



**2024**  
**EARNINGS**  
CONFERENCE CALL

 ***PagueMenos***

 ***extrafarma***

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Certain percentages and other amounts included in this document have been rounded up to facilitate their presentation. The scales of the graphs of the results can appear in different proportions, to optimize the demonstration. Accordingly, the numbers and graphs presented may not represent the arithmetic sum and the appropriate scale of the numbers that precede them, and may differ from those presented in the financial statements.

Since 2019 our financial Statements have been prepared in accordance with IFRS 16, which changed the criteria for the recognition of rental contracts. To better represent the economic reality of the business, the numbers in this presentation are presented under the previous standard, IAS 17 / CPC 06. Reconciliation to IFRS 16 can be found in a dedicated section of our Earnings Release.



# 2Q24 Highlights

Jonas Marques, CEO

# 2Q24 Highlights

Accelerated growth, increased margins and best cash generation in 5 years



## SAME STORE SALES

**+11.4% consolidated**

*(10.5% Pague Menos and 15.8% Extrafarma)*



## MARKET SHARE

**Gain in all regions** *(outperforming chains, associations, and independents)*



## ADJUSTED EBITDA

**R\$ 176.9 million (+15.7% vs 2Q23)**

*with 0.2p.p. Margin expansion*



## NET INCOME

**R\$ 44.2 million**

*reversal of losses in 2Q23 and 1Q24*



## CASH CYCLE

**56 days (-8 days vs 2Q23)**

*best inventories level since 2020*



## FREE CASH FLOW

**R\$ 74.1 million** *(highest quarterly*

*cash generation in the last 5 years)*



# 2Q24 Results

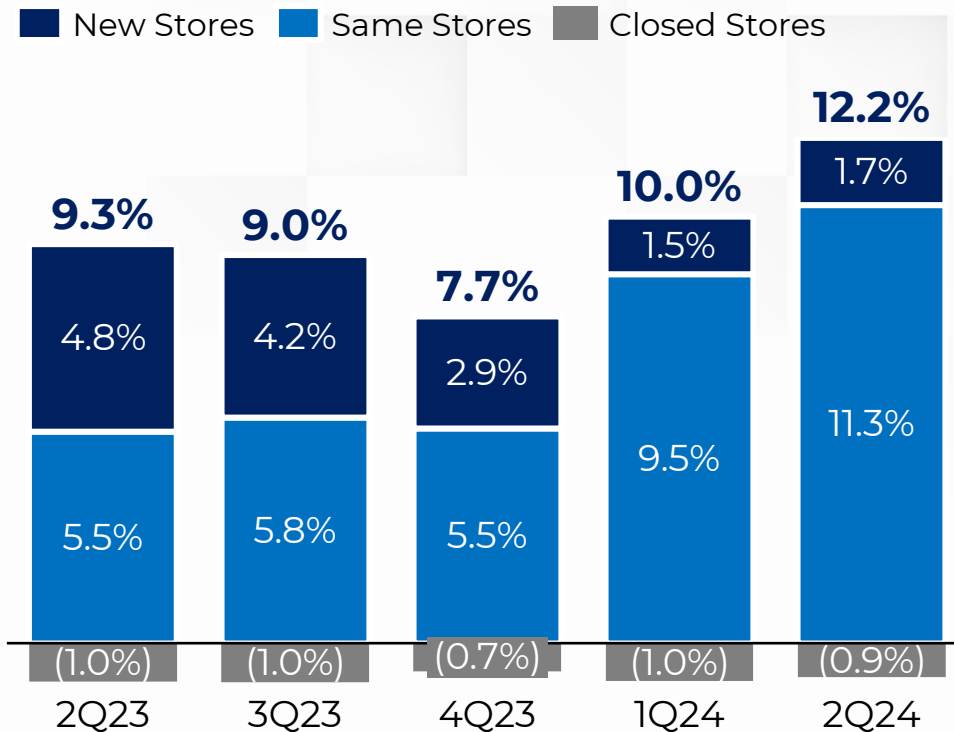
Luiz Novais, CFO

# Top Line Performance

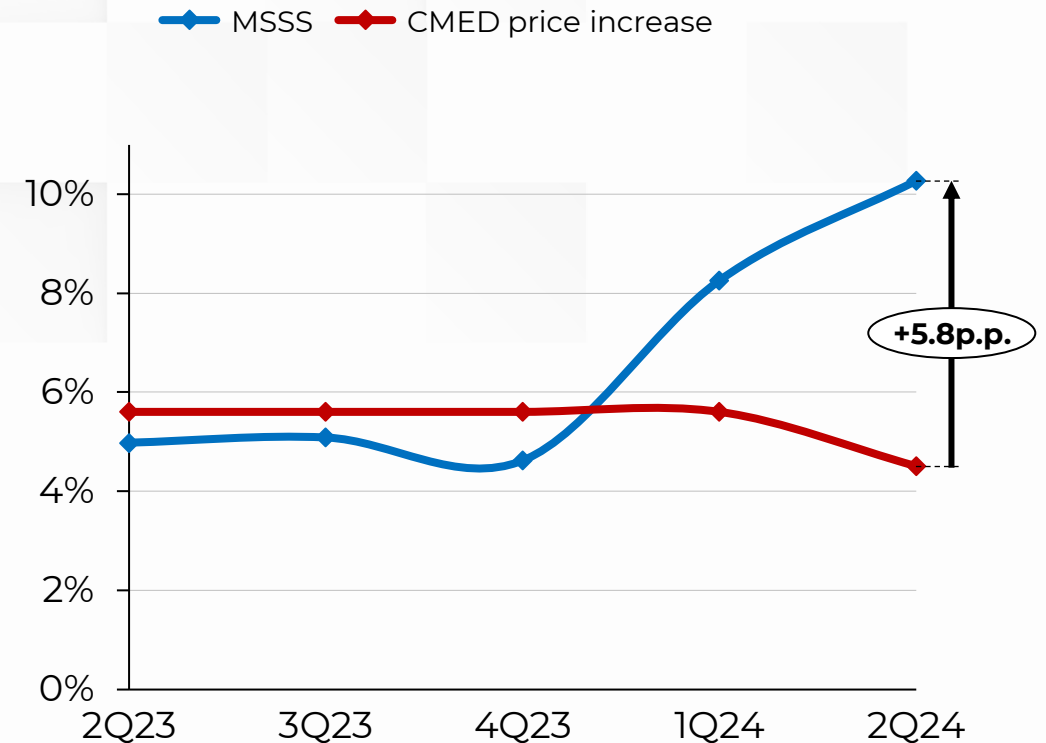
Growth acceleration, substantially above inflation



