



Mark Hooper
CEO and Managing Director



Gary Woodford
Corporate Affairs Manager

Investor Relations Contact:

Gary Woodford
Corporate Affairs Manager
Gary.Woodford@signet.com.au
Phone: 03 9215 9632
Mobile: 0417 399 204



Sigma Pharmaceuticals Limited

Asian roadshow – 11-13 October 2016



Sigma Overview



Our History

- Established 1912
- Listed on the ASX in 1999

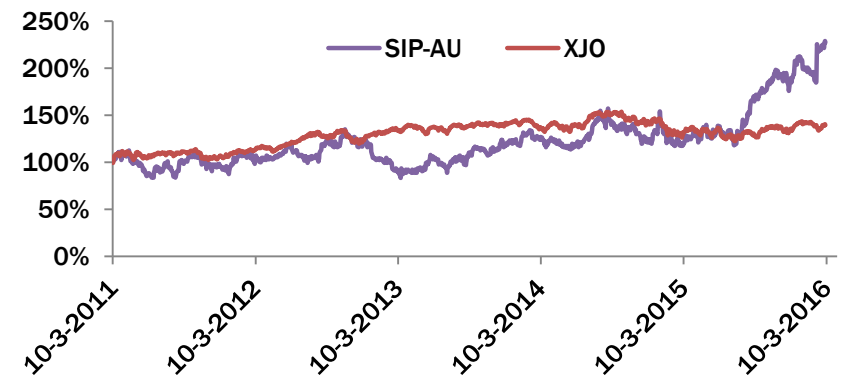
Our Business

- Employ over 1,200 team members
- Australia wide presence
- Largest pharmacy Wholesaler in Australia
- Largest branded pharmacy network in Australia
- Investing for growth

Investment metrics

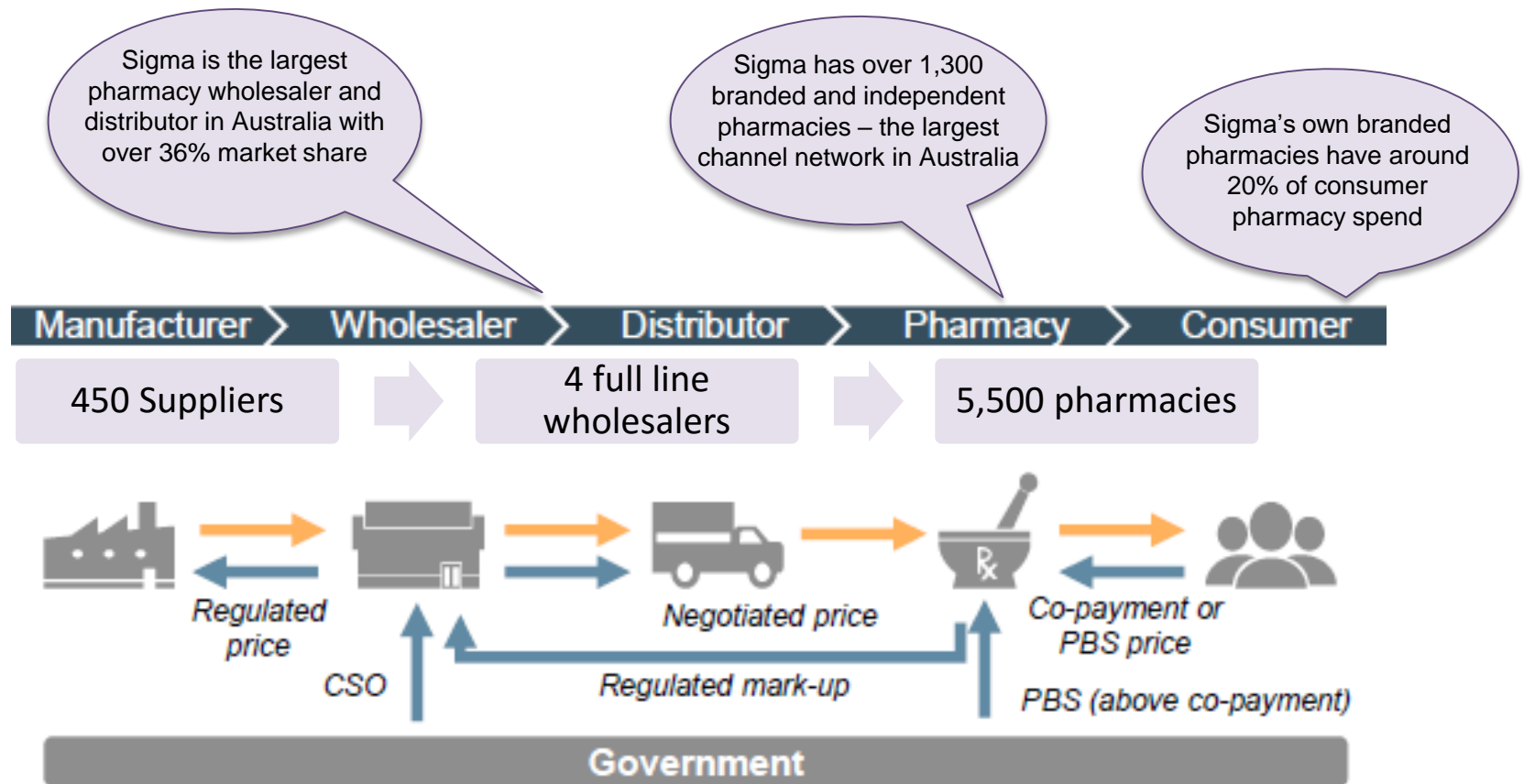
- **ASX ticker** – SIP
- **Market Capitalisation** around A\$1.5 billion
- **Dividend Yield** around 5.5%
- **EBIT CAGR** over last 5 years – 4.9%
- **ROIC** over 15%
- **Debt** - Minimal debt/net cash by FY17

