



# EARNINGS PRESENTATION

3Q21

**RD** Gente,  
Saúde e  
Bem-estar.  
RaiaDrogasil S.A.



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## Consolidated highlights\*

- › **PHARMACIES\*\*:** 2,414 units in operation (52 openings and 12 closures)
- › **MARKET SHARE:** 1.1 p.p. national increase to 14.3%, with gains in every region
- › **GROSS REVENUE:** R\$ 6.5 billion, a 21.2% increase with a 2.0% real mature-store growth
- › **CONTRIBUTION MARGIN\*\*\*:** 10.0%, a 0.1 p.p. margin expansion and 22% growth
- › **ADJUSTED EBITDA:** R\$ 446.2 million, a 6.8% EBITDA margin and 12% growth
- › **ADJUSTED NET INCOME:** R\$ 173.6 million, with a 2.7% net margin
- › **CASH FLOW:** R\$ 73.2 million positive free cash flow, R\$ 21.9 million total cash consumption

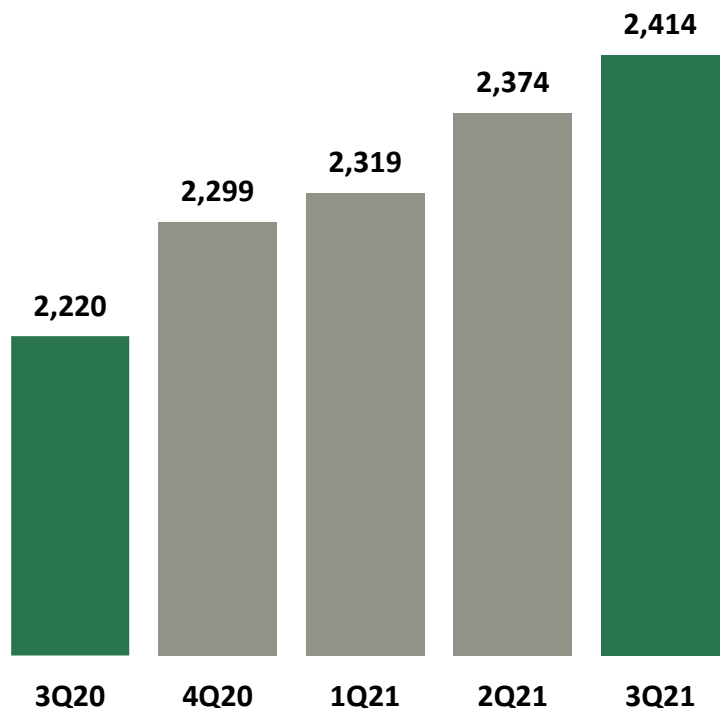
\* Considers the IAS 17 / CPC 06 reporting standard

\*\* Does not include 4 4Bio units

\*\*\* Margin before the corporate overhead (gross profit – selling expenses)

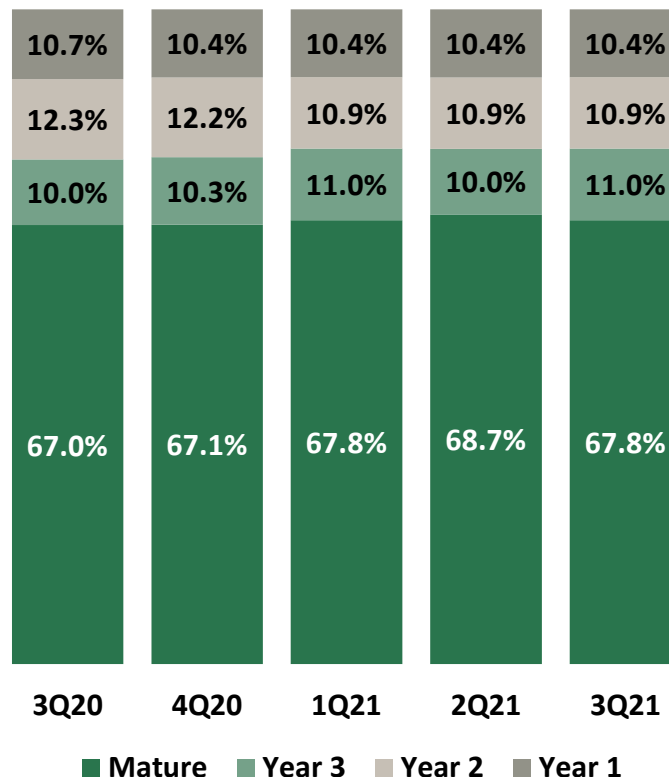
We opened 52 pharmacies and closed 12 in the 3Q21. We announced a new guidance of 260 openings for 2022 and reiterated 240 for 2021.

Pharmacy count



	3Q20	4Q20	1Q21	2Q21	3Q21
Openings	+64	+82	+40	+62	+52
Closures	-3	-3	-20	-7	-12
<b>Net</b>	<b>+61</b>	<b>+79</b>	<b>+20</b>	<b>+55</b>	<b>+40</b>

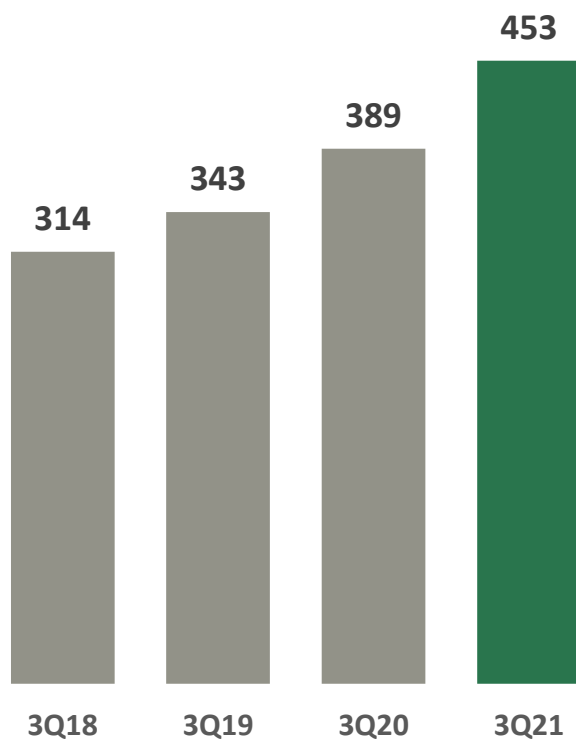
Age structure of pharmacy portfolio



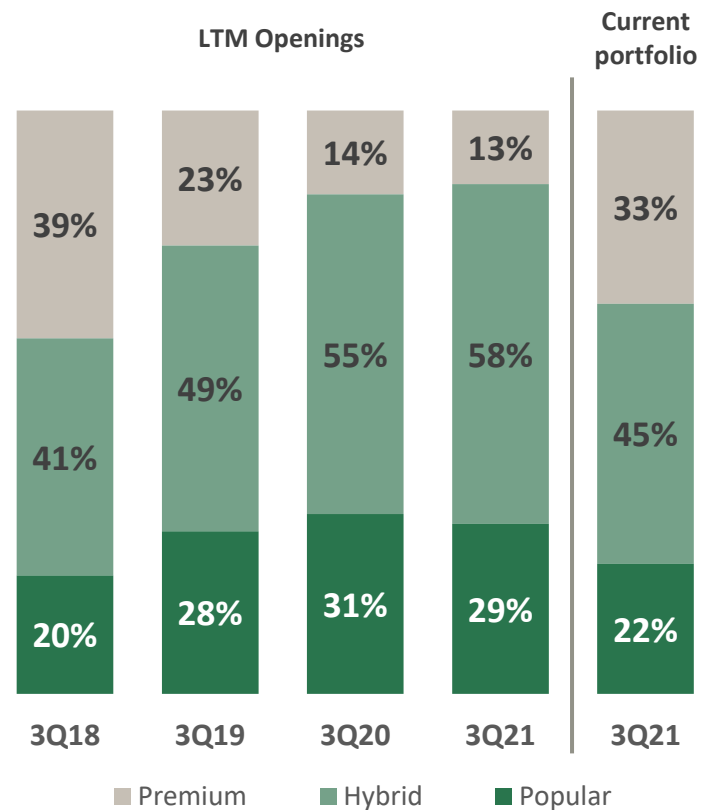
**New pharmacy Guidance:**  
**+240 in 2021 and +260 in 2022**  
*while maintaining the current geographical and demographic diversification*

We expanded our presence to 453 cities in the 3Q21, with 87% of openings consisting of Popular or Hybrid formats to serve the expanded middle class.

Cities with pharmacies



Network composition by format\*

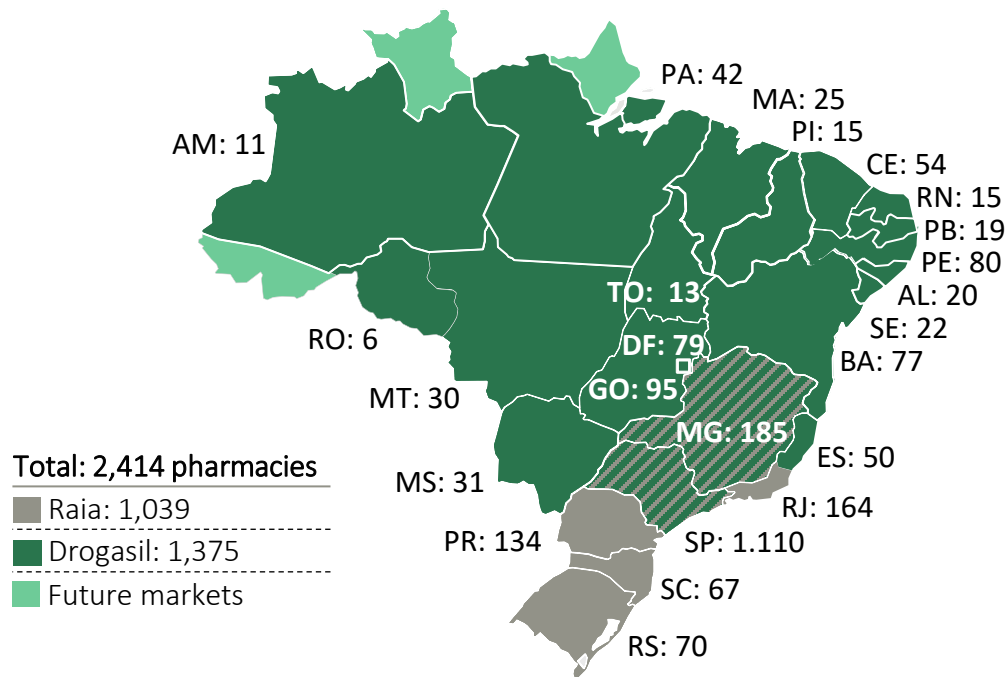


\* Openings exclude the Onofre acquisition.



