



# IDH Results Presentation

May 2021





# Contents:

- IDH At a Glance
- FY 2020 Results Overview
- Key Investment Highlights
  - Our Market
  - Our Business Model
  - Financial Position and Performance
  - Growth Strategies
  - Governance

# 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	Histopathology	Microbiology

## Our Brands



## Accreditations



**+40** years  
Track record

**+2,000**  
Diagnostic tests  
offered

**7** key brands  
With strong awareness

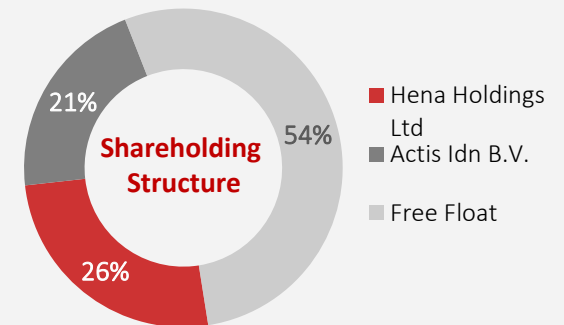
**4**  
Country footprint (Egypt,  
Jordan, Sudan & Nigeria)

**481**  
Branch labs as at 31 Dec. 2020

**7.1** MN  
FY20 Patients

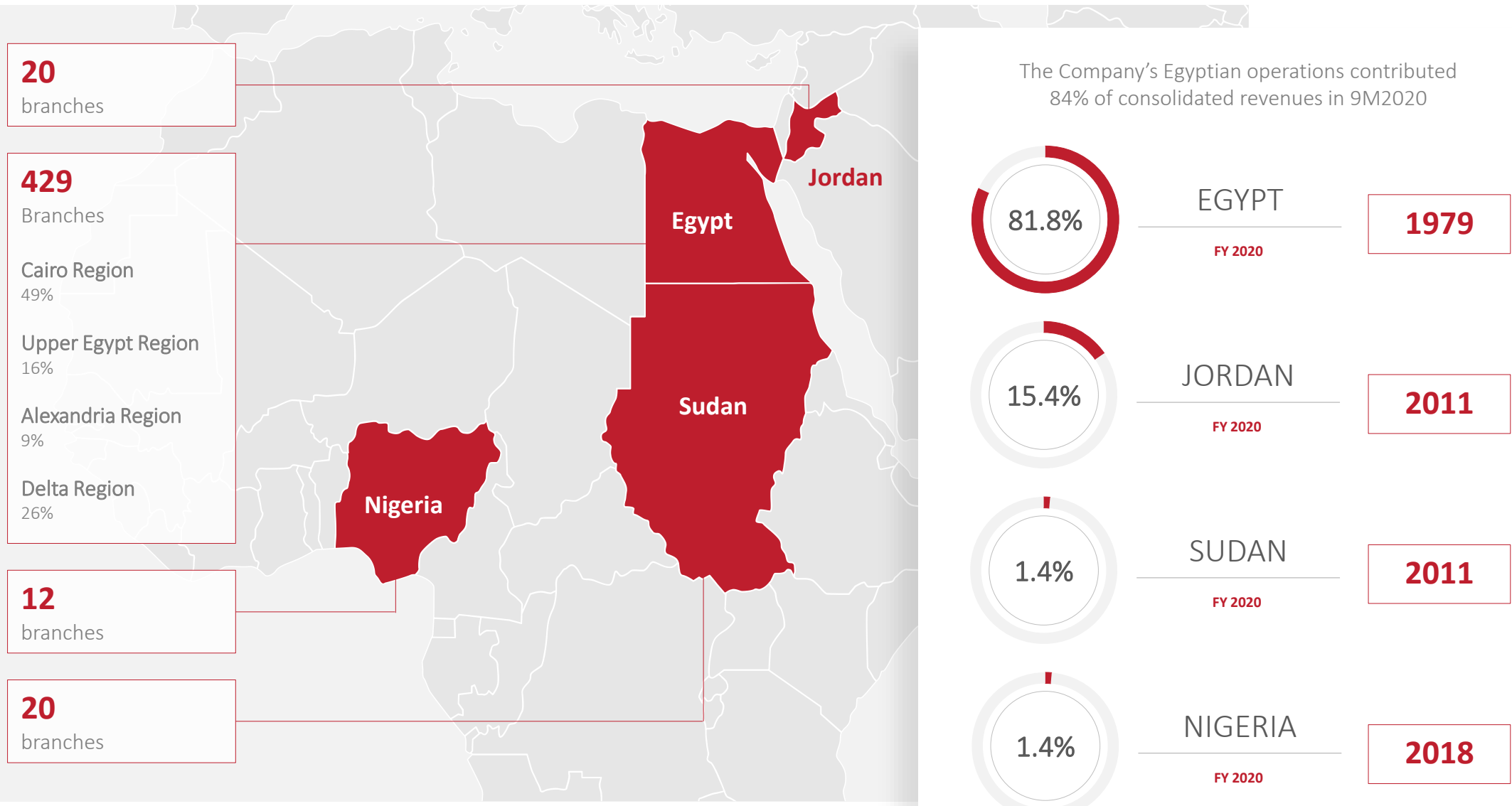
**27.1** MN  
FY20 Tests

EGP **2.7** BN  
FY20 Revenues



# Our Geography

IDH's branch network of 481 labs at year-end 2020 spans 4 countries, the largest of which is Egypt



# Our Patients

IDH serves two principal types of patients: contract and walk-in

*Around 70% of total revenue generated across the two segments is paid in cash*

## Contract Patients

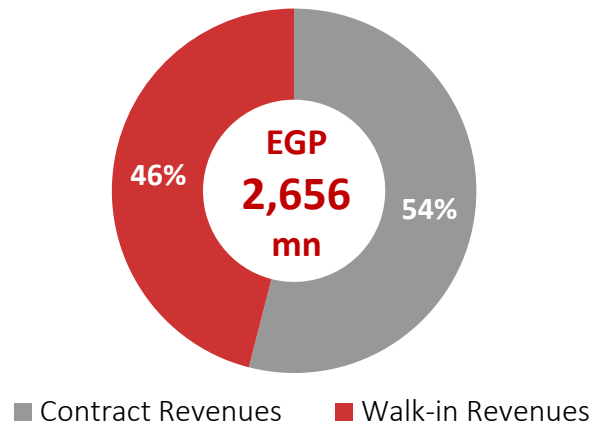
IDH's **contract clients** include institutions who enter into **one-year renewable contracts** at agreed rates per-test and on a per-client basis. Around 40% of the revenue generated by the segment is paid in cash. IDH's corporate clients roster currently features institutions such as:

- Unions
- Syndicates
- Private and public insurance companies
- Banks and corporations
- Public institutions

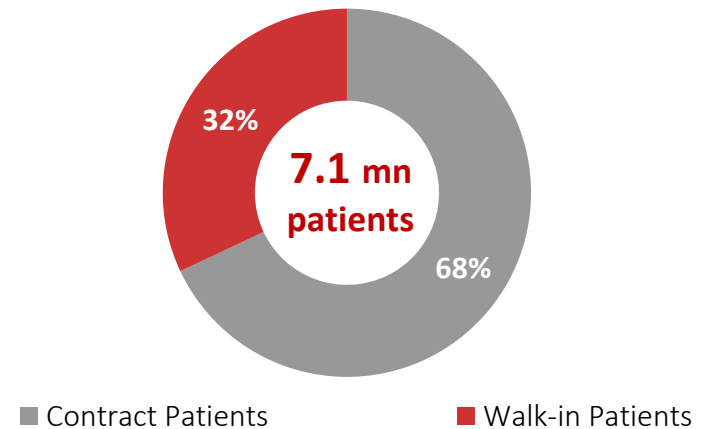
## Walk-In Patients

IDH's walk-in clients, also referred to as "self-payers", **pay out of pocket** for diagnostic tests and other services.

## Contribution to IDH Revenue (FY 2020)



## Patient Split by Segment (FY 2020)





# FY 2020 Results Overview

# Results Snapshot

Group records strong top- and bottom-line growth in 2020 despite the challenges related to Covid-19

**EGP 2,656 mn**

Revenue in FY 2020

▲ 19% y-o-y

**EGP 1,343 mn**

Gross Profit in FY 2020

▲ 24% y-o-y / 51% margin

**EGP 1,171 mn**

EBITDA in FY 2020

▲ 24% y-o-y / 44% margin

**EGP 609 mn**

Net Profit in FY 2020

▲ 21% y-o-y / 23% margin

**27.1 mn**

Tests completed in FY 2020

▼ 11% y-o-y

**7.1 mn**

Patients served in FY 2020

▼ 5% y-o-y

**EGP 98**

Average revenue per test in FY 2020

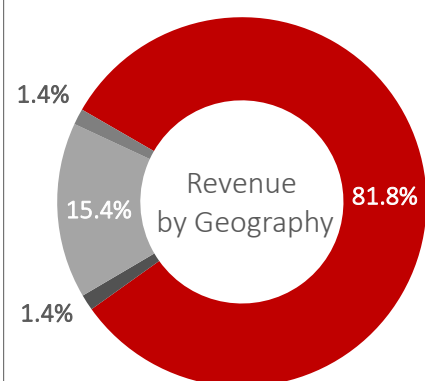
▲ 34% y-o-y

**481**

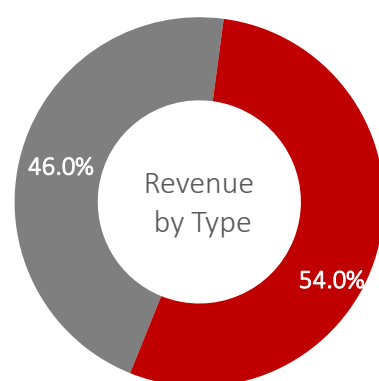
Operational branch labs in FY 2020

▲ 29 branches vs. 31 Dec 2019

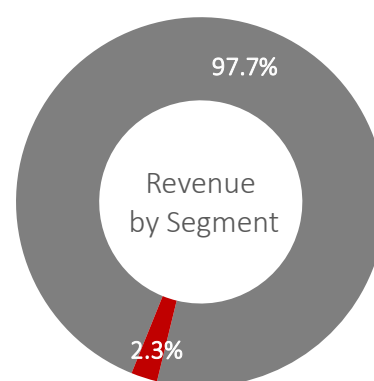
## Revenue Breakup FY 2020



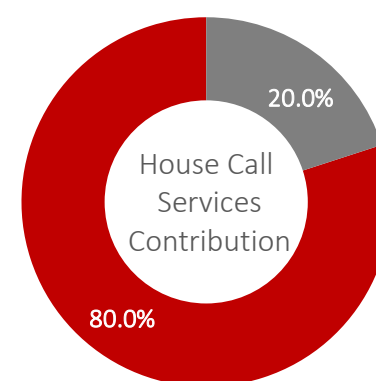
■ Egypt ■ Sudan ■ Jordan ■ Nigeria



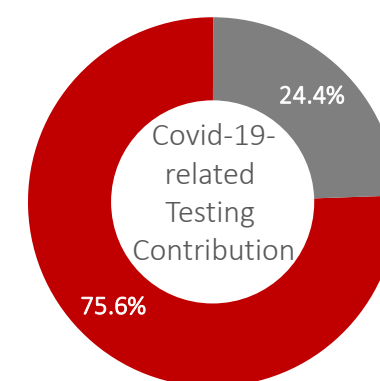
■ Walk-In ■ Contract



■ Pathology ■ Radiology



■ House Call Services



■ Covid-19-Related Testing\*

\* Covid-19-related tests include PCR and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, ESR, D-Dimer, Ferritin and CRP, among others.

