

**Important Notice:** The Group has opted to utilise “alternative performance measure” (APM) alongside the IFRS measure when describing the business’ performance throughout this document. A detailed reconciliation of APM and IFRS measures is provided in the Company’s Earnings Report available on the Company’s website.

## **Integrated Diagnostics Holdings Plc reports sustained growth in non-Covid offering showcasing the fundamental strength and potential of the business**

**17 November 2022**

**(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 2022, reporting revenue (compliant with IFRS) of EGP 2.8 billion. In line with the trend seen earlier in the year, IDH’s conventional business (which includes IDH’s full service roster excluding Covid-19-related tests) continued to showcase its underlying strength and potential, delivering a solid 14% year-on-year expansion, partially offsetting the expected decline in Covid-19-related revenues for the nine-month period. Growth at IDH’s conventional business (which made up 76% of total revenues) was supported by a solid 7% increase in test volumes, testament to the robust underlying demand for the Company’s conventional test portfolio.

Likewise, on a quarterly basis, conventional revenues expanded 17% year-on-year and 12% quarter-on-quarter in Q3 2022, making it the strongest three-month period performance ever recorded by the Group’s conventional offering. Meanwhile, consolidated revenue for the third quarter stood at EGP 846 million, with the Group recording a net loss of EGP 36 million in Q3 2022. It is important to note that controlling for the losses resulting from transactions completed by the Company to secure the USD balance needed to fulfil its FY2021 dividend obligations to shareholders, the Group would have recorded a net profit of EGP 544 million in 9M 2022 and EGP 105 million in Q3 2022.

*It is worth highlighting that while the table below presents IDH’s nine-month performance compliant with IFRS, throughout the release the Company has opted to utilise Alternative Performance Measures as outlined in the following section.*

### **Financial Results**

EGP mn	9M 2021	9M 2022	Change
<b>Revenues</b>	<b>3,767</b>	<b>2,800</b>	<b>-26%</b>
Conventional Revenues	1,855	2,123	14%
Covid-19-related Revenues	1,911	678	-65%
Cost of Sales	(1,600)	(1,619)	1%
<b>Gross Profit</b>	<b>2,167</b>	<b>1,182</b>	<b>-45%</b>
Gross Profit Margin	58%	42%	15%
Operating Profit	1,823	749	-59%
<b>EBITDA<sup>1</sup></b>	<b>1,992</b>	<b>974</b>	<b>-51%</b>
EBITDA Margin	53%	35%	18%
<b>Net Profit</b>	<b>1,148</b>	<b>403</b>	<b>-65%</b>
Net Profit Margin	30%	14%	16%
<b>Cash Balance</b>	<b>2,350</b>	<b>694</b>	<b>-70%</b>

<sup>1</sup> EBITDA is calculated as operating profit plus depreciation and amortization.

**Commenting on the Group's performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said:** "As we near the end of 2022, I am happy to report yet another strong set of operational and financial figures which continue to highlight the strength of our business and its potential going forward. In fact, mid-way through the final quarter of the year, we remain well on track to record double-digit full-year growth, a remarkable achievement in light of the difficult macroeconomic environment faced across our markets and more generally across the world. More specifically, in recent months we have had to confront significant currency devaluations in three of our four markets with the subsequent spike in inflation rates eating at patients' purchasing power. Despite this, we have continued to record robust double-digit growth in our conventional business across all four markets, backed by healthy volumes growth. This sees our conventional revenues and test volumes currently stand an impressive 33% and 18% above levels recorded in the same nine-months of 2019 (prior to Covid-19), further evidence that our growth strategy over the last three years has delivered the desired results."

On both a year-to-date and quarterly basis, IDH recorded robust growth in conventional test volumes, as the Group's expanded service offering and newly rolled out loyalty programmes continue to attract a growing number of patients to the Group. More specifically, in 9M 2022, IDH performed 7% more conventional tests than in the comparable period of 2021. Similarly, in Q3 2022, conventional tests performed stood 9% above Q3 2021 and an impressive 11% above conventional test volumes recorded in the previous three-month period. As expected, IDH's Covid-19-related test offering is continuing to record rapid declines as demand falls on the back of lower infection rates, a lifting of mandatory testing for international travellers, and a widespread decline in Covid-19 test prices. In fact, during 9M 2022, IDH performed 57% less Covid-19-related tests than in the same period of last year, while on a quarterly basis the decline was even more evident with test volumes down 85% year-on-year.

