

MAGALU

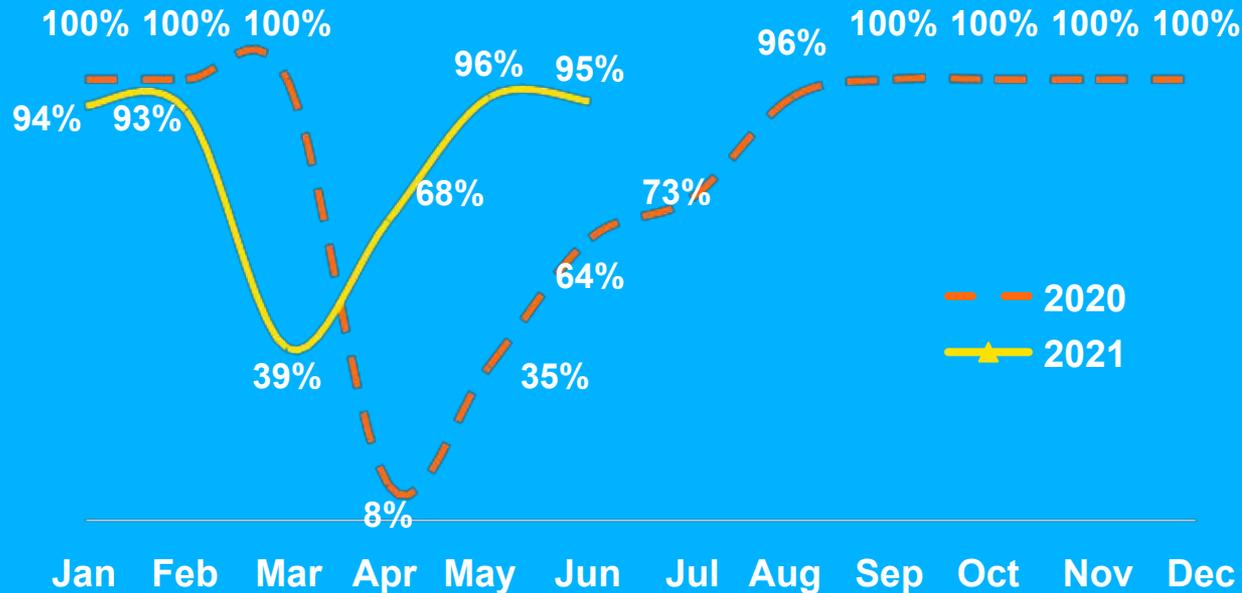
Video Conference Call 2Q21

August 13, 2021

We began 2Q21 with part of our physical stores still closed due to a resurgence of Covid-19 cases in Brazil

Percentage of open stores

[% stores open / total stores]



In April, **32% of our stores were closed**. But our operation was practically back to normal in May and June with **+95% of our stores open**.

The second quarter marked the return of physical stores, which saw 112% growth versus 2Q20

Evolution of store sales

[R\$ Billion; YoY]



102%

Same store sales growth
[2Q21 vs 2Q20]

