



Investor Presentation

1H2018



OVERVIEW OF IDH



Albora Health Center poster featuring a family and a doctor. The poster includes the following text:

البرج
Albora
دقة نظمتك
19911
alborahealth.com

برامج
الفحص
المعمل
الشاملة

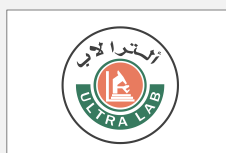
الطبيب
وطمأنهم

IDH at a Glance

Our Services

Immunology	Radiology	Hematology
Endocrinology	Clinical Chemistry	Molecular Biology
Cytogenetics	Hatopathology	Microbiology

Our Brands



Our Accreditations



Our Geography

Egypt, Jordan and Sudan⁽¹⁾

EGP **866** MN
1H18 Revenues

38%
1H18 EBITDA Margin

1,000+
diagnostic tests offered

12,585
1H18 Tests

EGP **329** MN
1H18 EBITDA

405
branch labs as at 1H18

3.2 MN
patients in 1H18

Note: (1) In December 2017, IDH further expanded its geographical footprint with an investment in Nigeria. See slide 10 for details

Investment Case

Leading diagnostics service provider with a footprint spanning Egypt, Jordan, Sudan and Nigeria

- IDH enjoys a 50%+ share of the private chain segment of the Egyptian diagnostics market as measured by revenues.
- Over its 38-year history, the Company has earned a trusted reputation as well as internationally-recognized accreditations for its comprehensive portfolio of diagnostic tests.
- The key Al Borg and Al Mokhtabar brands are synonymous with quality and safety, enjoying strong awareness and loyal followings.

Favorable Industry Dynamics

- Beyond the counter-cyclical nature of the healthcare industry, the Egyptian and other MENA markets are still under-penetrated.
- Powerful structural drivers support future growth in diagnostic services including large rapidly-increasing populations, greater incidence of lifestyle-related medical conditions and an awakening health consciousness in the Company's markets.
- IDH has created formidable barriers to entry with brand equity, international accreditations, a scalable business model and strong supplier relationships.

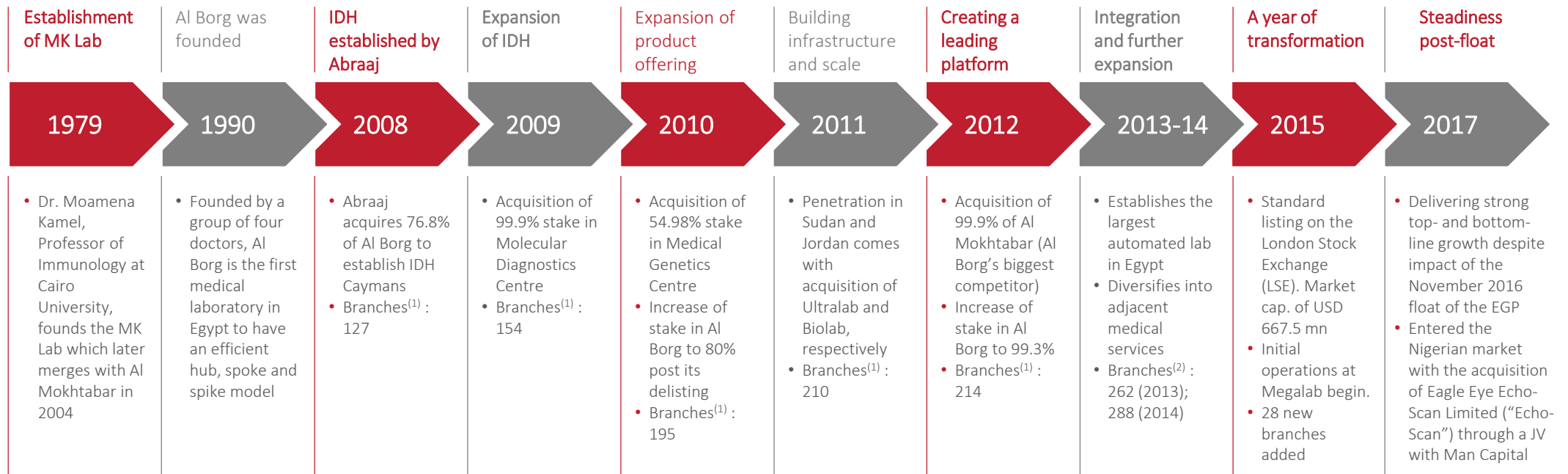
Scalable Asset-light Business Model

- IDH deploys a Hub, Spoke and Spike business model that enables capital-efficient expansion and works well in highly-fragmented markets.
- Contracts with key suppliers of medical testing kits include the provision of equipment used to analyse laboratory test results.
- Reflecting low CAPEX, the Company's balance sheet is under levered and highly cash-generative for strategic flexibility.



IDH Development Story

Over 35 years of industry experience, complemented by strategic expansion to develop a strong market position across products and geographies



IDH has built a scalable platform that is positioned for further strong growth

Note: (1) Branches refer to core operations of Al Borg and Al Mokhtabar in Egypt
 (2) Branches refer to the IDH group
 Source: Company data

Our Market

The mechanics of the Egyptian healthcare market are markedly different from those in many Western healthcare industries

Egypt's Private Healthcare System

IDH serves the private healthcare market, where notably patients have substantially more freedom to make healthcare decisions than do their counterparts in more institutionalised markets.

As general practitioners are rare in Egypt, patients may elect to seek initial care by visiting:

A hospital outpatient clinic or emergency room

A polyclinic

The office of a specialist physician

While physicians ordering diagnostic procedures to be completed outside a hospital setting may make recommendations, patients have a high degree of freedom in choosing a diagnostic service provider, a decision that is based primarily on:

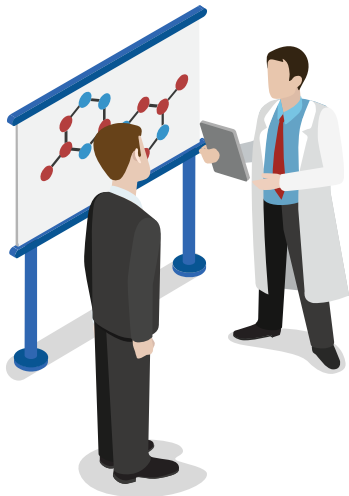
Perceived quality and safety

Affordability of pricing

Insurance or corporate arrangements

Patients then typically obtain their diagnostic test results in person and, with an accompanying report from a pathologist, geneticist, radiologist or other specialist, return to the physician who requested the tests in the first instance.

Patient chooses physician



Patient gets his Rx for tests



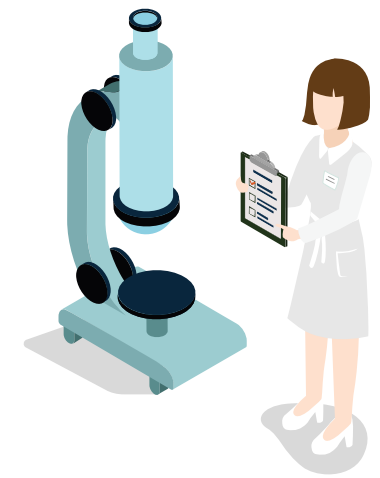
Patient chooses lab



Patient pays for his tests



Patient picks up his own results



Patient returns with test results to original physician

Our Patients

IDH serves two principal types of clients: Corporate and Walk-in

Corporate Patients

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.

