



4Q24 & 2024
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.

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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.

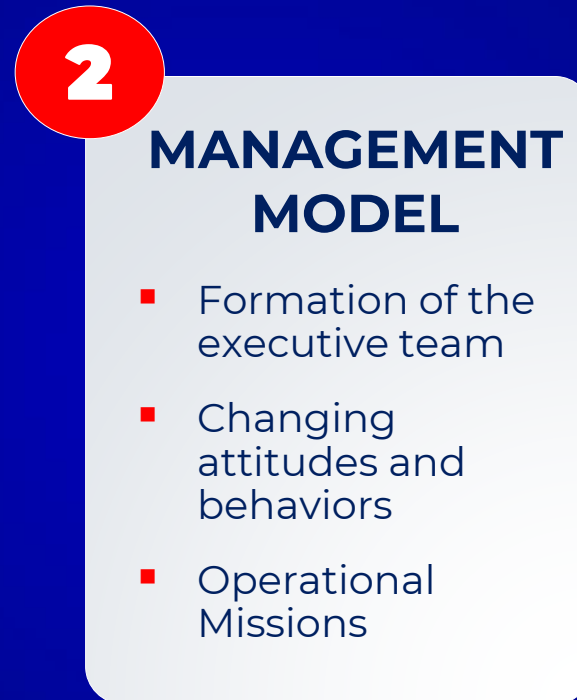


2024 Overview

Jonas Marques, CEO

Beginning of a New Cycle

In 2024, we established the foundation for the company's next growth phase.



Formation of an Impact Team



Simple people, on **extraordinary missions**



THOUSANDS
of impacted
employees



MILLIONS
of satisfied
customers



HUNDREDS
of stores visited



We continue to make progress on our **strategic pillars**, building a foundation for long-term growth

Maturation of the first post-IPO store cohort, **delivering projected sales and IRR targets**

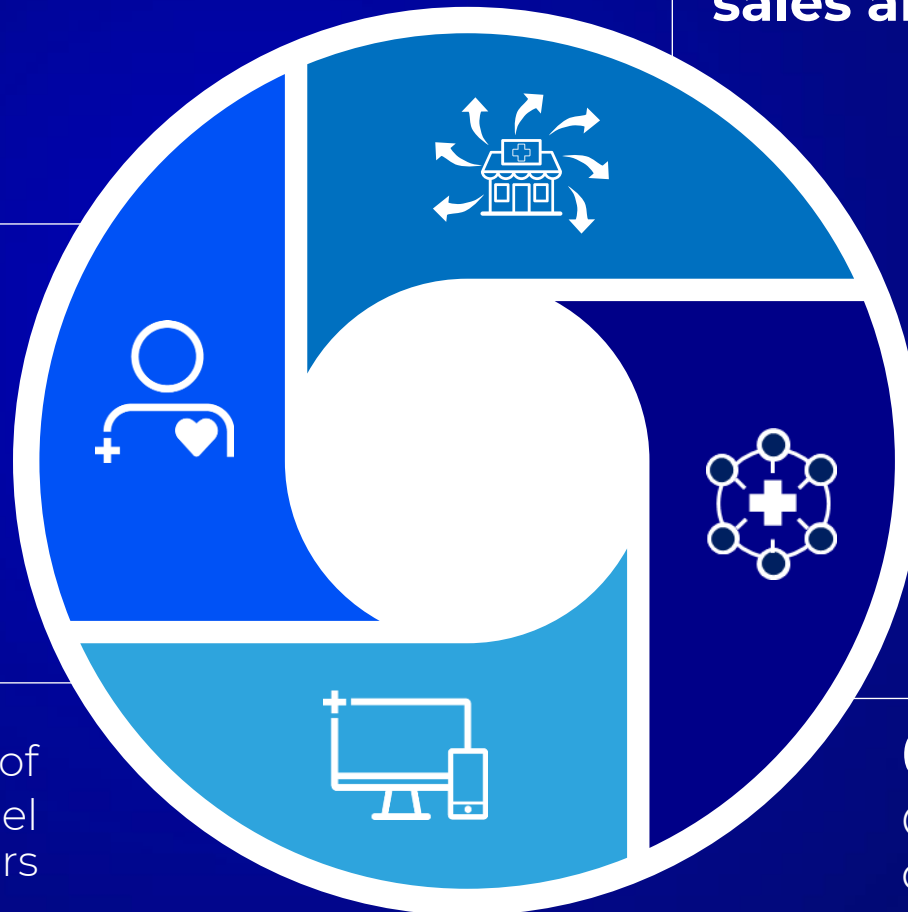
21 million
active customers

Increased engagement from **continuous care customers**

16,6% of omnichannel sales

9,9% of omnichannel customers

6.2 million
Clinic Farma consultations



Numbers follow behaviors

Fourth quarter of sales acceleration, ensuring margin expansion and record market share



GROSS REVENUE

R\$3.6 billion (+17.4% vs 4Q23)

with 17.1% same store sales



MARKET SHARE

6.5% of national market share

+35bps vs 4Q23 with gains in all regions



GROSS PROFIT

R\$1.1 billion (+19.5% vs 4Q23)

gross margin of 29.7% (+0.5p.p. vs 4Q23)



EXTRAFARMA SYNERGIES

Top of guidance exceeded

R\$ 267 million on an annualized basis



ADJ. EBITDA

R\$ 164.0 million (+31.6% vs 4Q23)

EBITDA margin of 4.6% (+0.5p.p. vs 4Q23)



ADJ. NET INCOME

R\$ 77.1 million (+22.8% vs 4Q23)

R\$ 152 million in 2024 (vs R\$ 14.2M in 2023)



4Q24 & 2024 Results

Luiz Novais, CFO

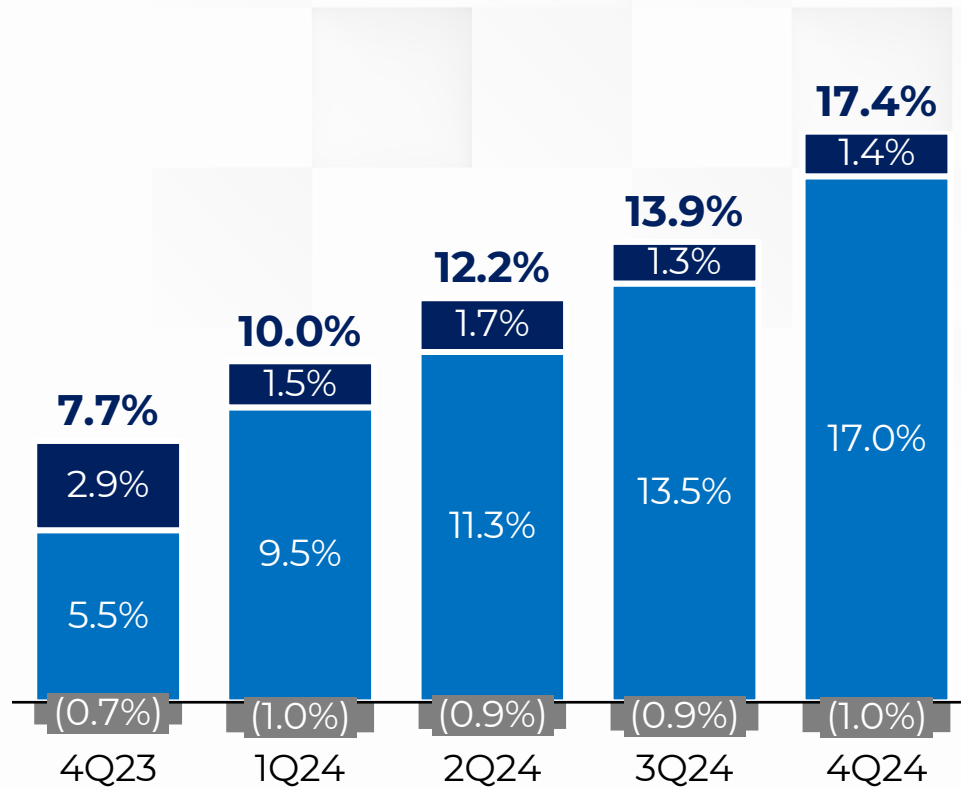
Sales Performance

Fourth quarter of acceleration, optimal combination of robust growth in customer traffic and average ticket above inflation



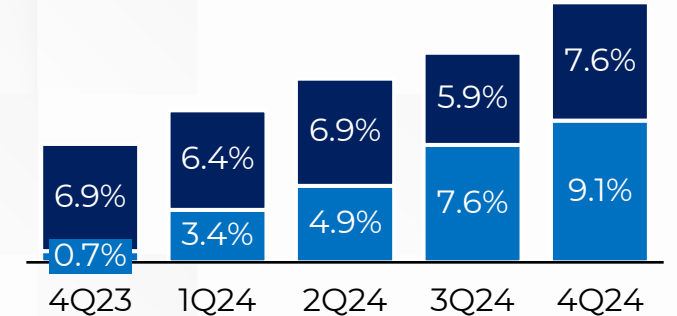
TOTAL GROWTH¹ (% annual change)

