

# MAGALU

Conference Call 3Q21

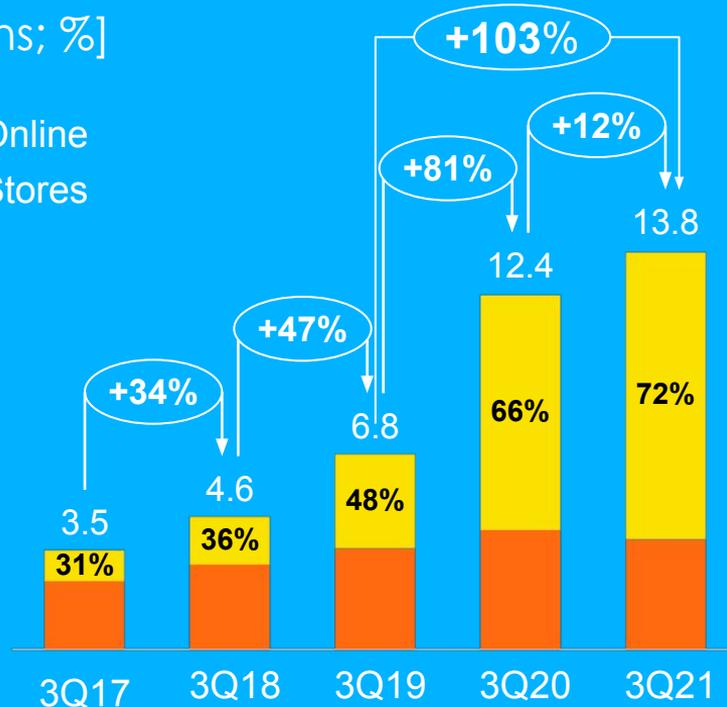
November 12, 2021

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In two years, **we doubled total sales**, overcoming the largest comparison base in the Company's history

### Evolution of total sales

[R\$ Billions; %]



**12%**

**Growth vs 3Q20**

[3Q21 vs 3Q20]

**72%**

**E-commerce as a percentage of total sales**

[%; 3Q21]

The decline in physical store sales was a combination of the worsening of the macro scenario and the **high 2020 comparison base**

### Evolution of store sales

[R\$ Billion; %]

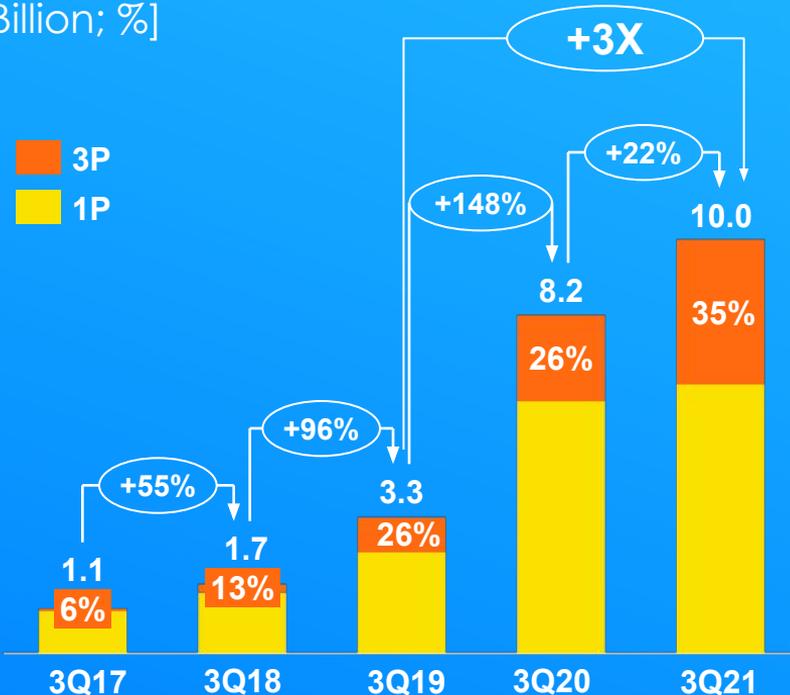


**Lower sales volume in the physical stores**, our most mature and profitable sales channel, was the principal motive for the **reduction in profitability**

Magalu's 3P business took **5 years** to reach R\$3.5 bi in a quarter, an amount that it took our 1P business around **20 years** to reach

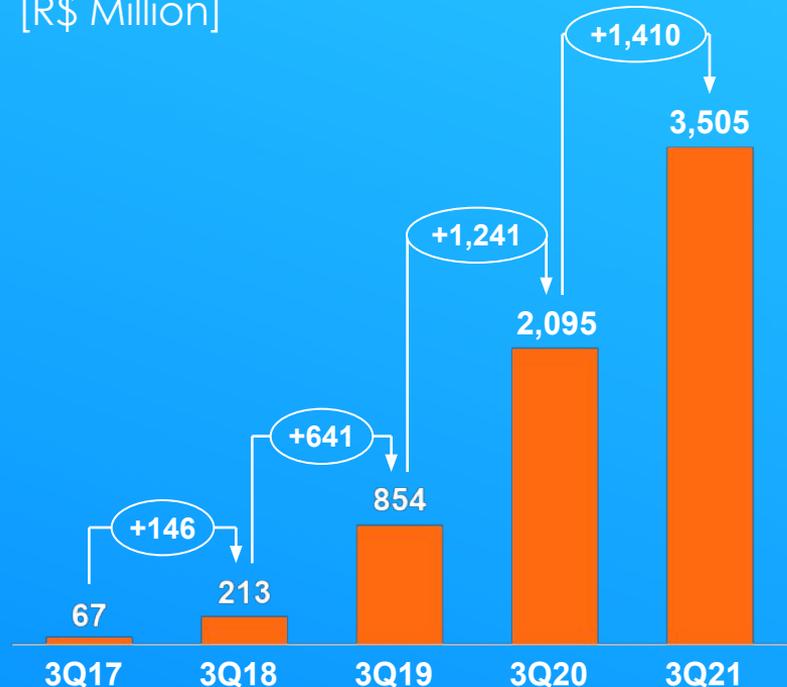
### Evolution of e-commerce sales

[R\$ Billion; %]



