



3Q24
EARNINGS
CONFERENCE CALL

 ***PagueMenos***

 ***extrafarma***

Disclaimer

This document may contain certain forward-looking statements and information related to the Company reflecting current views and/or expectations of the Company and its Management concerning its performance, businesses and future events. Forward-looking statements include, without limitation, any statement that has a forecast, indication or estimates and projections of future results, performance or objectives, as well as words such as "we believe", "we anticipate", "we expect", "we estimate", "we project", among other words with similar meaning. Although the Company and its management believe that such forward-looking estimates and statements are based on reasonable assumptions, they are subject to risks, uncertainties and future events and are issued in the light of information that is currently available. Any forward-looking statements refer only to the date on which they were issued, and the Company is not responsible for updating or revising them publicly after the distribution of this document due to new information, future events or other factors. Investors should be aware that a number of important factors cause actual results to differ materially from such plans, objectives, expectations, projections and intentions as expressed in this document.

In view of the aforementioned risks and uncertainties, the prospective circumstances and events discussed in this document may not occur, and the Company's future results may differ significantly from those expressed or suggested in these forward-looking statements. Forward-looking statements involve risks and uncertainties and are not guarantees of future events. Therefore, investors should not make any investment decision based on the forward-looking statements that may be contained herein.

Market and certain competitive position information, including market projections mentioned herein were obtained from in-house surveys, market research, public information and business publications. Although we have no reason to believe that any of this information or these reports are inaccurate in any material respect, we do not independently verify market position, growth rate, competitive position or any other data provided by third parties or other industry publications. The Company is not responsible for the accuracy of such information.

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.



3Q24 Highlights

Jonas Marques, CEO

3Q24 Highlights

Strong sales performance, margin expansion and cash flow improvements drive a record quarter



GROSS REVENUE

R\$ 3.5 billions (+13.9% vs 3Q23)

with 13.6% same store sales



MARKET SHARE

6.3% (+21bps vs 3Q23)

with gains in all regions



ADJ. EBITDA

R\$ 190.7 millions (+32.6% vs 3Q23)

5.4% EBITDA margin (+0.7p.p. vs 3Q23)



EXTRAFARMA SYNERGIES

90% of the top of the guidance

R\$ 234 million on an annualized basis



ADJ. NET INCOME

R\$ 53.9 millions

1.5% net margin (+1.5p.p. vs 3Q23)



FREE CASH FLOW

R\$ 352 millions (+112% vs 3Q23)

excluding Extrafarma payment



Note: metrics highlighted as "record" refer to all-time highs for a third quarter.



2Q24 Results

Luiz Novais, CFO

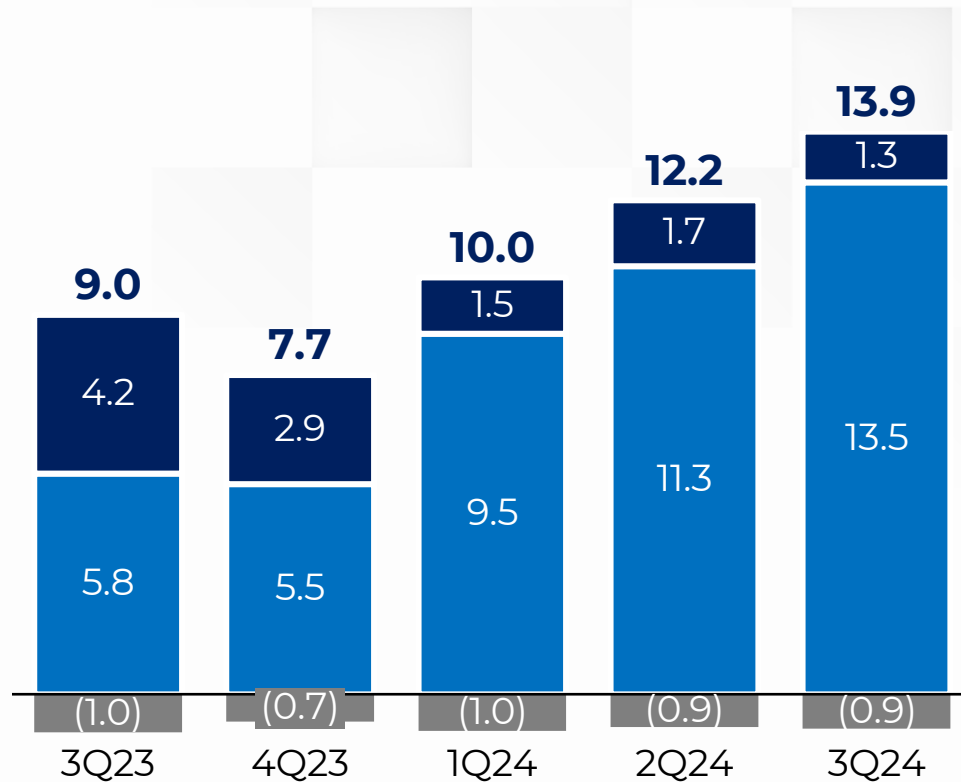
Sales Performance

Customer traffic continues to drive growth acceleration for the third consecutive quarter



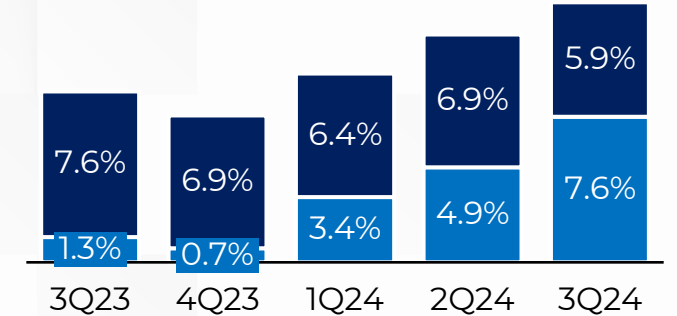
TOTAL GROWTH¹ (% variation YoY)

■ New stores ■ Same stores ■ Closed stores



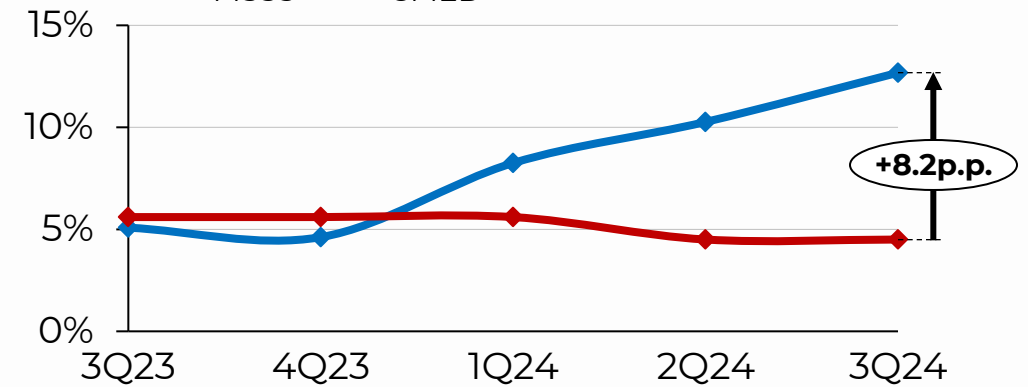
TICKET GROWTH BREAKDOWN (% variation YoY)

■ Average Ticket ■ # of Tickets



MATURE STORES REAL GROWTH (% variation YoY)

◆ MSSS ◆ CMED



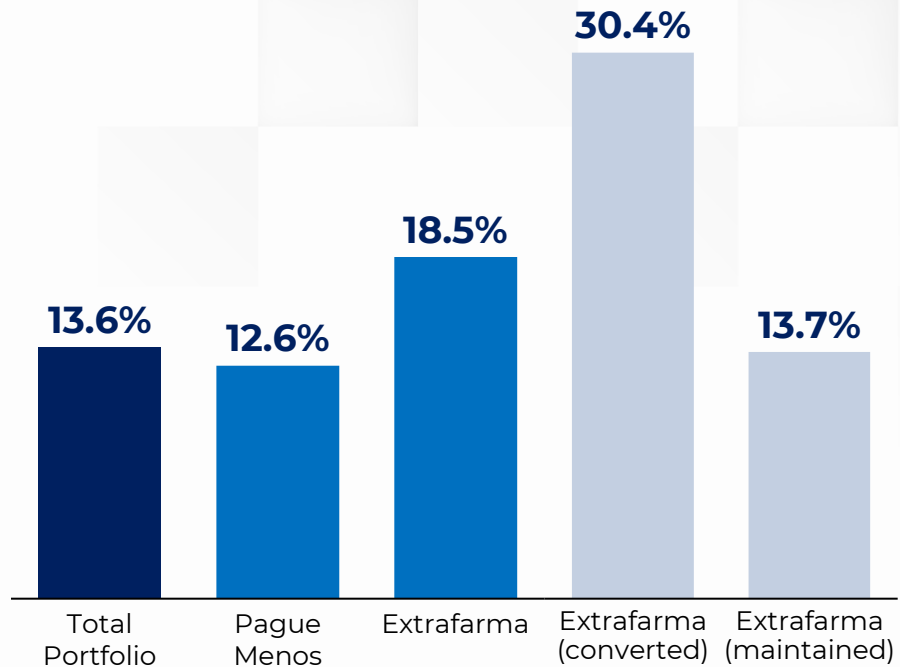
¹ Proforma growth data, considering Extrafarma's historical base and excluding the wholesale operation.

