

Magalu



Conference Call 2Q24

August 9, 2024

Esta teleconferência possui tradução simultânea. Para acessar, basta clicar no botão Interpretação através do ícone do globo na parte inferior da tela.

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.

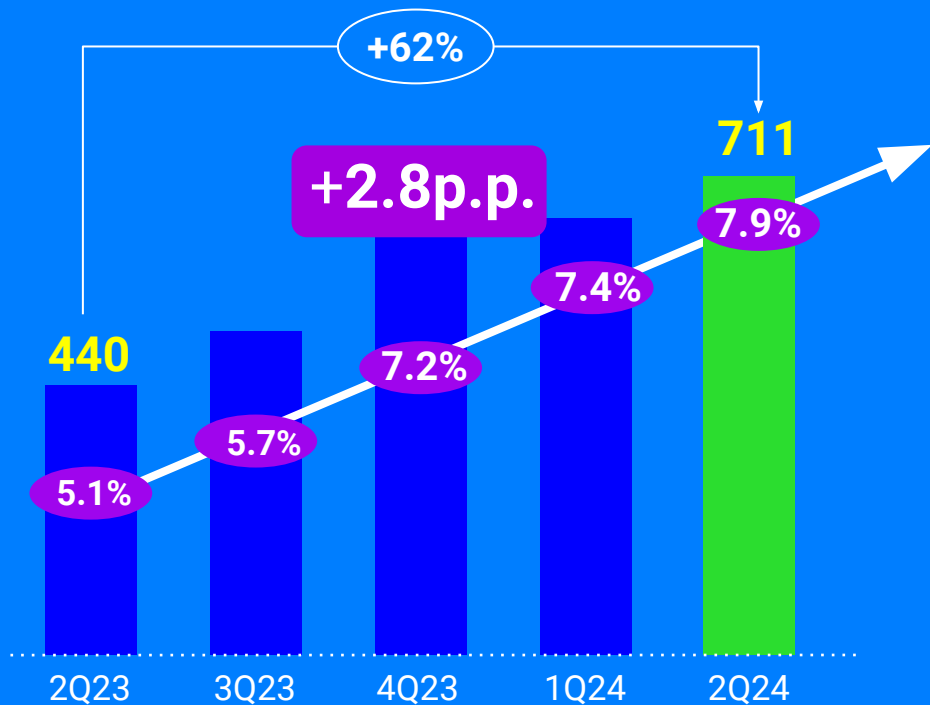
To gain access, please click the Interpretation button on the globe icon at the bottom of the screen.

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.

2Q24: Adjusted EBITDA grew 62%, reaching 7.9% of margin (+2.8p.p.), 25% decrease in financial expenses and R\$37 million of adjusted net income

Adjusted EBITDA margin
[% of net revenue]



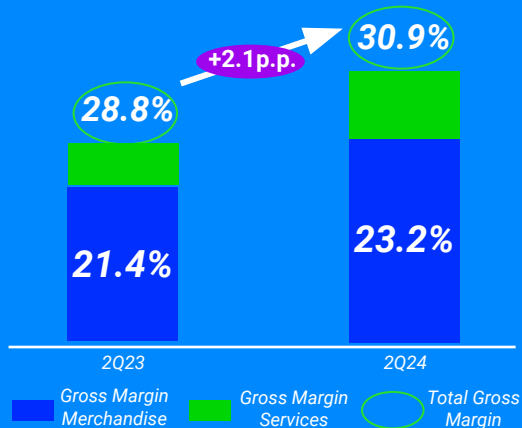
R\$ 37 million
of Adjusted Net
Income in 2Q24

(Evolution of R\$398 million in
operating profit before taxes)



2Q24: 2.1 p.p. increase in gross margin, net income of R\$71 million in Luizacred, and payment of short-term debts

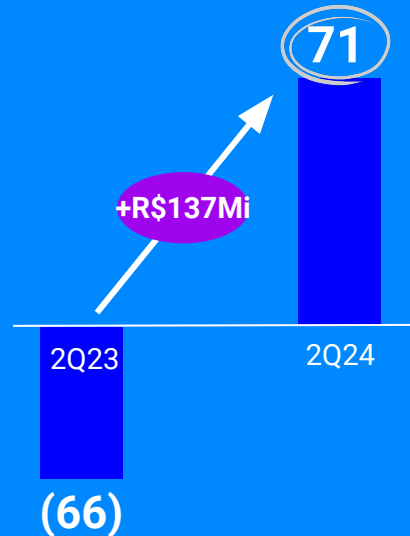
Gross Margin Evolution (%)



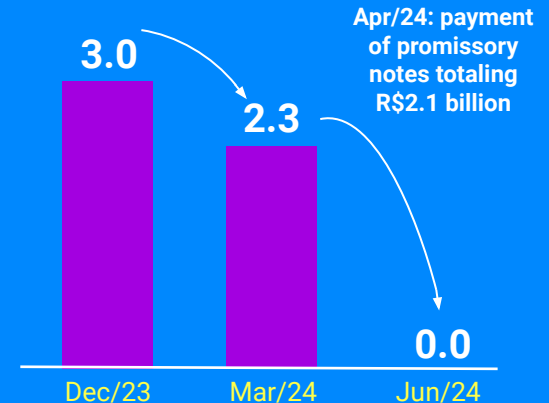
+3 p.p. growth in 1P gross margin on merchandise

