

HMC Capital Partners Fund I

Case Study: Sigma Healthcare



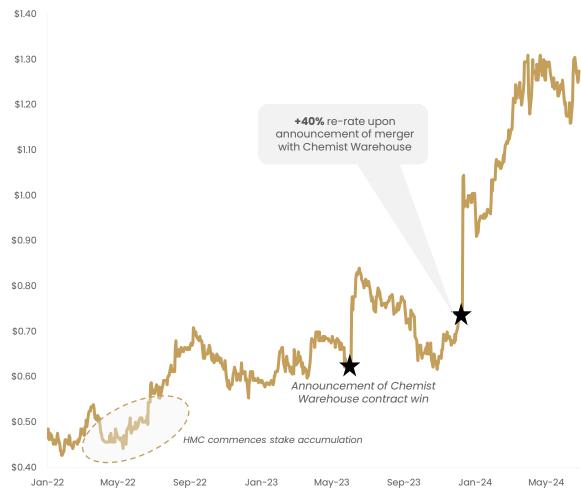


Sigma Healthcare

HMCCP Fund 1 has helped investee company Sigma Healthcare create significant value for shareholders during the period of our investment

- HMCCP Fund 1 holds a ~15% interest in Sigma Healthcare Limited (ASX: SIG) ("Sigma")
- Prior to making our investment, we identified significant value creation opportunities leveraging Sigma's latent distribution centre capacity
- We have been a proactive shareholder during the period of our investment, initially supporting management on the successful bid for a \$3bn supply contract with Chemist Warehouse announced in Jun-23 and appointing a nominee director to the Sigma Board in Oct-23
- In Dec-23, Sigma announced a proposed merger with Chemist Warehouse Group and a \$400m capital raise
- Proposed merger is a step-change event and, subject to satisfaction of conditions precedent including ACCC approval, is expected to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor
- The Sigma share price has materially re-rated post announcement of the proposed merger
- Our investment in Sigma has delivered an unrealised return of >100% since the Fund's inception^{1,2}

Value creation in Sigma over the course of the Fund's investment







Sigma Healthcare

Transformational Merger between Sigma and Chemist Warehouse

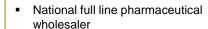
Transaction Summary¹

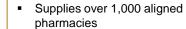
- Transformational merger proposed between Sigma and Chemist Warehouse Group ("CWG") to create an \$8bn+ leading healthcare wholesaler, distributor and retail pharmacy franchisor ("Proposed Merger")
 - Proposed Merger to be effected by Sigma acquiring CWG via a scheme of arrangement in exchange for Sigma shares and c.\$700m cash⁴
 - CWG shareholders to hold 85.75% and Sigma shareholders to hold 14.25% of MergeCo upon completion of the Proposed Merger
 - Proposed Merger has the potential to unlock significant efficiencies, with cost synergies indicatively estimated at \$60m per annum, to be realised within four years post completion

We believe the transaction represents a significant and compelling opportunity which is expected to create material value for Sigma shareholders, and hence have committed to vote in favour of the Sigma resolutions to approve the transaction³

Investment Highlights of the Merged Group³





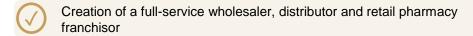


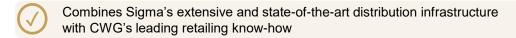
 State-of-the-art distribution infrastructure following completion of \$400m capital investment program





- A leading retail pharmacy franchisor
- Supports a multi-national Retail Network of 600+ pharmacies in Australia, New Zealand, China and Ireland
- Chemist Warehouse brand is a leading Australian retail brand





Aggregate historical MergeCo EBIT >\$495m², before synergies

Significant potential for synergies – \$60m p.a. of cost synergies expected⁵

Highly experienced MergeCo management team and Board proposed

Greater scale, investor interest and balance sheet strength

Notes:

^{1.} Sigma Healthcare Limited (ACN 088 417 403) and Chemist Warehouse Group have not been involved in the preparation of this presentation nor do they accept any responsibility for any statements contained within this presentation. References in this presentation to Sigma and Chemist Warehouse Group (and any document or information issued or released by them) are included solely for information purposes.

¹² months to June 2023 in the case of CWG and 12 months to July 2023 in the case of Sigma. Shown on an aggregated basis and does not take into account intercompany adjustments. Refer to page 42 of the Investor Presentation announced by Sigma dated 11 December 2023 for further detail.

^{3.} In the absence of a superior proposal for Sigma and the Sigma independent expert concluding (and continuing to conclude) that the related party arrangements relating to CWG are fair and reasonable or not fair but reasonable.

4. The Proposed Merger is subject to a number of conditions, including ACCC approval. A full list of conditions is set out in the merger implementation agreement announced by Sigma on 11 December 2023.

Refer to page 28 of the Investor Presentation announced by Sigma dated 11 December 2023 for further detail.

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