



## Investor Presentation

June 2021

A VITAL LINK  
IN HEALTHCARE

## Cautionary Note Regarding Forward-Looking Information

This presentation contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, plans and objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our ability to execute our growth strategies; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to obtain financing on acceptable terms; interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management’s expectations.

When relying on forward-looking statements to make decisions, we caution readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. For further details on the forward-looking information included in this presentation, see “Cautionary Note Regarding Forward-Looking Information” in Andlauer Healthcare Group’s Annual Information Form (“AIF”) dated February 24, 2021 and the Company’s most recent Management Discussion & Analysis (“MD&A”). A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements. Prospective investors should carefully consider the risk factors described in the Company’s AIF and most recent MD&A, before making an investment decision. The Company’s AIF and most recent MD&A are filed on SEDAR and posted on the Company’s website.

Certain statements included in this presentation may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this presentation. All forward-looking information in this presentation is made as of the date hereof. Except as expressly required by applicable law, we assume no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements.

## Non-IFRS Measures and Industry Metrics

This presentation makes reference to non-IFRS measures, including “EBITDA” and “EBITDA Margin”. These non-IFRS measures do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. They are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management will also use non-IFRS measures and in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Please refer to the Company’s most recent MD&A for further discussion of these non-IFRS financial measures and for a reconciliation to comparable IFRS measures, including net income and comprehensive income.

## Market and Industry Data

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by management on the basis of its knowledge of the healthcare logistics and transportation services industry in which we will operate (including management’s estimates and assumptions relating to the industry based on that knowledge). Management’s knowledge of the healthcare logistics and transportation services industry has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurances as to the accuracy or completeness of included information. Although management believes it to be reliable, we have not independently verified any of the data from management or third-party sources referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

- IPO: December 2019 / TSX: “AND”
- SVS market capitalization: \$478 million <sup>1</sup>
- Total market capitalization: \$1.4 billion <sup>1 4</sup>
- Subordinate Voting Shares (“SVS”): 13,357,379 <sup>1</sup>
- 52-week high / low: \$50.00 / \$19.00
- Multiple Voting Shares (“MVS”): 25,100,000 <sup>2</sup>
- IPO issue price: \$15.00 <sup>3</sup>
- Quarterly dividend: \$0.05 / share (\$0.20 annualized)
- Recent share price: \$35.80 <sup>1</sup>
- Dividend yield: ~ 0.6% <sup>1</sup>

## ANALYST COVERAGE



1. As at June 1, 2021  
2. MVS are 100% owned by Andlauer Management Group

3. As at December 11, 2019  
4. Includes SVS and MVS

# Company Overview

## WHO ARE WE

**Leading and growing** supply chain management company with a platform of customized logistics and specialized transportation solutions for the healthcare sector

Four **competitive strengths** that span our platform and are designed for healthcare customers' needs:

1. Temperature management
2. Regulatory compliance and quality assurance
3. Supply chain visibility
4. Security

### Compelling financial attributes:

- Compound annual revenue growth of **~9%** from 2010-2020 <sup>1</sup>
- **~41%** revenue growth since 2016 and average annual EBITDA margin of **~23.8%** from 2016-2020 <sup>1</sup>

### Focused, multi-pronged growth strategy

## WE OPERATE A PLATFORM OF RELATED BUSINESSES...



## ...FOCUSED ON A RANGE OF HEALTHCARE END MARKETS



1. Excluding Skelton Truck Lines. AHG acquired 100% of Skelton Canada and 49% of Skelton USA in March 2021

**100% of Skelton Canada and 49% of Skelton USA for ~\$114.7 million**
















- **Skelton Canada** includes fleet of ~100 vehicles / ~120 trailers offering validated temperature control, state-of-the-art security systems and real-time shipment monitoring
- Canadian leader in 2° C to 8° C and < - 20° C shipments
- EBITDA of ~ \$11 million in 2020
- **Skelton USA** was launched in 2017 due to customer demand
- Strategic entry to U.S. market by partnering with an established operator
- EBITDA of ~ \$2.5 million in 2020
- AHG holds option for to acquire remaining 51%



