Supplemental Presentation

Third Quarter Fiscal 2020

December 19, 2019

RITE AID®

Safe Harbor Statement

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's outlook and guidance for fiscal 2020; the expected timing and the ability to complete the subsequent closings of the sale of the remaining Rite Aid distribution center and related assets to Walgreens Boots Alliance, Inc. ("WBA"); Rite Aid's competitive position and ability to implement new strategies following completion of such transaction with WBA; 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, our high level of indebtedness and our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our debt agreements; general economic, industry, market, competitive, regulatory and political conditions; our ability to improve the operating performance of our stores in accordance with our long term strategy; the ongoing impact of private and public third-party payers continued reduction in prescription drug reimbursements and efforts to encourage mail order; our ability to manage expenses and our investments in working capital; outcomes of legal and regulatory matters; changes in legislation or regulations, including healthcare reform; our ability to achieve the benefits of our efforts to reduce the costs of our generic and other drugs; risks related to the pending sale of the remaining Rite Aid distribution center and related assets to WBA, including the possibility that the transaction may not close due to the failure to satisfy the minimal remaining conditions; our ability to successfully achieve benefits from our leadership transition plan and organizational restructuring, including managing the transition to our new chief executive officer and other management; the potential for operational disruptions due to, among other things, concerns of management, employees, current and potential customers, other third parties with whom we do business and shareholders; the success of any changes to our business strategy that may be implemented under our new chief executive officer and other management; our ability to achieve cost savings through the organizational restructurings within the anticipated timeframe, if at all; possible changes in the size and components of the expected costs and charges associated with the organizational restructuring plan; and the outlook for and future growth of the Company. These and other risks, assumptions and uncertainties are more fully described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and in other documents that we file or furnish with the Securities and Exchange Commission (the "SEC"), which you are encouraged to read. 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 place undue reliance on these forward- looking statements, which speak only as of the date they are made. Rite Aid expressly disclaims any current intention 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.

Safe Harbor Statement *(cont.)*

Cautionary Note Regarding Pro Forma Information

The following presentation provides certain pro forma information regarding the impact of Rite Aid's pending sale of a distribution center and assets to WBA on Rite Aid's results of operations and capital structure. The pro forma information is for illustrative purposes only, was prepared by management in response to investor inquiries and is based upon a number of assumptions. The pro forma information assumes the completion of all the asset sales when they actually take place over an extended period of time. Additional items that may require adjustments to the pro forma information may be identified and could result in material changes to the information contained herein. The information in this presentation is not necessarily indicative of what actual financial results of Rite Aid would have been had the sale occurred on the dates or for the periods indicated, nor does it purport to project the financial results of Rite Aid for any future periods or as of any date. Such pro forma information has not been prepared in conformity with Regulation S-X. Rite Aid's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to this preliminary financial information. Accordingly, they do not express an opinion or provide any form of assurance with respect thereto. The information in this presentation should not be viewed in replacement of results prepared in compliance with Generally Accepted Accounting Principles or any pro forma financial statements subsequently required by the rules and regulations of the SEC.