### Evolution of Marketplace Sales (3P)

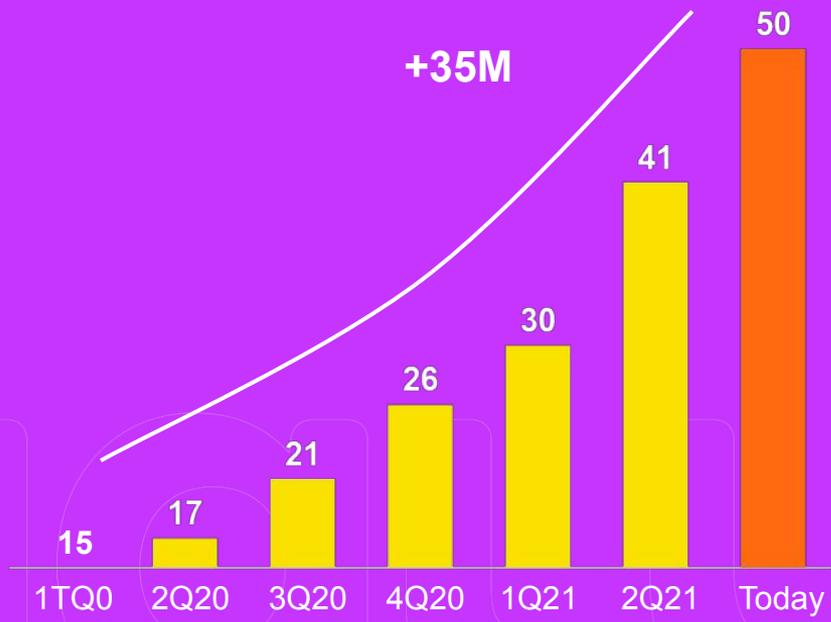
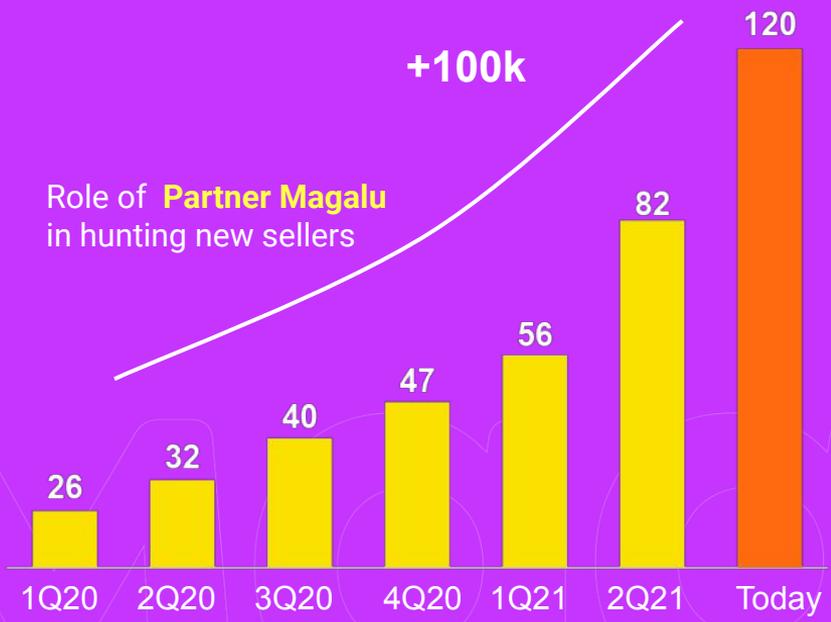
[R\$ Million]



# With the help of the physical stores, **Partner Magalu** accelerated the growth of assortment and number of analog sellers on the platform

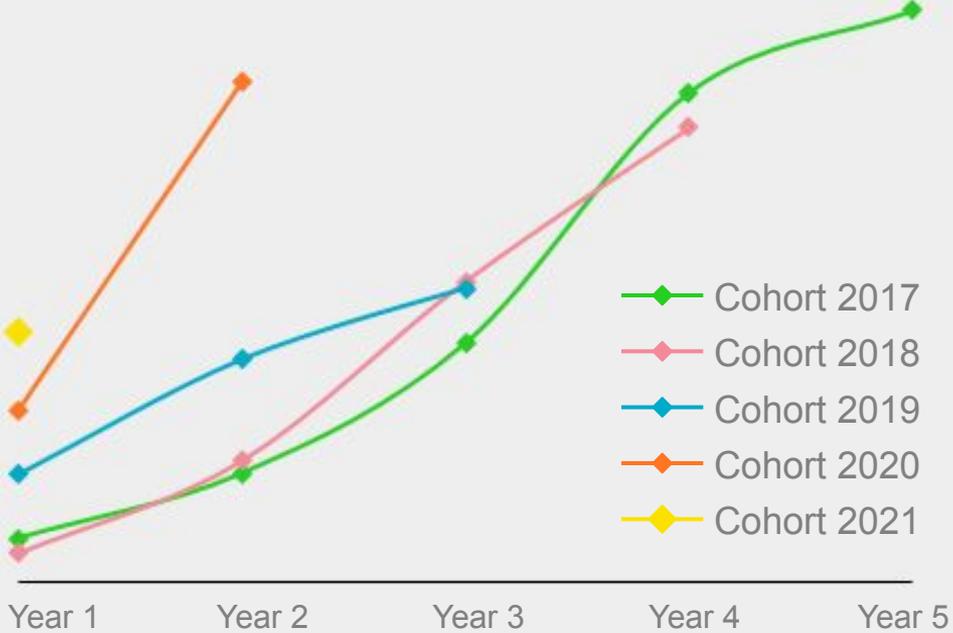
**Growth of the number of sellers**  
[‘000 sellers; on-boarded]

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



# Marketplace growth has been the result of improving professionalization among existing sellers and the increasing performance of new sellers

