



# 1Q22 Earnings

CONFERENCE CALL



 **PagueMenos**



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Market and certain competitive position information, including market projections mentioned herein were obtained from in-house surveys, market researches, 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.

The quarterly information was prepared in accordance with International Financial Reporting Standards (IFRS16), in accordance with accounting practices adopted in Brazil (BR GAAP).



# 1Q22 Results

Luiz Novais, CFO

# 1Q22 Highlights

Continuous improvements in operational KPIs and strategic initiatives



## OPERATIONAL



**7.1%**  
**Same Store Sales**

(0.8p.p. above topline inflation<sup>1</sup>)



**11.0%**  
**Same Stores Contribution Margin**

(+0.1p.p. vs 1Q21)



**Assortment and Mix**

9.9 thousand SKUs/store  
(growth in generics and private label participation)



## STRATEGIC



**+63%**  
**Digital Channels Growth**

(9.0% of total sales)



**837k**  
**Clinic Farma Appointments**

(+21% vs 1Q21)



**15.5M**  
**Active Customers**

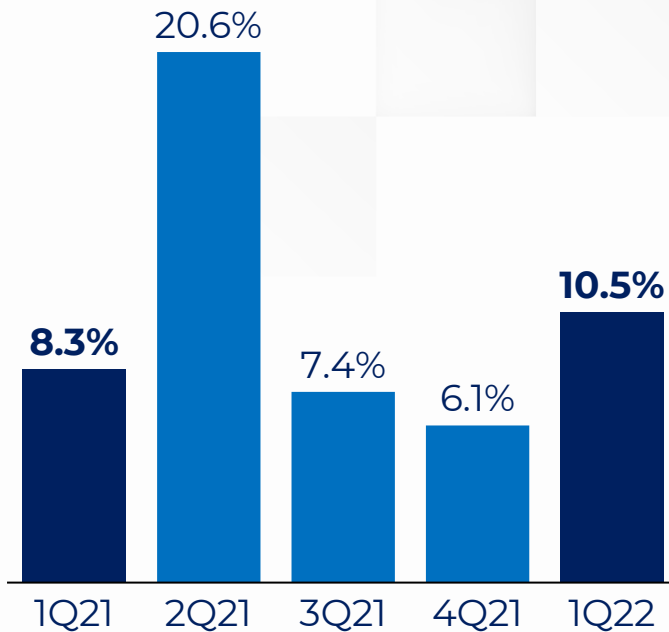
in the last 12 months  
(+6.8% vs 1Q21)

<sup>1</sup> Weighted average inflation by sales mix of 6.3% in 1Q22, observed in market price surveys.

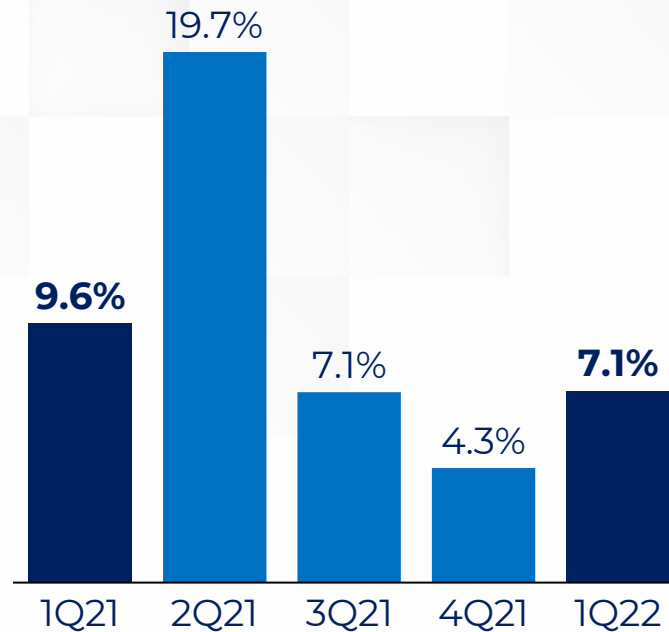
# Sales Performance

Growth acceleration, with mature stores growing above inflation<sup>1</sup>

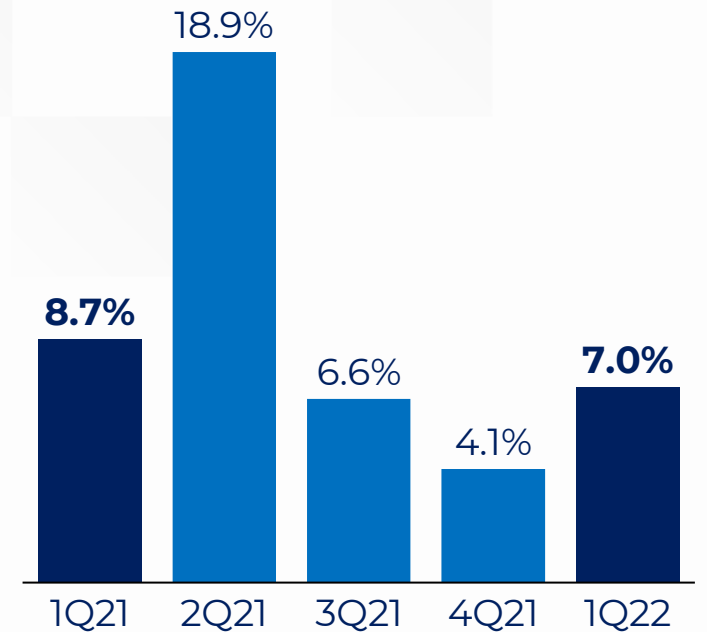
### Total Sales (variation %)



### Same Store Sales (SSS) (variation %)



### Mature Store Sales (MSSS) (variation %)



<sup>1</sup> Weighted average inflation by sales mix of 6.3% in 1Q22, observed in market price surveys.

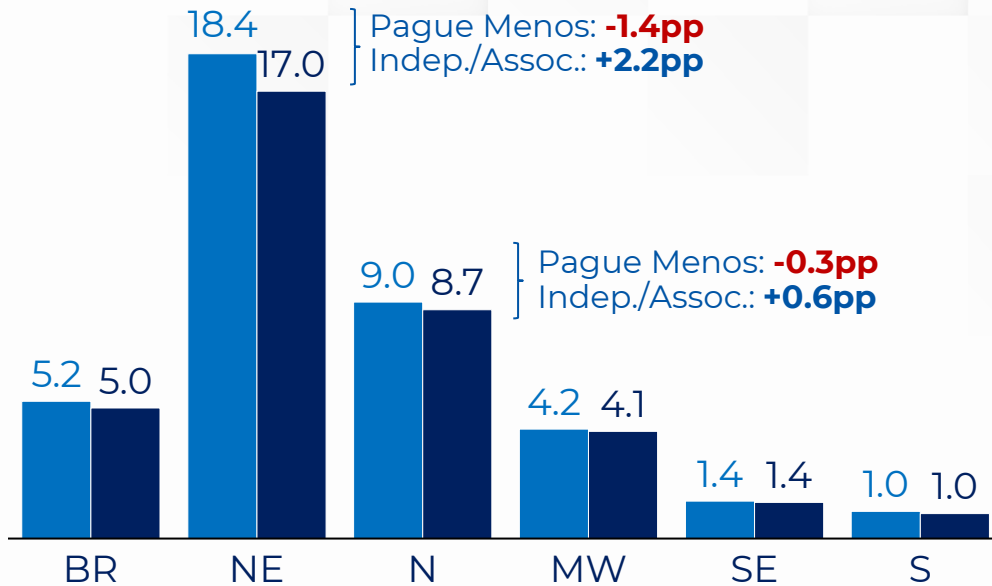
# Market Share (IQVIA)

