ASX Release

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Sigma delivers 20.6% earnings growth with Normalised EBIT at $1.09 billion

Sigma Healthcare Limited (Sigma) today announces its results for the full year ended 30 June 2026 (FY26) – its first full financial year following the merger with the Chemist Warehouse Group (CWG). The result delivers double-digit revenue and earnings growth, continued network expansion across domestic and international markets, and disciplined progress on integration and synergy delivery.

FY26 Financial Highlights[1]

- Revenue of $10.8 billion, up 15.5%
- Normalised EBIT of $1,090.0 million, up 20.6%, with Normalised EBIT margin up to 10.1%
- Normalised NPAT of $732.3 million, up 22.3%
- Net debt reduced to $663 million with Debt to Normalised EBITDA ratio at 0.57x, reflecting a strong and conservatively leveraged balance sheet
- $32.6 million of integration synergies delivered, and on track to reach $100 million per annum by FY29
- Australian segment delivers 14.9% revenue growth and 18.3% growth in Normalised EBIT
- International segment EBIT up 91.3% to $55.8 million, as growth accelerates and Ireland becomes profitable for the first time

Vikesh Ramsunder, CEO & Managing Director Commentary

FY26 demonstrates that Sigma is not simply larger after the merger, it is structurally stronger.

We have a network approaching 1,000 pharmacies globally with a strong pipeline of growth in each market. This brings significant scale that leverages our existing infrastructure, capabilities and expertise. Our highly scalable business model is underpinned by defensive industry characteristics. With the Australian infrastructure already in place and a clearly defined runway to keep growing, we are confident the model will keep compounding value.

[1] All Sigma financial prior corresponding period comparisons are a reference to Normalised Pro-forma FY25.

Revenue growth converted into faster earnings growth, underpinned by increased sales to stores and the operating leverage that comes with scale. To put our progress in context, Normalised pro-forma EBIT for FY24 at the time of the merger, as disclosed in our prospectus was $605.5 million; two years on, we have delivered Normalised EBIT of almost $1.1 billion, up over 80%, with Normalised EBIT margin growing from 9.6% in FY25 to 10.1% this year.

The **Australian segment** remains the engine room of the business, reaching revenue of $10.4 billion, up 14.9%, which translated into Normalised EBIT of $1,034.2 million, up 18.3%. This demonstrates the operating leverage from utilising our existing infrastructure, our execution capabilities across all facets of the business, and ultimately the ability to deliver value for our customers.

Sales have benefited from the structural uplift in consumption of GLP-1 medicines across the market. Despite GLP-1s being dilutive to margin percentage, we have broadly maintained our Australian segment Gross Margin at 17.6% in FY26. As we cycle elevated early period sales growth, we expect GLP-1 sales growth to be enduring and to provide flow-on benefits for adjacent categories as consumers seek to pro-actively manage their health.

We added 24 Chemist Warehouse (CW) branded stores to the Australian network during the year to reach 561, with 18 CW stores also refurbished during the year, contributing to CW branded network sales[2] growth of 15.9% and like-for-like sales growth of 13.4%. CW branded network sales to consumers were around $10.2 billion.

Our focus on reinvigorating the Amcal and Discount Drug Stores brands is progressing well, and we expect the number of stores across the network to return to growth in FY27 with a solid pipeline of 82 stores for the year.

Our **international segment** is both an established and emerging story as it begins to deliver real scale and momentum and grows in importance and relevance. We opened 20 stores offshore to reach 98, with like-for-like sales growth of 12.2%, The International segment achieved revenue of $421.4 million, up 33.0% for the year, contributing $55.8 million to Normalised EBIT, up 91.3%.

Network sales to consumers from our 98 international stores has exceeded $1.6 billion, up 23.3%, demonstrating that the Chemist Warehouse offer resonates with consumers in different markets and geographies. New Zealand continued to lead the way, with over 20% sales growth delivered from 75 stores. Our new distribution centre (DC) in New Zealand, which will commence operations in September 2026, will further enhance our ability to service that market.

Europe is the next frontier. The network of 18 stores in Ireland delivered 45.0% sales growth and is now contributing to profit as we achieve scale. Meanwhile, our measured entry into the United Kingdom through a joint venture with Greenlight Healthcare is progressing to plan, with two stores expected to open by the end of calendar year 2026.

[2] Based on Chemist Warehouse management information (unaudited)

We have also progressed our China strategy to focus online, with a reduction of seven physical stores with only two stores remaining in China.

Whilst Chemist Warehouse remains a house of brands, own and exclusive label product is an important investment to support customer value and margin for our pharmacy network and Sigma.

