



# Earnings Presentation

1Q24

 **RDsaúde**  
for a healthier society.



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## Consolidated highlights<sup>1</sup>

- › **PHARMACIES: 3,010 units in operation (62 openings and 5 closures);**
- › **GROSS REVENUES: R\$ 9.8 billion, a 15.3% increase with 6.9% of mature-store growth;**
- › **MARKET SHARE: 16.2%, a 0.9 pp increase, with gains in every region;**
- › **DIGITAL: R\$ 1.5 billion, an increase of 46.4% and a retail penetration of 17.3%;**
- › **CONTRIBUTION MARGIN: 10.1% of gross revenues, an increase of 18.5%;**
- › **ADJUSTED EBITDA: R\$ 679.9 million, an increase of 20.8% and a margin of 7.0%;**
- › **ADJUSTED NET INCOME<sup>2</sup>: R\$ 213.7 million and a margin of 2.2%;**
- › **CASH FLOW: R\$ 118.1 million negative free cash flow, R\$ 179.3 million total cash consumption.**

<sup>1</sup> Considers the IAS 17 reporting standard.

<sup>2</sup> Reflects the taxation of the effects of subsidies for investments in the calculation of income tax, in accordance to Law No. 14,789/2023. It is worth noting the Company filed lawsuits questioning the effects of the new Law and awaits their judgement, having already received a partially favorable injunction.



# We concluded the reclassification of certain revenues and expenses to better align the criteria with the Company's activities.

## Improvement of criteria for a better understanding of the company's activities:

### From Gross Revenue and Deductions to Selling Expenses

- › Delivery fees in digital sales and its deductions (0.1 pp);

### From General and Administrative Expenses to Selling Expenses

- › Marketing: Drogasil and Raia banners and private label (0.2 pp);
- › Cloud computing, software licenses and others (0.1 pp).

✓ **Reclassification within our Income Statement.**

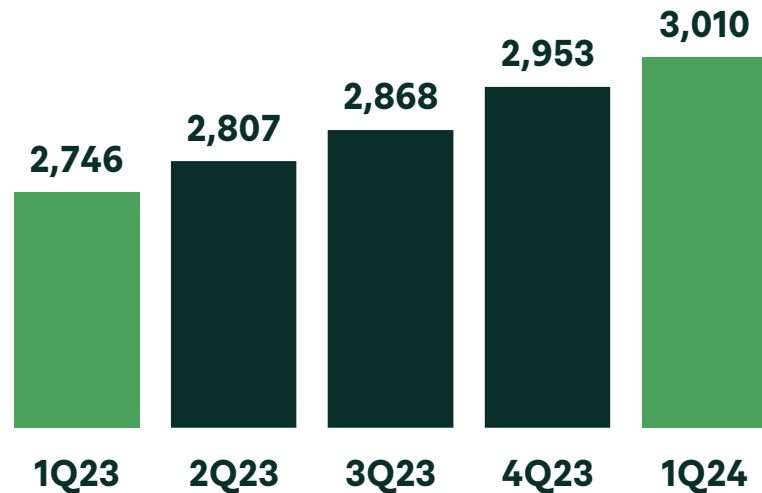
✓ **Does not affect our EBITDA, Balance Sheet or Cash Flow.**

Consolidated	Originally presented					Variations						Reclassified values				
	1Q23	2Q23	3Q23	4Q23	2023	1Q23	2Q23	3Q23	4Q23	2023	% of GR	1Q23	2Q23	3Q23	4Q23	2023
R\$ millions																
<b>Gross Revenue</b>	<b>8,479.0</b>	<b>9,024.7</b>	<b>9,288.3</b>	<b>9,557.4</b>	<b>36,349.4</b>	<b>(7.7)</b>	<b>(10.9)</b>	<b>(13.5)</b>	<b>(18.5)</b>	<b>(50.7)</b>	<b>(0.1 pp)</b>	<b>8,471.3</b>	<b>9,013.8</b>	<b>9,274.8</b>	<b>9,538.8</b>	<b>36,298.8</b>
Deductions	(547.7)	(582.4)	(612.5)	(633.1)	(2,375.7)	0.7	1.2	2.2	3.4	7.6	0.0 pp	(546.9)	(581.2)	(610.3)	(629.7)	(2,368.1)
Net Revenue	7,931.3	8,442.3	8,675.8	8,924.3	33,973.8	(7.0)	(9.6)	(11.3)	(15.2)	(43.1)	(0.1 pp)	7,924.4	8,432.7	8,664.5	8,909.2	33,930.7
<b>Gross Profit</b>	<b>2,321.7</b>	<b>2,610.1</b>	<b>2,590.1</b>	<b>2,685.4</b>	<b>10,207.4</b>	<b>(7.0)</b>	<b>(9.6)</b>	<b>(11.3)</b>	<b>(15.2)</b>	<b>(43.1)</b>	<b>(0.1 pp)</b>	<b>2,314.8</b>	<b>2,600.4</b>	<b>2,578.8</b>	<b>2,670.2</b>	<b>10,164.3</b>
Selling Expenses	(1,471.2)	(1,523.2)	(1,598.3)	(1,712.9)	(6,305.6)	(13.5)	(20.8)	(15.8)	(13.7)	(63.8)	(0.2 pp)	(1,484.7)	(1,544.0)	(1,614.1)	(1,726.6)	(6,369.4)
G&A Expenses	(287.6)	(319.2)	(333.7)	(358.0)	(1,298.5)	20.5	30.4	27.1	28.9	106.9	0.3 pp	(267.1)	(288.8)	(306.6)	(329.1)	(1,191.6)
<b>Adjusted EBITDA</b>	<b>563.0</b>	<b>767.6</b>	<b>658.1</b>	<b>614.5</b>	<b>2,603.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563.0</b>	<b>767.6</b>	<b>658.1</b>	<b>614.5</b>	<b>2,603.2</b>



We reached 3,010 pharmacies, with 277 openings LTM (+10.1% of store base) and 13 closures (-0.5%). Guidance of 280-300 gross openings per year for 2024 and 2025.

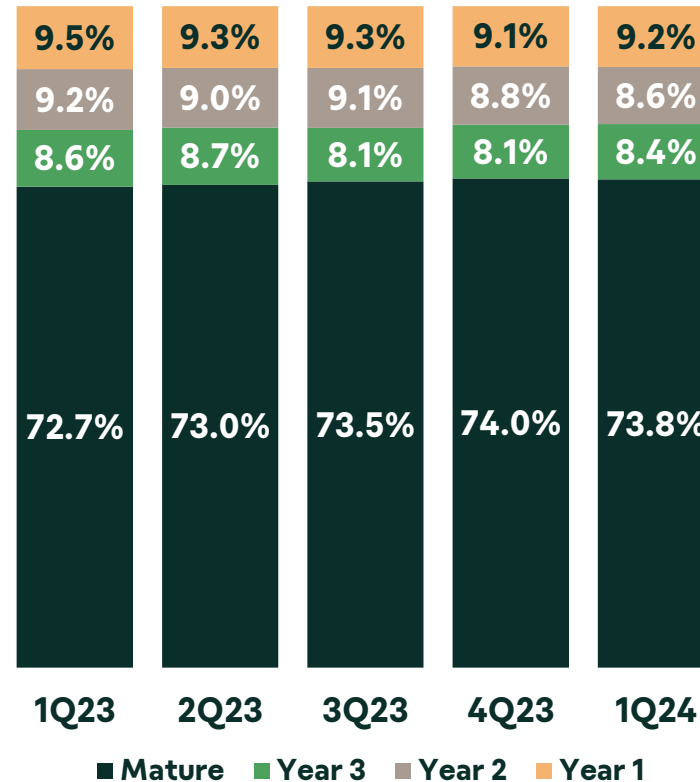
### Pharmacy count



	1Q23	2Q23	3Q23	4Q23	1Q24	LTM
<b>Gross openings</b>	<b>+55</b>	<b>+64</b>	<b>+64</b>	<b>+87</b>	<b>+62</b>	<b>+277</b>
Closures	-6	-3	-3	-2	-5	-13
- Maturing	-1	-	-	-	-2	-2
- Mature	-5	-3	-3	-2	-3	-11
<b>Net openings</b>	<b>+49</b>	<b>+61</b>	<b>+61</b>	<b>+85</b>	<b>+57</b>	<b>+264</b>

### Pharmacy portfolio

Age structure



### RDsaúde Expansion

Guidance of **280-300** gross openings per year for 2024 and 2025.

