

Extending our Reach



TECSYS[®]
Your Supply Chain Matters.[™]

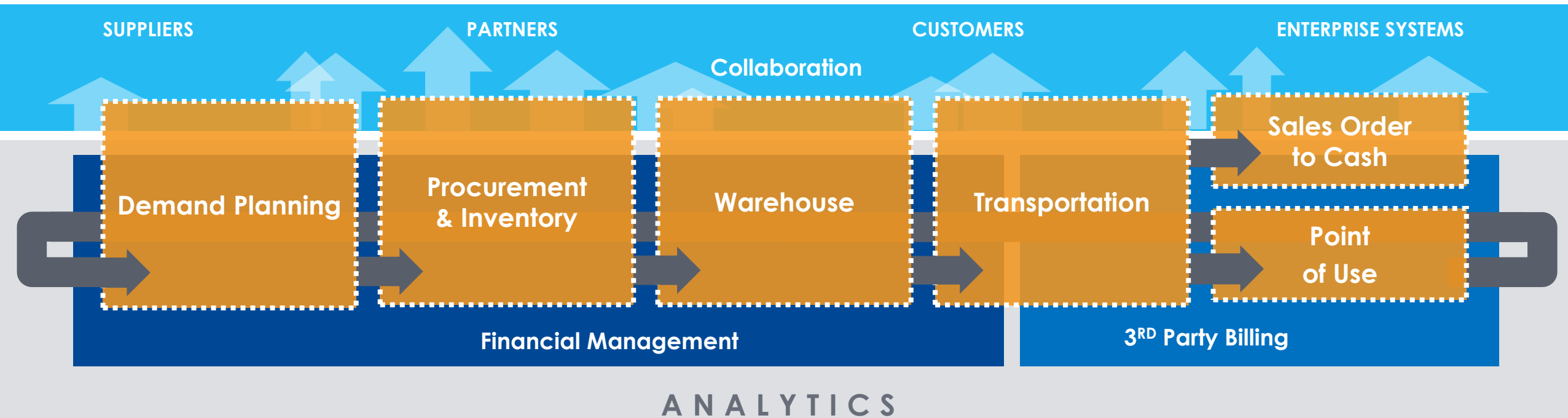
Looking Forward Statements

The statements in this presentation relating to matters that are not historical fact are forward looking statements that are based on management's beliefs and assumptions.

Such statements are not guarantees of future performance, and are subject to a number of uncertainties, including but not limited to future economic conditions, the markets that TECSYS Inc. serves, the actions of competitors, major new technological trends and other factors beyond the control of TECSYS Inc., which could cause actual results to differ materially from such statements.

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End-to-end, Integrated Supply Chain Management Solutions