Walk-in Patients

also referred to as “self-payers,” are individuals who pay out of pocket in advance of tests being completed.

The ratio of corporate to walk-in patients has been on the rise in recent years, a trend expected to continue as the Company's markets develop and become more institutionally-oriented.

In Egypt, IDH's home market, this trend has been encouraged by the erosion of consumer spending power caused by post-devaluation high inflation, in turn putting incremental pressure on corporations to provide their employees with health insurance.

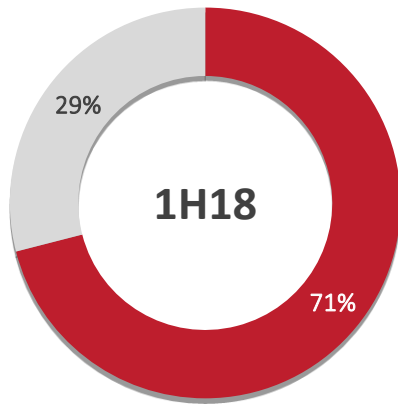
The trend plays to the company's strength of having the best economies of scale in the Egyptian diagnostics industry and consequently better COGS/ Sales ratio.

The ratio of contract to walk-in patients during 1H2018 was 71:29 compared with 74:26 in 1H2017, reflecting IDH's sustained marketing effort to target walk-in patients. That said, the ratio is expected to remain skewed in favour of contract patients.

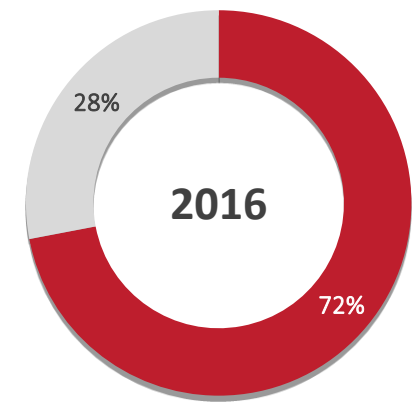
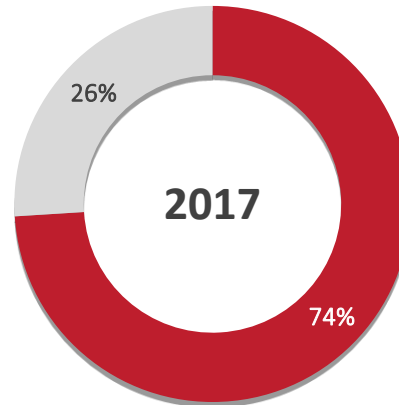
Walk-in test volumes increased 13% year-on-year, however, helped by successful tactical marketing programs.

Our Patient Profile

Patient Split

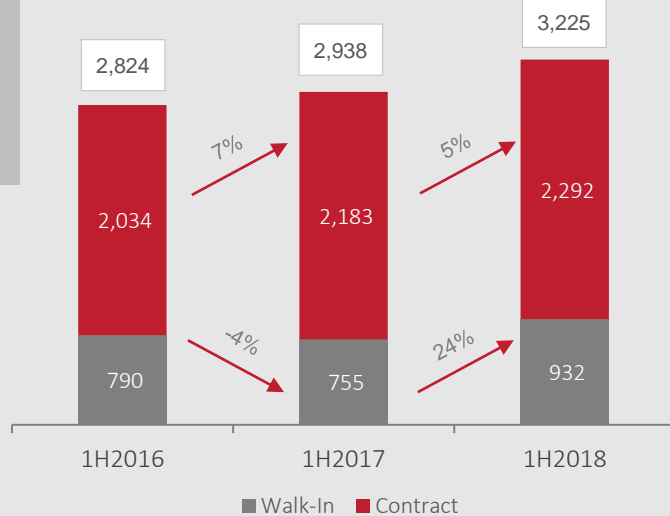


IDH's recorded increased walk-in numbers in 1H2018 on account of its successful marketing campaign that targeted the higher-margin walk-in segment

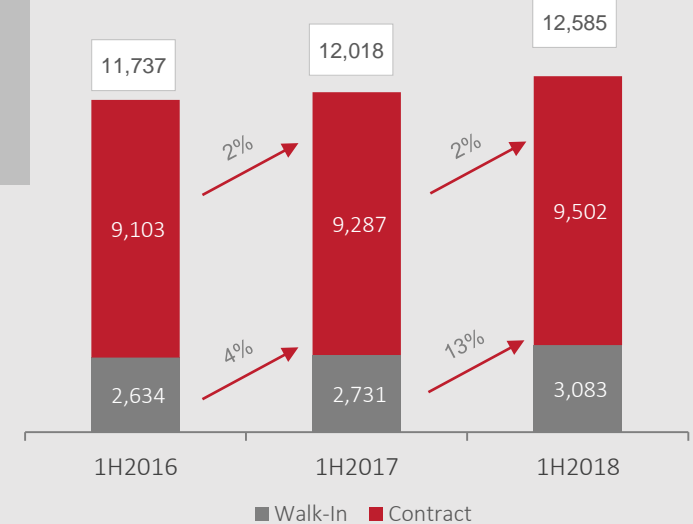


■ Corporate ■ Walk-in

Number of Patients | '000



Number of Tests | '000



Our Geography

IDH's branch network of 405 labs at 1H2018 spans 4 countries⁽¹⁾, the largest of which is Egypt

19

branches

351

Branches

Cairo Region

44%

Upper Egypt Region

18%

Alexandria Region

9% Branches

Delta Region

29% Branches

25

branches

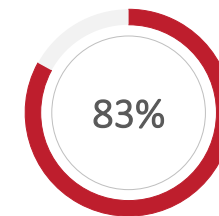
Nigeria¹

Egypt

Jordan

Sudan

The Company's Egyptian operations contributed
83% of consolidated Revenues in 1H2018

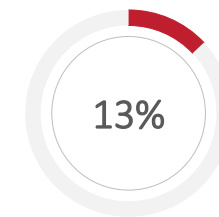
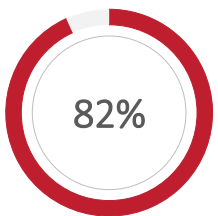


83%

1H2018

EGYPT

1H2017

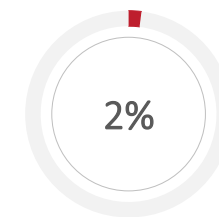
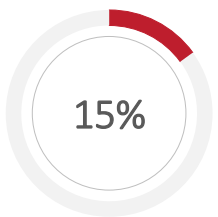