99%\* LTM assertiveness.

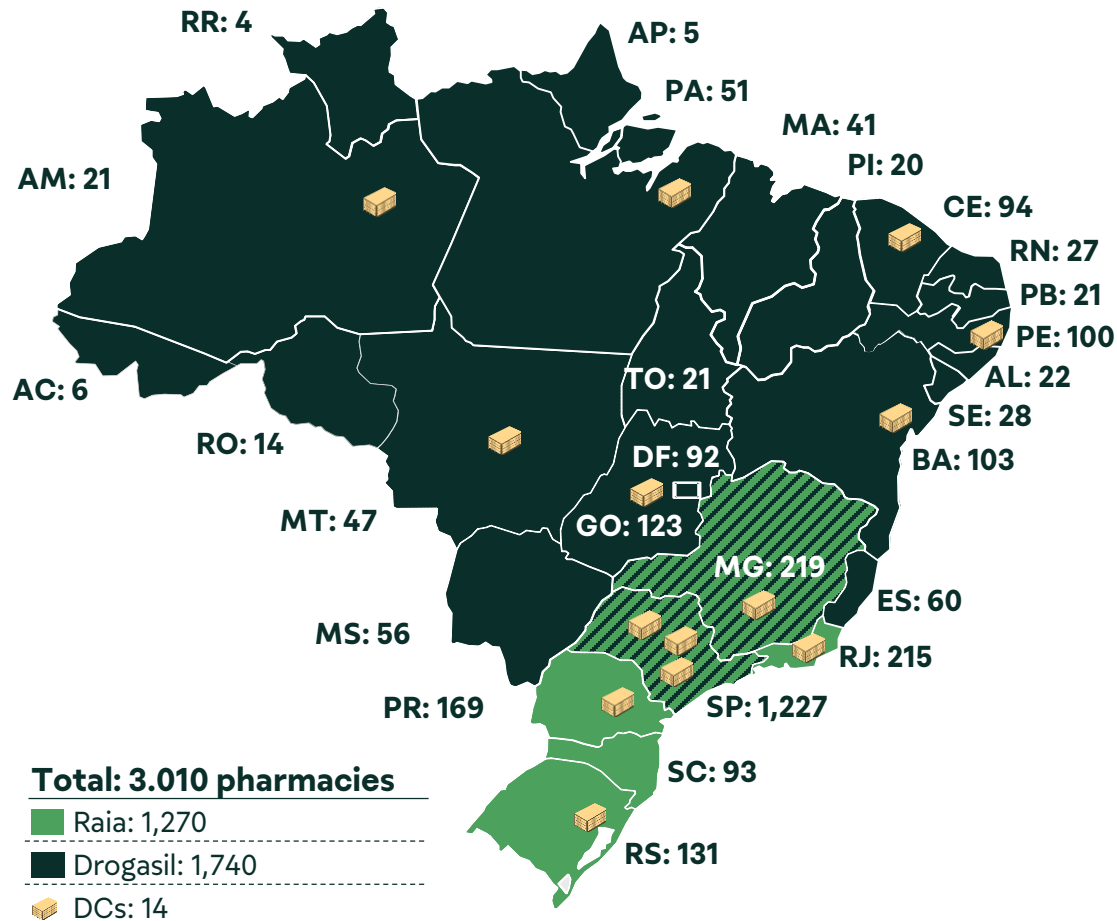
Broad geographic and demographic diversification.

\* Considers the % of store closures within the maturation process, which correspond to expansion mistakes, divided by the LTM openings.



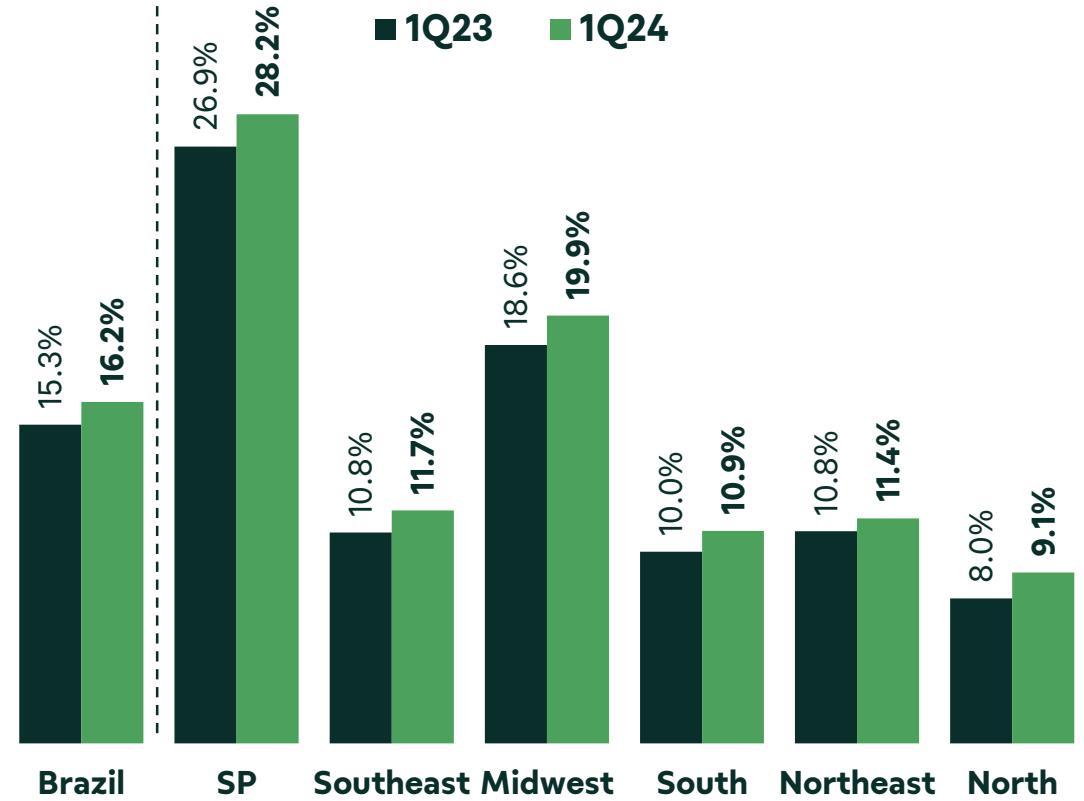
We are present in every state, with a national market share of 16.2%, a 0.9 pp increase, with relevant gains across every region.

### Geographic presence



### Market share

Quarterly retail share at Factory Prices (sell-out + sell-in)

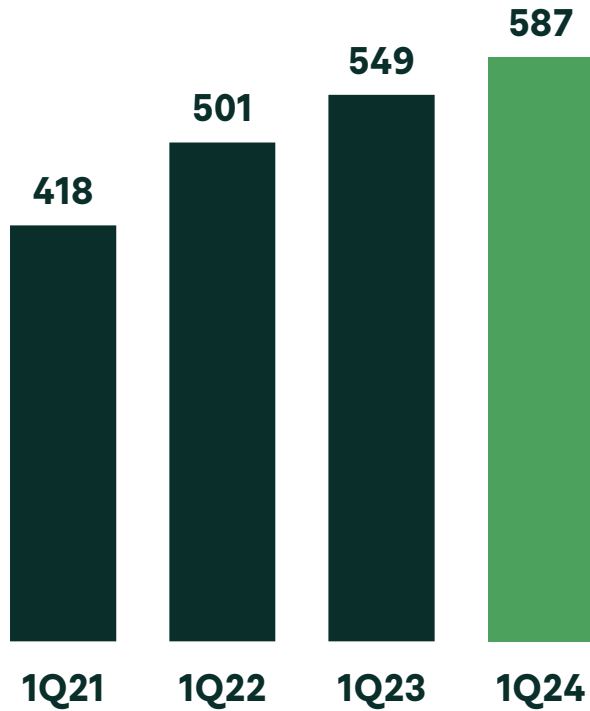


Source: IQVIA. Southeast excludes SP.