# 2020 in Review

Despite the exceptional difficulties faced throughout 2020, IDH leveraged its flexible business model and adaptive service offering to deliver strong growth and robust profitability

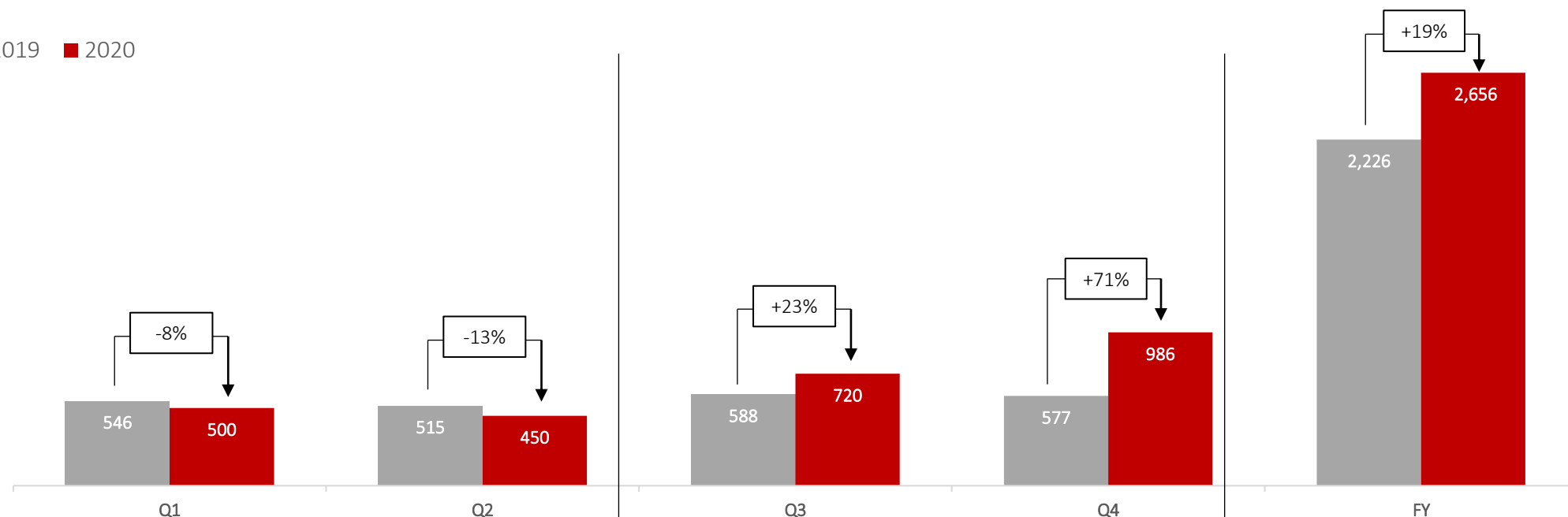
## IDH Revenues Evolution | EGP mn

Volumes and revenues weighed down by **restrictive measures in the months of March, April and May.**

IDH adapts its service offering with the introduction of **Covid-19-related testing and the ramp-up of its house call service.**

**Strong full year recovery** despite early challenges.

■ 2019 ■ 2020



Branch closures in Jordan and Sudan

Reduced working hours in Egypt and Nigeria

Curfew and mobility restrictions across all geographies

**EGP 417 mn**  
FY20 revenue from PCR testing for Covid-19 or 16% contribution to total revenue

**EGP 531 mn**  
FY20 revenue from house call service or 20% contribution to total revenue

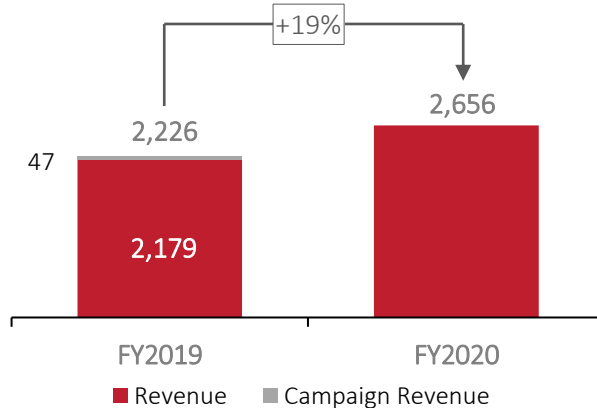
IDH delivered a 19% y-o-y rise in revenue with an EBITDA margin of 44% in FY2020 thanks to its resilience and adaptive service offering

# Strong Top-line Growth in 2020

IDH once again demonstrated its ability to adapt to changing market dynamics and successfully transformed an incredibly difficult operational environment into an opportunity to deliver new value to its patients while growing its business

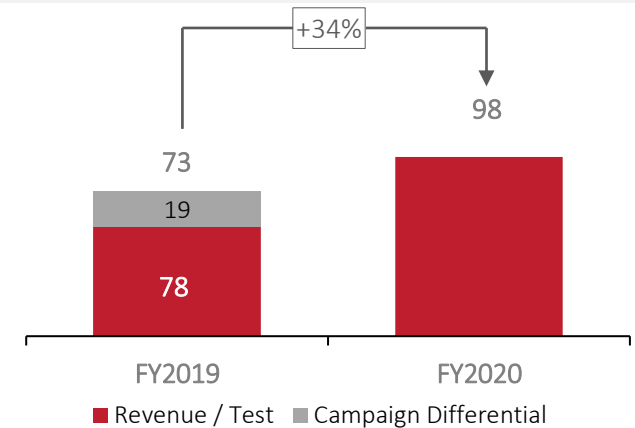
### IDH Revenues | EGP mn

The 19% y-o-y top-line expansion for the year was a direct result of IDH's ability to swiftly adapt its service offering to changing dynamics.



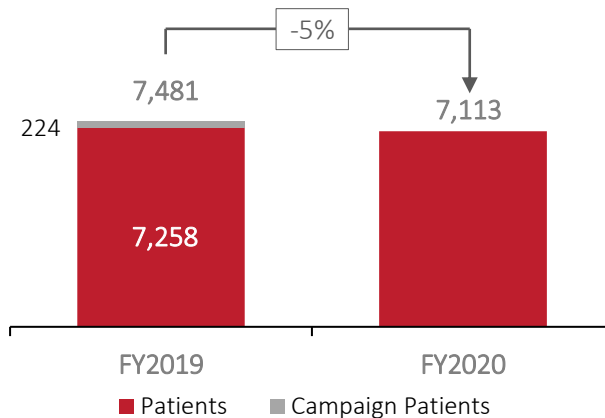
### IDH Average Revenue per Test | EGP

Average revenue per test increased by 34% y-o-y on the back of the generally higher-priced Covid-19-related tests combined with IDH's annual price hikes.



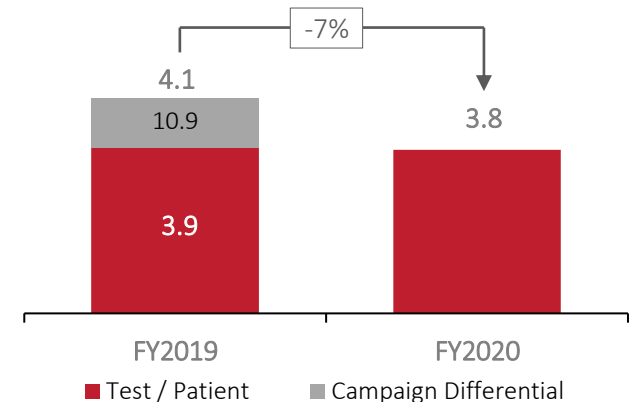
### IDH Patient Volumes | '000

IDH was able to partially mitigate the fall in volumes earlier in the year thanks to its Covid-19-related test offering and a ramped-up house call service.



### IDH Tests per Patient | '000

In 2020, IDH witnessed a gradual normalization in the number of tests per patient performed which had increased due to the campaign's contribution in 2019.

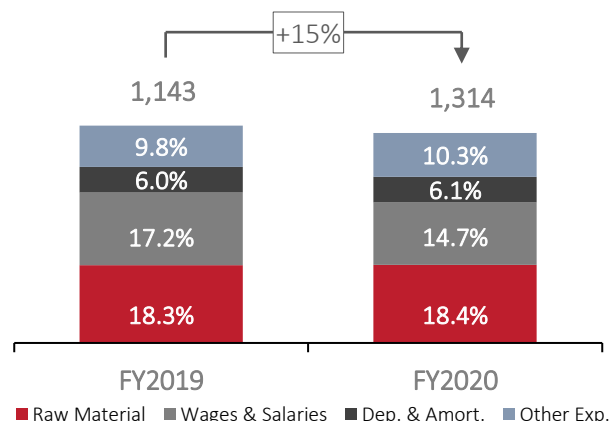


# Strong Group Profitability in 2020

Gross profit margin expanded to 51%, supported by strong top-line growth and lower COGS as a percentage of sales; EBITDA margin up despite higher provisions

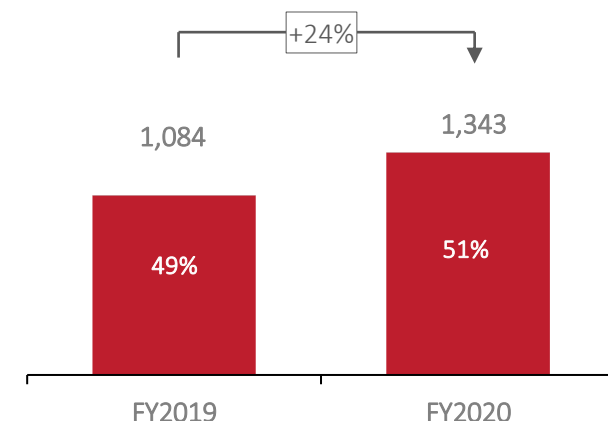
## IDH COGS Breakdown | EGP mn / % of Revenue

As a percentage of sales, IDH's cost of goods sold decreased to 49.5% in FY 2020 from 51.3% last year.



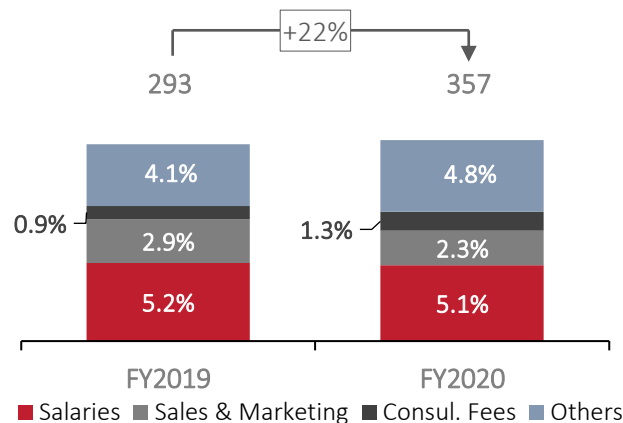
## IDH Consolidated Gross Profit | EGP mn / %

Gross profit margin expanded to 51%, supported by strong top-line growth and lower salaries and wages as a percentage of sales for the year.



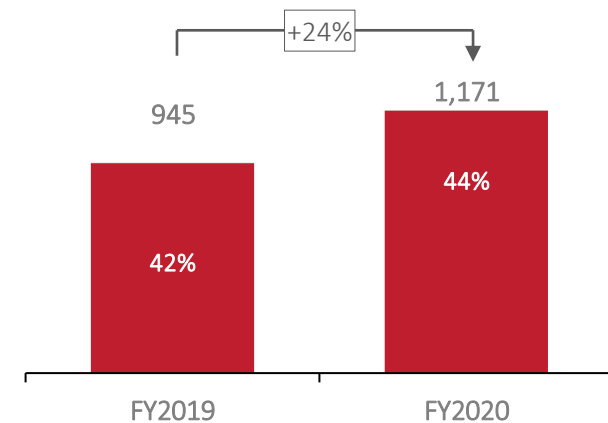
## IDH SG&A Breakdown | EGP mn / % of Revenue

SG&A/sales stood at 13.4% versus 13.2% in FY 2019 despite management booking provisions of EGP 42 million to account for elongated collection cycles.



## IDH Consolidated EBITDA\* | EGP mn

EBITDA surpassed the EGP 1 billion mark to record EGP 1,171 million for FY 2020, improved EBITDA margin was supported by strong gross profitability for the year.