On a geographic basis, IDH's home and largest market of Egypt recorded a 13% year-on-year increase in conventional revenues. Top-line growth was supported by robust increases in test volumes, a noteworthy achievement in light of the inflationary pressures faced by patients in the market. On this front, it is worth noting that thanks to the Group's solid financial position, which sees IDH consistently record EBITDA margins well ahead of industry averages, the Group continues to provide patients with support during the ongoing challenging period, and have refrained from passing on the burden through price increases during the past months. Elsewhere across our footprint, we recorded similar trends in Jordan, with Biolab reporting solid growth in its conventional business on both a year-to-date and quarterly basis. In Nigeria, despite the unprecedented surge in Diesel prices, Echo-Lab maintained its strong trajectory in particular when controlling for the branch closures that weighed on the venture's results in the first part of the year. Finally in Sudan, the Group recorded positive top-line growth for the second quarter in a row.

Further down the income statement, IDH recorded normalising margins across the board as Covid-19-related revenues continue to decline on the back of lower demand and average pricing, and the Group undertakes significant investments to enhance the quality of its services and the operational efficiency of its branches. Gross profit was down 45% year-on-year with a margin on net sales of 43%, while EBITDA declined 51% with a margin on net sales of 36%. Finally, net profit declined 65% versus 9M 2021 with a margin on net sales of 15%, in line with the Group's pre-pandemic averages.<sup>2</sup> It is worth noting that excluding losses resulting from transactions completed by the Company to secure the USD balance needed to fulfil its FY 2021 dividend obligations to shareholders, the Group would have recorded a net profit of EGP 544 million in 9M 2022, with a NPM on net sales of 20% for the period.

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<sup>2</sup> Gross profit margin on revenues recorded 42% in 9M 2022, adjusted EBITDA margin on revenue recorded 35% in 9M 2022, and net profit margin on revenues recorded 14% for the nine-month period.

“Despite the short-term challenges currently faced by the business, we remain optimistic on its long-term growth prospects, and have continued to invest to deliver on our long-term growth strategy. Since the start of the year we have rolled out 44 new branches further expanding our on-the-ground presence across multiple new strategic locations. We have also continued to invest in the ramp up our Egyptian radiology venture, Al-Borg Scan, more than doubling the number of Al-Borg Scan branches and obtaining ACR accreditation for both the venture’s nuclear medicine and ultrasound units. Across both our pathology and radiology branches, we have also continued to invest in enhancing the quality of the services offered as well as the look and feel of the branches. In parallel, we have also launched several loyalty programs tailored to our different patient segments. Meanwhile, investments to enhance our house call capabilities are continuing to pay off, with the service’s contribution standing well above pre-Covid-19 averages, and the convenience it offers to patients enabling us to tap into previously underpenetrated segments of the market. While delivering on our growth strategy across existing markets, we have also been actively working to expand our footprint into new geographies. On this front, I am especially delighted to report that a few weeks ago we announced the signing of a joint venture agreement with Biolab and Izhoor Holding, a company owned by Fawaz Alhokair, to launch a new full-fledged pathology diagnostic services provider in Saudi Arabia. This deal is directly in line with our long-term regional expansion strategy which sees us target high-growth markets where our operational model and proven expertise are well-suited to deliver high-quality care to as many patients as possible,” **El-Sherbini added.**

“The recent devaluation of the EGP, following the Central Bank’s decision to move towards a durably flexible exchange rate, has seen the overall value lost against the dollar since March of this year reach 55%. With this move, which we expect to benefit the country in the long-term, come a new set of short-term challenges for both business and consumers. Nonetheless, we are confident that strong fundamentals across our markets of operation will continue to support the growth outlook for both the diagnostic industry and our business. Going forward, our trusted brands, strong supplier relationships, growing patient reach and flexible business model will continue to be our greatest strengths as we work to deliver on our growth targets and preserve our margins in the midst of an evolving macroeconomic backdrop. With all this in mind, despite the current macroeconomic challenges, we continue to target double-digit full-year conventional revenue growth, largely in line with our full-year guidance prior to recent macro developments. It is worth noting that these estimates assume no additional contributions from our Covid-19-related offering which, as expected, has witnessed a sharp decline in demand starting March of this year,” **El-Sherbini concluded.**

IDH’s full 9M 2022 earnings release for the nine-month period ended 30 September 2022 is 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 546 branches as of 30 September 2022, 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](https://idhcorp.com).

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### Forward-Looking Statements

These results for the nine-month period ended 30 September 2022 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.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this communication. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.