

MAGALU

Conference Call 4Q21

March 15, 2022

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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.

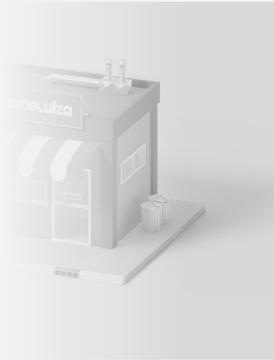
This conference call has simultaneous translation.

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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

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

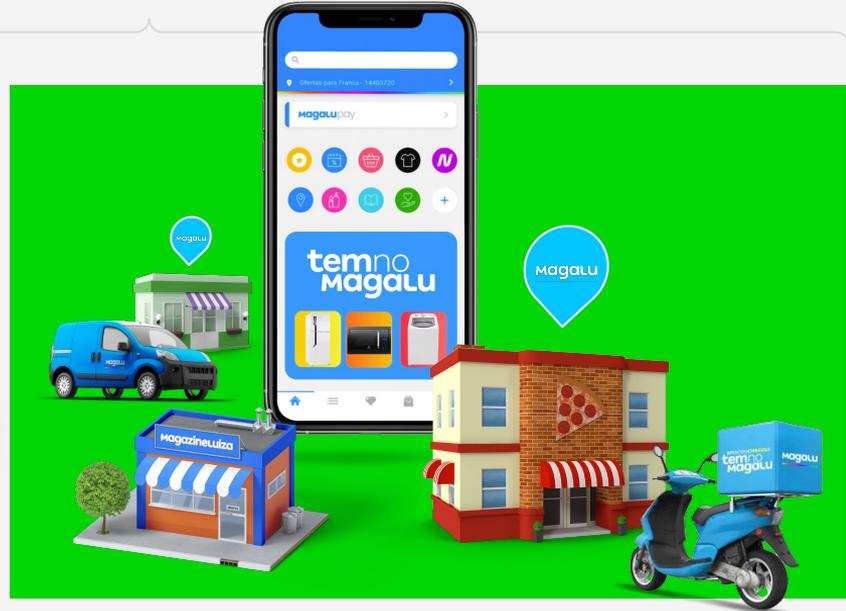
We digitalized **magalu** now we are going to digitalize **Brazil!**



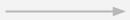
Traditional
retail



Omnichannel
operation



Multichannel
digital
ecosystem

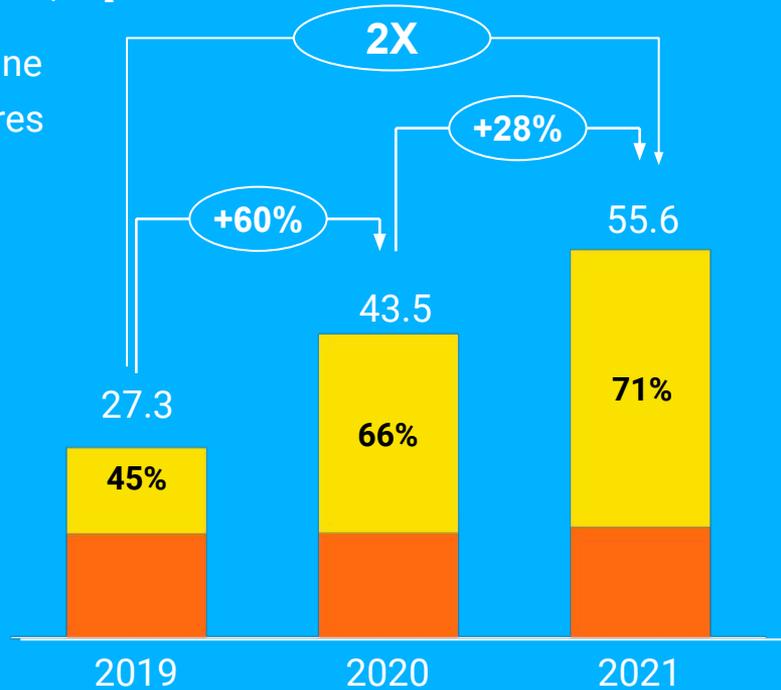


In two years, we doubled total sales, reaching **R\$56 billion** in 2021

Evolution of total sales

[R\$ Billion; %]

Online
Stores



28%

Growth of total GMV
YoY [%; 2021 vs 2020]

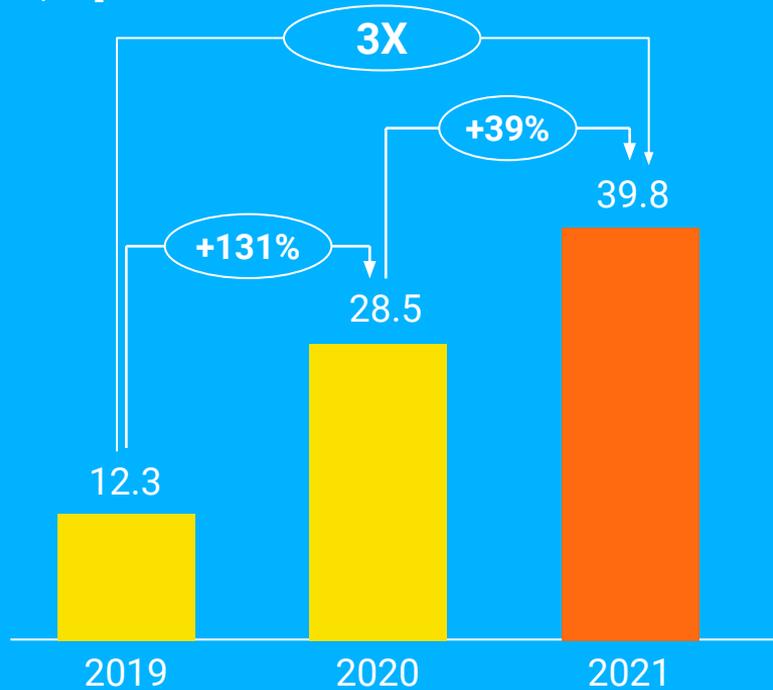
71%

E-commerce as a percentage
of total sales [%; 2021]

We tripled the size of online sales in 2 years, reaching the unprecedented mark of 200 million items sold

Evolution of e-commerce sales

[R\$ Billion; %]



