

# MAGALU



Videoconference 3Q20

**November 10th, 2020**

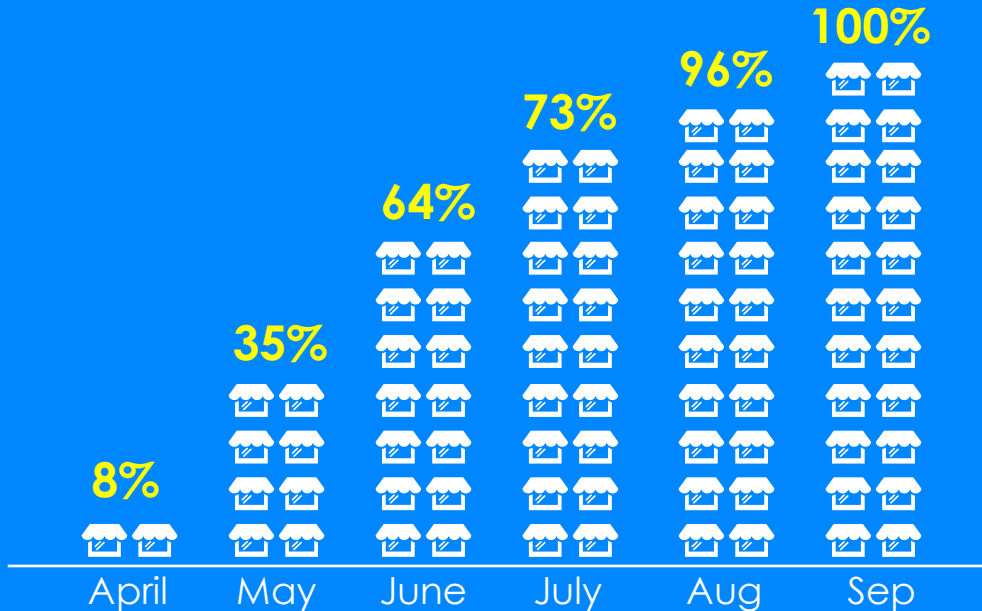


Marianne Abdala  
172 Itapira - SP

# Reopening of Physical stores

## Percentage of open stores

[% open stores/ total stores]



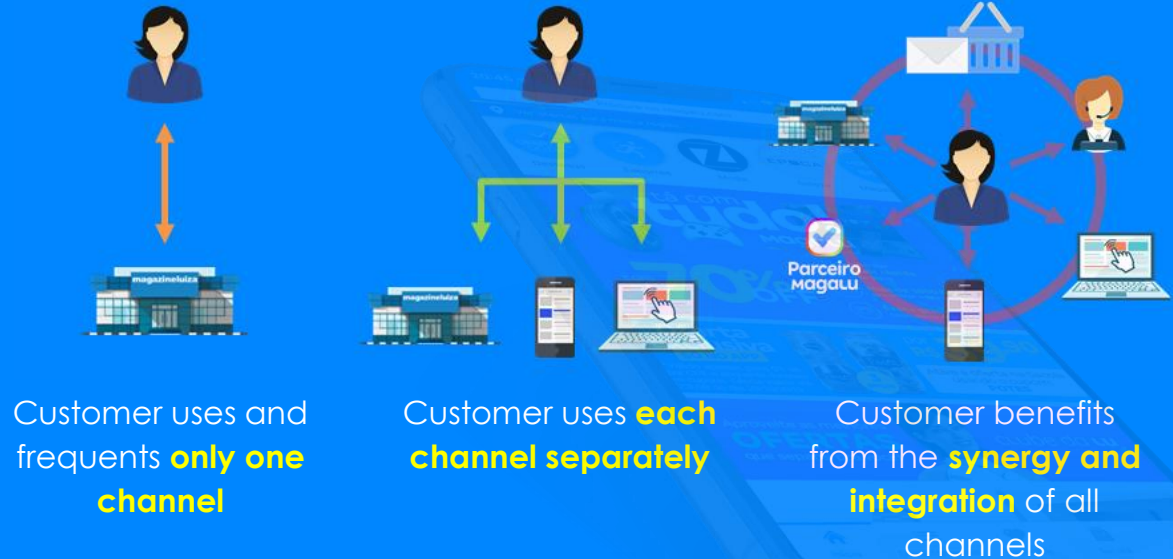
After the decision to close 100% of our stores in March, **we gradually reopened our stores** in accordance with established **health and safety protocols.**



# Magalu Multichannel

3Q20 was, for Magalu, a return to normalcy or, a return to our traditional model, where **MULTICHANNEL is the name of the game**