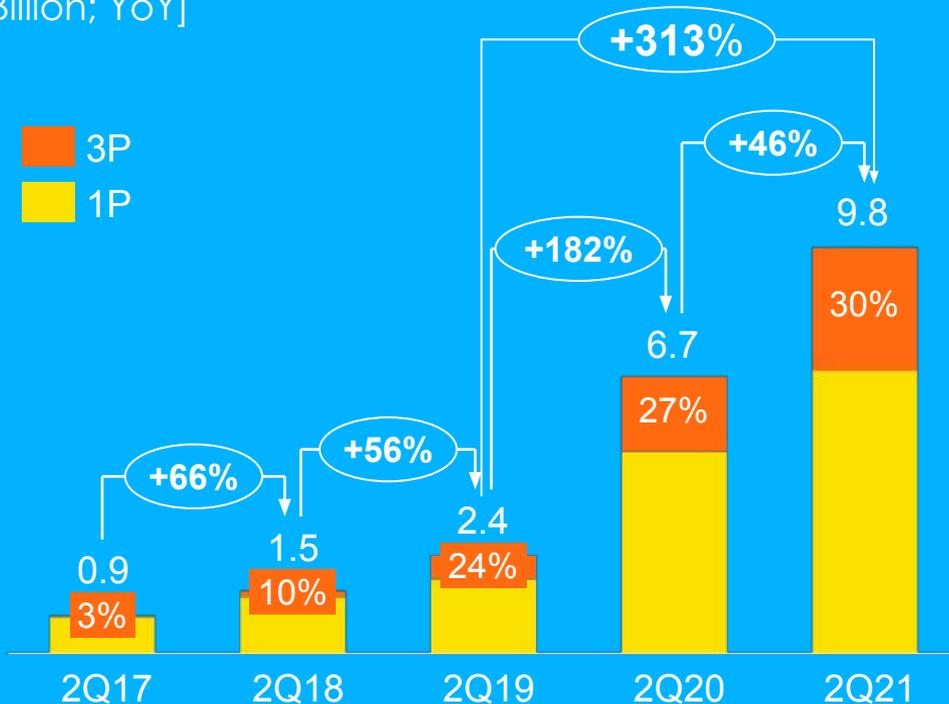
16%

Growth vs 2Q19
[2Q21 vs 2Q19]

Our e-commerce sales totaled R\$9.8 billion, gaining 4 p.p. of market share compared to the previous year

Evolution of e-commerce sales

[R\$ Billion; YoY]



R\$ 3 Billion

Marketplace sales

[R\$ Billion; 2Q21]

63%

Marketplace Sales Growth

[2Q21 vs 2Q20]

+4 p.p.

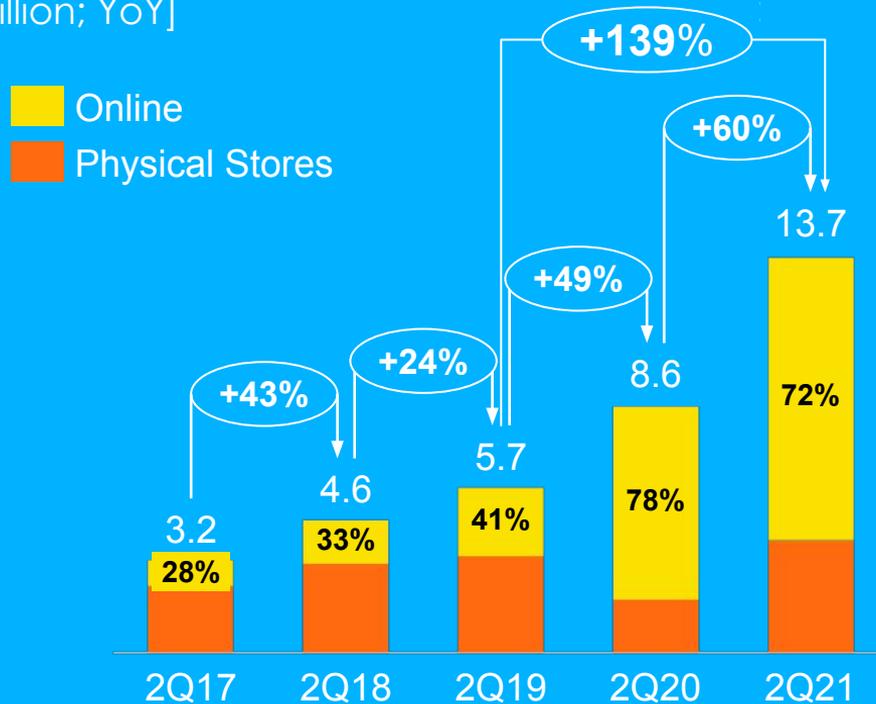
Market share gain

[2Q21 vs 2Q20; Neotrust]

Magalu's total sales grew 60% on top of 49% growth during the previous quarter

Evolution of total sales

[R\$ Billion; YoY]



60%

Growth vs 2Q20

[2Q21 vs 2Q20]

139%

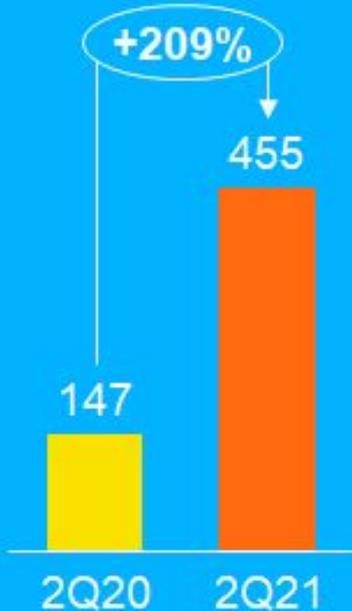
Growth vs 2Q19

[2Q21 vs 2Q19]

Once again, we combined exponential growth with profitability and cash flow generation

Adjusted EBITDA

[R\$ MM; %; 2Q20 vs 2Q21]



Adjusted Net Profit

[R\$ MM; 2Q20 vs 2Q21]



+2.5 p.p.