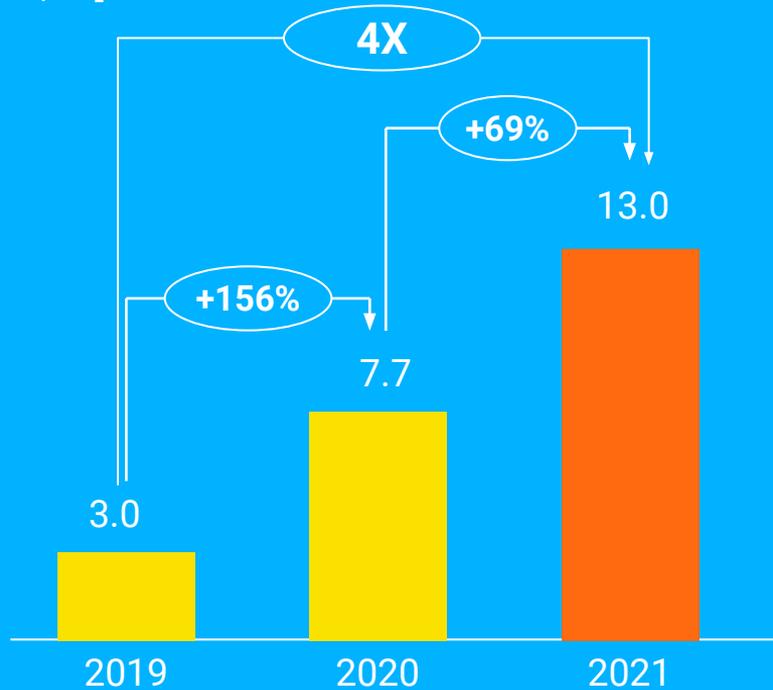
200 Million
Total items sold in the
Magalu ecosystem
[2021]

39%
Growth of online GMV
YoY [%; 2021 vs 2020]

We quadrupled 3P sales in 2 years, becoming protagonists in the digitalization of Brazilian retail

Evolution of Marketplace Sales

[R\$ Billion; %]



332%

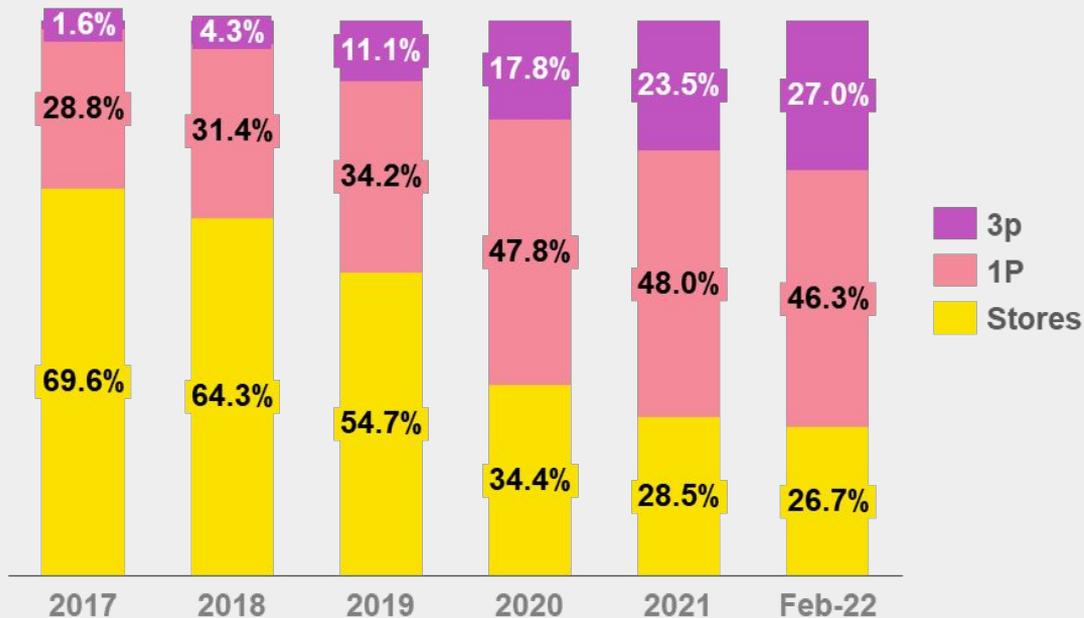
Accumulated growth over
2 years

69%

Growth of 3P GMV
YoY [%; 2021 vs 2020]

In Feb/22, Marketplace sales surpassed physical store sales, demonstrating the power of the platform's network effects

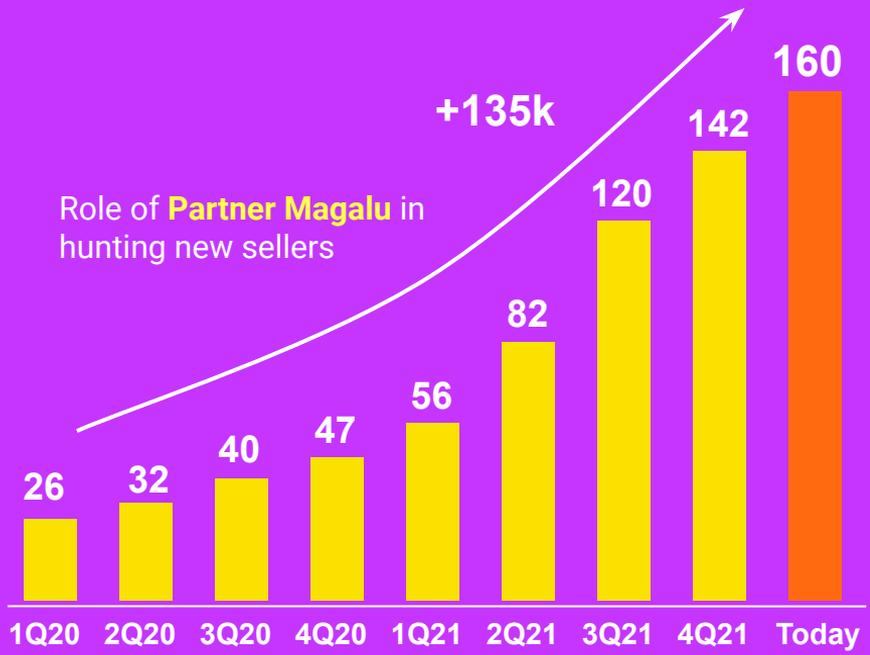
Participation of the channels as a percentage of total sales
[%GMV; 2017-Feb/22]



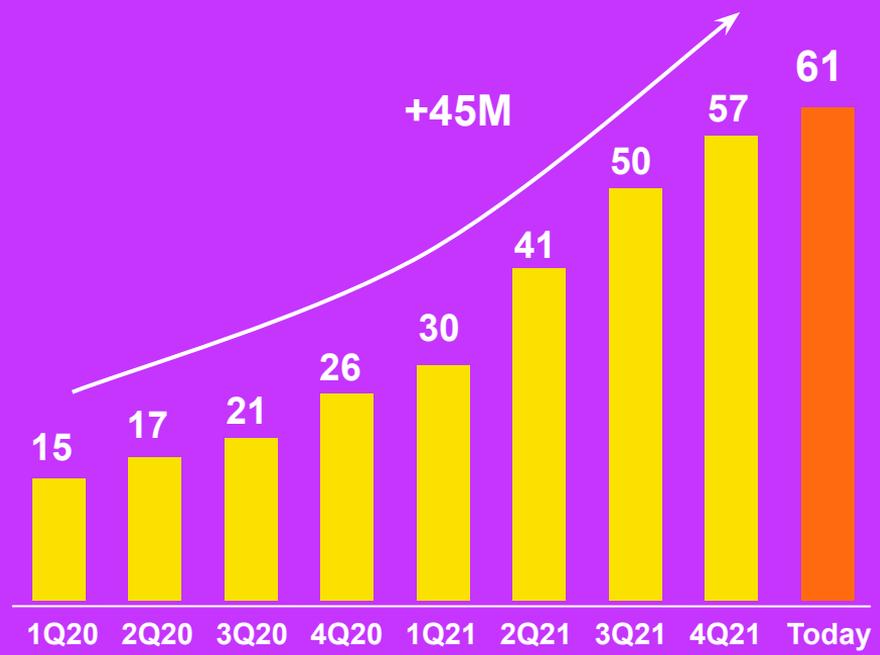
In only 5 years, the marketplace business reached a sales volume greater than the 64 year old physical store business.

