

Annual General Meeting 2023

17 May 2023



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



David Manuel



Christine Bartlett



Kathryn Spargo



Neville Mitchell



Annette Carey

Order of Business

1. Chairman and CEO address
2. Formal items of business
 - Financial Statements and Reports
 - Remuneration Report
 - Re-election of Directors
 - Remuneration arrangements for the MD and CEO
 - Amendment of Rule 3.6 of Company's Constitution – re-election of Directors



Acknowledgement

Ray was a significant contributor to Sigma since joining the Board in July 2010. He was a mentor to many people, he had an incredible work ethic, strong values and genuinely cared for people. Ray has left a strong legacy and is truly missed.



FY2023 At A Glance

A period of significant challenge, transformation, renewal and progress

- New CEO commenced in February 2022
- ERP – system stabilised with focus on optimisation
- Key customer metrics exceeding previous performance
- Announced revitalised strategy
- Renewed our leadership, Board and teams
- Concluded DC infrastructure renewal program
- Net Debt down from \$149m to \$67m at 31 January 2023
- Returned to profit



Strategy

Our Strategy

- 1 Grow scale and profitable market share in the wholesale business**
- 2 Divest non-core assets and continue to simplify the business**
- 3 Consolidate and build our franchise brand network**
- 4 Diversify our streams of income through expanded product offerings via health, beauty and wellness categories**

The benefits from the execution of our strategy will begin to be realised over the next two years

- Capacity and capability has been created
- Divestment of non-core assets has begun
- Merger of Amcal and Guardian has commenced
- Evaluation of diversification opportunities is beginning



Sustainability

- Third Sustainability Report released on 17 April 2023
- Access to medicines - we delivered over 120m PBS medicines and over 230m units across Australia
- Lost Time Injury Frequency rate at world class standards
- Sustainable operations – solar power = 19% of our energy consumption
- Pursuing a pathway towards carbon neutrality
- Signatory to Australian Packaging Covenant for 8 years
- Diverted 71% of waste from landfill across our 10 major sites
- Reforested over 1,700 trees to offset paper consumption



Thanks



Vikesh Ramsunder

CEO and Managing Director

1. Overview of financial performance
2. Update on operational performance
3. Retail brand strategy
4. Current year update



Financial Performance for FY23

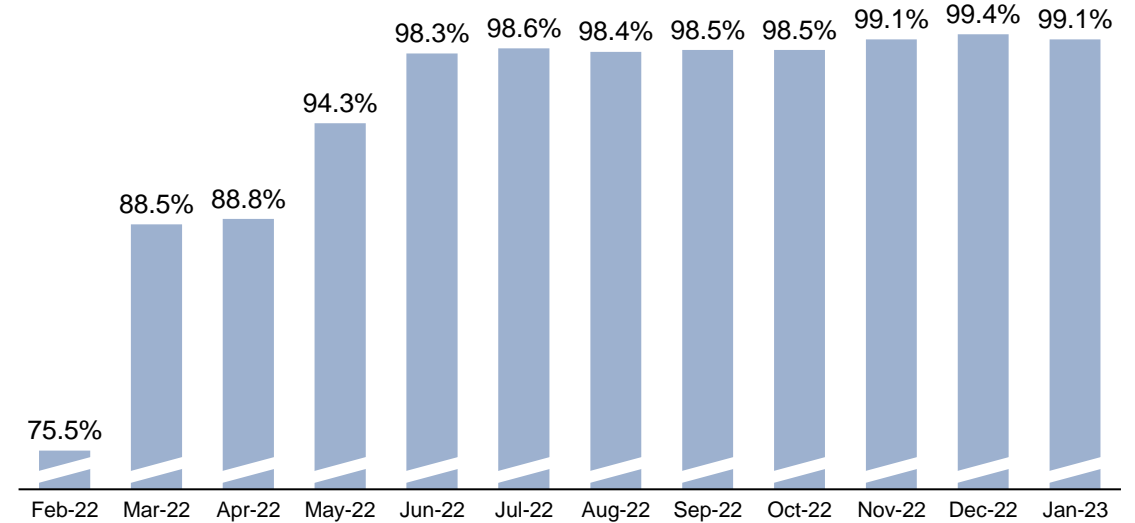
- Net Sales up 6.2% to \$3.7 billion
- Earnings Before Interest and Tax (EBIT) up 733% to \$19.3 million
- Net Profit After Tax (NPAT) of \$1.8 million, up from a \$7.2 million loss in FY22
- Good progress in simplifying our business and strengthening our balance sheet
- Net Debt down from \$149m to \$67m
- FY23 Final Dividend declared of \$0.005 per share



Operational Performance

- Sustained improvement in operational performance
- We have delivered over 230 million units in the year
- Delivery in Full has recovered and has been sustained at world class levels
- Finalised our distribution centre renewal program
- Great confidence in our ability to meet customer service levels and absorb growth opportunities

Delivery in full (DIF)



Brand Strategy

Strategy focused on supporting two brands moving forward – Amcal and Discount Drug Stores

1. Removes complexity
2. Provides scale to deliver a private and exclusive label strategy
3. Enables brand positioning with consumer

Launched PriceSave as an independent wholesale buying group



Current year update

- Sigma operates in a low margin, highly regulated environment, and in more defensive categories
- Sales year to date are up 5.3%
- Confirming FY24 EBIT guidance of \$26m to \$31m
- 60-day dispensing – working with our brand members and supply chain
- Reflections from 15-months:
 1. Great progress achieved and opportunities ahead
 2. Positive momentum swing
 3. Long and proud history + strong brands + world class facilities + spare capacity = a strong and powerful combination



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Thank you

