

Annual General Meeting 2024

30 May 2024





Michael Sammells

Chairman

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.





Board of Directors



Michael Sammells



Vikesh Ramsunder



Annette Carey



Neville Mitchell



Kathryn Spargo



Dr Chris Roberts



Order of Business

1. Chairman and CEO addresses

2. Formal items of business

- Financial Statements and Reports
- Remuneration Report
- Re-election of Directors
- Remuneration arrangements for the MD and CEO.





FY2024 At A Glance

FY24 has delivered sustained improvements and significant strategic achievements that can fundamentally transform Sigma for the long term

- Strengthened our core operating business, improved efficiencies and expanded our growth opportunities
- Renewed our Board and strengthened our leadership team
- Secured the five-year supply agreement with Chemist Warehouse for PBS and front-of-shop
- Announced the Chemist Warehouse merger proposal
- Completed a \$400m equity raising, which was well supported by the market.





Transformational proposed merger

- The biggest transformational opportunity in the long and proud history of Sigma
- Will create a full-service wholesaler, distributor and retail pharmacy franchisor
- Accelerates our strategic direction by bringing together two complementary businesses with complementary core strengths
- Over \$60 million of potential cost synergies once the transaction is executed, creating value for shareholders
- Remains subject to ACCC approval and subsequent shareholder approval
- Retention of key skills, expertise and corporate knowledge is critical





A stronger Sigma standalone

- Completed our two-year turnaround
- State-of-the-art distribution centre network with capacity for growth
- Strong heritage brands
- Pipeline of private and exclusive label products to grow margin
- New Chemist Warehouse 5-year supply contract
- Underpinned by a stronger balance sheet

Share Price up 100% in 12-months





ESG update

- Released our fourth Sustainability Report
- Facilitated the donation of \$2.2 million of health products to Food Bank
- Reached over 23% consumption of solar electricity as a proportion of total energy consumed
- Diverted over 71% of our waste away from landfill across our 10 major sites
- Maintained a strong health and safety focus and continuing to support diversity and inclusion within our work force





Thank you





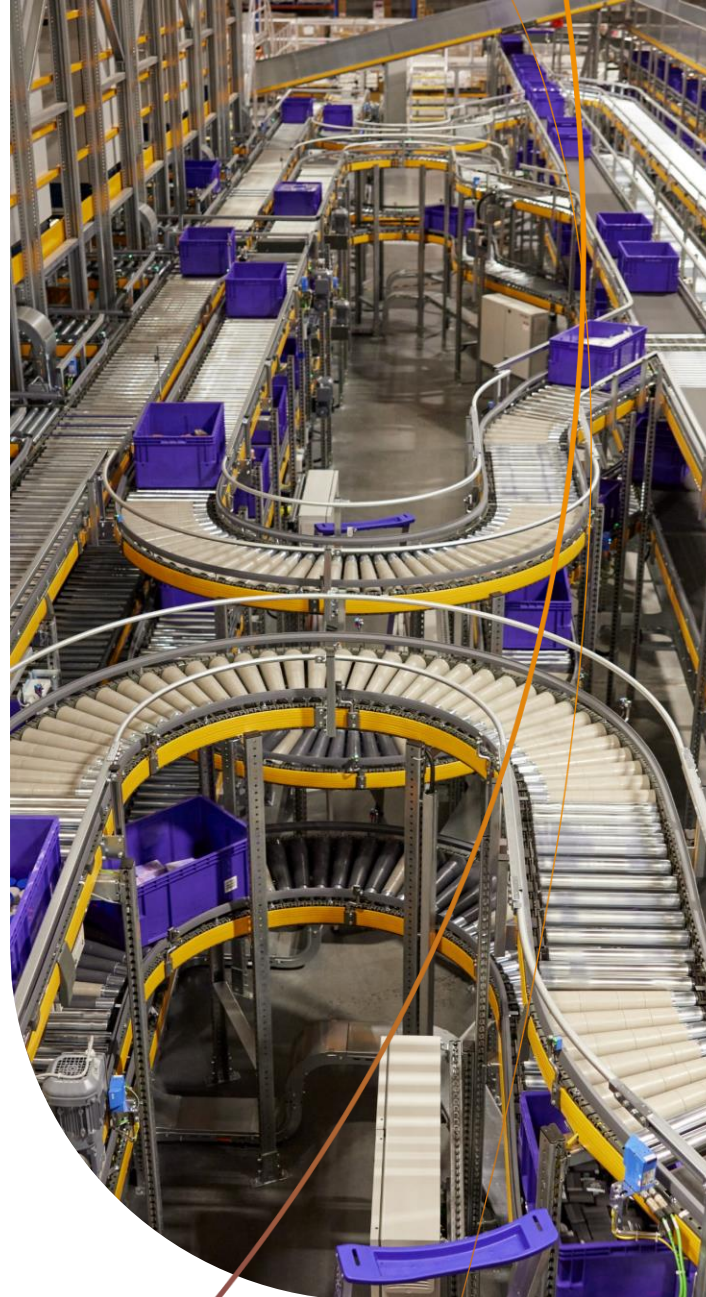
Vikesh Ramsunder
CEO and Managing
Director





Agenda

1. Overview of financial performance
2. Update on operational performance
3. Outline retail brand strategy progress
4. Discuss the Regulatory environment
5. Current year update





Financial Performance for FY24

Net Sales of \$3.3 billion

Excluding merger proposal costs*

- Earnings Before Interest and Tax (EBIT) of \$31.4 million
- Net Profit After Tax (NPAT) of \$12.7 million

Including merger proposal costs

- EBIT was \$23.2 million
- NPAT was \$4.5 million, an increase of 150% on the prior year

Achieved a 10.7% reduction in total operating costs

Paid a partially franked final dividend of \$0.005 per share.



*Excluding initial merger transactions costs of \$8.2m incurred to 31 January 2024



Operational Performance

Reliability of our operational performance continues to be a highlight

We have delivered over 230 million units during the year

Delivery in Full sustained above 99% - world class levels

Stock availability improved to 93%, and stock on hand reduced by \$103 million for the year

Achievement of ISO9001 quality accreditation

Transition planning and recruitment for supply contract is well advanced ahead of an expected 40% increase in volume.





Brand strategy

After announcing our plans to consolidate our brands, this process is now well advanced, allowing us to:

- Provide more support to the Amcal and Discount Drug Store brands
- Focus on brand positioning and consumer messaging

Further, we have:

- Planned the launch of 250 private and exclusive label products for this year.
- Set medium term targets of growth to 300 Amcal and 150 DDS stores





Regulatory update

- Sigma operates in a highly regulated industry with agreements in place that regulate our wholesale distribution margin for PBS medicines
- CSO Deeds and its related funding is critical in ensuring the sustainability of an essential service that delivers a key part of the Government's National Medicines Policy
- We are in advanced negotiations with Government and the Department of Health regarding the next funding agreement
- Critical for Sigma and our industry is that we achieve an increase in funding to fairly remunerate us for the services we provide to the Government and to patients.





Current year update

- The macro-economic environment remains challenging and intensely competitive
- Sigma operates in a more defensive market segment, with sales for first quarter of this financial year up 4.9%
- Our pursuit of a medium-term EBIT margin of 1.5% to 2.5% remains a relentless focus
- We are continuing to deliver service excellence
- Well advanced in preparation for commencement of Chemist Warehouse supply contract on 1 July
- Continue navigating the ACCC process for the proposed merger
- Our improved performance was rewarded with inclusion in the ASX200 Index in May 2024.





Thank you





Important Notice

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 full year period ending 31 January 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 29 May 2024.

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