Banner Performance

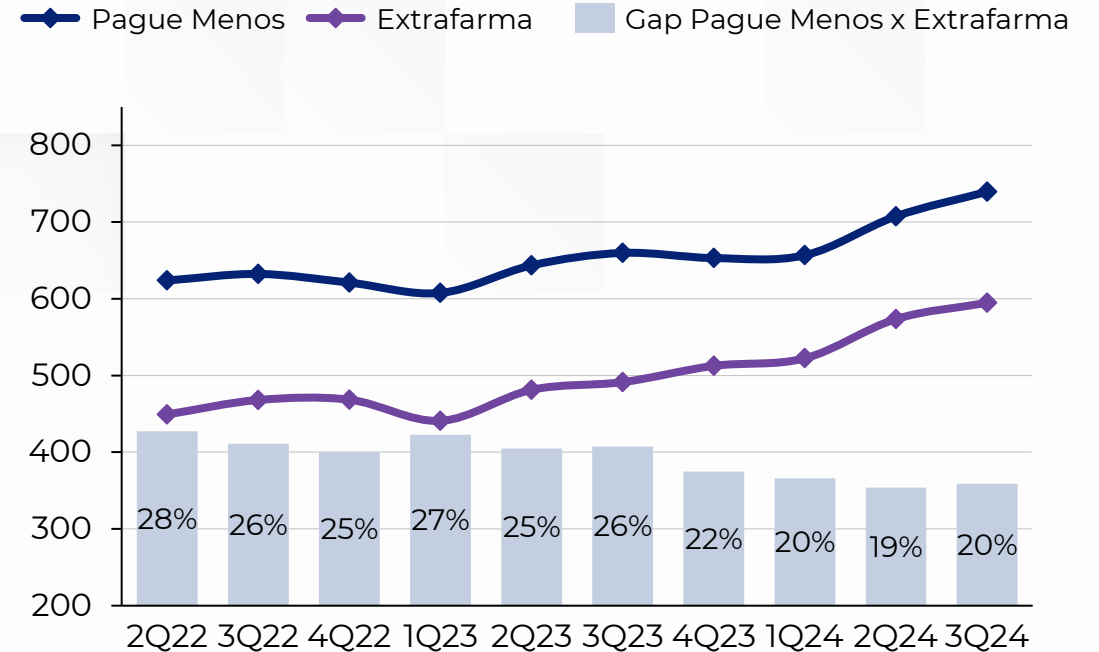
Despite Extrafarma's catch-up, there is still a large opportunity to close the gap between banners



SAME STORE SALES (% variation YoY)



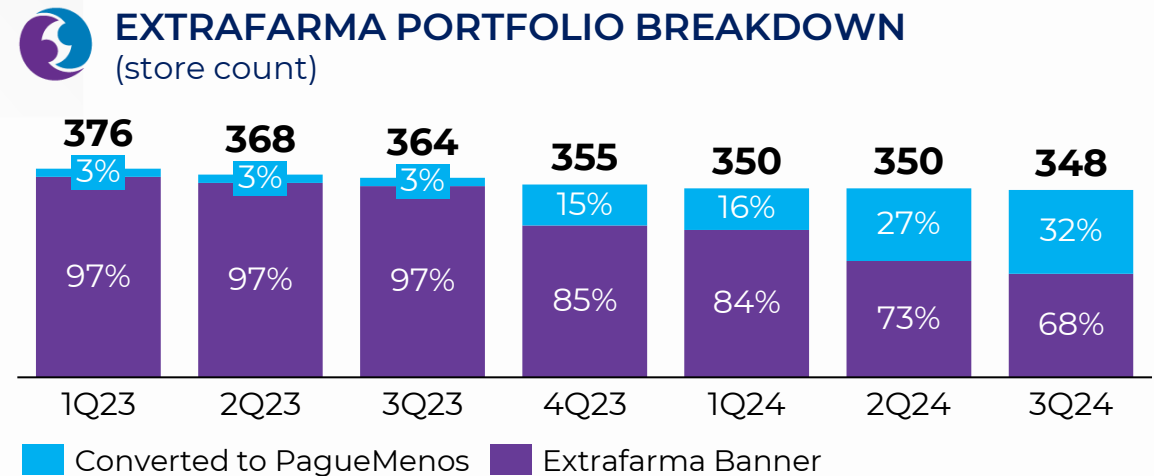
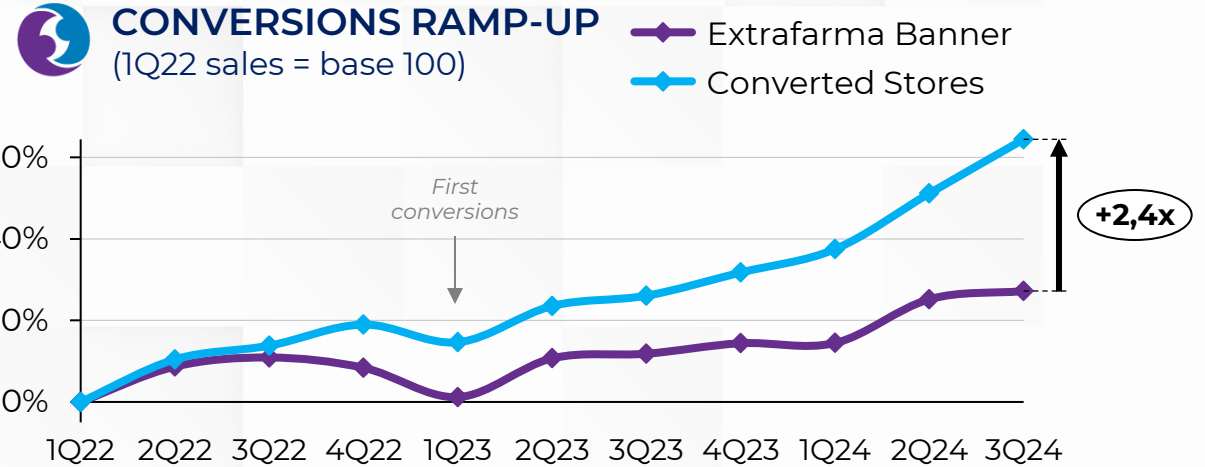
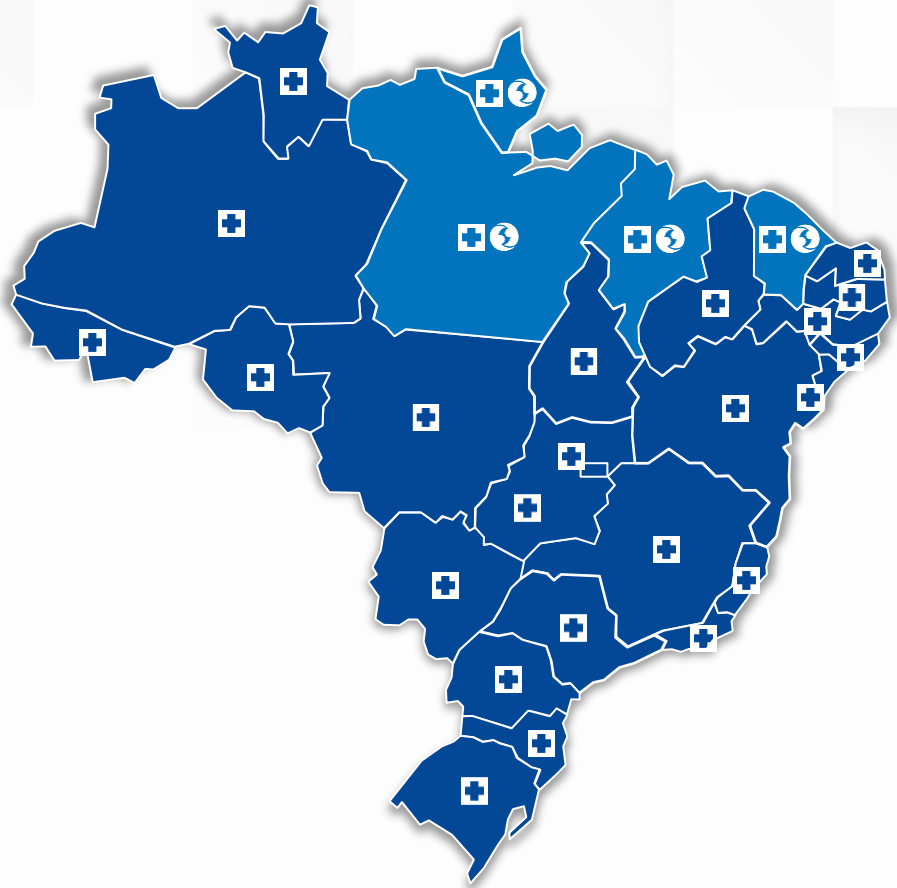
MONTHLY AVERAGE SALES PER STORE (R\$ thousand)



Note: Extrafarma Portfolio contains stores that have undergone banner conversion.

Banner Conversions

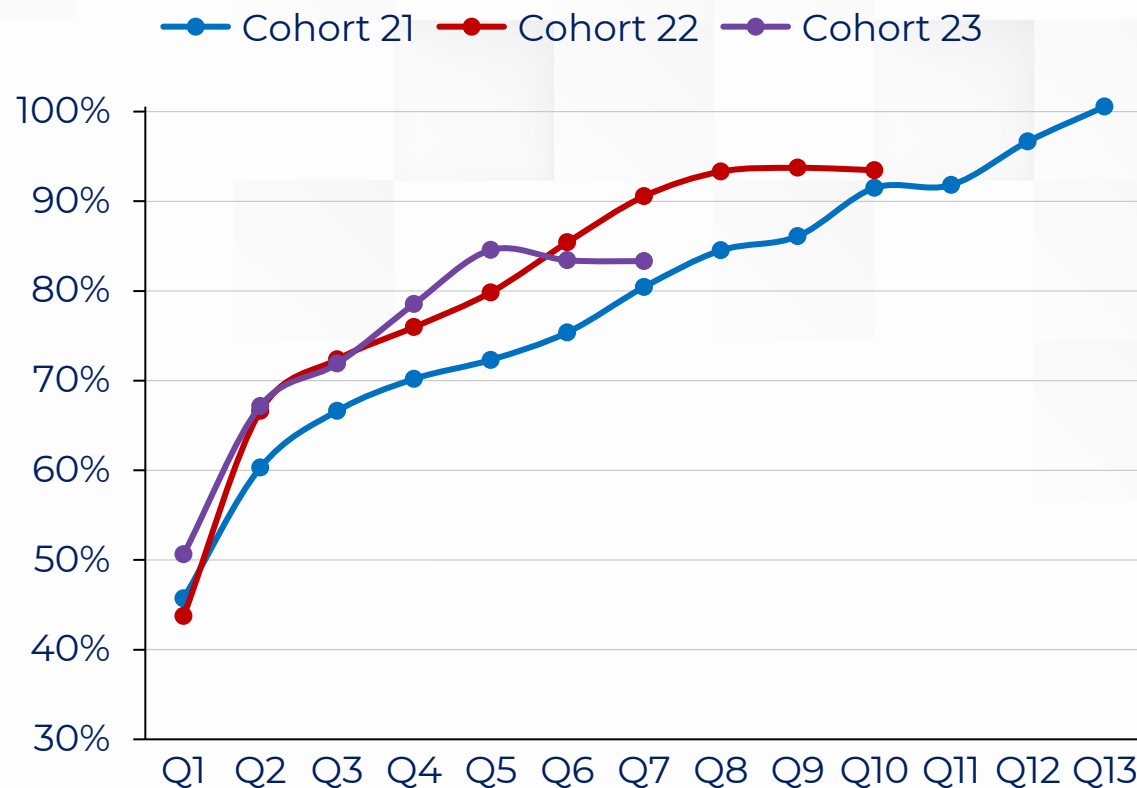
Relevant driver of incremental sales continues to exceed expectations



