

Conference Call 4Q24

March 14, 2024



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Strategic cycle closure: New sources of earnings streams and less exposure to macroeconomic cyclicality. Ensuring profitability regardless of interest rates.

2016-2020: Magalu Digitalization

1- Digital Inclusion



2- Multi Channel



3- Store Digitalization



4- Digital Sales Platform



5- Digital Culture



2021-2025: Ecosystem Consolidation

1- Marketplace Growth



2- New Categories



3- Magalu Fintech



4 - Faster Delivery

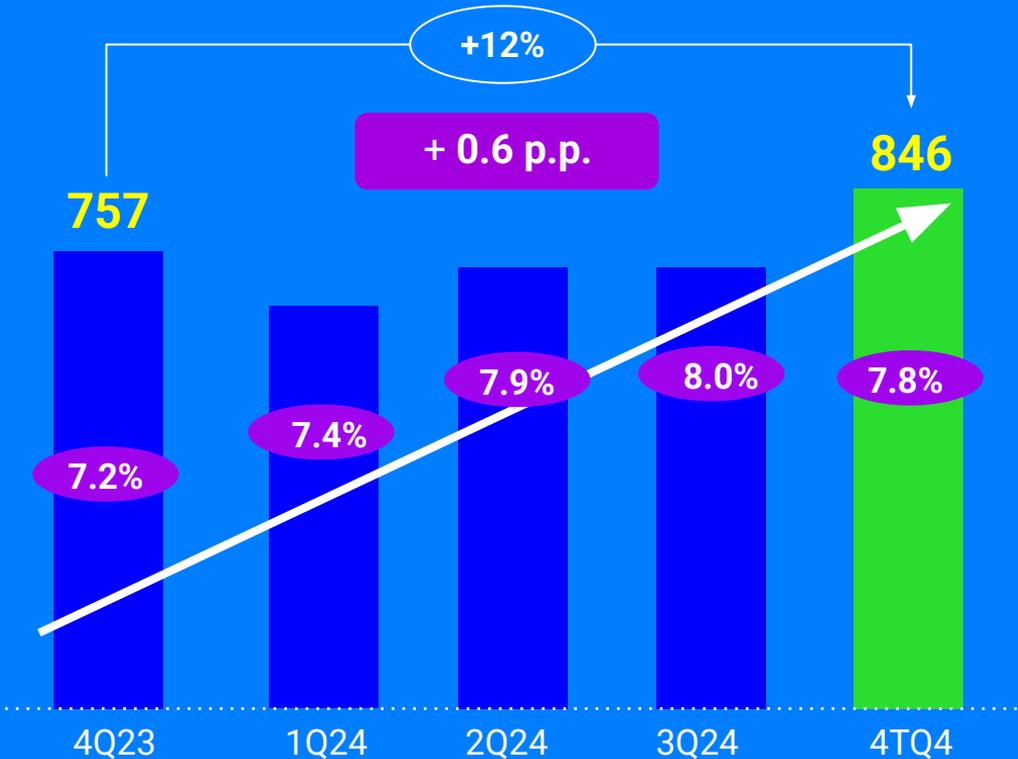


5- Magalu as a Service



In 4Q24, **EBITDA reached R\$ 846 million**, with a 7.8% margin
Net income totaled R\$139 million, a 37% increase compared to 4Q23

Adjusted EBITDA margin
[% of Net Revenue]



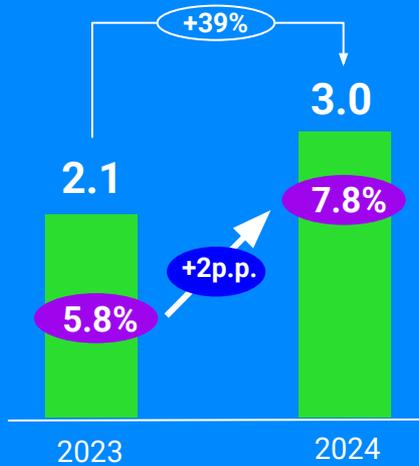
R\$139 million
Adjusted Net
Income in 4Q24

5th consecutive quarter of
net income



In 2024, the Magalu ecosystem proved itself. During the year, EBITDA grew by 39%, reaching R\$3.0 billion, with a 7.8% margin. Net income totaled R\$277 million for the year, and operating cash generation reached R\$3.1 billion.

Adjusted EBITDA (Billion R\$)



+1.4 p.p. growth of gross margin

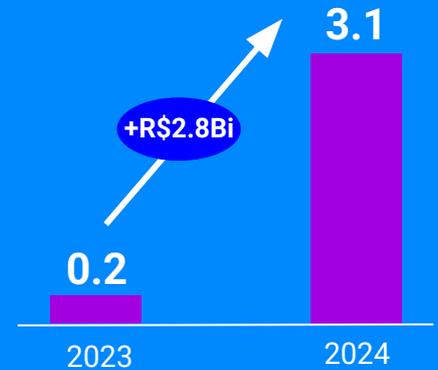
Net income of R\$295 million at Luizacred

Adjusted Net Profit (Million R\$)



Evolution of R\$1.3 billion on operational profit before taxes in 2024

Generation of Net Cash (Billion R\$)



