SECOND QUARTER FISCAL 2023

Earnings Conference Call

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9/29/2022

Cautionary Statement Regarding Forward Looking Statements

Statements in this presentation that are not historical, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements regarding Rite Aid Corporation's (the "Company") outlook and guidance for fiscal 2023, including its expectation to generate positive free cash flow in fiscal 2023; the continued impact of the global coronavirus (COVID-19) pandemic on the Company's business; the timing and roll out of the Company's new loyalty program; our key growth initiatives, including our plans to improve adherence; the timing of opening four new small format stores in underserved markets; and any assumptions underlying any of the foregoing. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," and "will" and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including, but not limited to: risks related to the prolonged impact of the COVID-19 global pandemic, and the emerging new variants, including government actions and restrictive measures implemented in response, and other impacts to the business, or on the Company's ability to execute business continuity plans, as a result of the COVID-19 pandemic; the impact of COVID-19 on the Company's workforce, operations, stores, expenses, and supply chain, and the operations or behaviors of the Company's customers, suppliers and business partners; the Company's ability to successfully implement the Company's store closure program and other strategies; the impact of the Company's high level of indebtedness, the ability to refinance such indebtedness on acceptable terms (including the impact of rising interest rates, market volatility, and continuing actions by the United States Federal Reserve) and the Company's ability to satisfy its obligations and the other covenants contained in the Company's debt agreements; outcome of pending or new litigation including related to Opioids, "usual and customary" pricing or other matters; the Company's ability to monetize (and on reasonably available terms) the CMS receivable created in the Company's Part D business; general competitive, economic, industry, market, political (including healthcare reform) and regulatory conditions (including changes to laws or regulations relating to labor or wages), and regulatory conditions, including continued impacts of inflation or other pricing environment factors on our costs, liquidity and our ability to pass on price increases to our customers, including as a result of inflationary and deflationary pressures, a decline in consumer spending or deterioration in consumer financial position, whether due to inflation or other factors, as well as other factors specific to the markets in which we operate; the impact of private and public third-party payers continued reduction in prescription drug reimbursements and efforts to encourage mail order; the Company's ability to manage expenses and its investments in working capital; the Company's ability to achieve the benefits of the Company's efforts to reduce the costs of its generic and other drugs; the Company's ability to achieve cost savings and other benefits of its organizational restructuring within its anticipated timeframe, if at all; the outcome and impact of the Company's continuing efforts to monitor and comply with applicable laws, regulations, policies and procedures; the Company's ability to increase adherence in certain specific target areas; and the Company's ability to partner and have relationships with health plans and health systems. These and other risks, assumptions and uncertainties are more fully described in Item 1A (Risk Factors) of the Company's most recent Annual Report on Form 10-K and in other documents that it files or furnishes with the Securities and Exchange Commission (the "SEC"), which you are encouraged to read. To the extent that COVID-19 adversely affects the Company's business and financial results, it may also have the effect of heightening many of such risk factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to rely on these forward-looking statements, which speak only as of the date they are made. The degree to which COVID-19 may adversely affect the Company's results and operations, including its ability to achieve its outlook for fiscal 2023 guidance, will depend on numerous evolving factors and future developments, which are highly uncertain, including, but not limited to, federal, state and local governmental policies and initiatives designed to reduce the transmission of COVID-19 and emerging new variants, and how quickly and to what extent normal economic and operating conditions can resume. As a result, the impact on the Company's financial and operating results cannot be reasonably estimated with specificity at this time, but the impact could be material. The Company expressly disclaims any current intention, and assumes no duty, to update publicly any forward-looking statement after the distribution of this presentation, whether as a result of new information, future events, changes in assumptions or otherwise.

