

Conference Call 1Q25

May 9, 2025



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O Release de Resultados e a Apresentação, versões português e inglês, estão disponíveis para download no site de RI: ri.magazineluiza.com.br

A apresentação em inglês também está disponível no link enviado no chat.

This conference call has simultaneous translation.

To gain access, please click the Interpretation button on the globe icon at the bottom of the screen.

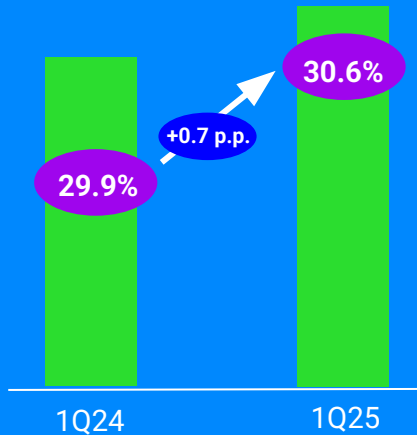
The Earnings Release and the Presentation, Portuguese and English versions, are available for download on the Investor Relations website: ri.magazineluiza.com.br

The presentation in English is also available on the link sent in the chat.



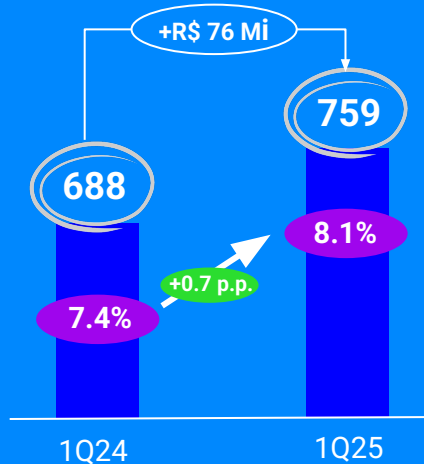
1Q25 reinforces the strength of the Magalu Ecosystem: increase in operating margins (0.7 p.p. gain in both gross margin and EBITDA margin), growth in services, and the strength of the omnichannel model

Gross Margin (%)



+0.7 p.p. growth in gross margin:
Increase in merchandise gross margin and higher contribution from services such as marketplace, ads, and insurance

Adjusted EBITDA (Million R\$)