EBITDA margin expansion
[2Q21 vs 2Q20]

R\$10 billion

**Adjusted cash position after
the follow-on offering**
[Jun/21 - adjusted]

With the opening of **physical stores (for the first time) in the State of Rio de Janeiro**, we significantly amplified our national market share.

50 stores

covering 80% of the population of the State of Rio de Janeiro

85k m²

of logistics space in Rio de Janeiro vs 30k m² in 2020

13 hubs

Between DCs and Cross Docking stations attending physical stores and e-commerce

2x

Our market share in states with stores is double that of Rio de Janeiro

2x

Our delivery speed in Sao Paulo is twice as fast as in Rio due to the ability to leverage physical stores



Through Partner Magalu, our initiative to digitalize analog retailers, we have been able to grow the marketplace exponentially

Growth of the number of sellers

[‘000 sellers; on-boarded]

We on-boarded more sellers in the last few months than we did during the previous year.



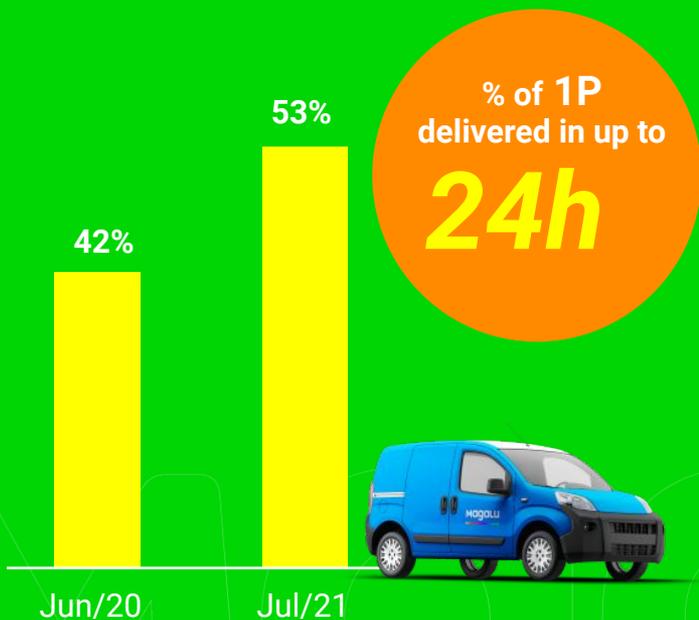
+43k

Sellers digitalized through Partner Magalu

+34k

Quantity of sellers on-boarded between April and July including sellers added via the physical stores

Magalu's 1P delivery is the fastest delivery in Brazil



1h Delivery

140 stores offering 1h delivery in 30 cities
[# July/21]

62% growth in conversion rate
1 hour vs 48 hours
[Feb-Apr/21]



Acquisition of Sode, a startup focused on **ultra-fast delivery**

We are in the process of extending all of our multi-channel logistics advantages to our marketplace sellers



590

stores enabled for
In-Store Pick Up of 3P items



57%

of 3P orders handled by
Magalu Entregas

Initiatives for the marketplace:



Agency Magalu

Drop-off of seller products at
Magalu stores



Local delivery

Ultra fast

We are expanding our logistics network and physical stores to increase space for our own and third-party inventory

2019



651k m²

31 Hubs and DCs

1,112 Stores

2Q21



1,004 m²

185 Hubs and DCs

1,339 Stores

2023



2,000k m²

450 Hubs and DCs

1,680 Stores

FOR ILLUSTRATIVE PURPOSES ONLY

With the acquisition of **KaBuM!**, Magalu will have an even stronger position in the computer, games, accessories and components category



One of the largest
**technology and
gaming** e-commerce
companies in Brazil

R\$312 M

Net Profit
[December 31th 2020]



+2 M

Active customers
[December 31th 2020]