5 YEAR SHARE PRICE PERFORMANCE TO 30 SEPT 2016



Australia - pharmacy industry at a glance

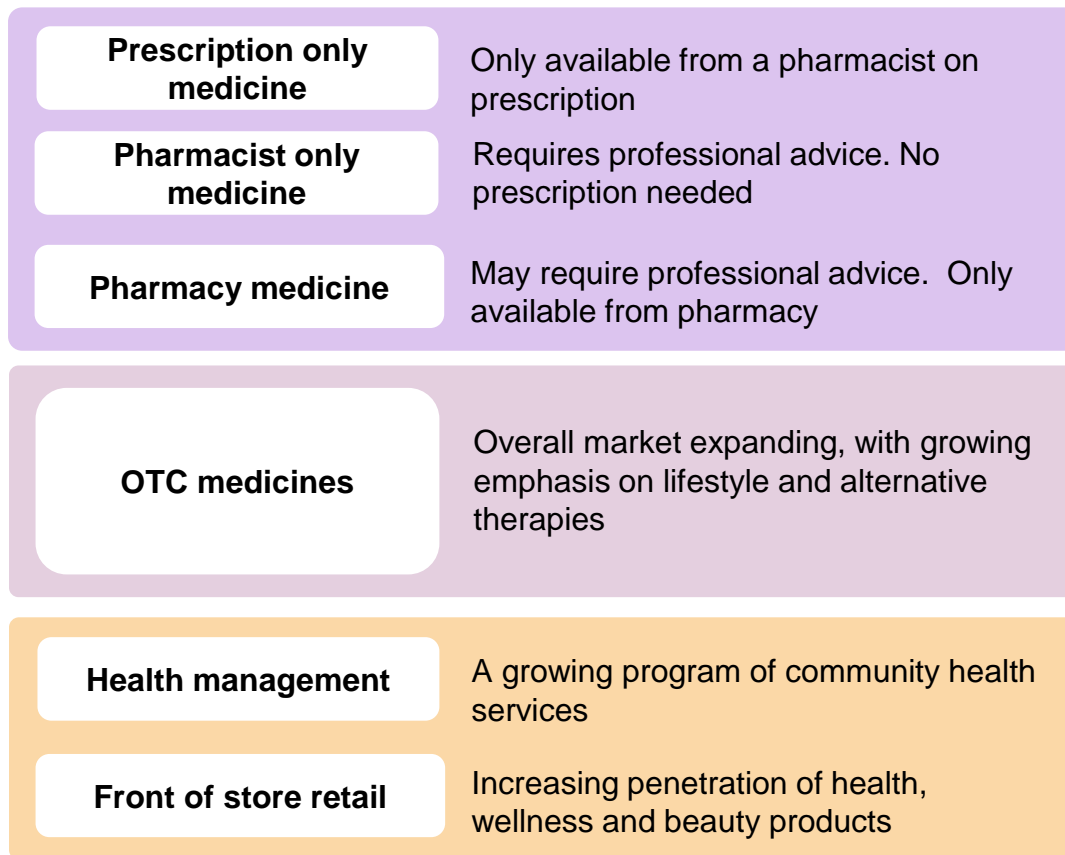
- The market size of retail pharmacy is ~A\$15.8 billion
- The market size of pharmaceutical wholesaling is ~A\$12.6 billion
- Sigma has a strong position in the Australian pharmaceutical supply chain



