

## Qualification Case 2024

The **Van Berkomp / John Molson School of Business Small Cap Case Competition (VBCC)** seeks to promote a *long term, value* approach to investing in small capitalization global securities. Participating teams are required to evaluate such securities using quantitative and qualitative measures and defend their recommendation.

*The company that you are required to value and provide a recommendation about is:*



## **Andlauer Healthcare Group (TSX:AND)**

Andlauer Healthcare Group, Inc. is a supply chain management company with a platform of customized third-party logistics (3PL) and specialized transportation solutions for the healthcare sector. It offers services to healthcare, manufacturers, wholesalers, distributors and 3PL providers, among others, through a comprehensive platform of technology-enabled supply chain solutions for a range of products, including pharmaceuticals, biologics, narcotics, precursors, active pharmaceutical ingredients, over-the-counter, natural health, animal health, consumer health, cosmetics, health and beauty aids and medical devices. It operates through the following segments: Specialized Transportation and Healthcare Logistics. The Healthcare Logistics segment provides supply chain services for its customers, including logistics and distribution services and packaging solutions. The Specialized Transportation segment includes air freight forwarding, ground transportation and dedicated and last mile delivery product lines. The company was founded in 1991 and is headquartered in Vaughan, Canada.

**The shares are listed on the Toronto Stock Exchange** under the trading symbol AND.

### **Important - keep the following in mind:**

Assume that you already own the required position in Andlauer Healthcare Group (TSX:AND) as at January 1<sup>st</sup>, 2024.

As part of the qualification round, teams are asked to evaluate Andlauer Healthcare Group (TSX:AND) and determine whether a fully diversified, small cap portfolio should **hold its position** because Andlauer Healthcare Group will provide significant upside returns.

Specifically, you are asked to determine if a **15% compounded annual return (CAGR) is possible between January 1<sup>st</sup>, 2024 and December 31<sup>st</sup>, 2028 thereby doubling the investment in Andlauer Healthcare Group. by the end of 2028.** Remember that a complete recommendation includes both valuation as well as a strategic assessment of the company.

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**Look for:**

- **Outstanding management**
- **Sustainable competitive advantages within their industry**
- **Improving free cash flows**
- **High returns on capital**
- **Trading below intrinsic value – all of which are the trademarks of a fundamental, bottom-up stock picker.**

**Deliverable for the Qualification Case Analysis and Report:**

You are required to provide a three-page report, (1.5 spaced, 11-point Times New Roman font, normal margins) summarizing your analysis and recommendation. You are additionally allowed to submit another three pages containing supporting items in the form of appendices. A cover page can be added for a report having a maximum length of 7 pages (including the cover page that contains material pertinent to a cover page). **IMPORTANT NOTE:** All qualification case submissions must have appropriate and complete sourcing. Un-sourced submissions (partial/complete) will be disqualified. Include footnotes with sourcing for all material that is not your own.

**You may use whatever information is publicly available in order to complete the report and *provide your recommendation to Hold or Sell* your position in Andlauer Healthcare Group.**

**Due Date:**

All submissions must arrive via an email attachment to the address **schools@vanberkomcc.com** no later than **Friday January 19, 2024 at 9PM Eastern Standard Time (GMT -5)**.

Please include the subject line: **Van Berkom JMSB Qualification Case – “Your school name”**.

**Important:** Please include the resume (CV) of each team member as part of the submission email.

**ABOUT Andlauer Healthcare Group (TSX:AND).** (source: <https://andlauerhealthcare.com>)

**“Financial Information”**

The company provides financial reporting on this site:

<https://andlauerhealthcare.com/andlauer-healthcare-financial-reports/>

**“Investor Presentations and Events”**

The company provides investor presentations and event announcements on this site:

<https://andlauerhealthcare.com/andlauer-healthcare-presentations-events/>

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### “Press Releases”

The company provides press releases on this site:

<https://andlauerhealthcare.com/andlauer-healthcare-group-news/>

You are not limited to only these information sources in order to value Andlauer Healthcare Group. All outside research is **permitted but must be properly sourced**.

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