Store base expansion of competitors continues to play a determinant role to market share dynamics

## Quarterly Market Share (%)

IQVIA – Total Market

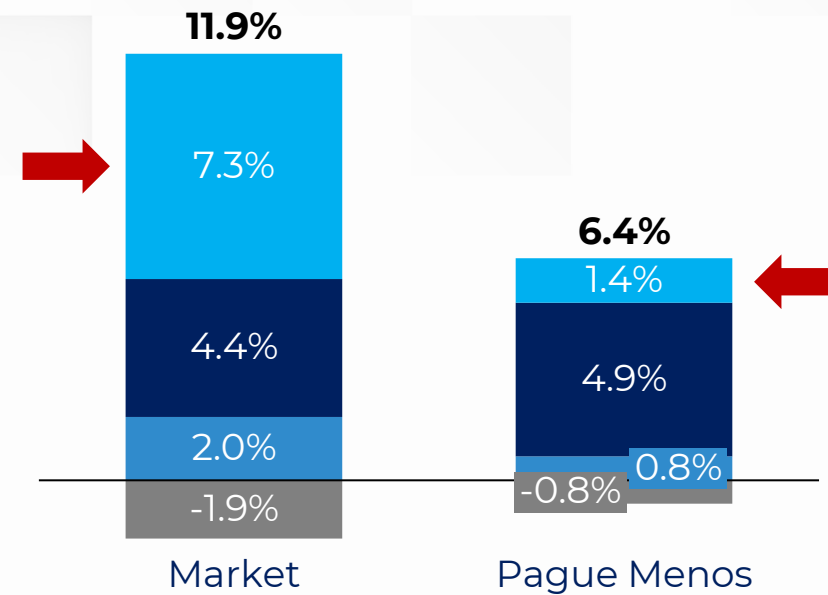
■ 1Q21 ■ 1Q22



## Growth Elements<sup>1</sup>

(Consumer Purchase Price - Apr21-Mar22 vs Apr20-Mar21)

■ New Stores ■ Volume  
 ■ Average Price of the Mix ■ Closed Stores

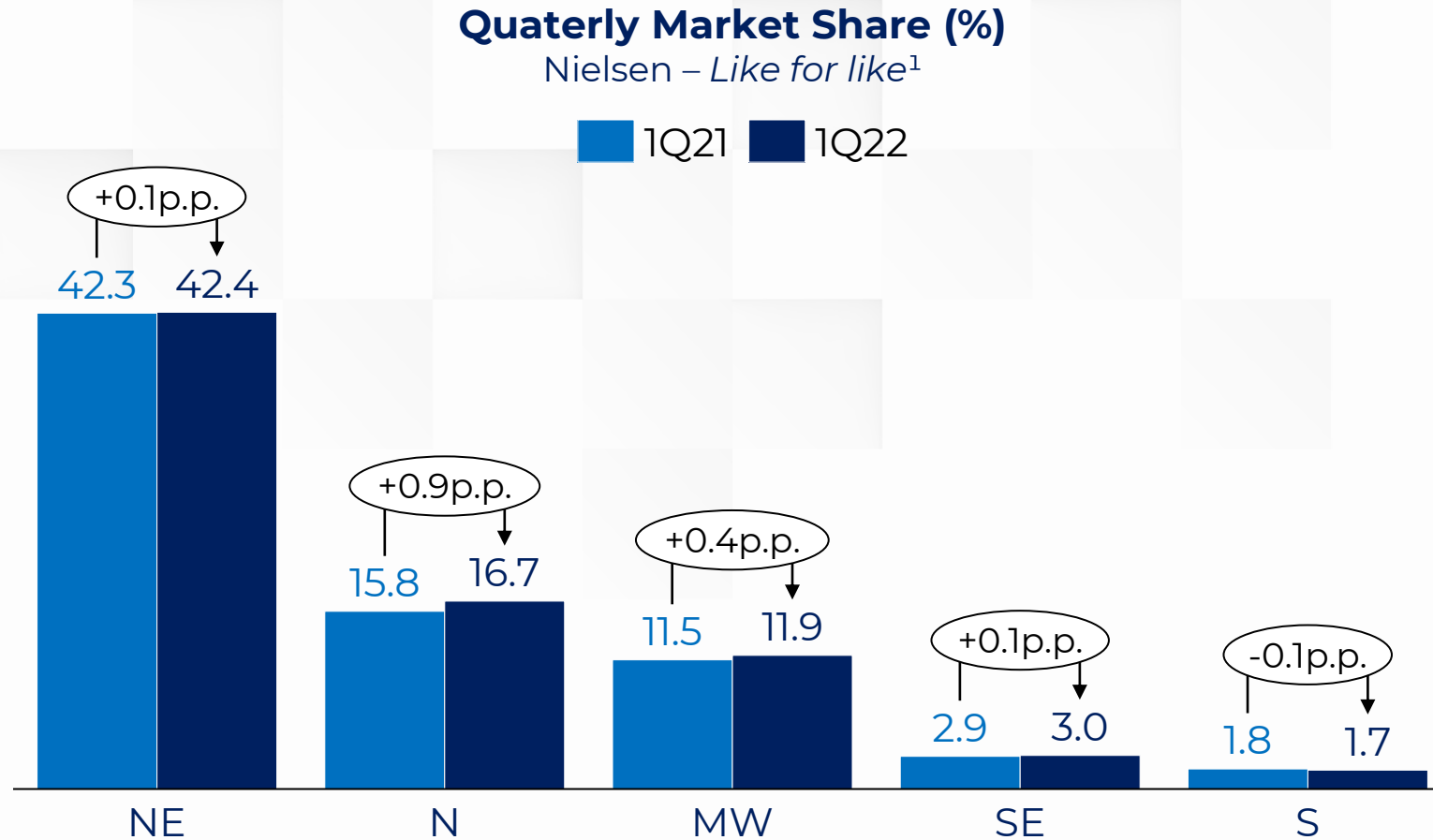


Source: IQVIA

<sup>1</sup> Considers sales growth in R\$ CPP (Consumer Purchase Price), which normalizes sales prices between players. Due to the methodology, the percentages of growth may differ from what was actually carried out.