13%

1H2018

JORDAN

1H2017

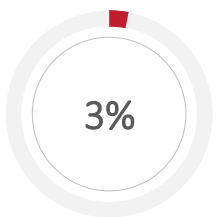


2%

1H2018

SUDAN

1H2017



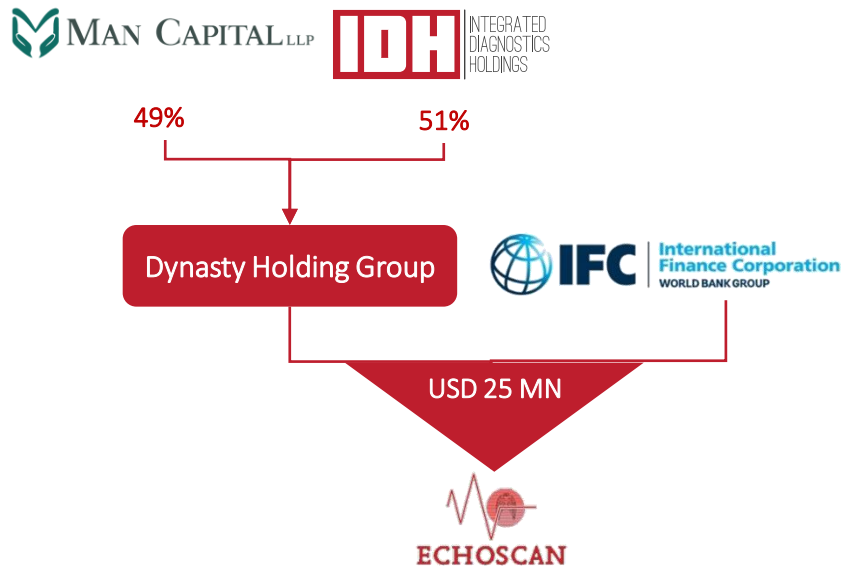
Note: (1) In December 2017, IDH further expanded its geographical footprint
with an investment in Nigeria. See slide 10 for details

Our Geography

Nigeria in Focus

In December 2017, IDH further expanded its geographical footprint with an investment in Nigeria

IDH entered into a joint venture 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 leading medical diagnostics business based in Nigeria. The acquisition was financed through a capital increase



Key player in Nigeria, providing quality medical diagnostic services across 14 state-of-the-art diagnostic centres in country’s underserved private healthcare sector

Locations

USD 25 million will be collectively invested into Echo-Scan to expand its service offering, nationwide footprint, and improve its quality standards



Nigeria’s Investment Case

Key Market Drivers

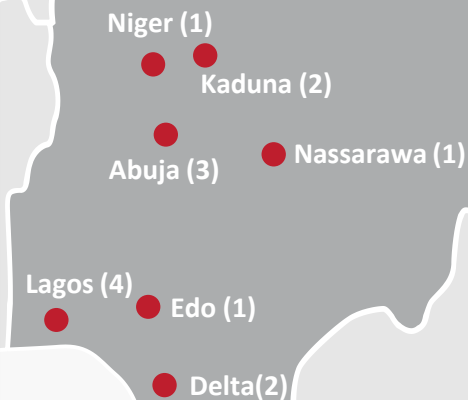
Increasing urbanisation

Evolution of disease patterns

Similar market dynamics to ‘80s-’90s Egypt

Large and growing population

Highly fragmented industry



Our Geography

Nigeria in Focus

Nigeria's integration is well underway and operating according to the Group's business plan

Nigeria contributed revenues of EGP 17 million in 1H2018 with key metrics surpassing budgets despite the operation still being the value-building phase

59_K

Patients Served in
1H2018

1.2

Tests / Scans per Patient

Revenue Contribution



72_K

Tests / Scans Performed
in 1H2018

10

branch labs as at 1H2018

Value-Building Goals for Operation in Nigeria

Revamping existing branches

Expanding the operation's footprint

Human resources development

Ensuring compliance with IDH's quality standards

Our Geography

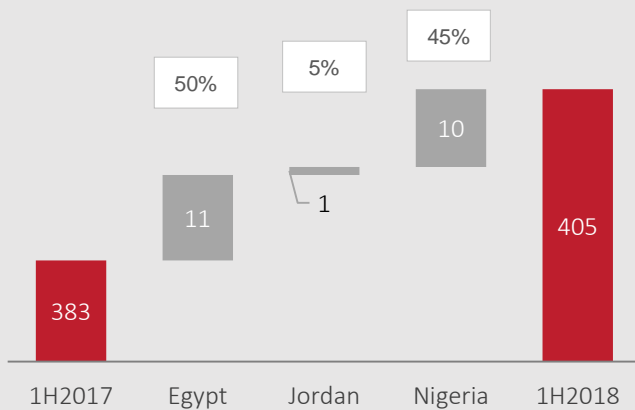
Performance



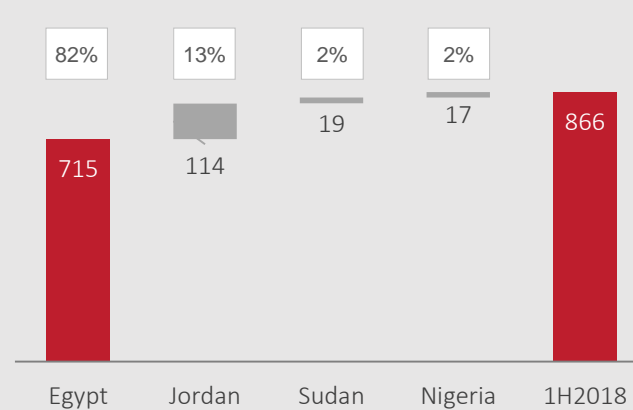
In 1H2018, Egypt's revenues rose 28% and represented 83% of the consolidated total

The Company's Egyptian operations contributed 96% of consolidated EBITDA in 1H2018.

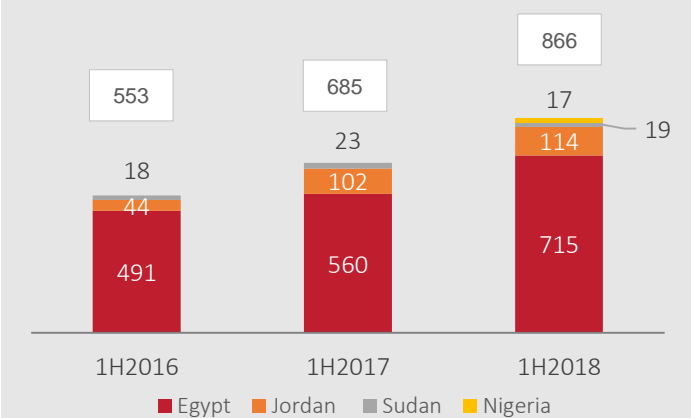
Growth in branch network, by country



Consolidated Revenues by Country | EGP mn



Consolidated Revenues | EGP mn



Radiology Expansion



Al Borg Scan

In August 2018, IDH announced its plans to launch a radiology business in Egypt under the brand name Al Borg Scan



Al Borg Scan will offer a full range of radiology services, including but not limited to magnetic resonance imaging (MRI), computed tomography (CT), ultrasound, x-ray, mammograms and cath lab facilities.

It will draw 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.

