

1Q19 HIGHLIGHTS

E-commerce grew 50%, reaching R\$2.4 billion and 41% of total sales
Marketplace grew 244%, reaching 18% of total e-commerce
Physical store sales grew 16%, while same store sales rose 8%
Total sales rose 28%, reaching R\$5.7 billion
EBITDA Pro Forma grew 6% to R\$318 million, 7.4% margin
Net profit Pro Forma reached R\$139 million, 3.2% margin
Net cash position of R\$1.4 billion in Mar/19

- **Consistent market share gains.** In 1Q19, total sales (physical stores, traditional e-commerce (1P) and marketplace (3P)) increased 28.0% to R\$5.7 billion, reflecting growth of 50.1% in e-commerce (on top of 64.6% growth in 1Q18) and 16.0% in physical stores (same store sales growth of 8.1% on top of 15.9% growth in 1Q18). It is worth highlighting the performance of the 102 new stores that generated sales above our expectations, expanding total physical store sales growth by 8 p.p.. By contrast, in the first 2 months of the year, retail market grew only 3.8%, according to IBGE.
- **Accelerated growth in e-commerce.** E-commerce sales grew 50.1% in 1Q19, reaching 41.4% of total sales, compared to market growth of 12.9% (E-bit). In traditional e-commerce, sales grew 33.3%, and the marketplace contributed with additional sales of R\$432.4 million (reaching 18.3% of total e-commerce). Magalu's market share gains were driven by the app performance that reached more than 33 million downloads, increase in sellers base and assortment at marketplace, the maturation of multichannel projects, faster delivery and the maintenance of our RA1000 ranking.
- **Evolution of gross profit.** In 1Q19, gross profit increased 16.1% to R\$1.2 billion. Gross margin decreased 90 bps to 28.0% reflecting the significant increase in tradicional e-commerce (1P) and the end of "Lei do Bem", partially offsetted by accelerated marketplace growth and commercial strategy.
- **Dilution of fixed expenses, growth of investments in level of service and new customer acquisition.** In 1Q19, operating expenses Pro Forma were diluted by 60 bps to 20.6% of net revenues. This amount includes additional investment in the level of service and the acquisition of new customers.
- **Significant Luizacred growth.** The Luiza Card base increased 26.3% YoY reaching 4.4 million cards. In the same period, the Luiza Card revenue grew 36.8% to R\$5.7 billion. The total portfolio grew impressive 48.3% in 1Q19 reaching R\$8.8 billion. Considering the accounting practices established by the Brazilian Central Bank, so excluding the IFRS 9 effects, Luizacred's net income was R\$35.6 million in 1Q19.
- **EBITDA and net income growth.** In 1Q19, EBITDA Pro Forma increased 6.0% to R\$318.5 million (7.4% margin). High sales growth, the positive contribution of e-commerce and the dilution of expenses were responsible for EBITDA growth. Due to these factors, the Company posted R\$138.6 million of net income Pro Forma (ROE of 23%). Considering Luizacred results according to the accounting practices established by the Brazilian Central Bank, Magalu's net income Pro forma would have been R\$156.8 million in 1Q19.
- **Strong cash flow generation and ROIC.** Cash flow from operations Pro forma, adjusted by receivables, reached R\$732,6 million in LTM, due to improved results and disciplined working capital management. Once again, the Company presented high growth with high ROIC and strong cash generation. In 1Q19, annualized ROIC Pro Forma reached 20% and 35% LTM.
- **Increase of net cash position Pro Forma and optimization of the capital structure.** In the last 12 months, the Company increased adjusted net cash from R\$1.3 billion in Mar/18 to R\$1.4 billion in Mar/19. As of this date the Company reached a total cash position of R\$1.8 billion, with cash and securities of R\$0.5 billion and credit card receivables of R\$1.3 billion.

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1Q19 Earnings Release

R\$ million (except when otherwise indicated)	1Q19	1Q18	% Chg
Total Sales ¹ (including marketplace)	5,718.0	4,466.2	28.0%
	-	-	
Gross Revenue	5,313.2	4,366.3	21.7%
Net Revenue	4,329.0	3,613.3	19.8%
Gross Income	1,211.4	1,043.4	16.1%
Gross Margin	28.0%	28.9%	-90 bps
EBITDA	395.4	300.5	31.6%
EBITDA Margin	9.1%	8.3%	80 bps
EBITDA Pro-Forma	318.5	300.5	6.0%
EBITDA Margin Pro-Forma	7.4%	8.3%	-90 bps
Net Income	132.1	147.5	-10.4%
Net Margin	3.1%	4.1%	-100 bps
	-	-	-
Net Income Pro-Forma	138.6	147.5	-6.0%
Net Margin Pro-Forma	3.2%	4.1%	-90 bps
Same Physical Store Sales Growth	8.1%	15.9%	-
Total Physical Store Sales Growth	16.0%	21.4%	-
Internet Sales Growth (1P)	33.3%	53.7%	-
Total E-commerce Sales Growth	50.1%	64.6%	-
E-commerce Share in Total Sale	41.4%	35.3%	6.1 pp
Number of Stores - End of Period	959	858	101 stores
Sales Area - End of Period (M2)	574,797	526,052	9.3%

⁽¹⁾ Total Sales includes sales from physical stores, traditional e-commerce (1P) and marketplace (3P).

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IFRS 16

IFRS 16 introduced a single model for the accounting of leases in the balance sheet of lessees. As a result, the Company, as lessee, recognized as assets the right to use underlying assets and their corresponding lease liabilities.

As a result, 1Q19 results are already adequate to the new methodology. For better understanding and comparability with 1Q18, 1Q19 results are also being presented in a 1Q19 Pro Forma view, disregarding the IFRS 16 effects.

IFRS 16 – PRO FORMACONSOLIDATED INCOME STATEMENT (R\$ million)	1Q19	V.A.	IFRS 16	1Q19 Pro-forma	V.A.
Gross Revenue	5,313.2	122.7%	-	5,313.2	122.7%
Net Revenue	4,329.0	100.0%	-	4,329.0	100.0%
Gross Income	1,211.4	28.0%	-	1,211.4	28.0%
Selling Expenses	(693.0)	-16.0%	(56.5)	(749.5)	-17.3%
General and Administrative Expenses	(136.3)	-3.1%	(20.4)	(156.7)	-3.6%
Provisions for Loan Losses	(12.4)	-0.3%	-	(12.4)	-0.3%
Other Operating Revenues, Net	25.5	0.6%	-	25.5	0.6%
Equity in Subsidiaries	0.1	0.0%	-	0.1	0.0%
Total Operating Expenses	(816.0)	-18.9%	(76.9)	(893.0)	-20.6%
EBITDA	395.4	9.1%	(76.9)	318.5	7.4%
Depreciation and Amortization	(103.9)	-2.4%	65.4	(38.5)	-0.9%
EBIT	291.4	6.7%	(11.5)	280.0	6.5%
Financial Results	(98.9)	-2.3%	21.3	(77.7)	-1.8%
Operating Income	192.5	4.4%	9.8	202.3	4.7%
Income Tax and Social Contribution	(60.4)	-1.4%	(3.3)	(63.7)	-1.5%
Net Income	132.1	3.1%	6.5	138.6	3.2%

MESSAGE FROM THE EXECUTIVE DIRECTORS

In the beginning of the year we announced that in addition to a customer-centric focus, Magalu's strategy from now on would also be focused on growth. But not just any growth. What we call exponential growth, which does not happen step by step—but rather, in leaps and bounds. Our goal is to digitalize Brazil through the use of technology, along the way growing our customer base; number of app users; number of Luiza cardholders; the number of sellers on our marketplace; the number of categories in our marketplace, the number of services that we offer our customers and much, much more, all with the fastest delivery speeds and best retail experience in Brazil.

After the first three months of 2019, we are able to affirm that the strategy has indeed become a reality.

In the first quarter, our active customer base reached 18.2 million, up 34% from the same period last year (68% in e-commerce and 23% in physical stores). Our overall sales grew 28% from January to March. Our e-commerce operations grew over 50% in sales, and the number of distinct items sold more than doubled. We gained market share in all channels of our sales and customer relationship platform.