EXECUTE | ADAPT | SCALE | EXPAND

Healthcare

50%

of new acct
bookings

44%

of total
revenue

600+
customers

1500+
sites

50,000+
users

Complex Distribution

50%

of new acct
bookings

56%

of total
revenue

Visionary Provider of SCM Technology

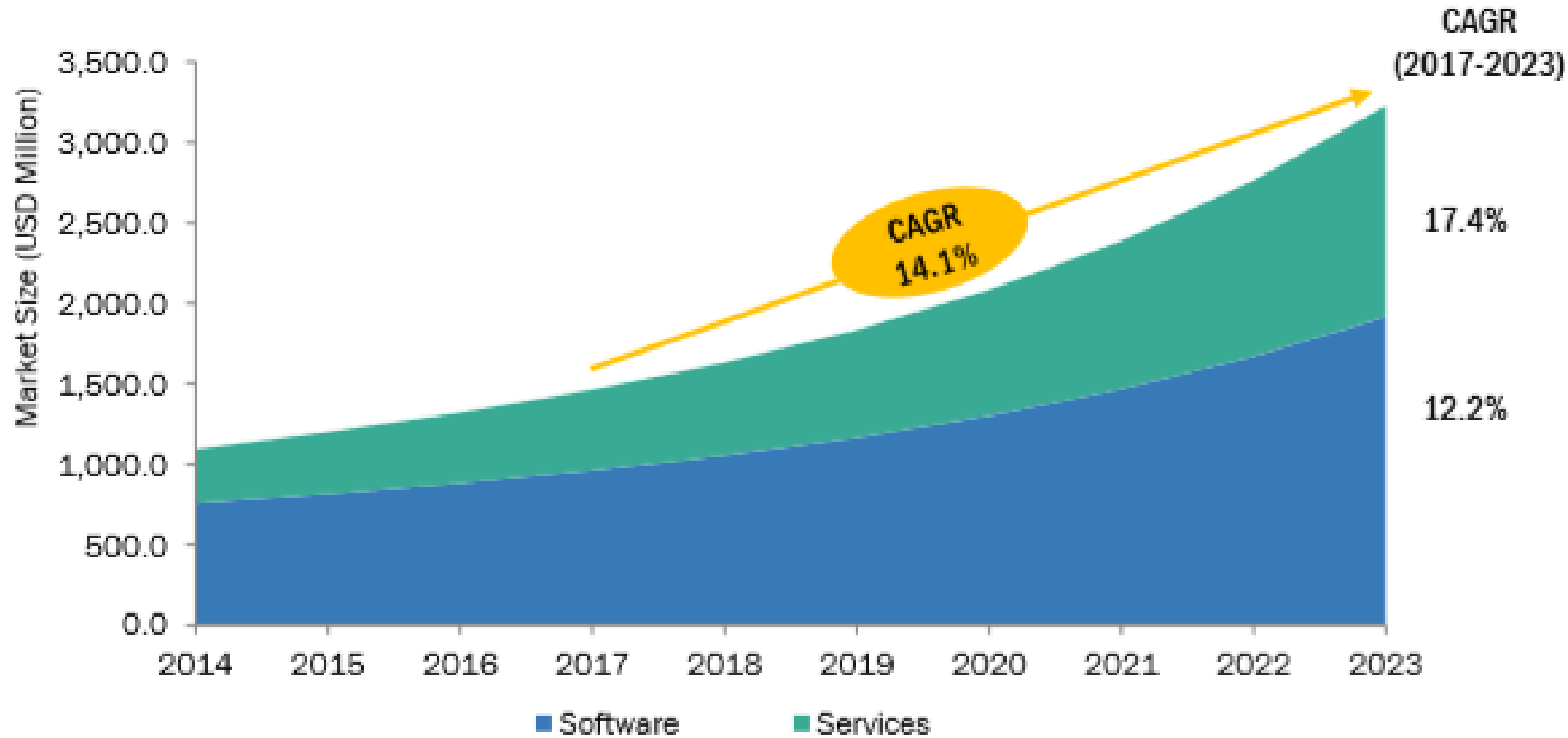
Heavy Equipment Dealers

Health Systems

Top 3PL Providers

Wine and Spirits

Solid Sustaining Growth in Complex Distribution

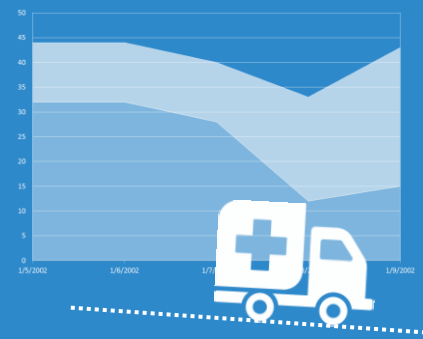
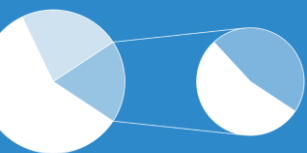