Technology Providers



EGP **186** MN
Total Investment Cost

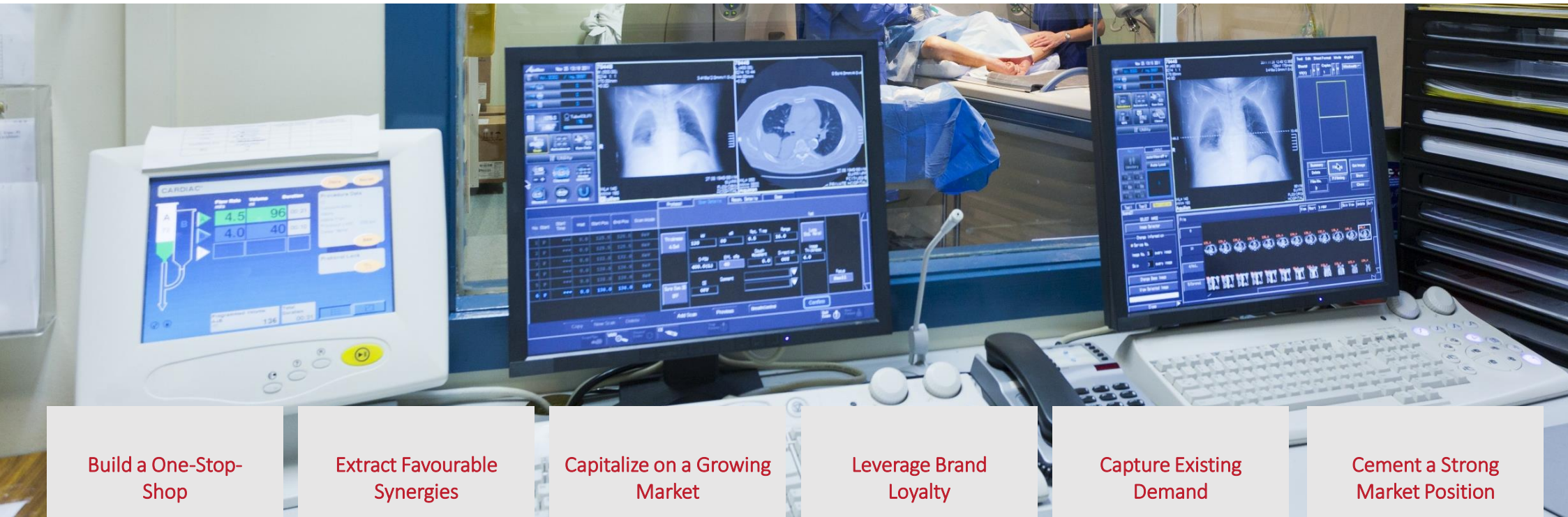
70 %
Debt-Financed by Ring-Fenced
Facility to Al Borg

30 %
Equity from Al Borg's Operating
Cash Flow

6
Operational Branches by 2020

Investment Thesis

IDH's expansion into radiology is in line with its strategy to diversify in new medical services



Build a One-Stop-Shop

According to market research conducted by IPSOS, 76% of patients prefer a one-stop-shop that provides both pathology and radiology services.

Extract Favourable Synergies

Synergies will arise from IDH's current business by driving additional pathology tests and/or by reducing inherent costs by leveraging IDH's infrastructure.

Capitalize on a Growing Market

According to BCG's study, Egypt's total radiology market stood at EGP 2.1-2.8 billion in 2015*. Branded chains captured around EGP 400 million with an annual growth rate of approximately 15%.

Leverage Brand Loyalty

The Project will benefit from Al Borg's diversified client base and long-standing relationships with clients.

Capture Existing Demand

According to BCG's study*, more than 90% of IDH's patients are willing to do radiology tests within IDH branches if the company offered them.

Cement a Strong Market Position

State-of-the-art radiology equipment supplied by Siemens will place Al Borg Scan in a leading positioning among the competition.

INVESTMENT CASE



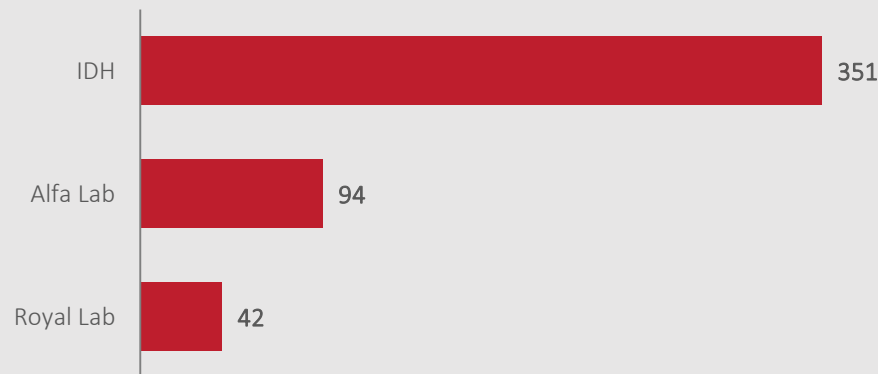
Favorable Industry Dynamics

Structural Growth Drivers

IDH, the largest fully-integrated private sector diagnostics service provider in Egypt, enjoys a 50%+ share of the private chain segment of the Egyptian Diagnostics Industry (EDI) as measured by revenues

Private Chains in Egypt

Powerful structural growth drivers underpin Egypt's healthcare growth story, including an ever-expanding population, rising lifestyle diseases, favorable government regulation and increased medical tourism.

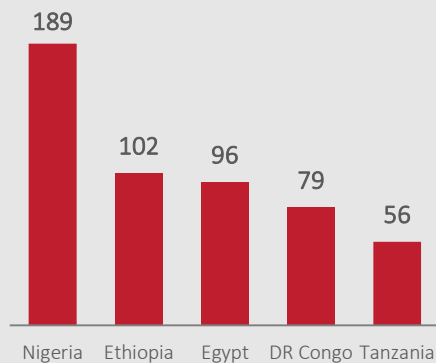


Large Populations

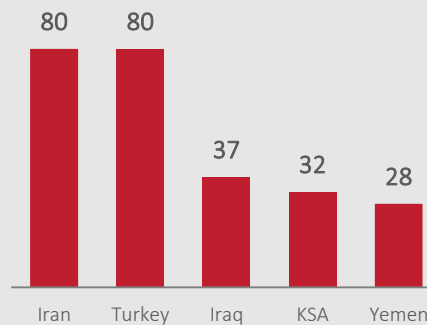
Approaching 100 million, Egypt is the third most populous country in Africa and by far the most populous country in the Middle East.

Top 5 African and Middle Eastern Country Populations

African Populations 2016 (in millions)



Middle Eastern Populations 2016 (in millions)



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.



Source: World Bank

*CAPMAS (Central Agency for Public Mobilization and Statistics) recently announced that Egypt's population has reached 104.2 million.