- 1** Leading Provider of Essential Healthcare Supply Chain Services
- 2** Coast-to-Coast, Closed-Loop Network in Canada Supported by Specialized Infrastructure
- 3** Technology Supporting a Comprehensive Service Platform
- 4** Partner of Choice for Leading Companies in the Healthcare Industry
- 5** Strong Financial Performance
- 6** Experienced Management Team Aligned with Shareholders and Strong Employee Culture



# Leading Provider of Essential Supply Chain Services

	 <b>Logistics &amp; Distribution</b>	 <b>Packaging Solutions</b>	 <b>Ground Transportation</b>	 <b>Air Freight Forwarding</b>	 <b>Dedicated and Last Mile Delivery</b>
<b>Description</b>	Client & customer integration, managed transportation, inventory management, secured warehousing, distribution & fulfillment	Co-packing / re-packing, assembly / custom work, design & supply, secondary Rx packaging	Blend of owner-operated and employee drivers, pick-up and delivery, courier, LTL, preferred carrier	Guaranteed contracted space, airport to airport furtherance, dedicated staff	Last mile shipments to pharmacies and veterinarian clinics, pharmacy home-delivery service
<b>Contract</b>	Typically 3 – 5 master service agreements, including quality agreements	Combination of contracts and project-based	Fee for service, often with quality agreements	Fee for service, often with quality agreements	Typically 3 – 5 year contracts
<b>Primary Client</b>	Pharmaceutical Manufacturers	Pharmaceutical Manufacturers	Third-Party Logistics Providers Wholesalers and Distributors Pharmaceutical Manufacturers	Third-Party Logistics Providers Wholesalers and Distributors Pharmaceutical Manufacturers	Wholesalers Distributors Pharmacies
<b>Geography</b>	Canada-wide	Canada-wide	Canada-wide	Canada-wide	Canada-wide (Home delivery in Winnipeg only)
<b>% of 2020 Revenue <sup>1 2</sup></b>	28.0%	5.6%	51.2%	6.5%	8.6%
<b>Brands</b>	 	 	 	 	 

1. % of 2020 revenue prior to intersegment revenue eliminations

2. Excluding Skelton Truck Lines. AHG acquired 100% of Skelton Canada and 49% of Skelton USA in March 2021



## NATIONAL INFRASTRUCTURE



- Nation-wide coverage with 30 leased facilities, and five third-party cross-docks<sup>1</sup>
- More than 2.1 million sq. ft. of operating space<sup>1</sup>
- GMP-licensed and temperature mapped distribution facilities



### TEMPERATURE MANAGEMENT

- Dedicated facilities
- Specialized vehicles
- Customized packaging



### QUALITY ASSURANCE

- Highly regulated environment
- Significant GMP and GUI-0069 experience
- Long-standing relationships



### SUPPLY CHAIN VISIBILITY

- Proprietary IT systems
- Reporting and regulatory compliance
- Purpose built monitoring system



### SECURITY

- Specialized management protocol for high value and controlled products
- Health Canada compliant vaults

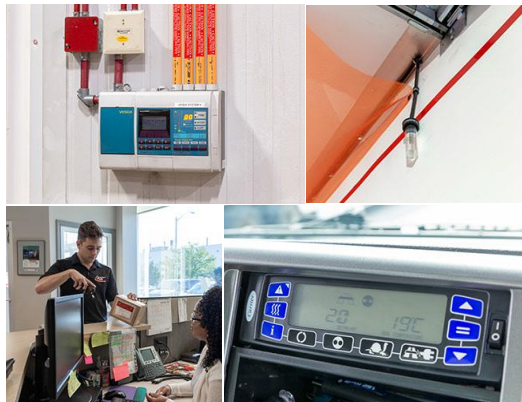
1. Square footage excludes five cross-docks



# Technology Supporting a Comprehensive Service Platform

- AHG's systems enable end-to-end monitoring, offer complete supply chain visibility and are integrated with those of our clients and end customers

## FLEET-INTEGRATED HARDWARE



## PROPRIETARY INFORMATION SYSTEMS

### Order Management



- Purchase order module
- Sales order module
- Accounts receivable module
- Inventory control module
- Reports

### Operating System



- Manage all shipments
- Scanning, tracing, rating and reporting
- Temperature monitoring data and shipment status

