



EARNINGS PRESENTATION

1Q22

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



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Consolidated highlights*

- › **PHARMACIES**:** 2,530 units in operation (52 openings and 12 closures);
- › **GROSS REVENUES:** R\$ 7.0 billion, an increase of 16.6%, with 8.9% for mature stores;
- › **DIGITAL:** R\$ 656.1 million, 51.2% of growth with 10.0% of retail penetration;
- › **CONTRIBUTION MARGIN***:** R\$ 631.5 million, with 9.1% of margin;
- › **ADJUSTED EBITDA :** R\$ 388.4 million, 5.6% of margin;
- › **ADJUSTED NET INCOME:** R\$ 145.3 million, with 2.1% of net margin;
- › **CASH FLOW:** Negative Free Cash Flow of R\$ 320.6 million, with R\$ 348.6 million of total consumption.

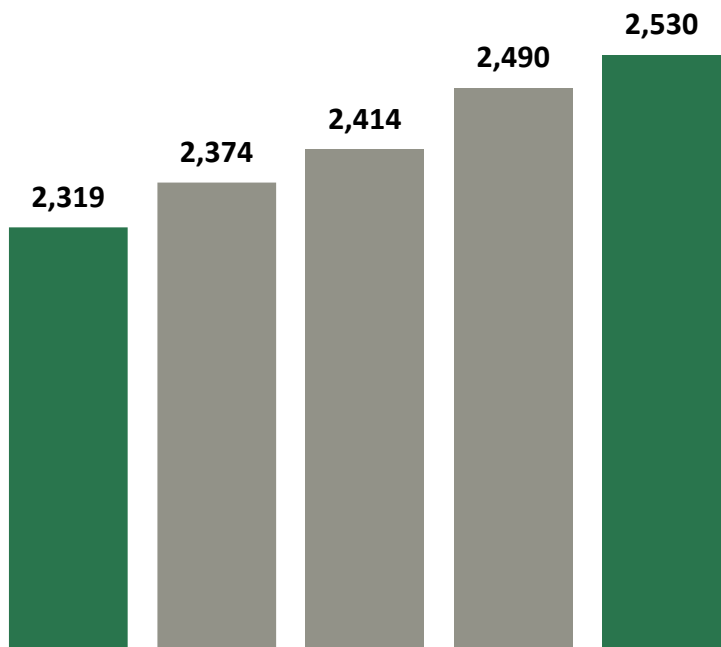
* Considers the IAS 17 / CPC 06 reporting standard

** Does not include 4 4Bio units

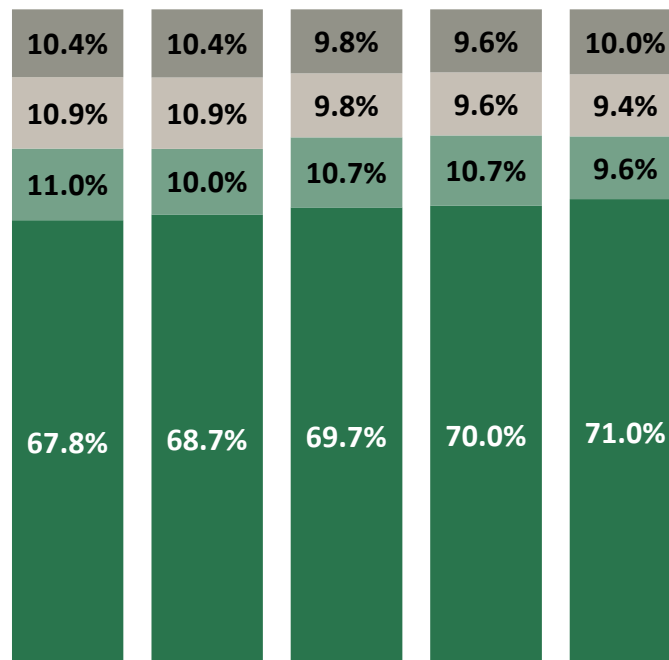
*** Margin before the corporate overhead (gross profit – selling expenses)

We opened 52 new pharmacies, 12 more than in the 1Q21, and closed 12 in the quarter. We reiterate the guidance of 260 openings for 2022.

Pharmacy count



Age structure of pharmacy portfolio



	1Q21	2Q21	3Q21	4Q21	1Q22
Openings	+40	+62	+52	+86	+52
Closures	-20	-7	-12	-10	-12
Net	+20	+55	+40	+76	+40

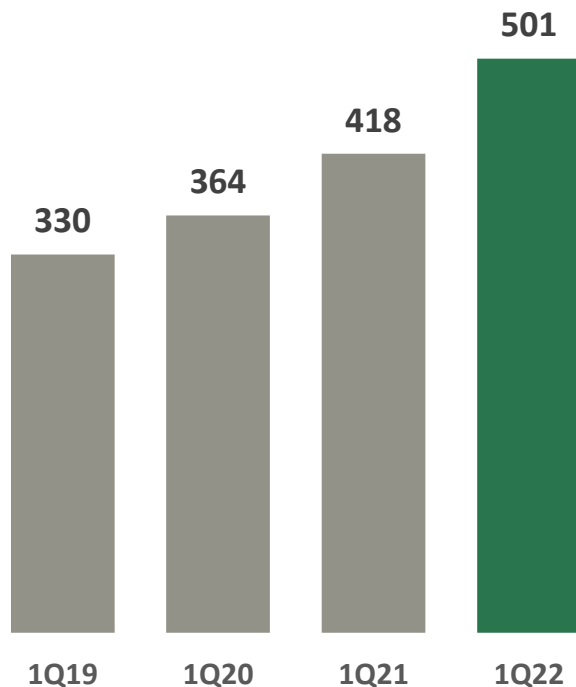
■ Mature ■ Year 3 ■ Year 2 ■ Year 1

Guidance 2022:
260 new pharmacies
Preserving the current geographical and demographic segmentation

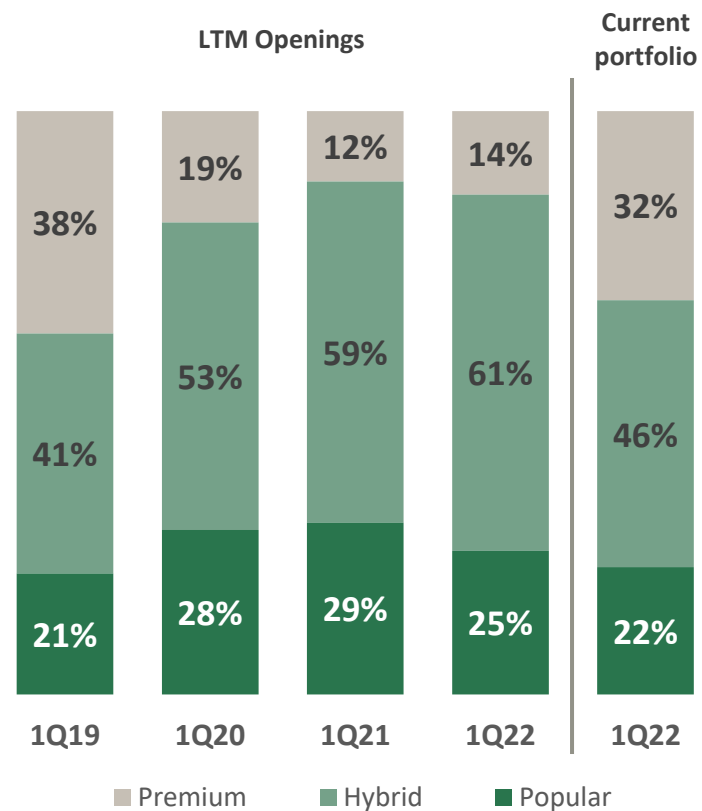


We extended our presence to 501 cities in the 1Q22, with 86% of the openings under the Popular or Hybrid formats, focused on the expanded middle class.