■ New Stores ■ Same Stores ■ Closed Stores



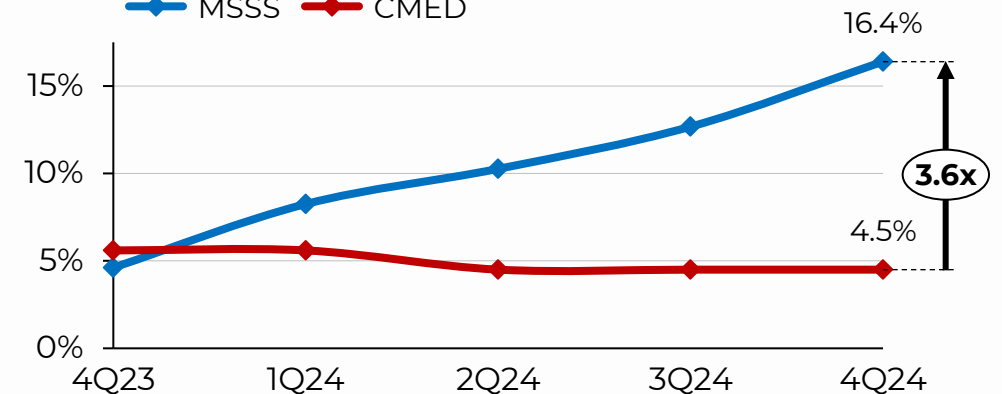
GROWTH BREAKDOWN (% annual change)

■ Average Ticket ■ # of Tickets



MATURE STORES REAL GROWTH (% annual change)

◆ MSSS ◆ CMED

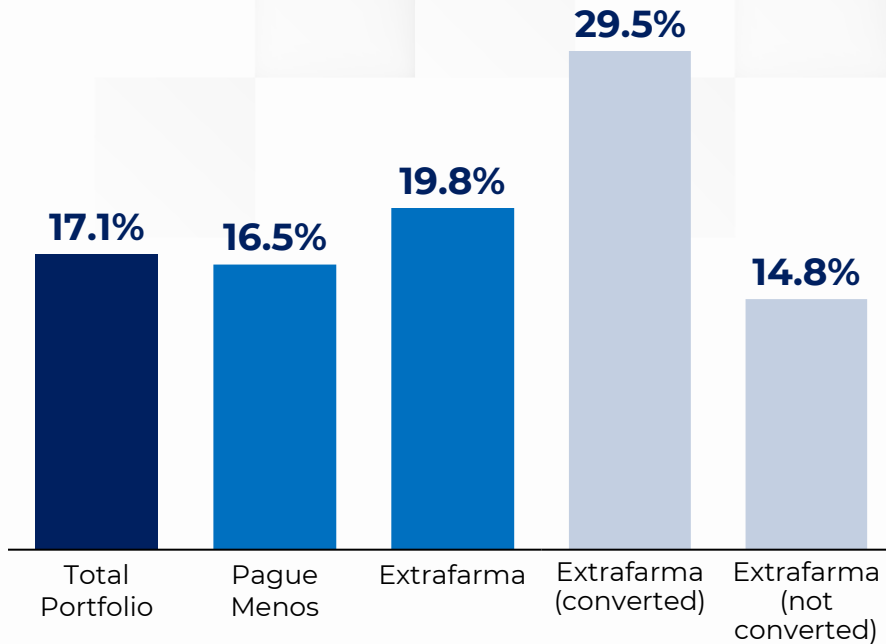


Banner Performance

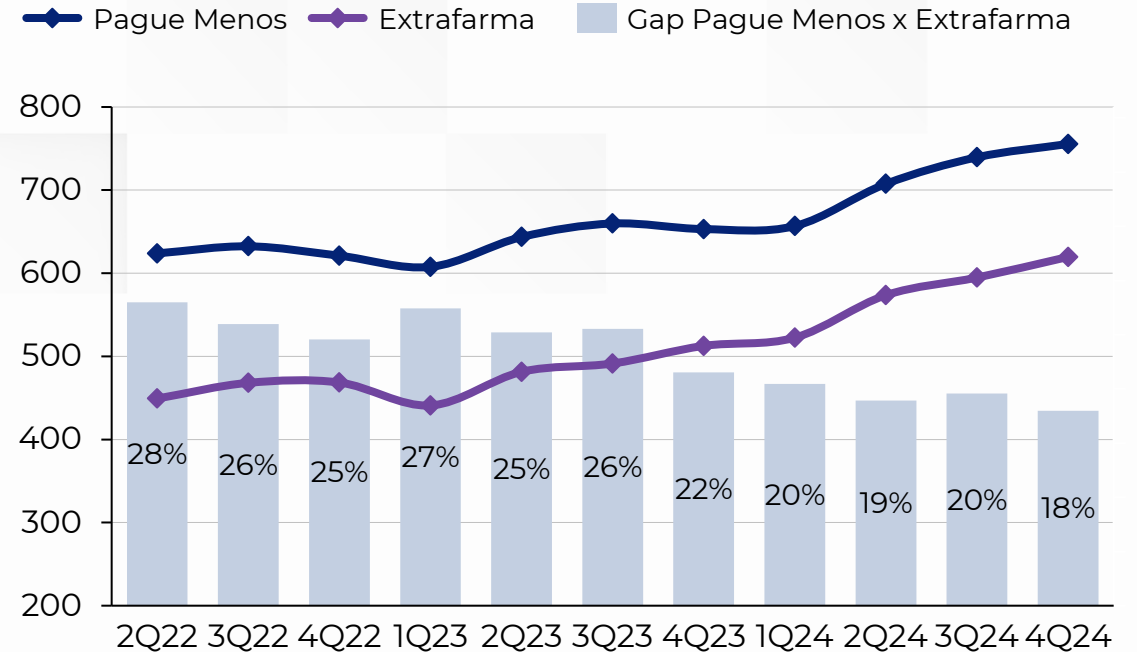
Strong growth across both banners, with converted Extrafarma stores significantly outperforming the average



SAME STORE SALES (% annual change)



MONTHLY AVERAGE SALES PER STORE (R\$ thousand)



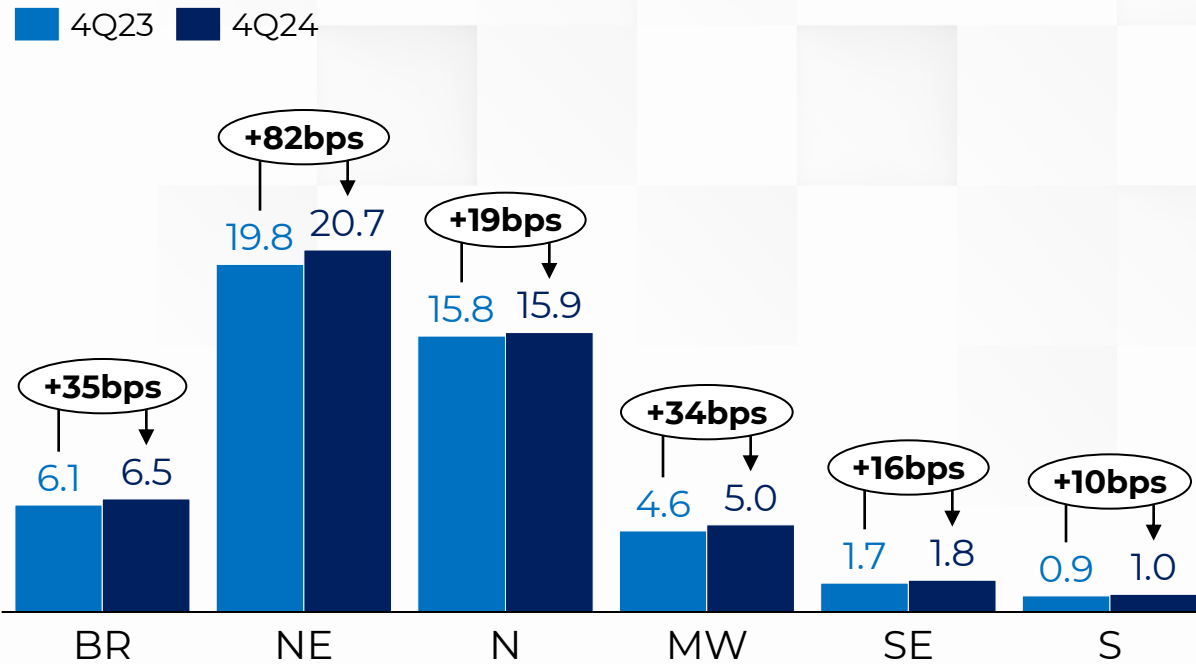
Note: Extrafarma Portfolio considers stores that have undergone banner conversion.

