

## Integrated Diagnostics Holdings plc kicks off 2024 with robust results, posting 28% revenue growth

30 May 2024

(Cairo and London) — Integrated Diagnostics Holdings (“IDH,” “the Group,” or “the Company”), a leading provider of diagnostic services with operations in Egypt, Jordan, Nigeria, Sudan and Saudi Arabia, announced today its reviewed financial statements for the quarter ended 31 March 2024, booking revenues of EGP 1,171 million, up 28% year-on-year. Revenue growth continued to be supported by increased test volumes and higher average revenues per test. Further down the income statement, IDH’s cost optimization initiatives resulted in improved profitability at all levels. During the quarter, the Group posted EBITDA of EGP 330 million, up 45% year-on-year and yielding an EBITDA margin of 28%. Meanwhile, the Company recorded net profit growth of 139% year-on-year to reach EGP 402 million, and yielding a net profit margin (NPM) of 34%.

### Financial Results (IFRS)

EGP mn	Q1 2023	Q1 2024	Change
<b>Revenues</b>	<b>915</b>	<b>1,171</b>	<b>28%</b>
Cost of Sales	(591)	(742)	26%
<b>Gross Profit</b>	<b>325</b>	<b>428</b>	<b>32%</b>
<i>Gross Profit Margin</i>	35.5%	36.6%	1.1 pts
Operating Profit	129	220	71%
<b>EBITDA<sup>1</sup></b>	<b>227</b>	<b>330</b>	<b>45%</b>
<i>EBITDA Margin</i>	24.8%	28.2%	3.4 pts
<b>Net Profit</b>	<b>168</b>	<b>402</b>	<b>139%</b>
<i>Net Profit Margin</i>	18.4%	34.3%	15.9 pts
<b>Adjusted Net Profit<sup>2</sup></b>	<b>59</b>	<b>100</b>	<b>70%</b>
<i>Adjusted Net Profit Margin</i>	6.5%	8.6%	2.1 pts
<b>Cash Balance<sup>3</sup></b>	<b>813</b>	<b>944</b>	<b>16%</b>

**Commenting on the Group’s performance, IDH Chief Executive Officer Dr. Hend El-Sherbini said:** “Reflecting back on the first quarter of 2024, I am pleased to report yet another robust set of results which have seen us deliver solid consolidated top-line expansion and improved profitability at all levels. This sustained growth trend continues to showcase the adaptability of IDH’s business model in the face of economic and political challenges across our geographies and the potential of our business going forward.”

IDH recorded a strong start to 2024, posting revenues of EGP 1,171 million, a 28% year-on-year increase. Top-line expansion was supported by higher test volumes, which grew 8% year-on-year to reach 8.7 million tests, as well as increased average revenues per test, which recorded EGP 135, an 18% year-on-year rise. Higher average revenues per test continued to reflect the strategic price increases implemented across Egyptian and Nigerian operations to counteract mounting inflationary pressures in the geographies.

On a geographic basis, IDH’s home and largest market, Egypt (84.5% of Group revenue), sustained the growth trend recorded started during the second half of 2023, posting robust year-on-year revenue growth of 35% to reach EGP 989 million in Q1 2024. Growth in the country was driven by a 10% increase in test volumes as well as a 23% year-on-year growth in average revenue per test, as IDH continued to

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

<sup>2</sup> Adjusted net profit excludes foreign exchange gains from both periods. Foreign exchange gains amounted to EGP 301 million in Q1 2024 and EGP 109 million in Q1 2023

<sup>3</sup> Cash balance includes time deposits, treasury bills, current accounts, and cash on hand.

implement strategic price increases in the country. IDH's fast-growing radiology venture in Egypt, Al-Borg Scan, also maintained its rapid expansion into the first three months of the year, booking 81% year-on-year revenue growth and expanding its contribution to Egyptian results. During the quarter, Al-Borg Scan constituted 5.1% of Egypt's revenues, up from just 3.8% one year prior.

IDH's second largest market, Jordan (14.1% of Group revenue), booked revenues of JOD 3.2 million in Q1 2024, down 4% year-on-year. Declined revenues in the region were primarily driven by lower test volumes, which stood at 566 thousand tests during the period, a 3% year-on-year decline. Lower test volumes reflected the ongoing geopolitical situation in the region, with the most recent escalation in Gaza weighing down on international medical tourism to the country. In EGP terms, Jordanian operations booked a 14% year-on-year increase, booking EGP 165 million in Q1 2024. Higher revenues in EGP terms reflected an 18% year-on-year increase in average revenue per test, due to the translation effect from the devaluation of the Egyptian Pound over the past 12-month period.

