

2Q24: EBITDA grew by 62% and reached R\$711 million, with a 7.9% margin. Same-store sales grew by 16%. Payment of R\$2.1 billion in debts, eliminating short-term debt.

Magalu's total sales reached **R\$15 billion in 2Q24**, an increase of 4% over 2Q23, reaching historical levels for the period.

Physical store sales totaled R\$5 billion in 2Q24, moving up 14% over 2Q23. **On a same-store basis, sales grew 16%**. As a result, Magalu increased its market share in the physical world in the quarter.

E-commerce reached R\$11 billion in sales in the period, an increase of 1% over 2Q23. In first-party inventory (1P) e-commerce, the full pass-through of the DIFAL tax-rate differential boosted the gross margin in the quarter.

Marketplace sales reached R\$4 billion, 4% more than in the same period last year, accounting for **more than 40% of online sales**.

The gross margin reached 30.9%, 2.1 p.p. higher than in 2Q23, driven by a 3.0 p.p. increase in the 1P merchandise gross margin and growth in service revenue.

In the quarter, adjusted EBITDA grew by 62%, to R\$711 million. **The EBITDA margin reached 7.9%**, an increase of 2.8 p.p. over the previous year.

Financial expenses were 25% lower compared to the previous year, despite the higher volume of card advances due to the payment of Promissory Notes in April. With the improvement in operational results and the reduction in financial expenses, **Magalu recorded recurring net income of R\$37 million in the quarter**.

Operating cash flow generation reached R\$2.2 billion in the last 12 months, nearly three times the amount recorded in the previous year, driven by a significant improvement in operating performance in the period and the evolution of working capital. In the first quarter of 2024 alone, **working capital improved by R\$1.0 billion over 2Q23**.

Magalu ended Jun/24 with a **total cash position of more than R\$6.5 billion**. In 2Q24, we also completed a capital increase at Luizacred of R\$200 million and paid around R\$2.1 billion in debt (including interest). As a result, **Magalu ended the quarter with a total net cash position of R\$2.0 billion**.

Magalu's marketplace reached 359k sellers, an increase of 59k partners over 2Q23. We have a catalog of over **146 million offerings available for sale**, compared to 106 million offerings available a year ago. **The strategic agreement signed in Jun/24 with AliExpress marks Magalu's entry into cross-border operations**, offering low-ticket items and higher purchase frequency, significantly expanding the assortment offered on our marketplace.

Fulfillment already accounts for 21% of marketplace orders, a significant increase of 8 p.p. in penetration over the end of 2023. **More than 3,300 sellers** are benefiting from the scale and efficiency of the company's multichannel model.

The Corporate NPS increased by 11 points from January to July this year, reaching the highest score ever recorded. This historic milestone was driven by a **20-point increase in the marketplace**.

At **MagaluAds**, the platform - sponsored search and showcase products - **grew over 41%** in revenue in 2Q24.

MagaluBank reached R\$23.4 billion in TPV. In the credit card operation, billing reached more than R\$14 billion in 2Q24, with more than 6 million of active credit cards and a credit portfolio of R\$19 billion. It is worth noting a **sequential drop in the total default rate and a net income of R\$71 million at Luizacred for the quarter**.



MGLU3: R\$ 11.59 per share
Total Shares: 738.955,248
Market Cap: R\$ 9.3 billion



Conference Call

August 09, 2024 (Friday)
08:00 AM in US (EST)/ 09:00 AM in Brazil
[Conference Call Access](#)



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LETTER TO SHAREHOLDERS

Magalu's history is marked by cycles, and, in recent quarters, we have gone through a particularly important one — which can be defined by one word: overcoming. In it, Magalu paid off its short-term debt, reached historically high margin levels (safeguarding its operation against a backdrop of high interest rates), consolidated its marketplace as a sustainable business with a high level of service, increased its market share in physical stores, and, most importantly, returned to profit. Now, what lies ahead is a clear runway, which allows us to pick up speed with business launches and strategic partnerships — including a newly formed partnership with AliExpress — and explore countless opportunities in our verticals.

In the second quarter of 2024, our EBITDA grew 62% year over year, reaching R\$711 million, with a 7.9% margin. We once again recorded the highest operating margin since 2019 — an undeniable demonstration of the Company's focus on returning its profitability. In addition to this feat, the 25% decline in financial expenses was also crucial to enable us to reach R\$37 million in net income in the period.

This was the third consecutive quarter of substantial growth in EBITDA, lower financial expenses, and achievement of net income. This improvement is due to a number of factors, including higher gross merchandise margin, driven by the completion of the DIFAL pass-through; an increase in service revenue; and control of operating expenses.

Another highlight was Luizacred's quarterly profit, which surpassed the mark of R\$70 million — reversing a loss of R\$66 million in the previous year — and also drove our EBITDA growth. This improvement is accompanied by a very positive trend in our cardholder default rates: In June, short-term NPL was a mere 3.0% and long-term NPL was 9.2%, down 0.5 p.p. and 1.7 p.p., respectively, compared to June 2023.

Regarding financial services, MagaluBank continues to improve its offerings for our customers. **We have issued the first MagaluPay Digital Carnê (Buy Now Pay Later) proposals, fully integrated in the Magalu app.** The product increases the purchasing power of our customers in the online channel, with customization of rates and credit lines, simple and fully online contracting, and complete management in the Magalu app.