**TOTAL GROWTH<sup>1</sup>**  
(% annual variation)



**REAL GROWTH MATURE STORES<sup>1</sup>**  
(% annual variation)

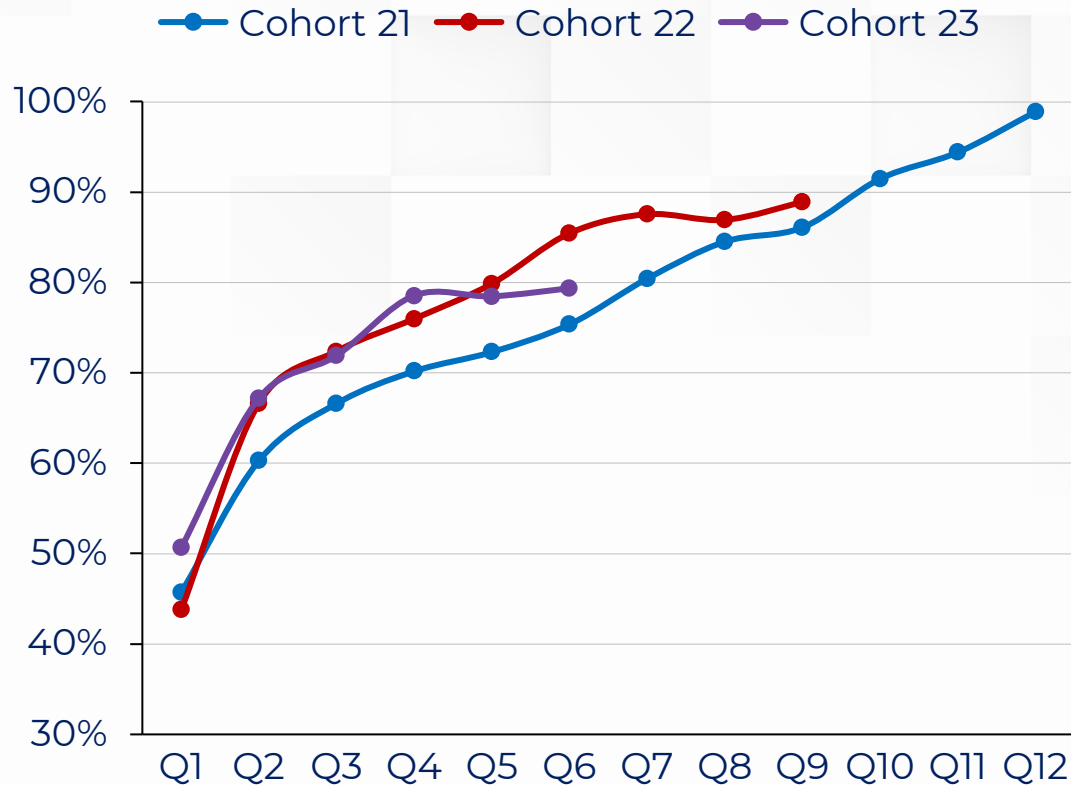


<sup>1</sup> Proforma growth data, considering the historical basis of Extrafarma and purging the wholesale operation.

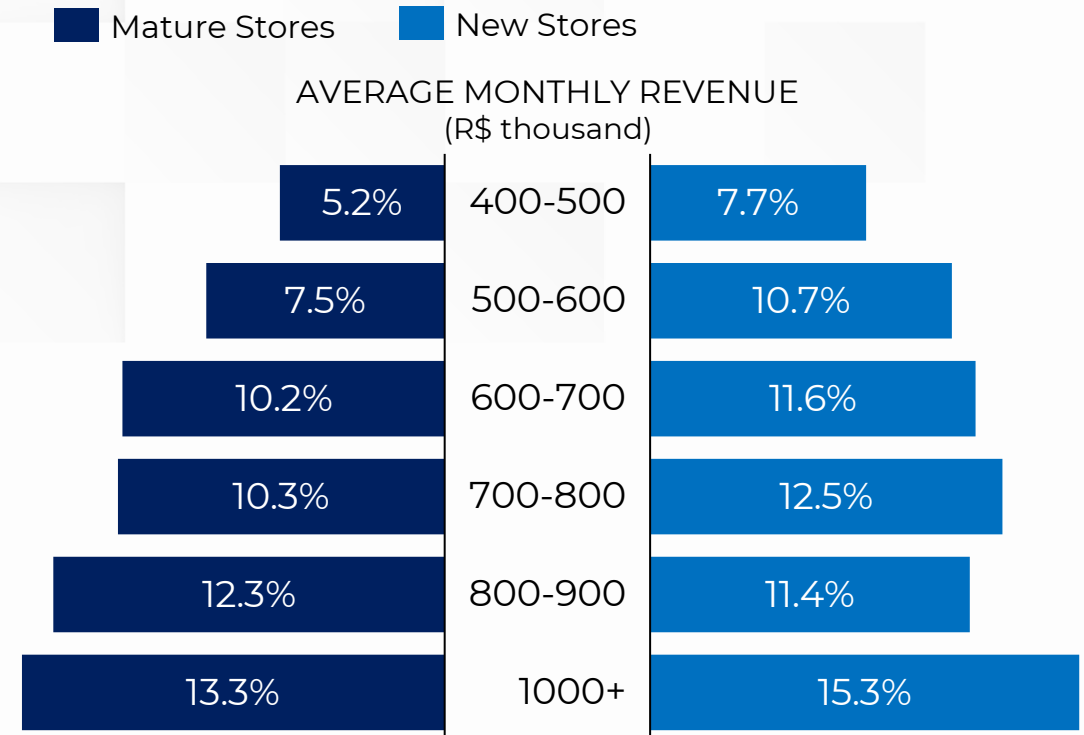
# Organic Expansion

Maturation as expected, with margins higher than the mature store portfolio

## MATURATION CURVE (% of potential sale)



## 4-WALL<sup>1</sup> MARGIN PER REVENUE BAND (R\$ thousand and % of gross revenue)

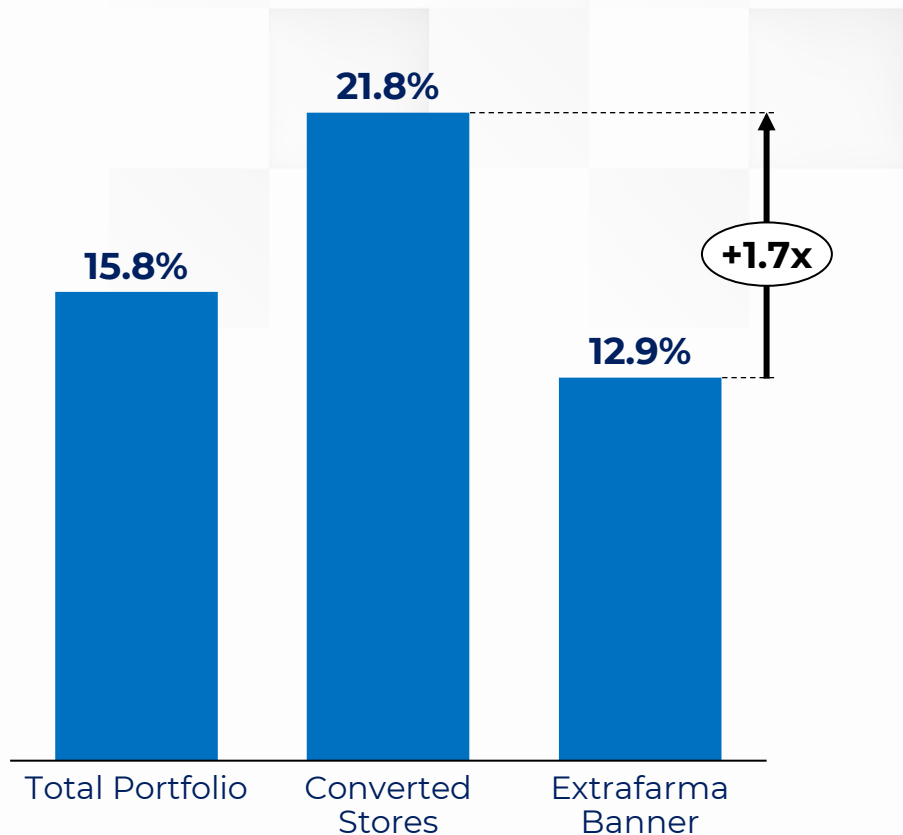


<sup>1</sup> Considers only direct store expenses. Data referring to the Pague Menos store base in 2Q24.

