



Earnings Presentation

3Q23

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Consolidated Highlights ¹

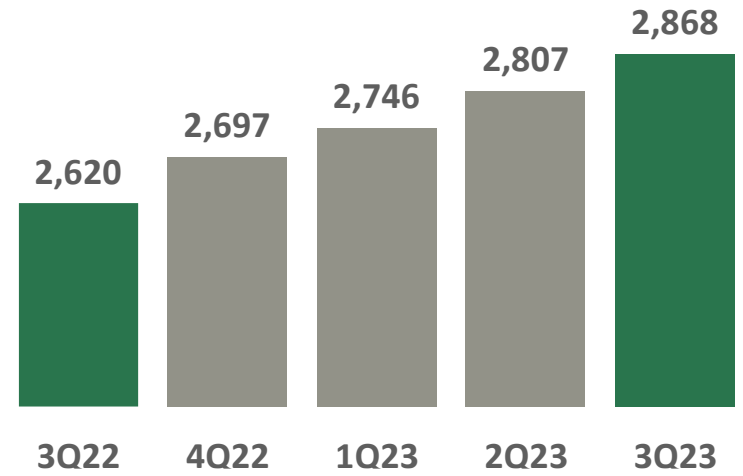
- › **PHARMACIES:** 2,868 units in operation (64 openings and 3 closures);
- › **GROSS REVENUES:** R\$ 9.3 billion, a 16.3% increase with 6.8% of mature-store growth;
- › **MARKET SHARE:** 15.6%, a 0.7 pp increase, with gains in every region;
- › **DIGITAL:** R\$ 1.3 billion, an increase of 51.4% and a retail penetration of 15.7%;
- › **CONTRIBUTION MARGIN²:** 10.7% of gross revenues, an expansion of 0.3 pp and an increase of 19.4%;
- › **ADJUSTED EBITDA:** R\$ 658.1 million, a margin of 7.1%, an expansion of 0.3 pp and an increase of 20.4%;
- › **ADJUSTED NET INCOME:** R\$ 268.4 million, a net margin of 2.9%, an expansion of 0.4 pp and an increase of 33.1%;
- › **CASH FLOW:** R\$ 336.2 million positive free cash flow, R\$ 263.1 million total cash generation.

¹ Considers the IAS 17 / CPC 06 reporting standard.

² Margin before the corporate overhead (gross profit – selling expenses).

We reached 2,868 pharmacies, with 269 LTM openings (10.3% increase) and 21 LTM closures (0.8% of store base), of which only 1 store was still in the maturation process.

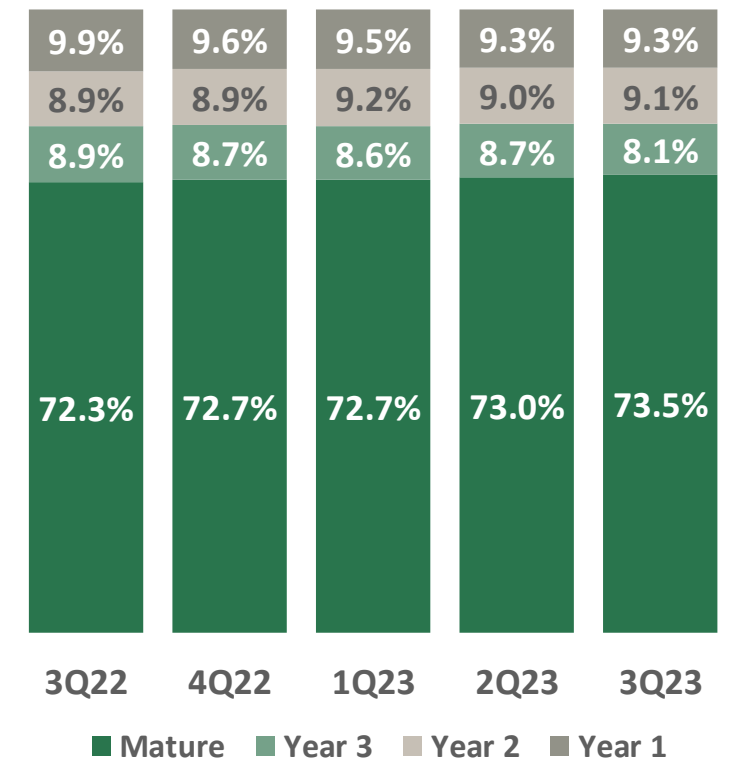
Pharmacy count



	4Q22	1Q23	2Q23	3Q23	LTM
Gross openings	+86	+55	+64	+64	+269
Closures	-9	-6	-3	-3	-21
<i>Maturing</i>	-	-1	-	-	-1
<i>Mature</i>	-9	-5	-3	-3	-20
Net openings	+77	+49	+61	+61	+248

Pharmacy portfolio

Age structure



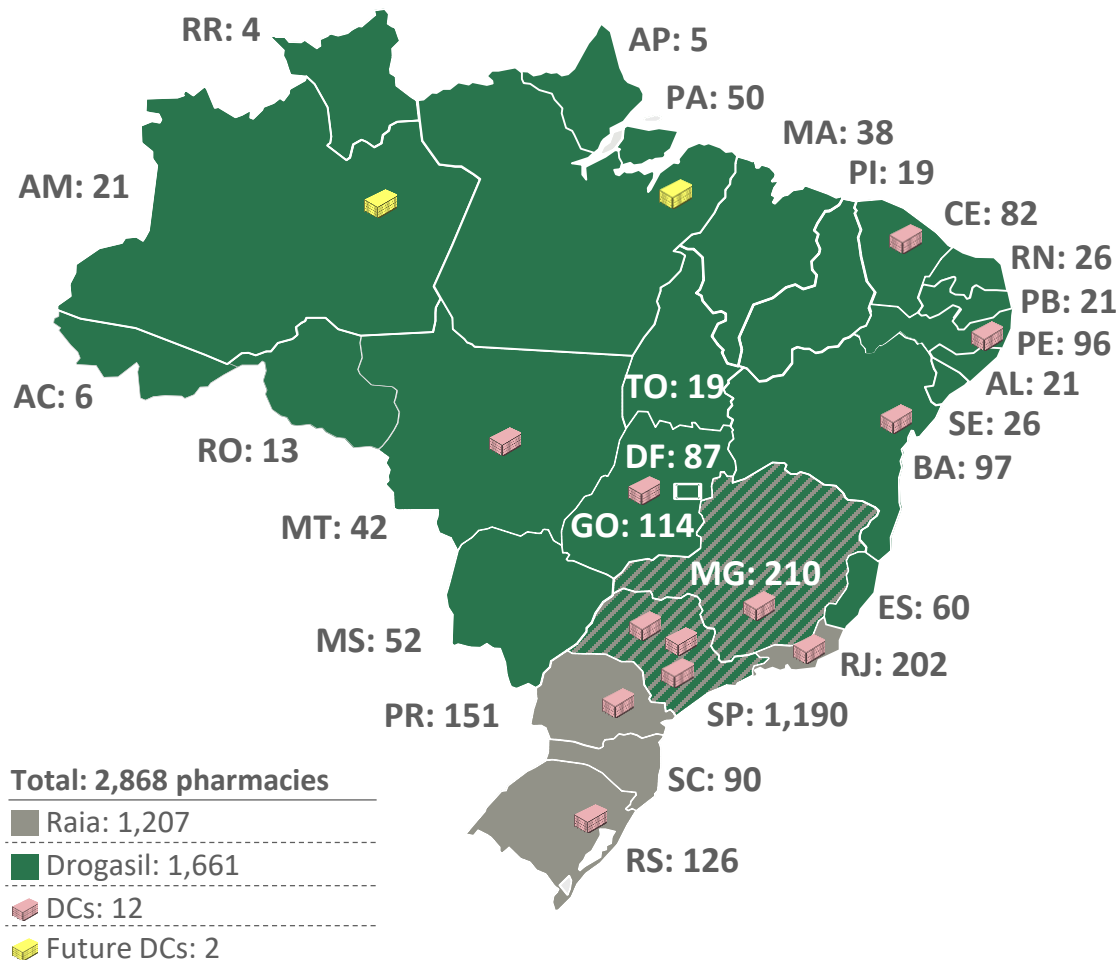
RD Expansion

- Guidance of **260** new stores per year from 2023 to 2025
- Total of **780 new pharmacies**
- 99.6%*** LTM assertiveness
- Broad geographic and demographic diversification

