

Integrated Diagnostics Holdings Plc records strong top- and bottom-line growth in 2020 despite the challenges related to COVID-19

Strong growth for the year was a direct result of IDH's ability to swiftly adapt its service offering to changing dynamics

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(Cairo and London) — Integrated Diagnostics Holdings (“IDH,” “the Company” or “the Group,” IDHC on the London Stock Exchange), a leading consumer healthcare company with operations in Egypt, Jordan, Sudan, and Nigeria, released today its results for the year ended 31 December 2020, reporting revenues of EGP 2,656 million, up by a strong 19% year-on-year.

Financial Results

EGP mn	FY2020	FY2019	change
Revenues*	2,656	2,226	19%
Cost of Sales	(1,314)	(1,143)	15%
Gross Profit	1,343	1,084	24%
<i>Gross Profit Margin</i>	<i>51%</i>	<i>49%</i>	<i>1.9 pts</i>
Operating Profit	986	791	25%
EBITDA¹	1,171	945	24%
<i>EBITDA Margin</i>	<i>44%</i>	<i>42%</i>	<i>1.6 pts</i>
Net Profit	609	505	21%
<i>Net Profit Margin</i>	<i>23%</i>	<i>23%</i>	<i>0.3 pts</i>
Cash Balance	877	631	39%

The robust performance in 2020 was supported by IDH's ability to adapt its service offering to the changing dynamics by ramping up its house call services in Egypt and capturing the rising demand for Covid-19-related testing² in Egypt and Jordan. IDH served over 7.1 million patients in 2020 and performed more than 27.1 million tests across its regional network of 481 branches as of 31 December 2020, adding 30 new branches in Egypt during the year.

Regionally, Egypt constituted the largest share of consolidated revenue in 2020 at 81.8%, followed by Jordan with a 15.4% contribution. Meanwhile, revenue from Nigeria and Sudan each contributed 1.4% to IDH's consolidated revenue for the year. On a segment basis, the Group's contract segment delivered 54% of revenue in 2020, while the walk-in segment contributed 46%.

Revenues were further supported by contributions from Al-Borg Scan, the Group's first full-fledged radiology venture, which generated revenue of EGP 25 million in 2020, up 76% year-on-year following the inauguration of its second branch in February 2020.

¹ EBITDA is calculated as operating profit plus depreciation and amortization.

² Covid-19-related tests include Polymerase Chain Reaction (PCR) and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, Erythrocyte Sedimentation Rate (ESR), D-Dimer, Ferritin and C-reactive Protein (CRP), among others.

Commenting on the results, IDH Chief Executive Officer Dr. Hend El-Sherbini said: “I am very pleased with the Group’s results in 2020, during which IDH demonstrated its ability to adjust to changing market dynamics and deliver strong financial and operational performance despite the challenges. In the face of Covid-19, we were quick to rollout comprehensive health, safety, and business continuity protocols to safeguard our people and our operations. In parallel, we swiftly adjust our service offering and delivery to adapt to shifting patient needs and market dynamics. In both Egypt and Jordan, IDH began offering PCR testing for Covid-19 and other Covid-19-related tests, while simultaneously ramping up its house call services in both countries to ensure that patients unable or unwilling to visit our branches in person continued to have access to our services.”

“I am also pleased to report that IDH was able to continue growing its traditional business while pushing forward with our long-term strategic directives despite Covid-19. In Nigeria, despite the temporary branch closures, we effectively capitalised on Echo-Lab’s increasing brand awareness and service demand to deliver robust growth in both patients served and tests performed. In Sudan, despite lower volumes on account of branch closures in the second quarter of the year, we delivered a 28% year-on-year rise in revenues in local currency terms. Finally, Al Borg Scan inaugurated its second branch during the year and continues to deliver significant revenue growth with robust profitability.”

“Overall, our large operational scale, wide geographic reach, and prompt response to the difficulties posed by Covid-19 proved vital in supporting the remarkable financial and operational results delivered in 2020,” **El-Sherbini added.**

Strong consolidated revenue growth coupled with a continued focus on driving operational efficiencies and keeping a tight rein on costs saw IDH deliver margins enhancements at all levels of profitability. As such, gross profit for the year increased 24% versus 2019, with a two-percentage point expansion in its associated margin to 51%. Meanwhile, EBITDA surpassed the EGP 1 billion mark for the first time to EGP 1.2 billion for 2020, up 24% year-on-year, with an associated margin of 44% versus 42% last year. IDH’s net profit increased 21% year-on-year to EGP 609 million in 2020, with a net profit margin of 23%.

Owing to the strong performance during the year, the Board of Directors is recommending a final dividend of US\$ 0.049 per share, or US\$ 29.1 million in aggregate, to shareholders in respect of the financial year ended 31 December 2020. This represents an increase of 4% compared to a final dividend of US\$ 28 million in aggregate in the previous financial year.

“Looking ahead, while the Covid-19 crisis continued into 2021 our outlook for the year ahead remains strong. The Group is already off to a solid start in 2021 which management believes will continue through to year end, in part driven by the strong fundamentals of the healthcare industry across the Group’s footprint, as well as the ramp up of vaccination campaigns across the globe. Almost halfway into the year, we are confident in the Group’s ability to adapt to and overcome the most difficult challenges supported by the adaptability of our business model, the strength of our brands, and the solidity of our financial position.”

“We are also particularly excited about bringing home IDH’s shares for trading on the EGX, one of the region’s leading exchanges and a key entry point for MENA equity and debt capital markets. With trading



commencing on 20 May 2021, the dual listing will offer Egypt-based investors, who are sometimes unable to access shares in London, an opportunity to capitalise on our Company's strong growth prospects,” **El-Sherbini concluded.**

IDH’s full FY2020 earnings release along with its financial statements for the year ended 31 December 2020 are available at 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 481 branches as of 31 December 2020, 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 and African 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. Learn more at idhcorp.com.

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Forward-Looking Statements

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