Decreasing of R\$2.8 billion on net debt

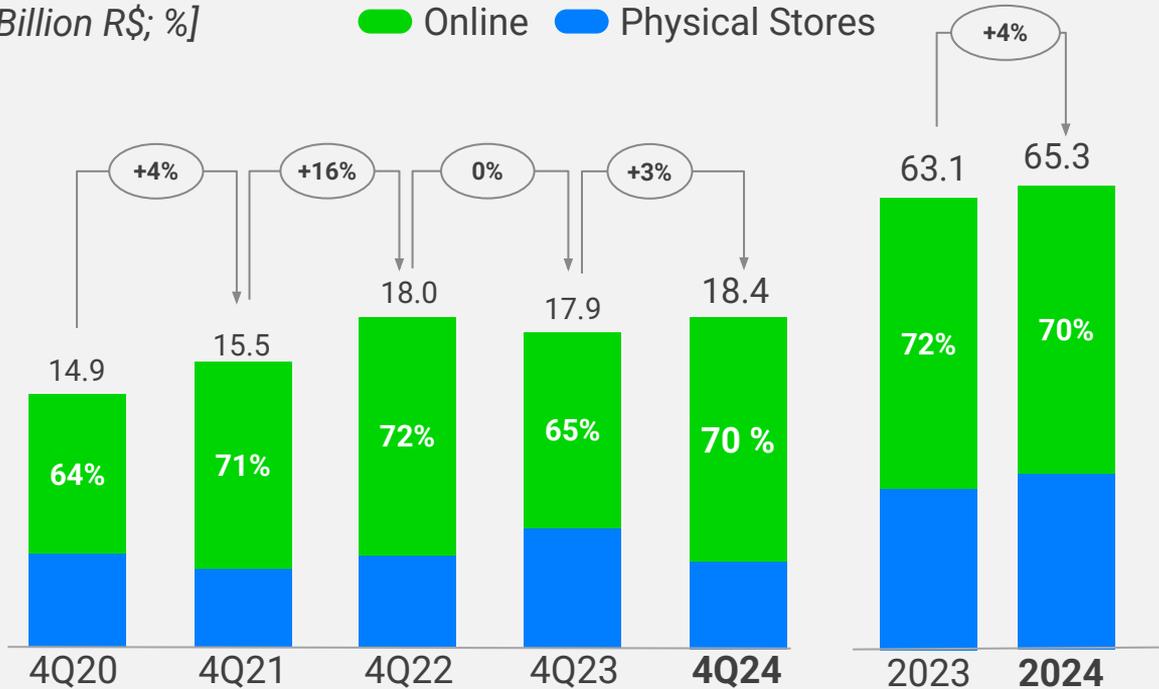
R\$3.3 billion of Net Cash (increase of R\$1.6 billion vs 2023)



Total Sales of **R\$65.3 billion** in 2024, with **4% growth**

Total sales growth [Billion R\$; %]

Online Physical Stores



R\$19.2 billion

Physical Store Sales in 2024
[10% of growth vs 2023]

R\$27.5 billion

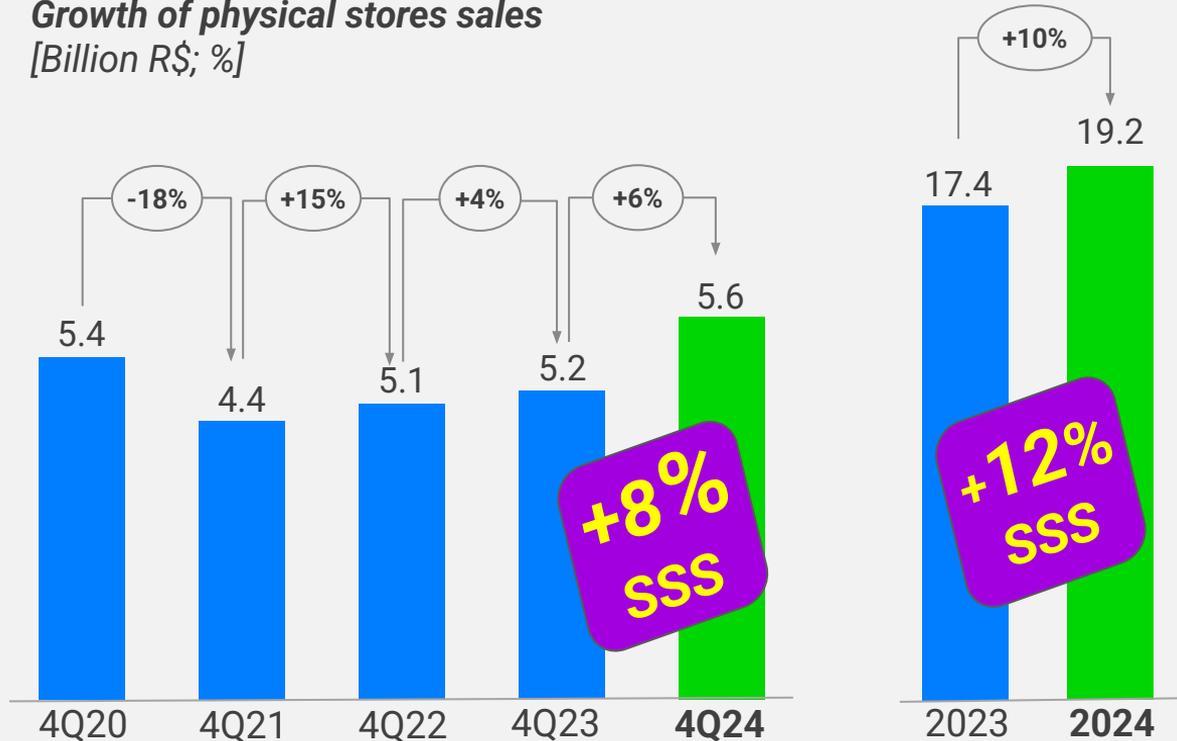
1P Sales in 2024
[stable vs 2023]

R\$18.7 billion

3P Sales in 2024
[3% of growth vs 2023]

Magalu continues to gain market share in physical stores, reaching sales of **R\$19.2 billion** in 2024

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



R\$19.2 billion

Store Sales in 2024

[10% of growth vs 2023]

12% Growth in the Same
Physical Store

[2024 - 2023]

