



AKUMIN[®]

Q2 2020 RESULTS CALL

Disclaimer

Forward-looking Information

This report contains or incorporates by reference “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian securities laws. Forward-looking statements describe our future plans, strategies, expectations and objectives, and are generally identifiable by use of the words “may”, “will”, “should”, “continue”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan” or “project” or the negative of these words or other variations on these words or comparable terminology. 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 are material factors made in preparing forward-looking information and management’s expectations, including, among others, expected performance and cash flows, changes in laws and regulations, expenses incurred, future growth of the diagnostic imaging market, changes in reimbursement rates by insurance payors, the outcome of litigation and payment obligations in respect of prior settlements, the availability of radiologists at our contracted radiology practices, competition, acquisitions and divestitures of businesses, potential synergies from acquisitions, non-wholly owned and other business arrangements, access to capital and the terms relating thereto, technological changes in our industry, successful execution of internal plans, compliance with our debt covenants, anticipated costs of capital investments, future compensation of named executive officers, our ability to build our market share, our ability to retain key personnel, our ability to maintain and expand geographic scope and the changes and trends in our industry or the global economy.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. Potential investors are encouraged to review the detailed description of those risk factors found in the “Risk Factors” section of our annual information form dated March 31, 2020 is available on SEDAR at www.sedar.com. There can be no assurance that the forward-looking information in this presentation will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made.

Non-IFRS Measures

This report makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under International Financial Reporting Standards (“IFRS”) and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these non-IFRS measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these non-IFRS measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS financial measures, including “EBITDA”, “run rate”, “Adjusted EBITDA”, “Adjusted EBITDA Margin” and “Adjusted EPS-Diluted”. These non-IFRS measures 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 uses non-IFRS measures 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.

Certain Other Matters

Any graphs, tables or other information demonstrating our historical performance or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of our future performance or such entities.

All references to “\$” are to United States dollars unless stated otherwise.

Financial Summary

Although Q2 volumes were significantly impacted by COVID-19, cost-containment strategies were effective

Summary Consolidated Financial Results

(in thousands, except for EPS)

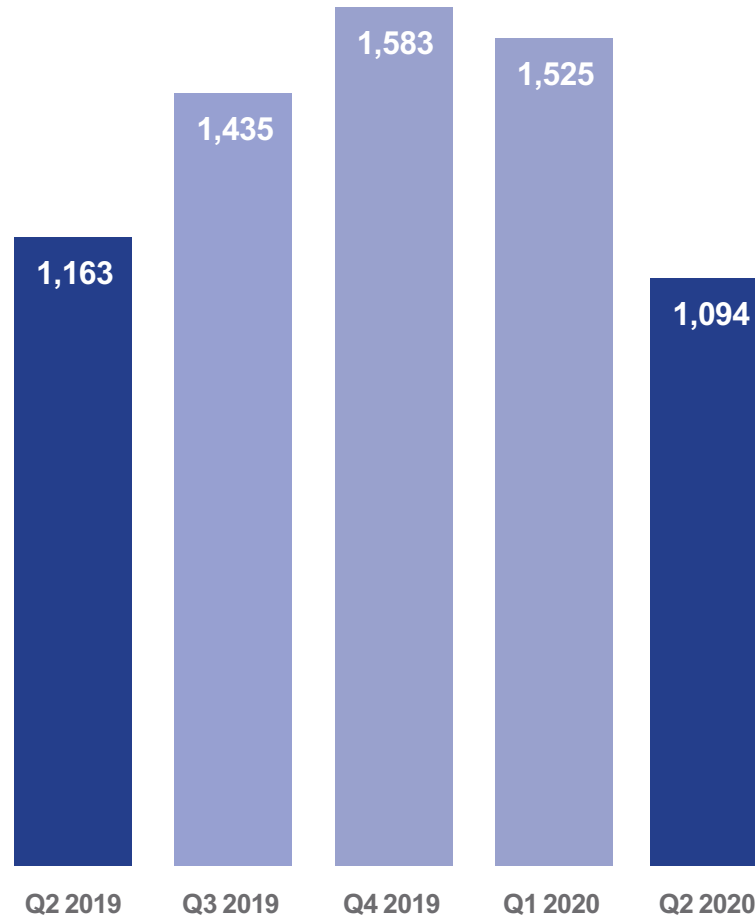
	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Volume in RVUs	1,094	1,163	2,619	2,229
Revenue	53,628	53,985	124,890	101,536
EBITDA	15,540	11,244	35,853	23,288
Adjusted EBITDA	13,723	12,290	28,691	21,542
EPS – Diluted	(0.04)	(0.01)	(0.02)	0.02
Adjusted EPS – Diluted	0.01	0.06	0.03	0.11