The marketplace has been the engine of accelerated growth for e-commerce, there are 160k sellers, selling in a legal and formal way

*Growth of the number of sellers
[‘000 sellers; on-boarded]*

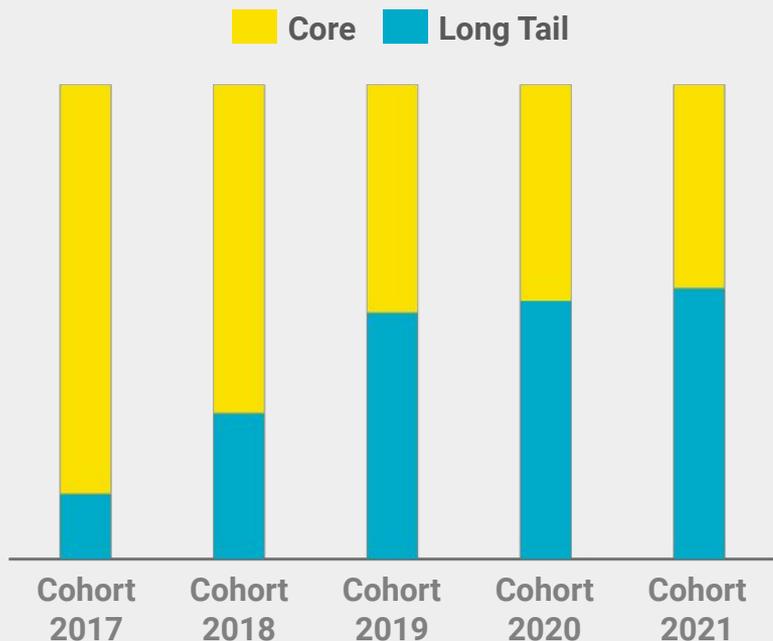


*Total number of offers 1P+3P
[MM offers]*

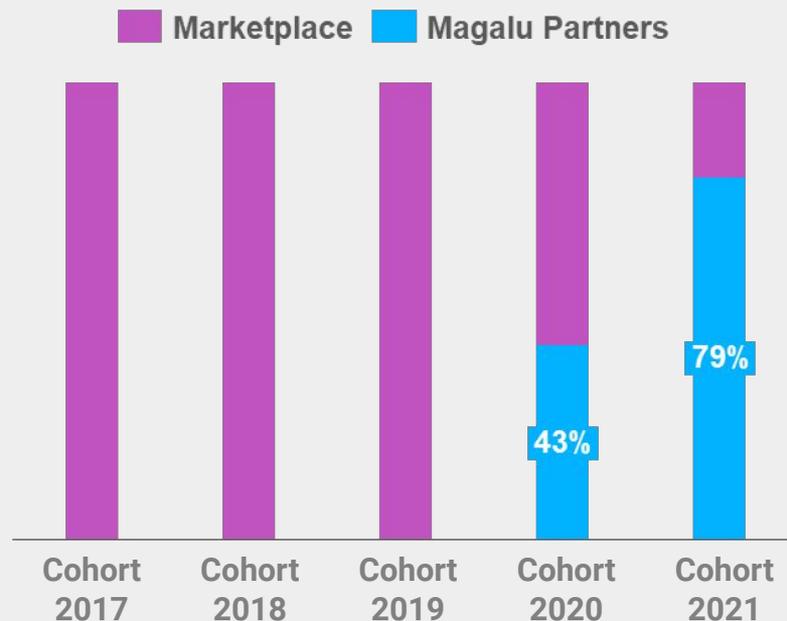


With each new cohort, our 3P diversifies further into **non-traditional (long tail) categories**, boosting the sales of Partners on the **platform**

GMV in Core and Non-Traditional (Long Tail) categories by annual cohort [GMV]



Participation of Partner Magalu per cohort [# sellers]

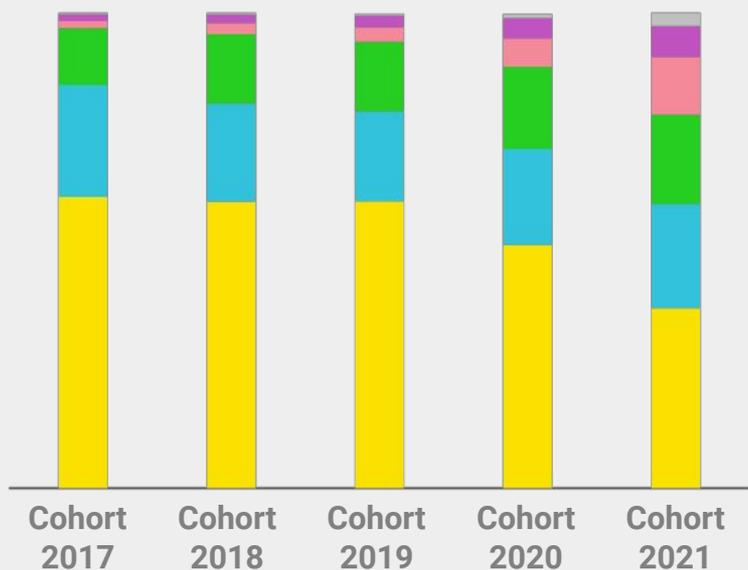


The majority of the sellers are **local partners** who offer diversification through **millions of items sold**

Evolution of sellers per region by annual cohort

[Number of sellers]

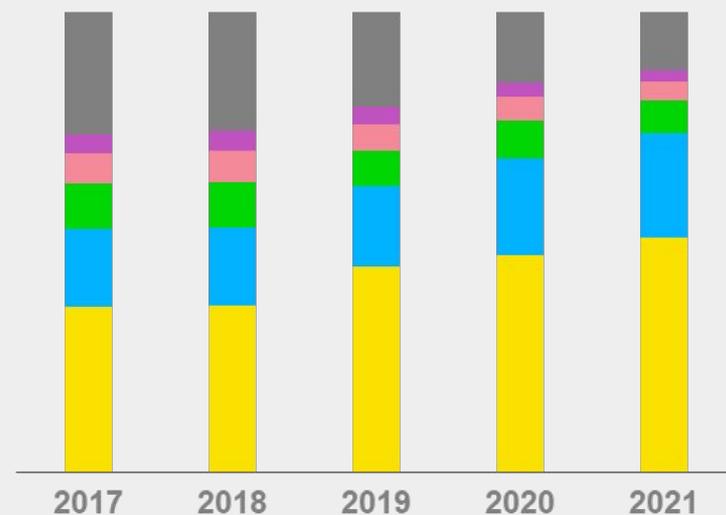
■ N ■ CO ■ NE ■ SE (ex SP) ■ S ■ SP



Items sold per average unit price

[% items per year; 2017-2021]