Non-GAAP Financial Measures

The following presentation includes the non-GAAP financial measures, Adjusted EBITDA, Adjusted Net Income (Loss), Adjusted Net Income (Loss) per Diluted Share, Adjusted EBITDA Gross Profit and Adjusted EBITDA SG&A. Rite Aid defines Adjusted EBITDA as net income (loss) excluding the impact of income taxes, interest expense, depreciation and amortization, LIFO adjustments, charges or credits for facility closing and impairment, goodwill and intangible asset impairment charges, inventory write-downs related to store closings, gains or losses on debt retirements, the WBA merger termination fee, and other items (including stock-based compensation expense, merger and acquisition-related costs, a non-recurring litigation settlement, severance, restructuring-related costs and costs related to facility closures and gain or loss on sale of assets). The current calculation of Adjusted EBITDA reflects a modification made in the third quarter of fiscal 2019 to eliminate the add back of revenue deferrals related to our customer loyalty program and to present amounts previously included within other as separate reconciling items. The presentation includes a reconciliation of Adjusted EBITDA to net income (loss), which is the most directly comparable GAAP financial measure. Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share exclude amortization expense, merger and acquisition-related costs, a non-recurring litigation settlement, gains or losses on debt retirements, LIFO adjustments, goodwill and intangible asset impairment charges, restructuring-related costs and the WBA merger termination fee. The current calculations of Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share reflect a modification made in the third quarter of fiscal 2019 to add back all amortization expenses rather than the amortization of EnvisionRx intangible assets only. Additionally, 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 Rite Aid's results as if the company was on a FIFO inventory basis. The presentation includes a reconciliation of Adjusted Net Income (Loss) to net income (loss), which is the most directly comparable GAAP financial measure. Adjusted EBITDA Gross Profit includes LIFO adjustments, depreciation and amortization (COGS portion only) and other items. The presentation includes 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, litigation settlement and other items. The presentation includes a reconciliation of Adjusted EBITDA SG&A to Revenue, which is the most directly comparable GAAP financial measure.

Key Third Quarter FY 2020 Highlights

Third Quarter Adjusted EBITDA of $158.1 million exceeded prior year by $15.3 million

Retail Pharmacy:
- Same store 30-day equivalent prescription count grew 2.8%
- Front end sales increase 1.0% excluding tobacco related products
- Strong expense control

EnvisionRx:
- Medicare Part D membership continues to drive revenues
- Improved pharmacy network management

Continued financial improvement:
- Strong free cash flow due to the receipt of the CMS receivable
- Our leverage ratio decreased from 6.8 in the prior quarter to 5.9

EnvisonRx
- Strong commercial selling season having won over 300,000 new lives

Q3 Fiscal 2020 Summary

($ in millions, except per share amounts)

	13 Weeks Ended November 30, 2019		13 Weeks Ended December 1, 2018	
Revenue	$ 5,462.3		$ 5,450.1	
Net Income (Loss)	$ 52.3		$ (17.3)	
Net Income (Loss) per Diluted Share	$ 0.98		$ (0.33)	
Adjusted Net Income per Diluted Share	$ 0.54		$ 0.28	
Adjusted EBITDA	$ 158.1	*2.89%*	$ 142.8	*2.62%*

Note: Data on this slide and throughout the presentation is on a continuing operations basis.

Q3 - Fiscal 2020 Reconciliation of Net Income (Loss) to Adjusted EBITDA

($ in thousands)

	13 Weeks Ended November 30, 2019	13 Weeks Ended December 1, 2018
Net Income (Loss)	$ 52,286	$ (17,250)
Adjustments:		
Interest expense	57,856	56,008
Income tax expense (benefit)	876	(1,471)
Depreciation and amortization	82,007	86,685
LIFO (credit) charge	(7,440)	5,987
Lease termination and impairment charges	166	2,628
Gain on debt retirement, net	(55,692)	-
Merger and Acquisition-related costs	-	4,175
Stock-based compensation expense	3,506	1,317
Restructuring-related costs	25,275	-
Inventory write-downs related to store closings	93	421
Gain on sale of assets, net	(1,371)	(382)
Other	528	4,673
Adjusted EBITDA	$ 158,090	$ 142,791
Percent of revenues	2.89%	2.62%

Q3 - Fiscal 2020 Reconciliation of Net Income (Loss) to Adjusted Net Income

($ in thousands, except per share amounts)

	13 Weeks Ended November 30, 2019	13 Weeks Ended December 1, 2018
Net Income (Loss)	$ 52,286	$ (17,250)
Add back - Income tax expense (benefit)	876	(1,471)
Income (loss) before income taxes	$ 53,162	$ (18,721)
Adjustments:		
Amortization expense	24,920	28,768
LIFO (credit) charge	(7,440)	5,987
Gain on debt retirement, net	(55,692)	-
Merger and Acquisition-related costs	-	4,175
Restructuring-related costs	25,275	-
Adjusted income before income taxes	$ 40,225	$ 20,209
Adjusted income tax expense	11,090	5,469
Adjusted net income	$ 29,135	$ 14,740
Net income (loss) per diluted share	$ 0.98	$ (0.33)
Adjusted net income per diluted share	$ 0.54	$ 0.28