+0,7 p.p. growth in adjusted margin
EBITDA

Net Profit of R\$84 million at
Luizacred

R\$11.2 million
of Adjusted Net
Profit in 1Q25

6th consecutive quarter
of net income

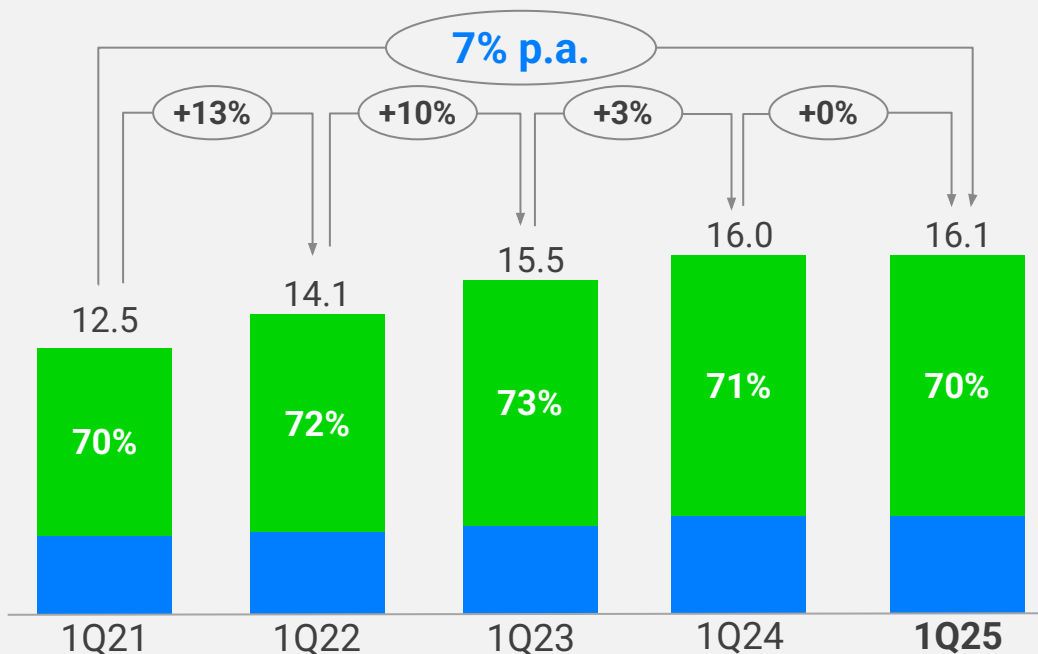


Total Sales were **R\$16.1 billion** on 1Q25, with average growth of 7% on the last 4 years.

Evolution of total sales

[Billion R\$; %]

Online Stores



R\$4.9 billion

Physical Store Sales on 1Q25

R\$6.6 billion

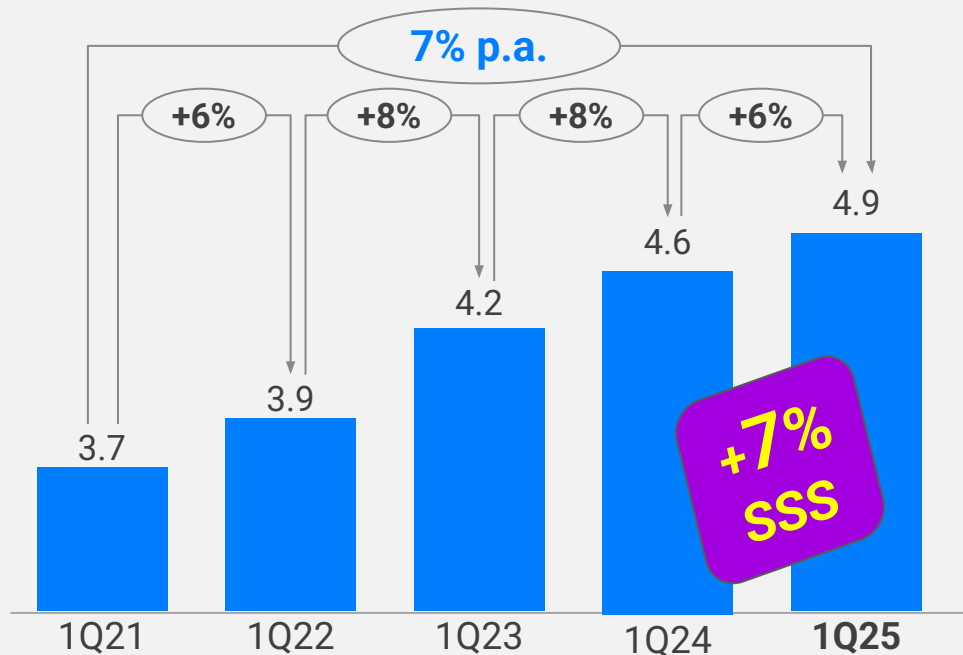
1P Sales on 1Q25

R\$4.6 billion

3P Sales on 1Q25

Total Sales in Physical Stores reached **R\$ 4.9 billion** on 1Q25

Evolution of sales in physical stores
[Billion R\$; %]



7%

Same Store Sales
[1Q25 - 1Q24]

6%

Growth of Physical Stores
[1Q25 - 1Q24]

MagaluAds has been evolving at a rapid pace and also contributed to the results of the first three months of the year

53% Revenue Growth
[1Q25 - 1Q24]



MagaluADS

Initiatives with Partners

Uber



Growth of
CTR
(Click-Through
Rate)

Increase in
Ad Spaces

Magalubank: Expanding the offering of financial services at Magalu, combining growth with profitability and higher sales conversion

Net Profit (1Q25)

(Million R\$)

R\$84 Mi

Luizacred

R\$14 Mi

MagaluPay

R\$12 Mi

Consortium

R\$110 Mi

Total Net Profit

Magalubank Structure

LuizaCRED

Credit Cards

NEW

magalu
pay IF

DCC,
Loans and
Investments



It will expand the offering of financial products and services, making it even more profitable, efficient, and transparent

magalu
pay IP

Digital Account,
Acquiring and
Insurance

CONSORCIO
Magalu

Consortium



Magalu Ecosystem in one place: KaBuM! and Netshoes physical stores expand omnichannel presence

