1H25 Results Announcement

25 September 2024

Sigma Healthcare

Vikesh Ramsunder

CEO and Managing Director

We acknowledge the Wurundjeri people of the Kulin Nation and acknowledge them as the Traditional Custodians of the land on which we meet today. We pay our respects to their Elders past, present and emerging.

Agenda

1. Review of the year
2. Financial performance
3. Operational update
4. Merger proposal update
5. Outlook
6. Chemist Warehouse update
7. Sigma Q&A

1H25 at a glance – strategic execution delivers returns

- **Growth** – Normalised revenue grew 17.3%, including the onboarding of the Chemist Warehouse Group (CWG) supply contract from 1 July 2024 and 13.0% like for like revenue growth across Amcal and DDS brands
- **Operating Leverage** – Seamlessly absorbed volume growth of 57% in July with costs contained. Retain approximately 35% available wholesale capacity for future growth
- **Service** - Maintained strong customer service metrics for all customers across our network with Delivery in Full >99% and stock availability reaching 94.5%
- **Strategy** – Continuing to execute on Sigma strategy – improved performance and cost discipline. The proposed merger with the CWG providing transformational change if approved
- **Returns** – Inclusion in ASX200 Index in May 2024 and the Board declaring an Interim unfranked dividend of $0.005 per share payable on 17 October 2024

17.3%
Revenue growth#

2.4%
Increase in costs#

303.6%
NPAT growth#

All numbers are normalised to remove the one-off costs relating to the Chemist Warehouse merger proposal and new supply onboarding in the current year and discontinued hospitals business from the prior comparative period. Refer to reconciliation in Appendix 1 and Appendix 2.

Mark Conway
Chief Financial Officer

Sustained improvement in financial performance

Statutory P&L summary

$m	1H25 31 Jul 24	1H24 31 Jul 23	Change
Sales Revenue	**1,840.3**	**1,681.8**	9.4%
Gross Profit	**119.9**	**110.2**	8.8%
Other Revenue	40.2	53.5	(24.8%)
Operating Costs	(140.2)	(127.0)	10.4%
EBITDA	**20.0**	**36.7**	(45.7%)
Depreciation and Amortisation	(13.1)	(14.3)	(8.6%)
EBIT	**6.9**	**22.4**	(69.4%)
Normalised EBIT	18.0	15.0	20.6%
Net Interest income / (cost)	1.3	(8.3)	>100%
Tax	(3.9)	(2.4)	65.4%
Non-controlling interests	(0.5)	(0.5)	12.0%
NPAT (attributable to owners of the company)	**3.7**	**11.2**	**(66.9%)**
Normalised NPAT	**13.7**	**3.4**	**303.6%**

- **Sales revenue:** up $158m or 9.4% reflecting:
  - CWG new supply contract commenced in July
  - Like for like sales from Amcal and DDS together up 13.0%
  - Non-recurring 1H24 Hospital revenue of $113m
- **Gross profit:** up $9.7m or 8.8% reflecting:
  - Increased volume contribution from CWG supply contract
  - Lower margin in wholesale due to higher mix of PBS sales and within PBS a higher proportion of high value drugs at lower margin
  - Fixed nature of CSO pool (see slide 7)
- **Operating Costs:**
  - Higher by 10.4% due to $11.2m of one-off costs related to CWG merger transaction and supply contract onboarding costs
- **EBIT:**
  - Statutory EBIT of $6.9m down 69.4% on prior period
  - Normalised EBIT of $18.0m up 20.6% on prior period
  - See reconciliation in Appendix 1 and 2

