



EARNINGS PRESENTATION

1Q21

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



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Disclaimer

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Consolidated highlights*

- › **PHARMACIES**:** 2,319 units in operation (40 openings and 20 closures)
- › **MARKET SHARE:** 0.3 percentage point national increase
- › **GROSS REVENUE:** R\$ 6.0 billion, 14.9% growth vs. the 1Q20 and 43.9% vs. the 1Q19
- › **CONTRIBUTION MARGIN***:** 9.7%, 16.0% of growth and 0.1 p.p. of margin expansion
- › **ADJUSTED EBITDA:** R\$ 415.9 million, a 7.0% EBITDA margin and 12.6% of growth
- › **ADJUSTED NET INCOME:** R\$ 177.9 million, 3.0% of net margin and 16.5% of growth
- › **CASH FLOW:** R\$ 132.0 million negative free cash flow, R\$ 126.0 million total cash consumption

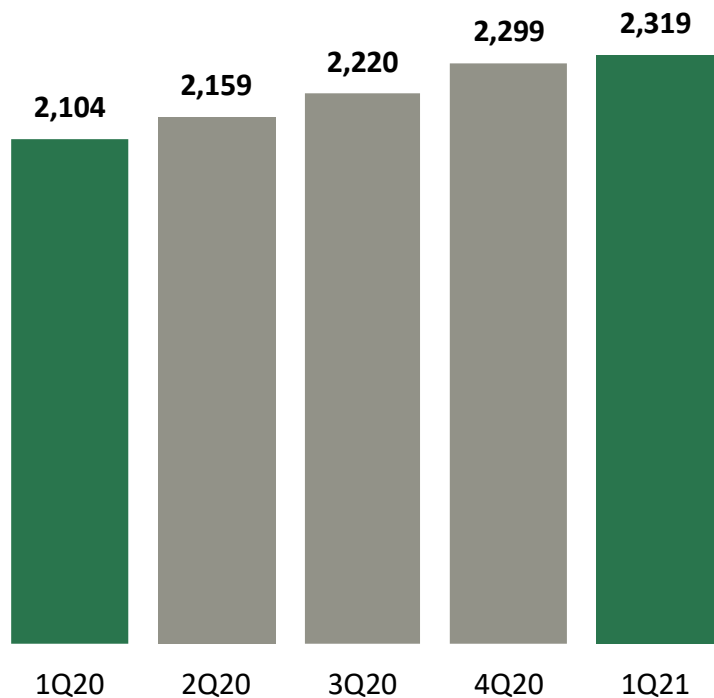
* Considers the IAS 17 / CPC 06 reporting standard

** Excludes 4 4Bio units

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

We opened 40 pharmacies and closed 20. We reiterate our guidance of 240 units per year for 2021 and 2022.

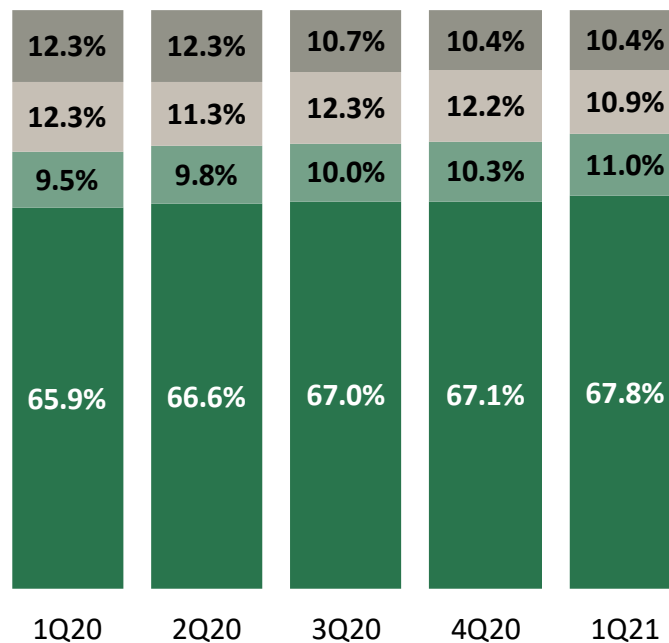
Pharmacy Count



	1Q20	2Q20	3Q20	4Q20	1Q21
Openings	39	55	64	82	40
Closures	(5)	0	(3)	(3)	(20)

Age Structure of Pharmacy Portfolio

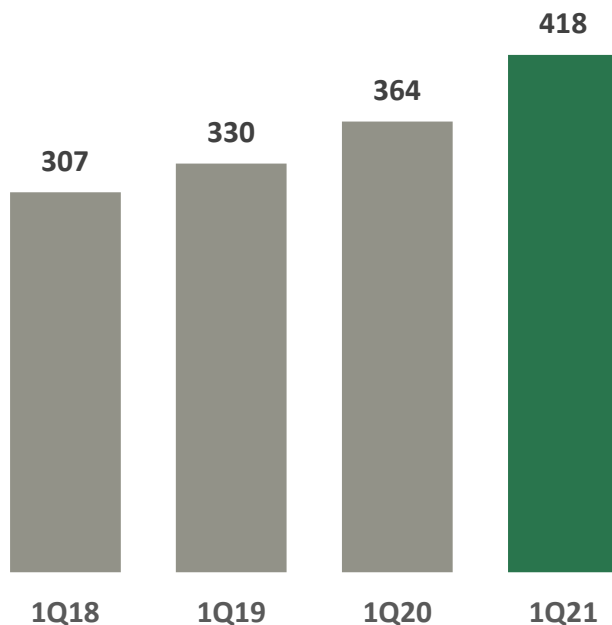
■ MATURE ■ YEAR 3 ■ YEAR 2 ■ YEAR 1



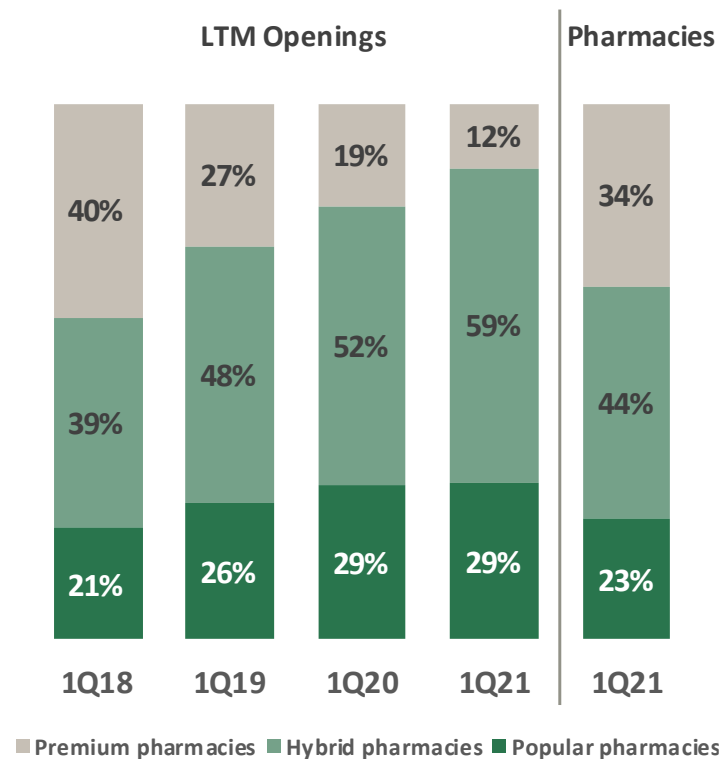
Guidance 2021-22:
240 New Pharmacies
per year, while maintaining the current geographical and customer segment diversification

We extended our presence to 418 cities in the 1Q21, with 88% of openings consisting of Popular or Hybrid formats to serve the expanded middle class.