Non-GAAP Financial Measures

The following presentation includes the non-GAAP financial measures Adjusted Net Income (Loss), Adjusted Net Income (Loss) per Diluted Share, Adjusted EBITDA, Adjusted EBITDA Gross Profit and Adjusted EBITDA SG&A, which are non-GAAP financial measures. See the attached tables for a reconciliation of Adjusted Net Income (Loss), Adjusted Net Income (Loss) per Diluted Share and Adjusted EBITDA to net income (loss), and net income (loss) per diluted share, which are the most directly comparable GAAP financial measures. Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share exclude amortization expense, merger and acquisition-related costs, non-recurring litigation and other contractual settlements, gains or losses on debt modifications and retirements, LIFO adjustments, goodwill and intangible asset impairment charges, restructuring-related costs, the gains or losses on Bartell acquisition, and change in estimate related to manufacturer rebate receivables. The Company believes Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share serve as appropriate measures to be used in evaluating the performance of its business and help its investors better compare its operating performance over multiple periods. Adjusted EBITDA is defined as net income (loss) excluding the impact of income taxes, interest expense, depreciation and amortization, LIFO adjustments, charges or credits for facility exit and impairment, goodwill and intangible asset impairment charges, inventory write-downs related to store closings, gains or losses on debt modifications and retirements, change in estimate related to manufacturer rebate receivables, and other items (including stock-based compensation expense, merger and acquisition-related costs, non-recurring litigation and other contractual settlements, severance, restructuring-related costs, costs related to facility closures, gain or loss on sale of assets, and the gain or loss on Bartell acquisition). The add back of LIFO (credit) charge when calculating Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share removes the entire impact of LIFO (credits) charges, and effectively reflects the Company's results as if the company was on a FIFO inventory basis. The Company believes Adjusted EBITDA serves as an appropriate measure in evaluating the performance of its business and helps its investors better compare its operating performance with its competitors. Adjusted EBITDA Gross Profit includes LIFO adjustments, depreciation and amortization (COGS portion only) and other items. See the attached tables for a reconciliation of Adjusted EBITDA Gross Profit to Revenue, which is the most directly comparable GAAP financial measure. Adjusted EBITDA SG&A excludes depreciation and amortization (SG&A portion only), stock-based compensation expense, merger and acquisition-related costs, non-recurring litigation and other contractual settlements, and other items. See the attached tables for a reconciliation of Adjusted EBITDA SG&A to Revenue, which is the most directly comparable GAAP financial measure. The Company believes Adjusted EBITDA Gross Profit and Adjusted EBITDA SG&A serve as appropriate measures in evaluating the performance of its business and helps its investors better compare its operating performance with its competitors.

Q2FY23 FINANCIAL REVIEW

Key Second Quarter FY2023 Highlights

- **$5.9B**
  Total revenues
- **$78.5M**
  Adjusted EBITDA*
- **5.3%**
  Increase in same store acute scripts
  (excluding COVID-19 vaccines)

- *Adjusted EBITDA reconciliation located in the Appendix

Key Second Quarter FY2023 Highlights

Retail Pharmacy:

- $4.23B in retail revenues
- $31.5M Adjusted EBITDA*
- Same store sales increased 5.6%
- Total same store scripts increased 2.1%, excluding benefit from COVID-19 vaccines
- Same store pharmacy sales increased 8.0%
- Same store maintenance scripts increased 1.2%

Elixir:

- $47.1M Adjusted EBITDA* or 2.7% of revenues
- 96% retention outside of previously announced client loss

- ***Adjusted EBITDA reconciliation located in the Appendix**

Key Growth Initiatives

Deepen
Grow by Driven Initiatives in Core Areas

- **Improve adherence:**
  - **600K** new members enrolled in our courtesy refill program this quarter
  - Added **$10M** in EBITDA this year
- **Digital:**
  - Making investments in digital
  - Demonstrated meaningful digital and omnichannel engagement with our customers
  - 70% year over year **growth** in our **first-party**, **third-party** and **delivery marketplaces**
- **New loyalty program front end benefit with reduction in markdowns**

Expand
Growth in New Markets

- **Partnership with Quest Diagnostics allowed us to expand to every store in our footprint.**
  - Providing testing for flu this season
  - Potential delivery of additional testing capabilities
- **Brand Positioning:**
  - Monitoring brand position using a brand equity survey by Ipsos
  - **Bartell's banner** seen strong improvement in brand positioning making it the **#1 drug store brand** in the market
  - Improvement in Rite Aid brand position ranking