Cities with pharmacies



Network composition by format*

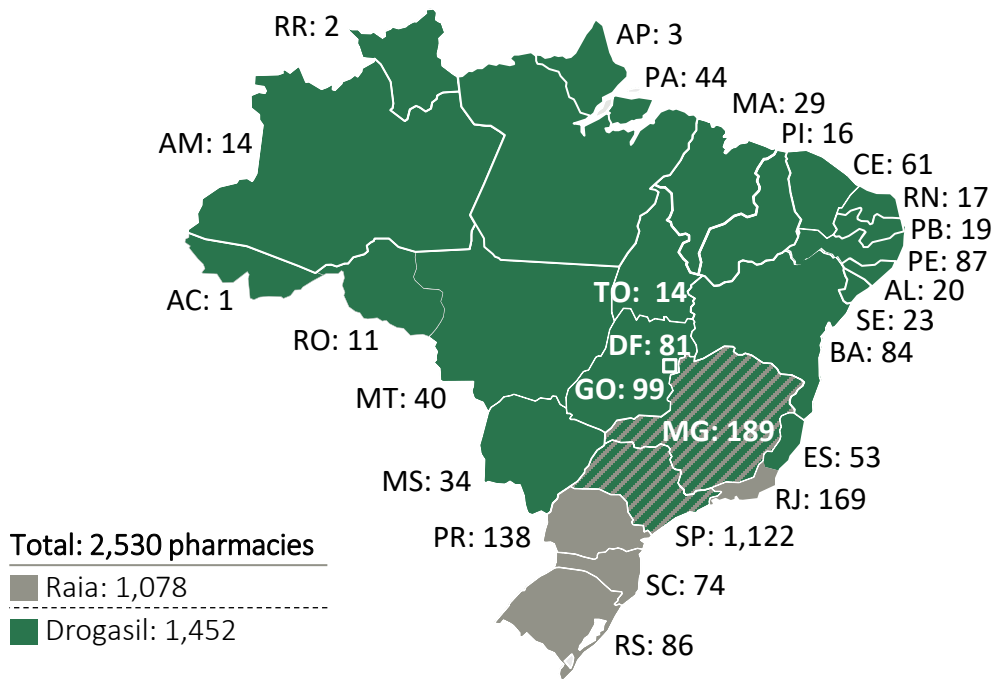


* Openings exclude the Onofre acquisition.



Market share of 14.0%, a 0.1 p.p. gain due to the forward buying, which inflates the share of players who report sell-in. Gain of 0.6 p.p. considering only sell-out data.

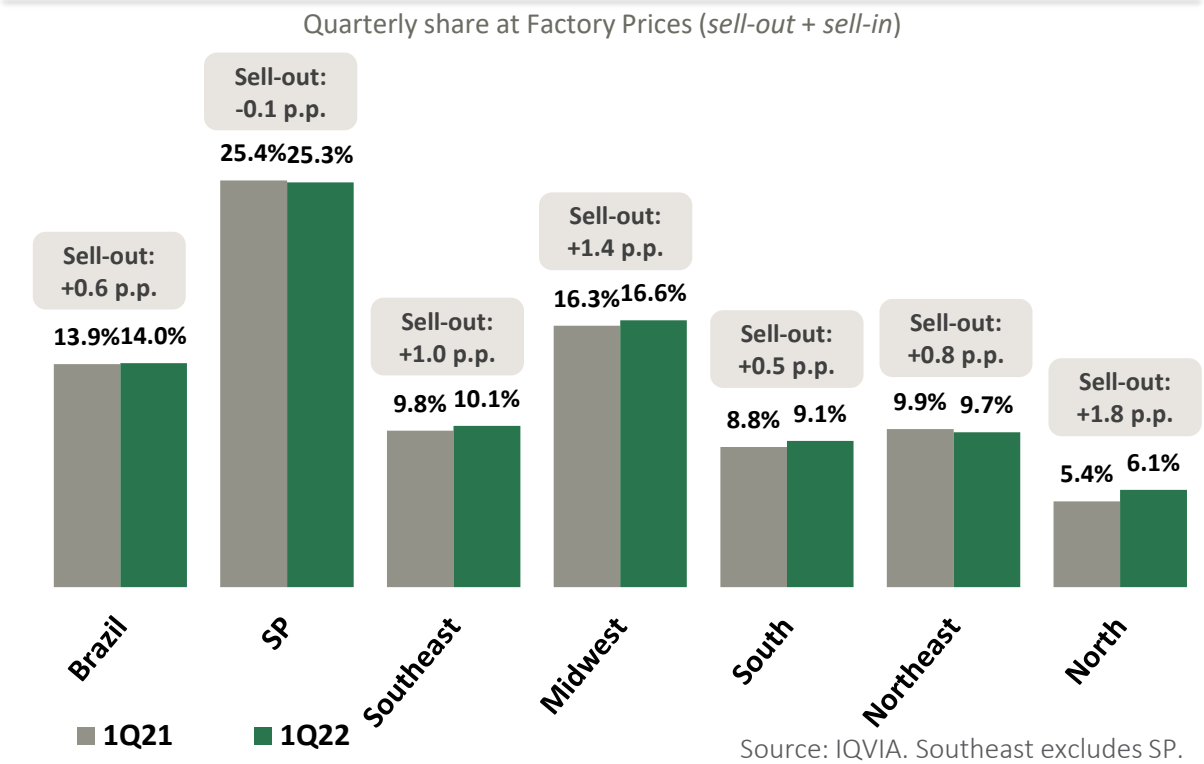
Pharmacy geographic presence



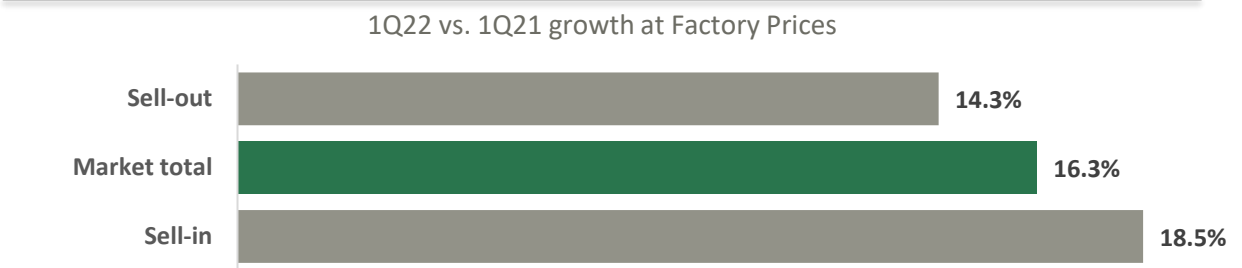
LTM organic openings*	1Q18	1Q19	1Q20	1Q21	1Q22
São Paulo state	75	76	71	64	46
Total	212	258	217	241	252
% São Paulo state	35%	29%	33%	27%	18%

