

ASX Release

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Sigma enters merger delivering strong financial performance from operational execution

Key Highlights

Sigma Healthcare Limited (Sigma) today announced its financial performance for the full year ended 31 January 2025 (FY25), the final full year results for Sigma as a standalone business prior to the merger with Chemist Warehouse Group (CWG), which became effective on 12 February 2025.

	Normalised ⁽¹⁾	Statutory
Net Revenue	\$4.8b, up 50.9%	\$4.8b, up 45.7%
EBITDA	\$93.8m, up 79.3%	\$47.5m, down 7.9%
EBIT	\$68.0m, up 183.5%	\$21.7m, down 6.7%
NPAT (attributable to owners)	\$41.9m, up 878.0%	(\$13.8m) loss, down from \$4.5m profit

(1) Refer Note 1 reconciliation of Statutory to Normalised

Operational and Financial Review

FY25 was a transformational year for Sigma culminating in the successful merger with CWG.

The Group reported normalised revenue growth of 50.9% to \$4.8 billion and normalised Earnings Before Interest and Tax (EBIT) growth of 183.5% to \$68.0 million, at the upper end of the guidance range previously provided. Statutory EBIT for FY25 of \$21.7 million was impacted by the following non-recurring expenditure:

- \$43.5 million in transaction, advisory and other costs in respect of the merger with CWG
- \$2.8m of onboarding costs in respect of the new CWG supply contract that commenced on 1 July 2024, as flagged at the first half results.

Statutory Net Profit After Tax (NPAT) attributable to owners was further impacted by \$8.2 million in a non-cash deferred tax asset write-off as a result of the merger.

Sigma CEO and Managing Director Vikesh Ramsunder commented: "Over the last three years we have executed our strategy to build scale, drive efficiencies, simplify our business and enhance our margin. This laser focus has materially enhanced our operational performance, and these final stand-alone results illustrate the strong underlying performance of the business."

Key operational highlights

- Successfully onboarded the new CWG supply contract from 1 July 2024
- Sustained world-class operational metrics across the network whilst seamlessly and efficiently absorbing more than 40% increase in volume
- Through the National Pharmaceutical Services Association (NPSA), we secured a new 5-year wholesale industry agreement, providing increased funding that will be phased in to help sustain the long-term distribution of medicines throughout Australia
- Delivered 8.5% like for like wholesale sales growth across our Amcal and Discount Drug Stores brands.
- Successfully obtained shareholder approval towards creating a leading ASX listed healthcare company through the merger with the CWG.

Mr Ramsunder commented: “During this period, I was particularly proud of how we maintained our high standards of delivering and meeting the needs of all our customers despite the increase in volume which followed the onboarding of the new Chemist Warehouse supply contract and the significant management time that was dedicated to the merger.”

Given these are the last results of Sigma as a standalone business, before transitioning into a merged entity from 12 February 2025, there will be no webcast to present today's results. Further details in relation to Sigma's FY25 Financial Performance are available within the Statutory Accounts lodged with the ASX, and further information in relation to the merged entity are available in the prospectus on the Sigma website (www.sigmahealthcare.com.au).

Future reporting

With the merger now complete, there will be no dividend payment in respect of these results. The Directors of the new merged Board will meet to determine the future dividend policy. As outlined in the prospectus lodged with the ASX, it is anticipated that the dividend payout ratio will be around 50% to 70% of NPAT.

The next financial results to be reported by Sigma will be for the period to 30 June 2025. These results will include 12-months results from the CWG business and incorporate Sigma's financial performance from 12 February 2025 to 30 June 2025.

Sigma CEO and Managing Director Vikesh Ramsunder concluded: “Looking ahead and having concluded the merger, our management teams are focused on seamless integration and delivering long term value to shareholders. We have created a leading wholesaler and retail franchisor with strong growth potential in Australia and progressively internationally.”

This announcement is authorised by order of the Board.

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Note 1 – Reconciliation of Statutory to Normalised

	FY25 RECONCILIATION					FY24 RECONCILIATION				
	Normalised FY25	Merger related costs	DTA w/off	CW onboarding	Statutory FY25	Normalised FY24	Merger related costs	CHS Hospital Gain on sale	CHS Hospital Discont. Ops	Statutory FY24
\$m										
Net Sales Revenue	4,841.2	-	-	-	4,841.2	3,208.7	-	-	113.4	3,322.1
Cost of goods sold	(4,559.9)	-	-	-	(4,559.9)	(2,991.7)	-	-	(112.2)	(3,103.9)
GROSS PROFIT	281.3	-	-	-	281.3	217.0	-	-	1.2	218.1
EBITDA	93.8	(43.5)	0.0	(2.8)	47.5	52.3	(8.2)	8.8	(1.4)	51.5
Depreciation & Amortisation	(25.8)	-	-	-	(25.8)	(28.3)	-	-	-	(28.3)
EBIT	68.0	(43.5)	0.0	(2.8)	21.7	24.0	(8.2)	8.8	(1.4)	23.2
Net finance income / (costs)	(9.6)	(0.9)	-	-	(10.5)	(14.6)	-	-	-	(14.6)
Profit/(loss) before income tax	58.4	(44.4)	0.0	(2.8)	11.1	9.4	(8.2)	8.8	(1.4)	8.6
Income tax (expense)/benefit	(15.6)	(0.3)	(8.2)	-	(24.1)	(4.3)	0.6	-	0.4	(3.3)
Non-controlling interest	(0.9)	-	-	-	(0.9)	(0.8)	-	-	-	(0.8)
NPAT attributable to owners	41.9	(44.7)	(8.2)	(2.8)	(13.8)	4.3	(7.6)	8.8	(1.0)	4.5
Basic EPS - cents ⁽¹⁾	2.7				(0.9)	0.4				0.4
Diluted EPS - cents ⁽²⁾	2.6				(0.9)	0.4				0.4
GP%	5.8%				5.8%	6.8%				6.6%
EBITDA / Sales	1.9%				1.0%	1.6%				1.6%
EBIT / Sales	1.4%				0.4%	0.7%				0.7%
NPAT / Sales	0.9%				-0.3%	0.1%				0.1%

¹ Calculated using weighted average shares of 1,571.6m (FY24: 1,024.5m)

² Calculated using weighted average shares of 1,608.0m (FY24: 1,063.3m)