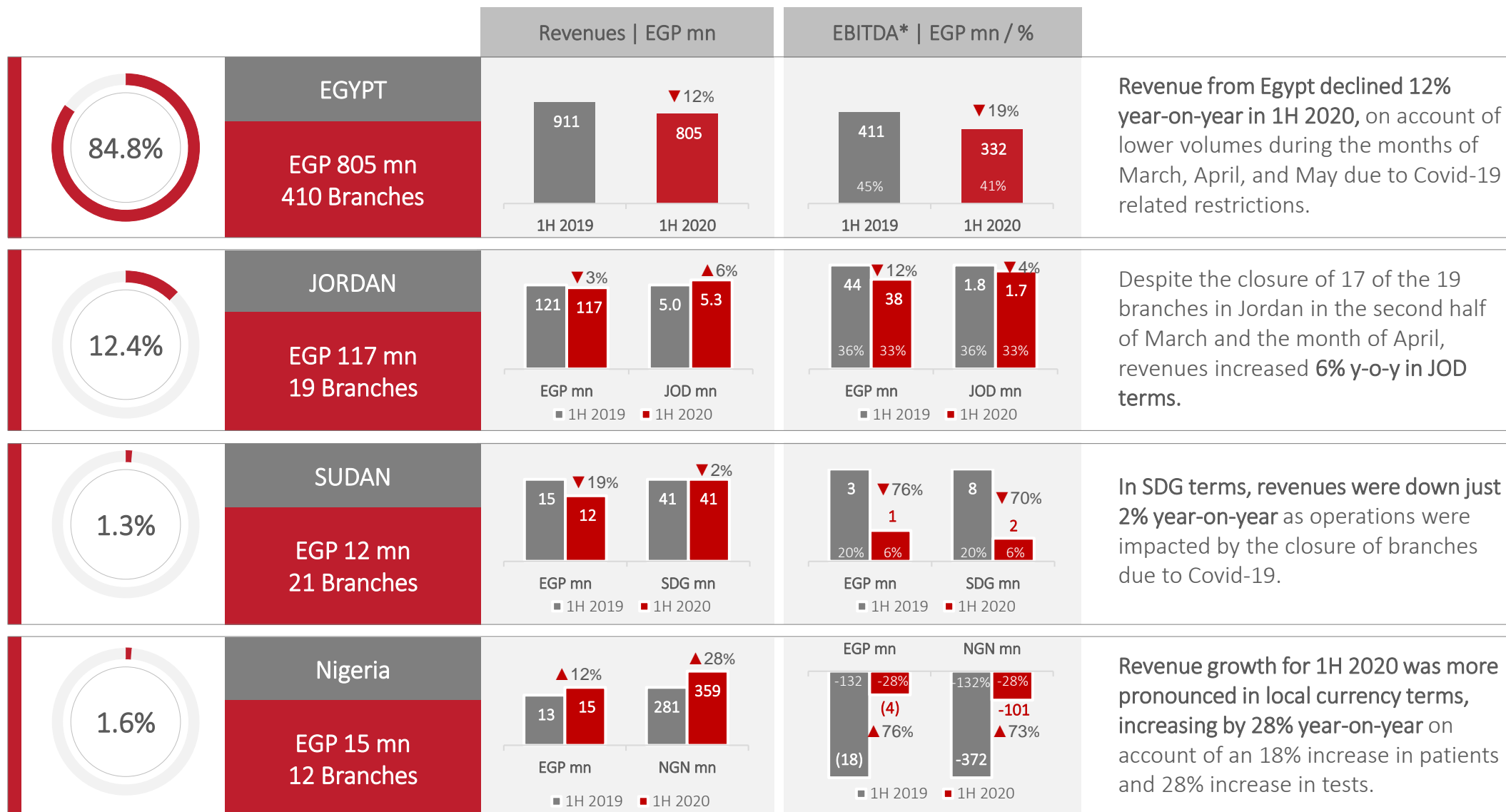


Revenue in April and May 2020 declined by around 49% and 22%, respectively, as lockdowns and curfews imposed across IDH's geographies to contain the spread of Covid-19 impacted patient volumes at IDH's branches.

Starting June 2020, revenue witnessed a sharp 38% year-on-year recovery supported by the ramp up of IDH's house calls service in Egypt, demand for Covid-19 indicative test bundles, and the application of PCR and antibody testing in Jordan.

Regional Performance

Local currency revenue expanded in Jordan and Nigeria despite COVID-19; Sudan remained largely flat even with continued branch closures



SDG = 0.3033 EGP, JOD = 22.1228 EGP, and NGN = 0.0419 EGP

COVID-19 Impact on Regional Operations

Lockdowns and curfews imposed across IDH's geographies to contain the spread of Covid-19 impacted patient volumes at IDH's branches

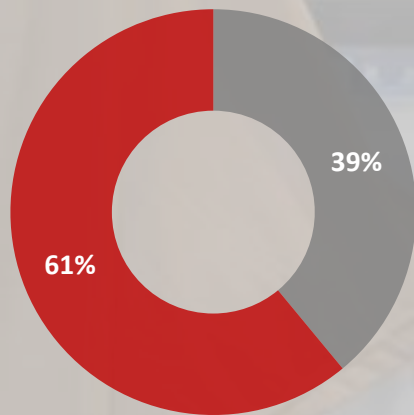
	EGYPT	25th of March <ul style="list-style-type: none"> Nighttime curfew implemented All labs closed during the weekend (27th - 28th) 	29th of March <ul style="list-style-type: none"> All labs resumed operational activities with reduced working hours 	23rd of April <ul style="list-style-type: none"> Ramadan started with labs operating from 8am to 5pm 	31st of May <ul style="list-style-type: none"> Working hours extended to 7pm 	27th of June <ul style="list-style-type: none"> Back to normal working hours from 8am till 11pm
	Jordan	14th of March <ul style="list-style-type: none"> Closure of all educational institutions, governmental and private entities 	17th of March <ul style="list-style-type: none"> Curfew implemented Two out of 19 branches remained open, one to conduct Covid-19 tests 	27th of April <ul style="list-style-type: none"> All branches operational from 9am to 5pm 	6th of June <ul style="list-style-type: none"> Biolab is back to normal working hours of 8am till 8pm 	27th of June <ul style="list-style-type: none"> Curfew eased to 12am to 6am
	Sudan	15th of March <ul style="list-style-type: none"> Closure of schools, religious institutes and polyclinics 	23rd of March <ul style="list-style-type: none"> Nationwide curfew from 8pm to 6am Curfew extended from 6pm to 6am on 29 March 	18th of April <ul style="list-style-type: none"> Complete lockdown in Khartoum, only five branches operational from 7:30am to 12:30pm 	3rd of May <ul style="list-style-type: none"> Additional branch opened bringing the total to six 	18th of July <ul style="list-style-type: none"> All branches are operational from 8am to 4pm
	Nigeria	22nd of March <ul style="list-style-type: none"> Complete lockdown in Kaduna and Delta state 	29th of March <ul style="list-style-type: none"> Lockdown in Lagos and Abuja Branches remained operational with reduced hours 	26th of April <ul style="list-style-type: none"> Curfew in Kaduna and Delta state Complete lockdown in Lagos and Abuja 	3rd of May <ul style="list-style-type: none"> Easing of lockdown directives in Lagos and Abuja 	7th of June <ul style="list-style-type: none"> All branches are operational from 8 a.m. to 6 p.m.

Segment Performance

Revenue and patient mix normalized from higher campaign-related contract volumes last year

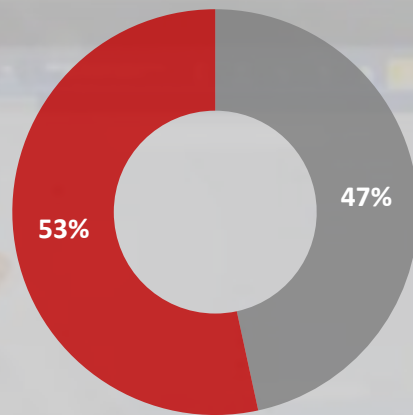
Revenue Split

1H 2019



■ Walk-in ■ Corporate

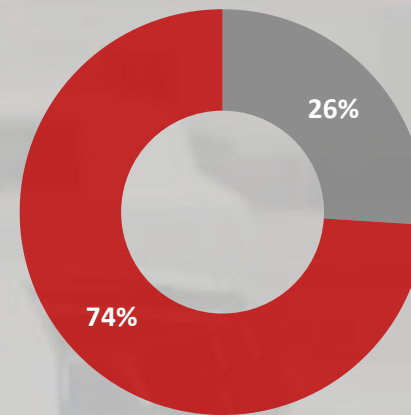
1H 2020



■ Walk-in ■ Corporate

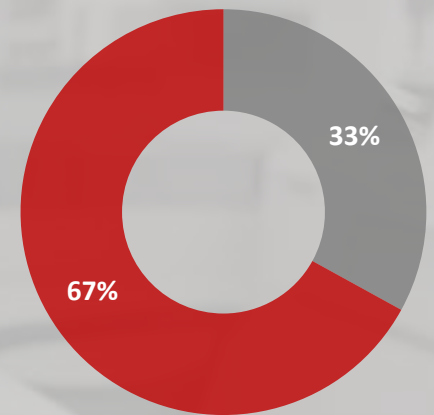
Patient Split

1H 2019



■ Walk-in ■ Corporate

1H 2020



■ Walk-in ■ Corporate

Segment Performance

During 2019 management had analysed the segmentation of Egypt's patient base leading to a reclassification between walk-ins and contract volumes