* Does not consider the 42 pharmacies acquired from Onofre

Retail market share

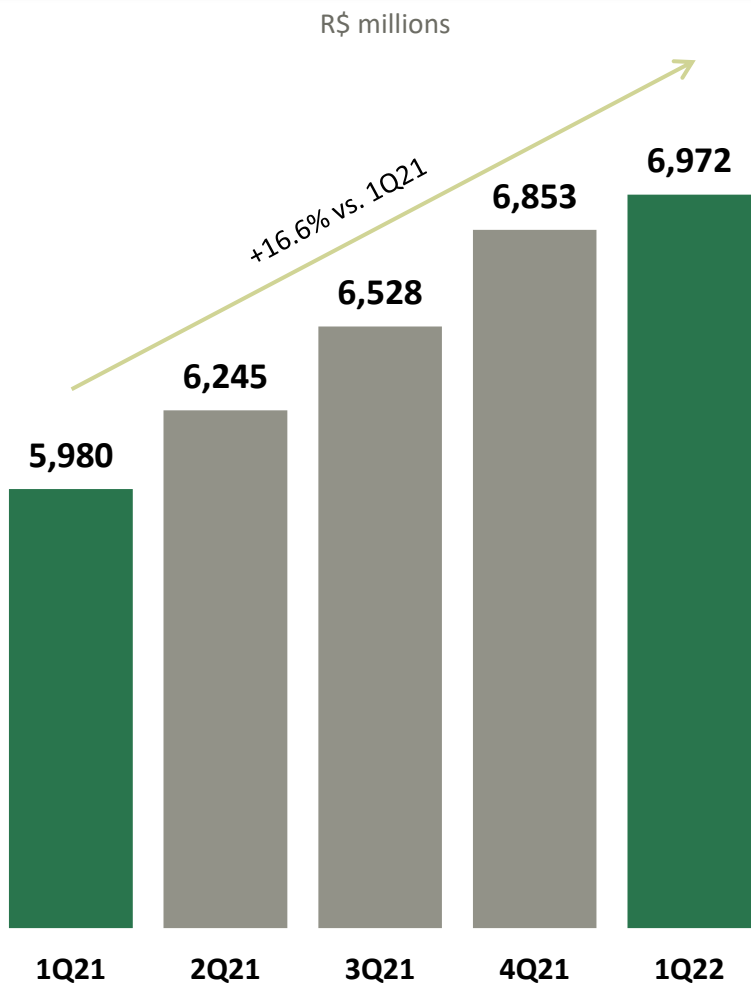


Market growth by informant type

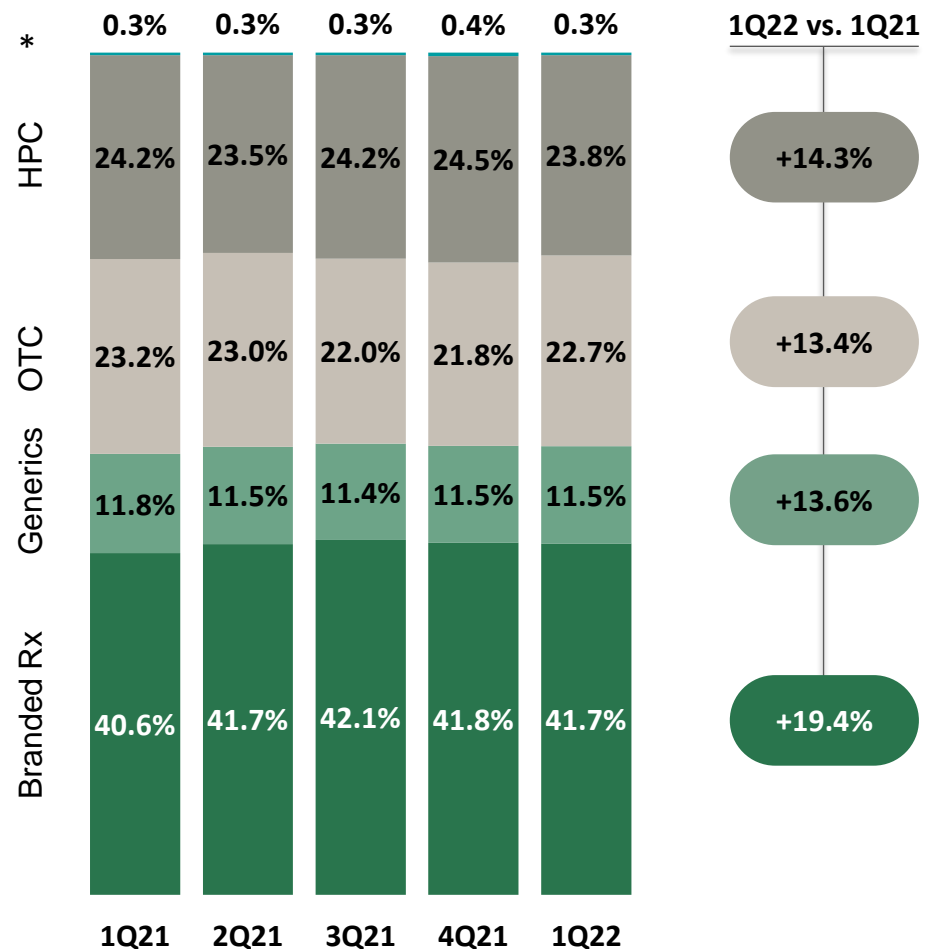


Consolidated gross revenues grew 16.6% vs. 1Q21, with a post-pandemic mix normalization.

Consolidated gross revenue

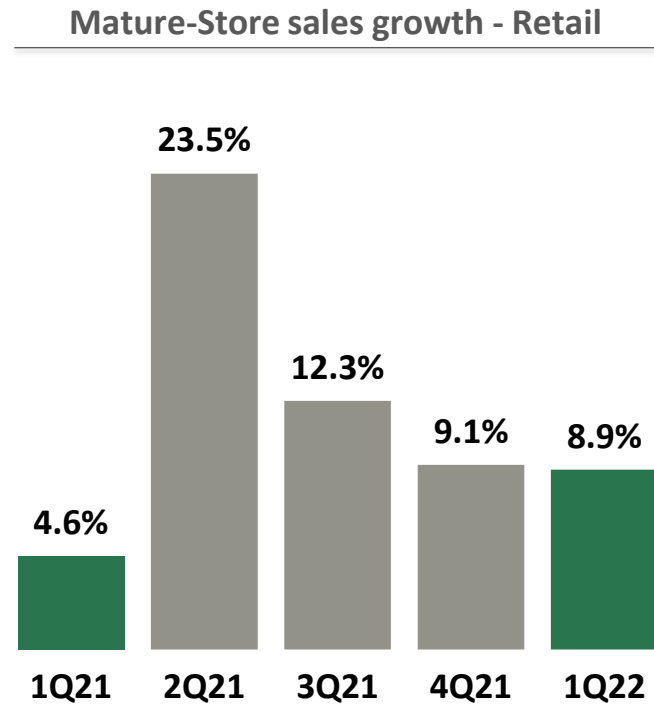
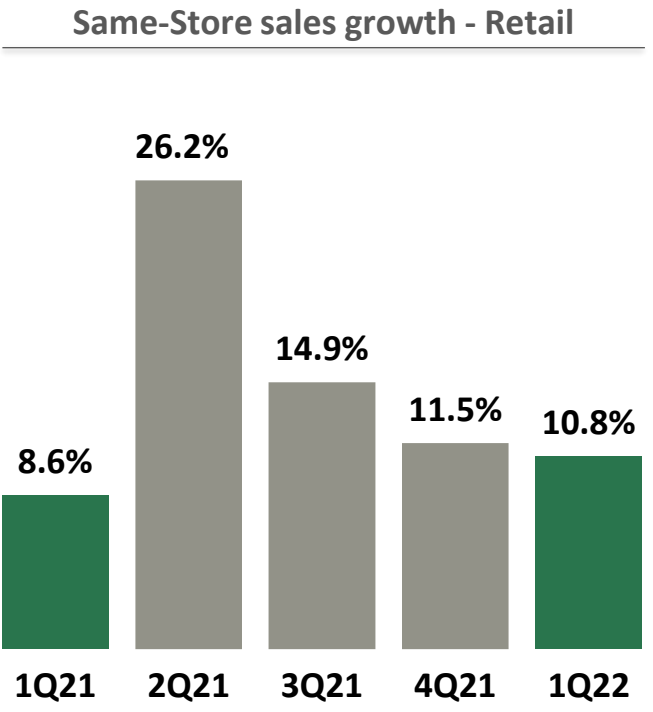
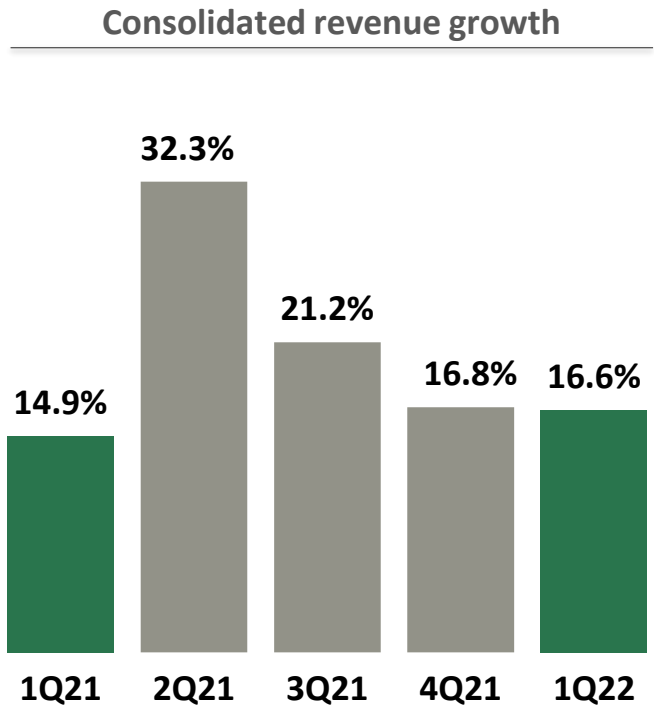


