

ASX Release

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Double digit sales and profit growth highlights the strength of the merged group

Sigma Healthcare Limited (Sigma) today announces its results for the half year ended 31 December 2025 (1H26), delivering strong financial performance, continued expansion of the Chemist Warehouse (CW) branded network in both domestic and international markets, and solid progress on integration and synergy delivery.

1H26 Financial Highlights¹

- Normalised EBIT of \$582.9m, up 18.7% on the prior corresponding period (pcp)
- Normalised NPAT of \$392.0m, up 19.2% on pcp
- Revenue of \$5.5bn, up 14.9% on pcp
- Performance driven by Australian CW branded store sales up 17.2% with like-for-like (LFL) sales up 15.0%
- International growth accelerated, with retail network sales up 24.5% for the half, and LFL sales up 11.1%
- Net debt down \$117.1m to \$635.1m, equating to 0.6x normalised EBITDA, reflecting a strong and conservatively leveraged balance sheet
- Transformation and integration programs are tracking to plan

CEO Commentary

Our first half performance reinforces the strength of Sigma. As an integrated healthcare business we see long-term opportunities for growth, headlined by sustained performance across our core domestic market, led by CW branded stores. This has continued to be a consistent feature of the CW business over the past two decades.

CW branded store sales in Australia grew 17.2% for the half to reach \$5.1 billion, benefiting from an expanding network and strong customer engagement. LFL sales across the CW branded store network were up 15.0%, demonstrating a pharmacy model and value proposition that continues to resonate with customers. Total sales also benefited from the structural uplift delivered from the sale of GLP-1 class of medicines and the strategic decision to distribute online orders directly from stores.

¹ All Sigma financial prior corresponding period comparisons are a reference to Pro-forma 1H25.

There are currently over 5,900 pharmacies operating across Australia. We see the opportunity to continuously grow both our retail and wholesale businesses. There were 13 CW branded stores added to the Australian network during the half to reach 550.

Our plans to reinvigorate the Amcal and Discount Drug Stores (DDS) brands are being implemented, and early signs are encouraging. These franchise members and customers will soon begin to benefit from the retail and marketing expertise now available to them. We have completed the conversion of the MyChemist franchise stores to Amcal and DDS franchises, simplifying the portfolio and strengthening the brands. We expect to onboard 15 Amcal stores in 2H26.

CW is and always will be a house of brands. We are however also methodically growing our portfolio of owned and exclusive label products to close category gaps and expand the size of the market. Over 400 new owned and exclusive products were added to our portfolio in the half, contributing to sales growth of 15.7%. Wagner generics continues to be a standout performer and now makes up 39% of our recommended generics range.

In international markets, we have seen growth accelerate. International retail network sales exceeded \$807 million for the half, up 24.5%, with LFL international sales growth of 11.1%. We plan to open 12 new international stores in the second half, and we expect this growth profile to continue.

The New Zealand business continues to perform strongly, with nine stores opened in 1H26 to reach 70 stores. We are currently assessing the supply chain requirements in NZ to enhance our ability to better service this growing market.

In Ireland, three stores were opened in 1H26 to grow the network to 17, with plans to open a further four stores in the second half. With our distribution centre in Ireland now fully functioning, we are focused on improving the operational backbone and capability to enhance profitability. Our efforts to date prove that the CW model resonates with customers in that market.

Our supply chain continues to demonstrate the benefits of scale and volume, with over 298 million units distributed during the half, up 5.1% on the pcp, meanwhile, warehouse and distribution costs were up just 0.3% on the same basis. Whilst we consolidate our DC infrastructure, we remain focused on optimising the network to improve service delivery, reduce cost and attract new business opportunities.

Importantly, we are progressing integration with discipline, delivering \$13.0 million in early synergies in this half and laying the foundations for the full \$100 million per annum synergy target to be achieved by FY29.

Operating cash flow was \$317.4 million for the half, reflecting the cash generating ability of the business. With Net Debt down to \$635.1 million and our Net Debt to Normalised EBITDA ratio sitting at 0.6x, the Balance Sheet is well placed to support our growth strategy.

Pleasingly, the combination of strong revenue growth, operating leverage, synergy benefits and product mix has delivered a 34 bps increase in Normalised EBIT margin and a 19.4% lift in Normalised earnings per share.

Dividend

Consistent with our targeted dividend payout ratio (DPR) of 50% to 70%, a 1H26 interim dividend of 2.0 cents per share fully franked was declared, representing almost 60% DPR. The dividend is payable 20 March 2026, with a 5 March 2026 Record Date and 4 March 2026 Ex-Dividend Date.

Outlook

The first half performance underscores the strength of our integrated business model and the compelling opportunities ahead. We are delivering growth across all markets and channels, strengthening our product capability and progressing the integration with discipline.

Year to date trading including the first seven weeks of the second half has seen growth momentum continue, with Australian CW branded store sales up 16.6% and LFL sales up 14.4% as we begin to cycle GLP-1 sales from the prior year. Pleasingly growth in our international retail network continues.

With solid trading momentum, and 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 (AEDT). To view the briefing via webcast, please click on the following link:

<https://edge.media-server.com/mmc/p/ubd8y4ox>

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

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Appendix A – Financial performance - Statutory, Normalised¹ and Pro-forma²

	Statutory	Normalised ¹		
\$m	1H26	1H26	1H25 Pro-forma	Change %
Revenue	5,508.5	5,508.5	4,796.2	14.9%
Gross profit	1,007.8	1,007.8	873.7	15.3%
Gross profit %	18.3%	18.3%	18.2%	8 bps
Share of profits using equity method and other income	26.9	26.9	28.7	(6.3%)
Operating expenses	(427.6)	(418.4)	(379.1)	10.4%
EBITDA	607.1	616.3	523.3	17.8%
D&A	(42.4)	(33.4)	(32.3)	3.4%
EBIT	564.6	582.9	491.0	18.7%
Net finance costs	(27.7)	(27.4)	(25.2)	8.7%
Income tax expense	(157.9)	(163.5)	(136.9)	19.4%
NPAT	379.1	392.0	328.9	19.2%
EPS ²	3.3	3.4	2.9	19.4%
CODB as % of sales ³	7.8%	7.6%	7.9%	31 bps
EBIT Margin	10.3%	10.6%	10.2%	34 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

² Weighted Average Number of shares used to calculate EPS is 11,501,765,000

³ CODB excludes depreciation and amortisation