Gross Profit – margin compression driven by PBS mix

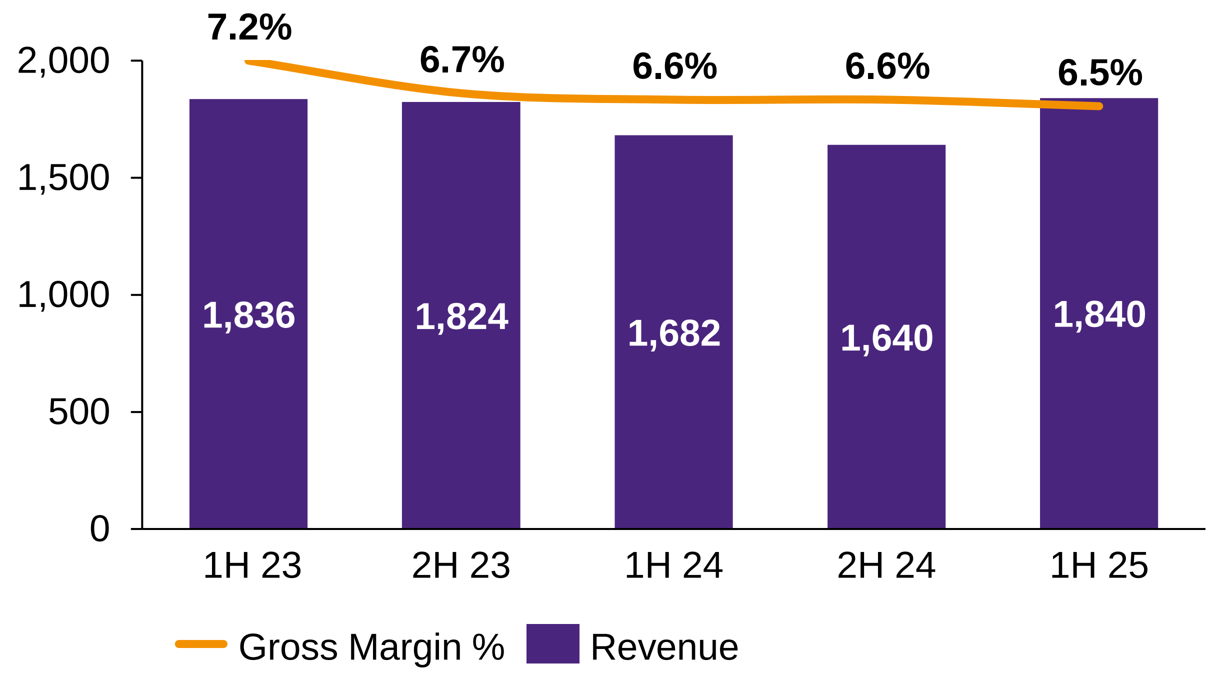
Higher Gross Profit growth driven by:

- Volume growth in wholesale
- Lost contribution from the hospital business

Lower Gross Margin percentage impacted by:

- A higher proportion of high value but low margin PBS medicines
- Lower CSO (Community Service Obligations) revenue due to the fixed funding pool

Revenue by half versus Gross Margin



Operating costs – disciplined cost management

Warehouse and Delivery: Down $0.1m (-0.1%)*

- $2.3m reduction following divestment of hospitals business
- Freight savings driven by vehicle, route optimisation and cartons consolidation
- Warehouse productivity down 6.9% in 1H25 driven by investment in onboarding and training new employees

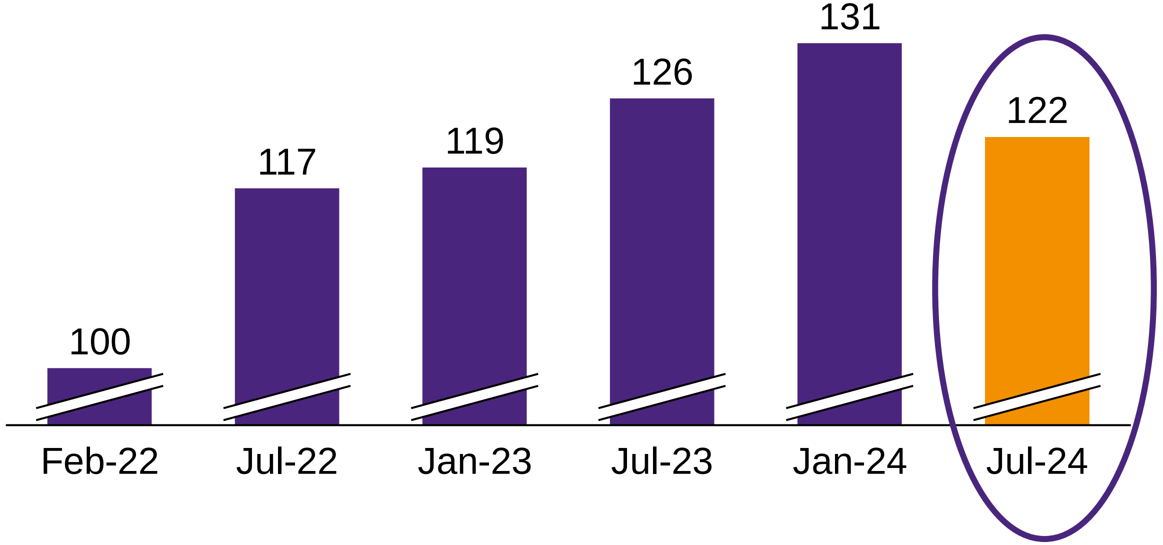
Sales and Marketing: Up $3.6m (+19.2%)*

- Non-recurring benefit of $2.4m bad debt writebacks in FY24
- Increased people cost with recruitment of the full sales and marketing team

Administration: Up $1.1m (+2.9%)*

One-off CW supply contract onboarding and merger transaction costs of $11.2m

Warehouse Productivity – unit output / hours (Index 100)



May – June 24 period was impacted by significant onboarding activity

Warehouse Productivity index rebounded to over 130 during August 2024

* All numbers are normalised to remove the one-off costs relating to the Chemist Warehouse merger proposal and new supply onboarding in the current year and discontinued hospitals business from the prior comparative period. Refer to Appendix 2 - Reconciliation of normalised expenses