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

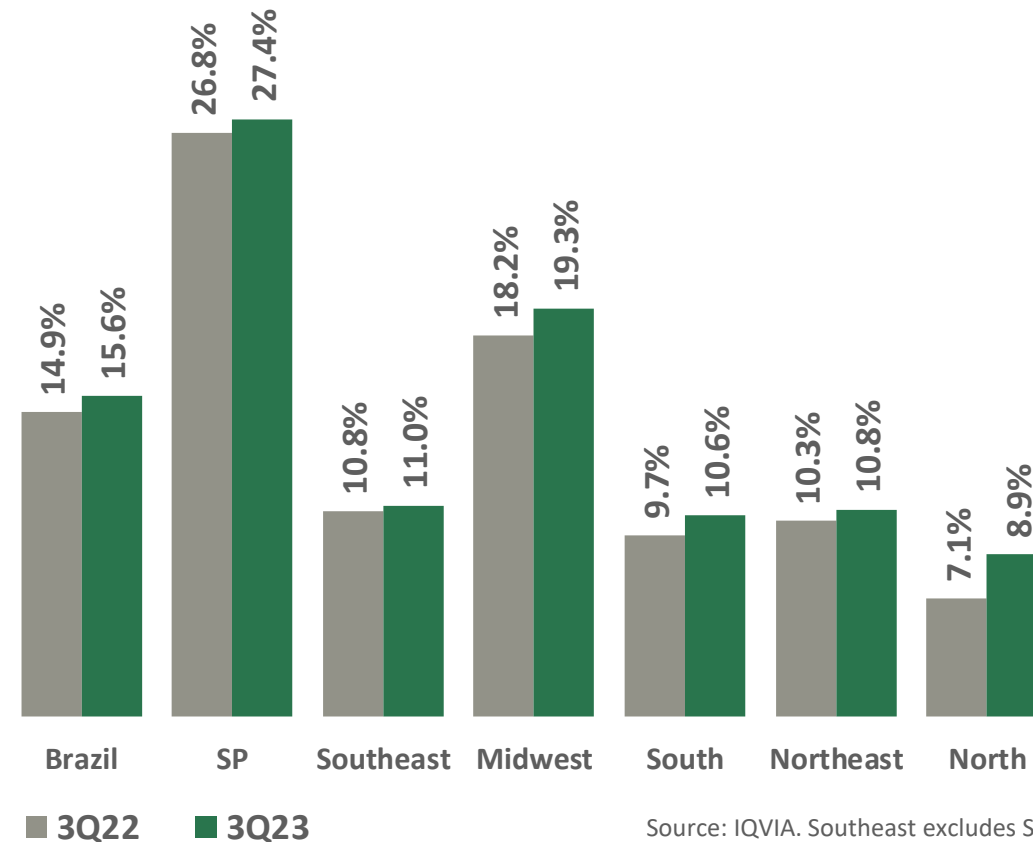
We are present in every state, with a national market share of 15.6% in the 3Q23, a 0.7 pp increase, with gains across every region. We are opening two new DCs in the North.

Geographic presence



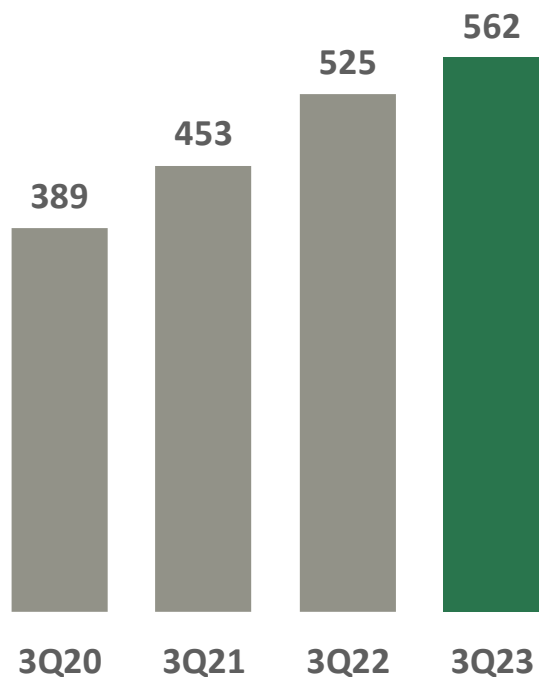
Market share

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

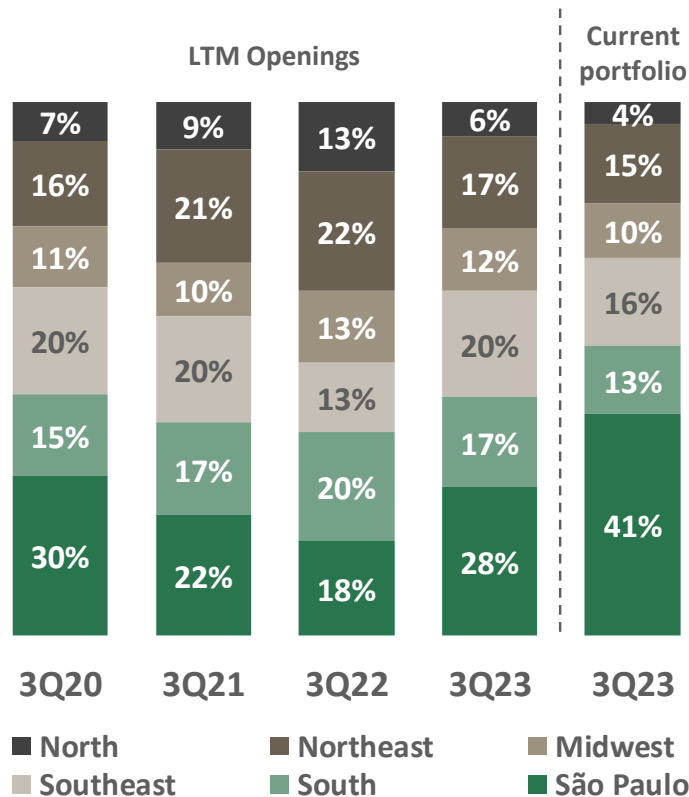


We expanded our presence to 562 cities and increased our geographic and demographic diversification, with 82% of LTM openings and 59% of all stores with Popular and Hybrid formats.