\$1.5B

Market in 2017

14%

SCM Growth
through 2019*

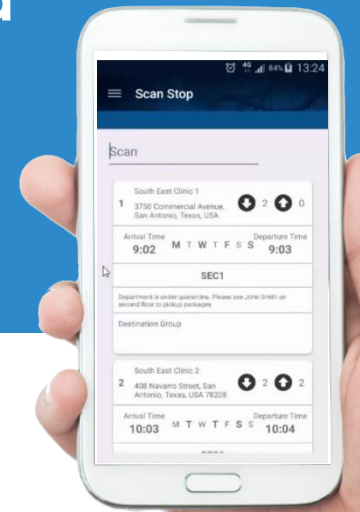


Visual Logistics
Visual images and instructions delivered via RF



Cloud-based OneSprint
WMS system in the cloud for faster implementation

Mobile-Enabled
Delivery management designed for mobile



Building Market Leadership through Innovation

Leveraging Technology and Expertise in a New Vertical



Healthcare SCM

The next wave of sector-wide process improvement

Drivers:



Regulatory Compliance



Mergers & Acquisitions

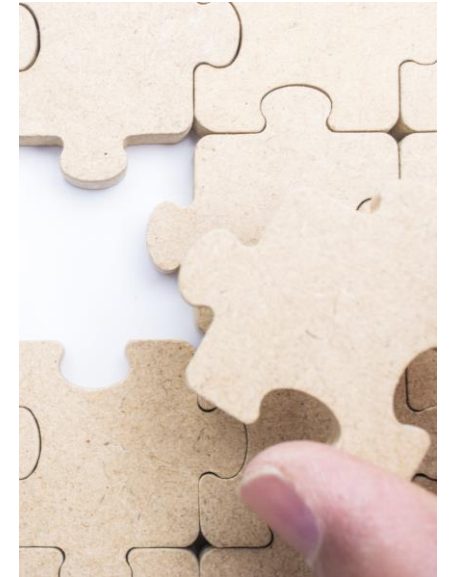


Affordable Care Act



Sustaining Operating Margin

SCM Impact on Healthcare Costs



5-15% in SCM savings improves Operating Margin by 3-8%