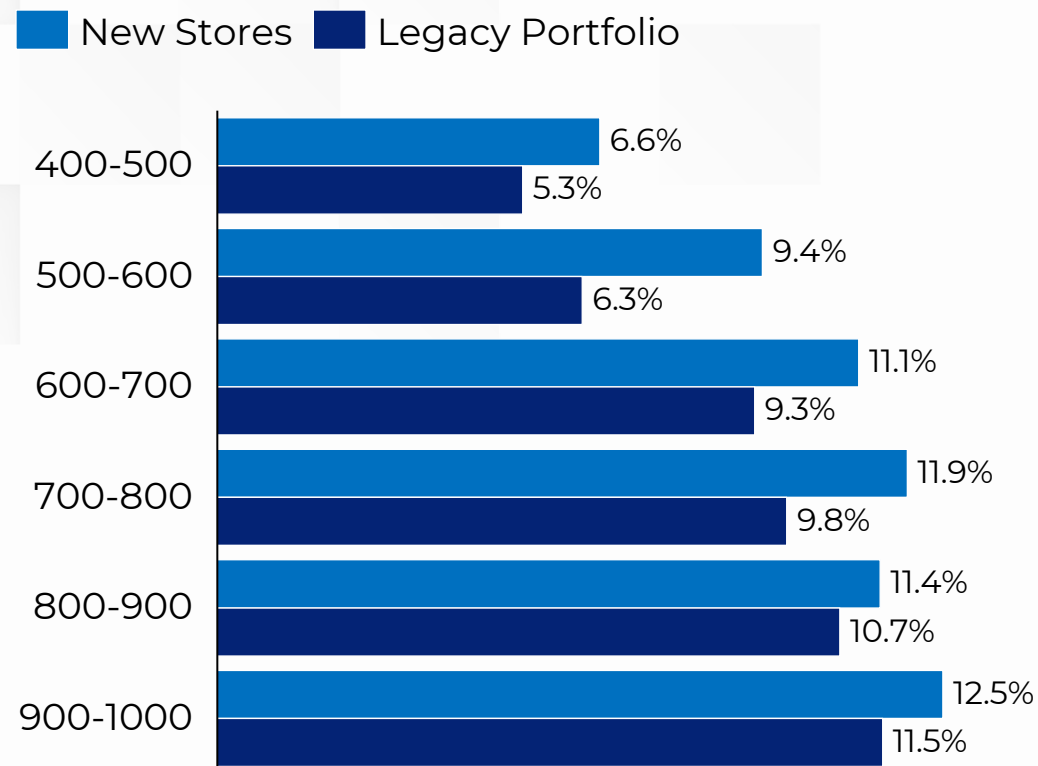
Organic Expansion

First cohort reaching maturity reinforce our conviction on the quality of the expansion

MATURITY CURVE (% of potential sales)



4-WALL MARGIN¹ BY STORE AVG. SALES (R\$ thousand and % of gross revenue)



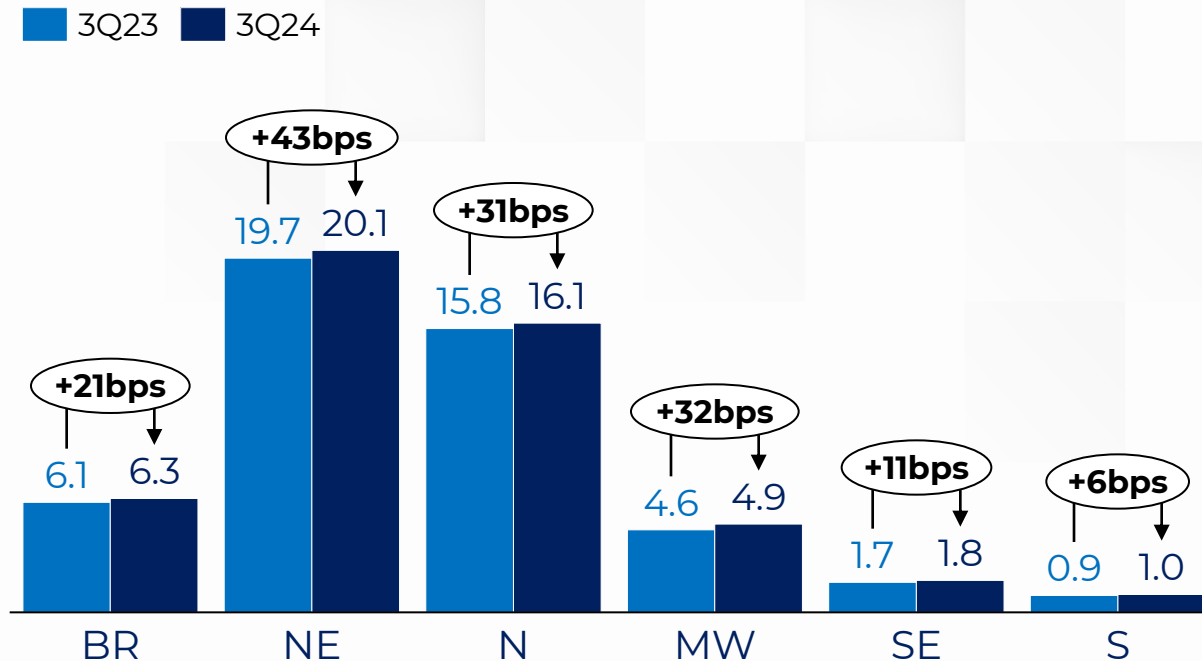
¹ Considers only store direct expenses. Data refers to Pague Menos portfolio in 3Q24.

Market Share

Share gains in every region of the country, despite the organic expansion slowdown

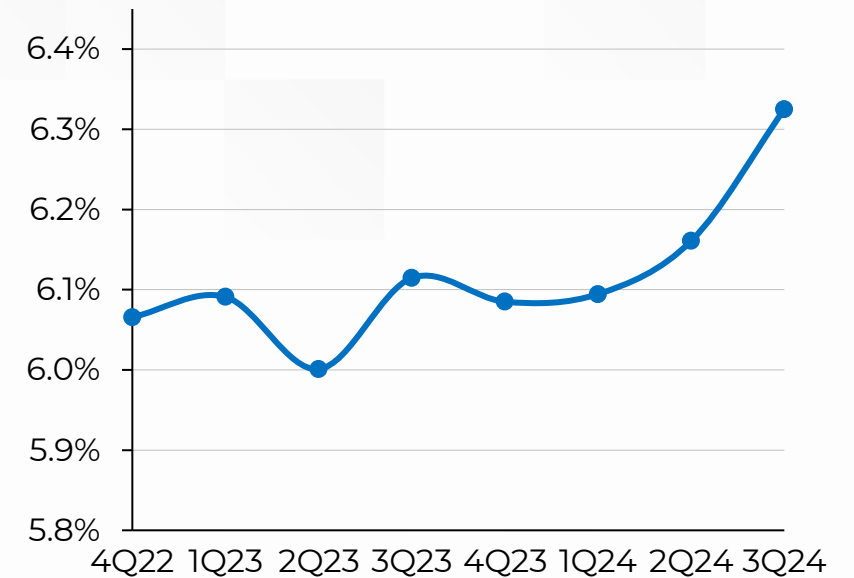
SHARE BY REGION

(% of total market)



NATIONAL MARKET SHARE EVOLUTION

(% of total market)

