

grupo panvel

2023/4Q23

Earnings Presentation



#TodoCuidadoAoCuidar

**TUDO O
CUIDADO
AO CUIDAR.**

MISSION

Provide health and well-being to people.
That's caring.

VISION

To be the best in health and wellness products and services in a sustainable and innovative way.
This is taken care of.

VALUES

The way we put everything into practice.
That's how we take care of it.

OUR VALUES



HIGHLIGHT

2023

Consistent Results

Largest investment in the Group's history

R\$ 139.4 million in the year

R\$ 452.6 million in three years

57 new stores in 2023

+200 new stores since 2020

- Group Gross Revenue: R\$ 4.8 billion
- Average sales reach the record mark of R\$ 670 thousand/month in 4Q23
- EBITDA margin expansion (4.9% in 2023, +0.2 p.p.)
- Digital reaches the highest share in the sector: 20.4% in 4Q23 and 19.7% in 2023
- Consecutive market share gains in the Southern Region (+0.4 p.p. in 4Q23)
- Lowest leverage in the sector (0.6x EBITDA in 4Q23)

HIGHLIGHTS

2023



Group Gross Revenue

R\$ 4,804M (+ 12.2% vs 2022)



Retail Gross Revenue

R\$ 4,367M (+11.7% vs 2022)



Adjusted EBITDA

4.9% Margin

R\$ 233.0M (+14.9% vs 2022)



Digital

Share in Retail sales:

19.7% (+38.8%)



Adjusted Net Income

R\$ 109.7M (+8.1% vs 2022)



Indebtedness

Low leverage of 0.6x
EBITDA

HIGHLIGHTS

4T23



Group Gross Revenue

R\$ 1,315M (+ 12.9% vs 4Q22)



Retail Gross Revenue

R\$ 1,205M (+12.6% vs 4Q22)



Adjusted EBITDA

5,2% Margin

R\$ 68.7M (+17.1% vs 4Q22)



Digital

Share in Retail sales:

20.4% (+43.8%)



Adjusted Net Income

R\$ 33.0M (+36.0% vs 4Q22)



Market Share

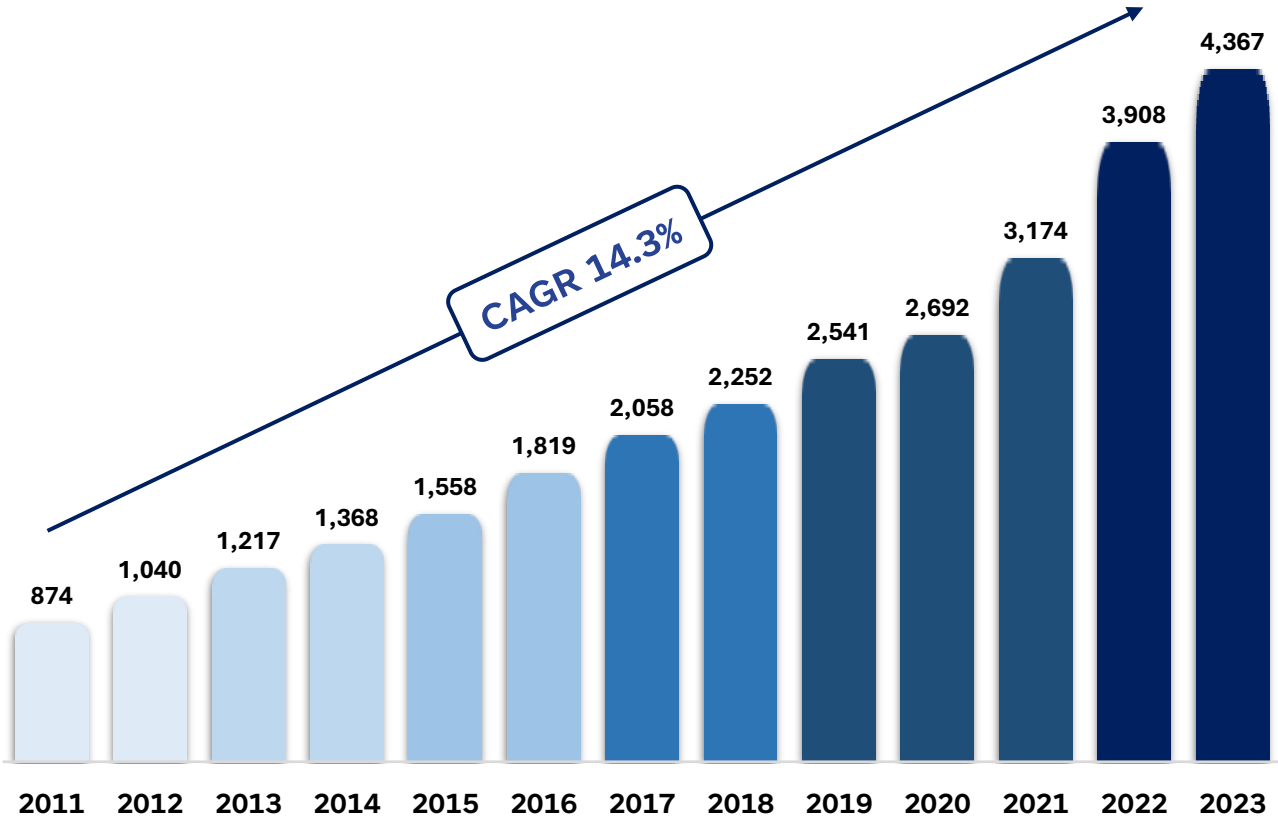
+0.4 p.p. in the
Southern Region vs 4Q22



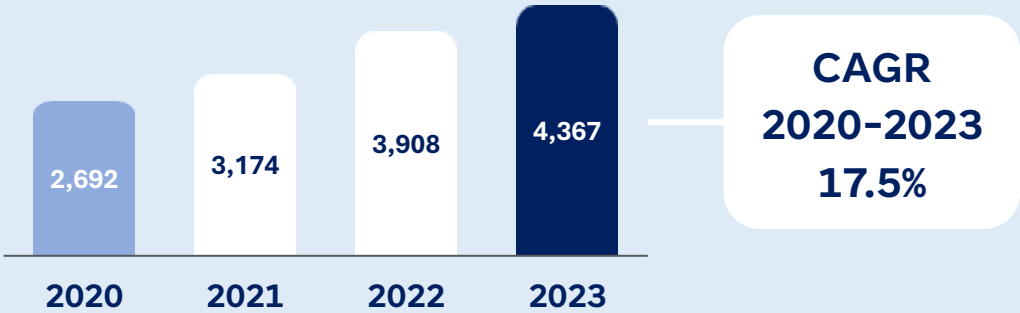
Cash Cycle

7-day improvement
vs 4Q22

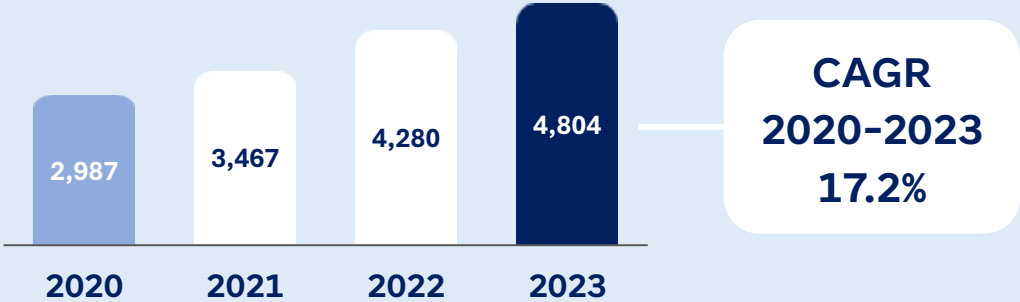
Evolution – Retail Gross Revenue



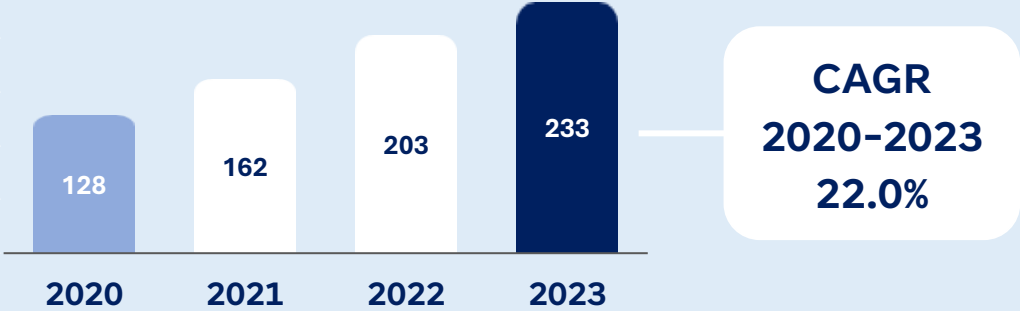
Retail Gross Revenue (R\$ million)