Our market share reached 14.3% with a 1.1 p.p. gain. We are entering the states of AC, AP and RR by year-end, expanding our presence to the entire country.

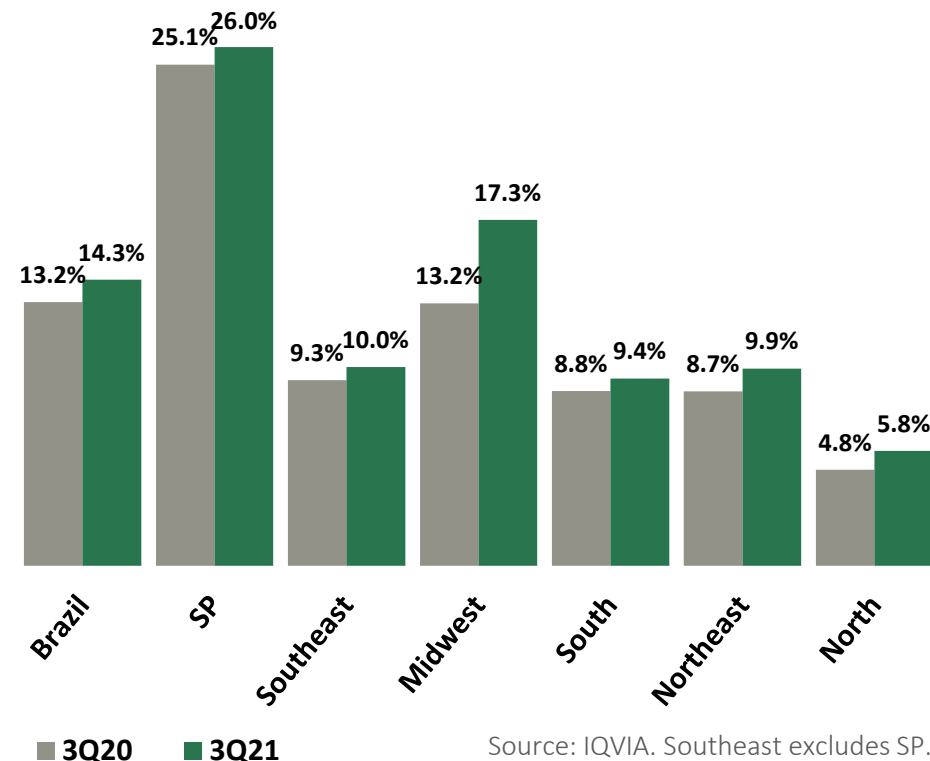
Pharmacy geographic presence



LTM organic openings*	3Q17	3Q18	3Q19	3Q20	3Q21
São Paulo state	93	76	65	71	53
Total	212	230	231	237	236
% São Paulo state	44%	33%	28%	30%	22%

\* Does not consider the 42 pharmacies acquired from Onofre

Pharmacy market share

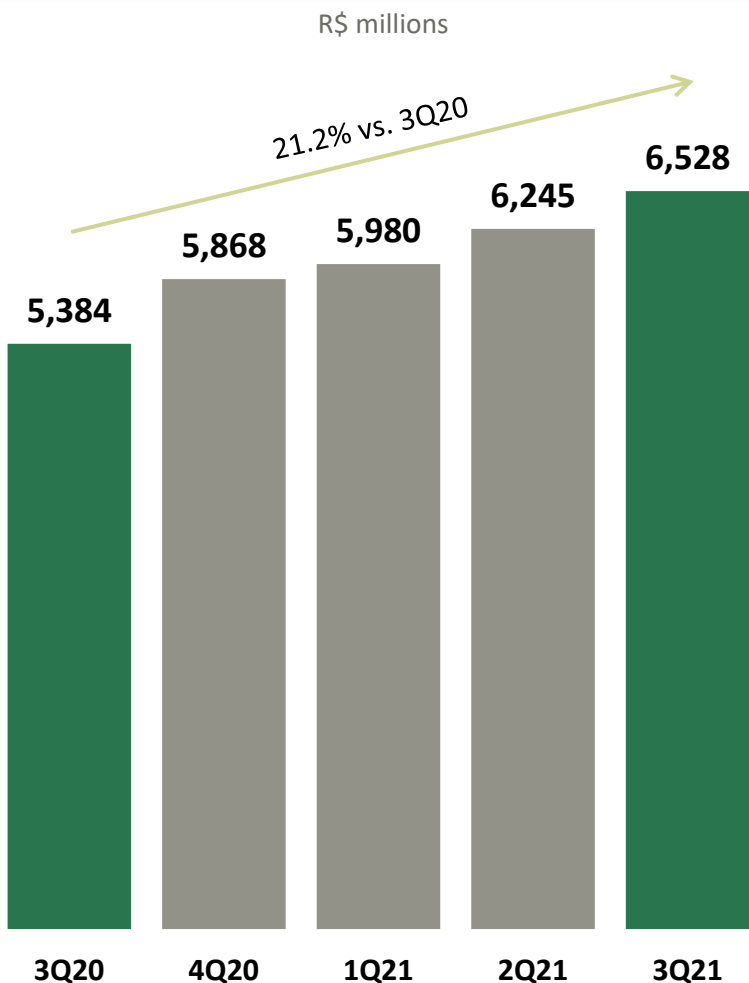


Source: IQVIA. Southeast excludes SP.