Evolution of GMV per annual cohort of sellers  
[GMV 3Q]

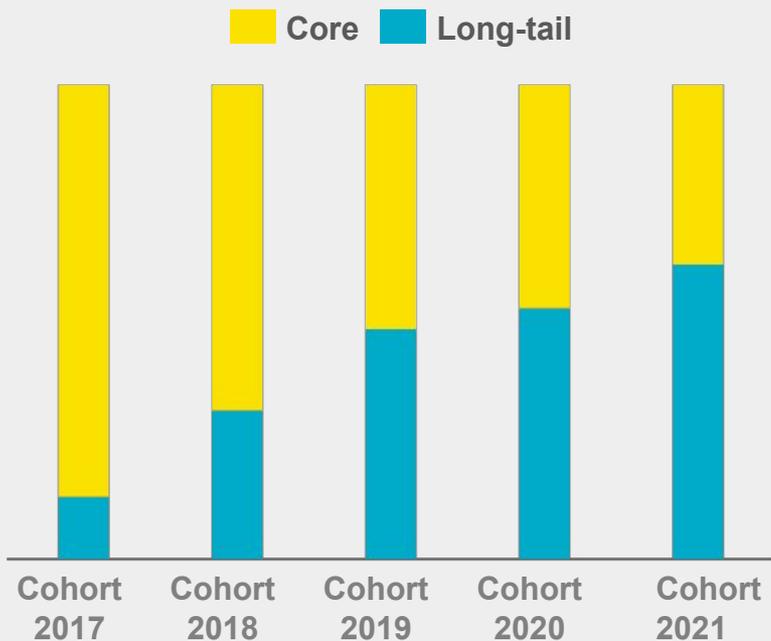


The GMV of sellers who entered our platform in 2017 has multiplied **13x in 5 years**

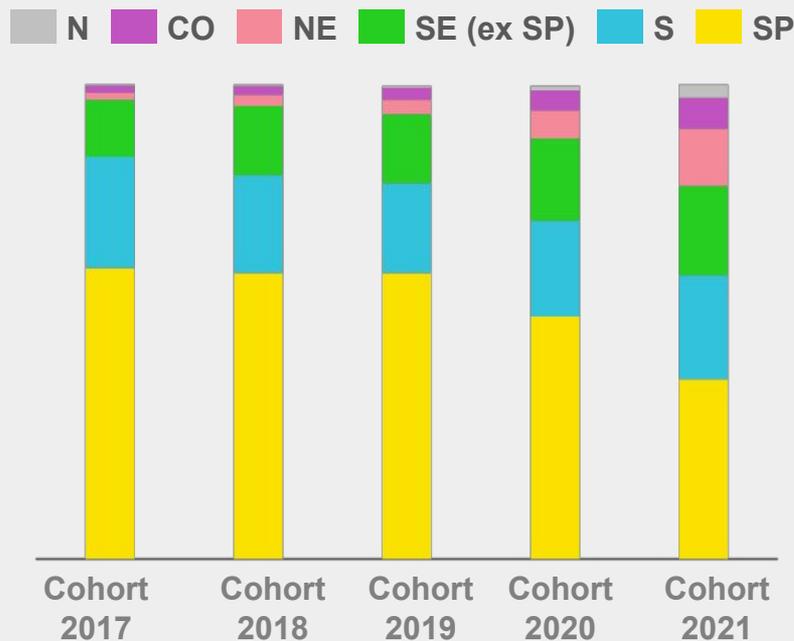
The sales performance of new sellers during their first year is typically **50% larger** than the sales performance of the sellers from the previous year in terms of GMV.

# New cohorts of sellers **diversify our assortment** and strengthen our ability to make **local deliveries**

GMV in Core and Long-tail categories by annual cohort  
[GMV 3Q21]

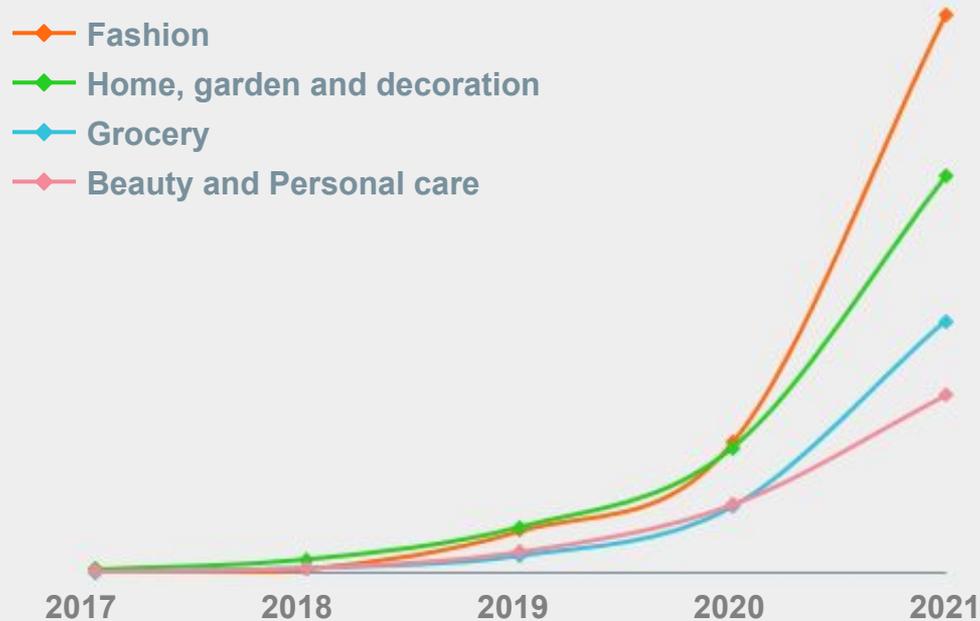


Location of sellers by annual cohort  
[Number of sellers]



# The importance of new categories as a percentage of sales has grown with the entrance of **sellers who complement our assortment**

Quantity of published sellers per year, per category  
[Quantity of sellers; FY]



The entrance of fashion, grocery, beauty and long tail sellers onto the platform has strengthened, and given more visibility to, the **new category** strategy.