We also grew our marketplace significantly. Today, Magalu's platform has 5.4 million items, sold by us and another 5,000 sellers, 1,600 of which were added in the first 90 days of this year. During this period, the marketplace reached R\$432 million in sales, accounting for 18% of total e-commerce sales. It also represents a growth of 244% in relation to the same period last year. Out of every 100 of our e-commerce customers, 28 purchased items from the marketplace.

Within the concept of Magalu as a Service, which consists of making available to third parties the services we already offer for our own e-commerce operation, Magalu Payments now has around 3,750 participating sellers and offers, in fully-digital process, services like discounting of receivables. We are making progress in the pilot version of Magalu Deliveries, a service which offers marketplace sellers all of the benefits of the Luiza Network, with 20 sellers. To date, the Magalu Deliveries pilot has yielded promising results, suggesting potential reductions in cost and delivery times.

We also initiated a marketing campaign called, #MagaluHasIt, in which we show our customers that we sell and deliver almost anything that they need or want.

In line with our strategy to expand into new categories, on this year's World Book Day (April 23) we launched a book category on our platform that offers over 240,000 titles from our own inventory and marketplace sellers'. This is another opportunity that permits customers to enjoy the benefits of a multichannel platform like in-store pick up and multichannel exchange.

In order to grow our customer base, enter into new categories and increase our purchase frequency, we announced, on April 29th, an agreement for the acquisition of Netshoes, a leading e-commerce retailer of clothing, footwear and sporting goods. Completion of the acquisition is conditional upon the satisfaction of certain prior conditions, including, among others, the approval by 2/3 of the shareholders of Netshoes present at a general meeting (Magalu has already secured the approval of shareholders holding 48% of the capital stock) and by the Administrative Council for Economic Defense – CADE, the Brazilian anti-trust agency.

We are working to transform the Magalu app into a superapp and the first phase of this process is to expand the mix of categories. At the end of the first quarter, we reached 33 million downloads with significant growth in customer usage: our average number of monthly active users grew 130% compared to the same period in 2018 and exceeded the 6 million mark.

At the same time, physical store sales continue to grow at a fast pace. We grew 16% in the first quarter compared to the same period last year despite the strong comparison basis and including World Cup seasonal sales. It is worth noting that the accumulated sales growth in the physical stores in the last three years exceeds 60%, reflecting dramatic market share gains during the period.

We started the process of opening 48 stores in the States of Pará, which marks our entry into the North of the country, and Maranhão. In addition, we will invest in a new distribution center in the region, aiming to better serve customers online and offline, in line with our multi-channel strategy. With the new stores and distribution center, the delivery time of products purchased online by consumers in these regions will be reduced significantly.

Since January we have had the end of “Lei do Bem”, a law that determined the return of PIS/Cofins taxes on revenue for some categories of electronic products, like smartphones. In the first quarter, we noticed that most of our competitors did not pass along this tax increase to customers. Given this more competitive scenario and our focus on sales growth, we did not fully pass on the tax value to the final price of the products, with consequent impact on the gross margin, which was mitigated by revenue from services with a prominence in the marketplace.

It is worth mentioning that at the end of April, Magalu was successful in one of its lawsuits regarding the unconstitutionality of the inclusion of the Tax on the Circulation of Goods and Services (ICMS) in the PIS / Cofins calculation basis. As a result, we have recognized the right to offset amounts already collected that represent approximately R \$ 750 million.

At Luizacred, we also achieved significant growth, making Luizacred the country's largest credit card company, with a portfolio of R\$ 8.8 billion. The Luiza Card cardholder base grew 26%, reaching 4.4 million at the end of the first quarter. Driven by an increase in activation and purchase frequency, Luizacred's total sales increased by 36% to R\$ 5.7 billion, with a 40% increase in sales within Magalu. All of this with a default rate at one of the lowest historical levels and far below the market average.

In the same way that Magalu has become digital, Luizacred is becoming an increasingly digital financial company. The credit approval process is now done by the salesperson on his or her smartphone in a few minutes; the printing of the credit card is done in real time at the store, and the cardholder has access to a wealth of card information via the Luiza Card App. The number of users of the Luiza Card App reached 465,000, in less than six months, with a current penetration of 45% of new accounts. All of these changes have improved Luizacred's NPS and contributed to its productivity - the efficiency ratio improved 3 percentage points this quarter, reaching 41%, one of the best in its history.

For yet another quarter, we maintained the RA1000 Seal of Excellence in both physical and e-commerce stores, a rating that reflects our total e-commerce sales -- our own products as well as those of the marketplace. Our customer indicators continue to advance: compared to the first quarter of 2018 we reduced formal complaints by almost 60%, the percentage of calls solved by our customer service center during the first call is now 26% higher and we increased our NPS. Today, we have a call center that operates 24 hours a day, 7 days a week, and we enable customers to accompany all order tracking via whatsapp, from purchase approval to final delivery.

We continue to invest in the fastest delivery system in Brazilian retail, whether to the client's home or in store pick up. The Luiza Network features around 2,000 micro transport delivery companies and our last mile delivery solution, Logbee, is already present in more than 40 cities and continues to grow. . Pickup at Store accounts for approximately 32% of our e-commerce sales, and at 855 stores, if the ordered product is available in the store, the customer can pick it up in less than 2 hours. Express delivery - promised *and* delivered within 48 hours - is now available in more than 250 cities and has reached 33% of total deliveries realized at the customer's home. In cities such as São Paulo and Belo Horizonte, in the express delivery, 95% of orders are actually delivered in less than 24 hours.

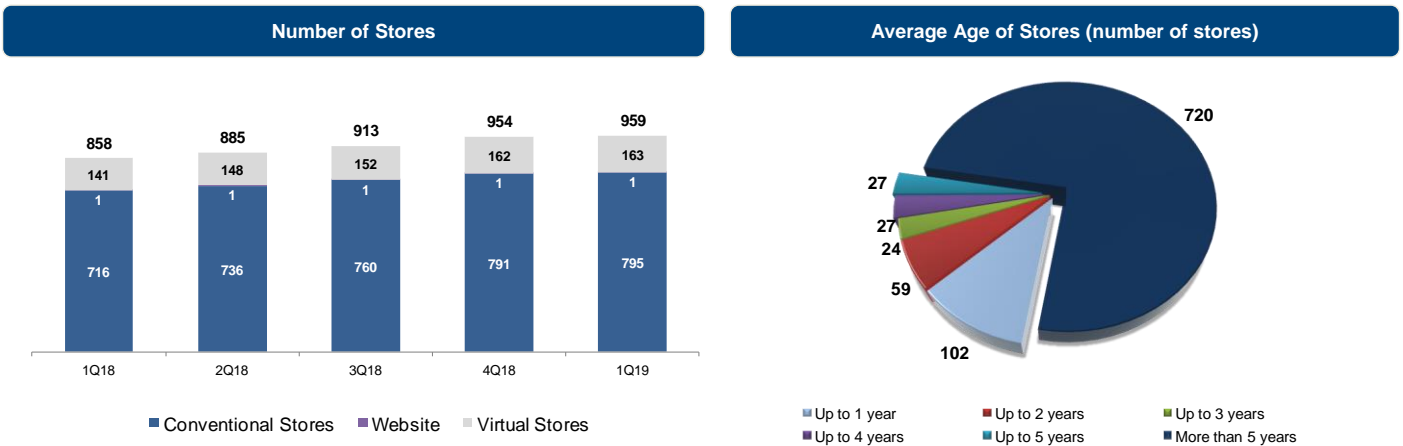
We remain confident in our business model and are excited about the opportunities and challenges that lie ahead. We thank our customers, employees, shareholders and suppliers, once again, for their partnership with us on this journey.

For the latest technology trends, listen to the Luizalabs podcast, available at <http://www.cabecadelab.com.br/> and on Spotify, Itunes, Anchor, and Soundcloud platforms.