	Contract Segment			Walk-In Segment			Total		
	1H2020	1H2019	Change	1H2020	1H2019	Change	1H2020	1H2019	Change
Revenue (EGP '000)	506,700	647,050	-22%	442,987	413,914	7%	949,687	1,060,964	-10%
% of Revenue	53%	61%		47%	39%		100%	100%	
Patients ('000)	1,947	2,716	-28%	943	961	-2%	2,890	3,677	-21%
% of Patients	67%	74%		33%	26%		100%	100%	
Revenue per Patient (EGP)	260	238	9%	470	431	9%	329	289	14%
Tests ('000)	8,171	12,440	-34%	3,063	3,175	-4%	11,234	15,615	-28%
% of Tests	73%	80%		27%	20%		100%	100%	
Revenue per Test (EGP)	62	52	19%	145	130	11%	85	68	24%
Test per Patient	4.2	4.6	-8%	3.3	3.3	-2%	3.9	4.2	-8%
KPIs Adjusted for the Campaign and Reclassification*									
Revenue (EGP '000)	506,700	536,003	-5%	442,987	477,940	-7%	949,687	1,013,943	-6%
% of Revenue	53%	53%	-	47%	47%	-	100%	100%	
Tests	8,171	9,374	-13%	3,063	3,798	-19%	11,234	13,172	-15%
% of Tests	73%	71%		27%	29%				
Revenue per Test (EGP)	62	57	8%	145	126	15%	85	77	10%

8.2 mn

Contract tests in 1H2020
▼13% y-o-y excl. campaign and adj. for reclassification

EGP 62

Avg. rev / contract test in 1H2020
▲8% y-o-y excl. campaign and adj. for reclassification

EGP 506.7 mn

Contract revenue in 1H2020
▼5% y-o-y excl. campaign and adj. for reclassification

3.1 mn

Walk-in tests in 1H2020
▼19% y-o-y adj. for reclassification

EGP 145

Avg. rev / walk-in test in 1H2020
▲15% y-o-y adj. for reclassification

EGP 47 mn

Campaign-related revenue in 1H2019

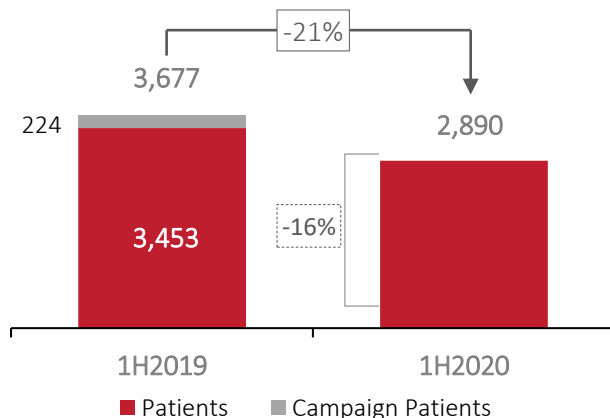
* Adjustments related to the 100 Million Healthy Lives campaign include subtracting 224 thousand patients, 2.4 million tests and revenue of EGP 47 million for the 1H 2019 contract segment's KPIs. Additionally, reclassification adjustments include the transfer of 623 thousand tests in 1H 2019 and associated revenue of EGP 64 million from the contact segment to walk-ins.

A Focus on the 100 Million Healthy Lives Campaign

The campaign was launched in November 2018 and ended in June 2019

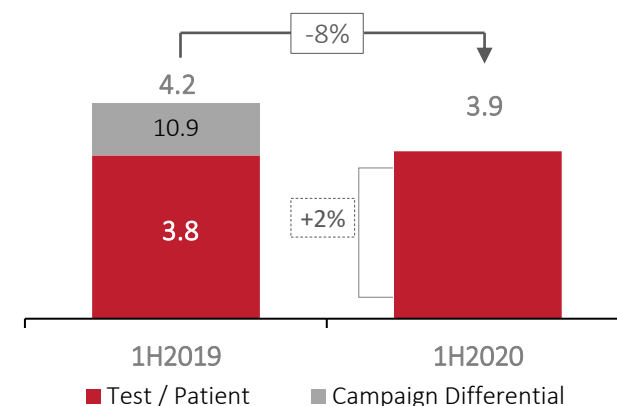
IDH 1H 2020 Patient Volumes | '000

The awareness campaign added 224 thousand patients to IDH's contract segment in 1H2019



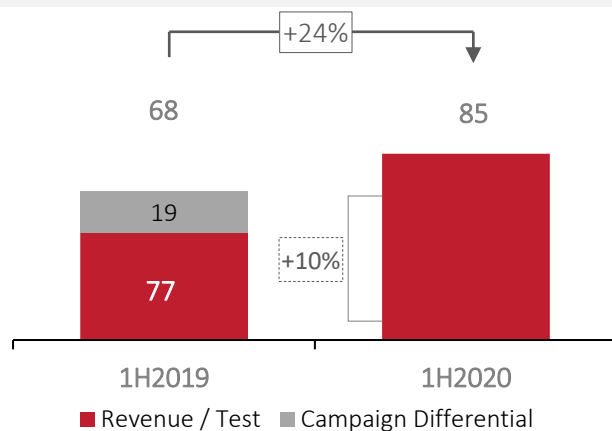
IDH 1H 2020 Tests per Patient | '000

Excluding the impact of the Campaign, test per patient increased 2% y-o-y in the first half of 2020



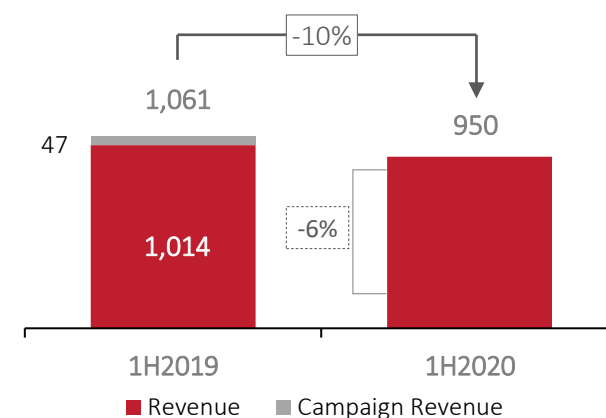
IDH 1H 2020 Average Revenue per Test | EGP

Average revenue per test increased by 24% year-on-year. Factoring out the Campaign, average revenue per test would increase 10% in 1H2020



IDH 1H 2020 Revenues | EGP mn

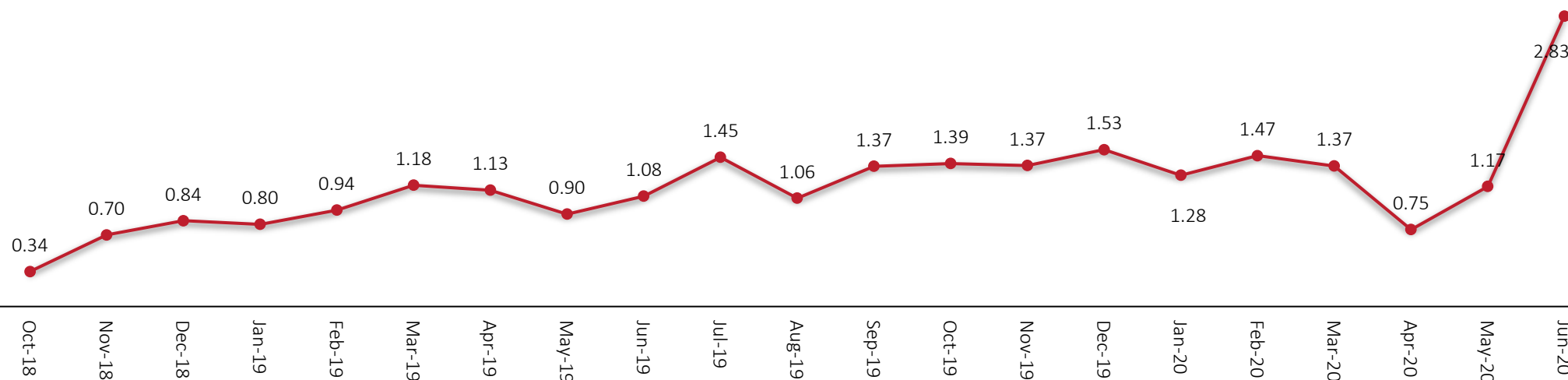
The awareness campaign contributed EGP 47 million to IDH's top-line in 1H 2019. Controlling for the Campaign, consolidated revenue contracted 6% y-o-y