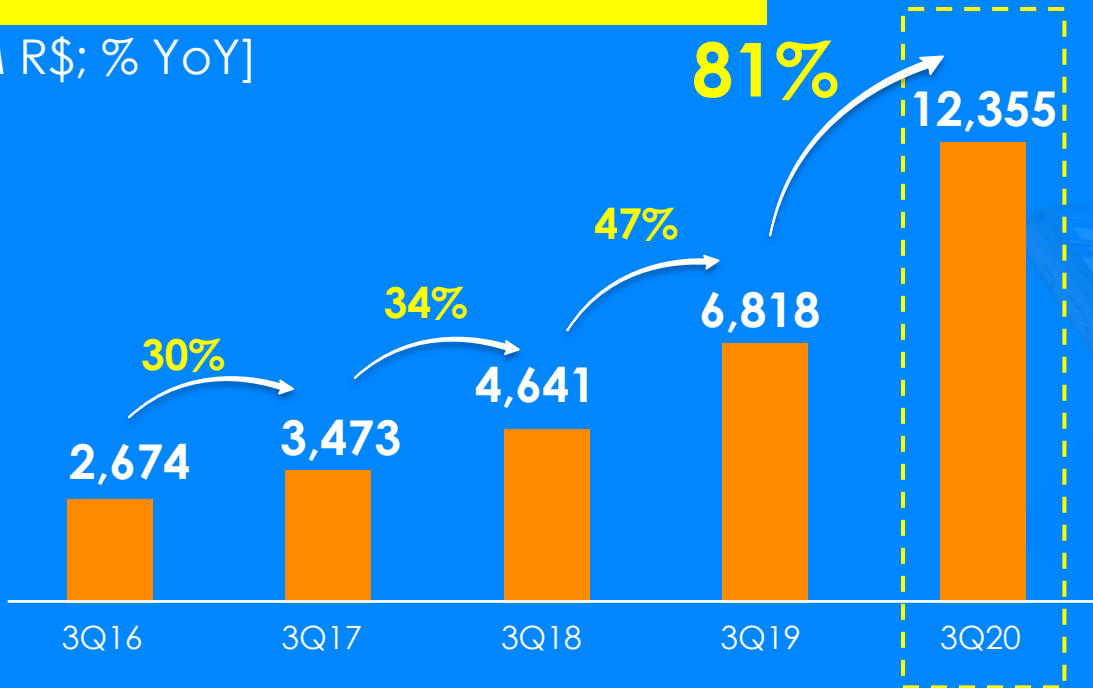
## Customer journey to multichannel



# Total sales growth

## Evolution of total sales

[MM R\$; % YoY]



**R\$ 29 Billion**

Total sales  
Jan-Sep 2020

**+5.4 pp**

GfK annual marketshare gain



# Exponential and sustainable growth

magalu



**20.3%**

Adjusted total expense over net revenue



**R\$ 216 Million**

Adjusted net profit in 3Q20  
Growth of 70% vs 3Q19



**R\$ 884 Million**

Generation of operating cash in 3Q20



# Physical store growth

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



7%

Same store sales

18%

Total sales growth with  
part of **stores closed in  
July and August**

# E-commerce growth

Evolution of Online GMV  
[MM R\$; %]