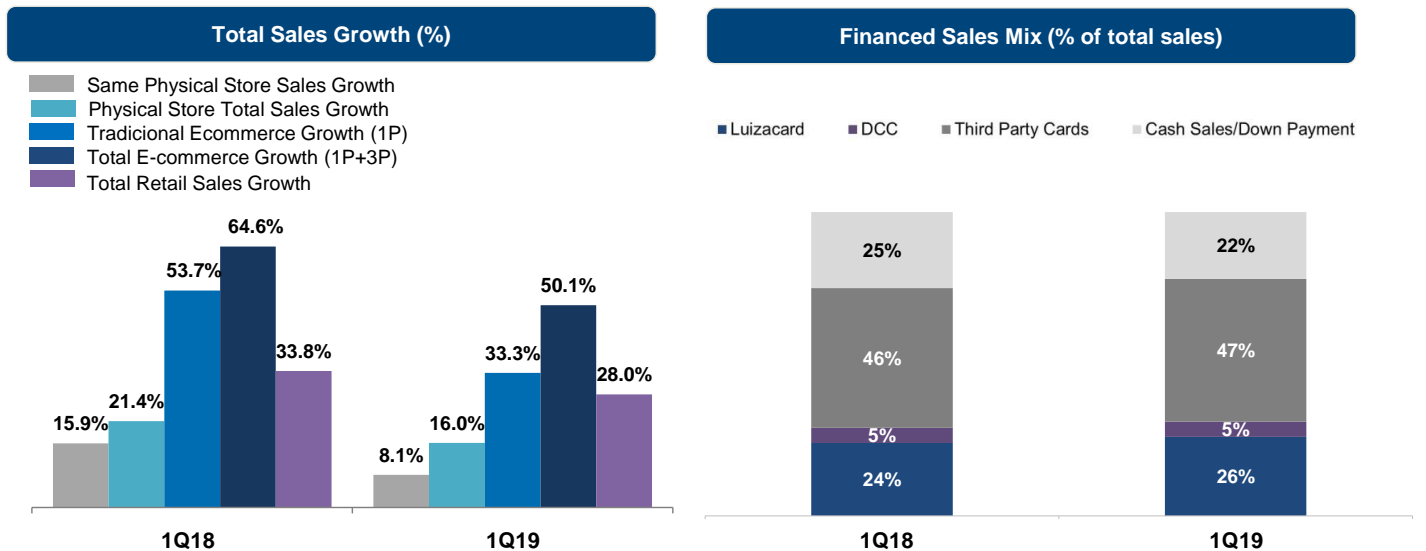
EXECUTIVE MANAGEMENT TEAM

OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 1Q19 with 959 stores (795 conventional, 163 virtual and an e-commerce operation). In 1Q19, the Company inaugurated 5 stores. In the last 12 months, the Company opened 102 new stores (6 in the South region, 31 in the Southeast, 30 in Midwest and 35 in the Northeast) and closed 1. Twenty five percent of our total number of stores are not yet mature.



Total Retail sales were up 28.0% in 1Q19 as a result of a 16.0% increase in brick-and-mortar store sales and a 50.1% increase in e-commerce sales.



Luiza Card total sales penetration increased 200 bps to 26% in 1Q19, contributing to the Company's strategy of increasing customer loyalty. The percentage of DCC (direct credit to consumers) was stable at 5% in 1Q19.

Gross Revenues

(in R\$ million)	1Q19	1Q18	% Chg
Gross Revenue - Retail - Merchandise Sales	5,060.0	4,177.1	21.1%
Gross Revenue - Retail - Services	228.9	172.8	32.5%
Gross Revenue - Retail	5,288.9	4,349.9	21.6%
Gross Revenue - Other Services	30.0	19.1	56.8%
Inter-Company Eliminations	(5.6)	(2.7)	108.9%
Gross Revenue - Total	5,313.2	4,366.3	21.7%

In 1Q19, total gross revenues grew 21.7% to R\$5.3 billion, due to the accelerated growth of e-commerce, same physical store sales and the significant contribution of new stores. Also notable was the growth in services revenue of 32.5%, which includes the sale of new insurance, digital services and marketplace commissions.

Net Revenues

(in R\$ million)	1Q19	1Q18	% Chg
Net Revenue - Retail - Merchandise Sales	4,103.0	3,445.6	19.1%
Net Revenue - Retail - Services	204.2	152.8	33.6%
Net Revenue - Retail	4,307.2	3,598.4	19.7%
Net Revenue - Other Services	27.4	17.6	56.1%
Inter-Company Eliminations	(5.6)	(2.7)	108.9%
Net Revenue - Total	4,329.0	3,613.3	19.8%

In 1Q19, total net revenues rose 19.8% to R\$4.3 billion. Net revenue growth was slightly lower than the gross revenue due to end of "Lei do Bem" which implies the recurrence of PIS/Cofins taxes on the revenue of some electronics products, such as smartphones.

Gross Profit

(in R\$ million)	1Q19	1Q18	% Chg
Gross Profit - Retail - Merchandise Sales	999.0	879.9	13.5%
Gross Profit - Retail - Services	204.2	152.8	33.6%
Gross Profit - Retail	1,203.2	1,032.7	16.5%
Gross Profit - Other Services	10.2	10.6	-3.7%
Inter-Company Eliminations	(2.0)	-	0.0%
Gross Profit - Total	1,211.4	1,043.4	16.1%
Gross Margin - Total	28.0%	28.9%	-90 bps

In 1Q19, gross profit increased by 16.1% to R\$1.2 billion, equivalent to a gross margin of 28.0%. This margin is due to (i) a higher contribution from tradicional e-commerce (1P) and (ii) the end of "Lei do Bem", partially offsetted by accelerated marketplace growth and commercial strategy.

Operating Expenses

(in R\$ million)	1Q19	% NR	1Q18	% NR	% Chg	1Q19 Pro-forma	% NR	% Chg
Selling Expenses	(693.0)	-16.0%	(641.9)	-17.8%	8.0%	(749.5)	-17.3%	16.8%
General and Administrative Expenses	(136.3)	-3.1%	(132.9)	-3.7%	2.5%	(156.7)	-3.6%	17.8%
General and Administrative Expenses	(829.3)	-19.2%	(774.8)	-21.4%	7.0%	(906.2)	-20.9%	17.0%
Provisions for Loan Losses	(12.4)	-0.3%	(12.5)	-0.3%	-0.6%	(12.4)	-0.3%	-0.6%
Other Operating Revenues, Net	25.5	0.6%	21.1	0.6%	20.8%	25.5	0.6%	20.8%
Total Operating Expenses	(816.1)	-18.9%	(766.2)	-21.2%	6.5%	(893.0)	-20.6%	16.6%

Selling Expenses

In 1Q19, considering the IFRS 16 adoption, selling expenses totaled R\$693.0 million or 16.0% of net revenues. On a comparable basis, selling expenses Pro Forma totaled R\$749.5 million or 17.3% of net revenue, a 50 bps reduction YoY. Part of nominal increase in expenses was due to investments in marketing for the acquisition of new customers and investments to improve user experience, including logistics and customer service.

General and Administrative Expenses

General and administrative expenses, considering the IFRS 16 adoption, came to R\$136.3 million or 3.1% of net revenues in 1Q19. On a comparable basis, general and administrative expenses Pro Forma, came to R\$156.7 million or 3.6% of net revenue (a 0.1 p.p. dilution YoY).

Provisions for Loan Losses

Provisions for loan losses reached R\$12.4 million in 1Q19.

Other Operating Revenues and Expenses, Net

(in R\$ million)	1Q19	% NR	1Q18	% NR	% Chg
Gain on Sale of Assets	2.8	0.1%	(0.1)	0.0%	-
Deferred Revenue Recorded	12.9	0.3%	10.7	0.3%	20.2%
Provision for Tax Liabilities	16.0	0.4%	11.5	0.3%	38.6%
Non-recurring Expenses	(6.2)	-0.1%	(1.0)	0.0%	545.1%
Other	0.0	0.0%	(0.0)	0.0%	-
Total	25.5	0.6%	21.1	0.6%	20.8%

Other net operating revenues and expenses came to R\$25.5 million in 1Q19, chiefly due to a deferred revenues allocation of R\$12.9 million, R\$16.0 million of provision for tax liabilities and R\$6.2 million of expenses related to the opening of new stores.