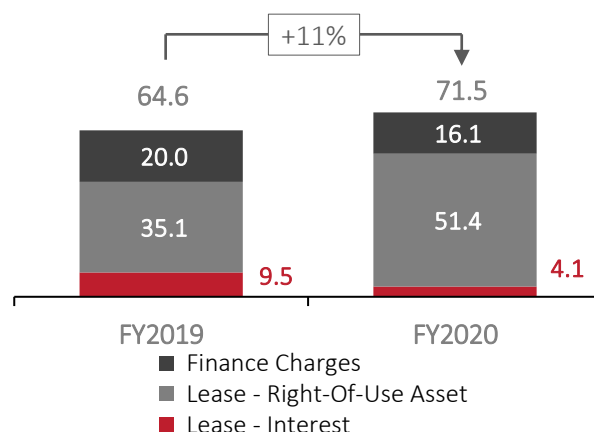
\*EBITDA is calculated as operating profit plus depreciation and amortization.

# Robust Bottom-line Growth in 2020

Revenue growth trickled down to the Group's bottom-line which expanded 21% year-on-year in FY 2020 with a stable margin versus last year

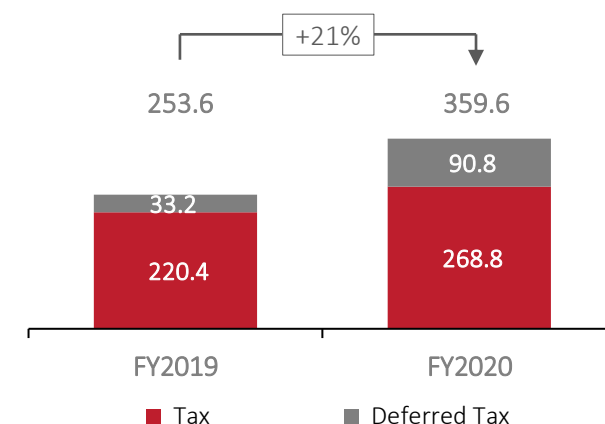
## IDH Interest Expenses | EGP mn / % of Revenue

The increase in interest expenses is due to higher interest on lease liabilities related to IFRS 16 following the addition of new branches.



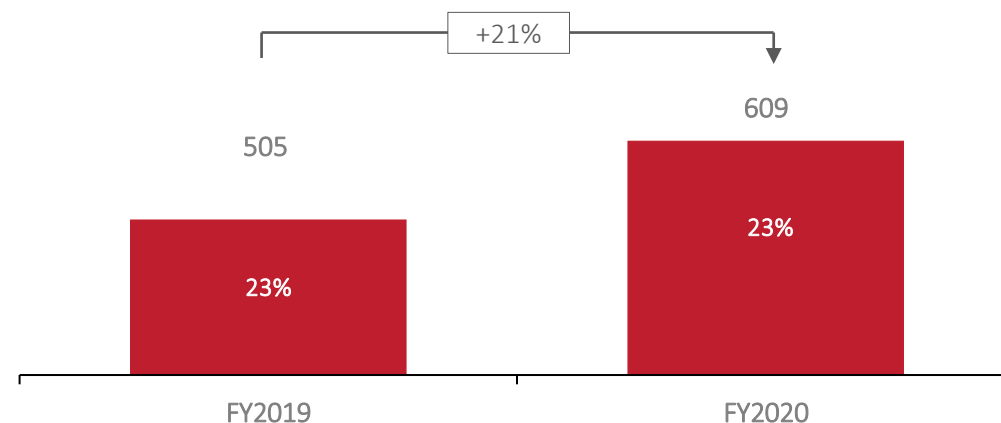
## IDH Taxes | EGP mn / % of Revenue

The increase in IDH's effective tax rate to 37% compared to 33% in 2019 is attributable to the decision by the Egyptian Government to increase the Withholding Tax on profit distribution from 5% for ownership exceeding 25% to 10% (irrespective of the ownership stake).



## IDH Consolidated Net Profit | EGP mn / %

IDH's consolidated net profit was EGP 609 million in 2020, up 21% year-on-year supported by strong revenue growth for the year combined with the Group's cost management efforts and higher interest income for the year. Net profit margin stood at 23% in 2020 up unchanged from 2019.

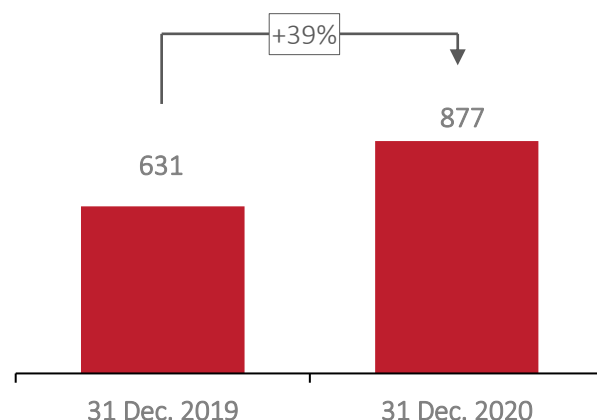


# Solid Financial Position

The Group maintains a robust financial position, with a liquid balance sheet thanks to a strong cash generation profile allowing for consistent dividend payouts

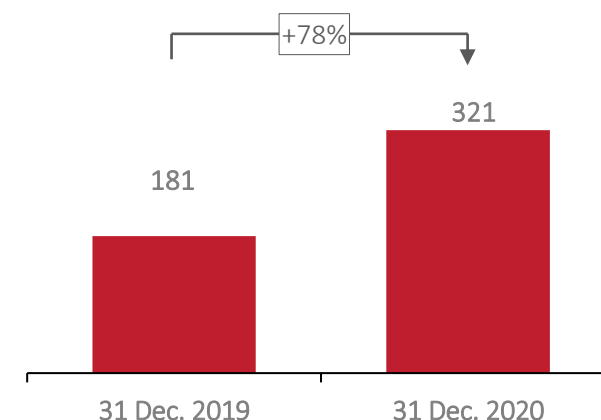
## Consolidated Cash Balance | EGP mn

IDH's cash balances increased to EGP 877 million as at year-end 2020. The increase comes despite the distribution of EGP 451 million in dividends for 2019 paid in September 2020.



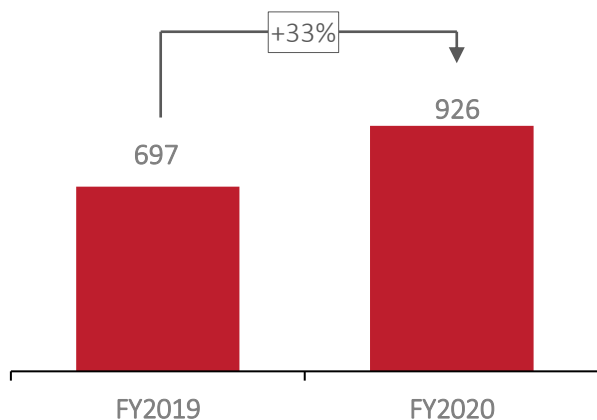
## Net Cash Balance\* | EGP mn

Net cash balance amounted to EGP 321 million as at year-end 2020, an increase of 78% compared to EGP 181 million as at 31 December 2019.



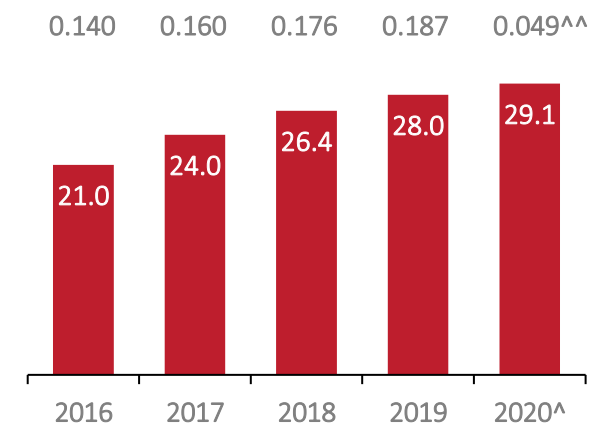
## Net Cash Flow from Operating Activities | EGP mn

Net cash flow from operating activities recorded EGP 926 million in 2020, demonstrating the company's strong cash generation ability despite the challenging operating environment.



## Dividend, Dividend per Share | US\$ mn, US\$

The recommend final dividend of US\$ 29.1 million for 2020 represents an increase of 4% compared to a final dividend of US\$ 28.0 million in the previous financial year.



\*Net cash is calculated as cash and cash equivalent balances less interest-bearing debt (medium term loans) and finance lease.

^IDH has recommend 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.

^^Based on 600 million shares.

# 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		
	FY2019*	FY2020	Change	FY2019*	FY2020	Change	FY2019*	FY2020	Change
Revenue^ (EGP '000)	1,252	1,434	15%	974	1,222	25%	2,226	2,656	19%
% of Revenue	56%	54%		44%	46%				
Patients ('000)	5,149	4,825	-6%	2,332	2,288	-2%	7,481	7,113	-5%
% of Patients	69%	68%		31%	32%				
Revenue per Patient (EGP)	243	297	22%	418	534	28%	298	373	25%
Tests ('000)	22,833	20,021	-12%	7,638	7,052	-8%	30,471	27,073	-11%
% of Tests	75%	74%		25%	26%				
Revenue per Test (EGP)	55	72	31%	128	173	36%	73	98	34%
Test per Patient	4.4	4.1	-6%	3.3	3.1	-6%	4.1	3.8	-7%

**20.0 mn**

Contract tests in FY2020  
▼ 12% y-o-y

**EGP 72**

Avg. rev / contract test in  
FY2020  
▲ 31% y-o-y

**EGP 1,434 mn**

Contract revenue in FY2020  
▲ 15% y-o-y

**7.1 mn**

Walk-in tests in FY2020  
▼ 8% y-o-y

**EGP 173**

Avg. rev / walk-in test in  
FY2020  
▲ 36% y-o-y

**EGP 47 mn**

Campaign-related revenue  
in FY2019

\*In 2020, management revisited the definition of contract customers who have contractual agreements and are granted discounts above 20%, hence all cash paying customers with discounts equal or below 20% were reclassified as walk-in. Reclassification adjustments include the transfer of 720 thousand tests in 2019 and associated revenue of EGP 79 million from the contract segment to walk-ins. The upper mentioned reclassification allows better representation of both segments.

\*\*Please note that contract segment includes contributions made by the 100 Million Healthy Lives campaign in Egypt, which in 2019 had contributed 224 thousand patients and 2.4 million tests to the contract segment.

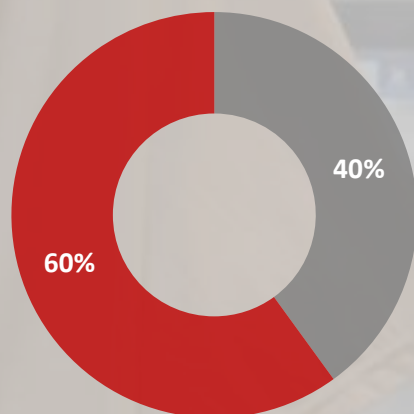
^2019 and 2020 figures include Wayak's results.