Extending our Reach in Health Systems

500

Target Health Systems

38%

of Total Bookings

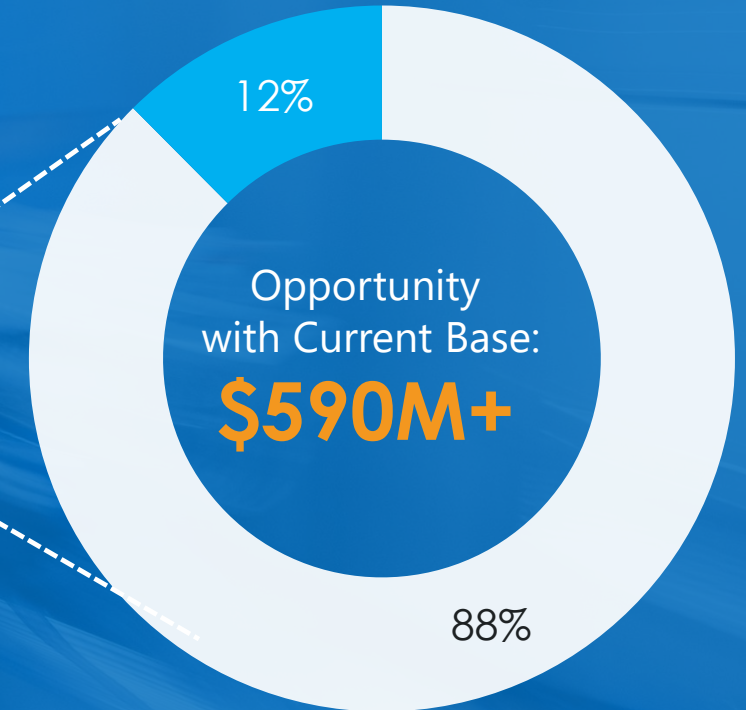
Health Systems
Market Share



■ Market Opportunity

■ Current Share

Base Account
Penetration



■ Market Opportunity

TECSYS and UNC

12 Hospitals

249 Operating Rooms

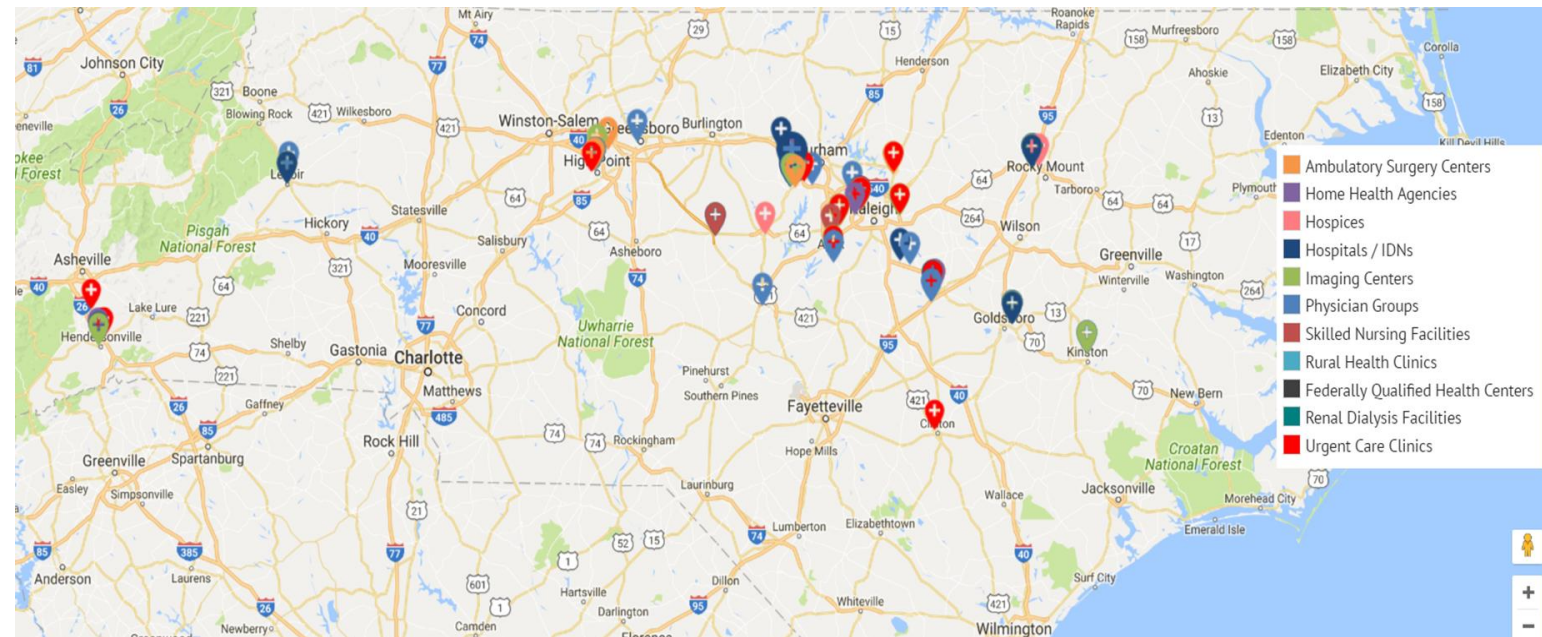
9.5 Billion in Patient Revenue

Signed a LOI to merge with Carolinas HealthCare System; the combined entities operate over 50 hospitals

2,675 Staffed Beds

56 Clinics

3.5 Billion in Total Revenue



Why We Win



TECSYS brings to the table a very important flexibility... it allows us schedule and allocate resources more efficiently.”

“We anticipate between \$8 and \$13 million in savings.”