Equity Income

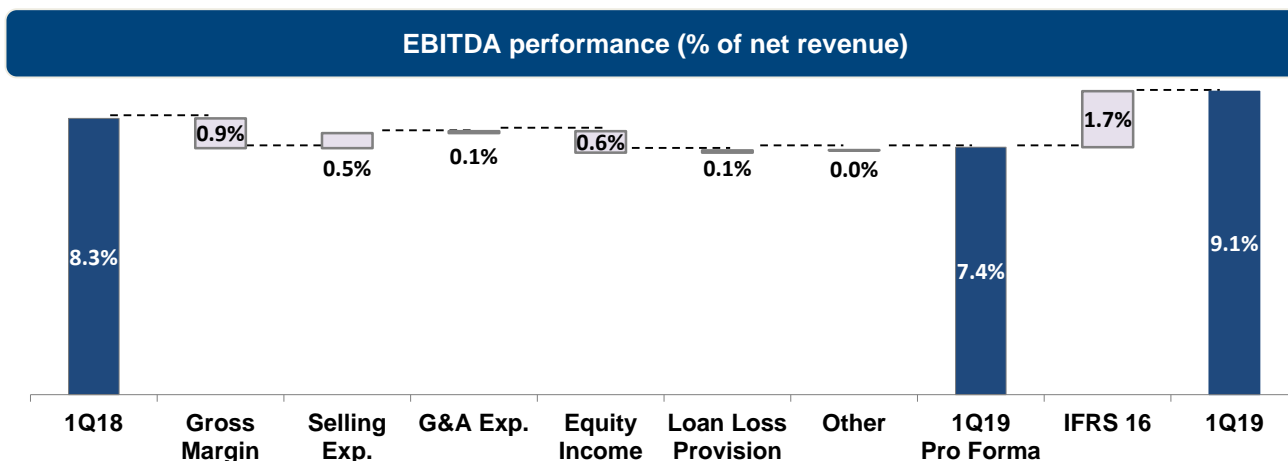
Equity income reached R\$0.1 million in 1Q19. The main factors that impacted this result were: (i) Luizacred's performance with a negative equity income of R\$0.4 million and (ii) Luizaseg's performance with equity income of R\$0.5 million.

It is worth highlighting that Luizacred's result was influenced by growth in the Luiza Card cardholder base as well as an increase in the credit limit. In accordance with IFRS 9, this generated an increase in loan loss provisions this quarter, despite the fact that Luizacred had one of the lowest level of defaults in its history.

For comparison purposes, the result of Luizacred in the accounting practices established by the Brazilian Central Bank was R\$35.6 million (ROE of 17.2%). Considering the same accounting practices, equity income would have been of R\$17.8 million in 1Q19 leading to an increase in Magalu's net income of R\$18.2 million.

EBITDA

In 1Q19, considering the IFRS 16 adoption, EBITDA reached R\$395.4 million, equivalent to a margin of 9.1%. On a comparable basis, EBITDA Pro Forma grew 6.0% to R\$318.5 million, equivalent to a margin of 7.4%. High sales growth, a positive contribution from e-commerce, and the dilution of operating expenses contributed to the EBITDA growth. In line with Magalu's strategic focus on customer service, additional investments were made to improve service levels and customer acquisition impacting EBITDA margin results in the quarter from 8.3% to 7.4%.



Financial Results

R\$ million	1Q19	% NR	1Q18	% NR	% Chg
Financial Expenses	(119.8)	-2.8%	(83.5)	-2.3%	43.5%
Interest on loans and financing	(7.0)	-0.2%	(16.9)	-0.5%	-58.7%
Interest on prepayment of receivables – third party card	(37.2)	-0.9%	(15.3)	-0.4%	143.4%
Interest on prepayment of receivables – Luiza Card	(56.4)	-1.3%	(43.8)	-1.2%	28.8%
Other expenses	(19.3)	-0.4%	(7.6)	-0.2%	153.8%
Financial Revenues	42.2	1.0%	23.8	0.7%	77.5%
Gains on marketable securities	1.4	0.0%	1.3	0.0%	11.3%
Other financial revenues	40.7	0.9%	22.5	0.6%	81.3%
Total Financial Results - Pro Forma	(77.7)	-1.8%	(59.8)	-1.7%	29.9%
Interest on lease	(21.3)	-0.5%	-	0.0%	0.0%
Total Financial Results	(98.9)	-2.3%	(59.8)	-1.7%	65.5%

In 1Q19, considering the IFRS 16 adoption, net financial results came to R\$98.9 million or 2.3% of net revenue. On a comparable basis, net financial results Pro Forma totaled R\$77.7 million. In relation to net revenue, net financial expenses Pro forma increased by 0.1 pp from 1.7% to 1.8%, due to the accelerated growth of the Luiza Card in line with the loyalty strategy of the best customers. In addition, this result was positively impacted by the 58.7% reduction in interest on loans and financing and by the Company's strong operating cash generation.

Net Income

In 1Q19, considering the IFRS 16 adoption, net income came to R\$132.1 million (net margin of 3.1%).

On a comparable basis, net income Pro Forma totalled R\$138.6 million (net margin of 3.2%) and a ROE of 23% and ROIC of 20%.

Considering Luizacred's equity income according to the accounting practices established by the Brazilian Central Bank, Magalu's net income Pro Forma would have been R\$156.8 million in 1Q19 (net margin of 3.6%).

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Working Capital

CONSOLIDATED (R\$ million)	LTM	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
(+) Accounts Receivables	350.7	1,761.3	2,051.6	1,657.2	1,507.0	1,410.7
(+) Inventories	547.3	2,484.6	2,810.2	2,106.4	2,110.4	1,937.3
(+) Related Parties	174.0	260.0	190.2	157.5	100.8	86.0
(+) Recoverable Taxes	30.1	221.9	303.7	226.7	190.4	191.9
(+) Other Assets	22.7	94.8	48.5	71.6	69.9	72.0
(+) Current Operating Assets	1,124.8	4,822.6	5,404.2	4,219.5	3,978.7	3,697.8
(-) Suppliers	516.7	2,973.6	4,105.2	2,653.1	2,749.5	2,456.9
(-) Payroll, Vacation and Related Charges	81.1	270.0	259.0	268.7	208.6	188.8
(-) Taxes Payable	111.5	203.3	141.0	84.9	110.4	91.7
(-) Related Parties	23.1	106.0	125.4	90.3	94.5	82.9
(-) Deferred Revenue	(1.5)	39.2	39.2	39.4	39.7	40.7
(-) Other Accounts Payable	191.4	446.6	406.1	315.2	267.2	255.2
(-) Current Operating Liabilities	922.3	4,038.6	5,075.9	3,451.7	3,469.9	3,116.2
(=) Working Capital	202.5	784.1	328.3	767.8	508.8	581.6
(-) Credit Card - Third Party Card	154.2	1,146.8	1,492.3	1,120.2	1,018.9	992.5
(-) Credit Card - Luiza Card	140.0	175.9	106.7	98.8	44.3	35.9
(-) Total Credit Card	294.2	1,322.7	1,599.0	1,219.0	1,063.3	1,028.5
(=) Working Capital Adjusted	(91.7)	(538.6)	(1,270.7)	(451.1)	(554.5)	(446.9)
% of Gross Revenue (LTM)	0.2%	-2.7%	-6.7%	-2.6%	-3.3%	-2.9%
(=) Working Capital	202.5	784.1	328.3	767.8	508.8	581.6
(+) Balance of Discounted Receivables	213.3	1,777.7	1,385.8	1,539.0	1,648.7	1,564.4
(=) Working Capital Expanded	415.8	2,561.7	1,714.1	2,306.9	2,157.5	2,145.9
% of Gross Revenue (LTM)	-1.1%	12.9%	9.1%	13.1%	13.0%	14.0%

In Mar/19, the adjusted working capital needs were negative R\$538.6 million showing an evolution YoY and contributing to the Company's cash flow generation. Highlights include disciplined inventory management (72 days on average) and purchasing time (96 days on average). In last twelve months, adjusted working capital contributed R\$91.7 million to operating cash generation and adjusted net cash.

Capex

CAPEX (in R\$ million)	1Q19	%	1Q18	%	%Chg
New Stores	9.1	11%	5.9	16%	54%
Remodeling	8.2	10%	3.8	10%	116%
Technology	21.0	26%	16.9	46%	24%
Logistics	35.5	44%	8.0	22%	342%
Other	6.6	8%	1.8	5%	273%
Total	80.4	100%	36.4	100%	121%

In 1Q19, investments totaled R\$80.4 million. Investments included: the opening of new stores, remodeling and investments in technology and logistics. During this period, the Company inaugurated 5 new stores. Also this quarter, the Company started investing in the opening of 25 new stores due to 2Q19.