Growth in all regions and all
categories



Grand Opening of the 1st Netshoes Store



Soon: Conjunto Nacional

Omnichannel

- *Integration of sales channels*
- *More complete and personalized shopping experience*



Tryout Spaces

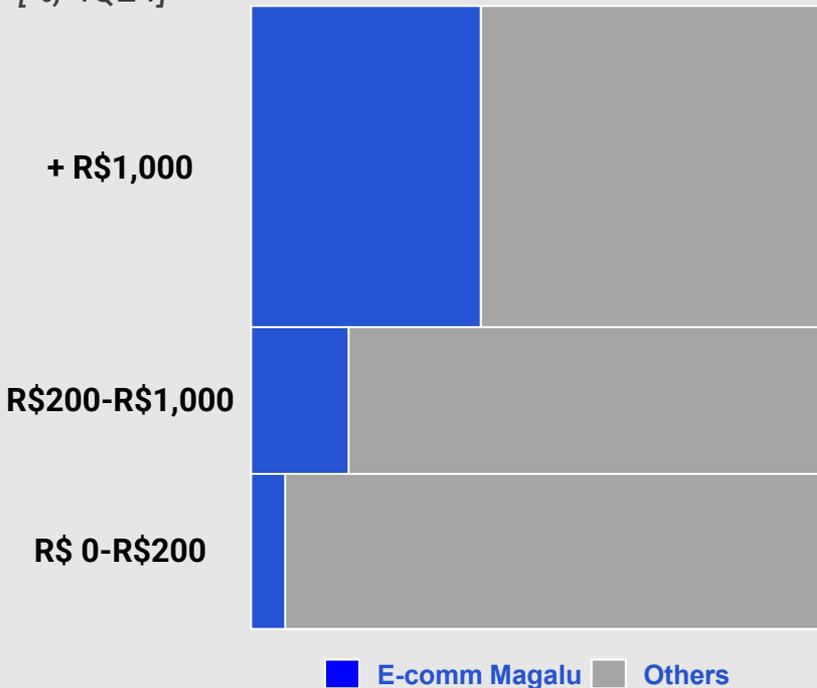
- *Interactive spaces*
- *Product customization*

Ecosystem Consolidation

- *All brands in a single store*
- *Expansion of the brand's physical presence*
- *Future growth*

E-commerce expansion strategy, consolidating our leadership in high-ticket items and diversifying into lower-ticket items

Magalu's online market share by average ticket range [%; 4Q24]



Segment Strategy



Service Level: Provenance and Quality



Support of physical stores in multichannel strategy



Credit on Luiza and Magalu cards



Fast and Efficient Logistics



Evolution of Multichannel Fulfillment

Magalu Agency: Store Pickup, Drop-off, Ship-from-Store



Partnership with AliExpress for selling Chinese Cross-border products

Omnichannel Fulfillment

Faster and more efficient



Connecting Marketplace Fulfillment to our DCs and stores to optimize deliveries and reduce costs.

Faster Deliveries + Lower Costs

- The same vehicle restocks stores, handles pickups, and delivers to customers (1P and 3P)
- Ready-to-operate structure: 3P fulfillment operating costs are absorbed by existing DCs

-40%
time

-20%
costs



24% of 3P Orders



+4.000 Sellers



Service Level 95%



9 DCs

Higher Conversion Rate

Average Increase in Conversion Rate

2x

Higher NPS

Average Increase in NPS

+10 p.p.

magalu

KaBuM
www.kabum.com.br

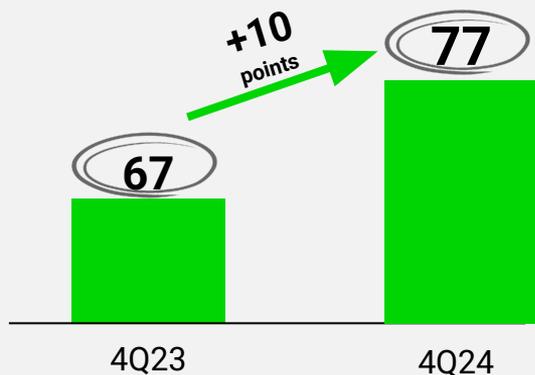
NETSHOES

Growth of 113% in Fulfillment sales in 2024 (High NPS)

2024: Encanta Magalu

Significant growth in NPS, with improvements across all channels.

Consolidated NPS - 4Q24



1P

83

+7p.p.

Stores

83

+5p.p.

3P

71

+14p.p.



More assertive search



Evolution in Seller reputation



New payment options



94% of Service Level



Reduction in refund processing time



Increase in self-service

Strategic partnership between Magalu and Alibaba will significantly expand the assortment and audience of both platforms in Brazil

AliExpress no Magalu

- 2 full months of operation
- +750 thousand of distinct products
- Creation of Magalu Imported Day, every 11th of the month

Diversification of categories with lower average tickets

- Electronics
- Toys
- Tools
- Fashion
- Home categories
- Gardening



In the second half of 2024, Magalu Ads reached key milestones in its growth and innovation journey



Improvement in the algorithm, performance, and usability



Launch of the self-service model for major clients



Enhancement of the Display product

+103%

Platform
Revenue

[2024 vs 2023]

+15%

Number of
advertisers key
accounts

[2024 vs 2023]

472M

Monthly visits

[dec/24]

MagaluADS



Canaltech



STEAL THE LOOK

netshoes

Magalupay SCFI – Authorization from the Central Bank and new opportunities for financial products and services from Magalubank

Expanding the offer of financial products and services, making them even more:

