

EARNINGS RELEASE 3Q23



São Paulo, October 31, 2023. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 3rd quarter of 2023 (3Q23). The Company's parent company and consolidated financial statements for the periods ended September 30 of 2023 and 2022 have been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian Accounting Standards – General Technical (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the financial statements, which is consistent with the information used by management. The financial statements were prepared in Reais and all growth rates, unless otherwise stated, relate to the same period of the previous year.

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to better represent the economics of the business, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard. A reconciliation with IFRS 16 can be found in a dedicated chapter within this document.

CONSOLIDATED HIGHLIGHTS:

- › **PHARMACIES:** 2,868 units in operation (64 openings and 3 closures);
- › **GROSS REVENUES:** R\$ 9.3 billion, a 16.3% increase with 6.8% mature store growth;
- › **MARKET SHARE:** 15.6%, a 0.7 pp increase, with gains in every region;
- › **DIGITAL:** R\$ 1.3 billion, an increase of 51.4% and a retail penetration of 15.7%;
- › **CONTRIBUTION MARGIN*:** 10.7% of gross revenues and an increase of 19.4%;
- › **ADJUSTED EBITDA:** R\$ 658.1 million, a margin of 7.1% and an increase of 20.4%;
- › **ADJUSTED NET INCOME:** R\$ 268.4 million, a net margin of 2.9% and an increase of 33.1%;
- › **CASH FLOW:** R\$ 336.2 million positive free cash flow, R\$ 263.1 million total cash generation.

* Margin before administrative expenses (gross margin – selling expenses)

RADL3
R\$ 25.34/share

NUMBER OF SHARES
1.718.007.200

MARKET CAP
R\$ 43.5 billion

CLOSING
October 30th, 2023

IR TEAM:
Eugênio De Zagottis
Flávio Correia
André Stolfi
Victor Torres
Felipe Correa

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Summary	3Q22	4Q22	1Q23	2Q23	3Q23
<i>(R\$ thousands)</i>					
# of pharmacies	2,620	2,697	2,746	2,807	2,868
Organic openings	58	86	55	64	64
Closures	(19)	(9)	(6)	(3)	(3)
Headcount (EoP)	51,505	53,466	53,495	55,239	57,295
Pharmacist count (EoP)	10,690	10,952	11,322	11,515	11,726
# of tickets (thousands)	83,249	85,915	84,906	91,152	91,261
# of active customers (MM)	46.5	47.5	48.1	47.5	46.4
Gross revenue	7,985,786	8,351,126	8,479,007	9,024,723	9,288,331
Gross profit	2,224,774	2,338,166	2,321,744	2,610,067	2,590,145
% of gross revenue	27.9%	28.0%	27.4%	28.9%	27.9%
Adjusted EBITDA	546,800	599,438	562,957	767,625	658,097
% of gross revenue	6.8%	7.2%	6.6%	8.5%	7.1%
Adjusted net income	201,706	301,101	203,964	349,225	268,392
% of gross revenue	2.5%	3.6%	2.4%	3.9%	2.9%
Net income	225,367	278,009	206,586	363,154	296,519
% of gross revenues	2.8%	3.3%	2.4%	4.0%	3.2%
Free cash flow	159,825	206,008	(42,246)	(486,157)	336,222

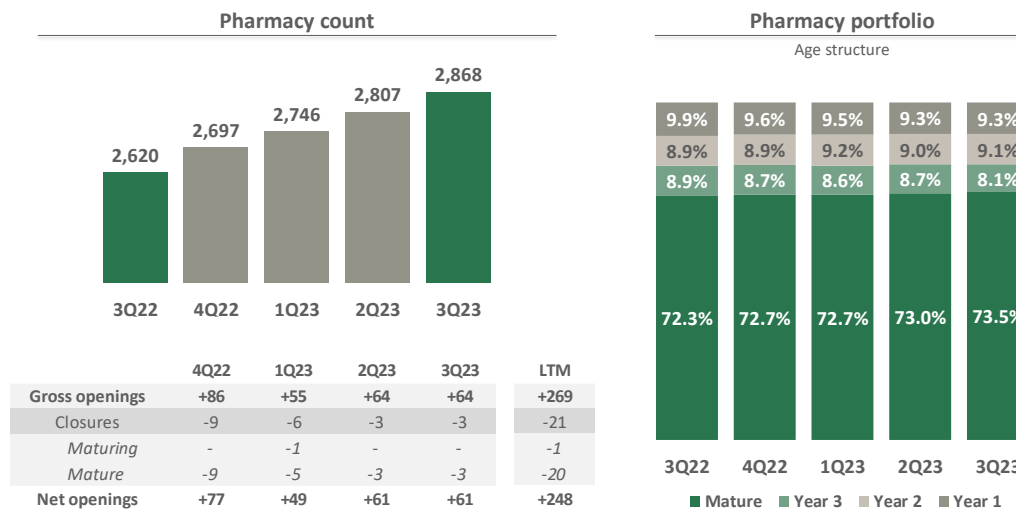
STORE DEVELOPMENT

We opened 64 new pharmacies in the 3Q23 and closed 3, ending the quarter with 2,868 units in operation. At the end of the period, 26.5% of our pharmacies were still maturing and had not yet reached their full potential both in terms of revenue and profitability. We reiterate our guidance of 260 gross openings per year from 2023 to 2025, totaling 780 new pharmacies to be opened.