- One of the top 5 U.S. health systems
- 45 acute care and specialty hospitals
- 700 physician practices and outpatient facilities



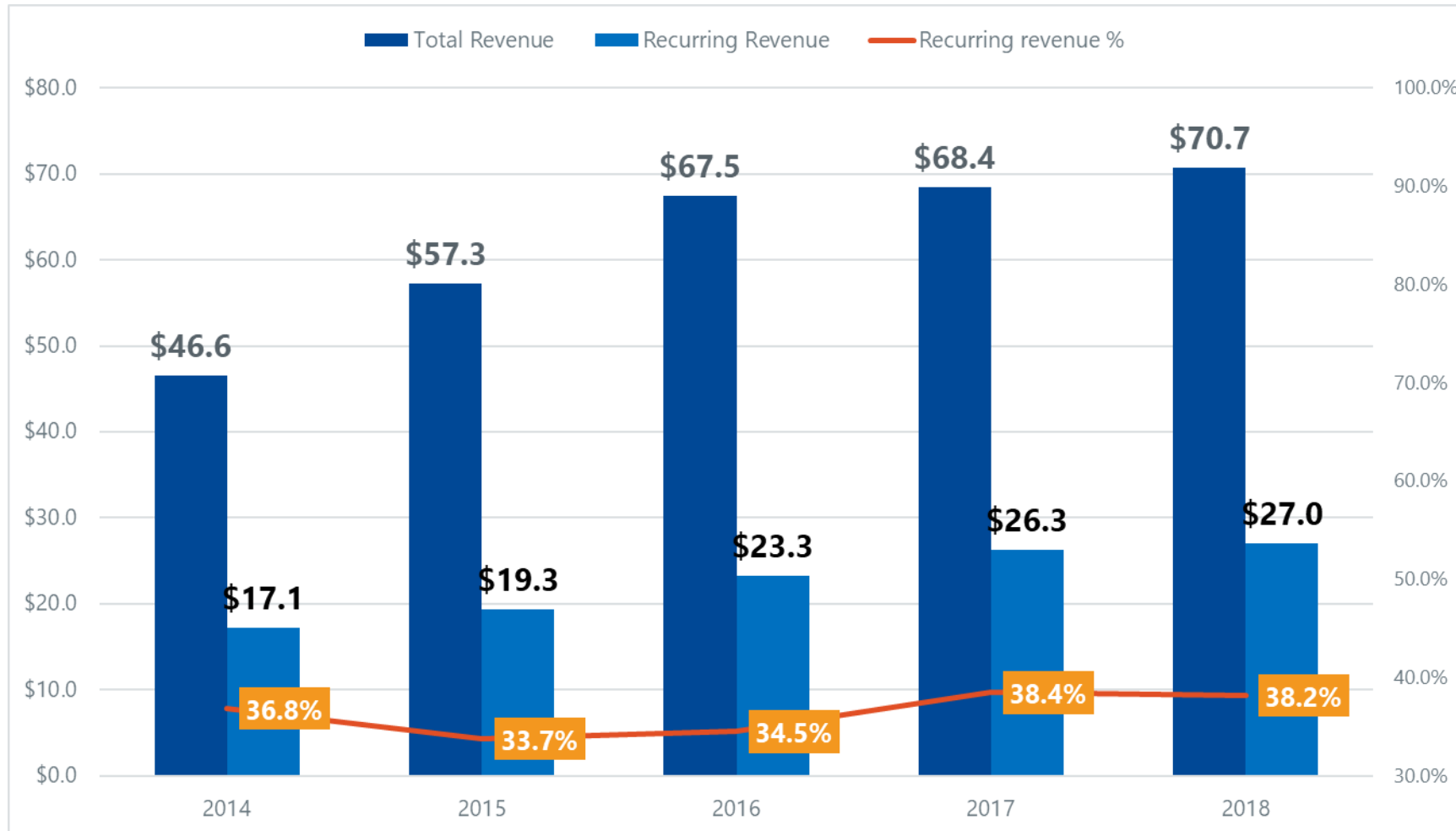
TECSYS visibility gives us optimal performance at the six-sigma level with less than 5% obsolescence in our supply chain.

“With the deployment of TECSYS SMS we have been able to capture \$14 to \$16 million in revenue per year.”