+11% growth in service revenue

Net Income of Luizacred (Million R\$)



Short-term debt (Billion R\$)



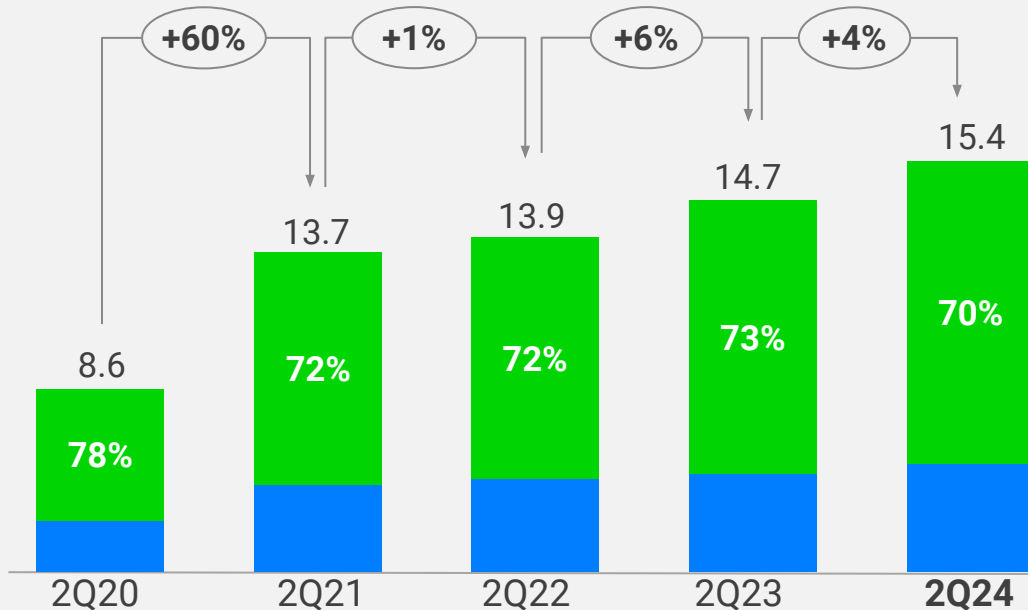
R\$3.0 billion

Reduction of debt, eliminating short-term debt

Total Sales of **R\$15.4 billion** in 2Q24, with **4% growth**

Total sales growth [Billion R\$; %]

Online Physical stores

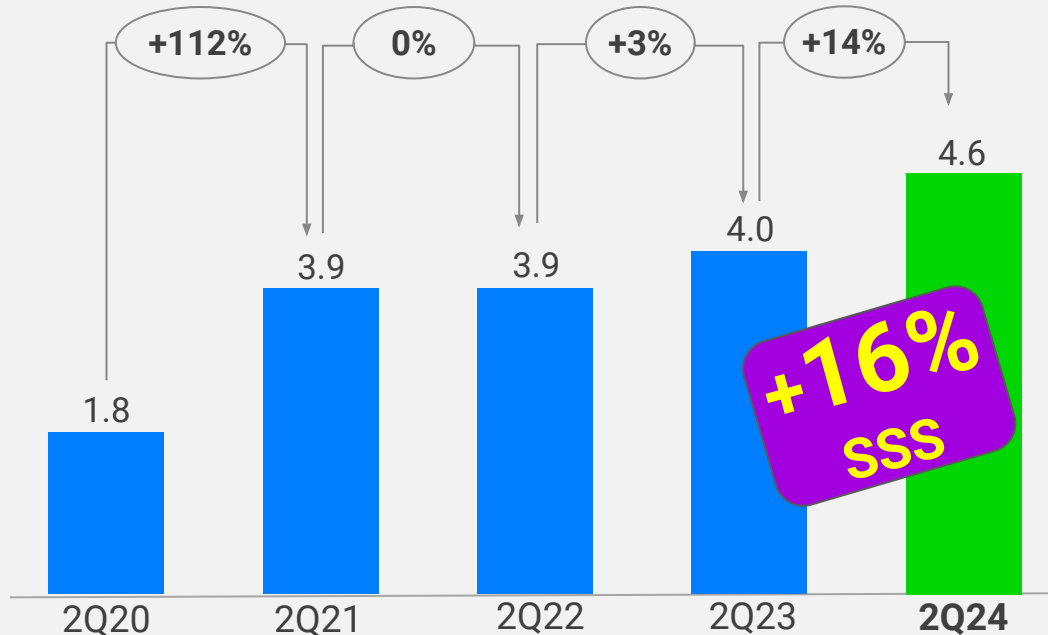


+4% Growth of Total Sales
[2Q24 vs 2Q23]

30.9% Gross Margin
[+2.1 p.p. vs 2Q23]

Magalu continues to gain market share in physical stores, reaching sales of **R\$ 4.6 billion** in 2Q24

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



16% Same Store Sales Growth
[2Q24 - 2Q23]

14% Total Sales Growth
[2Q24 - 2Q23]