## FULL VISIBILITY REPORTING



## LONGSTANDING RELATIONSHIPS WITH MAJOR INDUSTRY PROVIDERS

Strong client retention with an **average client relationship across the top 20 clients by revenue of 15+ years**

### SELECT CLIENT RELATIONSHIPS

#### Pharmaceutical Manufacturers



#### Wholesalers and Distributors

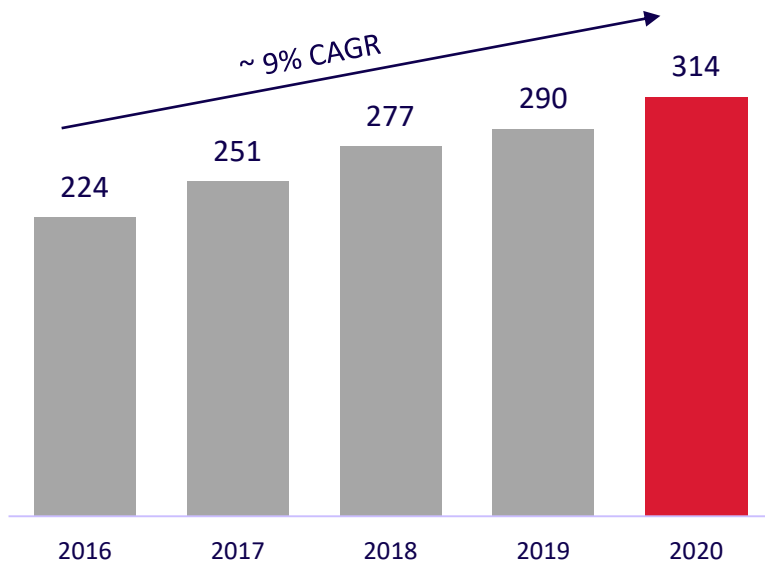


#### Third-Party Logistics Players

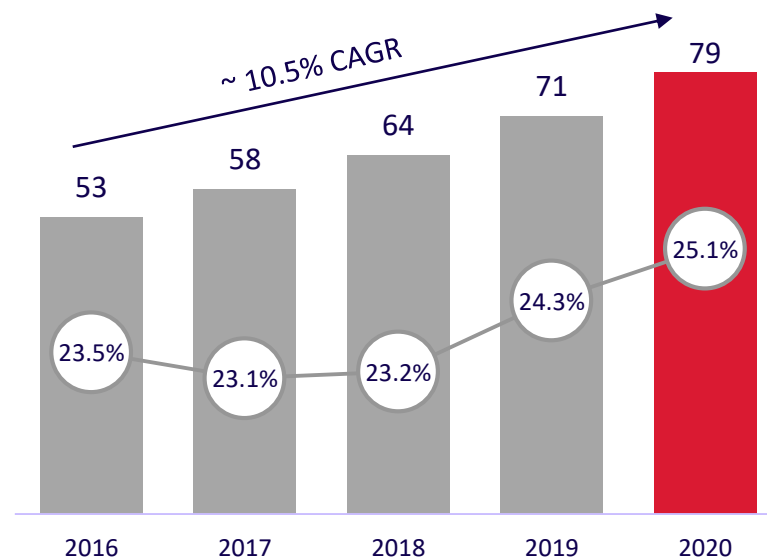


# Strong Financial Performance

## Revenue (\$ millions)


















## EBITDA<sup>1</sup> (\$ millions) and EBITDA Margin (%)



1. Defined as net income (loss) and comprehensive income (loss) for the period before: (i) income tax (recovery) expense; (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization

# Experienced Management Team Aligned with Shareholders

- Experienced management team with vast industry knowledge and a proven track record
- 198 combined years working in the logistics, transportation and healthcare industries
- CEO, through AMG, holds 67% interest, ensuring strong alignment with shareholders

	Industry Experience	Tenure	Prior Company Experience
<b>Michael Andlauer</b> Chief Executive Officer	36	29	   
<b>Peter Bromley</b> CFO and Corporate Secretary	26	2	  
<b>Stephen Barr</b> President, Transportation	31	11	  
<b>Bob Brogan</b> President, Specialty Solutions	36	19	  
<b>Reg Sheen,</b> President, Logistics	26	6	  
<b>Ron Skelton</b> President, Skelton Companies	43	March 2021	