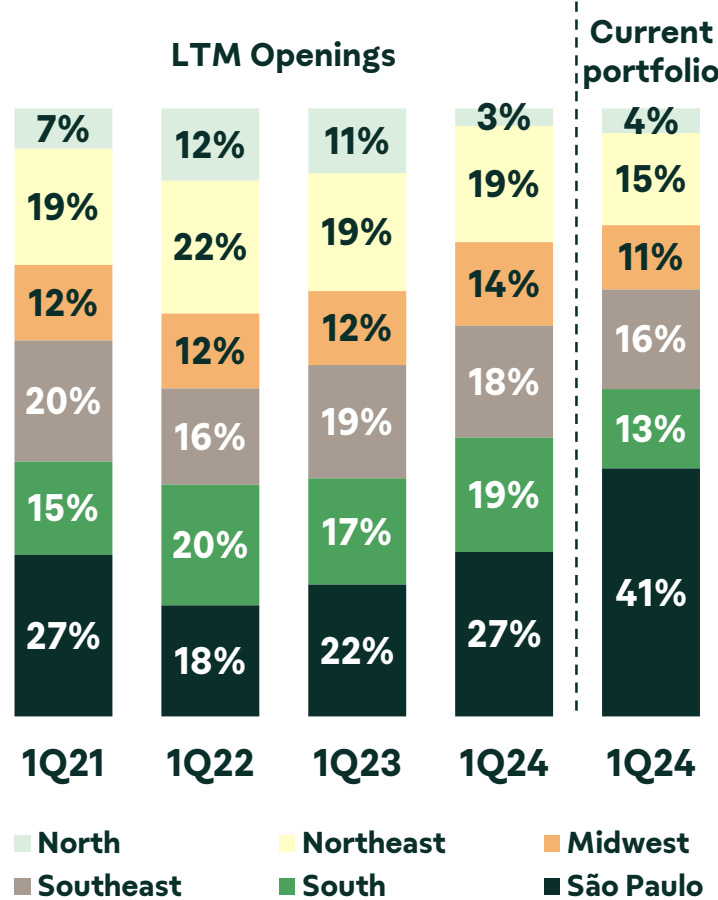


We expanded our presence to 587 cities and increased our geographic and demographic diversification, with 83% of LTM openings under Popular or Hybrid formats.

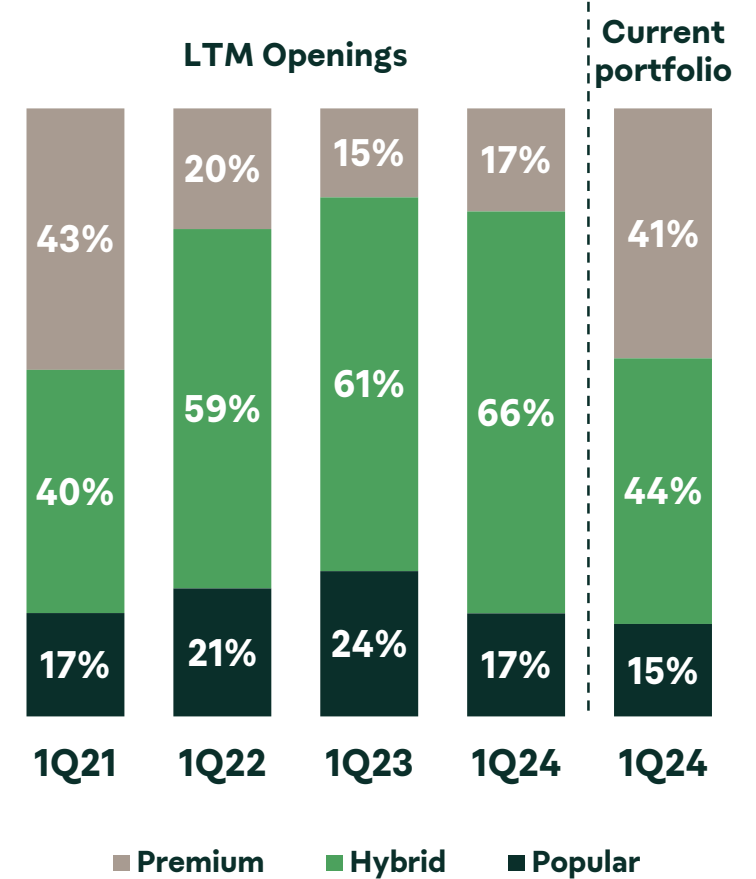
Number of cities with pharmacies



Pharmacies by region



Pharmacies by format



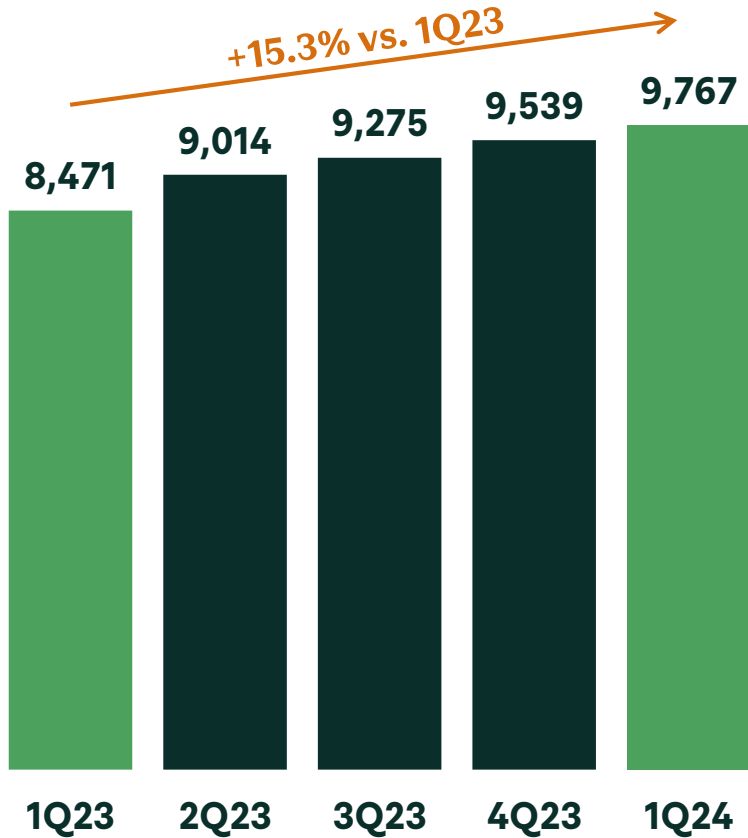
**Presence in 308 of the 319 Brazilian cities with over 100 thousand inhabitants**  
*(includes both pharmacies in operation as well as those in the opening process)*



Revenue growth of 15.3%, with 4Bio contributing +0.3 pp. HPC was the highlight, growing 20.0%. Calendar effect of +0.2 pp.