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Capital Structure – Pro Forma

CONSOLIDATED (R\$ million)	LTM	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
(-) Current Loans and Financing	252.5	(128.9)	(130.7)	(252.4)	(254.5)	(381.4)
(-) Non-current Loans and Financing	115.8	(321.6)	(325.2)	(325.4)	(327.4)	(437.4)
(=) Gross Debt Pro forma	368.3	(450.5)	(456.0)	(577.8)	(581.9)	(818.8)
(+) Cash and Cash Equivalents	(482.0)	293.2	599.1	419.0	680.5	775.2
(+) Current Securities	(82.1)	217.3	409.1	253.8	182.8	299.3
(+) Non-current Securities	0.2	0.2	0.2	-	-	-
(+) Total Cash	(563.8)	510.7	1,008.4	672.8	863.3	1,074.5
(=) Net Cash Pro forma	(195.6)	60.2	552.4	95.0	281.4	255.7
(+) Credit Card - Third Party Card	154.2	1,146.8	1,492.3	1,120.2	1,018.9	992.5
(+) Credit Card - Luiza Card	140.0	175.9	106.7	98.8	44.3	35.9
(+) Total Credit Card	294.2	1,322.7	1,599.0	1,219.0	1,063.3	1,028.5
(=) Adjusted Net Cash Pro forma	98.7	1,382.9	2,151.4	1,313.9	1,344.7	1,284.2
Short Term Debt / Total	-18%	29%	29%	44%	44%	47%
Long Term Debt / Total	18%	71%	71%	56%	56%	53%
Adjusted EBITDA (LTM)	178.6	1,281.7	1,258.4	1,212.8	1,181.1	1,103.1
Adjusted Net Cash / Adjusted EBITDA Pro forma	-0.1 x	1.1 x	1.7 x	1.1 x	1.1 x	1.2 x
Cash, Securities and Credit Cards	(269.6)	1,833.4	2,607.4	1,891.7	1,926.6	2,103.0

In the last 12 months, the Company improved its capital structure by R\$98.7 million, from a net cash position Pro Forma of R\$1.3 billion in Mar/18 to R\$1.4 billion in Mar/19.

The Company ended 1Q19 with a total cash position of R\$1.8 billion, with cash and securities worth R\$0.5 billion and R\$1.3 billion worth of credit card receivables.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R\$ million)	1Q19	V.A.	1Q18	V.A.	% Chg	1Q19 Pro-forma	V.A.	% Chg
Gross Revenue	5,313.2	122.7%	4,366.3	120.8%	21.7%	5,313.2	122.7%	21.7%
Taxes and Deductions	(984.2)	-22.7%	(753.0)	-20.8%	30.7%	(984.2)	-22.7%	30.7%
Net Revenue	4,329.0	100.0%	3,613.3	100.0%	19.8%	4,329.0	100.0%	19.8%
Total Costs	(3,117.6)	-72.0%	(2,569.9)	-71.1%	21.3%	(3,117.6)	-72.0%	21.3%
Gross Income	1,211.4	28.0%	1,043.4	28.9%	16.1%	1,211.4	28.0%	16.1%
Selling Expenses	(693.0)	-16.0%	(641.9)	-17.8%	8.0%	(749.5)	-17.3%	16.8%
General and Administrative Expenses	(136.3)	-3.1%	(132.9)	-3.7%	2.5%	(156.7)	-3.6%	17.8%
Provisions for Loan Losses	(12.4)	-0.3%	(12.5)	-0.3%	-0.6%	(12.4)	-0.3%	-0.6%
Other Operating Revenues, Net	25.5	0.6%	21.1	0.6%	20.8%	25.5	0.6%	20.8%
Equity in Subsidiaries	0.1	0.0%	23.3	0.6%	-99.6%	0.1	0.0%	-99.6%
Total Operating Expenses	(816.0)	-18.9%	(742.9)	-20.6%	9.9%	(893.0)	-20.6%	20.2%
EBITDA	395.4	9.1%	300.5	8.3%	31.6%	318.5	7.4%	6.0%
Depreciation and Amortization	(103.9)	-2.4%	(37.2)	-1.0%	179.1%	(38.5)	-0.9%	3.4%
EBIT	291.4	6.7%	263.3	7.3%	10.7%	280.0	6.5%	6.3%
Financial Results	(98.9)	-2.3%	(59.8)	-1.7%	65.5%	(77.7)	-1.8%	29.9%
Operating Income	192.5	4.4%	203.5	5.6%	-5.4%	202.3	4.7%	-0.6%
Income Tax and Social Contribution	(60.4)	-1.4%	(56.0)	-1.6%	7.8%	(63.7)	-1.5%	13.8%
Net Income	132.1	3.1%	147.5	4.1%	-10.4%	138.6	3.2%	-6.0%
Calculation of EBITDA								
Net Income	132.1	3.1%	147.5	4.1%	-10.4%	138.6	3.2%	-6.0%
(+/-) Income Tax and Social Contribution	60.4	1.4%	56.0	1.6%	7.8%	63.7	1.5%	-13.8%
(+/-) Financial Results	98.9	2.3%	59.8	1.7%	65.5%	77.7	1.8%	-29.9%
(+) Depreciation and Amortization	103.9	2.4%	37.2	1.0%	179.1%	38.5	0.9%	-3.4%
EBITDA	395.4	9.1%	300.5	8.3%	31.6%	318.5	7.4%	-53.2%
Reconciliation of EBITDA for non-recurring expenses								
EBITDA	395.4	9.1%	300.5	8.3%	-	318.5	7.4%	-
Non-recurring Expenses	6.2	0.1%	1.0	0.0%	5.5	6.2	0.1%	545.1%
Adjusted EBITDA	401.6	9.3%	301.5	8.3%	-	324.7	7.5%	-
Reconciliation of Adjusted EBITDA for non-recurring expenses								
Adjusted EBITDA	401.6	9.3%	301.5	8.3%	-	324.7	7.5%	-
Non-recurring Expenses	6.2	0.1%	1.0	0.0%	5.5	6.2	0.1%	545.1%
Tax Over Non-recurring Expenses	(2.1)	0.0%	(0.3)	0.0%	5.5	(2.1)	0.0%	545.9%
Adjusted Net Income	136.2	3.1%	148.1	4.1%	-	142.7	3.3%	-

* EBITDA (EBITDA - Earnings before Interest, Income Taxes including Social Contribution on Net Income, Depreciation and Amortization) is a non-GAAP measurement prepared by the Company, in accordance with CVM Instruction No. 527 of April 04 October 2012. EBITDA consists of the Company's net income, plus net financial income, income tax and social contribution, and depreciation and amortization costs and expenses.