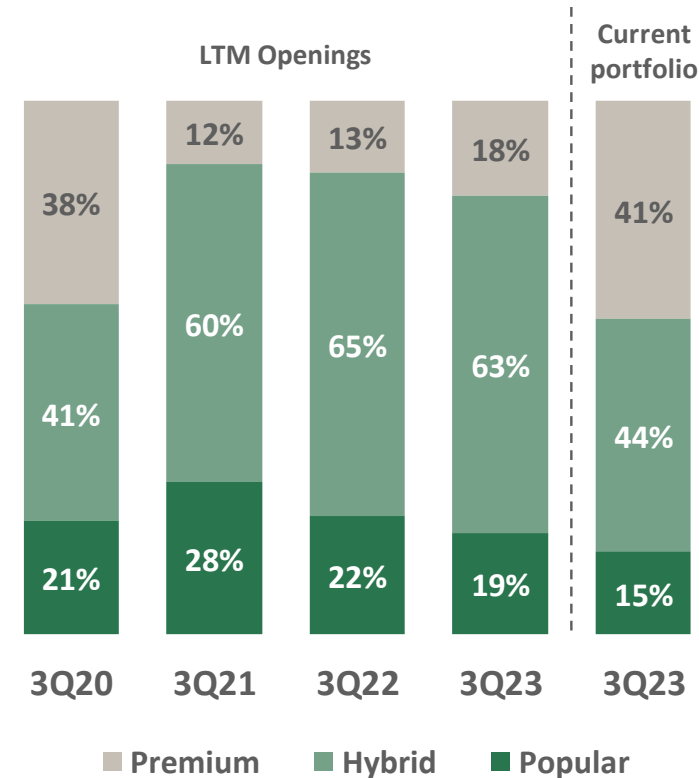
Number of cities with pharmacies



Pharmacies by region



Pharmacies by format

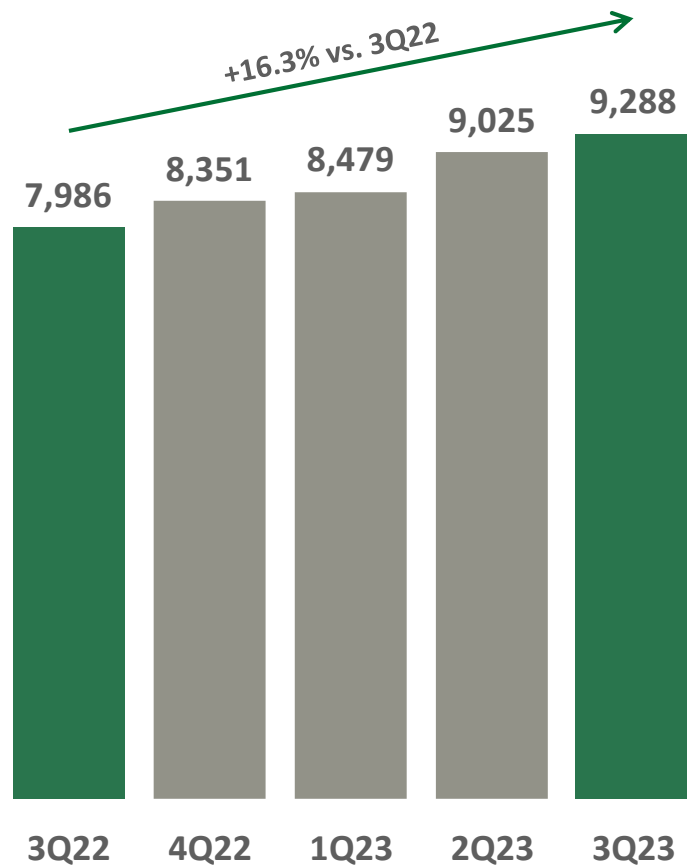


Presence in 305 of the 319 Brazilian cities with over 100 thousand inhabitants
(includes both pharmacies in operation as well as those in the opening process)

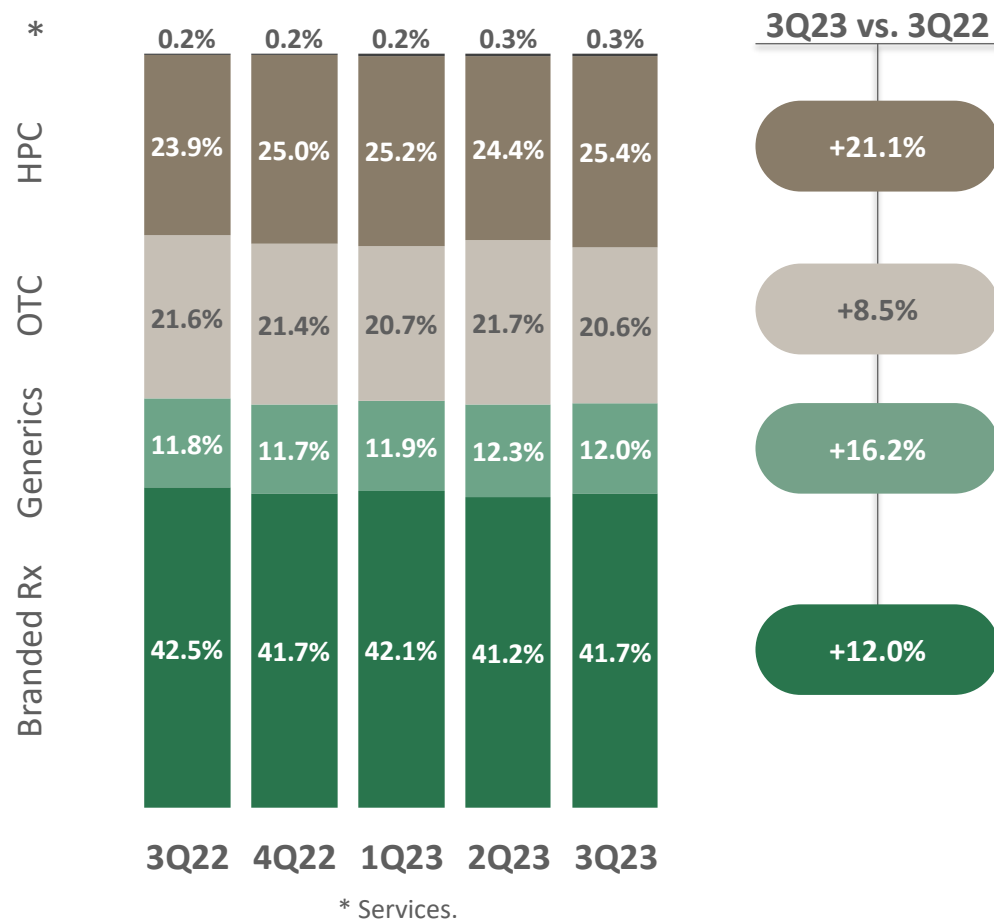
Revenue growth of 16.3%, driven by digital and 4Bio (impact of +2.1 pp). HPC and Generics have offset the pressures in OTC from the pandemic peak of the 3Q22.