Volume

Volumes impacted by COVID-19 during March 2020 and the full quarter of Q2 2020

Relative Value Units (RVUs)

(Values in thousands)



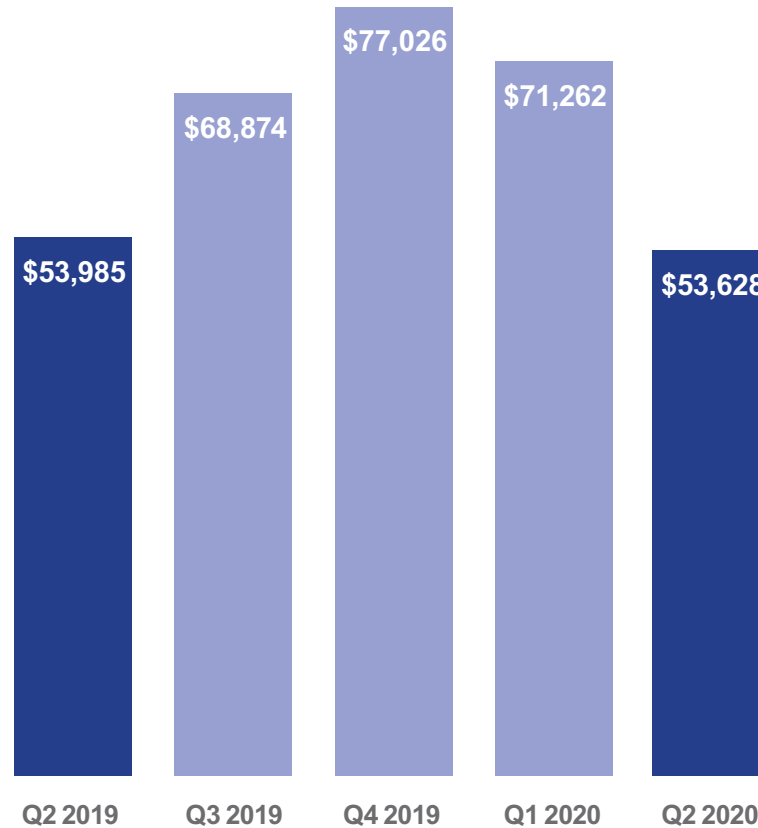
- 6% year-over-year volume decline due to COVID-19
- 30% same-center decline in volume due to COVID-19 compared to Q2 2019

Revenue

Sequential decline in revenue due to COVID-19 related volume impact

Revenue

(Values in USD thousands)



- Relatively stable pricing environment
- Lower Service Fee Revenue per RVU in Q1 2020 a result of incremental bad debt provision to account for potential COVID impacts