Balance sheet – headroom to support strategic growth

Balance Sheet summary ($m)

$m	1H25 31 Jul 24	FY24 31 Jan 24	1H24 31 Jul 23
Cash and cash equivalents	234.2	356.5	11.3
Trade and other receivables	599.8	324.7	335.9
Inventories	372.7	221.1	256.5
PP&E	183.9	188.6	191.9
Intangible assets incl. goodwill	109.4	110.3	101.2
Right-of-use assets	83.9	83.2	88.0
Other assets	118.9	93.5	108.1
Total assets	**1,702.8**	**1,377.9**	**1,092.9**
Bank Overdraft	-	-	13.6
Trade and other payables	675.4	353.6	354.4
Borrowings	-	-	80.0
Lease liabilities	137.6	136.6	141.0
Other Liabilities	18.0	15.1	18.5
Total liabilities	**831.0**	**505.3**	**607.5**
Net Assets	**871.7**	**872.6**	**485.4**

- Balance sheet provides Sigma with financial flexibility and opportunities to invest in growth
- Equity raise proceeds at the end of FY24 significantly strengthened the balance sheet remaining in a net cash position of $234m
- Total inventory increased by $151m compared to the start of the year reflecting inventory build required for new supply contract
- Working capital management remains a key focus
- In 1H25 refinanced to $500m of debt facilities maturing in 2026

Cash flow – increased investment in inventory

Statutory cash flow summary

$m	1H25 31 Jul 24	1H24 31 Jul 23	Change
Receipts from customers	1,804.1	1,924.6	(120.5)
Payments to suppliers & employees	(1,909.8)	(1,918.3)	8.5
Net Interest	0.5	(5.9)	6.4
Income taxes refunded/(paid)	(2.1)	(2.0)	(0.1)
Operating cash flow	**(107.4)**	**(1.7)**	**(105.7)**
Investing cash flow	**(2.1)**	**(0.6)**	**(1.5)**
Financing cash flow	**(12.8)**	**(12.9)**	**0.1**
Net increase / (decrease) in cash	(122.3)	(15.2)	(107.2)
Cash at the beginning of the period	356.5	13.0	343.5
Net Cash end of the period	**234.2**	**(2.2)**	**236.4**

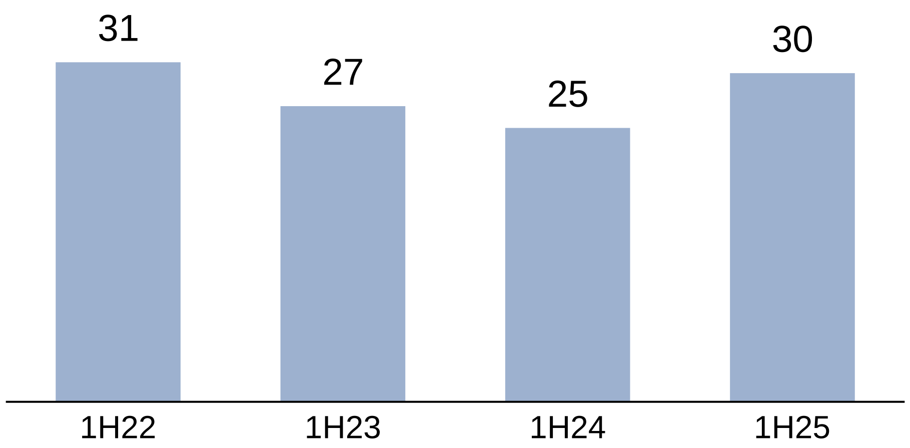
Operating cash flow down against pcp driven by:

- Operating cash flow during the period reflects the investment in inventory for the new CWG Supply Contract
- Timing of upfront costs in onboarding the new CWG contract

Investing cash flow down against pcp driven by:

- Capex of $2.1m with additional capacity and automation projects at Berrinba and Canning Vale to support the CWG contract volumes
- Ongoing capex remains in the $5m-$10m window