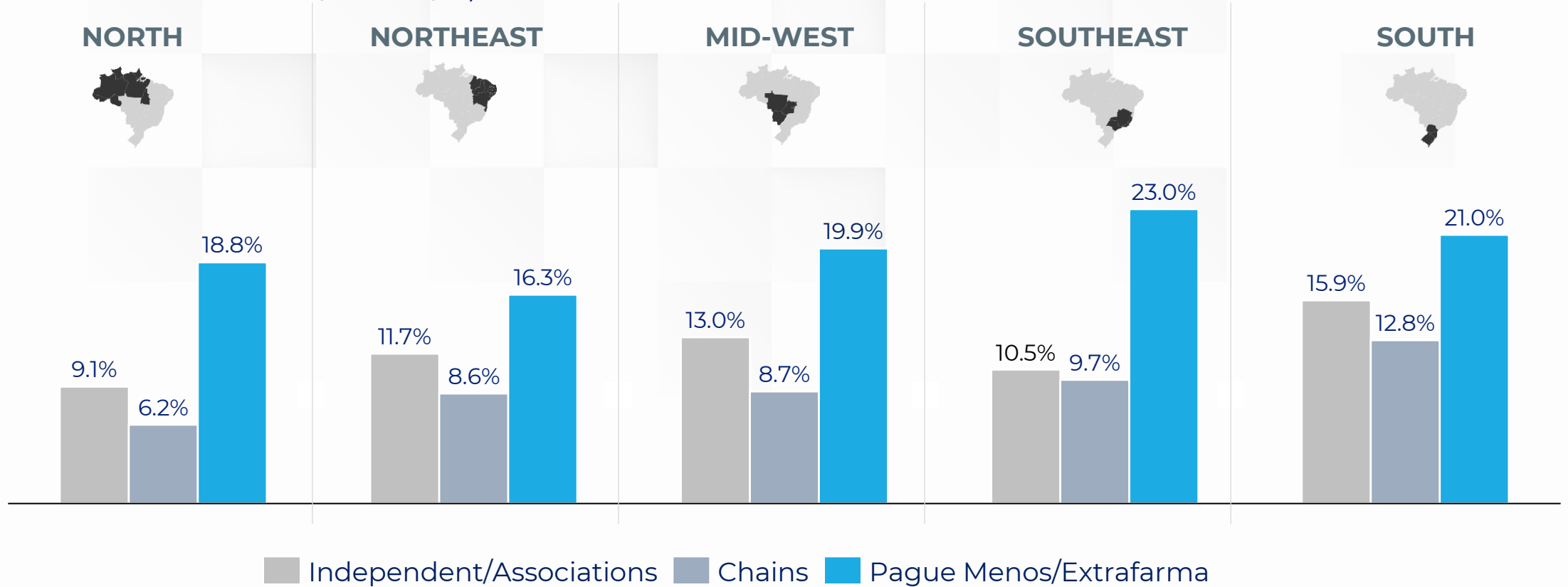


Source: IQVIA

Performance vs Peers

Average store sales growth outperformed the market in every region

GROWTH IN AVERAGE MONTHLY SALES PER STORE¹ (% variation in R\$ CPP – 3Q24 vs 3Q23)



Source: IQVIA

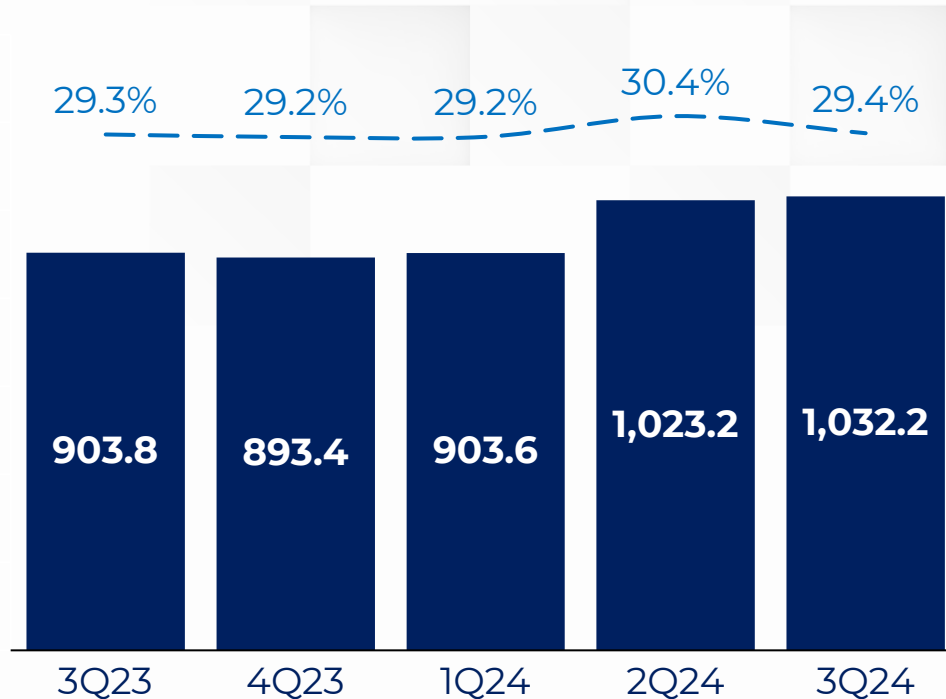
¹ IQVIA methodology normalizes sales prices among players, therefore growth in R\$ CPP may diverge from the actual growth.

Gross Profit

Year-over-year margin increase



CONSOLIDATED GROSS PROFIT (R\$ million and % of G.R.)



- Inventory losses normalization
- Digital channels
- Better commercial conditions



- Mix effect (RX +2 p.p. vs 3Q23)
- Adjustment to present value (APV)

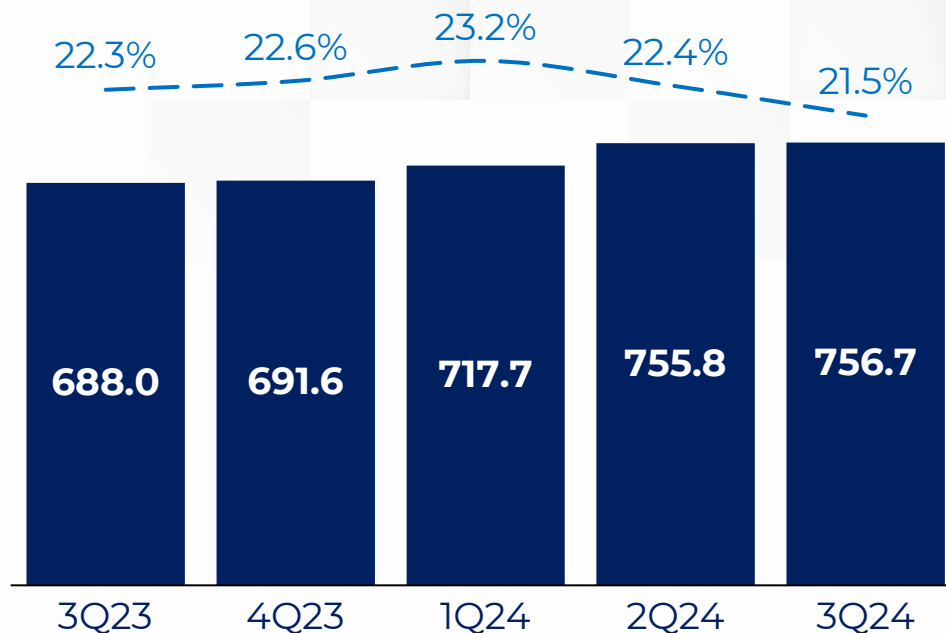
Selling Expenses

Strong operating leverage, driven by SSS well above inflation



CONSOLIDATED SELLING EXPENSES

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



- Operating leverage
- Extrafarma Synergies
- Inflationary dynamics in rents



- Employees per store increase
- Operational Missions

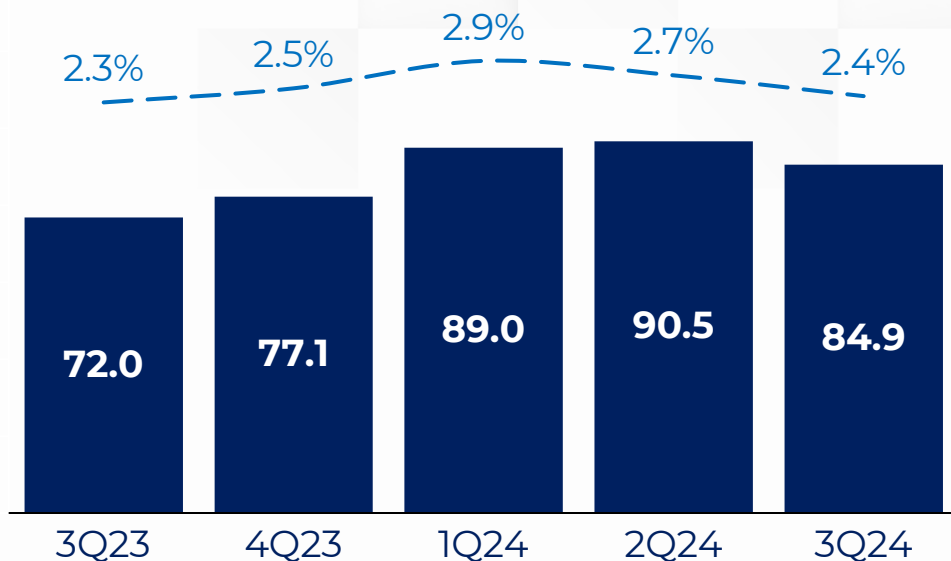
G&A Expenses

Gradually diluting administrative expenses



CONSOLIDATED G&A EXPENSES

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



- Operating leverage
- Personnel expenses normalization



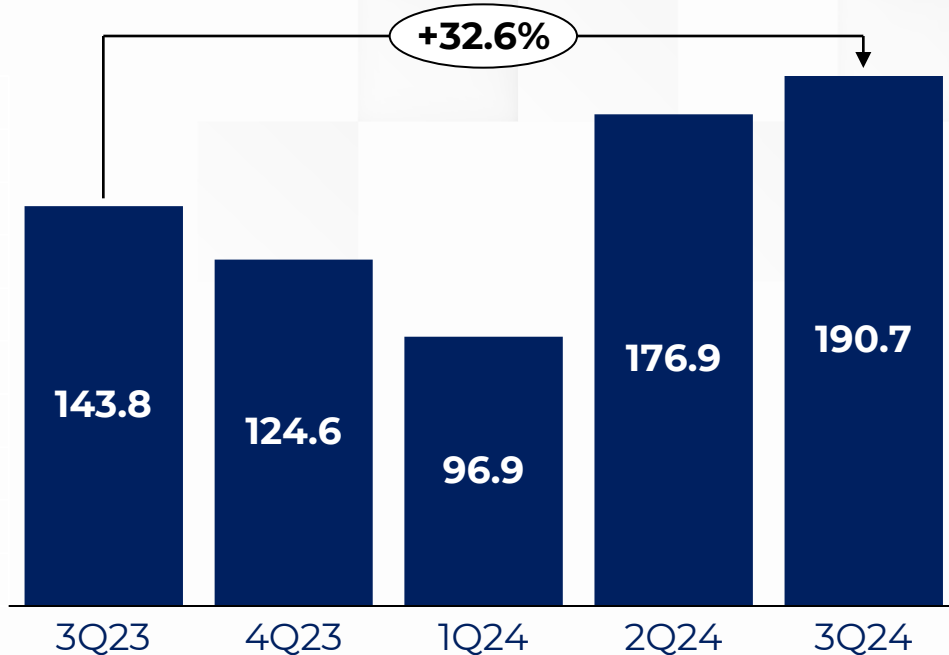
- Executive team reinforcement
- Management compensation