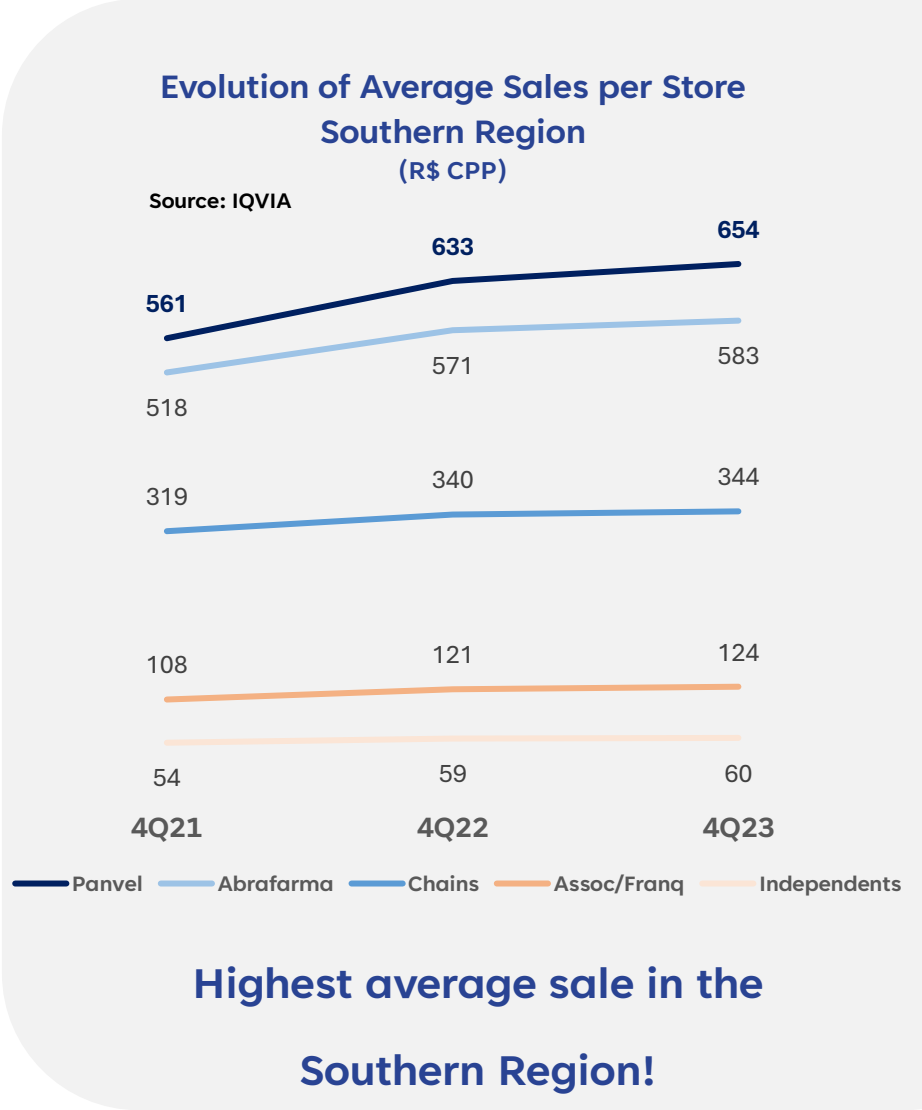
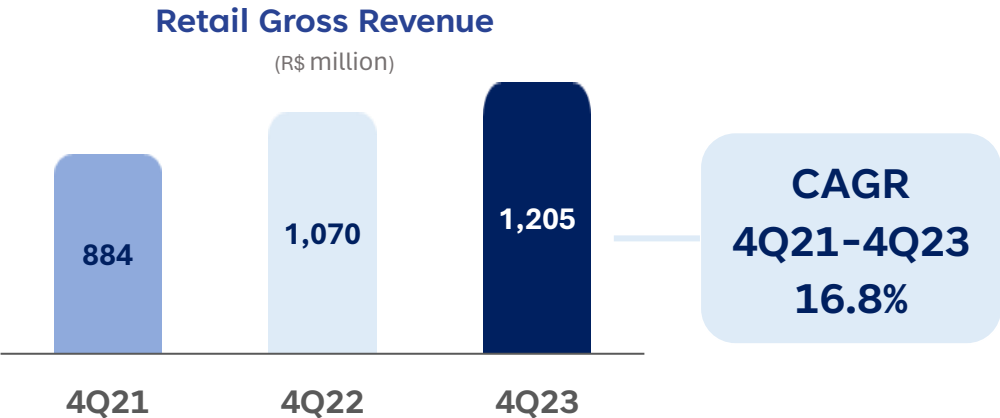
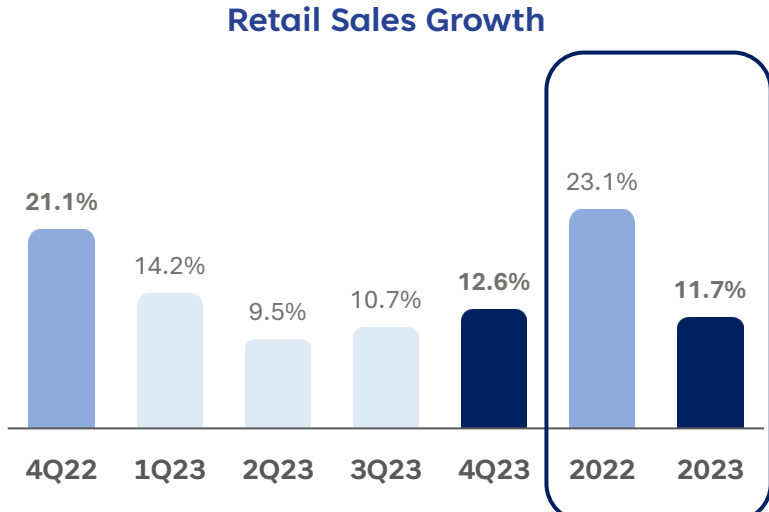
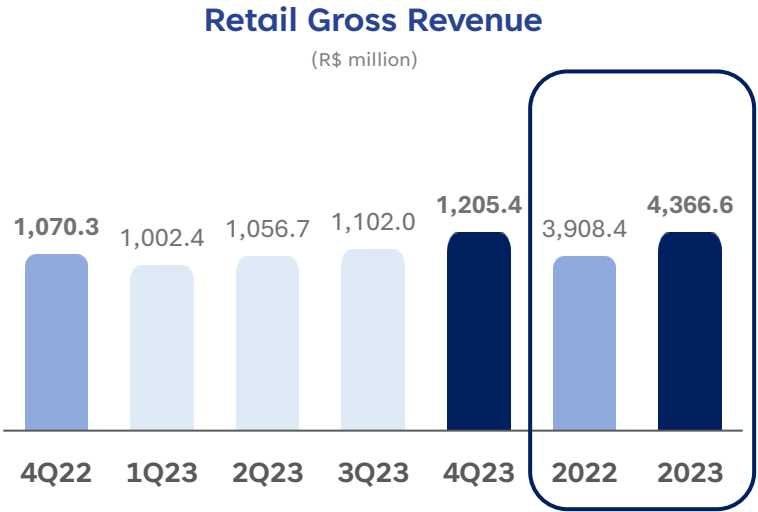
Group Gross Revenue (R\$ million)



Group EBITDA (R\$ million)



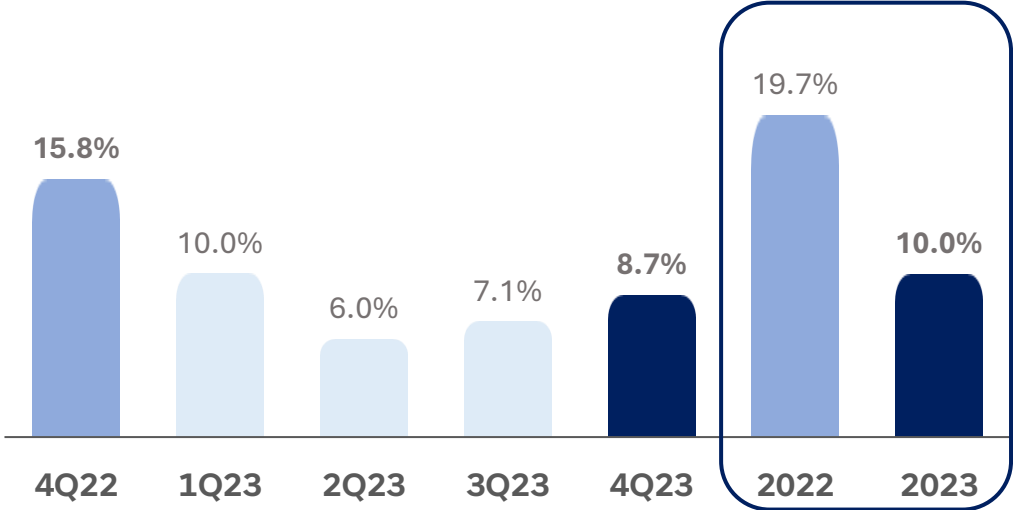
PANVEL HAS SALES GROWTH OF 12.6% VS 4Q22, WITH A CAGR OF 16.8% BETWEEN 4Q21 AND 4Q23



GOOD SSS AND MSSS PERFORMANCE IN 4Q23 AND IN THE YEAR, EVEN WITH A STRONG BASIS OF COMPARISON

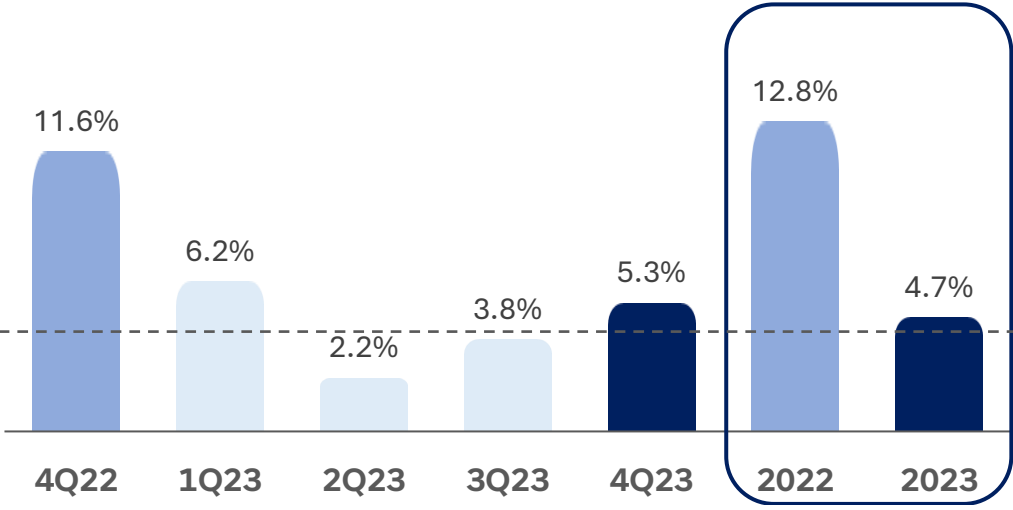
Same Stores Growth

4Q21 – 4Q23:
Average growth of 12.3%



Mature Same Store Growth

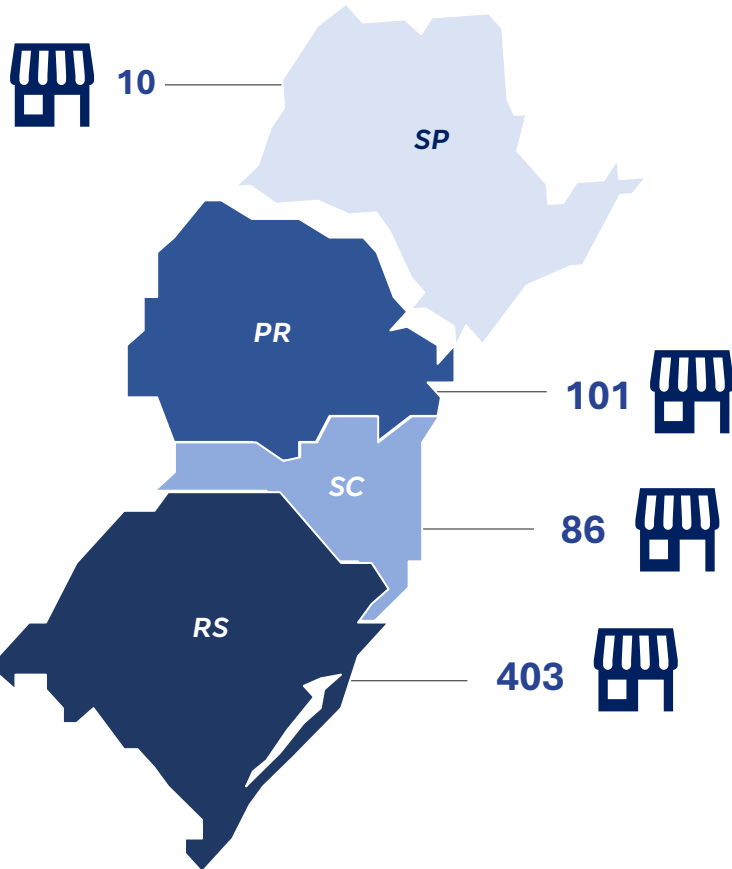
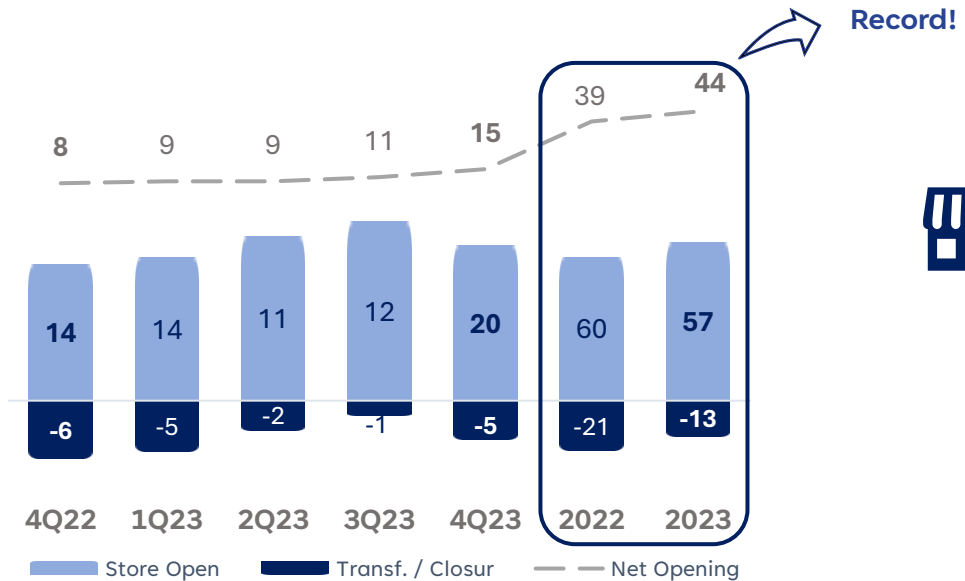
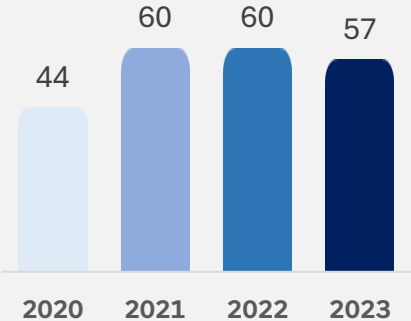
4Q21 – 4Q23:
Average growth of 8.8%