# Strong Employee Culture

- Employee culture has driven us forward as an industry leader in high-quality healthcare logistics and transportation services
- Our people are empowered through training and professional development programs and we maintain open lines of communication to encourage employee input on business process improvement
- We recognize and celebrate employees who act as leaders and promote movement within to retain top talent



**Transparency**



**Excellence**



**Accountability**

## Financial Performance

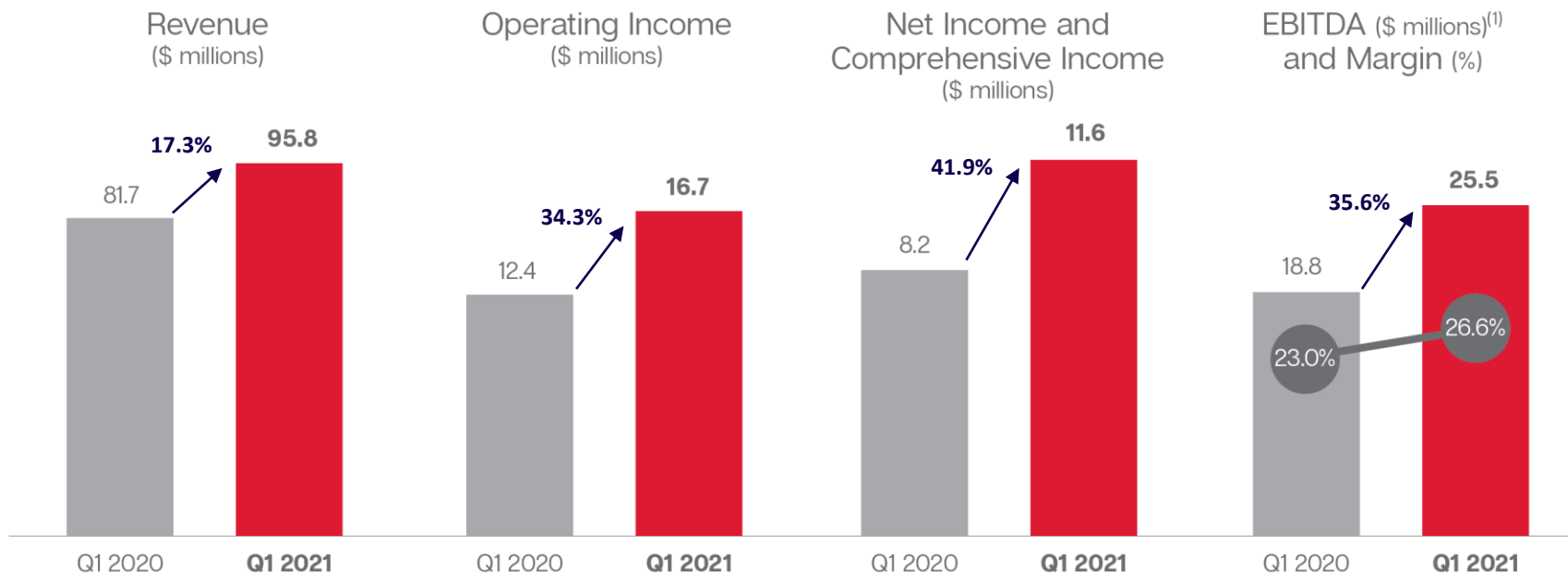
# Q1 2021 Financial Review

(In 000's, except percentages)	Three months ended March 31, 2021	Three months ended March 31, 2020	Change
<b>Revenue</b>			
Logistics and Distribution	\$ 27,628	\$ 23,567	17.2%
Packaging	5,651	7,344	(23.1%)
Ground Transportation	53,583	46,239	15.7%
Air Freight Forwarding	6,601	5,265	25.4%
Dedicated and Last Mile Delivery	11,218	6,267	79.0%
Less: Intersegment Eliminations	(8,915)	(7,122)	25.2%
<b>Total Revenue</b>	<b>\$ 95,766</b>	<b>\$ 81,650</b>	<b>17.3%</b>





