

# Conference Call 1Q25

May 9, 2025



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

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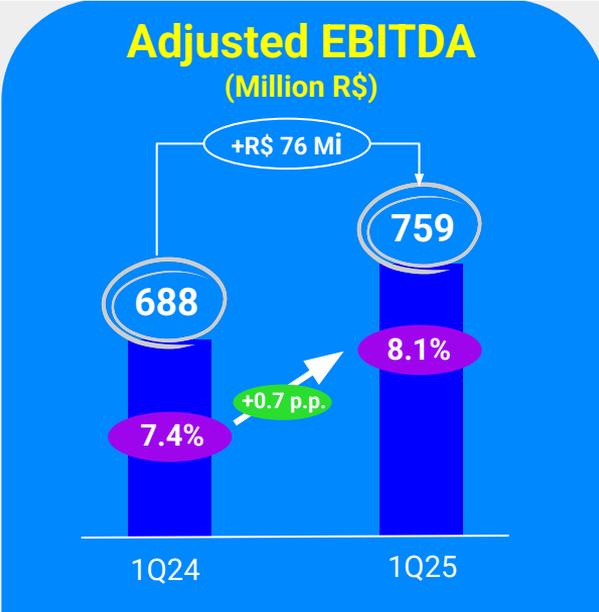
The Earnings Release and the Presentation, Portuguese and English versions, are available for download on the Investor Relations website: [ri.magazineluiza.com.br](http://ri.magazineluiza.com.br)

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**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



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



**+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

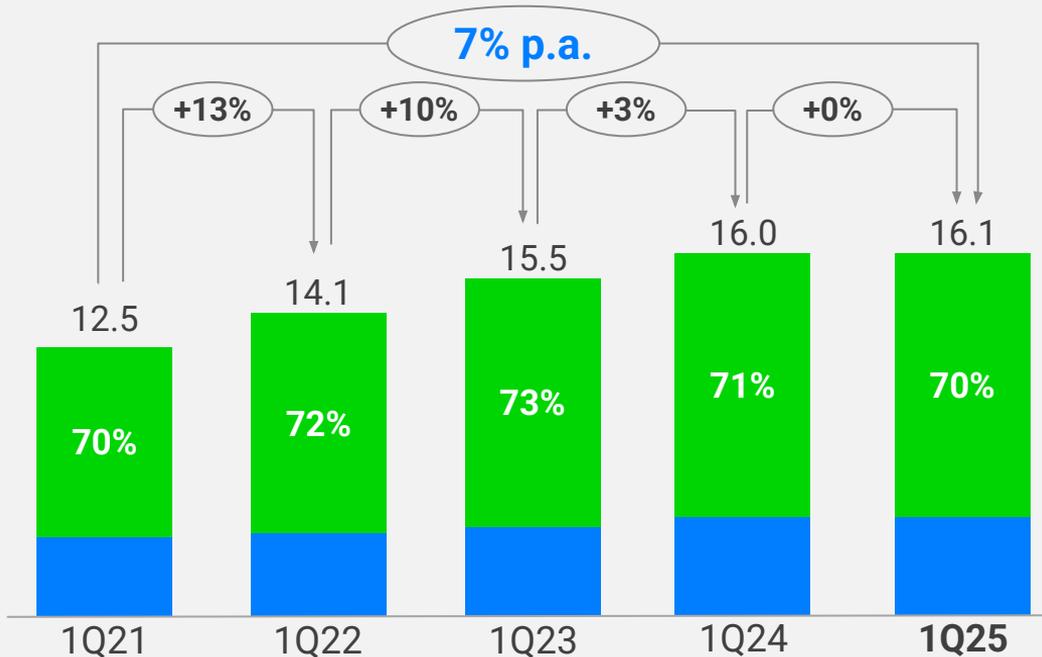


**Total Sales** were **R\$16.1 billion** on 1Q25, with average growth of **7%** on the last 4 years.

### Evolution of total sales

[Billion R\$; %]