Cash Conversion Cycle days



Vikesh Ramsunder

CEO and Managing Director

Successful onboarding of the CWG supply contract

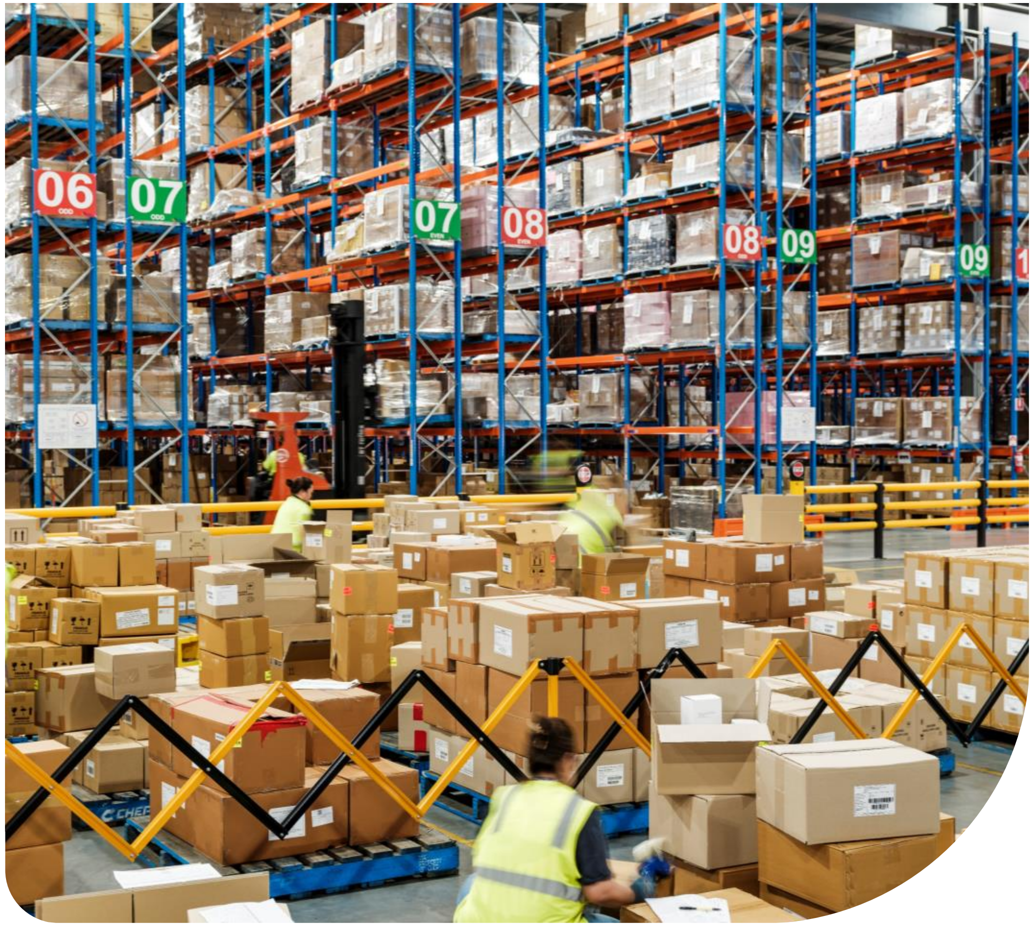
- Successful commencement of the 5-year CWG supply contract from 1 July 2024 (approximately $2.0 billion new to Sigma)
- Onboarded 299 new team members and invested in over 15,000 hours training, including safety training
- Volume up 57% however kilometres travelled only up 2%
- $4.2 million invested over the last 12-months to increase physical and ERP IT system capacity with no further major capex required

Onboarded
299
new team members in our DCs

Invested
15k hours
in training for new and existing team members

Outbound units increased by
57%
in July 2024

Kilometres travelled increased by
2%
In July 2024



Wholesale – enhanced execution capability

- Total wholesale volume up 9% for 1H25
  - Absorbed 57% volume growth in July
  - Anticipate annualised volume growth of around 40%
- Retain approximately 35% available wholesale capacity for growth
- Strong inventory availability of 94.5%
- Maintained high customer service metrics
  - Delivery in Full (DIF) 99%
  - Despatch on Time (DOT) 99%
  - Earlier delivery times for 815 customers

Wholesale capacity

35%

Approximately 35% available wholesale capacity to absorb future growth without the need for capital expenditure

Wholesale Volume

123m

Distributed 123 million units to community pharmacies during the first half, up 9%

Delivery in Full every month.

>99%

Achieved Delivery in Full (DIF) and Despatch on Time (DOT) above 99% through the year

Delivery route optimisation

815

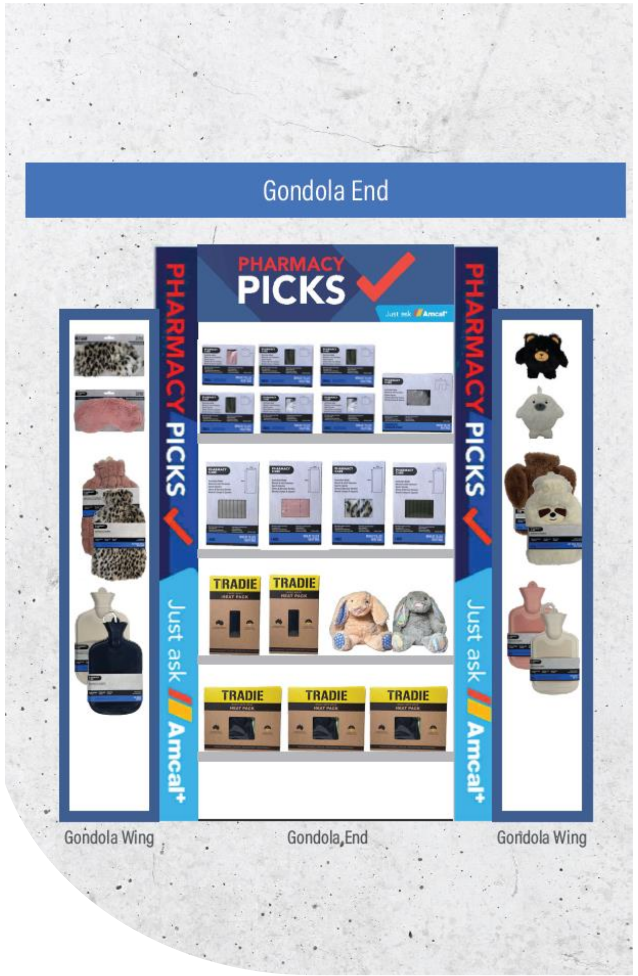
Earlier delivery times for 815 pharmacies (approximately 66% of all Metro first line customers)