Retail sales mix



* Services

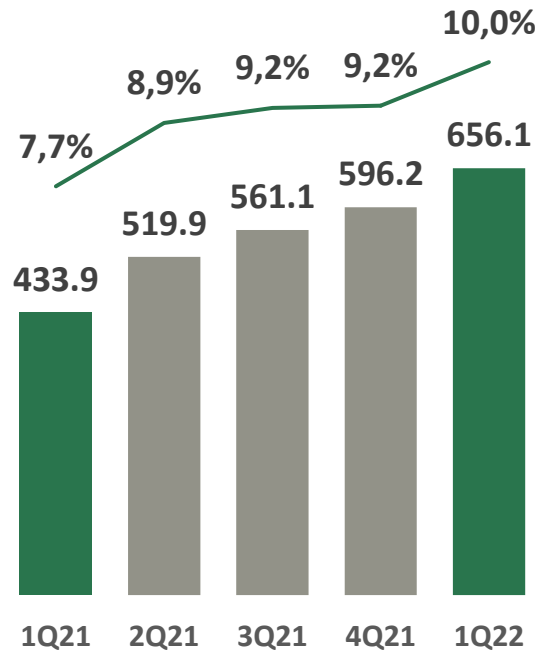
Mature stores grew 8.9%, 1.4 p.p. above the CMED price readjustment of 2021. Growth was penalized by 1.2 p.p. due to the COVID-19 testing peak of the 1Q21.



Digital revenues reached R\$ 656.1 MM, with 51% of growth and 10.0% of retail penetration. Apps accounted for 49%, with 18.3 MM accumulated downloads.