Cities with pharmacies



Network composition by format*

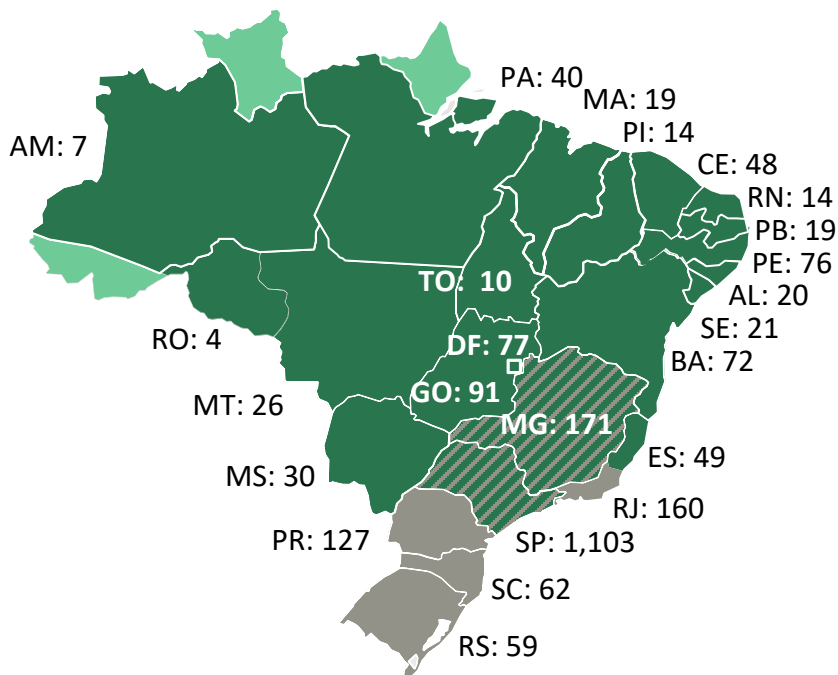


* Premium and super premium pharmacies are grouped together, as well as popular and super popular units. Openings exclude the Onofre acquisition.



Our market share reached 14.1% with a 0.3 p.p. gain. We signed contracts to enter the remaining states of AC, AP and RR, expanding our presence to the entire country.

Pharmacy Geographic Presence



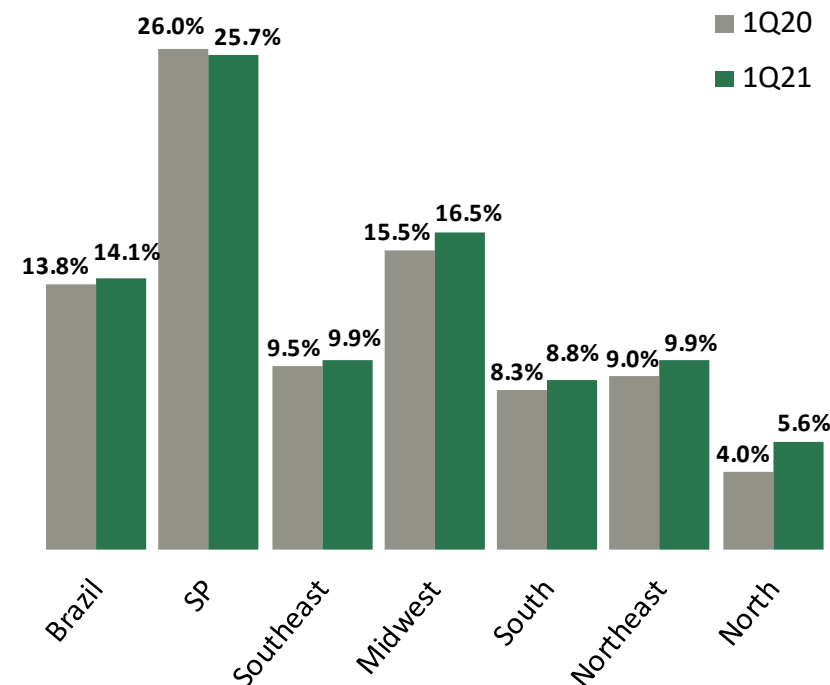
Total: 2,319 pharmacies

Raia: 1,002

Drogasil: 1,317

Future markets

Pharmacy Market Share



Source: IQVIA. Southeast excludes SP.

LTM Openings	1Q17	1Q18	1Q19	1Q20	1Q21
São Paulo	101	75	76	71	64
Other States	114	137	182	146	177
Onofre				42	
Total	215	212	258	259	241
São Paulo %*	47%	35%	29%	33%	27%

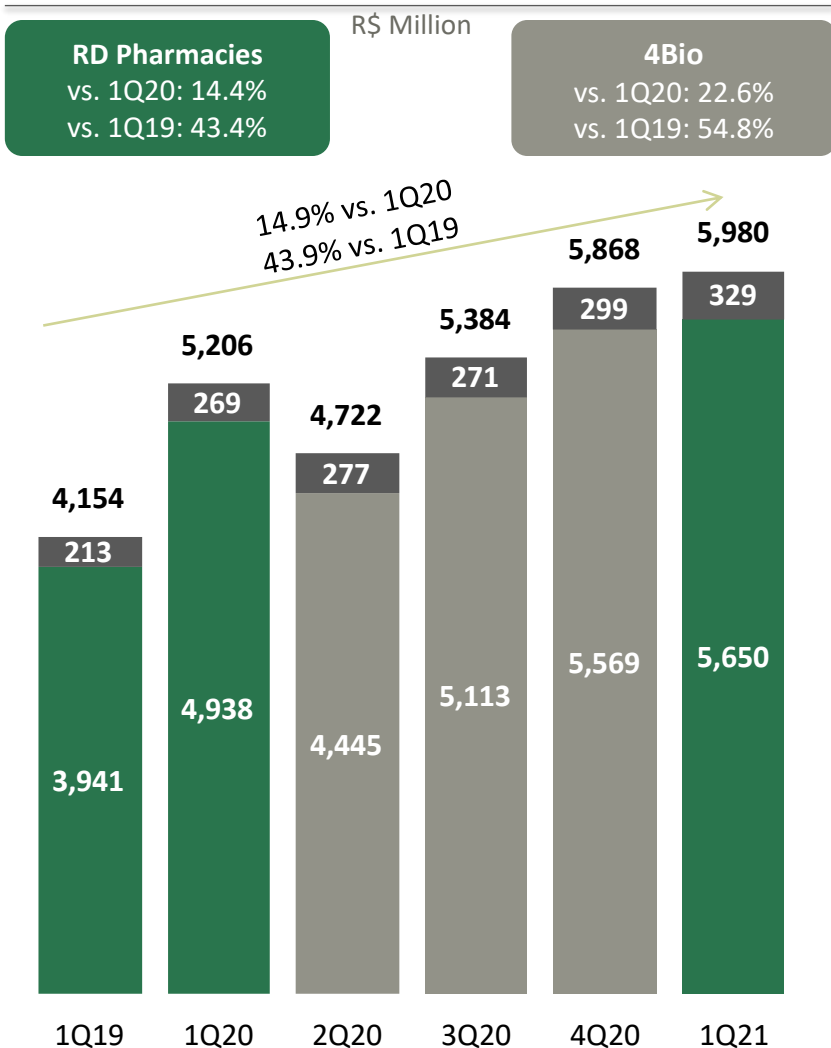
*Excludes Onofre.

- ✓ Market share penalized by a larger sell-in due to the yearly price cap increase (players that don't report sell-out data).
- ✓ Considering exclusively sell-out informants, we recorded a 1.7 p.p. national gain and a 0.6 p.p. increase in São Paulo.