# Market Share (Nielsen)

In a like-for-like methodology, our growth outperformed the market in almost every region

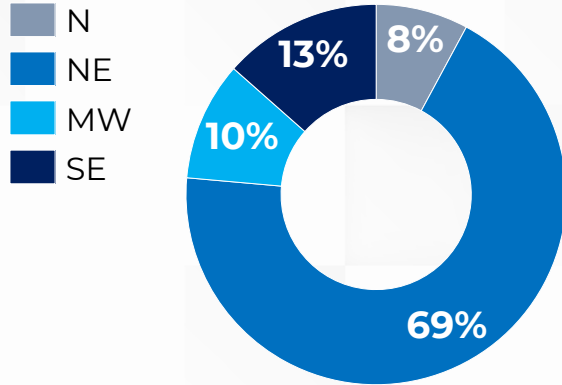


<sup>1</sup> Considers only the market audited by Nielsen (large chains), disregarding the effect of new stores opened in the last 12 months

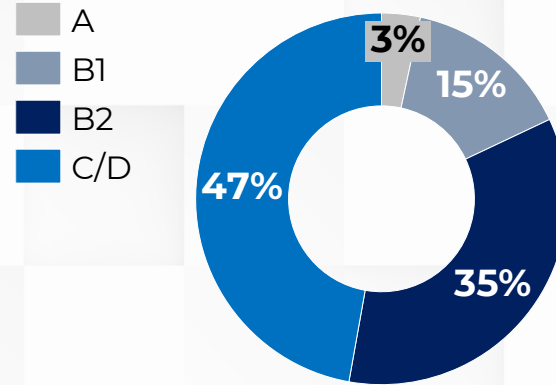
# Organic Expansion

Majority of stores located outside of the capitals

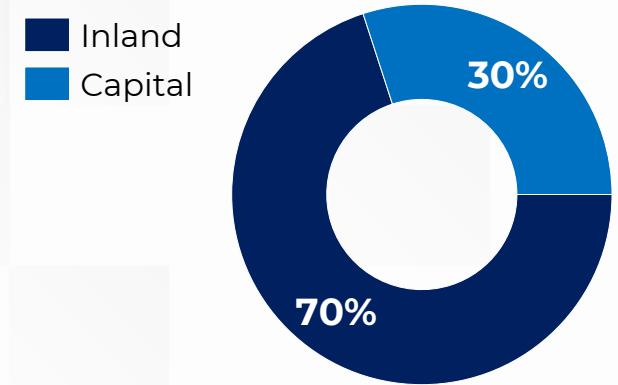
## REGION BREAKDOWN



## INCOME CLASSES BREAKDOWN

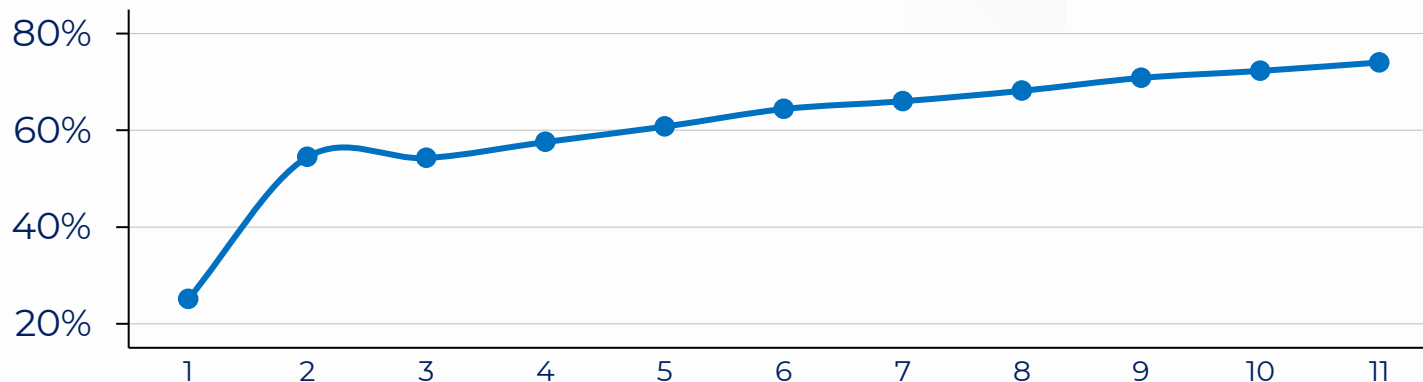


## LOCATION BREAKDOWN



## NEW STORES MATURATION CURVE

(% of potential sales per month after opening)