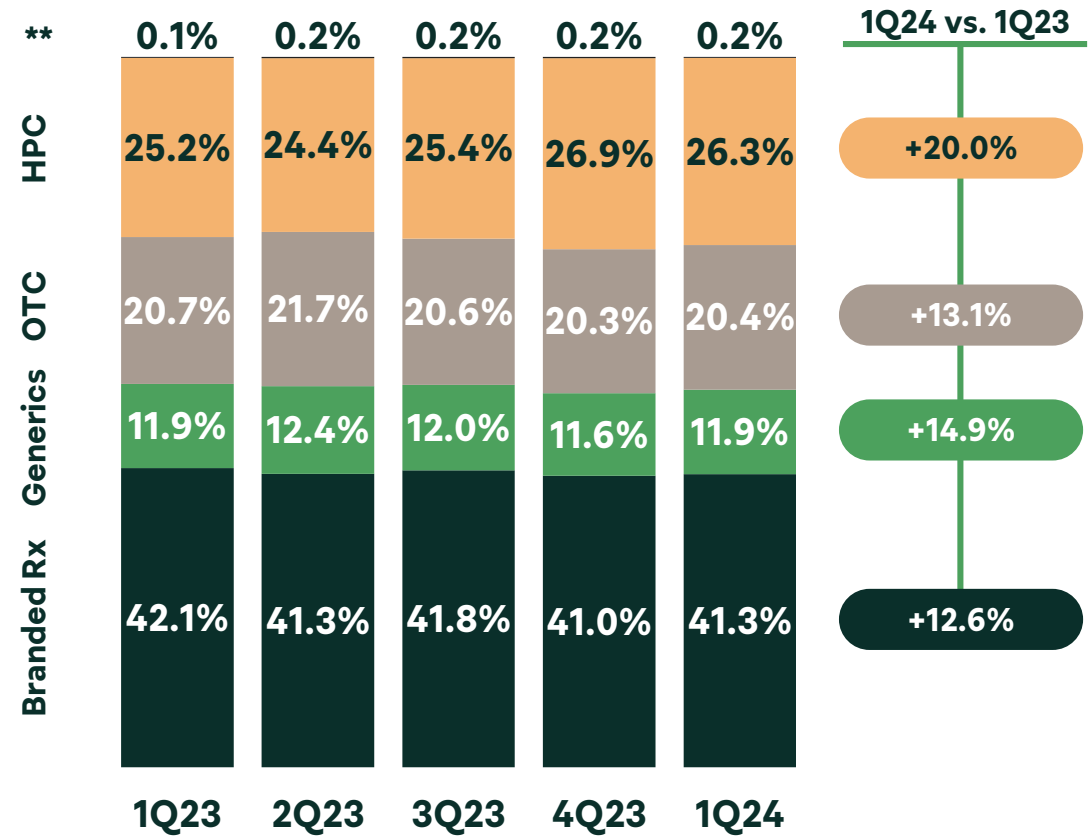
### Consolidated gross revenues\*

R\$ millions



\* Considers reclassifications in 2023 from revenues to selling expenses.

### Retail sales mix\*



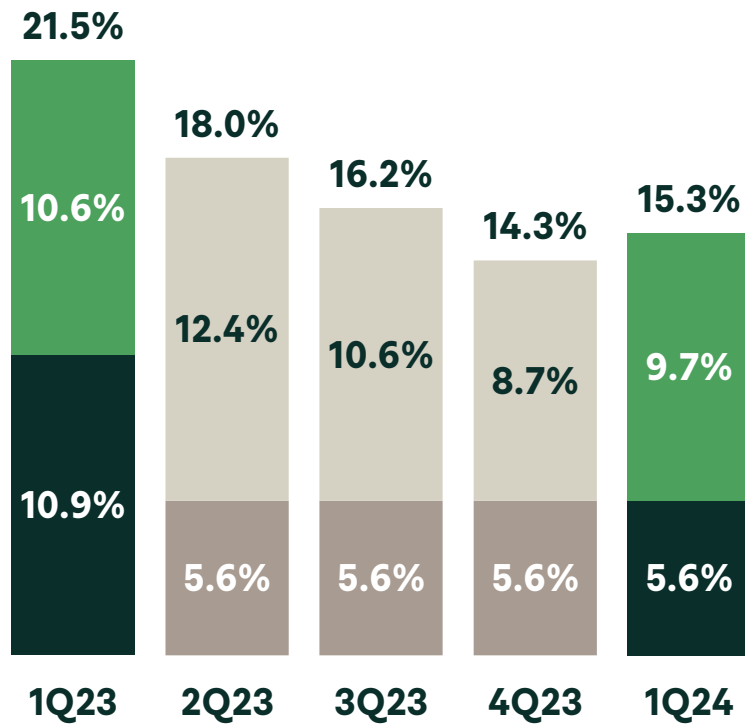
\*\* Services.



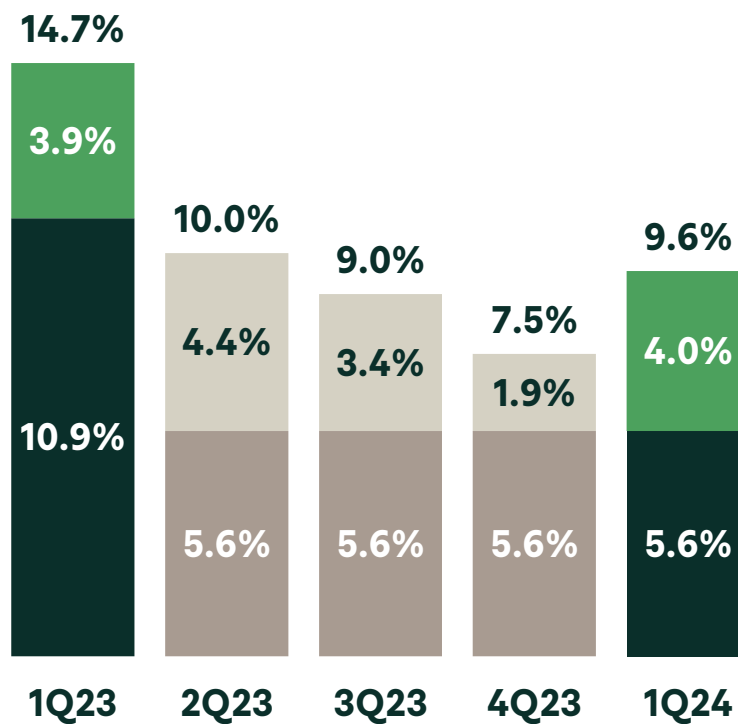


Same store sales average growth of 9.6%, with 6.9% for mature stores, 1.3 pp above the CMED price readjustment of 5.6%.