# Q1 2021 Financial Review

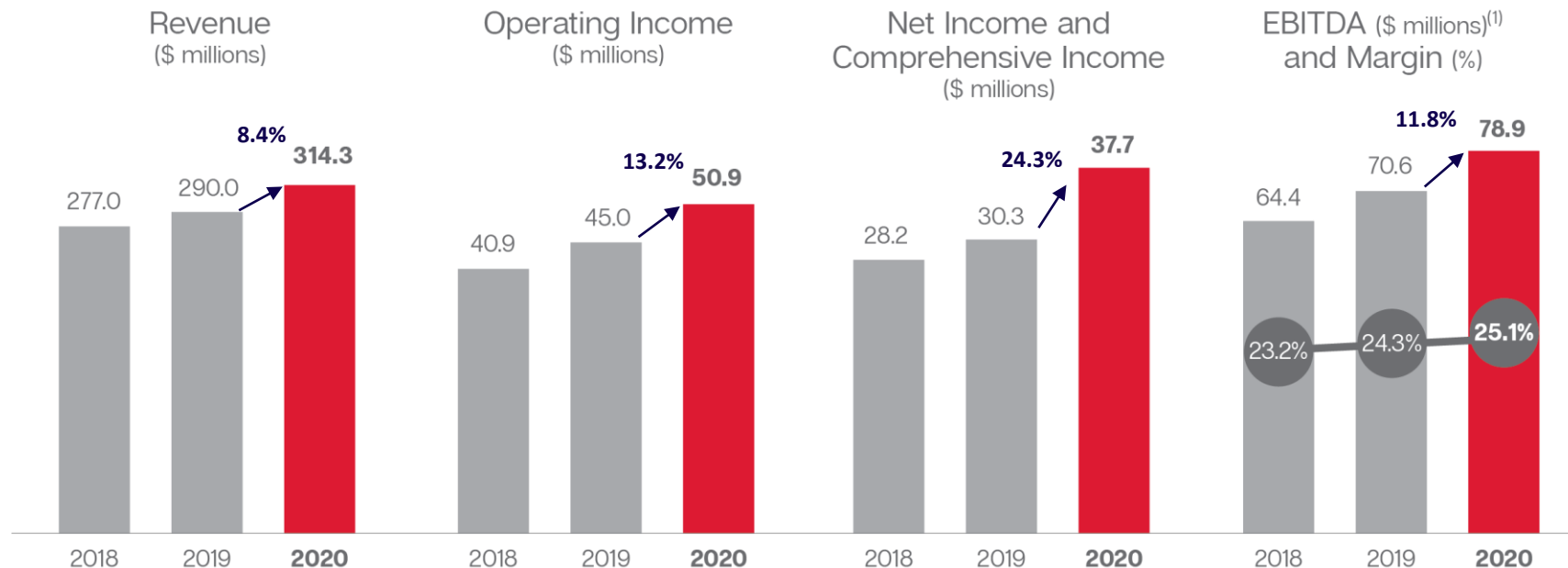


Q1 2020 EPS: \$0.22/ share (diluted)

Q1 2021 EPS: \$0.30/ share (diluted)

1. Defined as net income (loss) and comprehensive income (loss) for the period before: (i) income tax (recovery) expense; (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization.

# 2020 Financial Review



2019 EPS: \$0.79 / share (diluted)

2020 EPS: \$0.98 / share (diluted)

1. Defined as net income (loss) and comprehensive income (loss) for the period before: (i) income tax (recovery) expense; (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization

# Strong Balance Sheet

- Capitalized for growth and dividend payments
- Increased debt as at March 31, 2021 reflects the Skelton acquisition

(in \$000s)	As at March 31, 2021	As at December 31, 2020
<b>Cash and cash equivalents</b>	<b>\$24,924</b>	<b>\$30,148</b>
<b>Total Assets</b>	<b>\$409,151</b>	<b>\$252,797</b>
<b>Debt</b>		
Revolving credit facility	50,000	-
Term loan	49,087	24,667
Lease liabilities	131,426	104,946
Due to related parties	661	-
<b>Total Debt</b>	<b>\$231,174</b>	<b>\$129,613</b>
<b>Total Liabilities</b>	<b>\$279,697</b>	<b>\$158,470</b>
<b>Total Equity</b>	<b>\$129,454</b>	<b>\$94,327</b>
<b>Net Debt <sup>1</sup> / LTM EBITDA <sup>2</sup></b>	<b>2.98x</b>	<b>1.63x</b>