**>18%** new stores projected IRR

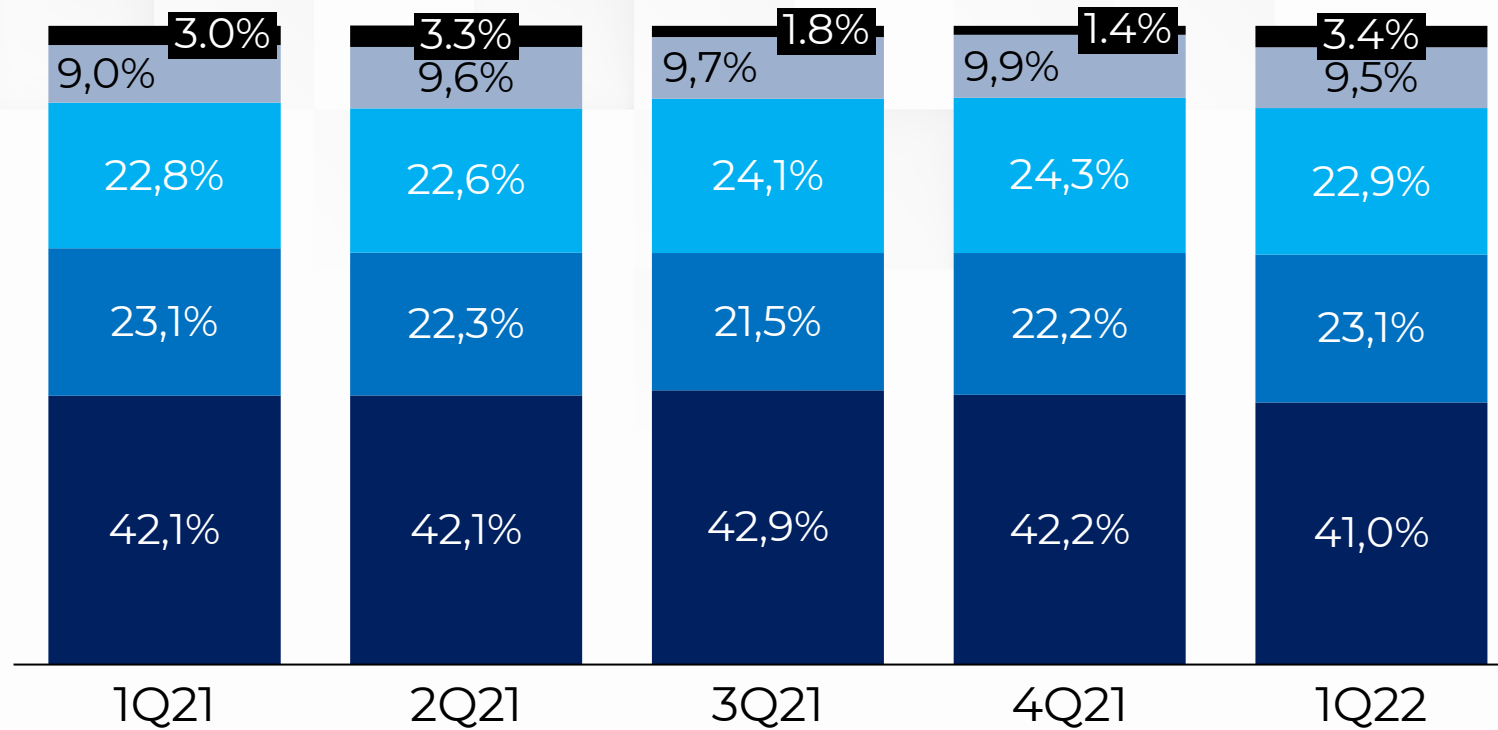


# Sales Mix

Positive trend in generics participation

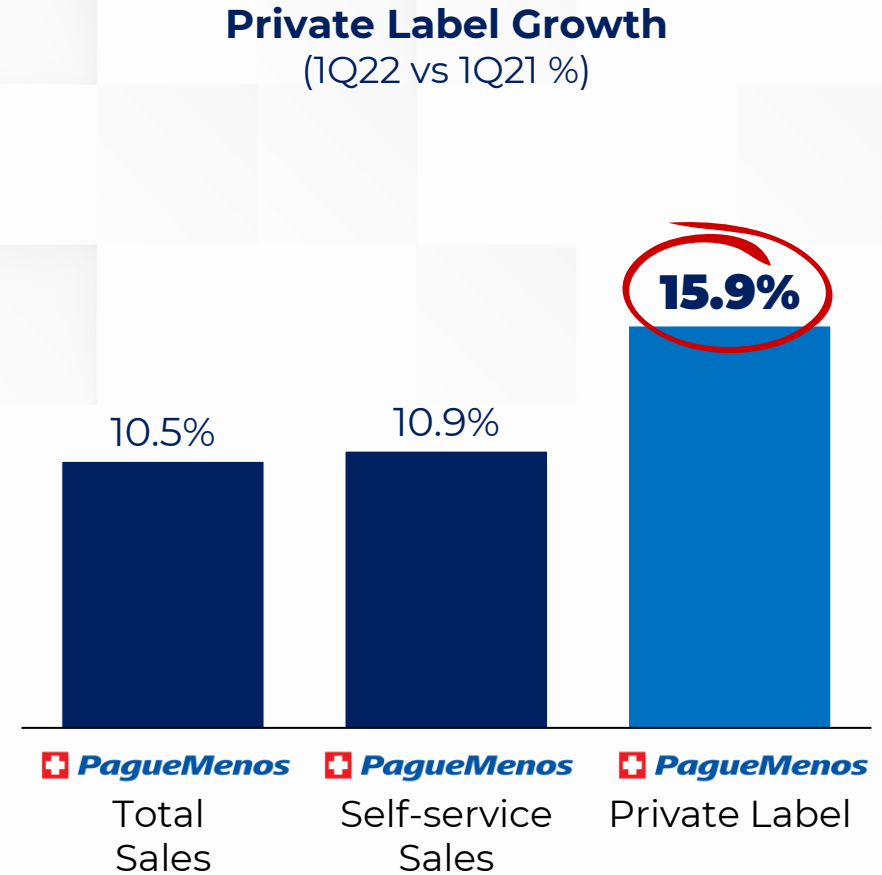
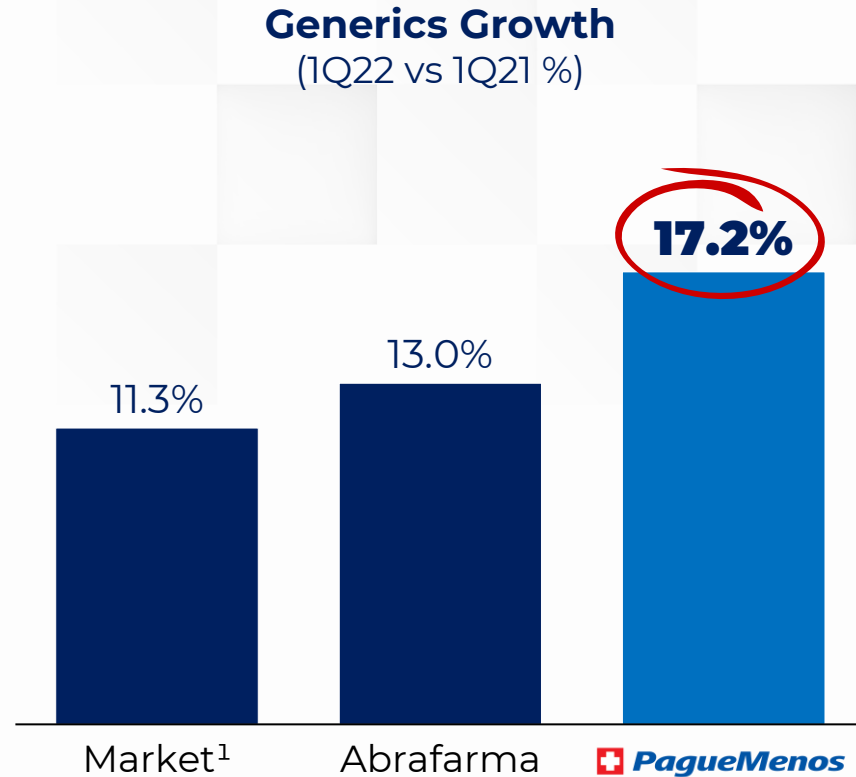
## Sales Mix (% of total sales)

■ Services ■ Generics ■ H&B ■ OTC ■ Branded



# Generics & Private Label

*Growing above the market, still below our fair share*



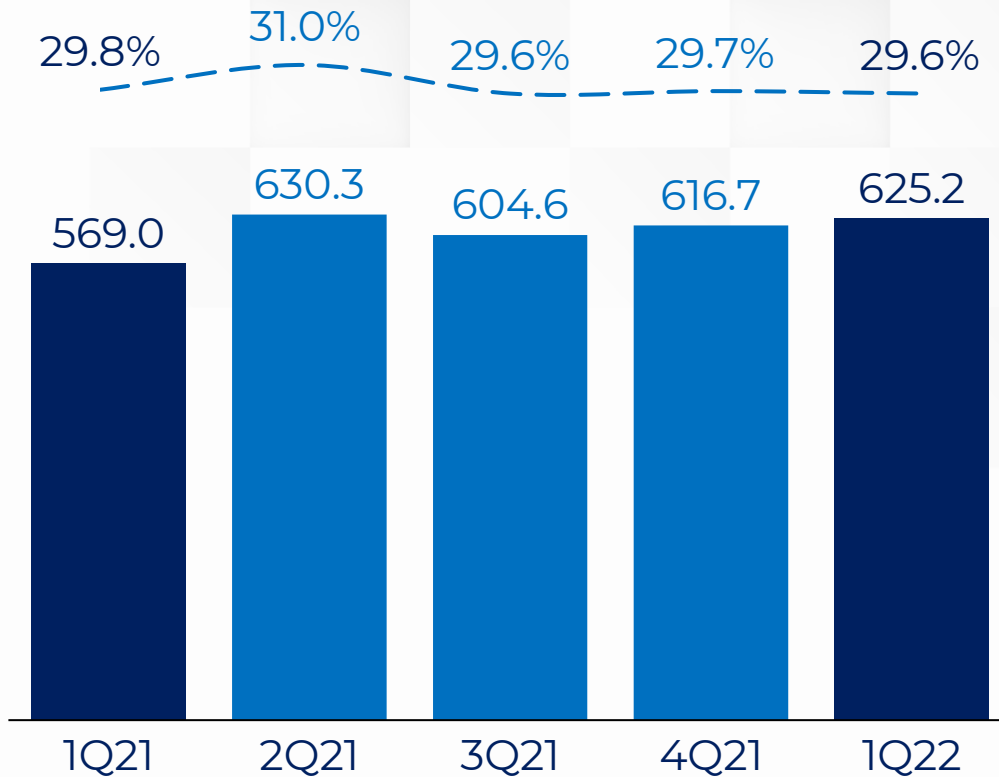
<sup>1</sup> Includes chains, associations, franchisees and independents. Source: IQVIA.

# Gross Profit and Margin

Positive mix effect and improvements in inventory losses offsetting reduction in strategic channels

## Gross Profit and Gross Margin

(in R\$ million and % of gross sales)



**-0.2p.p.** (1Q22 vs 1Q21)



↑  
Sales mix (+0.5p.p.)  
Inventory losses (+0.3p.p.)