Service Fee Revenue per RVU

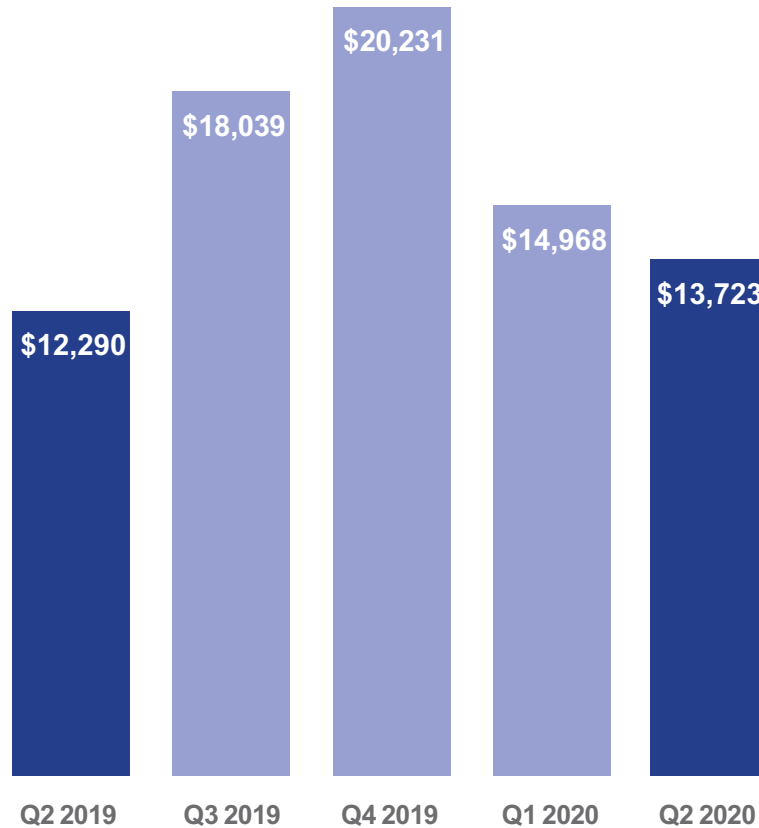
\$46	\$48	\$48	\$46	\$48
------	------	------	------	------

Adjusted EBITDA

Despite COVID-19 impact, EBITDA margin has returned to previous levels

Adjusted EBITDA

(Values in USD thousands)



COVID-19 cost-containment strategies, together with integration of acquired businesses, expected to improve future margin profile

Adjusted EBITDA Margin

23%	26%	26%	21%	26%
-----	-----	-----	-----	-----

Free Cash Flow Generation

The increase of \$11.5 million in the cash position during this quarter is mainly due to Free Cash Flow generation of \$4.9 million, and the receipt of CARES Act grant of \$1.1 million from HHS and \$3.1 million advance from CMS

		3 months ended June 30 2020	6 months ended June 30 2020
Adjusted EBITDA		13,723	28,691
Cash interest paid, excluding IFRS 16 impact on leases interest ⁽¹⁾		(6,616)	(13,313)
Capex		(2,160)	(4,716)
FCF generation	a	4,947	10,662
Change in accounts receivable		(164)	(9,014)
Other changes in working capital ⁽²⁾		6,909	4,674
Changes in working capital	b	6,745	(4,340)
Debt principal repayments ⁽³⁾	c	(1,017)	(2,365)
Estimated surplus cash	= a + b + c	10,675	3,957
Other cash changes		781	729
Increase/(decrease) in cash		11,456	4,686
Beginning of Period Cash		16,620	23,389
End of Period Cash		28,075	28,075