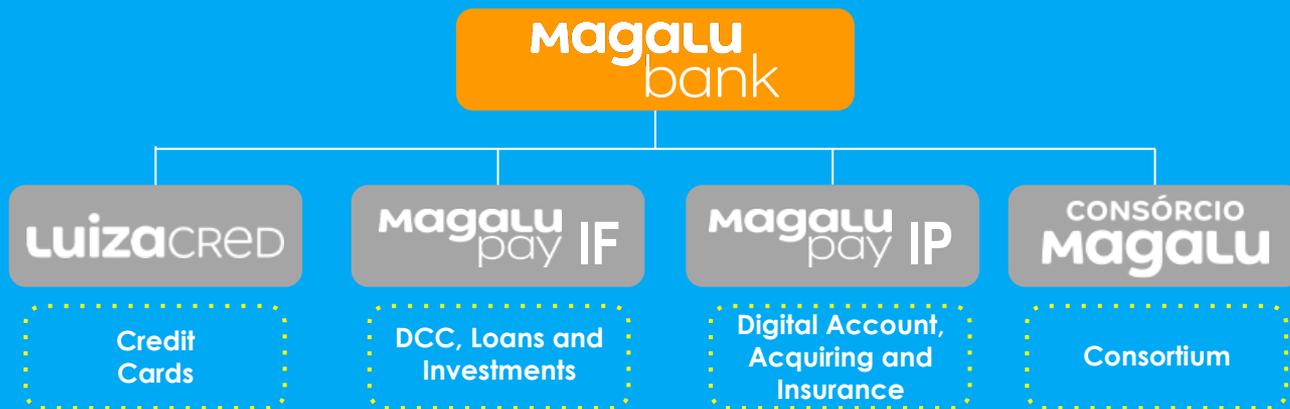
+ Efficient

+ Transparent

+ Profitable



The new financial institution complements the structure of Magalubank:



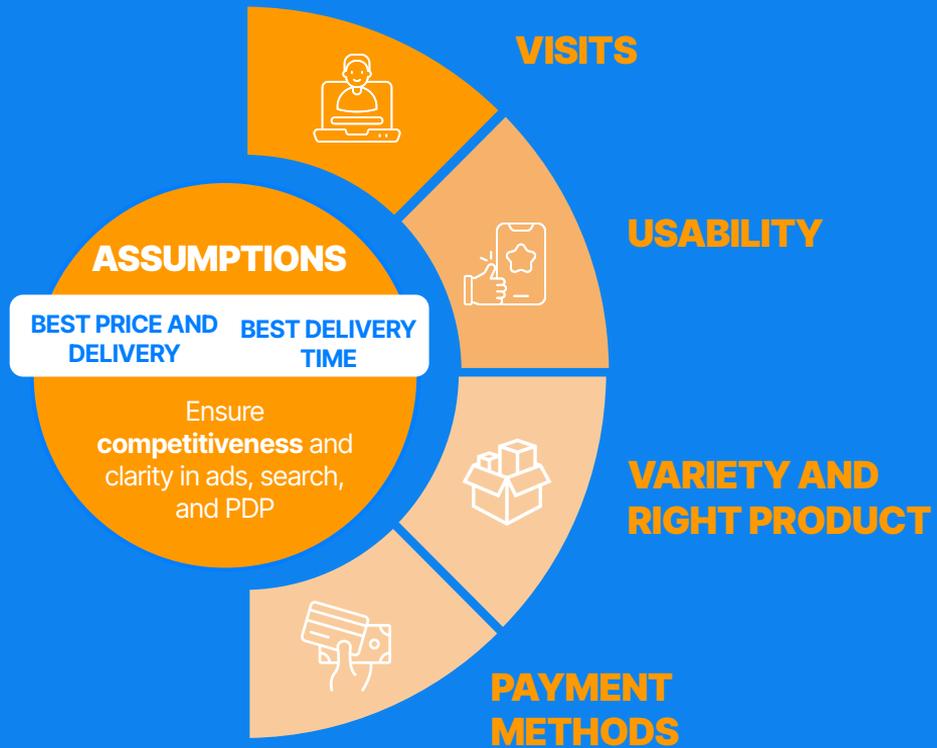
And it will offer investment options for customers and additional funding sources, reducing the cost of funding



2025: Convert Magalu

MAIN FRONTLINES OF THE CONVERSION

In addition to the **competitive product price, shipping, and the best delivery time, visits, usability, product variety, and credit conditions** are also crucial for **increasing conversion**



Organizational restructuring: accelerate digital evolution, increase sales conversion, and strengthen the digitalization of Brazilian retail



Andre Fatala takes on unified leadership of **Marketplace, Marketing, Ads, Technology, and Cloud**, consolidating strategic areas for innovation and AI-driven automation.



Integration of technology and business, accelerating digitalization and enhancing services for **partners and sellers**.



Structure strengthens **sustainable growth** and the development of a robust digital infrastructure.

Magalu now operates with two strategic vice presidencies:



Platform VP
André Fatala



Physical Stores, Retail and Logistics VP
Fabricio Garcia

To further strengthen the Platform VP and drive the growth of 3P, we are announcing the arrival of:



Marketplace Executive Director
Ricardo Garrido



Growth Director
Marielle Paiva

Financial Highlights



Magalu

Magalu

Financial Highlights

4Q24

R\$18.4 Billion in Total Sales
(3% of growth)

R\$846 Million in Adjusted EBITDA
(7.8% of margin)

8% Same Store Sales
(6% Growth in Stores)

R\$139 Million in Adjusted Net Income
(Net Income of R\$295 milhões)

30.1% Gross Margin
(vs 30.3% of margin in 4Q23)

R\$2.1 Billion in Total Cash
(R\$7.9 billion in Cash including Receivables)

Financial Highlights

2024

R\$65.3 Billion in Total Sales
(4% of growth)

R\$3.0 Billion in Adjusted EBITDA
(7.8% of margin)

12% Same Store Sales
(10% Growth in Stores)