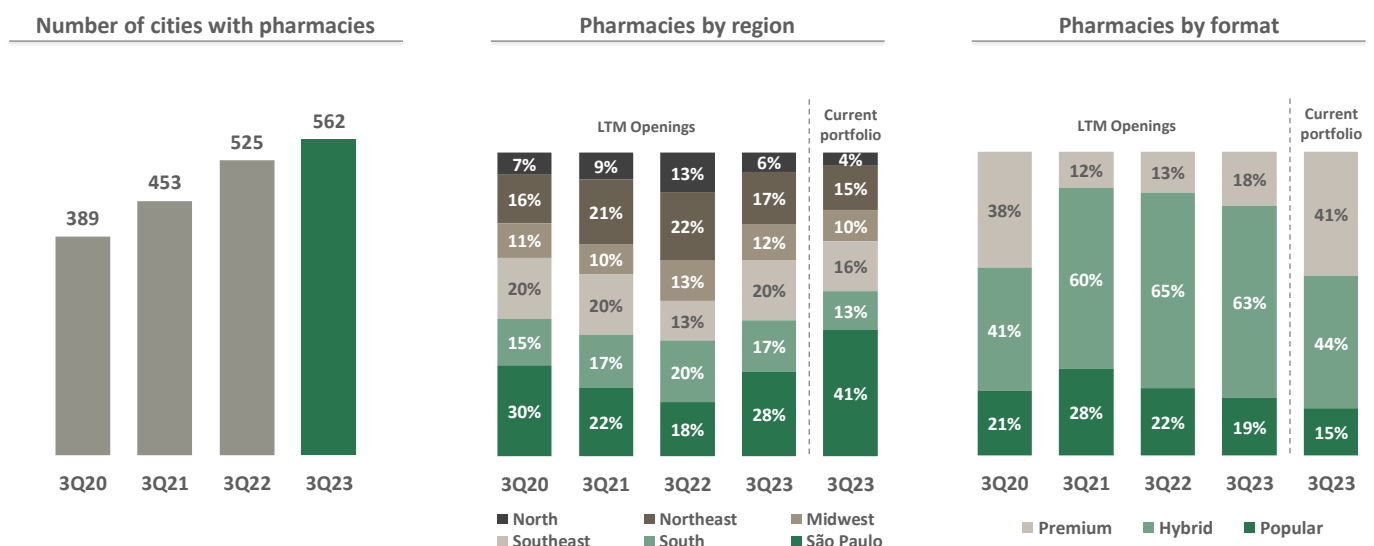
All of the 3 stores closed in the quarter were mature locations, as part of the ongoing optimization of our pharmacy portfolio. It is important to note that the closure of redundant stores result in a transfer of sales to the remaining locations, in the elimination of a full fixed cost base, as well as in the liberation of assets to be more efficiently redeployed, thus increasing both the Company's EBITDA and ROIC.

This combined plan of pharmacy openings and closures allows us to maintain an optimal portfolio of stores across the country, expanding our physical presence, balancing the ideal density in each market, and, at the same time, maximizing the return on the assets employed.

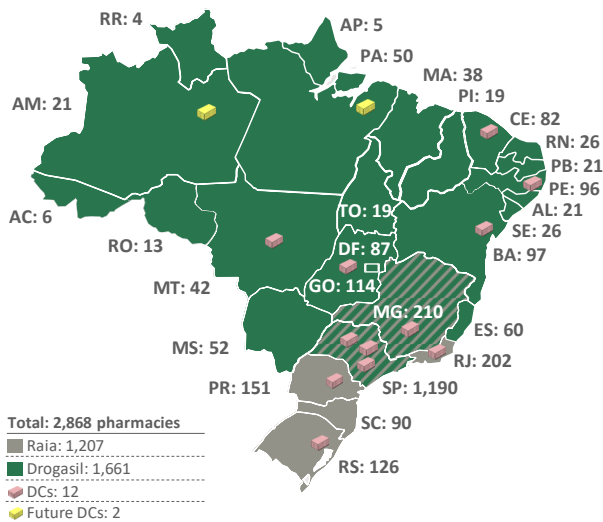
Lastly, we highlight that, of the 21 pharmacies closed over the last 12 months, only 1 was still in the maturation process, thus representing a correction of an expansion mistake, equivalent to 0.4% of the 269 openings in the period. This demonstrates the high assertiveness and the high capital efficiency of our expansion process.



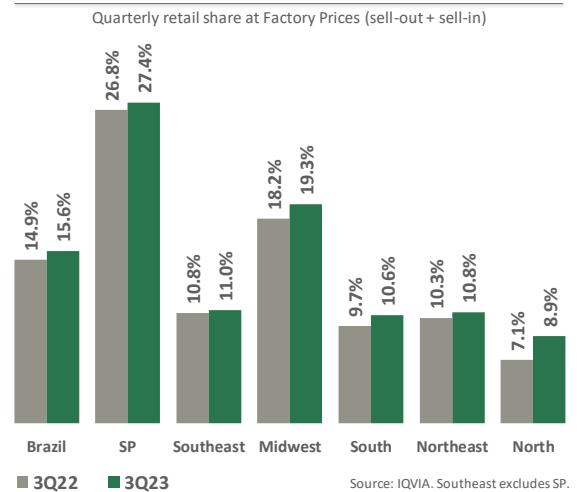
RD's expansion is constantly increasing the diversification of our pharmacy network both geographically and demographically. Of the 269 gross openings undertaken over the last twelve months, 72% were located outside the state of São Paulo, our native market. We expanded our presence to 562 cities, 37 more than in the 3Q22, a unique capillarity in Brazilian retail. Out of the 319 Brazilian cities with more than 100 thousand inhabitants, we already have pharmacies, or are in the process of opening, in 305 of them. Lastly, 82% of our openings in the last twelve months have been of popular or hybrid formats, which already comprise 59% of the current portfolio.



Geographic presence



Market share



We are currently present in all 27 Brazilian states and operate 12 Distribution Centers that support our pharmacies nationwide, with 90% of our stores being replenished on a daily basis. In addition to the DC in Cuiabá (MT), inaugurated in the 1Q23, we are in the process of opening two additional DCs, located in the states of Amazonas and Pará, strengthening our logistics in the North region of the country, the most recent frontier of our expansion.

We gained market share in all regions during the quarter. Our national participation totaled 15.6%, an annual increase of 0.7 pp. Our market share reached 27.4% in São Paulo, a 0.6 pp increase, 11.0% in the Southeast (excluding São Paulo), a 0.2 pp increase, and 19.3% in the Midwest, a 1.1 pp gain. We also recorded market shares of 10.6% in the South, a 0.9 pp increment, 10.8% in the Northeast, a 0.5 pp gain, and 8.9% in the North, a 1.8 pp increase.