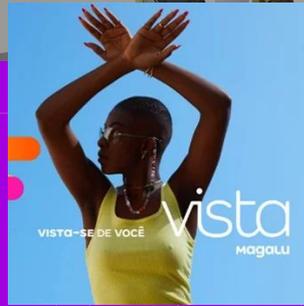
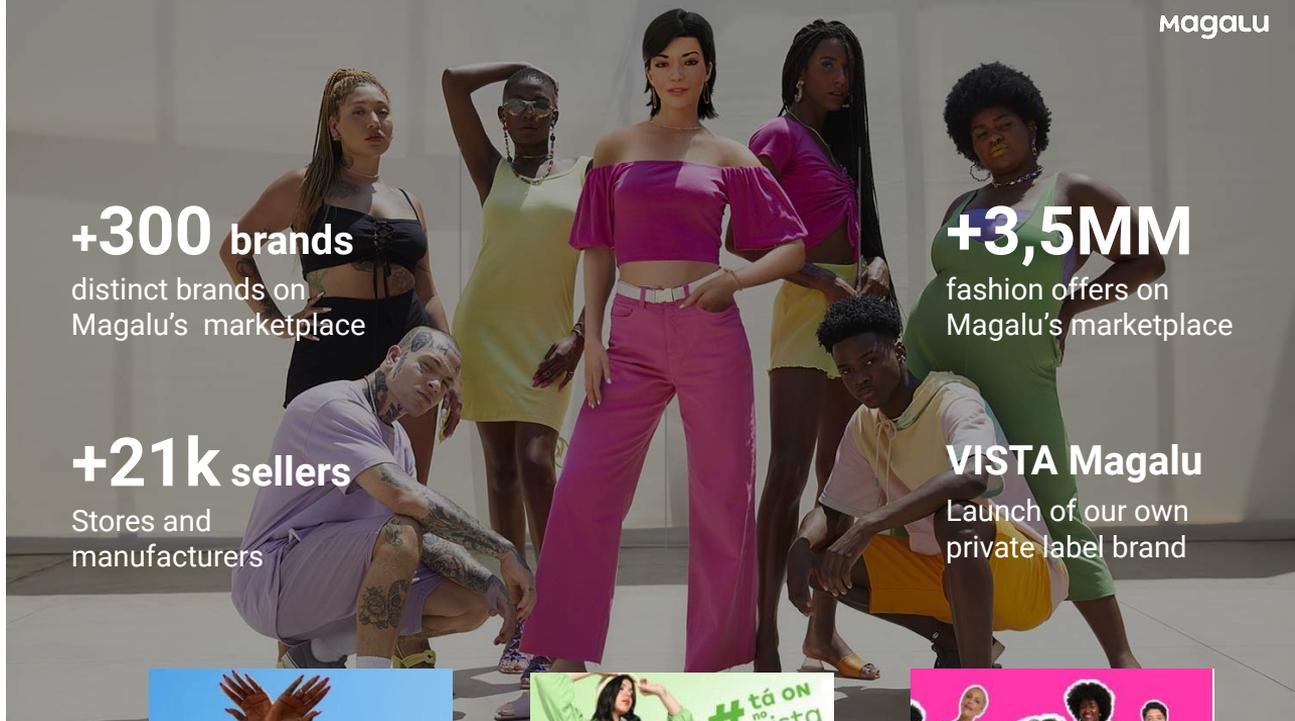
Magalu's fashion world is an example of how we are leveraging new, high frequency categories

**+300 brands**  
distinct brands on Magalu's marketplace

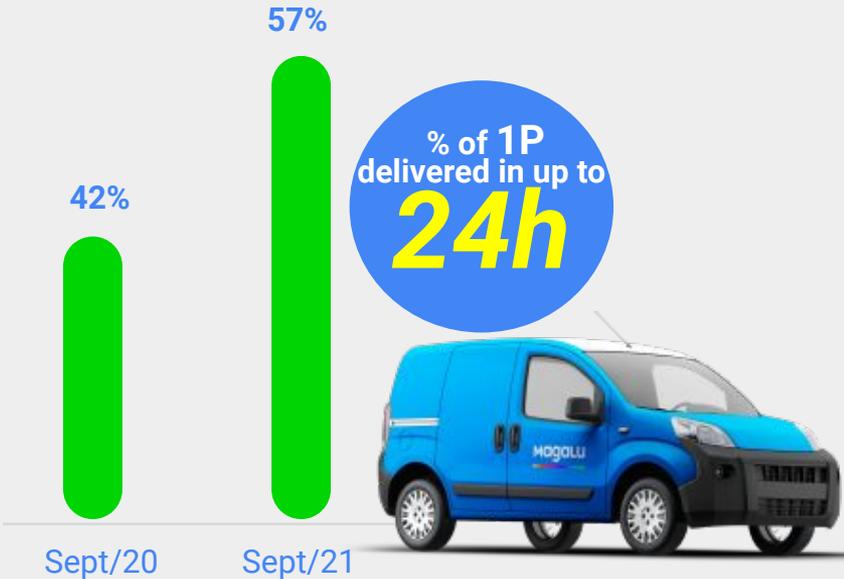
**+3,5MM**  
fashion offers on Magalu's marketplace