Continued Ramp up at Al Borg Scan

Al-Borg Scan launched a second branch in Cairo in February 2020, progress continues toward the launch of a third branch

Al Borg Scan Revenue Progression | EGP mn



EGP 8.9 mn

Revenue in 1H2020

13.5k

Patients in 1H2020

16.9k

Tests in 1H2020

EGP 525

Revenue / Test in 1H2020

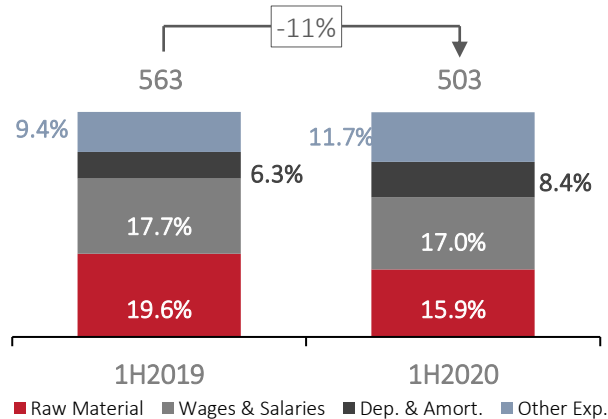
Al-Borg Scan, IDH new radiology venture, generated revenue of EGP 8.9 million in 1H 2020, up 47% growth year-on-year. **Al Borg Scan inaugurated its second branch in Cairo in February 2020**, with both branches having served a total of 13.5 thousand patients in 1H 2020, up 61% year-on-year. The addition of Al Borg Scan's new branch in Cairo, brings the company's total investment cost to date to EGP 77 million.

Group Profitability Remained Intact

Gross profit margin remained stable at 47%, supported by lower raw material costs and lower wages and salaries; EBITDA impacted by cautionary provisions

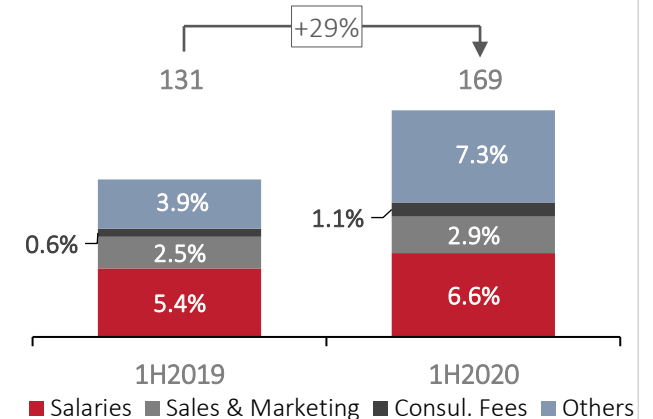
IDH COGS Breakdown | EGP mn / % of Revenue

IDH's consolidated COGS decreased 11% y-o-y, largely reflecting a decrease in raw material outlays and lower direct wages and salaries.



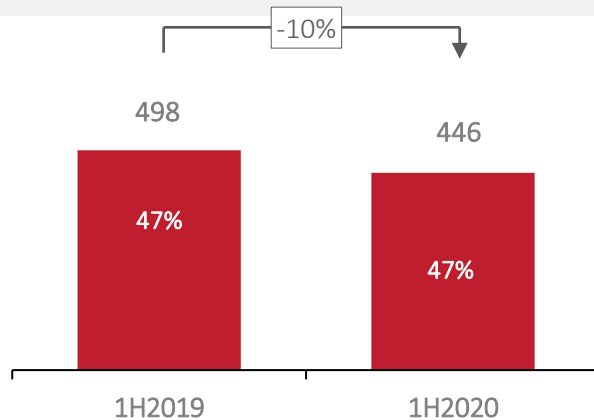
IDH SG&A Breakdown | EGP mn / % of Revenue

SG&A/sales reach 17.8% versus 12.4% in 1H2019 as management booked cautionary provisions of EGP 28 million to account for elongated collection cycles.



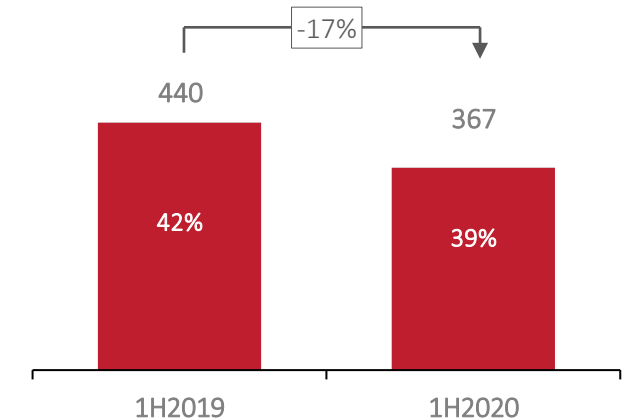
IDH Consolidated Gross Profit | EGP mn / %

Gross profit margin remained stable at 47%, supported by lower raw material costs as well as lower wages and salaries.



IDH Consolidated EBITDA | EGP mn

EBITDA contracted 17% y-o-y on the back of lower revenues and higher SG&A expenses, including provisions, ramp up costs for house calls (EGP 6.9 mn) and costs related to the new HQ.

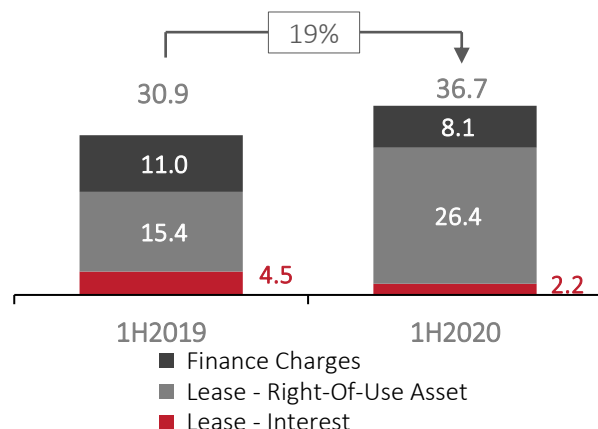


Group Profitability Remained Intact

IDH's net profit was partially impacted by the exclusion of provisions from taxable income

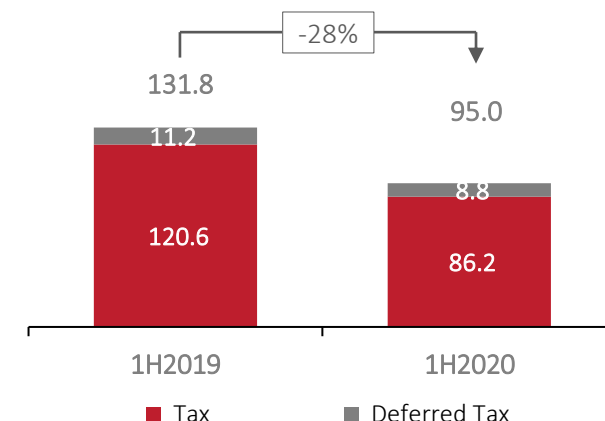
IDH Interest Expenses | EGP mn / % of Revenue

The increase in interest expenses is largely due to higher interest of right-of-use assets following the addition of new branches.



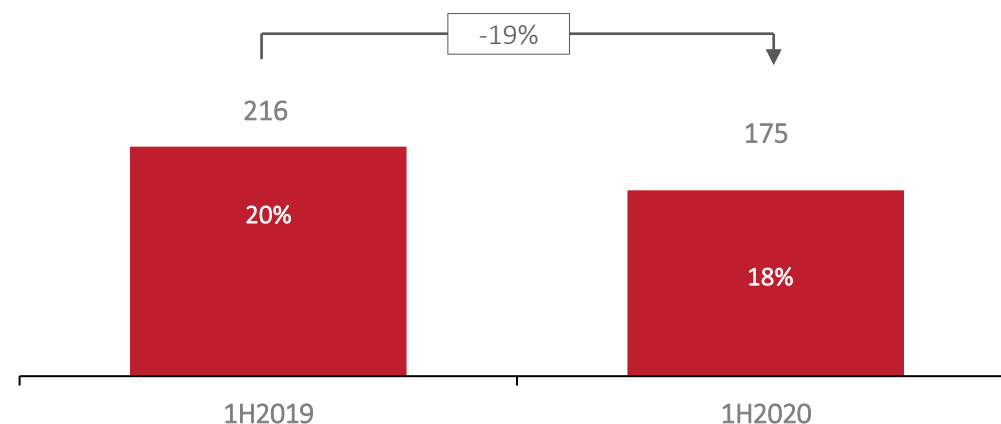
IDH Taxes | EGP mn / % of Revenue

It is important to note that the provision for doubtful debt is not accounted for in the taxable income, which led to an increase in the effective tax rate by around 1%.