Q3 - Fiscal 2020 Summary – Retail Pharmacy Segment

($ in millions)

	13 Weeks Ended November 30, 2019		13 Weeks Ended December 1, 2018	
Revenue	$ 3,909.9		$ 3,976.7	
Adjusted EBITDA Gross Profit [1]	$ 1,065.5	*27.25%*	$ 1,088.2	*27.36%*
Adjusted EBITDA SG&A[1]	$ 956.9	*24.47%*	$ 987.0	*24.82%*
Adjusted EBITDA	$ 108.6	*2.78%*	$ 101.2	*2.55%*

(1) Refer to slides 11 and 12 for the reconciliations of these non-GAAP measures to their applicable GAAP measures.

Q3 - Fiscal 2020 Summary – Retail Pharmacy Segment

- Retail Pharmacy Segment revenue decreased $66.8 million primarily driven by the 62 stores we closed since last year's third quarter. Same store sales decreased 0.1%. Front end same store sales were down 0.5%, but up 1.0% when excluding cigarette and tobacco sales. This was partially offset by a 2.8% increase in same store prescription count. The script count increase was driven by the success of our clinical initiatives and immunization program.
- Adjusted EBITDA Gross Profit decreased $22.7 million and Adjusted EBITDA Gross Margin decreased by 11 bps. Adjusted EBITDA gross profit decreased primarily due to increases in markdown dollars dues to weak summer and seasonal sell-through, lower vendor promotional funding, and a reimbursement rate adjustment resulting from the finalization of a contract with one of our payors.
- Adjusted EBITDA SG&A was $30.1 million better than the prior year. Adjusted EBITDA SG&A was favorably impacted by decreases in store and corporate salaries and benefits, partially offset by lower TSA fee income from WBA.

Reconciliation of Adj. EBITDA Gross Profit – Retail Pharmacy Segment

($ in millions)

	13 Weeks Ended November 30, 2019		13 Weeks Ended December 1, 2018	
Revenues	$	3,909.9	$	3,976.7
Gross Profit		1,070.9		1,079.6
Addback:				
LIFO (credit) charge		(7.4)		6.0
Depreciation and amortization (COGS portion only)		2.1		2.3
Other		(0.1)		0.3
Adjusted EBITDA Gross Profit	$	1,065.5	$	1,088.2
Adjusted EBITDA Gross Profit as a percent of revenue		27.25%		27.36%

Reconciliation of Adj. EBITDA SG&A - Retail Pharmacy Segment

($ in millions)

	13 Weeks Ended November 30, 2019	13 Weeks Ended December 1, 2018
Revenues	$ 3,909.9	$ 3,976.7
Selling, general and administrative expenses	1,044.2	1,062.6
Less:		
Depreciation and amortization (SG&A portion only)	65.3	67.9
Stock-based compensation expense	3.0	1.3
Merger and Acquisition-related costs	-	4.2
Restructuring-related costs	18.4	-
Other	0.6	2.2
Adjusted EBITDA SG&A	$ 956.9	$ 987.0
Adjusted EBITDA SG&A as a percent of revenue	24.47%	24.82%

Pharmacy Services Segment Results

($ in millions)