KaBuM!>>

R\$20 Mi

Net Profit (1Q25)

**We celebrated the 1-year anniversary
of KaBuM!'s physical store**



**Success in the 'Build Your
Own' gaming computer**
(Growth of 33% vs 1Q24)

netshoes

R\$6 Mi

Net Profit (1Q25)

**Opening of Netshoes' physical
store**

**The space has 2,000 m² and offers more
than 18,000 products, distributed across
1,200 different models.**

Fundraising with the IFC (International Finance Corporation), a member of the World Bank Group



\$130 million

Clean operation

Total term of 5 years, including 2 years of grace period



First transaction with the IFC,
recognized for financing sustainable
projects in the private sector



Funds will be used for investments
in technology



Magalu's first issuance with
sustainability indicators



Increase in liquidity and
optimization of our capital
structure

MagaluCloud: The first Brazilian cloud with global scale



The Cloud infrastructure platform
that connects **customers** to **local ecosystems**

Best Results in Performance and Cost Savings



40% of Magalu's workloads have
already been migrated to its own Cloud



More than 400 SMEs using
MagaluCloud



5 zones enabled in 2 regions

"At HeroSpark, a pioneer in AWS ECS solutions, we are excited to announce our infrastructure migration to Magalu Cloud. This strategic transition will not only optimize our performance, as we are already seeing improvements, but will also result in a significant cost reduction, estimated at over 70%."
Testimonial from a MagaluCloud customer.

Magalog

Omnichannel Fulfillment



24% of 3P Orders
(vs 16% in 1Q24)



+4,200 Sellers



Service Level 95%



10 DCs
Opening in Rio de Janeiro

2x

Increase in conversion rates
by using Fulfillment

Omnichannel Reverse Logistic

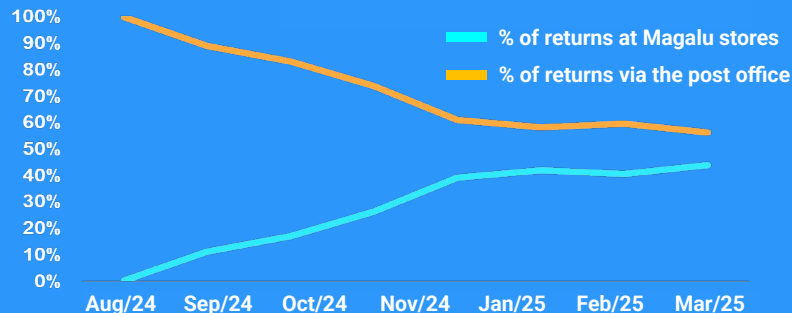


Magalu's stores enabled for the return of
e-commerce orders (1P and marketplace)

In just 9 months:

44%

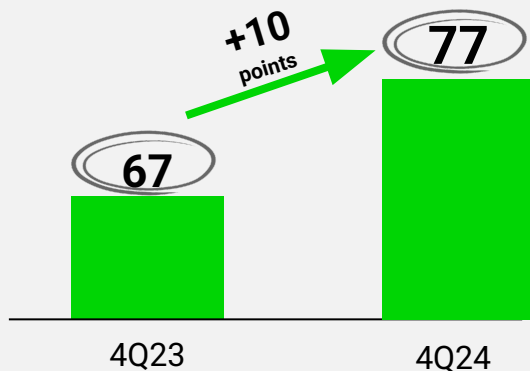
of customers already prefer
returning products purchased
online via Magalu stores instead of
the Postal Service



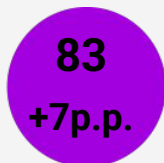
Enchants Magalu

Significant growth in NPS, with improvements across all channels.

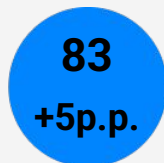
Consolidated NPS - 4Q24



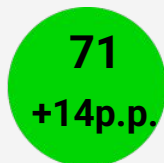
1P



Stores



3P



More assertive search



Evolution in Seller reputation



New payment options



94% of Service Level



Reduction in refund processing time



Increase in self-service



Converte Magalu: Turning visits into transactions.