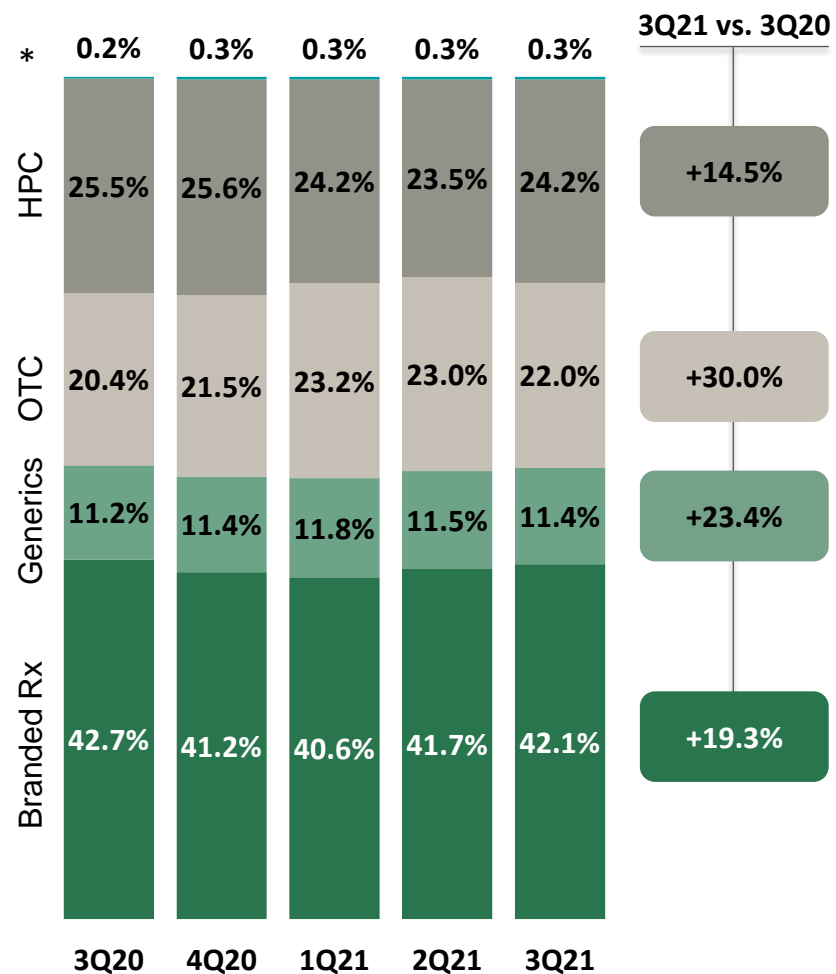


# Consolidated revenues grew 21.2% vs. the 3Q20, driven by OTC and Generics.

Consolidated gross revenue



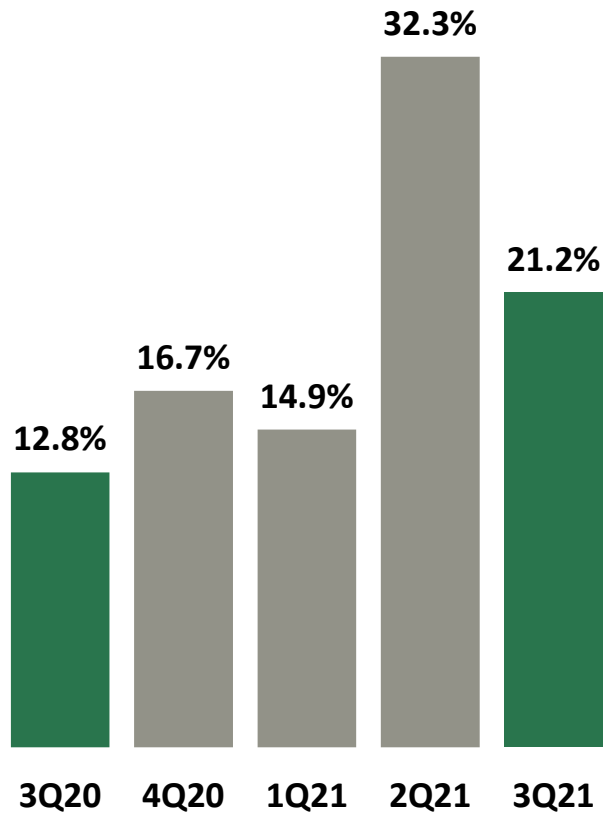
Retail sales mix



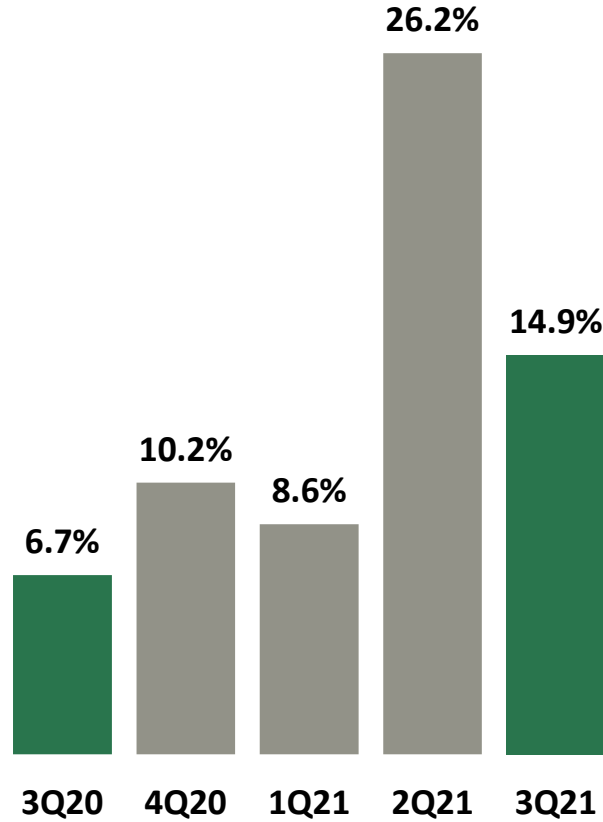
\* Services

# Mature stores grew 12.3% in the 3Q21, 2.0 p.p. above the period's CPI of 10.3%.

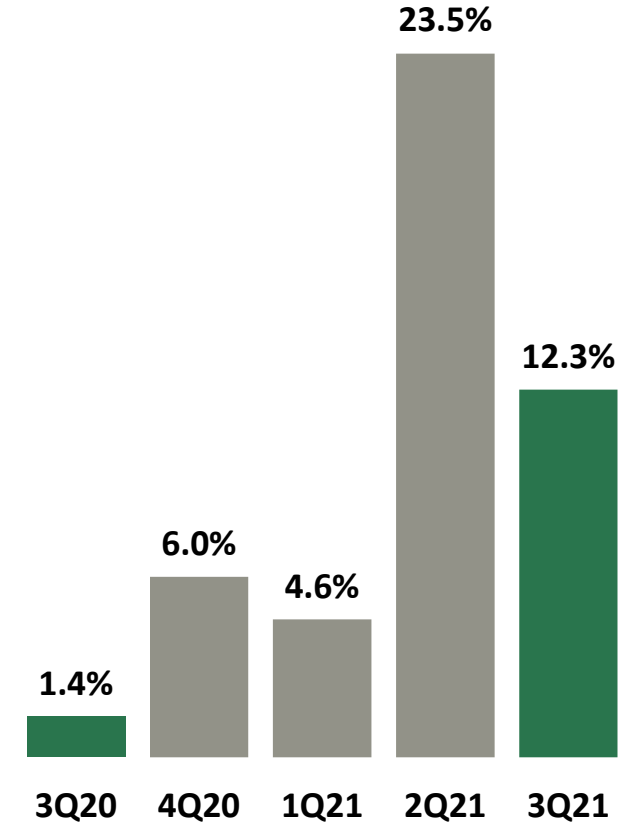
### Consolidated revenue growth



### Same-Store sales growth - Retail



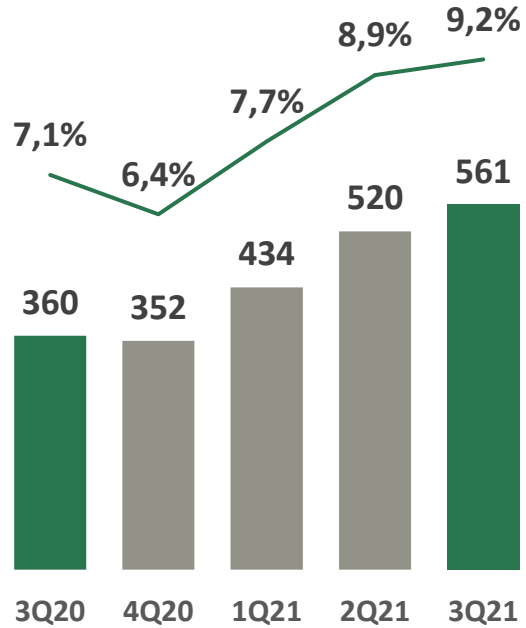
### Mature-Store sales growth - Retail





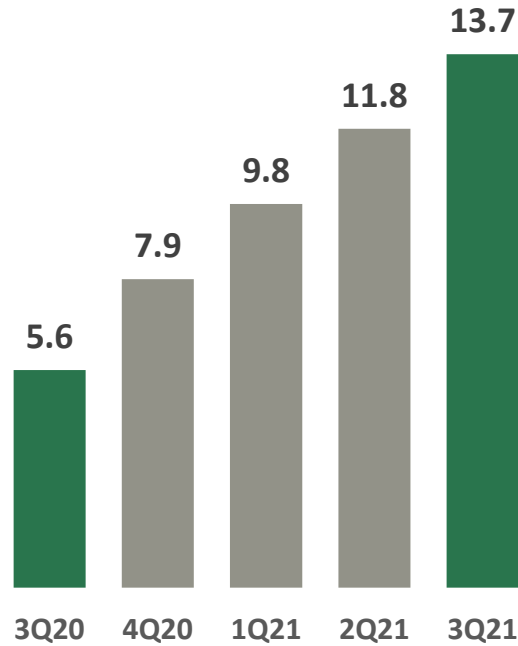
# Digital channels reached 9.2% of retail sales as we improve the omnichannel experience and digitalize our customers.