Australia – Industry revenue drivers

Majority of pharmacy revenue is derived from the sale of prescription medicines, where pricing is regulated through federal government policies. Growing proportion of pharmacy sales are from health services and retail products

Retail Pharmacy Products and Services



The bulk of this is funded by federal government dollars, through the Pharmaceutical Benefits Scheme (PBS), and patient co-pay

Future growth is driven by Australian consumers' increasing demand for health products and services

Servicing Australia's healthcare needs



15

Distribution Centres



24hrs

Servicing Pharmacies Within



450

Our Suppliers



14,000

Product Lines



Over

1,000,000

Items Delivered Daily



14,000

Customer Deliveries Per Week



The largest Retail Pharmacy footprint



- Sigma leads market consolidation –
 - Over 700 branded pharmacies, about 40% larger network than the next biggest
 - More than 600 independent pharmacies
- Sigma has almost 20%# pharmacy retail market share
 - equates to over A\$3.1bn of retail sales
 - five percentage points ahead of next largest player
- Like for like sales up 7.2% across Sigma branded pharmacies
- Building capability to leverage our scale and capacity



Per IBISWorld market research



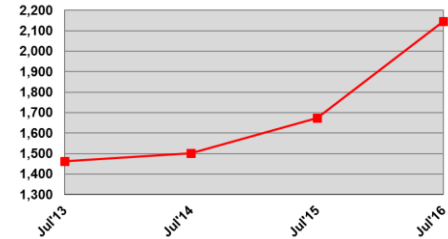
1H17 shows sustained growth across all key financial indicators