Adjusted EBITDA

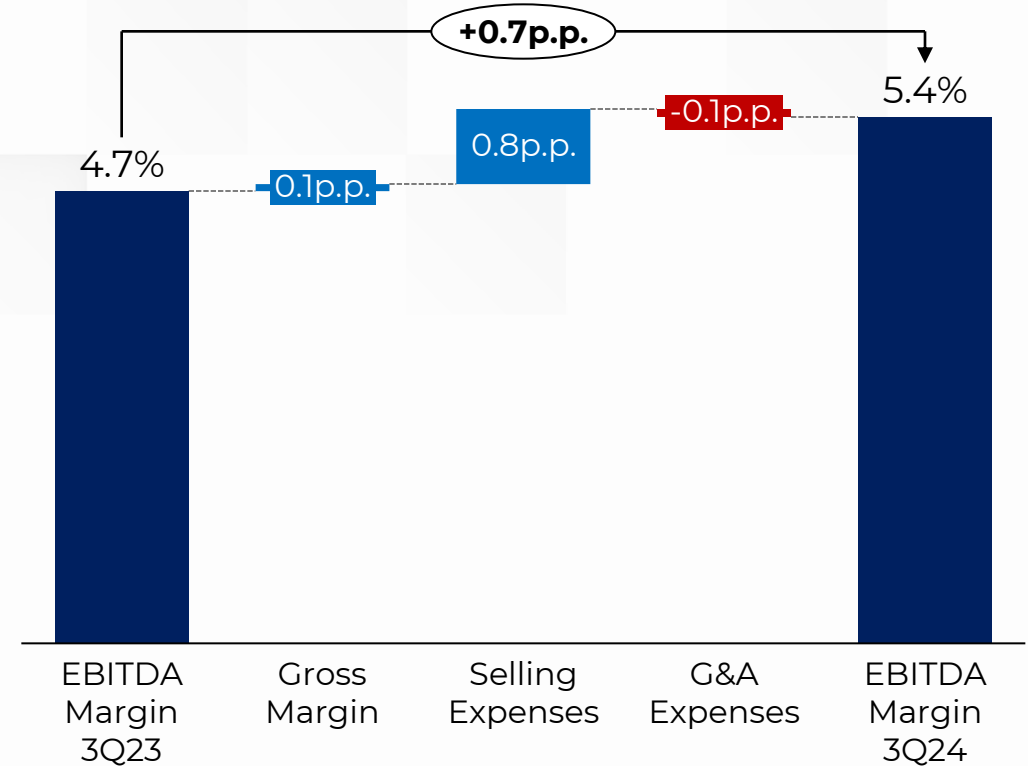
5.4% EBITDA margin, a record for a 3rd quarter



CONSOLIDATED ADJ. EBITDA
(R\$ million)



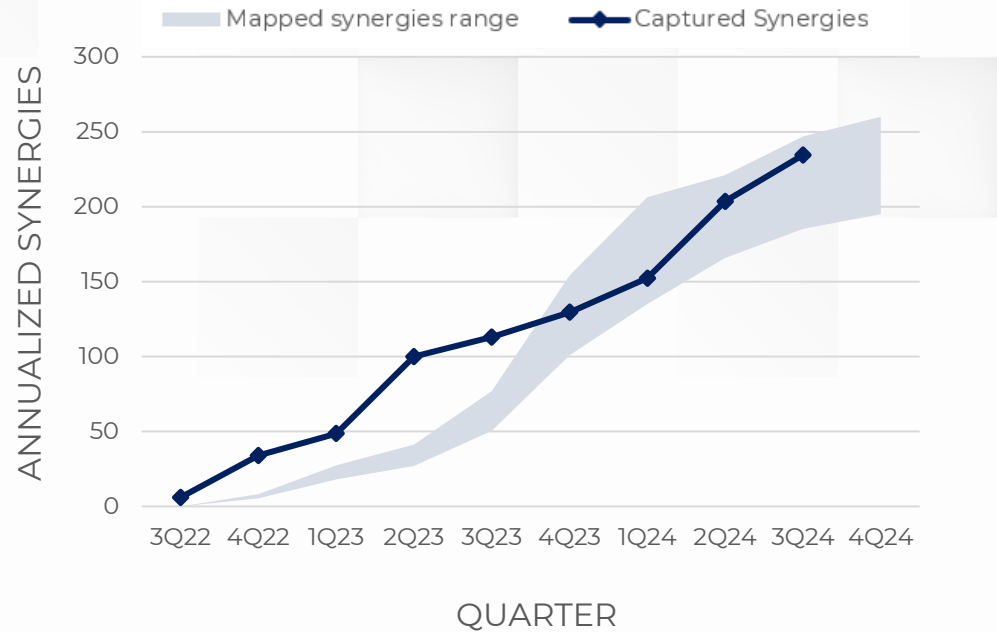
BRIDGE EBITDA MARGIN – 3Q24 vs 3Q23
(% of G.R.)



Extrafarma Integration

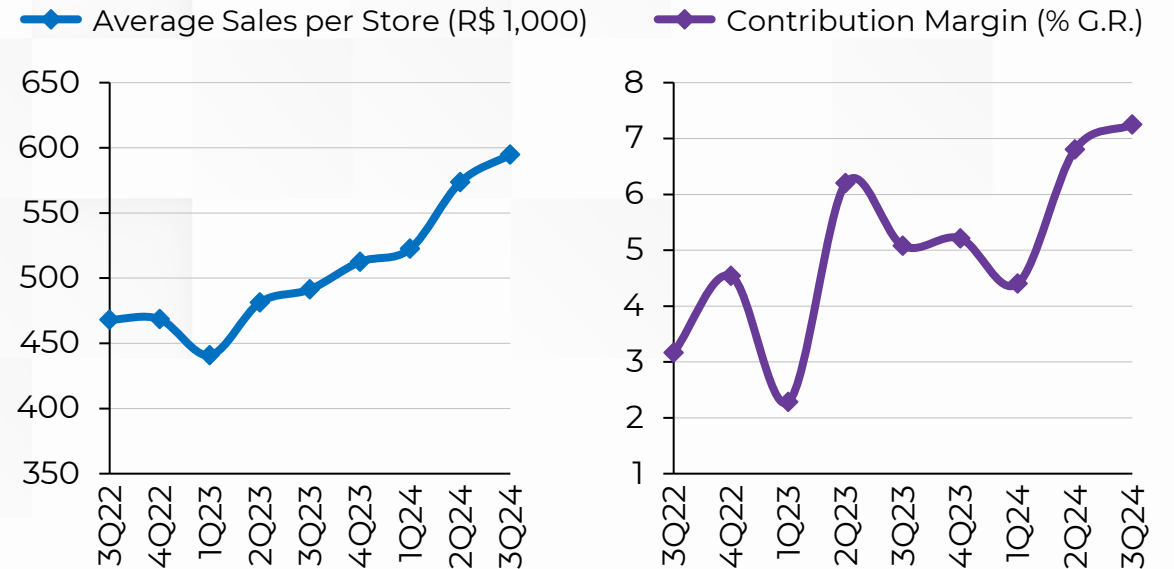
We have already captured 90% of the top of the range of projected synergies

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



R\$234M in synergies captured in 3Q24
(on an annual basis – 90% of the top of the range)

 **EXTRAFARMA OPERATIONAL EVOLUTION**



In addition to Extrafarma improvements, synergies also contributed positively to the consolidated G&A expenses and Pague Menos operations

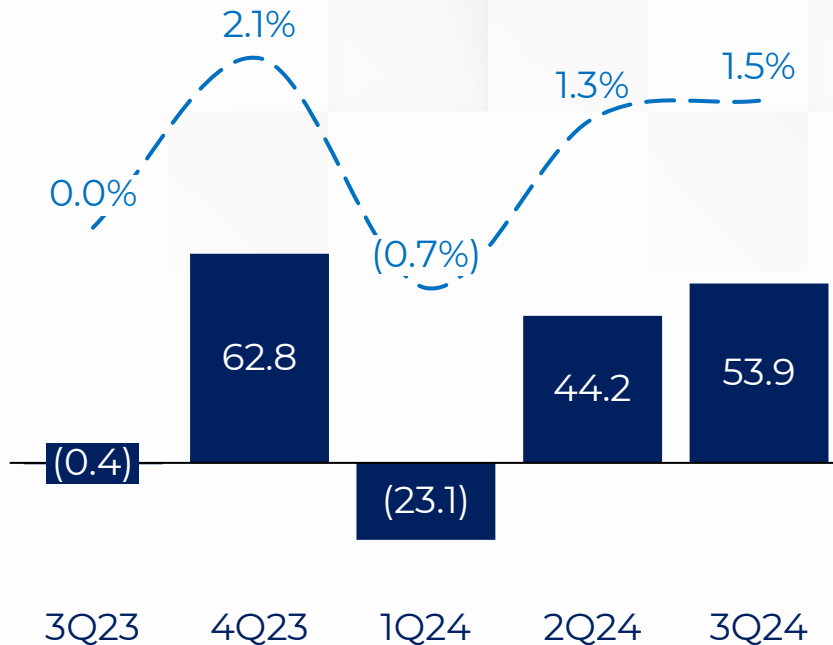
Net Income

Consistent improvement, combining growth in sales, margin expansion and improved financial results



