



## Investor Presentation

November 2022



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 March 2, 2022 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: \$921 million <sup>1</sup>
- Total market capitalization: \$2.1 billion <sup>1</sup>
- Subordinate Voting Shares (“SVS”): 18,257,283 <sup>1</sup>
- Multiple Voting Shares (“MVS”): 23,600,000 <sup>1 2</sup>
- 52-week high / low: \$55.97 / \$37.57 <sup>1</sup>
- IPO issue price: \$15.00 <sup>3</sup>
- Quarterly dividend: \$0.07 / share (\$0.28 annualized)
- Recent share price: \$50.45 <sup>1</sup>
- Dividend yield: ~ 0.56% <sup>1</sup>

## ANALYST COVERAGE



1. As at November 11, 2022

2. MVS are 100% owned by Andlauer Management Group

3. December 11, 2019.

# 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 in Canada and the U.S.

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:

- Revenue CAGR of ~ **11.5%** from 2010-2021
- ~ **75%** revenue growth and average annual EBITDA margin of **24.6%** from 2017-2021

### Focused, multi-pronged growth strategy

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



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



# Acquisition of Logistics Support Unit Inc. (“LSU”)

- **March 1, 2022:** Acquired 100% of LSU
- Established in 2008, LSU is a third-party logistics provider offering specialty pharma, warehousing, distribution and order management services throughout Canada to pharmaceutical, medical and biotechnology clients
- Exclusive distributor of immunizing agents for the Québec public health system
- Adds further validated temperature control, security, quality control and real-time tracking capabilities to our platform, while expanding our market presence in Québec





# 2021 Acquisitions

**March 1:** Acquired 100% of Skelton Canada / 49% of Skelton USA

**November 1:** Acquired 100% of Boyle Transportation and remaining 51% of Skelton USA

## **Skelton Canada:**

- Fleet of ~100 vehicles / ~120 trailers offering validated temperature control, state-of-the-art security systems and real-time monitoring
- Canadian leader in 2° C to 8° C and < - 20° C shipments

## **Skelton USA:**

- Skelton expanded into the U.S. in 2017 due to customer demand and has grown rapidly





## **Boyle Transportation:**

- Based in Massachusetts / operates throughout the 48 contiguous U.S. states and to / from Canada
- Specialized transport services to life sciences (~ 78% of revenue) and government/defense sectors (~ 22% of revenue)



- 1** Established Provider of Essential Supply Chain Services to Leading Companies in the Healthcare Industry
- 2** Coast-to-Coast, Closed-Loop Network in Canada Supported by Specialized Infrastructure
- 3** Truckload Coverage of the Contiguous 48 U.S. States
- 4** Technology Supporting a Comprehensive Service Platform
- 5** Strong Financial Performance
- 6** Experienced Management Team Aligned with Shareholders and Strong Employee Culture

# Established 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 Clients</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 / U.S.	Canada-wide	Canada-wide (Home delivery in Winnipeg only)
<b>% of Q3 2022 Revenue <sup>1</sup></b>	23.9%	3.1%	59.2%	4.3%	9.5%
<b>Brands</b>	  	  	   	 	  

1. % of Q3 2022 revenue prior to intersegment revenue eliminations



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



Boehringer  
Ingelheim



MERCK



Wholesalers and  
Distributors



**Jean Coutu**



McKESSON



Third-Party  
Logistics Players



KUEHNE+NAGEL

AmerisourceBergen  
Innomar Strategies





## NATIONAL INFRASTRUCTURE



- Nationwide coverage with 31 leased facilities, and six third-party cross-docks
- More than 2.2 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 cross-docks