IDH Consolidated Net Profit | EGP mn / %

IDH's consolidated net profit was EGP 175 million in 1H 2020, down 19% year-on-year. Net profit margin stood at 18% for the period compared to 20% in 1H 2019. Net profit margin contraction was driven by lower revenues, higher SG&A expenses along with an increase in provisions for doubtful accounts and a higher effective tax rate.



Summary Balance Sheet

Strong and liquid balance sheet with over EGP 719 million in cash balances as of 30 June 2020

EGP'000	30 June 2020	31 December 2019
Assets		
Non-current assets		
Property, plant and equipment	760,715	785,547
Intangible assets and goodwill	1,657,544	1,660,836
Right-Of-Use Asset	288,537	264,763
Other investments	9,855	6,391
Total non-current assets	2,716,651	2,717,537
Current assets		
Inventories	118,202	84,339
Trade and other receivables	276,778	322,804
Restricted cash	-	247
Other investments	251,956	221,617
Cash and cash equivalents	467,429	408,892
Total current assets	1,114,365	1,037,899
Total assets	3,831,016	3,755,436
Equity		
Equity attributed to the owners of the Company	2,398,772	2,215,546
Non-controlling interest	149,766	144,710
Total equity	2,548,538	2,360,255
Non-current liabilities		
Deferred tax liabilities	183,500	173,999
Other provisions	4,421	5,273
Long-term put option liability	19,944	30,022
Loans and borrowings	78,908	81,306
Long-term lease liability	281,849	232,075
Long-term financial obligations	39,077	44,286
Total non-current liabilities	607,701	566,961
Current liabilities		
Trade and other payables	297,004	320,082
Short-term financial obligations	245,267	260,852
Loans and borrowings	25,417	25,416
Current tax liabilities	107,089	221,869
Total current liabilities	674,777	828,219
Total liabilities	1,282,478	1,395,180
Total equity and liabilities	3,831,016	3,755,436

Adoption of IFRS 16 added EGP 289 million in right-of-use assets as of 30 June 2020.

Meanwhile, property, plant and equipment increased following the completion of the Group's new headquarters and reflects regular CAPEX outlays during the period.

IDH's cash balances increased to EGP 719.4 million as at 30 June 2020 compared to EGP 630.8 million as at 31 December 2019.

The Group recorded EGP 34 million in short-term lease liabilities and EGP 282 million in long-term lease liabilities related to the adoption of IFRS 16.

IDH's total debt (loans + finance lease) stood at EGP 164.7 million as of 30 June 2020, with a net debt / (cash) position of EGP (554.7) million.

Summary Cash Flow

Given the Group's strong liquidity position and management's confidence in its financial outlook, the Board of Directors approved a cash dividend of US\$ 28.0 million

EGP'000	30 June 2019	30 June 2020
Profit for the period before tax	347,328	269,661
Net cash from operating activities before WC	421,180	392,106
Change in working capital	(16,345)	(79,419)
Income taxes paid	(180,001)	(163,571)
Net Cash from Operating Activities	224,834	149,117
Interest received	25,841	33,606
Acquisition of Property, plant and equipment	(105,190)	(58,600)
Proceeds from sale of Property, plant and equipment	1,295	193
Net cash flows used in investing activities	(81,301)	(26,571)
Proceeds from borrowings	-	-
Repayments of borrowings	(12,708)	(5,612)
Interest paid	(3,555)	(35,743)
Dividends paid	(443,994)	-
Financial lease	(61,683)	(43,869)
Injection of cash by non controlling interest	-	17,372
Net cash flows used in financing activities	(521,940)	(67,852)
Cash and cash equivalents at the end of the period	234,602	719,385

Net cash flow from operating activities stood at EGP 149 million for 1H 2020, with the Group maintaining total cash balances of EGP 719 million, reflecting a strong liquidity position.

CAPEX outlays for the addition and renovation of branches stood at EGP 25.5 million, including EGP 48 million in Egypt, and a translation adjustment amounting to negative EGP 27 million as at 30 June 2020.

Owing to the Group's strong cash position, the Board of Directors approved an interim dividend of USD 28 million, or USD 0.187 per share, to be paid to shareholders who appear on the register as at 11 September 2020, with an ex-dividend date of 10 September 2020 and a payment date of 2 October 2020.

Covid-19 Internal Protocols and Preventative Measures

In light of the recent covid-19 global outbreak, IDH, in line with World Health Organization (WHO) guidelines, has implemented detailed internal protocols to guarantee the safety of its staff and patients and safeguard its operations. IDH's response to the spread of covid-19 is focused on two fronts: Staff and patient safety and business continuity.

Staff and patient safety

Appropriate Protective Equipment

All of our staff use appropriate protective equipment when interacting with patients, including those suspected of having covid-19 or any other infectious disease. We maintain a robust stock of protective equipment to ward against supply-chain risk.

Procedures for Interacting with Patients

All of our frontline staff are trained on procedures for interacting with patients suspected of carrying covid-19 or any other communicable disease. Managers regularly review these procedures with their teams and a refresher has been disseminated to all employees. These procedures include steps that are taken to (a) protect our staff and (b) protect other patients presenting at our clinics for testing.

Referring Patients Suspected of Carrying covid-19

Our team have a protocol for referring patients they suspect may carry covid-19 to the nearest state lab for testing.

Regular Communication

All members of our team are subject to regular messages reminding them that they may not report to work if they have symptoms of a covid-19 infection.

Cleaning and Disinfection

We have increased frequency of cleaning and disinfection and all facilities have been decontaminated.

Business continuity

Equipment Stock

As of date our average testing kit stock covers three months of operation (with the exception of short shelf life kits which constitute c.10% of total number of kits).

Covid-19 Testing

We are prepared with standard operating procedures for SARS CoV-2 testing in the event that we are asked by a competent health authority to participate in testing efforts.

Review of Internal Processes

We have identified head-office functions that can be performed from home and are reviewing our disaster recovery and business continuity policies to ensure that we are prepared for any eventuality.

Growth Strategies



Expanding Customer Reach

IDH's nationwide presence and strong brand equity position it well to benefit from state-sponsored campaigns to increase awareness of preventative healthcare with diagnostic testing

"100 Million Healthy Lives" campaign

The largest health campaign under the directive of the Egyptian President Abdel-Fattah El-Sisi, which aims to *eradicate hepatitis C across Egypt* as part of the administration's strategic 2020 plan.

The campaign also aims to *stymie the growth of chronic diseases* such as high blood pressure, diabetes and obesity, *by raising awareness on the importance of preventative healthcare with diagnostic testing.*

The campaign was launched in November 2018 and concluded in June 2019.

Duration

8mo

Nov '18 – Jun '19

Revenue Generated

EGP 84mn

Nov '18 – Jun '19

Diagnostic Testing Targeting

50mn

Citizens

Tests Completed

4.4mn

Nov '18 – Jun '19

Reach

Nationwide

Patients Served

409k

Nov '18 – Jun '19

Cost

Free

Average Revenue per Test

EGP 19

Expanding Customer Reach

Parallel to state-sponsored initiatives, IDH also runs its own awareness campaigns focusing on specific diseases on a monthly basis and offering discounts on related testing



IDH implements monthly campaigns targeting specific diseases to raise awareness and offers discounts on related diagnostic testing

IDH Monthly Disease Awareness Campaign Plans



almokhtabar.labs



20% discounts on food poisoning tests



alborg_labs



Campaign to increase awareness on the dangers of anemia during pregnancy

New Investment in Wayak

IDH launches new subsidiary “Wayak” to offer data-driven healthcare services, utilising data analytics and artificial intelligence to capitalise on IDH’s database of over c.13 million patients



Wayak Services



Medication to be hand-delivered directly to the patient



Service provider referrals to IDH’s network



Diagnostics reminders



Discounted services at IDH’s network of service providers, including but not limited to lab tests



Customer service and follow-up through our call center



Healthcare Records by patients’ request

Al Borg Scan Expansion Updates

In February 2020, operations commenced at Al Borg Scan's second branch in Cairo



Al Borg Scan draws on Al Borg's brand equity to position itself as a premium service provider offering the full range of imaging services using the latest technology and highly trained staff.

EGP 8.9 mn

1H2020 Revenue

EGP 0.17 mn

1H2020 EBITDA

Rationale

Leverage the strong relationship between the Al Borg brand and its millions of customers while capitalizing on favorable key market dynamics.

Leadership

The business is led by a group of the nation's most prominent radiologists with a track record at Egypt's leading hospitals and radiology centres.