Market Share

Market Share gain every region of country, despite few openings in the year

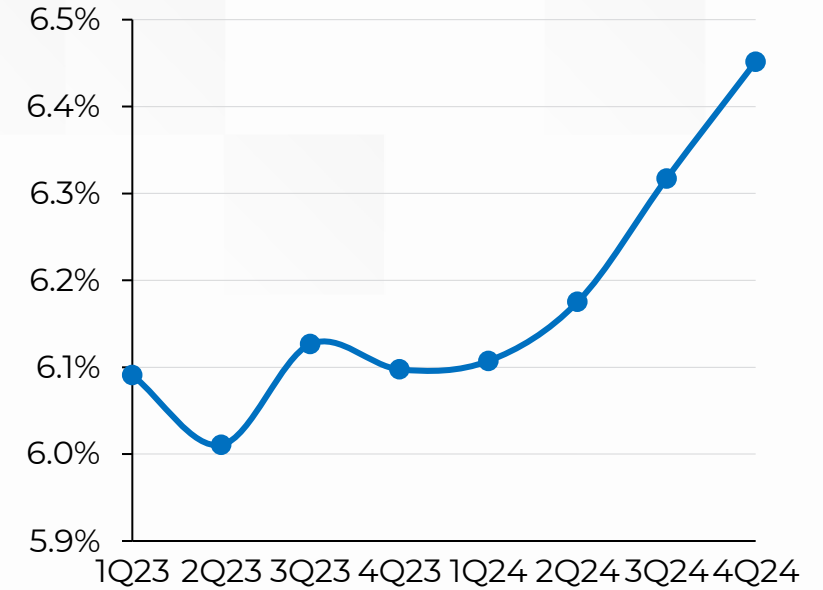
SHARE BY REGION

(% of total market)



NATIONAL MARKET SHARE EVOLUTION

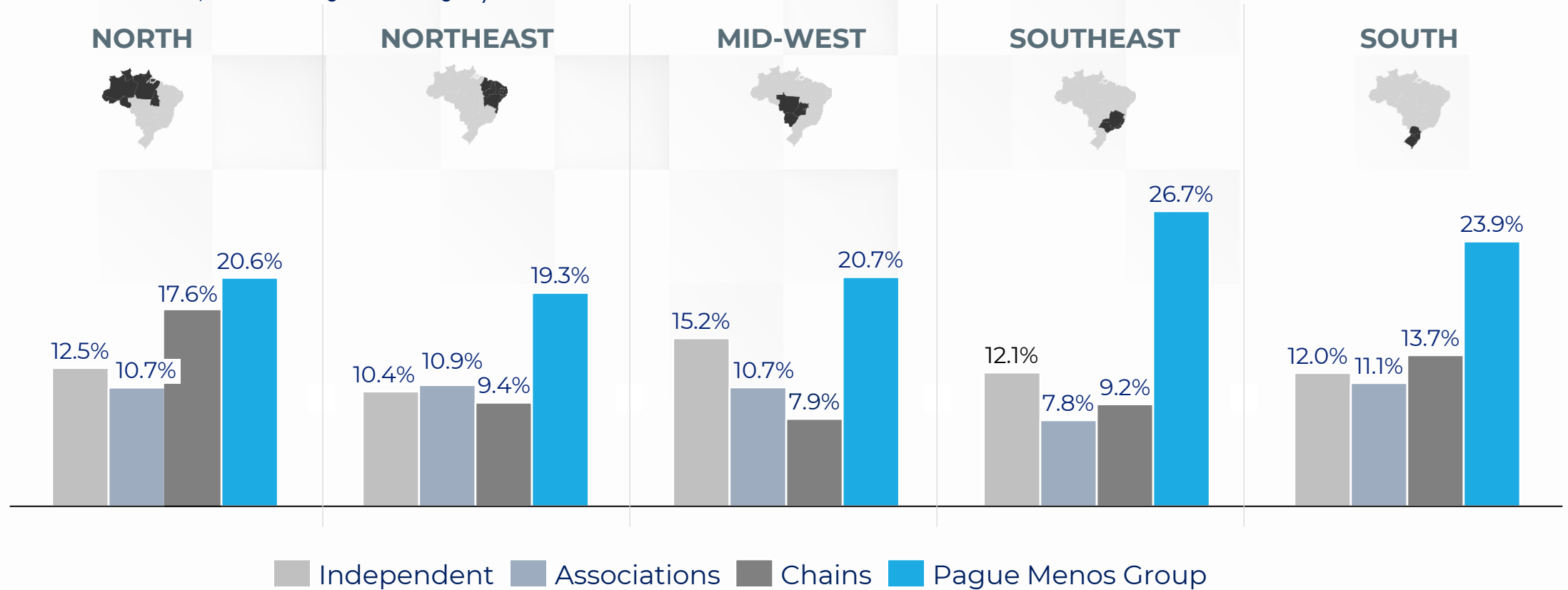
(% of total market)



Performance vs Peers

Growth in average sales per store outperformed the market in every region

GROWTH IN AVERAGE MONTHLY SALES PER STORE¹ (% variation in R\$ CPP - 4Q24 vs 4Q23)



Source: IQVIA

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

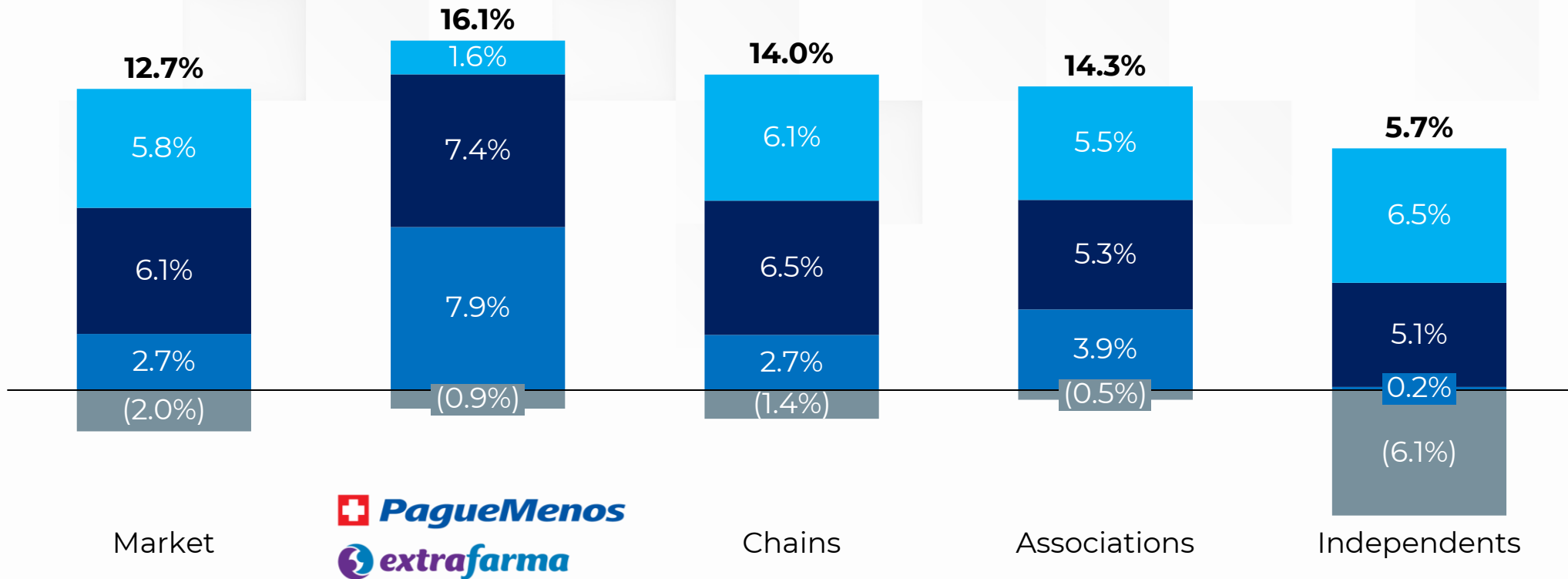
Competitive Landscape

Composition of our growth highlights the quality of our execution

Growth Composition

(var. % R\$ CPP – 2024 vs 2023)