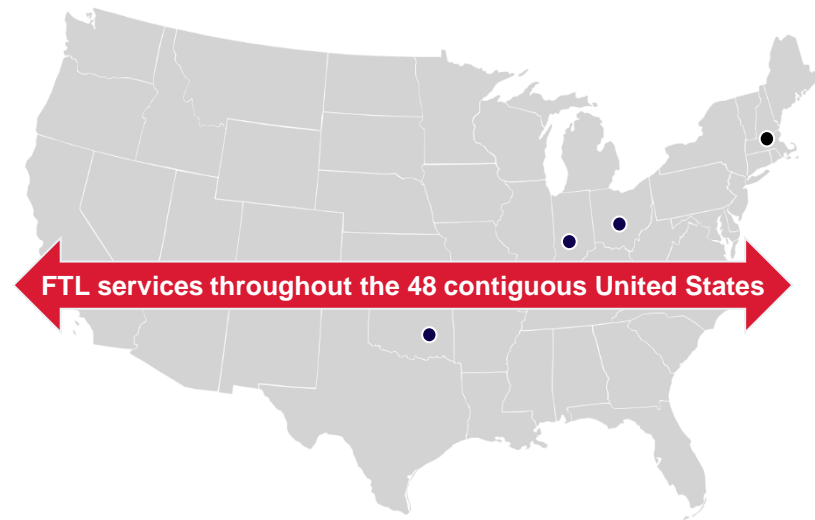
# Truckload Coverage of the Contiguous 48 U.S. States

Boyle Transportation and Skelton USA have of a combined fleet of 150 trucks and 200 trailers, providing:

- Validated temperature control
- GPS tracking / security monitoring
- Transport of temperature-sensitive pharmaceuticals, biologics and vaccines
- Specialized management protocol for high value and controlled products
- Cross-border service (Canada / U.S.)
- Boyle generates approximately 22% of revenue from U.S. defense sector

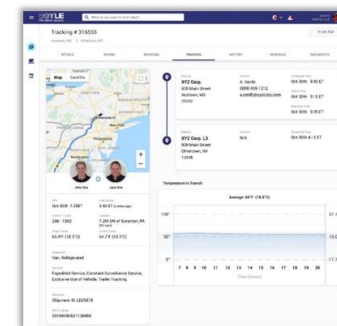
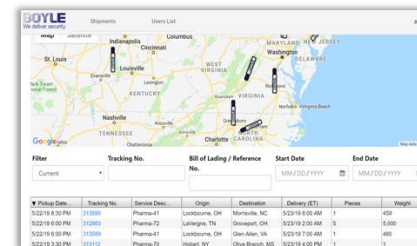
**BOYLE**  
We deliver security.™

**Skelton**  
**Truck Lines**



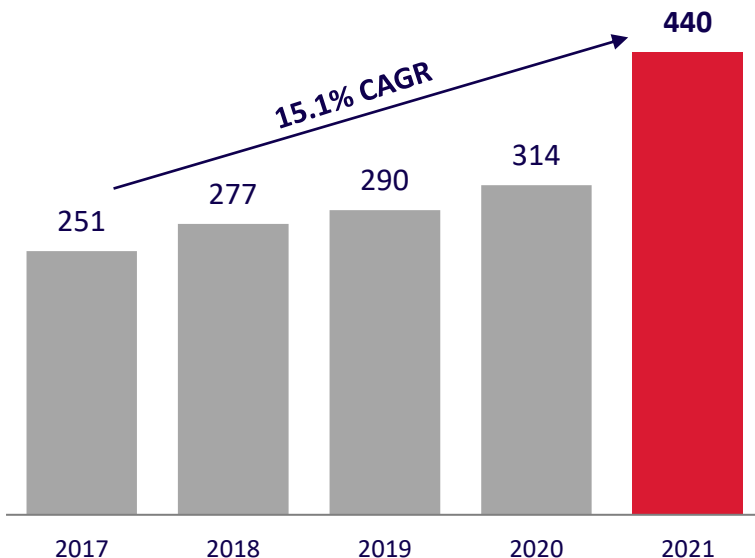
**Acquisitions of Boyle and Skelton USA forms strategic platform for growth in U.S. market**