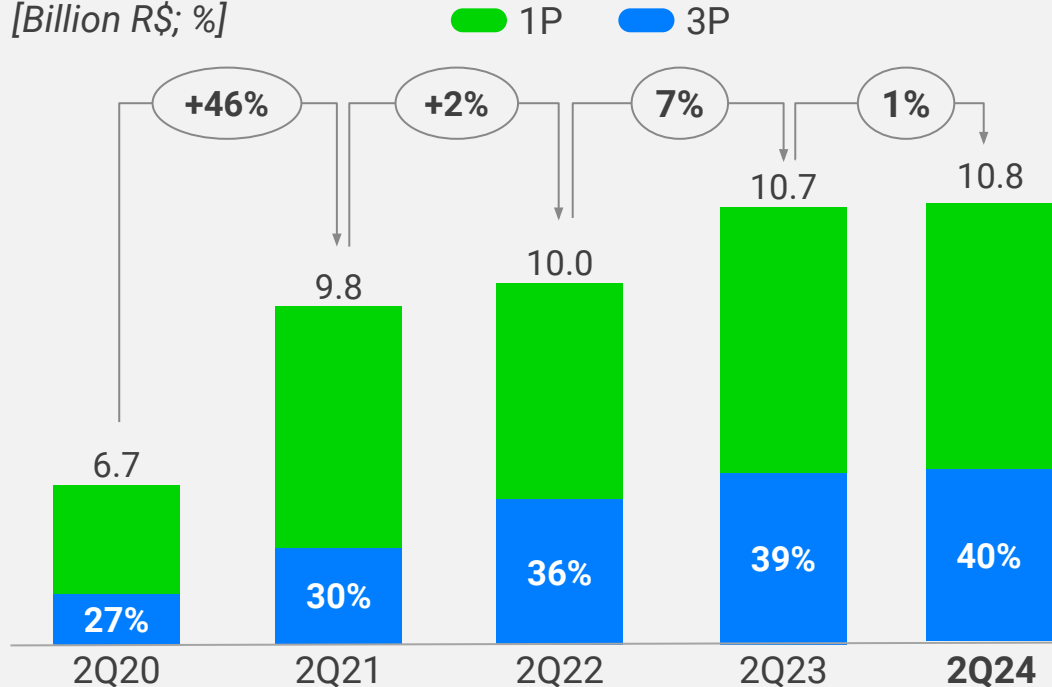
Regions with the highest growth:

- Rio de Janeiro
- Distrito Federal
- Rio Grande do Sul
- Northeast

E-commerce sales reached **R\$10.8 billion** in 2Q24

Growth of e-commerce sales

[Billion R\$; %]



Marketplace:

4% Growth in 3P
[2Q24 - 2Q23]

40% Share of 3P in online sales
[2Q24]

1P: quarterly focus on increasing operational margins

3 p.p. Increase in Gross Merchandise Margin in 1P [2Q24 - 2Q23]

Truly multichannel fulfillment, with a wide variety of products, and high level of service

+21% of
3P orders

+3,300
sellers

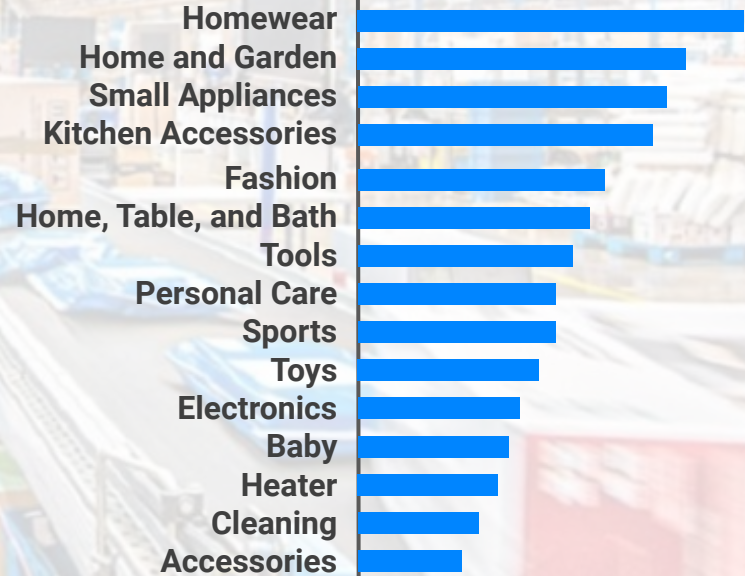
95% of Level
of service

60k unique
SKUs

+1 million
pieces in
storage

8 CDs

Composition of fulfillment orders by category (2Q24)



New version of Lu: AI and graphic improvements enhance customer connection and revenue opportunities



Lu received an update that made her even more realistic by using AI and enhancing graphic quality. This strengthened the connection with customers and increased revenue opportunities. Her first campaign was launched in partnership with Burger King

Advertisers are increasing on the platform

+40%

Platform
revenue
[2Q24 vs 2Q23]

3.7k

Active advertisers
(sellers and
brands)

430M

monthly visits
[jun/24]