 New Stores  Average Ticket  Volume  Closed Stores



Source: IQVIA

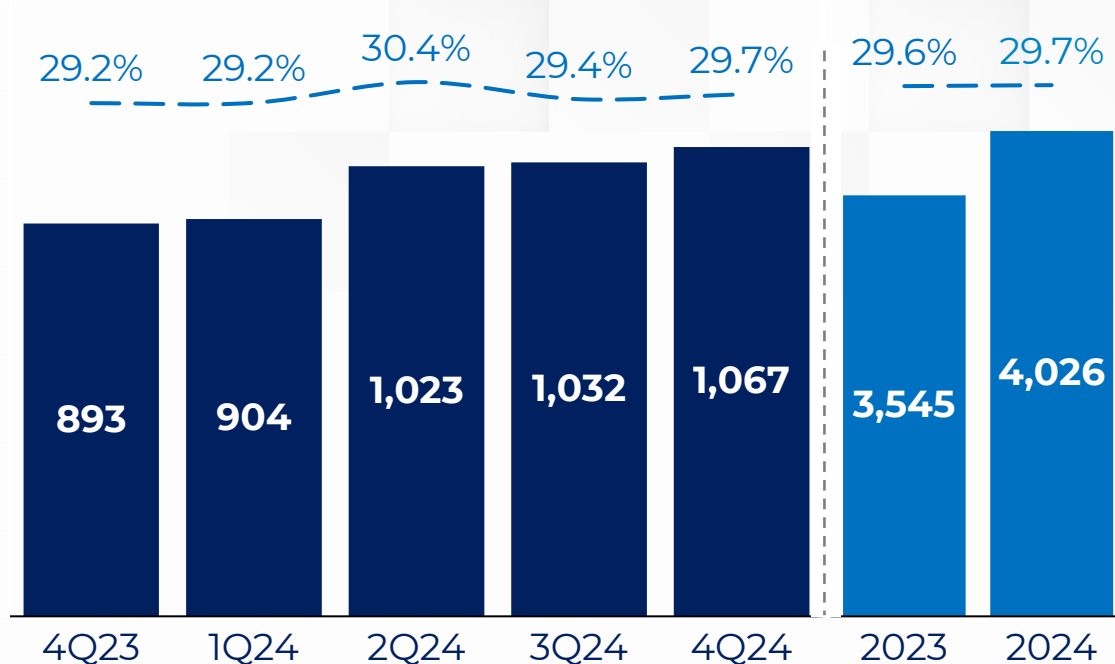
Note: IQVIA methodology normalizes sales prices among players, making the growth in R\$ CPP may diverge from what was actually realized
New stores consider stores open in the last 24 months

Gross Profit

Growth of 0.5p.p. vs. 4Q23, with a relevant improvement in the inventory loss ratio



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



- Reduction in the inventory loss ratio
- Better commercial conditions
- AVP



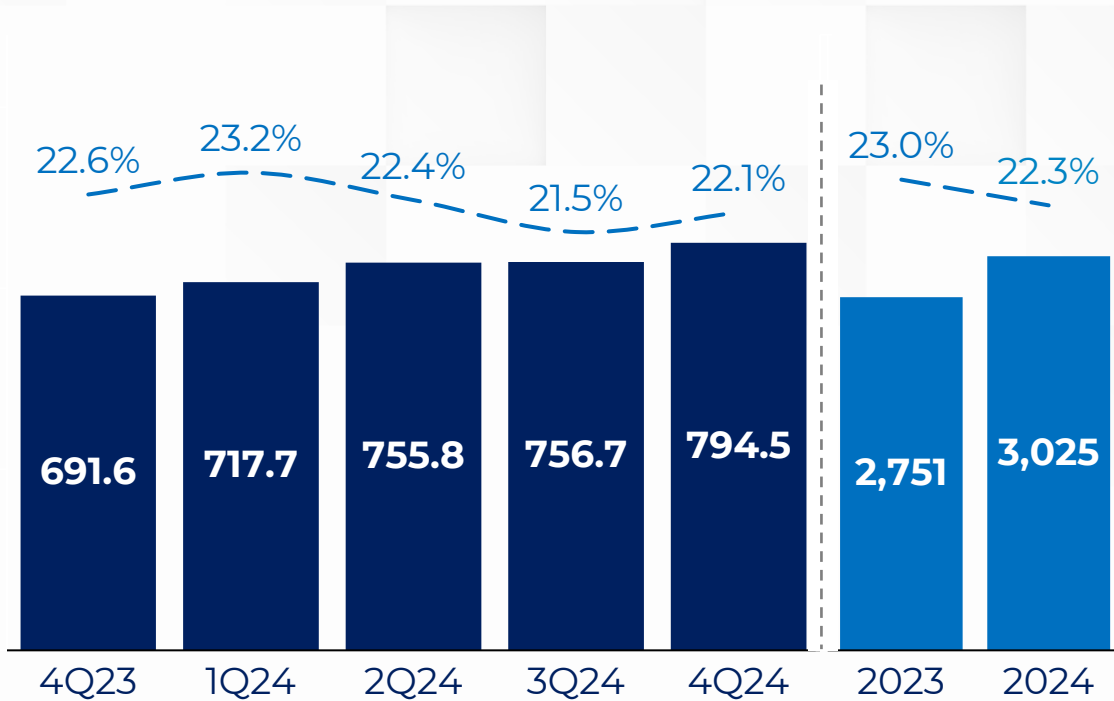
- Categories mix effect

SG&A Expenses

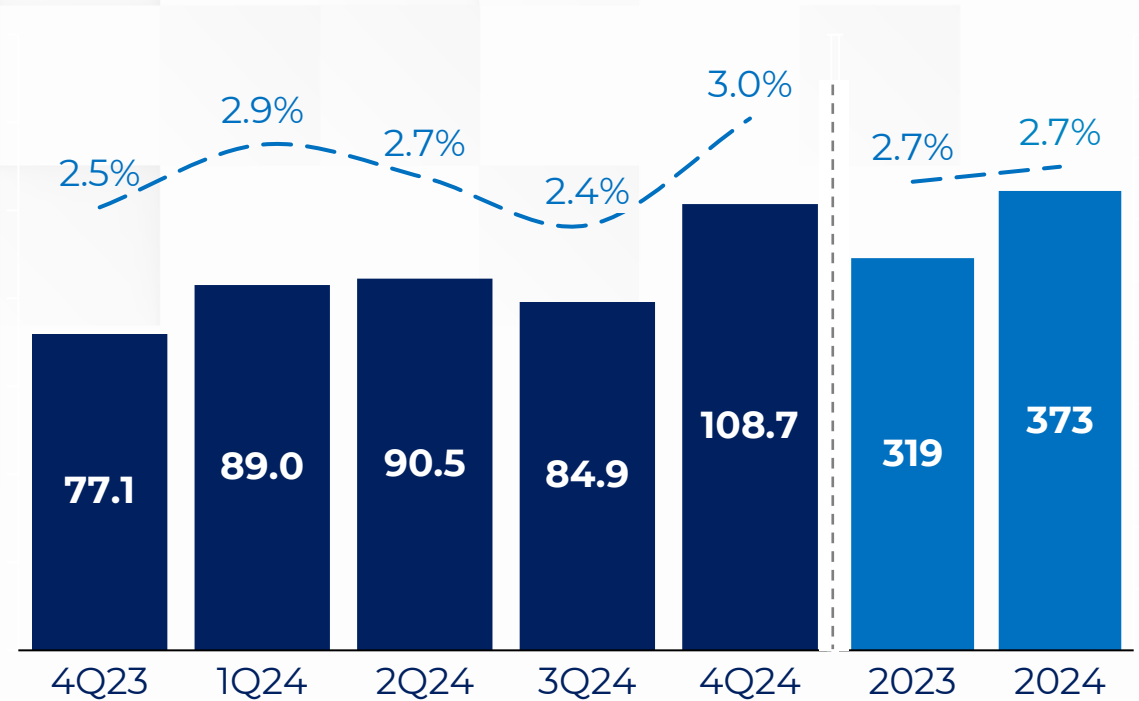
Operating leverage in selling expenses; G&A impacted by variable compensation and consulting fees



SELLING EXPENSES
(R\$ million and % of R.B.)