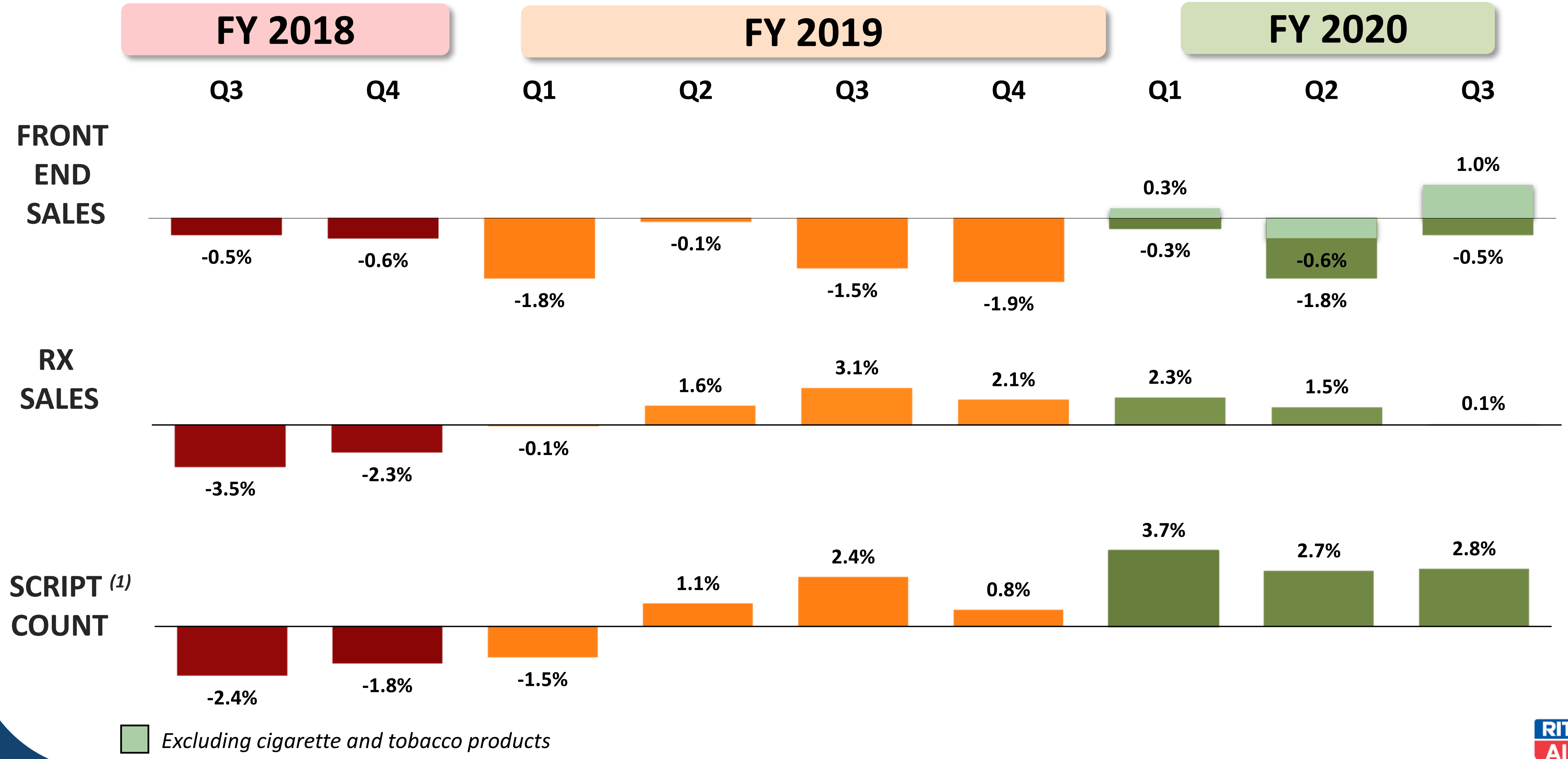
	13 Weeks Ended November 30, 2019		13 Weeks Ended December 1, 2018	
Revenues	$	1,613.1	$	1,525.8
Cost of Revenues		1,495.0		1,423.3
Gross Profit		118.1		102.5
Selling, General and Administrative Expenses		(90.6)		(80.0)
Loss on sale of assets, net		(0.5)		-
Addback:				
Depreciation and Amortization		14.7		16.5
Loss on sale of assets, net		0.5		-
Restructuring-related costs		6.9		-
Other		0.4		2.6
Adjusted EBITDA - Pharmacy Services Segment	$	49.5	$	41.6

Q3 - FY 2020 Summary – Pharmacy Services Segment

- Revenues increased $87.3 million due to an increase in our Medicare Part D membership.