1H17 Highlights

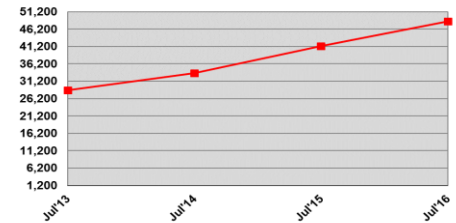
Revenue
✓ Up 28.1%

A\$2.15
billion



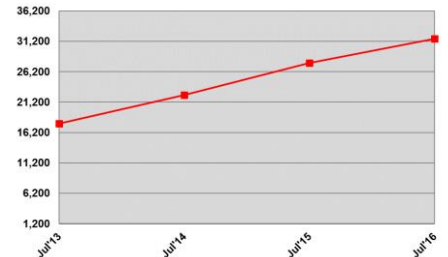
EBIT #
✓ Up 17.0%

A\$48.4
million



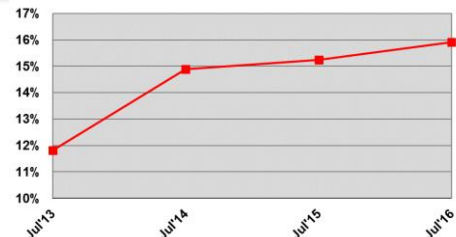
NPAT #
✓ Up 14.5% to

A\$31.7
million



ROIC #
✓ Up from 15.2%

15.9
percent



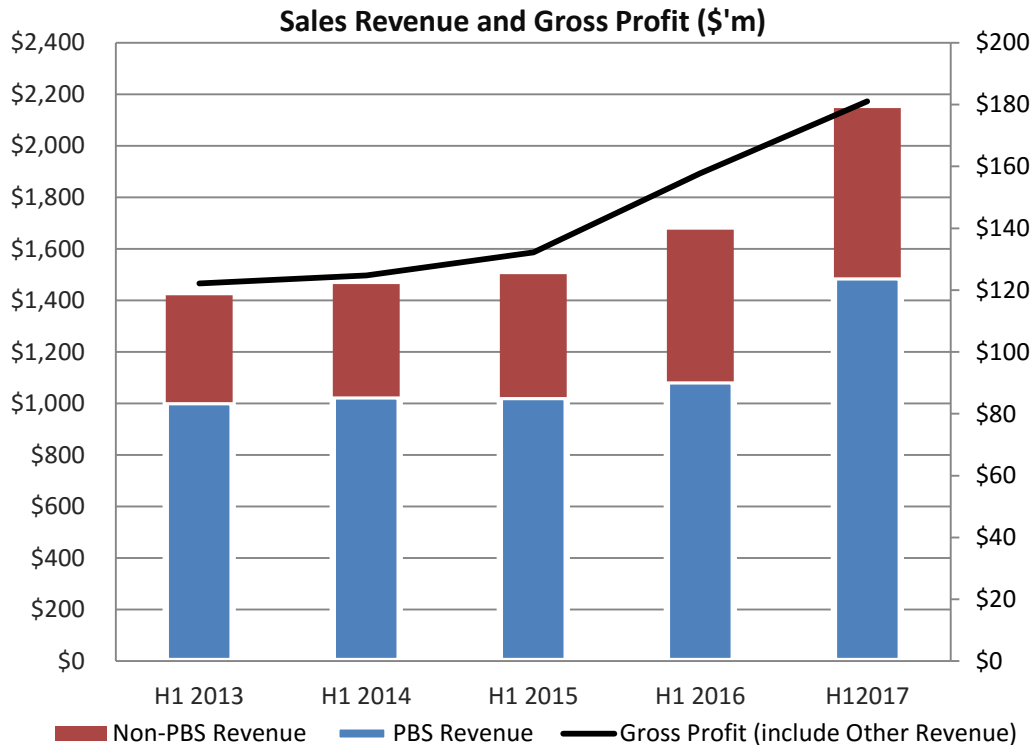
Underlying. Refer to Appendix 2 for a reconciliation of Reported to Underlying

Consistently delivering on our promises

Promise	Delivered	
Grow EBIT by at least 5% for the next two years	<ul style="list-style-type: none"> ➤ 1H17 Underlying[#] EBIT up 17.0% 	✓
Grow non PBS earnings	<ul style="list-style-type: none"> ➤ Non-PBS earnings continue to grow ➤ Other revenue up 24.2% to A\$39.2m 	✓
Maintain strong balance sheet	<ul style="list-style-type: none"> ➤ Minimal net debt of A\$55.3m and still expect to be net cash by January 2017 ➤ Capacity to further invest and reward shareholders 	✓
Improve CCC by 8 to 10 days by Jan 2017	<ul style="list-style-type: none"> ➤ Cash Conversion Cycle improvements largely achieved in 1H17 – now at a record low 	✓
Reward shareholders	<ul style="list-style-type: none"> ➤ Interim Dividend increased to 2.5 cents ➤ Share price up approx 40% since 1 February 	✓

Continued diversification drives improved performance

- Sales Revenue – Up 28.1% to A\$2.15 bn (up 7.8% excluding Hep C)
- Other Revenue – Up 24.2% to A\$39.2m



Non-PBS Revenue

- Up 11.5% on 1H16
- Up 58% since 1H13
- Diversification reduces earnings seasonality