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

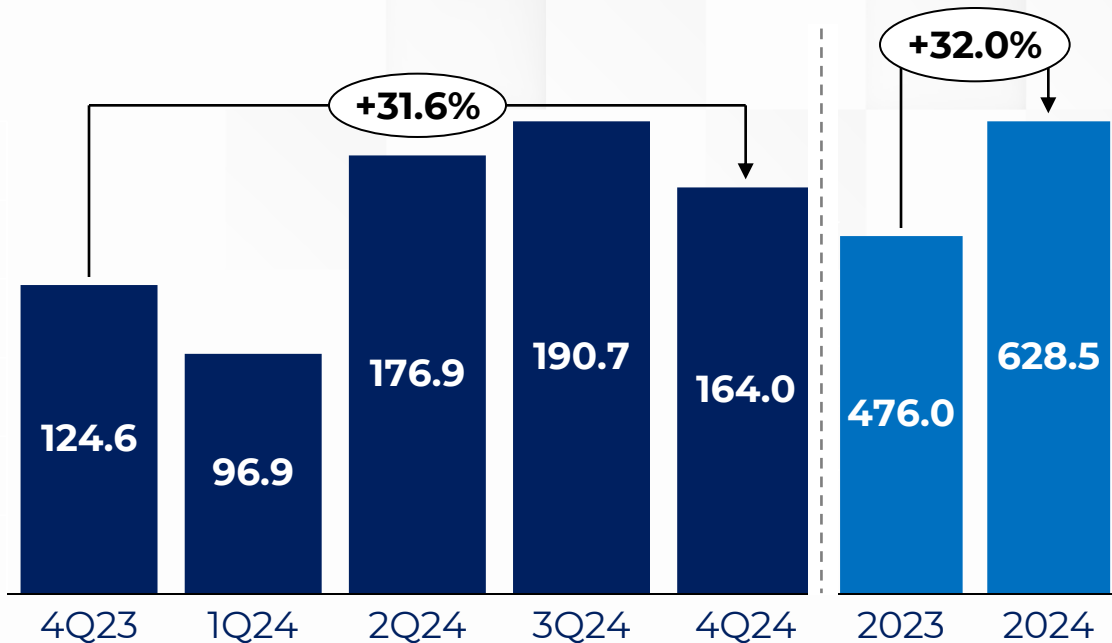


Adjusted EBITDA

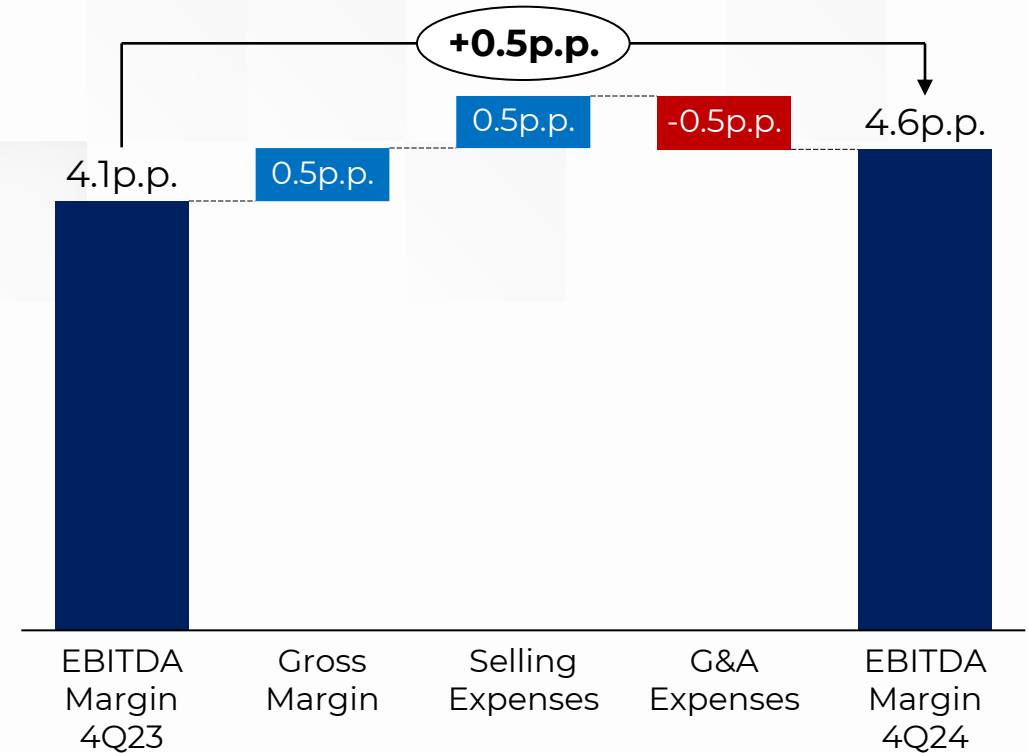
EBITDA margin of 4.6%, up 0.5p.p. vs. 4Q23



CONSOLIDATED ADJUSTED EBITDA
(R\$ million)



BRIDGE EBITDA MARGIN – 4Q24 vs 4Q23
(% of Gross Revenue)



Extrafarma Integration

With clear operational convergence

Clear execution of the **integration plan**...

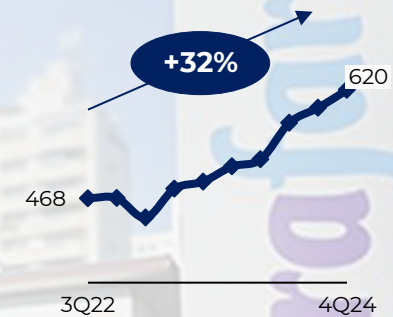
- Systems migration;
- Unification of the organizational structure;
- Relevant changes in the logistics network
- 43 Store closures and 125 banner conversions
- Strengthening of supply and assortment
- Alignment of commercial conditions

... generating progressive **operational convergence**

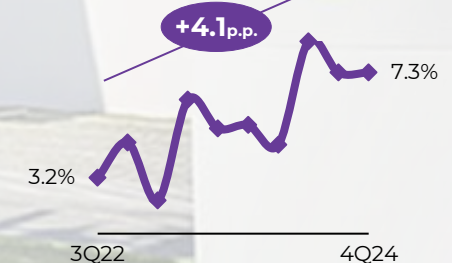
- Increase by +2,000 SKUs/store
- 70% reduction in stockouts
- Leveling of commercial conditions
- Share of Digital Sales: from 3.0% to 12.6%
- Private label share: from 2.8% to 7.0%

Asset Turnaround

◆ Average Sales per Store (R\$ thousand)



◆ Contribution Margin (% G.R.)



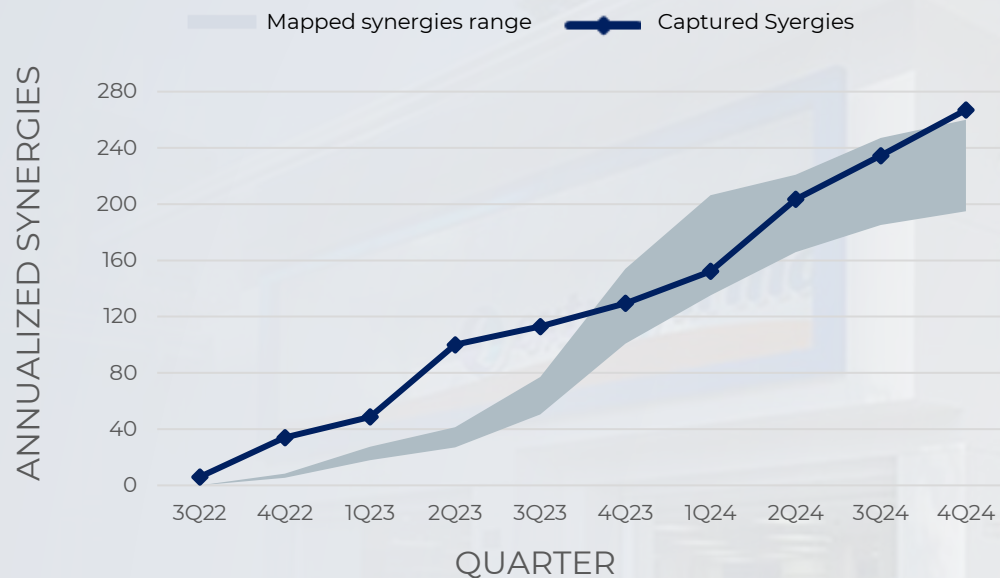
Captured Synergies

R\$267 million annualized incremental EBITDA



SYNERGY CAPTURE CURVE

(R\$ million)

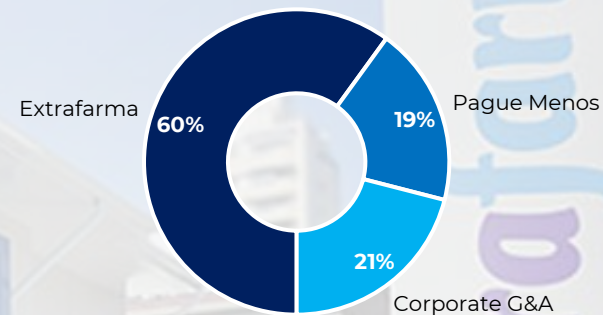


R\$267M in synergies captured in 4Q24
(on an annual basis – above the top of the range)

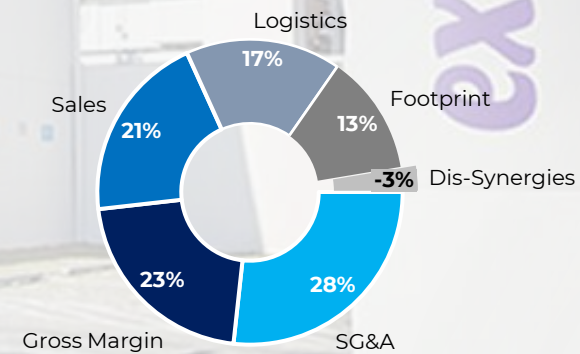


SYNERGIES BREAKDOWN

OPERATION BREAKDOWN



LEVER BREAKDOWN



Transaction Rationale

Strengthening leadership in the N/NE regions while delivering excellent return on investment



FINANCIAL RATIONALE

- ✓ **Attractive valuation**, representing 2.6x the annualized incremental EBITDA captured
- ✓ **Projected IRR higher than organic expansion**
- ✓ Gain in **operational scale**



STRATEGIC RATIONALE

- ✓ **Consolidation of leadership** in the North and Northeast
- ✓ Increased capillarity to reinforce the **Health Hub and Digital** strategy
- ✓ Opening a **new path of future growth**