- Not-for-profit community-based health system
- 9 hospitals, 10,000 employees

Steady Revenue Growth

In \$CAD Millions

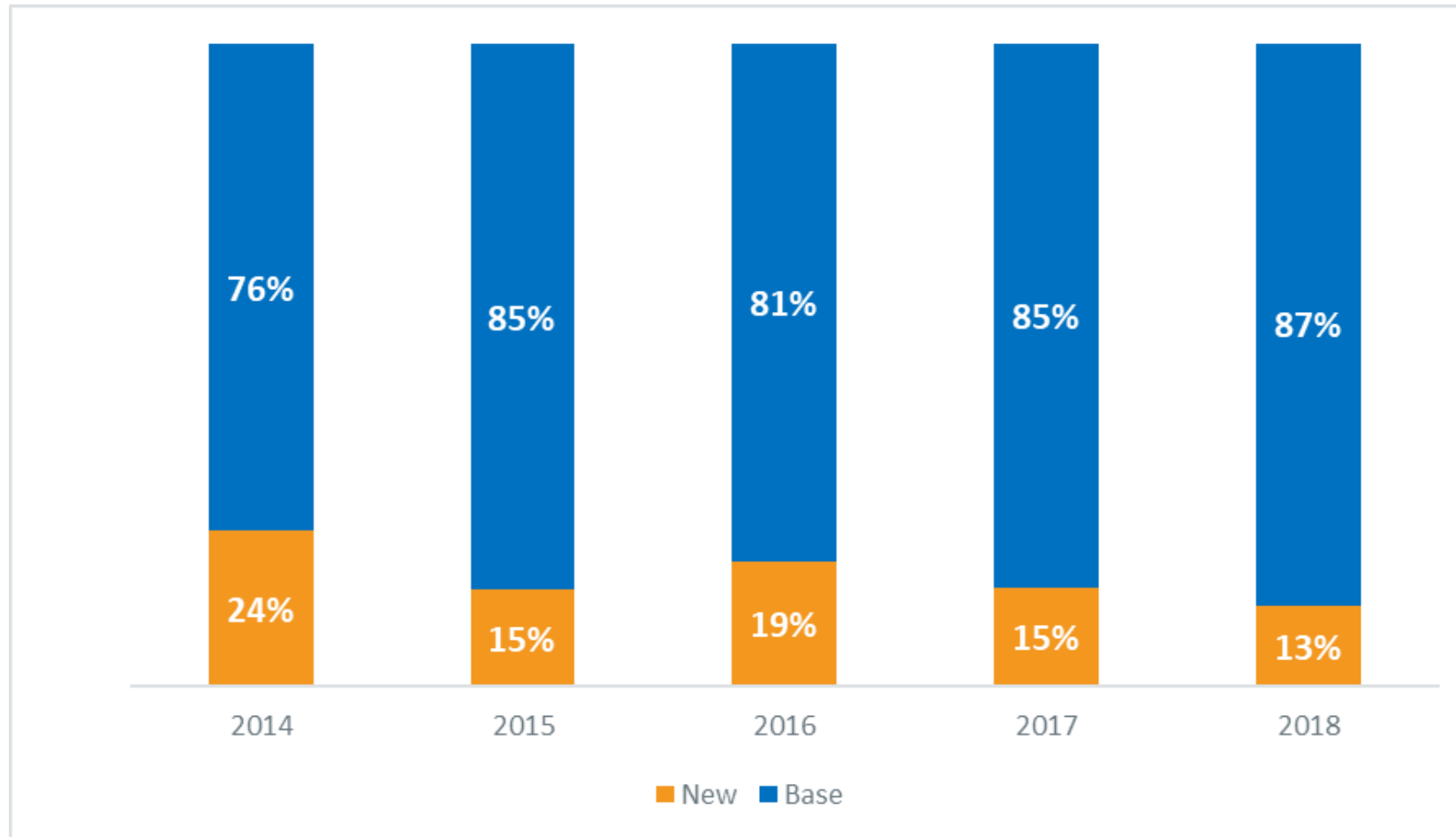


Growth Drivers

- Recurring revenue (4-year CAGR 12%)
- Healthcare revenue (4-year CAGR 27%)

Recurring revenue represents cloud, maintenance and subscription revenue during the year