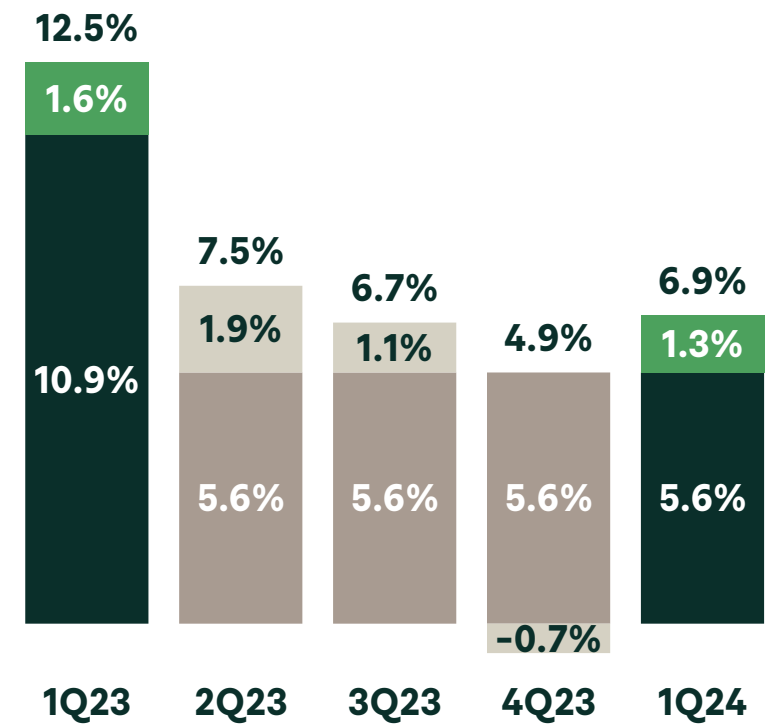
Consolidated revenue growth\*



Same-Store sales growth – Retail\*



Mature-Store sales growth – Retail\*



■ CMED price adjustment      ■ Real growth

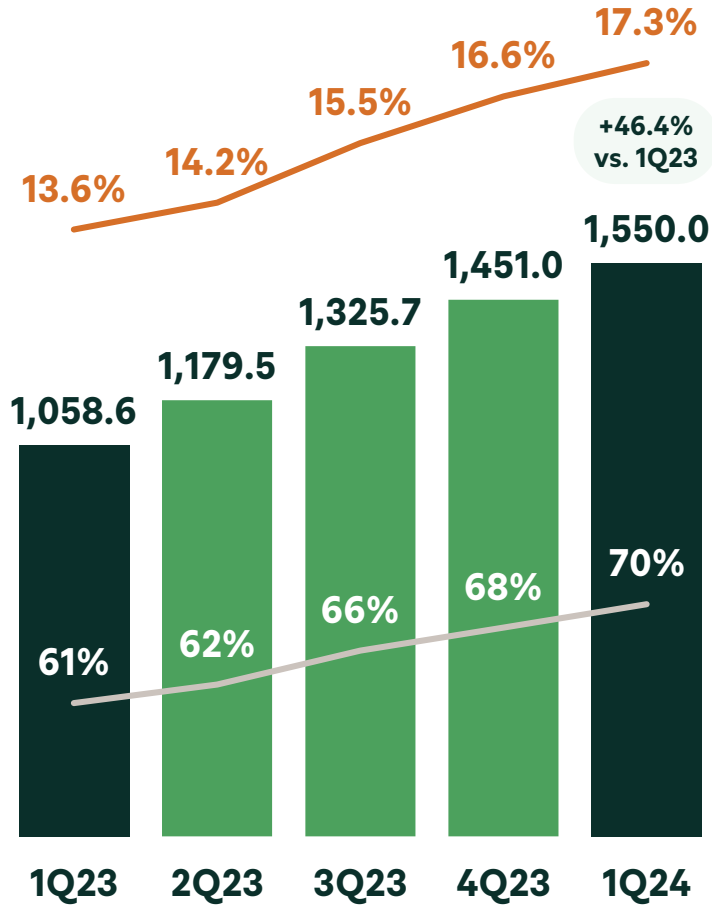
\* Considers reclassifications in 2023 from revenues to selling expenses.



# Digital sales of R\$ 1.5 billion, with 46.4% of growth and 17.3% of retail penetration. 70% via apps and 92% delivered or collected within 60 minutes.

## Digital sales and penetration\*

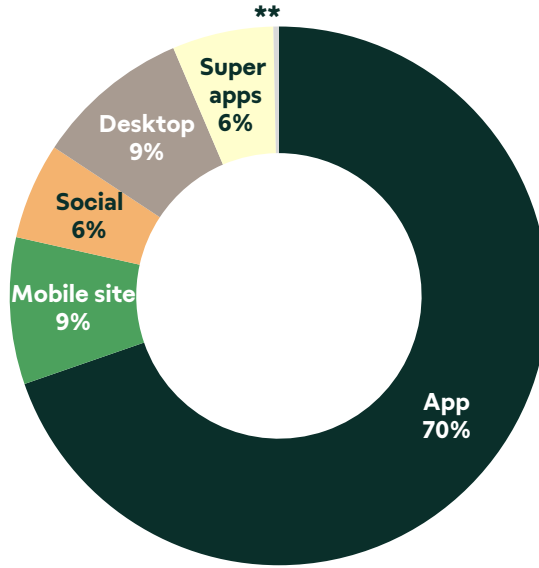
R\$ millions, % of retail gross revenue



■ Revenue of digital channels
 — Retail penetration
 — App participation in sales

## Digital channel mix

% of digital sales

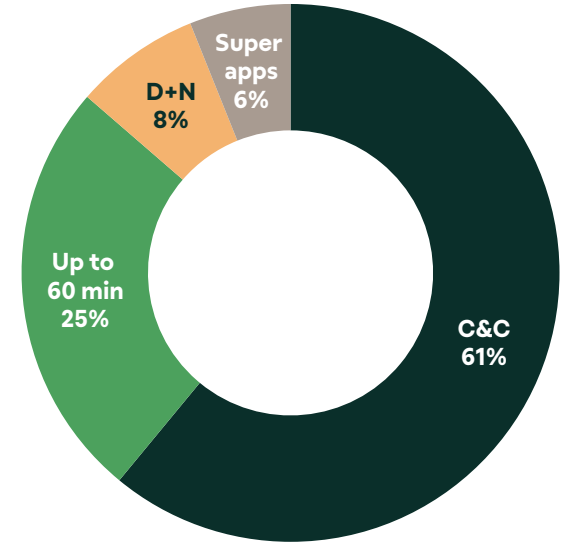


**94%** modern and proprietary channels

**84%** modern, proprietary and mobile channels

## Delivery mix

% of digital sales



**95%** fulfilled by pharmacies (incl. D+N)

**92%** delivered in up to 60 minutes

\* Considers reclassifications in 2023 from revenues to selling expenses.

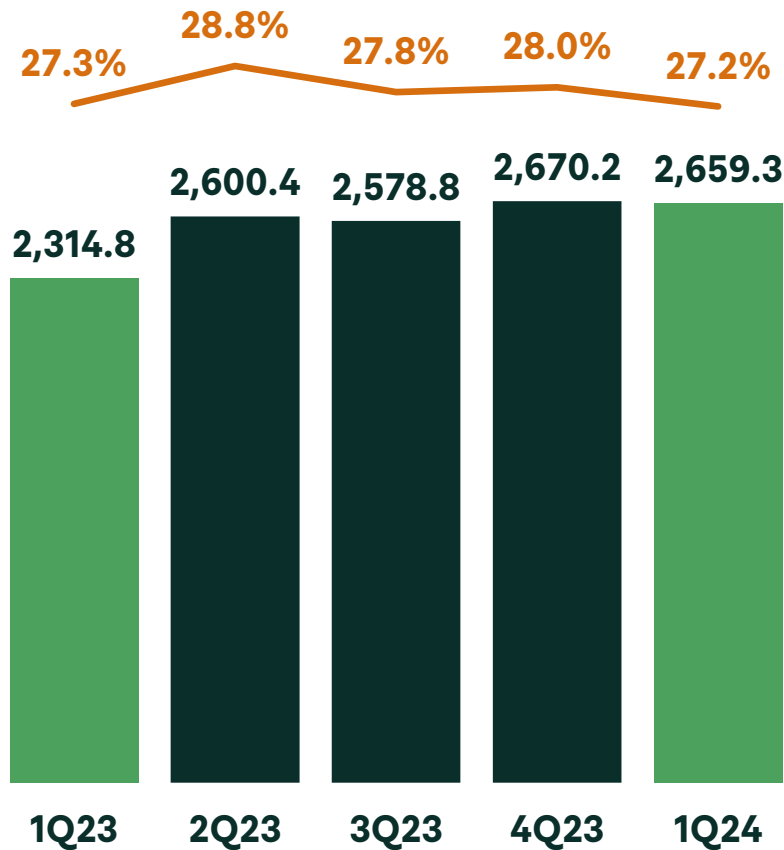
\*\* Call center represents < 1% of the mix.



**Gross margin of 27.2%, contraction of 0.1 pp. Retail gross margin stable at 29.0%, despite PIS/COFINS pressure of 0.1 pp. Cash cycle of 60.4 days due to peak in receivables.**