# Segment Performance

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

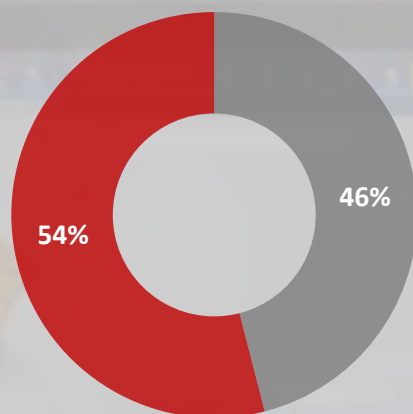
## Revenue Split

FY 2019



■ Walk-in ■ Corporate

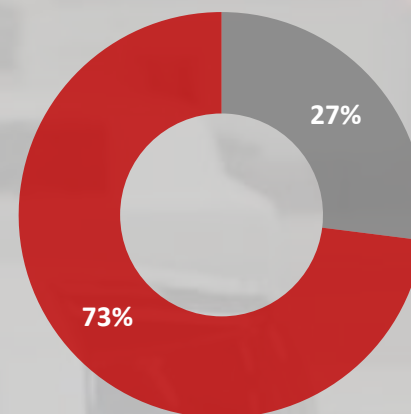
FY 2020



■ Walk-in ■ Corporate

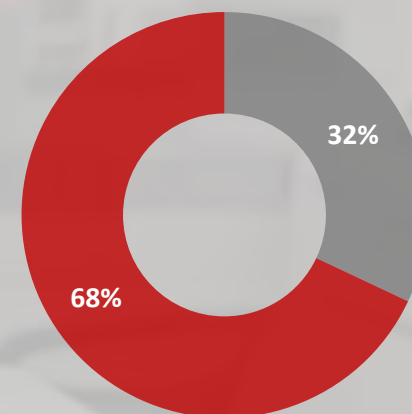
## Patient Split

FY 2019



■ Walk-in ■ Corporate

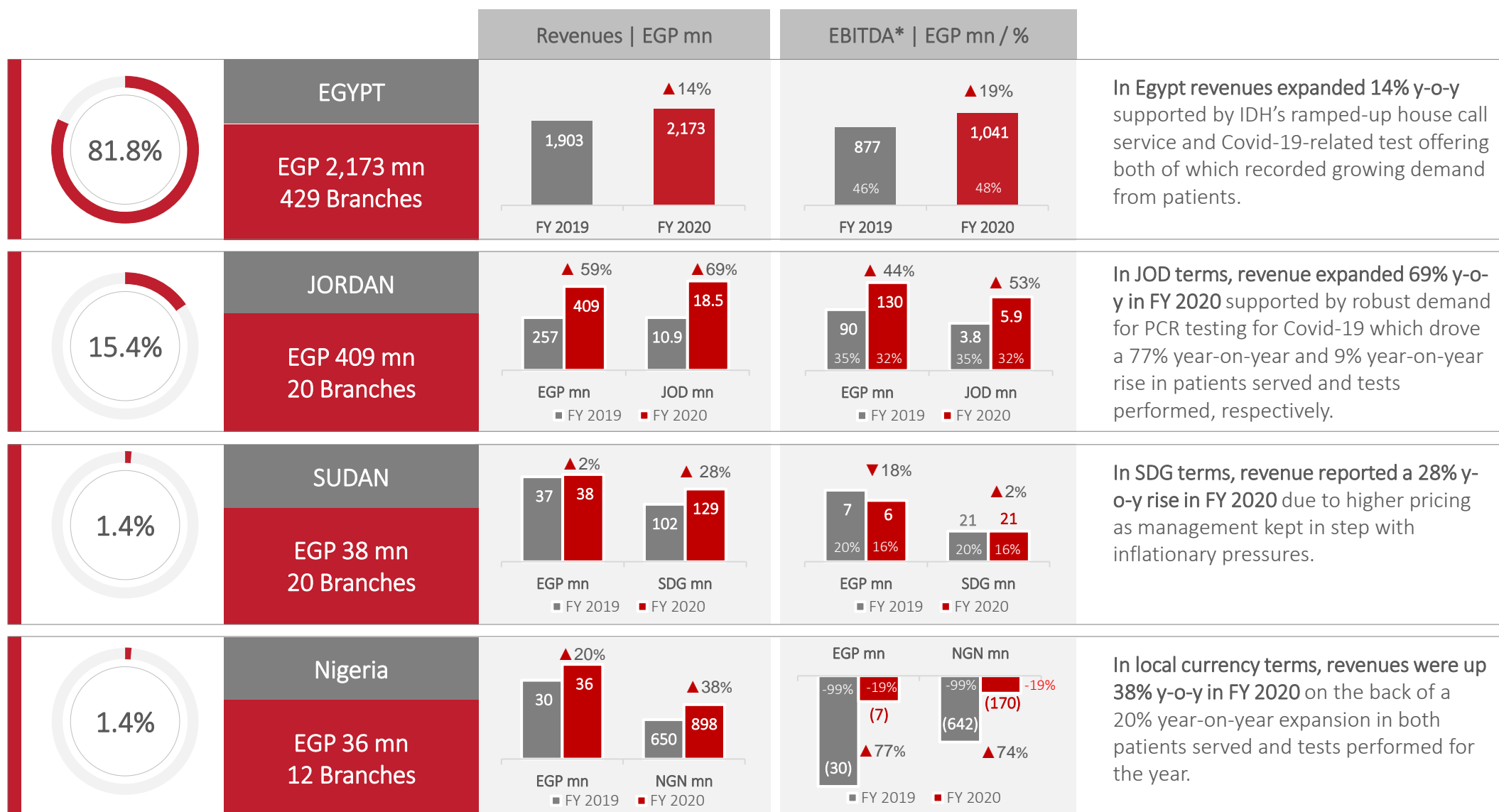
FY 2020



■ Walk-in ■ Corporate

# Regional Performance

Local currency revenue expanded in Jordan, Nigeria and Sudan as restrictions were lifted and traffic normalized in the second half of the year

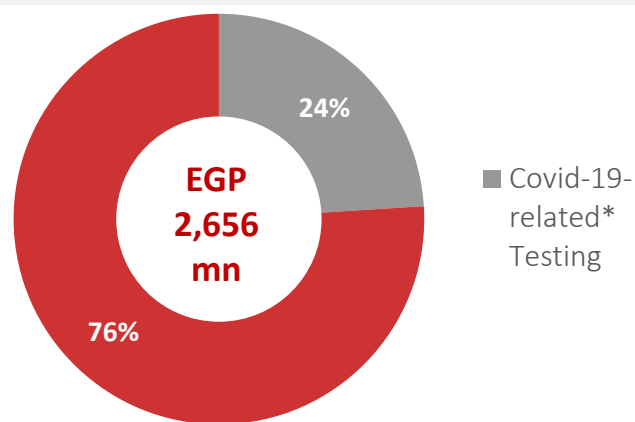


SDG = 0.2912 EGP, JOD = 22.1157 EGP, and NGN = 0.0402 EGP

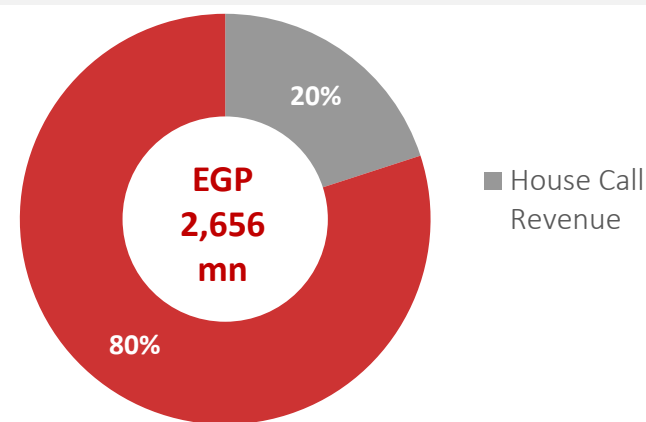
# COVID-19-adapted Service Offering

Top-line growth in Egypt and Jordan was supported by IDH's Covid-19-related\* test offering and its ramped-up house call service, both of which continue to witness strong demand in both countries

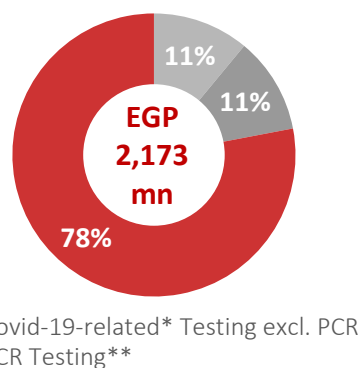
Covid-19 Testing Contribution to IDH Revenue FY20



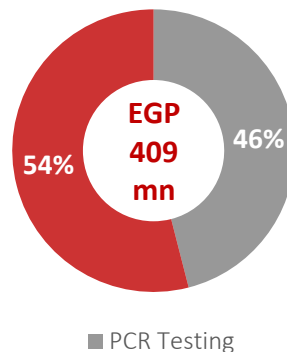
House Call Contribution to IDH Revenue FY20



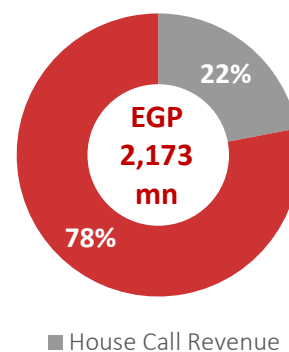
EGYPT



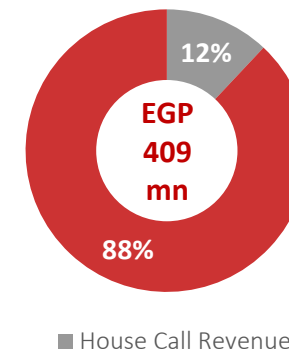
JORDAN



EGYPT



JORDAN



\* Covid-19-related tests include PCR and antibody testing as well as a bundle of inflammatory and clotting markers such as Complete Blood Picture, ESR, D-Dimer, Ferritin and CRP, among others.

\*\* Includes EGP 62 million contributed from PCR testing conducted as part of IDH's agreement with Pure Health.

# Continued Ramp up at Al Borg Scan



Al Borg Scan offers a full range of radiology services, including but not limited to Magnetic Resonance Imaging (MRI), Computed Tomography (CT), Ultrasound, X-ray and Mammograms.

EGP 25.0 MN

FY2020 Revenue  
+76% vs FY19

EGP 4.8 MN  
(19% margin)

FY2020 EBITDA  
+167% vs FY19

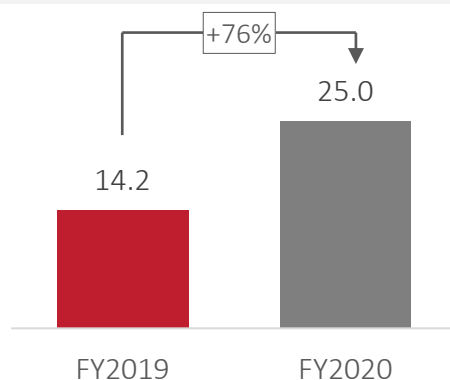
EGP 546

FY2020  
Revenue/Test

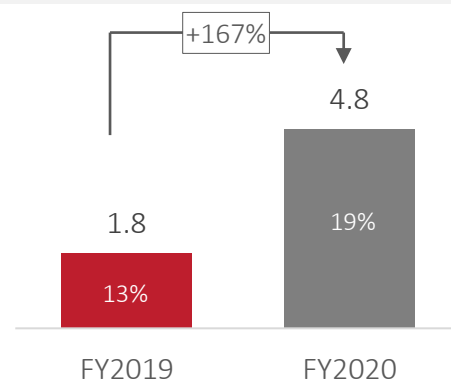
EGP 690

FY2020  
Revenue/Patient

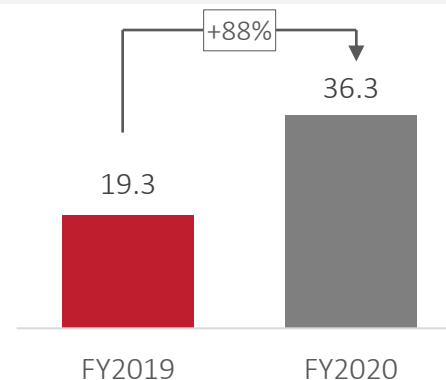
Revenue | EGP mn



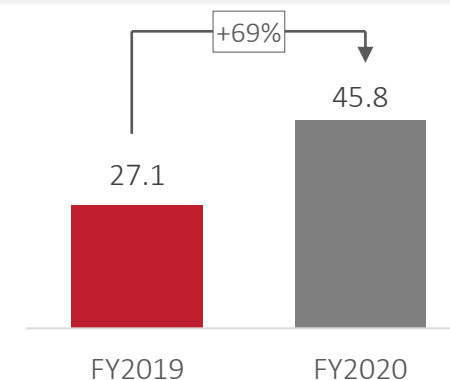
EBITDA | EGP mn



Patients Served | k



Test Performed | k



Al-Borg Scan, IDH new radiology venture, generated revenue of EGP 25.0 million in FY 2020, up 76% year-on-year. **Al Borg Scan inaugurated its second branch in Cairo in February 2020**, with both branches having served a total of 36.3 thousand patients in FY 2020, up 88% 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 79 million. The Group is actively working towards the launch of its third branch, expected for 3Q 2021.