Consolidated gross revenues

R\$ millions

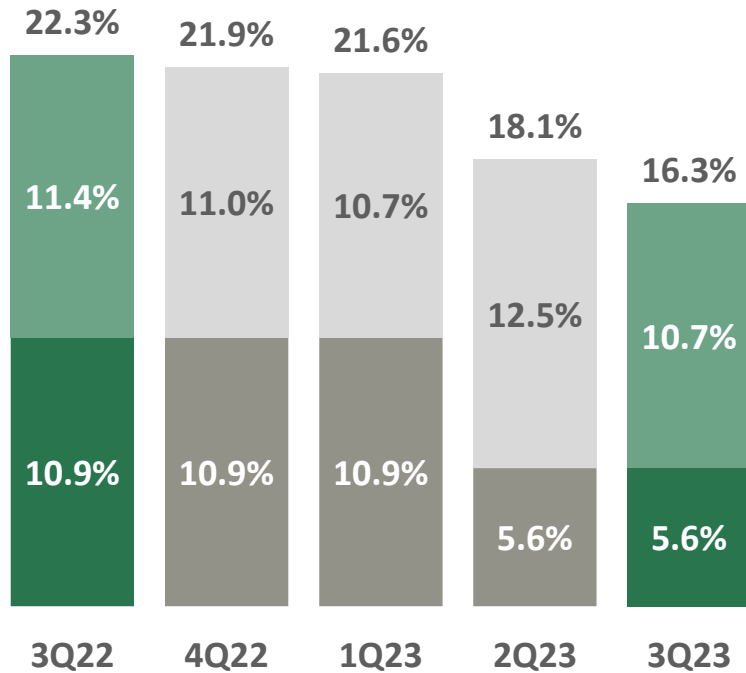


Retail sales mix

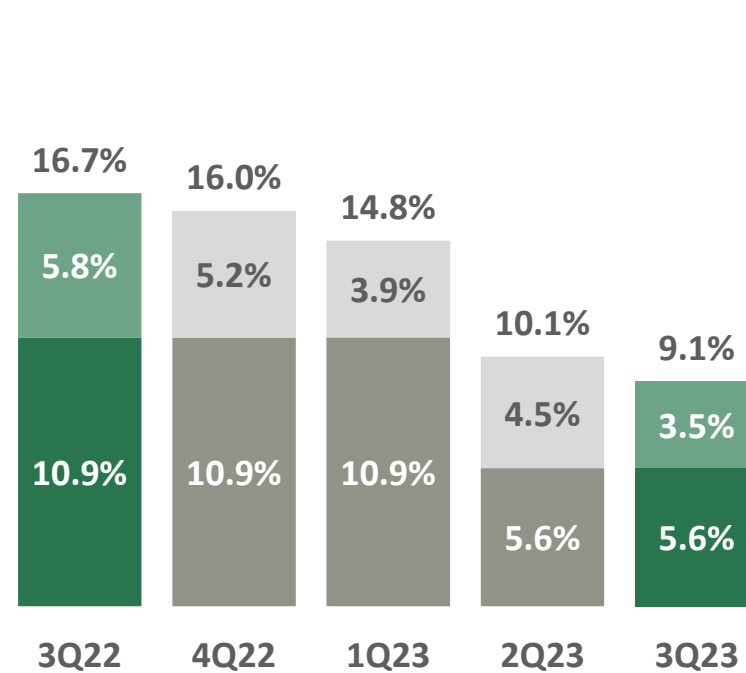


Mature stores grew 6.8%, performing 1.2 pp above the CMED price adjustment of 5.6%. Pressures of 0.7 pp from COVID tests and of 0.1 pp from the calendar effect.

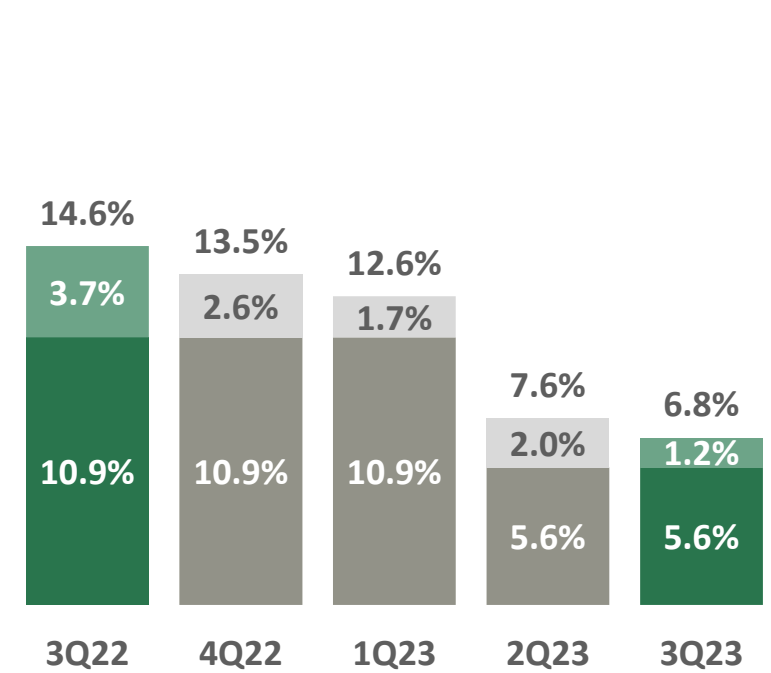
Consolidated revenue growth



Same-Store sales growth - Retail



Mature-Store sales growth - Retail



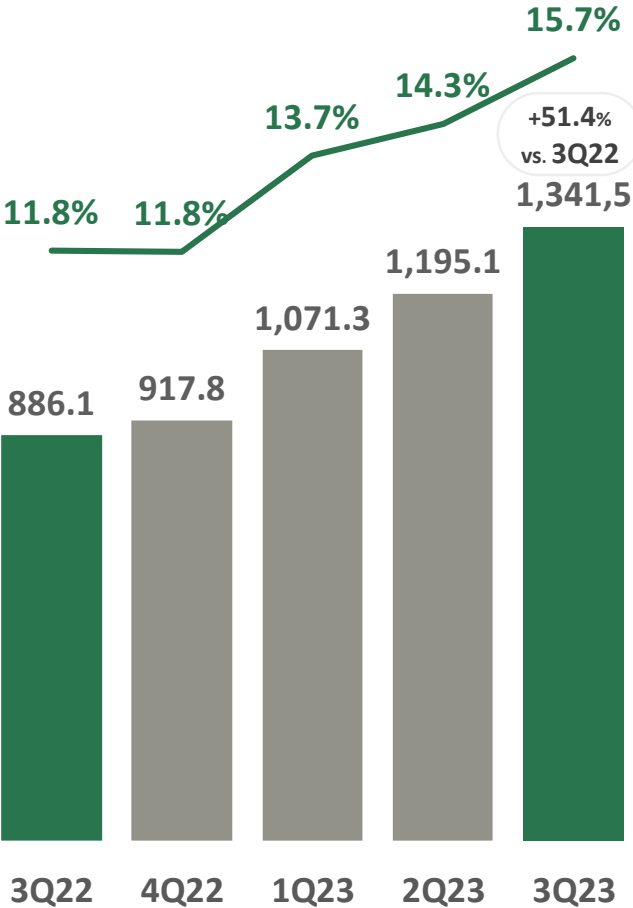
■ CMED price adjustment

■ Real growth

Digital sales of R\$ 1.3 billion in the 3Q23, with 51.4% of growth and 15.7% of retail penetration. Focus on modern, proprietary and mobile channels, with 91% of sales delivered in up to 60 min.

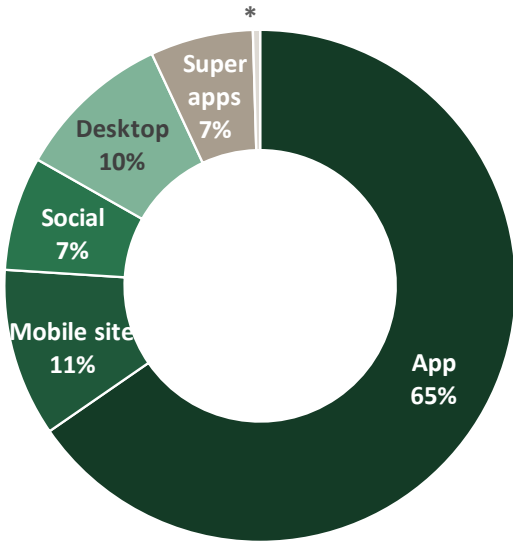
Digital sales and penetration

R\$ millions, % of retail gross revenue



Digital channel mix

% of digital sales

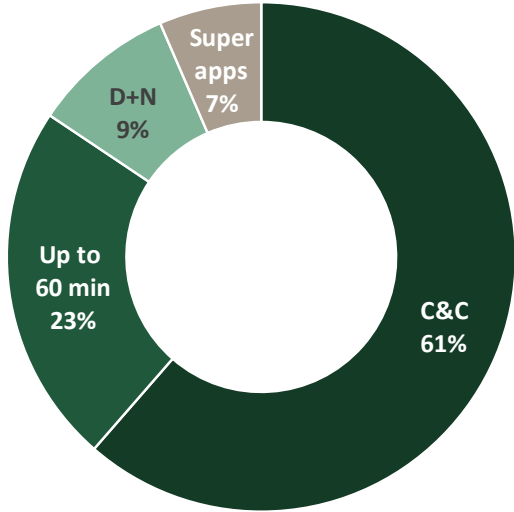


* Call Center represents < 1% of the mix.