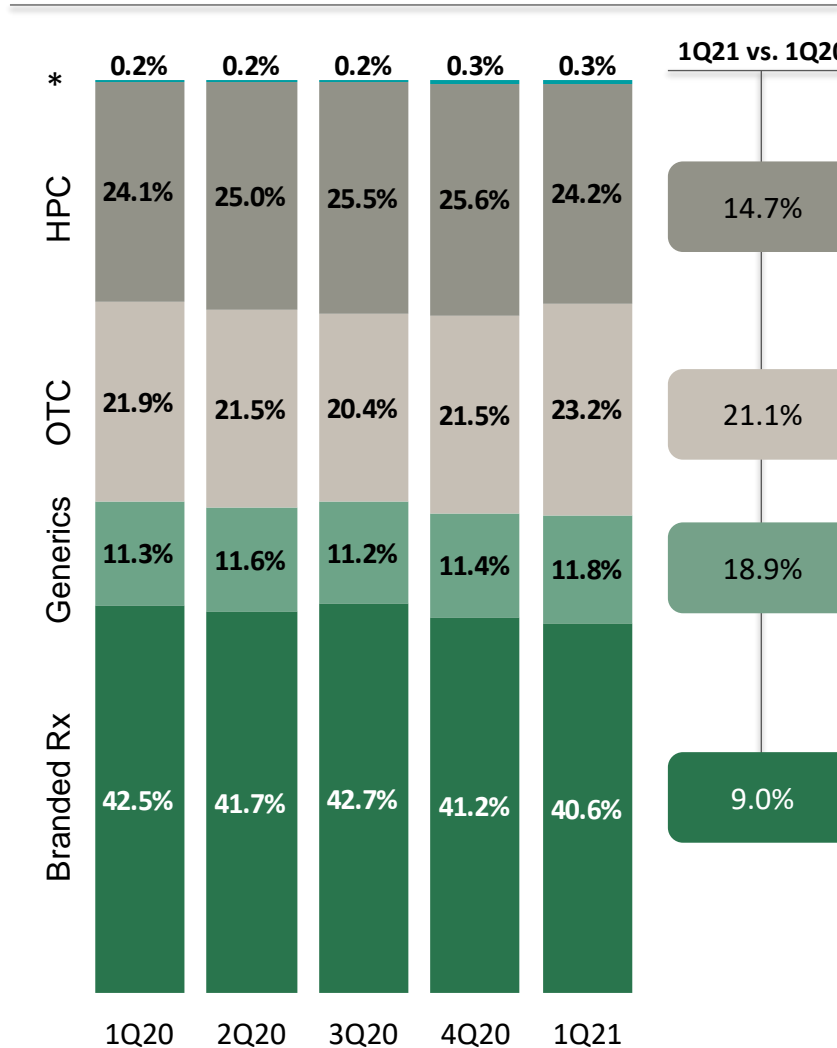


Consolidated sales grew 14.9% in the 1Q21, with 14.4% for RD Pharmacies and 22.6% for 4Bio. OTC was the highlight, leveraged by COVID-19 related items.

Consolidated Gross Revenue

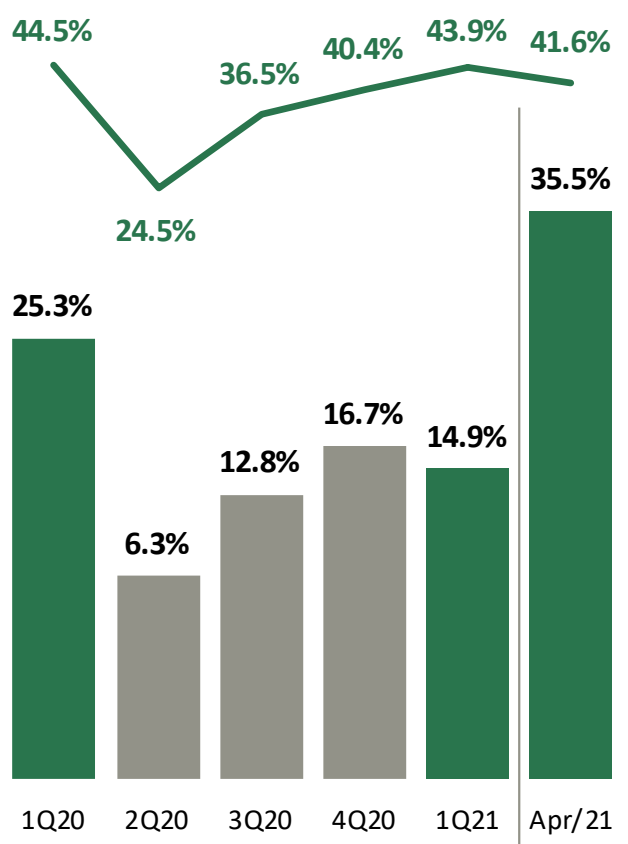


Retail Sales Mix

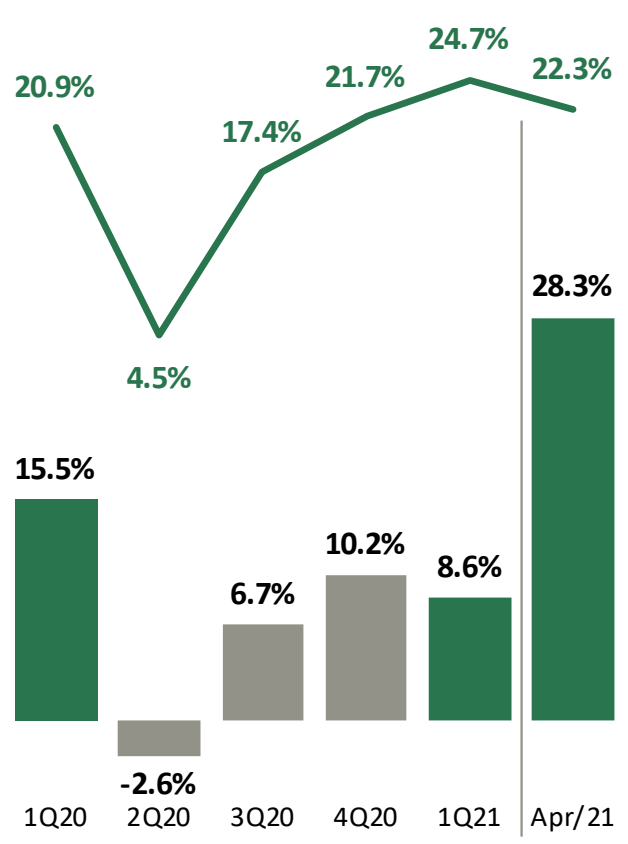


Mature stores grew 4.6% (-1.2% calendar effect), despite the high comp of the 1Q20. Accelerating two-year stack comps, with calendar-adjusted sequential stability in April.