Online Stores



**R\$4.9 billion**

Physical Store Sales on 1Q25

**R\$6.6 billion**

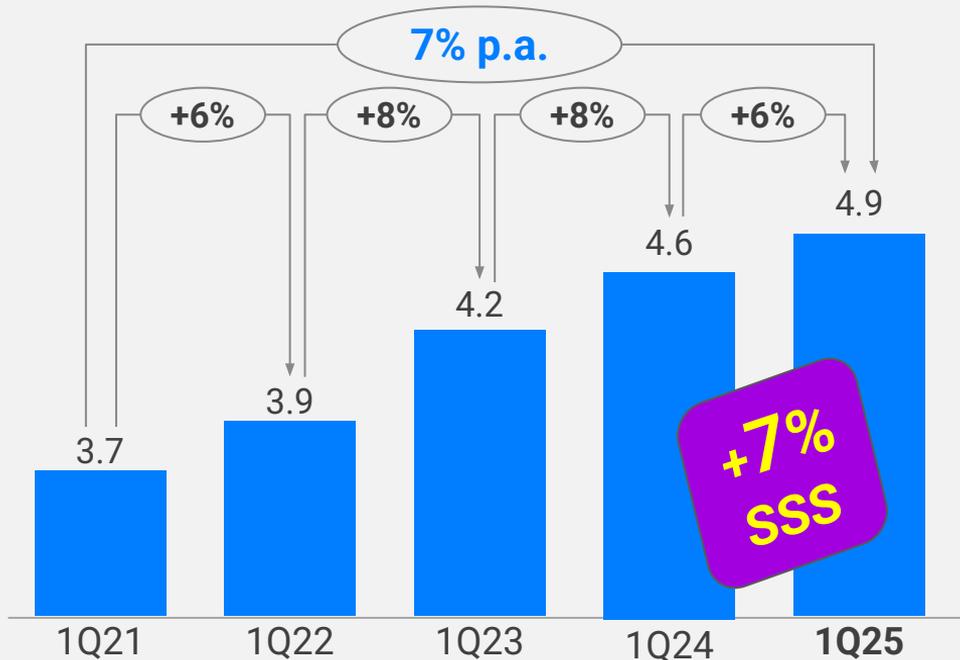
1P Sales on 1Q25

**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]

# 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 m<sup>2</sup> and offers more than 18,000 products, distributed across 1,200 different models.**

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]



**MAGALU**ADS

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

CONSÓRCIO  
Magalu

Consortium



# 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%**

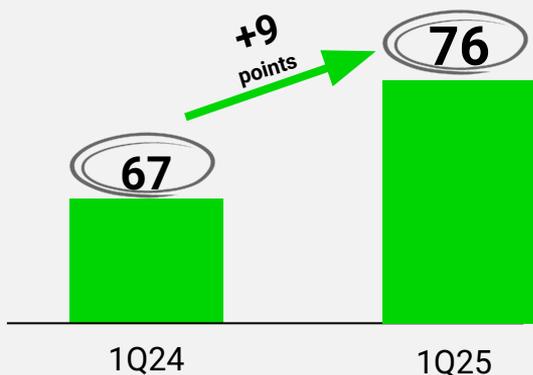
of customers already prefer  
returning products purchased  
online via Magalu stores instead of  
the Postal Service



# Enchants Magalu

Significant growth in NPS, with improvements across all channels.

Consolidated NPS - 1Q25



1P

81

+6p.p.

Stores

83

+4p.p.

3P

69

+10p.p.



More assertive search



Evolution in Seller reputation



New payment options



94% of Service Level



Reduction in refund processing time



Increase in self-service

# Convert 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

# Organizational Structure: leadership for MagaluBank

## Vice-Presidency of Platforms and new



### 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

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Magalu

Magalu

# 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)

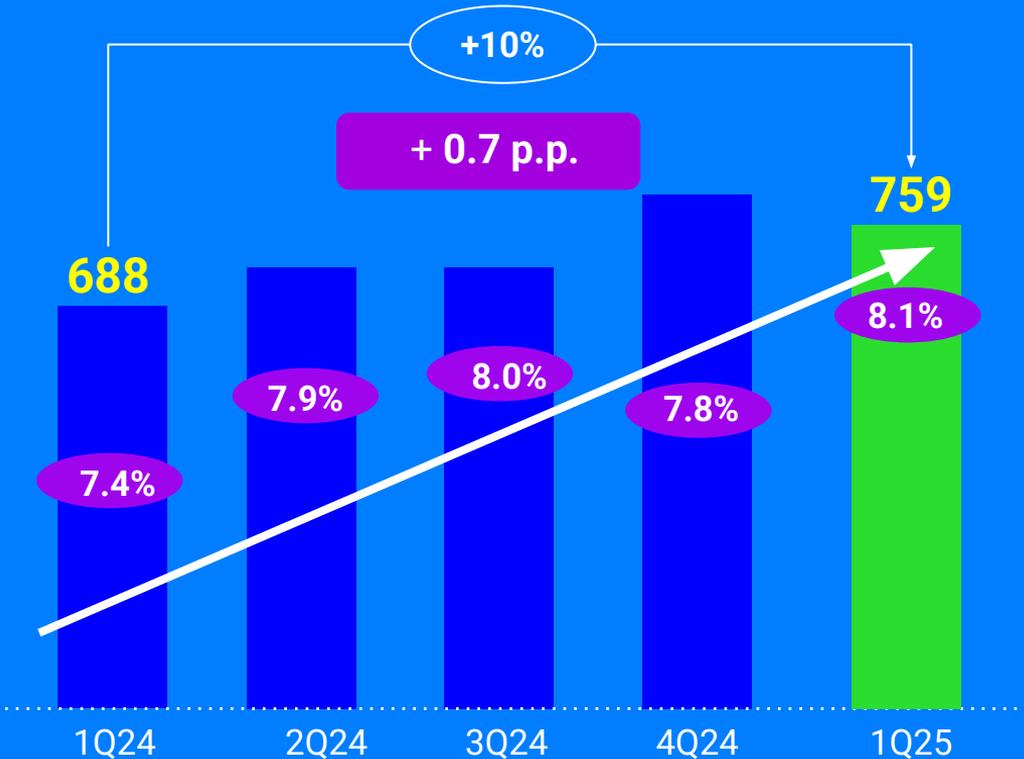
**R\$11.2** Million Adjusted Net Profit  
(Net Income of R\$12.8 million)