We launched more than 470 new **own and exclusive label products** during the year, with sales now approaching $1.0 billion, almost 10% of Chemist Warehouse network sales. Our Wagner Pharmaceuticals generics business grew over 30% as it achieved 88% customer adoption across the Chemist Warehouse network, and our INC. sports nutrition protein brand is the number two selling protein brand across our Australian pharmacy channel.

Our **supply chain** scaled efficiently, distributing more than 579 million units across Australia, up over 6.5%, from the existing DC infrastructure whilst maintaining high delivery standards. We have rationalised our DC network, consolidating from two to one in Western Australia in May 2026, and will consolidate DC operations in South Australia in the first quarter of FY27. We are also investing in our network, with upgrades happening in the Townsville and Hobart DCs to better support those communities. In an independent supplier survey, Sigma was recently ranked the number one pharmaceutical wholesaler in Australia.

We have also made strong progress in extracting **synergies** as part of the integration program. $32.6 million of synergies were extracted during the year, in line with expectations as we progress towards the $100 million per annum target by FY29. One-off costs to achieve the synergies were $25.9 million, also consistent with expectations.

With a strong **Balance Sheet** and cash generation, we reduced the size of our debt facility to $1.4 billion whilst retaining significant headroom to fund growth ambitions. Net Debt declined to $663.2 million, representing 0.57x Normalised EBITDA. We remained disciplined in deploying capital, with our capital expenditure limited to $56.7 million for the year.

Dividend

Consistent with our targeted dividend payout ratio of 50% to 70% of NPAT, the Board has declared a fully franked final dividend of 2.0 cents per share, adding to the interim dividend of 2.0 cents per share paid in March 2026. The dividend reflects the Board's confidence in Sigma's outlook and commitment to disciplined shareholder returns. The dividend will be paid on 22 September 2026 with an Ex-Dividend Date of 3 September and Record Date of 4 September.

Outlook

Our FY27 agenda is clear: grow the network, drive operating leverage, enhance product differentiation and convert today's platform into sustainable profit and cash generation. For FY27, the Australian CW branded store network is continuing double digit like-for-like sales growth, and a full trading update will be provided at the AGM in October.

Growth momentum continues across every market in which we operate, and we expect this to continue. In 1H27, we will onboard 13 Chemist Warehouse branded stores across the Australian network, a similar cadence to prior years, and 19 Chemist Warehouse stores internationally, including our entry into the UK market. The Amcal and Discount Drug Stores networks also return to growth, with a combined 42 stores to open across Australia in 1H27.

With a capital-light domestic model, a conservative balance sheet and a significant portion of synergy benefits still ahead of us, Sigma is well positioned to deliver sustained growth and long-term shareholder value.

Vikesh Ramsunder,
CEO and Managing Director

Webcast details:

A presentation will be held via webcast at 10.00am (AEST). To view the briefing via webcast, please click on the following link:

https://edge.media-server.com/mmc/p/bbbfj6px

This announcement is authorised by order of the Board of Sigma Healthcare Limited.

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Appendix A – Financial performance - Statutory, Normalised[1] and FY25 Pro-forma[1]

	Statutory	Normalised[1]		
$m	**FY26**	**FY26**	**FY25 Pro-forma**	**Change %**
Revenue	**10,835.0**	**10,835.0**	**9,380.1**	**15.5%**
Gross profit	1,956.9	1,956.9	1,698.6	15.2%
Gross margin	18.06%	18.06%	18.11%	(5) bps
Share of profits using equity method [4]	38.0	38.0	30.2	25.7%
Other income	26.9	23.2	22.7	2.5%
Operating expenses	(879.8)	(860.4)	(782.9)	(9.9%)
EBITDA	**1,141.9**	**1,157.6**	**968.5**	**19.5%**
D&A	(85.0)	(67.6)	(65.1)	(3.9%)
EBIT	**1,056.9**	**1,090.0**	**903.4**	**20.6%**
Net finance costs	(51.8)	(51.1)	(55.2)	7.5%
Income tax expense	(296.4)	(306.6)	(249.4)	(22.9%)
NPAT	**708.7**	**732.3**	**598.8**	**22.3%**

EPS [2]	6.2	6.4	5.2	21.5%
CODB as % of sales [3]	8.90%	8.57%	9.04%	+47 bps
EBIT Margin	9.75%	10.06%	9.63%	+43 bps

1 Normalised results reflect Statutory results adjusted for merger related costs, integration costs, and non-cash P&L charges associated with merger purchase price accounting. FY25 Pro-forma assumes Sigma and CWG were merged for the full year.

2 Weighted Average Number of shares used to calculate EPS is 11,502,226,234

3 CODB as a % of sales includes depreciation and amortisation

4 Share of profits of associates and joint ventures accounted for using the equity method