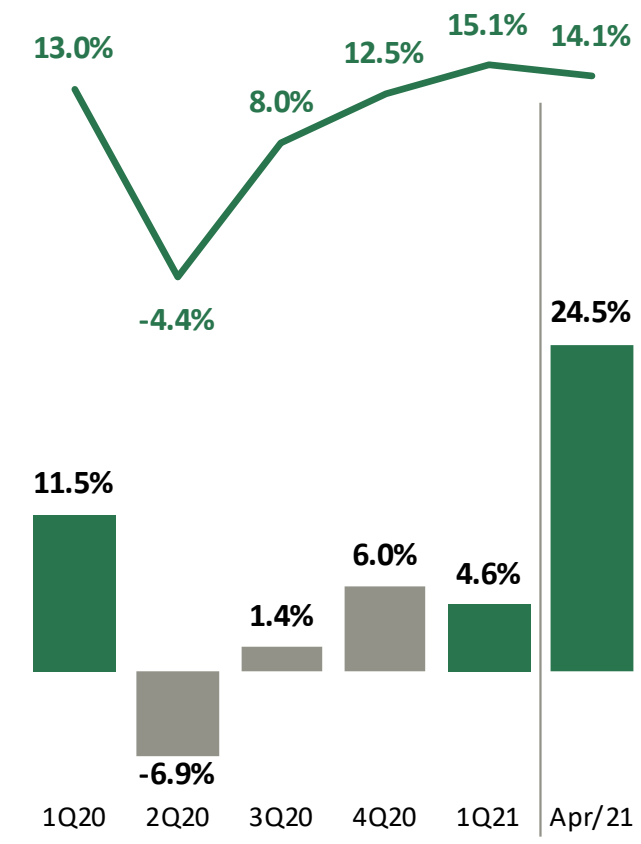
Consolidated Revenue Growth



Same-Store Sales Growth - Retail



Mature-Store Sales Growth - Retail



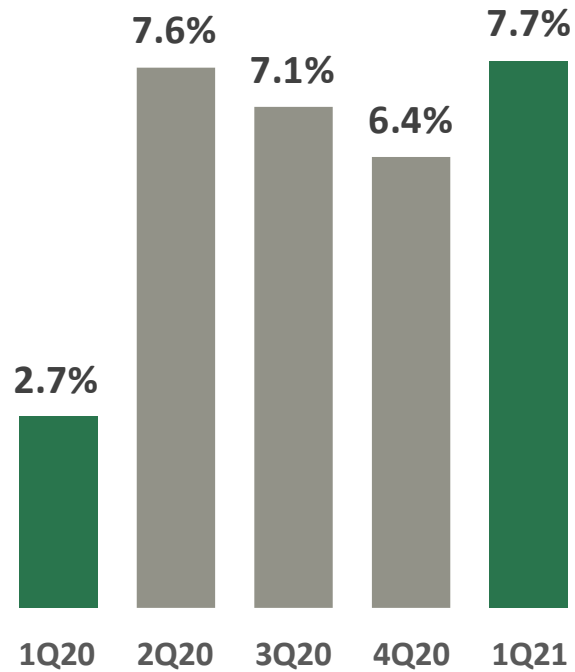
■ Annual growth — 2-year stack

* Data for the month of April are preliminary and managerial, and have not been audited or revised by independent auditors.

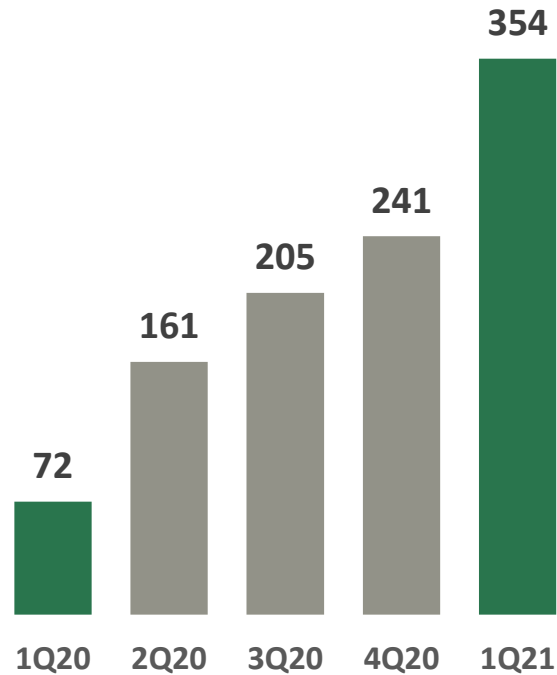
** Neutral yearly calendar effect in April, neutral two-year calendar effect in the quarter and negative two-year calendar effect in April of 1.3%.

Digital channels reached 7.7% of retail penetration, exceeding the peak of the 2Q20 as a result of our efforts to improve customer omnichannel experience.