**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



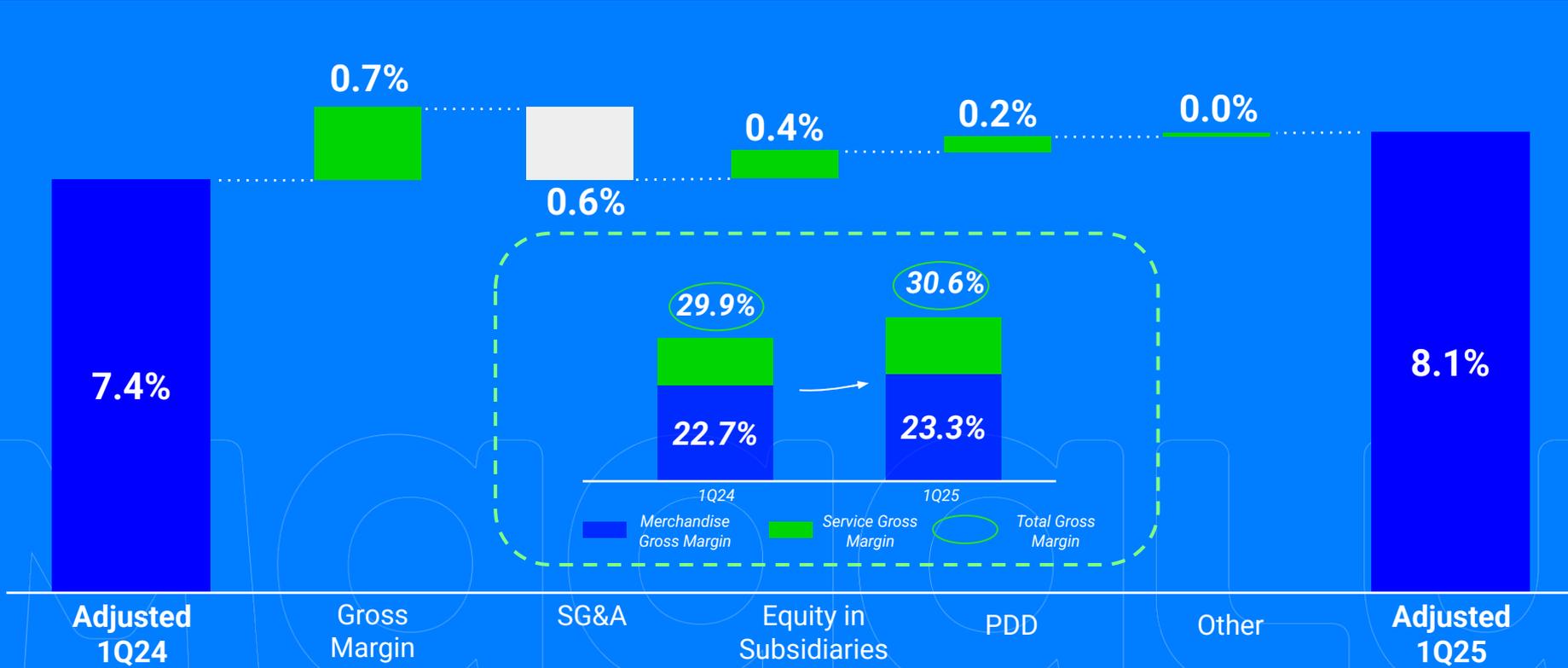
Market share and profitability gain in physical stores



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\$)



## Adjusted Net Financial Expense (Million 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

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\$)