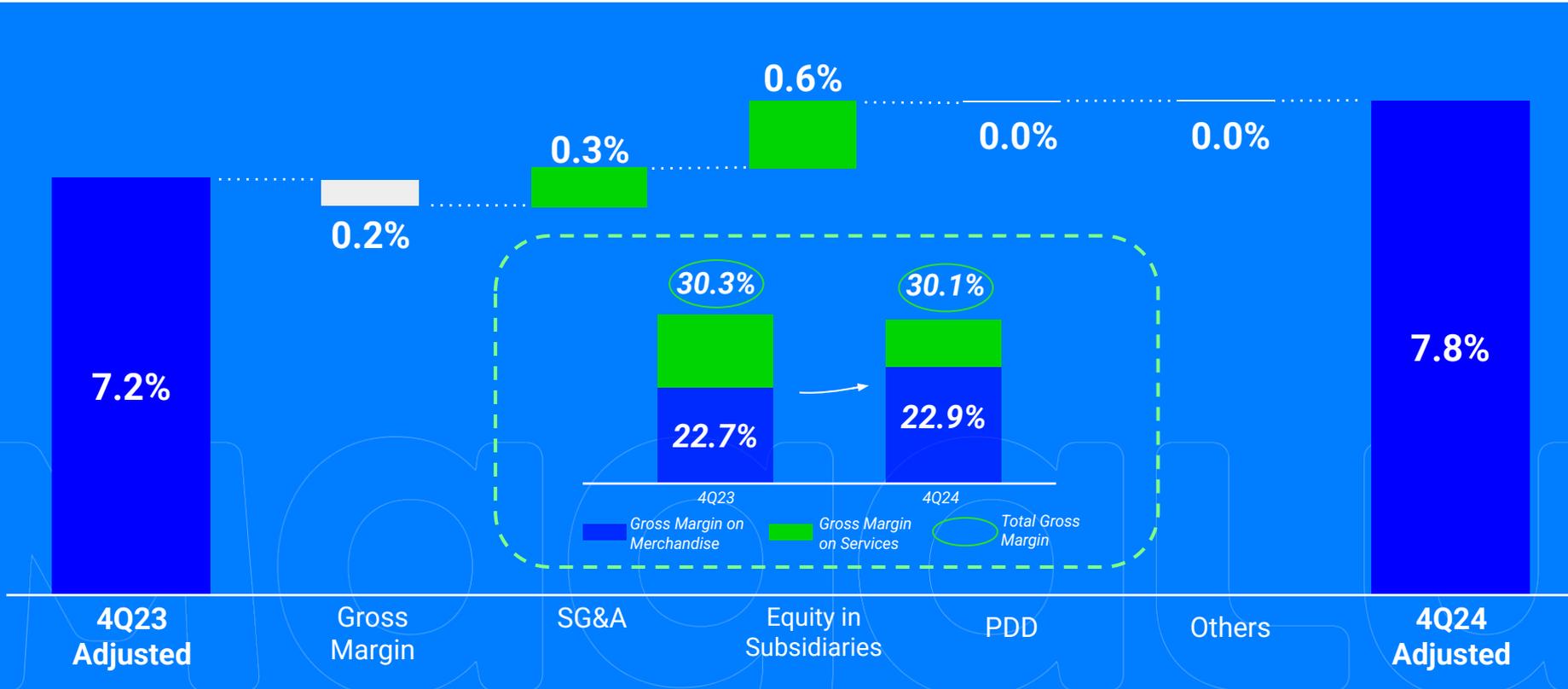
R\$277 Million in Adjusted Net Income
(Net Income of R\$449 milhões)

30.6% Gross Margin
(vs 29.2% of margin in 2023)

R\$3.1 Billion in Total Cash
(R\$7.9 billion in Cash including Receivables)

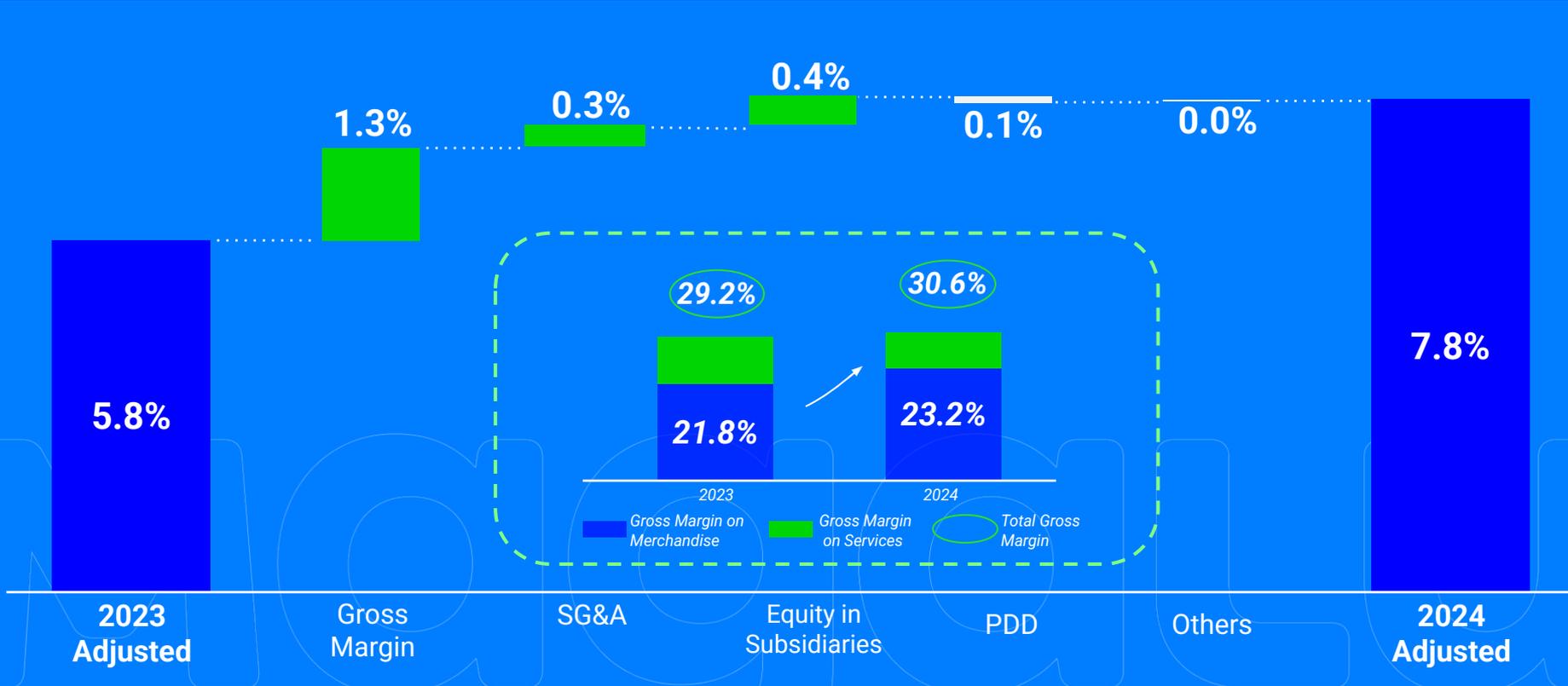
Consistent evolution of adjusted EBITDA margin