**+21k sellers**  
Stores and manufacturers

**VISTA Magalu**  
Launch of our own private label brand



# Magalu's 1P delivery speed continues to accelerate **even faster**



## 1hr Delivery

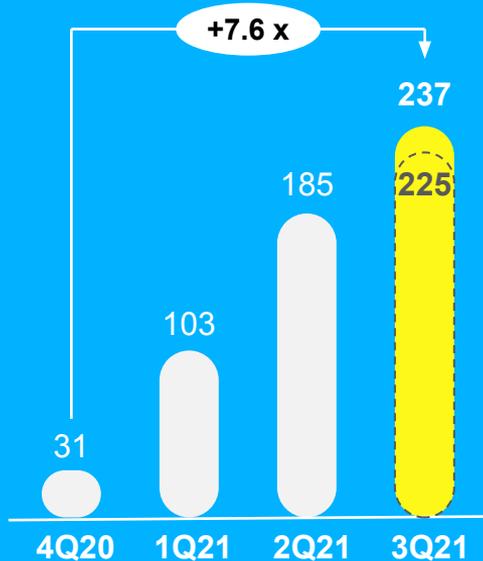
- 290 stores** offering 1h delivery [# Sept/21]
- 80 cities** with 1h delivery [# Oct/21]
- +2k motorcycle delivery partners** via SODE, a startup that we acquired in 2021

*Note: independent comparative analysis based on the mean delivery time disclosed during the period 01/01/2021 and 05/03/2021*

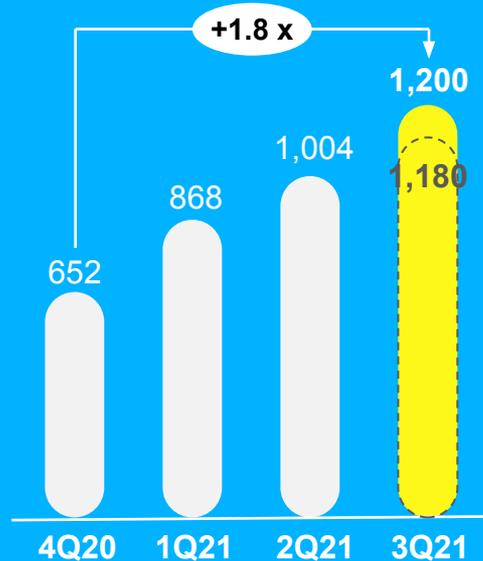
# We surpassed our own projections, rapidly expanding our logistics network and strengthening our day-to-day delivery capabilities

## Total Logistic Units [# DCs and XDs]

 Initial projection



## Total Storage Area [km<sup>2</sup>]



# 1,413

Total Stores



# 3,500

Cities covered by  
Magalu's network

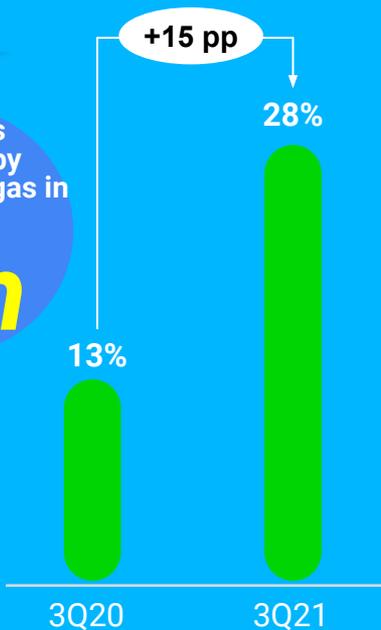
The improvement of our logistics network has enabled Magalu to replicate the **performance of 1P delivery for 3P**



## Rapid 3P delivery

3P orders delivered by Magalu Entregas in up to

**48h**



**298%**

Growth in the volume of items delivered by **Magalu Entregas**

**65%**

of 3P courier orders pass through **Magalu Entregas**

## Ultra-fast delivery of 3P



**+1k**

Sellers participating in **Ship-from-Seller** with delivery in 24hrs

**19**

Capitals covered by **Ship-from-Seller**

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

## Drop-off

**250** **Magalu Postal Agencies**  
Stores adapted for drop-off

**3k** Sellers using the **stores as postal agencies**



**Agency Magalu multichannel**

## 3P in-store pick up

**1k** stores enabled for **in-store pick up of 3P items**

**10%** share of **3P marketplace orders using in-store pick up**

TPV of R\$18.5 bi, coupled with 99% growth, ranks Magalu's financial services operation among the **largest fintechs** in Brazil

## Sellers



**Digital account**  
Totally free

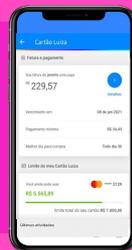


**Magalupay**  
**mobile point of sale**  
**machines**  
complete solutions for our partners



**+R\$119M**  
Magalu Payments Net Income  
for the 9 months ending  
September 2021

## Customers



**+4.4M**  
digital accounts opened



**+6.6M**  
credit cards issued



**+R\$15Bi**  
portfolio

# MAGALU

## Financial Highlights

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# Financial Highlights - 3Q21