### Gross profit\*

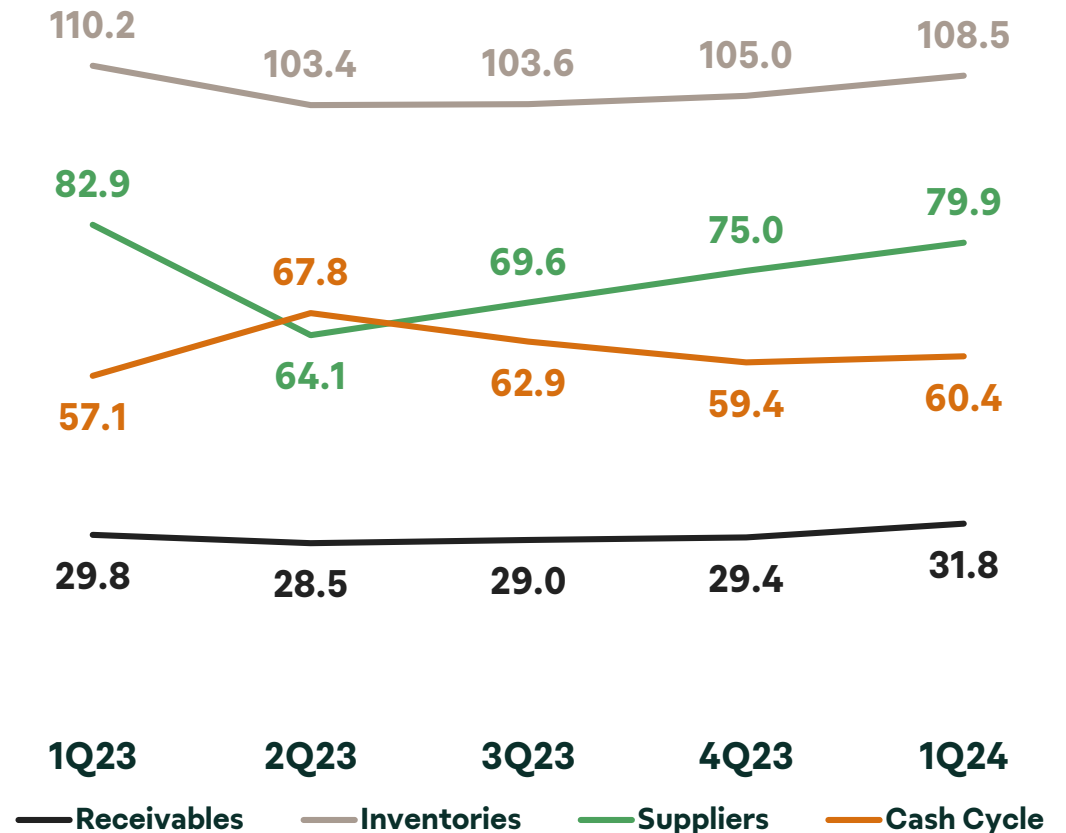
R\$ millions, % of gross revenue



\* Reflects the incidence of PIS/COFINS over tax subsidies on investments, in accordance to Law No. 14,789/2023.

### Cash cycle\*\*

COGS days, Gross revenue days



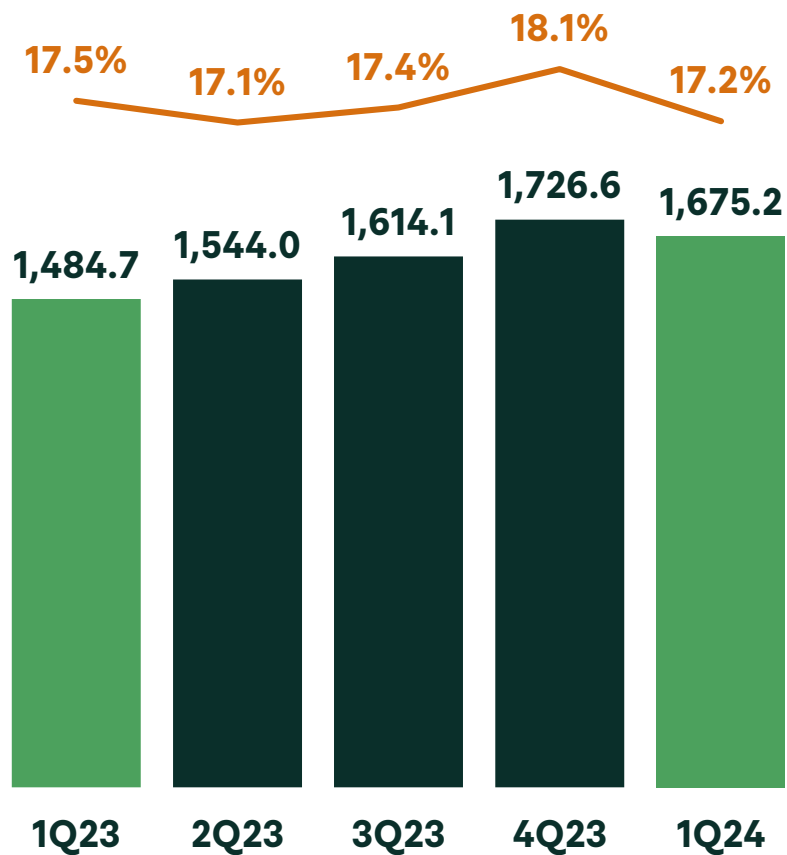
\*\* Adjusted for discounted receivables and advanced payments to suppliers and considers reclassifications in 2023 from revenues to selling expenses.



Dilution of selling expenses by 0.3 pp mainly due to the real growth at mature stores.  
Contribution margin of 10.1%, expansion of 0.3 pp.

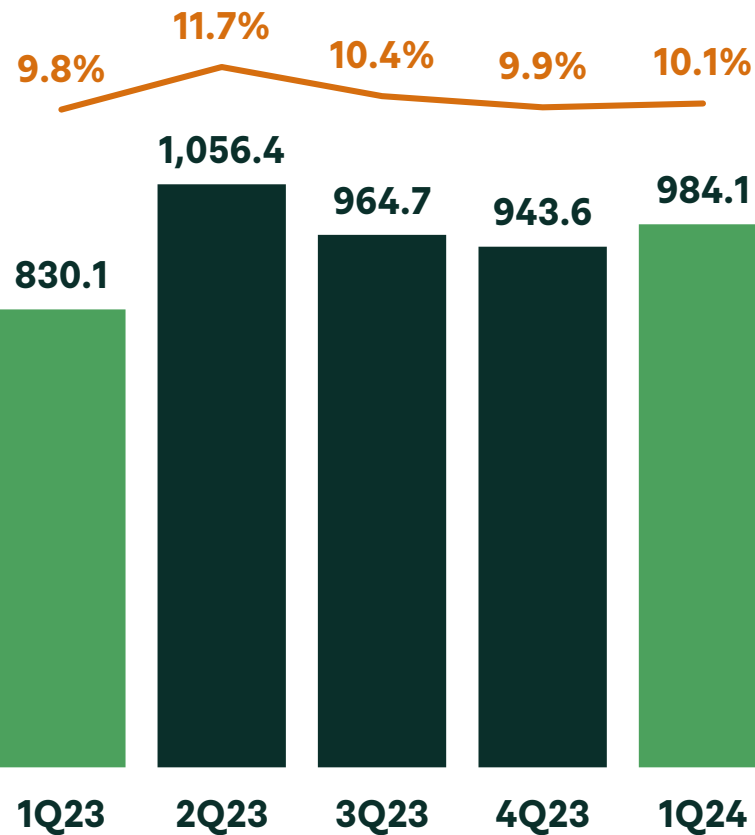
### Selling expenses\*

R\$ millions, % of gross revenue



### Contribution margin\*

R\$ millions, % of gross revenue

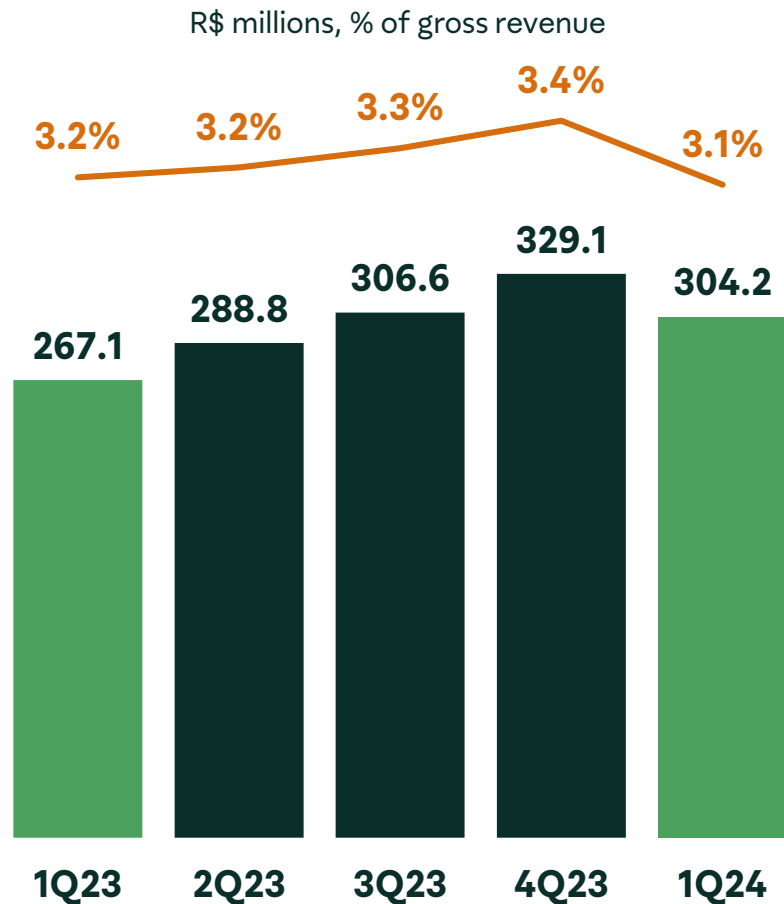


\* Considers reclassifications in 2023 from revenues and administrative expenses to selling expenses.



