



# **Sigma Pharmaceuticals Limited 2014 Annual General Meeting**

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**Brian Jamieson, Chairman**



## Financial Overview



Revenue up 1.1% to  
**\$2.97 billion**



Reported NPAT  
**\$53.5 million**  
Underlying NPAT  
**\$51.1 million**



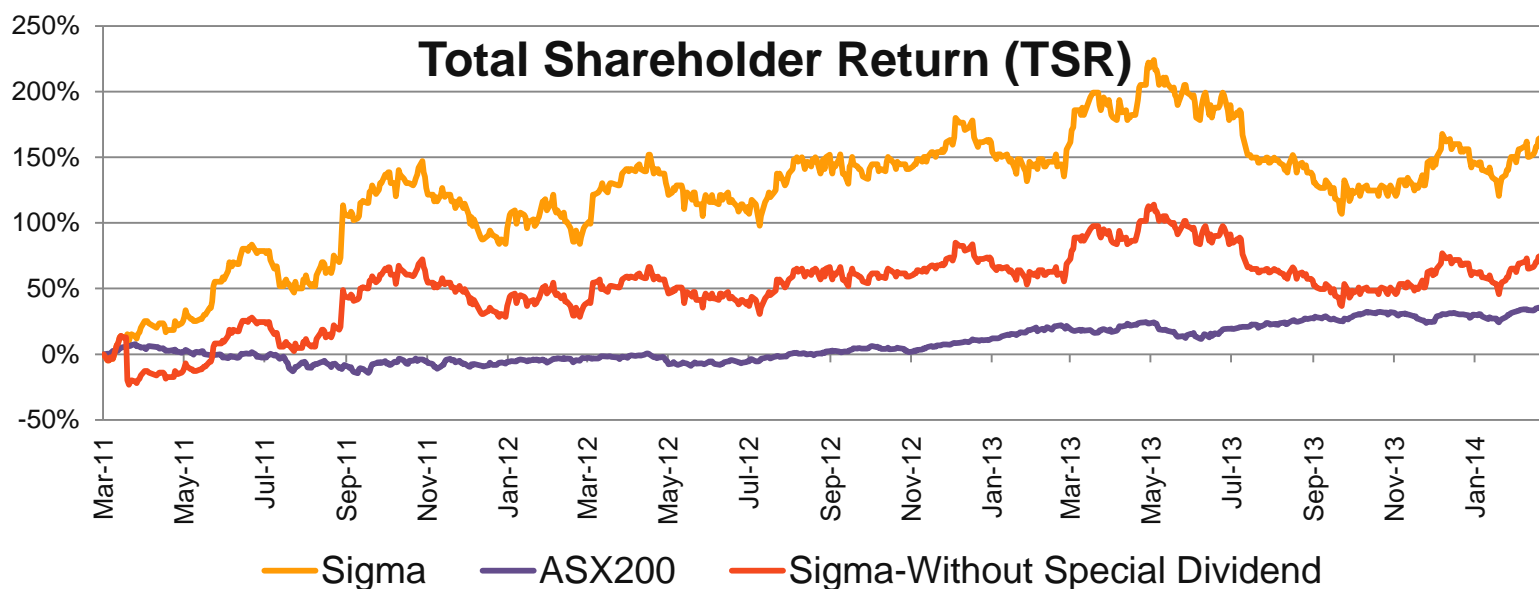
Fully Franked  
Dividend of 4.0 cents  
per share for the  
year, 84% payout  
ratio

Industry wide PBS spend declined over 2% during this period

# Shareholder Returns

Cash Returned to shareholders since 2011 –

- Over \$320 million in dividends (28 cents per share)
- \$50 million in Share Buy-Back (over 71 million shares)



## Key business issues



Strong and  
transparent Balance  
Sheet;

\$68m cash, no net  
debt;