Canaltech JOVENTUD STEAL THE LOOK netshoes

MagaluBank: multichannel offering of financial products for customers and sellers, as well as payment services for the entire ecosystem



+R\$23 Bi

Total TPV in 2Q24



8.6 Mi

Pix transactions in 2Q24
(+15% vs 2Q23)

Highlight

Launch of the Digital CDC

- Fully integrated with the App
- Personalized interest rates
- Online application and management through the app

MagaluPay empresas



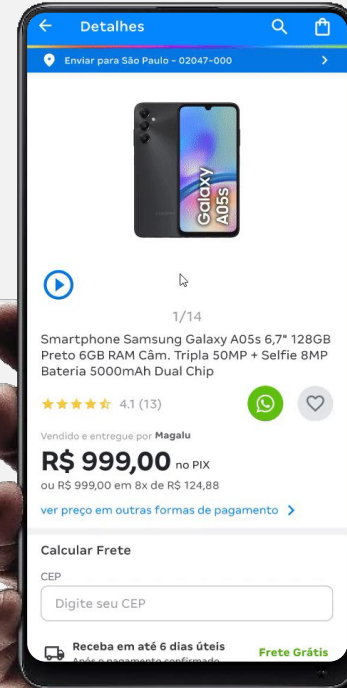
+102k

of Sellers with Digital Accounts

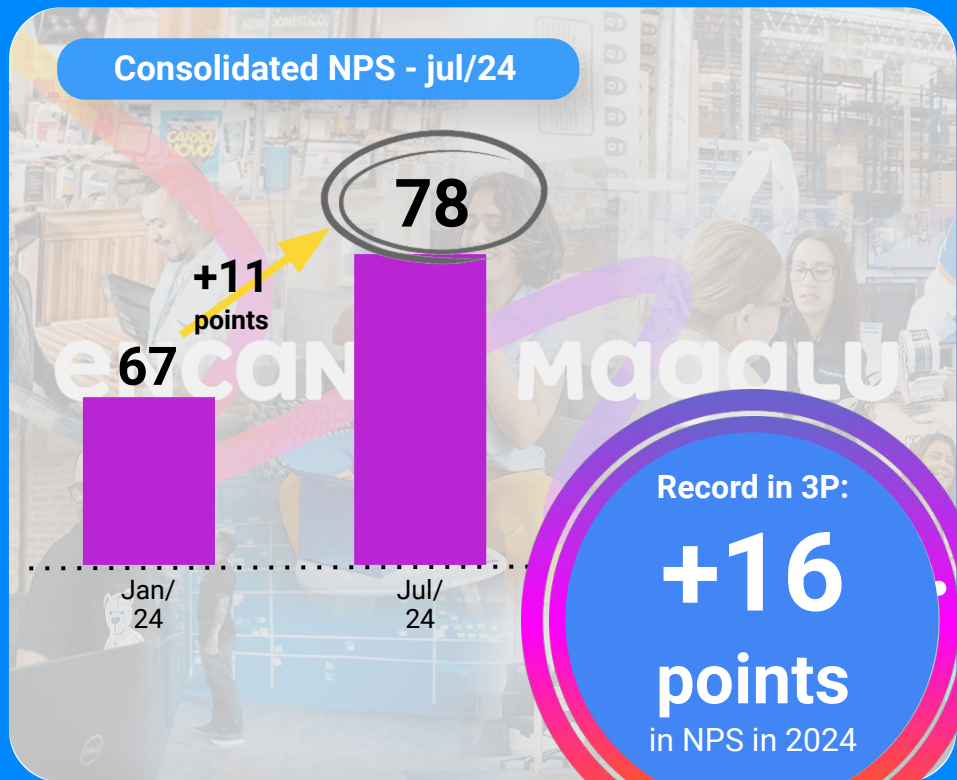


+R\$992 Mi

Transaction volume in digital accounts in 2Q24



Magalu Enchants: Strong improvement in NPS, with improvements across all channels



Continuous improvement in customer experience

- 31% Growth in self-service attendance
- 32% Reduction in contact rate regarding orders
- Over 80% resolution on First Contact
- Faster cancellation: 50% reduction in cancellation time
- RA1000 certificate for all group bands



Financial Highlights



magalu

magalu

Financial Highlights

2Q24

R\$15.4 Billion in Total Sales
(4% of growth)

30.9% Gross Margin
(vs 28.8% of margin in 2Q23)

14% Growth in Physical Store Sales
(16% SSS)

R\$711 Million in Adjusted EBITDA
(7.9% of margin)

4% Growth in Marketplace

R\$37 Million in Adjusted Net Income
(0.4% of margin)

1% Growth in E-commerce

R\$6.5 Billion in Total Cash
(R\$2.0bi Net Cash Including
Receivables)

Summary of Non-Recurring Events

(in R\$ million)

2024

Tax Credits	163.4	→	Reevaluation of the methodology for excluding ICMS from the PIS/COFINS calculation base
Tax Provisions	(204.2)	→	Provision for ICMS – DIFAL (R\$142.9 million at the parent company and R\$61.3 million at the subsidiaries)
Other Expenses	(14.9)	→	Significant reduction in restructuring and integration expenses compared to 2023
EBITDA Adjustments	(55.7)		
IR/CS	41.9		
Net Income Adjustments	(13.8)		