Digital sales and penetration

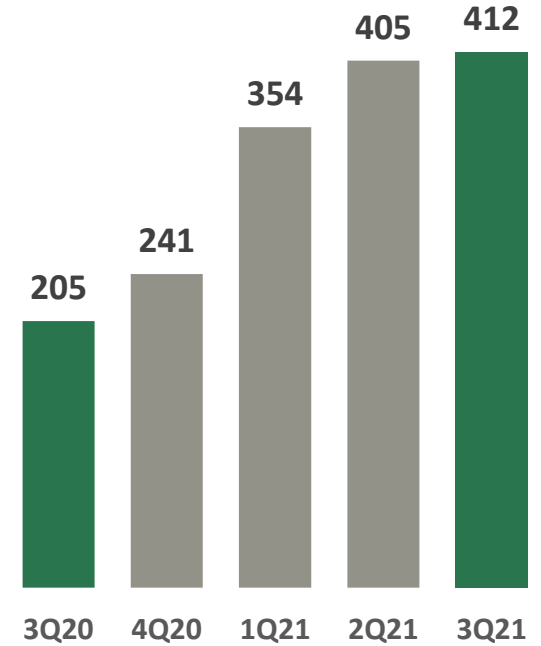


Cumulative app downloads

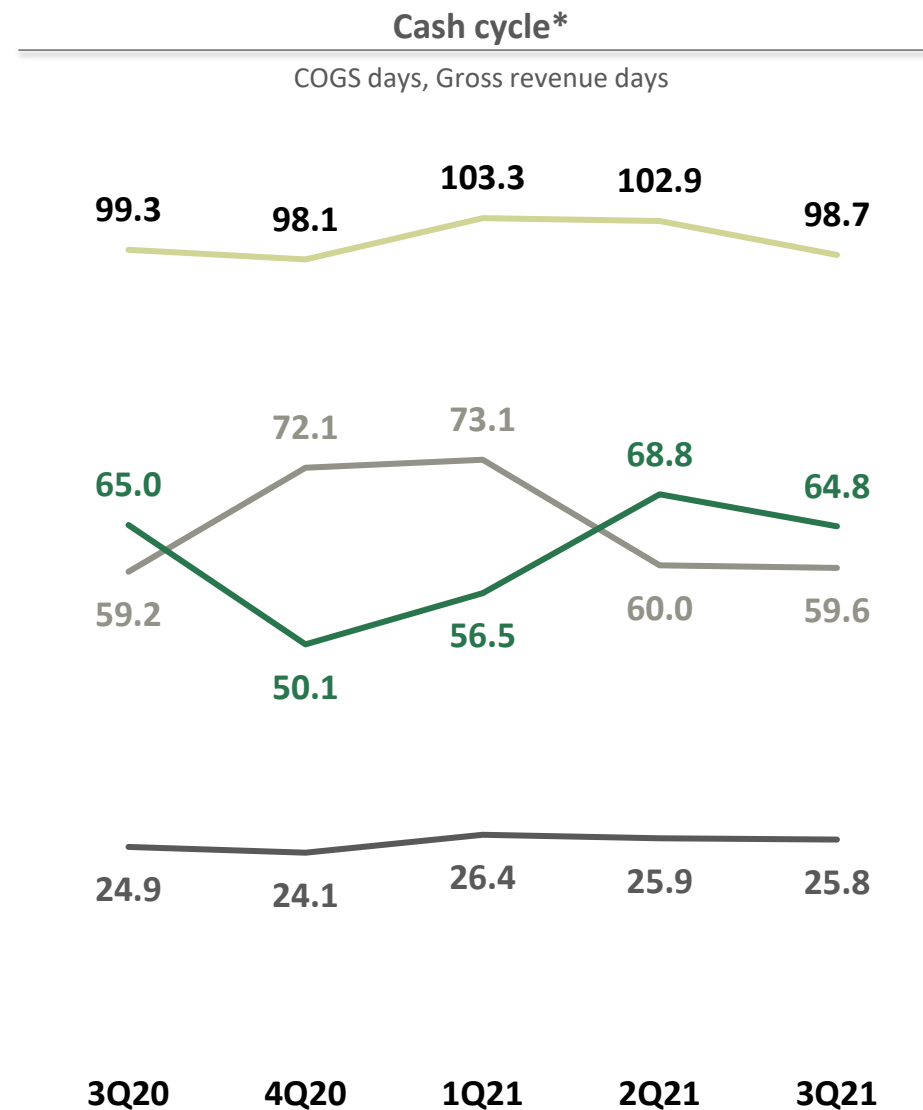
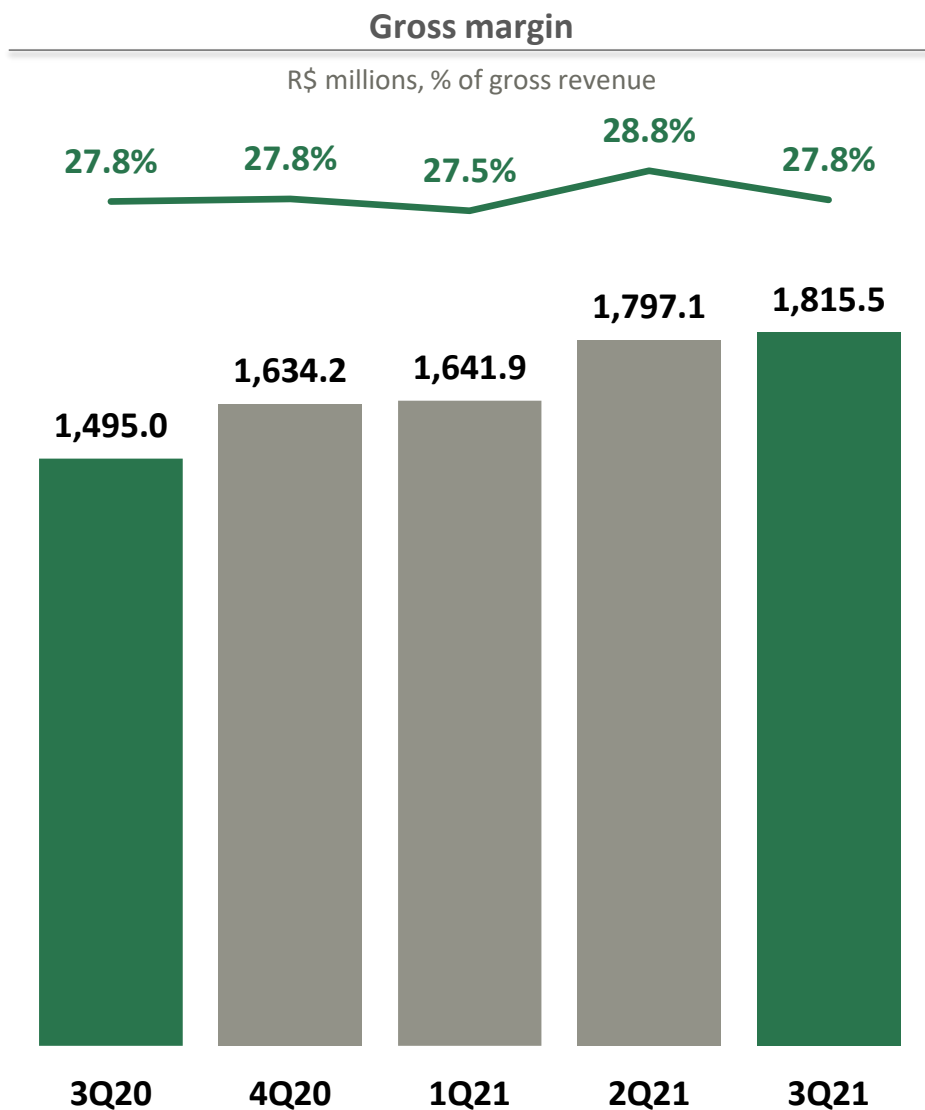
Millions



Cities with motorized ship-from-store deliveries



# Gross margin in the 3Q21 remained in-line with the 3Q20. We recorded a sequential cash cycle improvement of 4 days.



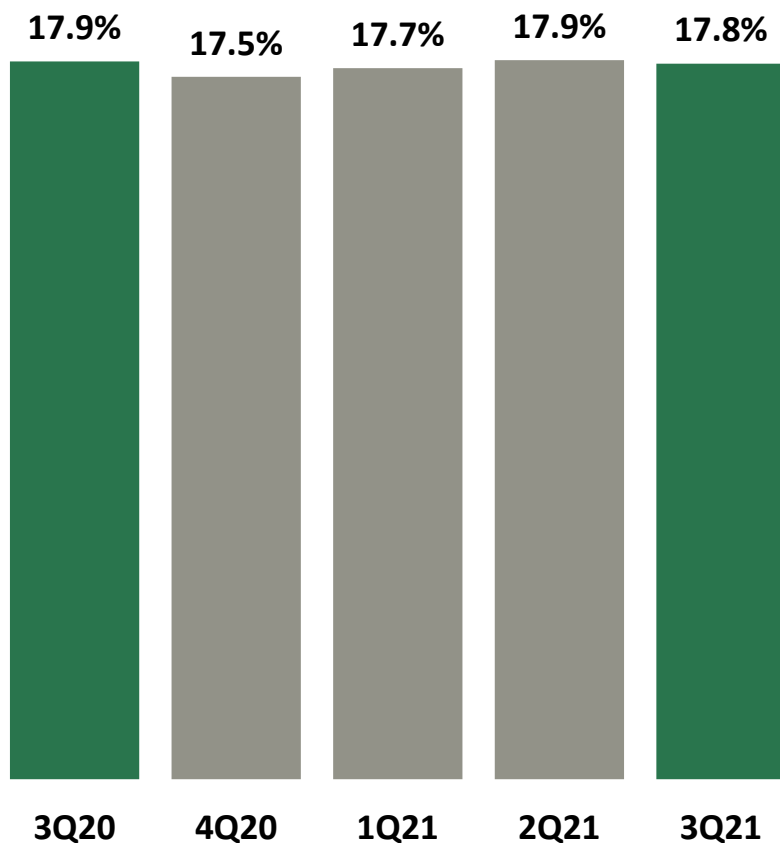
— Receivables — Inventories — Suppliers — Cash Cycle

\* Adjusted for discounted receivables.

**Dilution of 0.1 p.p. in selling expenses led to a 0.1 p.p. expansion in the 3Q21 contribution margin, in spite of the inflationary pressures.**