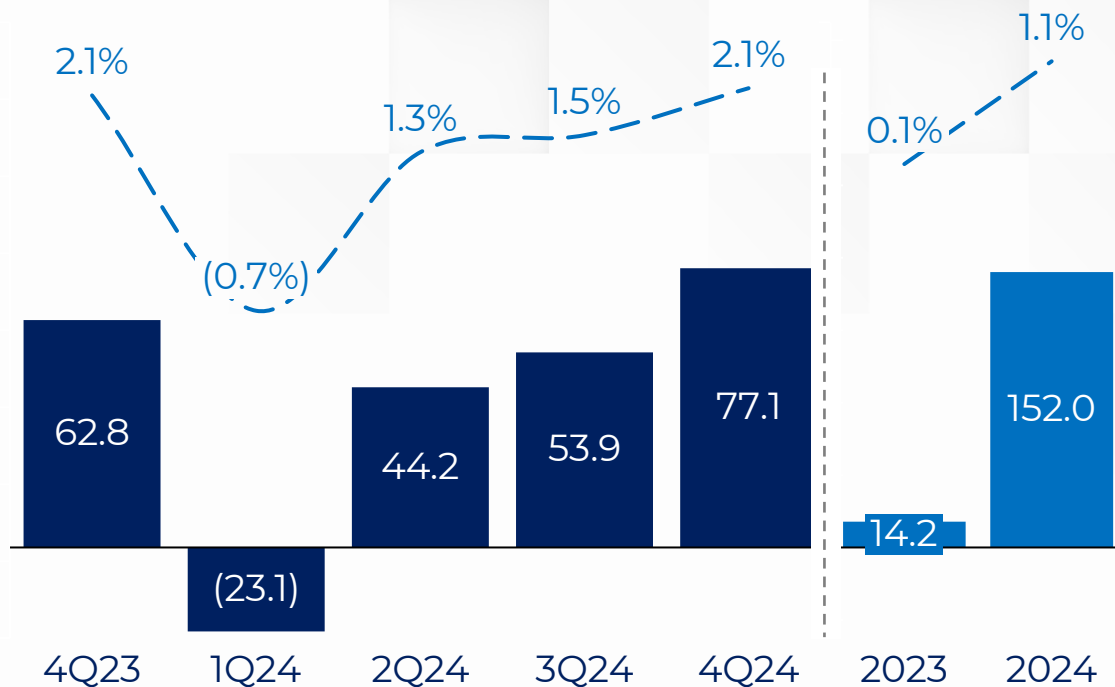
Net Income

Operational improvement and Extrafarma synergies contributed to 2024 net income



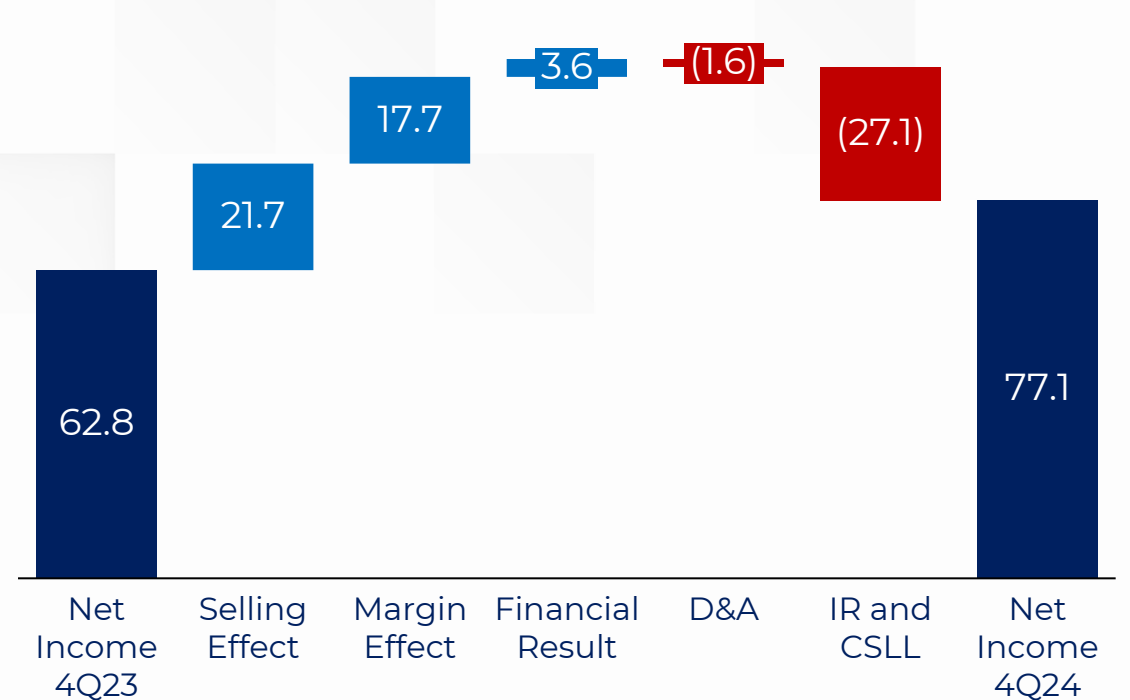
CONSOLIDATED ADJ. NET INCOME

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



BRIDGE ADJ. NET INCOME

(R\$ million)



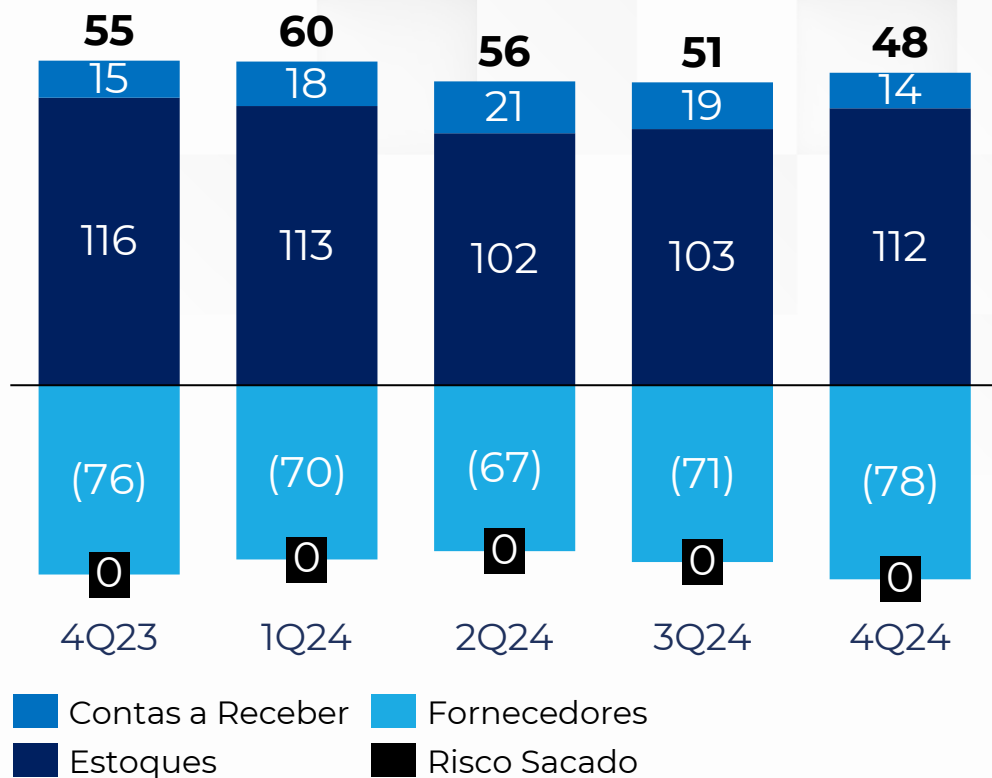
Note: IAS 17 data adjusted for non-recurring effects.