Favorable Industry Dynamics

Highly-Fragmented and Underpenetrated Markets

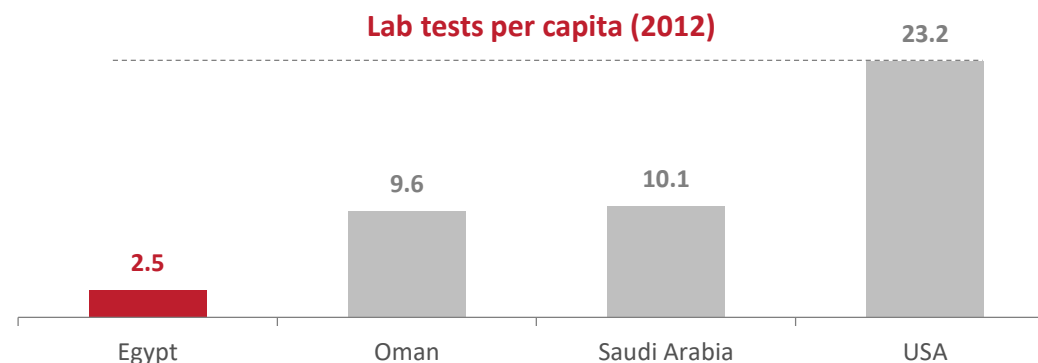
Beyond the counter-cyclical nature of the healthcare industry in general, the Egyptian and other MENA markets are still highly-fragmented and underpenetrated.

- IDH has a substantially larger footprint than its competitors, which are heavily concentrated in Cairo.
- A testament to the strength of its brands, IDH is able to sustain significantly higher pricing than its competitors in Egypt.

Company	Total Egyptian points of presence	Average price difference vs. Al Mokhtabar / Borg
IDH (combined)	351	-
Alfa Labs	94	-11%
Royal	42	-33%

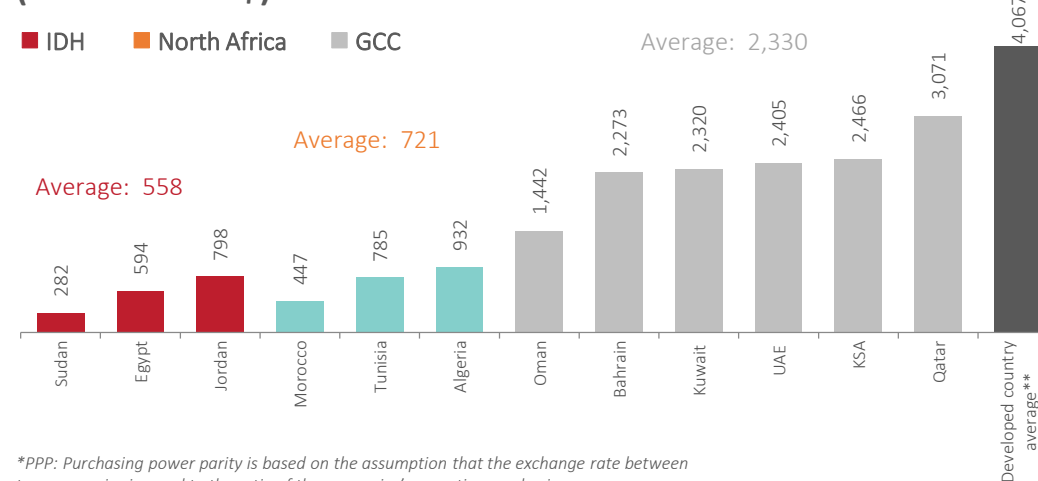
- Healthcare expenditures-per-capita and lab tests-per-capita demonstrate the underpenetrated nature of the IDH's markets.
- IDH's "Hub, Spoke and Spike" business model enables the Company to organically expand its reach in other highly-fragmented markets with underserved diagnostic services demand.

Operating in a still under-penetrated market



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

Total Healthcare Expenditures per Capita (2015) (2011 PPP* US\$)



*PPP: Purchasing power parity is based on the assumption that the exchange rate between two currencies is equal to the ratio of the currencies' respective purchasing power.

** USA, Japan, Russia, Italy, Germany, UK, France, Canada

Source: World Health Organization

Favorable Industry Dynamics

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 large geographic presence to achieve a broad market reach



Key Stakeholder Relationships

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

Asset-light Business Model

Hub, Spokes and Spikes

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.
- The majority of equipment is provided at no upfront cash cost in return for which IDH agrees to purchase a minimum volume of kits from the equipment supplier.
- Significant cost synergies are realized on kits, logistics and quality control.

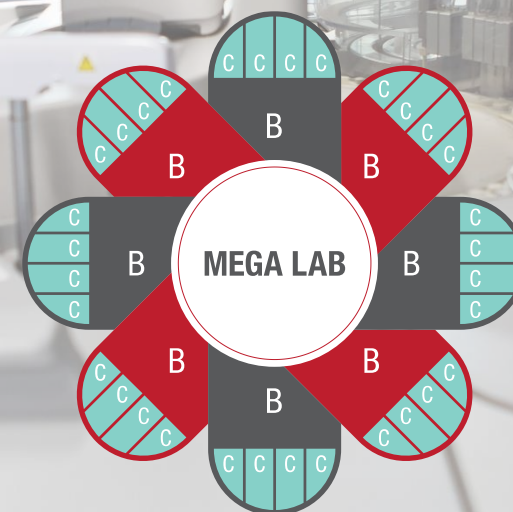
B Labs: “Spokes”

- 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 30 June 2018, there were seven B Labs in Egypt and four 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 1-2 months to set up and 4-6 months to break even.
- At 30 June 2018, there were 354 operational C Labs compared with 348 at the end of 2017.

In February 2018, the Mega Lab became **the only** CAP accredited laboratory in Egypt



Asset-light Business Model

High Capacity and Throughput at State-of-the-Art Mega Lab

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 provides a **“one-stop” solution** for customers which drives IDH’s key test-per-patient metric

Capacity

- Inauguration of IDH’s Mega Lab in 2015 **doubled the production capacity**
- High capacity and capability for a broad range of tests provides IDH the ability to **plug and play for further expansion**.

Procurement

- Central procurement system ensures **coordinated purchasing** across the group.
- IDH is in a good position to negotiate **favorable kit prices** and procure additional equipment to enhance capacity if required

Only CAP accredited laboratory in Egypt



Existing B and C labs



Outsourced hospital and lab testing



Mega lab



Regional expansion



Esoteric testing

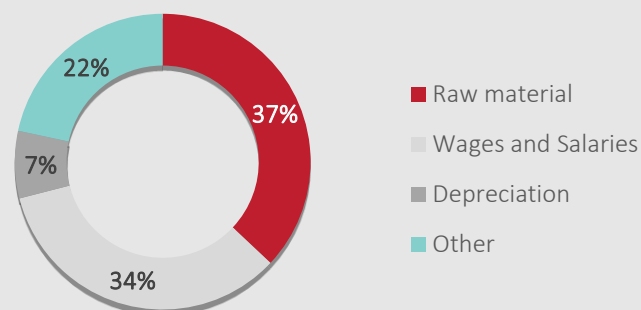
Asset-light Business Model

Key Supplier Relationships

IDH's contracts with its key suppliers of medical testing kits include the provision of the equipment used to analyse the laboratory test results

The Company's primary suppliers of kits are Siemens, Roche and Sysmex, together representing 60% of raw materials in Egypt in 1H2018.