↓  
Digital & Partnerships (-0.7p.p.)  
CRM actions (-0.3p.p.)

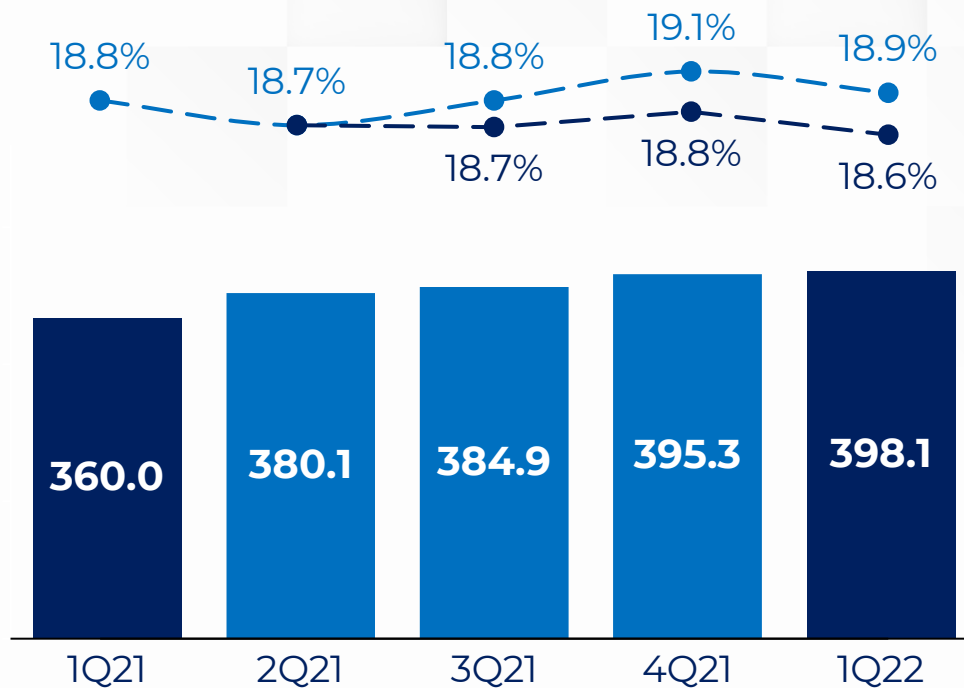
# Contribution Margin

Operational improvements offsetting inflationary pressures

## Selling Expenses

(R\$ million and % of gross sales)

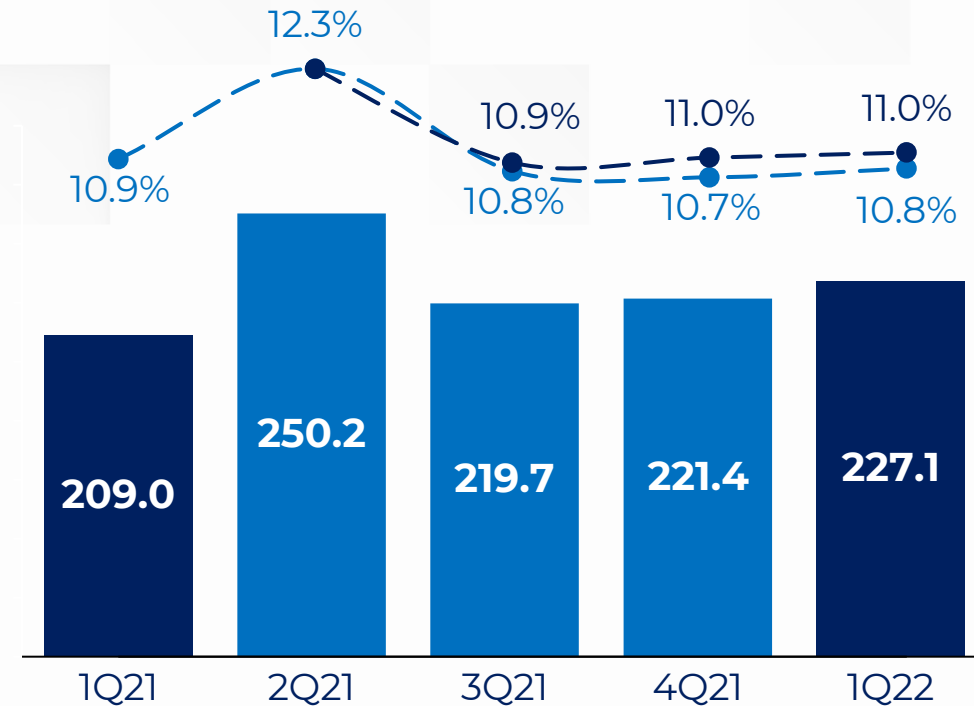
—●— Total Stores —●— Same Stores



## Contribution Margin

(R\$ million and % of gross sales)

—●— Total Stores —●— Same Stores



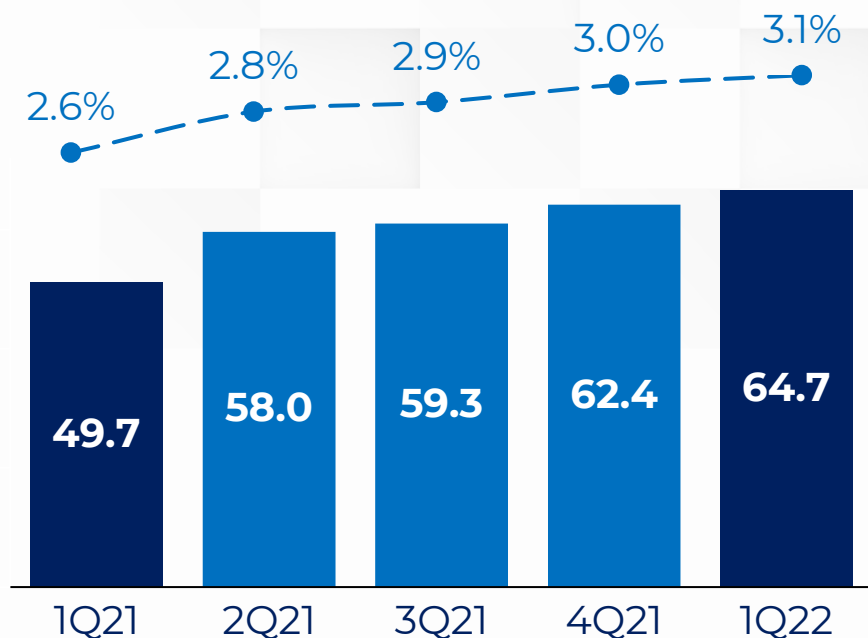
Note: IFRS16 figures adjusted by non-recurring effects

# G&A Expenses and EBITDA

Growing “investments” in technology and strategic consultants, supporting our future growth