Cash Cycle

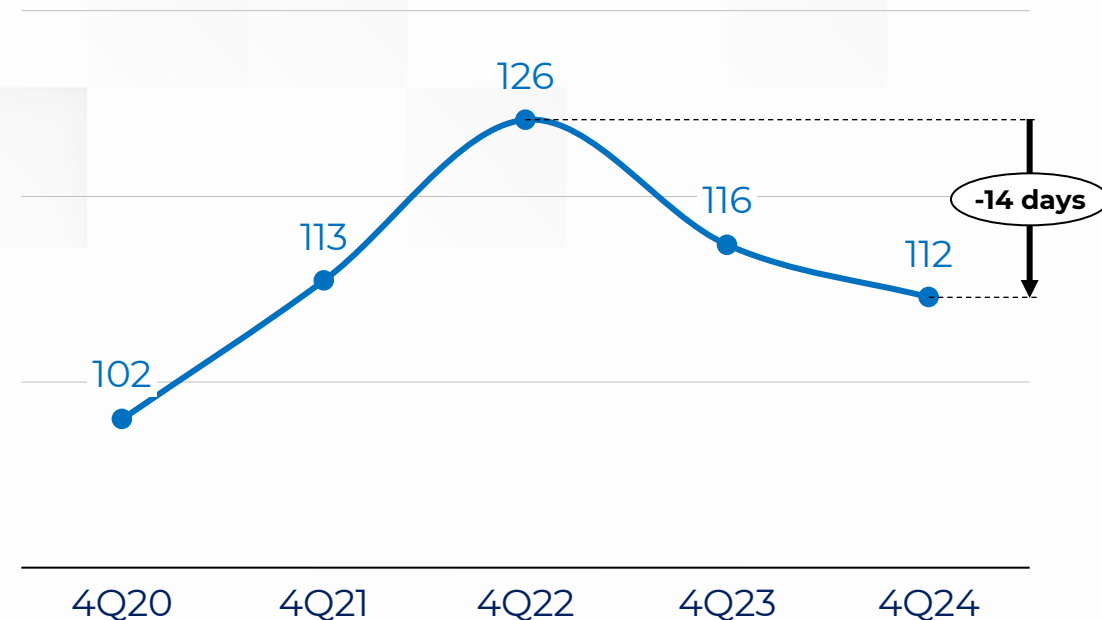
7-day reduction vs 4Q23, explained by the reduction in the inventories term in the 1st semester



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



INVENTORIES EVOLUTION IN Q4
(% of COGS)



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

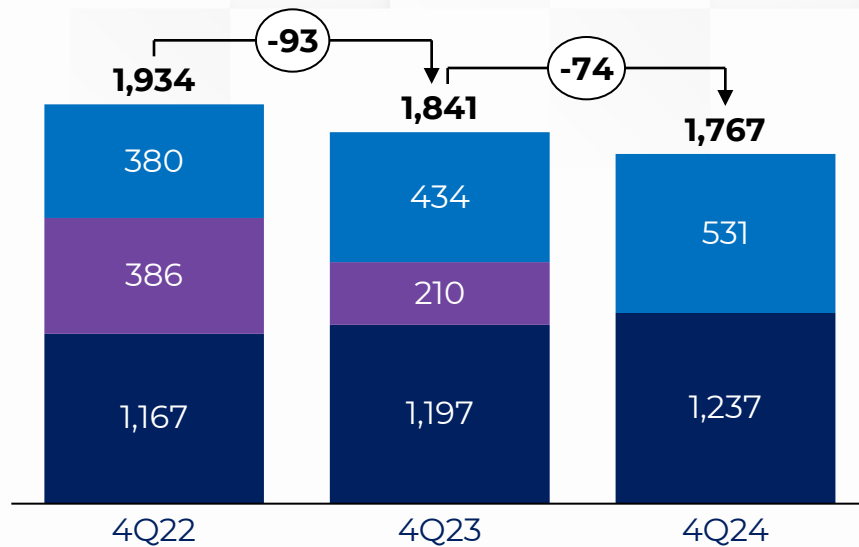
Indebtedness

Accelerated deleveraging trajectory



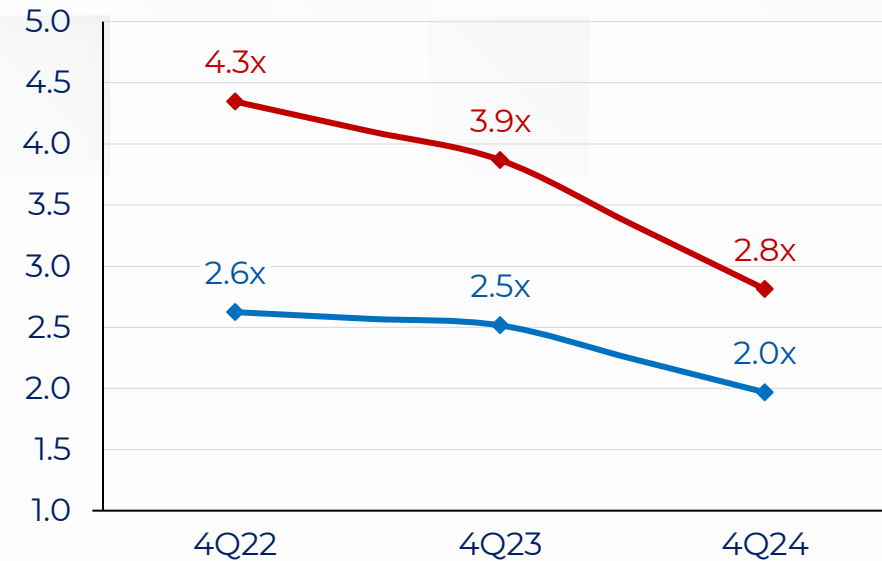
TOTAL INDEBTEDNESS (in R\$ million)

- Receivables Advance
- Payments to Extrafarma
- Net Debt¹



FINANCIAL LEVERAGE RATIO (in multiple of EBITDA)

- ◆ Net Debt¹ / EBITDA (ex-IFRS16)
- ◆ Net Debt¹ + Receivables Advance + Extrafarma / EBITDA (ex-IFRS16)



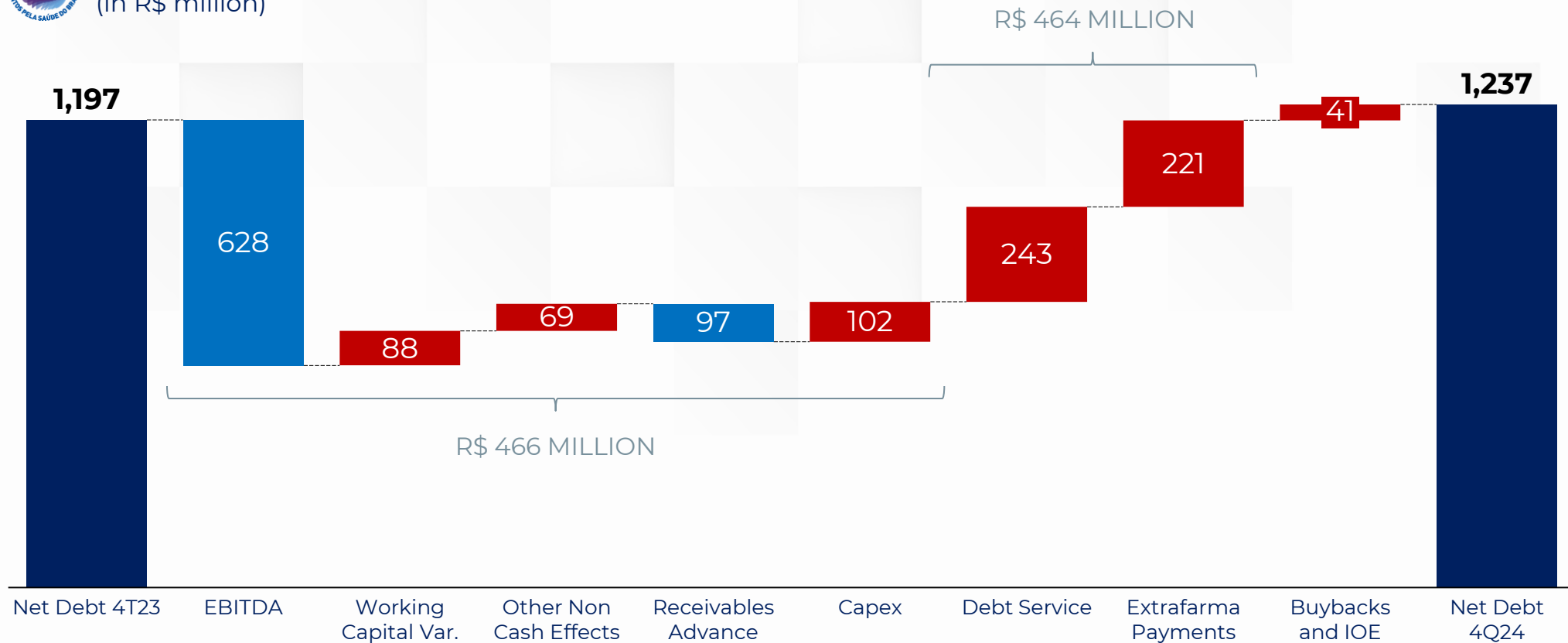
¹ Concept of net debt for covenant purposes, according to debenture deeds. Considers net bank loan and financing balance of the cash position.