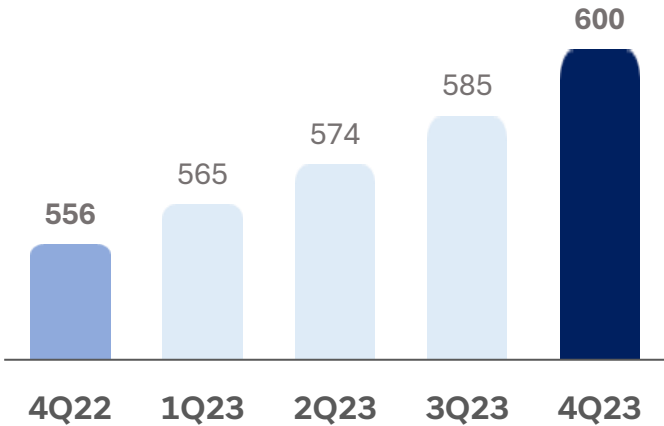
Brazilian Inflation 2023:
4.6%

CONSISTENCY AND EXECUTION CAPACITY: PANVEL OPENS 20 STORES IN 4Q23, CLOSING 2023 WITH A TOTAL OF 57 STORES OPENED

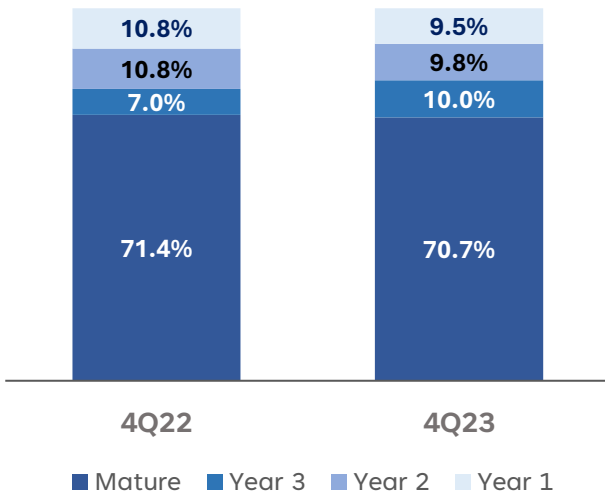
221 Stores Opened since the Re-IPO



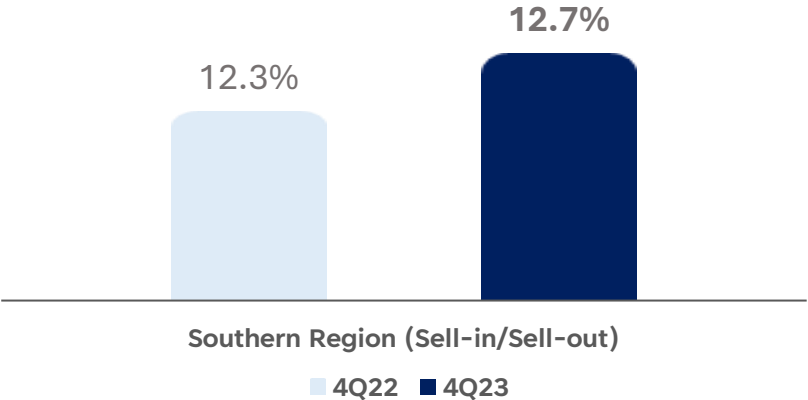
Number of Stores



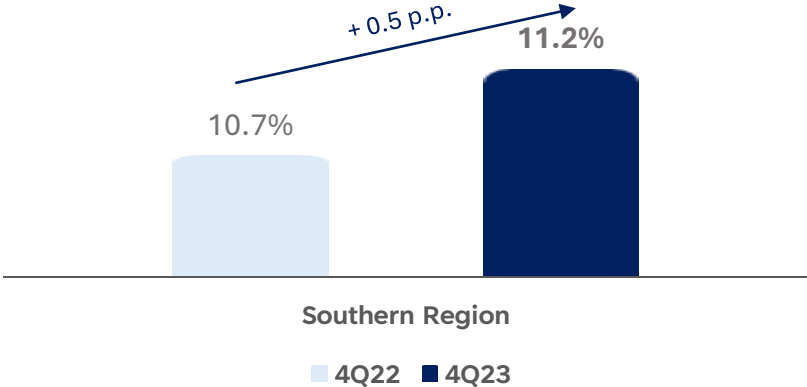
Store Portfolio by Maturity



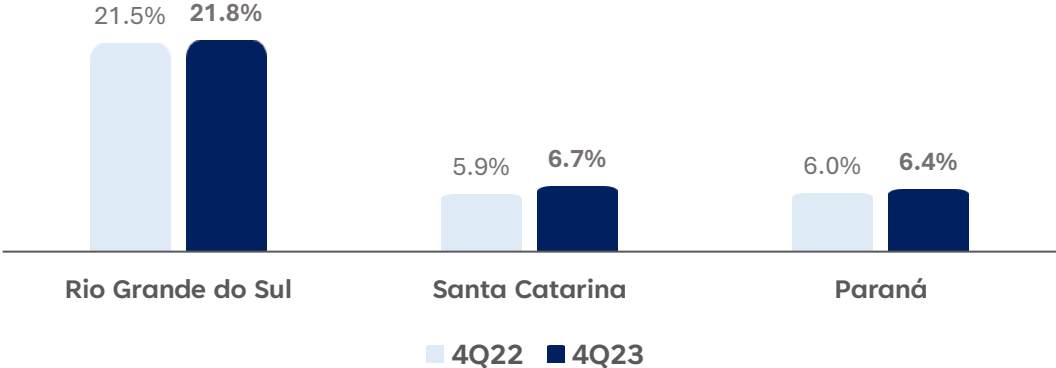
Gain of 0.4 p.p. in Market Share



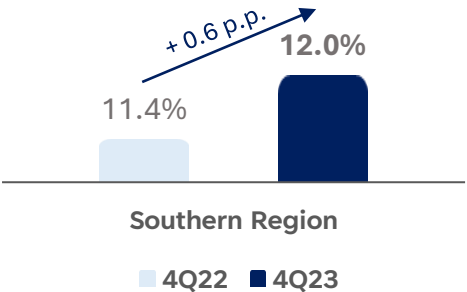
Market Share - Drugs



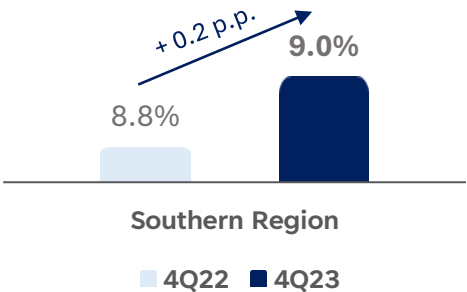
Market Share by State



Market Share - Brands

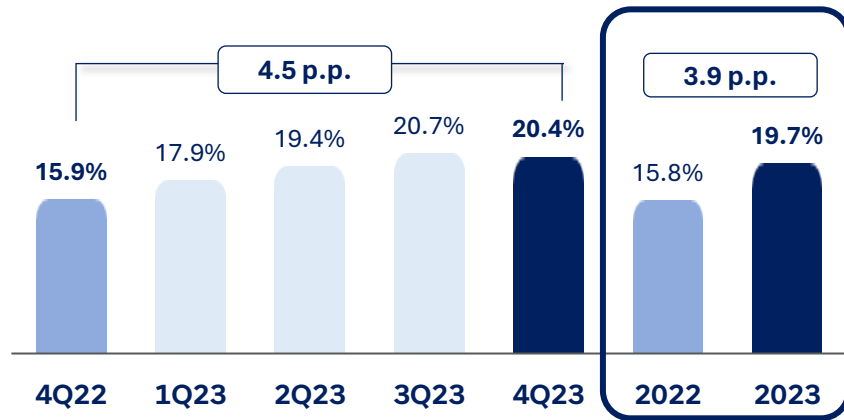


Market Share - Generics

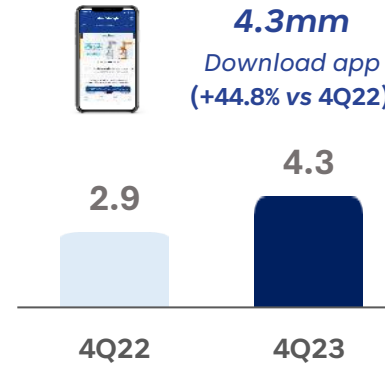
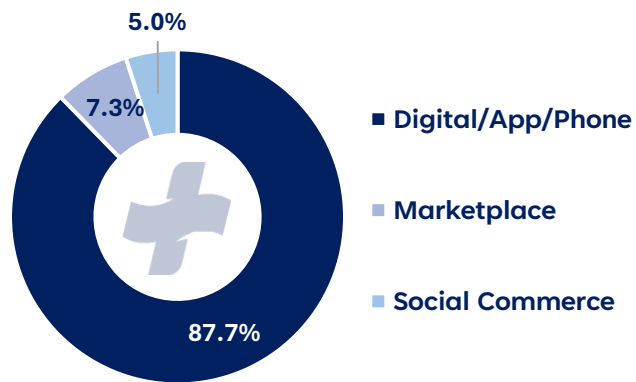


PANVEL MAINTAINS ITS POSITION AS A REFERENCE IN BRAZILIAN PHARMA RETAIL, WITH A RECORD SHARE OF DIGITAL CHANNELS IN SALES AND THE FASTEST DELIVERY IN BRAZIL

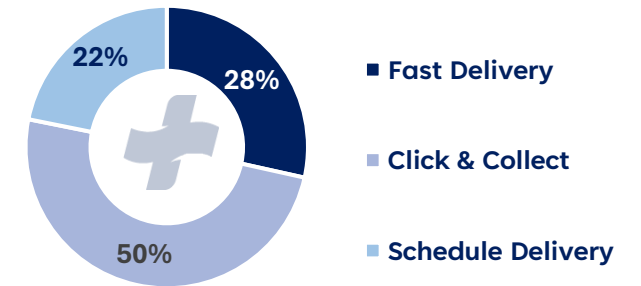
Share of Digital Channels grows 43.8% vs. 4Q22



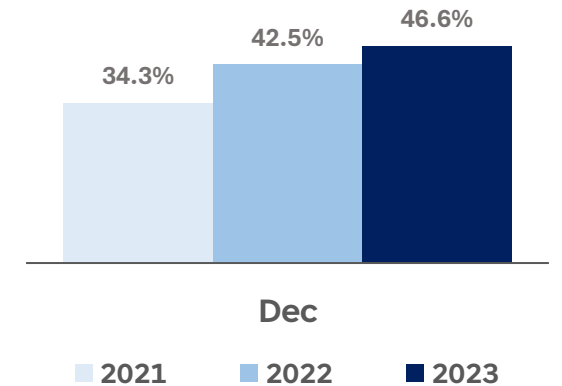
Participation in digital channels



Deliveries by Modality



% Deliveries in 60 min



* Does not include Click & Collect data

1.6 mm
(+60.0% vs 4Q22)
of Active Users
MAU 41.7%
(+ 8.7 p.p. vs 4Q22)