Near-Term Goals

Inaugurate a third branch by the first quarter of 2021

Key Service Offering & Suppliers

Al Borg Scan's Mohandeseen branch offers a full range of radiology services, including magnetic resonance imaging (MRI), computed tomography (CT), ultrasound, x-ray and mammograms.

Technology Providers



CT Scan

5,087 scans in 1H20



MRI

1,940 scans in 1H20



Ultrasound

4,455 scans in 1H20



X-Ray

3,837 scans in 1H20



Mammography

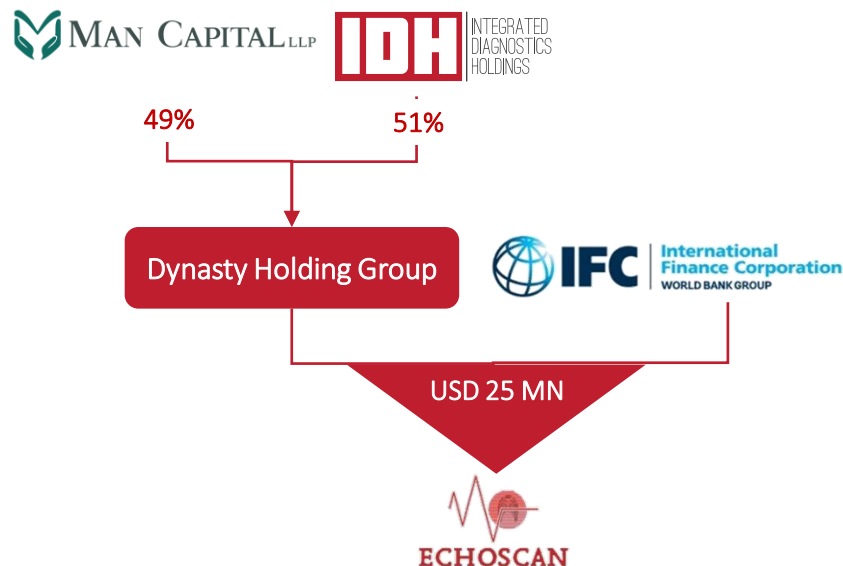
62 scans in 1H20



Delivering on Our Strategies – Nigeria Expansion

In December 2017, IDH further expanded its geographical footprint with an investment in Nigeria, a value-accretive acquisition in a large, fragmented and underpenetrated diagnostic services market where our business model is well-suited to capitalise on similar healthcare and consumer trends

IDH entered into a strategic alliance with Man Capital LLP to form Dynasty Holding Group (“Dynasty”), which in turn partnered with the International Finance Corporation to acquire a majority stake in Eagle Eye Echo-Scan Limited (“Echo-Scan”), a medical diagnostics business based in Nigeria. The acquisition was financed through a capital increase.



Key player in Nigeria, providing quality medical diagnostic services across 12 state-of-the-art diagnostic centres in country’s underserved private healthcare sector

Locations

USD 25 million will be collectively invested into Echo-Lab to expand its service offering, nationwide footprint, and improve its quality standards

USD 8.5 mn

Invested by Dynasty in
FY2018 + FY2019

USD 2.2 mn

Invested by Dynasty in
1H2020

USD 10.7 mn

Invested by Dynasty to Date

USD 1.1 mn

Invested by IFC in FY2018

USD 1.0 mn

Invested by IFC in FY2019

USD 2.1 mn

Invested by IFC to Date

Nigeria Expansion Updates

Operational progress in Nigeria expansion with existing branches being refurbished and renovated and with loss-making branches being relocated or closed

Branch Renovations & Rebranding

Rebranded the company to Echo-Lab (from Echo-Scan), which launched in November 2018 with the opening of a revamped branch reflecting its new brand and image



Headquarters moved from Abuja to Lagos

Continued roll-out of renovations / revamping plan to Echo-Lab's 12 branch locations

Closed two non-performing locations in 2018 and opened two new branches as of 30 June 2019

New C branch launched in Lagos in October 2019

Operational Milestones

Hiring new management staff
(CFO, COO, S&M Director)

Training of operational staff to improve service quality

Established new accretive deals with suppliers

Expanded test menu by sending samples
to Mega Lab in Egypt

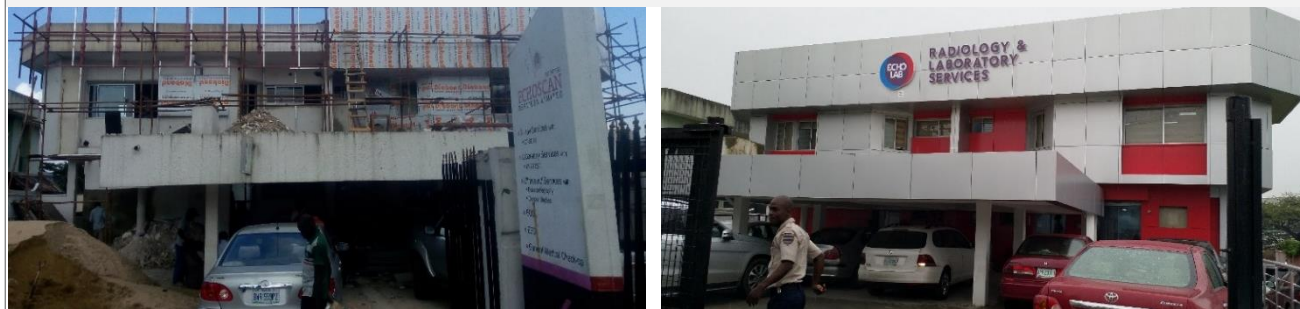
LMS & SAP implementation

Installation of two CT and two MRI machines with commissioning started in
Lagos and Abuja

Expansion with three new Echo-Lab branches established during 2019,
bringing the total number of branches in the country to 12

Nigeria Branch Roll-Out and Renovations

Opebi Branch Renovation and Rebranding



Area 11 Branch Renovation and Rebranding



Benin Branch Renovation & Rebranding



New Victoria Island Branch



Nigeria Recently Acquired Equipment I/II

Victoria Island Branch



Opebi Branch



Nigeria Recently Acquired Equipment II/II

Garki Branch



Benin Branch



Appendix



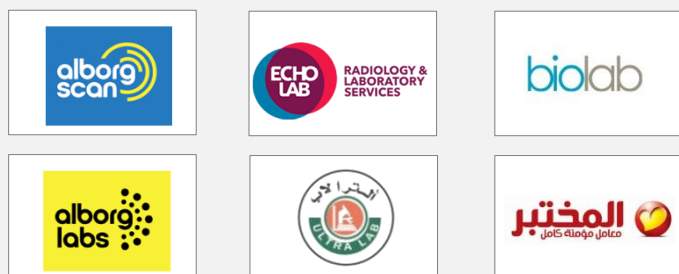
Who We Are

Integrated Diagnostics Holding is a leading, fully-integrated provider of high-quality medical diagnostic services with a footprint spanning Egypt, Jordan, Sudan and Nigeria

Our Services

Immunology	Radiology	Hematology
Endocrinology	Clinical Chemistry	Molecular Biology
Cytogenetics	Hatopathology	Microbiology

Our Brands



Accreditations



Our Patients



Walk-In Patients

IDH's walk-in clients, also referred to as "self-payers", represented 46.6% of the Group's revenues in 1H 2020, and include individuals who pay out of pocket in advance of tests being completed.



Contract Patients

IDH's contract clients, who in 1H 2020 represented 53.4% of the Group's revenues, include institutions such as unions, syndicates, private and public insurance companies, banks and corporations who enter into one-year renewable contracts at agreed rates per-test and on a per-client basis.