0.6 p.p. increase in adjusted EBITDA margin, driven by higher equity income and expense dilution



Significant adjusted EBITDA margin evolution

2.0 p.p. increase in Adjusted EBITDA margin, with an increase in gross margin, equity income and expense dilution



Solid working capital contributes to operational cash generation

In 4Q24, the financial expenses represented online 3.6% of Net Revenues

Adjusted working capital (R\$ billion)



Adjusted net financial expense (R\$ million)



Working Capital Improvement
evolution of R\$1.0 Billion in 4Q24 and R\$400 Million in 2024

Reduction of the net balance of taxes to be recovered by **R\$418 million** in 2024

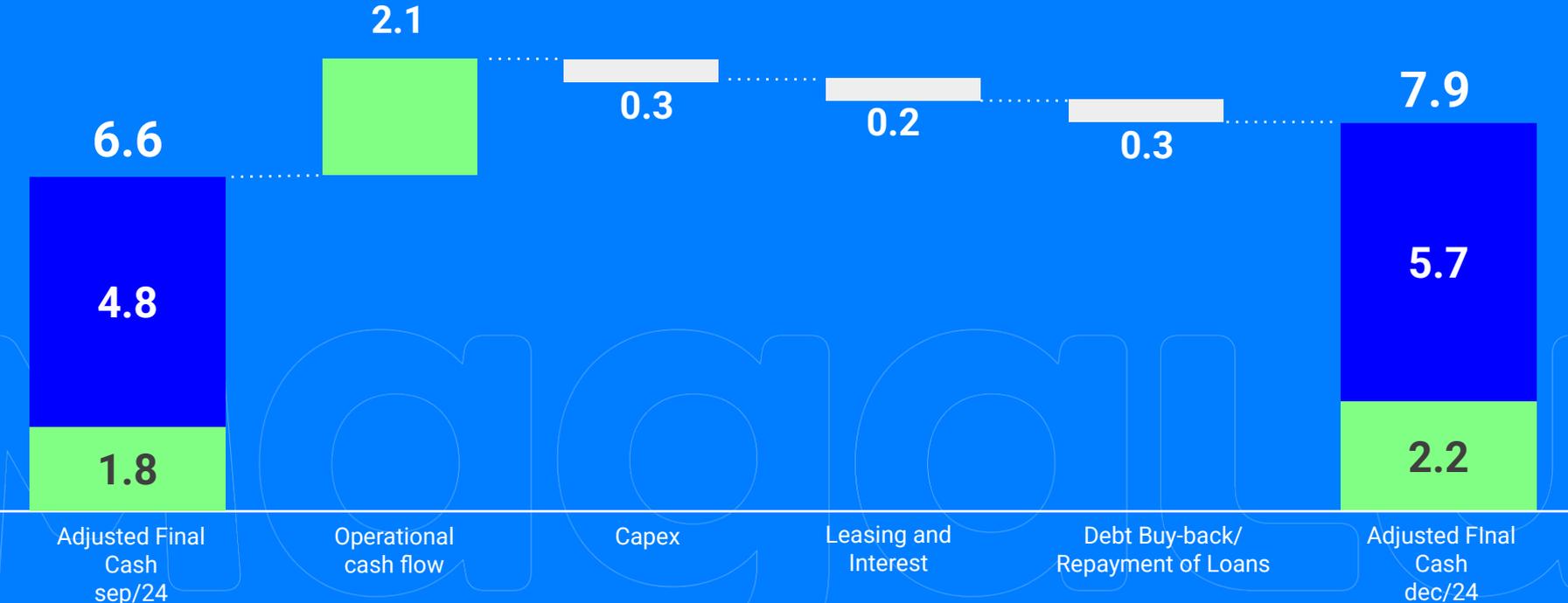
11% reduction in financial expenses due to higher cash generation during the period, debt reduction, and receivable advances

Operational cash generation of R\$2.1 billion in 4Q24

Total Cash of R\$7.9 billion in Dec/24

Cash Flow 4Q24 (R\$ billion)