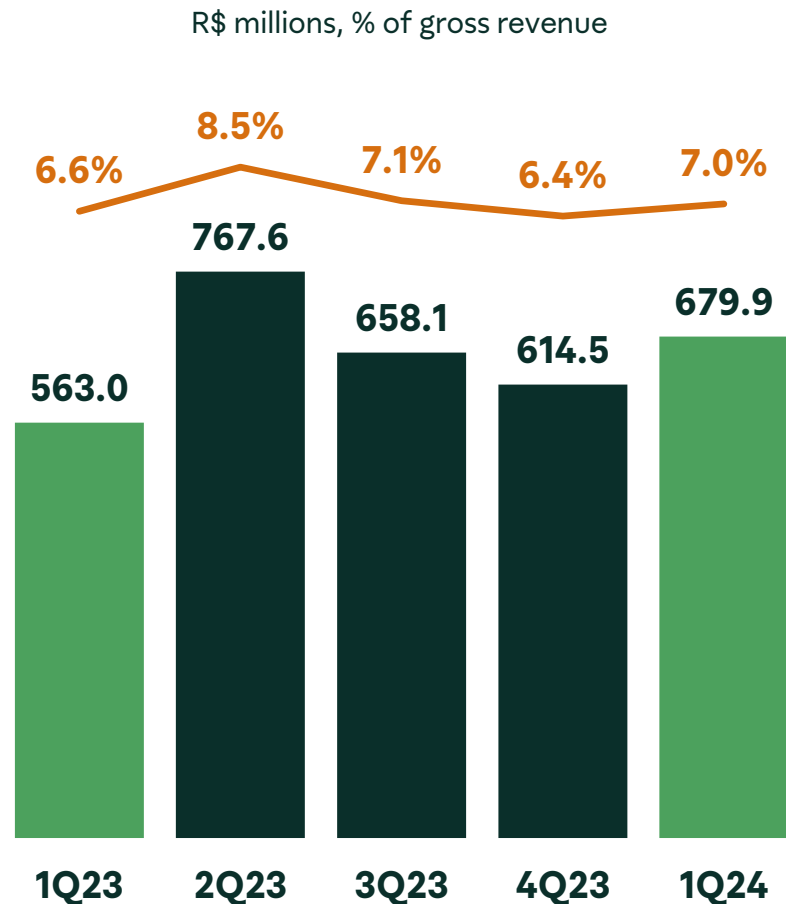
**G&A of 3.1% with dilution of 0.1 pp vs. the 1Q23 and 0.3 pp vs. the 4Q23. EBITDA of R\$ 679.9 million, +20.8% growth and margin of 7.0%, expansion of +0.4 pp.**

### General and administrative expenses\*



\* Considers reclassifications in 2023 from revenues and administrative expenses to selling expenses.

### Adjusted EBITDA\*\*



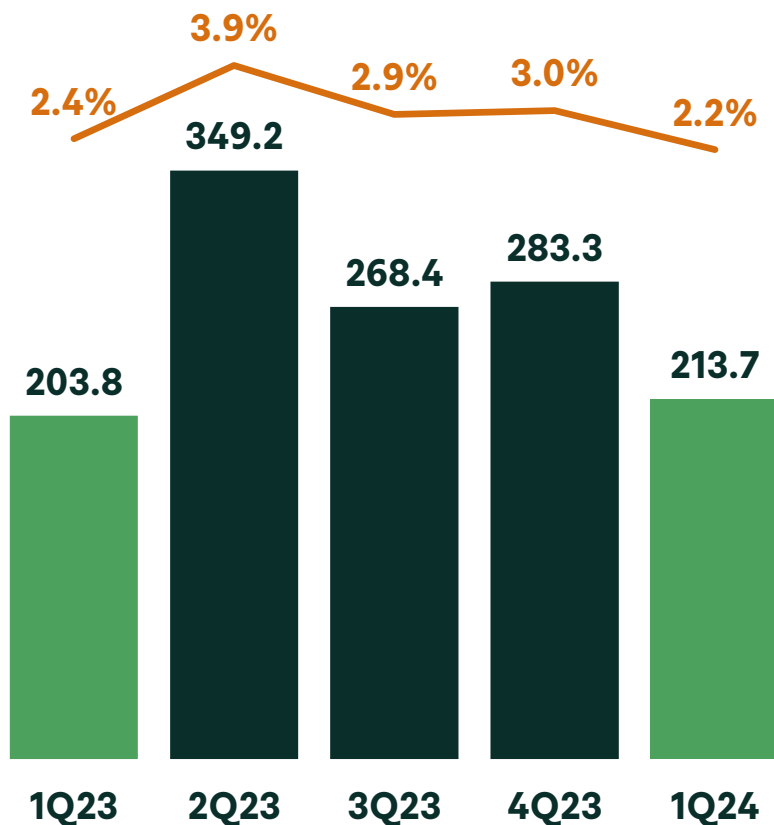
\*\* Considers reclassifications in 2023 from revenues to selling expenses.



**Net income of R\$ 213.7 million, +4.8% increase. Margin of 2.2%, contraction of only 0.2 pp despite tax pressure of 1.0 pp. R\$ 1.0 MM in net non-recurring expenses.**

### Adjusted net income\*

R\$ millions, % of gross revenue



### EBITDA Reconciliation (R\$ millions)

	1Q24	1Q23
<b>Net income</b>	<b>213.0</b>	<b>206.4</b>
Income tax	95.8	9.8
Equity Equivalence	(2.5)	2.4
Financial Result	155.5	159.7
<b>EBIT</b>	<b>461.8</b>	<b>378.4</b>
Depreciation and amortization	217.0	188.6
<b>EBITDA</b>	<b>678.8</b>	<b>567.0</b>
Social investments and donations	2.1	1.3
Tax effects and other non-recurring from previous years	1.8	(6.2)
Asset write-offs	(1.6)	0.9
Other non-recurring/non-operating effects	(1.2)	-
<b>Non-recurring/non-operating expenses</b>	<b>1.0</b>	<b>(4.0)</b>
<b>Adjusted EBITDA</b>	<b>679.9</b>	<b>563.0</b>

\* Reflects the taxation of the effects of subsidies for investments in the calculation of income tax, in accordance to Law No. 14,789/2023. It is worth noting the Company filed lawsuits questioning the effects of the new Law and awaits their judgements, having already received a partially favorable injunction.