- 93% modern and proprietary channels
- 83% modern, proprietary and mobile channels

Delivery mix

% of digital sales

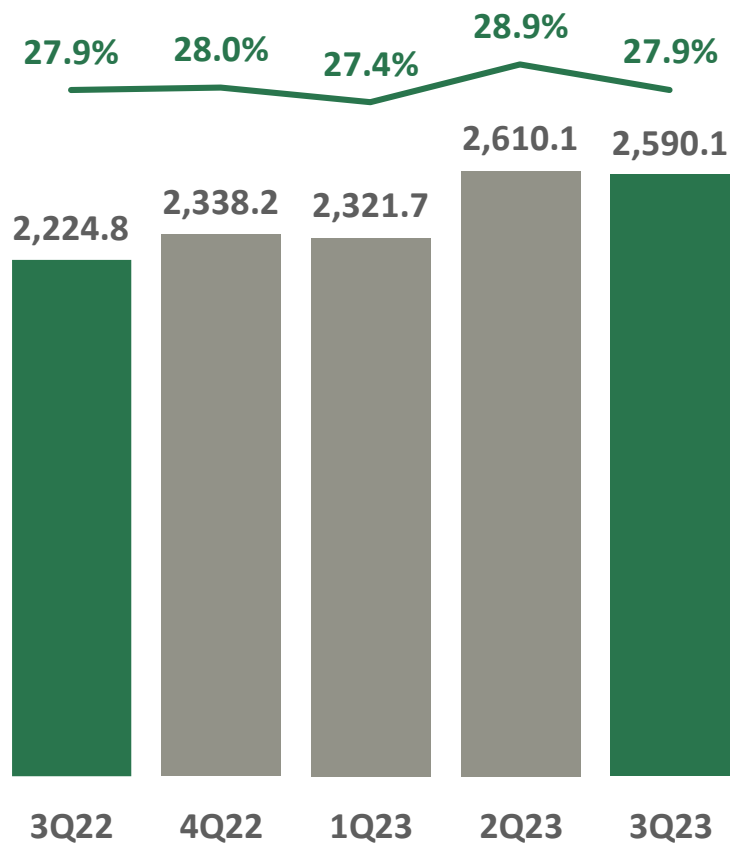


- 94% fulfilled by pharmacies
- 91% delivered in up to 60 minutes

Gross margin of 27.9%, stable vs. the 3Q22, despite 4Bio's adverse mix effect. Cash cycle of 62.9 days, an increase of 1.2 days vs. the 3Q22 and a sequential decrease of 4.9 days vs. the 2Q23.

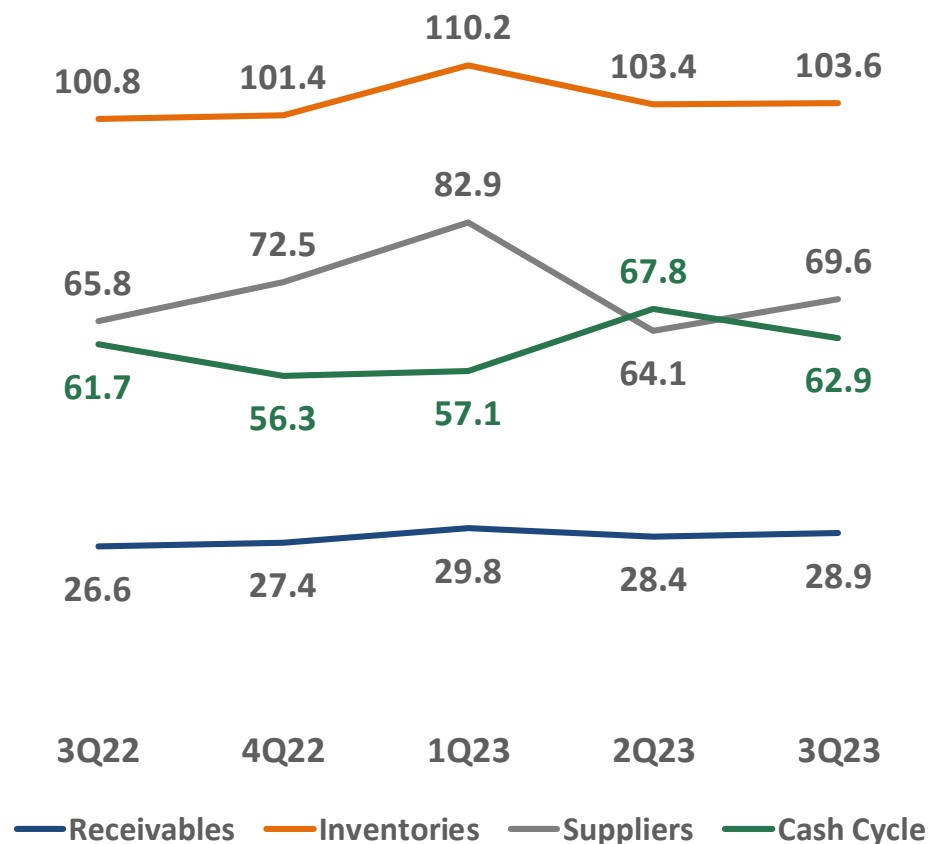
Gross margin

R\$ millions, % of gross revenue



Cash cycle*

COGS days, Gross revenue days

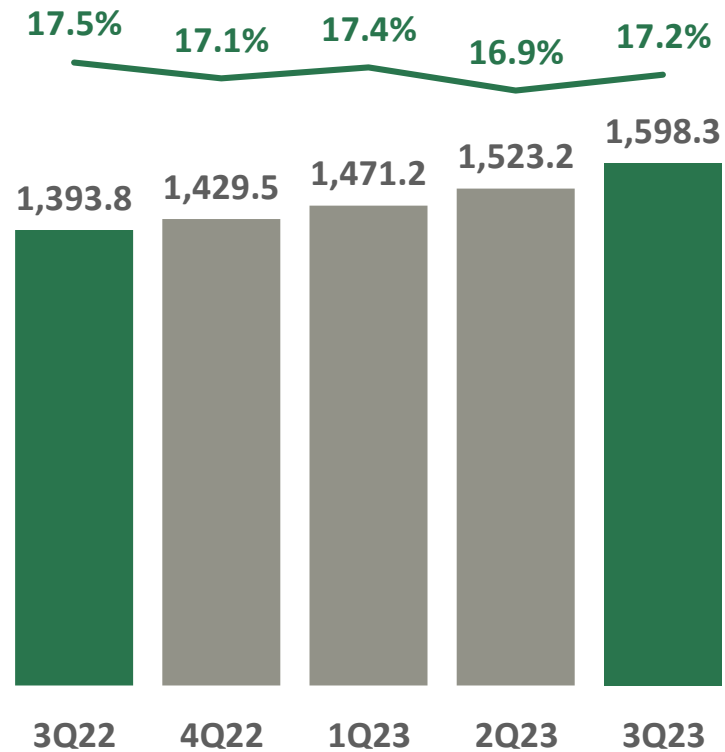


* Adjusted for discounted receivables and advanced payments to suppliers.