**12%** Total Sales Growth  
[3Q21]

**R\$351** Million Adjusted EBITDA  
[3Q21] (Margin of 4.1%)

**22%** E-commerce Growth  
[3Q21]

**R\$23** Million Adjusted Net  
Income  
[3Q21]

**R\$13.8** Billion Total Sales  
[3Q21]

**R\$144** Million Net Income  
[3Q21]

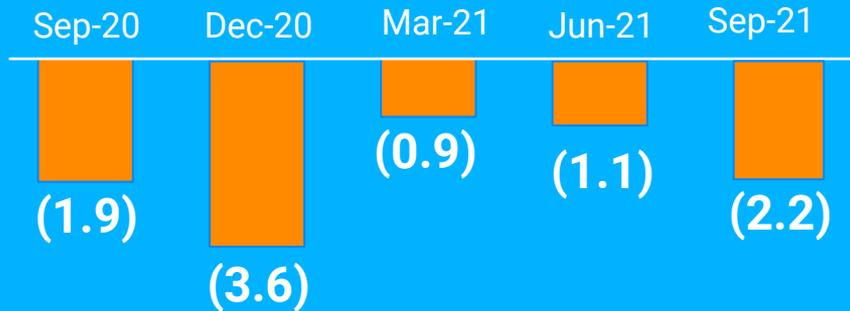
# EBITDA Margin Evolution

## EBITDA Margin (as % of Net