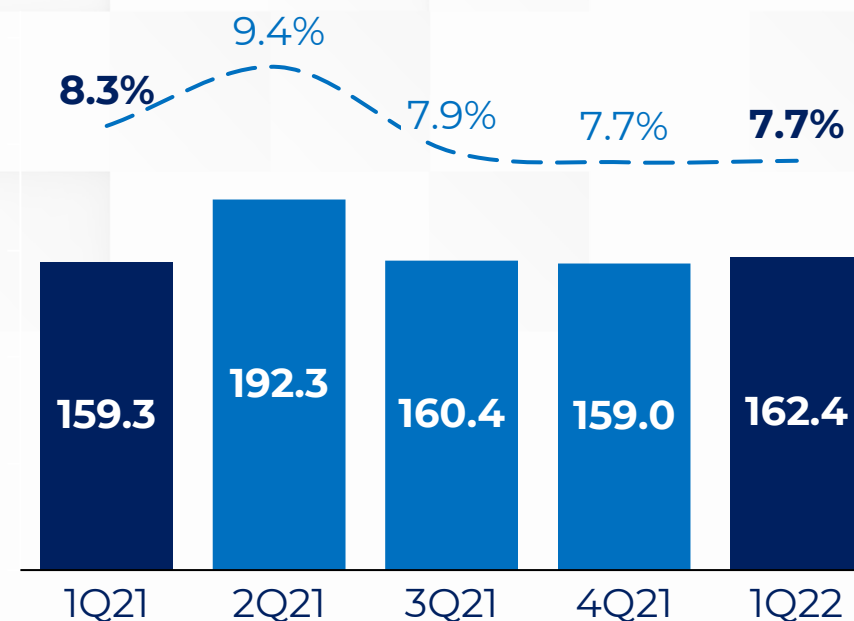
## General % Administrative Expenses

(R\$ million and % of gross sales)



## Adjusted EBITDA

(R\$ million and % of gross sales)



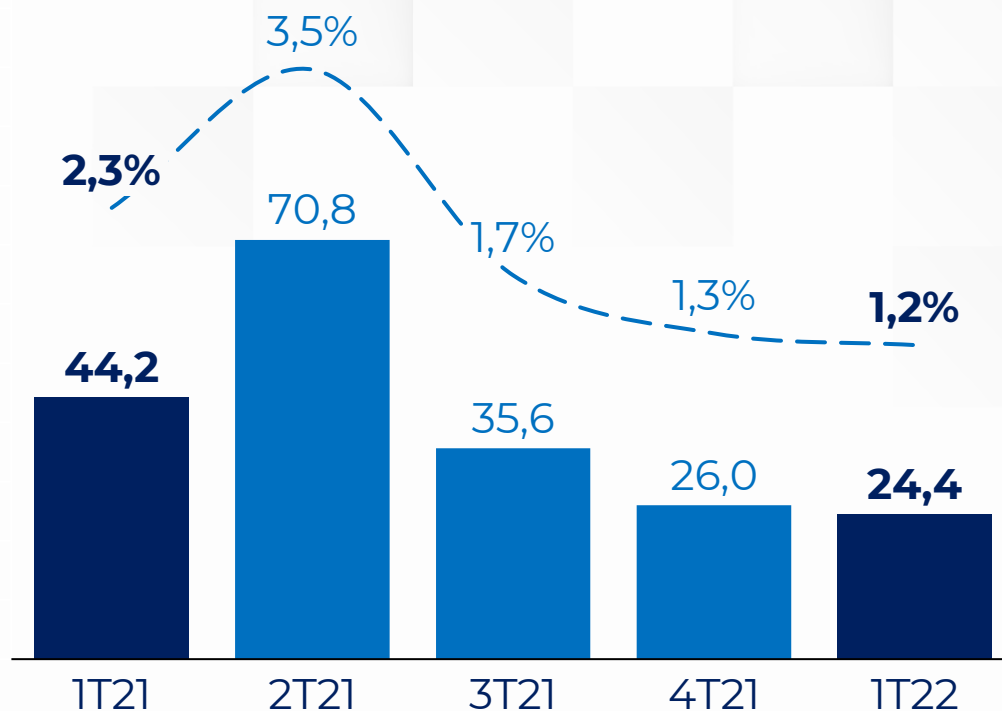
G&A growth should normalize in the upcoming quarters, and be gradually diluted as organic expansion plan advance and Extrafarma is integrated

# Net Income

Pressures from new stores, to positively contribute to the upcoming results as they mature

## Adjusted Net Income

(in R\$ millions and % of gross sales)



**-1.1p.p.** (1Q22 vs 1Q21)



Sales growth and deferred income tax



Margin rebound due to organic expansion, financial results and D&A

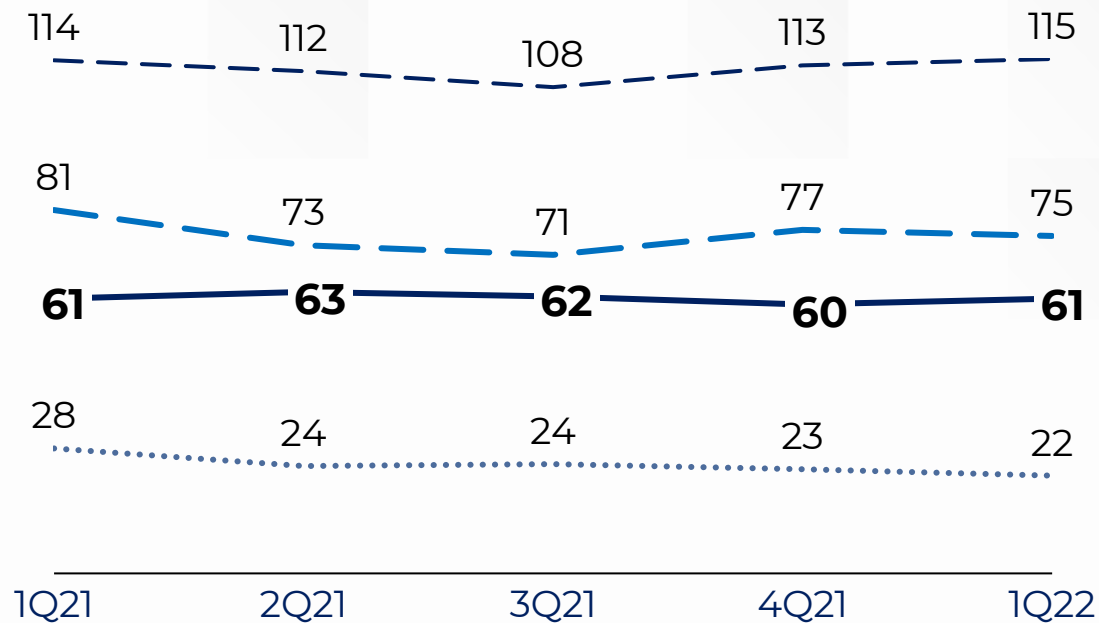
# Cash Cycle and Indebtness

Cash flow dynamics within the levels planned for the period

## Operational Cash Cycle

(in days of COGS and days of Gross Revenue)