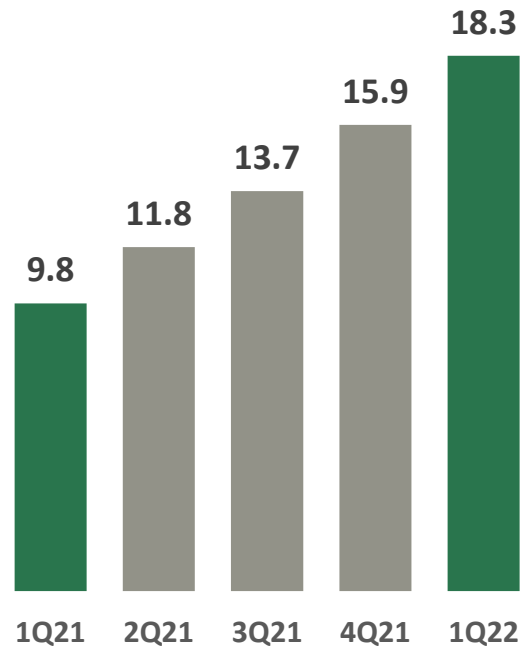
Digital sales and penetration

R\$ millions, % of retail gross revenue



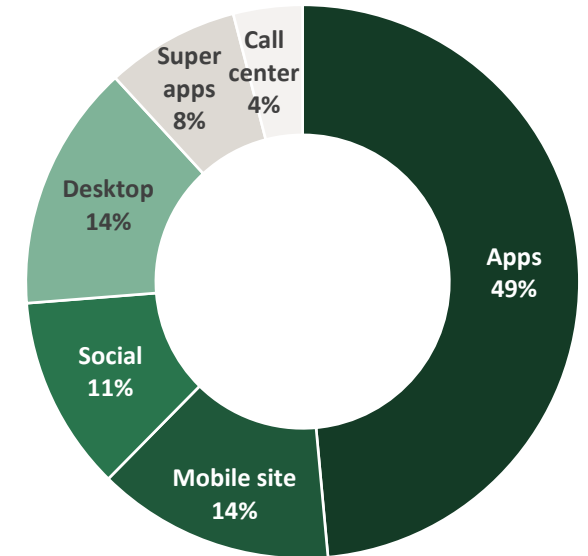
Cumulative app downloads

Millions



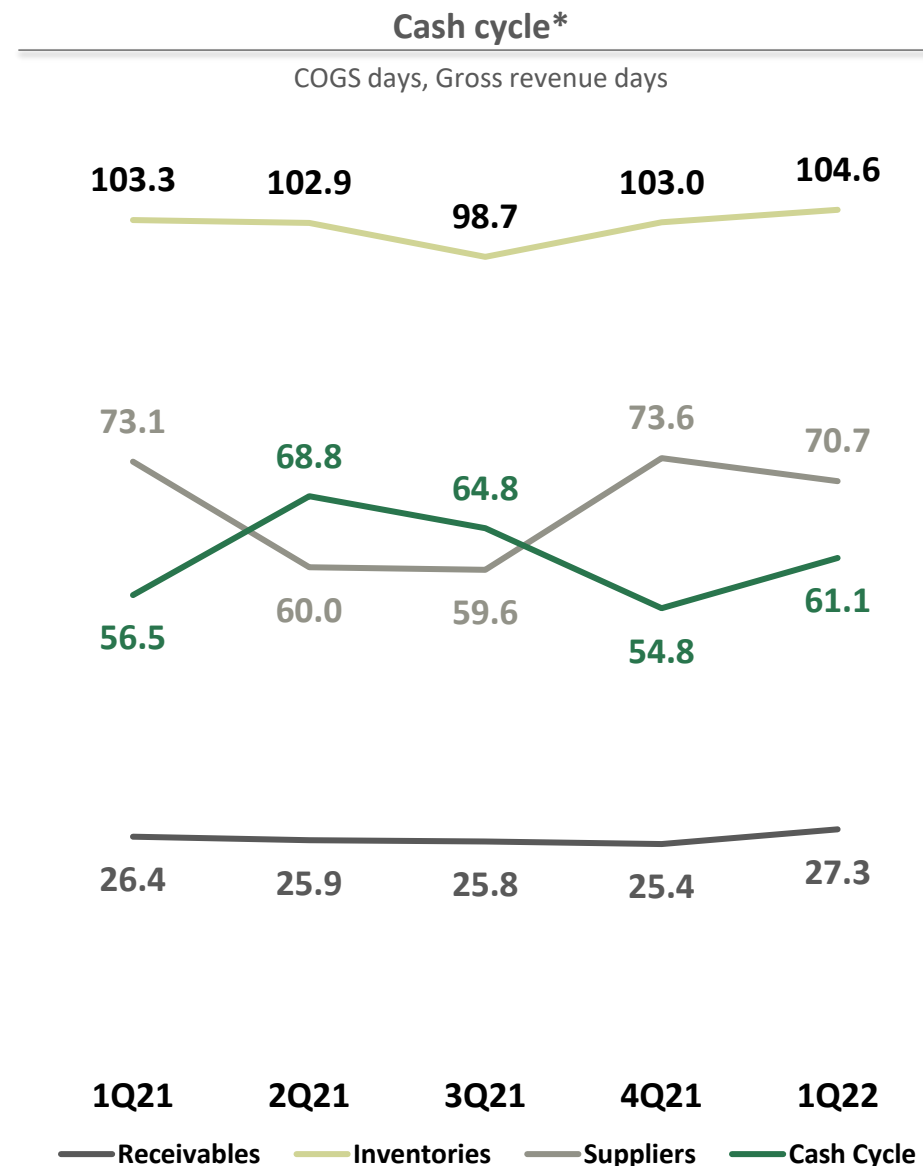
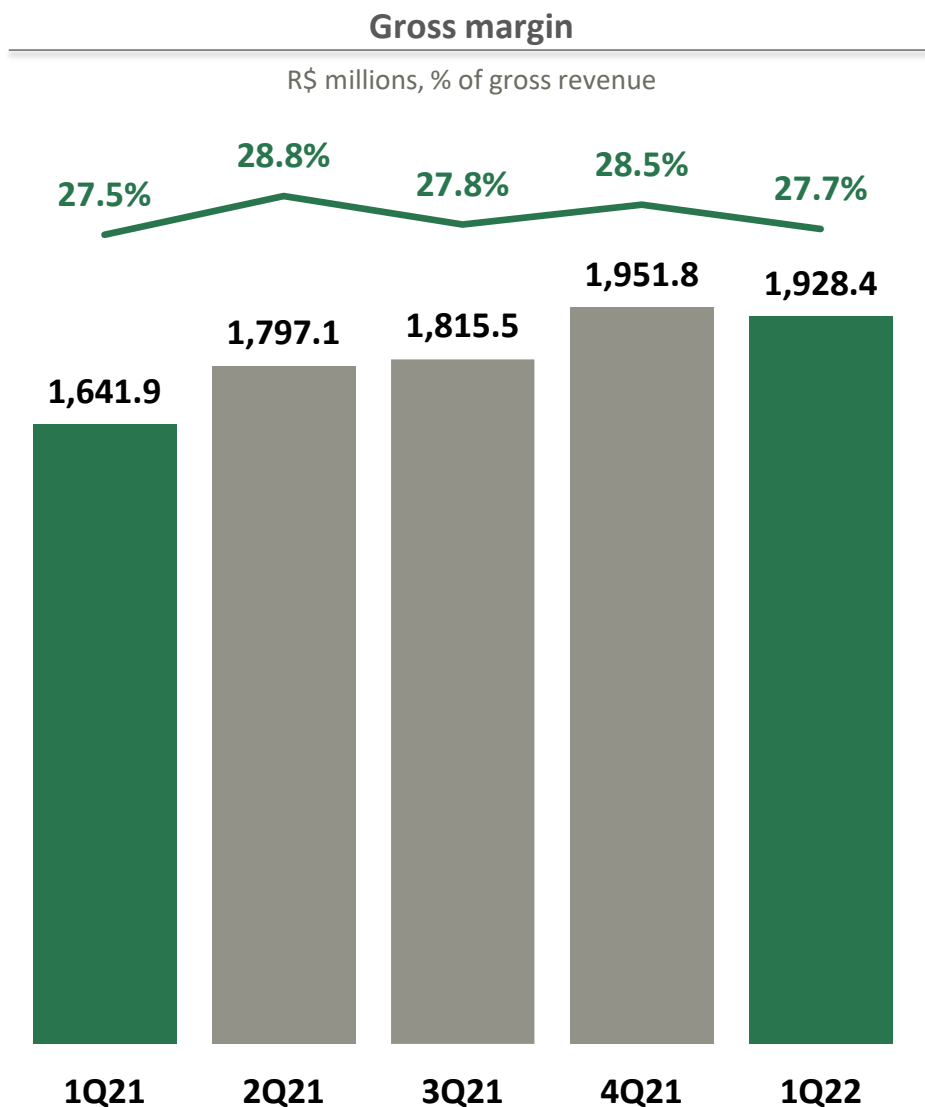
Digital channel mix

% of digital sales



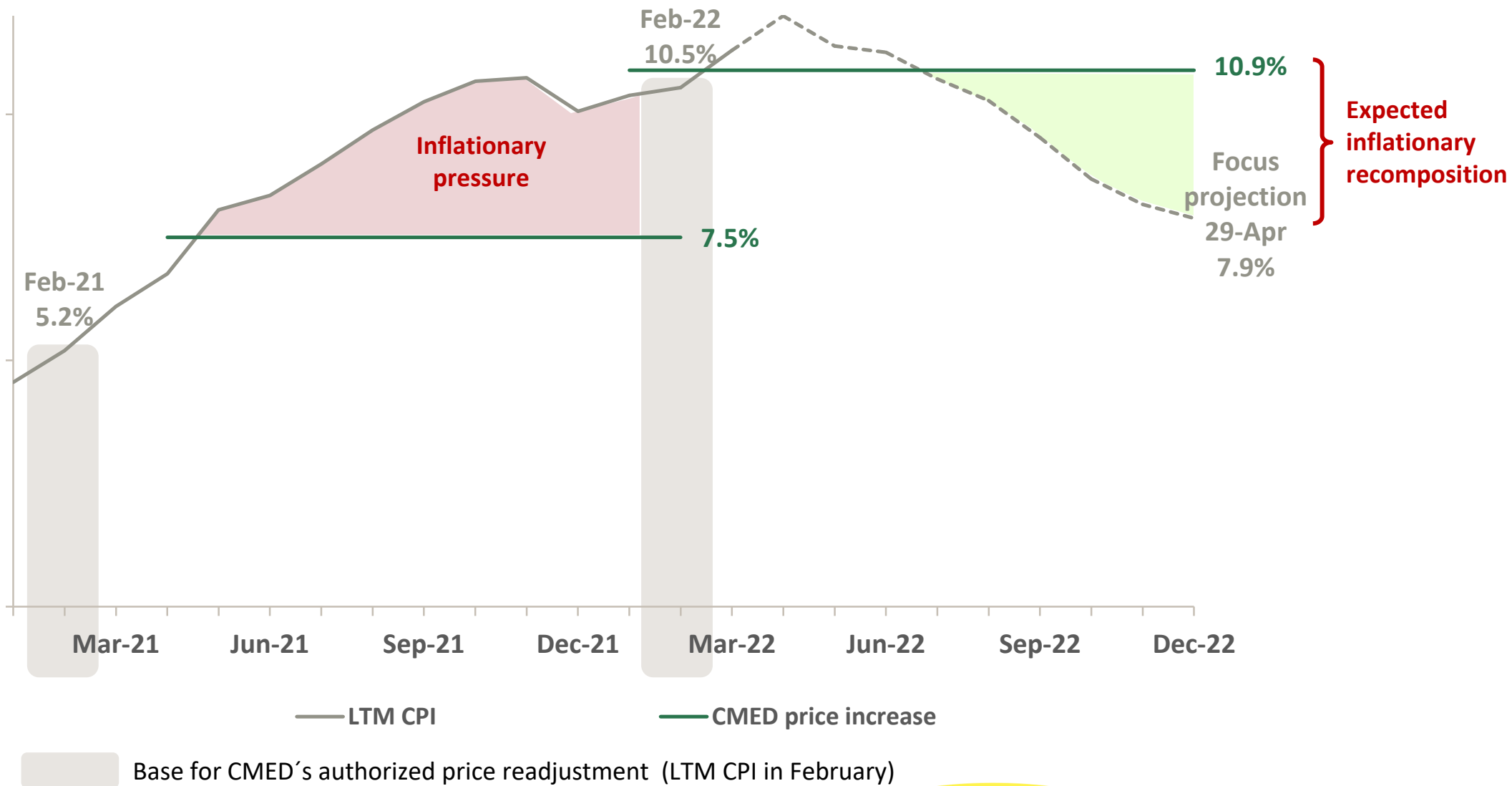
Of the total digital sales, modern and proprietary channels represented 88%, of which 74% were mobile

Gross margin totaled 27.7%, an annual increase of 0.2 p.p. driven by the NPV adjustment. Cash cycle increase of 4.6 days vs. the 1Q21.