Net Accounting Profit R\$23.6

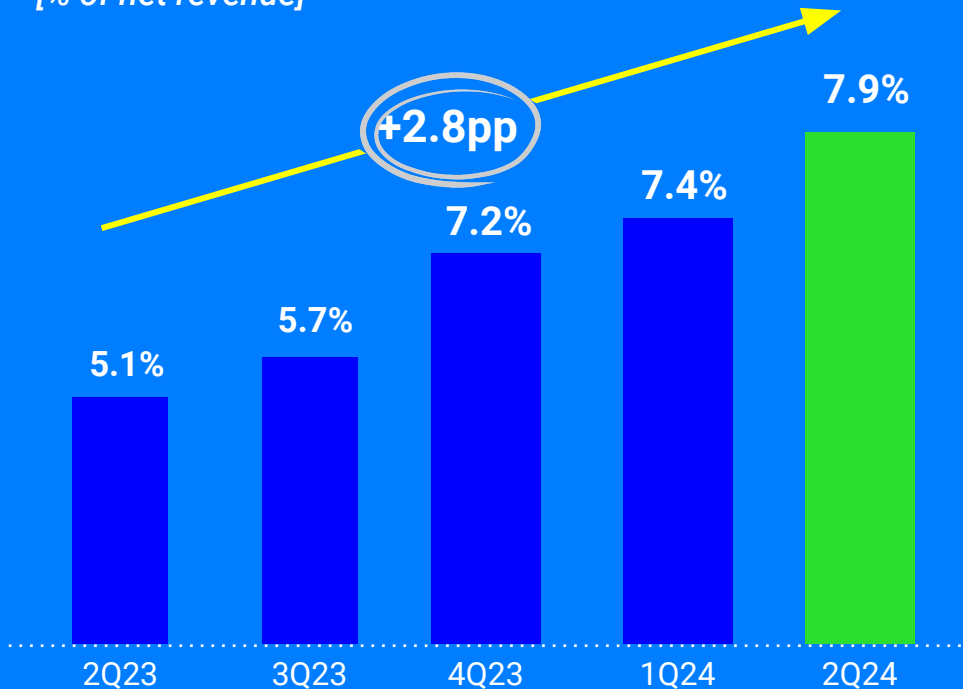
Adjustments (R\$13.8)

Adjusted Net Profit R\$37.4

Continuous evolution of operating margins

Adjusted EBITDA Margin of 7.9%, the highest margin since 2019

Adjusted EBITDA Margin
[% of net revenue]