- Adjusted EBITDA increased $7.9 million year-over-year. Pharmacy Services Segment adjusted EBITDA benefited from improvements in pharmacy network management and increased Medicare Part D membership, that were partially offset by the increases in SG&A expenses associated with the growth in Medicare Part D membership.

Comparable Store Sales Growth



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

Capitalization Table

($ in thousands)

	November 30, 2019		March 2, 2019	
Secured Debt:				
Senior secured revolving credit facility due December 2023	$	1,114,567	$	850,931
FILO term loan due December 2023		446,750		446,082
		1,561,317		**1,297,013**
Unsecured Guaranteed Debt:				
6.125% senior secured notes due April 2023		1,739,633		1,736,508
		1,739,663		**1,736,508**
Unsecured Unguaranteed Debt:				
7.7% notes due February 2027		236,444		293,705
6.875% fixed-rate senior notes due December 2028		28,867		127,358
		265,311		**421,063**
Lease financing obligations		30,093		40,176
Total Debt:		**3,596,354**		**3,494,760**
Currend maturities of long-term debt and lease fiancing obligations		(9,486)		(16,111)
Long-term debt & lease financing obligations, less current maturities		**3,586,868**		**3,478,649**
Total debt and lease financing obligations, continuing operations				
Less: current maturities of long-term debt and lease financing obligations, continuing operations		3,596,354		3,494,760
Long-term debt & lease financing obligations, less current maturities, continuing operations		(9,486)		(16,111)
	$	**3,586,868**	**$**	**3,478,649**
Total Debt gross		3,634,970		3,541,666
Less: Unamortized debt issue costs		(38,616)		(46,906)
Total Debt per balance sheet	**$**	**3,596,354**	**$**	**3,494,760**

Note: Debt in the capitalization table is shown net of unamortized debt issuance costs.

Pro Forma Leverage Ratio

($ in thousands)

	November 30, 2019
Total Debt:	$ 3,596,354
Less: Cash and cash equivalents	(289,498)
Less: Distribution center sale proceeds	(133,521)
Pro Forma Net Debt	$ 3,173,335
LTM Adjusted EBITDA:	
Retail Pharmacy Segment	381,493
Pharmacy Services Segment	155,214
LTM Adjusted EBITDA	$ 536,707
Pro Forma Leverage Ratio	5.91

FY 2020 Guidance

($ in thousands)

	Guidance Range Low	Guidance Range High
Total Revenues	$ 21,500,000	$ 21,900,000
Same store sales	0.00%	1.00%
Gross Capital Expenditures	$ 230,000	$ 230,000
Reconciliation of net loss to adjusted EBITDA:		
Net loss	$ (204,000)	$ (174,000)
Adjustments:		
Interest expense	235,000	235,000
Income tax expense	40,000	40,000
Depreciation and amortization	330,000	330,000
LIFO charge	10,000	10,000
Lease termination and impairment charges	35,000	35,000
Gain on debt retirements, net	(56,000)	(56,000)
Restructuring-related costs	100,000	100,000
Other	25,000	25,000
Adjusted EBITDA	$ 515,000	$ 545,000

FY 2020 Guidance *(cont.)*

($ in thousands, except per share amounts)

	Guidance Range	
	Low	High
Net loss	$(204,000)	$(174,000)
Add back - income tax expense	40,000	40,000
Loss before income taxes	(164,000)	(134,000)
Adjustments:		
Amortization expense	120,000	120,000
LIFO charge	10,000	10,000
Gain on debit retirements, net	(56,000)	(56,000)
Restructuring-related costs	100,000	100,000
Adjusted income before adjusted income taxes	10,000	40,000
Adjusted income tax expense	3,000	11,000
Adjusted net income	$ 7,000	$ 29,000
Diluted adjusted net income per share	$ 0.13	$ 0.55

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