Consolidated COGS Analysis in 1H2018



IDH is fundamentally a COGS "economy of scale" business.

Diagnostic equipment is typically provided by key suppliers with no associated CAPEX in exchange for purchasing minimum volumes of laboratory test kits.

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.

Reflecting this asset-light business model with its associated low CAPEX, IDH's balance sheet is under leveraged and highly cash-generative for strategic flexibility.

Supplier relationships helped protect gross margins despite a >50% devaluation of the EGP after the November 2016 float.

Competitive Strengths

IDH's competitive strengths have positioned the Company well for future growth



Exposure to Resilient Markets

IDH's markets are characterized by strong structural growth drivers and underserved diagnostic services demand.

Established Business Model

IDH's Hub, Spoke and Spike business model provide it with a capital-efficient platform for organic expansion across a broad geographic area.

Experienced, Entrepreneurial Management

The Company's management team, with decades of healthcare sector experience, is complemented by a world-class Board of Directors that brings a wealth of healthcare, MENA region and investment knowledge and experience to the table.

Strong Balance Sheet

The asset-light business model translates into minimal borrowings, providing significant strategic flexibility from an unlevered position; and with a strong record of profitable growth, notably under recent adverse macroeconomic conditions, the Group has demonstrated a strong capacity for cash generation.

Substantial Expansion Opportunities

Ample opportunities exist for expansion into underpenetrated high-growth markets in Africa and the Middle East, as well as for the addition of adjacent services verticals that in combination with pathology could raise IDH's profile to that of a "one-stop-shop" diagnostics provider.

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

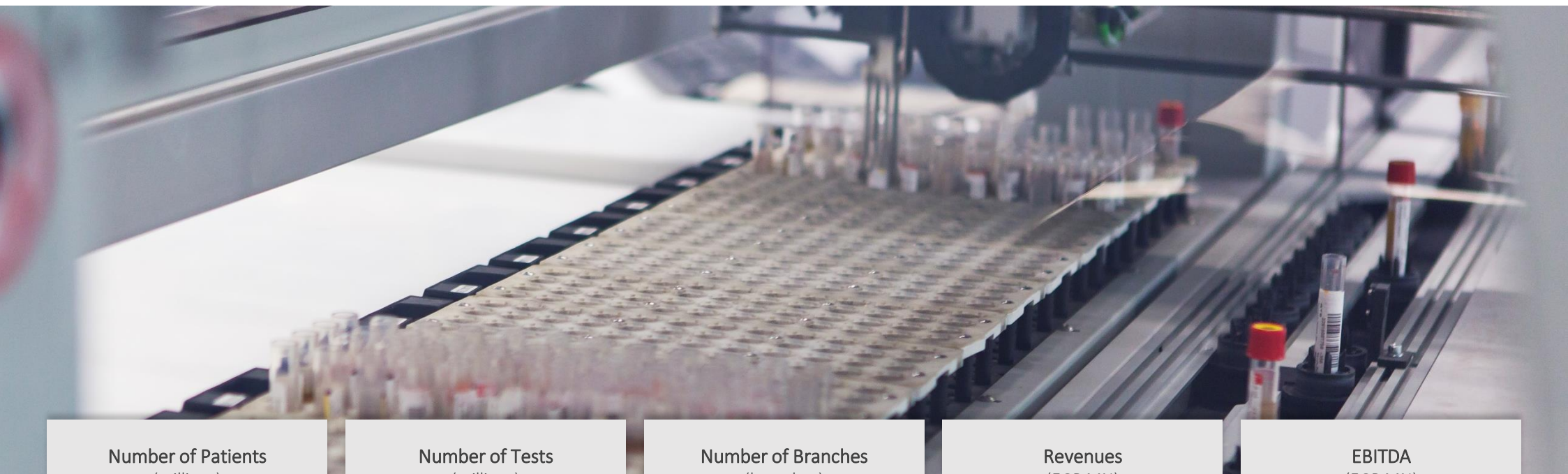
The Group also looks to add diagnostic services not currently provided on a large scale, believing its scale and experience position it well to take advantage of developing diagnostic services opportunities that would raise the IDH profile to that of a "one-stop-shop" provider.

OPERATIONAL HIGHLIGHTS

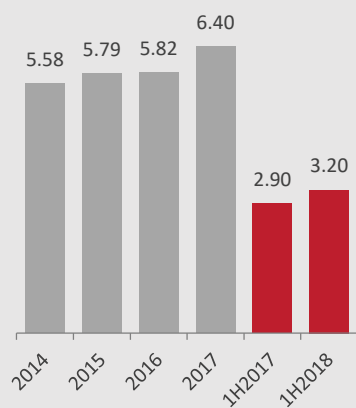


Operational Highlights

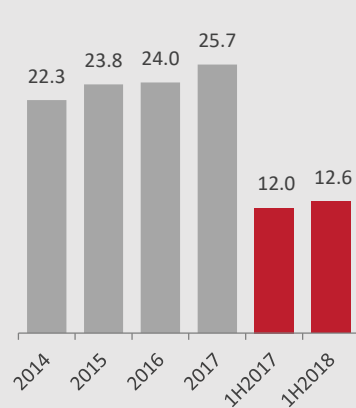
Resilient Growth



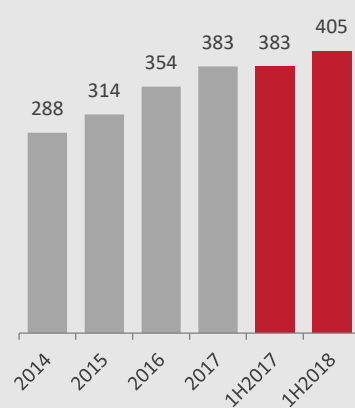
Number of Patients
(millions)



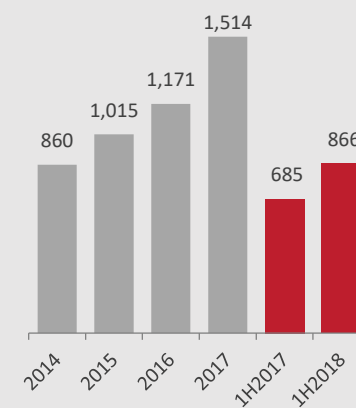
Number of Tests
(millions)



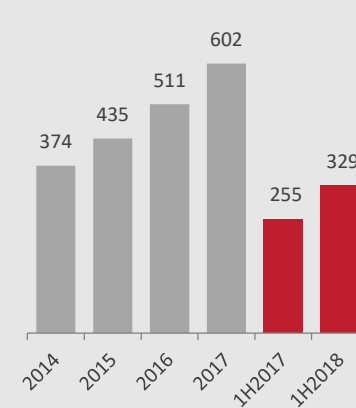
Number of Branches
(branches)



Revenues
(EGP MN)



EBITDA
(EGP MN)



Operational Highlights

Tactical Marketing

IDH's tactical marketing programs are focused on driving patient and test volumes, especially in the higher-margin walk-in patient category

Walk-in patients are typically Egypt's most vulnerable citizens, hurt most by inflationary pressures and most often without healthcare insurance arrangements.