Digital channel penetration

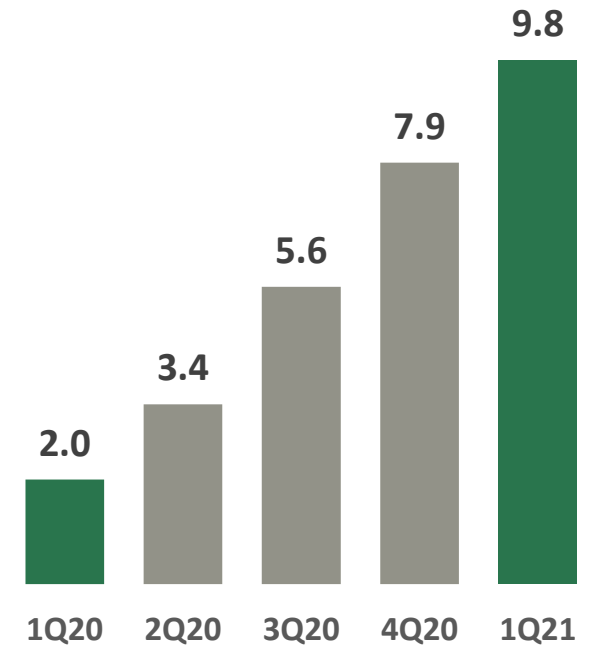


Cities with motorized ship-from-store deliveries

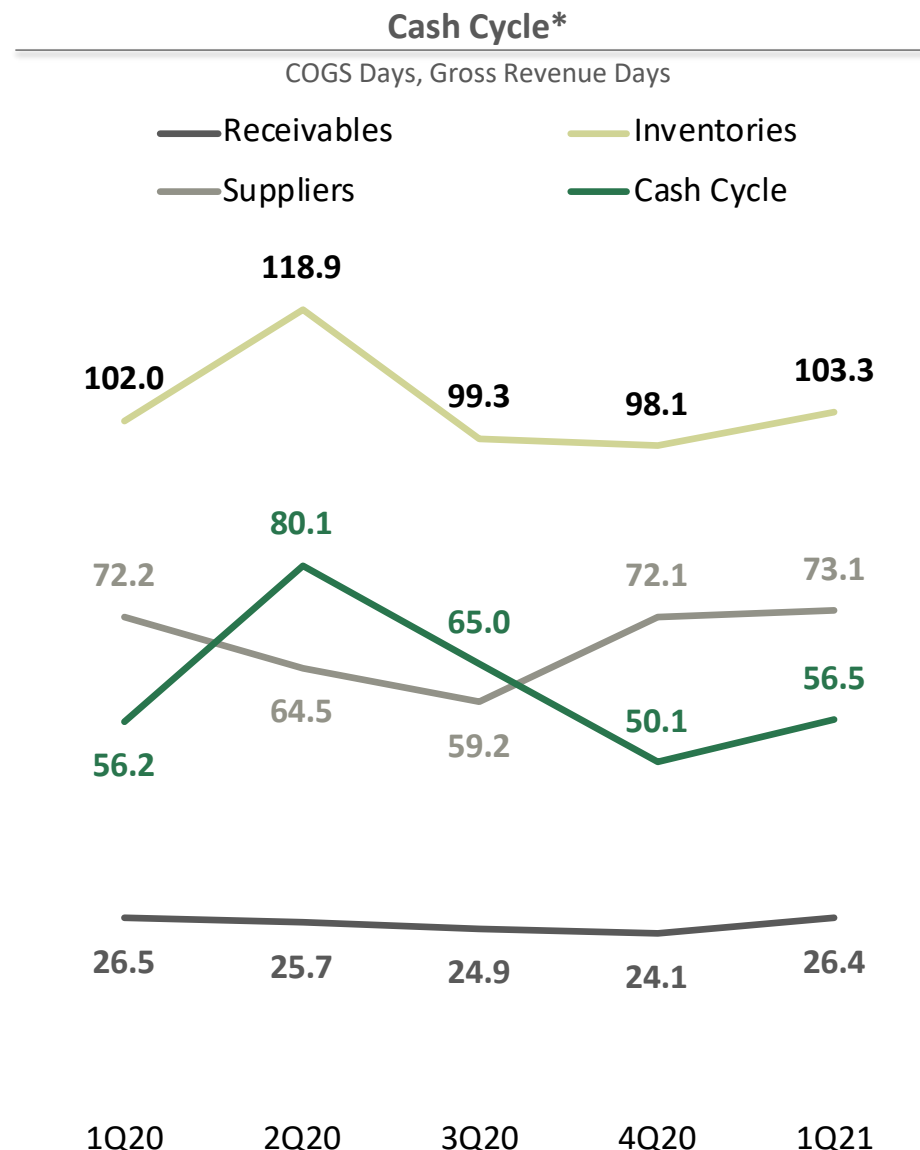
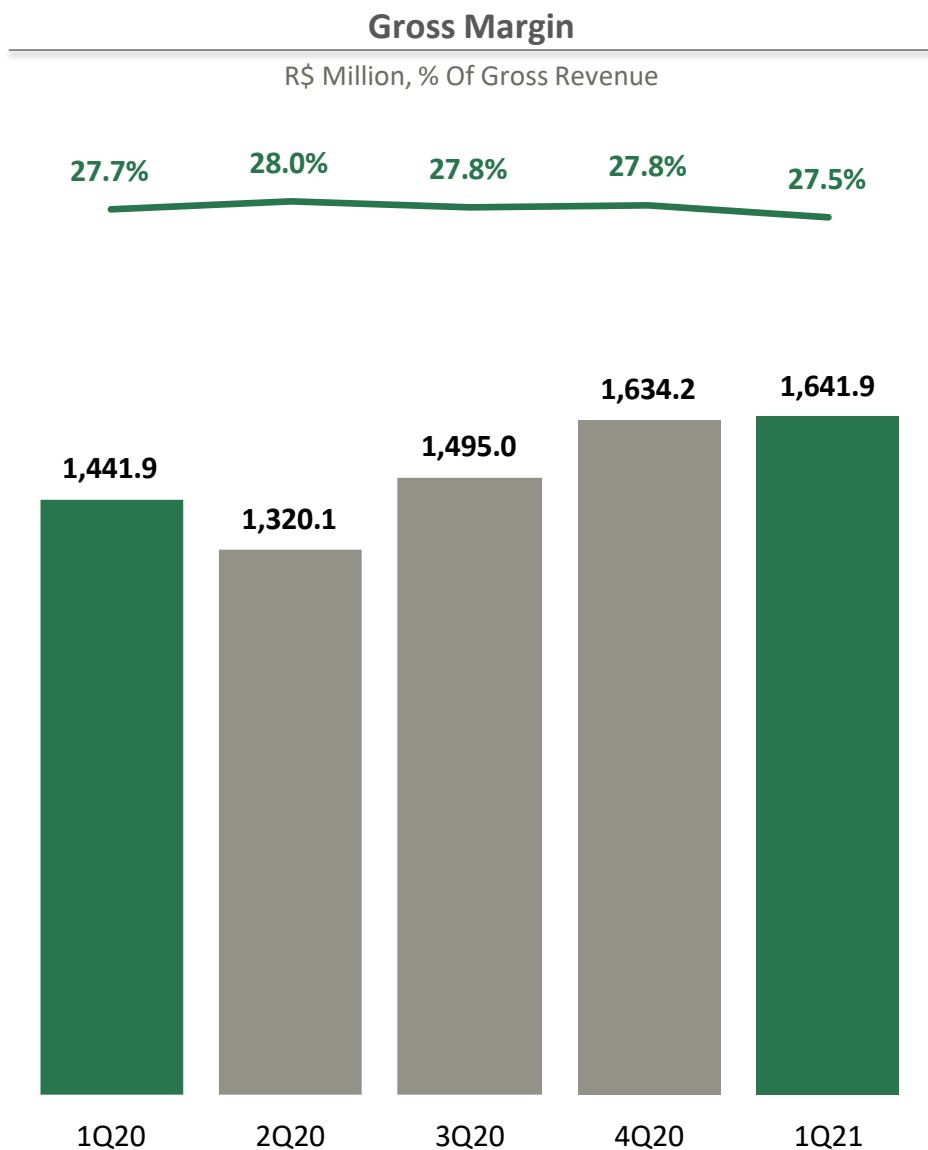


Cumulative app downloads

Millions



Gross margin pressure of 0.2 p.p. due to investments to drive digital adoption and to a 0.1 p.p. pressure from NPV adjustments. Cash cycle increased by 0.3 day.

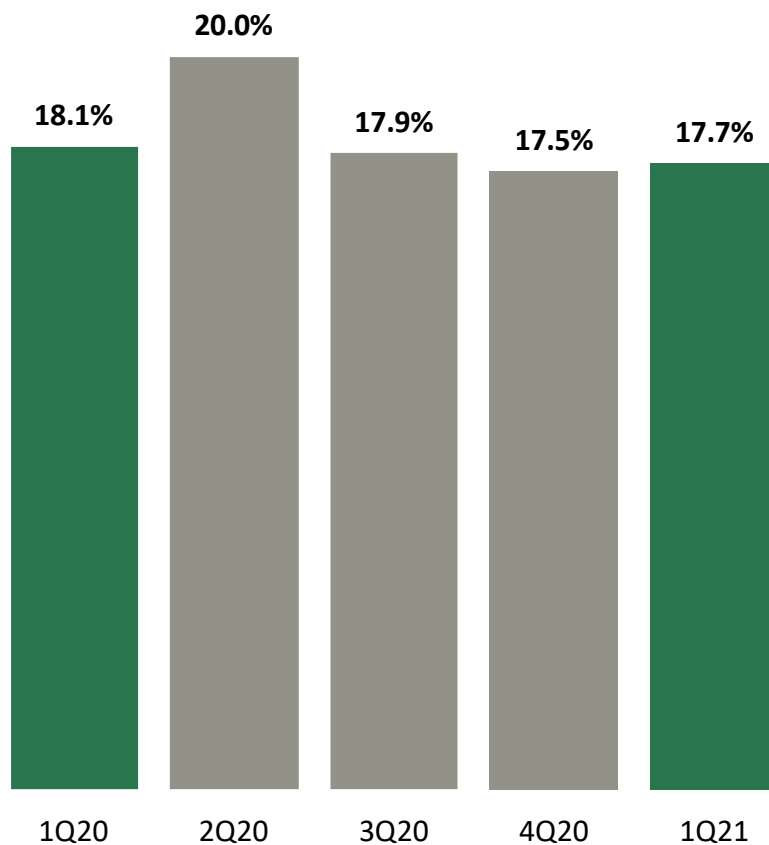


* Adjusted for discounted receivables.

Dilution of 0.4 p.p. in selling expenses more than offset the gross margin pressures, leading to a 0.1 p.p. expansion in contribution margin.