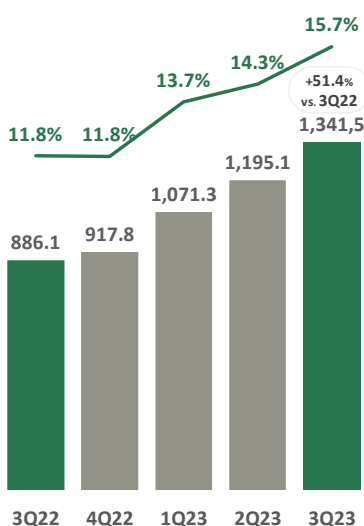
DIGITAL HEALTH TRANSFORMATION

We are advancing in our digital strategy at a fast pace. We recorded R\$ 1,341.5 million in digital channel gross revenue in the 3Q23, representing a retail penetration of 15.7% and a growth of 51.4% over the same period of the previous year.

We recorded 127.7 million visits in our apps and websites in the 3Q23. Customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending more than they did before. Our frequent customers who have adopted the digital channels spend 28% more than non-digitalized frequent customers, underscoring digitalization as a key driver for value creation.

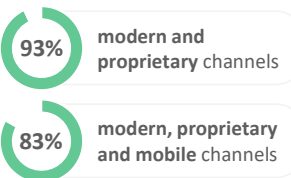
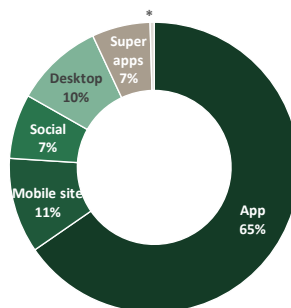
Digital sales and penetration

R\$ millions, % of retail gross revenue



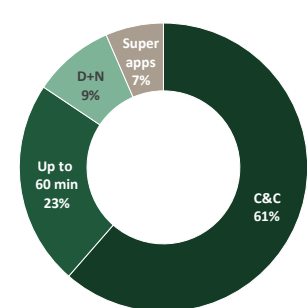
Digital channel mix

% of digital sales



Delivery mix

% of digital sales



We highlight the importance of our unique nationwide capillarity for our digital sales. The fact that our pharmacies are located 1.5 km or less from 93% of the Brazilian A-class population allowed them to directly fulfill 94% of the digital sales, with a high level of economic efficiency and convenience to our customers, including 91% of orders delivered or picked-up in-store in under 60 minutes during quarter.

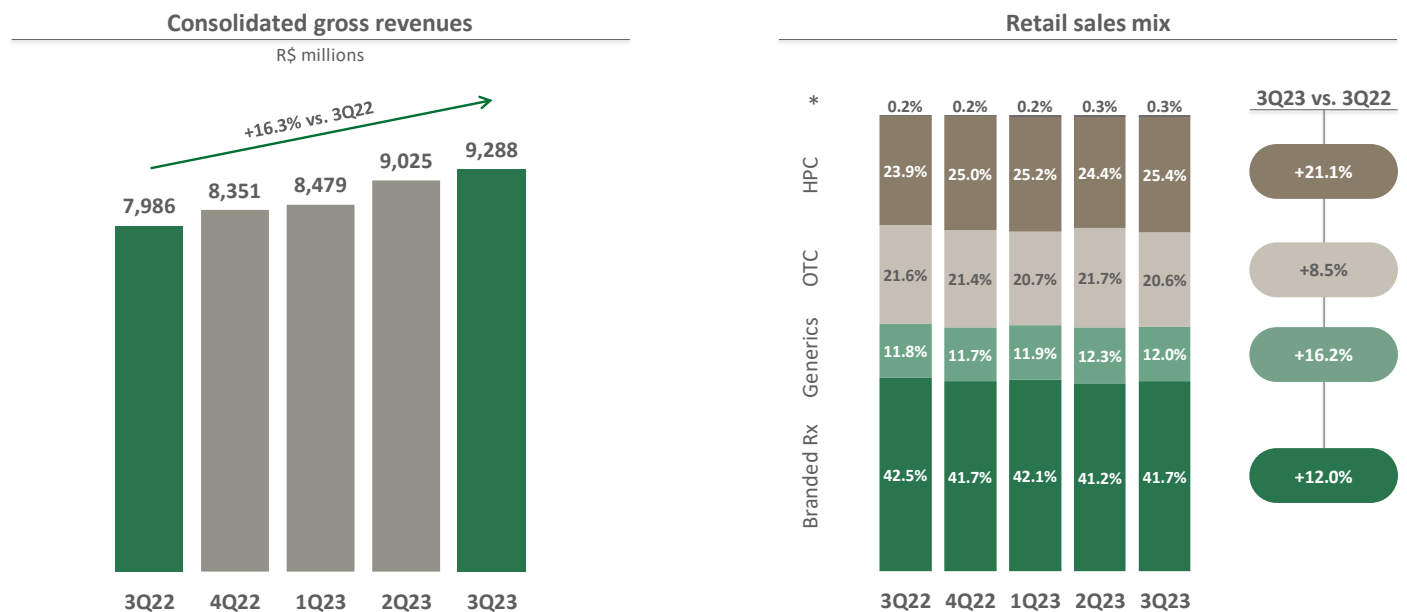
The role of our pharmacies in the promotion of integral health is also advancing. We ended the quarter with over 1.7 thousand units offering enhanced services at our health hubs. Additionally, we ended the period with 294 pharmacies licensed for immunizations and rapid diagnostic tests (RDTs). These pharmaceutical services are allowing us to reposition our pharmacies as local health hubs while increasing the loyalty of our customers, who have evaluated our overall pharmacy experience with an NPS of 91.

We continue structuring our marketplace to offer our customers a better experience, ending the period with an assortment of 128 thousand SKUs from 494 different sellers. We continue focused on improving the service level to our customers, including a reduction in delivery times and the improvement in their overall experience, which resulted in an NPS increase to 57. We expect to continue improving our marketplace so that its NPS can progressively catch-up with that of our 1P digital platform.