* Adjusted for discounted receivables.

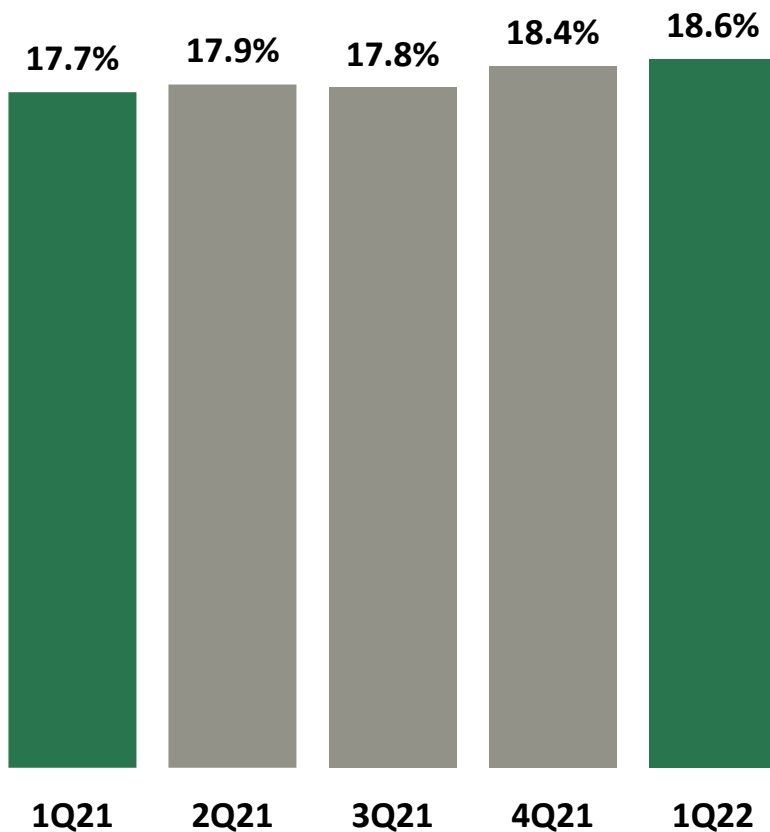
Inflationary pressure intensified in the 1Q22, but is expected to be neutralized in the 2Q22 due to CMED's authorized readjustment above the projected CPI.



Contribution margin of 9.1%, with sales expenses increase of 0.9 p.p. due to the inflationary pressure recorded in the quarter.

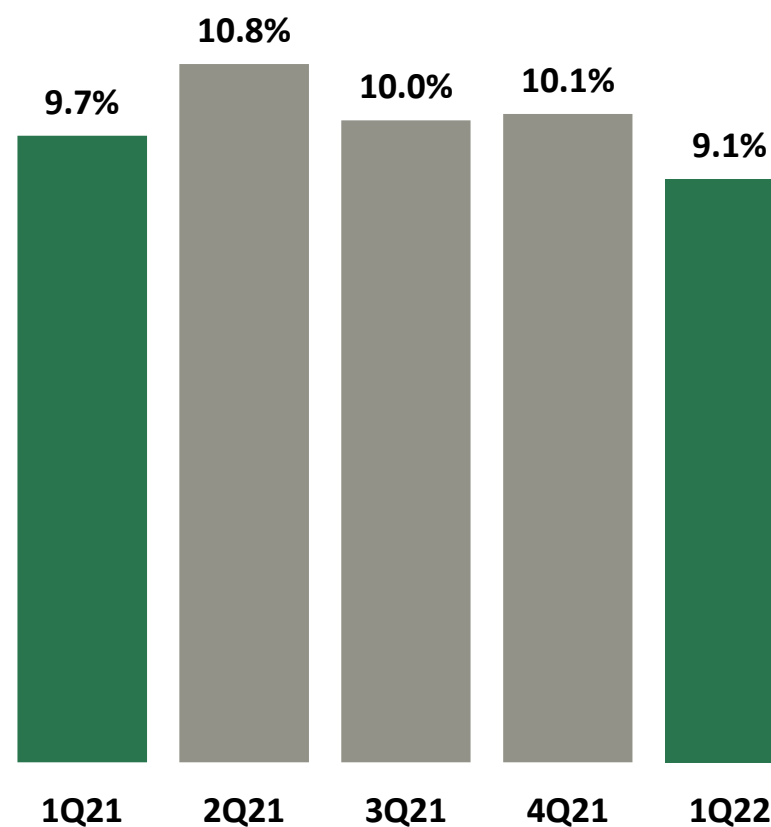
Selling expenses

% of gross revenue



Contribution margin

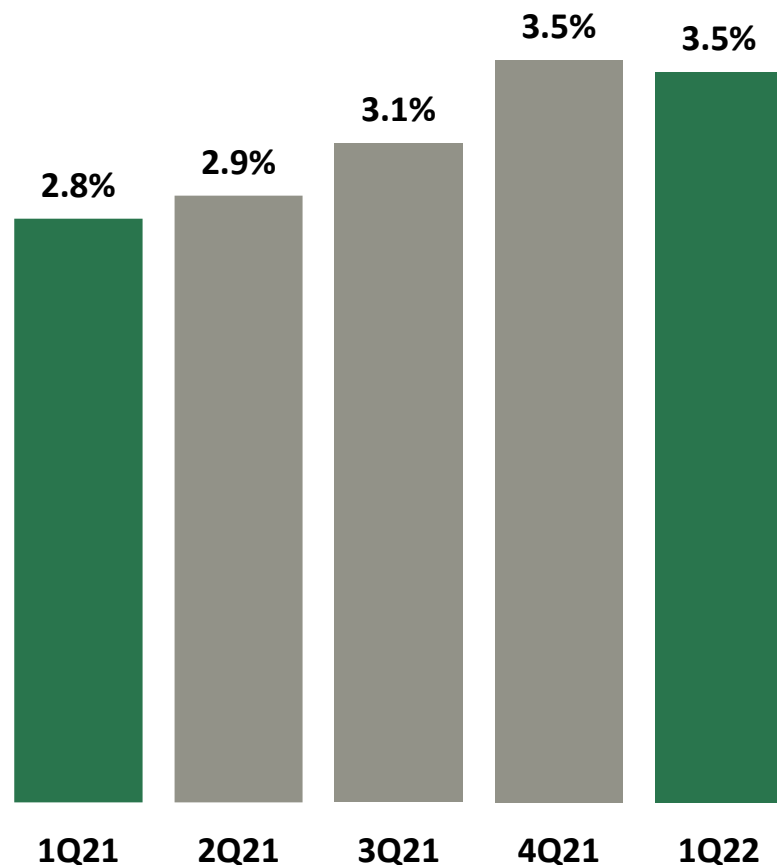
% of gross revenue



EBITDA margin significantly pressured by the inflation time lag and by the increase in structure, but with a normalization trend from the 2Q22.

