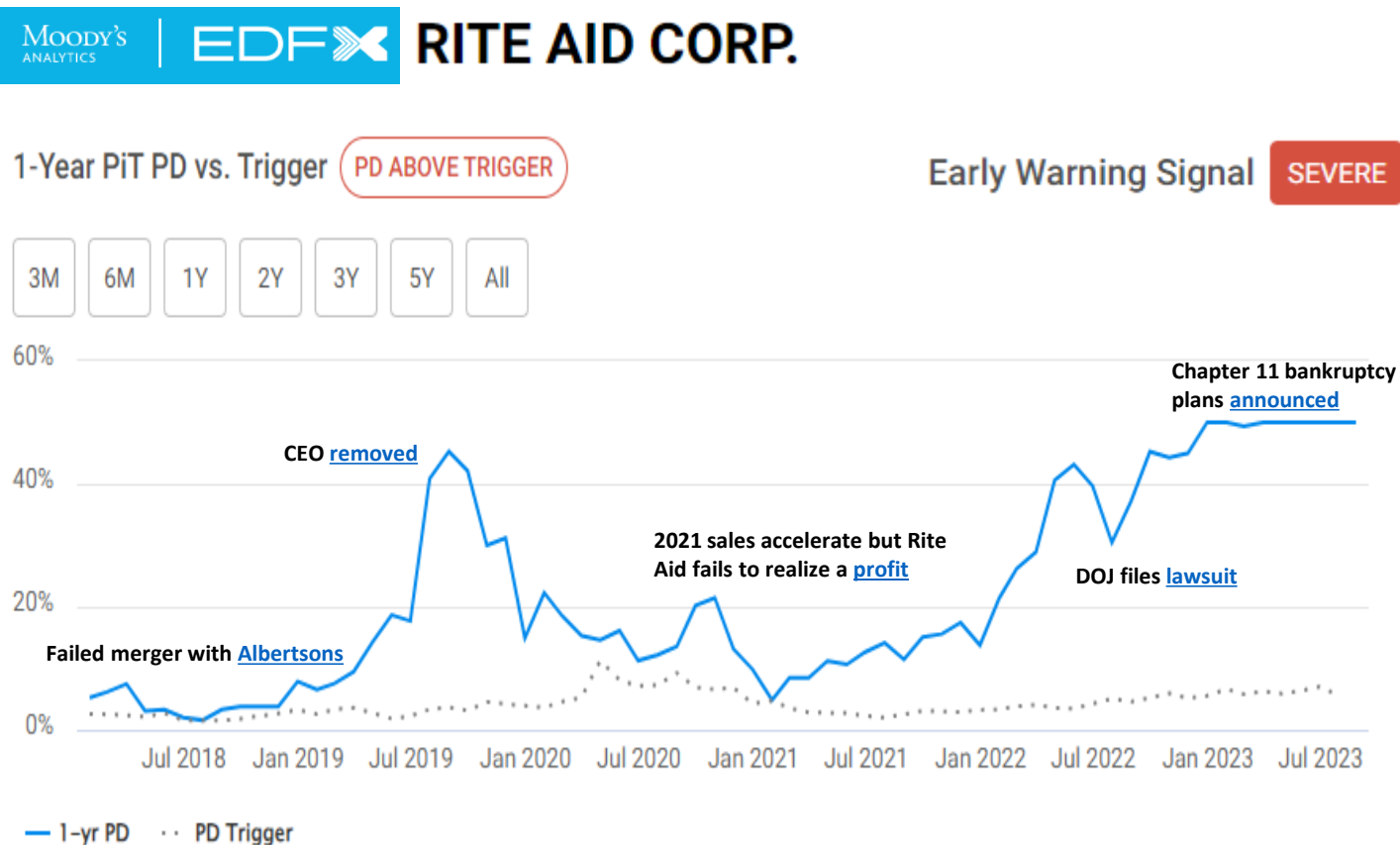


DECLINING MARKET SHARE, A SIGNIFICANT DEBT OVERHANG AND MOUNTING LEGAL LIABILITIES FORCED RITE AID CORPORATION TO BANKRUPTCY



Rite Aid Corporation's turbulent half decade appears to be nearing an end with the firm announcing plans to file for Chapter 11 bankruptcy. The business has long been dwarfed by its closest competitors, CVS and Walgreens, marginalizing its presence in more lucrative insurance networks. Attempts to expand its footprint via merger in 2017 and 2018 failed, resulting in management changes the following year. Given its limited market share, earnings remained weak—Rite Aid has not turned a profit since 2017—and without consistent cashflow and impending debt maturities in 2025, the firm's capital position became tenuous. Finally, Rite Aid has been the subject of extensive federal and state level litigation regarding its distribution of prescription painkillers. The Department of Justice (DOJ) filed a lawsuit against the firm in March 2023, and given substantial legal liabilities and few avenues for reviving the business, Rite Aid outlined plans for bankruptcy in August.