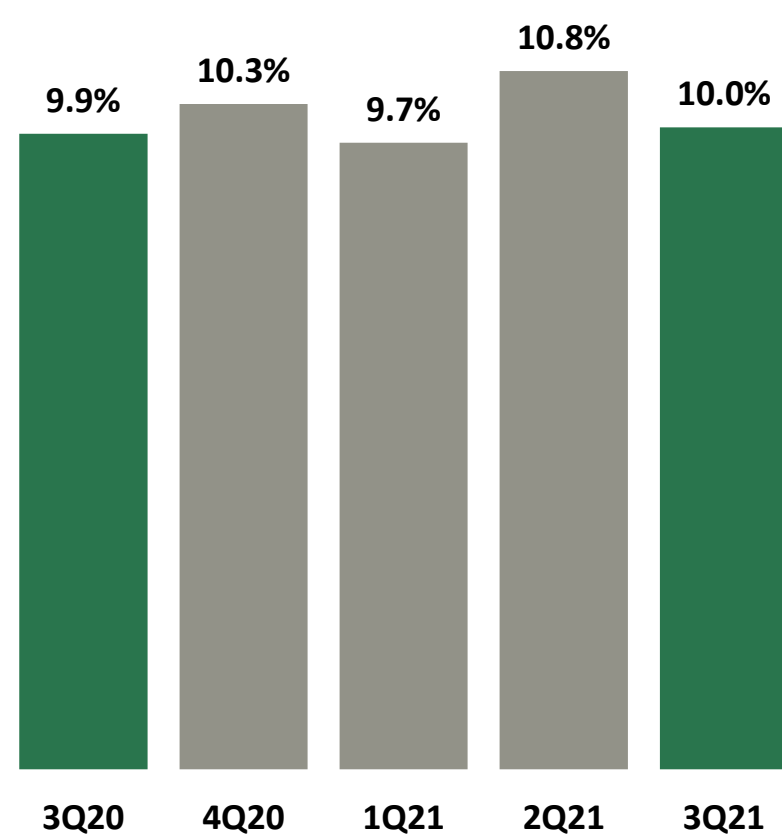
### Selling expenses

% of gross revenue



### Contribution margin

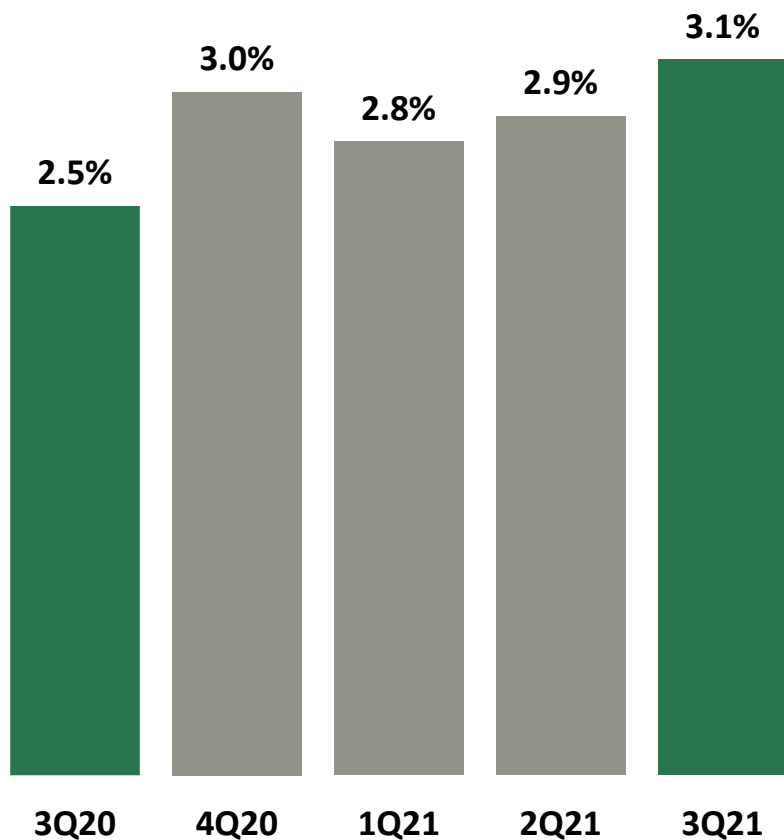
% of gross revenue



# Digital health transformation and inflation pressured G&A by 0.6 p.p., resulting in an EBITDA of R\$ 446.2 million and a consolidated margin of 6.8%.

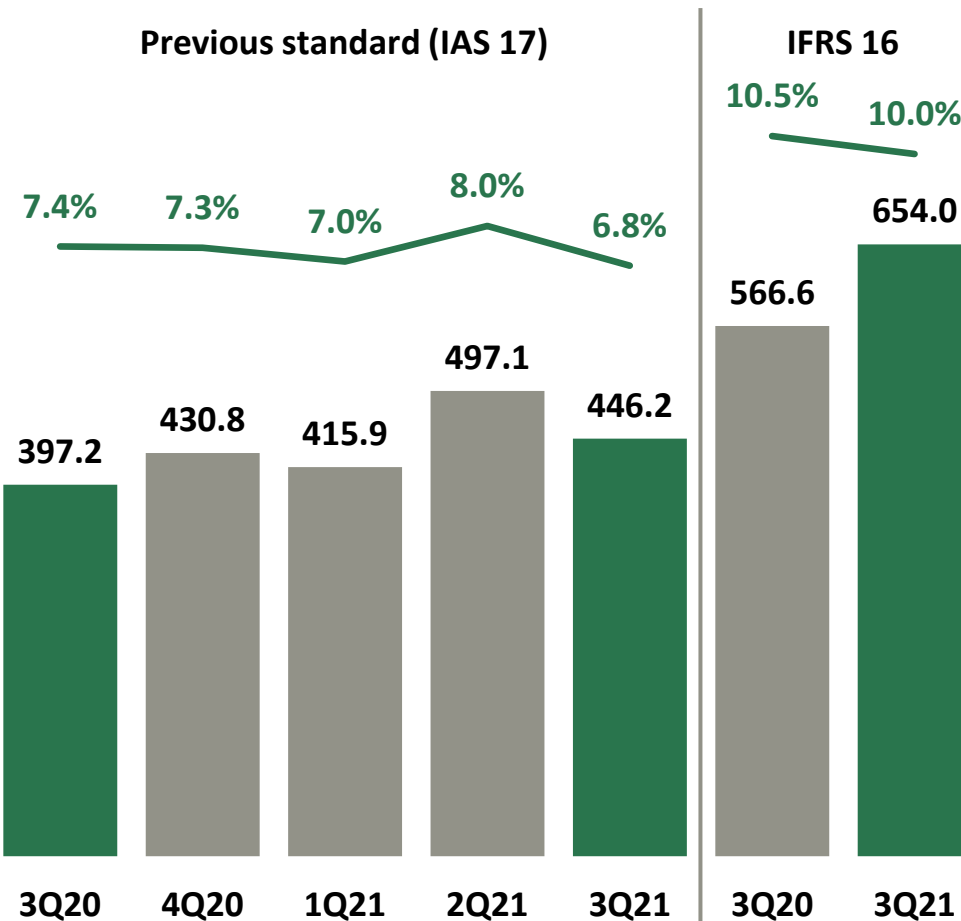
## General and administrative expenses

% of gross revenue



## Adjusted EBITDA

R\$ millions, % of gross revenue

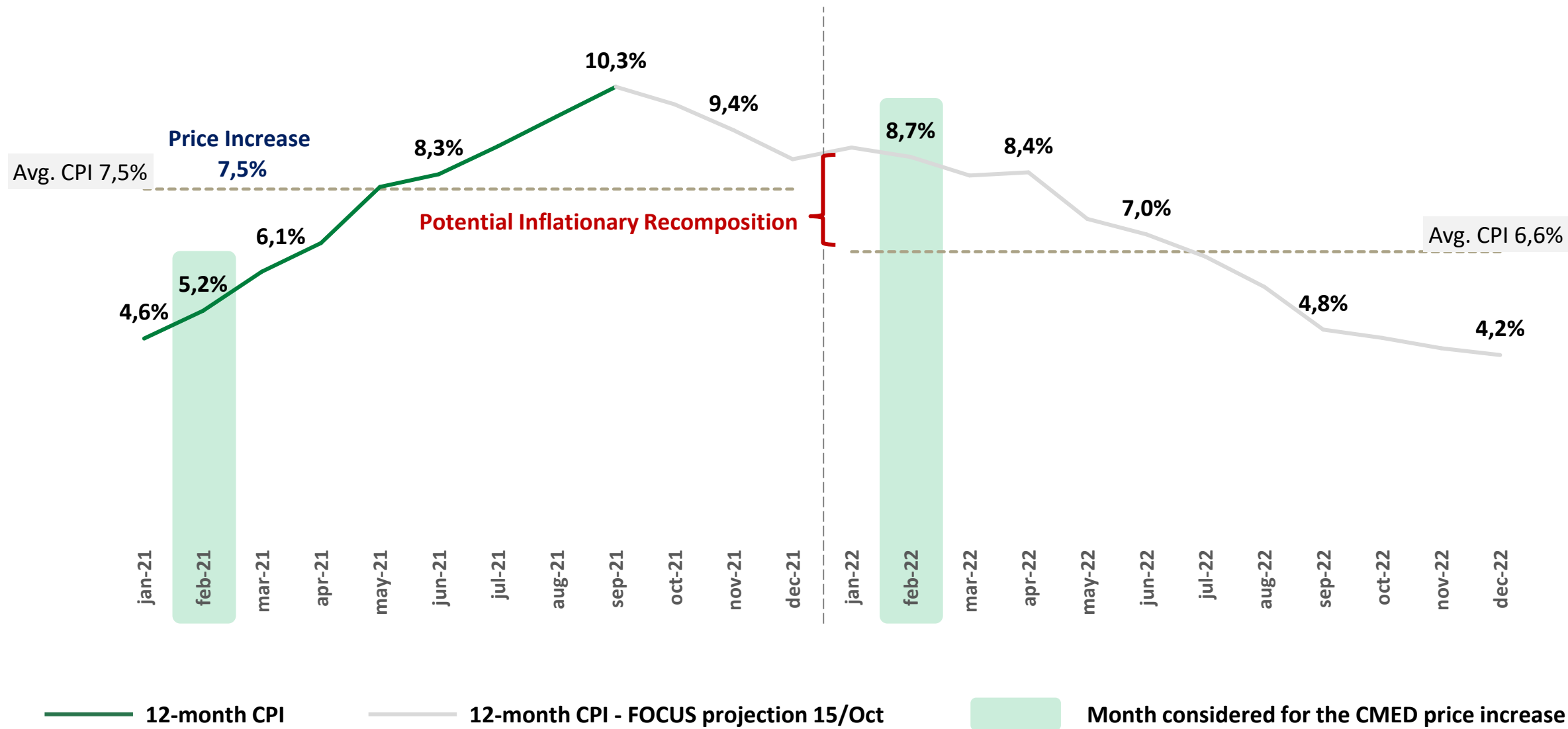


**Consolidated results for the 2,260\* pharmacies operating since the end of 2020:**

- › Gross revenue **R\$ 6,371 million**
- › Adjusted EBITDA **R\$ 450 million**
- › Adj. EBITDA margin **7.1%** (IAS 17)

\* 2,299 pharmacies by the end of the 4Q20 less 39 closures.