66%

E-commerce as a percentage of total sales in 3Q20

148%

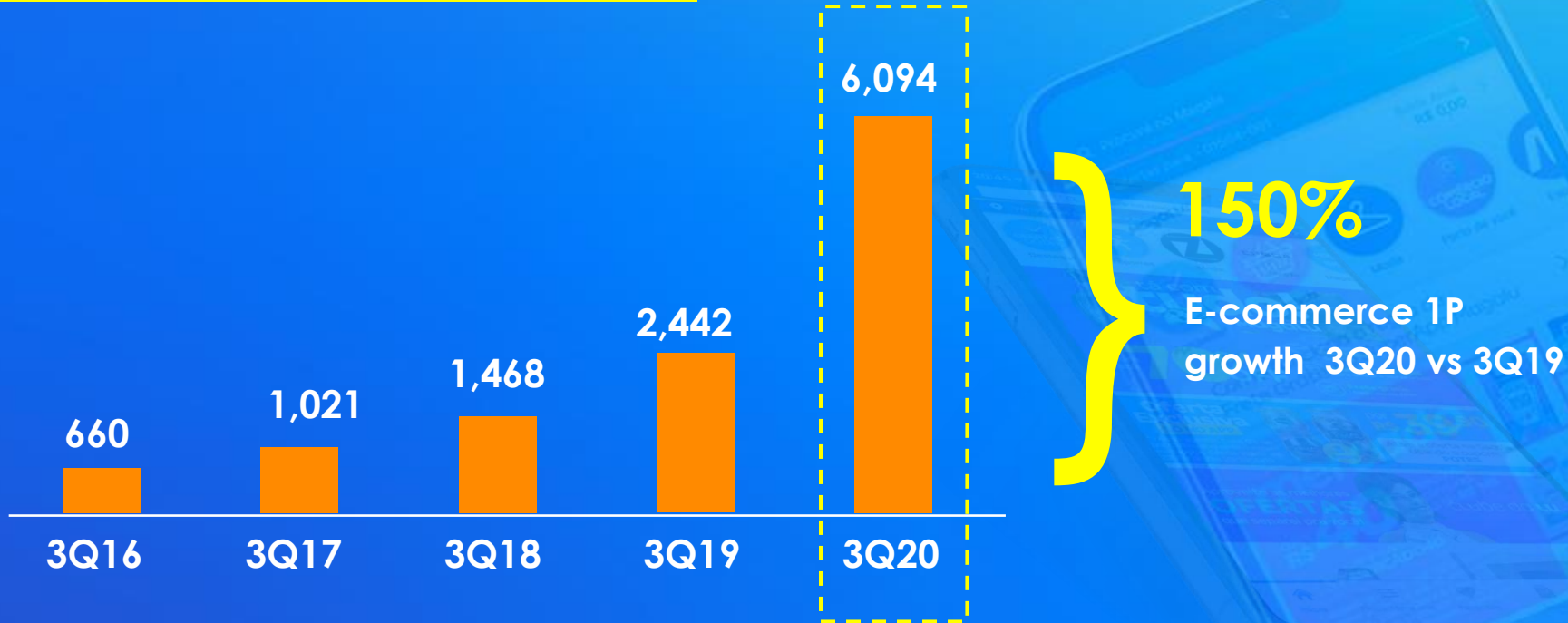
E-commerce growth 3Q20 vs 3Q19





# E-commerce growth (1P)

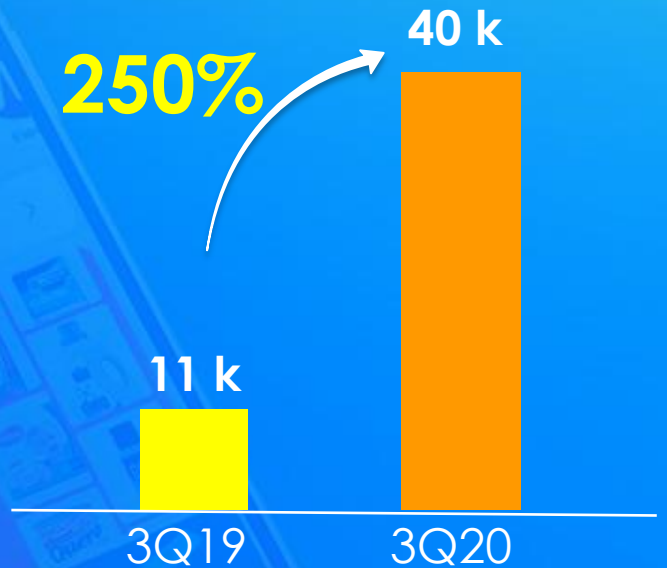
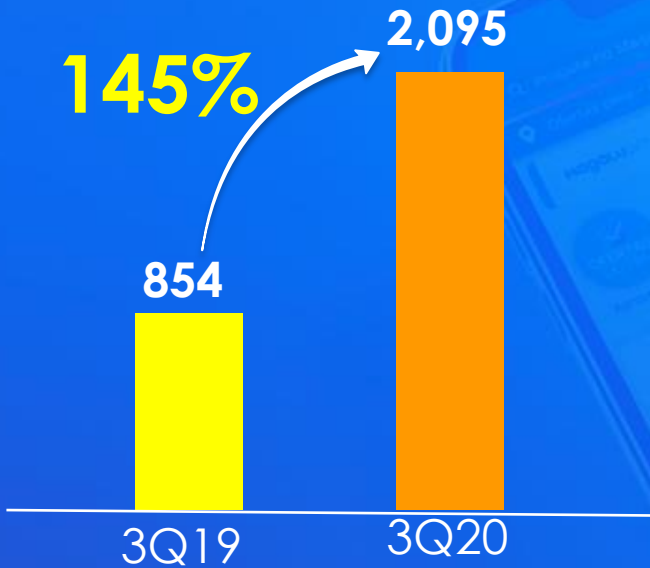
Evolution of Online GMV 1P  
[MM R\$]



# Marketplace growth (3P)

Marketplace sales  
[MM R\$]

Marketplace Sellers  
[000's]