# Banner Conversions

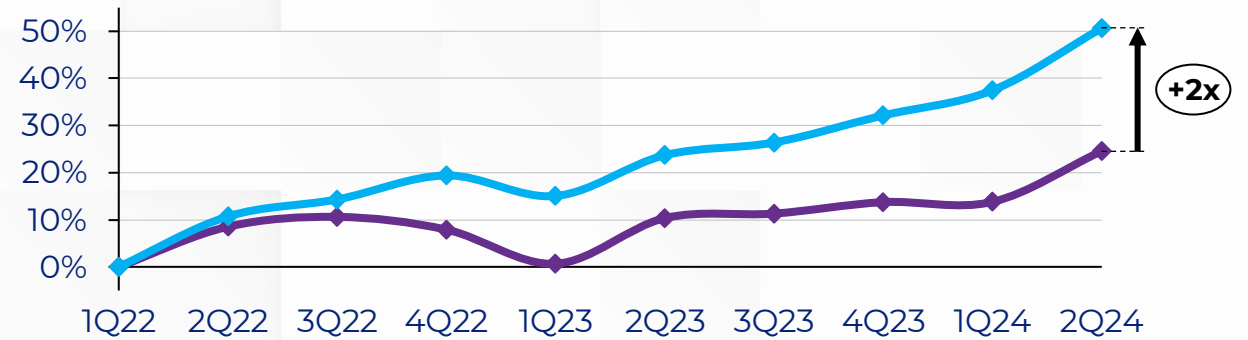
Key driver of sales growth, accelerated in 2Q24

## SSS 2Q24 - EXTRAFARMA PORTFOLIO (% variation)

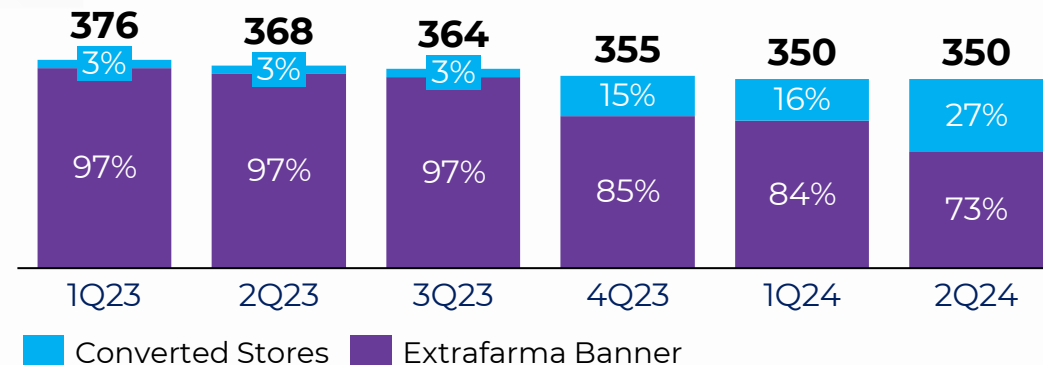


## RAMP-UP CONVERSIONS (1Q22 sales = base 100)

◆ Extrafarma Banner  
◆ Banner Conversions



## EXTRAFARMA PORTFOLIO EVOLUTION (number of stores)



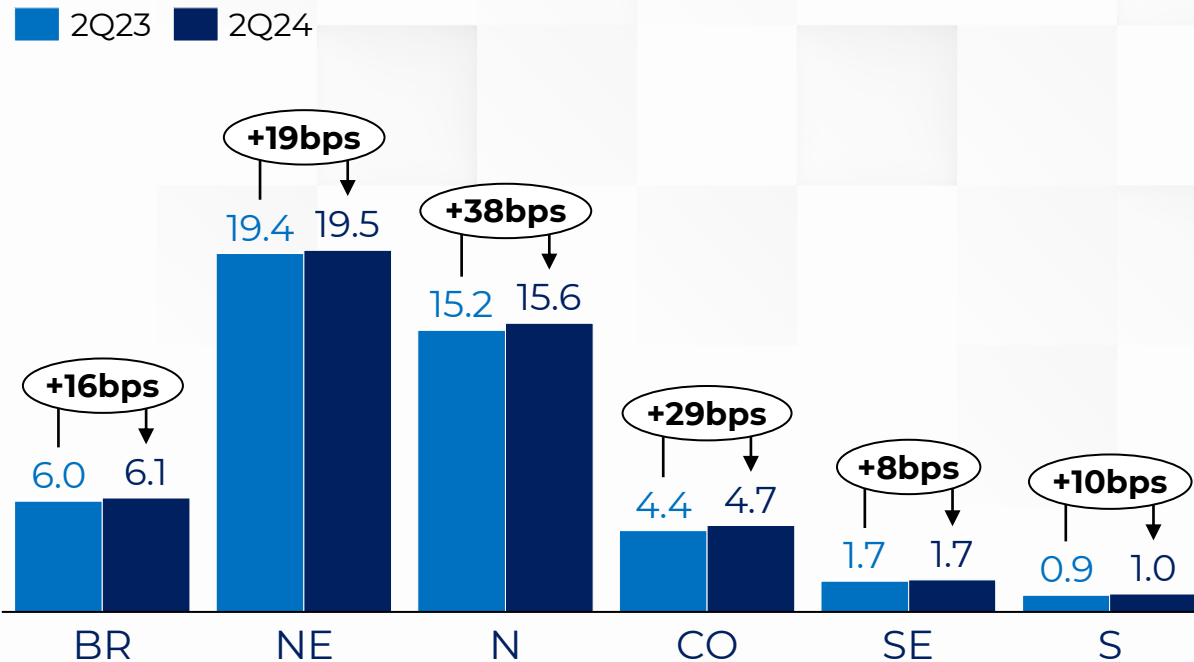


# Market Share

Share gain in all regions, even with the slowdown in organic expansion

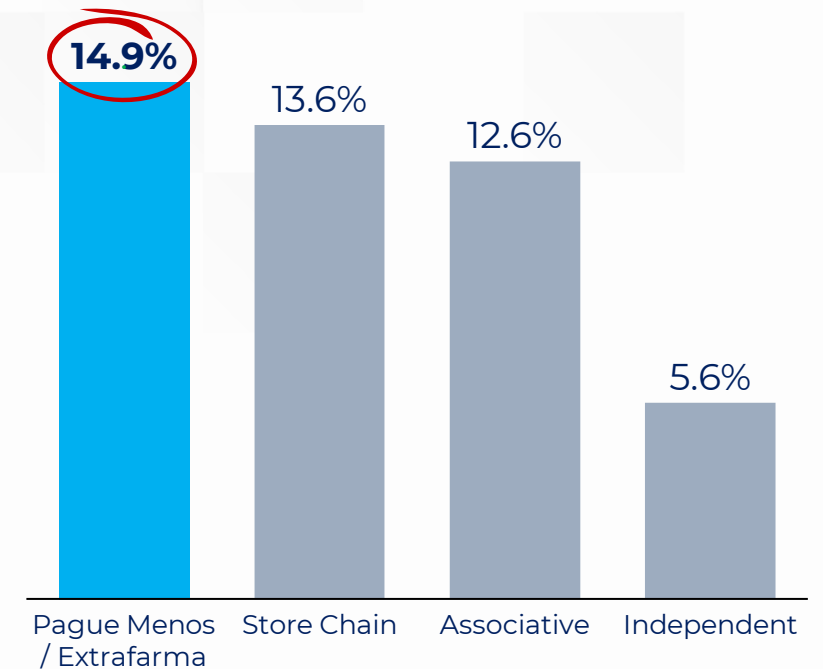
## SHARE BY REGION

(% of total market)



## GROWTH<sup>1</sup> PER PLAYER

(var. 2Q24 vs 2Q23 – R\$ CPP)



Source: IQVIA

Note: IQVIA methodology normalizes sales prices among players, so that the growth in R\$ CPP may diverge from the actual realization.