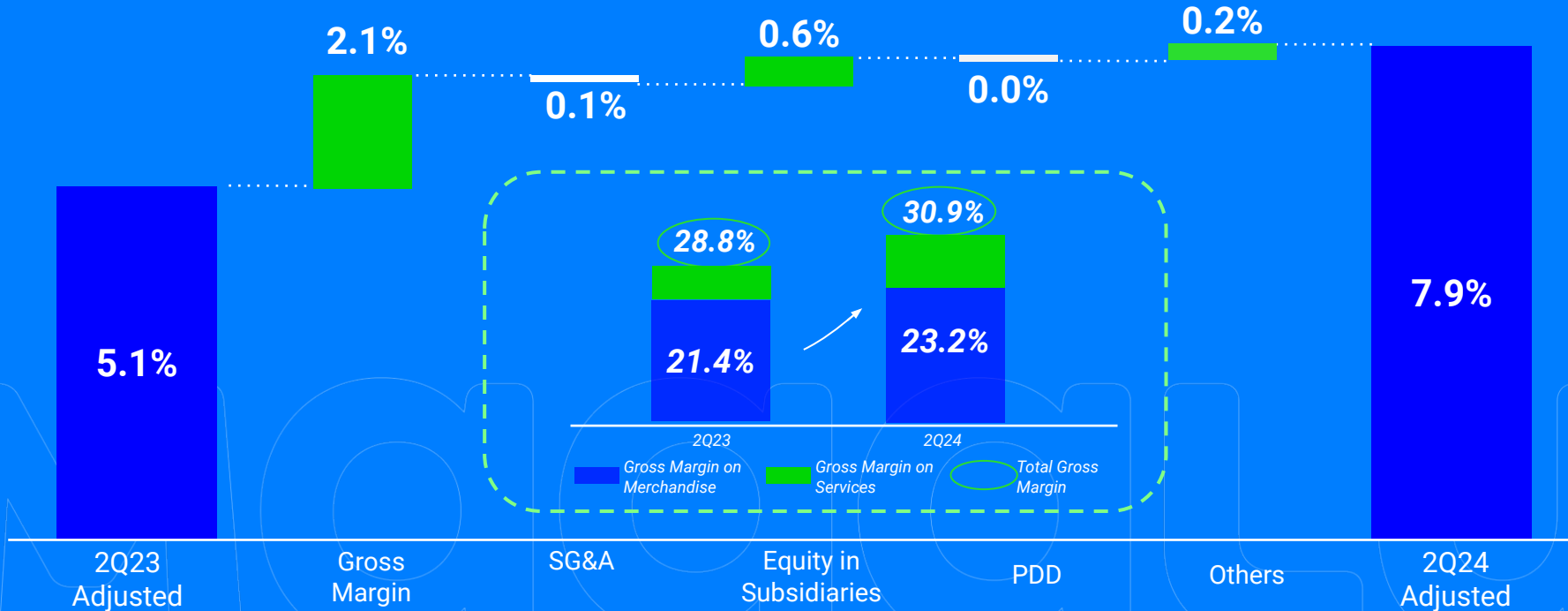


Key Levers

- Marketplace Growth and increased **Service Revenue (+11% vs 2Q23)**
- **Increase in Gross Merchandise Margin** and DIFAL pass-through in 1P
- **Fulfillment** Expansion
- **Market share gain** and profitability recovery in physical stores
- **Luizacred** Profitability

Significant adjusted EBITDA margin evolution

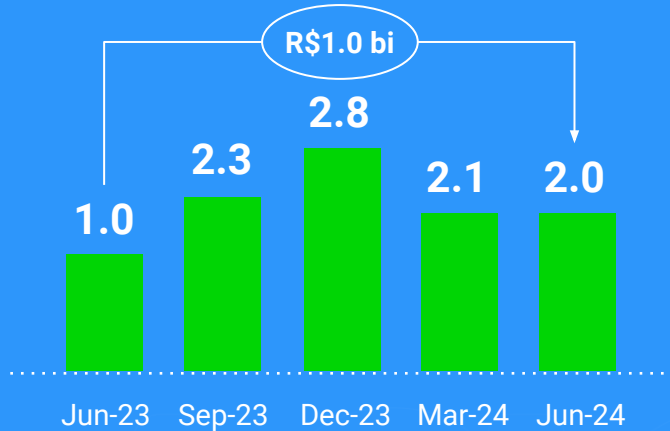
2.8 p.p. increase in adjusted EBITDA margin, 2,1 p.p. in gross margin



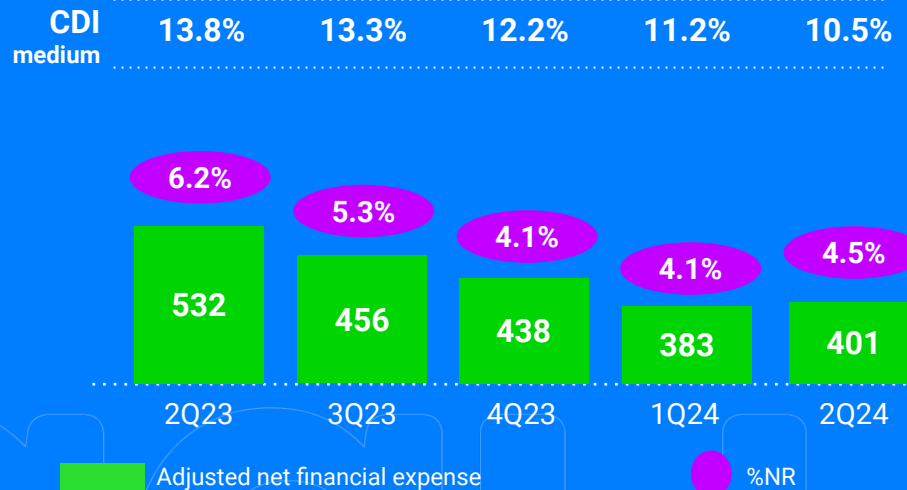
Evolution of R\$1.0 billion in Working Capital during the past 12 months

25% decrease in financial expenses in 2Q24

Adjusted working capital (R\$ Billion)



Adjusted net financial expense (R\$ Million)



Working Capital Improvement, with reduction in inventories and increase in purchase turnover ratio

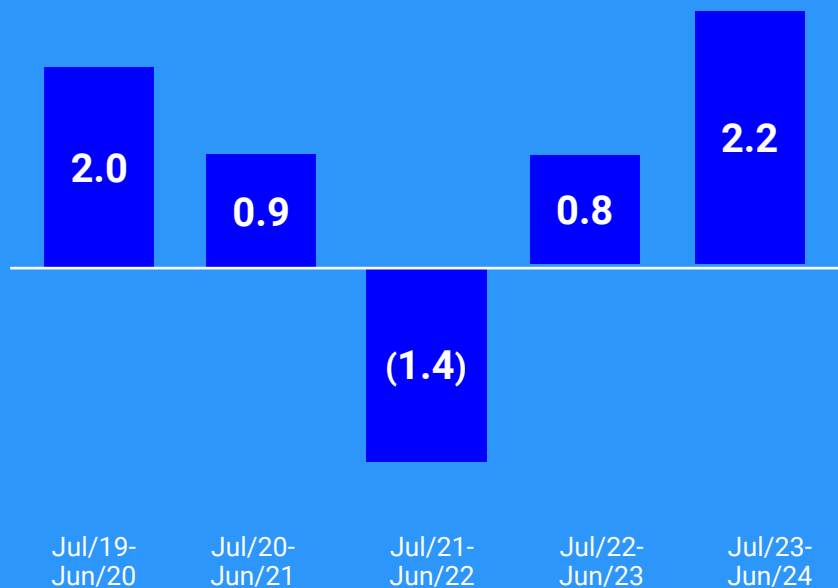
Additional reduction in inventories of **R\$120 million in 2Q24**