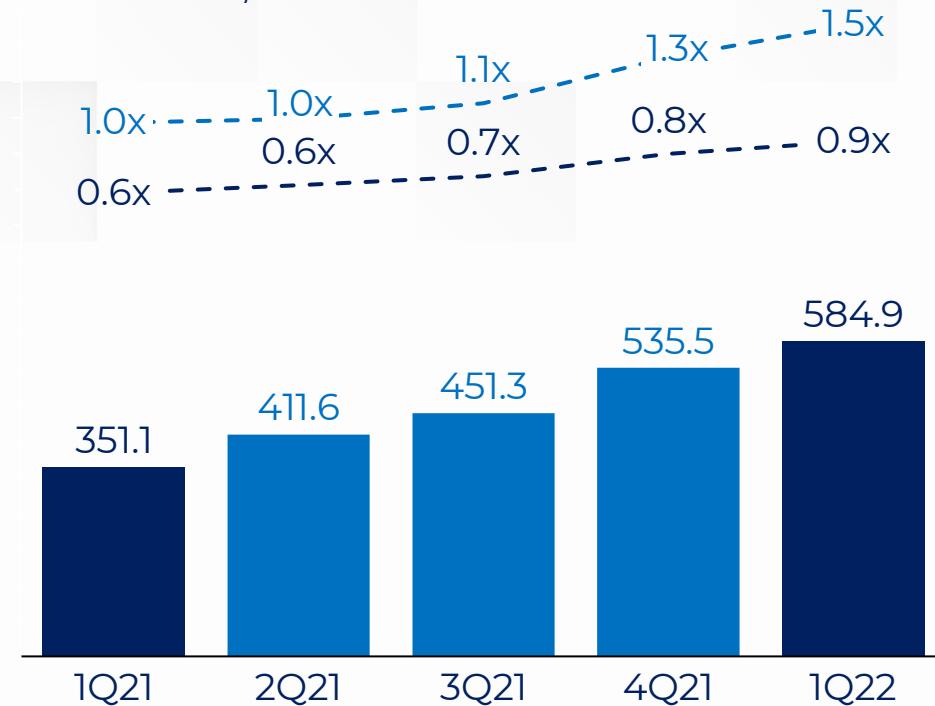
- - (+) Inventories    **—■—** (=) Cash Cycle  
 - - (-) Suppliers    ..... (+) Receivables



## Net Debt

(in R\$ million and EBITDA multiple)

**■** Net Debt    - - Net Debt / EBITDA (ex-IFRS16)  
 - - Net Debt / EBITDA





# Health Hub

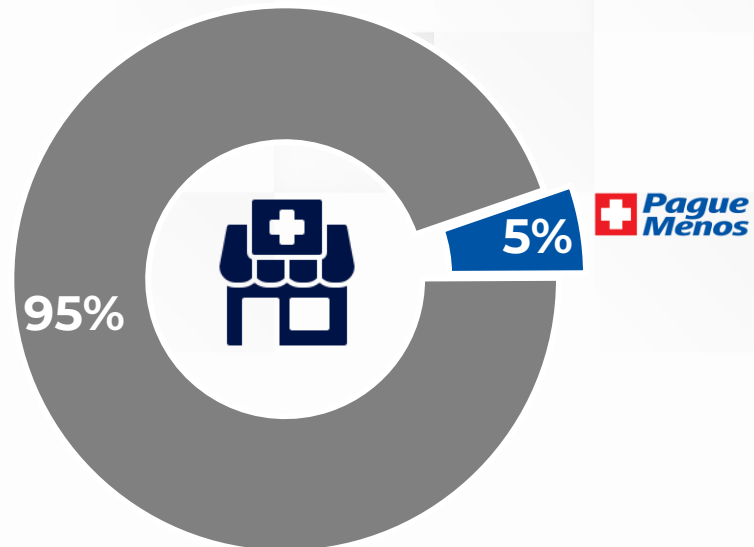
Mário Queirós, *CEO*



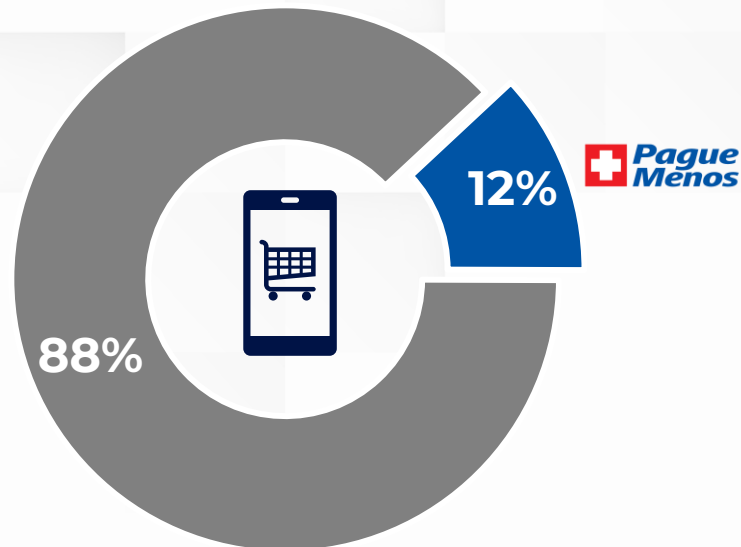
# Strategic Pillars

Growing relevance in digital channels and health services reinforce our value proposition

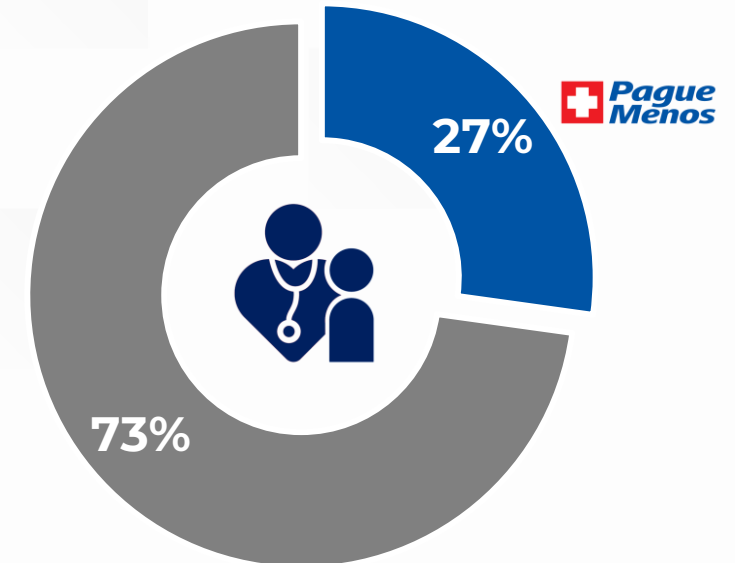
## Pharmaceutical Retail<sup>1</sup> Market Share



## Digital Channels<sup>1</sup> Market Share



## Health Services<sup>2</sup> Market Share



Brazilian pharma retail is facing a rapid transformation, and our relevance in the **main growth drivers** (digital and health services in store) is increasing

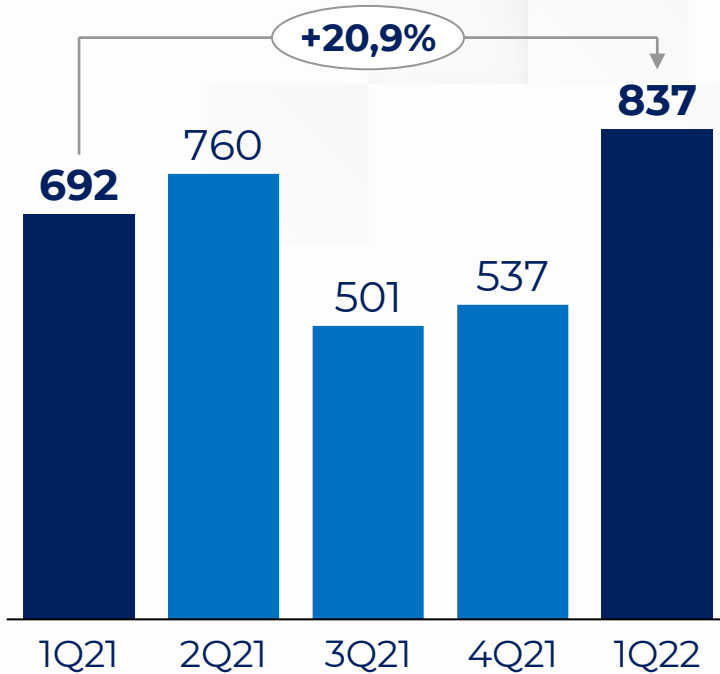
<sup>1</sup> Source: IQVIA. Reference to 1Q22