+ 30 years

Track record

+1,400

Diagnostic tests offered

6 key brands

With strong awareness

4

Country footprint (Egypt, Jordan, Sudan & Nigeria)

462

Branch labs as at 1H20

2.9 MN

1H20 Patients

11.2 MN

1H20 Tests

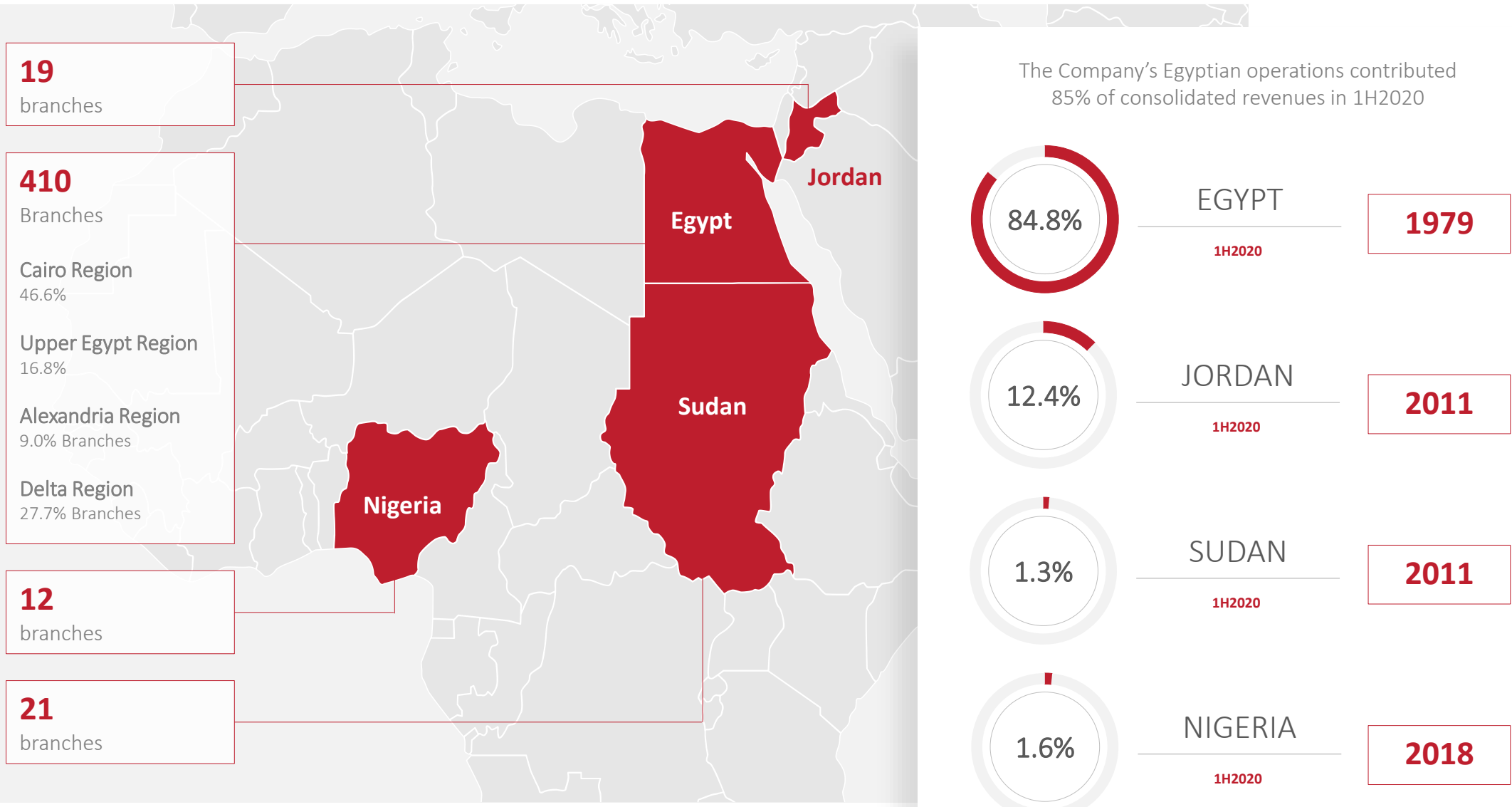
EGP **950** MN

1H20 Revenues



Our Geography

IDH's branch network of 462 labs at 1H2020 spans 4 countries, the largest of which is Egypt



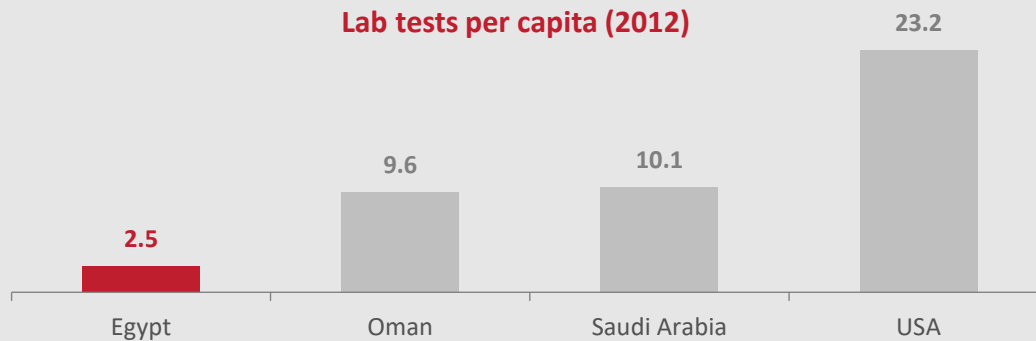
Favorable Industry Dynamics

Structural Growth Drivers

Powerful structural growth drivers underpin Egypt's healthcare growth story, including an ever-expanding population, rising lifestyle diseases, favorable government regulation and increased medical tourism

Operating in a still under-penetrated market

Healthcare expenditures-per-capita and lab tests-per-capita demonstrate the underpenetrated nature of the IDH's markets.



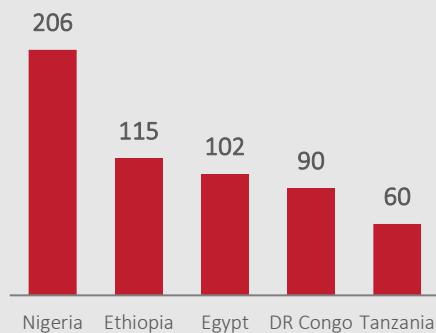
Source: Analysis of the US Clinical Laboratory Market; Frost & Sullivan – March 2012 – NHS UK

Large Populations

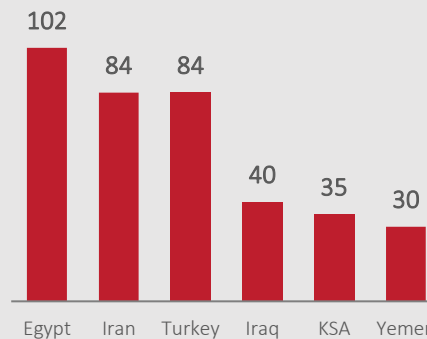
At just over 100 million, Egypt is the third most populous country in Africa and by far the most populous country in the Middle East.

Top 5 African and Middle Eastern Country Populations

African Populations 2020 (in millions)



Middle Eastern Populations 2020 (in millions)



Source: World Bank

*CAPMAS (Central Agency for Public Mobilization and Statistics) announced that Egypt's population had surpassed the 100 million in February 2020.

High Disease Burden

The Egyptian population is marked by a high incidence of lifestyle-related medical conditions, with obesity being a notable example given its high correlation with many life-threatening illnesses including cardiovascular disease, diabetes and cancer.

35%

Adult Egyptian population that is obese

10%

Egyptian children who are considerably overweight

28%

Heart disease, the leading cause of death, highly correlated with obesity

Heightened Health Consciousness

A growing consumer class is, however, becoming more health and wellness conscious.



Asset-light Business Model

Hub, Spokes and Spikes

IDH's "Hub, Spoke and Spike" business model enables the Company to organically expand its reach in highly-fragmented markets with underserved diagnostic services demand

Mega Lab: "Hub"

