

Integrated Diagnostics Holdings Plc reports another set of record-breaking results with top- and bottom-line growth of 126% and 206% in 9M 2021

16 November 2021

(Cairo and London) — Integrated Diagnostics Holdings (“IDH,” “the Group,” or “the Company”), a leading consumer healthcare company with operations in Egypt, Jordan, Sudan and Nigeria, released today its reviewed financial statements and operational performance for the nine-month period ended 30 September 2021, reporting revenue of EGP 3,767 million, up 126% from the comparable period of 2020. Profitability remained at an all-time high, with net profit recording a three-fold year-on-year increase to reach EGP 1,148 million in 9M 2021. IDH’s nine-month results were bolstered by a record-breaking third quarter which saw the Company outperform its already remarkable results from the first and second quarters of this year.

Financial Results

EGP mn	9M 2020	9M 2021	Change
Revenues	1,670	3,767	126%
Cost of Sales	840	1,600	90%
Gross Profit	830	2,167	161%
<i>Gross Profit Margin</i>	<i>50%</i>	<i>58%</i>	<i>7.8 pts</i>
Operating Profit ¹	575	1,823	217%
Normalised EBITDA²	710	1,992	180%
<i>EBITDA Margin</i>	<i>43%</i>	<i>53%</i>	<i>10.4 pts</i>
Net Profit	375	1,148	206%
<i>Net Profit Margin</i>	<i>22%</i>	<i>30%</i>	<i>8.0 pts</i>
Cash Balance	465	1,807	288%

During the nine-month period, IDH leveraged an expanded branch network, which currently stands at 507 branches, and its increasingly popular house call service to serve 7.5 million patients, up 56% year-on-year, and conduct 25.0 million tests, 33% above the test volumes from this time last year. Consolidated revenues continued to be supported by IDH’s house call service in Egypt and Jordan. Revenue generated by the service expanded 146% year-on-year in 9M 2021, with its contribution to total revenue reaching 20% versus 19% in 9M 2020.

On a geographic basis, Egypt, Jordan and Nigeria continued to report strong revenue growth in 9M 2021 expanding 122%, 172%, and 62%, respectively. Highlights for Q3 2021 included the outstanding growth of Al-Borg Scan with the launch of the venture’s third branch; the continued ramp up of IDH’s house call services and of its AI-focused subsidiary Wayak; and strong contributions from Biolab’s revenue-sharing

¹ Operating Profit excludes one-off fees incurred in 9M 2021 (EGP 29.0 million) related to the Company’s dual listing on the EGX completed in May 2021.

² Normalised EBITDA is calculated as operating profit plus depreciation and amortization and minus one-off fees incurred in 9M 2021 (EGP 29 million) related to the Company’s EGX listing completed in May 2021.

partnerships in Jordan. Meanwhile, in Nigeria revenues continued their steady growth thanks to the company's new management team and their efforts in streamlining operations. Finally, in Sudan results continued to be impacted by the Sudanese Pound devaluation earlier in the year. However, in local currency terms revenue was up a solid 169% year-on-year for the nine-month period.

Commenting on the Group's performance for the nine-month period, IDH Chief Executive Officer Dr. Hend El-Sherbini said: "As we near the end of what is shaping out to be another record-breaking year for IDH, I am delighted to present to you a new set of impressive financial and operational results. During the third quarter of 2021, we successfully built on an already remarkable first half of the year to report our highest ever revenue and net profit figures for a single quarter. More specifically, during Q3 2021 we recorded top- and bottom-line quarter-on-quarter growth of 27% and 47%, respectively, an outstanding performance which was supported by growing demand across our entire offering. It is worth highlighting that our conventional test volumes are back to pre-Covid-19 levels on both a quarterly and year-to-date basis, and in 9M 2021 recorded a 3% increase versus the same nine months of 2019 once adjusting for the impact of the 100 Million Healthy Lives campaign³."