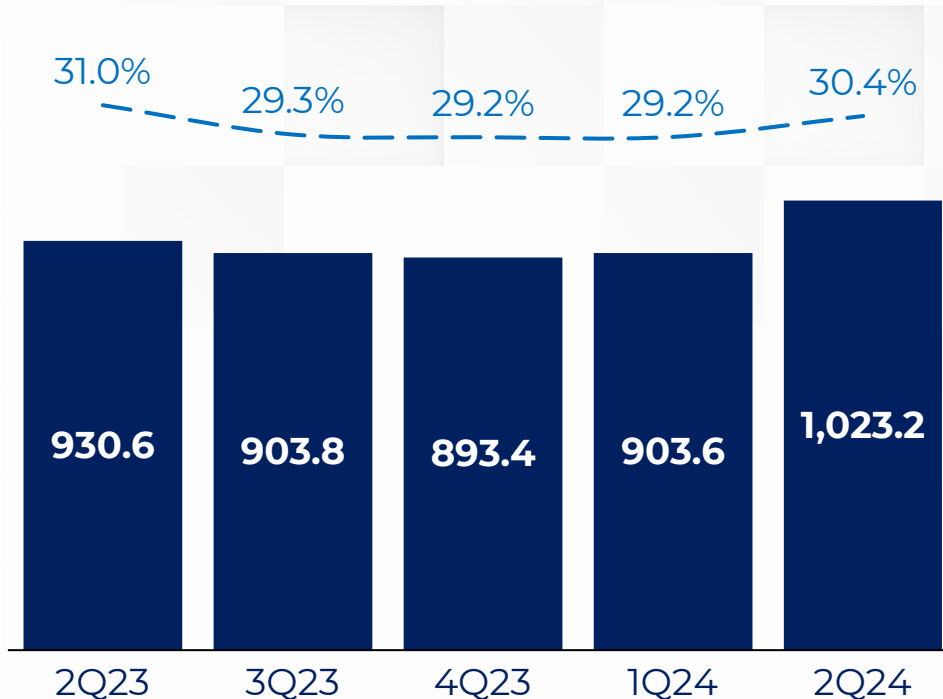
# Gross Profit

Gross margin reduction of 0.6 p.p. mainly due to lower inflationary gains



## CONSOLIDATED GROSS PROFIT

(R\$ million and % of G.R.)



- Commercial conditions
- Digital channels margin (+1.3 p.p. vs 2Q23)
- Mix effect (generics and private labels)



- Lower inflationary gains due to:
  - i. lower CMED price increase
  - ii. lower inventory level
- Inventories losses (Extrafarma legacy)

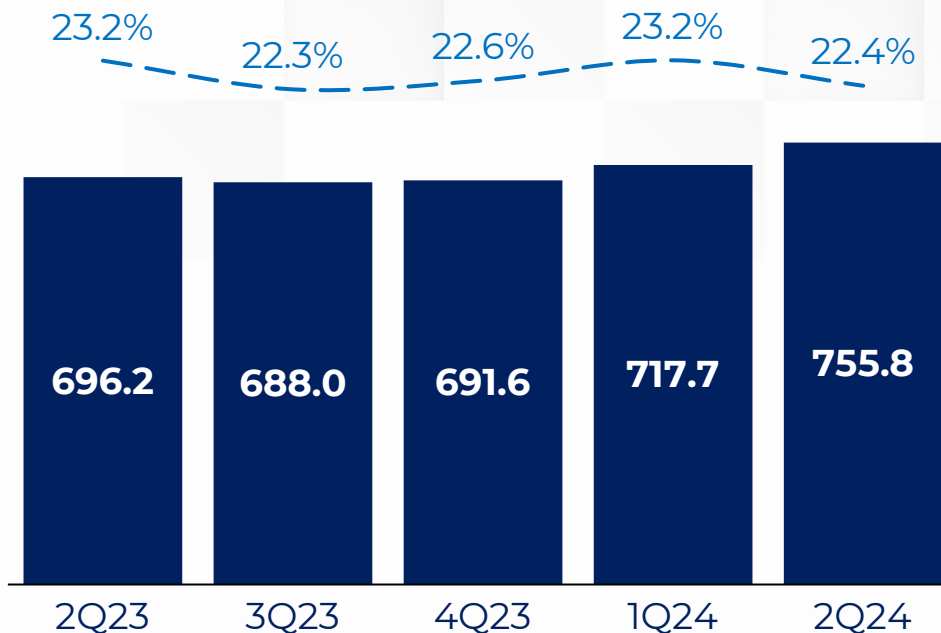
# Selling Expenses

Strong dilution of 0.8p.p., mainly due to operating leverage



## CONSOLIDATED SELLING EXPENSES

(R\$ million and % of G.R.)



- Operating leverage
- Extrafarma Synergies
- Inflationary dynamics in rents



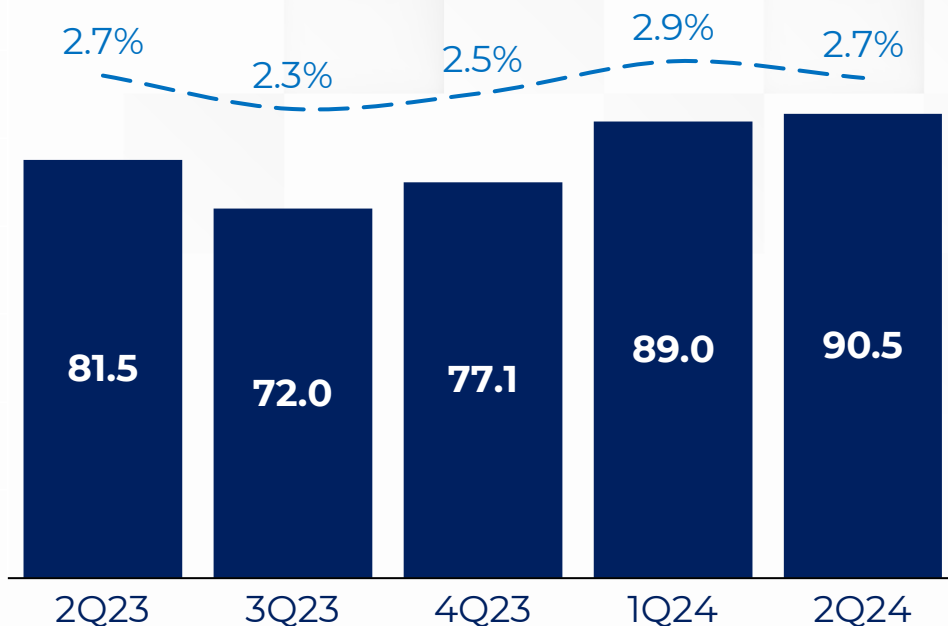
- Increase in employees/store
- Revitalization of the store portfolio (maintenance expenses)

# G&A Expenses

Stability of expenses, despite non-recurring expenses related to corporate restructuring



## CONSOLIDATED G&A EXPENSES (R\$ million and % of G.R.)



- Operating leverage
- Extrafarma Synergies



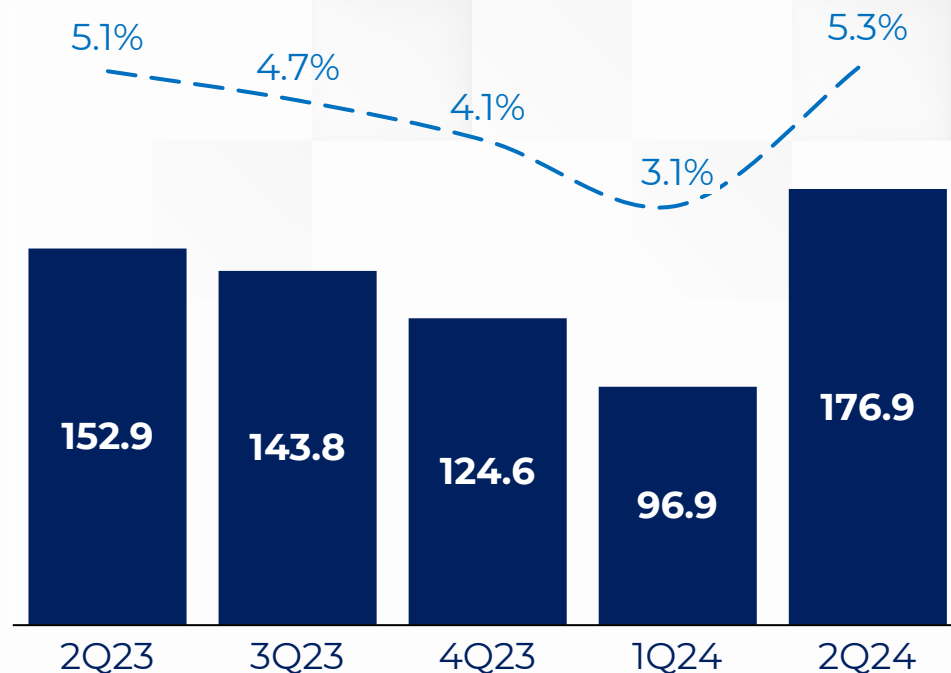
- Closure of the SP corporate office
- Closure of compounding pharmacies
- Management reinforcement