The focus this year is to **increase the conversion of visitors into purchases**, optimizing each step of the process to improve the customer experience.

Factors for Increasing Conversion



Price



Delivery
Time



Browsing
Experience



Payment
Options

General visits

Product Page Visits

Add to cart

Conversion Checkout

Conversion



New Vice Presidency of Platforms: technology and business teams together



New Organizational Structure

Unification of technology and digital channels into a single Vice-Presidency



Strategic Leadership

André Fatala assumes the role of VP of Platforms with a focus on the evolution of Magalu as a Platform



Marketplace Reinforcement

Ricardo Garrido joins to lead the Marketplace team



Nova Liderança MagaluBank

Jörg Friedemann takes on the role of **Chief Executive Officer at Magalubank**, leading Magalu's financial products and services operation, with the opportunity to expand its online penetration



Platform VP
André Fatala



Marketplace Director
Ricardo Garrido



MagaluBank Chief Executive Officer
Jörg Friedemann

Financial Highlights



Financial Highlights of 1Q25

R\$16.1 Billion on Total Sales
(0.2% of growth)

R\$759 Million Adjusted EBITDA
(8.1% of margin)

7% Growth on Same-Stores Sales
(6% Total growth on total stores)

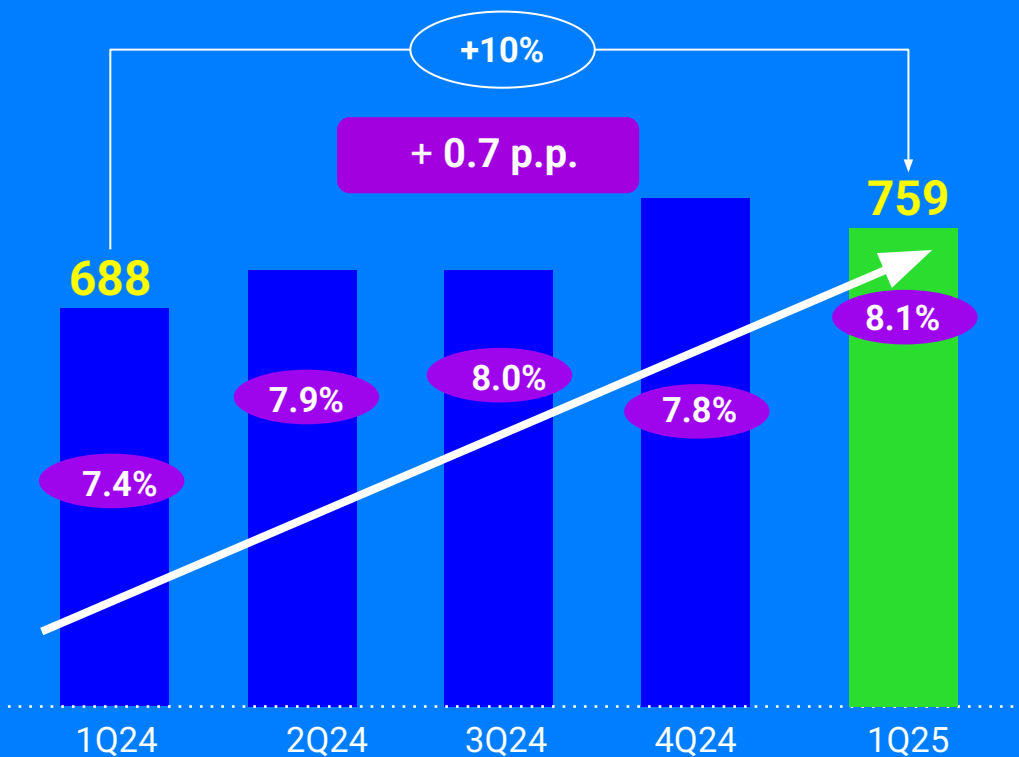
R\$11.2 Million Adjusted Net Profit
(Net Income of R\$12.8 million)

30.6% Gross Margin
(vs 29.9% of margin on 1Q24)

R\$6.7 Billion Total Cash Position
(R\$2.1 bi Adjusted Net Cash)