Meanwhile, Echo-Lab, IDH's Nigerian subsidiary (1.3% of Group revenue), posted a 29% year-on-year increase in revenues in NGN terms during the first quarter of 2024, reaching NGN 602 million. Higher revenues in local currency terms were entirely driven by a 65% year-on-year increase in average revenues per test, which stood at NGN 11 thousand during Q1 2024. Meanwhile, test volumes were down 22% year-on-year compared to the same three-month period of 2023, recording 56 thousand tests due to the ongoing economic volatility in the country affecting patient purchasing power.

"I am delighted to announce that operations in Saudi Arabia officially commenced during Q1 2024, with the rollout of two new branches in the Kingdom's capital, Riyadh. The geography, characterized by a young and growing population and by a fragmented diagnostics market, provides the perfect ingredients for our proven business model to succeed, and we are confident that KSA will quickly become an integral market of operation for IDH. During the quarter, as part of our multi-pronged go-to-market strategy we focused on building our brand presence through targeted marketing campaigns across a variety of mediums. These included outdoor advertising, social media campaigns, sponsorship of community events, as well as partnering with several local healthcare providers to increase brand awareness for Biolab KSA. By the end of 2024, we plan to inaugurate an additional four branches in the Kingdom and aim to capture a market share of 1% as we steadily expand our reach and widen our patient base," **El-Sherbini added.**

In its inaugural quarter, Biolab KSA (0.1% of Group revenue) posted revenues of SAR 58 thousand, performing 2 thousand tests and booking an average revenue per test of SAR 24. In EGP terms, Saudi operations yielded revenues of EGP 677 thousand with average revenues per test amounting to EGP 285 during Q1 2024.

Finally, due to the ongoing situation in Sudan, which started with the eruption of violent conflict in April 2023, IDH has decided to halt all operations in the country starting in Q1 2024. All 18 of IDH's branches in the country have now been indefinitely shut down.

Turning to profitability, IDH's strong consolidated top-line growth, coupled with the success of its initiatives to optimize costs and streamline operations, resulted in margin improvement throughout the entire income statement. IDH booked gross profit of EGP 428 million during Q1 2024, up 32% year-on-year and yielding a gross profit margin of 37% versus 35% one year prior. Increased gross profitability during the quarter reflected the decline in the Group's cost of goods sold as a share of revenues, with depreciation and direct salary expenses, specifically, recording smaller shares of the Company's revenues as IDH utilized its fixed assets and optimized its headcount throughout the three-month period.

In parallel, IDH booked an EBITDA of EGP 330 million in Q1 2024, a 45% year-on-year increase reflecting the continued normalisation of costs throughout the past 12 months. In parallel, the EBITDA margin stood



at 28% up from 25% in Q1 2023. It is important to note that EBITDA has been partially weighed down due to the recent ramp-up of operations in IDH's newest geography, Saudi Arabia. Accounting for Saudi operations, IDH would have recorded an EBITDA of EGP 352 million and yielded a margin of 30% during the quarter.

Further down the income statement, IDH booked a net profit of EGP 402 million in Q1 2024, a 139% year-on-year increase due to the substantial increase in foreign exchange gain from intercompany transactions. Meanwhile, the Company's Net Profit Margin (NPM) came in at 34% compared to 18% in Q1 2023. Even when accounting for contributions from foreign exchange gains during both periods, IDH booked an adjusted net profit of EGP 100 million in Q1 2024, growing 70% year-on-year from EGP 59 million during the same quarter of last year. The Company's adjusted net profit margin stood at 9% during the quarter, up from 6% in Q1 2023.

"In light of the strong results posted during the first quarter of the year, the economic recovery we are witnessing in our home market, and the positive policies set forth by the Egyptian government and central bank, we reaffirm our guidance of approximately 30% revenue growth in FY 2024. In terms of profitability, we expect to record an EBITDA margin around 30% during the year, excluding results from our newly inaugurated venture in Saudi Arabia and non-recurring expenses." **El-Sherbini concluded.**

IDH's full Q1 2024 earnings release for the quarter ended 31 March 2024 is available at [idhcorp.com](https://idhcorp.com).

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### About Integrated Diagnostics Holdings (IDH)

IDH is a leading diagnostics services provider in the Middle East and Africa offering a broad range of clinical pathology and radiology tests to patients in Egypt, Jordan, Nigeria, Sudan, and Saudi Arabia. The Group's core brands include Al Borg, Al Borg Scan and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Echo-Lab (Nigeria), Ultralab and Al Mokhtabar Sudan (both in Sudan), and Biolab KSA (Saudi Arabia). With over 40 years of experience, 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 3,000 diagnostics tests. From its base of 601 branches as of 31 December 2023, IDH served over 8.5 million patients and performed more than 36.1 million tests in 2023. 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 targets expansion in appealing markets, including acquisitions in the 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](http://idhcorp.com).

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### Forward-Looking Statements

These results for the quarter ended 31 March 2024 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.