- ## FLEET-INTEGRATED HARDWARE

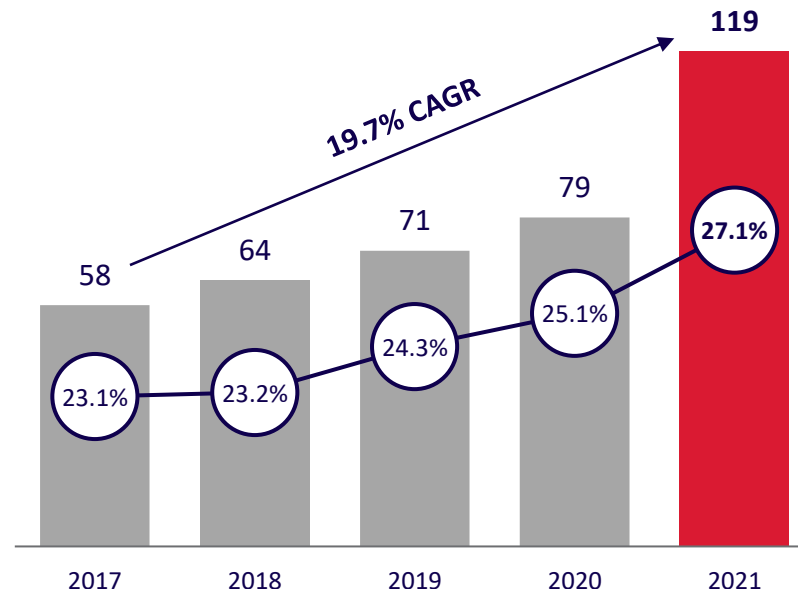


# Strong Financial Performance

Revenue (\$ millions)



EBITDA (\$ millions) / EBITDA Margin (%)<sup>1 2</sup>



1. EBITDA is 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
2. Excluding gain of \$37.9 million on the step acquisition of 51% of Skelton USA Inc. in Q4 2021

# Experienced Management Team Aligned with Shareholders

- 200 + combined years working in the logistics, transportation and healthcare industries
- CEO, through AMG, holds ~ 58% interest in AHG, combined with equity ownership by other management team members, ensures strong alignment with shareholders

	Industry Experience	Tenure	Prior Company Experience
<b>Michael Andlauer</b> Chief Executive Officer	36	30	   
<b>Peter Bromley</b> CFO and Corporate Secretary	26	3	  
<b>Stephen Barr</b> President, Transportation	31	12	  
<b>Bob Brogan</b> President, Specialty Solutions	36	20	  
<b>Dean Berg,</b> President, Logistics	27	18	  
<b>Ron Skelton</b> President, Skelton Companies	43	March 2021	
<b>Andrew Boyle / Marc Boyle</b> Co-Presidents, Boyle Transportation	30 / 30	November 2021	  



# Strong Employee Culture

- Strong employee culture has driven AHG forward as an industry leader in high-quality healthcare logistics and transportation services
- Boyle Transportation named the “Best Fleet to Drive For” in the U.S. and Canada (2020 & 2021)
- Skelton Truck Lines selected as a finalist for: Northbridge Insurance Transportation Safety Award (March 2021) and “Best Fleet to Drive For” in the U.S. and Canada (December 2020)