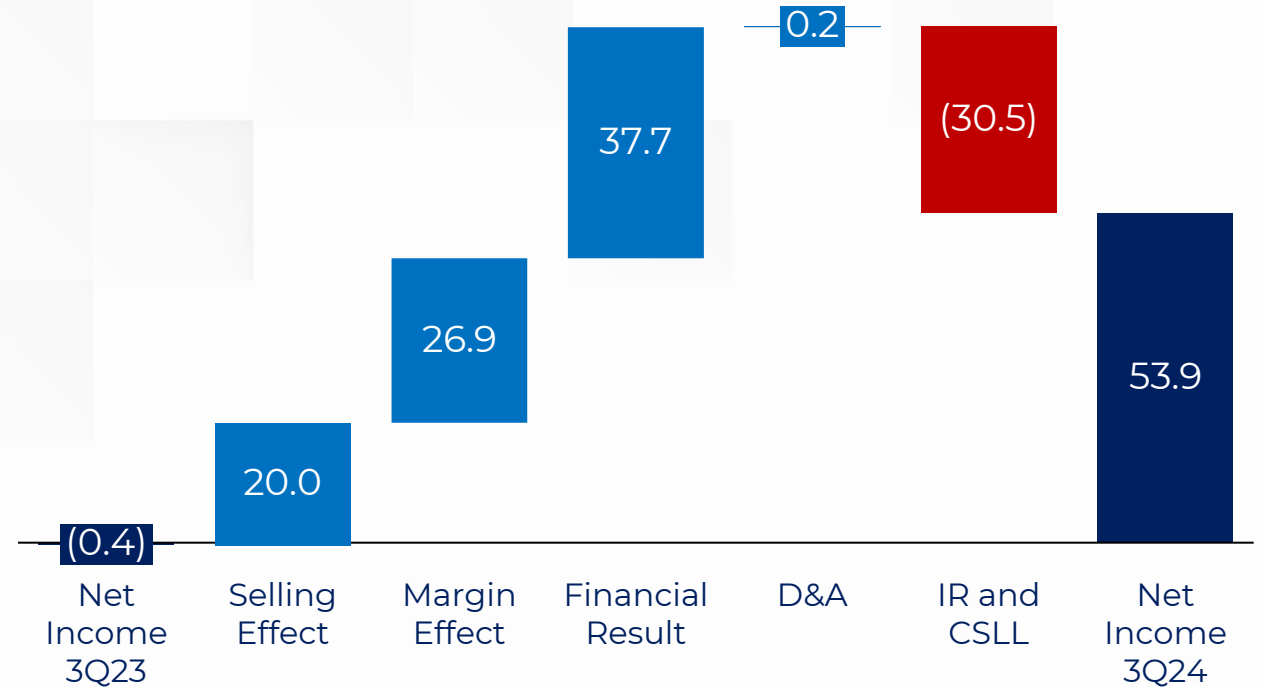
CONSOLIDATED ADJ. NET INCOME

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



BRIDGE ADJ. NET INCOME

(R\$ million)



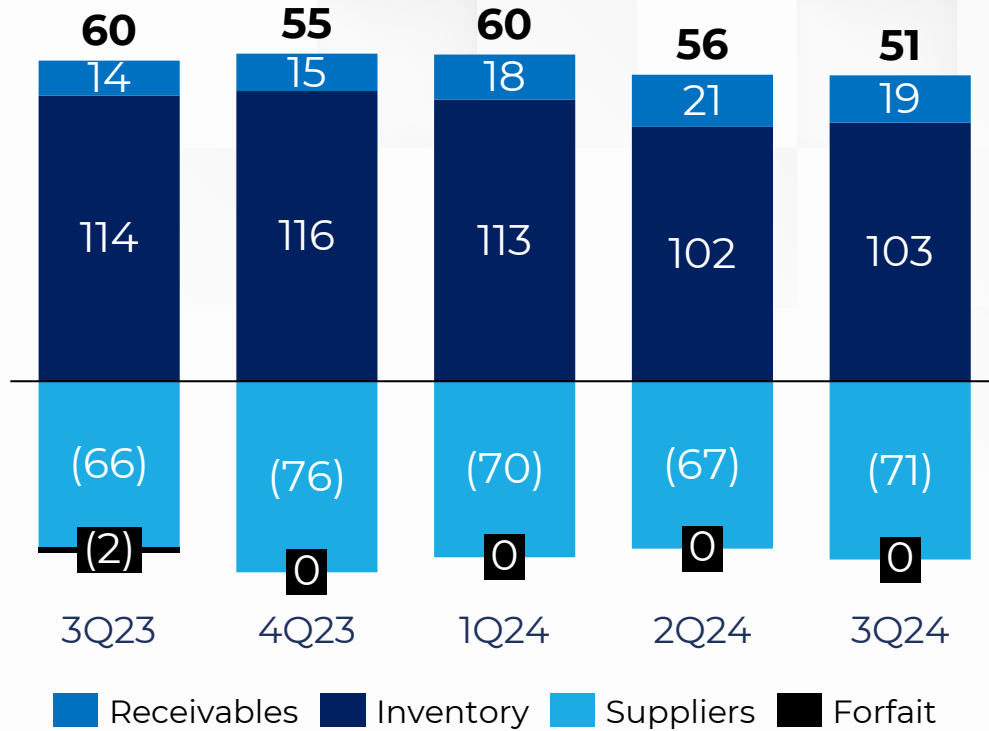
Note: IAS 17 data adjusted for non-recurring effects.

Cash Cycle

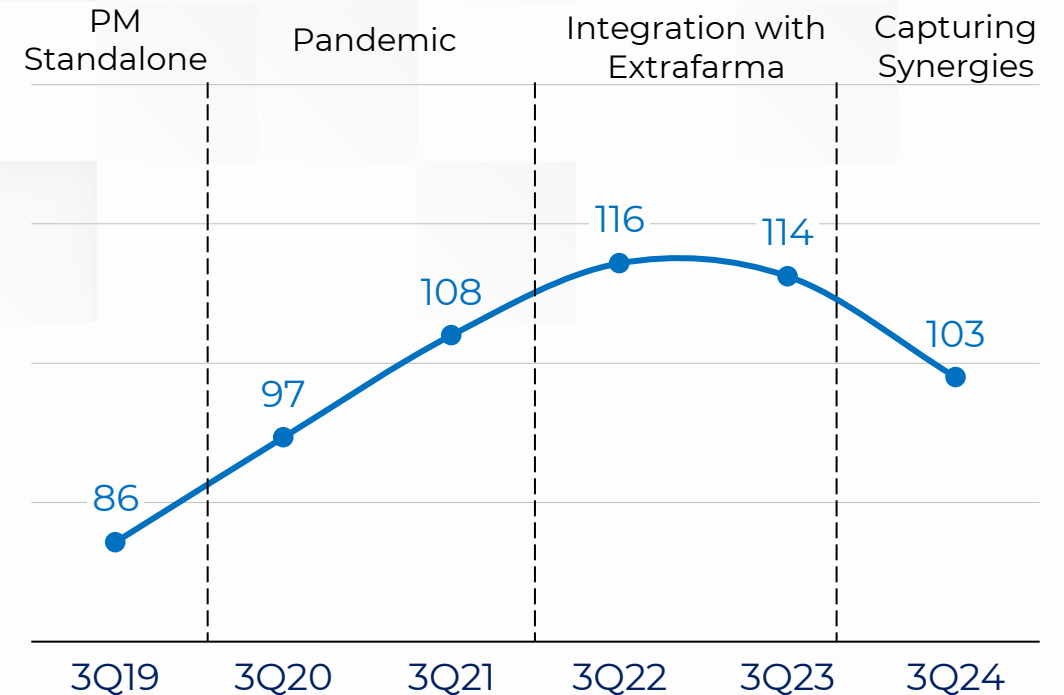
9 days reduction vs 3Q23, even considering the normalization of receivables



CONSOLIDATED CASH CYCLE¹
(in COGS days and Gross Revenue days)



INVENTORIES EVOLUTION IN 3Q
(% of Gross Revenue)



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

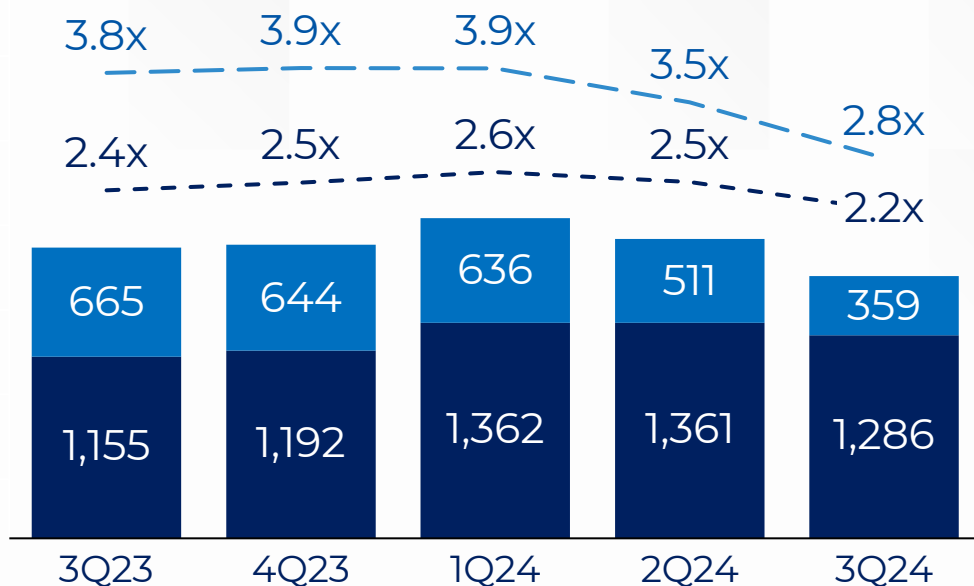
Indebtedness

Progressive financial deleveraging, driven by the improvement in Operating Cash Flow

