ASX Release

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Sigma Healthcare Limited
ABN 15 088 417 403
ASX code: SIG
6 Albert Street
Preston VIC 3072 Australia
T 1300 367 283
sigmahealthcare.com.au

Sigma delivers 41% EBIT growth and upgrades synergy target to $100m

Sigma Healthcare Limited (Sigma) today announced its first financial results since the successful merger with the Chemist Warehouse Group (CWG) for the full year ended 30 June 2025 (FY25), which illustrate the strong growth opportunities of the newly expanded company.

Highlights

- Normalised EBIT up 41.4% with Pro-forma EBIT of $903.4 million
- 20+ year growth profile continues as we reach 588 CW retail network stores across Australia
- 16 international stores added as retail network sales[2] exceed A$1.0 billion in New Zealand
- Own and exclusive brand strategy accelerated with launch of Wagner generics medicines in November 2024
- Achieved like-for-like sales growth of 11.3% across the Australian CW retail network[2]
- Benefit from scale, with logistics costs down 11% per unit as volume distributed for the year exceeds 532 million units
- Synergy target upgraded to $100 million per annum by the fourth year following implementation

FY25 Results overview

	Statutory[1]	Normalised[1]	Pro-forma[1]
Revenue	$6.00bn, up 82.2%	$6.00bn, up 82.4%	$9,591.3
EBITDA	$823.9m, up 33.6%	$884.1m, up 41.4%	$968.5
EBIT	$767.9m, up 32.0%	$834.5m, up 41.4%	$903.4
NPAT (attributable to owners)	$529.9m down 2.1%	$579.1m up 40.1%	N/A

“The merger with Chemist Warehouse has delivered a stronger, more integrated healthcare business, with greater scale, capability, and market reach. The FY25 results demonstrate the group’s momentum and potential for ongoing growth. Normalised EBIT for the year was up 41.4% compared to the prior corresponding period.

1 Refer to Appendix A for a reconciliation of Statutory, Normalised and Pro-forma EBIT.
2 Retail network sales represent sales by Chemist Warehouse franchise stores to end consumers

We are committed to delivering excellence for our customers, partners and suppliers while strengthening our operations and driving ongoing efficiencies. We have made good progress executing the integration plan and today announce an upgrade to the merger synergy target from $60 million per annum to $100 million per annum to be achieved within four years.

The performance of the Chemist Warehouse retail network was a standout. Total retail network sales[2] to customers for the 12-months were up 14% to $10.3 billion. Like-for-like sales growth across the Australian CW network was up an impressive 11.3%. We delivered robust sales growth in the franchise store network across the major product categories including beauty, vitamins and supplements, healthcare/medicines, the baby/children category, and fragrances.

During the year, we continued to expand our portfolio of own and exclusive brand products, headlined by the launch of 269 products in the Wagner generics range in November 2024. With high pharmacy customer conversion rates and sell through, margin benefits will flow into FY26 and beyond. Sales of own brand and exclusive label products were up over 20% for the year.

Our value proposition and service offering are resonating with more customers. We opened 35 new stores in Australia and internationally, which is consistent with our average annual growth rate over the last decade. We now have 881 franchise stores across Australia. Our international network continues to grow across New Zealand, Ireland, and UAE demonstrating that the Chemist Warehouse model is transportable and scalable in other markets.

Meanwhile, with a focus on delivering profitable growth, we have taken the decision to progressively close the Chemist Warehouse bricks and mortar stores in China over the next few years, with the China market to be serviced through the online channel.

Supply chain reliability and efficiencies are keys to our success. Our combined distribution centre network has successfully absorbed a 29% volume increase during the period, largely driven by the commencement of the CW PBS supply contract. With a combined 14 distribution centres across Australia, we delivered over 532 million units over the 12-months, with the benefit of scale resulting in an 11% reduction in our per unit cost to serve. We remain focused on optimising the network to improve service delivery, reduce cost and open new business opportunities.

Since year end, we have made the decision to close our distribution centres in South Guildford in Western Australia and Port Adelaide in South Australia, with services to be absorbed in our existing distribution centres in Canning Vale and Pooraka. This will be fully implemented by late 2026. In addition, in September 2025 we are also closing our ePharmacy fulfilment centre in Preston Victoria, with our online sales to be largely delivered via our extensive store network.

Operating free cash flow was robust at $546 million. With the benefit of the DC infrastructure investment over the past decade, and a low cost and low risk international expansion model, future capital investments is largely focused on maintenance capex, excluding integration costs.

At 30 June 2025, we reported net debt of $752.2 million, well below the starting net debt range of $1.0 to $1.3 billion set out in the merger prospectus. With our strong cash flow and a $1.5 billion debt facility in place to 2028, we are well placed to self-fund our growth strategy and reward shareholders with dividends.

[2] Retail network sales represent sales by Chemist Warehouse franchise stores to end consumers

A FY25 final dividend of 1.3 cents per share fully franked was declared, payable 18 September 2025, with a 3 September 2025 Record Date and 2 September 2025 Ex-Dividend Date.