Adjusted EBITDA consists of adjusted EBITDA for extraordinary expenses. In the case of the adjustment identified above, these expenses refer to pre-operational expenses with the opening of new stores. The Company understands that the disclosure of Adjusted EBITDA is necessary to understand the actual impact value on gross cash generation, excluding extraordinary events. Adjusted EBITDA is not a performance metric adopted by IFRS. The Company's adjusted EBITDA definition may not be comparable to measures with similar securities provided by other companies.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R\$ million)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
CURRENT ASSETS					
Cash and Cash Equivalents	293.2	599.1	419.0	680.5	775.2
Securities	217.3	409.1	253.8	182.8	299.3
Accounts Receivable	1,761.3	2,051.6	1,657.2	1,507.0	1,410.7
Inventories	2,484.6	2,810.2	2,106.4	2,110.4	1,937.3
Related Parties	260.0	190.2	157.5	100.8	86.0
Taxes Recoverable	221.9	303.7	226.7	190.4	191.9
Other Assets	94.8	48.5	71.6	69.9	72.0
Total Current Assets	5,333.1	6,412.4	4,892.3	4,841.9	4,772.3
	-	-	-	-	-
NON-CURRENT ASSETS					
Securities	0.2	0.2	-	-	-
Accounts Receivable	4.4	7.6	6.4	7.1	3.3
Deferred Income Tax and Social Contribution	168.9	181.0	176.5	178.3	195.2
Recoverable Taxes	246.8	150.6	165.5	201.8	189.8
Judicial Deposits	383.9	349.2	345.7	342.0	333.9
Other Assets	32.7	34.2	34.3	29.4	29.2
Investments in Subsidiaries	294.6	308.5	294.3	284.5	277.2
Right of use	1,882.0	-	-	-	-
Fixed Assets	789.4	754.3	663.3	608.1	565.7
Intangible Assets	605.1	598.8	556.4	545.5	534.7
Total Non-current Assets	4,408.1	2,384.4	2,242.4	2,196.8	2,128.9
TOTAL ASSETS	9,741.2	8,796.7	7,134.7	7,038.7	6,901.2
LIABILITIES (R\$ million)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
CURRENT LIABILITIES					
Suppliers	2,973.6	4,105.2	2,653.1	2,749.5	2,456.9
Loans and Financing	128.9	130.7	252.4	254.5	381.4
Payroll, Vacation and Related Charges	270.0	259.0	268.7	208.6	188.8
Taxes Payable	203.3	141.0	84.9	110.4	91.7
Related Parties	106.0	125.4	90.3	94.5	82.9
Lease	224.6	-	-	-	-
Deferred Revenue	39.2	39.2	39.4	39.7	40.7
Dividends Payable	166.4	182.0	-	-	114.3
Other Accounts Payable	446.6	406.1	315.2	267.2	255.2
Total Current Liabilities	4,558.6	5,388.6	3,704.1	3,724.4	3,611.9
NON-CURRENT LIABILITIES					
Loans and Financing	321.6	325.2	325.4	327.4	437.4
Lease	1,667.2	-	-	-	-
Provision for Tax, Civil and Labor Risks	380.9	387.4	351.7	347.2	343.4
Deferred Revenue	378.1	391.0	439.5	449.3	459.0
Other Accounts Payable	1.8	1.7	1.7	1.9	1.9
Total Non-current Liabilities	2,749.6	1,105.3	1,118.3	1,125.7	1,241.7
TOTAL LIABILITIES	7,308.2	6,493.9	4,822.4	4,850.1	4,853.6
SHAREHOLDERS' EQUITY					
Capital Stock	1,719.9	1,719.9	1,719.9	1,719.9	1,719.9
Capital Reserve	54.9	52.2	47.3	47.3	39.3
Treasury Shares	(84.2)	(87.0)	(67.8)	(73.4)	(65.7)
Legal Reserve	65.6	65.6	39.9	39.9	39.9
Profit Retention Reserve	546.9	546.9	161.9	161.9	161.9
Other Comprehensive Income	(2.1)	5.3	3.3	4.7	4.9
Accumulated Losses	132.1	-	407.8	288.2	147.5
Total Shareholders' Equity	2,433.0	2,302.9	2,312.3	2,188.6	2,047.6
TOTAL	9,741.2	8,796.7	7,134.7	7,038.7	6,901.2

ANNEX III PRO FORMA
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R\$ million)	1Q19	1Q18	LTM	LTM
Net Income	132.1	147.5	582.1	477.9
Effect of Income Tax and Social Contribution Net of Payment	31.3	52.1	68.0	100.3
Depreciation and Amortization	103.9	37.2	230.4	145.9
Interest Accrued on Loans	29.2	16.1	62.8	134.7
Equity Income	(0.1)	(23.3)	(34.5)	(86.1)
Dividends Received	19.1	15.7	34.8	58.4
Provision for Losses on Inventories and Receivables	41.2	25.6	146.2	85.8
Provision for Tax, Civil and Labor Contingencies	(4.7)	44.8	45.5	80.0
Gain on Sale of Fixed Assets	(2.8)	0.1	(2.9)	(0.1)
Recognition of Deferred Income	(12.9)	(10.7)	(79.1)	(43.4)
Stock Option Expenses	4.5	2.1	20.1	6.6
Other	0.0	0.0	0.0	0.0
Adjusted Net Income	341.0	307.3	1,073.5	959.9
Trade Accounts Receivable	(81.3)	(42.3)	(292.5)	(272.0)
Inventories	305.8	24.0	(601.2)	(508.0)
Taxes Recoverable	(14.5)	(15.0)	(85.4)	9.7
Other Receivables	(81.7)	(10.0)	(97.2)	(45.2)
Changes in Operating Assets	128.3	(43.2)	(1,076.4)	(815.4)
Trade Accounts Payable	(1,131.6)	(462.7)	516.2	694.5
Other Payables	73.2	(76.4)	296.3	139.0
Change in Operating Liabilities	(1,058.5)	(539.0)	812.4	833.4
Cash Flow from Operating Activities	(589.2)	(275.0)	809.5	977.9
Additions of Fixed and Intangible Assets	(80.4)	(36.4)	(408.4)	(171.0)
Cash on Sale of Fixed Assets	0.0	0.0	0.0	0.0
Sale of Exclusive Dealing and Exploration Right Contract	0.0	0.0	0.0	0.0
Renegotiation Payment of Exclusive Contract	0.0	0.0	0.0	0.0
Investment in Subsidiary	(15.2)	0.0	(14.9)	(1.0)
Capital Increase in Affiliated Company	0.0	0.0	(30.0)	0.0
Cash Flow from Investing Activities	(95.6)	(36.4)	(453.3)	(172.0)
Loans and Financing	0.0	0.0	0.0	500.0
Repayment of Loans and Financing	(2.2)	(54.3)	(360.5)	(1,237.7)
Changes in Other Financial Assets (Hedge)	0.0	(1.4)	0.0	(0.0)
Payment of Interest on Loans and Financing	(11.2)	(13.2)	(51.2)	(156.3)
Payment of Lease	(55.6)	0.0	(55.6)	0.0
Payment of Interest on Lease	(21.3)	0.0	(21.3)	0.0
Payment of Dividends	0.0	0.0	(114.3)	(32.4)
Treasury Shares	1.0	(51.7)	(23.0)	(24.4)
Proceeds from the Secondary Equity Offering	0.0	0.0	0.0	1,144.0
Payment of expenses with the Secondary Equity Offering	0.0	0.0	0.0	(30.6)
Cash Flow from Financing Activities	(89.3)	(120.5)	(625.9)	162.5
Cash, Cash Equivalents and Securities at Beginning of Period	2,607.4	2,534.9	2,103.0	1,134.5
Cash, Cash Equivalents and Securities at end of Period	1,833.4	2,103.0	1,833.4	2,103.0
Change in Cash and Cash equivalents	(774.0)	(431.9)	(269.6)	968.5

Note: The difference between the Statement of Cash Flows and the Adjusted Statement of Cash Flows derives from:
(i) the accounting treatment of marketable securities as cash and cash equivalents.
(ii) the accounting treatment of credit card receivables as cash and cash equivalents.

ANNEX IV – PRO FORMA
RETURN ON INVESTED CAPITAL (ROIC) AND ON EQUITY (ROE)

INVESTED CAPITAL (R\$ million)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
(=) Working Capital	784.1	328.3	767.8	508.8	581.6
(+) Accounts Receivable	4.4	7.6	6.4	7.1	3.3
(+) Income Tax and Social Contribution deferred	168.9	181.0	176.5	178.3	195.2
(+) Taxes Recoverable	246.8	150.6	165.5	201.8	189.8
(+) Judicial Deposits	383.9	349.2	345.7	342.0	333.9
(+) Other Assets	32.7	34.2	34.3	29.4	29.2
(+) Investment In Joint Subsidiaries	294.6	308.5	294.3	284.5	277.2
(+) Fixed Assets	789.4	754.3	663.3	608.1	565.7
(+) Intangible Assets	605.1	598.8	556.4	545.5	534.7
(+) Non Current Assets	2,525.9	2,384.1	2,242.4	2,196.8	2,128.9
(-) Provision for Contingencies	380.9	387.4	351.7	347.2	343.4
(-) Deferred Revenue	378.1	391.0	439.5	449.3	459.0
(-) Other Accounts Payable	1.8	1.7	1.7	1.9	1.9
(-) Noncurrent operating liabilities	760.8	780.0	792.9	798.4	804.4
(=) Fixed Capital	1,765.0	1,604.1	1,449.5	1,398.4	1,324.5
(=) Total Invested Capital	2,549.1	1,932.4	2,217.4	1,907.2	1,906.1
(+) Net Debt	(60.2)	(552.4)	(95.0)	(281.4)	(255.7)
(+) Dividends Payable	166.4	182.0	-	-	114.3
(+) Shareholders Equity	2,442.8	2,302.9	2,312.3	2,188.6	2,047.6
(=) Total Financing	2,549.1	1,932.4	2,217.4	1,907.2	1,906.1