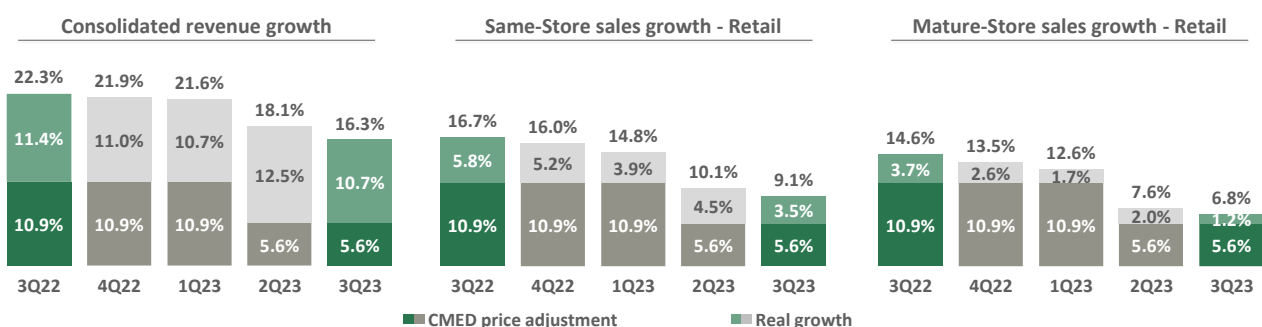
Lastly, we have continued to develop our healthcare platform. We initiated an internal pilot of a chronic journey within Vitat and we included programs of new partners within the services marketplace. Additionally, we recorded 15.6 million unique users impacted by Vitat content in the quarter, and initiated the use of artificial intelligence to recommend our e-commerce products within this content, achieving a conversion rate 2x greater YTD when compared to the previous methodology.

GROSS REVENUES

We ended the 3Q23 with a consolidated gross revenue of R\$ 9,288 million, an increase of 16.3%. We highlight that 4Bio's sales have increased by 51.6%, posting a contribution of 2.1 pp to our consolidated growth, while retail grew by 14.2%. Lastly, we recorded a negative effect from the sale of COVID-19 tests of 0.7 pp as well as a negative calendar effect of 0.1 pp.

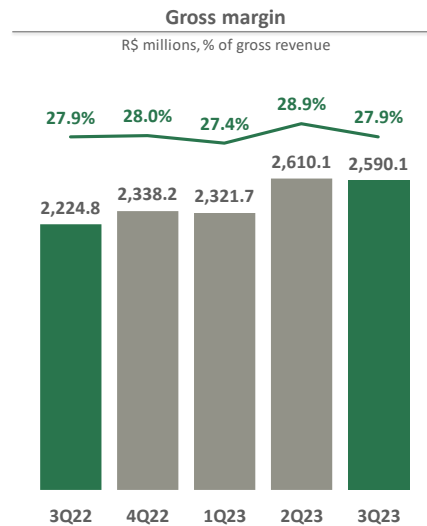


We recorded 12.0% of growth for branded Rx, 16.2% for generics, 8.5% for OTC and 21.1% for HPC. Our strong performances in HPC and generics have more than offset the decelerations in Branded Rx and especially in OTC, in which growth was penalized by the strong comp base in the 3Q22, when the demand for COVID-19 tests, antibiotics and other seasonal items was still very high.



Finally, we recorded a same-store sales growth of 9.1%, with 6.8% for mature stores. It is important to highlight that our revenue growth since the 2Q23 reflects the deceleration of the Brazilian CPI, which resulted in a CMED price adjustment of 5.6% in April 2023, versus the 10.9% recorded in 2022. This deceleration does not bring any repercussions in terms of real growth or efficiency loss, as our costs and expenses are also decelerating at a similar pace.

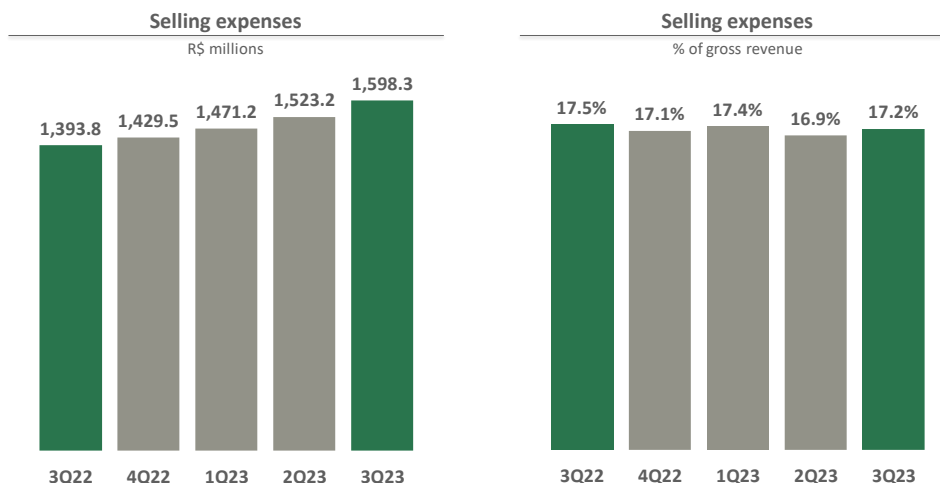
GROSS PROFIT



Our gross profit totaled R\$ 2,590.1 million in the 3Q23, with a gross margin of 27.9%, stable when compared to the same period of the previous year despite the adverse mix effect generated by the strong growth of 4Bio.

SELLING EXPENSES

Selling expenses totaled R\$ 1,598.3 million in the 3Q23, equivalent to 17.2% of gross revenue, a 0.3 pp dilution in comparison to the same period of the previous year. We gained operating leverage in the quarter due to the real revenue growth recorded at our mature stores.

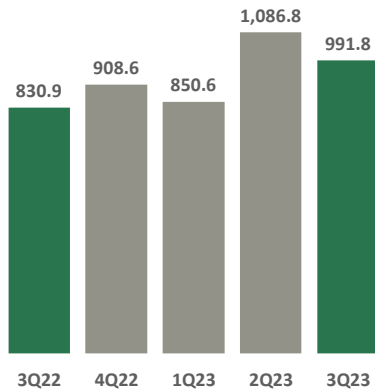


CONTRIBUTION MARGIN

Our contribution margin totaled R\$ 991.8 million in the 3Q23, equivalent to 10.7% of gross revenue, an increase of 19.4% when compared to the same period of the previous year. This is equivalent to a contribution margin expansion of 0.3 pp due to the operating leverage gains at our mature stores, which have been growing sustainably above the CMED price adjustment.