# Super App

**75 %**

**Mobile sales**  
(Mobile as % of Magalu GMV)

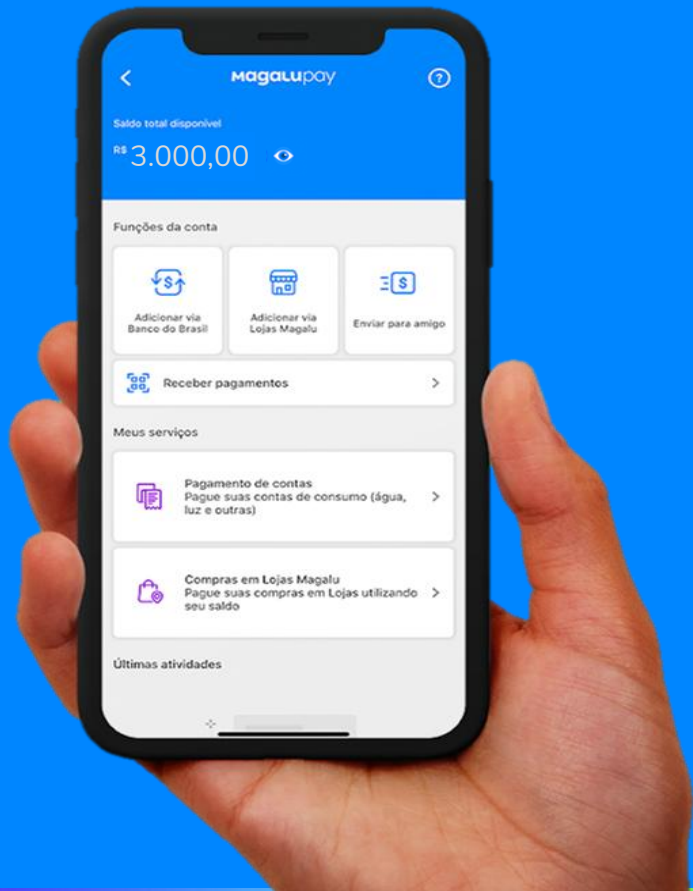
**30 M**

**MAU**  
(Monthly active users on all Magalu platforms, 3Q20)

**magalupay**

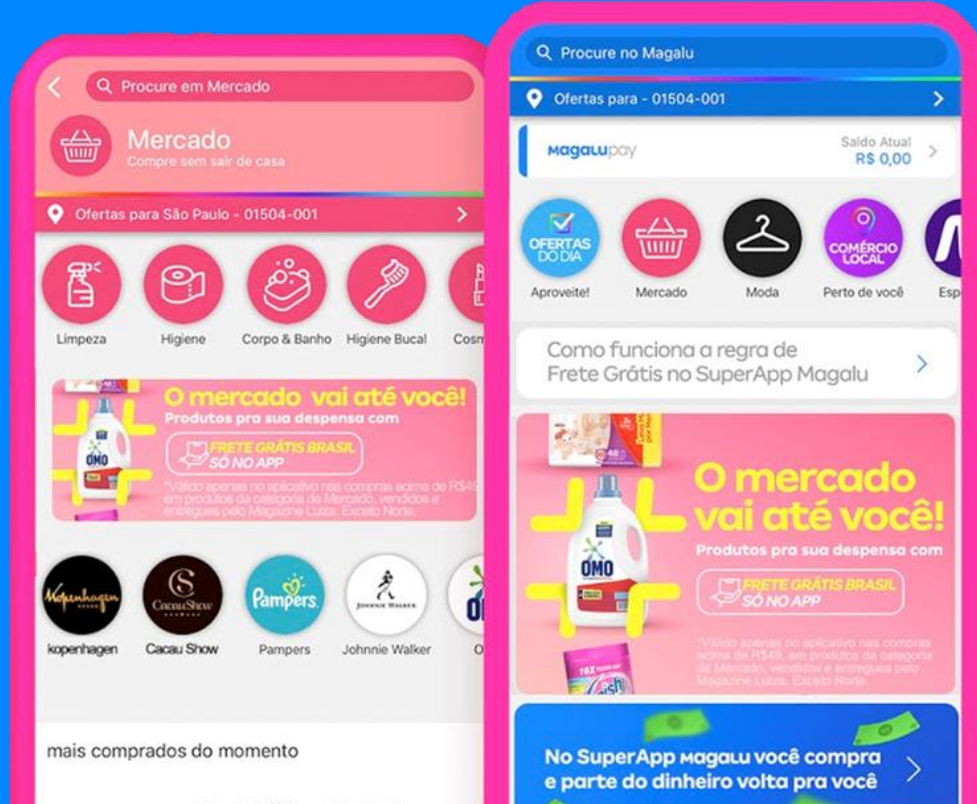
**+2 M**

**Customers with open accounts**  
(Oct/20)



(source: AppAnnie)

# New categories



tem no Magalu

# mercado

**+5 million grocery items**  
sold in 3Q20

**Largest category** in terms of  
items sold

**Free shipping** in grocery  
category throughout Brazil

# Faster delivery

## Logbee and Ship from Store Expansion

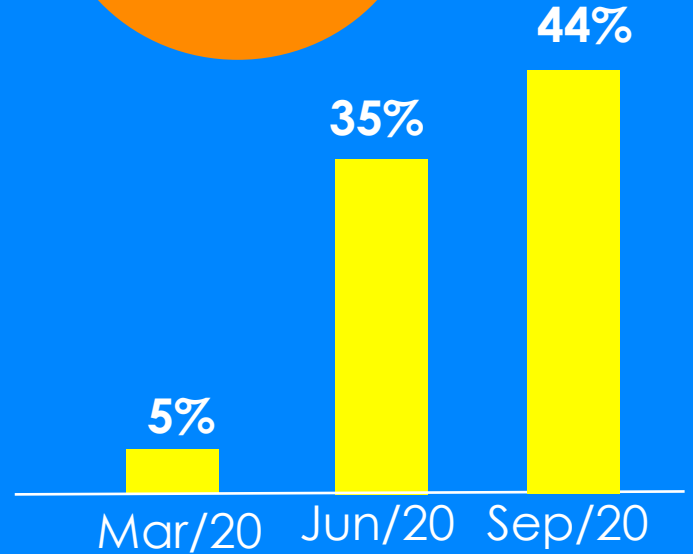


2018

2019

2020

% of 1P deliveries within  
**24h**



# Faster 3P delivery

**30%**



of 3P sales now delivered by **Magalu Entregas**

**+1.200**



sellers now using Magalu's **cross-docking** services

**240**



stores enabled for 3P **in-store pick up**

We are extending all of the **benefits of our logistics network** to **3P marketplace sellers**

# Excellence in customer service



Recovery of the  
Reclame Aqui **RA1000**  
rating for 1P and 3P  
customer service



# Digitalization of Brazilian retail

## PRESENT

Omnichannel operation



## FUTURE

The digital operating system for retail in Brazil



We made Magalu digital...