FINANCIAL EXPENSES RECONCILIATION (R\$MM)	4Q17	4Q18	3Q18	2Q18	1Q18
Financial Income	42.2	35.8	34.9	39.5	23.8
Financial Expenses	(119.8)	(126.5)	(106.5)	(112.1)	(83.5)
Net Financial Expenses	(77.7)	(90.7)	(71.7)	(72.6)	(59.8)
Interest on prepayment of receivables: Luiza Card and third party card	93.6	91.5	75.1	79.7	59.1
Adjusted Financial Expenses	16.0	0.8	3.5	7.1	(0.7)
Taxes on Adjusted Financial Expenses	(5.4)	(0.3)	(1.2)	(2.4)	0.2
Net Adjusted Financial Expenses	10.5	0.6	2.3	4.7	(0.5)

NOPLAT AND ROIC/ROE RECONCILIATION(R\$MM)	4Q17	4Q18	3Q18	2Q18	1Q18
EBITDA	318.5	353.5	278.9	312.4	300.5
Interest on prepayment of receivables: Luiza Card and third party card	(93.6)	(91.5)	(75.1)	(79.7)	(59.1)
Depreciation	(38.5)	(41.0)	(46.3)	(39.1)	(37.2)
Current and deferred taxes	(63.7)	(32.1)	(41.3)	(60.0)	(56.0)
Taxes on Adjusted Financial Expenses	5.4	0.3	1.2	2.4	(0.2)
Net Operating Income (NOPLAT)	128.0	189.1	117.3	136.1	147.9
Invested Capital	2,549.1	1,932.4	2,217.4	1,907.2	1,906.1
ROIC Annualized	20%	39%	21%	29%	31%
Net Income	138.6	189.6	119.6	140.7	147.5
Shareholders Equity	2,442.8	2,302.9	2,312.3	2,188.6	2,047.6
ROE Annualized	23%	33%	21%	26%	29%

ANNEX V
BREAKDOWN OF TOTAL SALES AND NUMBER OF STORES PER CHANNEL

Breakdown of Total Sales (R\$ million)	1Q19	V.A.	1Q18	V.A.	Growth
					Total
Virtual Stores	242.3	4.2%	200.9	4.5%	20.1%
Conventional Stores	3,108.2	54.4%	2,687.8	60.2%	15.7%
Subtotal - Physical Stores	3,350.5	58.6%	2,888.6	64.7%	16.0%
Traditional E-commerce (1P)	1,935.1	33.8%	1,451.7	32.5%	33.3%
Marketplace (3P)	432.4	7.6%	125.8	2.8%	243.6%
Subtotal - Total E-commerce	2,367.6	41.4%	1,577.5	35.3%	50.1%
Total Sales	5,718.0	100.0%	4,466.2	100.0%	28.0%
Other Revenue ¹	3.3	-	9.6	-	-65.9%
Marketplace (3P)	(432.4)	-	(125.8)	-	243.6%
Gross Revenue - Retail	5,288.9	-	4,349.9	-	21.6%

Number of stores per channel – End of the period	Mar-19	Part(%)	Mar-18	Part(%)	Growth
					Total
Virtual Stores	163	17.0%	141	16.4%	22
Conventional Stores	795	82.9%	716	83.4%	79
Subtotal - Physical Stores	958	99.9%	857	99.9%	101
Ecommerce	1	0.1%	1	0.1%	-
Total	959	100.0%	858	100.0%	101
Total Sales Area (m²)	574,797	100%	526,052	100%	9.3%

¹ The other revenue refers to the exclusive fund.

ANNEX VI
LUIZACRED

Operating Indicators

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing a substantial percentage of the Company's credit sales. Magalu's main roles and responsibilities include sales, employee management and customer service, while Itaú Unibanco is responsible for funding Luizacred, drafting the credit and collections policies and managing back office activities, such as accounting and treasury.

In 1Q19, Luizacred's total card base grew 160,000 units, reaching 4.4 million cards issued (+ 26.3% versus Mar/18). In-store sales to Luiza Card customers, distinguished by their loyalty and higher purchase frequency, increased by 39.6% in 1Q19. Direct Credit to Consumer (DCC) revenues reached R\$45 million in 1Q19.

Luizacred's credit portfolio, including credit card, DCC and individual loans, reached R\$8.8 billion at the end of 1Q19, an increase of 48.3% over 1Q18. Luiza Card's portfolio grew 49.3% to R\$8.6 billion, while the DCC portfolio rose 25.7% to R\$217.0 million, in line with Luizacred's strategy to focus on the Luiza Card.

LUIZACRED – Key Indicators (R\$ million)	1Q19	1Q18	% Chg
Total Card Base (thousand)	4,413	3,495	26.3%
Luiza Card Sales – In-store	1,431	1,025	39.6%
Luiza Card Sales – Outside Magazine Luiza	4,260	3,137	35.8%
Subtotal - Luiza Card	5,691	4,162	36.8%
DCC Sales	45	40	11.6%
Consumer Loans Sales	13	16	-20.8%
Luizacred Sales - Total	5,749	4,218	36.3%
Card Portfolio	8,573	5,743	49.3%
DCC Portfolio	217	173	25.7%
Consumer Loans Portfolio	30	33	-10.0%
Portfolio	8,820	5,949	48.3%

The granting of credit at Luizacred follows strict criteria established by Itaú Unibanco's Credit Modeling and Policies area which uses proprietary statistics models based on the Risk Adjusted Return on Capital (RAROC) model.

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1Q19 Earnings Release

Income Statement in IFRS

LUIZACRED – Income (R\$ million)	1Q19	V.A.	1Q18	V.A.	% Chg
Financial Intermediation Revenue	370.0	100.0%	271.5	100.0%	36.3%
Cards	330.1	89.2%	234.5	86.4%	40.8%
DCC	31.6	8.5%	27.4	10.1%	15.4%
Consumer Loans	8.4	2.3%	9.7	3.6%	-13.6%
Financial Intermediation Expenses	(337.1)	-91.1%	(161.1)	-59.3%	109.2%
Market Funding Operations	(59.8)	-16.2%	(39.4)	-14.5%	51.7%
Provision for Loan Losses	(277.3)	-74.9%	(121.7)	-44.8%	127.9%
Gross Financial Intermediation Income	33.0	8.9%	110.4	40.7%	-70.2%
Other Operating Revenues (Expenses)	(34.1)	-9.2%	(39.1)	-14.4%	-12.6%
Service Revenue	190.7	51.5%	139.4	51.3%	36.9%
Personnel Expenses	(6.9)	-1.9%	(2.9)	-1.1%	141.1%
Other Administrative Expenses	(168.5)	-45.5%	(143.4)	-52.8%	17.5%
Depreciation and Amortization	(3.0)	-0.8%	(3.0)	-1.1%	-0.7%
Tax Expenses	(30.3)	-8.2%	(23.1)	-8.5%	31.5%
Other Operating Revenues (Expenses)	(16.2)	-4.4%	(6.1)	-2.3%	163%
Income Before Tax	(1.2)	-0.3%	71.4	26.3%	-101.6%
Income Tax and Social Contribution	0.3	0.1%	(33.6)	-12.4%	-100.9%
Net Income	(0.9)	-0.2%	37.8	13.9%	-102.4%

Income Statement in compliance with accounting practices established by the Brazilian Central Bank

LUIZACRED – Income (R\$ million)	1Q19	V.A.	1Q18	V.A.	% Chg
Financial Intermediation Revenue	370.0	100.0%	271.5	100.0%	36.3%
Cards	330.1	89.2%	234.5	86.4%	40.8%
DCC	31.6	8.5%	27.4	10.1%	15.4%
Consumer Loans	8.4	2.3%	9.7	3.6%	-13.6%
Financial Intermediation Expenses	(276.2)	-74.6%	(149.2)	-55.0%	85.1%
Market Funding Operations	(59.8)	-16.2%	(39.4)	-14.5%	51.7%
Provision for Loan Losses	(216.4)	-58.5%	(109.8)	-40.4%	97.1%
Gross Financial Intermediation Income	93.8	25.4%	122.3	45.0%	-23.3%
Other Operating Revenues (Expenses)	(34.1)	-9.2%	(39.1)	-14.4%	-12.6%
Service Revenue	190.7	51.5%	139.4	51.3%	36.9%
Personnel Expenses	(6.9)	-1.9%	(2.9)	-1.1%	141.1%
Other Administrative Expenses	(168.5)	-45.5%	(143.4)	-52.8%	17.5%
Depreciation and Amortization	(3.0)	-0.8%	(3.0)	-1.1%	-0.7%
Tax Expenses	(30.3)	-8.2%	(23.1)	-8.5%	31.5%
Other Operating Revenues (Expenses)	(16.2)	-4.4%	(6.1)	-2.3%	163%
Income Before Tax	59.7	16.1%	83.2	30.7%	-28.3%
Income Tax and Social Contribution	(24.1)	-6.5%	(38.9)	-14.3%	-38.2%
Net Income	35.6	9.6%	44.3	16.3%	-19.6%