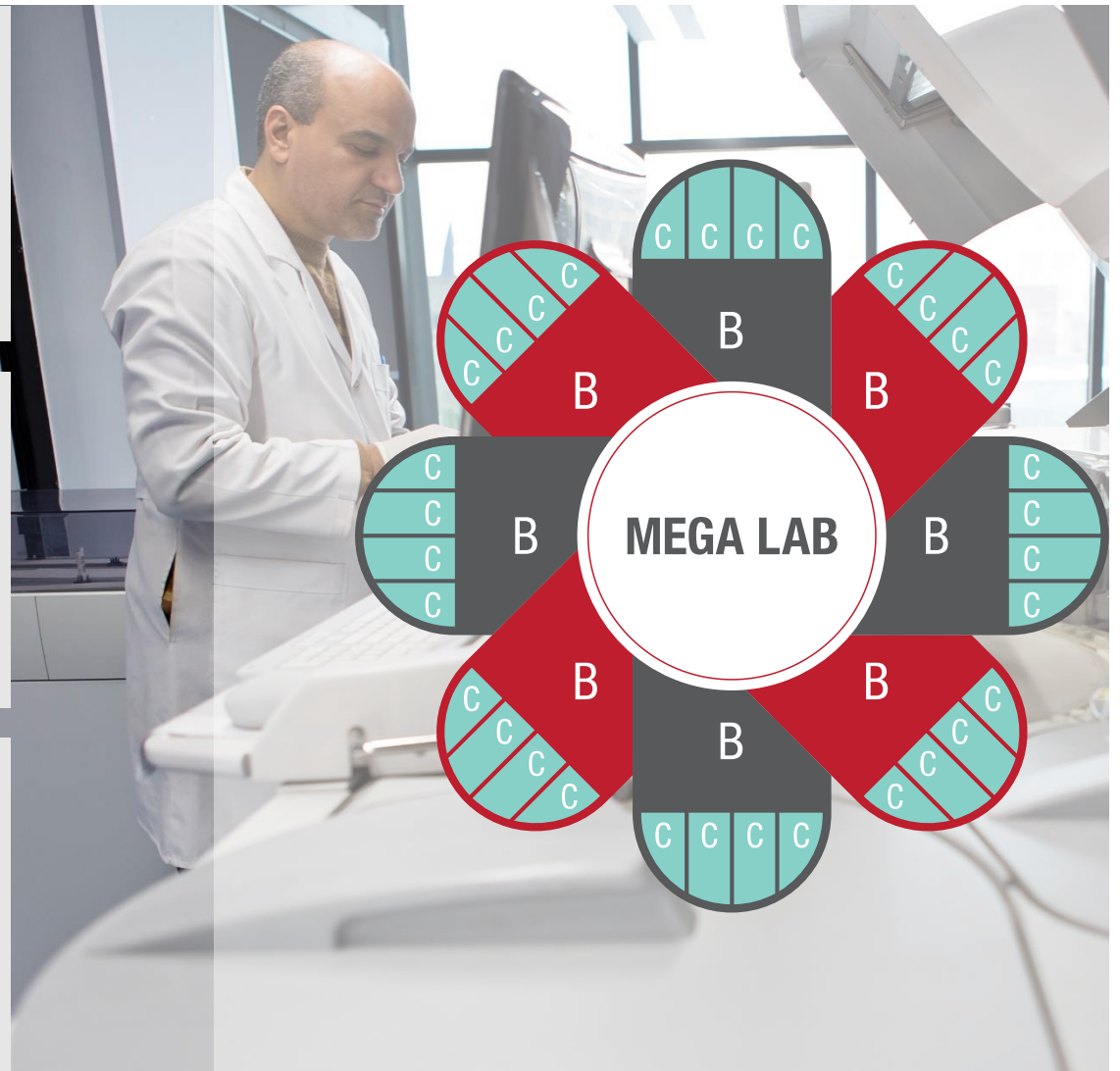
- The Mega Lab, the largest automated lab in Egypt, serves as IDH's diagnostic "Hub," equipped with the latest technology to provide a full suite of diagnostic tests.
- Significant cost synergies are realized on kits, logistics and quality control.

B Labs: "Spokes"

- The B Labs serve as "Spokes" that reduce traffic to the Mega Lab by processing routine test on site including chemistry, parasitology and hematology.
- B Labs are both large in size and higher in capacity than the C Labs.
- At 30 June 2020, there were seven B Labs in Egypt and 19 in Jordan.

C Labs: "Spikes"

- The C Labs are collection centers, conducting the most basic of tests.
- Because they require low capital to open, they enable IDH to expand its reach in highly-fragmented markets.
- Typical C Labs take 1-2 months to set up.



Our Mega Lab

State-of-the-Art Equipment with High Capacity and Throughput

Capabilities

- Mega Lab machines are **capable of conducting a wide range of tests** including basic blood grouping to advanced gene sequencing.
- New and esoteric test facilities at the Mega Lab provides a **“one-stop” solution** for customers which drives IDH’s key test-per-patient metric

Capacity

- Inauguration of IDH’s Mega Lab in 2015 **doubled the production capacity**
- High capacity and capability for a broad range of tests provides IDH the ability to **plug and play for further expansion**.

Procurement

- Central procurement system ensures **coordinated purchasing** across the group.
- IDH is in a good position to negotiate **favorable kit prices** and procure additional equipment to enhance capacity if required

Only CAP accredited laboratory in Egypt



Existing B and C labs



Outsourced hospital and lab testing



Mega lab



Regional expansion



Esoteric testing

Key Supplier Relationships

IDH leverages its bargaining power with suppliers to maximize value in a business that is fundamentally about COGS economy of scale

Dynamics of Supplier Relationships

- The majority of **testing equipment is provided at no upfront cash cost** in return for which IDH agrees to purchase a minimum volume of kits from the equipment supplier
- Laboratory test **kits are purchased on contract with volume-linked pricing.**
- Significant volume and scale has also placed the Company in a **favorable position to negotiate test kit prices**, thus manage costs effectively, especially during recent challenging macroeconomic times.
- Reflecting this **asset-light business model with its associated low CAPEX**, IDH's balance sheet is under leveraged and highly cash-generative for strategic flexibility.
- Supplier relationships **helped protect gross margins despite a >50% devaluation** of the EGP after the November 2016 float.

INTEGRATED DIAGNOSTICS HOLDINGS

biolab

Alborg
Laboratories



al mokhtabar
moameenah kamel laboratories

Abbott
A Promise for Life

Roche

SIEMENS

sysmex

SUPPLIERS

Human Resources Development

Training

IDH views education as an essential means of ensuring quality across its laboratories. We strive to create a diverse, productive culture and a safe working environment in order to empower our people to reach their full potential

Training streams



Medical / scientific / technical



Function-specific (non-medical)



Managerial



Soft skills

All staff benefit from training

Unique programs for



Chemists



Salespersons



Managers

IDH Customer Service School



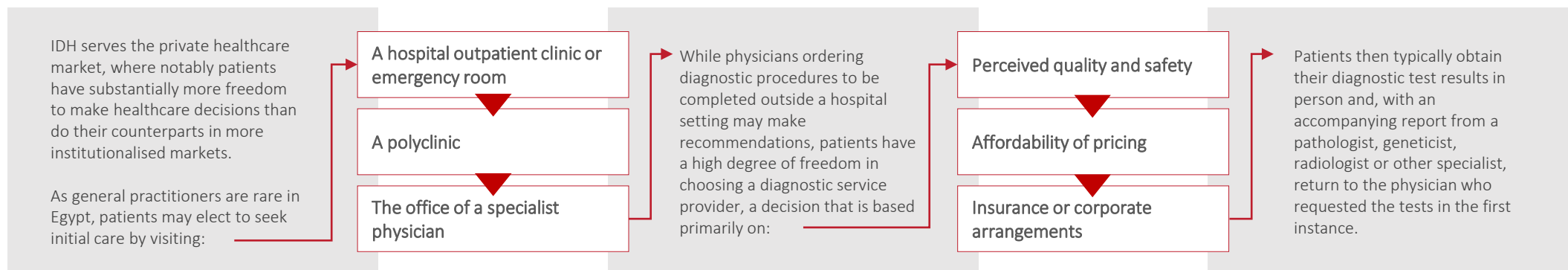
- IDH's training department has launched the **IDH Customer Service** School to ensure that all employees are equipped with the right skills, knowledge and abilities to perform assigned tasks proficiently, enabling the growth and success of our front-line staff.

- Branch managers, area managers and customer service managers utilizing specific KPIs to measure employee performance and to ensure that the curriculum is applied on the field

IDH is a Consumer-Facing Service Provider

The mechanics of the Egyptian healthcare market are markedly different from those in many Western healthcare industries

Egypt's Private Healthcare System



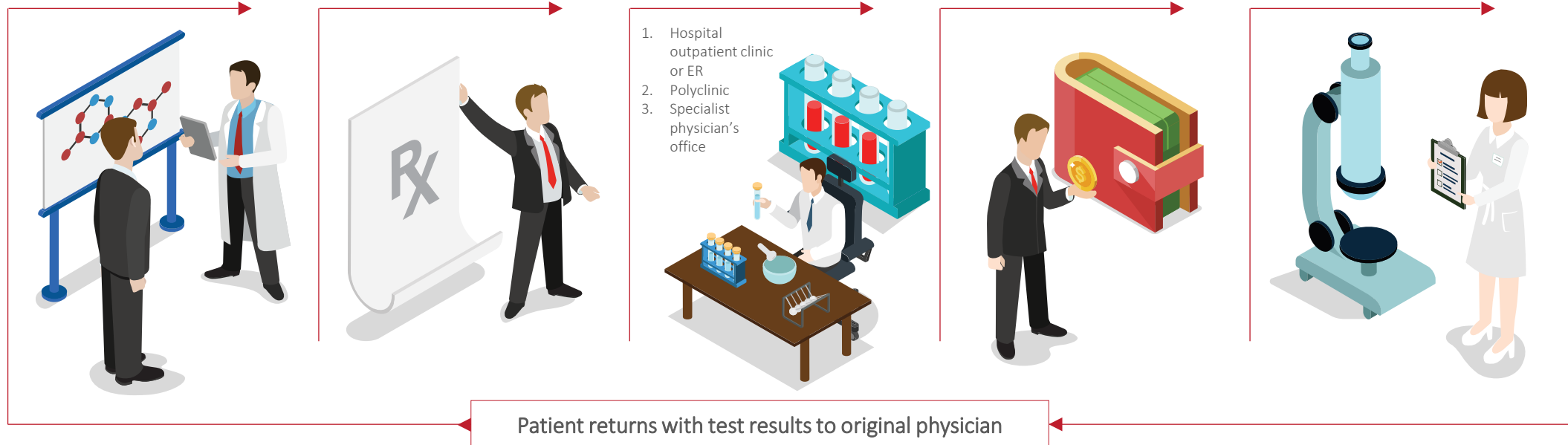
Patient chooses physician

Patient gets his Rx for tests

Patient chooses lab

Patient pays for his tests

Patient picks up his own results



Tactical Marketing Campaigns

IDH's tactical marketing programs are focused on driving patient and test volumes, especially in the higher-margin walk-in patient category

Walk-in patients are typically Egypt's most vulnerable citizens, hurt most by inflationary pressures and most often without healthcare insurance arrangements.