"Since the start of the year, we have displayed a remarkable ability to adapt to changing market and demand dynamics and consistently cater to the evolving needs of our growing patient base. In the third quarter, we continued to effectively care for both our conventional and Covid-19 patients leveraging an expanded branch network, a ramped up house call service, and a growing digital presence to make our services increasingly accessible and our payment methods increasingly convenient. On the one hand, we are continuing to serve our Covid-19 patients⁴ by ensuring we are well-equipped to handle peaks in demand when infection rates increase, while promptly adapting our offering to the requirements of patients. On the other hand, despite the challenges posed by the pandemic, we have never lost sight of the needs of our conventional patients, continuing to care for them even at the height of the Covid-19 crisis," **El-Sherbini added.**

Further down the income statement, IDH continued to record strong growth with record high margins at all levels of profitability supported by strong top-line and the subsequent dilution of the Company's fixed costs. Gross profit recorded EGP 2,167 million, up 161% year-on-year and with an associated margin of 58% versus 50% this time last year. Normalised EBITDA increased 180% year-on-year to EGP 1,992 million in 9M 2021, while normalised EBITDA margin expanded 10 percentage points to record 53% for the period. Finally, net profit recorded EGP 1,148 million in 9M 2021, a three-fold increase from the same period of last year, with a net profit margin of 30% versus 22% in 9M 2020.

"Looking ahead, our strategic priorities remain unchanged as we continue assisting local authorities in their battle against Covid-19 while simultaneously pressing forward with our post-pandemic strategy and set the foundations for a new chapter of sustainable growth. On this front, during the quarter we launched our new loyalty programme specifically aimed at retaining the new patients we were able to acquire since

³ The 100 Million Healthy Lives Campaign which ran from November 2018 through June 2019. As part of the Campaign, the Group performed 2.4 million tests in 1H 2019.

⁴ IDH's Covid-19-related test offering includes both core Covid-19 tests (Polymerase Chain Reaction (PCR), Antigen, and Antibody) as well as other routine inflammatory and clotting markers including, but not limited to, Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), which the Company opted to include in the classification as "other Covid-19-related tests" due to the strong rise in demand for these tests witnessed following the outbreak of Covid-19.



the start of the pandemic. At the same time, we rolled out an additional 12 branches in Q3 2021, and remain on track to reach our target of 30 to 35 new branch rollouts in 2021. IDH currently operates the largest network of branches amongst private players in the country, maintaining its leadership position in the market. We are also continuing to assess potential value-accretive acquisition opportunities in new markets across Africa, the Middle East, and Asia where we feel our business model is best-suited to capitalise on healthcare and consumer trends similar to those prevailing in our current markets. Finally, while the ongoing global supply chain disruptions have had little to no impact on our operations, we are keeping a close eye on the evolving situation and have taken proactive steps to build up our inventory to shield from any potential disruptions. It is also worth highlighting that our test kits are purchased on fixed-price contracts with tenors ranging from five to seven years, providing effective protection from short-term price fluctuations,” **El-Sherbini concluded.**

IDH’s full 9M 2021 earnings release for the nine-month period ended 30 September 2021 are available at [idhcorp.com](https://www.idhcorp.com).

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About Integrated Diagnostics Holdings (IDH)

IDH is a leading consumer healthcare company in the Middle East and Africa with operations in Egypt, Jordan, Sudan and Nigeria. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and Echo-Lab (Nigeria). A long track record for quality and safety has earned the Company a trusted reputation, as well as internationally recognised accreditations for its portfolio of over 2,000 diagnostics tests. From its base of 507 branches as of 30 September 2021, IDH will continue to add laboratories through a Hub, Spoke and Spike business model that provides a scalable platform for efficient expansion. Beyond organic growth, the Group's expansion plans include acquisitions in new Middle Eastern, African, and East Asian markets where its model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. IDH has been a Jersey-registered entity with a Standard Listing on the Main Market of the London Stock Exchange (ticker: IDHC) since May 2015 with a secondary listing on the EGX since May 2021 (ticker: IDHC.CA). Learn more at idhcorp.com.

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Forward-Looking Statements

These results for the nine-month period ended 30 September 2021 have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

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