# Investment Highlights

# Investment Highlights

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



1	Operating in highly fragmented markets characterised by strong structural growth drivers and high barriers to entry	
2	Deploys an asset-light business model that allows for quick, capital-efficient growth helping to strengthen IDH's brand equity and market leading position	
3	Strong historical growth with attractive margins, an unlevered balance sheet, and strong cash generation ability allowing for consistently high dividend distribution	
4	Allowing for capitalization on multiple future growth avenues	
5	Supported by a world-class management and board of directors with robust governance frameworks	

# Fast-Growing, Underserved Markets

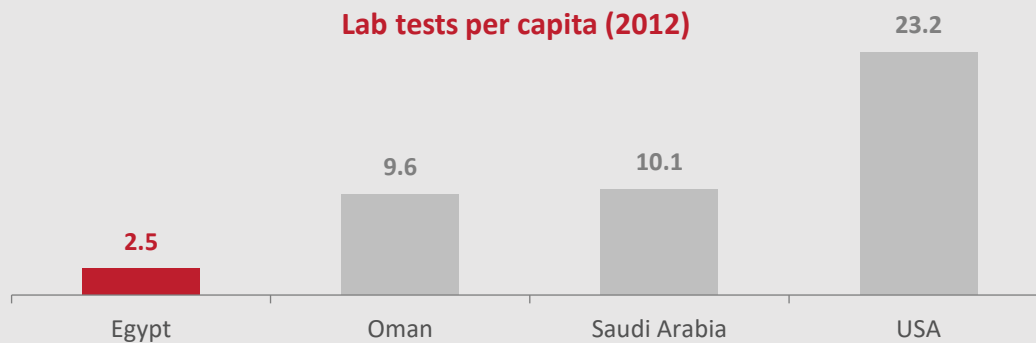


# Favorable Industry Dynamics

IDH's home market of Egypt is underpinned by robust structural growth drivers

## 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.



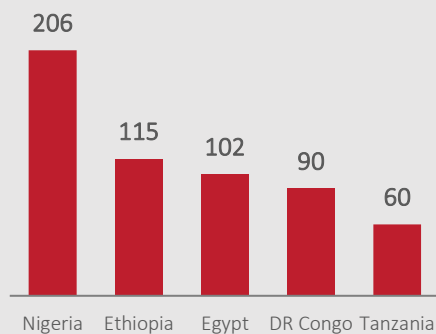
Source: Analysis of the US Clinical Laboratory Market; Frost & Sullivan – March 2012 – NHS UK

## Large Populations

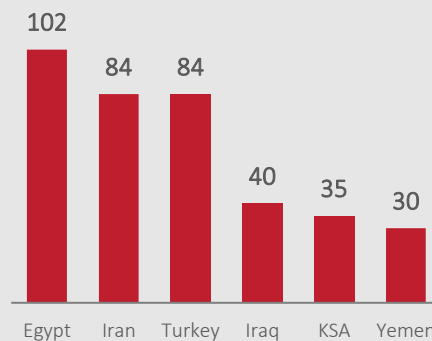
At just over 100 million, Egypt is the third most populous country in Africa and by far the most populous country in the Middle East.

### 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

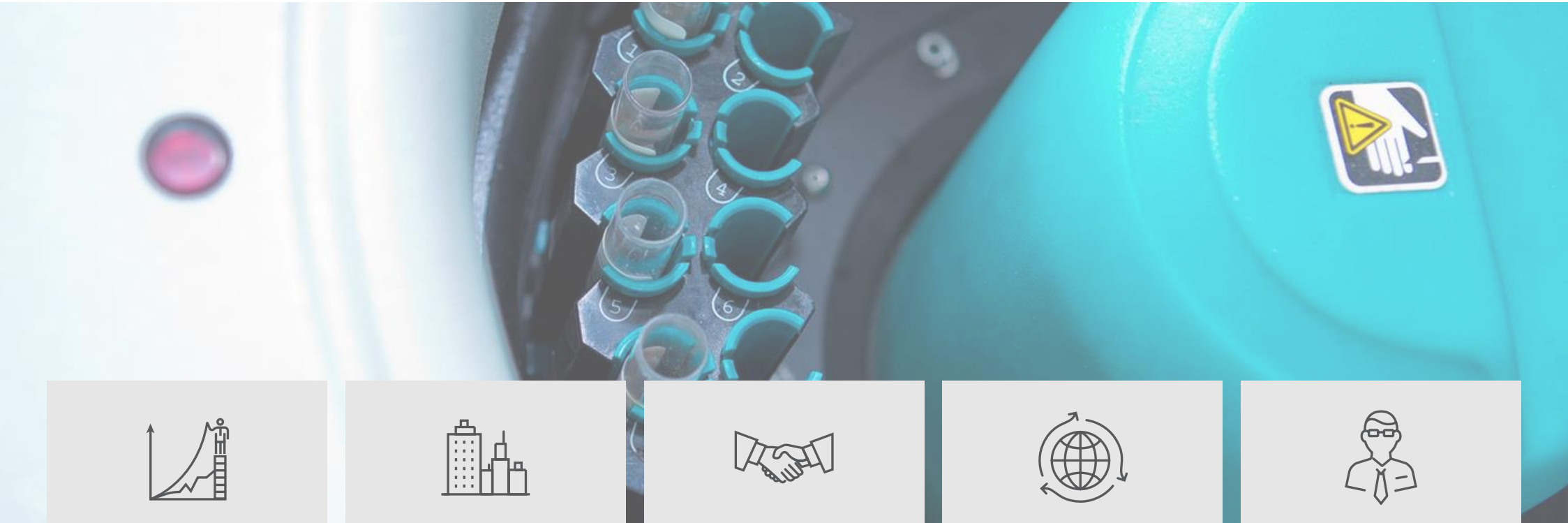
## Heightened Health Consciousness

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



# Favorable Industry Dynamics

IDH's markets are characterised by high barriers to entry



## Economies of Scale

IT-enabled platform, critical mass (higher margins), decades of know-how and cutting-edge equipment mitigate against new entrants



## Accreditation of Facilities

Attracting patients requires accredited, high-quality testing capabilities



## Brand & Reputation

Patients are loyal to brands with a long track record for safety and quality



## Market Reach

Fragmented markets necessitate a far-reaching network of branches to serve population effectively



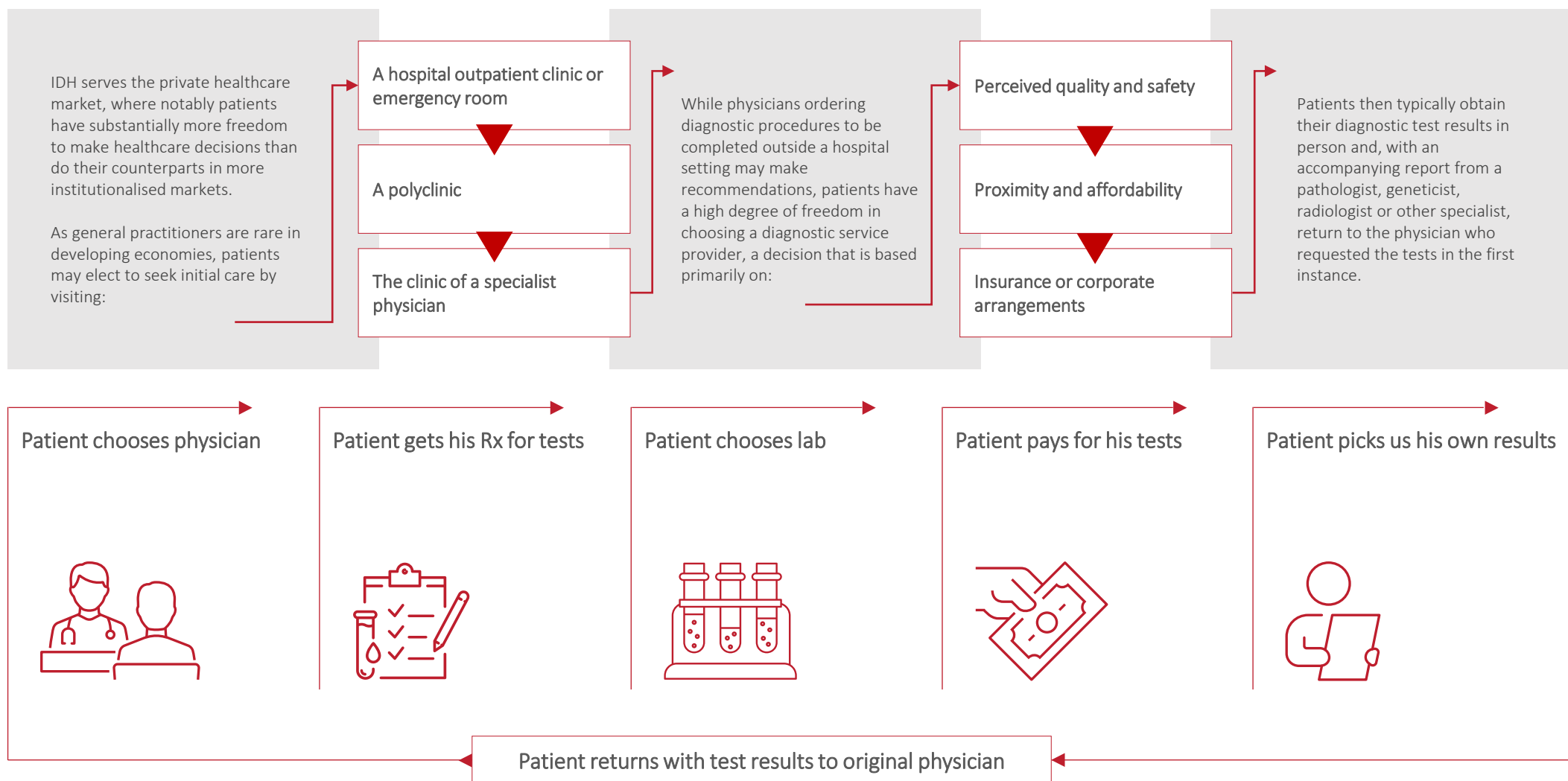
## Key Stakeholder Relationships

Building a scalable platform requires strong relationships with all stakeholders – from key suppliers to the Ministry of Health

# IDH is a Consumer-Facing Service Provider

The mechanics of healthcare markets in developing economies are markedly different from those in many Western healthcare industries

## Private Healthcare Systems in Developing Economies



# Scalable Business Model



# Asset-light Business Model

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"