Retail strategy – trusted brands resonate with consumers

- Like-for-like sales in our Amcal and Discount Drug Stores brands is together up 13% supported by improvement in brand standards
- Strong brand recognition, with Amcal awarded Canstar Blue's 2024 Most Satisfied Customer Award (Pharmacies), and DDS the runner up
- A stronger core network supports our progress towards franchise targets of 300 Amcal and 150 DDS members in the medium term
- Upcoming investment in the Amcal brand, with a new promotional campaign launching in 2H25

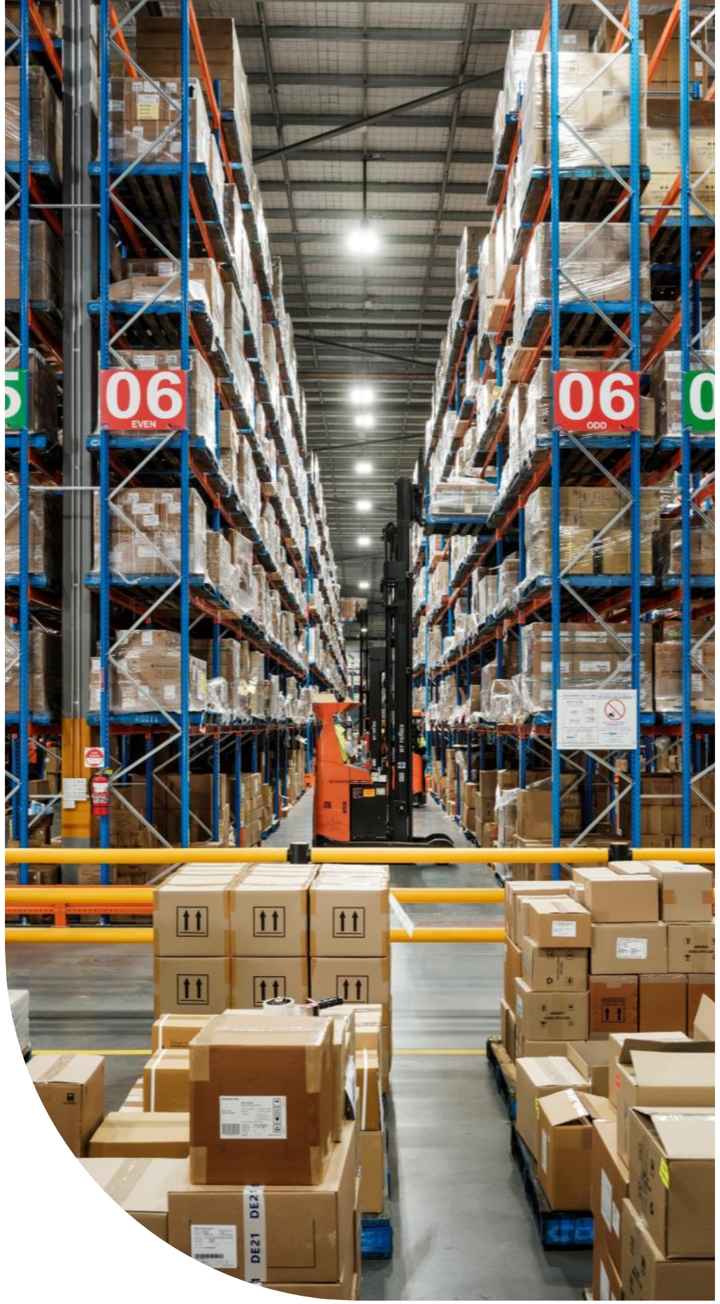
Private and exclusive label (PEL) products – on track for delivery in 2H25

- PEL pipeline of products has been built and our product strategy and launch schedule remains on track
- 32 PEL products were launched in 1H25, with over 220 PEL products expected to launch in 2H25, providing opportunity for sales growth and margin enhancement in FY26
- Product categories include natural medicines, beauty, baby, skin care, suncare and feminine hygiene
- Whilst current PEL revenue is sub-scale at less than 1% of total revenue, it is up 16% for 1H25 and remains an important contributor to our margin growth strategy