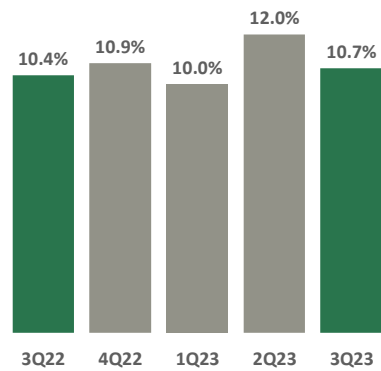
Contribution margin

R\$ millions



Contribution margin

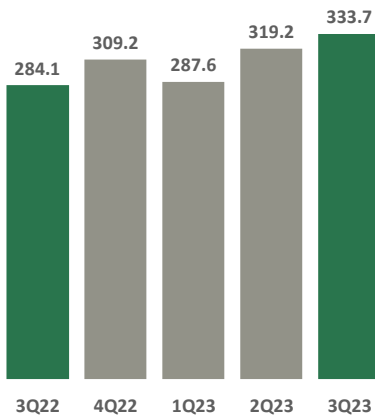
% of gross revenue



GENERAL & ADMINISTRATIVE EXPENSES

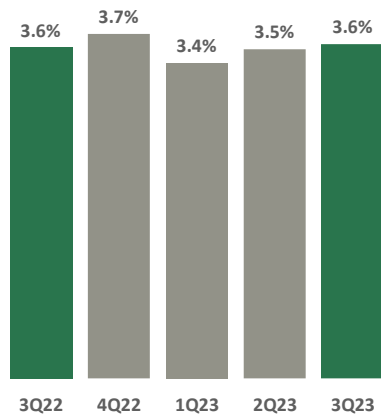
General & administrative expenses

R\$ millions



General & administrative expenses

% of gross revenue

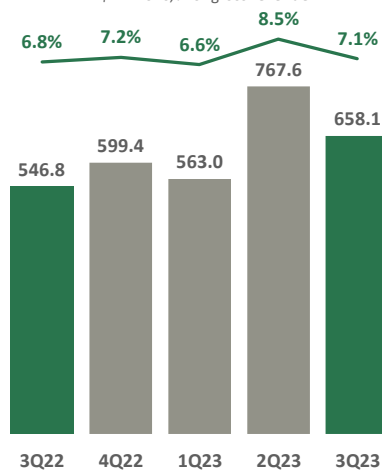


General and administrative expenses totaled R\$ 333.7 million in the 3Q23, equivalent to 3.6% of gross revenue, stable when compared to the same period of 2022. We have stabilized G&A expenses in recent periods and expect to begin diluting it in the near future.

EBITDA

Adjusted EBITDA

R\$ millions, % of gross revenue



Our adjusted EBITDA totaled R\$ 658.1 million in the 3Q23, a 20.4% increase when compared to the same period of the previous year. This corresponds to a margin of 7.1% of gross revenues, a 0.3 pp increase mostly driven by the operating leverage gains obtained by mature stores, growing above the CMED price adjustment.

Finally, considering only our retail business, without the adverse mix effect generated by the strong growth of 4Bio, our EBITDA in the 3Q23 increased 22.3% versus the same period of 2022 with a margin of 7.4% over our retail revenues, a 0.5 pp margin expansion in the period.

EBITDA RECONCILIATION AND NON-RECURRING RESULTS

We recorded in the 3Q23 R\$ 42.6 million in net non-recurring revenues. This includes R\$ 49.5 million in tax revenues and other effects from previous years, more than offsetting R\$ 1.1 million in asset write-offs related to the closure of pharmacies, R\$ 2.1 million in social investments and donations, in addition to other non-recurring expenses of R\$ 3.7 million.

EBITDA Reconciliation - R\$ millions	3Q23	3Q22
Net income	296.5	225.4
Income tax	48.3	55.1
Equity Equivalence	1.9	(0.2)
Financial Result	149.7	125.5
EBIT	496.4	405.8
Depreciation and amortization	204.3	176.9
EBITDA	700.7	582.6
Tax effects and other non-recurring from previous years	(49.5)	(41.6)
Asset write-offs	1.1	1.9
Social investments and donations	2.1	3.8
Other non-recurring/non-operating effects	3.7	-
Non-recurring/non-operating expenses	(42.6)	(35.8)
Adjusted EBITDA	658.1	546.8

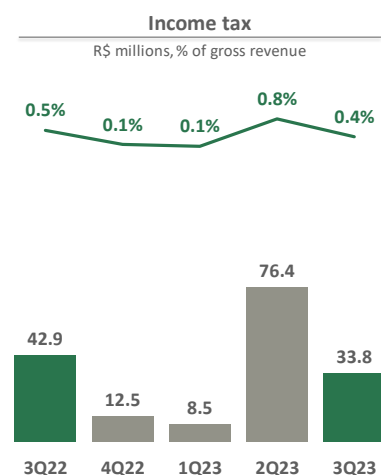
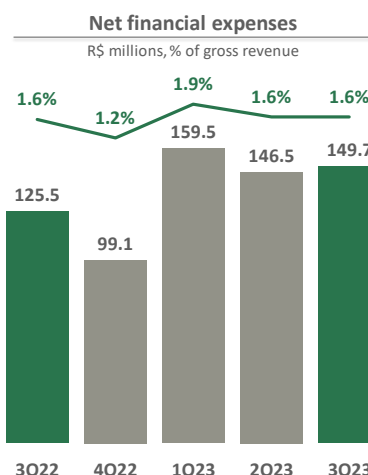
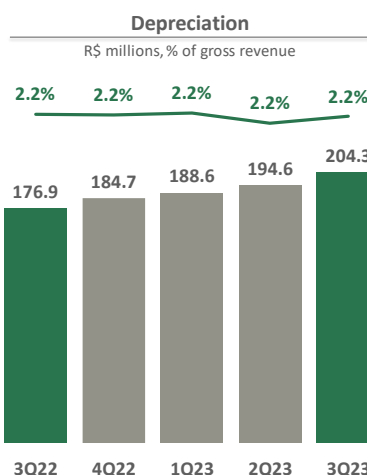
DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

Depreciation expenses amounted to R\$ 204.3 million in the 3Q23, equivalent to 2.2% of gross revenue, stable when compared to the same period of the previous year.