Predictable Professional Services Revenue



Service Revenue

Includes PS, EBS and ATS

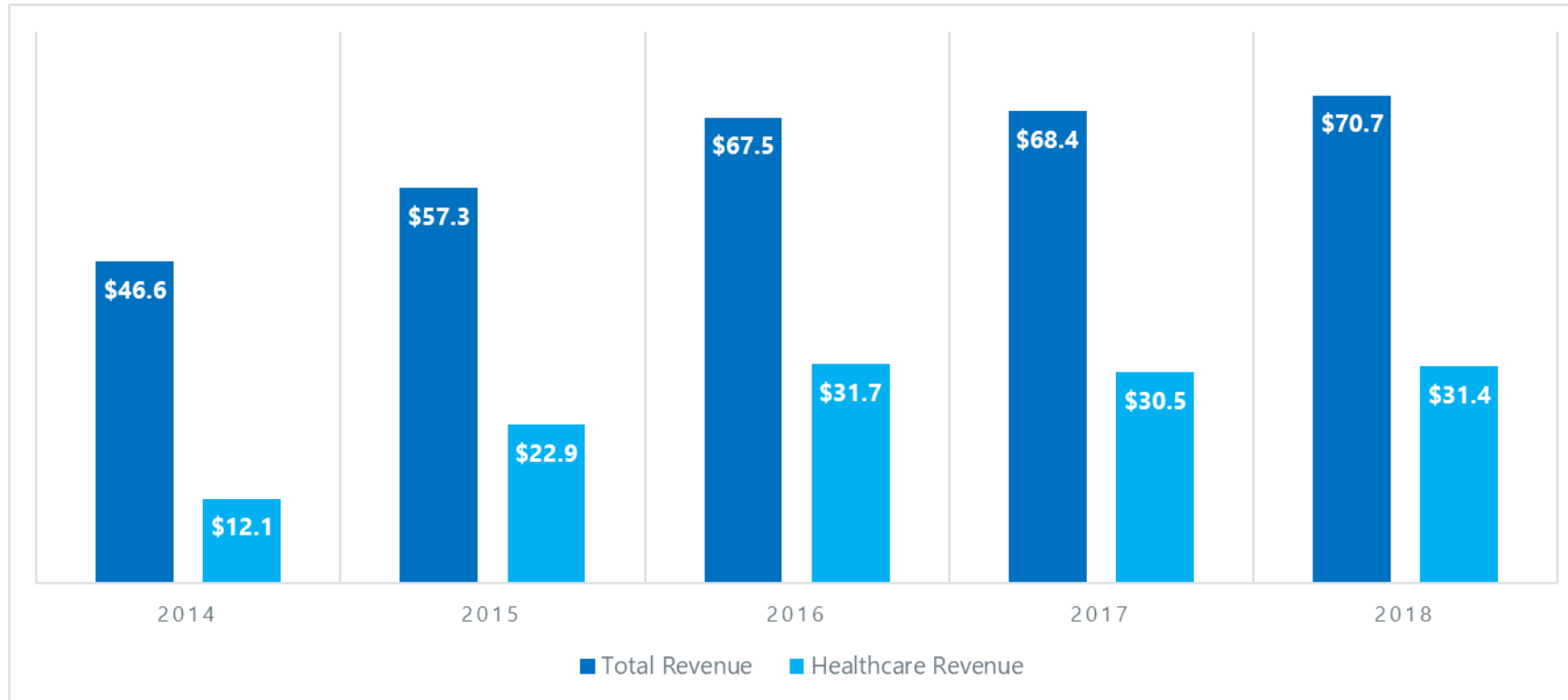
Proportion of PS revenue from Base Account in the last 5 years