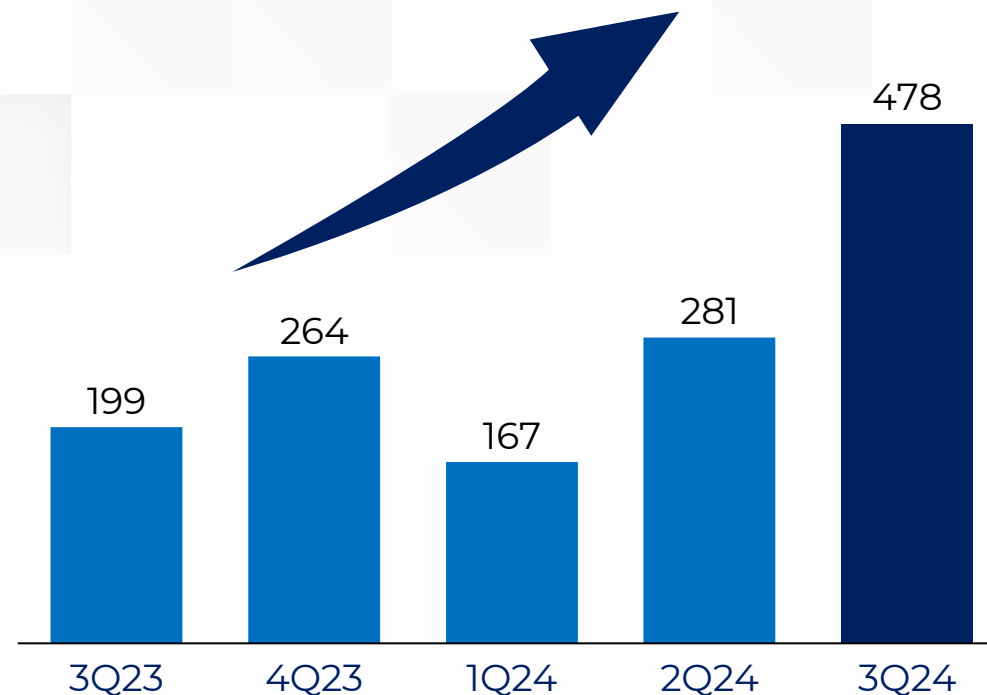


CONSOLIDATED NET DEBT
(in R\$ million and multiple of EBITDA)

- Receivables Advances + Payments to Extrafarma
- Net Debt¹
- - - Net Debt¹ / EBITDA (ex-EBITDA16)
- - - Net Debt¹ + Receivables + Extrafarma / EBITDA (ex-IFRS16)



OPERATING CASH FLOW - LTM
(in R\$ million)



¹ Concept of net debt for covenant purposes, according to debenture deeds. Considers net bank loan and financing balance of the cash position.

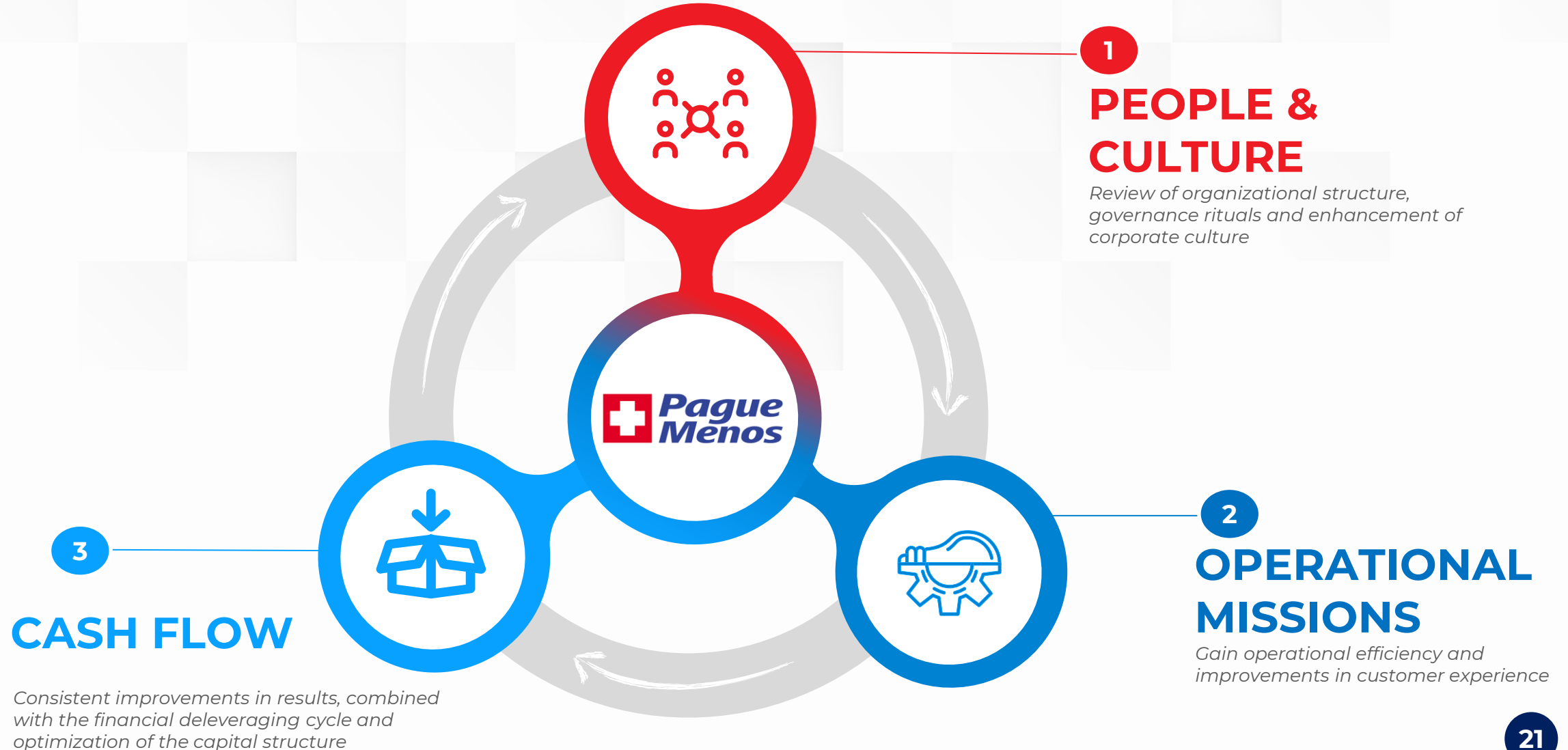


Strategic Update

Jonas Marques, CEO

Our Evolution Journey

In a short time, we are transforming the Company in 3 major areas



Operational Missions

Deliverables examples

IT STABILITY



Reduction of:

- +90% of online inventory errors
- +70% of sales dashboard failures
- +60% of hours with DC instability

SERVICE



Atendimento do Coração Program
Partnership with **Sírio-Libanês Hospital**
Attendant meter and **secret shopper**

MAINTENANCE



- +500 stores with new air conditioners
- +90% reduction in maintenance requests
- +R\$6.5M invested in cleaning and store security

PRICING



- Application of **new labeling model**
- +660 new model printers installed
- +40% on price tag execution

OPERATIONS SUPPORT



- New ticket management system**
- 75% in requests backlog
- 37% in requests opening time

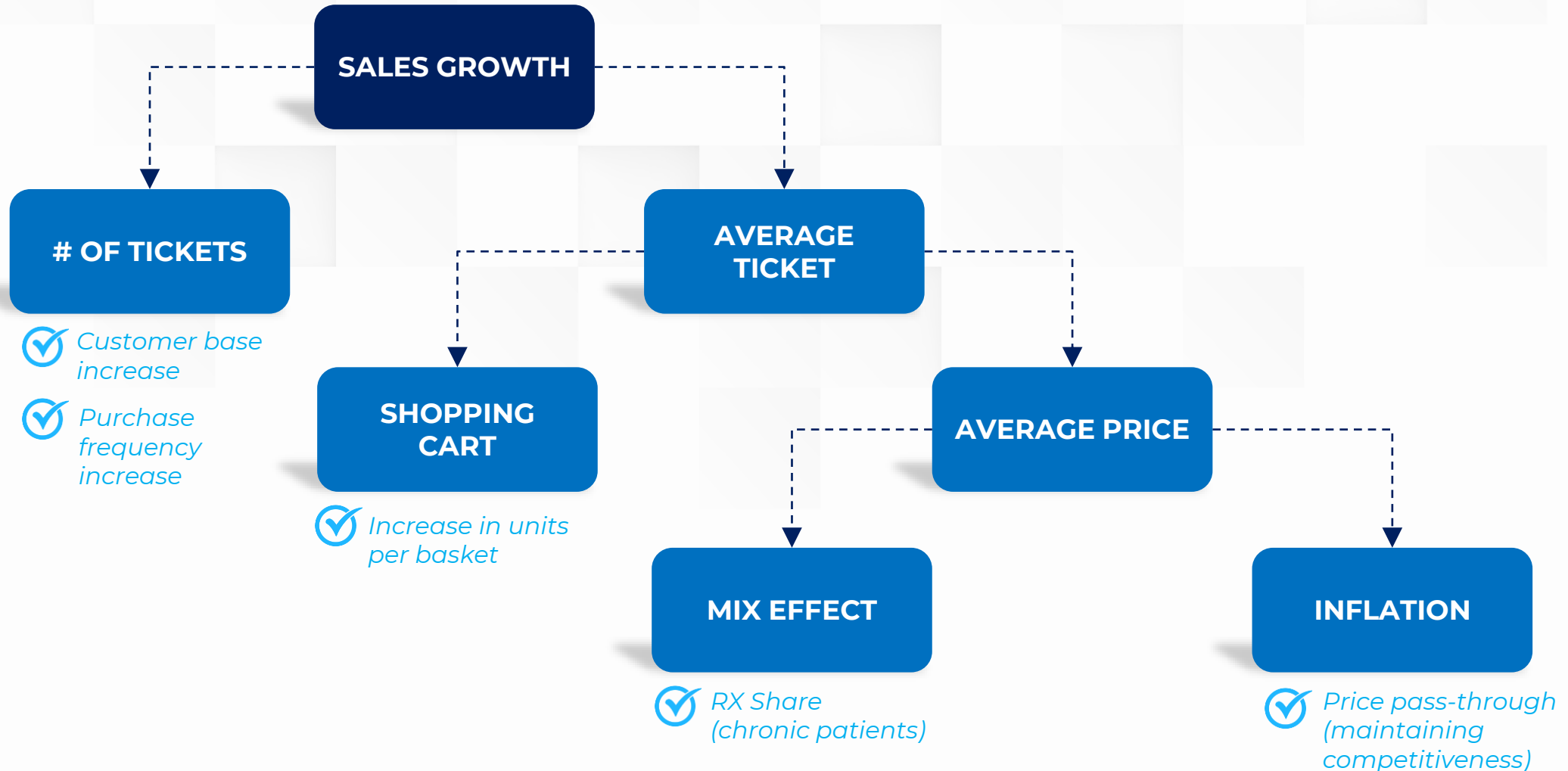
PROCESSES



- New **operations governance** model
- Last mile **e-commerce automation**
- Operations group for **store recovery**