1. Net Debt defined as total liabilities less cash and cash equivalents

2. LTM EBITDA defined as net income (loss) and comprehensive income (loss) for the trailing 12-month period before: (i) income tax (recovery) expense; (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization

**CLINICAL  
TRIALS**

ACCURISTIX  
CLINICAL RESEARCH PARTNERS

## Growth Opportunities

We are well-positioned at the forefront of several accelerating market trends

## TRENDS DRIVING INDUSTRY GROWTH



**Aging Population and Increased Life Expectancy**



**Increasing Number of Healthcare and Adjacent Products with Unique Logistics Needs**



**Increasing Industry Regulation**



**Increasing Demand for Distributed and Ancillary Healthcare Logistics Services**

## CANADIAN OUTSOURCED HEALTHCARE LOGISTICS AND TRANSPORTATION MARKET

- Outsourced healthcare logistics and transportation market in Canada was worth ~US\$2.0 billion in 2018 and ~US\$2.1 billion in 2019<sup>1</sup>
- Between 2013 and 2018, the market grew at a CAGR of ~3.6%<sup>1</sup>
- The market is forecasted to grow at a CAGR of > 6% between 2020 and 2024<sup>2</sup>

**Spending on healthcare logistics and transportation is expected to accelerate**

1. Source: Healthcare Logistics Market in North America 2019 – 2023 report by Technavio dated October 2019

2. Source: Logistics Market in Canada 2020 – 2024 news release by Technavio dated December 2020

# Strengthen Healthcare Clients' Connection to our Growing Platform

Continued client education and increased regulatory oversight drives increased spending on AHG services

## EXPANDING DEDICATED DELIVERY BUSINESS

- Leverage our existing nation-wide network of facilities, dedicated equipment and client relationships
- Expand on regional relationships with existing clients in new geographies and secure new client contracts



## DEVELOPING NEW SERVICES

- We are continuously developing new offerings that complement our existing logistics services offering



**RA & QA Consulting**



**Destruction**



**Clinical Trial Logistics**

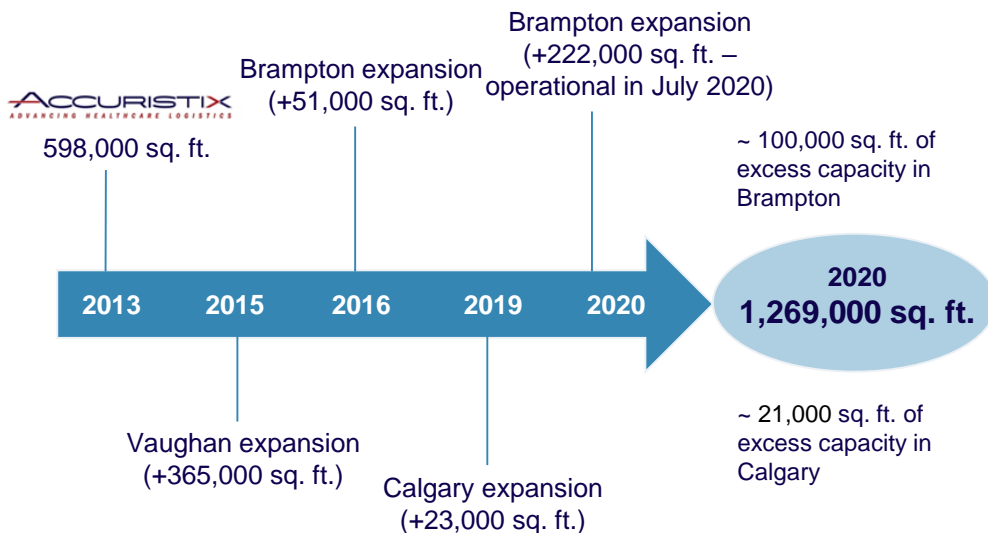


**Medical Devices**

# Acquire New Clients and Expand Capacity

- AHG has a history of securing new clients as a foundation for growth
- Adding incremental square footage to serve new clients, while adding excess capacity through capital-efficient leases
- Management is focusing on a number of new opportunities and markets