R\$3.4 B

Gross Revenue
[May/21 - LTM]

The Magalu ecosystem gives scale to fintech and fintech monetizes the ecosystem

Multichannel digital ecosystem



Scale

Monetization

Fintech Platform



Magalu offers a wide array of financial solutions replete with **benefits for our customers**

Customers

Digital account
3.3 Million accounts

Credit cards
6 Million cards

Credit balance
R\$13.5 Billion

Personal loans
R\$1 Billion

Total Credit Card TPV
R\$10 Billion (2Q21)



Sellers

Factoring of receivables

FIDC / Loans

+300 sellers

Digital accounts

Credit and prepaid cards

Mobile point of sale systems

Magalu Payments TPV
R\$4 Billion (2021)



And we also offer
financial services
for all types of
sellers

MAGALU

Financial Highlights

Financial Highlights - 2Q21

60%

**Total Sales Growth
[2Q21]**

R\$13,7

**Billion Total Sales
[2Q21]**

46%

**E-commerce Growth
[2Q21]**

R\$455

**Million Adjusted EBITDA
[2Q21] (Margin of 5.1%)**

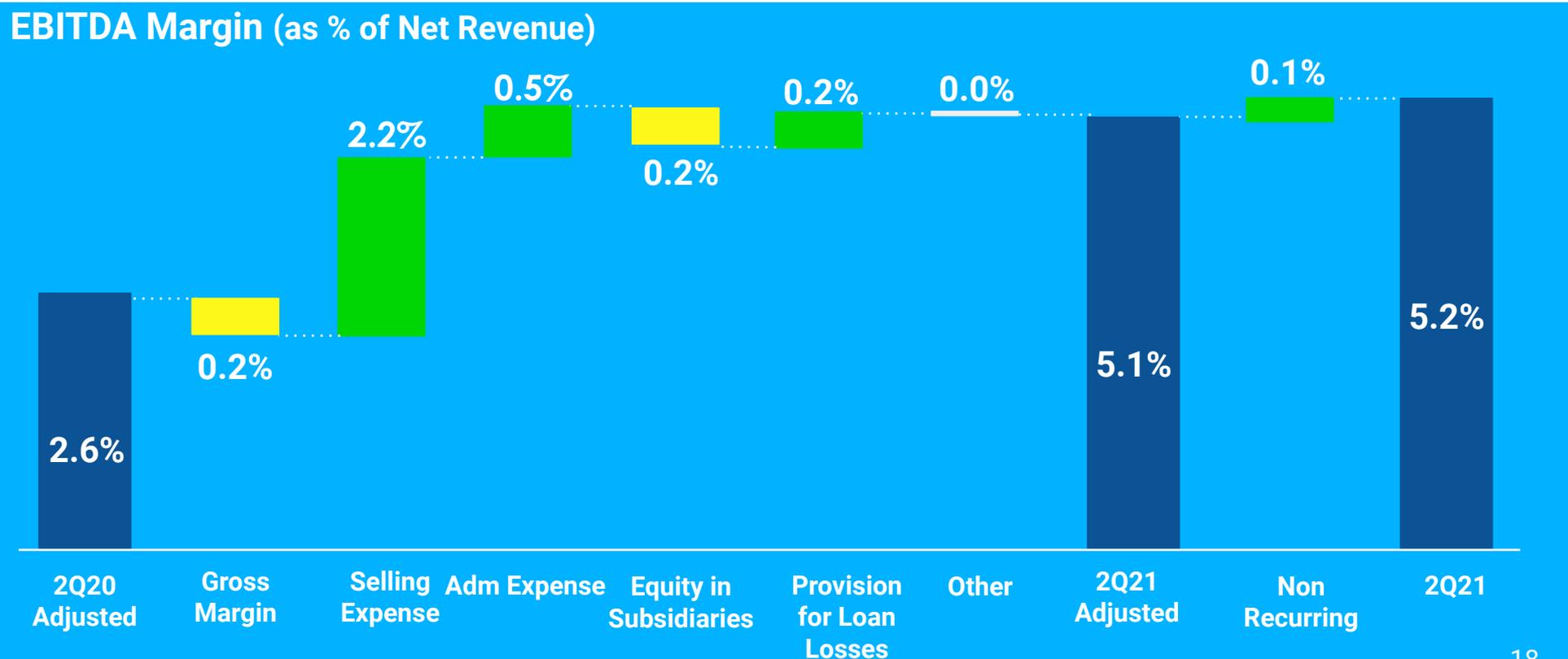
112%

**Total Physical Store
Sales Growth [2Q21]**

R\$89

**Million Adjusted Net
Income [2Q21]**

EBITDA Margin Evolution



Solid Capital Structure

Adjusted Working Capital (R\$ Billion)