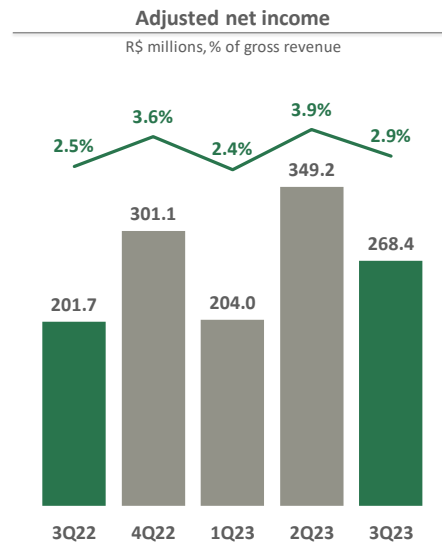
Net financial expenses represented 1.6% of gross revenues in the 3Q23, also stable when compared to same period of the previous year. Of the R\$ 149.7 million recorded in the 3Q23, R\$ 97.2 million refer to the actual interests accrued on financial liabilities, equivalent to 1.0% of gross revenue, a 0.1 pp increase when compared to the 3Q22.

We have also recorded R\$ 51.1 million in NPV adjustments, a non-cash item equivalent to 0.5% of gross revenues. We recorded R\$ 1.4 million, or 0.0% of gross revenues, related to the reevaluation and the interest on the option to acquire the remaining shares of invested companies.

Finally, we booked R\$ 33.8 million in income taxes in the 3Q23, equivalent to 0.4% of the quarter's gross revenue.

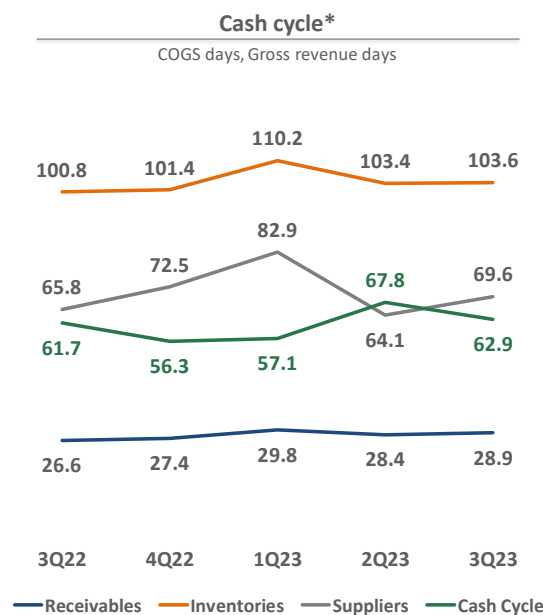


NET INCOME



Our adjusted net income totaled R\$ 268.4 million in the 3Q23, a 33.1% growth in comparison to the same period of the previous year. The adjusted net margin was of 2.9% in the quarter, a 0.3 pp expansion vs. the 3Q22, mostly driven by the operating leverage gains obtained by mature stores, which has been growing steadily above inflation.

CASH CYCLE



* Adjusted for discounted receivables and advanced payments to suppliers.

The cash cycle in the 3Q23 was of 62.9 days, an increase of 1.2 days compared to the same period of the previous year and a sequential reduction of 4.9 pp days in comparison to the peak recorded in the 2Q23.

CASH FLOW

We recorded a positive free cash flow of R\$ 336.2 million, with a total cash generation of R\$ 263.1 million. Resources from operations totaled R\$ 501.7 million, equivalent to 5.4% of gross revenue. We recorded a working capital of R\$ 174.0 million, resulting in an operating cash flow of R\$ 675.7 million, more than financing the CAPEX of R\$ 339.5 million.

Cash flow	3Q23	3Q22
<i>(R\$ million)</i>		
Adjusted EBIT	453.8	369.9
NPV adjustment	(48.8)	(38.1)
Non-recurring expenses	42.6	35.8
Income tax (34%)	(152.2)	(125.0)
Depreciation	204.5	177.6
Others	1.8	61.0
Resources from operations	501.7	481.3
Cash cycle*	105.2	(47.7)
Other assets (liabilities)**	68.9	3.1
Operating cash flow	675.7	436.7
Investments	(339.5)	(276.8)
Free cash flow	336.2	159.8
M&A and other investments	(10.8)	(83.7)
Interest on equity and dividends	(0.3)	(0.0)
Income tax paid over interest on equity	(27.9)	(10.8)
Net financial expenses***	(98.7)	(99.7)
Tax benefit (fin. exp., IoE, dividends)	64.5	61.8
Total Cash Flow	263.1	27.5

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

Of the R\$ 339.5 million invested in the 3Q23, R\$ 117.1 million was used for the opening of new pharmacies, R\$ 55.6 million for the renovation or expansion of existing units, R\$ 113.1 million for IT, R\$ 36.6 million for logistics and R\$ 17.0 million for other projects.

Net financial expenses resulted in payments of R\$ 98.7 million in the 3Q23. These payments were partially offset by R\$ 64.5 million in tax benefits related to net financial expenses and interest on equity. Lastly, we provisioned R\$ 91.1 million in interest on capital in the 3Q23, in comparison to the R\$ 82.0 million provisioned in the 3Q22.

INDEBTEDNESS

We ended the 3Q23 with an adjusted net debt of R\$ 2,644.3 million, corresponding to a leverage of 1.0x the adjusted EBITDA of the last twelve months.

