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Integrated Diagnostics Holdings PLC

22 November 2017

For the purpose of the Transparency Directive the Home Member state of the issuer is the United Kingdom.

Integrated Diagnostics Holdings Plc

9M2017 Results Update

London, 22 November
2017

Integrated Diagnostics Holdings Plc Update on 9M2017 Results

(London) Integrated Diagnostics Holdings ("IDH" or "the Group"), IDHC on the London Stock Exchange, the largest fully integrated private-sector provider of medical diagnostics services in Egypt, Jordan and Sudan, released today unaudited highlights of its financial and operational performance in the first nine months of 2017, reporting unaudited net profit of EGP 283 million on total unaudited revenues of EGP 1,101 million.¹ Unaudited EBITDA stood at EGP 437 million in 9M2017, representing period-on-period growth of 15% compared with a year earlier.

IDH Chief Executive Officer Dr. Hend El-Sherbini said:

"I am very pleased to report that our unaudited 9M2017 results point toward the close of another strong operational and financial year for the Group. Our revenues increased 30% for the first nine months of the year, which included a 41% revenue gain in 3Q2017. It is noteworthy that these results reflected top-line strength post-Ramadan, as revenues and patient volumes accelerated meaningfully in the months that followed the holy month and subsequent holiday feast.

"The Company was able to deliver EBITDA growth of 15% in 9M2017, despite the continued EBITDA margin pressure primarily due to higher raw material costs. Nevertheless, the pressure in 9M2017 (which saw the EBITDA margin at 40% versus 45% in 9M2016) was less pronounced than in recent past periods. This was helped by a stronger EBITDA performance

in the third quarter, with EBITDA growing at 34% and EBITDA margin at 44% versus 46% a year earlier.

"We continued to expand our geographic footprint in the period with 11% annual unit growth, bringing our total network of labs to 377. Beyond Egypt, our biggest market, our subsidiaries in Jordan and Sudan are growing and performing well, contributing 15% and 3% of 9M2017 revenues, respectively, on rising patient and test volumes. Importantly, the outlook for our Sudanese market has improved considerably with the recent lifting of longstanding US sanctions.

"Our fundamentals remain strong, which could not be better illustrated than with our walk-in test and patient volumes in 9M2017. Walk-in patient revenues increased 28% on the back of a significant recovery in test volumes for the segment, which increased 5% compared with a 5% decline a year earlier. Walk-in patient volumes recovered after having experienced declining rates.

"These results underscore the loyalty we have built with our brands over the years - loyalty that has helped us overcome the inflationary aftermath of the November 2016 floatation of the Egyptian pound. In recognition of the burden faced by our customers, our price increases have been significantly below the high inflation rates caused by the devaluation. Still, we have been able to protect our margins. We have secured advantageous pricing from our suppliers, and our consistently strong revenues have also been supported by tactical marketing programs with attractive features for our patients, such as discounts on chronic disease tests and partnerships with banks for affordable payment programs.

"Whilst challenges persist, we are encouraged as our biggest market of Egypt begins to show signs of turning the economic corner. Meanwhile, our brand equity in combination with our solid supplier relationships continued to underpin our ability to successfully execute our expansion plans through our asset-light model. Accordingly, we reaffirm our 2017 guidance for revenue growth in excess of 20% and EBITDA margins at approximately 40%."

1By the terms regulating the company's listing on the LSE, IDH is required to release audited financials at the half- and full-year marks. Management and the Board of Directors have committed to providing performance updates in the first and third quarters as an outgrowth of the Company's commitment to transparency. All figures in this update are accordingly unaudited and provided from Management accounts.

Results

(EGP mn, unless otherwise stated)

	3Q2017	3Q2016	% change	9M2017	9M2016	% change
Revenues	415,685	294,274	41%	1,100,818	846,814	30%
Operating Profit	166,728	125,336	33%	390,972	349,366	12%
EBITDA *	181,778	135,158	34%	437,122	380,089	15%
<i>EBITDA Margin</i>	44%	46%	-2 pts	40%	45%	-5 pts
Net Profit	123,170	73,904	67%	283,170	200,406	41%
<i>Net Profit Margin</i>	30%	25%	+5 pts	26%	24%	+2 pts
Earnings per Share (EGP)	0.79	0.48	65%	1.81	1.30	39%

* EBITDA is calculated as operating profit plus depreciation and amortisation.