**BOYLE**  
We deliver security.™

**BEST Fleets**  
TO DRIVE FOR

**Skelton**  
Truck Lines



**LSU**  
Unité de soutien logistique



Transparency



Excellence



Accountability

**AHG recognizes its people are its most important asset and promotes personnel from within to retain top talent**

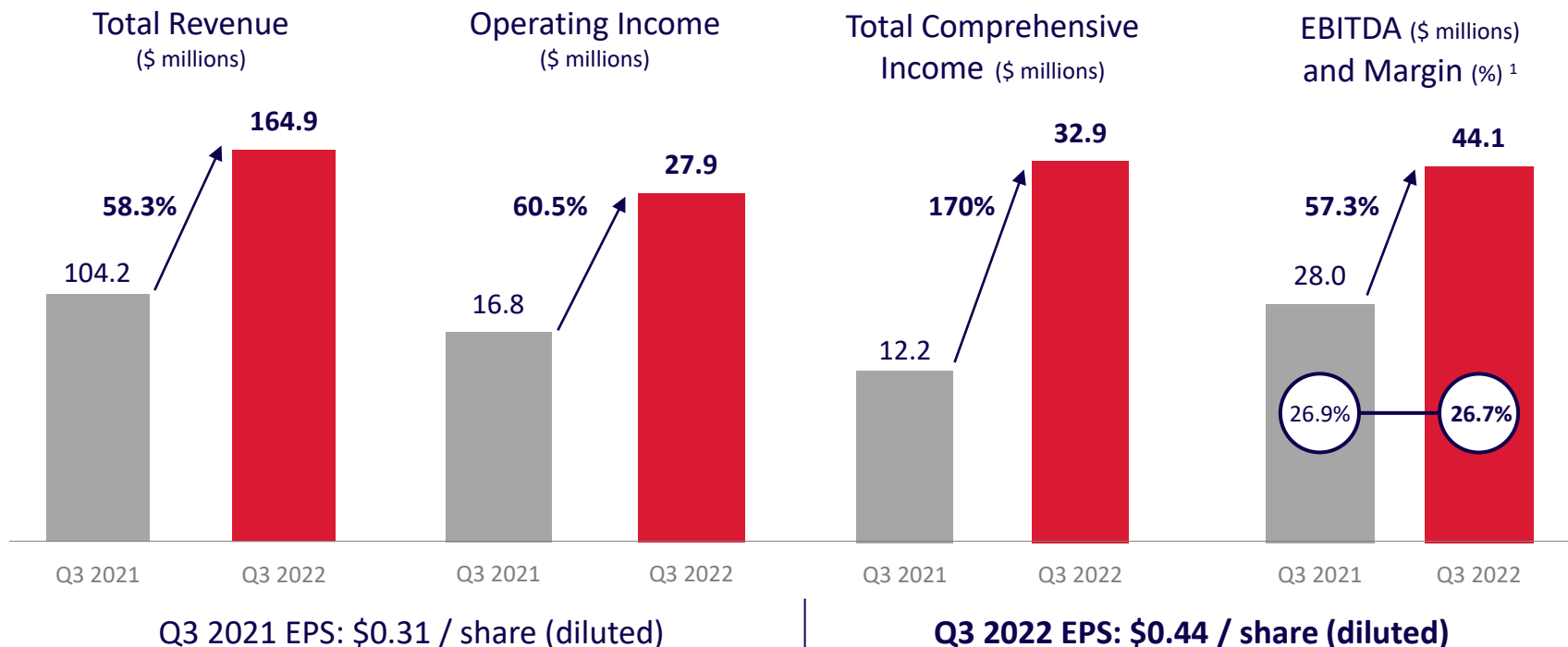
## Q3 2022 Financial Review

# Q3 2022 Financial Review

- LSU, Skelton USA and Boyle Transportation acquisitions contributed \$43.4 million in revenue
- Approximately 2.8% of consolidated revenue generated from the distribution of COVID vaccines and ancillary products compared to 2.5% in Q3 2021

(In 000's, except percentages)	Three months ended Sept. 30, 2022	Three months ended Sept. 30, 2021	Variance
<b>Revenue</b>			
Logistics and Distribution	\$ 42,574	\$ 28,953	47.0%
Packaging	5,443	4,504	20.8%
<b>Healthcare Logistics Segment</b>	<b>48,017</b>	<b>33,457</b>	<b>43.5%</b>
Ground Transportation	105,353	60,750	73.4%
Air Freight Forwarding	7,704	6,155	25.2%
Dedicated and Last Mile Delivery	16,980	13,348	27.2%
Less: Intersegment Eliminations	(13,156)	(9,511)	38.3%
<b>Specialized Transportation Segment</b>	<b>116,881</b>	<b>70,742</b>	<b>65.2%</b>
<b>Total Revenue</b>	<b>\$ 164,898</b>	<b>\$ 104,199</b>	<b>58.3%</b>