Franking credits  
position

## Investing in our future

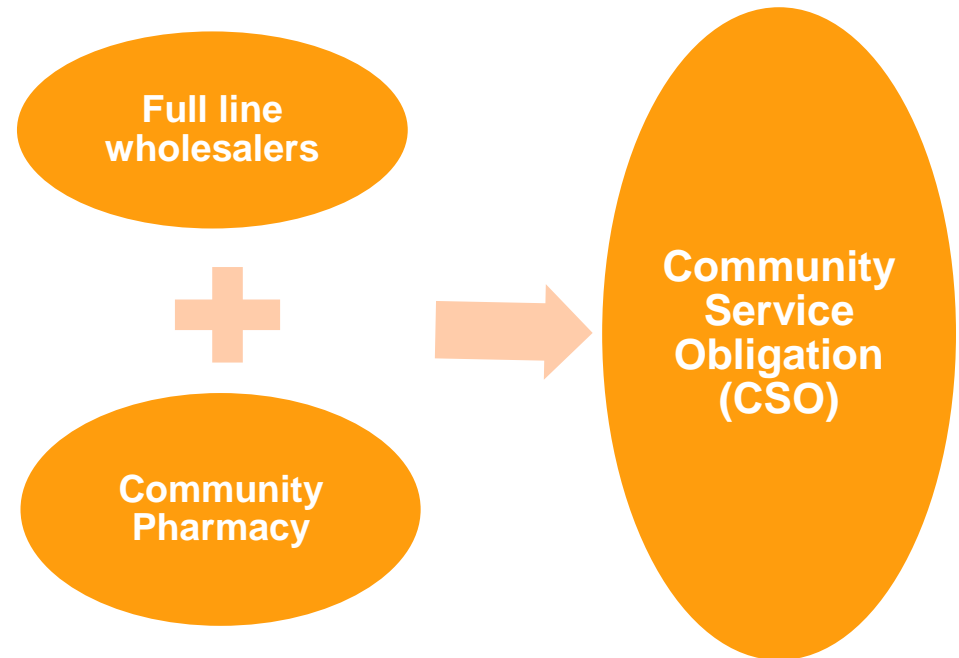
- Infrastructure to improve operational efficiencies
- Structured Professional Services program
- Central Healthcare Service (CHS) acquisition



## Regulatory landscape

- Sixth Community Pharmacy Agreement (6CPA)
- National Commission of Audit Report
- Government PBS reform

Critical in achieving stability and certainty to enable the industry to provide equitable access to essential medicines



## Position of strength

- Strong and transparent Balance Sheet
- Achieving results from our investments
- Active engagement with Government
- Experienced management team



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**Mark Hooper, Managing Director and CEO**





# Full year 2014 Results

| \$m             | FY 2014        | FY 2013 | Variance | % Change |
|-----------------|----------------|---------|----------|----------|
| Sales revenue   | <b>2,973.5</b> | 2,942.4 | +31.1    | ↑ 1.1%   |
| Gross Profit    | <b>216.9</b>   | 208.4   | +8.5     | ↑ 4.1%   |
| Operating costs | <b>-188.3</b>  | -169.2  | +19.1    | ↑ 11.3%  |
| Underlying EBIT | <b>71.2</b>    | 71.1    | +0.1     | ↑ 0.1%   |

## Revenue

Volumes up 3.3%, Sales only up 1.1% due to impact of PBS reform

## Distribution costs

Held relatively flat despite higher volumes and cost increases

## Operating costs

Investments in retail and marketing activity to grow ongoing sales

## Central Healthcare Services (CHS)

- Initial payment of \$24.5 million, with potential earn out in June 2015
- Earnings accretive
- Annual sales revenue over \$200 million
- Flexible business model, with presence in hospital distribution
- Over 140 pharmacies under Pharmasave banner
- Expect to deliver \$3.5 million EBITDA