Financial & Operational Highlights

- **Revenues** increased 30% year-on-year in 9M2017 to EGP 1,101 million driven by a combination of better pricing, favourable currency translation and higher test volumes.

Notably, revenues in 3Q2017 gained 41% year-on-year to EGP 416 million.

- Gross profit** gained 14% year-on-year to EGP 528 million in 9M2017, with an associated gross margin decline of 700 basis points (bp) to 48% from 55% in 9M2016. The primary pressure point continued to be higher raw material costs, reflecting the negative impact of the November 2016 Egyptian pound devaluation. The gross margin did, however, improve quarter-on-quarter with the 3Q2017 ratio at 51% compared with 44% in 2Q2017, benefitting in particular from favourable leverage of wage and salary expenses given the strong top-line growth.
- Operating profit** rose 12% year-on-year to EGP 391 million in 9M2017. The operating margin was 500 bp lower at 36% than a year earlier, pressured by higher raw material costs as cited above.
- EBITDA** grew 15% year-on-year in 9M2017 to EGP 437 million, with an associated 500 bp decline in the EBITDA margin to 40% from 45%. As in recent past periods, this was primarily due to a combination of higher raw material costs and higher rent and utilities expenses. Also, as Egypt is the highest margin region in the Group's geographic footprint, the result also reflects a lesser percentage of total EBITDA contribution from Egypt in the period this year (90%) versus a year ago (94%). EBITDA in 3Q2017 increased 34% year-on-year to EGP 182 million.
- Interest expense** stood at EGP 9 million in 9M2017 versus EGP 6 million in 9M2016. Interest expense is mostly related to finance lease contracts with Roche and Siemens, with the Siemens' contract denominated in US\$.
- The **net foreign exchange loss** in 9M2017 at EGP 12 million was substantially lower than EGP 48 million in the year-earlier period.
- Net profit** gained 41% year-on-year in 9M2017 to EGP 283 million, with an associated net margin of 26% that was 200 bps higher than 24% in 9M2016. The Company's bottom line benefited from increased interest income as well as the aforementioned lower foreign exchange loss. In 3Q2017, net profit rose 67% year-on-year to EGP 123 million, and the net margin improved by 500 bp to 30% from 25% in 3Q2016.
- Total tests** increased 7% year-on-year to 18.9 million, and **total patients** gained 9% to 4.7 million in 9M2017. While the **average number of tests-per-patient** declined slightly by 2%, the **average revenue-per-patient** rose 20% and the **average revenue-per-test** advanced 22% in the period. These strong metrics were the result of the Group's ongoing ability to raise prices in combination with the favourable impact of foreign currency translation, mainly from the Jordanian subsidiary.
- Affirming guidance for 2017**, IDH continues to target revenue growth in excess of 20% and EBITDA margins at approximately 40%.

About Integrated Diagnostics Holdings (IDH)

IDH is the largest fully integrated private-sector medical diagnostics services provider in Egypt, Jordan and Sudan, comprehensively offering pathology and molecular diagnostics, genetics testing and basic radiology. IDH's core brands include Al Borg and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan). IDH is listed on the London Stock Exchange (ticker:

IDHC) and was founded in 2012 by the merger of Al Borg and Al Mokhtabar, the most established diagnostics services brands in Egypt.

IDH's forward-looking strategy rests on leveraging its established business model to achieve four key strategic goals, namely: (1) continue to expand customer reach; (2) increase the number of tests per patient by expanding the Company's services portfolio; (3) expand into new geographic markets through selective, value-accretive acquisitions; and (4) introduce new medical services by leveraging the Group's network and reputable brand position. Learn more at idhcorp.com.