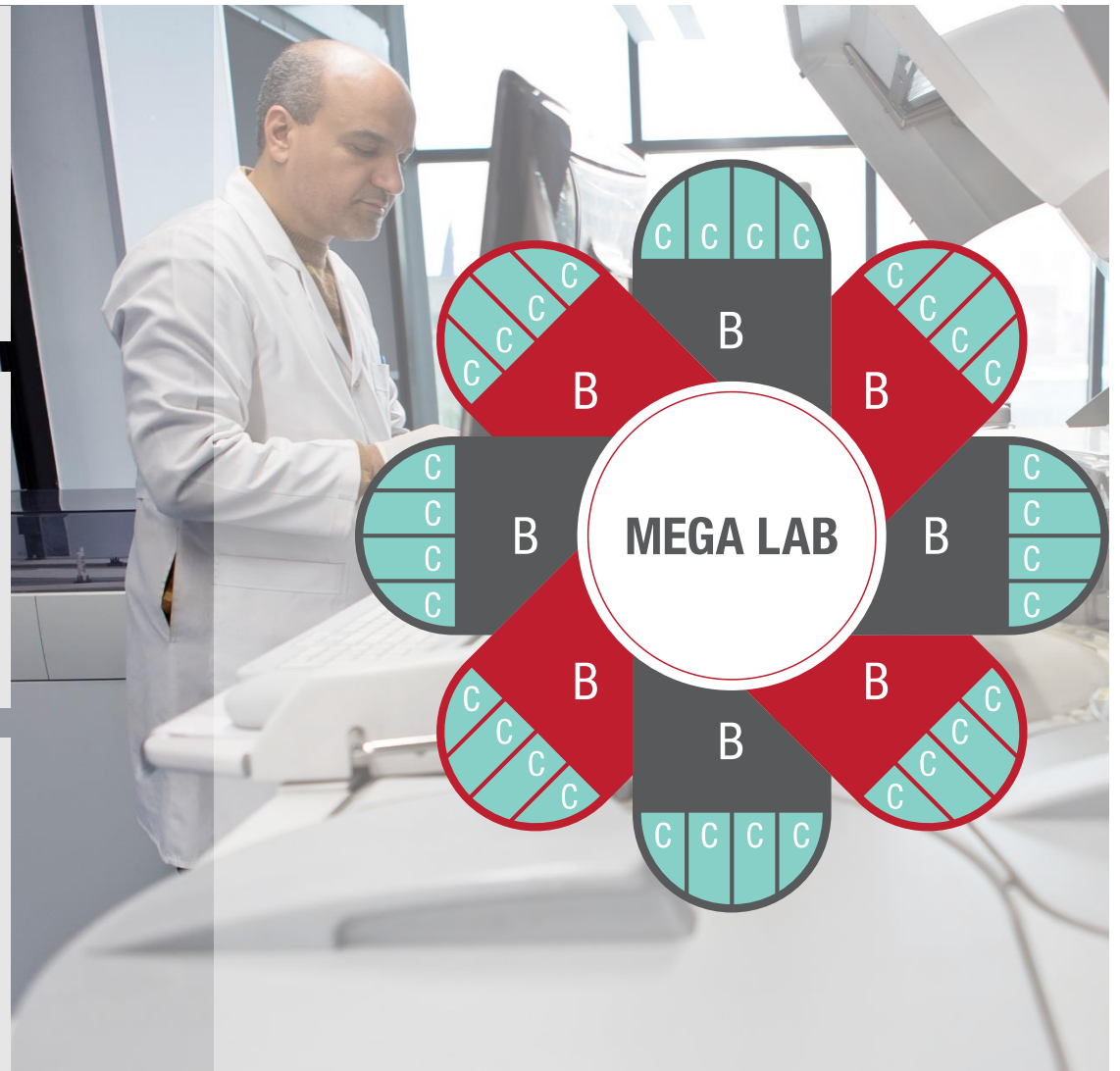
- The Mega Lab, the largest automated lab in Egypt, serves as IDH's diagnostic "Hub," equipped with the latest technology to provide a full suite of diagnostic tests.
- Significant cost synergies are realized on kits, logistics and quality control.

## 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 31 December 2020, there were seven B Labs in Egypt and 20 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 an average of three months to set up.



# Our Mega Lab

IDH's Mega Lab provides a robust platform to support rapid, cost-effective growth

## 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 allow IDH to offer over 2,000 diagnostic tests**, in turn helping to drive IDH's key test-per-patient metric.

## Capacity

- Inauguration of IDH's Mega Lab in 2015 **doubled testing capacity to 20,000 tests per hour**.
- High capacity and capability for a broad range of tests provides IDH the ability to **plug and play for further expansion**.
- IDH's Mega Lab typically operates at just 55% of its maximum capacity leaving **ample room for further growth**.

## Procurement

- Central procurement system ensures **coordinated purchasing across the Group**.
- IDH is in a good position to negotiate **favourable kit prices** and procure additional equipment to enhance capacity if required.
- IDH's centralised procurement model enables the company to **expand its operations in an efficient and cost-effective manner**.

## Quality Control

- IDH **adheres to the highest quality standards**, with safety and testing procedures continuously enhanced.
- The centralisation resulting from Mega Lab allows IDH to maintain a **tight oversight on the quality** of its testing operations.
- IDH's **Mega Lab is the only CAP-accredited facility in Egypt**, demonstrating the excellence of IDH's patient care and confidence in the laboratory's practices.



Only CAP accredited laboratory in Egypt

# Key Supplier Relationships

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

## Dynamics of Supplier Relationships

- IDH engages in re-agent deals whereby the majority of its **testing equipment is provided at no upfront payment** as part of a wider agreement to purchase a minimum volume of kits from the equipment supplier.
- These **contracts typically have tenors ranging from 5 to 7 years**, with the equipment substituted following the contract's renewal.
- 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.
- Supplier relationships **helped protect gross margins despite a >50% devaluation** of the EGP after the November 2016 float.

## INTEGRATED DIAGNOSTICS HOLDINGS

biolab

Alborg  
Laboratories

ECHO  
LAB  
RADIOLOGY &  
LABORATORY  
SERVICES



al mokhtabar  
modernized clinical laboratories

Abbott  
A Promise for Life

Roche

sysmex

SIEMENS

SUPPLIERS

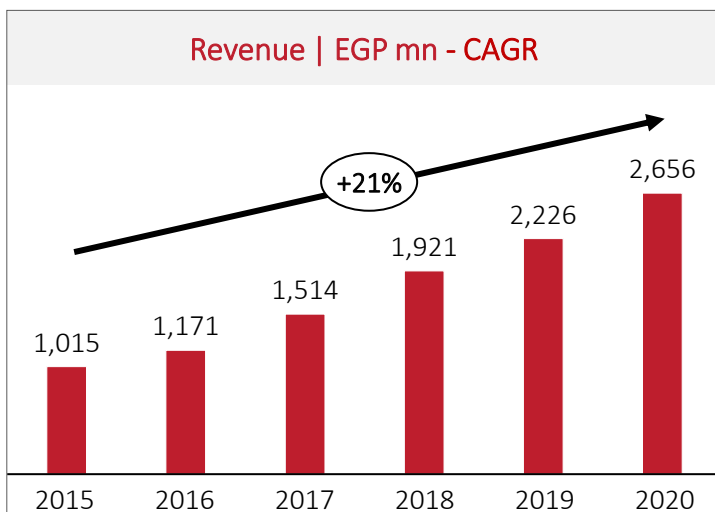
# Strong Growth and Financial Position



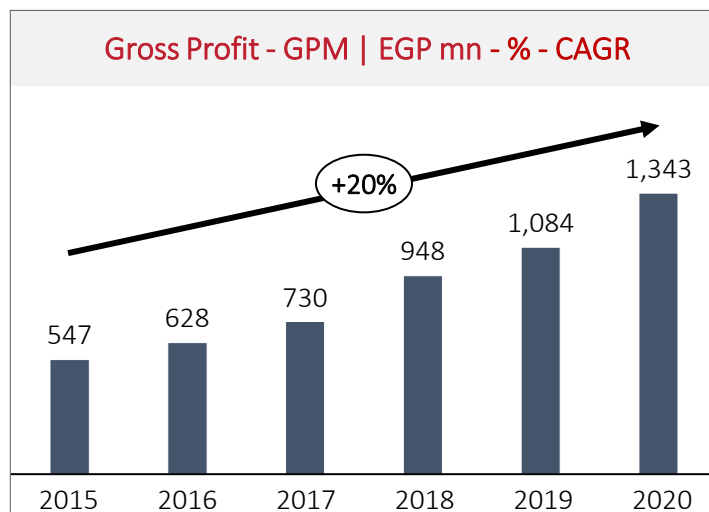
# Key Financial Performance Indicators

Since the Company's IPO on the LSE in 2015, IDH has delivered consistent top- and bottom-line growth supported by a steady increase in volumes and increasingly favourable pricing across the Group's service offering

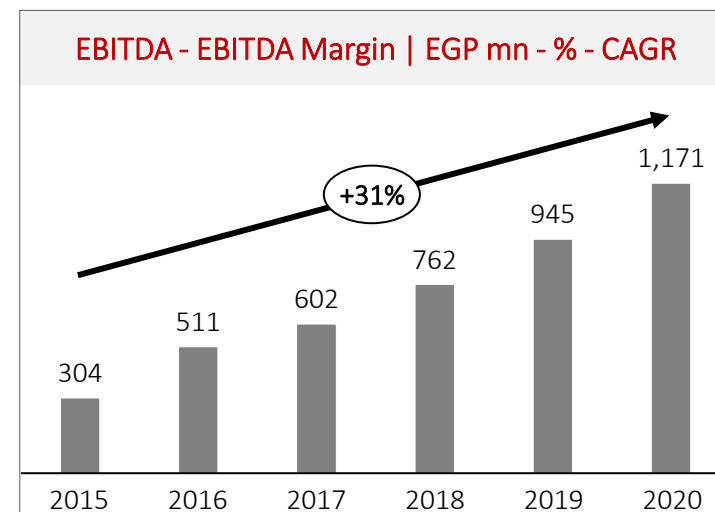
Revenue | EGP mn - CAGR



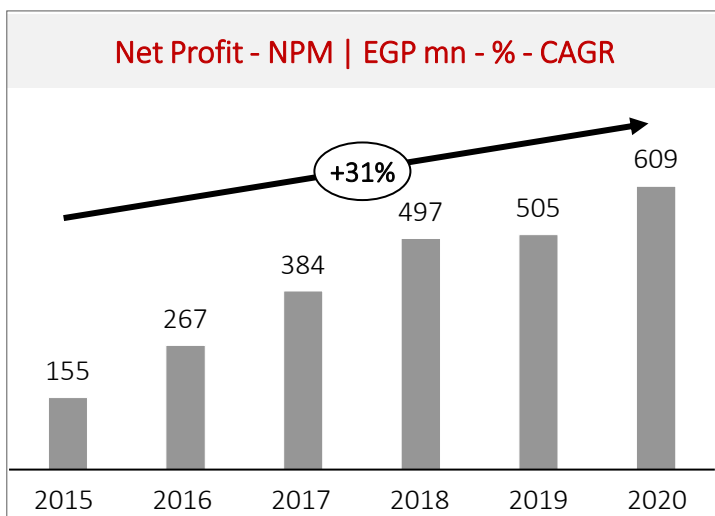
Gross Profit - GPM | EGP mn - % - CAGR



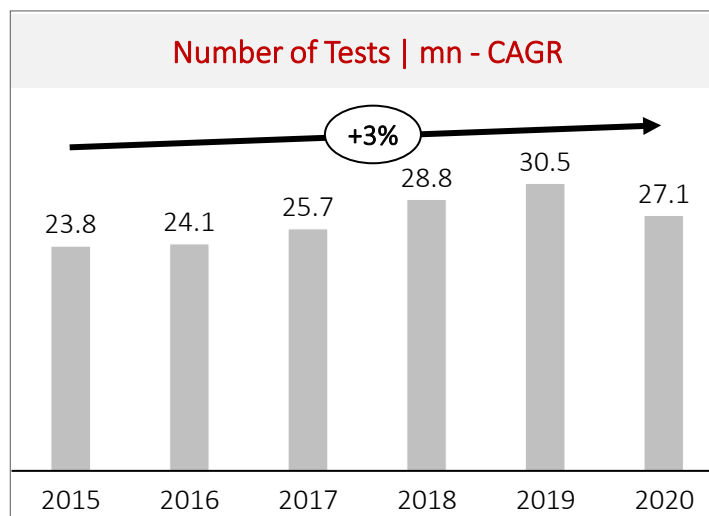
EBITDA - EBITDA Margin | EGP mn - % - CAGR