Our adjusted net debt considers R\$ 47.8 million in discounted receivables, R\$ 12.6 million in advanced payments to suppliers, and R\$ 98.2 million in liabilities related to the put option granted and/or call option obtained for the acquisition of the remaining equity of invested companies.

Net Debt (R\$ millions)	3Q22	4Q22	1Q23	2Q23	3Q23
Short-term Debt	134.8	186.4	443.8	569.8	581.0
Long-term Debt	2,130.2	2,131.5	1,832.6	1,833.8	2,523.5
Total Gross Debt	2,265.0	2,317.9	2,276.4	2,403.6	3,104.5
(-) Cash and Equivalents	371.2	433.5	371.3	345.3	593.6
Net Debt	1,893.8	1,884.4	1,905.1	2,058.3	2,510.9
Discounted Receivables	-	216.1	148.2	752.4	47.8
Advances to suppliers	(50.7)	(119.5)	(3.7)	-	(12.6)
Put/Call options of investments (estimated)	64.1	64.7	94.7	96.8	98.2
Adjusted Net Debt	1,907.3	2,045.6	2,144.3	2,907.4	2,644.3
Adjusted Net Debt / EBITDA	0.9x	0.9x	0.9x	1.2x	1.0x

At the end of the quarter, our gross debt totaled R\$ 3,104.5 million, of which 82.7% corresponds to debentures and Certificates of Real Estate Receivables (CRIs). The remaining 17.3% corresponds to other credit lines. Of the total indebtedness, 81% is long-term, and 19% is short-term.

Lastly, we completed in the 3Q23 our 8th debenture issuance, raising R\$ 700.0 million in 3 series and ending the quarter with a total cash and equivalents position of R\$ 593.6 million.

TOTAL SHAREHOLDER RETURNS

Our share price increased by 16.4% in 2023, 10.2 pp greater than the IBOVESPA. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,465% versus a return of only 114% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 22.5%.

Stock price appreciation



Considering the IPO of Raia in December of 2010, the cumulative return amounted to 886% versus an increase of only 71% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 20.1%. Lastly, our shares recorded an average daily trading volume of R\$ 151 million in the year.

IFRS 16

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to preserve historic comparability, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard, which we believe best represents the economic performance of our operations.

Financial statements in both IAS 17 and IFRS 16 are also available at our website ir.rd.com.br, under Interactive Spreadsheets.

Income Statement (R\$ millions)	3Q23		Change
	IAS 17	IFRS 16	Δ 3Q23
Gross Revenue	9,288.3	9,288.3	0.0
Gross Profit	2,590.1	2,590.1	0.0
Gross Margin	27.9%	27.9%	0.0%
Selling Expenses	(1,598.3)	(1,329.6)	268.7
G&A	(333.7)	(332.7)	1.0
Total Expenses	(1,932.0)	(1,662.4)	269.7
as % of Gross Revenue	20.8%	17.9%	(2.9%)
Adjusted EBITDA	658.1	927.8	269.7
as % of Gross Revenue	7.1%	10.0%	2.9%
Non-Recurring Expenses / Revenues	42.6	43.1	0.5
Depreciation and Amortization	(204.3)	(438.8)	(234.5)
Financial Results	(149.7)	(228.3)	(78.6)
Equity Equivalence	(1.9)	(1.9)	(0.0)
Income Tax	(48.3)	(33.7)	14.6
Net Income	296.5	268.1	(28.4)
as % of Gross Revenue	3.2%	2.9%	(0.3%)

Balance Sheet (R\$ millions)	3Q23		Change
	IAS 17	IFRS 16	Δ 3Q23
Assets	15,868.5	19,386.5	3,518.0
Current Assets	11,320.8	11,320.8	0.0
Non-Current Assets	4,547.7	8,065.7	3,518.0
Income Tax and Social Charges deferred	34.9	68.7	33.8
Other Credits	16.0	15.6	(0.4)
Property, Plant and Equipment	2,364.1	2,364.3	0.2
Right of use	0.0	3,484.5	3,484.5
Intangible	1,876.4	1,876.5	0.1
Liabilities and Shareholder's Equity	15,868.5	19,386.5	3,518.0
Current Liabilities	6,857.6	7,699.9	842.4
Suppliers	4,642.8	4,645.2	2.4
Financial Leases	0.0	852.6	852.6
Other Accounts Payable	316.7	304.1	(12.6)
Non-Current Liabilities	2,927.1	5,891.6	2,964.5
Financial Leases	0.0	3,079.4	3,079.4
Income Tax and Social Charges Deferred	114.9	0.0	(114.9)
Shareholder's Equity	6,083.8	5,795.0	(288.8)
Income Reserves	1,281.2	1,049.2	(232.0)
Accrued Income	578.2	521.5	(56.8)
Non Controller Interest	73.2	73.2	(0.1)

Cash Flow (R\$ millions)	3Q23		Change
	IAS 17	IFRS 16	Δ 3Q23
Adjusted EBIT	453.8	489.0	35.2
Non-Recurring Expenses	42.6	43.1	0.5
Income Tax (34%)	(152.2)	(164.3)	(12.1)
Depreciation	204.5	438.8	234.3
Rental Expenses	0.0	(270.1)	(270.1)
Others	1.8	14.1	12.3
Resources from Operations	501.7	501.7	0.0
Operating Cash Flow	675.7	675.7	0.0
Investments	(339.5)	(339.5)	0.0
Free Cash Flow	336.2	336.2	0.0
Total Cash Flow	263.1	263.1	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

3Q23 Results Conference Calls: November 01st, 2023

Portuguese
at 10:00 am (BRT)

English
at 12:00 pm (BRT)

Link:

<https://www.resultadosrd.com.br/home/>

For more information, please contact our Investor Relations department.