Shareholder Information

LSE: IDHC.L

Bloomberg: IDHC:LN

Listed: May 2015

Shares Outstanding: 150 million

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Forward-Looking Statements

These Interim Results 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 Interim 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.

Operational and Financial Review

IDH delivered solid operational and financial results for 9M2017, continuing the Company's strong performance despite macroeconomic challenges that include ongoing high inflation following the floatation of the Egyptian pound in November 2016. It is worth mentioning that the Group has been able to both drive volumes and pass on price increases post-devaluation in contrast to the experience of many consumer names in Egypt. While to some degree this reflects the insulation provided by the defensive nature of the healthcare industry, it is also very much a testament to IDH's trusted brands.

Revenues continued robust in 9M2017, increasing 30% year-on-year driven by better pricing (attributed to 14%); the favourable impact of foreign currency translation of results from the IDH's Jordanian and Sudanese subsidiaries into Egyptian pounds (attributed to 9%); and higher test volumes (attributed to 7%). Margins, however, came under ongoing pressure from higher raw material costs along with higher rent and utilities expenses. Nevertheless, the Company was able to achieve 41% year-on-year gain in net profit, helped by both increased interest income and a substantially lower net foreign exchange loss in the period this year than a year earlier.

Margin improvement in 3Q2017 contributed importantly to IDH's 9M2017 results. On a 41% year-on-year increase in 3Q2017 revenues, EBITDA gained 34%; thus, EBITDA margin pressure was less pronounced in the third quarter than in recent past periods. Notably, while the ratio at 44% was 200 bps lower than a year ago, it was 400 bps higher than the 40% reported for 9M2017. On the strong 3Q2017 revenues, the Company was able to realize significant favourable operating expense leverage. Also, raw material costs improved slightly as a percentage of sales due to a discount granted on a contract based on early payment and an uptick in the US\$/EGP average exchange rate. In 3Q2017, net profit rose 67% year-on-year helped by higher interest income and the lower net foreign exchange loss; the net margin improved by 500 bps to 30% from 25% in 3Q2016.

The revenue strength seen in the third-quarter and nine-month figures also clearly demonstrates that IDH was able to overcome the revenue pressure experienced during the month of June that was related to the holy month of Ramadan and the subsequent feast holiday and negatively impacted 1H2017 results. The Company posted strong revenue increases and witnessed strong patient volumes in July and September, indicating that indeed there were no fundamental changes in the business despite the monthly revenue distortions during that period.

Branch Network and Revenue by Geography

IDH continued to invest in expanding its geographic footprint during 9M2017, adding 23 net new branches Company-wide. At the end of the period, there were 334 branches in Egypt; 18 branches in Jordan and 25 branches in Sudan. The total IDH branch network reached 377 in 9M2017, representing 6% growth compared to the number of branches at year end 2016. Importantly, the Group's expansion program is supported by its state-of-the-art Mega Lab with excess capacity that enables IDH to deploy its Hub, Spoke and Spike business model to open capital-efficient "C" labs more rapidly.

Branches by Country

	30 September 2017	31 December 2016	Change
Egypt	334	317	+ 17
Jordan	18	14	+4
Sudan	25	23	+2
Total Branches	377	354	+23

Egypt, IDH's biggest market, contributed 82% of total revenues at EGP 904 million in 9M2017 down from 89% in 9M2016 primarily due to the currency translation impact of the Company's Jordanian subsidiary. This currency translation effect also underpinned Jordan's 141% revenue increase to EGP 163 million, representing 15% of total-company revenues in 9M2017 versus 8% in the year-earlier period. Sudan's revenues at EGP 34 million accounted for 3% of total revenues in both 9M2017 and 9M2016.