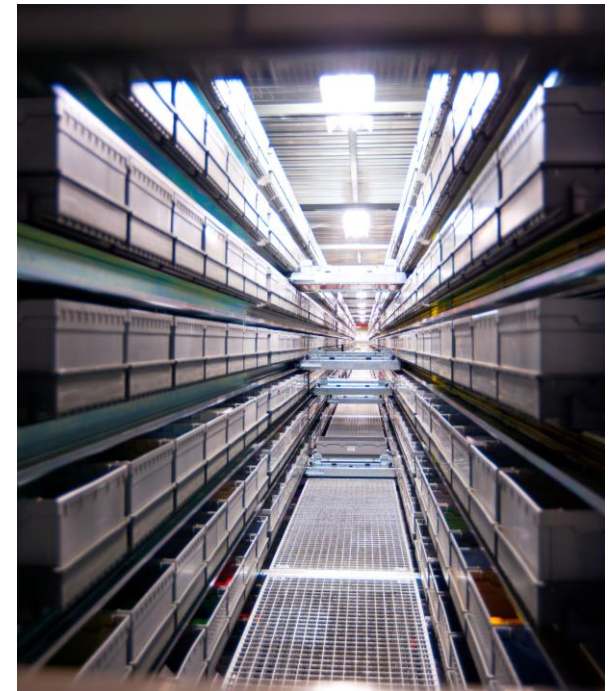
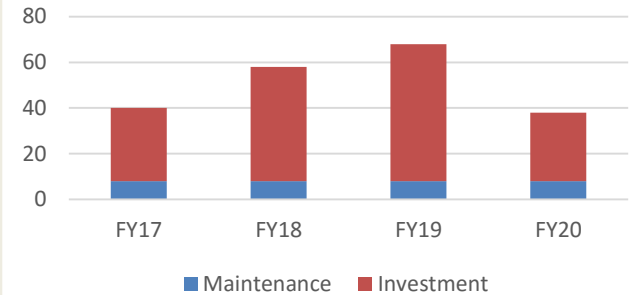
Gross Profit (inc. Other Revenue)

- Up 14.5% on 1H16
- Up 48% since 1H13
- Gross Profit margin (excl Hep C) up from 7.5% to 7.8%

Investing for growth and an efficient future

- Investing in Distribution Centres (DC) to:
 - drive long term efficiency gains in existing markets
 - provide a national capability to target new business - hospital pharmacy and third party logistics services
- New Queensland DC – expect to be operational in last quarter of calendar year 2017
- WA and NSW DC's currently under review
- Land and buildings fully funded by Sigma
- DC technology - 4 to 5 year pay back period
- Investing in data analytics for market strength
- Maintenance Capex broadly matches D&A

Forecast Capital Expenditure (A\$m)



Capital management continues to be a major focus

Interim dividend - 2.5 cps (fully franked)

- payout ratio 85.2% of Underlying[#] NPAT

EPS accretive share buy-back

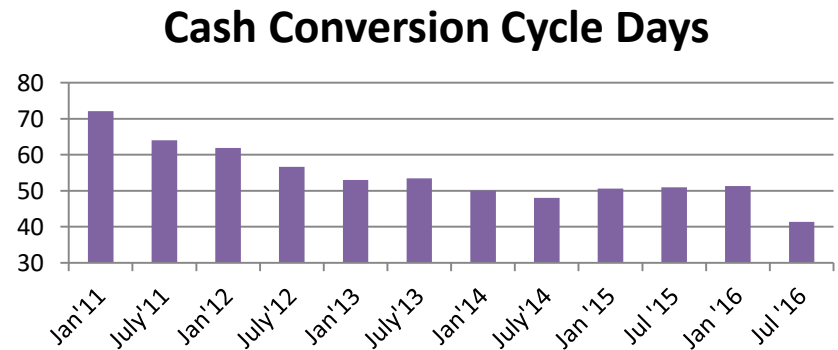
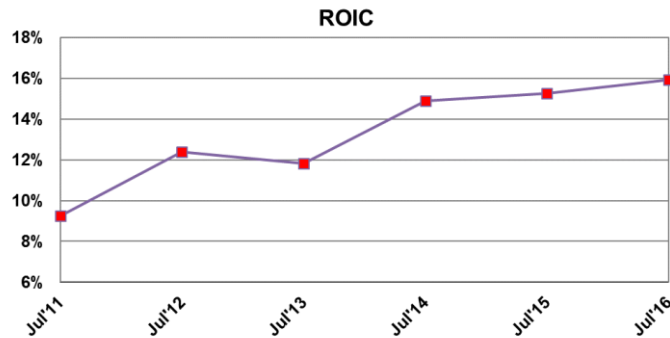
- since Oct 2012 - 9.6% achieved (113.4m shares) at a VWAP of A\$0.73 per share