# Q3 2022 Financial Review



1. EBITDA is 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

# YTD 2022 Financial Review

(In 000s, except percentages and per share amounts)	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021	Variance
<b>Revenue</b>			
Logistics and Distribution	\$ 117,664	\$ 85,734	37.2%
Packaging	17,365	15,721	10.5%
<b>Healthcare Logistics Segment</b>	<b>135,029</b>	<b>101,455</b>	<b>33.1%</b>
Ground Transportation	309,180	176,602	75.1%
Air Freight Forwarding	26,834	19,190	39.8%
Dedicated and Last Mile Delivery	49,540	37,978	30.4%
Less: Intersegment Eliminations	(37,932)	(28,135)	34.8%
<b>Specialized Transportation Segment</b>	<b>347,622</b>	<b>205,635</b>	<b>69.0%</b>
<b>Total Revenue</b>	<b>482,651</b>	<b>307,090</b>	<b>57.2%</b>
Operating expenses	(400,472)	(254,839)	57.1%
<b>Operating income</b>	<b>82,179</b>	<b>52,251</b>	<b>57.3%</b>
<b>Net Income</b>	<b>56,451</b>	<b>36,850</b>	<b>53.2%</b>
Foreign currency translation Adjustment	17,515	--	N/A
<b>Total comprehensive income</b>	<b>\$ 73,966</b>	<b>\$ 36,850</b>	<b>100.7%</b>
<b>EPS (diluted)</b>	<b>\$ 1.32</b>	<b>\$ 0.94</b>	<b>\$ 0.38</b>
<b>EBITDA</b>	<b>\$ 129,785</b>	<b>\$ 83,486</b>	<b>55.5%</b>
<b>EBITDA Margin</b>	<b>26.9%</b>	<b>27.2%</b>	<b>(0.3%)</b>

# Strong Balance Sheet

(in \$000s)	As at Sept. 30, 2022	As at December 31, 2021
Cash and cash equivalents	\$ 50,683	\$ 24,990
<b>Total Assets</b>	<b>708,924</b>	<b>644,169</b>
<b>Debt</b>		
Revolving credit facility	--	11,000
Term loan	49,489	49,288
Lease liabilities	118,748	126,963
<b>Total Debt</b>	<b>168,237</b>	<b>187,251</b>
<b>Total Liabilities</b>	<b>282,384</b>	<b>292,050</b>
<b>Total Equity</b>	<b>426,540</b>	<b>352,119</b>
<b>Net Debt <sup>1</sup> / LTM EBITDA <sup>2</sup></b>	<b>0.58x</b>	<b>1.03x</b>

1. Net Debt defined as total debt 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  
ACCELERATING HEALTHCARE INNOVATION

## Growth Opportunities

# Attractive Industry Fundamentals

- We are well-positioned at the forefront of several accelerating healthcare market trends
- North American outsourced healthcare logistics and transportation market growth outpacing GDP growth