# Adjusted EBITDA

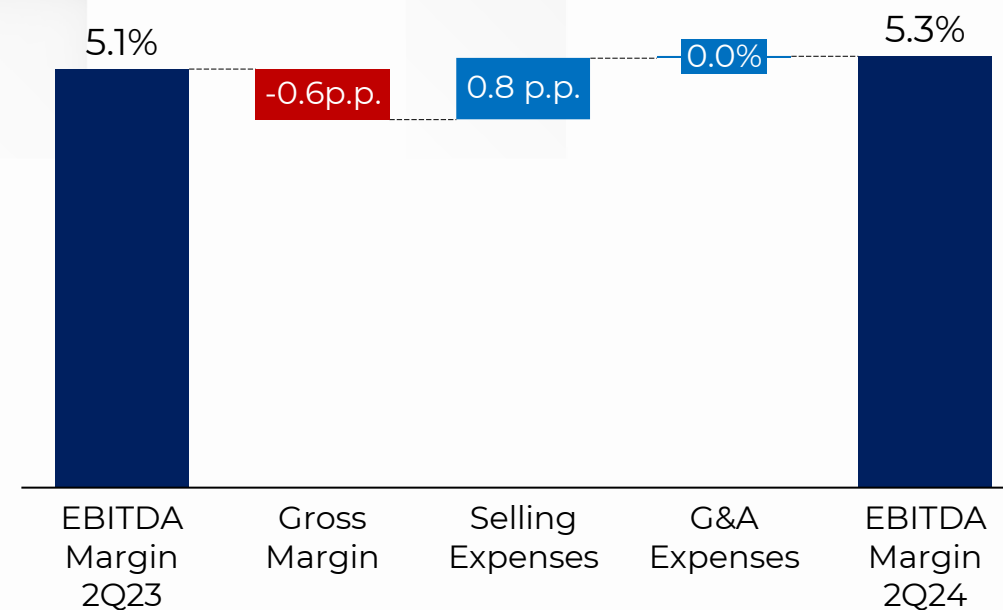
15.7% growth and 0.2 p.p. margin increase vs 2Q23