As walk-ins are less apt to spend on lab tests, marketing campaigns aimed at these higher-margin patients seek to raise awareness of particular diseases – especially lifestyle diseases such as diabetes and high cholesterol - and the importance of regular testing.



IDH deploys marketing tools including:

Gatherings for physicians

In-house Points Redemption Program

Discounts on packages of chronic disease tests

Partnership with the National Bank of Egypt for more affordable payment methods

CRM programs, e.g. phone apps and SMS messages with results

Nationally appropriate mix of above-the-line tools, including outdoor and digital marketing

Channel-specific tools and activations

FINANCIAL HIGHLIGHTS



Financial Highlights

Key Performance Indicators



	2Q2018			2Q2017			% change		
	Walk-in	Contract	Total	Walk-in	Contract	Total	Walk-in	Contract	Total
Revenue (EGP '000)	181,098	238,621	419,719	131,620	207,232	338,852	38%	15%	24%
% of Revenue	43%	57%	100%	39%	61%	100%			
Patients ('000)	457	1079	1,536	369	1074	1,443	24%	0%	6%
% of Patients	30%	70%	100%	26%	74%	100%			
Revenue per Patient (EGP)	396	221	273	357	193	235	11%	15%	16%
Tests ('000)	1,488	4,519	6,007	1,359	4,543	5,902	9%	-1%	2%
% of Tests	25%	75%	100%	23%	77%	100%			
Revenue per Test (EGP)	122	53	70	97	46	57	26%	16%	22%
Test per Patient	3.3	4.2	3.9	3.7	4.2	4.1	-12%	-1%	-4%

	1H2018			1H2017			% change		
	Walk-in	Contract	Total	Walk-in	Contract	Total	Walk-in	Contract	Total
Revenue (EGP '000)	359,832	506,021	865,853	265,788	419,345	685,133	35%	21%	26%
% of Revenue	42%	58%	100%	39%	61%	100%			
Patients ('000)	932	2,292	3,225	755	2,183	2,938	24%	5%	10%
% of Patients	29%	71%	100%	26%	74%	100%			
Revenue per Patient (EGP)	386	221	269	352	192	233	10%	15%	15%
Tests ('000)	3,083	9,502	12,585	2,731	9,287	12,018	13%	2%	5%
% of Tests	24%	76%	100%	23%	77%	100%			
Revenue per Test (EGP)	117	53	69	97	45	57	20%	18%	21%
Test per Patient	3.3	4.1	3.9	3.6	4.3	4.1	-9%	-3%	-5%

Consolidated revenues increased 26% y-o-y in 1H2018 to EGP 866 million, driven by both the corporate and walk-in segments. Total patients served rose 10% and total tests performed grew 5% during 1H2018.

The walk-in segment recorded strong gains in 1H2018 with revenues growing 35% y-o-y to EGP 360 million. Segment growth was driven by both improved pricing and a continued turnaround in walk-in patient trends

Selective price increases and better sales mix also supported revenue growth. This is clearly reflected in IDH's two key revenue metrics of average revenue per patient (up 15% in 1H2018) and average revenue per test (up 21%).

Financial Overview

Egyptian Macro Update

The Egyptian government is implementing policies that will restore the country's financial health, but not without corporations feeling some of the burden of economic reforms

Transportation (3% of 1H2018 COGS)



In July 2018, the Ministry of Electricity and Renewable Resources raised gasoline prices 50%. This follows earlier increases in previous fiscal years as part of the government's gradual phase-out of energy subsidies

Utilities (c.2% of 1H2018 COGS)



Also in July 2018, electricity prices began to climb 26% on average, following a July 2017 hike of 42% and an August 2016 increase of 40% on average across the country.

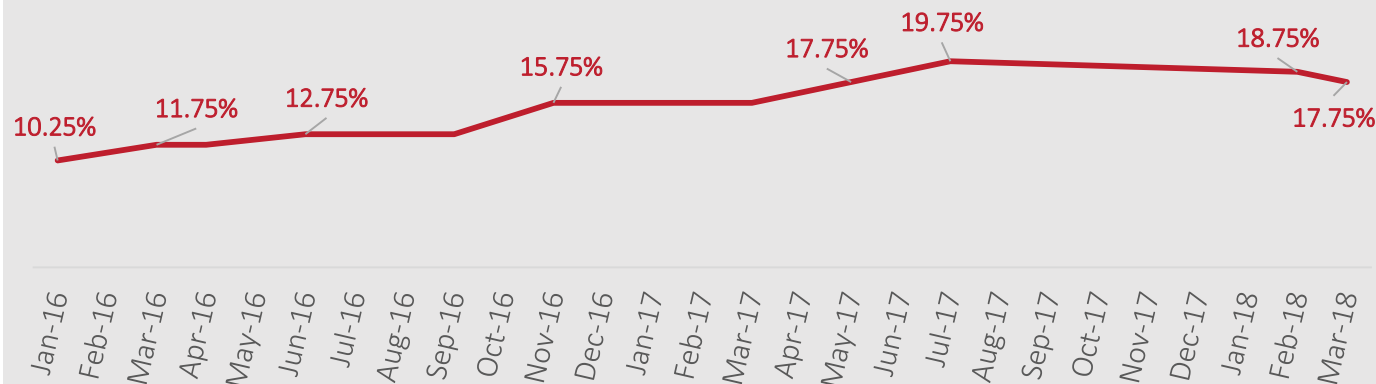
Value Added Tax (VAT)



As of 1 July 2017, the VAT tax increased to 14% from 13%; notably, services such as, but not limited to, accounting and advertising were subject to the VAT for the first time in July 2016.

Despite the latest increases in energy prices, inflation has eased as the country surpassed the base effect following the float of the Egyptian pound. As such, the Central Bank began cutting interest rates with two 100 basis points cuts thus far in 2018

Central Bank of Egypt Lending Rates Evolution from 2016 to Date | %



Positive Impact

Following the rate cuts, our cost of debt will be lower on our medium-term loan granted in April 2017 to finance our new corporate headquarters.

Negative Impact

The banks decrease call accounts and time deposit rates, which negatively affects interest income on the large cash balances we carry on our balance sheet.

The impact of all new government policies is reflected in Company guidance.