Click & Collect
600 stores



4Q23 Deliveries
+570,000



Mini CD/
Darkstore 9



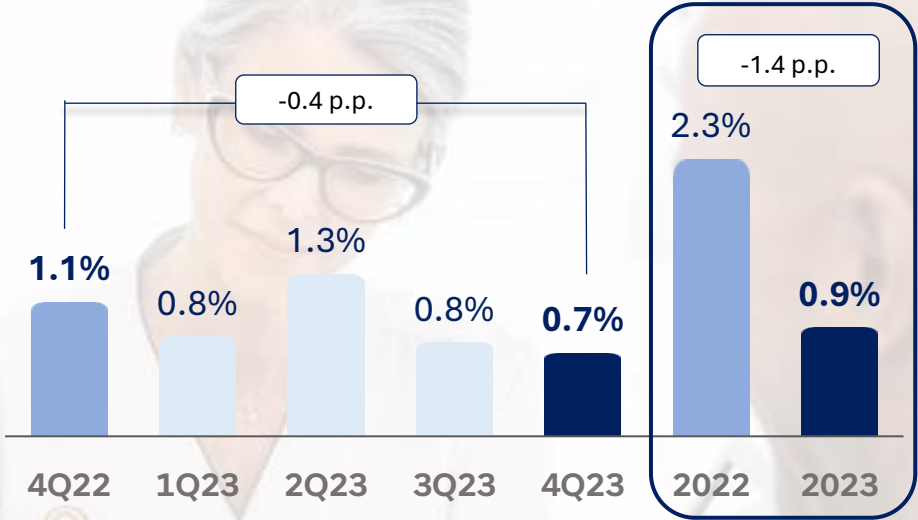
Service Level
97% (4Q23)



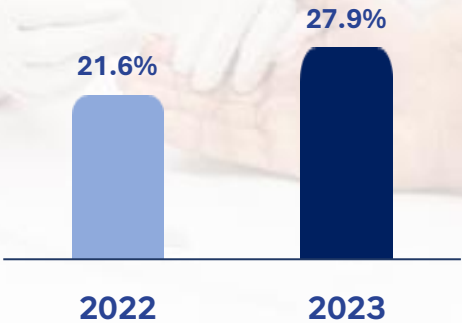
Delivery Stores
177

PANVEL MAINTAINS ITS LEADERSHIP POSITION IN HEALTH SERVICES IN THE SOUTHERN REGION

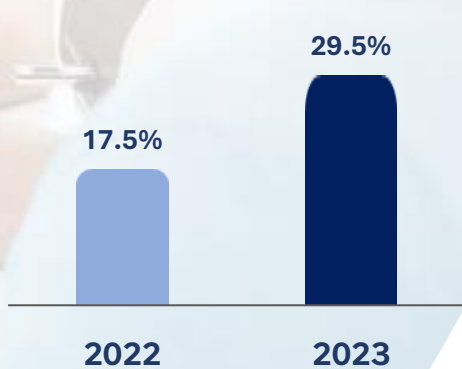
Services (Share in Retail Gross Revenue)



Service Sales Growth (ex-covid)



Vaccines Sales Growth



Leadership services in the Southern Region (4Q23)
20.9% of Market Share



Leader vaccination in the South Region (4Q23)
49.6% de of Market Share

Source: IQVIA

368 Clinic Stores (+32 rooms vs 4Q22)

92 Vaccination Rooms (+6 rooms vs 4Q22)

+ than 115,000 Services Provided in 4Q23

Clinic clients have a **13% higher** average ticket, with a **3x higher** frequency

PANVEL PRODUCTS REPRESENTS **48.3% OF THE PRIVATE LABEL PHARMA MARKET IN THE SOUTHERN REGION (0.7 P.P. VS 4Q22)**

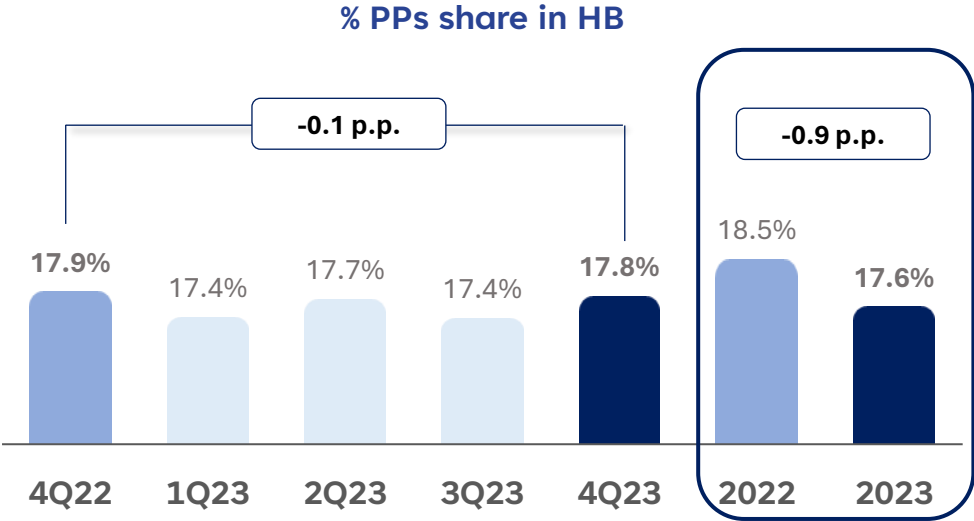
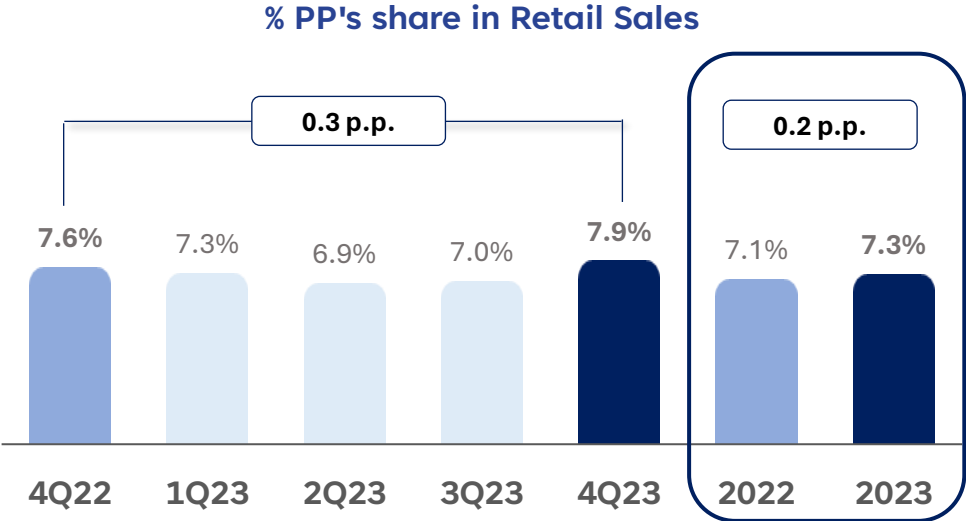
Source: IQVIA

- ✓ **+1,000 active SKU's**
- ✓ **Higher Gross Margin**
- ✓ **Leader in 40% of network categories**

7.9% SHARE OF PANVEL'S TOTAL SALES


17.8% SHARE OF TOTAL HB SALES

LTM LAUNCHES REPRESENT 16.7% OF PANVEL PRODUCT SALES IN RETAIL SALES IN 4Q23





Bain & Company
Methodology



NPS
Panvel

81



NPS Site
83




NPS App
80



NPS Store
81



NPS Dark Stores
78



Panvel
Clinic


NPS Clinic
87




Reclame
Aqui
9.1




E-bit
95%



App Store
4.8

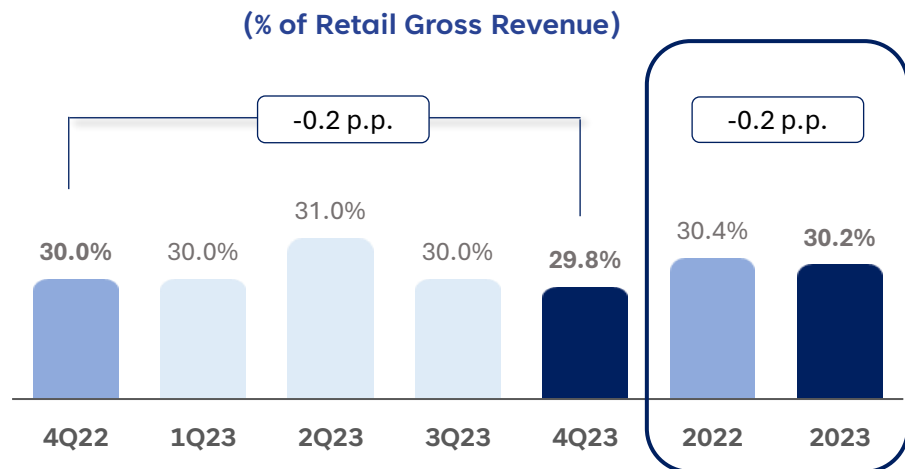
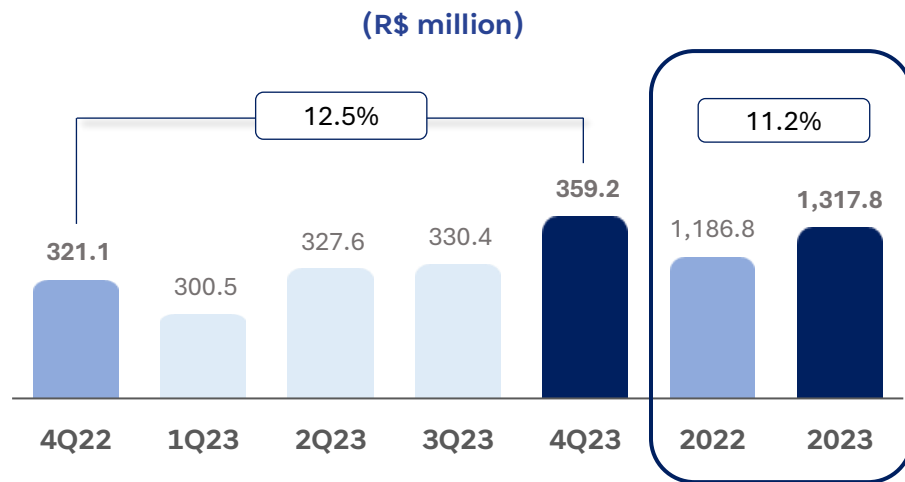


Play Store
4.8



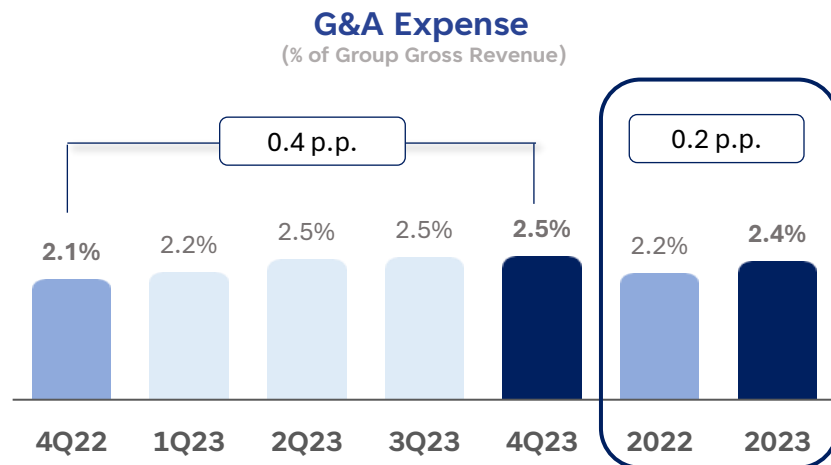
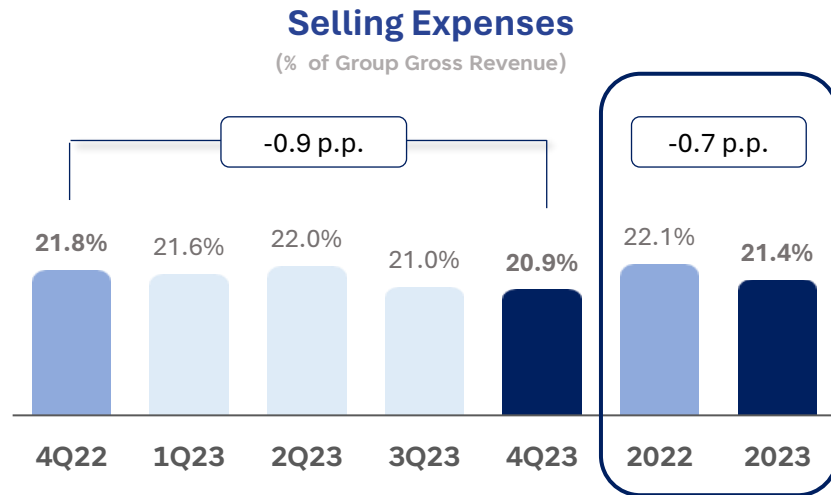
NS Sac
93%

RETAIL GROSS MARGIN REMAINS AT A HEALTHY LEVEL IN 4Q23 AND IN THE YEAR, EVEN WITH A STRONG BASIS OF COMPARISON IN 2022 DUE TO THE RELABELING AND SALE OF PRODUCTS AND SERVICES IN THE COVID BASKET



- ✓ Retail Gross Margin reaches R\$ 359.2 million in 4Q23, growing 12.5% in the quarter and with a slight pressure of 0.2 p.p. on the margin;
- ✓ In the year, Retail Gross Margin reached R\$ 1,317.8 million, an increase of 11.2% and with a slight pressure of 0.2 p.p. on the margin;
- ✓ Paniel's Gross Margin remains at a high level, thanks to efficient work in pricing and product mix, even with the hard basis of comparison in 2022.