Revenue)



# Solid Capital Structure

## Adjusted Working Capital (R\$ Billion)



## Adjusted Net Cash (R\$ Billion)

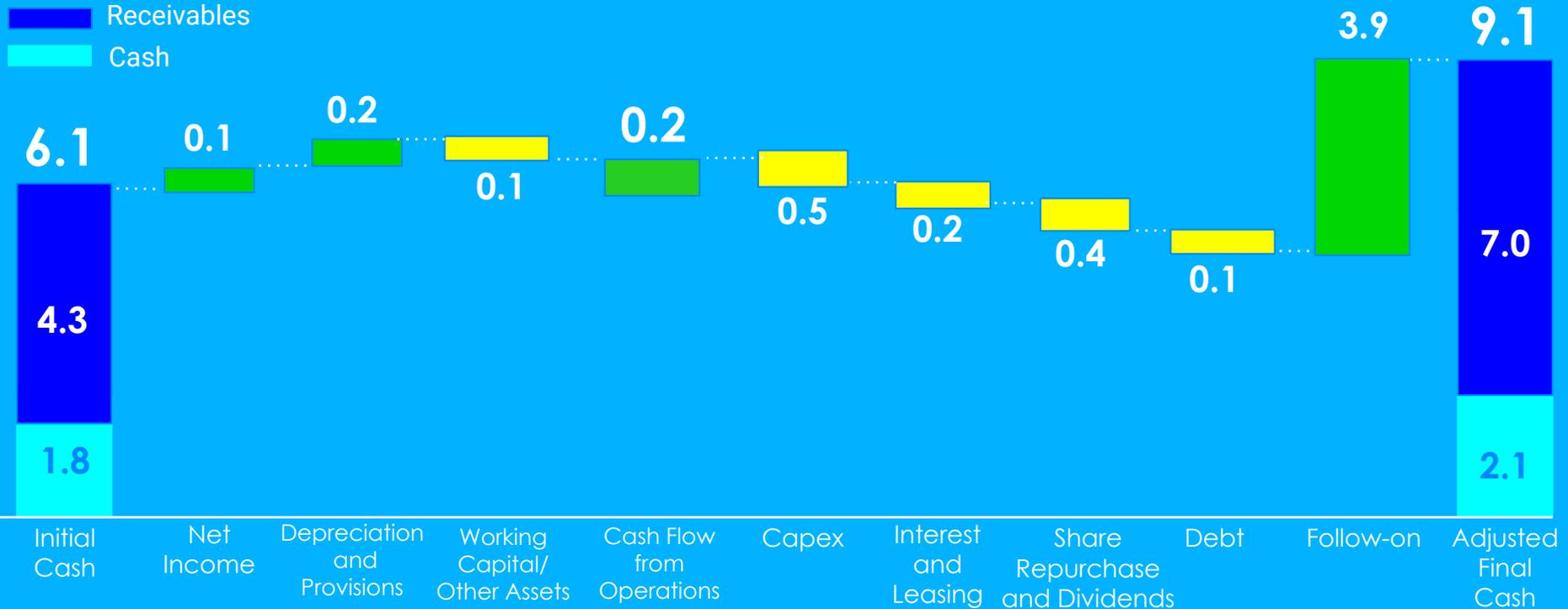


# Cash Generation

3Q21

## Cash Flow (R\$ Billion)

Receivables  
Cash

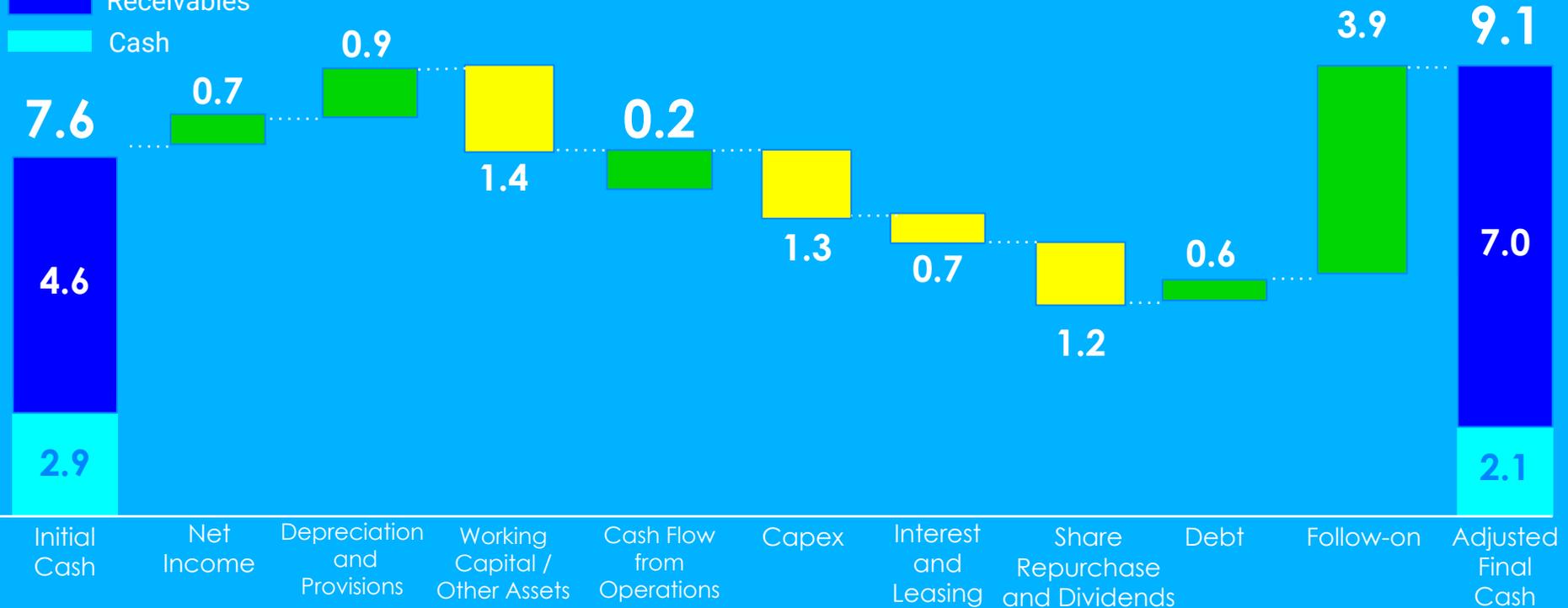


# Cash Generation

LTM

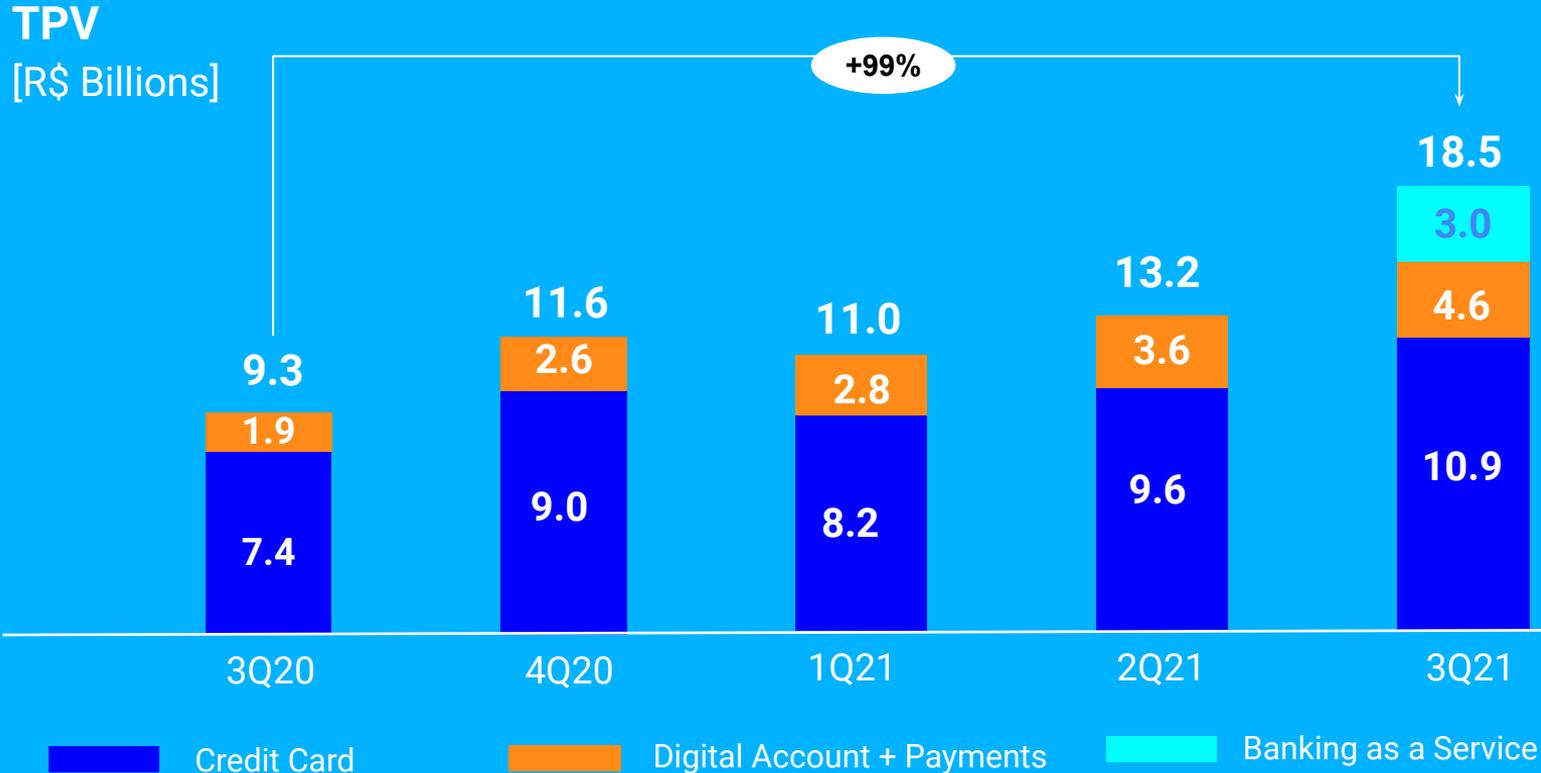
## Cash Flow (R\$ Billion)