Comparative: IFRS x Brazilian Central Bank

R\$ milhões	1Q19	V.A.	1Q18	V.A.	% Chg
Provision for Loan Losses	60.9	16.4%	11.9	4.4%	-
Income Tax and Social Contribution	(24.3)	-6.6%	(5.3)	-2.0%	-
Net Income	36.5	9.9%	6.5	2.4%	-

Revenue from Financial Intermediation

Revenues from financial intermediation grew 36.3% in 1Q19 to R\$370.0 million mainly due to the increase in sales from Luiza Card inside and outside Magalu stores.

Provision for Loan Losses

Loan loss indicators continue in the lowest level of defaults in its history. The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 3.5% of the total portfolio in Mar/19, in line with Mar/18, maintaining the conservative credit policy.

Similarly, the loan portfolio overdue by more than 90 days (NPL 90) reached only 7.7% of the total portfolio in Mar/19.

Net provision expenses represented 3.1% of the total portfolio in 1Q19, an increase from the 2.0% level in 1Q18, due to the adoption of IFRS 9 combined with the accelerated growth of portfolio, Luiza Card cardholder base and the credit limit available to customers. It is worth noting that the portfolio's coverage ratio under IFRS regulations reached 179% in Mar/19.

PORTFOLIO - OVERDUE	Dec-16	Dec-17	Dec-18	Sep-18	Jun-18	Mar-18				
000 to 014 days	7,836	88.8%	7,568	90.0%	6,525	89.8%	5,956	89.9%	5,324	89.5%
015 to 030 days	81	0.9%	63	0.8%	54	0.7%	56	0.8%	62	1.0%
031 to 060 days	102	1.2%	69	0.8%	63	0.9%	61	0.9%	64	1.1%
061 to 090 days	123	1.4%	98	1.2%	85	1.2%	82	1.2%	76	1.3%
091 to 120 days	95	1.1%	96	1.1%	92	1.3%	69	1.0%	55	0.9%
121 to 150 days	96	1.1%	82	1.0%	74	1.0%	74	1.1%	57	1.0%
151 to 180 days	88	1.0%	74	0.9%	68	0.9%	64	1.0%	54	0.9%
180 to 360 days	399	4.5%	356	4.2%	303	4.2%	261	3.9%	258	4.3%
Portfolio (R\$ million)	8,820	100%	8,406	100%	7,265	100%	6,624	100%	5,949	100%
Receipt expectation of loan portfolio overdue above 360 days	114	0.0%	111	0.0%	109	0.0%	108	0.0%	116	0.0%
Total Portfolio in IFRS 9 (R\$ million)	8,935		8,517		7,374		6,732		6,065	
Overdue 15-90 days	306	3.5%	231	2.7%	203	2.8%	199	3.0%	201	3.4%
Overdue Above 90 days	678	7.7%	608	7.2%	537	7.4%	468	7.1%	423	7.1%
Total Overdue	984	11.2%	839	10.0%	740	10.2%	667	10.1%	625	10.5%
Provisions for loan losses on Portfolio	985		924		782		703		659	
Provisions for loan losses on available limit	225		211		234		232		213	
Total Provisions for loan losses in IFRS 9	1,210		1,135		1,016		935		872	
Coverage of Portfolio (%)	145%		152%		146%		150%		156%	
Coverage of Total Portfolio (%)	179%		187%		189%		200%		206%	

Note: in order to facilitate comparability and analysis of NPL performance, the Company now discloses the breakdown of the portfolio by arrears criterion, while it continues disclosing the portfolio breakdown by risk level to the Central Bank.

Financial Intermediation Gross Results

Gross margin from financial intermediation totaled 8.9% in 1Q19 (-31.8 p.p. YoY), mainly due to the adoption of IFRS 9 on loan loss provision and the accelerated growth of credit portfolio.

Other Operating Revenues (Expenses)

Other operating expenses totaled R\$34.1 million in 1Q19, an improvement of 12.6% YoY, mainly due to service revenue growth of 36.9%.

Operating Income and Net Income

In 1Q19, Luizacred recorded operating income of -R\$1.2 million, equivalent to -0.3% of financial intermediation (-26.6p.p. YoY).

In 1Q19, Luizacred's net loss reached R\$0.9 million.

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions by Law 2682, Luizacred's net income totaled R\$35.6 million in 1Q19, with ROE of 17.2%.

The difference in provisions between companies in BRGAAP and IFRS 9 was R\$60.9 million in 1Q19, reflecting net income of R\$36.5 million.

Shareholders' Equity

In compliance with the same practices, Luizacred posted a shareholders' equity of R\$844.5 million in Mar/19. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for the purposes of Magazine Luiza's financial statements came to R\$575.6 million.

EARNINGS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

May 7, 2019 (Tuesday)

11:00 am – Brasília time

10:00 am – USA time (EST)

Participants from Brazil:

Dial in #: +55 (11) 3193-1001

CODE: Magazine Luiza

Link to webcast:

[Webcast Portuguese](#)

Participants from the US or other countries:

Dial in #: +1 (646) 828 8246

CODE: Magazine Luiza

Link de webcast:

[Webcast English](#)

Replay (available for 7 days):

Dial in # from Brazil: +55 (11) 3193-1012

Identification Code: 8339893#

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About Magazine Luiza

Magazine Luiza, or Magalu, is a technology and logistics company focused on the retail sector. From its humble origins as a traditional retailer providing electronics and home appliances to Brazil's rising middle class, the company has since transformed into a technology powerhouse providing a wide array of products to Brazilians of all classes. Magalu has one of the largest geographic footprints with twelve distribution centers serving a network of over 950 stores encompassing over 75% of Brazil's GDP. At the heart of the company's success is an omnichannel retail platform capable of reaching customers via mobile app, web and physical stores. A large part of the company's success is attributable to its in-house development team, Luizalabs, which consists of around 800 engineers and product development specialists. Among other things, engineers from Luizalabs use technologies such as big data and machine learning to create logistics, fintech and inventory apps which remove friction from the retail process, improving margins, delivery times and customer experience. The company has been at the forefront of e-commerce adoption in Latin America and its profitable e-commerce operation currently accounts for over 41% of total sales. Magazine Luiza has also been a logistics pioneer. The company's integrated online and offline logistics operations enable it to leverage its physical presence to radically reduce delivery times and costs in a sustainable way. The result is the fastest, lowest cost logistics network in Brazil.

EBITDA, Adjusted EBITDA and Adjusted Net Income

EBITDA (earnings before interest, income and social contribution taxes, financial income and expenses, depreciation and amortization) is not a financial performance measure under the accounting practices adopted in Brazil. Because it does not consider expenses intrinsic to the business, EBITDA has limitations that affect its use as a profitability or liquidity indicator. EBITDA should not be considered an alternative to net income or operating cash flow. In addition, EBITDA does not have a standard meaning, and our definition may not be comparable with the definitions adopted by other companies. Non-recurring results used to calculate adjusted EBITDA and adjusted net income should not be considered an alternative to EBITDA and net income in accordance with the accounting practices adopted in Brazil.

Disclaimer

The statements herein related to business prospects, future estimates of operating and financial results, and those related to Magazine Luiza's growth prospects are merely estimates and, as such, are based solely on the expectations of the Executive Board regarding the future of the Company's business. These expectations largely depend on approvals and licenses for the projects, market conditions, performance of the Brazilian economy, the sector and the international markets and are, therefore, subject to changes without prior notice. This performance report includes accounting and non-accounting data such as pro forma operating and financial results and projections based on the expectations of the Company's Management. The non-accounting data were not reviewed by the Company's independent auditors.