Adjusted Net Cash (R\$ Billion)*



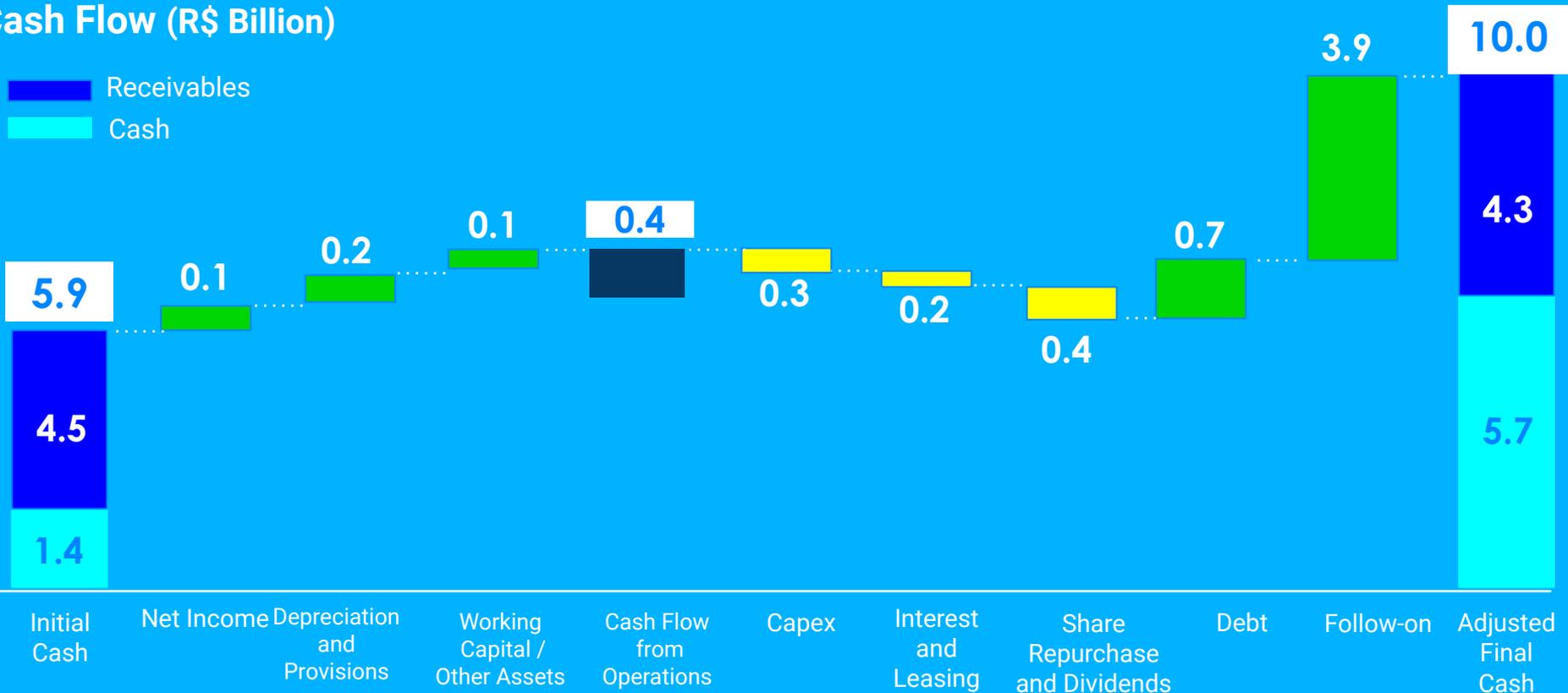
* Considering the follow-on offering

Cash Generation

2Q21

Cash Flow (R\$ Billion)