83%*

* Base account revenue for PS divided by total PS revenue

Healthcare Revenue Growth

In \$CAD Millions



Total Revenue

4-year CAGR

11%

Healthcare Revenue

4-year CAGR

27%

Financial highlights

	Q4, 2018		Q4, 2017		Δ YoY		Q4, 2018 TTM		Q4/2017 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue	\$18,908	100.0%	\$18,447	100.0%	\$461	2.5%	\$70,718	100.0%	\$68,447	100.0%	\$2,271	3.3%
Cost of sales	\$9,343	49.4%	\$9,063	49.1%	\$280	3.1%	\$35,843	50.7%	\$34,251	50.0%	\$1,592	4.6%
Gross margin	\$9,565	50.6%	\$9,384	50.9%	\$181	1.9%	\$34,875	49.3%	\$34,196	50.0%	\$679	2.0%
Sales & Marketing	\$3,685	19.5%	\$4,104	22.2%	(\$419)	-10.2%	\$14,496	20.5%	\$15,131	22.1%	(\$635)	-4.2%
General and Administration	\$1,550	8.2%	\$1,350	7.3%	\$200	14.8%	\$6,328	8.9%	\$5,863	8.6%	\$465	7.9%
Research and Development	\$2,581	13.7%	(\$2,120)	-11.5%	\$4,701	-221.7%	\$9,797	13.9%	\$5,251	7.7%	\$4,546	86.6%
Operating expenses	\$7,816	41.3%	\$3,334	18.1%	\$4,482	134.4%	\$30,621	43.3%	\$26,245	38.3%	\$4,376	16.7%
Earnings from operations	\$1,749	9.3%	\$6,050	32.8%	(\$4,301)	-71.1%	\$4,254	6.0%	\$7,951	11.6%	(\$3,697)	-46.5%
Net earnings	\$1,802	9.5%	\$4,776	25.9%	(\$2,974)	-62.3%	\$3,949	5.6%	\$5,998	8.8%	(\$2,049)	-34.2%
EBITDA	\$2,307	12.2%	\$6,674	36.2%	(\$4,367)	-65.4%	\$6,490	9.2%	\$10,364	15.1%	(\$3,874)	-37.4%
EPS (basic)	\$0.30		\$0.39		(\$0.09)	-23.1%	\$0.47		\$0.49		(\$0.02)	-4.1%

Key Strengths

Focus



- **Selected markets** with deep pockets
- Solutions to the **right problem**
- **Differentiated technology** providing unequalled efficiency and visibility

Customization



- Tailored solutions **to fit clients' needs** perfectly
- Seamlessly **integrated**

Expertise



- **Experienced** workforce
- Clear understanding of **sector specific issues**
- TECSYS **SMART™**

Continued Recognition by Gartner

4 TECSYS customers

in top 5 - Gartner's
Top 25 Healthcare
Supply Chains



Visionary

for 5 years
consecutively

“

The vendor offers very differentiated capabilities, domain expertise and customer experience in healthcare provider SCM, with more than 60% of its bookings now in that industry. It also is pursuing a notably unique vision for Omni-Channel concepts applied to pharmacy SCM. The core WMS requirements in these environments are not dramatically different from other industries; however, TECSYS has distinguished itself by adding specialized capabilities, such as integrating WMS upstream into hospitals for automatic replenishment.”



C. Dwight Klappich
Research VP, Supply Chain

Gartner

Near-term Growth Strategies

Healthcare

- Additional POU solutions
- Expand into pharmacy
- Expand into home care

Complex Distribution

- Leverage new leadership with dedicated sales team
- Revitalize and simplify products

Base Accounts

- Grow revenue as a percentage of total revenue

Mergers & Acquisitions

- Strategic tuck-in acquisitions



Tracking Our Progress

8% - 12%

Topline Growth

Continue Growing

**Total
Bookings**

Enhanced

**Operating
Leverage**

40%

Target Annualized
Recurring Revenue

Corporate Overview

\$208M

Market Cap
13.1M S/O

TSX Symbol
TCS

20¢

Dividend per Year

32%

Insider Ownership

Brokerage Coverage

Beacon Securities
Cormark Securities
GMP
IA Securities
LB Securities
Echelon Partners

Institutional Holders

EdgePoint
Fiera
FTQ
Mawer
Pembroke
Stableview

Question & Answer

Thank You