Third Party Logistics (3PL) – key growth vector

- In 1H25, Sigma despatched over 65 million units from our ISO9001 accredited DCs
- Approximately 50,000 pallet storage capacity across all DCs in six States, providing a national solution for pharmaceutical manufacturers
- Existing capacity available to absorb growth, with capacity utilisation currently approximately 45%
- On a like for like basis, 3PL contribution to earnings is up 17%
- Next phase is obtaining GMP certification and moving all 3PL customers on to the core SAP platform in a phased manner



Update on proposed merger with Chemist Warehouse Group

- Proposed merger announced on 11 December 2023 – truly transformational transaction to create a leading pharmaceutical wholesaler, distributor and retail pharmacy franchisor
- Sigma submitted its application for clearance to the ACCC in February 2024, and on 8 March 2024 the public consultation process began
- 13 June – ACCC released a statement of issues, and we continue to cooperate closely to address the issues identified
- 24 October 2024 has been designated as the indicative date for the ACCC's decision, subject to change
- If the merger is approved, there are several processes to execute to completion including shareholder and court approval

Outlook

- Growth is underpinned by the new 5-year CWG supply contract that commenced 1 July 2024
- Available wholesale capacity of approximately 35% to support growth with limited capex investment
- Expect to deliver FY25 Normalised EBIT of between $50m and $60m
- We maintain our medium-term EBIT margin target of 1.5% to 2.5%
- Via NPSA (National Pharmaceutical Services Association), industry negotiations with Government continue for the next funding agreement, which may present upside to guidance
- Transformational merger proposal with the Chemist Warehouse Group remains a key focus area

Mark Davis

Chemist Warehouse
Chief Financial Officer

In compliance with Sigma's continuous disclosure obligations, this announcement contains information about Chemist Warehouse’s full year financial performance. These slides have been prepared by Chemist Warehouse and not by Sigma.

FY24 Results Highlights

Compelling value proposition resonating with more retail customers

CW Group Holdings Limited (CWG)

$574m
up 33.7%[1]
Statutory profit before tax[2]

RETAIL NETWORK

$9.00bn up 14.1%[1]
Total Network Sales[3]

11%[1]
LFL Sales Growth in Australia

+35[4]
stores added
Global Store Network

Store numbers at 30 June 2024[4]

Australia:	567	(+19)
NZ:	50	(+8)
China:	10	(+4)
Ireland:	10	(+4)
TOTAL:	**637**	**(+35)**

FY24 Commentary

- Strong earnings growth with statutory PBT up **33.7%,** driven by;
  - retail network sales growth, **+14.1%**
  - new store openings, 35 stores added in the year: 19 in Australia, 16 international
  - increased online profitability
  - growth in supplier support income
  - improved wholesale performance
- Australian stores generated $7.91bn[3] sales in FY24 **+12%** - increase in revenue growth rate 2H v 1H relative to prior corresponding periods.
- International stores generated $1.09bn[3] sales in FY24 **+33%.** Momentum is continuing with rising profitability. International store numbers increased by 30% during the last year
- Results achieved including initial impacts of 60 day dispensing rollout
- Legacy tax matter agreed with ATO resulting in a one time $133.6m tax benefit being recorded during the period (as noted in the 1H24 results update).

Execution Priorities

- Growth: Continued rollout of new franchise stores in Australia and ongoing international store expansion
- Operational: Smooth implementation of new supply arrangements (Sigma / Wagner)
- Strategic: Continue to progress towards completion of merger with SIG

[1] Compared to previous corresponding period, being FY23.
[2] No normalisation adjustments for any transaction costs incurred associated with the SIG merger proposal or any other normalisation or management adjustments have been made to CWG statutory profit numbers.
[3] Includes online sales
[4] Includes pipeline stores and excludes Optometrist Warehouse stores

CWG Statutory Results FY24

Statutory Profit And Loss – no normalisation adjustments

$'000	FY23	FY24	Commentary
Total Revenue	3,090,669	3,294,402	• Financials for CWG represent statutory results before any normalisations or management adjustments • PBT split was 56% in 1H and 44% in 2H reflecting typical seasonality involving strong Christmas trading and a quieter January • Effective from 1 February 2023, CWG implemented certain changes to its commercial arrangements which do not impact profit before tax but do impact comparability of individual profit and loss line items. The changes had the impact of reducing FY24 reported gross profit and EBITDA with a corresponding reduction across the depreciation & amortisation and net finance costs line items.
Gross Profit	917,696	1,042,952	
EBITDA	**555,300**	**616,807**	
Depreciation & Amortisation	-95,510	-35,271	
EBIT	**459,790**	**581,536**	
Net Finance costs	-30,429	-7,415	
PBT	**429,361**	**574,121**	
Income tax (expense)/benefit	-126,897	-34,464[1]	
NPAT	**302,464**	**539,657**	