■ +R\$ 500 ■ R\$ 300 - 400 ■ R\$ 100 - 200
■ R\$ 400 - 500 ■ R\$ 200 - 300 ■ Up to R\$100



In addition, the marketplace is already the main channel for new customers to enter e-commerce

Participation of new customers per channel
[% New customers per quarter; 1Q20-4Q21]

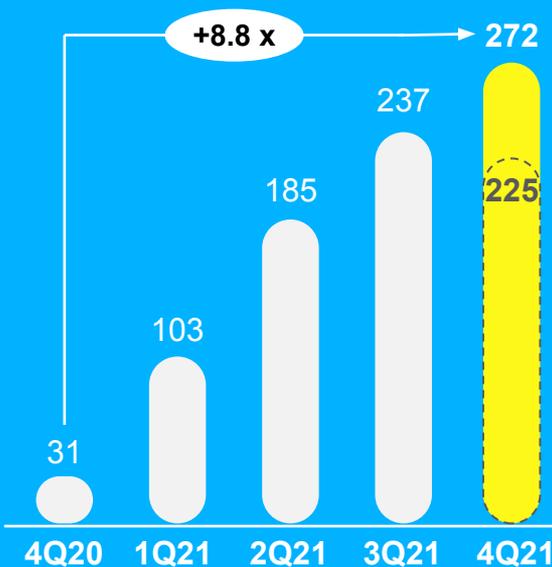


+56% of new e-commerce customers come from products purchased on the marketplace

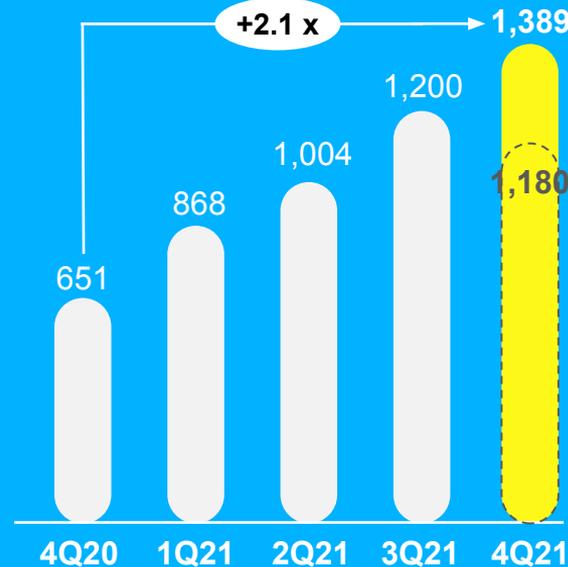
We surpassed our own projections, rapidly expanding our logistics network and strengthening our day-to-day delivery capabilities

Total Logistic Units [# DCs and XDs]

 Initial projection



Total Storage Area [km²]

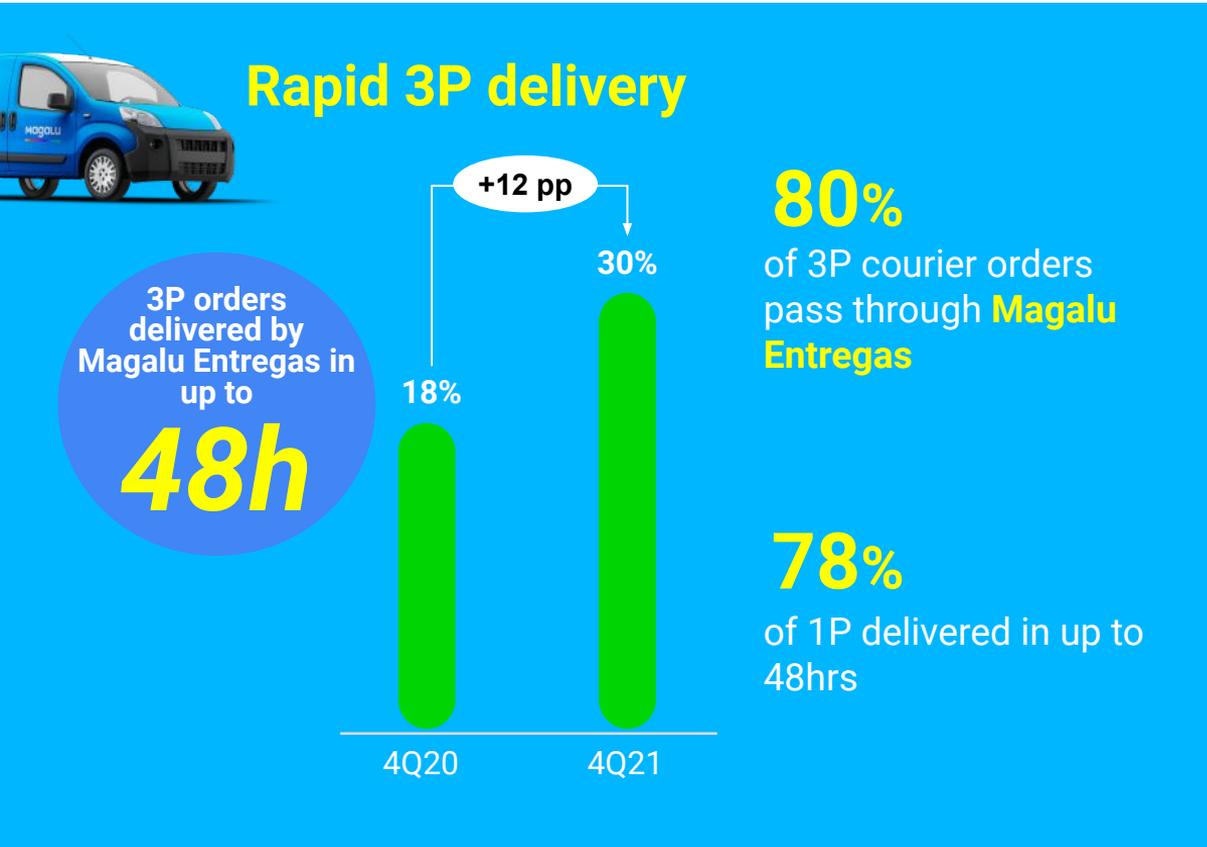


1,481
Total Stores



3,600
Cities covered by
Magalu's network

Faster delivery and more efficient operation have already led to a 50% increase in 3P conversion