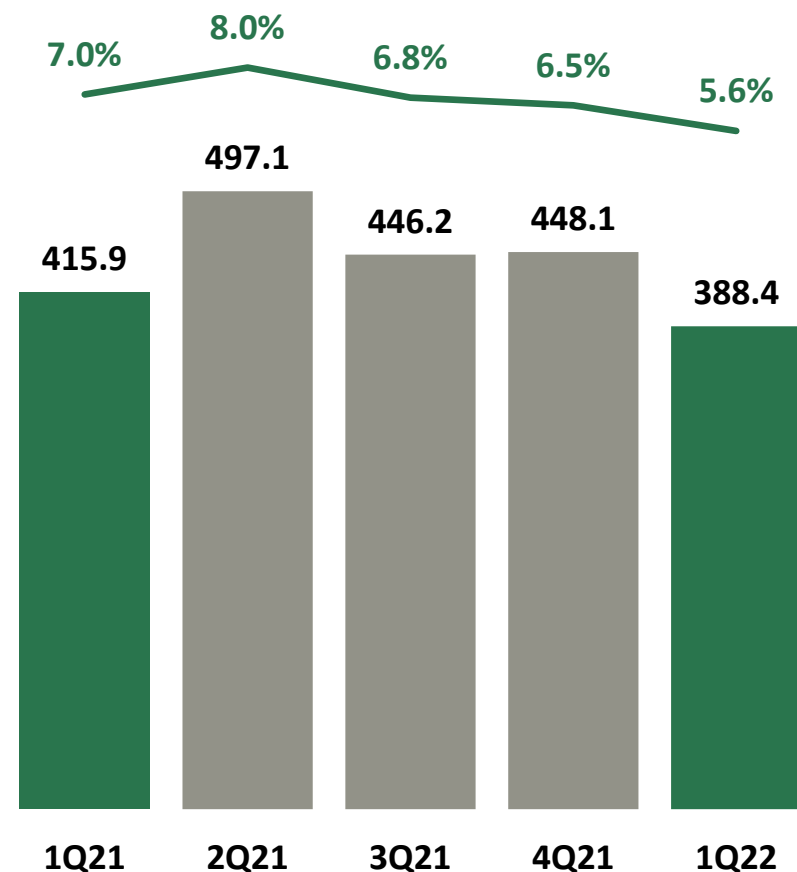
General and administrative expenses

% of gross revenue



Adjusted EBITDA

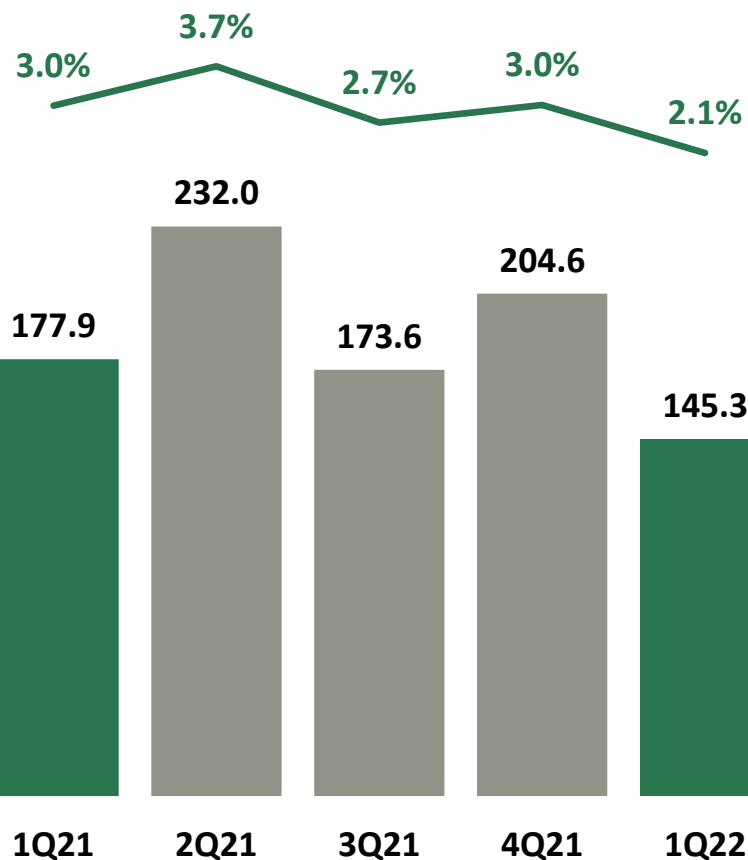
R\$ millions, % of gross revenue



Adjusted net income of R\$ 145.3 MM in the 1Q22, with a 2.1% net margin. R\$ 12.6 MM in non-recurring revenues booked in the quarter.

Adjusted net income

R\$ millions, % of gross revenue



EBITDA Reconciliation - R\$ millions	1Q22	1Q21
Net income	153.6	188.8
Income tax	1.5	75.8
Equity Equivalence	(0.0)	1.5
Financial Result	78.2	18.8
EBIT	233.3	284.9
Depreciation and amortization	167.7	147.3
EBITDA	401.0	432.3
Asset write-offs	1.1	(1.1)
Social investments	0.9	-
Donations	0.6	3.3
Non-recurring tax credits	(15.3)	(13.6)
Labor contingencies - Monetary restatement	-	(3.4)
Other non-recurring/non-operating effects	0.0	(1.6)
Non-recurring/non-operating expenses	(12.6)	(16.4)
Adjusted EBITDA	388.4	415.9

Negative free cash flow of R\$ 320.6 MM, with R\$ 348.6 MM of total consumption due to the cash cycle seasonality. Indebtedness of 1.0x.

Cash flow	1Q22	1Q21
<i>(R\$ million)</i>		
Adjusted EBIT	220.7	268.5
NPV adjustment	(17.7)	(3.0)
Non-recurring expenses	12.6	16.4
Income tax (34%)	(73.3)	(95.9)
Depreciation	167.7	147.3
Others	18.1	62.2
Resources from operations	328.1	395.6
Cash cycle*	(433.7)	(385.5)
Other assets (liabilities)**	(42.2)	18.3
Operating cash flow	(147.8)	28.4
Investments	(172.8)	(133.4)
Free cash flow	(320.6)	(105.0)
M&A and other investments	(19.4)	(14.3)
Interest on equity and dividends	(0.1)	(0.0)
Income tax paid over interest on equity	-	(12.7)
Net financial expenses***	(46.8)	(13.5)
Tax benefit (fin. exp., IoE, dividends)	38.4	19.6
Total Cash Flow	(348.6)	(126.0)

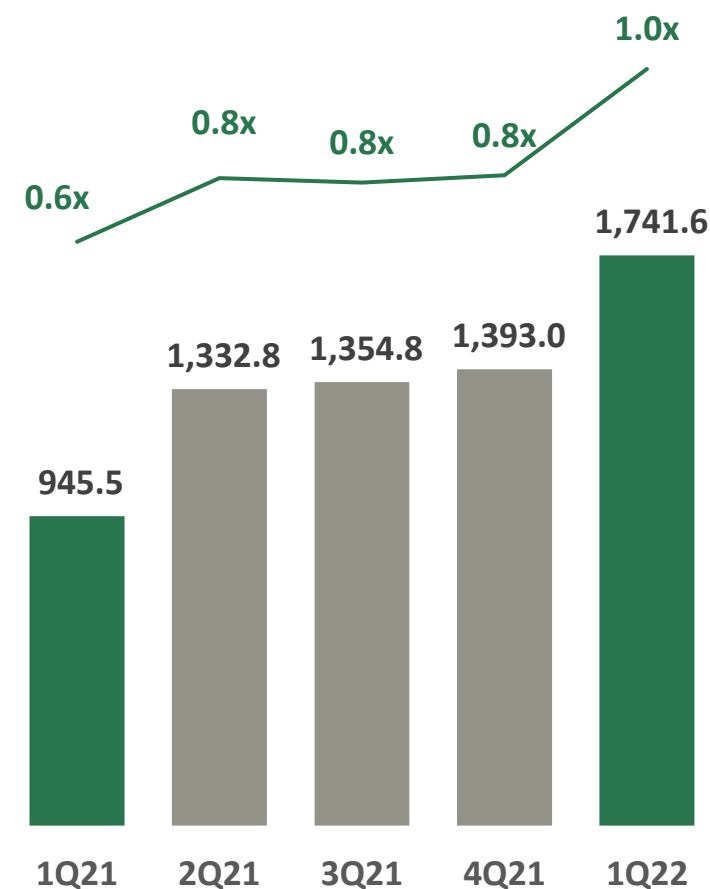
*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