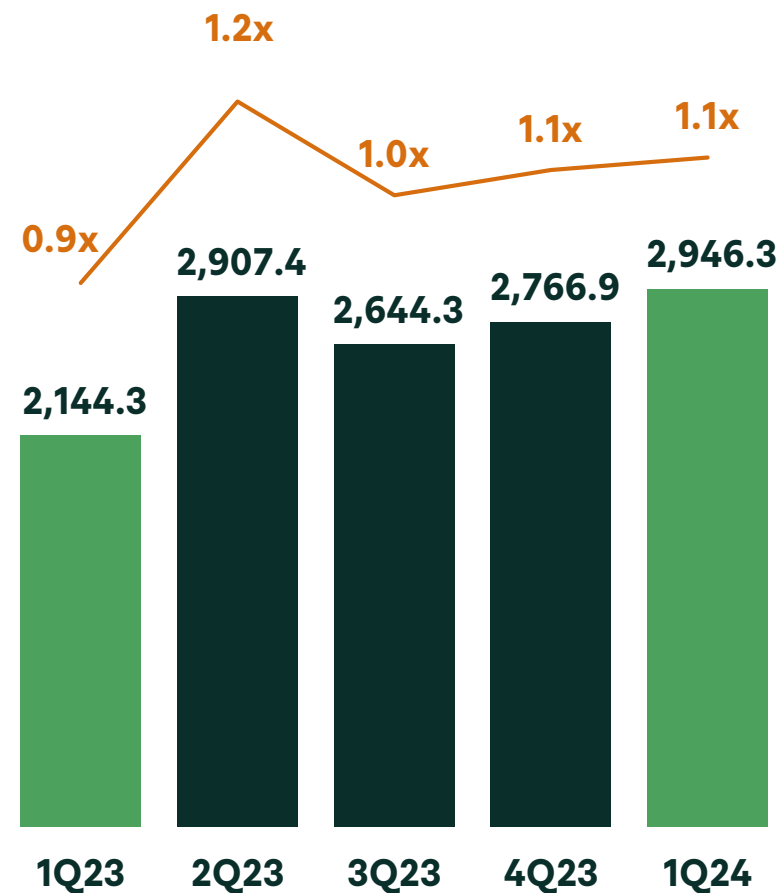


# R\$ 118.1 million negative free cash flow, R\$ 179.3 million total cash consumption. Financial leverage of 1.1x EBITDA.

Cash flow (R\$ millions)	1Q24	1Q23
<b>Adjusted EBIT</b>	<b>462.9</b>	<b>374.4</b>
NPV adjustment	(43.3)	(48.5)
Non-recurring expenses	(1.0)	4.0
Income tax (34%)	(142.3)	(112.1)
Depreciation	216.1	188.5
Others	(74.4)	20.9
<b>Resources from operations</b>	<b>417.9</b>	<b>427.1</b>
Cash cycle*	(307.2)	(173.2)
Other assets (liabilities)**	(35.4)	(68.2)
<b>Operating cash flow</b>	<b>75.3</b>	<b>185.8</b>
Investments	(193.3)	(227.9)
<b>Free cash flow</b>	<b>(118.1)</b>	<b>(42.1)</b>
M&A and other investments	(13.8)	(12.8)
Interest on equity and dividends	(0.2)	(0.0)
Net financial expenses***	(109.9)	(107.4)
Tax benefit (fin. exp., loE, dividends)	62.7	63.7
<b>Total Cash Flow</b>	<b>(179.3)</b>	<b>(98.7)</b>

## Net debt and financial leverage

R\$ millions, as a ratio of LTM adjusted EBITDA



\* Includes adjustments to discounted receivables.

\*\* Includes NPV adjustments.

\*\*\* Excludes NPV adjustments.

■ Adjusted Net Debt  
— Adjusted Net Debt / EBITDA



Our share price decreased by 6.9% in the 1Q24, vs. a 4.5% drop in the IBOVESPA. Average daily financial volume (ADTV) of R\$ 214 MM in the period.

### Stock price appreciation



#### 2024 Performance

- › RADL3: -6.9%
- › IBOVESPA: -4.5%
- › Alpha: -2.4%
- › RADL3 ADTV: R\$ 214 MM

#### Average TSR

- › 21.7% since the Drogasil IPO
- › 19.2% since the Raia IPO
- › 22.2% since the merger (December 31<sup>st</sup> 2011)





# Main Highlights

1Q24



**RDsaúde**  
for a healthier society.



# RD Saúde is supporting the community in Rio Grande do Sul in face of an unprecedented natural disaster.

## Operational Conditions

- › 131 pharmacies in the state of RS, with 21 closed and 70 lacking water/electricity or unable to replenish inventories;
- › Our DC in RS is preserved, but replenishment capacity is impacted by road access to the pharmacies;
- › 1,790 employees impacted.

## Emergency Fund

- › The Company's Emergency Fund was directed towards assisting affected employees;
- › Resources delivered to ~100 employees with related issues and continuously analyzing new demands.

## Taking care of health: Employees

- › Advanced payment of impacted employees' 13<sup>th</sup> salary;
- › Free access to Telemedicine and Mental Health services;
- › Provision of water and basic goods.

## Taking care of health: Customers

- › Increase in inventories, especially antibiotics, saline solution, etc.;
- › Our *Solidary Change* program, with 1+1 matching, channeling donations to the RS state – Pharmacy and social media communication;
- › R\$ 500k donated for the reconstruction / *Comunitas* and donation of *SOS Enchente* kits;
- › Constant communication with suppliers to channel support for the region;
- › Initiatives via Abrafarma for flexibilizing *Farmácia Popular* rules and Rx dispensing.



**Solid sales performance in the 1Q24 led to an SG&A dilution and to a 0.4 pp EBITDA margin expansion, while we advance in customer loyalty, digitalization and health services.**

### **EBITDA margin expansion driven by operating leverage gains**

- › Consolidated gross revenue growth of R\$ 1.3 billion in the quarter (+15.3%) vs. the previous year;
- › Mature store growth of 6.9% (+0.2 pp calendar effect), a real growth of 1.3 pp vs. the CMED price adjustment;
- › Our national market share reached 16.2% in the quarter, a 0.9 pp increase with gains in every region;
- › 62 new pharmacies opened in the quarter (5 closures);
- › Consolidated EBITDA margin of 7.0%, a 0.4 pp expansion driven by SG&A dilution;
- › Retail EBITDA margin of 7.4%, a 0.4 pp expansion as well;
- › Financial leverage of 1,1x.

### **Advances in the digitalization of customer relationship and the development of our Health Hubs**

- › Pharmacy NPS of 90, with 68 in digital channels and 76 for deliveries;
- › Digital channels reached 17.3% of retail penetration with a 46.3% growth vs. the 1Q23;
- › Health Services present in 2k pharmacies, incl. 317 locations with vaccination rooms, performing 1.3 MM pharmaceutical services.



We unveiled our new corporate brand, RD Saúde, which expands our value proposition, builds the concept of a Health Ecosystem and will strengthen the connection among our other brands.



# RDsaúde

for a healthier society.

## Scale that impacts

- › + 1MM lives served every day;
- › Present in all states of Brazil with +3,000 pharmacies;
- › Largest pharmaceutical retailer in Brazil.

## Vocation for taking close care

- › Largest employer of pharmacists in the country;
- › 100% of store leadership trained in-house;
- › Over 100 years of history, complete portfolio of healthcare services.

## Building the future of healthcare

- › Open healthcare solutions ecosystem;
- › Largest healthcare marketplace;
- › Complete health services portfolio.

## Sustainability at the core

- › Conscious Disposal of medicines in pharmacies;
- › 1% of Net Profit invested in social projects;
- › Pioneer in the creation of a Pharmacist Graduation Course.





# Our Health and Wellness strategy is focused on the Customer journey, offering a pharmacy connected to a service platform, positioned in primary care.

Pharmaceutical Retail

**New Pharmacy**  
(Omnichannel + Marketplace + Health Hub)

**Healthcare Platform**



Integral Health

**Health promotion**  
Promote, educate and maintain a healthy lifestyle

**Prevention**  
Monitor and treat chronic conditions

**Protection**  
Protect health through vaccination and immunization

**Primary care**  
Diagnose and treat acute, low-complexity conditions

**Together for a healthier society:**

**Healthier People**  
(Employees, Customers, Community);

**Healthier Businesses**  
(Diversity, Education, Shared Value);

**Healthier Planet**  
(Emissions, Energy, Waste).

Value Proposals

Nutrition

Adherence

Vaccination and Immunization

Telehealth

Participants

vitat

espaço sua saúde

espaço sua saúde CUCO HEALTH

HBIT vitat

SafePill

espaço sua saúde

vitat

labi

espaço sua saúde HBIT

amplimed

labi





# Questions & Answers

1Q24



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