**CONSOLIDATED ADJ. EBITDA**  
(R\$ million and % of G.R.)



**EBITDA MARGIN BRIDGE – 2Q24 vs 2Q23**  
(% Revenue)

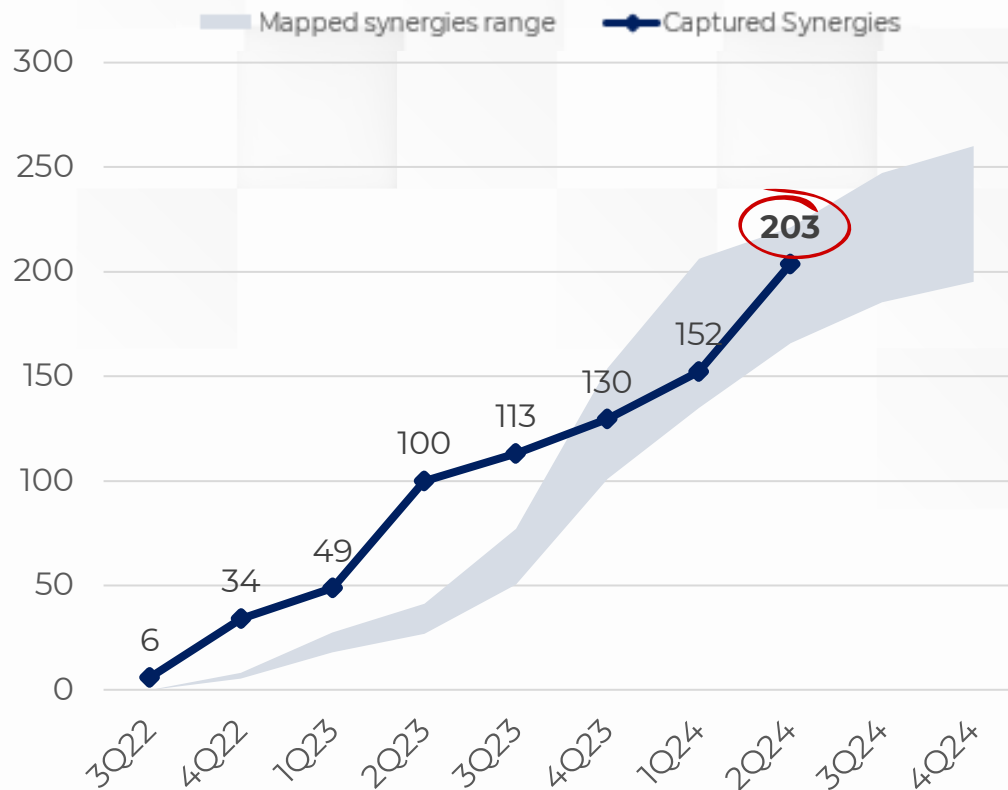


# Extrafarma Integration

We achieved the potential for synergies mapped 6 months ahead of schedule



**SYNERGIES CAPTURE CURVE**  
(R\$ million, on an annualized basis)

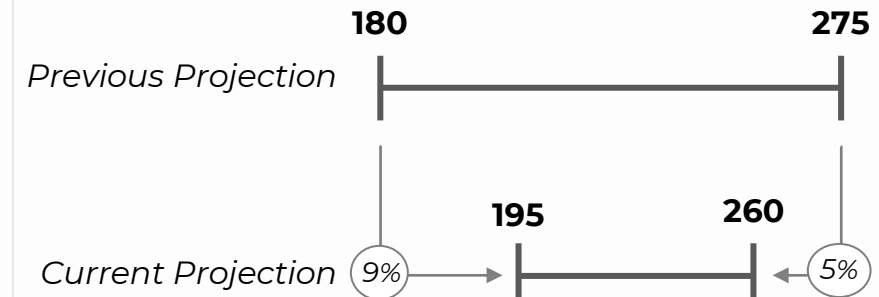


Potential for synergies achieved  
**6 months ahead of schedule**



**Guidance update**

reflecting increased visibility and accumulated inflation

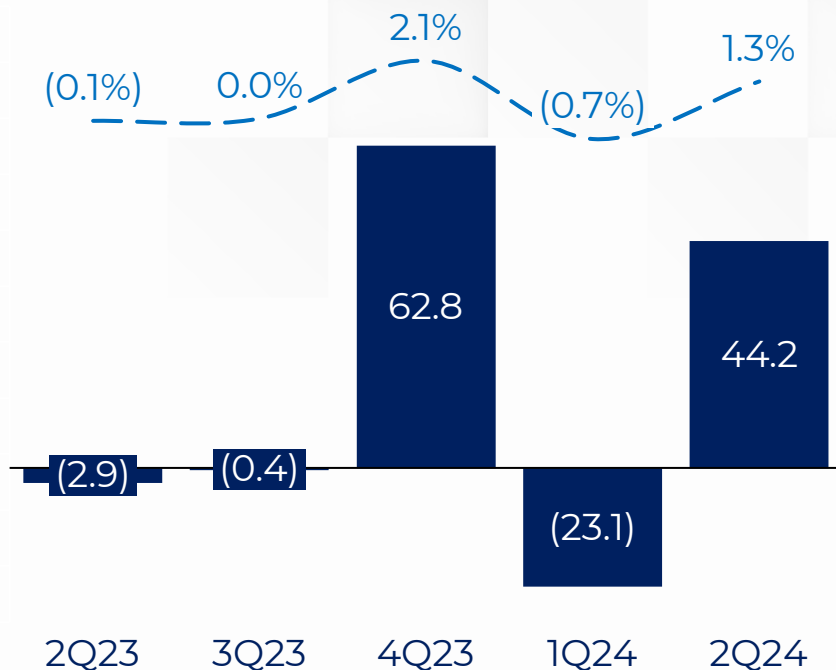


Note: Synergies are calculated using management criteria, which may result in values that differ from those reported in the financial statements.

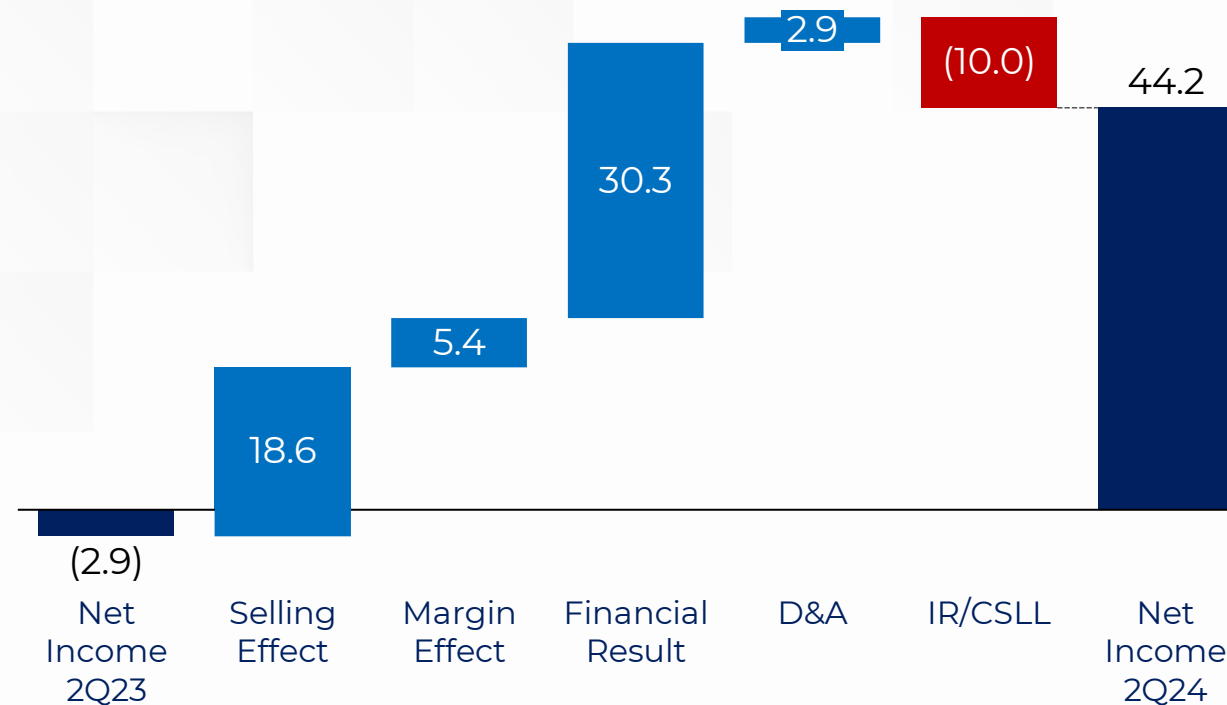
# Net Income

Healthy combination of sales growth, margin expansion and reduced financial expenses

 **CONSOLIDATED ADJ. NET INCOME**  
(R\$ million and % of G.R.)



 **BRIDGE ADJ. NET INCOME**  
(R\$ million)



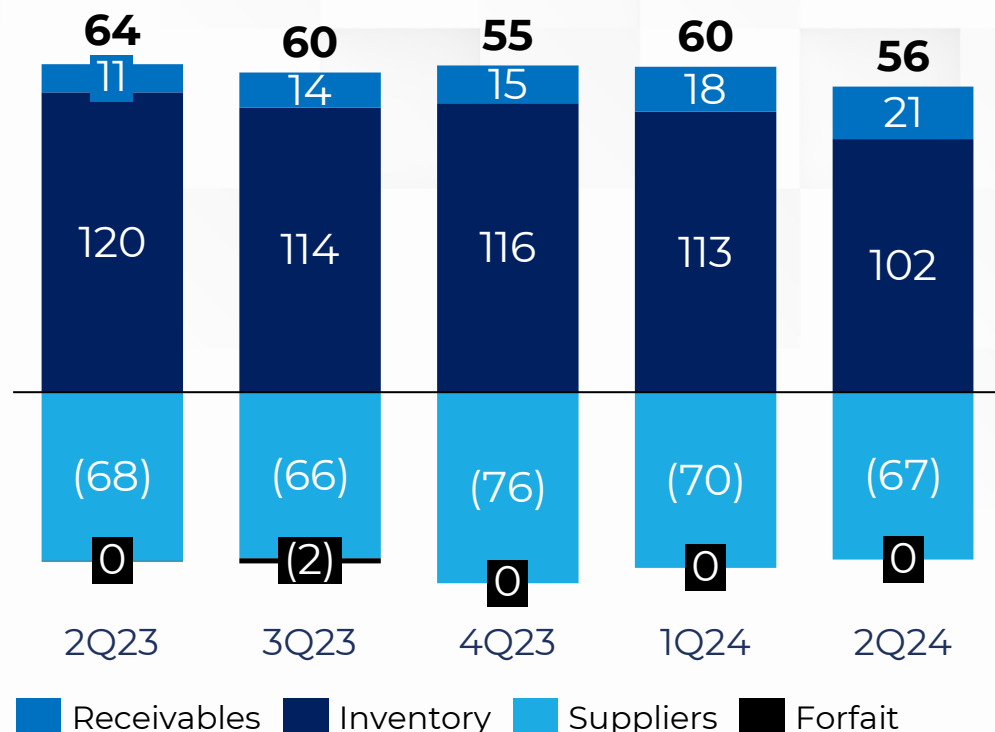
Note: IAS 17 data adjusted for non-recurring effects.