Components of Growth

Improvements in operational metrics are underpinning good sales performance

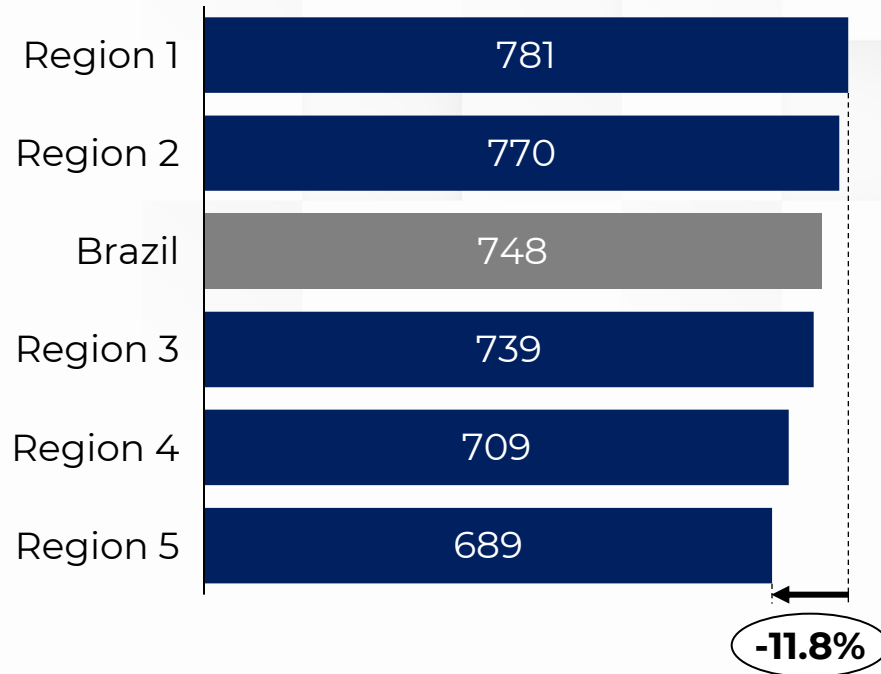


Regional Performance

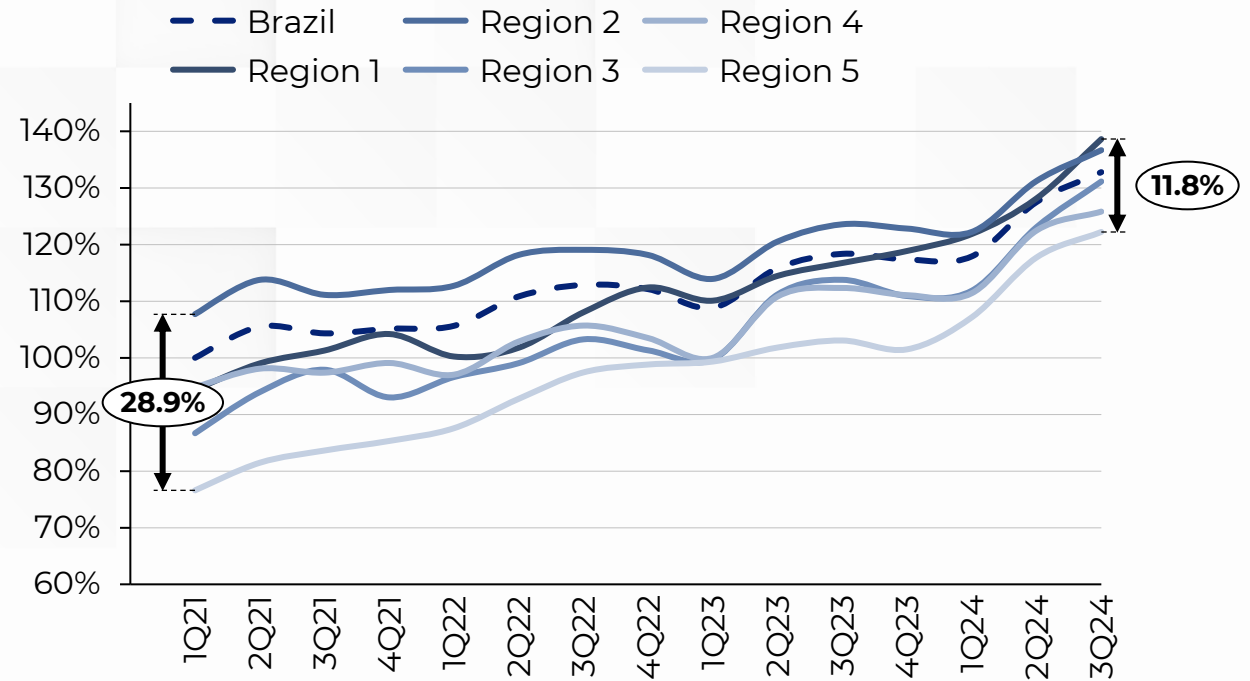
Focus on execution has driven progressive operational convergence between the regions



AVERAGE SALES BY REGION IN 3Q24
(R\$ thousand)



AVERAGE SALES EVOLUTION BY REGION
(average Brazil 1Q21 = base 100)

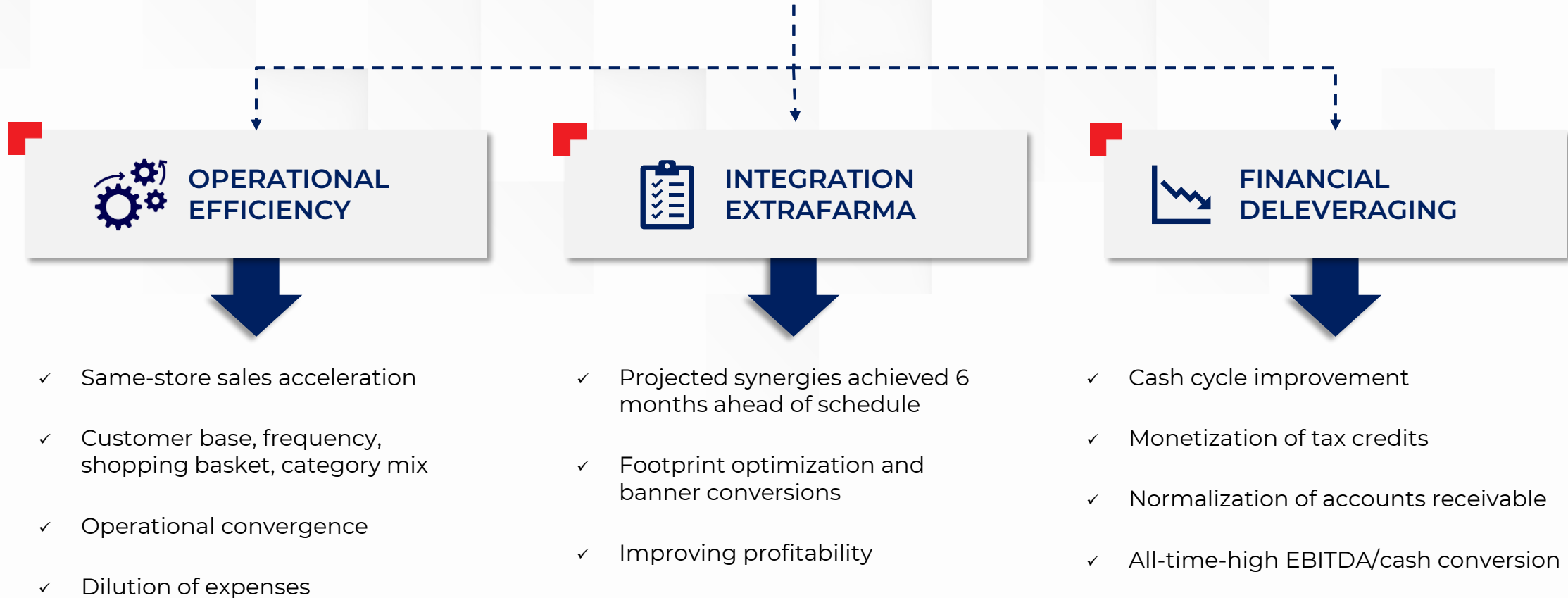


The reduction in productivity dispersion makes the **national presence strategy** more effective, contributing to an **increasingly diversified operation** with **greater growth horizons**

Consistency of Deliveries

3Q24 shows the consistency of deliveries in what were the priorities selected for the year

PRIORITIES 2024





Q&A



 **PagueMenos**
 **extrafarma**



Farmácia
oficial da
Seleção e
da torcida
brasileira.

INVESTOR RELATIONS

<http://ri.paguemenos.com.br>

ri@pmenos.com.br

+55 (85) 3255-5544