Strong balance sheet supports growth strategy

$'000	FY23	FY24	Commentary
Current Assets	1,233,037	1,716,619	• Net debt reduced in 2H: $60m as at 30 June 2024, down from $240m as at 31 Dec 2023. $300m of net debt expected on completion of Merger with Sigma • FY24 cash flow from operations (ex tax) of $355m, reflects timing of working capital movements • $266m of dividends to be paid to shareholders in CY2024 ($117m interim paid on 28 March & $149m final to be paid on 26 September)
Non Current Assets	998,940	1,144,969	
Total Assets	**2,231,977**	**2,861,588**	
Current Liabilities	801,993	968,092	
Non Current Liabilities	1,050,271	1,176,605	
Total Liabilities	**1,852,264**	**2,144,697**	
Total Equity	**379,713**	**716,891**	

[1] Legacy tax matter agreed with ATO resulting in a $133.6m tax benefit being recorded during the period.

CWG Statutory Results FY24

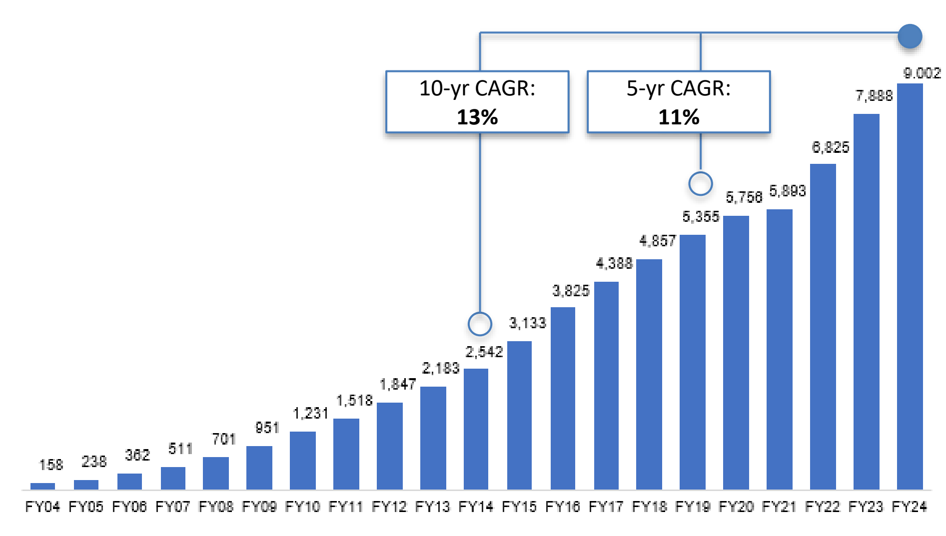
FY25 Outlook - Ongoing Growth

FY25 has started positively

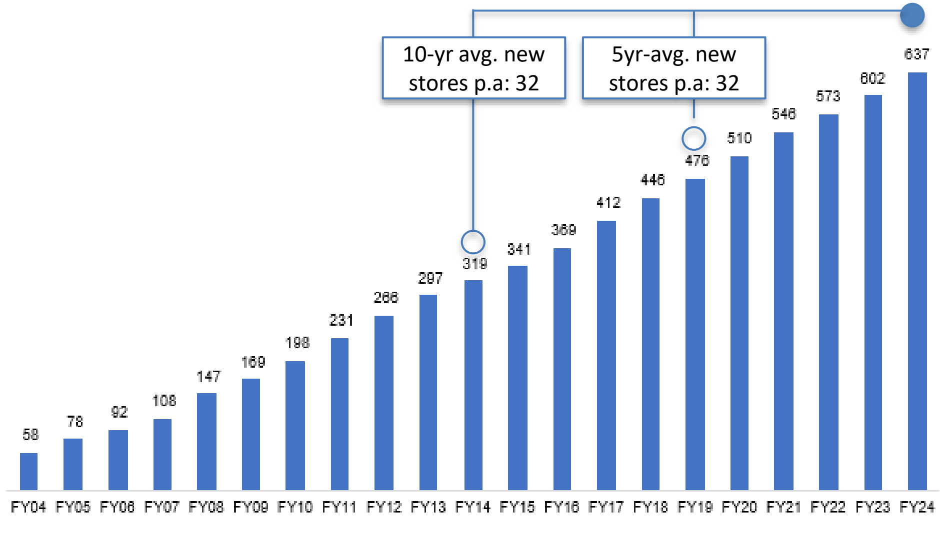
- FY25 has started well with positive network sales momentum and additional store openings in Australia and internationally
- Transition to the Sigma supply arrangement which started on 1 July 2024 has progressed smoothly
- Preparations advanced for new generic supply arrangements to commence from 1 December 2024
- Both supply arrangements are expected to provide efficiencies and benefits to be realised from FY25

The Retail Network continues to grow consistently

Total Network Sales evolution ($m) [1,2]



Retail Network evolution (no. of stores)[1,2,3]



1. Total Network Sales includes a combination of the Retail Network's in-store and CWG's online sales. Australian and New Zealand Store Network Sales are not consolidated into CWG revenue
2. Based on CWG management information
3. The "Retail Network" includes a combination of franchised and pipeline stores in Australia (excluding Optometrist Warehouse stores), wholly and part owned stores across New Zealand, China and Ireland.