# Cash Cycle

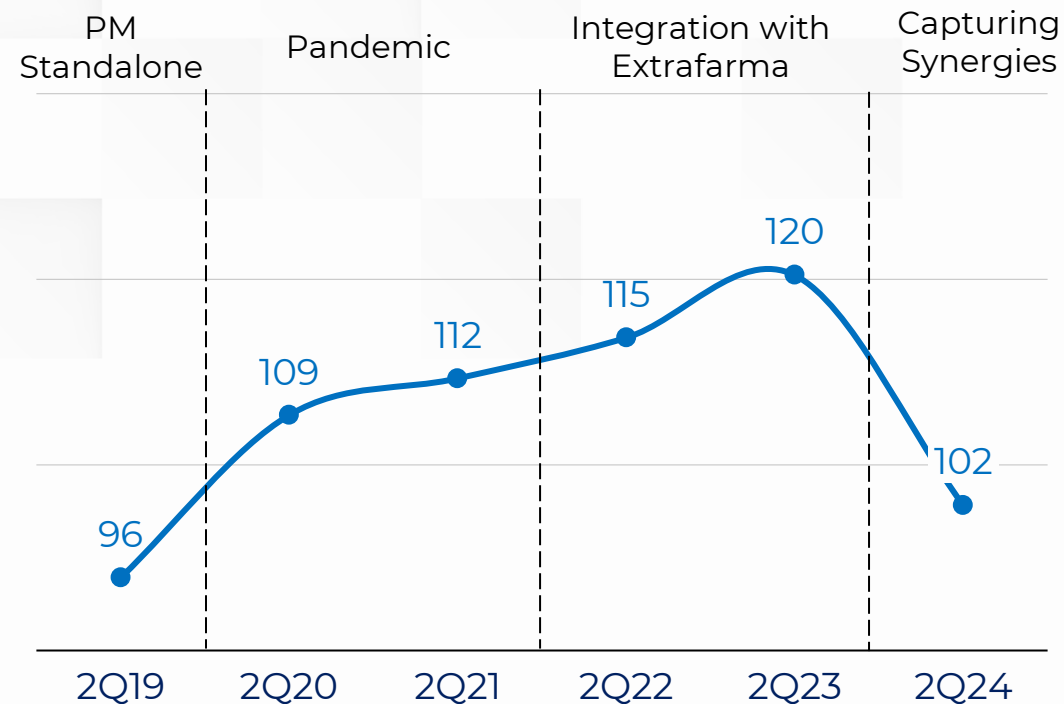
Consistent improvement in inventories and gradual recomposition of account receivables



**CASH CYCLE<sup>1</sup> CONSOLIDATED**  
(in COGS days and Gross Revenue days)



**2<sup>ND</sup> QUARTER INVENTORIES EVOLUTION**  
(in COGS days)



<sup>1</sup> The calculation of the cash cycle does not consider the effects of APV, commercial agreements and taxes to be recovered.

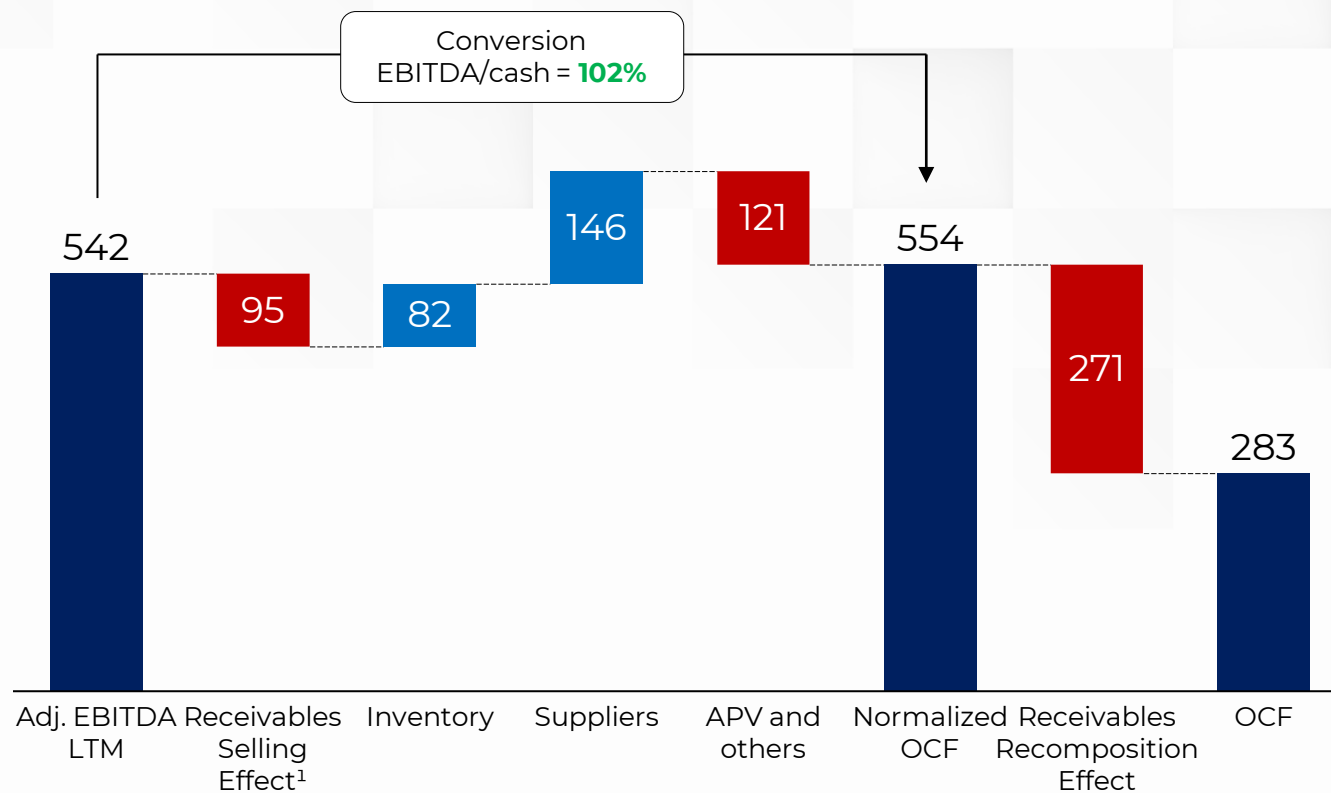


# Cash Flow

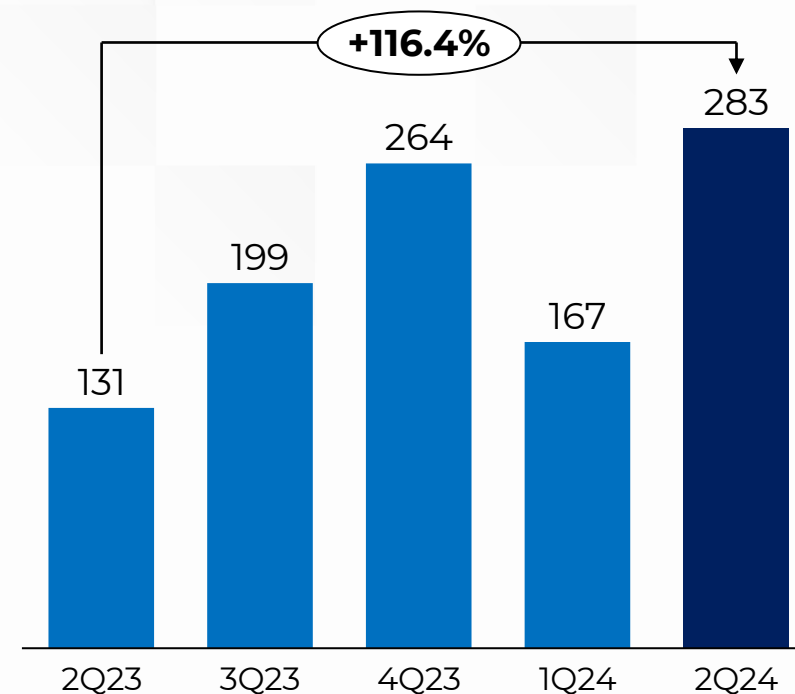
Consistent improvement in operating cash generation financing recomposition of receivables