Receivables  
Cash



# TPV - Total Payment Volume

Magalu's TPV reached R\$18.5 billion in 2Q21



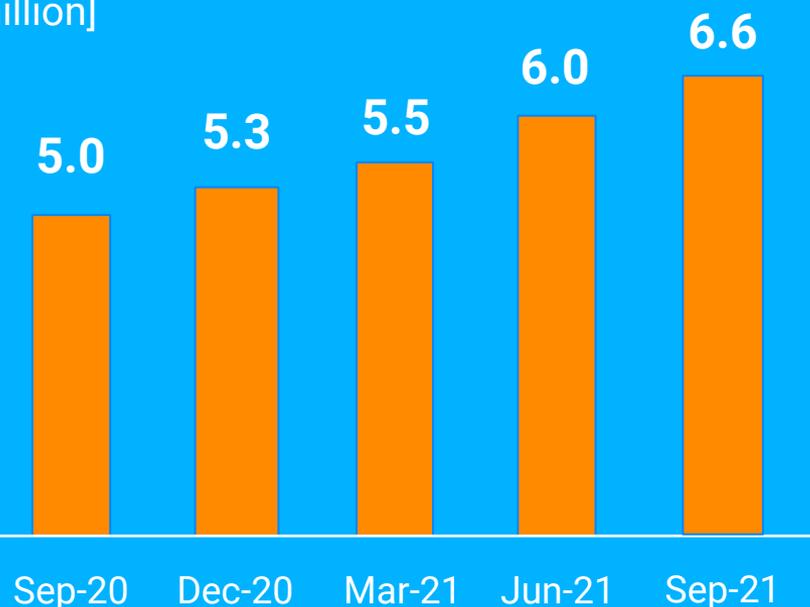
# Luizacred

6.6 million cards issued



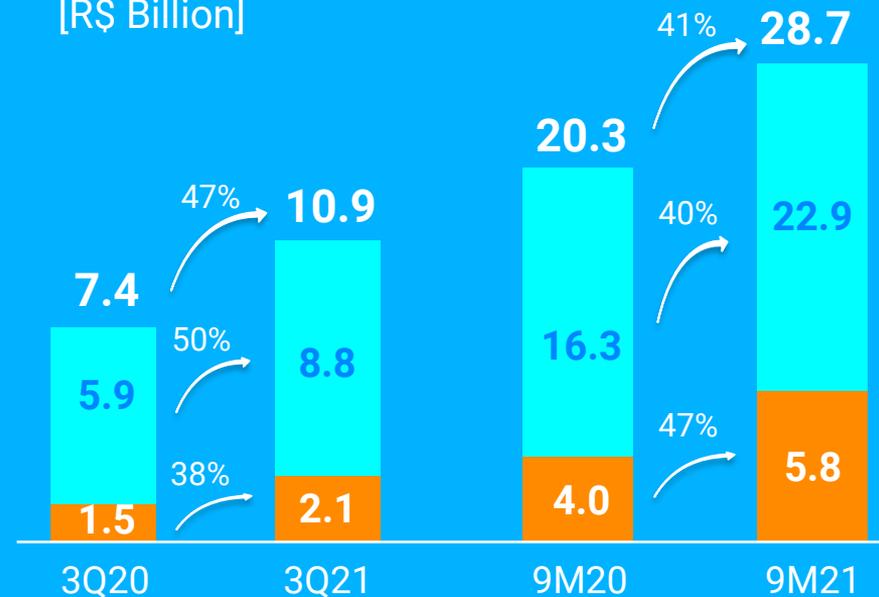
## Evolution of the Luiza Card Base

[million]



## Revenues

[R\$ Billion]

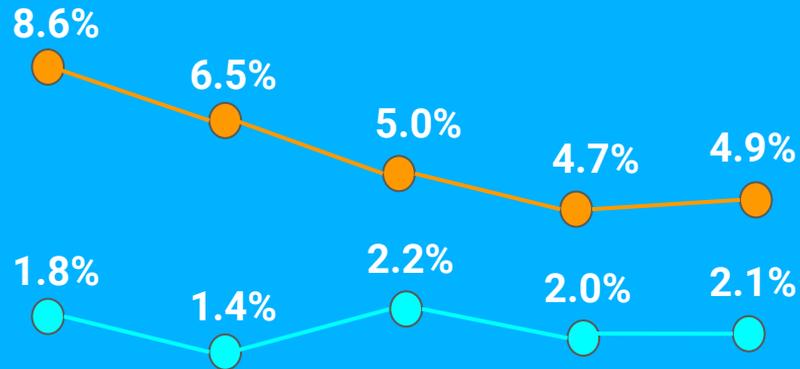


- Luiza Card Outside Magalu
- Luiza Card Inside Magalu

# Luizacred

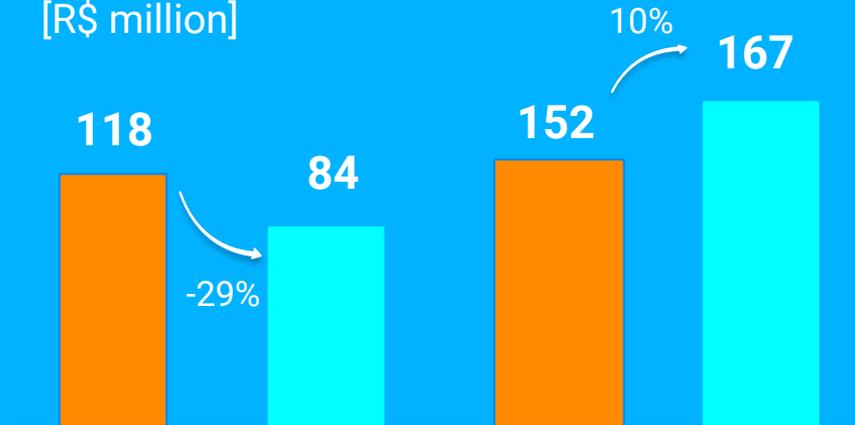
Default levels at historic lows

### Percent of the Portfolio Overdue (%)



■ NPL 15-90    
 ■ NPL > 90    
  Coverage (%)

### Net Income [R\$ million]



■ in IFRS    
  in Bacen GAAP

# Overall best place to work in Brazil

#TôNaMelhor

magalu

a melhor empresa para trabalhar no Brasil



Great Place To Work

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Great Place To Work

# #TôNaMelhor

magalu

a melhor empresa para trabalhar no Brasil

Great Place To Work



# Magalu Ecosystem



SERVIÇOS FINANCEIROS

magalupay

VIP  
COMMERCE

Magaluads

M.A.A.S

consórcio  
Magalu

hub  
fintech

parceiro  
Magalu

stoa

com  
school

magalu  
pagamentos

LUIZACRED

luizaseg

VAREJO

Magalu

SmartHint

HUBSALES

SISTEMA  
GrandChef

LOGÍSTICA

magalu  
Entregas

logbee

NETSHOES

Canaltech

CONTEÚDO

STEAL  
THE  
LOOK

ZATTINI

KaBuM!»

aiqfome

shoestock

estante  
virtual

ÉPOCA  
COSMÉTICOS · PERFUMARIA



CONSUMIDOR



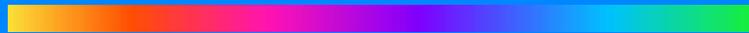
SELLERS

GFL

Sincllog

SODE  
SOLUÇÕES DE ENTREGA

# MAGALU



## INVESTOR RELATIONS

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[MAGAZINELUIZA.COM.BR/RI](https://MAGAZINELUIZA.COM.BR/RI)

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