Mark Davis

CWG Closing Remarks

Questions

Thank you

Appendix 1 - Reconciliation of normalised result

$m	1H25 RECONCILIATION Normalised 1H25	Merger costs	CW onboarding	Statutory 1H25	1H24 RECONCILIATION Normalised 1H24	CHS Hospital Gain on sale	CHS Hospital Discont. Ops	Statutory 1H24
Net Sales Revenue	1,840.3	-	-	1,840.3	1,568.4	-	113.4	1,681.8
Cost of goods sold	(1,720.4)	-	-	(1,720.4)	(1,459.4)	-	(112.2)	(1,571.5)
GROSS PROFIT	**119.9**	**-**	**-**	**119.9**	**109.1**	**-**	**1.2**	**110.2**
EBITDA	**31.1**	**(8.4)**	**(2.8)**	**20.0**	**29.3**	**8.8**	**(1.4)**	**36.7**
Depreciation & Amortisation	(13.1)	-	-	(13.1)	(14.3)	-	-	(14.3)
EBIT	**18.0**	**(8.4)**	**(2.8)**	**6.9**	**15.0**	**8.8**	**(1.4)**	**22.4**
Net finance income / (costs)	1.3	-	-	1.3	(8.3)	-	-	(8.3)
Profit/(loss) before income tax	**19.3**	**(8.4)**	**(2.8)**	**8.1**	**6.6**	**8.8**	**(1.4)**	**14.1**
Income tax (expense)/benefit	(5.1)	0.4	0.8	(3.9)	(2.8)	-	0.4	(2.4)
Non-controlling interest	(0.5)	-	-	(0.5)	(0.5)	-	-	(0.5)
NPAT attributable to owners	**13.7**	**(8.0)**	**(2.0)**	**3.7**	**3.4**	**8.8**	**(1.0)**	**11.2**
Basic EPS - cents[1]	0.9			0.2	0.3			1.1
GP%	6.5%			6.5%	7.0%			6.6%
EBITDA / Sales	1.7%			1.1%	1.9%			2.2%
EBIT / Sales	1.0%			0.4%	1.0%			1.3%
NPAT / Sales	0.7%			0.2%	0.2%			0.7%

[1] Calculated using weighted average shares of 1,571.0m (1H24: 993.0m)

Key callouts:

- Non-recurring M&A related costs in 1H25 associated with the proposed merger with Chemist Warehouse Group
- Preparation costs for onboarding the new CW supply contract
- Net gain on sale of non-core assets associated with the CHS Hospitals operations business in 1H24
- Results from discontinued operations related to CHS Hospitals prior to divestment in 1H24

Appendix 2 - Reconciliation of normalised expenses

$m	1H25 RECONCILIATION				1H24 RECONCILIATION				Year-on-year			
	Normalised 1H25	Merger costs	CW onboarding	Statutory 1H25	Normalised 1H24	CHS Hospital Gain on sale	CHS Hospital Discont. Ops	Statutory 1H24	Normalised $m	Normalised %	Statutory $m	Statutory %
Warehousing & delivery expenses	68.0	-	2.5	70.5	68.1	-	2.3	70.4	(0.1)	-0.1%	0.1	0.1%
Sales and marketing expenses	22.1	-	-	22.1	18.6	-	-	18.6	3.6	19.2%	3.6	19.2%
Administration expenses	38.9	8.4	0.2	47.5	37.8	-	0.2	38.0	1.1	2.9%	9.5	25.1%
Total operating costs	**129.0**	**8.4**	**2.8**	**140**	**124**	**0.0**	**2.6**	**127**	**4.6**	**3.7%**	**13.2**	**10.4%**
Depreciation and amortisation	13.1	-	-	13.1	14.3	-	-	14.3	(1.2)	-8.6%	(1.2)	-8.6%
Total expenses	**142.1**	**8.4**	**2.8**	**153**	**139**	**0.0**	**2.6**	**141**	**3.3**	**2.4%**	**12.0**	**8.5%**
Net Sales Revenue	1,840.3	-	-	1,840.3	1,568.4	-	113.4	1,681.8				
Total expenses / Net Sales Revenue	7.7%			8.3%	8.8%			8.4%				

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The information contained in this presentation about Sigma Healthcare Limited and its subsidiaries (Sigma) is designed to provide:

- an overview of the financial and operational highlights for Sigma for the half year period ending 31 July 2024; and
- a high-level overview of aspects of the operations of Sigma, including comments about Sigma's expectations of the outlook for FY2025 and future years, as at 25 September 2024.

This presentation contains forward-looking statements relating to operations of Sigma that are based on management's own current expectations, estimates and projections about matters relevant to Sigma's future financial performance.

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