**OPERATING CASH FLOW – LTM**  
(in R\$ million)



**OPERATING CASH FLOW – LTM**  
(in R\$ million)



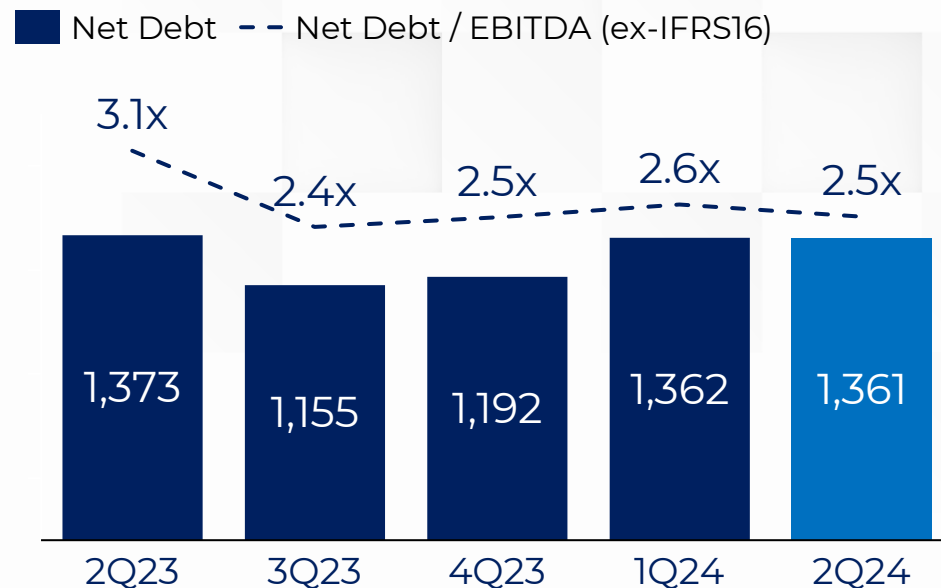
<sup>1</sup> Considers the growth in accounts receivable with constant average term (21 days).

# Indebtedness

Leverage reduction with improvement in the debt profile; Updated guidance for 4Q24



## CONSOLIDATED NET DEBT (in R\$ million and multiple of EBITDA)



**Updated leverage guidance of**  
1.7x to <= 2.0x until 4T24



## INDEBTEDNESS PROFILE

	1Q24	2Q24
<b>GROSS DEBT</b> (R\$ millions)	1.594	1.469
<b>AVERAGE COST<sup>1</sup></b>	CDI + 1.97%	CDI + 1.70%
<b>% SHORT TERM<sup>2</sup></b>	26%	9%

<sup>1</sup> Information on total gross indebtedness

<sup>2</sup> Payment within 12 months



# Transition Plan Update

Jonas Marques, CEO

# People and Culture

*Relevant movements in the personnel area were executed in 2Q24*

- **Completion of the new C-Level**, with the arrival of Wallace Siffert (CCO), former Venâncio;
- **Closure of the São Paulo office** and centralization of 100% of the corporate at the Fortaleza headquarters;
- **Horizontalization of the operations structure**, excluding a layer in the hierarchy;
- **Implementation of new rituals** of communication and engagement (operations and corporate)



# Operational Missions

*In a short time, we have already implemented relevant improvements in priority topics*

## ATENDIMENTO



- ✓ New script for customer service
- ✓ Engagement events (+1,500 collabs impacted)
- ✓ Review of remuneration and incentives policy
- ✓ Mystery Shopper

## MANUTENÇÃO



- ✓ +100 retrofits
- ✓ +50 Banner Conversions
- ✓ +400 stores and 6 CDs with look&feel improvements

## TECNOLOGIA



- ✓ New online inventory monitoring architecture
- ✓ In-App PBM
- ✓ Store call center via WhatsApp

## OPERAÇÕES



- ✓ New ticket management system (Zendesk)
- ✓ Creation of a new Shared Services Center (SSC) director position

## PRECIFICAÇÃO



- ✓ New labels and poster layouts
- ✓ Review of the discount strategy in agreements and partnerships

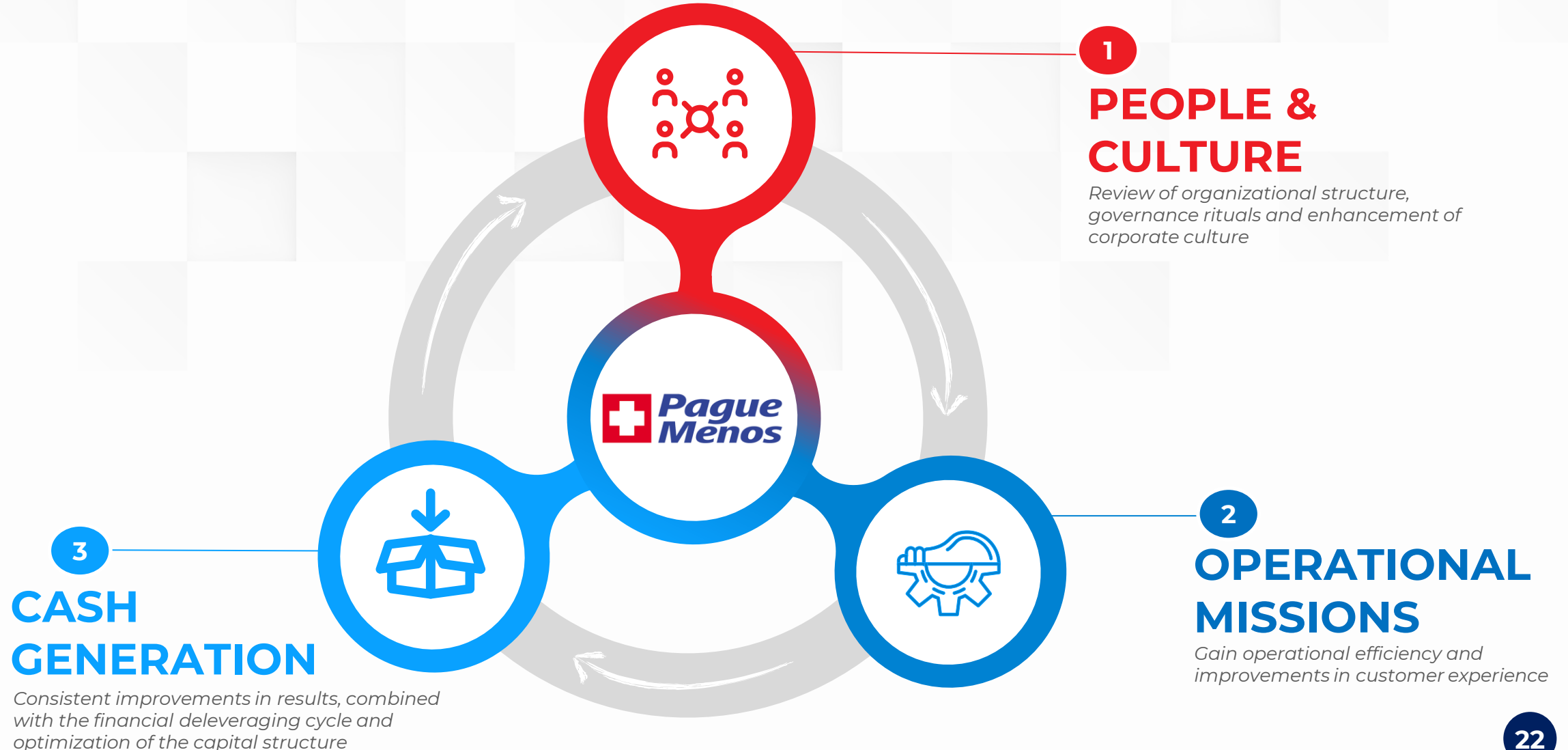
## PROCESSOS



- ✓ Implementation of new governance rituals in stores
- ✓ Beginning of consulting for mapping and optimization of store processes

# Laying the Foundations for a New Cycle

The focus continues to be “back to basics“, preparing the Company for a new phase of growth





# Q&A

Foguettinos



#Foguettinos



 **PagueMenos**  
 **extrafarma**



Farmácia  
oficial da  
Seleção e  
da torcida  
brasileira.

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