Ultra-fast delivery of 3P



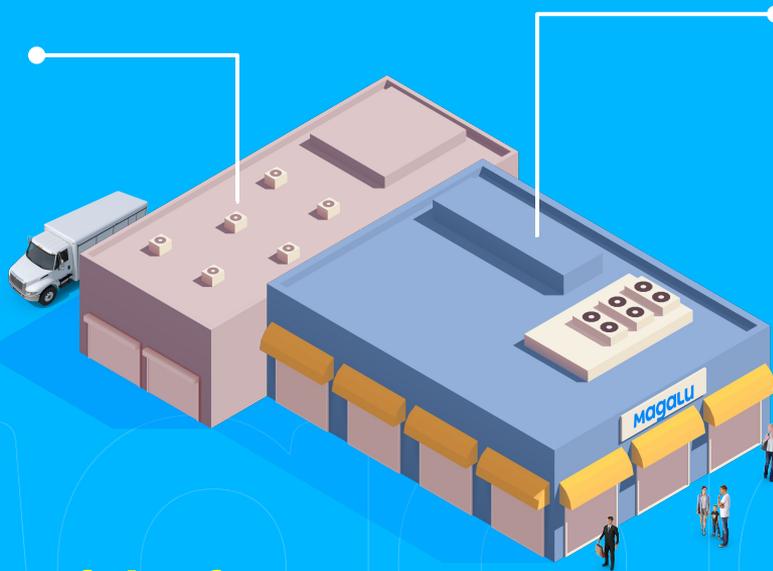
+1k Sellers participating in **Ship-from-Seller's Store** with **delivery in 24hrs**

21 State capitals covered by **Ship-from-Seller's Store**

Physical stores have been key to improvements in logistics and in the recruitment and onboarding of new sellers to the platform

Logistics

Fastest delivery for 1P and 3P



Assortment

Best sellers from each category

Increase in **customer purchase frequency**

Marketplace

Exponential growth of 3P

Onboarding of new marketplace sellers using **Partner Magalu**

**The store of the future
multichannel marketplace**

Our physical stores play a fundamental role in making the **marketplace multichannel**, providing our partners with value added logistics services

Drop-off

+400 **Magalu Agencies**
stores enabled for drop-off

9.5k Sellers using the
stores as **postal agencies**



**Agency Magalu
multichannel**

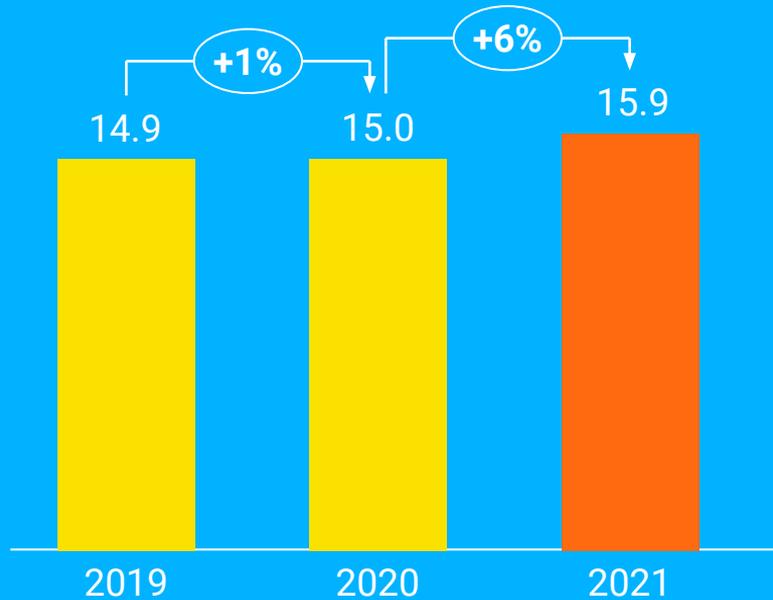
3P in-store pick up

1.1k stores enabled for **in-store pick up of 3P items**

13% share of **3P marketplace orders**
using in-store pick up

The physical stores remain resilient, **surpassing pre-pandemic sales levels**

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



+1.3pp

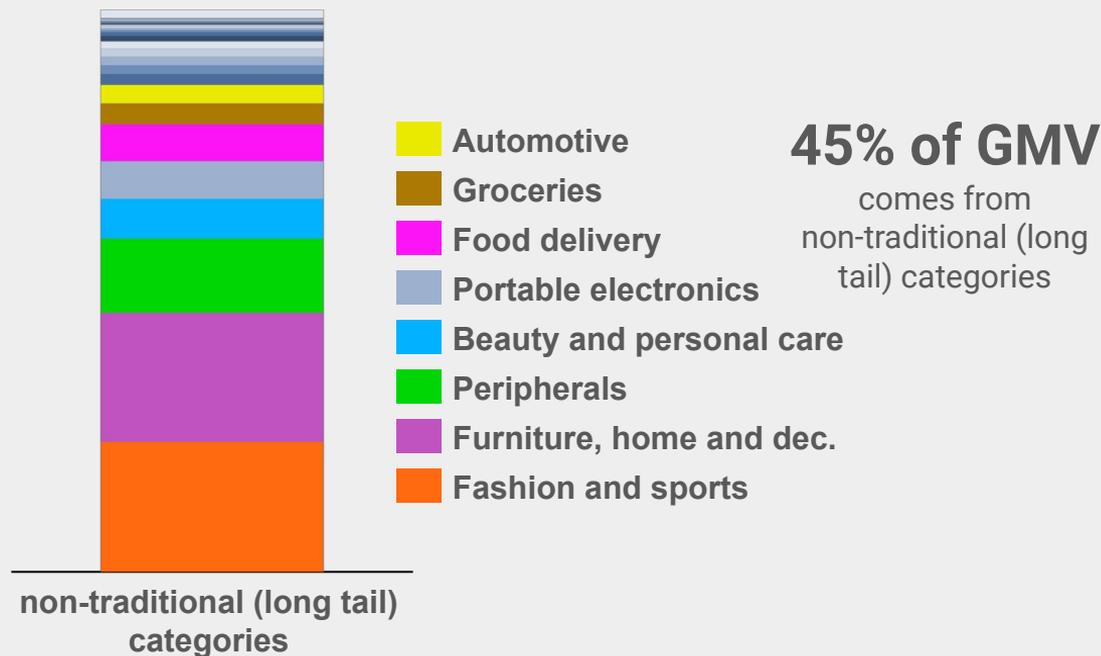
Market share gain in 2021
[2021 vs 2020]

Even with the closing of physical stores due to the pandemic during part of 2020 and 2021, the **physical stores continue to grow**

In 2021, **+45% of GMV** came from non-traditional, long tail categories, representing **R\$20bi on an annualized basis**

R\$ 20 Billion
in annualized GMV from
non-traditional (long-tail)
categories

Participation of non-traditional (long-tail) categories in e-commerce
[% GMV; 2021]



KaBuM! is the leading technology and gaming e-commerce site in Brazil, renowned for offering the widest assortment of computer gaming products



R\$ 4 billion

GMV [2021]

R\$ 300 million

Profit [2021]



+2 Million

Active customers

[December 31, 2021]

20k items

Assortment

[2021]