In 1Q25, Adjusted EBITDA reached R\$759 million, with a 8.1% margin

Adjusted EBITDA margin
[% of Net Revenue]



Key Levers



Service revenue growth

- Marketplace
- Ads
- Insurance



Increase in merchandise margin



Fulfillment expansion



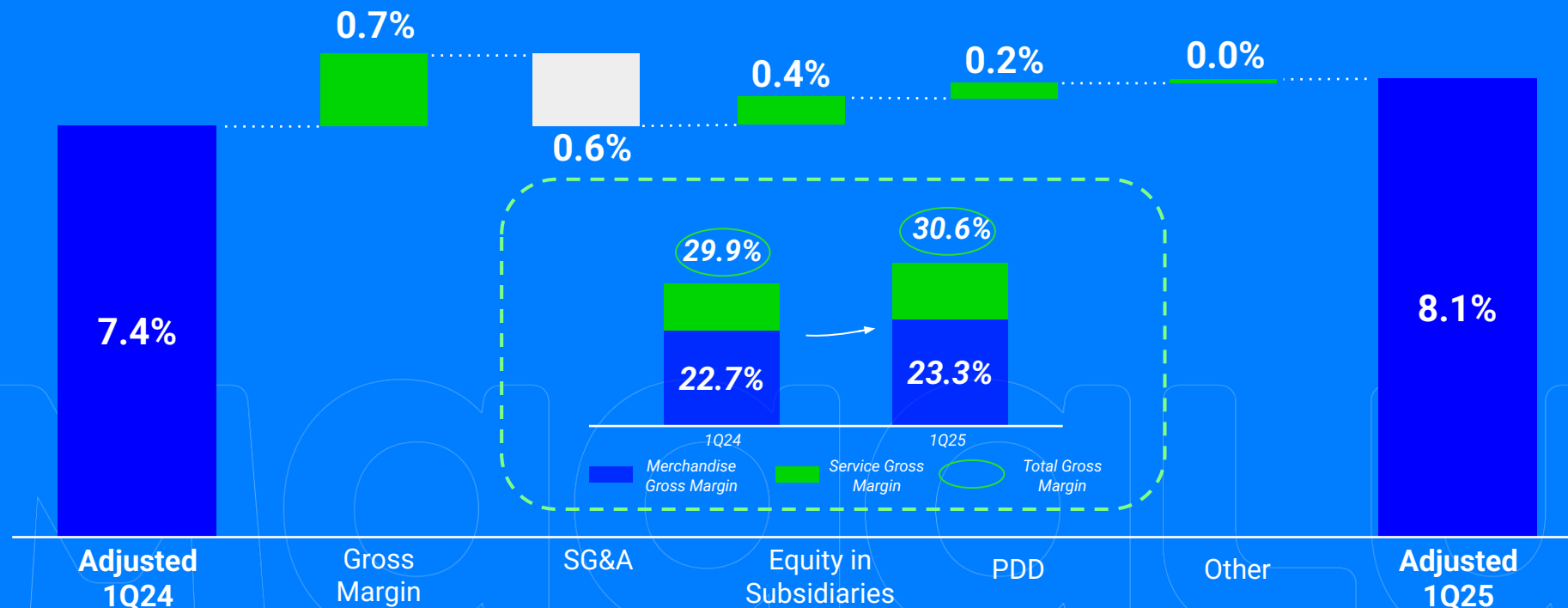
Market share and profitability gain in physical stores



Profitability increase at Luizacred

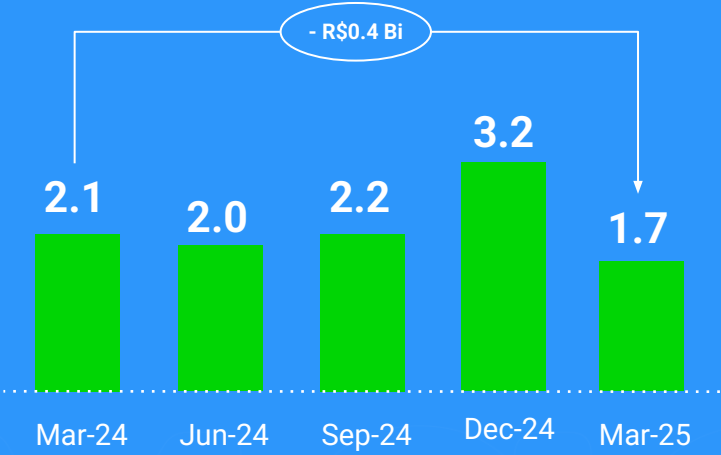
Consistent evolution of the Adjusted EBITDA Margin