## TRENDS DRIVING INDUSTRY GROWTH



### Aging Population and Increased Life Expectancy



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

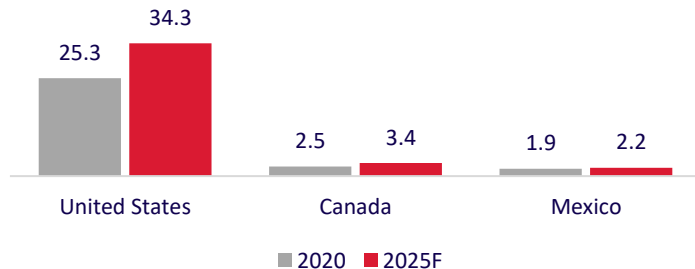
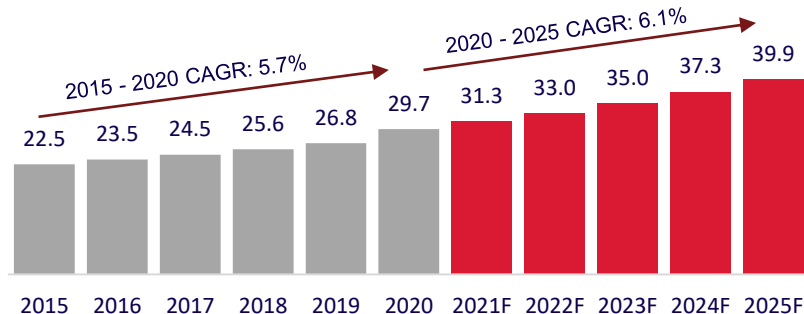


### Increasing Industry Regulation



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

## NORTH AMERICAN OUTSOURCED HEALTHCARE LOGISTICS AND TRANSPORTATION MARKET (US\$BN)<sup>(1)</sup>



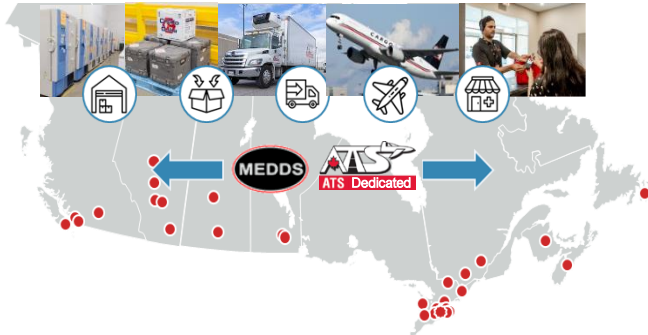
(1) Source: Healthcare Logistics Market in North America 2019 – 2023 / 2021 – 2025 reports by Technavio

# Organic Growth: Strengthening our Clients' Connection to our Growing Platform

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

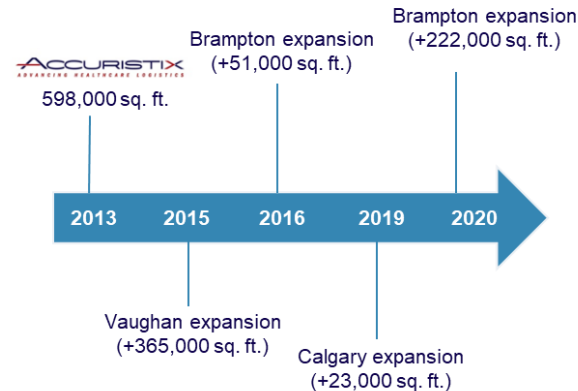
## EXPANDING DEDICATED DELIVERY BUSINESS

- 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



## ACCURISTIX CAPACITY GROWTH

- AHG has a history of generating growth from new and existing clients
- Adding incremental square footage to serve new clients, while adding excess capacity through capital-efficient leases

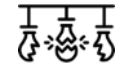


## DEVELOPING NEW SERVICES

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



**RA & QA Consulting**



**Destruction**



**Clinical Trial Logistics**



**Medical Devices**

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**



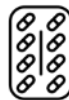
**Clinical Trials**



**Destruction**



**Geographical  
Expansion**



**Primary  
Packaging**



**Customs  
Brokerage**



**International Freight  
Forwarding**



## Appendix

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
- The United States Pharmacopeia (USP) chapter <1079> Good Storage and Distribution Practices for Drug Products for U.S. distribution



Health  
Canada

Santé  
Canada



EUROPEAN MEDICINES AGENCY  
SCIENCE MEDICINES HEALTH



Directors	Principal Occupation
<b>Rona Ambrose</b> <sup>1 2 3</sup> <i>Lead Director</i>	Deputy Chair, TD Securities
<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.
<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> <sup>1</sup>	Independent director 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