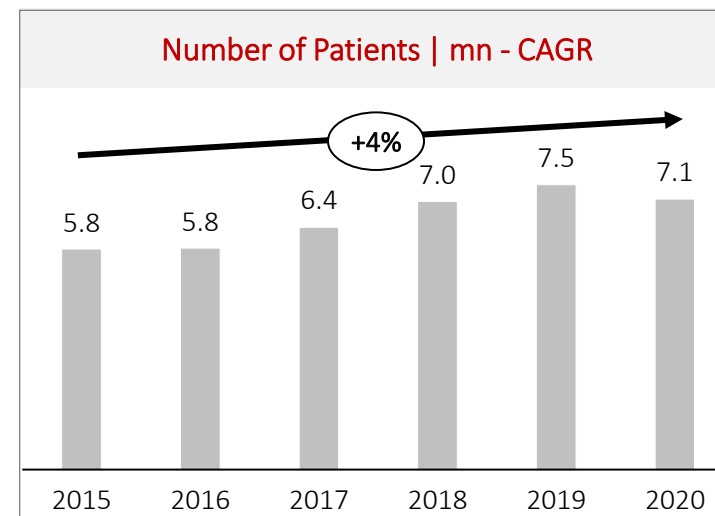
Net Profit - NPM | EGP mn - % - CAGR



Number of Tests | mn - CAGR



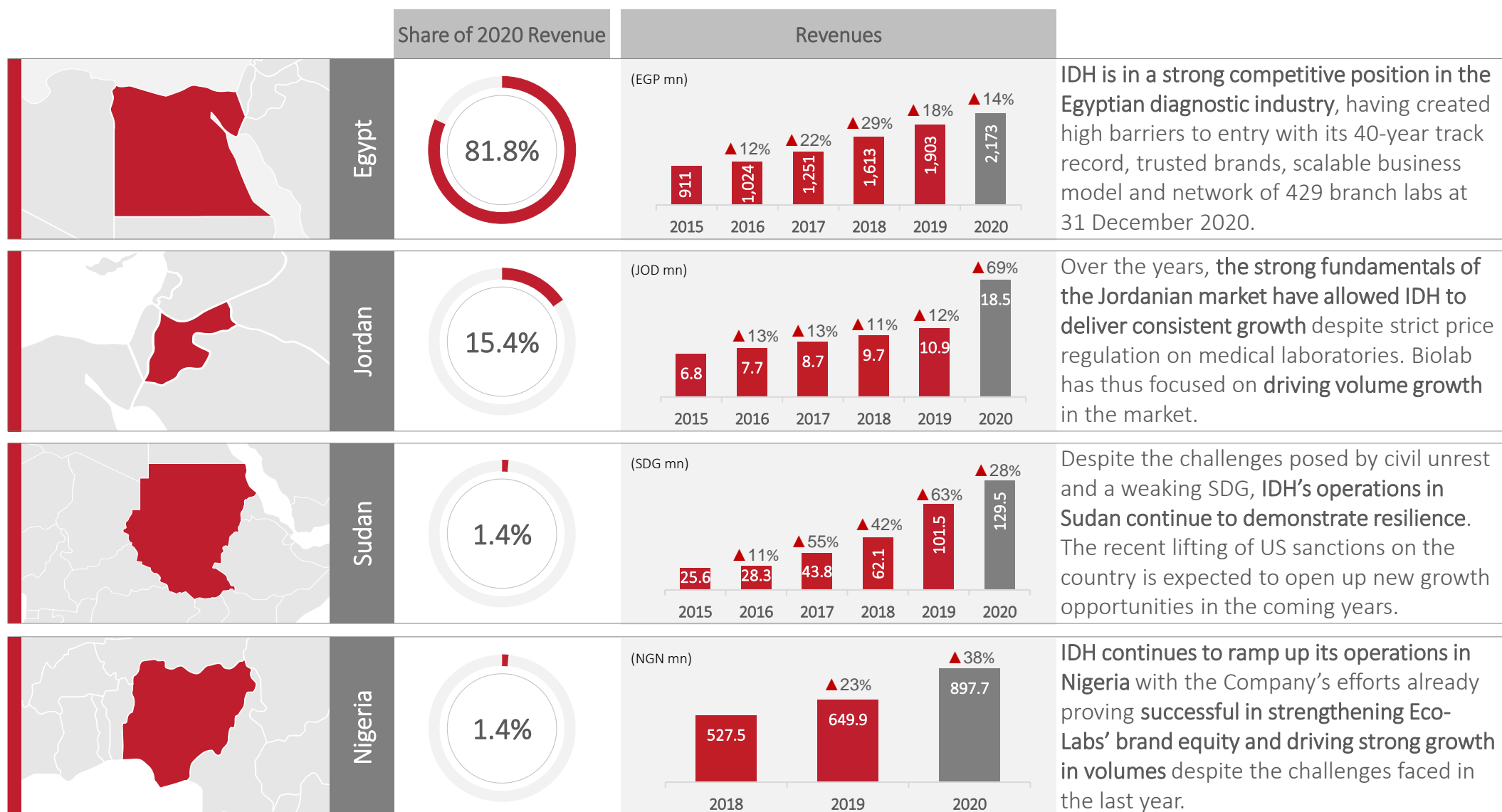
Number of Patients | mn - CAGR



Note: FY19 figures include Wayak & IFRS 16

# Regional Performance

Across its footprint, the Company deploys tailored expansion strategies which enable it to continue driving growth irrespective of the prevailing macroeconomic environment



# Growth Strategies



# Future Growth Strategies

IDH's growth strategies rely on leveraging its competitive advantages to achieve four strategic goals

## Expand Customer Reach

Beyond opening laboratories in new geographies, IDH is reaching out to new customers with focused tactical marketing activities as well as new customer services.

## Increase Tests per Patient

While opening more branches will add both patients and tests, further diversifying the test portfolio in combination with compelling offerings of promotionally-priced test packages will drive the key financial metric of number of tests per patient.

## Expand Geographically

In addition to organic expansion, the Company continues to seek value-accretive acquisitions in African and Middle Eastern markets where its business model is well-suited to capitalise on similar healthcare and consumer trends and capture significant share of fragmented markets.

## Diversify into New Medical Services

The Group also looks to add diagnostic and medical services not currently provided on a large scale, believing its scale and experience position it well to take advantage of developing services opportunities that would raise the IDH profile to that of a "one-stop-shop" provider.

# Expanding Customer Reach – IDH Awareness Campaigns

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

<p>IDH's PCR Offers and Campaigns</p>	 <p>صحتك وصحتهم بالدنيا..</p> <p>Discounts on PCR testing for Covid-19</p> <p>خصم يصل إلى ٢٥٪ على PCR و باقة عدوى فيروس كورونا للأهل و الأصحاب</p> <p>المختبر حب نفسك   19014</p>	 <p>مسافر ومحتاج تعمل تحليل PCR؟</p> <p>PCR testing for Covid-19 for people traveling</p> <p>بالتأكيد..   19911 alborlab.com</p> <p>معامل البرج</p>
<p>IDH Disease Awareness and Discount Campaigns</p>	 <p>خلي بالك من معدتك!</p> <p>20% خصم</p> <p>20% discounts on food poisoning tests</p> <p>المختبر 19014</p>	 <p>الأنيميا والحمل</p> <p>Campaign to increase awareness on the dangers of anemia during pregnancy</p> <p>بالتأكيد..   19911 alborlab.com</p> <p>معامل البرج</p>

# Expanding Customer Reach – State-sponsored Initiatives

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

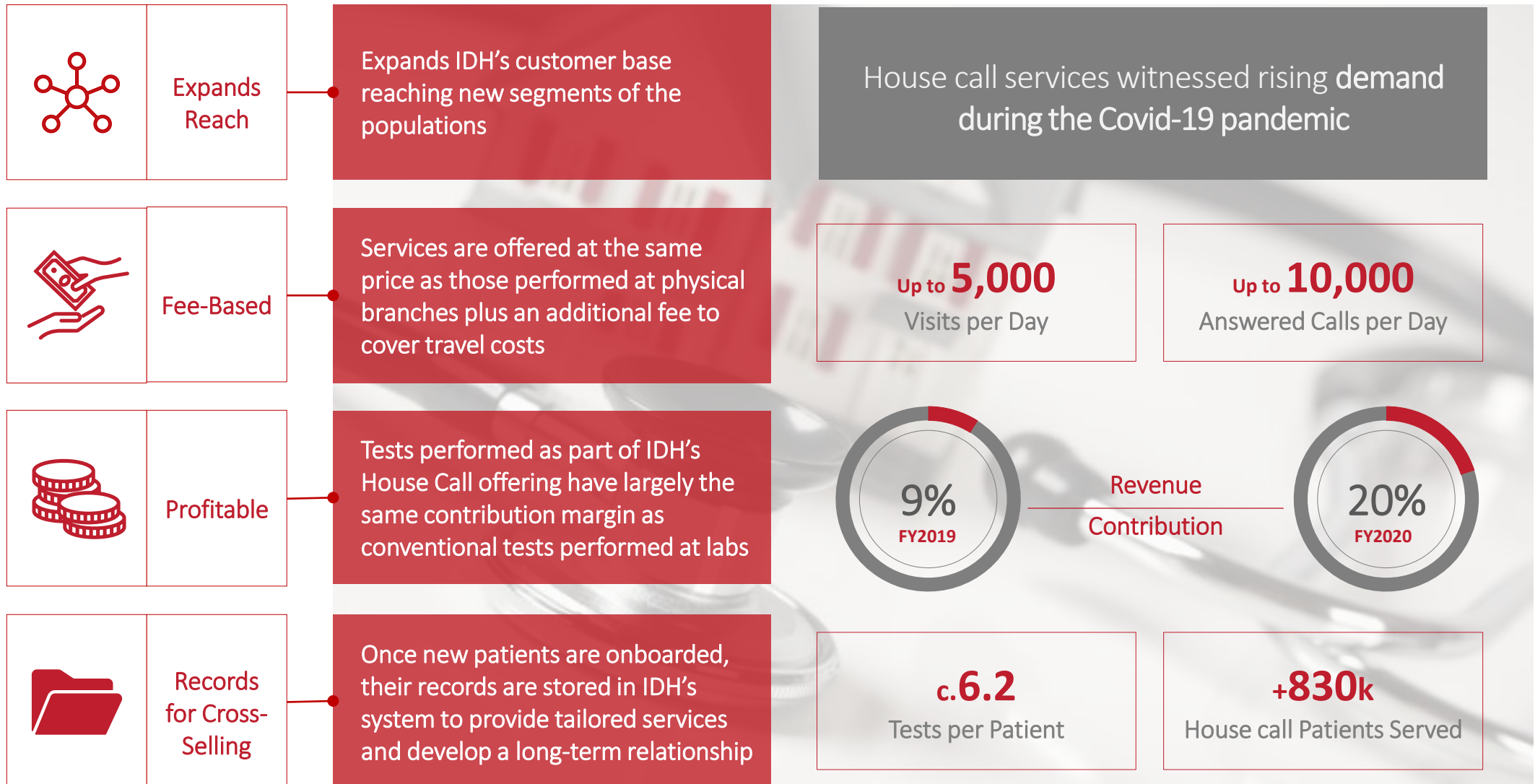
Free for citizens

### Average Revenue per Test

EGP 19

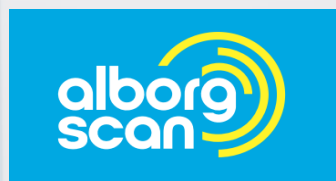
# Expand Customer Reach – House Call Services

IDH's house call services, offered in both Egypt and Jordan, enable the Company to provide its services to patients' doorstep at the touch of a screen



# Diversifying Service Offering – Al Borg Scan Expansion Updates

In February 2020, operations commenced at Al Borg Scan's second branch in Cairo. The Group is actively working towards obtaining ACR (American College of Radiology) accreditation for Al Borg Scan's branches, a process it expects to conclude by next year. In parallel, Al Borg Scan's third branch is expected to come online in the third quarter of 2021.



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 25.0 mn**

FY2020 Revenue

**EGP 4.8 mn**

FY2020 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 third quarter of 2021.