# We expect an inflationary recomposition in 2022, with the CMED price increase above the average CPI of the year.

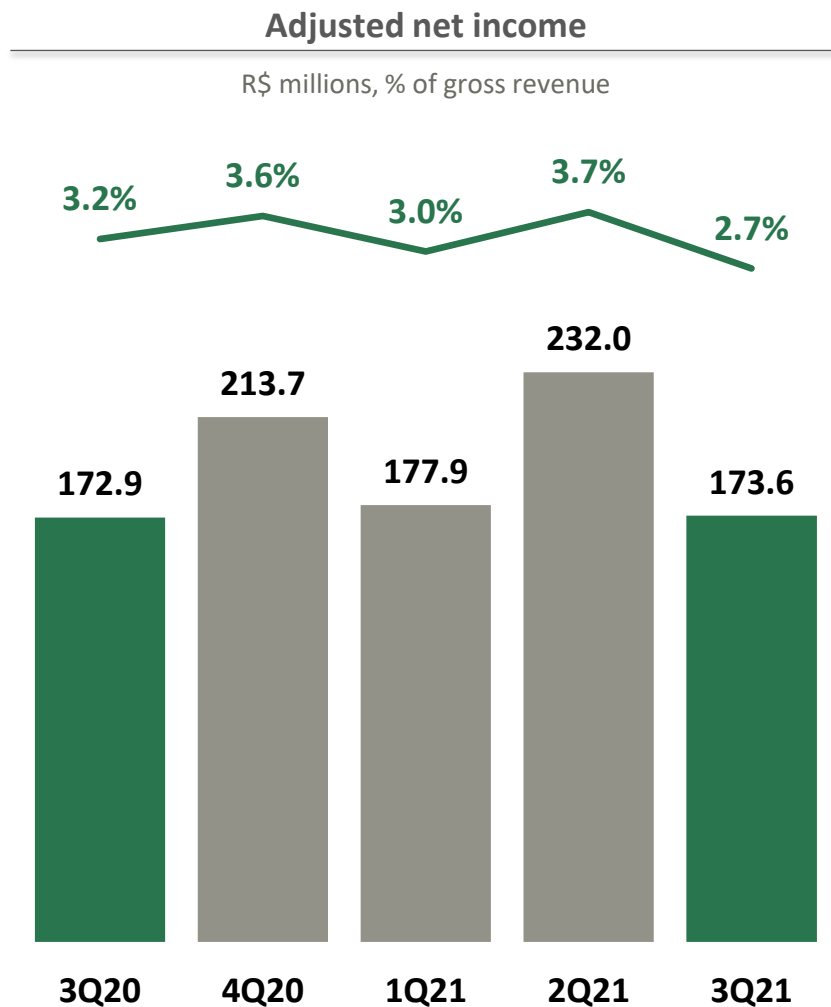


**We recorded R\$ 1.2 MM in net non recurring expenses in the 3Q21.**

<b>EBITDA Reconciliation - R\$ millions</b>	<b>3Q21</b>	<b>3Q20</b>
<b>Net income</b>	<b>172.8</b>	<b>174.7</b>
Income tax	74.4	57.4
Equity Equivalence	(0.2)	4.3
Financial Result	39.9	22.0
<b>EBIT</b>	<b>286.9</b>	<b>258.4</b>
Depreciation and amortization	158.0	141.5
<b>EBITDA</b>	<b>444.9</b>	<b>400.0</b>
Donations	3.9	2.0
Distribution center closure	-	0.7
Restructuring expenses	-	(2.4)
INSS, PIS and COFINS credits from previous years	-	(3.9)
Asset write-offs	(2.3)	1.7
Other non-recurring/non-operating effects	(0.4)	(0.8)
<b>Non-recurring/non-operating expenses</b>	<b>1.2</b>	<b>(2.8)</b>
<b>Adjusted EBITDA</b>	<b>446.2</b>	<b>397.2</b>



# Adjusted net income totaled R\$ 173.6 million in the 3Q21, a margin contraction of 0.5 p.p. versus the 3Q20.



# Positive free cash flow of R\$ 73.2 million, with R\$ 21.9 million in total cash consumption. Leverage was of 0.8x, a 0.1x reduction.

<b>Cash Flow</b>	<b>3Q21</b>	<b>3Q20</b>
<i>(R\$ million)</i>		
<b>Adjusted EBIT</b>	<b>288,1</b>	<b>255,6</b>
NPV Adjustment	(17,2)	(5,6)
Non-Recurring Expenses	(1,2)	2,8
Income Tax (34%)	(91,7)	(86,0)
Depreciation	158,0	141,5
Others	(83,9)	12,9
<b>Resources from Operations</b>	<b>252,1</b>	<b>321,4</b>
Cash Cycle*	(17,1)	144,9
Other Assets (Liabilities)**	72,1	88,7
<b>Operating Cash Flow</b>	<b>307,0</b>	<b>555,0</b>
<b>Investments</b>	<b>(233,9)</b>	<b>(184,4)</b>
<b>Free Cash Flow</b>	<b>73,2</b>	<b>370,5</b>
Interest on Equity	(0,1)	(19,5)
Income Tax Paid over Interest on Equity	(6,6)	(6,6)
Net Financial Expenses***	(23,0)	(17,2)
Share Buyback	(73,2)	-
Income Tax (Tax benefit over financial expenses and interest on equity)	7,8	22,8
<b>Total Cash Flow</b>	<b>(21,9)</b>	<b>350,1</b>

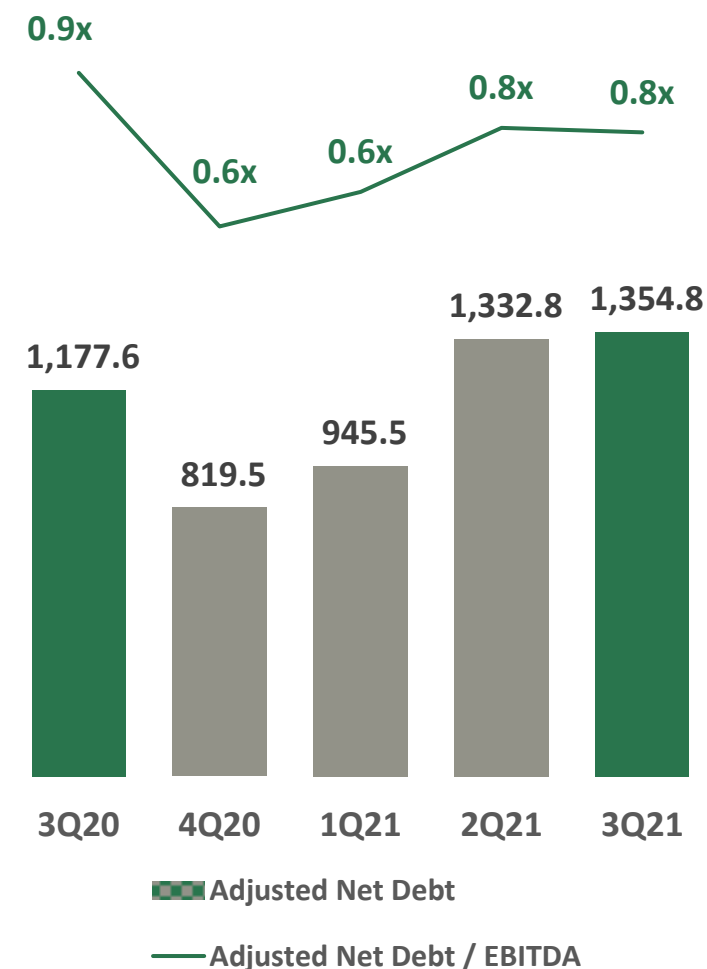
\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.

## Net debt and financial leverage

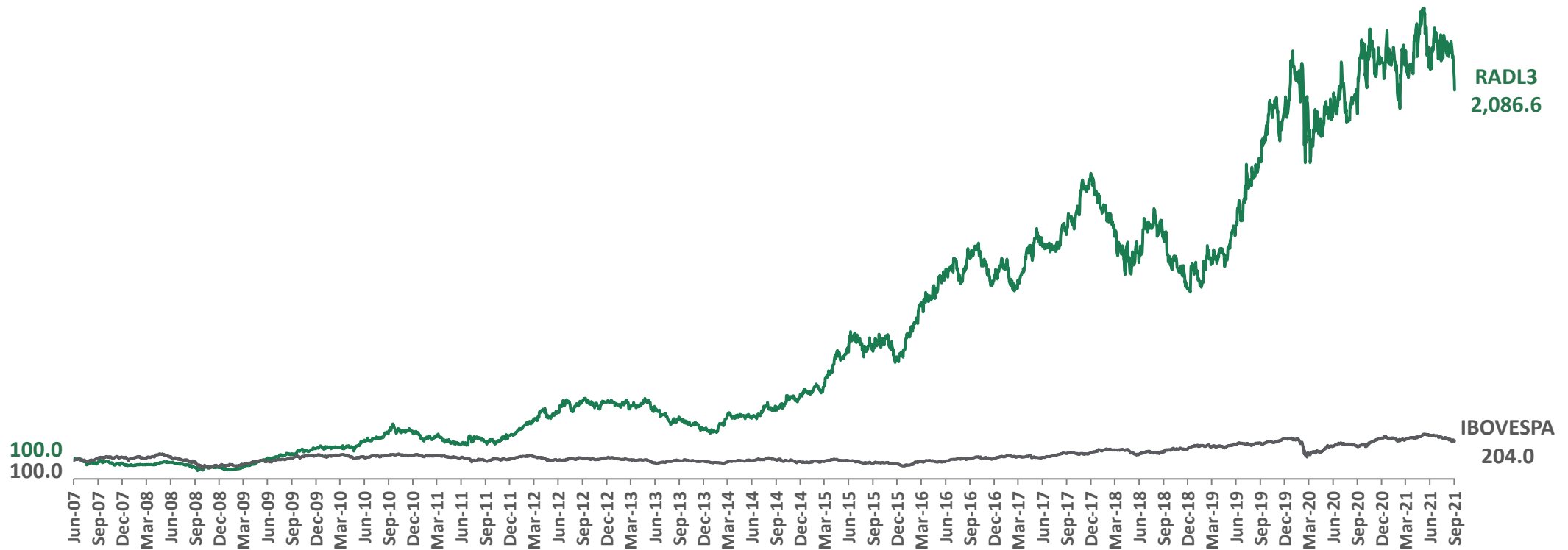
R\$ millions, as a ratio of LTM adjusted EBITDA





**RADL3 share price decreased 5.4% in the 3Q21, performing 7.1 p.p. above the IBOVESPA.**

### Share appreciation



### Performance in 2021

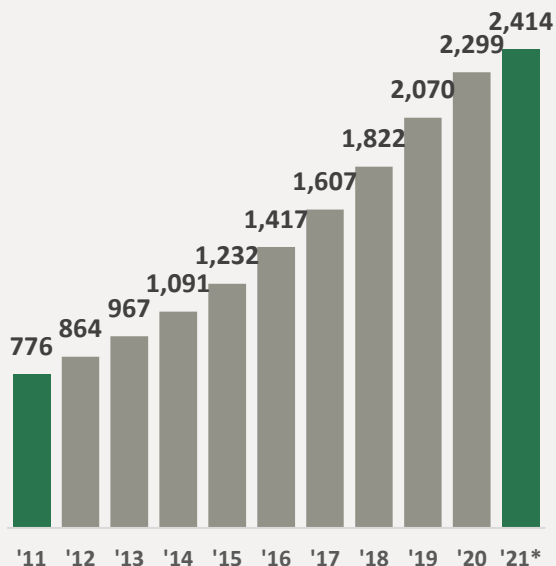
RADL3: -6.7%  
IBOVESPA: -7.0%  
Alpha: +0.3%

