



RNS Number : 8827X

Integrated Diagnostics Holdings PLC

11 May 2016

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

Integrated Diagnostics Holdings Plc

Company Statement

Wednesday, 11 May 2016

Update on 1Q 2016 results

1Q 2016 Financial & Operational Highlights

- **Revenues** up 16%y-o-y to EGP 274 million.
- **EBITDA** margin of 46%
- **Tests completed** up 4% y-o-y to 5.9 million tests.
- **Average revenue per test** up 11.5% y-o-y.

Jersey, 11 May 2016

Integrated Diagnostics Holdings ('IDH'), IDHC on the London Stock Exchange, Egypt's largest fully integrated private-sector provider of medical diagnostics services, released today unaudited highlights of its financial and operational performance in the first three months of 2016, reporting a 16% rise in total unaudited revenues to EGP 274 million.

As per management accounts, the company reported unaudited EBITDA of EGP 125 million in 1Q2016 (an increase of 15% year-on-year), with an EBITDA margin of 46%, on par with the same quarter of 2015 despite a change in accounting policies to accrue costs including annual employee bonuses and provisions on debtor accounts on a quarterly basis rather than booking them only at year's end.

"Egypt, which accounted for 90% of our revenues in the first quarter of 2016, continued to be marked by high inflation that has impacted consumer behaviour, a development that has seen a continued shift in our mix of walk-in versus corporate clients," said Chief Executive Officer Dr. Hend El-Sherbini. "Despite these conditions, management accounts indicate that IDH has again delivered double-digit top-line growth that has largely filtered down the income statement to our bottom line despite a change in accounting policies in the first quarter to accrue certain costs and provisions on a quarterly basis that were previously booked only at year's end.

"Looking to the second half and beyond, we remain sharply focused on four key strategic goals: to continue expanding our customer reach; increase the number of test per patient by expanding our services portfolio; use the Mega Lab's enlarged capacity to provide services to third-party labs and hospitals; introduce new medical services by leveraging the Group's network and strong brand position. I look forward to reporting on these pillars to our shareholders as the year unfolds," El-Sherbini concluded.

The Company determined to switch its tax domicile from its current status as resident in Jersey to become resident in the UK, with effect from 1 July 2016. As a holding company for the IDH group, the Board concluded that the UK represents the most effective and efficient jurisdiction from which to manage the Company.

By 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. Management's discussion of key operating and financial highlights follows below.

Operating Highlights

Total tests performed rose 4% year-on-year to 5.9 million in 1Q2016, while the average number of tests per patient rose slightly to 4.16 from 4.02 in the same period. In parallel, average revenue per test rose 11.5% year-on-year in the first quarter to EGP 46.4.

The total number of patients served was flat year-on-year 1.4 million, as a 13% decline in walk-in traffic was offset by a 7% rise in contract patients, in line with expectations. Egypt's healthcare market is in what management views as a period of transition as individual payers rein-in spending in reaction to significant inflation in the domestic market, a significant component of which is derived from the devaluation of the Egyptian Pound in both the official and parallel market.

The Group's continued strong corporate sales performance as well as growing consumer interest in health insurance schemes supported growth in patients covered under corporate contracts in 1Q2016, a pattern management expects will hold. Additionally, strong pricing power will also continue to support future growth.

IDH added 4 new branches in the first quarter, bringing the Group's total branch network across its three-country footprint to 317.

Financial Highlights

Total revenue in 1Q2016 grew 16% to EGP 274 million, with operations in Egypt accounting for 90% of total revenue, while Jordan contributed 7% and Sudan 3%. Corporate revenue grew 21% in the first quarter, while revenue from walk-in patients rose 8%.

Expressed as a percentage of revenues, cost of sales was flat year-on-year at 45% thanks to operational efficiencies afforded by the new central Mega Lab facility, which began operations in the second half of 2015. Gross profit for the quarter accordingly rose 16% year-on-year, as the top-line performance continued to flow down the income statement.

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About Integrated Diagnostics Holdings (IDH)

IDH is the largest fully integrated private-sector medical diagnostics services provider in Egypt, 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) and the Medical Genetics Center, which operates in Egypt. 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. Learn more at idhcorp.com.

Shareholder Information

LSE: IDHC.L

Bloomberg: IDHC:LN

Listed: May 2015

Shares Outstanding: 150 million

Contact

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Forward-Looking Statements

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 Company.

Forward-looking statements reflect the current views of the Company'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 Company'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 Company'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 Company'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 prospectus. 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 Company 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.

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