An increased number of sellers in the **prepayment model**

25% Reduction in financial expenses, despite considering R\$30 million in additional expenses for receivables anticipation for debt payment in 2Q24

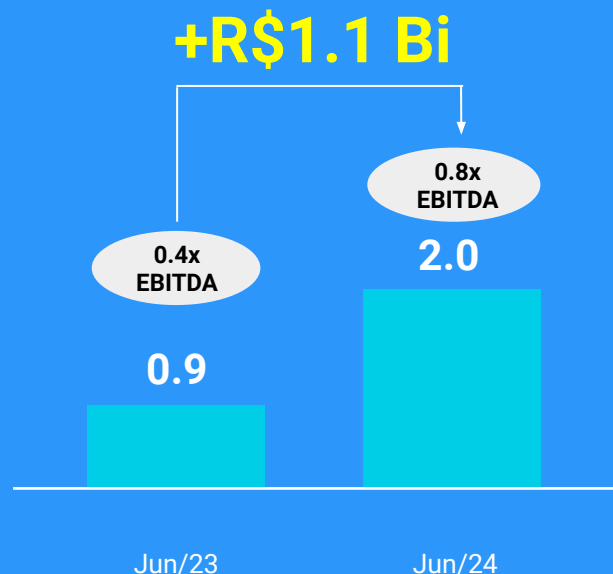
Operational cash generation of R\$2.2 billion over the last 12 months, with a R\$1.1 billion increase in net cash

Cash flow from operations (12 months ; R\$ Bi)



Cash flow from operations

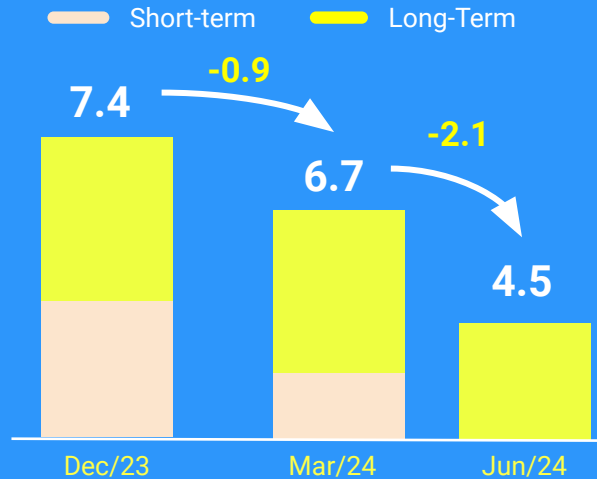
Net cash evolution, including receivables (R\$ Bi)



We ended 2Q24 with a **net cash of 2.0 billion**, an increase of R\$1.1 billion compared to the previous year
 In Apr/24, we **paid off our short-term debts**

Debt reduction (R\$ Bi)

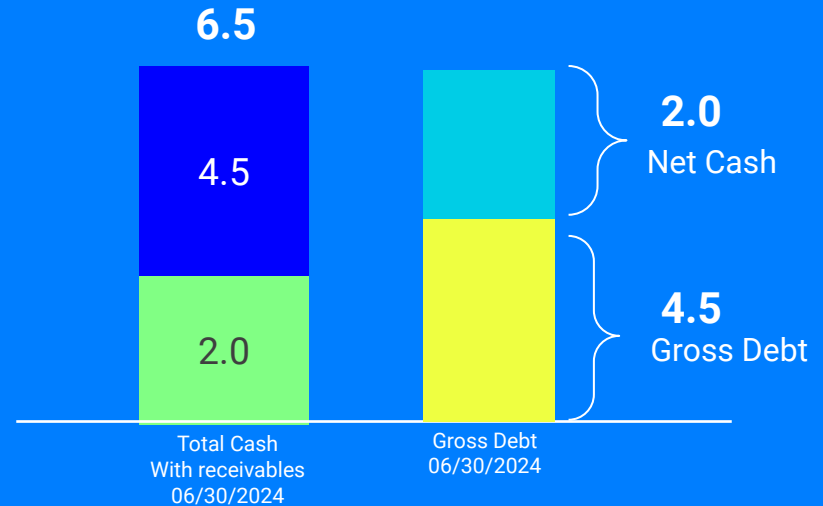
April 2024: Payment of promissory notes totaling R\$2.1 billion



R\$3.0 billion

Reduction of debt, eliminating short-term debt

Net cash position (R\$ Bi)