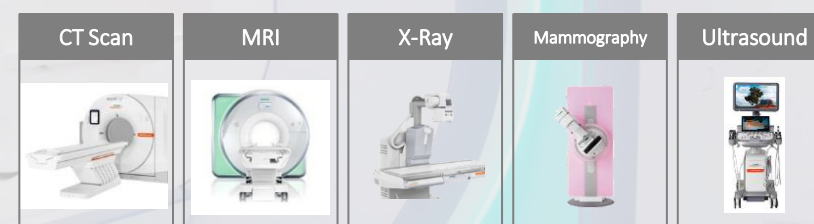
## Alborg Scan Overview

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

### Technology Providers



### Key Services



**45.8 thousand**

Tests performed in FY2020 (+69% y-o-y)

**EGP 546**

FY2020 Revenue per test (+4% y-o-y)

**36.3 thousand**

Patients served in FY2020 (+88% y-o-y)

**EGP 690**

FY2020 Revenue per patient (-6% y-o-y)

# Diversifying Service Offering – 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



Online consultations with 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

# Growing Geographic Footprint– Investment Rationale

IDH's regional expansion strategy targets acquisitions in African, Middle Eastern and Asian markets where it can deploy its proven business model and generate accretive value



Growing economies and strong demographics



Similar healthcare market structure to IDH's existing markets – no general practitioner and consumer-facing



Countries with stable regulatory environment



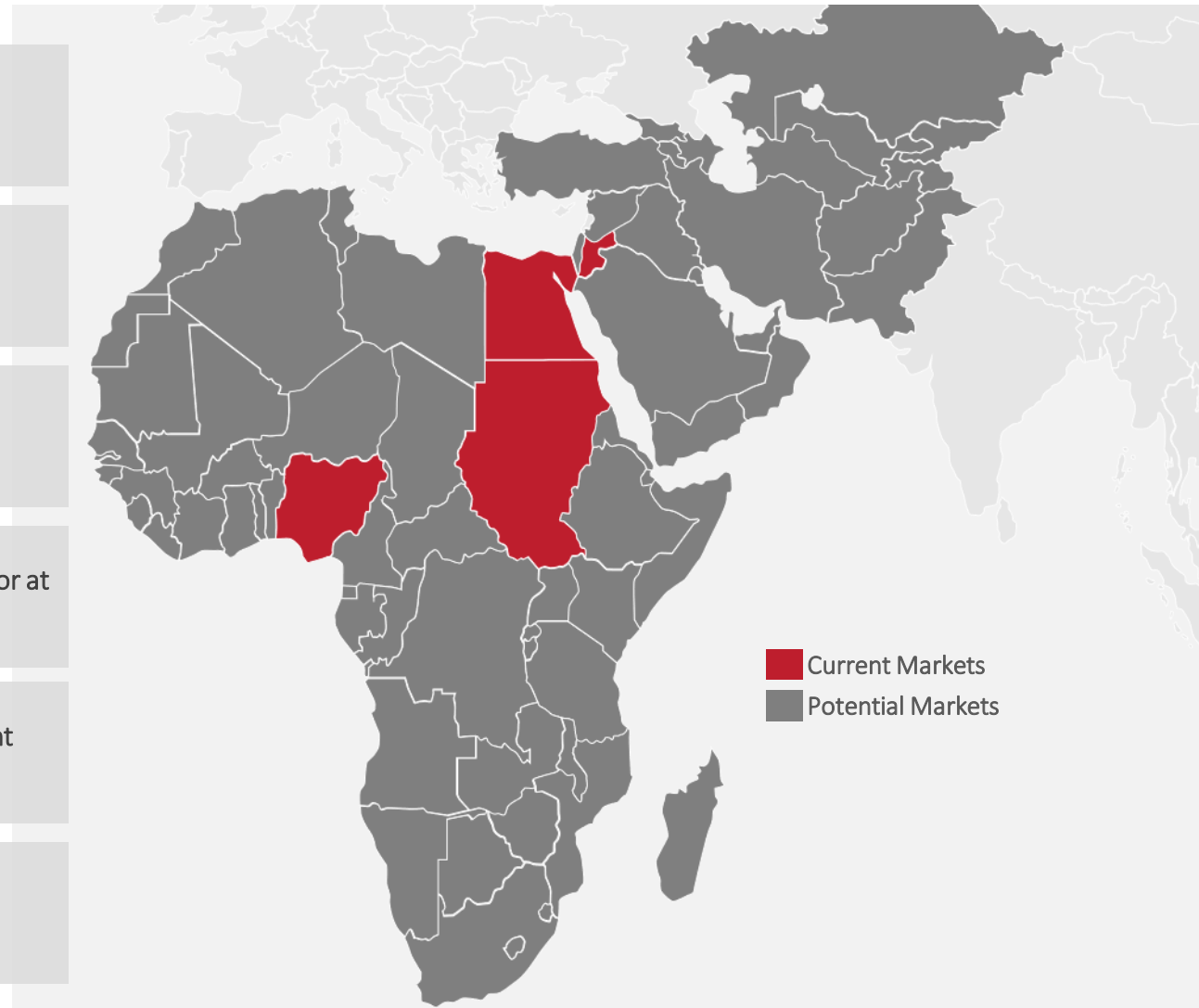
Acquisition targets must have been profitable for at least two to three years



Well-run companies with qualified management team able to deliver on strategy



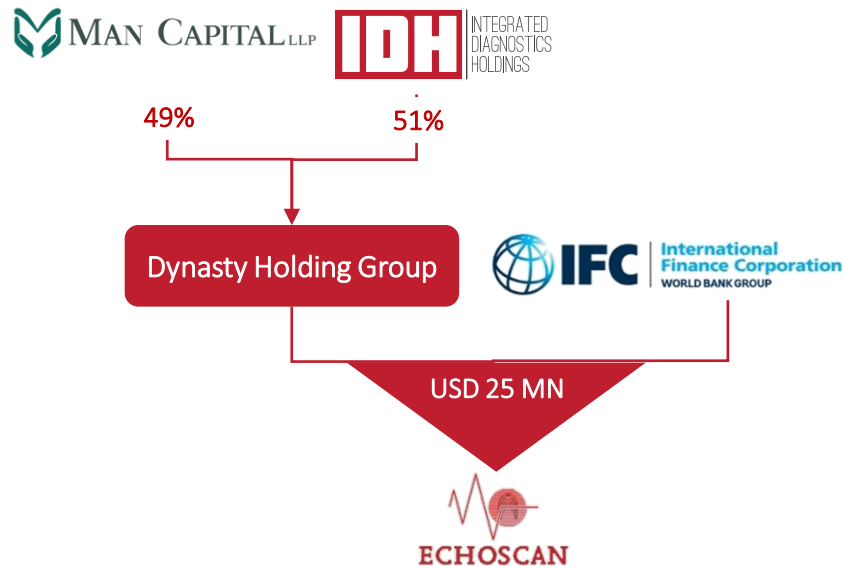
Targeting majority stakes



# Growing Geographic Footprint – 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. The Group's Nigerian operations saw EBITDA losses narrowed significantly to EGP 7 million in FY 2020 on the back of strong revenue growth for the year.

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 9.2 mn**

Invested by Dynasty in  
FY2018 + FY2019

**USD 2.2 mn**

Invested by Dynasty in  
9M2020

**USD 11.4 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. In parallel, the Group is actively seeking to optimise its offering, pushing its radiology and pathology services.

## 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



# Strong Leadership & Governance



البرج  
وطملمهم

برامج  
الفحص  
المعمل  
الشاملة

البرج  
Alborg

دقة نظمتك

19911  
alborghab.com

f y t

# 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 Bletso**<sup>1</sup>  
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. Hend has been IDH Group's Chief Executive Officer since 2012 and prior to that served as the CEO of Al Mokhtabar between 2004 and 2012. She received her MBBCh and her Master's degree in Clinical & Chemical Pathology from Cairo University in the early 1990s, and also holds a Master's degree in Public Health from Emory University in Atlanta. Dr. Hend completed her PhD in Immunology from Cairo University in 2000, where she is also a professor of clinical pathology at the university's Faculty of Medicine. She sits on the Board of American Society of Clinical Pathology (Egypt) and consults on the international certification process. Dr. Hend completed an Executive MBA from the London Business School in 2015 and was featured as Forbes most powerful women between 2016 and 2021.



**Hussein Choucri**<sup>1,2,3,4</sup>  
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**<sup>2,3,4</sup>  
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., Navteq 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**<sup>1,2,3</sup>  
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.

<sup>1</sup> Nomination Committee, <sup>2</sup> Remuneration Committee, <sup>3</sup> Audit Committee, <sup>4</sup> M&A Committee

# Governance

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

# 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

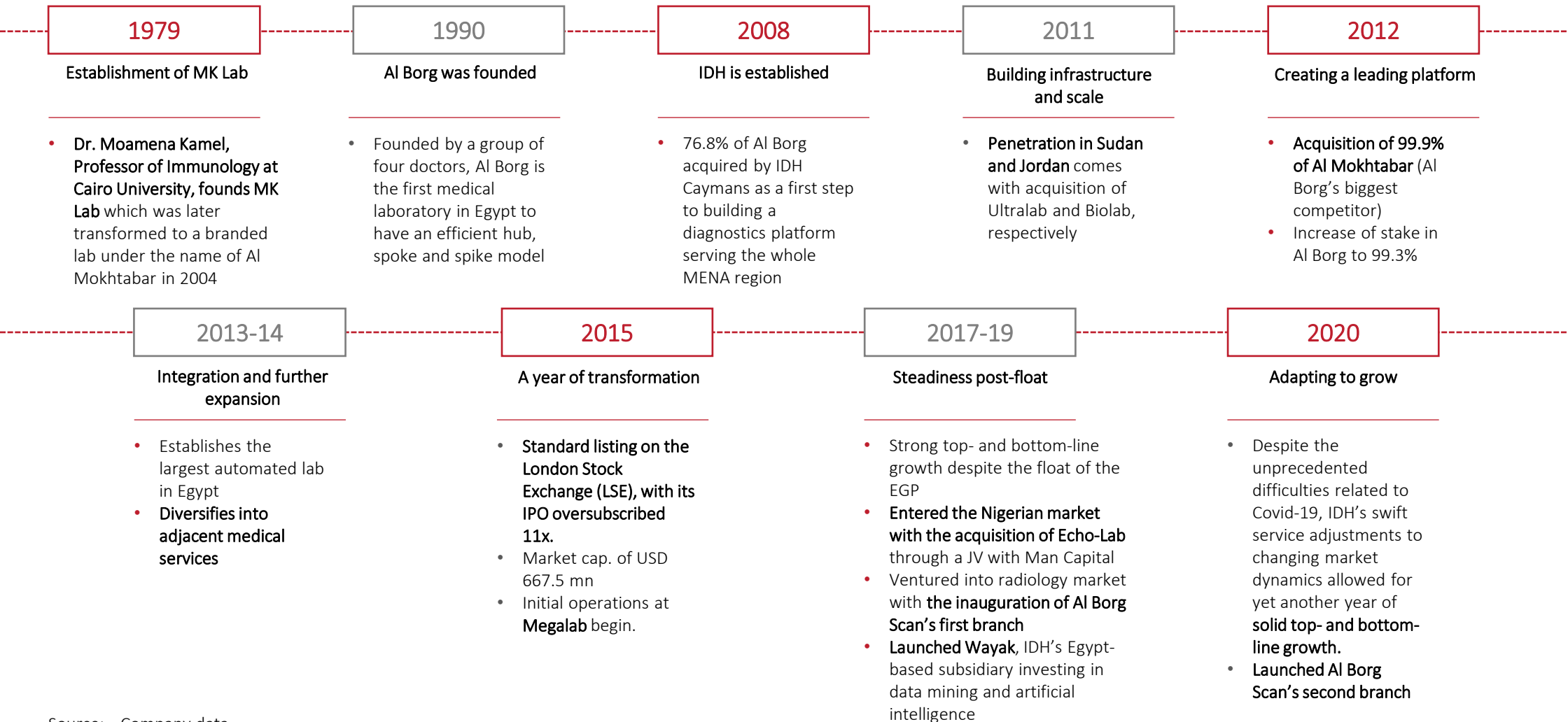
- Services to Kasr El Aini Hospital
  - Providing medical supplies to ICU and other units
  - Providing monthly incentives for nurses at the ICU
  - Provided 12-20 beds
- Providing finance and in-kind support to El Manial Hospital
- Financial and in-kind support to Egyptians during natural disasters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

# Appendix



# IDH Development Story

Over 40 years of industry experience, complemented by strategic expansion to develop a strong market position across products and geographies. Today IDH has built a **scalable platform that is positioned for further strong growth**



Source: Company data

# 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.