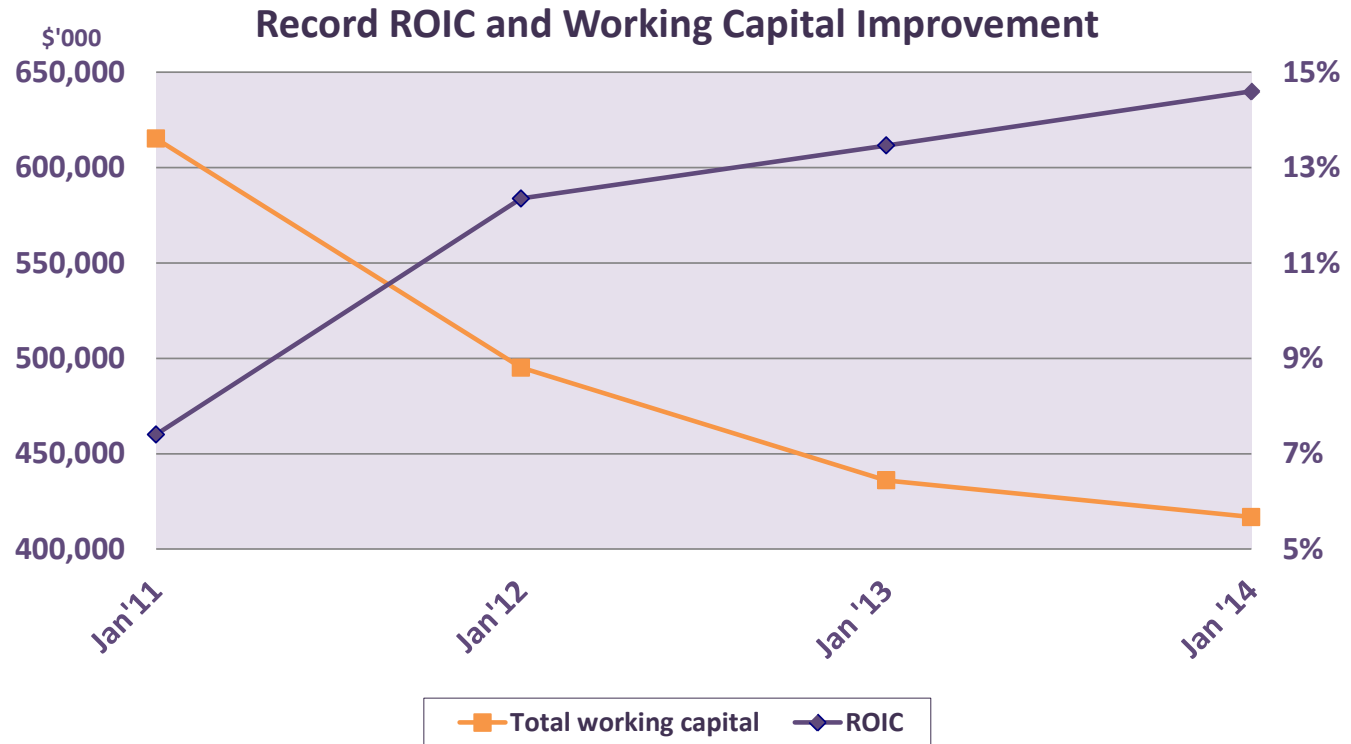


# Consistency of service recognised – second year running

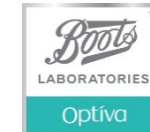
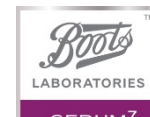
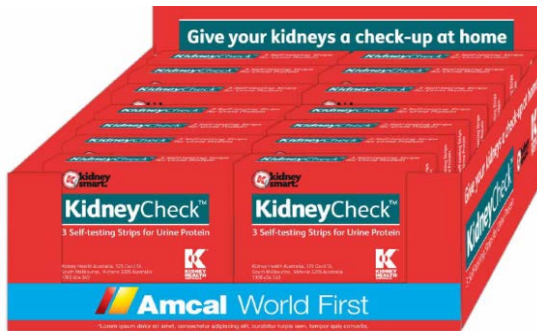


# Strong Capital Management

- Cash Conversion cycle 50 days
- Capital investment earmarked for Brisbane and Sydney Distribution Centres



# Differentiating our brands



# Looking forward

- Solid start to the FY2015;
- Impact of PBS reform will continue;
- Making the right investments to drive our vision



## Amcal Services

Our pharmacy team is committed to providing these services to you everyday



Ask if these additional services are available today



*Australia's Partner of Choice for Health, Beauty and Wellbeing*

## Shareholder Questions

- **How we link share price performance and remuneration**
- **Chemist Warehouse**
- **Introduce a DRP**





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*THANK YOU*





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