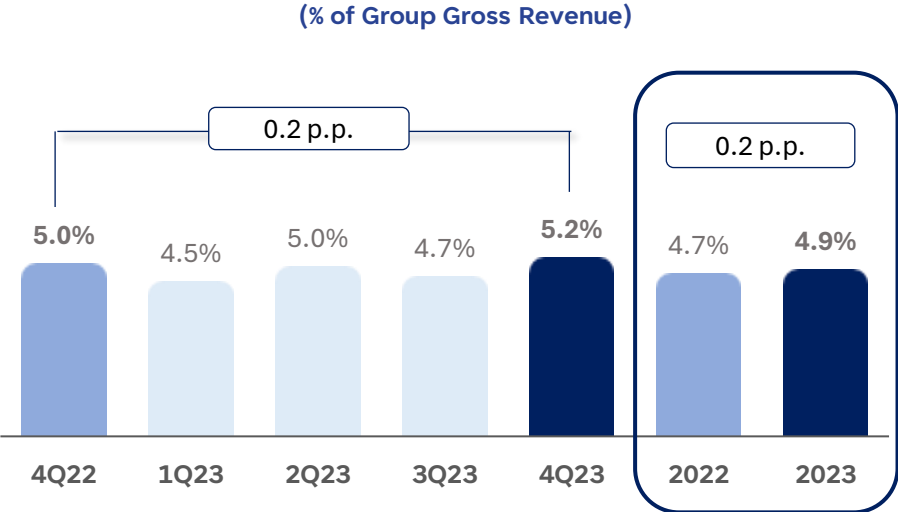
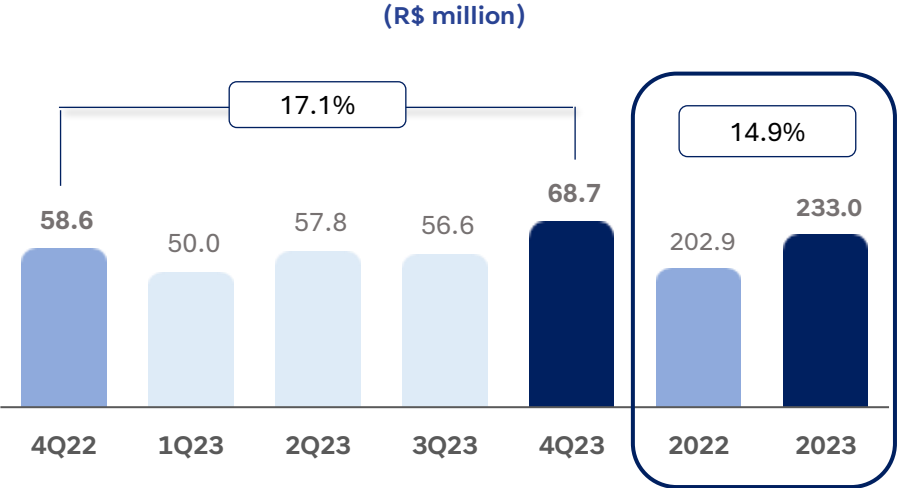
PANVEL MAINTAINS A STRONG TREND OF DILUTION OF SELLINGS EXPENSES IN STORES AND LOGISTICS, IN ADDITION TO THE LOW LEVEL OF ADMINISTRATIVE EXPENSES IN RELATION TO THE MARKET



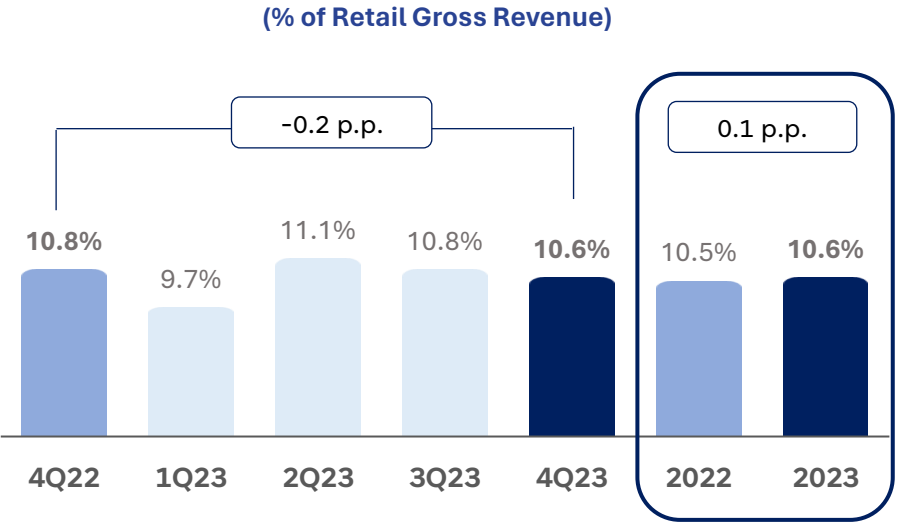
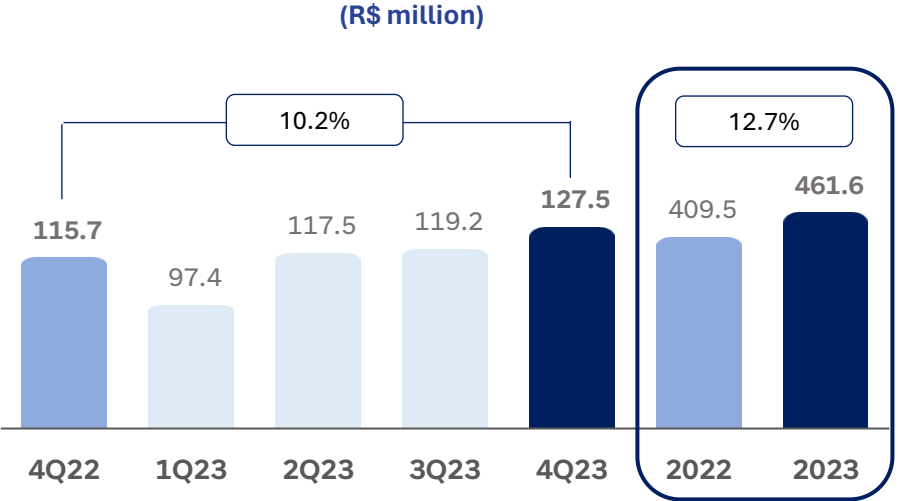
- ✓ Selling expenses accounted for **20.9%** of Gross Revenue in 4Q23, as a result of productivity gains in stores and logistics;
- ✓ The **0.9 p.p.** dilution of Selling Expenses more than offset the pressure on Gross Margin and Administrative Expenses;
- ✓ In the year, Sales Expenses accounted for **21.4%**, diluted by **0.7 p.p.** versus 2022.

GROUP ADJUSTED EBITDA REACHES R\$ 68.7 MILLION IN 4Q23, EQUIVALENT TO 5.2% OF THE GROUP GROSS REVENUE

- ✓ Adjusted EBITDA accelerates in the quarter, growing **17.1%**, an expansion of **0.2 p.p.**;
- ✓ In the year, adjusted EBITDA reached R\$233.0 million, growing **14.9%**, an increase of **0.2 p.p.**;
- ✓ The expansion of the EBITDA Margin in the year, against a basis of comparison marked by high relabeling in drug prices, signals the harvest of productivity gains after a strong investment cycle.



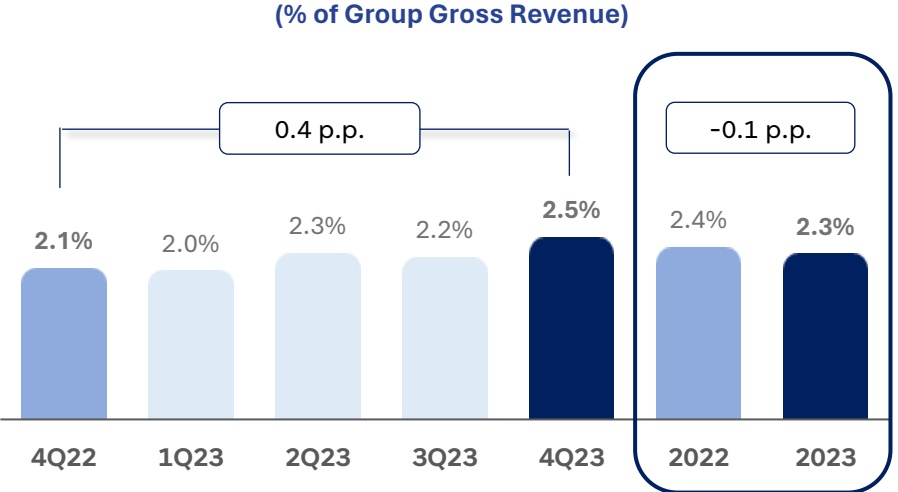
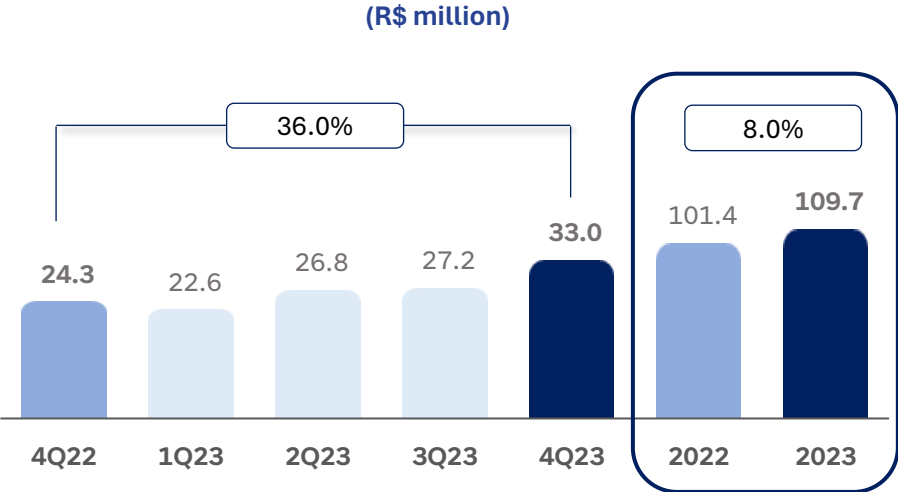
RETAIL EBITDA REACHES R\$ 127.5 MILLION IN 4Q23, EQUIVALENT TO 10.6% OF RETAIL GROSS REVENUE



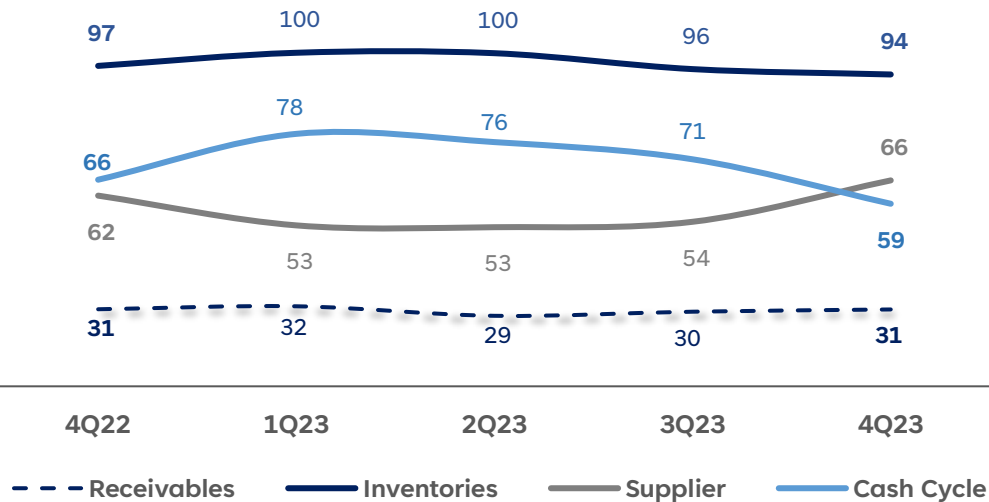
- ✓ In 2023, it grew **12.7%**, with an expansion of **0.1 p.p.**;
- ✓ Excellent performance of mature stores, growing on a strong base of comparison in 2022;
- ✓ Strong pace of maturation of new stores, which represent about 30% of the total stock.