Operating leverage gains led to a selling expenses dilution of 0.3 pp in the quarter. Contribution margin reached 10.7%, a 0.3 pp increase vs. the 3Q22.

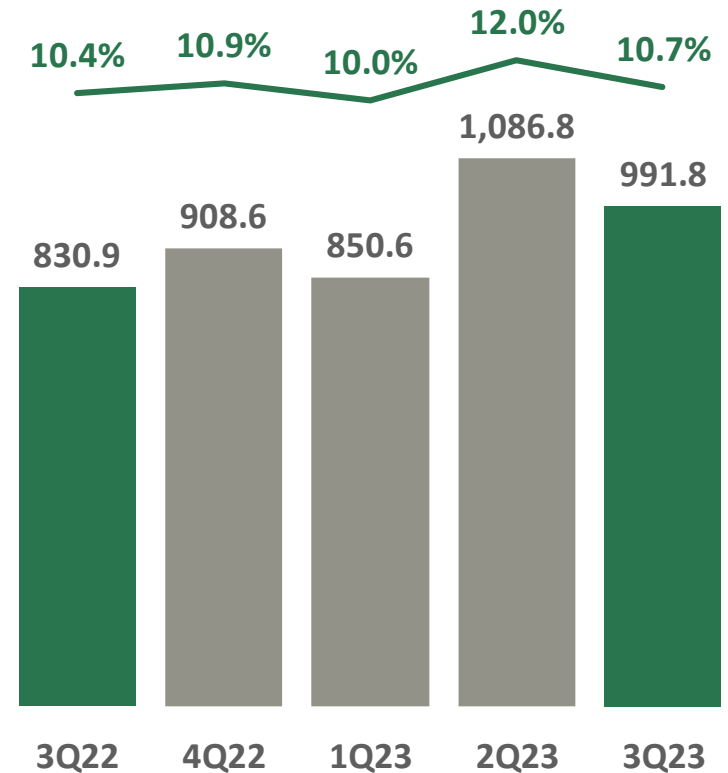
Selling expenses

% of gross revenue



Contribution margin

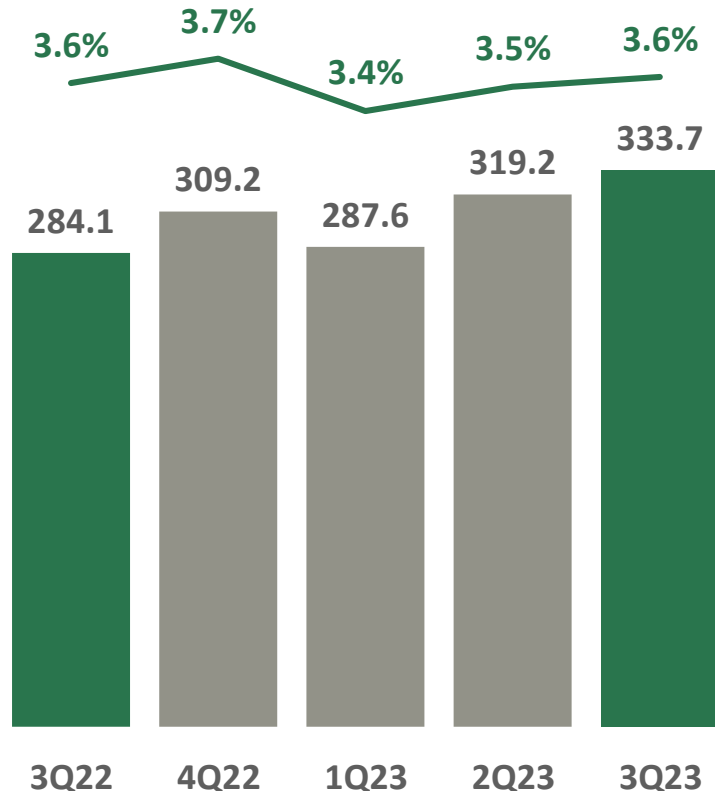
R\$ millions, % of gross revenue



EBITDA totaled R\$ 658.1 MM, an increase of 20.4%. Margin of 7.1% in the quarter, a 0.3 pp increase. Retail EBITDA (ex 4Bio) reached 7.4%, a 0.5 pp margin expansion in the period.