Receivables
Cash

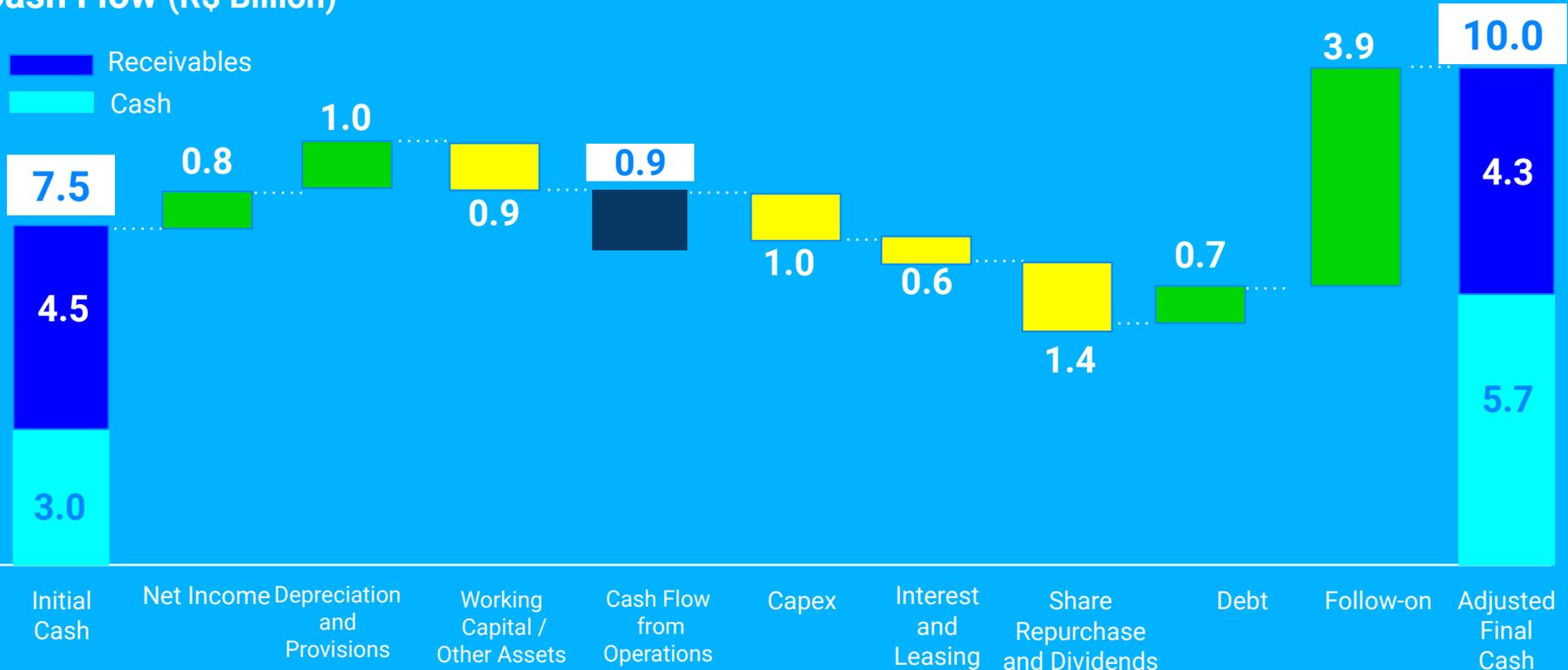


Cash Generation

LTM

Cash Flow (R\$ Billion)