Egypt's 9M2017 revenues increased 20% year-on-year to EGP 904 million, which included gains of 16% and 23% in the revenues generated from the walk-in and contract patient categories, respectively. This revenue growth benefited from price increases of 10% for walk-in patients and 11% for contract patients in the period; notably in May, prices were raised an additional 5% in the Cairo Governorate for walk-in patients. While the number of total patients rose 8%, total tests were 5% higher. In terms of patient mix, an 11% advance in contract patients more than offset flat volumes in the smaller walk-in patient category. Regarding test volumes, for contract patients the number was 6% higher while the number for walk-ins ticked up only 1%. To attract walk-in patients, the Group continued to offer more affordable payment methods on selected tests; launch tactical advertising campaigns raising awareness of chronic disease; and implement new customer relationship management (CRM) programs that reached out to patients with marketing messages via SMS, among other steps.

Revenue from operations in Jordan rose 15% in Jordanian dinar (JOD) terms and increased 141% when translated into Egyptian pounds. The subsidiary performed well, achieving strong growth as total patients grew 11% and total tests were 13% higher. Sudan's 29% revenue increase (in SDG terms) was underpinned by continued strong growth in both patient and test volumes thanks to the newly signed corporate contracts.

Revenues by Country

(EGP '000)	3Q2017	3Q2016	% change	9M2017	9M2016	% change
Egypt	343,517	262,073	31%	903,564	752,626	20%
Jordan	61,288	23,514	161%	163,108	67,674	141%
Sudan	10,880	8,687	25%	34,145	26,515	29%
Total	415,685	294,275	41%	1,100,818	846,814	30%

Key Performance Indicators

	3Q2017	3Q2016	% change
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	Walk-In Clients	Contract Clients	Total	Walk-In Clients	Contract Clients	Total	Walk-In Clients	Contract Clients	Total
Revenue (KEGP)	168,769	246,915	415,685	122,996	171,279	294,275	37%	44%	41%
% of Revenue	41%	59%	100%	42%	58%	100%			
Patients ('000)	476	1,245	1,722	437	1,022	1459	9%	22%	18%
% of Patients	28%	72%	100%	30%	70%	100%			
Revenue per Patient (EGP)	354	198	241	281	168	202	26%	18%	20%
Tests ('000)	1,636	5,258	6,895	1,511	4,499	6,011	8%	17%	15%
% of Tests	24%	76%	100%	25%	75%	100%			
Revenue per Test (EGP)	103	47	60	81	38	49	27%	23%	23%
Test per Patient	3	4	4	3	4	4	-1%	-4%	-3%

	9M2017			9M2016			% change		
	Walk-In Clients	Contract Clients	Total	Walk-In Clients	Contract Clients	Total	Walk-In Clients	Contract Clients	Total
Revenue (KEGP)	434,557	666,260	1,100,818	340,284	506,530	846,815	28%	32%	30%
% of Revenue	39%	61%	100%	40%	60%	100%			
Patients ('000)	1,231	3,429	4,659	1,227	3,057	4,283	0%	12%	9%
% of Patients	26%	74%	100%	29%	71%	100%			
Revenue per Patient (EGP)	353	194	236	277	166	198	27%	17%	20%
Tests ('000)	4,367	14,545	18,912	4,145	13,602	17,747	5%	7%	7%
% of Tests	23%	77%	100%	23%	77%	100%			
Revenue per Test (EGP)	100	46	58	82	37	48	21%	23%	22%
Test per Patient	4	4	4	3	4	4	5%	-5%	-2%

Our Customers

IDH serves two principal types of clients: contract (corporate) and walk-in (individuals). Within each of these categories, the Group also offers a house call service; and within the contract segment, a lab-to-lab service.

Contract Clients

IDH's contract clients, who in 9M2017 represented 61% of total revenues, include members of institutions such as unions, private insurance companies and corporations who enter into one-year renewable contracts at agreed rates per-test and on a per-client basis. During 9M2017, the Company served 3.4 million patients under these contracts and performed a total of 14.5 million tests, with no single contract client accounting for more than 1% of revenues.

Walk-in Clients

The Group derived 39% of its revenues in 9M2017 from walk-in clients. Walk-in clients numbered 1.2 million in 9M2017 and received 4.4 million tests.