Cash Flow

Free cash flow was sufficient to meet debt service and the final installment of Extrafarma acquisition



BRIDGE NET DEBT (in R\$ million)

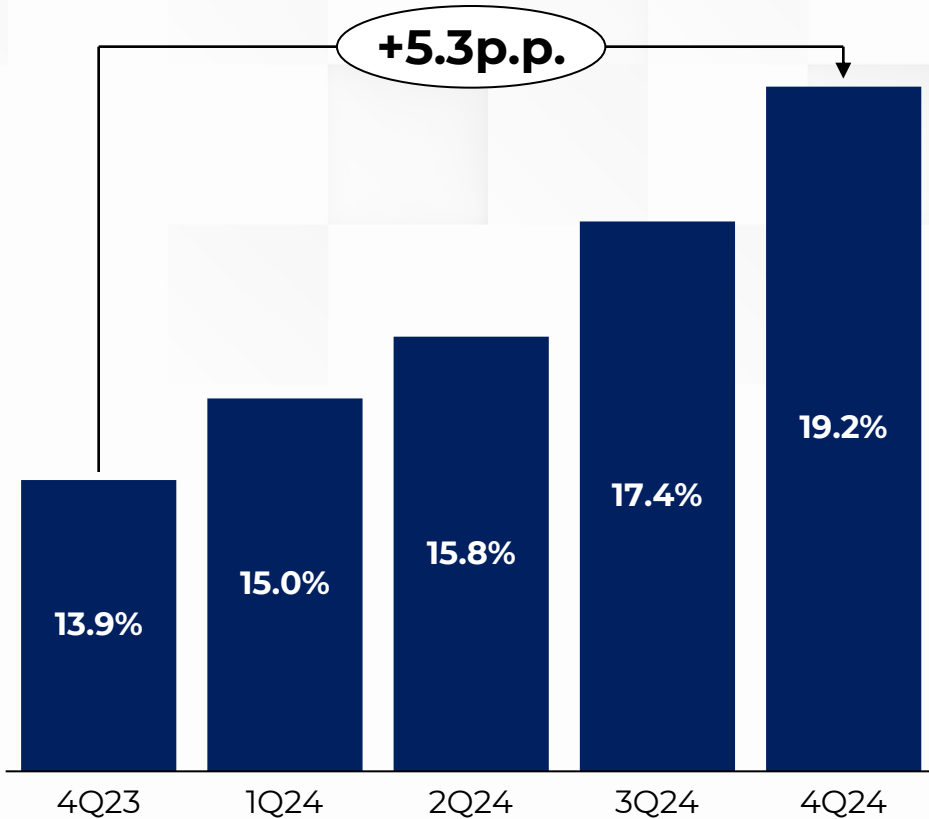


ROIC

Increasing return on invested capital, based on improved operational efficiency




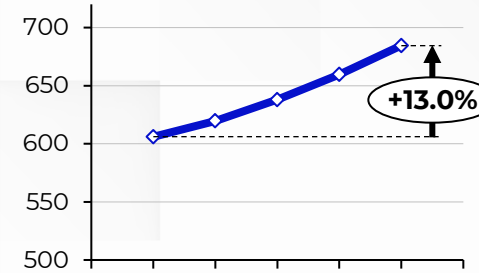
ROIC OPERATING ASSETS¹ (%)



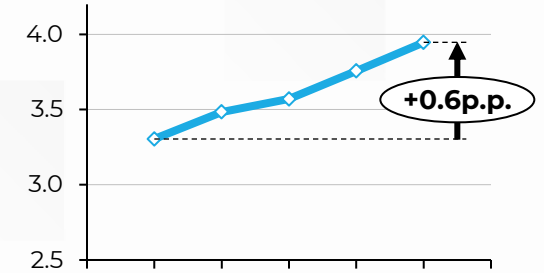
ROIC COMPOSITION:


$$ROIC = \frac{(Average\ Sales\ per\ Store) \times (NOPAT\ Margin)}{(Fixed\ Assets\ per\ Store) + (Working\ Capital\ per\ Store)}$$

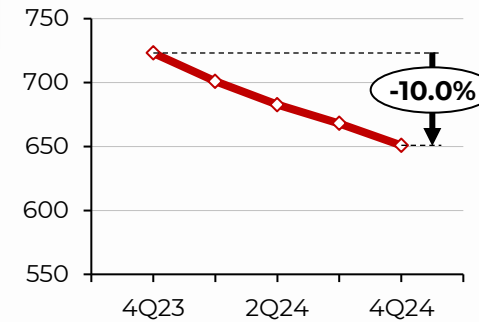
 Average Sales per Store (R\$ 1,000)




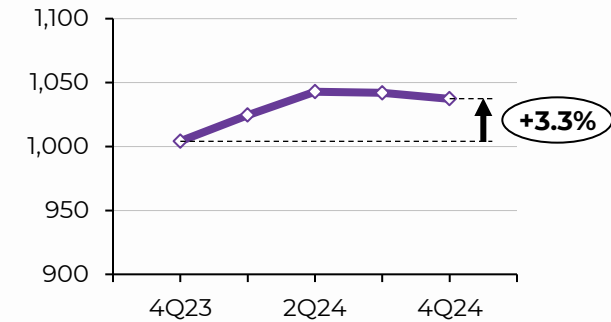
 NOPAT Margin LTM (% G.R.)



 Fixed Asset per Store (R\$ 1,000)



 Working Capital per Store (R\$ 1,000)

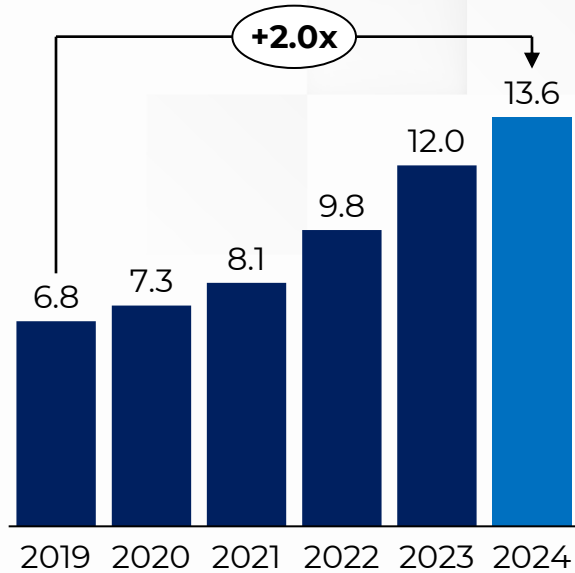


¹ Calculation methodology considers the Operating Income (ex-general and administrative expenses) accumulated in the last 12 months after taxes (34% tax rate) divided by the average invested capital in the last four quarters (working capital + fixed assets).

The company doubled in size



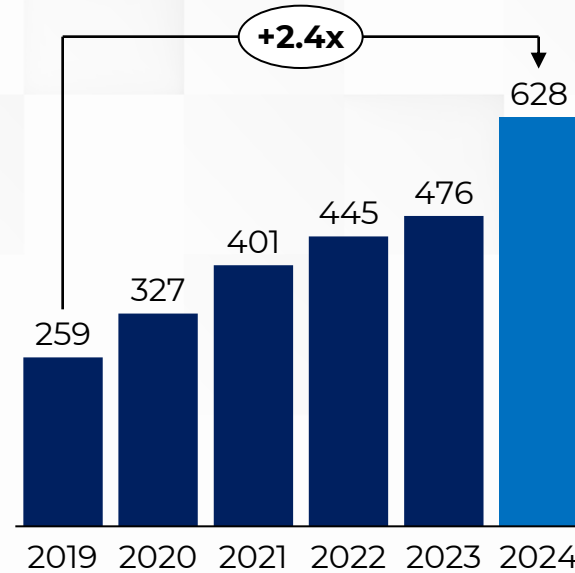
GROSS REVENUE
(in R\$ billion)



+14.8%
CAGR



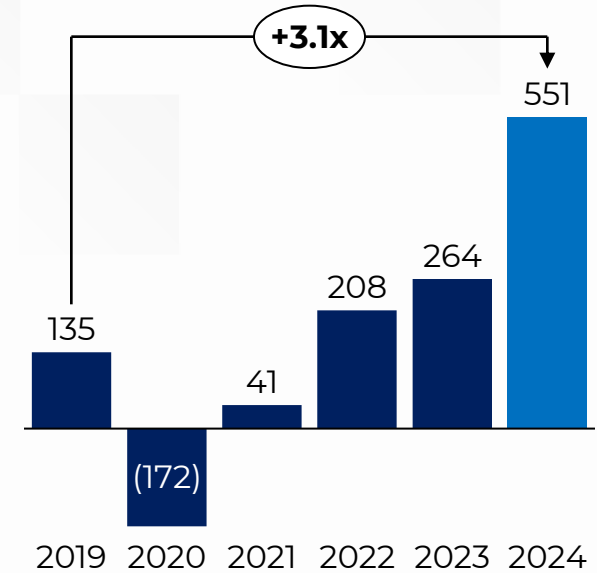
EBITDA AJ.
(in R\$ million)



+19.4%
CAGR



OPERATING CASH FLOW
(in R\$ million)



+32.5%
CAGR



Outlook 2025

Jonas Marques, CEO

Outlook 2025

Plenty of room to keep evolving, the new cycle is just beginning



- Reinforce and enhance the **organizational culture**;
- Improvements in **attraction, onboarding and training** processes;
- Review of the store **commissioning policy**.



- Evolution in the **operational improvement** journey;
- Continued **financial deleveraging**;
- Greater rigor in the **control of expenses**.



- **Gradual resumption of organic expansion**;
- Extrafarma footprint review, with **more banner conversions**;
- **Strategic review**.



Q&A

Foguettlenos



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 **extrafarma**



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INVESTOR RELATIONS

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

ri@pmenos.com.br

+55 (85) 3255-5544