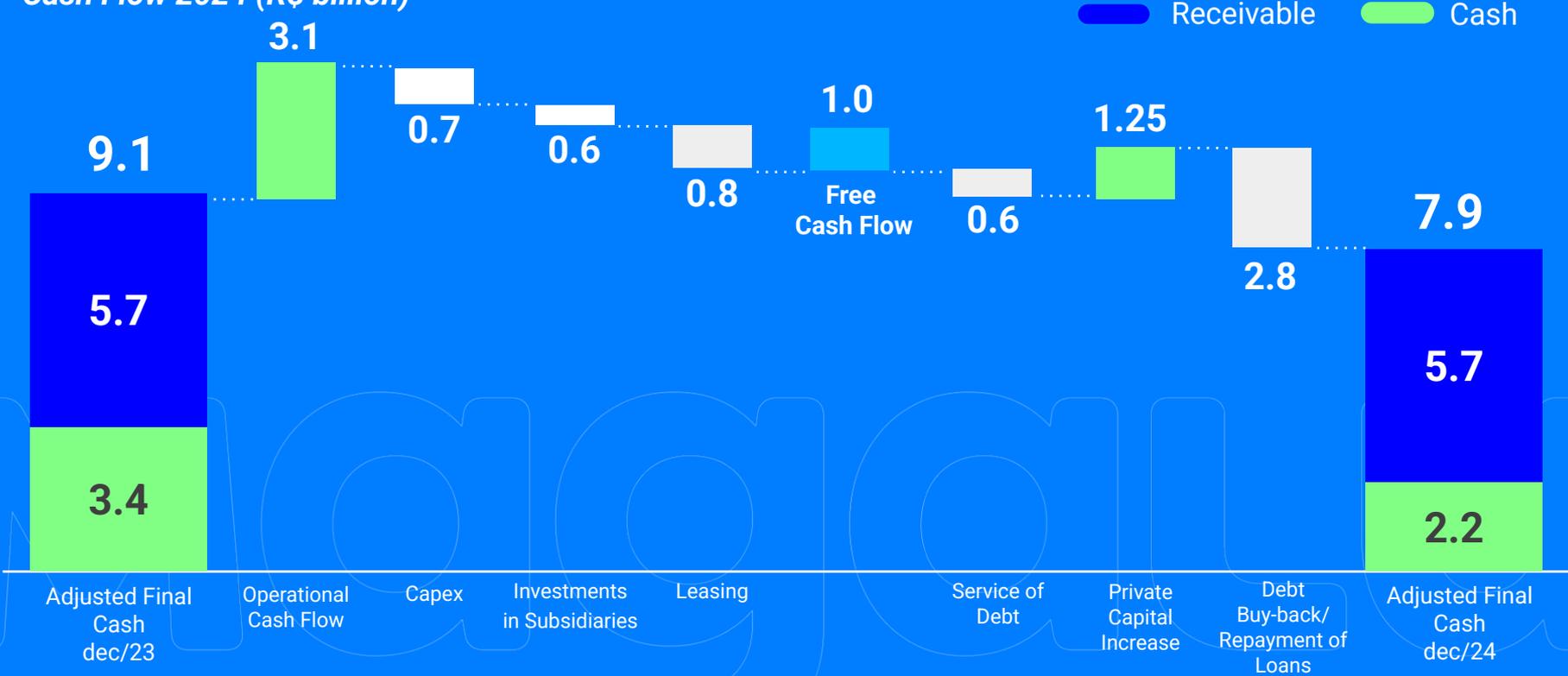
Receivable Cash



Operational cash generation of R\$3.1 billion in 2024

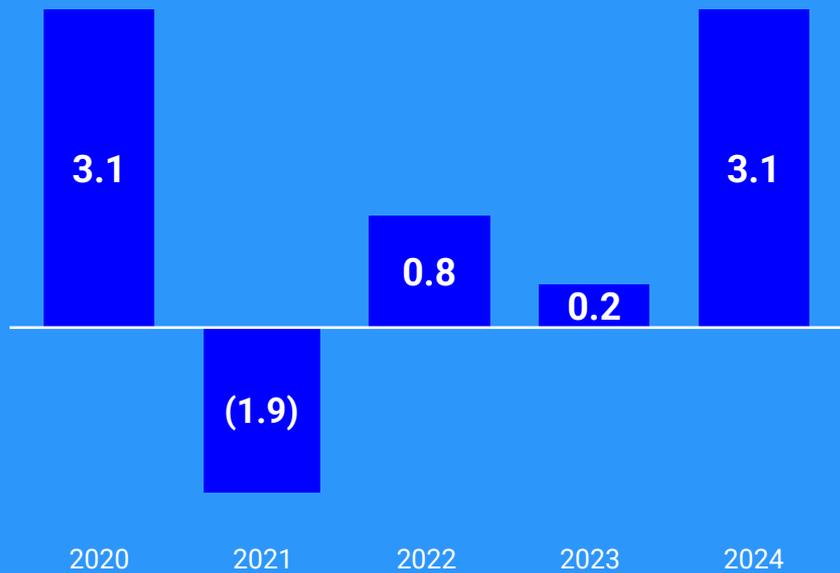
Total Cash of R\$7,9 billion in Dec/24

Cash Flow 2024 (R\$ billion)



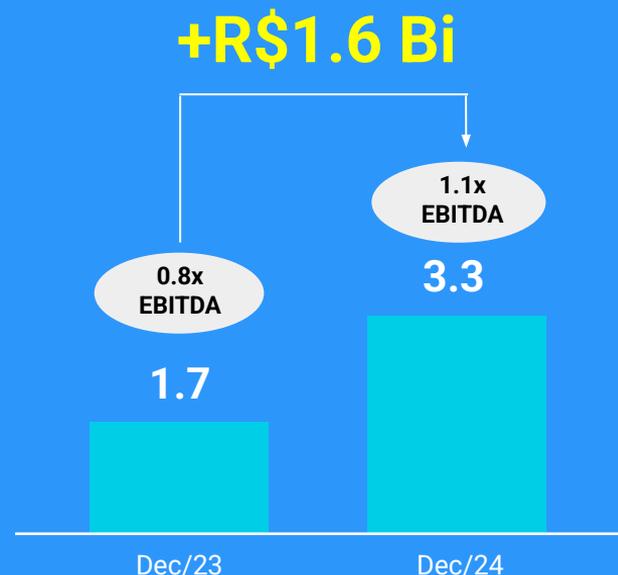
Operational Cash Generation of R\$3.1 billion in 2024, with growth of R\$1.6 billion in Net Cash