Lifestyle categories already represent **R\$ 6 billion** in total sales

NETSHOES

GMV of **R\$4 bi** in 2021

R\$ 135 million profit

250k items assortment

7 million active customers

10 million pairs of athletic shoes sold in 2021

1 million of soccer team jerseys sold in 2021

MODA

GMV of **R\$1 bi** at Magalu

+170% YoY growth of GMV

+300 brands available

3.5 million items assortment

Launch of Vista, our own brand

30k sellers in the category

BELEZA

GMV of **R\$1 billion** in 2021

+60% YoY growth of GMV

+3pp gain of share in the category

1° live commerce with French brand *Dior*

Together with VIPcommerce, **Magalu sold R\$ 1,1 bi** in groceries in 2021, and **it is the largest category in terms of the number of items sold**

VIP
COMMERCE

R\$ 330 M
GMV

+200%
GMV YoY

190 M
Items sold

+280
Cities present



R\$ 1.1bi

GMV of groceries in 2021
across the Magalu Ecosystem

In food delivery, Magalu generated R\$1.3 Bi of GMV and grew to become the second largest player in the Brazilian market



tonolucro



#2

Largest food delivery company in the market

1.3Bi

total GMV in 2021

5.3M

Total customers

+700

Cities

~30k

Registered restaurants

Magalu has **one of the largest audiences in Brazil**
and is just beginning the monetization process

Tecnology



Fashion Beauty Home

STEAL THE LOOK

Geek Culture



450 Million

sessions across all of the **Magalu**
Ecosystem [Dec/21]

R\$ 100 Million

in advertising revenue
(Magalu and affiliates)

A TPV of R\$ 65 billion means that Magalu's fintech operation ranks **among the largest fintech operations in Brazil**

Sellers



Account

Free digital account



Magalu pay Mobile POS

A complete solution for our partners



+R\$156M

Net profit of Magalu Pagamentos 2021

Customers



+4.8M

Digital accounts created



+3M

New credit cards issued 2021



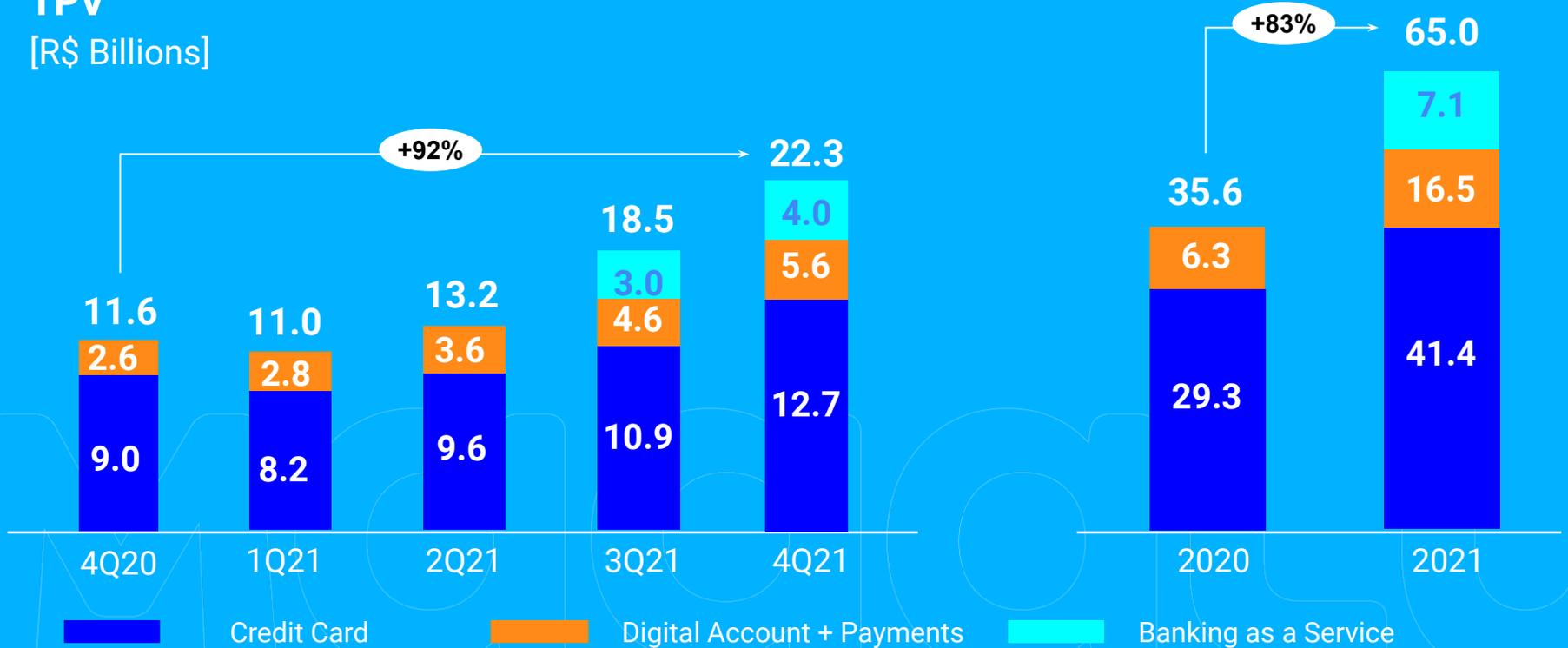
+R\$17.5Bi

Credit portfolio

TPV - Total Payment Volume

Magalu's TPV reached R\$65.0 billion in 2021, including R\$22.3 billion during 4Q21

TPV
[R\$ Billions]



MAGALU

Financial Highlights

Financial Highlights - 2021

69% Marketplace Growth
[2021]

R\$55.6 Billion Total Sales
[2021]

39% E-commerce Growth
[2021]

R\$1.5 Billion Adjusted EBITDA
[2021] (Margin of 4.2%)

6% Physical Store Growth
[2021]

R\$114 Million Adjusted Net Income
[2021]

28% Total Sales Growth
[2021]

R\$591 Million Net Income
[2021]

Financial Highlights - 4Q21

60% Marketplace Growth
[4Q21]

17% E-commerce Growth
[4Q21]

-18% Physical Store Growth
[4Q21]

4% Total Sales Growth
[4Q21]

R\$15.5 Billion Total Sales
[4Q21]