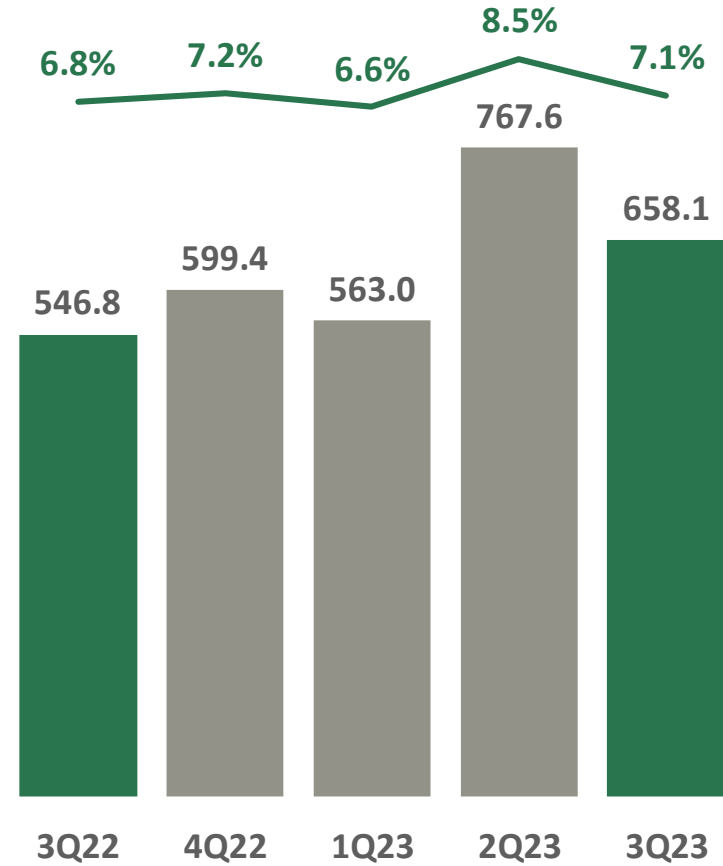
General and administrative expenses

R\$ millions, % of gross revenue



Adjusted EBITDA

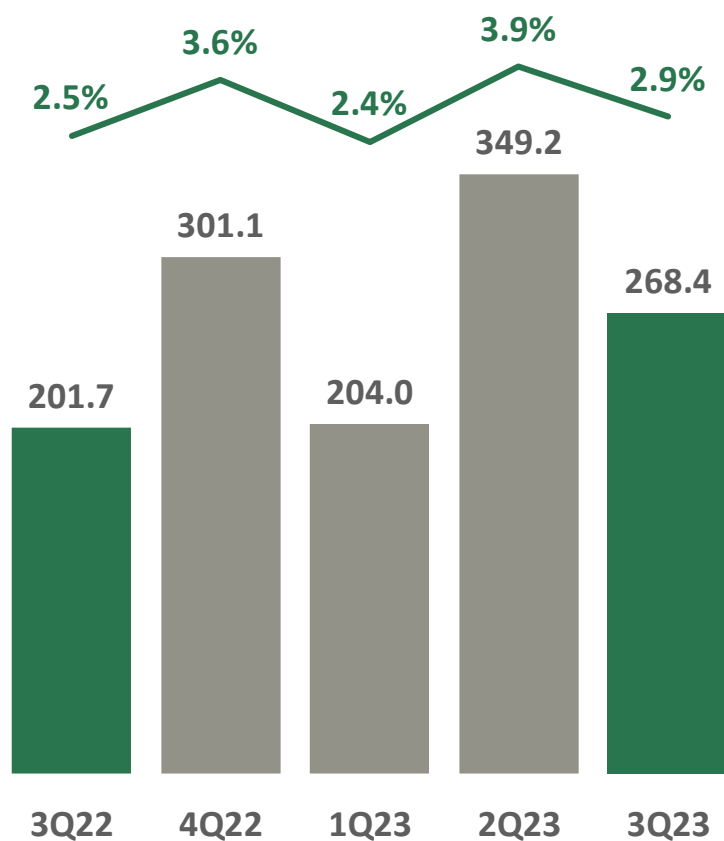
R\$ millions, % of gross revenue



Net income of R\$ 268.4 MM in the quarter, a 33.1% increase, with a net margin of 2.9%, a 0.4 pp expansion vs. the 3Q22. Net non-recurring gains of R\$ 42.6 MM.

Adjusted net income

R\$ millions, % of gross revenue



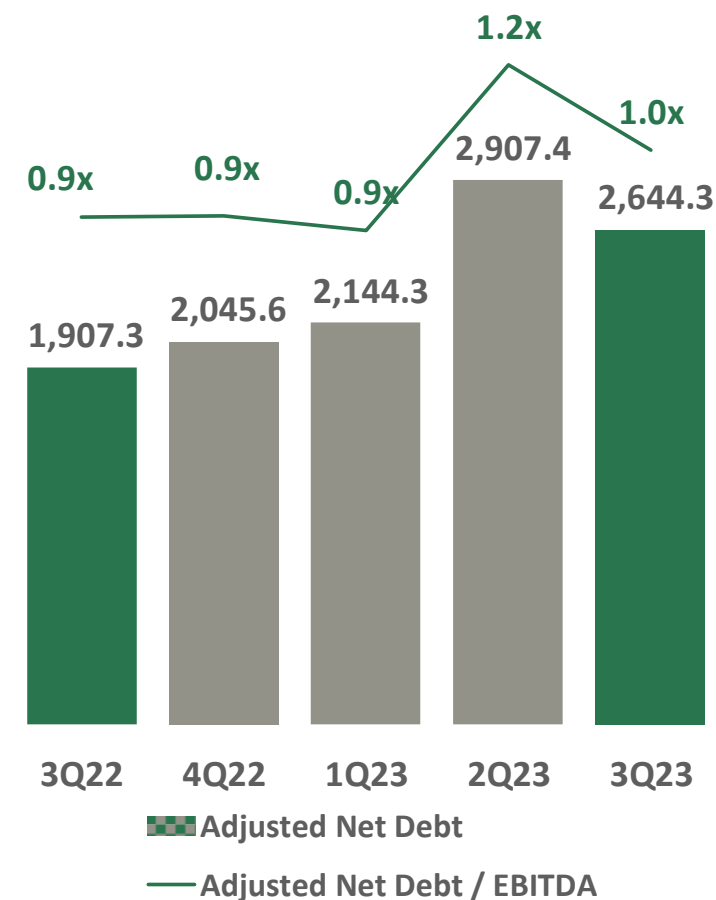
EBITDA Reconciliation - R\$ millions	3Q23	3Q22
Net income	296.5	225.4
Income tax	48.3	55.1
Equity Equivalence	1.9	(0.2)
Financial Result	149.7	125.5
EBIT	496.4	405.8
Depreciation and amortization	204.3	176.9
EBITDA	700.7	582.6
Tax effects and other non-recurring from previous years	(49.5)	(41.6)
Asset 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

Free cash flow of R\$ 336.2 MM, with R\$ 263.1 MM in total cash generation. Financial leverage of 1.0x, a 0.2x sequential reduction. R\$ 700 MM raised in our 8th debentures issuance.

Cash flow (R\$ million)	3Q23	3Q22
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

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.

Our share price increased by 16.4% in the year, 10.2 pp above the IBOVESPA, with an ADTV of R\$ 151 MM.

Stock price appreciation



2023 Performance

- › RADL3: 16.4%
- › IBOVESPA: 6.2%
- › Alpha: +10.2%
- › Average RADL3 Daily Liquidity: R\$ 151 MM

Average TSR

- › 22.5% since the Drogasil IPO
- › 20.1% since the Raia IPO
- › 23.2% since the merger (31/Dec/11)



Highlights & Strategy

Solid performance in the 3Q23, decoupled from the retail industry:



Pharmacies

- › 64 openings, reaching 2,868 units in operation (3 closures in the quarter / 21 LTM).



Gross revenues

- › R\$ 9.3 billion (+16.3%), with 6.8% in mature-stores (+1.2 pp vs. CMED);
- › HPC was the highlight (+21.1%).



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%.



Adj. EBITDA

- › R\$ 658.1 million, a margin of 7.1% and an increase of 20.4%.



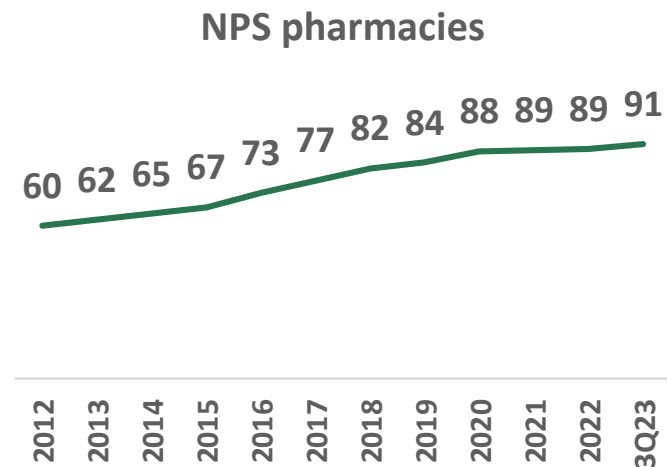
Financial leverage

- › 1.0x EBITDA and a 4.9 days sequential cash cycle reduction.

We are advancing in our strategy with consistency.