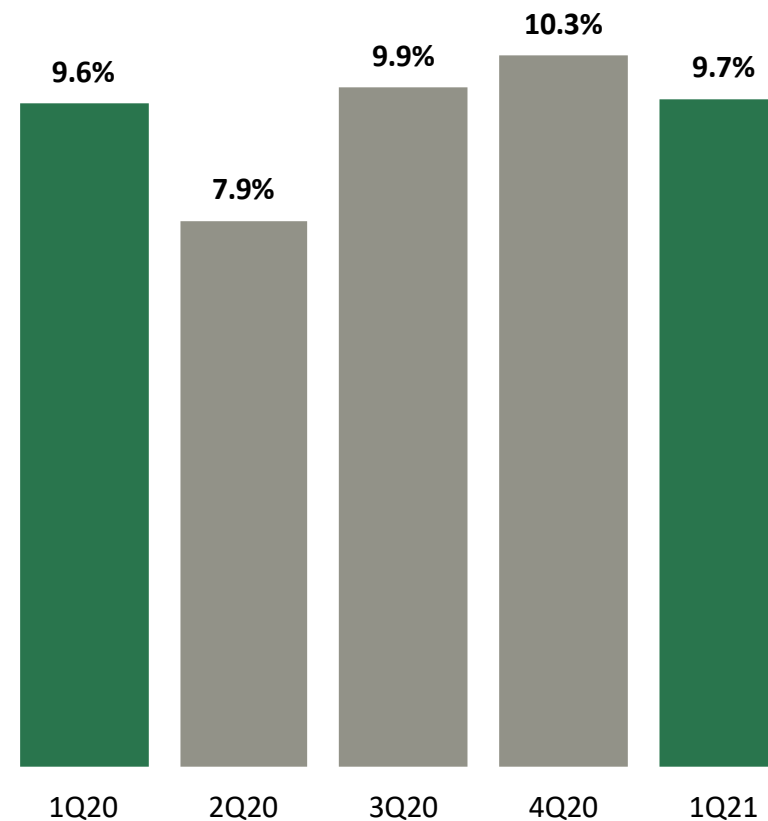
Selling Expenses

% of Gross Revenue



Contribution Margin

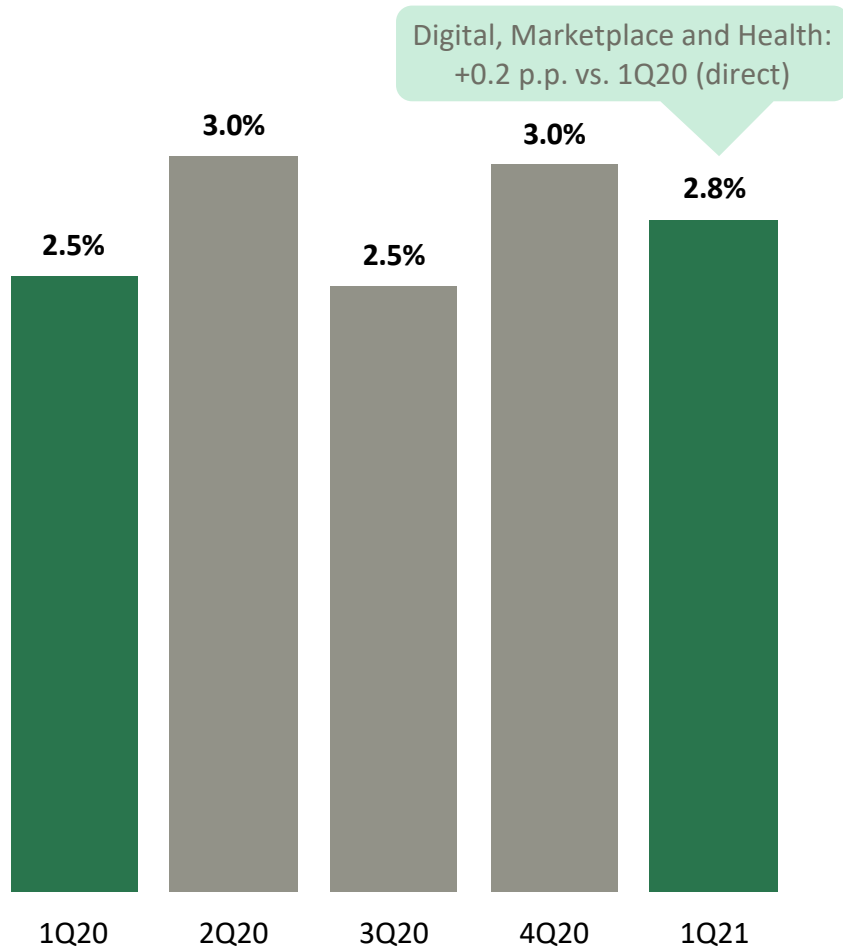
% of Gross Revenue



EBITDA totaled R\$ 415.9 million in the 1Q21, an increase of 12.6% versus the 1Q20, with a 0.1 p.p. margin pressure due to an increase in G&A expenses.

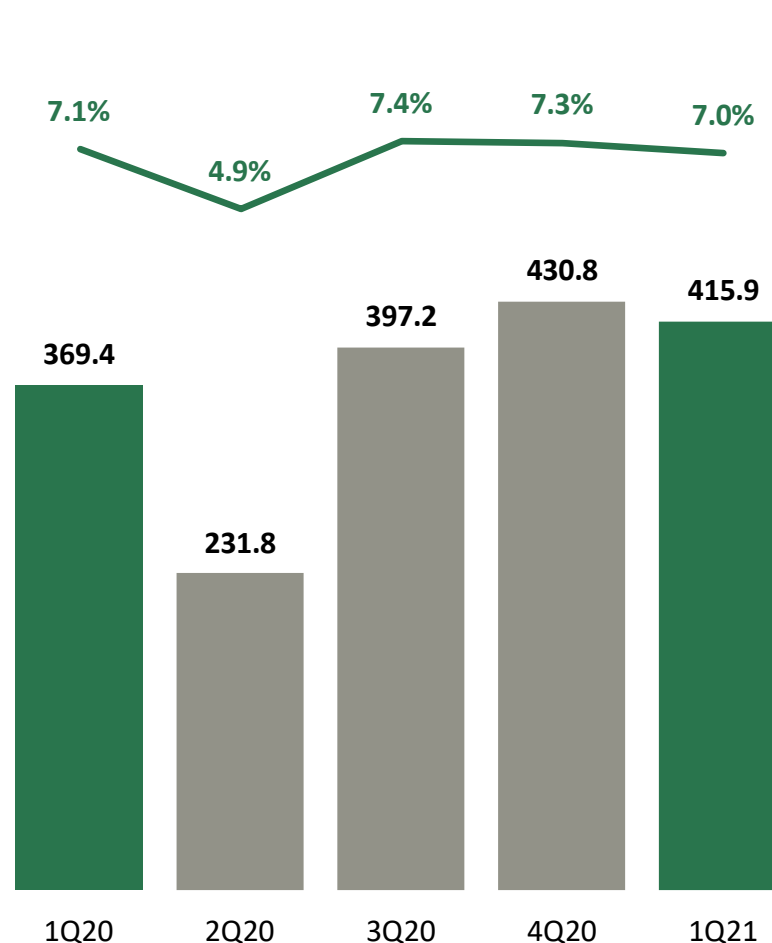
General and Administrative Expenses

% of Gross Revenue



Adjusted EBITDA

R\$ Million, % Of Gross Revenue



2,279* pharmacies operating since 2020:
(performance in the 1Q21)

- > R\$ 5,636.4 million in gross revenue
- > EBITDA of R\$ 420.1 million
- > EBITDA margin of 7.5%

RD Pharmacies

- > EBITDA of R\$ 411,1 million
- > EBITDA margin of 7.3%

4Bio

- > EBITDA of R\$ 5.4 million
- > EBITDA margin of 1.6%

* 2,299 pharmacies by the end of the 4Q20 less 20 closures.