Receivables
Cash



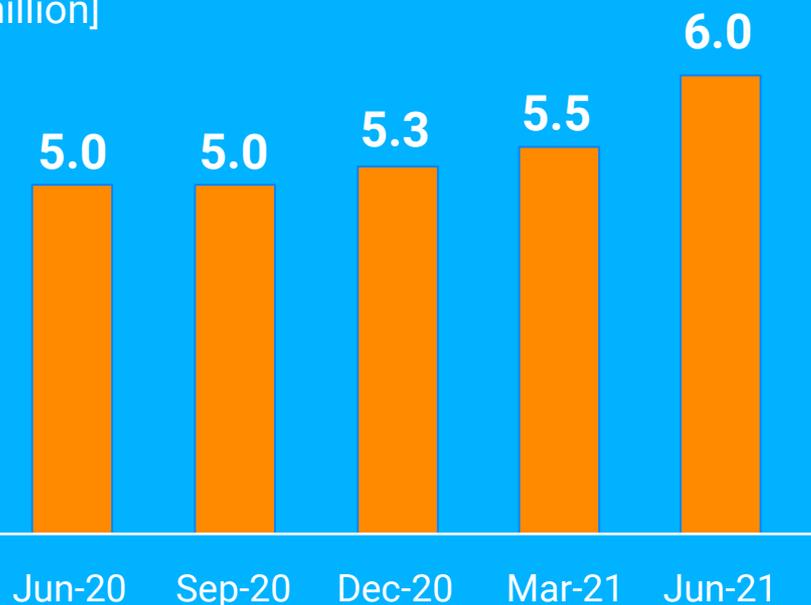
Luizacred

6 million cards issued



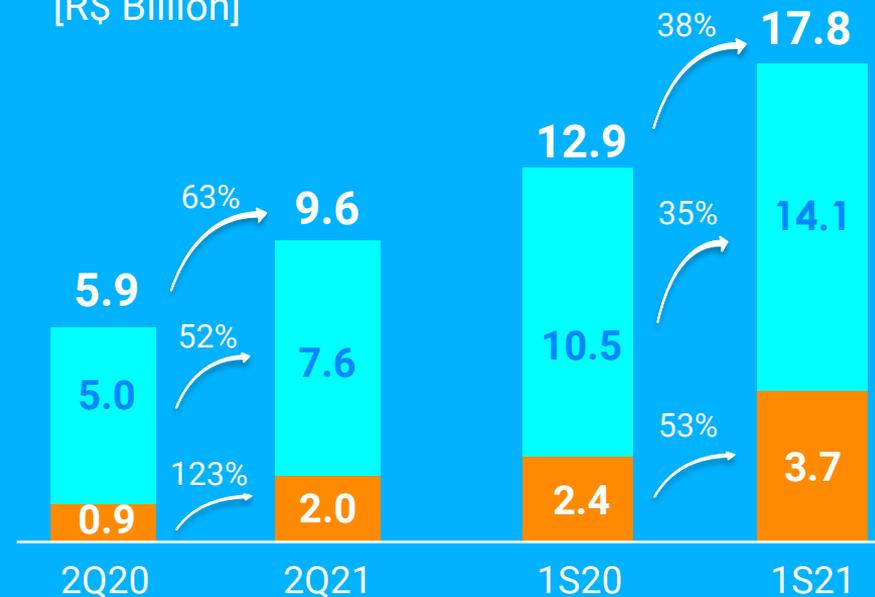
Evolution of the Luiza Card Base

[million]