Outlook

Sigma is now a stronger more integrated healthcare business – one with scale, capability, market reach and growth pathways. We have just started the journey to fully realise the benefits of the merger.

FY26 has started strongly with double digit like-for-like retail network sales growth YTD. We anticipate rolling out Chemist Warehouse stores at a consistent cadence to our historical run rate in Australia and internationally. We also expect to continue to launch new own and exclusive label products to drive margin improvement. Integration activities are well underway with the bulk of the synergy benefits anticipated in FY27 and beyond.

Sigma is well placed to deliver ongoing growth and sustainable returns to shareholders.

Vikesh Ramsunder, Sigma CEO and Managing Director

Webcast details:

A presentation will be held via webcast at 10.00am (AEST), with a live question and answer session to be held at the conclusion of the presentation. To view the briefing via live webcast, please click on the following link:

https://edge.media-server.com/mmc/p/gegwkgg4

To join via the phone and ask a question in the briefing, please register at:

https://s1.c-conf.com/diamondpass/10049157-1rqsxw.html

This announcement is authorised by order of the Board.

For more information contact

Gary Woodford
Head of Corporate Affairs
Sigma Healthcare Limited
gary.woodford@sigmahealthcare.com.au
0417 399 204

Steve Dabkowski
BlueDot Media
steve@bluedot.net.au
0419 880 486

Appendix A – reconciliation of Statutory, Normalised[1] and Pro-forma[2] EBIT

$m	FY25 Statutory	Adj	FY25 Normalised	Adj	FY25 Pro forma
Revenue	6,001.8	6.7	6,008.5	3,582.8	9,591.3
Gross profit	1,440.3	6.7	1,447.0	251.6	1,698.6
Profits from associates and other income	45.3	-	45.3	7.6	52.9
Operating expenses	(661.7)	53.6	(608.2)	(174.7)	(782.9)
EBITDA	**823.9**	**60.2**	**884.1**	**84.4**	**968.5**
D&A	(56.0)	6.4	(49.6)	(15.5)	(65.1)
EBIT	**767.9**	**66.6**	**834.5**	**68.9**	**903.4**

Statutory to Normalised adjustments reflect:

- $46.6m of merger related costs
- $12.7m of integration costs
- $7.3m of Purchase Price Allocation (PPA) adjustments, which are non-cash charges related to the merger PPA accounting

Normalised to Pro Forma adjustments reflect:

- the addition of 7.5 months of Sigma results, as if the merger had occurred on 1 July 2024 and adopting the same approach to normalisations as above applied to the full period

[1] Normalised EBIT represents 12 months CW Group Holdings Limited (CWG) consolidating Sigma Healthcare Limited (Sigma) since February 2025 merger completion date. Normalised results reflect Statutory results adjusted for merger related costs, integration costs, and non-cash P&L charges associated with merger purchase price accounting (refer Appendix 2 for reconciliation)

[2] Pro-forma numbers assume the merger took place for the full period commencing 1 July 2024, adopting the same approach to normalisation adjustments as above

Appendix B – snapshot for year ended 30 June 2025

Franchise network

- ✓ CW retail network sales growth of 14%, to $10.3bn
- ✓ FY25 Like-for-like sales growth across the existing Australian CW network of 11.3%
- ✓ 35 CW stores opened in Australia and internationally during the year, consistent with 10-year average annual store growth
- ✓ Progressive conversion of all MyChemist pharmacies to Amcal and Discount Drug Stores
- ✓ New Zealand retail network sales exceeded A$1.0bn

Supply chain

- ✓ Onboarding of the CWG medicine supply contract from 1 July 2024, which saw the addition of more than $2.0bn annualised revenue through Sigma wholesale
- ✓ Delivery in full and delivery on time metrics retained above 99% monthly average
- ✓ Volumes delivered increased by 29% to reach 532m units for the year
- ✓ Leveraging automation and scale to reduce cost to serve per unit by 11%

Own brands

- ✓ Over 3,000 own and exclusive brand products
- ✓ Launched 269 Wagner generics medicines in November 2024
- ✓ Sales of private and exclusive label products were up over 20% for the year
- ✓ Less than 10% of total CW retail network sales are own and exclusive brand product

Integration update

- ✓ Synergy target upgraded to $100m per annum, from original target of $60m pa
- ✓ One-off costs to achieve synergies anticipated to be $95m to $105m
- ✓ Support office consolidated to Preston site from September 2025
- ✓ Initial decisions have been made on DC integration with planned closure of three DCs

Debt and Capital Management

- ✓ Year-end net debt of $752.2m
- ✓ Net Debt to EBITDA (Normalised) ratio of 0.85x
- ✓ Strong operating cash flow of $598.8m

Dividend

- ✓ Dividend of 1.3 cps declared, payable on 18 September 2025, Record Date 3 September and Ex-Dividend date 2 September
- ✓ Dividend Payout Ratio consistent with DPR policy of 50% to 70% of NPAT