RADL3 daily average trading volume: R\$ 142 MM

- › Average annual return of 24.1% since the Drogasil IPO.
- › Average annual return of 21.7% since the Raia IPO.
- › Average annual return of 22.4% since the merger (31/Dec/11)

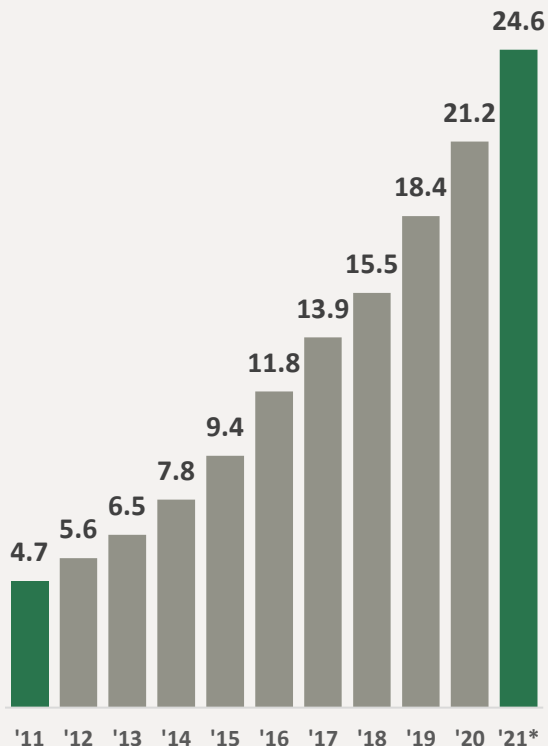
# RADL3: 10 years of consistent growth and value creation.

### Pharmacies



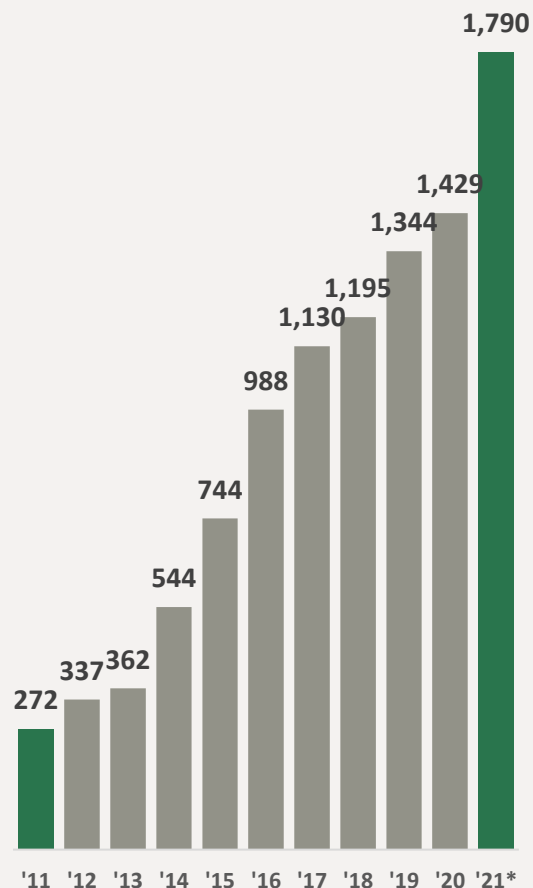
3x

### Gross revenue (R\$ billions)



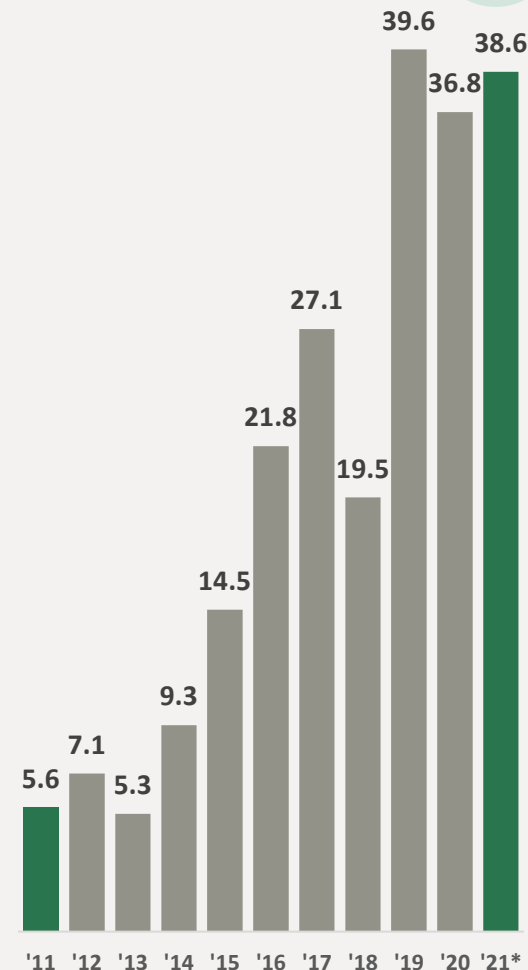
5x

### Adj. EBITDA (R\$ millions)



7x

### Market cap (R\$ billions)



7x

\* 2021: 3Q21 LTM

## Structural performance remains strong.

### Robust top-line growth

- › Mature stores grew 12.3% over the previous year, 2.0 p.p. above the registered CPI of 10.3% in the period
- › National market share growth of 1.1 p.p. with gains in every region
- › Expansion on track to deliver 240 new pharmacies in 2021 and 260 in 2022

### Solid financial performance

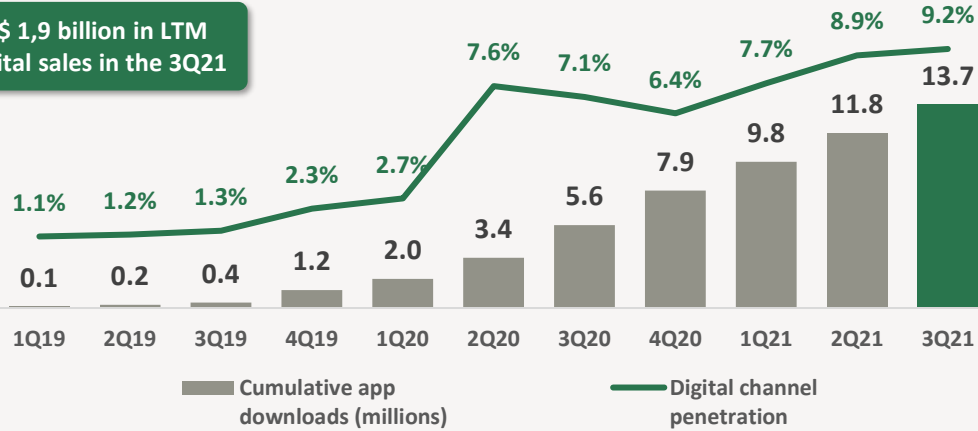
- › Contribution margin gain of 0.1 percentage point
- › EBITDA margin pressure of 0.6 percentage point fully driven by G&A increases to support new strategy
- › Potential inflationary recomposition in 2022, with expected CMED increase above average annual CPI

# Customer digitalization keeps increasing while boosting customer lifetime value. Health services have also accelerated during the pandemic.

## I. NEW PHARMACY

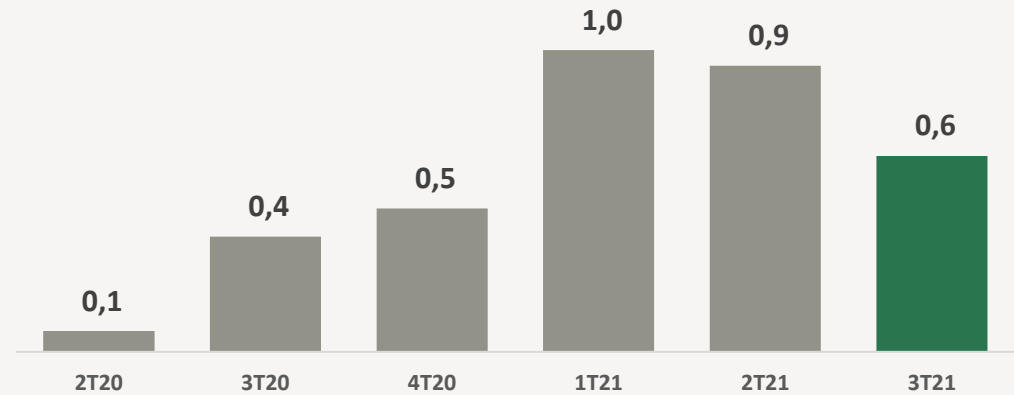
We registered 13.7 MM downloads and 9.2% digital channel penetration

**R\$ 1,9 billion in LTM digital sales in the 3Q21**



## II. MARKETPLACE

We served 3.4 MM COVID-19 quick tests in our pharmacies since May/20  
COVID-19 quick tests, in millions