The ratio of contract to walk-in patients during 9M2017 was 74:26 compared with 71:29 in 9M2016, in sync with the general shift in patient mix in recent years toward an increasing number of patients served on corporate contracts. This reflects the natural market dynamics in Egypt, as companies are extending additional benefits to their staffs. The trend has been encouraged by continued high inflation, which is eroding consumer spending power and thus putting incremental pressure on corporations to provide either health insurance or corporate plans.

Revenue Analysis

Consolidated revenues increased 30% year-on-year to EGP 1,101 million in 9M2017, supported by the strong brand equity the Company has built over time as well as highly-focused marketing strategies. While growth in patients and tests was 9% and 7%, respectively, it is the key metrics of average revenue-per-patient (+20%) and average revenue-per-test (+22%) that tell the story of how brand loyalty and tactical marketing have translated into the company's demonstrated ability to raise prices despite persistently high inflation in its biggest market of Egypt.

Revenues from contract clients grew 32% to EGP 666 million in 9M2017, supported by an overall trend toward corporate health insurance coverage, especially in IDH's biggest market of Egypt. While the number of contract patients was up 12% and the number of contract tests was 7% higher, revenue-per-patient increased 17% and revenue-per-test gained 23% on better pricing and mix. The number of contract tests-per-patient actually declined 5%, and given its heavier weighting, more than offset a 5% gain in tests-per-patient in the walk-in category. Thus, total tests-per-patient were 2% lower in the period, further exemplifying IDH's ability to drive revenues in a difficult economic environment through a combination of selected price increases and improved test mix.

Revenues from walk-in clients rose 28% to EGP 435 million in 9M2017 thanks to substantial recovery in walk-in patient volumes, which were flat in the period compared to a decreasing rate previously. Walk-in test volumes also improved significantly, gaining 5% compared with a 5% decline in the year-earlier period. Notably, the Company was been able to achieve a 27% gain in revenue-per-patient; and on 5% more tests-per-patient, a 21% upturn in revenue-per-test in the walk-in category, helped by highly-focused tactical marketing campaigns. On the whole, this performance stands in sharp contrast to other consumer-driven businesses in Egypt that have suffered significant volume and margin reductions as they have raised prices in market.

Cost of Sales

Cost of goods sold increased 50% year-on-year to EGP 572 million in 9M2017. The associated gross margin decline was 700 bps to 48%, hurt in particular by the decline in gross profit contribution from Egypt, whose gross margins are higher than those of Jordan and Sudan. Egypt's contribution to gross profit was 88% in 9M2017 versus 93% in 9M2016. This pressure point comes on the back of post-devaluation higher raw material prices.

Wages and Salaries, the second-largest component of COGS, increased 21% year-on-year in 9M2017 and was favourably leveraged, accounting for 30% of total COGS versus 38% in 9M2016.

Total depreciation was 50% higher year-on-year in 9M2017 at EGP 46 million. Capital expenditures, which amounted to EGP 116 million in the period, mainly related to the Company's new headquarters building, new branches, leasehold improvements for existing branches, and a new warehouse.

Other costs increased 55% on the back of the Company's branch expansion program, as rental expenses rose with 11% unit growth to 377 laboratories at the end of 9M2017 compared with 340 a year earlier. Additional pressure points on Other Costs included utilities' expenses, especially electricity; and higher maintenance expenses related to the Siemens contract.

EBITDA

While EBITDA grew 15% year-on-year in 9M2017 to EGP 437 million, the EBITDA margin fell 500 bps to 40% from 45% a year earlier, primarily due to a combination of higher raw material costs and higher rent and utilities expenses. It is noteworthy that the fixed nature of the Company's SG&A expenses indeed lessened the negative impact of the aforementioned pressures on the EBITDA margin.

Also, as Egypt is the highest margin region in the Group's geographic footprint, the result reflects a lesser percentage of total EBITDA contribution from Egypt in the period this year than last. IDH's Egyptian operations contributed 90% of consolidated EBITDA in 9M2017 down from 94% in the year-earlier period, mainly as Jordan's contribution rose to 8% from 4% on currency translation. Sudan's contribution remains at the 2% mark.