ADJUSTED NET INCOME REACHED R\$ 33.0 MILLION IN 4Q23, AN INCREASE OF 0.4 P.P. COMPARED TO 4Q22

- ✓ Adjusted Net Income grew **36.0%** in 4Q23, with a net margin expansion of **0.4 p.p.** compared to the previous year;
- ✓ For the year, Adjusted Net Income grew **8.0%** in 2023, reaching a Net Margin of **2.3%**, practically in line with 2022.



Cash Cycle



Net Debt (BRL mm)	4Q22	1Q23	2Q23	3Q23	4Q23
Short-Term Debt	118.4	302.3	293.7	128.9	102.5
Long-Term Debt	116.4	116.4	60.0	310.0	280.0
Gross Debt	234.8	418.8	353.7	438.9	382.5
(-) Cash and Cash Equivalents	157.4	257.6	193.2	265.0	245.4
Net Debt / Net Cash	77.5	161.1	160.5	173.9	137.1
Net Debt/ EBITDA LTM	0.4x	0.8x	0.7x	0.8x	0.6x

- ✓ Extension of the deadline of suppliers;
- ✓ Maintaining a balanced and consistent inventory.

- ✓ Solid capital structure with low leverage, even in a scenario of strong investments and accelerated expansion

STRATEGIC PILLARS

EXPANSION



DIGITAL



LOGISTICS



PRIVATE LABEL



CRM & ANALYTICS



ECOSYSTEM HEALTH CARE



ESG



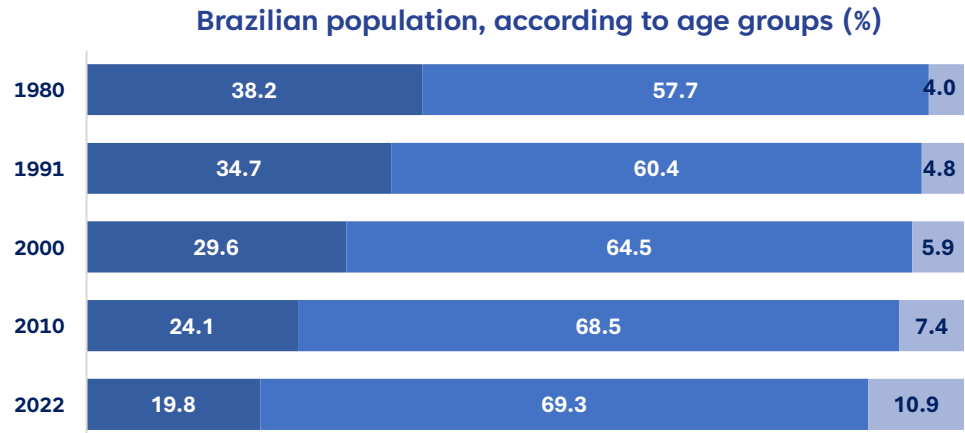
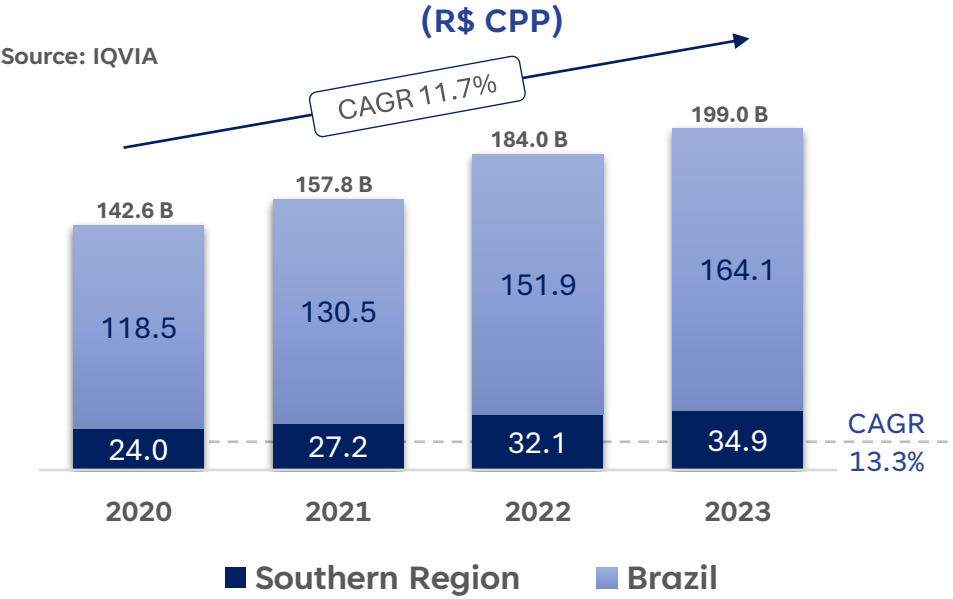
INNOVATION & TECHNOLOGY

PEOPLE & CULTURE



BRAZILIAN PHARMACEUTICAL RETAIL

Evolution of Pharmaceutical Retail - Brazil/Southern Region



Source: IBGE

South Region market with room for consolidation

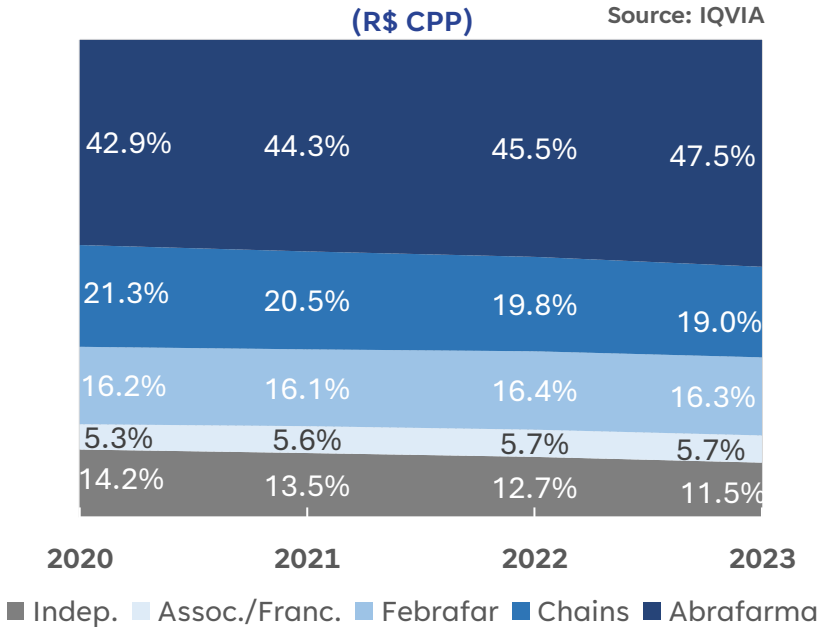
South Region Market grows more than The Brazil market

Panvel Grows Above the Market in the same period (Panvel CAGR = 17.5%)

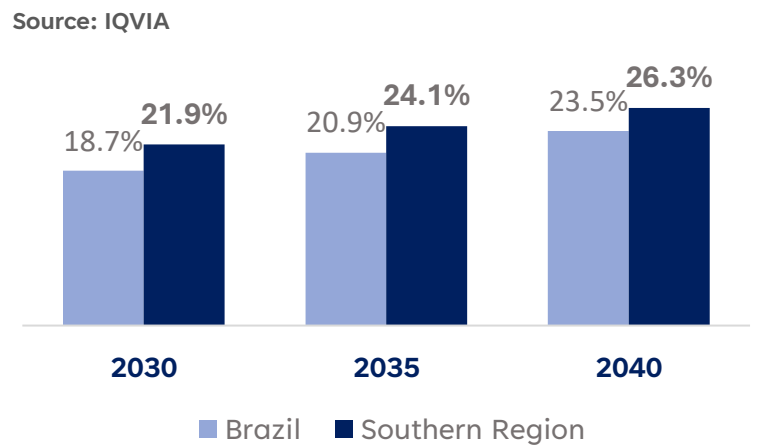
Brazilian Population with Accelerated Aging

South Region has higher aging projection

Evolution of Pharmaceutical Retail – Southern Region

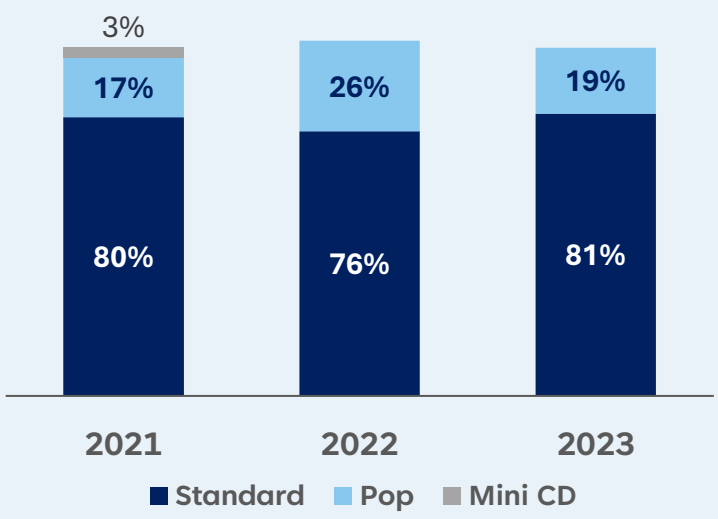


Population Projection 60+ (Brazil/Southern Region)