<sup>2</sup> Source: Abrafarma and Clinicarx. Pharmaceutical services considers the application of vaccines, remote laboratory tests, among others. Includes only Abrafarma chains, referring to the period from January to September 2021



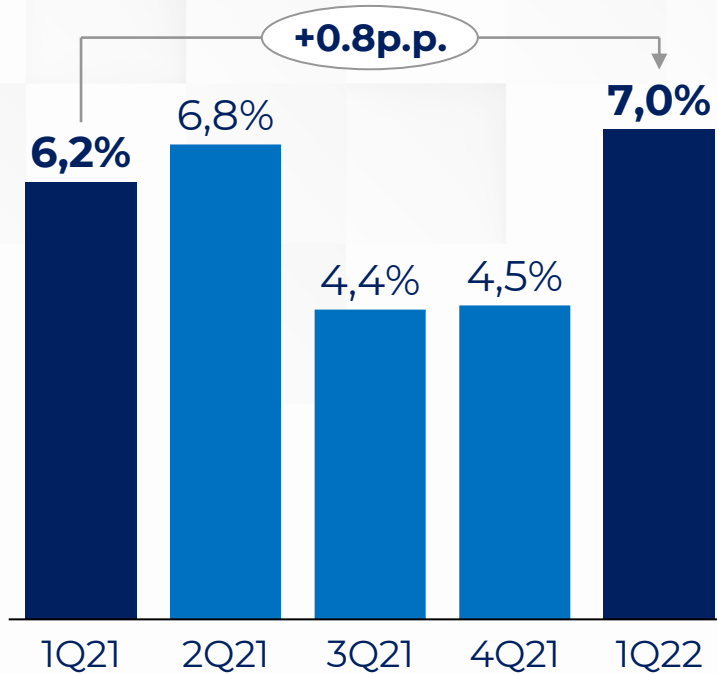
## Consultations

(# thousands)



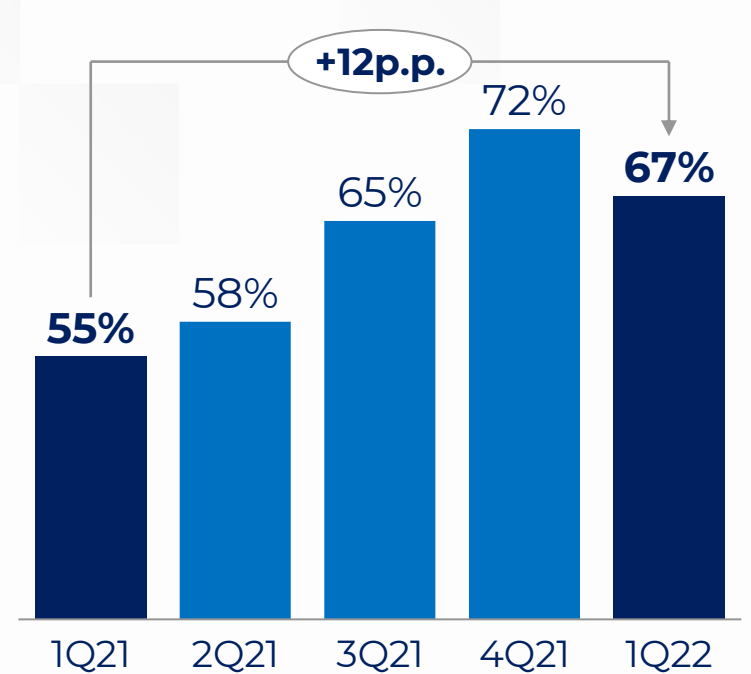
## Adherence

(% Clinic Farma customers / total customers)



## Conversion

(% of customers making purchases on same-day of consultation)

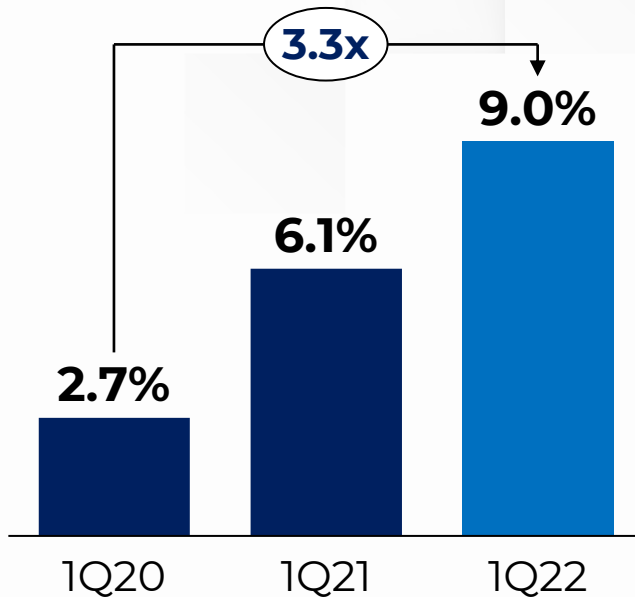


# Digital

Consistent growth, above the market, balanced in multiple channels

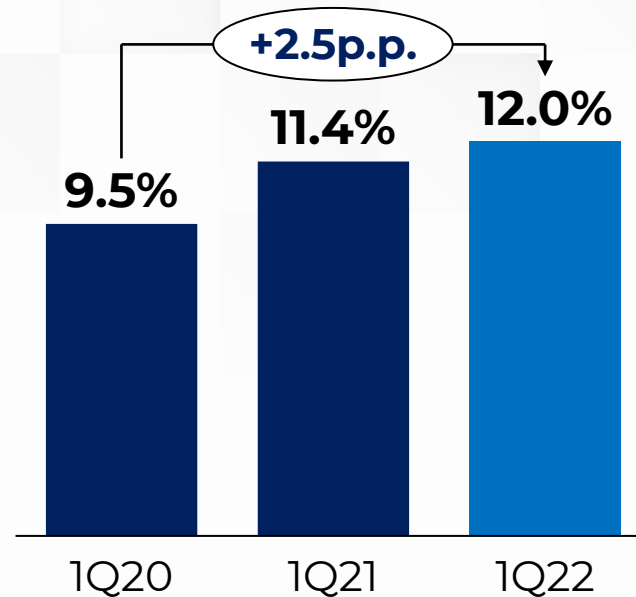
## Digital Participation

(% of total sales)



## Digital Market Share

(% pharma retail market)



## Growth by Channel

(1Q22 vs 1Q21)

	eCommerce	+18.2%
	Telephone Sales	+58.5%
	Superapps	+479%
	Infinite Shelf	+237%
<b>Total</b>		<b>+63.1%</b>

# New App

*Promising initial results, with extensive new features pipeline*

**+600k** downloads  
*(since set/21)*

**4.2** Play Store rating  
*(vs 2.1 prior to the launch)*

**4.3** Apple Store rating  
*(vs 2.0 prior to the launch)*

**+20%** of e-commerce sales  
*(with good economics)*





# Q&A

Foguettinos



#Foguettinos



 **PagueMenos** 40 anos

**INVESTOR RELATIONS**

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