...and now we will make Brazil digital



# 8 acquisitions in 8 weeks



# Acquisitions for faster delivery



**50%** Increased Logbee capacity by

Operations in 600 cities in Brazil

GFL will accelerate **ship from store, in store pick-up and last mile delivery for 3P sellers (cross-docking)**.

**+30** Transport companies using the solution

Technology platform used by GFL

**SincLog** will enable Magalu to better manage **last mile deliveries** across the platform.

# Acquisitions for MaaS



**250** Million transactions  
processed in 2019

Point of sale (POS) system via a SaaS (Software as a Service) model developed by **Stoq to reduce friction** and improve the purchasing experience of **small and medium-sized retailers**



**+85k** Students trained

More than **200 courses**, focused on e-commerce and the digital economy. **ComSchool** will help Magalu to onboard 3P marketplace sellers and educate analog businesses, helping **make Brazil digital**

# Strategic acquisitions for the SuperApp



**350** Cities across Brazil  
(focus on small and medium-sized cities)

**700** R\$ Million in GMV (annualized)

**3x** Monthly Frequency

**AiQFome**, a food delivery app, expands the **SuperApp's** service offerings and **increases the purchase frequency.**

# #temnomagalu (#TheyHaveItAtMagalu)

**ÉPOCA**  
COSMÉTICOS · PERFUMARIA

**138% sales growth**

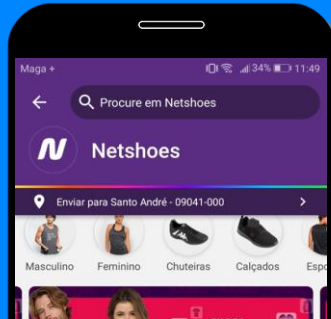
**+1M** active customers



**NETSHOES**

**Sales leader** in fashion and sporting goods

**+12 MM** orders from January to September



**estante virtual**

Unique catalog with **more than 20 million books**



# Magalu Ecosystem



# Expansion of Physical Stores

Opening new stores in the capital of Brazil, Brasilia



**9** New Stores in Distrito Federal

Opening new kiosks in Lojas Marisa stores

marisa magalu

**65** Lojas Marisa kiosks opened in 3Q20

**116** Total kiosks operated by Magalu



# Recognition in the labor market

we are

1<sup>o</sup>

Best retail  
company to  
work for  
in Brasil



GREAT  
PLACE  
TO  
WORK®

Highest ranking retailer in the best  
places to work category on  
glassdoor 2020

glassdoor

MELHORES LUGARES  
PARA TRABALHAR 2020

ESCOLHA DOS PROFISSIONAIS



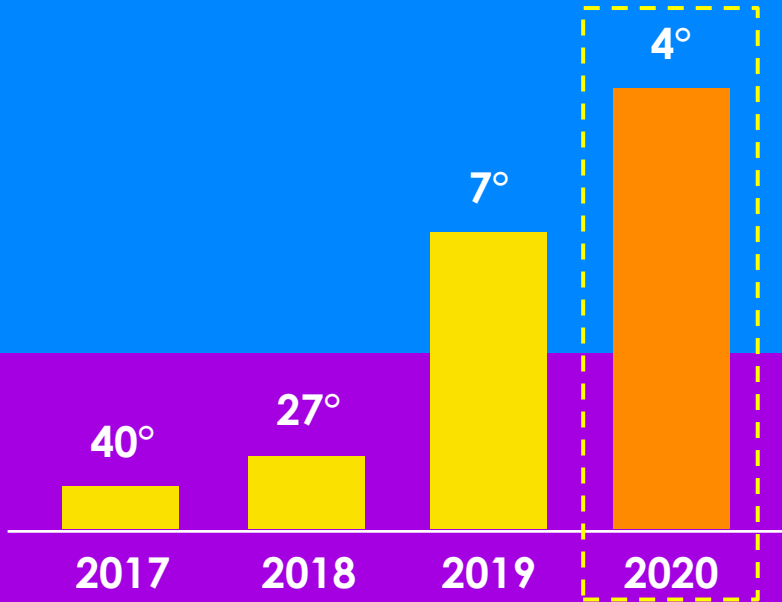
4,4





# Brand building

Position in the most valuable brand ranking by Kantar



**Most valuable retail brand** in the BrandZ Brazil ranking

**Fourth most valuable brand** in Brazil in 2020

**124% growth** in brand value reaching US\$ 5.1 billion



Trainee 2021

#VemProfMagalu

An innovative  
trainee program for  
people of African  
descent.