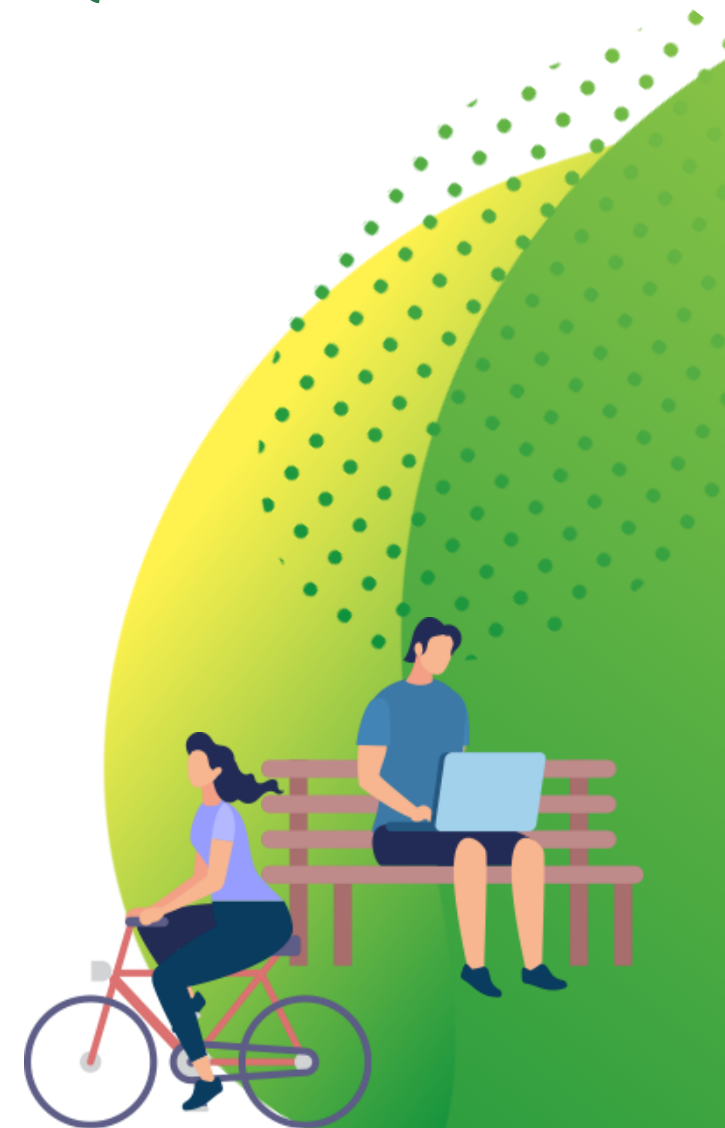
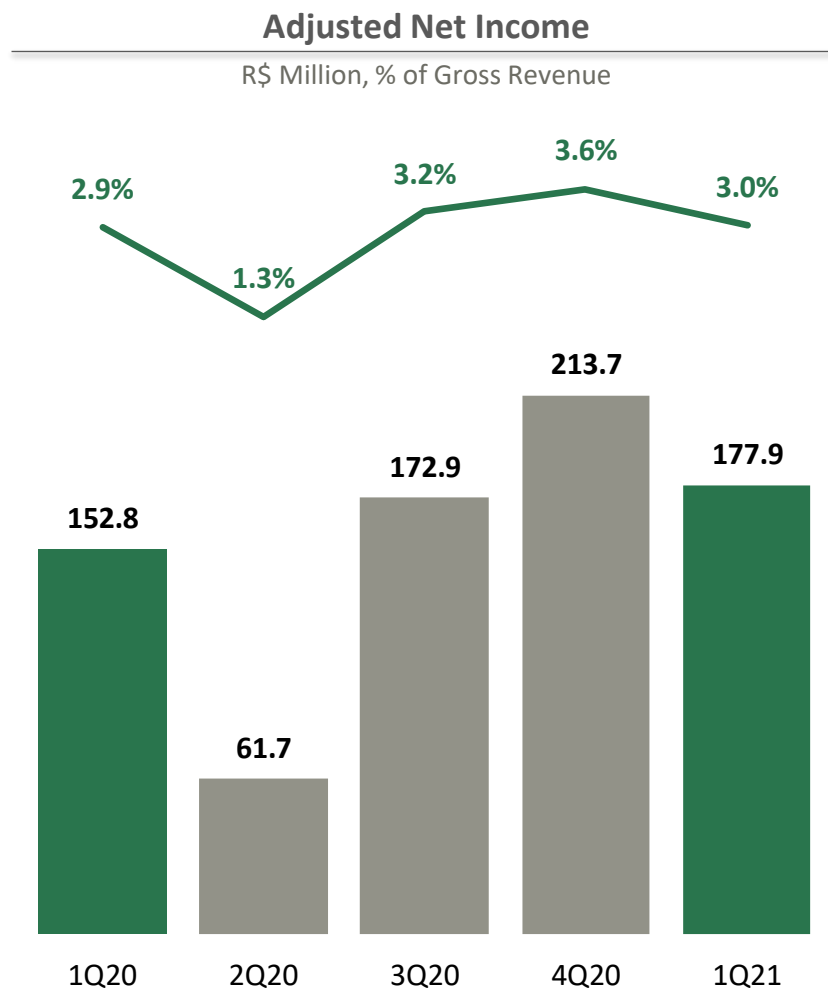
We recorded R\$ 16.4 MM in net non-recurring/non-operating gains in the 1Q21, most of which stems from fiscal credits from previous periods.

EBITDA Reconciliation

EBITDA Reconciliation	1Q21	1Q20
<i>(R\$ million)</i>		
Net Income	188.8	145.8
(+) Income Tax	75.8	54.8
(+) Equity Equivalence	1.5	0.0
(+) Financial Result	18.8	22.4
EBIT	284.9	223.1
(+) Depreciation and Amortization	147.3	135.8
EBITDA	432.3	358.9
(-) Tax Credits from Previous Periods	(13.6)	
(-) Labor Contingencies - Monetary Restatement Rate Change	(3.4)	
(+) Asset Write-off	(1.1)	(0.2)
(+) Donations	3.3	
(+) Provisions for Inventory Losses from previous periods		11.5
(+) Consulting, Advisory and Restructuring Expenses		0.4
(+) Other non-recurring / non-operating net expenses	(1.6)	(1.3)
Non-recurring / non-operating Expenses	(16.4)	10.5
Adjusted EBITDA	415.9	369.4



Adjusted net income totaled R\$ 177.9 million in the 1Q21, an increase of 16.5% and a margin expansion of 0.1 p.p. versus the 1Q20.



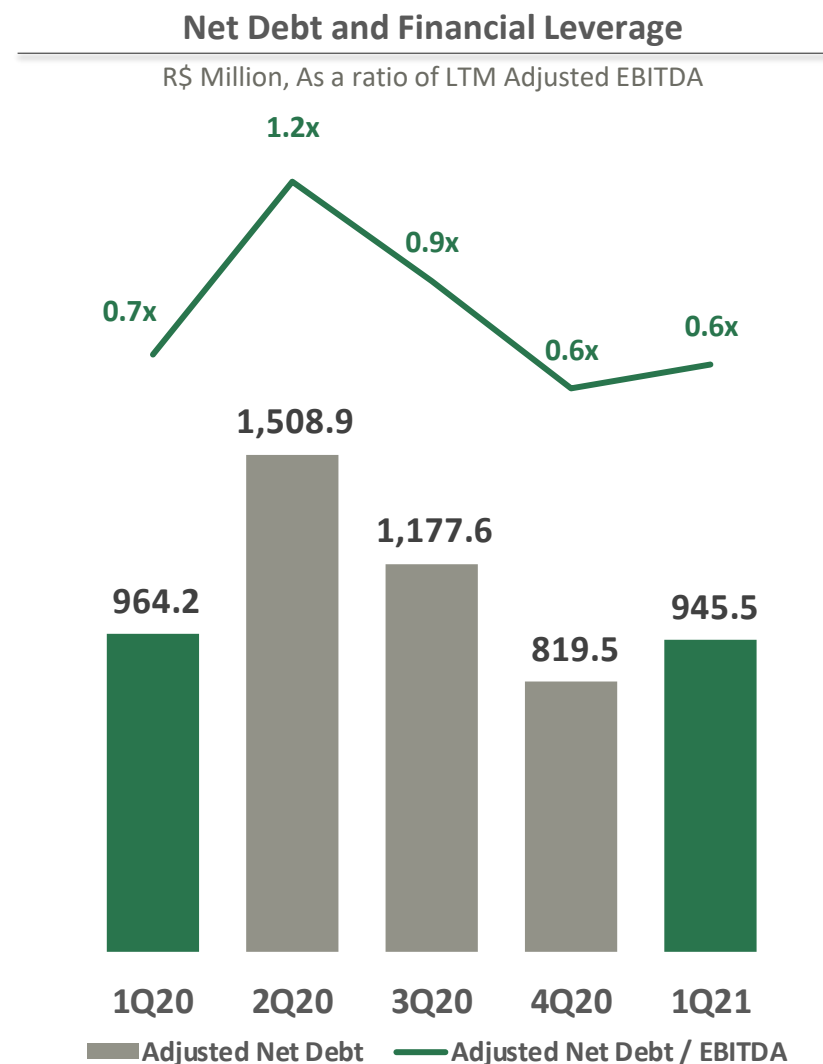
Negative free cash flow of R\$ 132.0 million, with R\$ 126.0 million in total cash consumption. Leverage was of 0.6x, a 0.1x reduction.