Interest Income / Expense

IDH recorded interest income of EGP 33 million versus EGP 14 million a year ago. Along with proper cash management, higher time deposit rates offered by Egyptian banks this year than last were the main reason.

Interest expense is primarily related to the Company's finance lease contracts, mainly with Roche and Siemens. Interest expense increased to EGP 9.1 million from EGP 6.3 million in 9M2016 largely due to the Siemens' lease contract denominated in US\$.

In accordance with International Accounting Standard 23 and the approval of IDH's external auditor, the Company began in July 2017 to capitalize interest expense related to the its Medium-Term Loan granted by CIB to finance the Group's new corporate headquarters until the new building is fully finished. Capitalized interest from April to September 2017 amounted to EGP 4.8 million.

Foreign Exchange

IDH's net foreign exchange loss of EGP 12 million in 9M2017 was substantially lower than a year ago at EGP 48 million and primarily related to:

- €€€€ A forex loss that resulted from a supplier's re-evaluation in the Sudanese subsidiary (the difference being between the official and parallel market rates in that country); and
- €€€ A forex gain related to Siemens and Roche finance lease liabilities due to the appreciation of the Egyptian pound.

Taxation

Income tax expenses recorded in 9M2017 was EGP 97 million compared with EGP 108 million in 9M2016, with an effective tax rate of 24% versus 31% a year ago due to the substantial decrease in foreign exchange losses recorded by the Egyptian subsidiaries. Notably, most of the forex losses were not tax-deductible items. There are no taxes payable at the holding company level. All tax is paid within the operating companies in Egypt, Jordan and Sudan.

The Group's dividend policy is to distribute any excess cash after taking into consideration all business cash requirements and potential acquisition considerations. As a result, a deferred tax liability is recognised for the 5% tax on dividends for the future expected distribution payable by Egyptian entities under Egyptian tax legislation. Deferred tax in 9M2017 was EGP 22 million versus EGP 14 million in the year-earlier period.

Net Profit

Net profit in 9M2017 increased 41% year-on-year to EGP 283 million, with an associated net margin of 26% that was 200 bps higher than a year ago. Net profit growth was spurred by effective cash management generating interest income that offset higher interest expense incurred due to the Central Bank of Egypt's rate hike policy; higher interest income related to the adoption of IAS 23; and a sharp year-on-year decline in foreign exchange losses given what has been relative stability in exchange rates.

Balance Sheet

On the assets side of the balance sheet, accounts receivable stood at EGP 128 million at the end of 9M2017 compared with EGP 107 million at 2016 year end. Despite the strong increase in revenues, IDH's new collections process continued to reduce days-on-hand (DOH) to 122 days at 30 September 2017 from 133 days at 30 December 2016.

Despite the increase in inventory balance to EGP 75 million at 30 September 2017 from EGP 52 million at 31 December 2016, days inventory outstanding (DIO) decreased to 76 days from 85 days as management decided to decrease safety stock levels due to the improvement in goods' availability in the Egyptian market, especially after the banks started providing hard currencies for importation.

On the liabilities side, accounts payable stood at EGP 142 million versus EGP 126 million at year end 2016. The Company's days payable outstanding (DPO) decreased to 162 days at 30 September 2017 from 181 days at 30 December 2016 based on new credit arrangements with suppliers, under which outstanding balances will be repaid before year end.

The decline in IDH's US\$ cash balance to US\$ 9.4 million at 30 September 2017 from US\$ 29 million at 2016 year end reflects dividend distributions amounting to US\$ 21 million declared on 22 May 2017. The increase in the Company's time deposit balance to EGP 449 million from EGP 353 million is attributable to improved collections along with management's new cash allocation strategy adopted to benefit from the recent rise in yields.

Outlook

IDH's forward-looking strategy rests on leveraging its established business model to achieve four key strategic goals, namely: (1) continue to expand customer reach; (2) increase the number of tests per patient; (3) expand into new geographic markets through selective, value-accretive acquisitions; and (4) introduce new medical services by leveraging the Group's network and reputable brand position.

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