EXPANDING ACCESS  
TO THE  
DIGITALIZATION OF  
BRAZIL!

ALINE MORERIA

TRAINEE MAGALU 2018

## INNOVATIVE TRAINEE PROGRAM FOR PEOPLE OF AFRICAN DESCENT

# MAGALU



## Financial Highlights

# Financial Highlights

**81%**

**Total Sales Growth**  
(3Q20)

**R\$ 12.4 Bi**

**Total Sales**  
(3Q20)

**148%**

**E-commerce Growth**  
(3Q20)

**R\$ 0.9 Bi**

**Cash Generation**  
(3Q20)

**18%**

**Total Physical Store  
Sales Growth**  
(3Q20)

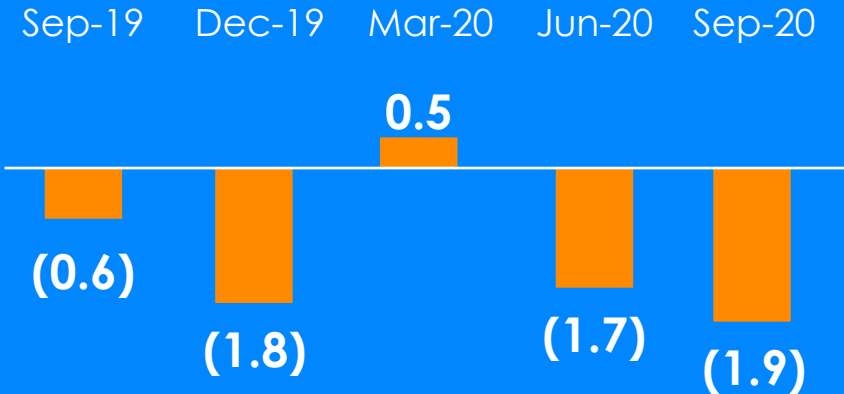
**R\$ 216 Mi**

**Adjusted Net  
Income**  
(3Q20)

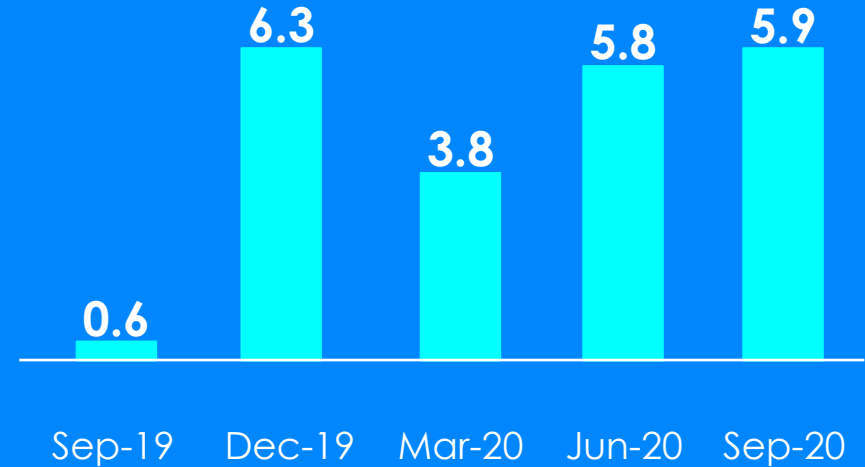
# Solid Capital Structure

Reduction of financial expenses from 2.0% to 1.2% of net revenue

Adjusted Working Capital (R\$ Billion)