Net debt and financial leverage

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

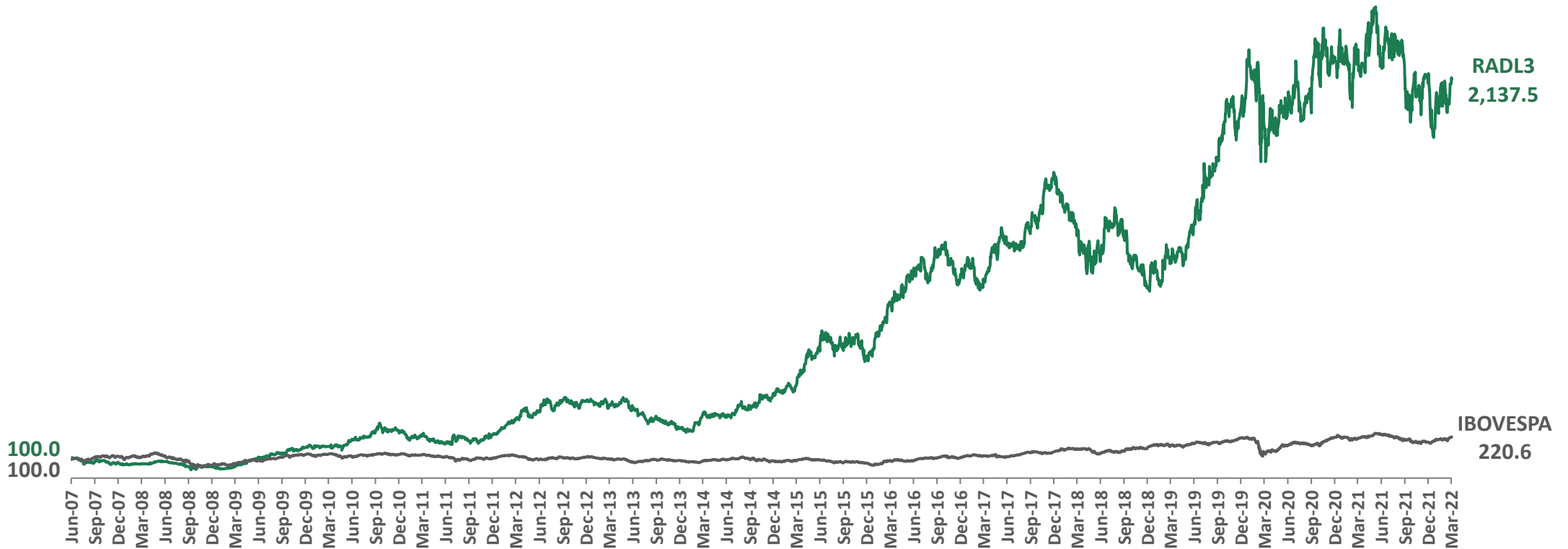


■ Adjusted Net Debt

— Adjusted Net Debt / EBITDA

RADL3 shares have depreciated by 1.5% in the 1Q22, performing 16.0 p.p. below the IBOVESPA.

Stock price appreciation



2022 Performance

RADL3: -1.5%
 IBOVESPA: 14.5%
 Alpha: -16.0%
 Average RADL3 Daily Liquidity: R\$ 158 MM

- › Average TSR of 23.5% since the Drogasil IPO.
- › Average TSR of 21.0% since the Raia IPO.
- › Average TSR of 21.6% since the merger (31/Dec/11)

RD has sustained a strong structural performance, decoupled from our peers. Margin normalization expected already from the 2Q22.

Strong structural performance, decoupled from our peers

- › We opened 52 new stores in the 1Q22 and 252 over the last twelve months;
- › Real IRR, net of cannibalization, has stayed consistently above 20%, even with a growing focus on small cities and in the B and C classes;
- › Growth of 8.9% at mature stores, 1.4 p.p. above CMED's authorized price increase in spite of a 1.2 p.p. headwind due to COVID-19 testing;
- › Market share gain 0.6 p.p. considering only the *sell-out* informants not subject to overreporting;
- › Annualized digital sales of R\$ 2.6 billion, with 88% through modern proprietary channels, vs only 8% of *superapps* and 4% of phone sales;
- › Sustained increase of our competitive edge, with total revenues approaching the sum of all the other the remaining Top 5 chains.

Transitory margin pressures

- › Strong inflationary time lag: LTM CPI of 11,3% vs. CMED's last authorized price readjustment of 7.5%;
- › G&A investment of 1.2 p.p. over the L36M, reflecting RD's ambition and long-term view while expanding our competitive differential.

Normalization of margins expected already in the 2Q22

- › CMED's authorized price increase of 10.9% already applied in the beginning of April, versus a projected CPI by Focus of 7.9% for year-end;
- › Having significantly enhanced our corporate structure, we expect to stabilize the current percentual magnitude.

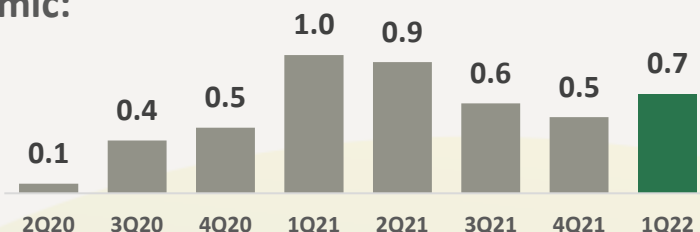
We are advancing in the Company's transformation as well as in the implementation of our strategy, with focus on the long-term value creation by RD.

New Pharmacy - Digital

- › Digital revenues reached R\$ 2.6 billion in annualized sales, an increase of 51.2% and a 10.0% retail penetration;
- › 91% of digital orders fulfilled at our pharmacies, with fast and cost-efficient deliveries (89% in up to 4h);
- › 88% of digital revenues done through modern and proprietary channels, with superior engagement and loyalty, including 74% through mobile technologies;
- › Significant improvement in the NPS of our apps as we have accelerated the deployment of new releases.

New Pharmacy – Health Hub

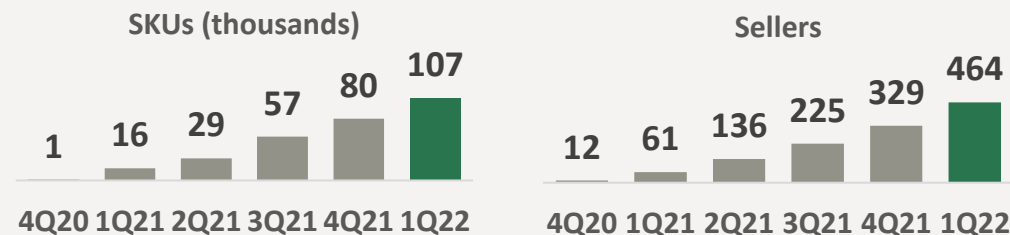
- › 4.6 MM COVID-19 tests performed since the beginning of the pandemic:



- › 231 licensed general vaccination rooms in our pharmacies.

Marketplace

- › Platform already offers 107k SKUs of 464 sellers:



- › Annual GMV increase of 5.5x.

Health Platform

- › 900 thousand unique users for Vitat's 220+ free integral health programs in the 1Q22;
- › 800 thousand views of our Health Podcast in the quarter and 8.6 MM unique visitors at our portal in the 1Q22.
- › The goal is creating a 360° journey integrating physical and digital assets to support chronic patient care.