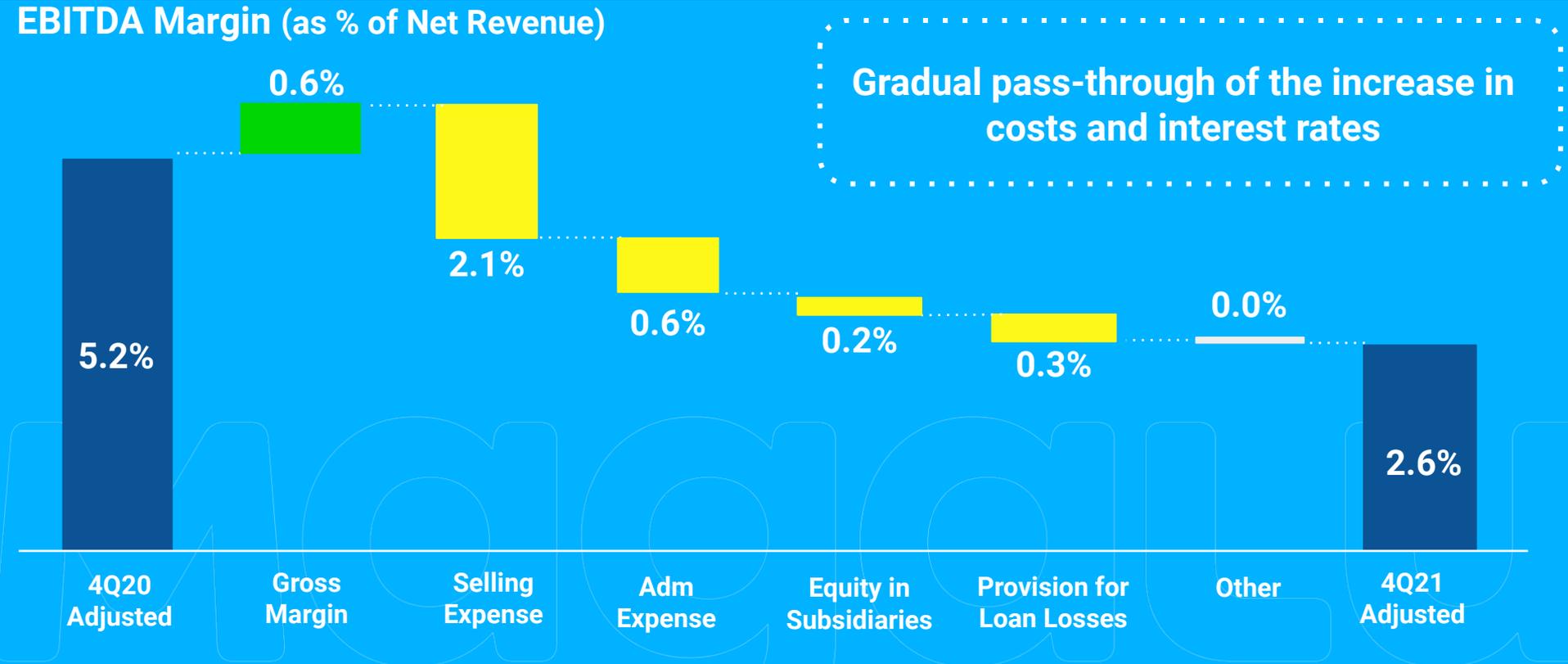
R\$243 Million Adjusted EBITDA
[4Q21] (Margin of 2.6%)

-R\$79 Million Adjusted Net Income
[4Q21]

R\$93 Million Net Income
[4Q21]

EBITDA Margin Evolution

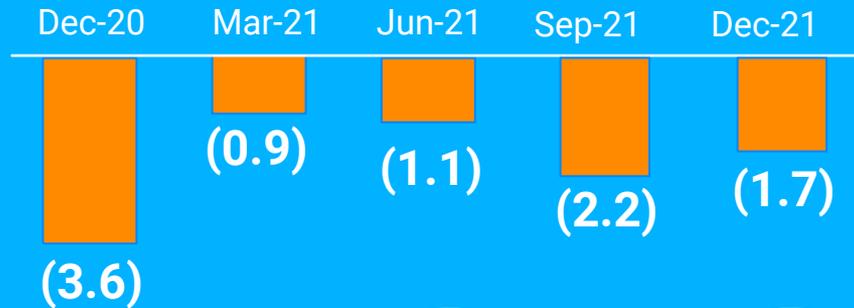
Lower dilution of expenses due to the sharper deceleration in physical store sales during the quarter.



Solid Capital Structure

Negative working capital requirements, contributing to Magalu's strong capital structure

Adjusted Working Capital (R\$ Billion)



Adjusted Net Cash (R\$ Billion)

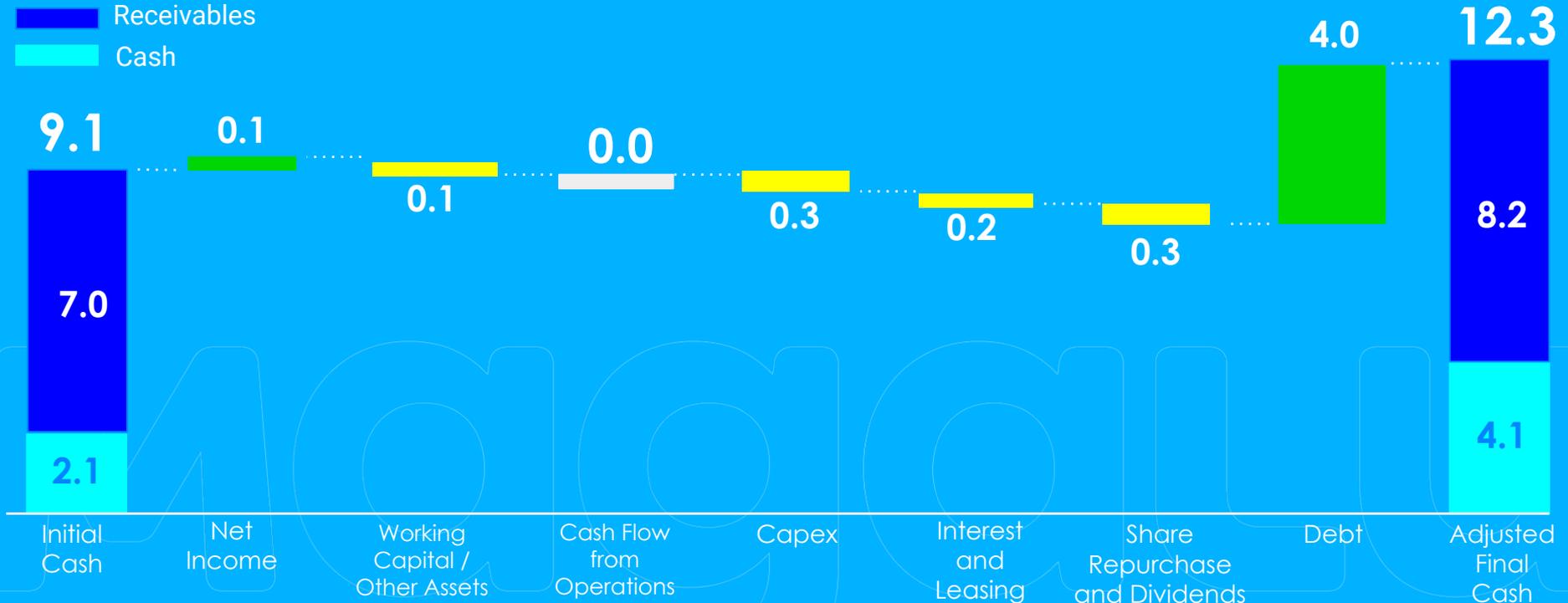


Improved turnover and reduction of inventory in the short term

Largest cash position in our history: **R\$12.3 billion**

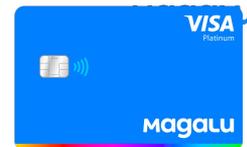
Cash flow 4Q21 (R\$ billion)