Revenues

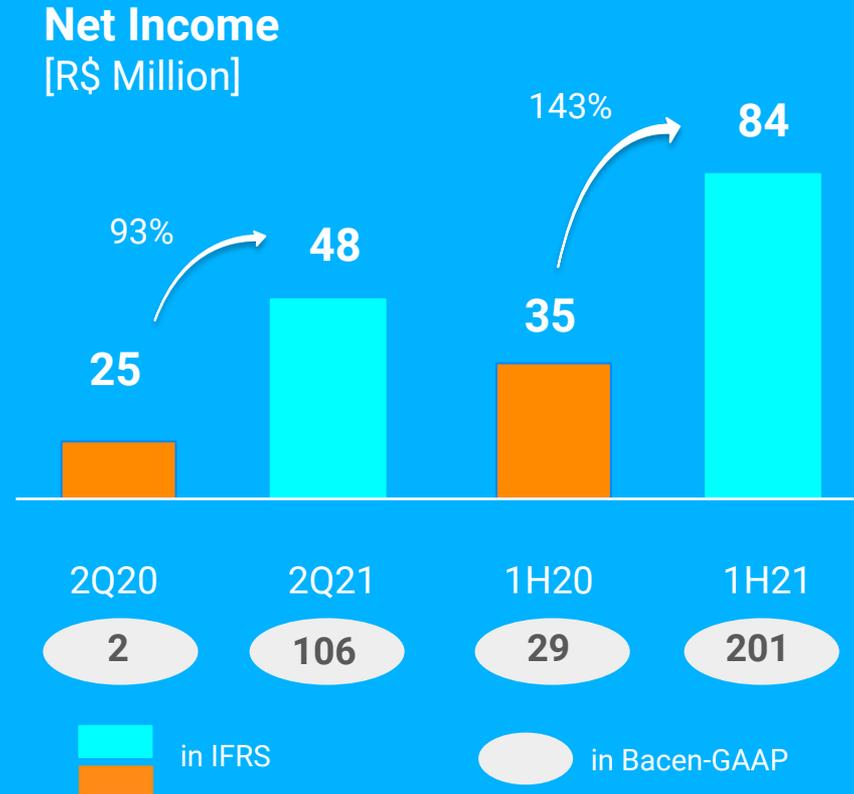
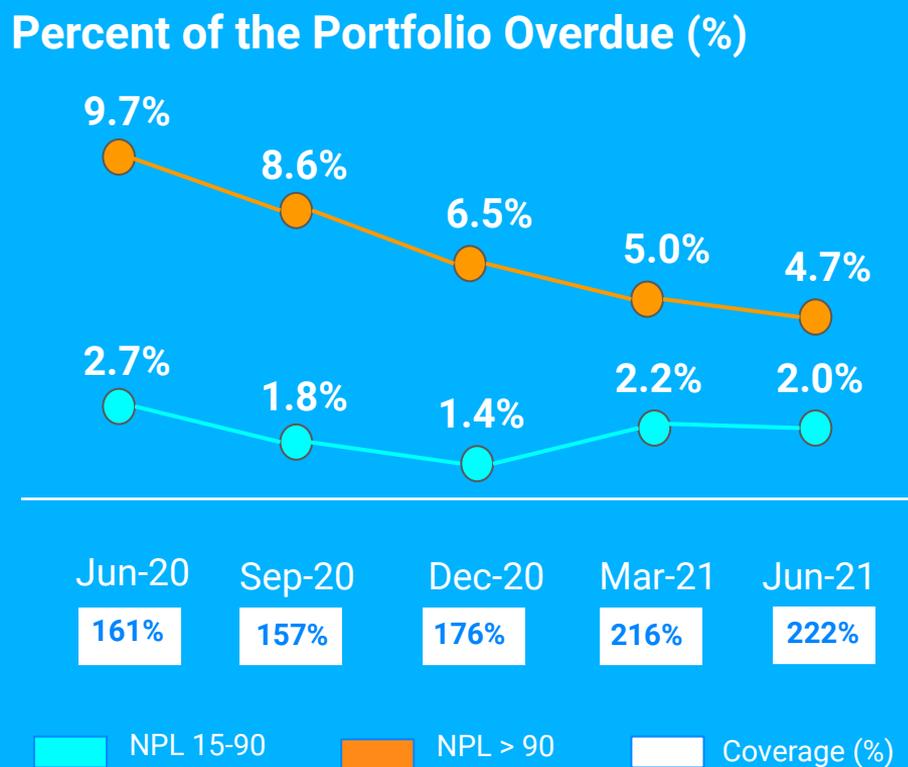
[R\$ Billion]



Luiza Card Outside Magalu
Luiza Card Inside Magalu

Luizacred

Overdue loan portfolio now at the lowest level in the company's 63 year history with increasing profitability



Follow on: Proceeds from the follow-on offering will be used to expand our logistics operations, on technology and on acquisitions to strengthen the Magalu ecosystem



Logistics

Expansion of our delivery network

New distribution centers and cross docking stations



Technology

Innovation, research and development



Acquisitions

Strengthen the strategic drivers, with a focus on new categories and Fintech

We raised **R\$ 4 Billion** in the follow-on offering*

* R\$3.981 billion

Magalu Ecosystem

SERVIÇOS FINANCEIROS

magalupay
consórcio magalu
magalu pagamentos
hub fintech

VIP COMMERCE
Magaluads
MAAS

parceiro magalu
stoa
com school

LUIZACRED

luizaseg

VAREJO

SmartHint
HUBSALES

SISTEMA
GrandChef

magalu

LOGÍSTICA

magalu Entregas

logbee

NETSHOES

ZATTINI

shoestock

ÉPOCA
COSMÉTICOS · PERFUMARIA

KaBum!>>

aiqfome

estante virtual

Canaltech

STEAL THE LOOK

LOVE THE

CONTEÚDO

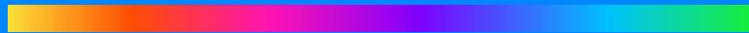


GFL

Sinclog

SODE
SOLUÇÕES DE ENTREGA

MAGALU



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