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

a



## \$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

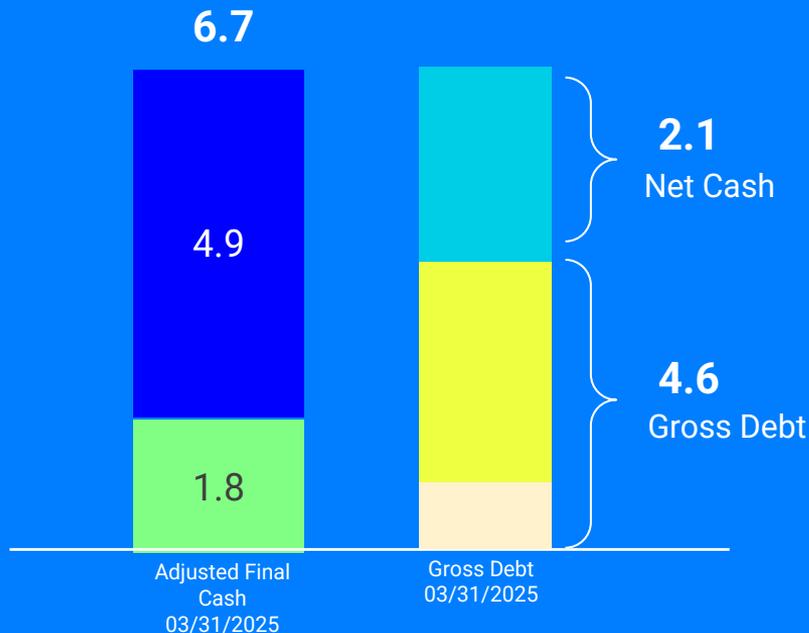


Increase in liquidity and  
optimization of our capital  
structure

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\$)



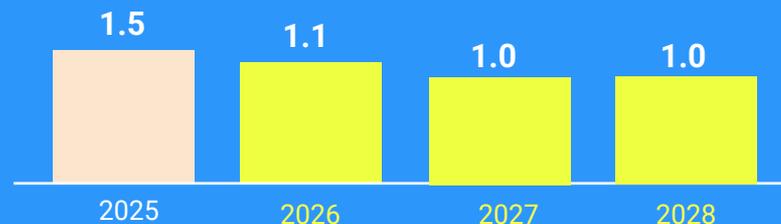
■ Receivables 
 ■ Cash 
 ■ Short-Term 
 ■ Long-Term

## 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

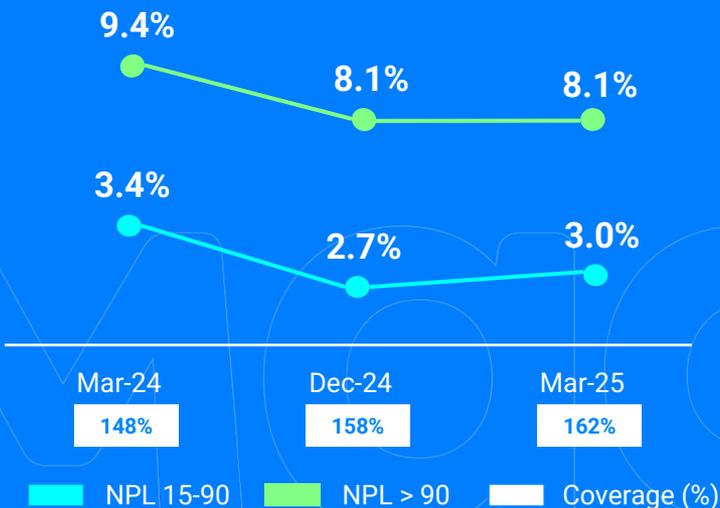
R\$ 19.9 B

Credit Portfolio  
[1Q25]

6.1 M

Credit Cards  
[1Q25]

## Percent of the Portfolio Overdue (%)



## Net Profit [Million R\$]



# Magalu ecosystem



serviços financeiros

CONSORCIO  
**Magalu**

**VIP**  
COMMERCE

maas

**Magalu**  
pagamentos

**hub**  
fintech

**MagaluCLOUD**

**LuizaCRED**

**stoa** com school

**Magalu**  
bank

SmartHint HUB SALES

grand chef bit55

logística

**Magalu**  
Entregas

Canaltech

conteúdo

SODE  
SOLUÇÕES DE ENTREGA

**netshoes**

**KaBum! >>**

STEAL  
THE  
LOOK

logbee

ÉPOCA  
COSMÉTICOS · PERFUMARIA

**aiqfome**

**GFL**

ZATTINI

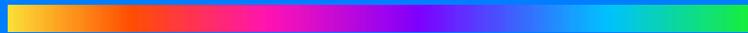
**Magalu**

estante virtual

LOVE  
THE  
LOOK

Sinclog

# MAGALU



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