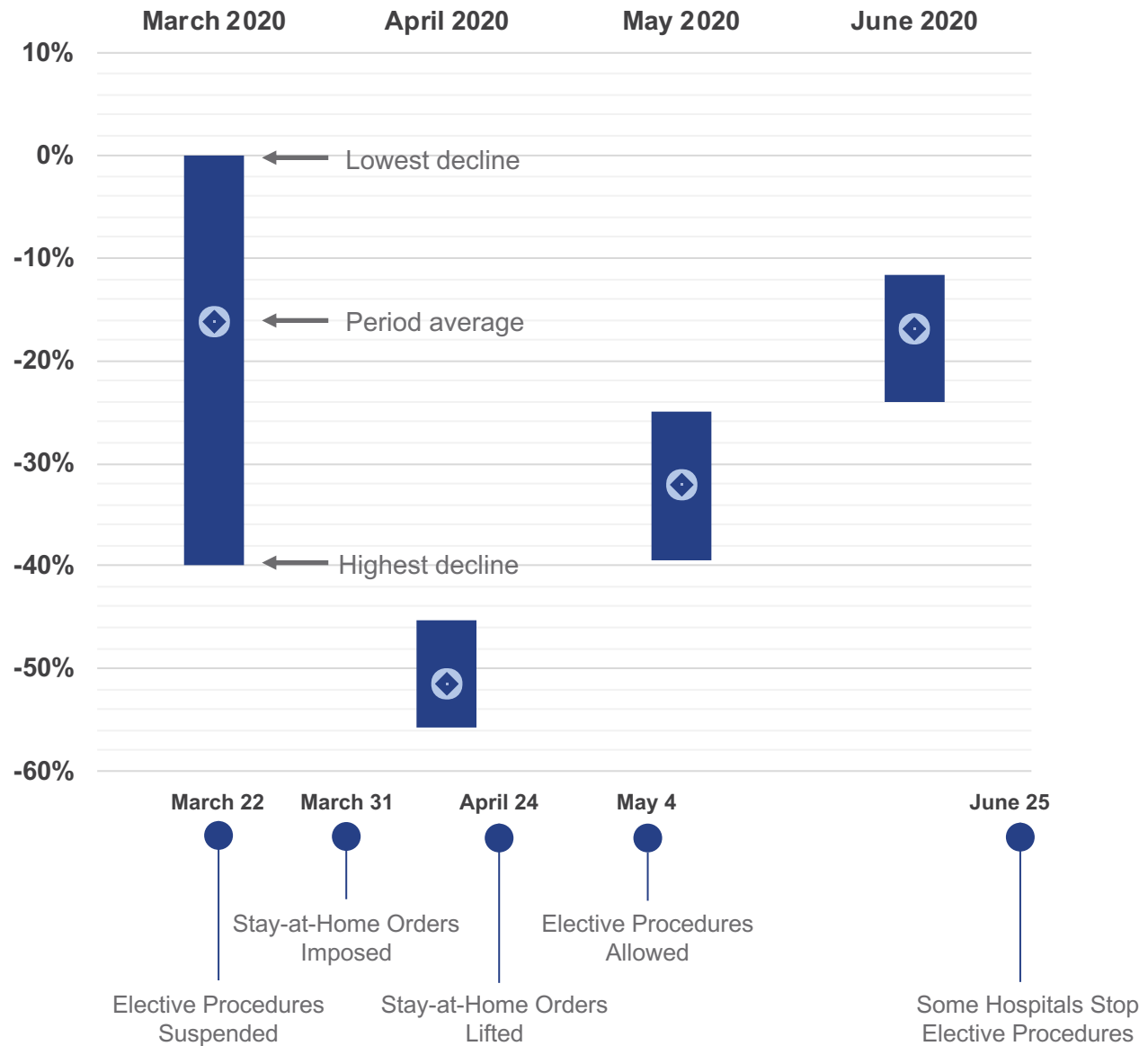
(1) Cash interest paid per statement of cash flows, less interest paid on other leases (formerly operating leases) per Note 8 of financial statements

(2) Includes \$3.1 mm in advance payments from CMS

(3) Includes principal payments for debt and finance leases

COVID-19 Impact

Weekly average volumes continue to improve and approach normal levels since lockdowns eased. July was 10-15% below early March volume



Margin and Leverage Profile

As at June 30, 2020

The increase of \$11.5 million in the cash position during this quarter is mainly due to Free Cash Flow generation of \$4.9 million, and the receipt of CARES Act grant of \$1.1 million from HHS and \$3.1 million advance from CMS

	Q1 2020	% Revenue	Q2 2020	% Revenue
Volume (in RVUs)	1,525		1,094	
Revenue	71,262		53,628	
Employee compensation	24,818	35%	15,881	30%
Reading fees	10,924	15%	7,423	14%
Rent and utilities (excl. IFRS 16 impact)	6,838	10%	6,511	12%
Other costs (incl. NCI)	13,712	19%	10,090	19%
Adjusted EBITDA	14,968	21%	13,723	26%
Revolving Facility (drawn)			28,414	
Term Loans			318,218	
Other			20,451	
Total Debt			367,082	
Less: Cash			(28,075)	
Net Debt			339,007	
LTM Adjusted EBITDA			66,961	
Net Leverage Ratio			5.1x	



AKUMIN[®]

QUESTION & ANSWER