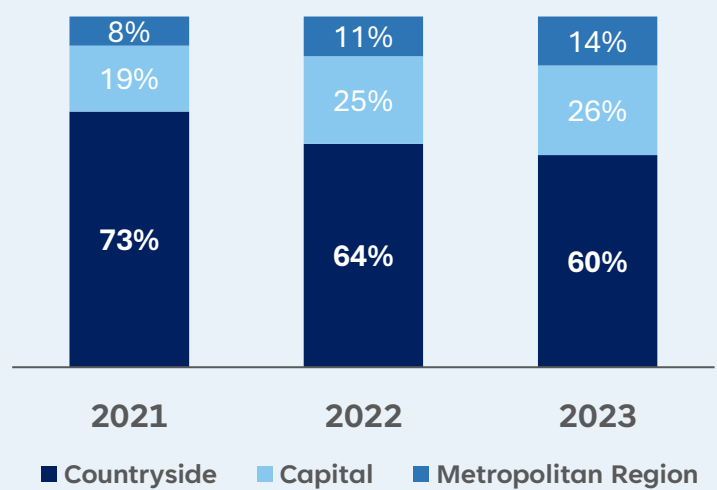


STRATEGIC EXPANSION

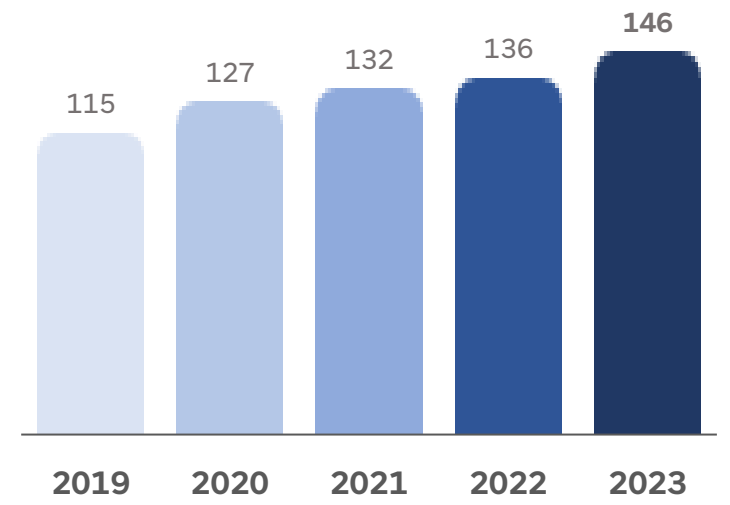
Openings by Store Type



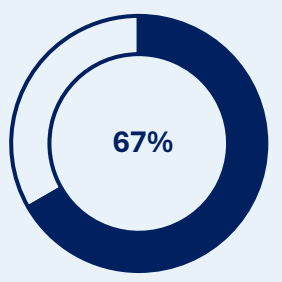
Openings by City Type



Cities with Panvel Stores



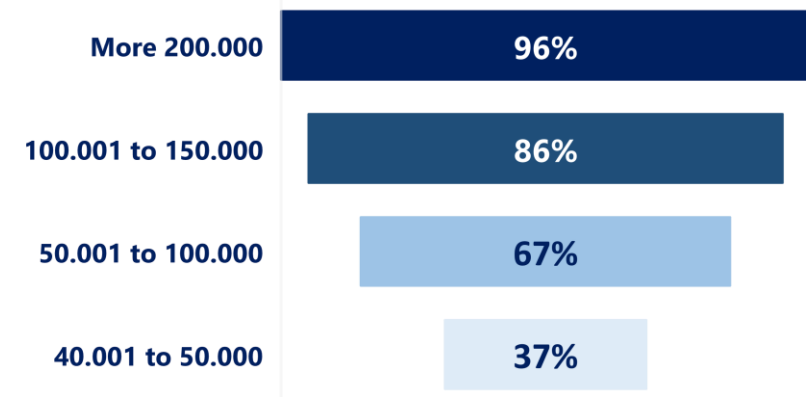
Prospecting Points 2024



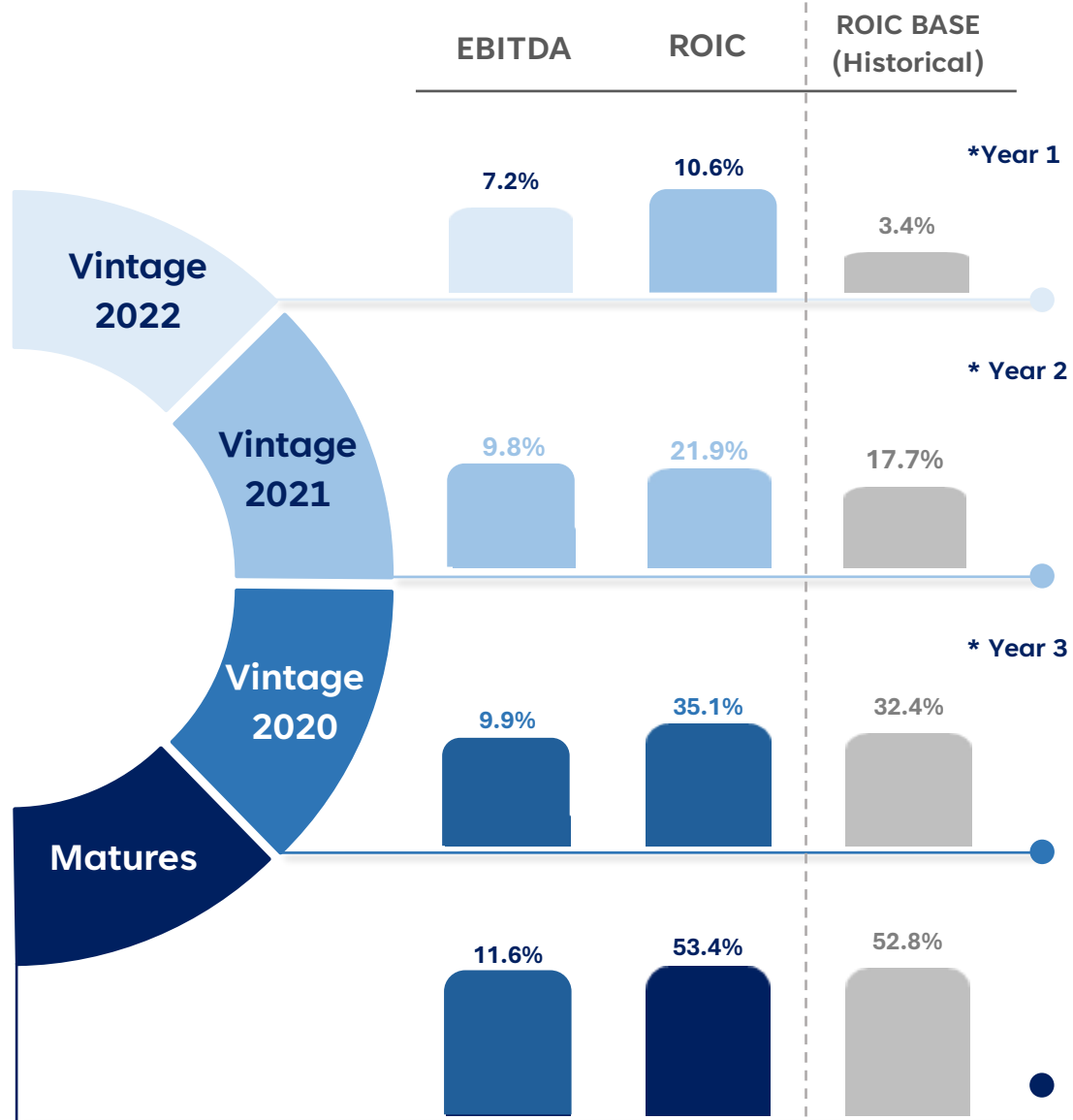
■ Prospected
□ In prospecting



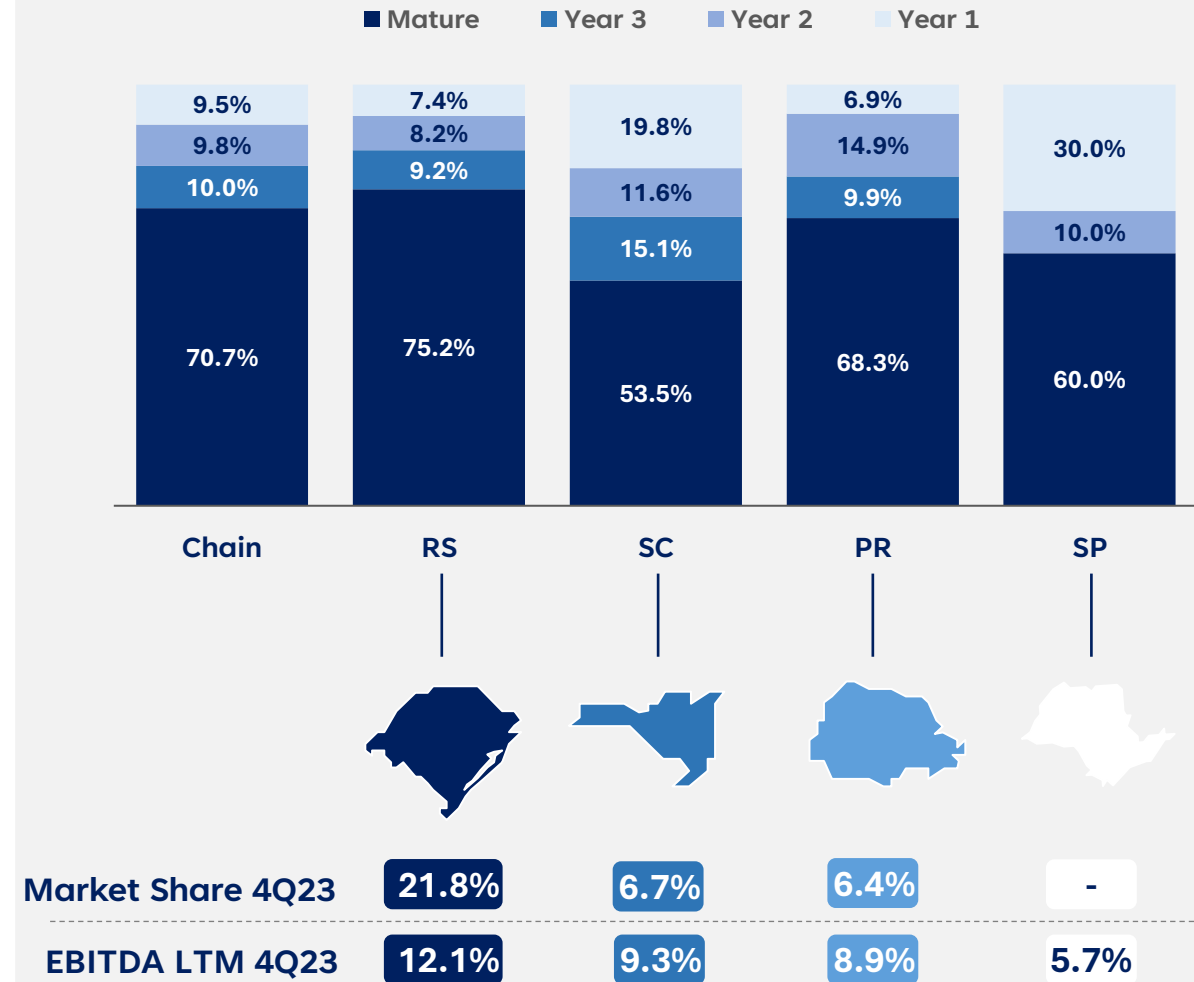
Focus on the South Region
Countryside
Standard and Pop Models