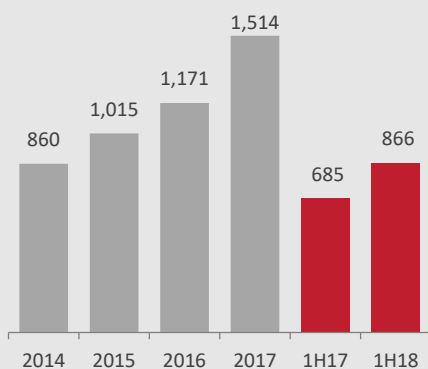
Financial Highlights

Revenue Metrics

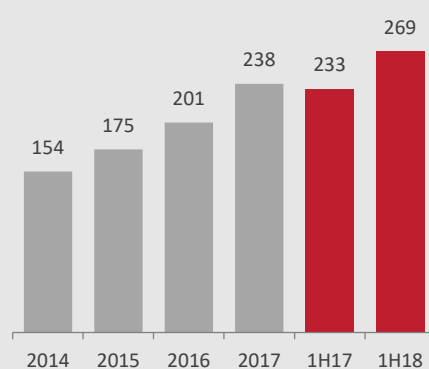
While patient and test volumes have been challenged recently under difficult macroeconomic conditions in Egypt, IDH's key revenue metrics demonstrate the impact of the Company's tactical marketing programs as well as its ability to raise price selectively



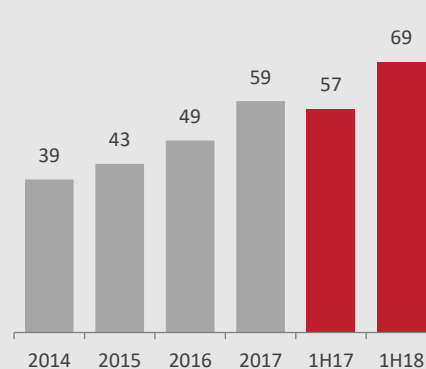
Group Revenues
(EGP MN)



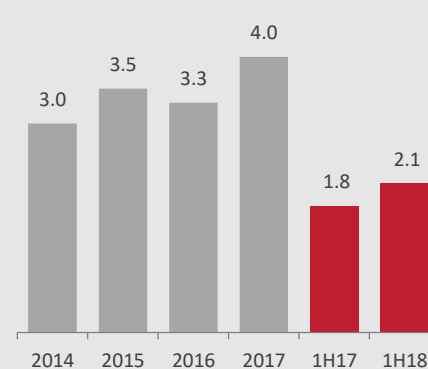
Revenue per patient
(EGP)



Revenue per test
(EGP)



Revenue per lab
(EGP MN)



Financial Highlights

Income Statement

EGP'000	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)
Revenue	865,853	685,133
Cost of sales	(446,660)	(366,867)
Gross profit	419,193	318,266
Marketing and advertising expenses	(41,442)	(29,568)
Administrative expenses	(78,372)	(60,154)
Other expenses	(5,995)	(4,301)
Operating profit	293,384	224,243
Finance income	28,819	18,121
Finance cost	(18,168)	(16,316)
Net finance income/(cost)	10,651	1,805
Profit before tax	304,035	226,048
Income tax expense	(89,675)	(66,048)
Profit for the period	214,360	160,000
Profit attributed to:		
Owners of the Company	216,462	155,344
Non-controlling interest	(2,102)	4,656
	214,360	160,000
Earnings per share (expressed in EGP):		
Basic and diluted earnings per share	1.44	1.04

Revenues increased 26% to EGP 866 million in 1H2018, driven primarily by improved pricing as the Group capitalised on the inflationary environment it operates within and successfully targeted a larger number of higher-margin walk-in patients. The Group's strong revenue performance came despite the slow period during the holy month of Ramadan.

Gross profit increased at a rate faster than revenues, closing at EGP 419 million in 1H2018 or 32% higher y-o-y. Gross profit improved thanks to a higher contribution from higher-margin walk-in patients, a favourable test mix and management's success in controlling costs amidst an inflationary environment. Gross profit margin rose two percentage points to 48% versus 46% recorded in 1H2017.

EBITDA grew 29% to EGP 329 million in 1H2018 compared to EGP 255 million in the same period last year. The Group's EBITDA margin improved to 38% compared to 37% in 1H2017. Excluding the Nigerian operation, EBITDA growth would have been 32% in 1H2018 with an EBITDA margin of 40%.

Financial Highlights

Balance Sheet

EGP'000	30 June 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	539,873	473,786
Intangible assets and goodwill	1,672,483	1,658,252
Total non-current assets	2,212,356	2,132,038
Current assets		
Inventories	80,200	69,935
Trade and other receivables	257,620	202,255
Restricted cash	11,739	13,226
Other investment	125,273	9,149
Cash and cash equivalents	226,643	685,211
Total current assets	701,475	979,776
Total assets	2,913,831	3,111,814
Equity		
Share Capital	1,072,500	1,072,500
Share premium reserve	1,027,706	1,027,706
Capital reserve	(314,310)	(314,310)
Legal reserve	35,195	33,383
Put option reserve	(88,677)	(93,256)
Translation reserve	206,280	203,709
Retained earnings	106,074	315,856
Equity attributed to the owners of the Company	2,044,768	2,245,588
Non-controlling interest	135,483	68,502
Total equity	2,180,251	2,314,090
Non-current liabilities		
Deferred tax liabilities	152,700	158,712
Provisions	15,404	14,699
Loans and borrowings	50,518	38,425
Long-term financial obligations	83,910	100,478
Total non-current liabilities	302,532	312,314
Current liabilities		
Trade and other payables	315,267	333,432
Loans and borrowings	16,603	14,575
Current tax liabilities	99,178	137,403
Total current liabilities	431,048	485,410
Total liabilities	733,580	797,724
Total equity and liabilities	2,913,831	3,111,814

Asset-light business model translates into an under levered and highly cash-generative balance sheet for strategic flexibility.

IDH continued to benefit from its collection strategy with accounts receivables days-on-hand (DOH) decreasing to 113 days at 30 June 2018 from 123 days at 31 December 2017.

On the liabilities side, accounts payable stood at EGP 118 million versus EGP 126 million at year end 2017. The Group's days payable outstanding (DPO) increased to 139 days at 30 June 2018 from 129 days at 31 December 2017.

Governance

Overview

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

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 Bletso¹
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. El Sherbini is a professor of clinical pathology at the Faculty of Medicine, Cairo University and currently sits on the board of American Society of Clinical Pathology (Egypt) and consults on the international certification process. She received her MBBCh, Masters in Clinical and Chemical Pathology, PhD in Immunology from Cairo University, and an Executive MBA from London Business School. Dr. El Sherbini served as CEO of Al Mokhtabar since 2004, until becoming CEO of the Group in 2012.



Hussein Choucri^{1,2,3,4}
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^{2,3,4}
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., Naveq 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^{1,2,3}
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.

Human Resources Development

Training

IDH views education as an essential means of ensuring quality across its laboratories. We strive to create a diverse, productive culture and a safe working environment in order to empower our people to reach their full potential

Training streams



Medical / scientific / technical



Function-specific (non-medical)



Managerial



Soft skills

All staff benefit from training

Unique programs for



Chemists



Salespersons



Managers

- IDH has a dedicated training facility in Cairo with four training laboratories.
- As at June 2018, the training centre employed one director, 5 full-time specialists, 4 administrators and 14 part-time instructors.
- The centre provides training to around 250 employees per month, including doctors, chemists, sales personnel and administrators.

IDH Customer Service School



- IDH's training department has launched the **IDH Customer Service** School to ensure that all employees are equipped with the right skills, knowledge and abilities to perform assigned tasks proficiently, enabling the growth and success of our front-line staff.

- Branch managers, area managers and customer service managers utilizing specific KPIs to measure employee performance and to ensure that the curriculum is applied on the field

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



Thank You