A growth of 0.7 p.p. in the adjusted EBITDA margin, with expansion in gross margin and equity income



In working capital, notable decrease in inventories and tax monetization.
Financial expenses impacted by the inversion of the yield curve compared to 1Q24

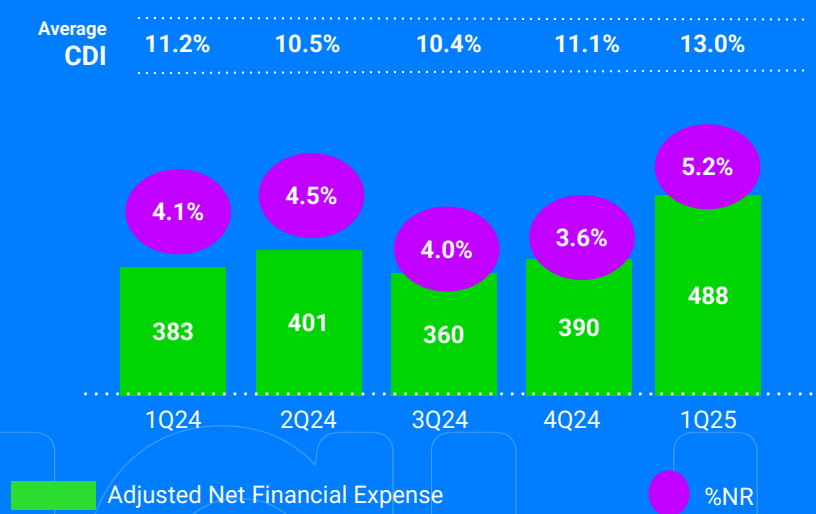
Adjusted Working Capital (Billion R\$)



Working Capital
Reduction primarily influenced by retail seasonality

Reduction in the balance of long-term recoverable taxes by **R\$564 million** in the last twelve months

Adjusted Net Financial Expense (Million R\$)



Adjusted Net Financial Expense

%NR

Reduction in the total balance of recoverable taxes by **R\$201 million** in 1Q25

Financial Expenses
Increase primarily due to the inversion of the future interest rate curve, which went from 11% on 1Q24 to 14% on 1Q25

Total cash position of R\$6.7 billion in Mar/25

Operational cash flow generation of R\$2.4 billion on the last 12 months

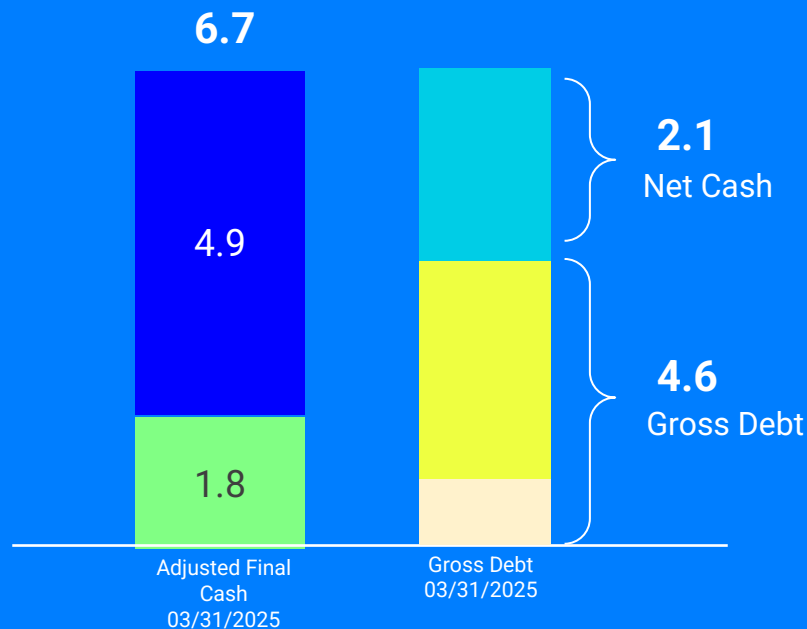
Cash Flow LTM
(Billion R\$)