STRATEGIC EXPANSION – RETAIL EBITDA AND ROIC



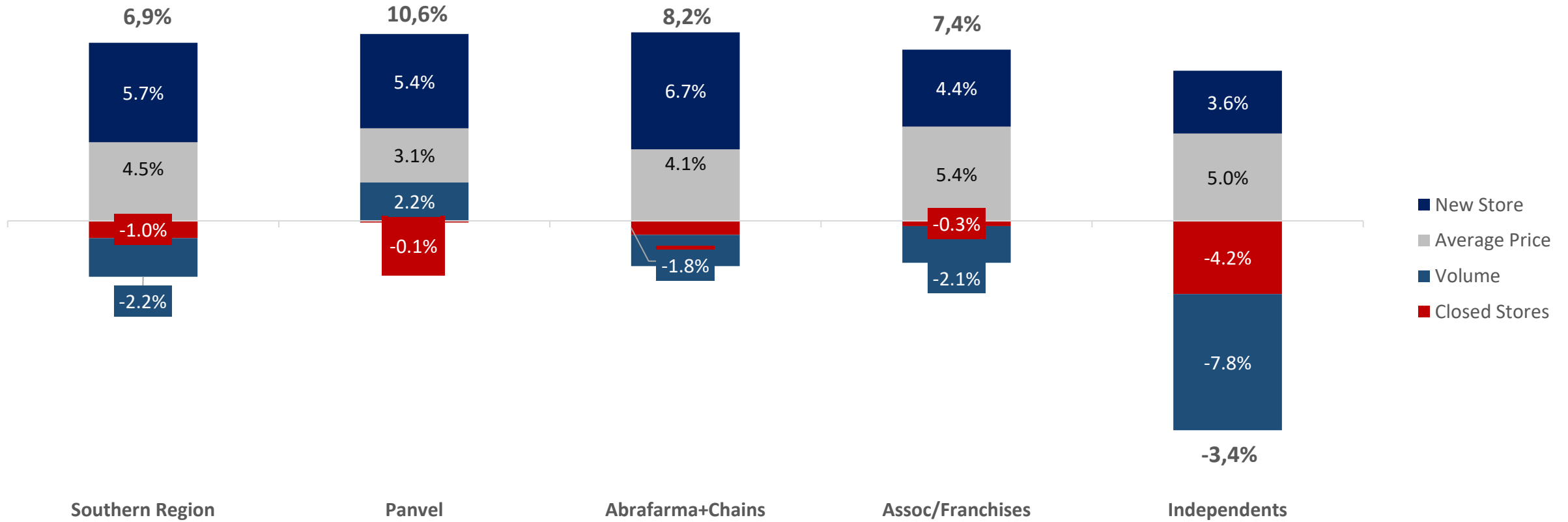
Maturity by State



LTM = last 12 months

Decomposition of the Growth of the Southern Region

Source: IQVIA

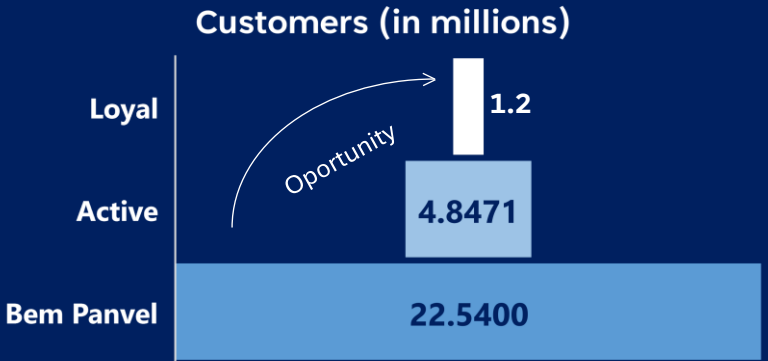


CRM & CUSTOMERS – CUSTOMER BASE HAS A RECORD GROWTH OF 42.4%

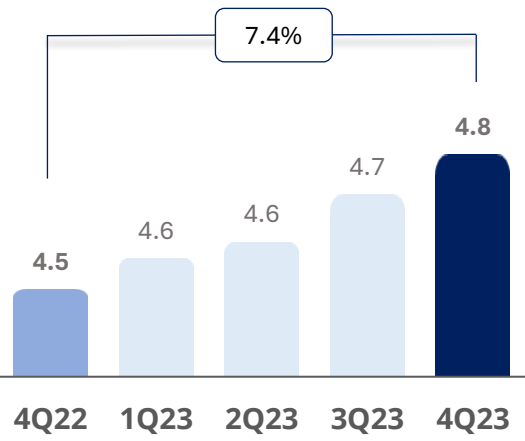
Customer Evolution Bem Panvel



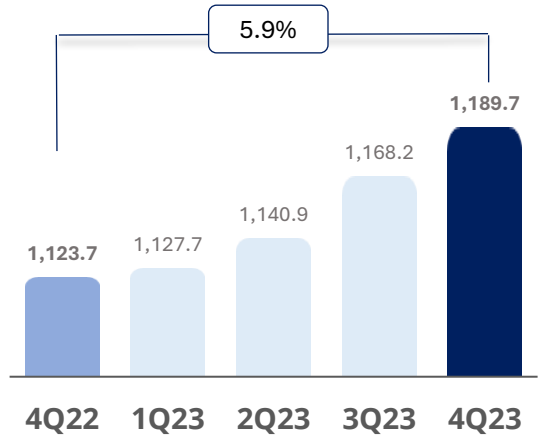
+22 Million Customers



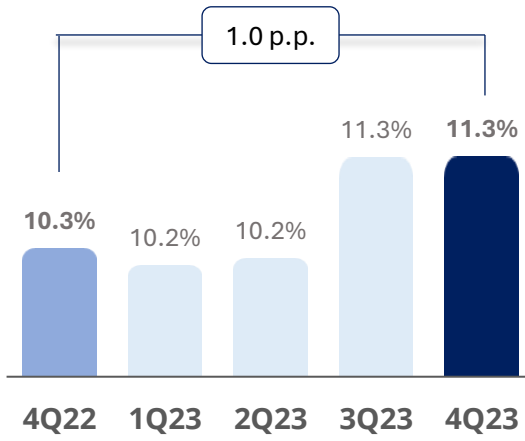
Active Customer Evolution (In millions)



Loyal Customers (Thousand)



Omni Customers Evolution



Focus on the Chronic and Continuous Use Customer

Most valuable customer
They have a 5x larger basket.

+ Frequency
Chronic customer has 4x higher frequency.

+ Consumption
Chronic customers have an average ticket 1.3x higher.

*Active Customer = made at least one purchase in 6 months; Loyal Customer = Customer who frequents/consumes Every 15 days.

DIGITAL – MANY DELIVERIES IN 2023 AND LONG JOURNEY TO 2024



Panvel App is One Stop Shopping

Customization

Personalized Showcase

Showcases according to search profile and purchase history, with product recommendations.

Search with Generative AI

Possibility of searching for symptoms, with broad and more practical searches.

Faster and faster delivery!

Turbo Delivery

New delivery modality launched in 2023, with deliveries in up to 30min

Proximity to the Customer

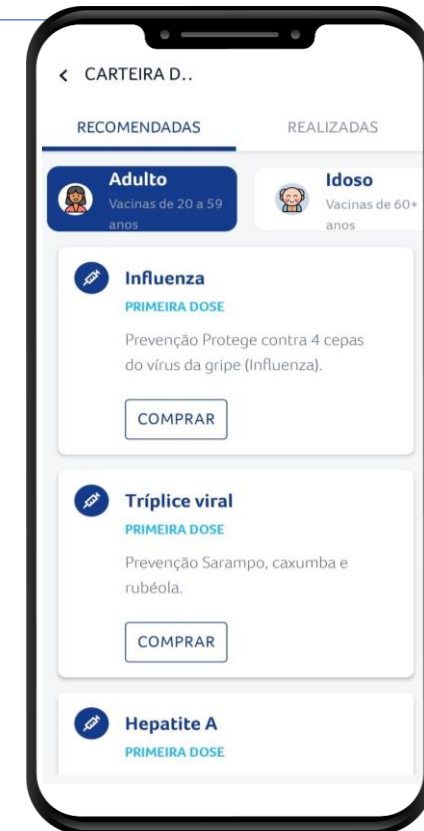
Social Commerce

Network of internal influencers that aims to digitize the store and bring the relationship closer to the community in which it operates.

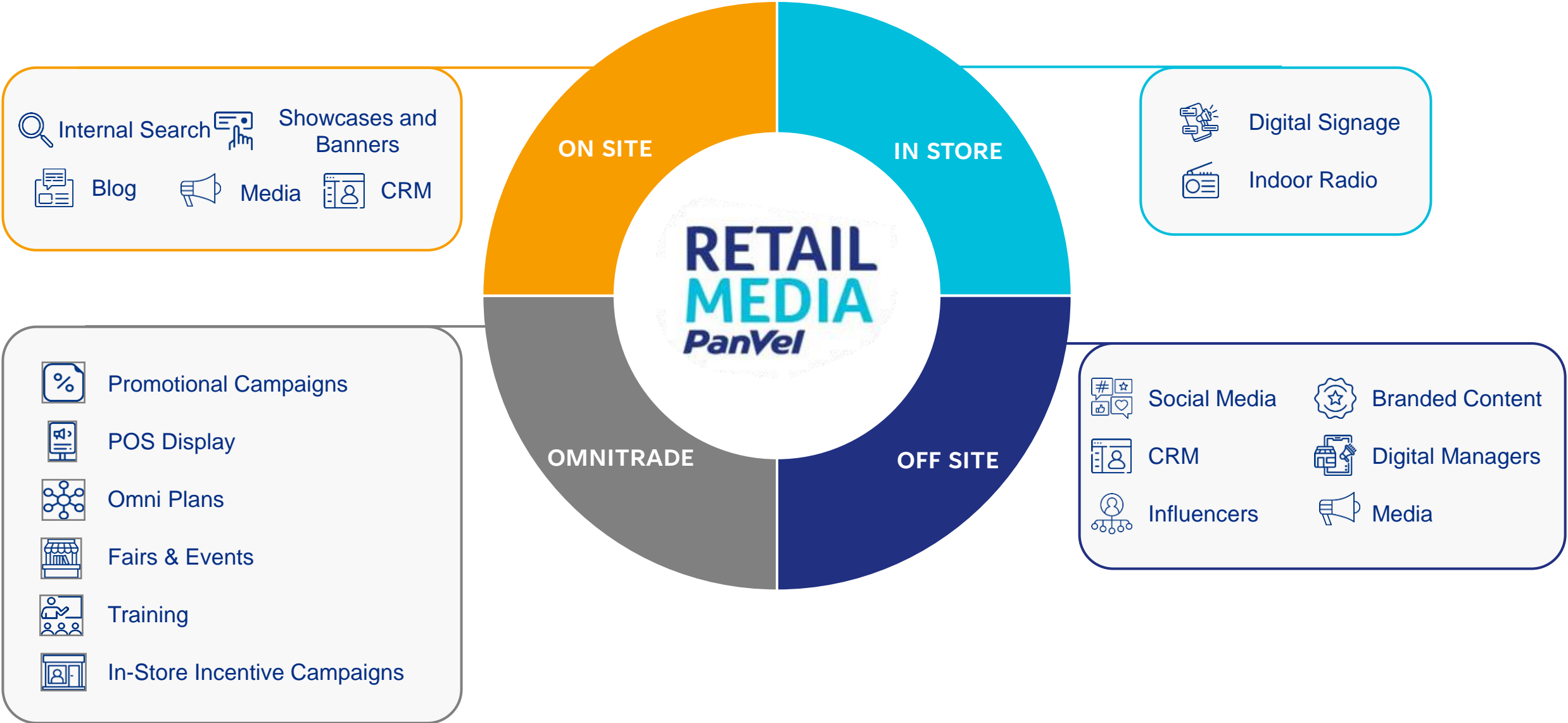
*A Healthcare Ecosystem
in the palm of your hand*

Vaccination Card

- Service Scheduling
- "My Appointments"
- Vaccination card
- History of vaccines (applied at Panvel)
- Vaccines recommended according to age group
- Vaccine Reminder
- Option to include dependents



Structured portfolio based on 4 strategic pillars





Renewable energy

+5

New photovoltaic plants inaugurated in 2023, totaling **12 plants** In operation

71%

From our current high street stores operate with the use of solar energy

100%

Of our stores already operate With LED bulbs



Waste Disposal

44.59 ton of expired/damaged drugs

4.76 ton of batteries

**Both come from the population.*

Grupo Panvel ESG Platform

Todos bem

Cuidar de todos é cuidar de cada um.



Solidarity That Inspires



Since 2012

R\$ 19 million

Year 2023

R\$ 4.2 million

SOS Vale do Taquari

R\$ 1 Million



Gender Diversity

In the Grupo Panvel, Women are:

70% of employees

68% of management positions

33% of senior management positions



Ethnic-Racial Diversity

In the Grupo Panvel, black or brown people are:

29% of employees

11% of leadership positions

BemPlurais

At the end of 2023, we restructured our Affinity Groups, which are now subdivided into: Gender Diversity, Ethnic-Racial Diversity, LGBTQIAPN+ and People with Disabilities

Outlook 2024



Revenue Growth

- Maintenance of the pace of expansion, with a focus on the interior of the Southern Region;
- New stores with accelerated ramp-up;
- Mature stores growing above inflation;
 - Digital
 - Personalization



Gross profit

- Maintenance of the Gross Margin level;
- Generics, OTC and HB as growth levers, with a seasonality-free basis for comparison.



Expenses

- Maintenance of the harvest of economies of scale and operating leverage;
- Gains in logistics efficiency and in-store productivity;
- Administrative expenses at historic and healthy levels.



EBITDA

- EBITDA margin expansion



Indebtedness

- Dilution of the level of indebtedness;
- Cash structure as a competitive differentiator.

2024

Jan + Feb 2024 show signs of acceleration in sales growth vs 2023

grupo panvel

Q&A

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