Create
Leverage Assets to Develop New Offering

- **Use suite of Elixir assets for white label PBM services:**
  - Laker adjudication
  - Specialty pharmacy
  - Mail order facility
  - Rite Aid pharmacists
- Opening four new small format stores in underserved markets in **Virginia** and **New York** before end of year

On the Rite Path For FY2023

- Reduced total company Adjusted EBITDA SG&A expenses by **$45M** in Q2
- Reduced Elixir Adjusted EBITDA SG&A expenses by **$4.4M** in Q2
- Reviewing payroll, store expenses and corporate administration expenses to **drive** additional SG&A efficiencies
- **$40M** debt reduction from successful bond tender offer
- Sale leaseback proceeds **$46M**
- No debt due until **2025**
- On track to exceed target of **$170M** of SG&A savings for **FY23**

GUIDANCE

Updated FY2023 Guidance

• **$23.6B - $24.0B**	Total revenues
• **$450M – $490M**	Adjusted EBITDA
• **Retail Pharmacy**	**$305M - $335M**
• **Elixir**	**$145M - $155M**
• **($1.52) – ($0.97)**	Diluted adjusted net loss per share
• **~$225M**	Capital expenditures

- **Expect to generate positive free cash flow in FY23**

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APPENDIX

Q2 Fiscal 2023 Summary

($ in millions, except per share amounts)

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Revenues	$ 5,901.1		$ 6,113.0	
Net Loss	$ (331.3)		$ (100.3)	
Net loss per Diluted Share	$ (6.07)		$ (1.86)	
Adjusted net loss per Diluted Share	$ (0.63)		$ (0.41)	
Adjusted EBITDA	$ 78.5	*1.33%*	$ 106.2	*1.74%*

Q2 - Fiscal 2023 Reconciliation of Net Loss to Adjusted EBITDA *($ in thousands)*

	13 Weeks Ended August 27, 2022	13 Weeks Ended August 28, 2021
Net loss	$ (331,290)	$ (100,301)
Adjustments:		
• Interest expense	52,533	48,592
• Income tax expense	11,967	3,310
• Depreciation and amortization	68,564	73,859
• LIFO charge (credit)	10,121	(3,993)
• Facility exit and impairment charges	45,845	11,353
• Goodwill and intangible asset impairment charges	252,200	-
• (Gain) loss on debt modifications and retirements, net	(41,312)	2,839
• Merger and Acquisition-related costs	-	4,591
• Stock-based compensation expense	4,735	5,792
• Restructuring-related costs	12,805	9,584
• Inventory write-downs related to store closings	1,094	798
• Litigation and other contractual settlements	20,093	34,212
• (Gain) loss on sale of assets, net	(29,001)	12,378
• Other	195	3,146
Adjusted EBITDA	$ 78,549	$ 106,160
Percent of revenues	1.33%	1.74%

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Q2 - Fiscal 2023 Reconciliation of Net Loss to Adjusted Net Loss

($ in thousands, except per share amounts)

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Net loss	$	(331,290)	$	(100,301)
Add back - Income tax expense		11,967		3,310
Loss before income taxes	$	(319,323)	$	(96,991)
Adjustments:				
Amortization expense		18,420		19,953
LIFO charge (credit)		10,121		(3,993)
Goodwill and intangible asset impairment charges		252,200		-
(Gain) loss on debt modifications and retirements, net		(41,312)		2,839
Merger and Acquisition-related costs		-		4,591
Restructuring-related costs		12,805		9,584
Litigation and other contractual settlements		20,093		34,212
Adjusted loss before income taxes	$	(46,996)	$	(29,805)
Adjusted income tax benefit		(12,576)		(7,839)
Adjusted net loss	$	(34,420)	$	(21,966)
Net loss per diluted share	$	(6.07)	$	(1.86)
Adjusted net loss per diluted share	$	(0.63)	$	(0.41)

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Q2 - Fiscal 2023 Summary – Retail Pharmacy Segment *($ in millions)*

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Revenues	$ 4,231.8		$ 4,277.2	
Adjusted EBITDA Gross Profit (1)	$ 1,056.1	*24.96%*	$ 1,138.9	*26.63%*
Adjusted EBITDA SG&A(1)	$ 1,024.6	*24.21%*	$ 1,069.5	*25.01%*
Adjusted EBITDA	$ 31.5	*0.74%*	$ 69.4	*1.62%*

(1) Refer to slides 16 and 17 for the reconciliations of these non-GAAP measures to their applicable GAAP measures.