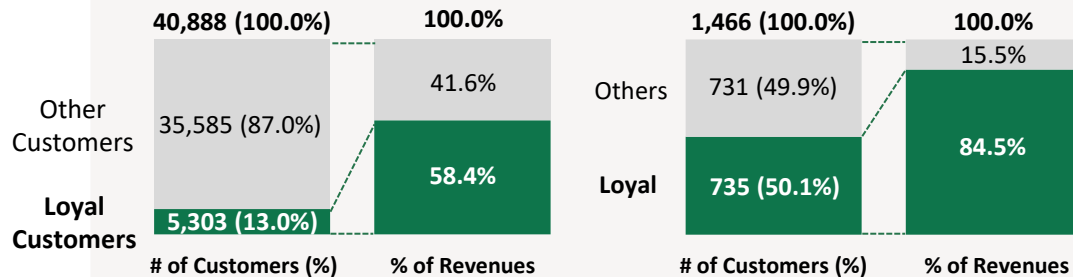
## III. HEALTH PLATFORM

### Customer base

September 2021, thousands and % of total

#### Total customers

#### Omnichannel customers

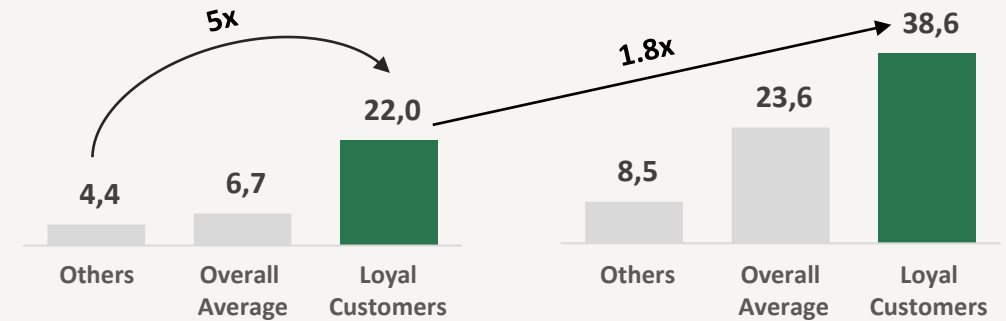


### Annual purchasing frequency

September 2021

#### Total customers

#### Omnichannel customers

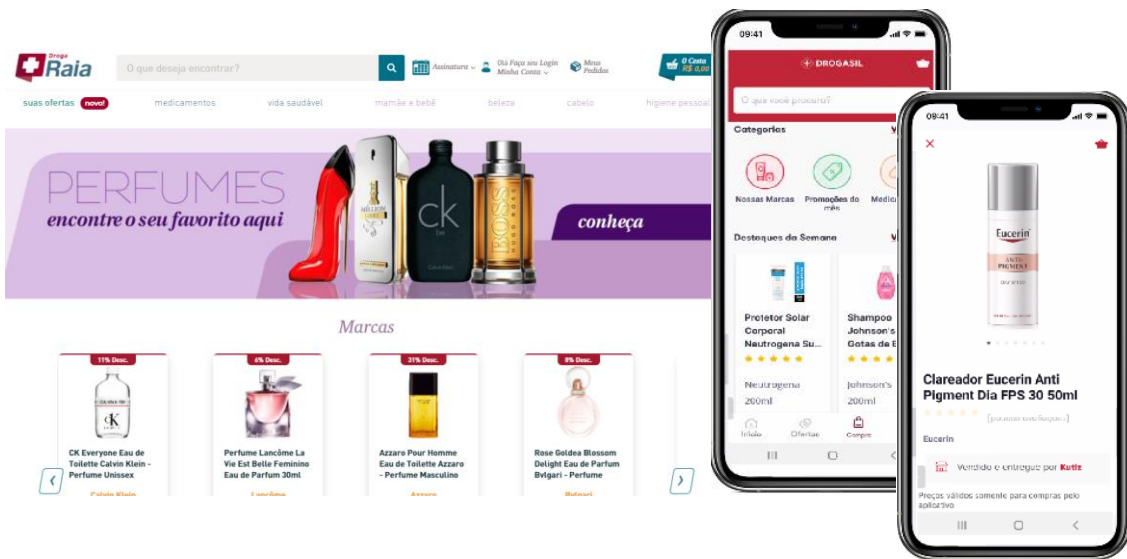


# Significant increase in sellers and mix during initial year of operation. Focus for 2022 and onwards is scaling-up the GMV.

## I. NEW PHARMACY

## II. MARKETPLACE

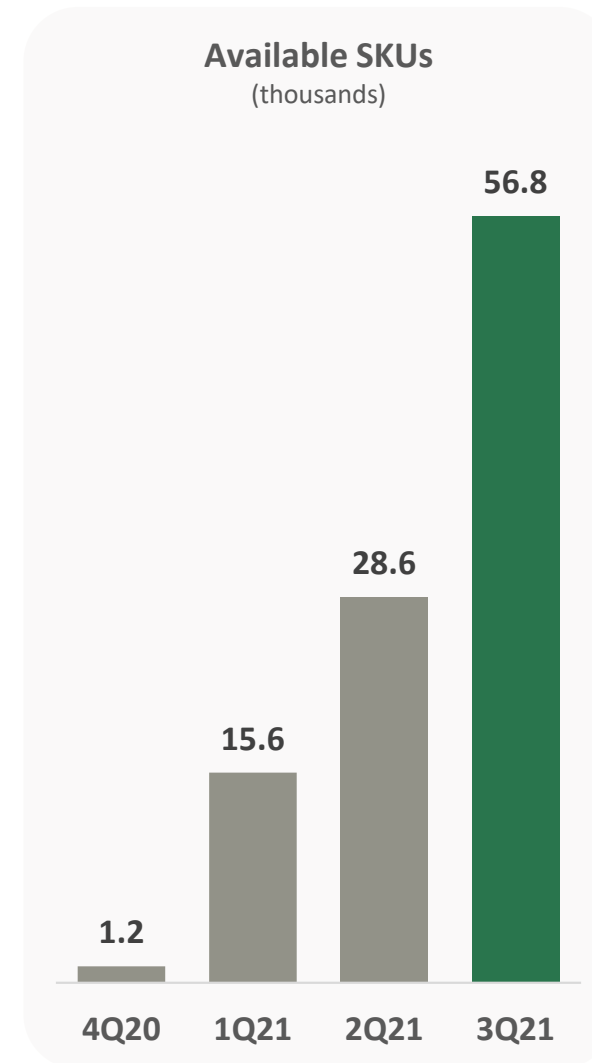
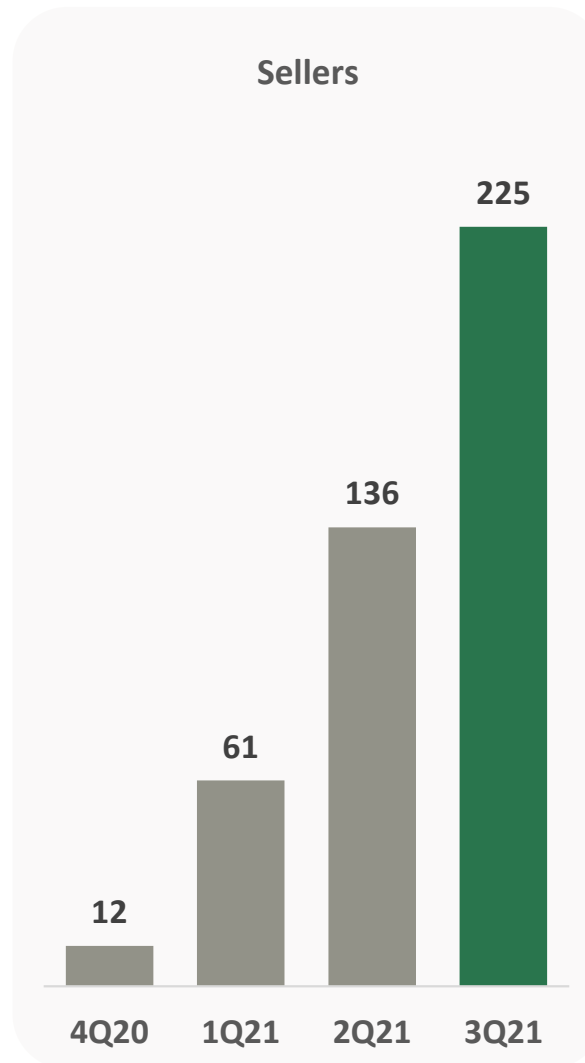
## III. HEALTH PLATFORM



MVP operations running for 1 year



Raia site and app, Drogasil app

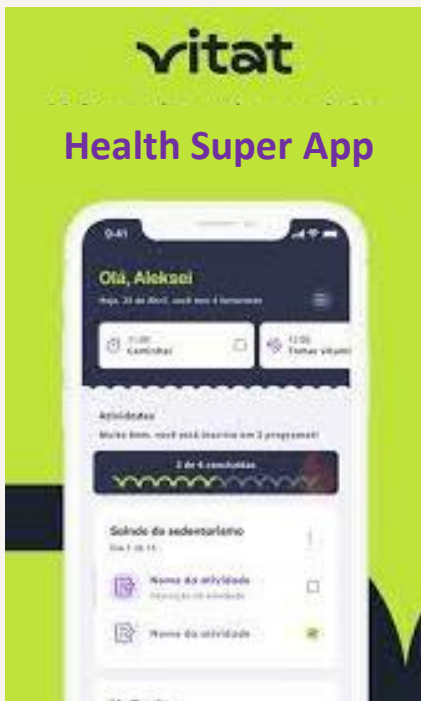


# We launched *Vitat*, an omnichannel healthcare platform that combines a health Super App with teleconsultations and more than 1.5 K Health Hubs by 2022.

## I. NEW PHARMACY

## II. MARKETPLACE

## III. HEALTH PLATFORM



**> 1.5 K**  
Health Hubs  
connected in 2022  
*Including 20 Vitat Spaces and Hubs in the remaining stores*



**4** health apps

**2.5 MM**  
downloads

**60 K**  
active subscriptions

**2 MM**  
users / month in  
the channels

**+150**  
Health  
Programs

**12 MM**  
Annualized revenue

**3,4 MM**  
COVID tests until  
3Q21

**44 mil**  
yearly  
immunizations

**56 mil** yearly  
pharma services