

Important Notice: Treatment of Revenue Sharing Agreements and Use of Alternative Performance Measures
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 kicks off 2022 delivering a strong first quarter in line with last year’s performance, supported by sustained growth in conventional business

8 June 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 quarter ended 31 March 2022, recording revenue of EGP 1,180 million, up 5% compared to the same three months of last year. The Group’s top-line was supported by a sustained expansion in conventional revenues, which recorded EGP 640 million in Q1 2022, standing well above the Group’s pre-Covid-19 levels. Net profit recorded EGP 314 million for the three-month period, down 8% from Q1 2021, with an associated margin of 27%, well above the Group’s historical averages.

During the Company’s annual general meeting (AGM) held in London on 7 June 2022, IDH’s shareholders approved a record-breaking dividend distribution of EGP 2.17 per share, or EGP 1.3 billion (US\$ 69.5 million¹) in aggregate, to shareholders in respect of the financial year ended 31 December 2021. This represents a remarkable increase compared to a final dividend of US\$ 29.1 million distributed for the previous financial year, continuing to demonstrate the business’ strong cash-generating abilities and management’s unwavering confidence in IDH’s future growth potential and in the solid fundamentals of its industry.

Financial Results

EGP mn	Q1 2021	Q1 2022	Change
Revenues	1,130	1,180	5%
Cost of Sales	(491)	(649)	32%
Gross Profit	638	532	-17%
Gross Profit Margin	57%	45%	-11 pts
Operating Profit	548	396	-28%
EBITDA²	600	468	-22%
EBITDA Margin	53%	40%	-13 pts
Net Profit	342	314	-8%
Net Profit Margin	30%	27%	-4 pts
Cash Balance	1,324	2,659	101%

¹ Calculated on USD/EGP exchange rate of 18.70/1 as of 7 June 2022.

² EBITDA is calculated as operating profit plus depreciation and amortization.

Commenting on the Group's performance for the first three months of 2022, IDH chief Executive Officer Dr. Hend El-Sherbini said: "I am happy to report that IDH witnessed a strong start to 2022, as we continued to drive steady growth in our conventional business while effectively catering to the needs of Covid-19 patients during the wave of new infections recorded in Egypt during the first part of the quarter. More specifically, during Q1 2022, IDH recorded net sales in excess of EGP 1.1 billion, largely unchanged from last year's first quarter. The remarkable performance was primarily supported by the steady growth of our conventional business, which offset a decline in Covid-19-related revenues during the period. In fact, our conventional net sales expanded a solid 8% versus last year supported by growing demand for our services, with conventional tests performed increasing 5% versus Q1 2021. This outweighed an 11% year-on-year decline in Covid-19-related revenues which came on the back of a large fall in the average price per Covid-19-related test versus last year coupled with a significant decline in demand during the month of March as infection rates fell sharply."

Throughout the quarter, IDH continued to witness solid growth in both patients served and tests performed. More specifically, in Q1 2022, the Company served 2.6 million patients, up 12% year-on-year, and performed 8.4 million tests, up 4% from the same three months of last year. Growing volumes continue to be the direct result of IDH's expansion strategy which has seen the Group complete the roll out of 20 additional branches since the start of 2022 and continue to run targeted marketing campaigns aimed at strengthening its visibility.

Looking at the Group's geographies in more detail, across both Egypt and Jordan conventional business continued to grow steadily with net sales expanding 8% and 4% versus Q1 2021, respectively. In Egypt, this was supported by a solid 7% year-on-year rise in conventional tests performed as IDH continued to leverage its growing footprint and visibility, and expanded service offering to capture a leading share of demand. Meanwhile in Jordan, Covid-19-related revenues continued growing, coming in 20% above last year's figure, in part boosted by our multiple revenue-sharing agreements to perform PCR testing for international passengers. Combined with the steady growth of our conventional offering in the country, this saw Biolab report a solid 14% year-on-year increase in net sales³, contributing to a record 19% of consolidated net sales for the three-month period. In Nigeria, Echo-lab continued to report solid year-on-year growth, with revenues expanding 19% versus last year's first quarter partially supported by growing demand for Echo-lab's radiology offering. Finally, in Sudan results continue to be impacted by the sharp devaluation of the Sudanese Pound in February 2021. However, thanks to management's efforts to raise prices in pace with inflation, revenue in local currency terms expanded 149% year-on-year. It is important to mention that despite the challenging operating environment and heightened uncertainty faced in the country, operations across all branches are continuing without major interruptions.

Further down the income statement, the Group reported solid margins at all levels of profitability. Gross profit and EBITDA margins on net sales recorded 48% and 42% for the first three months of the year, both standing in line with IDH's historical averages. Meanwhile, net profit margin on net sales recorded 28% for the quarter, well above the Group's pre-pandemic averages.⁴

³ Revenue (IFRS compliant) stood at EGP 281 million, up 48% year-on-year.

⁴ Gross profit margin on revenues recorded 45% in Q1 2022, EBITDA margin on revenue recorded 40% in Q1 2022, and net profit margin on revenues recorded 27% for the quarter.

“We entered 2022 with a clear and ambitious strategy aimed at driving new, sustainable growth across our operations and guarantee continued value creation as we transition in a post-Covid-19 reality. At the three-month mark, I am very pleased with the progress made across all fronts in particular in our home market of Egypt and in Jordan. Looking ahead, we remain committed to delivering exceptional value to our patients, shareholders, and wider communities, and drive solid growth across our business. We are without a doubt faced with difficult operating conditions both globally and in our home market of Egypt. Despite this, we are confident that our proven track record in navigating similar turbulent times and the strong mitigation frameworks we have in place provide abundant protection across our operations. Thanks to our proactive inventory build-up and sourcing strategy we are facing no issues in securing raw materials and continue to hold sufficient inventories to cover three months of operations, in line with our standard operating policy. Going forward, we will continue to leverage our long-lasting relationships with test kit providers to secure additional stock at competitive prices, shielding our business from the impacts of rising inflation and the EGP devaluation,” **El-Sherbini added.**

“In recent weeks, following the expected slowdown related to the holy month of Ramadan and the Eid holiday, we have witnessed a very promising trend in patient traffic at our branches as the lingering effects on Covid-19 on patient behaviour continue to fade. We expect this rapid normalisation of patient flow to support the steady growth of our conventional business, further boosting our optimism for the remainder of 2022. In light of this, we are revising our full-year guidance, with the Company now on track to deliver conventional revenue year-on-year growth of at least 18% to 20%. These revised estimates, which assume no additional contributions from our Covid-19-related offering, further highlight our confidence in the business’ potential going forward,” **El-Sherbini concluded.**

IDH’s full Q1 2022 earnings release for the three-month period ended 31 March 2022 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 520 branches as of 31 March 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.

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Forward-Looking Statements

These results for the three-month period ended 31 March 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.