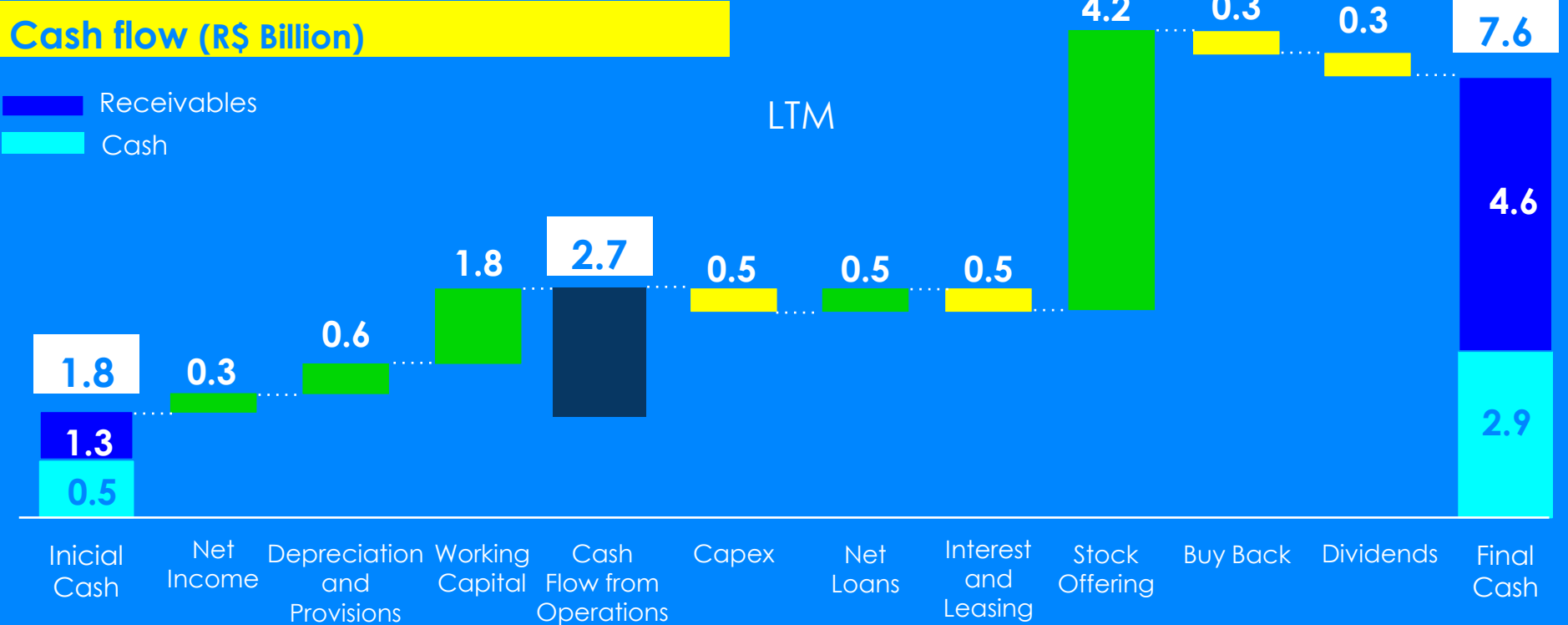


Adjusted Net Cash (R\$ Billion)



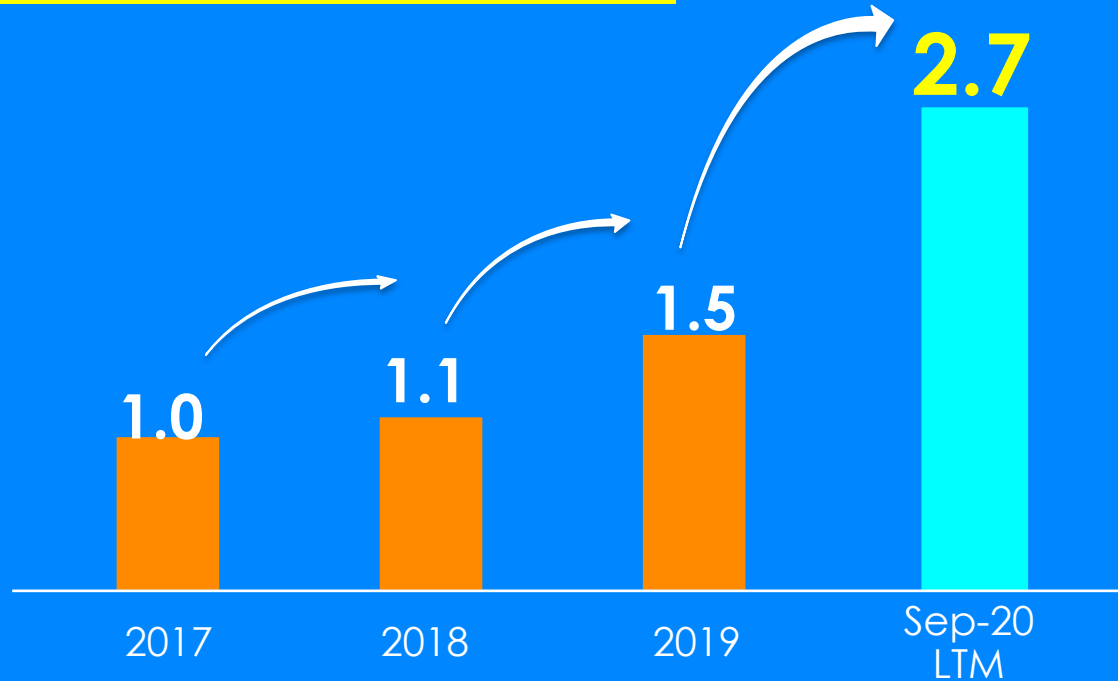
# Strong Cash Generation

Exponential growth coupled with strong cash generation



# Strong Consistent Cash Generation

Cash Flow from Operation (R\$ Billion)