As walk-ins are less apt to spend on lab tests, marketing campaigns aimed at these higher-margin patients seek to raise awareness of particular diseases – especially lifestyle diseases such as diabetes and high cholesterol - and the importance of regular testing.



IDH deploys marketing tools including:

Gatherings for physicians

In-house Points Redemption Program

Discounts on packages of chronic disease tests

Partnership with the National Bank of Egypt for more affordable payment methods

CRM programs, e.g. phone apps and SMS messages with results

Nationally appropriate mix of above-the-line tools, including outdoor and digital marketing

Channel-specific tools and activations

Governance

Overview

IDH is committed to implementing best practices in corporate governance through the expertise of both the individual Directors and outside parties

Anti-Bribery and Anti Corruption Policy (ABAC)

The IDH Anti-Bribery and Corruption Policy requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which IDH conducts business (whether through a third party or otherwise).

No Referral Fee Policy

The practice of paying kickbacks is incompatible with the laws of most established international jurisdictions. IDH maintains a strict policy on referral fees and prohibits the payment of “commissions and financial incentives or making illegal profits” when referring patients for medical tests.

Gift Policy

IDH is committed to serving our customers and working with our partners with the highest standards of integrity. In line with this commitment, we adopt a “No Gift Policy” whereby our employees are not allowed to exchange gifts with current or potential customers, suppliers or business partners. This is to prevent any conflicts of interest, or appearance of such in our business dealings.

Internal Audit Procedures

► The Board has delegated oversight of the Group’s system of internal controls to the Audit Committee to safeguard the assets of the Group and the interests of shareholders.

► The Audit Committee reviews the effectiveness of the Group’s internal controls on an ongoing basis and reports back to the Board with their findings and recommendations.

► The Board has accordingly established that the Group has in place internal controls to manage risk including:

- the outsourcing of the internal audit function to professionals from Ernst & Young (EY) until an Internal Auditor was appointed for the Group on 16 May 2016;
- the identification and management of risk at the level of operating departments by the heads of those departments; and
- regular Board level discussion of the major business risks of the Group, together with measures being taken to contain and mitigate those risks.

While not required to comply with UK Corporate Governance Code, IDH aims to voluntarily comply with aspects of the Code while continually working toward closing the gap with premium listed entities on the London Stock Exchange. To date, the Company has established four Board committees (members on overleaf):

- 1 Nominations Committee
- 2 Remuneration Committee
- 3 Audit Committee
- 4 M&A Committee

Governance

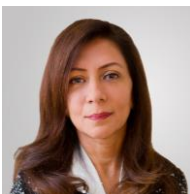
A World-Class Board of Directors

The majority of members of IDH's Board of Directors are independent and offer significant experience in the healthcare market, MENA region and investment activities



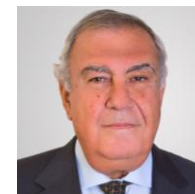
Lord St John of Bletso¹
Independent Non-Executive

Lord St John has been a crossbencher in the House of Lords, UK Parliament, since 1978 and is an Extra Lord-in-Waiting to HM Queen Elizabeth II. He is currently non-executive chairman of Strand Hanson Ltd and Global Resources Investment Trust (GRIT) and serves as a director of Falcon Group and Albion Enterprise VCT. He is also a member of the advisory boards of 10Sat, Betway Group, ECO Capacity Exchange and Impala Energy. Lord St John received a BA (Law) and BSocSc (Psychology) from Cape Town University, BProc (Law) from the University of South Africa and an LLM from the LSE, London.



Prof. Dr. Hend El Sherbini
Group Chief Executive Officer

Dr. El Sherbini is a professor of clinical pathology at the Faculty of Medicine, Cairo University and currently sits on the board of American Society of Clinical Pathology (Egypt) and consults on the international certification process. She received her MBBCh, Masters in Clinical and Chemical Pathology, PhD in Immunology from Cairo University, and an Executive MBA from London Business School. Dr. El Sherbini served as CEO of Al Mokhtabar since 2004, until becoming CEO of the Group in 2012.



Hussein Choucri^{1,2,3,4}
Independent Non-Executive
Director and Chairman of the
Remuneration Committee

Mr. Choucri is Chairman and Managing Director of HC Securities & Investment, which he established in May 1996, and he currently sits on the boards of Edita Food Industries, Six of October Development and Investment Co. (SODIC), the Holding Company for Tourism, Hotels & Cinema and the Egyptian British Business Council. Mr. Choucri served as a Managing Director of Morgan Stanley from 1987 to 1993 and served as Advisory Director at Morgan Stanley from 1993-2007. He received his Management Diploma from the American University in Cairo in 1978.



James Patrick Nolan^{2,3,4}
Independent Non-Executive
Director and Chairman of the
Audit and M&A Committees

Mr. Nolan is an Independent Director. He spent 15 years with Royal Philips NV, latterly as Head of Mergers & Acquisitions, and has also served as Head of Mergers & Acquisitions at Veon Inc., a major mobile telecoms operator in Emerging Markets. During his time at Philips, he led a series of acquisitions in diagnostic imaging, an area in which Philips is now a global leader. He has extensive quoted-company board experience having served on the boards of M*Modal Inc., Naveq Inc and SHL Telemedicine Ltd.

Mr. Nolan graduated from Oxford University in Law in 1983 and is a qualified barrister in England and Wales. He also holds an MBA from INSEAD.



Dan Olsson^{1,2,3}
Independent Non-Executive
Director

Mr. Olsson is CEO of the Team Olivia Group, a Swedish healthcare group. He has long and extensive international experience in the diagnostic sector, where he has served in a range of executive positions, among others as CEO of Unilabs Group in Geneva, Switzerland from 2007 to 2009 and has worked in the healthcare sector since 1999. Mr. Olsson studied economics at the University of Lund in Sweden.



Richard Henry Phillips
Non-Executive Director

Mr. Phillips is a founding partner of Actis LLP, the emerging markets private equity group. As Actis LLP is one of the Company's major shareholders, Mr. Phillips is not considered by the Board as being independent. He established the Actis Global Consumer Sector team and served as Head of Consumer for four years until becoming a member of the Actis Investment Committee. During the year he was responsible for the investment activity of Actis in North Africa and, latterly, Asia. Mr. Phillips is a director on the board of a number of companies including Edita Food Industries SAE, Emerging Markets Knowledge Holdings Ltd. and others. Mr. Phillips holds a degree in Economics from the University of Exeter.

Sustainability

Founded on the principle of providing quality medical assistance and services to better the lives of individuals and the community at large, IDH views corporate responsibility initiatives as an extension of its core purpose with the aim of improving communities in which it does business

The Moamena Kamel Foundation for Training and Skill Development

Primary Services

- | | |
|---|--|
| 1 | Free healthcare clinics |
| 2 | Loans for entrepreneurial women |
| 3 | Educational services for the children of Al Duweiqā community |
| 4 | Providing food for families in need of such assistance |
| 5 | Coverage of running costs for the ICU at Cairo's public-sector Kasr El Aini Hospital |

IDH commits up to 1% of the net after-tax profit of its subsidiaries, Al Borg and Al Mokhtabar, to the Moamena Kamel Foundation for Training and Skill Development.

Other Corporate Responsibility Initiatives

- Services to Kasr El Aini Hospital
 - Providing medical supplies to ICU and other units
 - Providing monthly incentives for nurses at the ICU
 - Provided 12-20 beds
- Providing finance and in-kind support to El Manial Hospital
- Financial and in-kind support to Egyptians during natural disasters
- Providing Ramadan iftar (feast) meals to the underprivileged during Ramadan
- Providing free medical tests to underprivileged Egyptian children
- Sponsoring medical convoys in Fayoum

Investment Highlights

IDH is an attractive investment opportunity with compelling fundamentals, present in fast-growing, under-served markets



1	Formidable playing field with structural growth drivers, high barriers to entry and a highly fragmented market	
2	Established business model with strong brand recognition and market leading position	
3	Experienced, entrepreneurial and longstanding management team and adherence to best corporate governance practice	
4	Strong unlevered balance sheet and strong cash generation	
5	Strong earnings with attractive margins through operational performance, and historical strong organic growth	
6	Allowing for capitalization on multiple future growth avenues	

