ASX Release

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Sigma and Fred IT partnership driving pharmacy innovation

Sigma Pharmaceuticals today announced Australia's largest pharmacy IT partnership with the Fred IT Group to deliver Sigma's next generation retail platform that will support over 700 pharmacies across Australia.

The new platform is a single cloud based technology solution to underpin Sigma's broader technology and data strategy implementation. The fully integrated retail platform provides a significantly improved pharmacy user experience, as well as driving synergies across merchandising, pricing, and promotional functions.

This announcement follows an extensive evaluation process of IT systems, and will enable Sigma to provide market leading support to its brand members - Amcal, Guardian, Discount Drug Stores, PharmaSave and Chemist King. The program is built on Fred IT's new integrated pharmacy cloud solution, Fred NXT.

With Sigma undergoing considerable growth and development, the key focus during the selection process was the need for a scalable, flexible and fully integrated solution.   This solution meets that criteria, bringing together point of sale (POS), dispense and a back office system (BOS) that seamlessly integrates with existing investments in multi-channel, loyalty and Customer Relationship Management (CRM) systems.

Mark Hooper, Sigma CEO and Managing Director, commented that the combination of Sigma's industry knowledge together with Fred's IT credentials ticked all the boxes.

"Sigma now has the largest branded pharmacy footprint in Australia with over 700 pharmacies delivering almost 20% share of the pharmacy retail sales market. So having a solution that is agile, has full connectivity into retail pharmacy, and supports our growth is critical. It strengthens our market position and also provides opportunities to explore extensions of our partnership with Fred IT and the Telstra Health team."

The Fred NXT cloud based platform provides Sigma with a reliable and future proofed solution that also delivers flexibility to innovate and respond quickly to future market changes.

Paul Naismith, CEO of Fred IT Group, echoed Mark's sentiments and is excited by the prospect of the partnership.

"We applaud the commitment and vision of Sigma to provide significant benefit to their members via an enterprise grade integrated IT solution. Sigma's innovative platform will enable Sigma's pharmacy brand members to delight their customers with retail and professional services innovations that are quickly implemented across the entire store network. It will deliver great value to Sigma members with lower average store IT costs together with all the benefits of a modern solution, being safety, security and robustness. We can't wait to help Sigma achieve their exciting vision."

Sigma and Fred IT will have a dedicated team to manage the full Australia wide rollout, upgrade, conversions and training. This will commence shortly, with the majority of stores to be converted within 24 months.

Trading update

Mr Hooper concluded, "Our year to date performance continues to be strong and we remain on track to deliver our previously upgraded guidance of Underlying EBIT growth of 10% for the current financial year and at least 5% for FY2018. Whilst the partnership with Fred IT does not impact the current year, it is another example of Sigma's focus on implementing initiatives that drive operational improvement across our business that contribute to our longer term growth prospects."

Sigma is scheduled to announce its full year results on 23 March 2017.

About Sigma Pharmaceuticals

Sigma is a leading Australian full line pharmacy wholesale and distribution business. Sigma also has the largest pharmacy network in Australia, with over 1,200 branded and independent pharmacies, including some of Australia's best known pharmacy retail brands: Amcal, Discount Drug Stores, Guardian, PharmaSave, and Chemist King.

About Fred IT Group

Fred IT Group is Australia's largest provider of Pharmacy IT solutions servicing over 3,000 pharmacies. In 2014, Fred launched Fred NXT, Australia's first cloud based management platform developed specifically for pharmacy. Fred is deeply committed to the pursuit of technological leadership and innovation that make it easier and more efficient for pharmacies to run their business.

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