Reconciliation of Adj. EBITDA Gross Profit – Retail Pharmacy Segment *($ in millions)*

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Revenues	$	4,231.8	$	4,277.2
Gross Profit		1,043.0		1,140.4
Addback:				
LIFO charge (credit)		10.1		(4.0)
Depreciation and amortization (COGS portion only)		2.1		2.0
Other		0.9		0.5
Adjusted EBITDA Gross Profit	$	1,056.1	$	1,138.9
Adjusted EBITDA Gross Profit as a percent of revenues		24.96%		26.63%

Reconciliation of Adj. EBITDA SG&A – Retail Pharmacy Segment *($ in millions)*

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Revenues	$	4,231.8	$	4,277.2
Selling, general and administrative expenses		1,100.8		1,163.4
Less:				
Depreciation and amortization (SG&A portion only)		54.6		59.1
Stock-based compensation expense		4.5		5.7
Merger and Acquisition-related costs		-		4.6
Restructuring-related costs		8.4		2.6
Litigation and other contractual settlements		8.2		18.4
Other		0.5		3.5
Adjusted EBITDA SG&A	$	1,024.6	$	1,069.5
Adjusted EBITDA SG&A as a percent of revenues		24.21%		25.01%

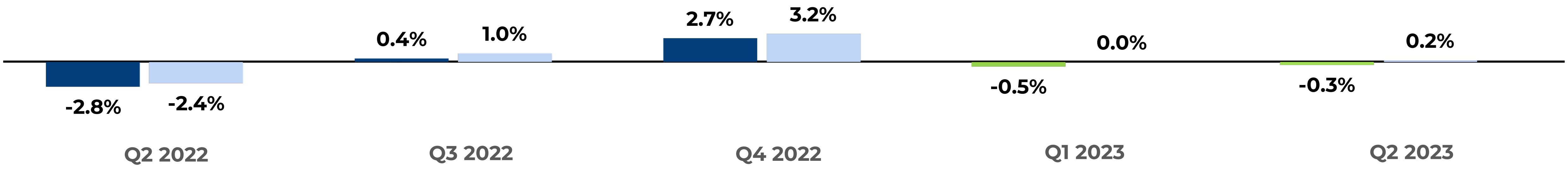
Pharmacy Services Segment Results *($ in millions)*

	13 Weeks Ended August 27, 2022		13 Weeks Ended August 28, 2021	
Revenues	$	1,727.2	$	1,898.2
Cost of Revenues		1,615.8		1,792.6
Gross Profit		111.4		105.6
Selling, General and Administrative Expenses		(92.8)		(104.4)
Addback:				
Depreciation and Amortization		11.9		12.8
Restructuring-related costs		4.4		7.0
Litigation and other contractual settlements		11.9		15.8
Other		0.3		-
Adjusted EBITDA - Pharmacy Services Segment	$	47.1	$	36.8