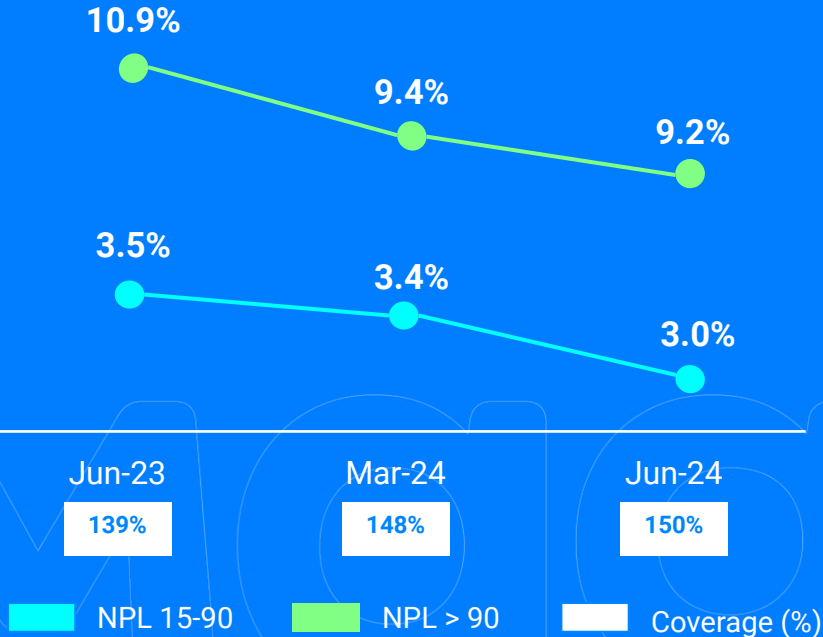


Receivables Cash Short-term Long-Term

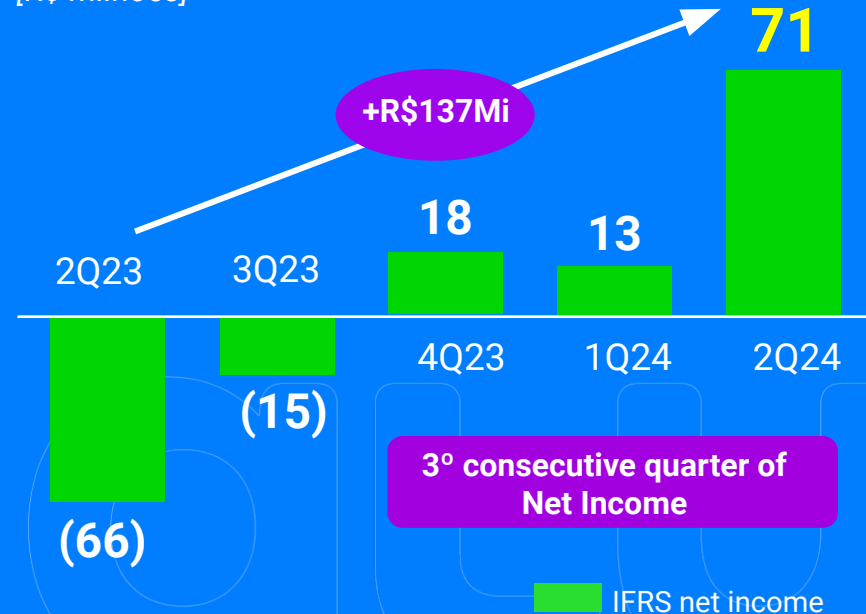
Luizacred

Credit card TPV reached **R\$14.4 billion** and **credit portfolio** amounted to **R\$19.3 billion** in 2Q24

Percent of the Portfolio Overdue (%)



Net Income [R\$ milhões]



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

MAGALU + AliExpress



Products from Alibaba's "Choice" line will also be sold in Brazil through Magalu



Magalu's 1P products will be sold through AliExpress Brazil



AliExpress orders made through Magalu will be imported via the Remessa Conforme program



The partnership brings together two of the largest audiences in the country, offering variety, service, and quality to the end consumer



Increased category diversification: automotive accessories, beauty products, home goods, toys, computer peripherals and electronics, clothing, etc



Ecosystem Magalu



serviços financeiros

CONSÓRCIO
Magalu

VIP
COMMERCE

maas

magalu
pay

hub
fintech

magalu cloud

magalu
pagamentos

stoa

com
school

luizaCRED

SmartHint



HUB SALES



grand
chef

bit55

logística

magalu
Entregas

Canaltech

conteúdo



netshoes

KaBum! >>

STEAL
THE
LOOK

logbee 

ÉPOCA
COSMÉTICOS · PERFUMARIA

aiqfome

GFL

ZATTINI

Magalu

estante
virtual



Sinclog

MAGALU



INVESTOR RELATIONS

RI@MAGAZINELUIZA.COM.BR
MAGAZINELUIZA.COM.BR/RI

As afirmações contidas neste documento relacionadas a perspectivas sobre os negócios, projeções sobre resultados operacionais e financeiros e aquelas relacionadas a perspectivas de crescimento do Magazine Luiza são meramente projeções e, como tais, são baseadas exclusivamente nas expectativas da diretoria sobre o futuro dos negócios. Essas expectativas dependem, substancialmente, das aprovações e licenças necessárias para homologação dos projetos, condições de mercado, do desempenho da economia brasileira, do setor e dos mercados internacionais e, portanto, sujeitas a mudanças sem aviso prévio. O presente documento pode incluir dados contábeis e não contábeis tais como, operacionais, financeiros pro forma e projeções com base na expectativa da Administração da Companhia. Os dados não contábeis não foram objeto de revisão por parte dos auditores independentes da Companhia.