We ended 1Q25 with a **net cash position of R\$2.1 billion** and completed significant fundraising efforts that further strengthen our capital structure

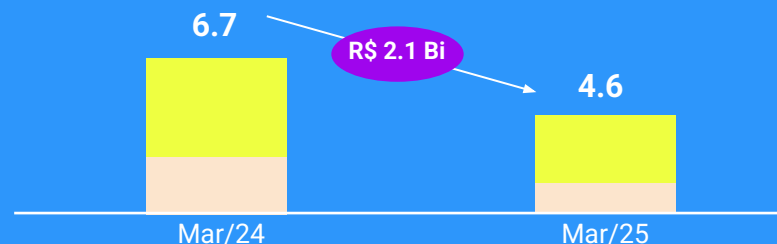
Cash and Debt

(Billion R\$)



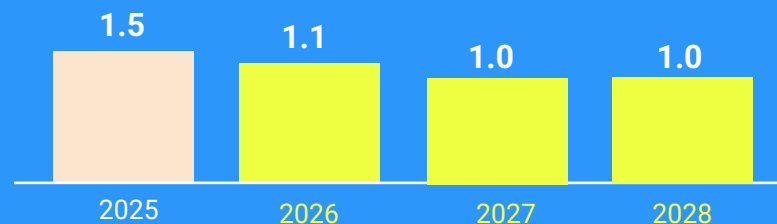
Receivables Cash Short-Term Long-Term

Debt (Billion R\$)



- Apr/25: 13th Issue of Debentures in the amount of R\$1.0 billion
- Apr/25: IFC Financing Agreement in the amount of US\$130 million

Debt Schedule (billion R\$)



→ Debt Extension

Luizacred

Low delinquency rates and significant improvement in profitability, with annualized ROE reaching 17% in 1Q25

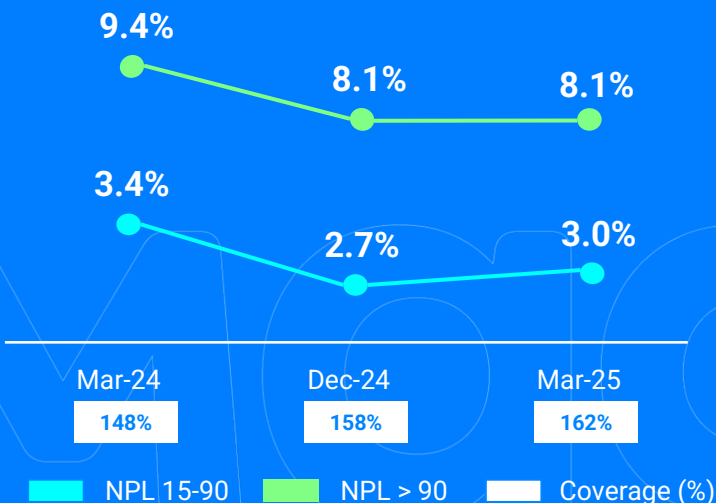
R\$ 19.9 B

Credit Portfolio
[1Q25]

6.1 M

Credit Cards
[1Q25]

Percent of the Portfolio Overdue (%)



Net Profit [Million R\$]



Ecosystem Magalu



serviços financeiros

CONSÓRCIO
Magalu

hub
fintech

VIP
COMMERCE

maas

magaluCLOUD

magalu
pagamentos

stoa com
school

LuizaCRED

SmartHint HUB SALES

magalu
bank

grand
chef **bit55**

logística

Magalu
Entregas

Canaltech

conteúdo

SODE
SOLUÇÕES DE ENTREGA

netshoes

KaBum!>>

**STEAL
THE
LOOK**

logbee

ÉPOCA
COSMÉTICOS • PERFUMARIA

aiqfome

ZATTINI

Magalu

estante
virtual

**LOVE
HUB**

GFL

Sinclog



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