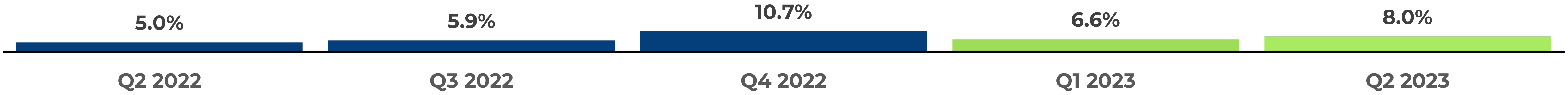
Comparable Store Sales Growth

FY2022
FY2023
Excluding cigarette and tobacco products

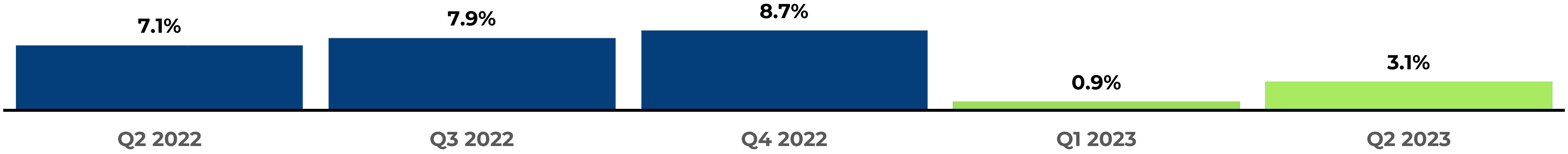
FRONT END SALES



RX SALES



SCRIPT COUNT*(1)*



(1) Script count growth shown on a 30-day equivalent basis.

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Capitalization Table *($ in thousands)*

	August 27, 2022	February 26, 2022
Secured Debt:		
Senior secured revolving credit facility due August 2026	$ 1,370,026	$ 690,990
FILO Term Loan due August 2026	347,921	347,656
	1,717,947	**1,038,646**
Second Lien Secured Debt:		
7.5% senior secured notes due July 2025	480,368	593,176
8.0% senior secured notes due November 2026	837,060	835,521
	1,317,428	**1,428,697**
Unguaranteed Unsecured Debt:		
7.7% notes due February 2027	185,240	236,744
6.875% fixed-rate senior notes due December 2028	2,040	28,899
	187,280	**265,643**
Lease financing obligations	19,590	20,374
Total debt	**3,242,245**	**2,753,360**
Current maturities of long-term debt and lease financing obligations	(5,581)	(5,544)
Long-term debt and lease financing obligations, less current maturities	**$ 3,236,664**	**$ 2,747,816**
Total debt, gross	$ 3,278,303	$ 2,795,679
Less: Unamortized debt issuance costs	(36,058)	(42,319)
Total Debt per balance sheet:	**$ 3,242,245**	**$ 2,753,360**

FY 2023 Guidance *($ in thousands)*

	Guidance Range	
	Low	High
Total Revenues	$ 23,600,000	$ 24,000,000
Pharmacy Services Segment Revenues	$ 6,250,000	$ 6,350,000
Gross Capital Expenditures	$ 225,000	$ 225,000
Reconciliation of net loss to adjusted EBITDA:		
Net loss	$ (520,300)	$ (477,300)
Adjustments:		
Interest expense	216,000	216,000
Income tax benefit	(7,000)	(10,000)
Depreciation and amortization	280,000	280,000
LIFO charge	20,000	20,000
Facility exit and impairment charges	175,000	175,000
Goodwill and intangible asset impairment charges	252,200	252,200
Gain on debt modifications and retirements, net	(41,300)	(41,300)
Restructuring-related costs	72,000	72,000
Litigation and other contractual settlements	38,400	38,400
Gain on sale of assets, net	(60,000)	(60,000)
Other	25,000	25,000
Adjusted EBITDA	$ 450,000	$ 490,000

FY 2023 Guidance *(cont.)* *($ in thousands)*

	Guidance Range			
	Low		High	
Net loss	$	(520,300)	$	(477,300)
Add back - income tax benefit		(7,000)		(10,000)
Loss before income taxes		(527,300)		(487,300)
Adjustments:				
Amortization expense		73,000		73,000
LIFO charge		20,000		20,000
Goodwill and intangible asset impairment charges		252,200		252,200
Gain on debt modifications and retirements, net		(41,300)		(41,300)
Restructuring-related costs		72,000		72,000
Litigation and other contractual settlements		38,400		38,400
Adjusted loss before adjusted income taxes		(113,000)		(73,000)
Adjusted income tax benefit		(30,000)		(20,000)
Adjusted net loss	$	(83,000)	$	(53,000)
Diluted adjusted net loss per share	$	(1.52)	$	(0.97)

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