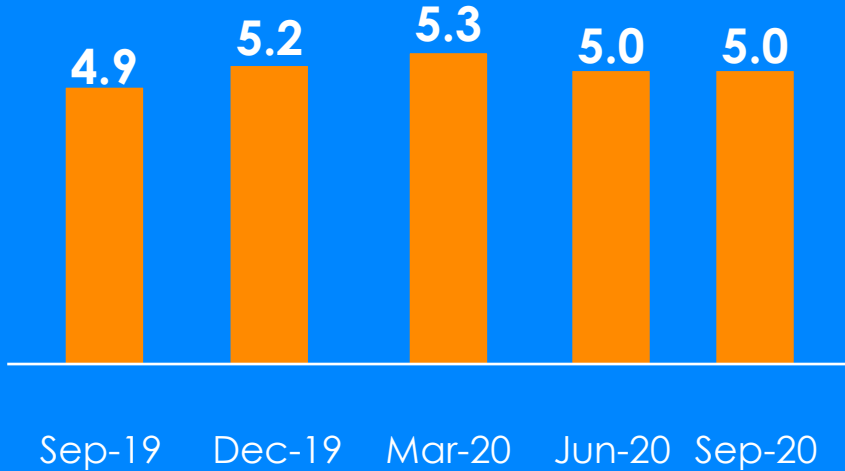


# Luizacred

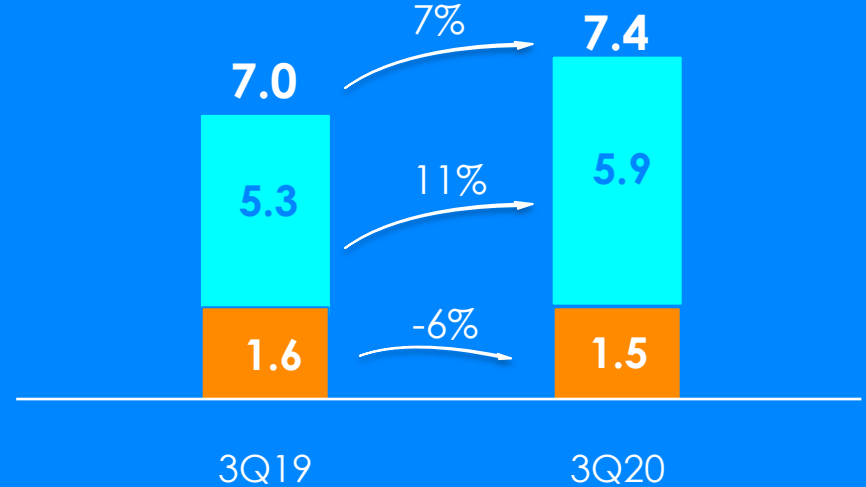
5 million cards issued

## Evolution of the Luiza Card Base

[Billion]



## Sales (R\$ Billion)

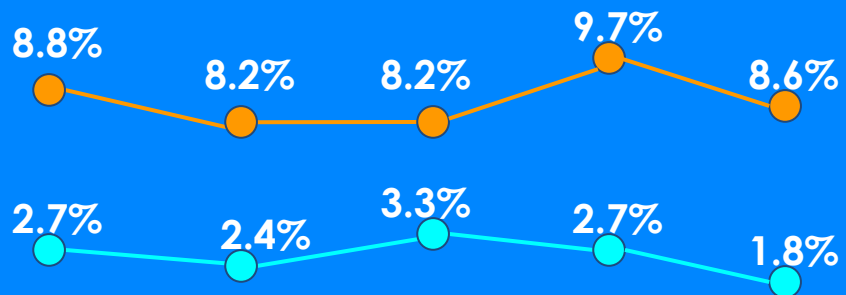


- Luiza Card - Outside Magalu
- Luiza Card - Inside Magalu



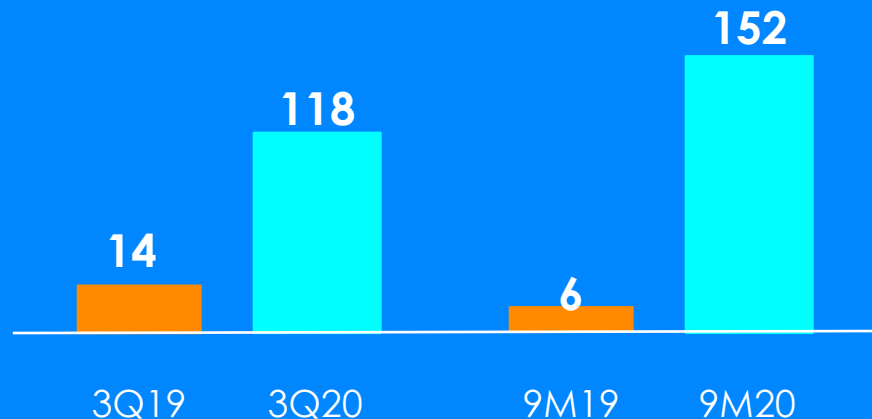
Throughout the quarter, payments surpassed pre-pandemic levels: lower defaults and better results

Percent of the portfolio overdue (%)



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

Net Income (R\$ Million)

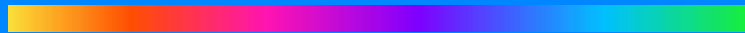




**BLACK**  
**DAS BLACKS**

BLACK FRIDAY **magalu**

# MAGALU



## INVESTOR RELATIONS

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MAGAZINELUIZA.COM.BR/RI

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