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Consolidated Adjusted Income Statement <i>(R\$ thousands)</i>	3Q22	3Q23
Gross Revenue	7,985,786	9,288,331
Taxes, Discounts and Returns	(495,920)	(612,522)
Net Revenue	7,489,866	8,675,810
Cost of Goods Sold	(5,265,092)	(6,085,664)
Gross Profit	2,224,774	2,590,145
Operational (Expenses) Revenues		
Sales	(1,393,832)	(1,598,312)
General and Administrative	(284,142)	(333,736)
Operational Expenses	(1,677,975)	(1,932,048)
EBITDA	546,800	658,097
Depreciation and Amortization	(176,884)	(204,298)
Operational Earnings before Financial Results	369,916	453,799
Financial Expenses	(213,801)	(244,874)
Financial Revenue	88,287	95,160
Financial Expenses/Revenue	(125,514)	(149,715)
Equity Equivalence	189	(1,905)
Earnings before Income Tax and Social Charges	244,591	302,179
Income Tax and Social Charges	(42,884)	(33,786)
Net Income	201,706	268,392

Consolidated Income Statement <i>(R\$ thousands)</i>	<u>3Q22</u>	<u>3Q23</u>
Gross Revenue	7,985,786	9,288,331
Taxes, Discounts and Returns	(495,920)	(612,522)
Net Revenue	7,489,866	8,675,810
Cost of Goods Sold	(5,265,092)	(6,085,664)
Gross Profit	2,224,774	2,590,145
Operational (Expenses) Revenues		
Sales	(1,393,832)	(1,598,312)
General and Administrative	(284,142)	(333,736)
Other Operational Expenses, Net	35,850	42,616
Operational Expenses	(1,642,125)	(1,889,432)
EBITDA	582,649	700,713
Depreciation and Amortization	(176,884)	(204,298)
Operational Earnings before Financial Results	405,766	496,415
Financial Expenses	(213,801)	(244,874)
Financial Revenue	88,287	95,160
Financial Expenses/Revenue	(125,514)	(149,715)
Equity Equivalence	189	(1,905)
Earnings before Income Tax and Social Charges	280,440	344,795
Income Tax and Social Charges	(55,073)	(48,276)
Net Income	225,367	296,519

Assets (R\$ thousands)	3Q22	3Q23
Current Assets		
Cash and Cash Equivalents	371,171	593,587
Financial Investments	-	25,938
Accounts Receivable	2,336,858	2,904,270
Inventories	5,832,184	6,925,863
Taxes Receivable	298,623	417,496
Other Accounts Receivable	282,757	362,581
Anticipated Expenses	70,638	91,062
	<u>9,192,231</u>	<u>11,320,796</u>
Non-Current Assets		
Deposit in Court	101,818	131,429
Taxes Receivable	110,103	118,949
Income Tax and Social Charges deferred	23,272	34,905
Other Credits	18,659	15,994
Investments	5,773	5,927
Property, Plant and Equipment	2,110,714	2,364,103
Intangible	1,604,322	1,876,388
	<u>3,974,661</u>	<u>4,547,697</u>
ASSETS	<u>13,166,892</u>	<u>15,868,493</u>
Liabilities and Shareholder's Equity (R\$ thousands)	<u>3Q22</u>	<u>3Q23</u>
Current Liabilities		
Suppliers	3,753,793	4,642,771
Loans and Financing	134,790	581,004
Salaries and Social Charges Payable	617,245	735,010
Taxes Payable	186,321	289,771
Dividend and Interest on Equity	302,155	238,729
Provision for Lawsuits	49,030	53,569
Other Accounts Payable	269,428	316,708
	<u>5,312,761</u>	<u>6,857,562</u>
Non-Current Liabilities		
Loans and Financing	2,130,228	2,523,461
Provision for Lawsuits	50,207	60,653
Income Tax and Social Charges deferred	154,468	114,853
Other Accounts Payable	170,670	228,136
	<u>2,505,573</u>	<u>2,927,103</u>
Shareholder's Equity		
Common Stock	2,500,000	4,000,000
Capital Reserves	105,464	136,617
Revaluation Reserve	11,385	11,242
Income Reserves	2,267,879	1,281,229
Accrued Income	405,666	578,246
Equity Adjustments	3,261	3,261
Non Controller Interest	54,903	73,233
	<u>5,348,558</u>	<u>6,083,828</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>13,166,892</u>	<u>15,868,493</u>

Cash Flow	3Q22	3Q23
<i>(R\$ thousands)</i>		
Earnings before Income Tax and Social Charges	294,173	307,450
Adjustments		
Depreciation and Amortization	177,582	204,475
Compensation plan with restricted shares, net	9,813	10,871
Interest over additional stock option	24,642	1,428
P,P&E and Intangible Assets residual value	10,186	3,359
Provisioned Lawsuits	14,849	20,333
Provisioned Inventory Loss	20,181	255
Provision for Doubtful Accounts	167	4,901
Provisioned Store Closures	(8,922)	(783)
Interest Expenses	84,245	88,264
Debt Issuance Costs Amortization	1,313	1,360
Equity Equivalence Result	814	2,100
	629,043	644,013
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(373,102)	(842,250)
Inventories	(285,530)	(299,031)
Other Short Term Assets	(15,324)	(38,272)
Long Term Assets	9,363	(16,145)
Suppliers	215,683	529,283
Salaries and Social Charges	87,706	108,625
Taxes Payable	(79,369)	(61,799)
Other Liabilities	40,585	44,132
Rents Payable	4,355	2,517
Cash from Operations	233,410	71,073
Interest Paid	(91,138)	(103,049)
Income Tax and Social Charges Paid	(112,834)	(68,125)
Paid lawsuits	(17,573)	(15,164)
Net Cash from (invested) Operational Activities	11,865	(115,265)
Investment Activities Cash Flow		
P,P&E and Intangible Acquisitions	(332,055)	(349,065)
Acquisitions and capital contributions in investments, net	(42,000)	-
Loans granted to subsidiaries	13,545	-
Cash from incorporated company	-	(1,179)
Net Cash from Investment Activities	(360,510)	(350,244)
Financing Activities Cash Flow		
Funding	(14,541)	833,796
Payments	(84,440)	(119,706)
Interest on Equity and Dividends Paid	(8)	(303)
Net Cash from Funding Activities	(98,989)	713,787
Cash and Cash Equivalents net increase	(447,634)	248,278
Cash and Cash Equivalents in the beginning of the period	818,804	345,308
Cash and Cash Equivalents in the end of the period	371,170	593,586