- Receivables
- Cash

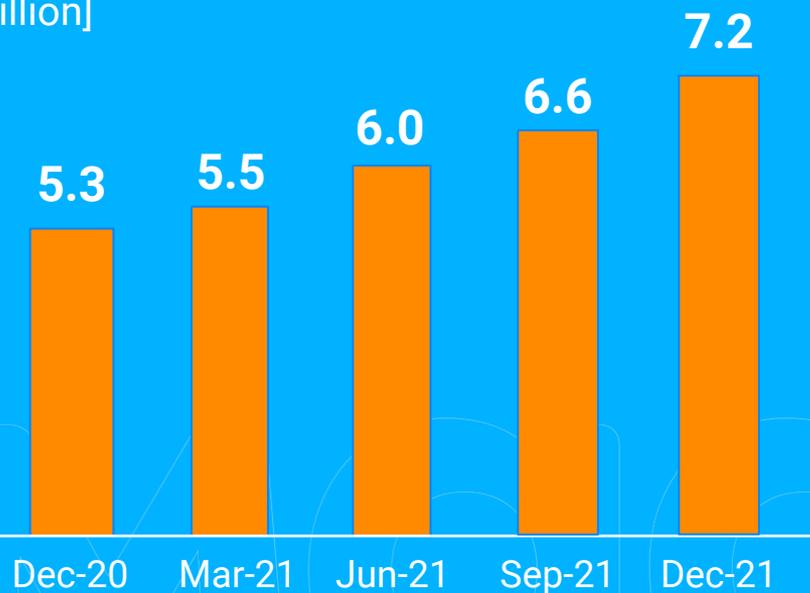


Luizacred

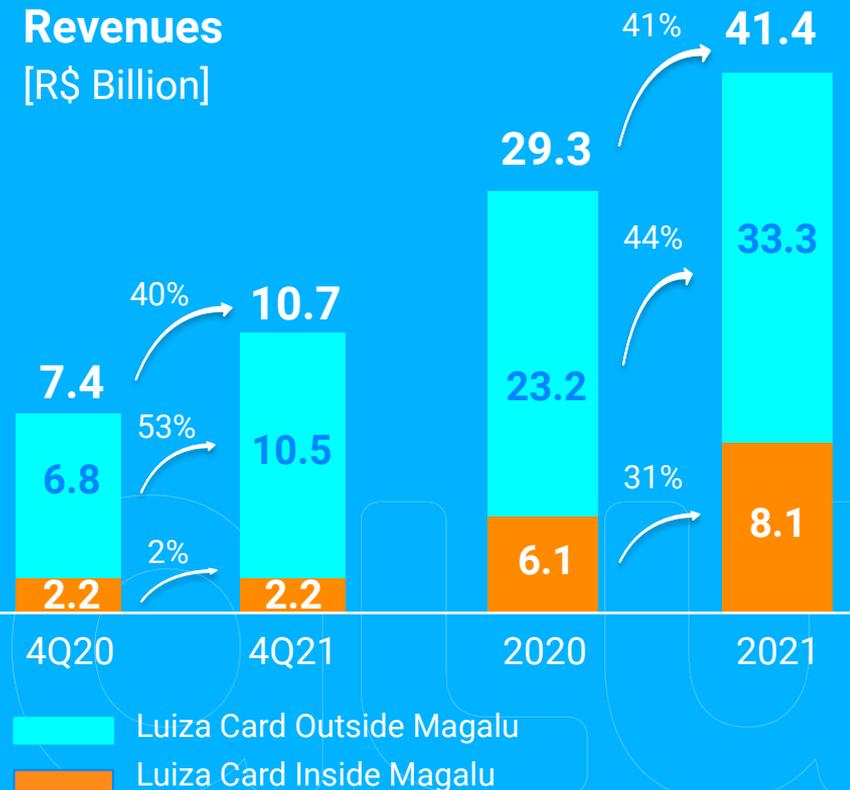
7.2 million cards issued



Evolution of the Luiza Card Base [million]



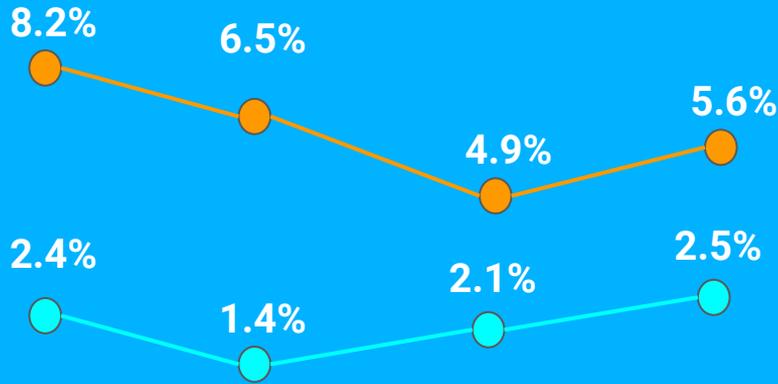
Revenues [R\$ Billion]



Luizacred

Default levels at historic lows

Percent of the Portfolio Overdue (%)



Dec-19

170%

Dec-20

176%

Sep-21

198%

Dec-21

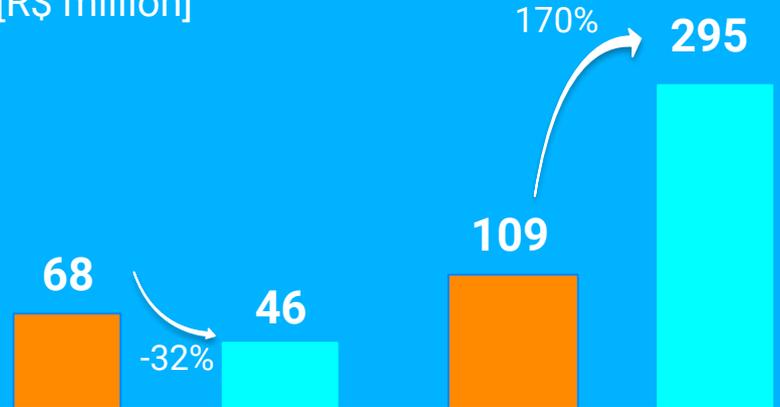
183%

NPL 15-90

NPL > 90

Coverage (%)

Net Income [R\$ million]



4Q20

53

4Q21

(15)

2020

205

2021

153

In Bacen Gaap

in IFRS

Ecosistema Magalu

SERVIÇOS FINANCEIROS

magalupay
consórcio
Magalu
magalu
pagamentos
hub
fintech

VIP
COMMERCE

Magaluads

MAAS

LUIZACRED

luizaseg

VAREJO

Magalu

parceiro
Magalu

stoa

com
school

SmartHint

HUBSALES

grand
chef

bit55

LOGÍSTICA

magalu
Entregas

logbee

NETSHOES

KaBUM! >>

Canaltech

STEAL
THE
LOOK

CONTEÚDO

ZATTINI

aiqfome

tonolucro

plus

shoestock

estante
virtual

LOVE
TELO

ÉPOCA
COSMÉTICOS · PERFUMARIA

CONSUMIDOR

SELLERS

GFL

Sinclog

SODE
SOLUÇÕES DE ENTREGA

MAGALU



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