Balance sheet strength to invest

- net debt steady from January 2016, expect net cash by year end despite dividend and capital payments

ROIC continues to be a key focus

Cash Conversion Cycle improved by 10 Days

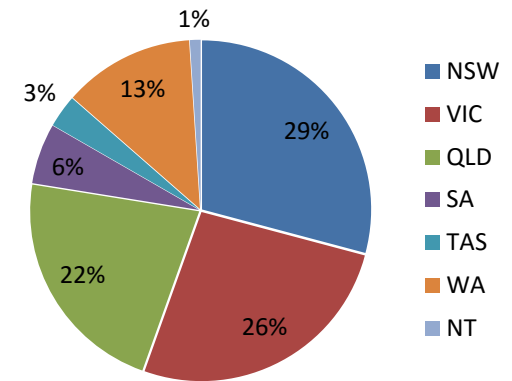


Hospital Pharmacy – a national presence creates further opportunity

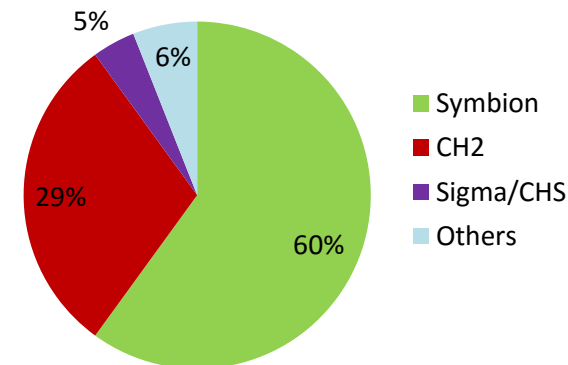


- Pharmaceutical hospital wholesaling market exceeds A\$3.0bn*
 - Mkt growth +34%*, with Hep C drugs having a significant impact on market
- Sigma / CHS presence continues to show strong growth
 - up 75% (inc. Hep C) for 1H17
- Key drivers are Hep C, further growth in Victoria and entry into NSW market (Sigma / CHS now listed on NSW Hospitals tender)
- Expect annual run rate to be A\$200+ million of revenue by year end

Market Size by State



Market Shares



*Source: IMS MAT July 2016

Expanding our reach with our online entry into China

- Launched 6 June 2016;
- Operational partnership with Azoya, driving strong visitation numbers;
- Over 7,000 SKU's available, leading to strong breadth of products being sourced;
- No fulfilment or FX risk to Sigma;
- First half sales double expectations



Sigma's investment proposition



Investing in organic and acquisitive growth strengthens our market position to support our customers, diversify our income stream, and provide sustainable returns for shareholders

Our strategy is delivering a sustained pipeline of growth



	Performance Drivers	FY17	FY18	FY19	FY20
Core business	Organic Growth	✓	✓	✓	✓
	DC optimisation program			✓	✓
BAU improvements	Project Renew		✓	✓	✓
	Improved retail compliance and buying programs	✓	✓	✓	✓
	Hospitals/3PL growth	✓	✓	✓	✓
New business	Acquisitions and expansion into adjacencies		💡	💡	💡



Deliver at least 5% per annum EBIT growth

Continued momentum drives strong outlook

- FY17 - Upgrading forecast Underlying EBIT growth to 10%
- FY18 - Maintaining Underlying EBIT growth expectation of at least 5%
- Non-PBS revenue / earnings will continue to be the driver
- Stronger ROIC driven by higher earnings and reduction in CCC
- Strong Balance Sheet
- High Dividend Payout Ratio expected to be maintained

Important notice

The material provided is a presentation of general information about Sigma's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. No representation or warranty is made as to its completeness, accuracy or reliability. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. Known and unknown risks, uncertainties and other factors, many of which are beyond Sigma's control, may cause actual results to differ materially. Nothing in this presentation should be construed as a recommendation or forecast by Sigma or an offer to sell or a solicitation to buy or sell shares.

This presentation also contains certain non-IFRS measures that Sigma believe are relevant and appropriate for the understanding of the financial results.

Thank you