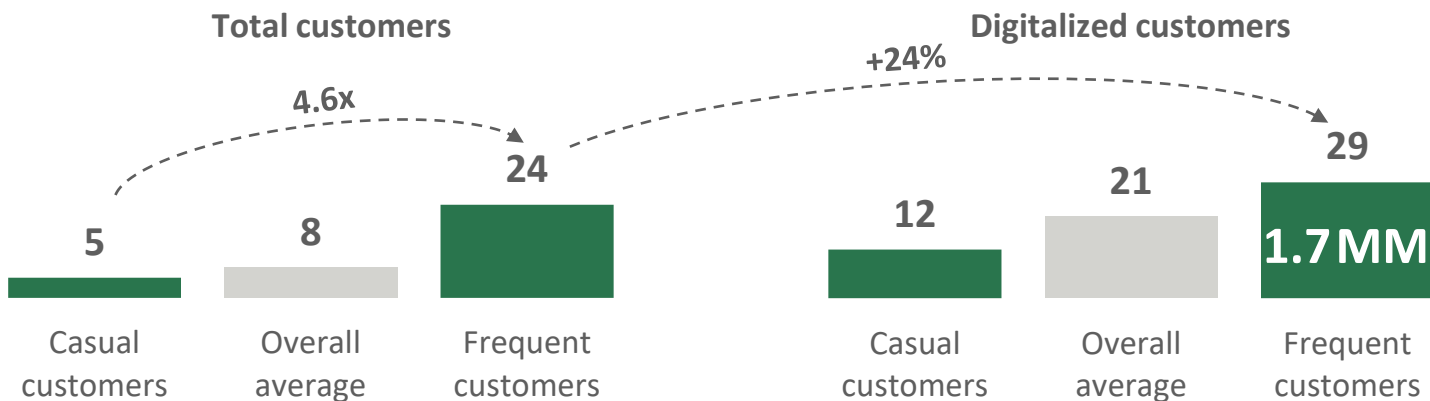
Experience and relationship as the basis for the full customer's journey

- › **ENGAGEMENT:** Frequent Customers purchase 4.6x more and Digitalized Frequent Customers another 24%;
- › **UX & RECOGNITION:** record NPS in all channels, with 91 at pharmacies, 70 in Apps and 80 in Delivery / Click & Collect.

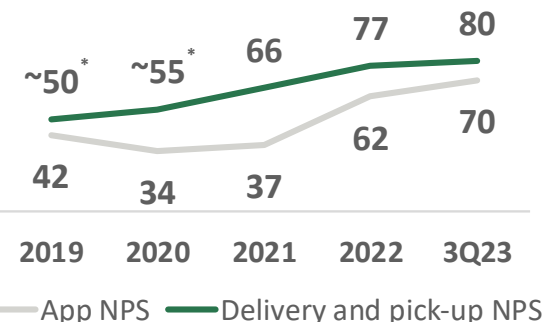


Customer frequency

(Purchases per year)



App NPS and Delivery/C&C NPS

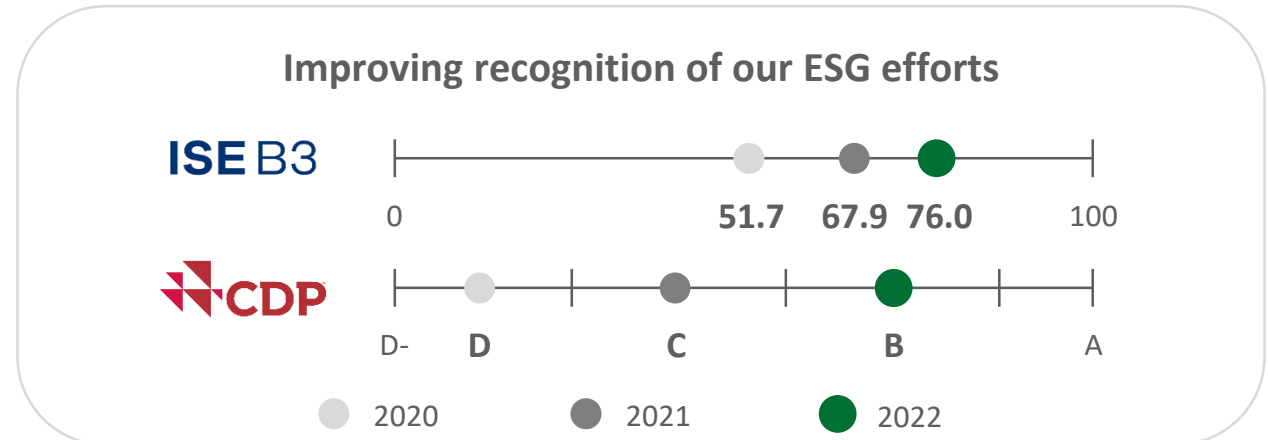
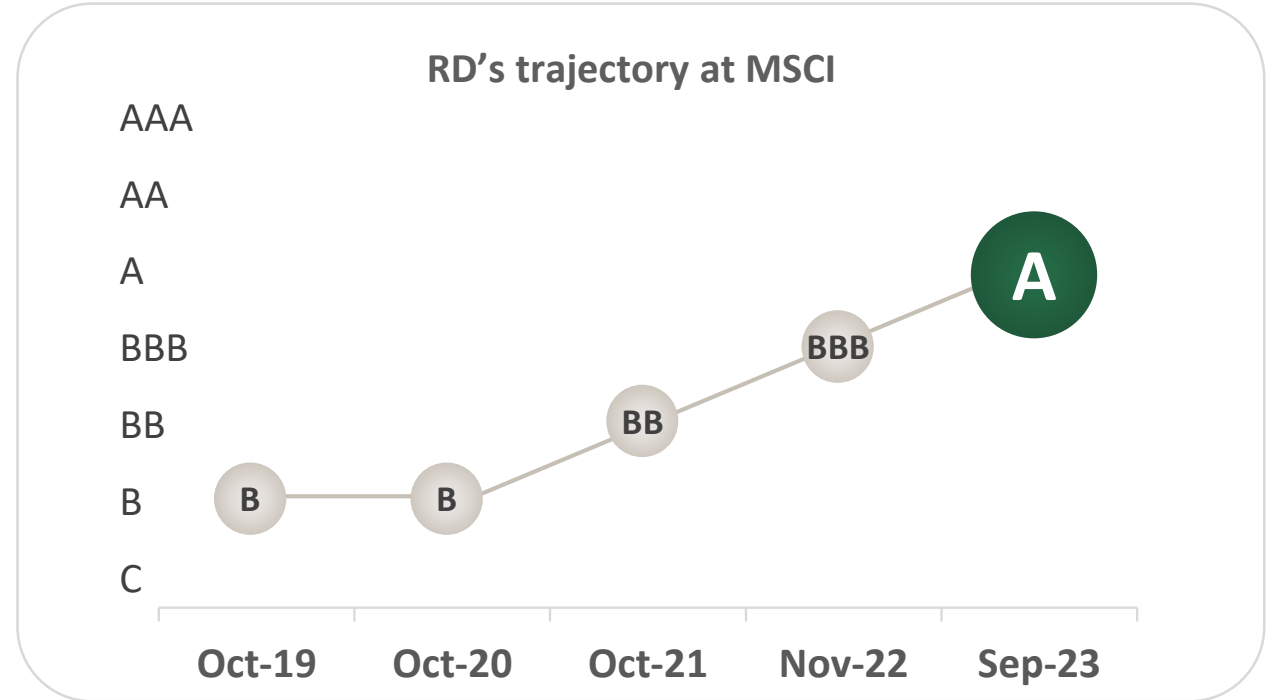


* Estimated 2019 and 2020 criteria for current methodology.

In line with our Business Strategy, we are also advancing towards the sustainability goals established for 2030. We received an 'A' rating in MSCI's ESG 2023 review.

- **ISE B3**: part of the index since Dec/21;
- **MSCI**: BBB rating, evolving 1 level in 2022;
- **CDP**: B rating, evolving 2 levels in 2022.

- Part of **IDIVERSA B3**;
- Ranked Top 3 out of 75 companies;
- Launched in Aug/23, highlighting companies that stand out in terms of diversity.





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› We are preparing a special in-person event, with our management team, presenting in depth details of our journey towards a healthier society in Brazil.

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Have you already confirmed your participation?

We will not provide an online transmission

Date:
november
2023

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Event Time:

9 am to 12:30 pm
(BRT)

Welcome Coffee: 8:30 am (BRT)



Address: RD Headquarters
Av. Corifeu de Azevedo Marques, 3097
Vila Butantã, São Paulo/SP



We recommend the use of transportation apps. However, if necessary, parking will be available (limited capacity).



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