Cash Flow (R\$ million)	1Q21	1Q20
Adjusted EBIT	268.5	233.5
NPV Adjustment	(3.0)	(9.1)
Non-Recurring Expenses	16.4	(10.5)
Income Tax (34%)	(95.9)	(72.7)
Depreciation	147.3	135.8
Others	53.7	29.7
Resources from Operations	387.2	306.7
Cash Cycle*	(385.5)	(248.2)
Other Assets (Liabilities)**	14.1	32.8
Operating Cash Flow	15.7	91.3
Investments	(147.7)	(139.5)
Free Cash Flow	(132.0)	(48.1)
Interest on Equity	(0.0)	(0.6)
Net Financial Expenses***	(13.5)	(12.1)
Income Tax (Tax benefit over financial expenses and interest on equity)	19.6	20.1
Total Cash Flow	(126.0)	(40.8)

*Includes adjustments to discounted receivables.

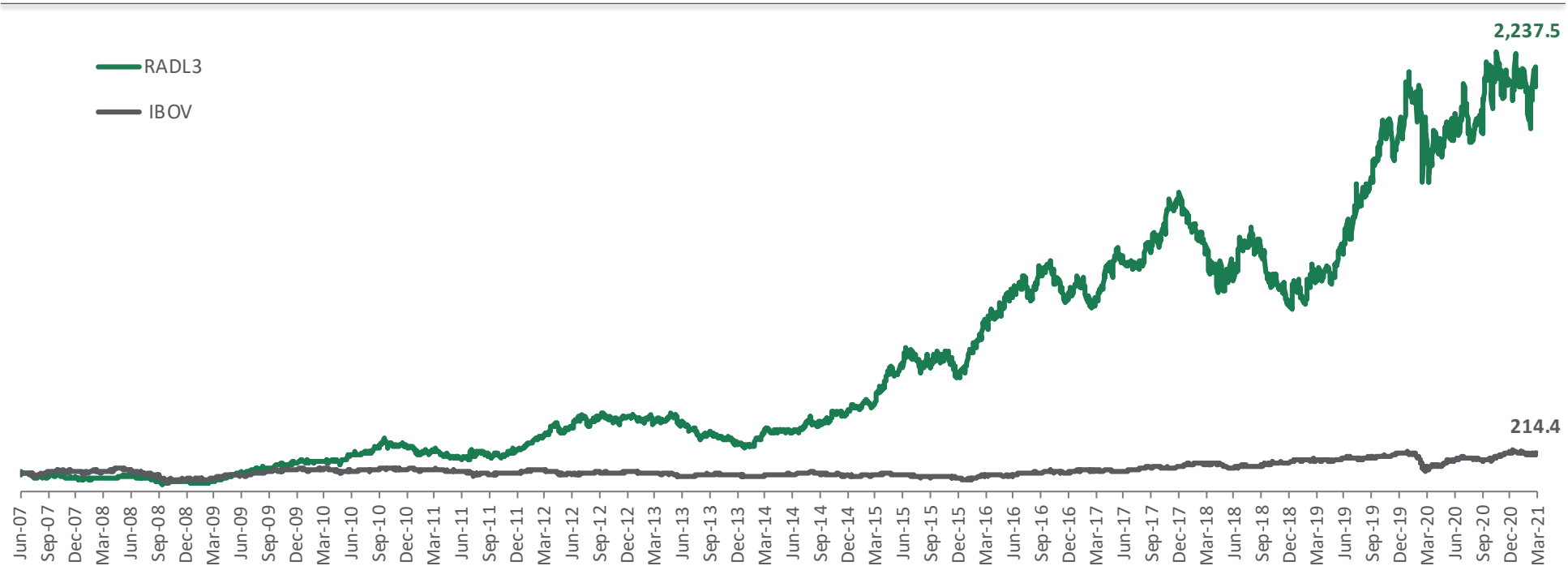
**Includes NPV adjustments.

***Excludes NPV adjustments.



RADL3 shares increased by 0.1% in 1Q21, performing 2.3 p.p. above the IBOVESPA.

Share Appreciation



Performance in 2021

RADL3: 0.1%
BOVESPA: -2.2%
Alpha: 2.3%

Average Trading Volume RADL3: R\$ 154.5 MM

- › Average annual return of 25.7% since the Drogasil IPO.
- › Average annual return of 23.7% since the Raia IPO.

Solid performance in the quarter with a positive outlook for the year.

Solid sales and profitability performance in the 1Q21

- › In spite of the challenging comps, mature stores grew in-line with inflation (adjusted for calendar)
- › Two-year stack top-line growth continued accelerating and reached 43.9%
- › Digital penetration reached 7.7% of pharmacy sales, also with accelerating trends
- › We performed 1.9 million COVID-19 tests since May/2020 (1.0 million tests in the 1Q21)
- › Margin in-line with the 1Q20, despite the challenging comp and unfavorable calendar

Positive outlook for 2021

- › Annual top-line growth of 35.5% in April, driven by an easy comp*
- › Two-year stack growth of 41.6% in April, in line with the 1Q21 when adjusted for the -1.3% calendar effect
- › Digital channel penetration in April exceeded the 1Q21 average
- › Yearly price cap increase will offset inflationary pressures and sustain solid sales and margin trends

* Data for the month of April are preliminary and managerial, and has not ben audited or revised by independent auditors.

We advanced in the construction of our health marketplace.



We have laid the marketplace foundations and started the pilot operations

- › Pilot started on our www.drogaraia.com.br website in November 2020
- › 3P sales in the Droga Raia app started in January, 2021
- › We currently feature 84 sellers and 18.1k 3P SKUs, vs. 12 sellers and 1.2k 3P SKUs in the 4Q20
- › Sellers extend our offering both in current categories as well as in new verticals
- › 39% of the marketplace orders also include 1P products

Construction of the platform continues throughout 2021

- › Currently negotiating with over 150 sellers and prospecting another 1,000
- › Focus on new seller onboarding and activation within the platform
- › Customer experience within the platform remains a priority
- › Using our pharmacies as a logistical hub is a major opportunity
- › Integration of the marketplace into the Drogasil app is expected for the 3Q21

Enhancing the Governance to support a new cycle of value creation, with a new Shareholder's Agreement and a new Board that incorporates new competencies.

New Shareholder's Agreement

- › Start: November, 2021
- › Duration: 10 years
- › Members: Galvão, Pires Oliveira Dias and Pipponzi families
- › Share ownership: ~ 30% of the stock capital

Obs: Current agreement continues until its expiry (Nov-2021)

ESG Improvements

- › 5 Statutory Committees (Strategy, Finance, People, Health and Sustainability)
- › Permanent Fiscal Council
- › New Sustainability Commitments for 2030

Announcement of the 2030 Sustainability Commitments: **May 18, 11:00 AM BRT**

New Board of Directors

Increase from 9 to 11 seats and from 3 to 5 independent members, with no alternates