## RECENT & EXPECTED ACCURISTIX DISTRIBUTION CENTRE CAPACITY



## GROWTH FROM NEW AND EXISTING CLIENTS

Market	Opportunities
Pharmaceuticals	<ul style="list-style-type: none"><li>• Clients re-evaluating their current service providers represent opportunities for new business</li></ul>
Medical Devices	<ul style="list-style-type: none"><li>• Health Canada regulations becoming more stringent</li></ul>
Nutraceuticals	<ul style="list-style-type: none"><li>• Health Canada regulations becoming more stringent</li></ul>
Medical Cannabis	<ul style="list-style-type: none"><li>• Expanding market with potential for opportunities in the future</li></ul>



Leveraging our core capabilities across a broader array of services to enhance our platform

## STRATEGIC APPROACH TO M&A

- Increasing scale by completing complementary tuck-in acquisitions



**Packaging Solutions**



**Temperature-Controlled  
Transportation**

- Accelerating expansion in growing verticals and gaining expertise in new verticals and geographies



**Quality Assurance  
Consulting**



**Clinical Trials**



**Destruction**



**Geographical  
Expansion**



**Primary  
Packaging**



**Customs  
Brokerage**



**International Freight  
Forwarding**

# Appendix

Directors	Principal Occupation
<b>Rona Ambrose</b> <sup>1 2 3</sup> <i>Lead Director</i>	Deputy Chair, TD Securities. Former leader of the Conservative Party of Canada. Former minister across nine Canadian government departments, including federal Health Minister.
<b>Michael Andlauer</b>	CEO of Andlauer Healthcare Group. Founder, President and CEO of Andlauer Management Group Inc. Founder, Bulldog Capital Partners Inc.
<b>Andrew Clark</b> <sup>1 2</sup>	Former Chairman and CEO of Park Lawn Corporation (TSX: PLC)
<b>Peter Jelley</b> <i>Chair</i>	President and CEO of Bulldog Capital Partners Inc. President and CEO of Trout River Capital Ltd. Formerly Head of Investment Banking at National Bank Financial Inc.
<b>Cameron Joyce</b>	President and CEO of Accuristix from 2009 to 2015. Chair of the Board of Directors of Accuristix from 2015 to 2019.
<b>Joseph Schlett</b>	Independent financial consultant with more than four decades of public accounting experience, including over 35 years with SB Partners LLP.
<b>Evelyn Sutherland</b> <sup>1 2 3 *</sup>	CFO of Staples Canada ULC
<b>Thomas Wellner</b> <sup>1 3 *</sup>	President and CEO of Revera Inc.

<sup>1</sup> Independent director / <sup>2</sup> Member of Compensation, Nominating & Governance Committee / <sup>3</sup> Member of the Audit Committee / \* Denotes Committee Chair

Regulation and security requirements are increasing in both Canada and abroad

## AHG'S KEY COMPANY COMPLIANCE STATUTES, REGULATIONS AND GUIDELINES

- Health Canada's Good Manufacturing Practices Guide for Drug Products (GUI-0001)
- Health Canada's Guidance on Drug Establishment Licenses and Associated Fees (GUI-0002)
- Health Canada's Guidelines for Environmental Control of Drugs During Storage and Transportation (GUI-0069)
- Health Canada's Guidance Document on the Import Requirements for Health Products Under the Food and Drugs Act and its Regulations (GUI-0084)
- Health Canada's Guidelines for Active Pharmaceutical Ingredients (GUI-0104)
- Health Canada's Guidance Documents for Medical Devices
- Health Canada's Guidance Documents for Natural and Non-Prescription Health Products
- Food and Drugs Act and its regulations, including the Food and Drug Regulations and Natural Health Product Regulations
- Cannabis Act and its regulations
- Controlled Drugs and Substances Act and its regulations, including the Precursor Control Regulations and the Narcotic Control Regulations



Health  
Canada    Santé  
Canada



EUROPEAN MEDICINES AGENCY  
SCIENCE MEDICINES HEALTH