Operational Cash Flow (R\$ Bi)



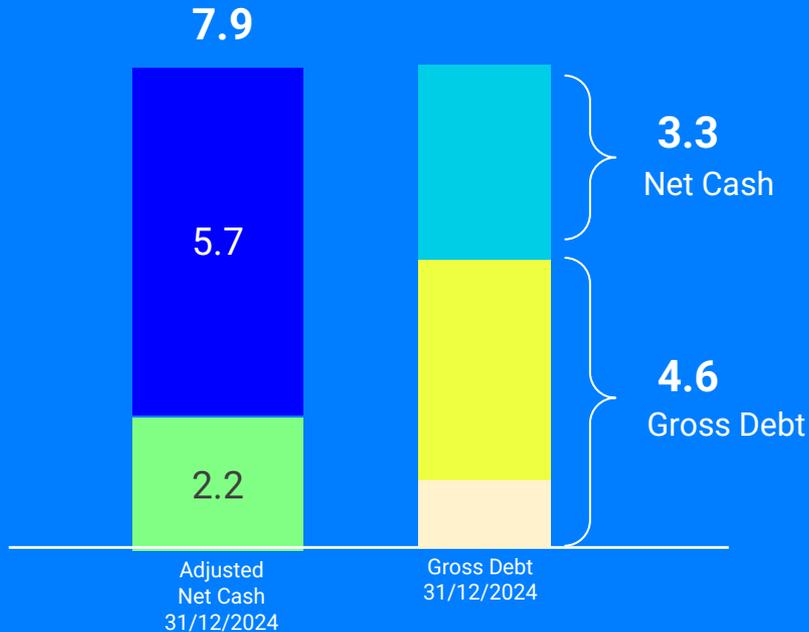
Operational Cash Flow

Evolution of net cash including receivables (R\$ Bi)



We ended 4Q24 with a **net cash of R\$3.3 billion**, an increase of R\$1.6 billion compared to the previous year

Cash and Debt (R\$ Bi)



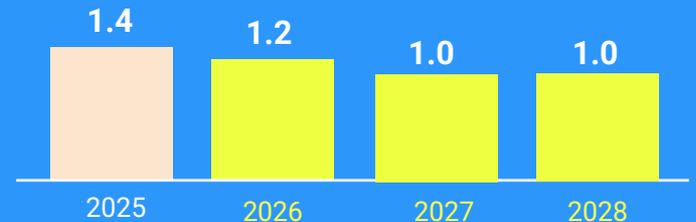
Receivable Cash Short Term Long Term

Debt (R\$ Bi)



- 2024: Payment of R\$2.8 billion in debt
- Buyback of 10% of 10^a Debêntures Emission

Debt Schedule (R\$ Bi)



- Debt Extension

Luizacred

Consistent decrease in delinquency and significant improvement in profitability, with ROE reaching 30.8% on 4Q24

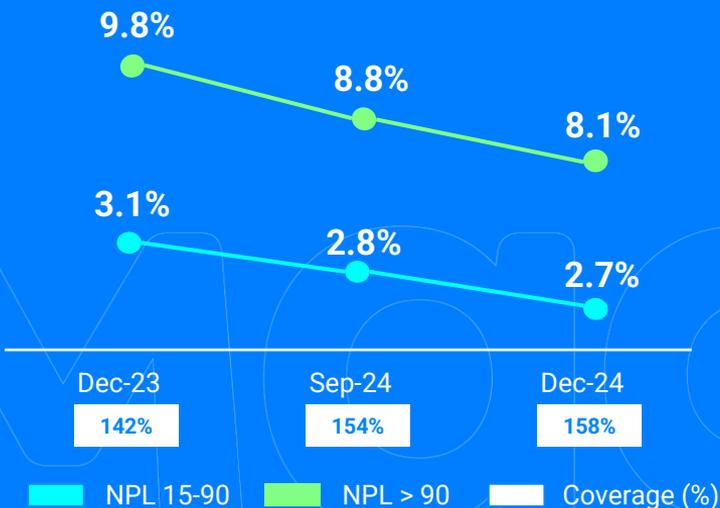
R\$ 20.3 B

Credit Portfolio
[4Q24]

6.2 M

Credit Cards
[4Q24]

Percent of the Portfolio Overdue (%)



Net Income [R\$ million]



Magalu ecosystem

serviços financeiros

CONSÓRCIO
Magalu

VIP
COMMERCE

maas

hub
fintech

MagaluCLOUD

Magalu
pagamentos

stoa com school

LuizaCRED

SmartHint HUBSALES

Magalu
bank

grand chef bit55

logística

Magalu
Entregas

Canaltech

conteúdo

SODE
SOLUÇÕES DE ENTREGA

netshoes

KaBum!>>

STEAL
THE
LOOK

logbee

ÉPOCA
COSMÉTICOS · PERFUMARIA

aiqfome

GFL

ZATTINI

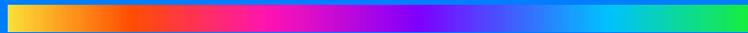
Magalu

estante
virtual

LOVE
THE
LOOK

Sinclog

MAGALU



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