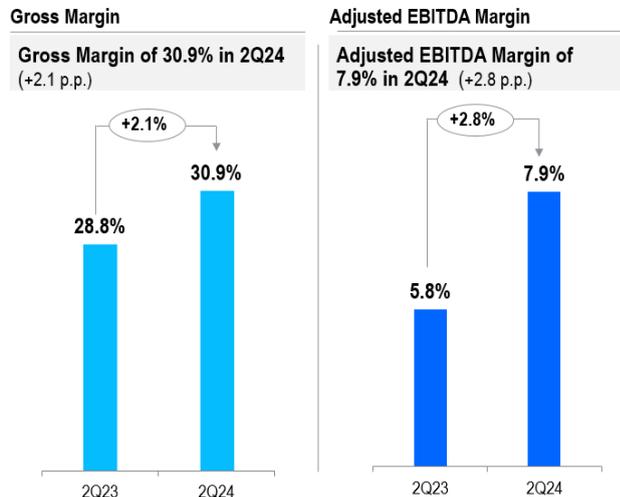
It is also worth noting that, in the second quarter, Magalu paid R\$2.1 billion in promissory notes, including interest, which led to additional expenses of around R\$30 million in prepayment of receivables — excluding this amount, financial expenses decreased even more for the quarter. We closed June with a solid total cash position of R\$6.5 billion. The net cash position is R\$2.0 billion, and the Company's total debt is concentrated in the long term, with maturities at the end of 2025 and 2026.

In sales, it is worth noting 16% growth in same-store sales

In 2Q24, Magalu's total sales reached R\$15.4 billion, up 4.5% over 2Q23, reaching an all-time high for the period. The result of physical stores sales increased 16% on a same-store basis and 14% in total. As a result, we continued to gain market share at a fast pace. This progress took place without an expansion in our credit offering; in other words, with an acceleration of the credit, our opportunity to further increase our market share is even greater.

E-commerce sales totaled R\$10.8 billion, 40% of which from the marketplace (3P), which grew 4% in the quarter. In the operation of first-party inventory (1P), the focus of the quarter continued to be on increasing margins. In 2Q24, the merchandise gross margin of 1P grew by more than 3 percentage points compared to the same period last year - when the DIFAL pass-through has not been fully passed on - and contributed significantly to the substantial increase in the consolidated gross margin of goods.

This year, we have *Encanta Magalu* (Magalu Enchants); therefore, we continue to mobilize our efforts to improve the customer experience on our platform and reap the fruits of this endeavor. Our levels of service are increasingly high: our Corporate NPS (Net Promoter Score), i.e., encompassing all sales channels, increased 11 points from January to July this year. This was our highest-ever score, a milestone driven by an upturn of 16 points in the marketplace.



In addition, our logistics efforts to offer the best customer experience, led by our multichannel Fulfillment, have been crucial. In June, 21% of 3P orders were delivered from Magalu's 8 fulfillment-enabled distribution centers. The number of stock keeping units (SKUs) reached 60,000, distributed in categories such as interior design, home and garden, fashion, and tools, among others. Thus, we are also delivering marketplace orders increasingly faster.

Lu from Magalu has a new look and the evolution of MagaluAds

In July, Lu from Magalu, the world's biggest virtual influencer, was updated. She has become much more modern and realistic, using state-of-the-art technology that represents a significant leap in graphic quality, and, with the help of AI, production is now faster and more diverse.

We also announced the creation of a new Artificial Intelligence department at Magalu, with the challenge of centralizing and accelerating the development of what is dubbed "Lu's brain," a generative artificial intelligence tool that will change the way customers interact with the Company before, during, and after the purchase.

As a result, Lu further strengthens the opportunities for advertising investment in Magalu's ecosystem. The first advertising campaign featuring Lu's revamped look was launched in July in partnership with Burger King. This was the first time Lu went on TV without talking about Magalu, and this is only the beginning. Special marketing projects featuring Lu are part of MagaluAds, jointly with the sponsored products platform and the sale of displays. As for MagaluAds, it is also worth noting the 40% increase in revenue from sponsored products in the second quarter, with more than 3,700 active advertisers (sellers and brands).

Magalu and AliExpress: increased assortment and a combined audience of more than 700 million monthly visits

In addition to the best customer experience and a high level of service, expanding the assortment also plays a key role in the sustainable growth of our platform. In this context, the partnership with AliExpress (the Alibaba group's marketplace platform) announced in June marks Magalu's debut in cross-border operations, with the offering of low-ticket products with higher purchase frequency, significantly expanding the assortment offered in our marketplace.

Through the strategic agreement, AliExpress is now selling in Magalu's digital channels items of Choice, its premium shopping service line that offers curated products, better value for money and shorter delivery times. It will include items from several categories, such as home and garden, cosmetics, toys, tools, and technology accessories, among others.

Magalu, in turn, will offer its 1P products on the Brazilian AliExpress platform, further expanding the audience for categories in which we are market leaders. It is worth noting that this is the first time AliExpress sells items on a third-party platform worldwide and Magalu takes on the role of seller in another marketplace.

Closing Remarks

We remain confident in our strategy and our unique business model. The decision to focus on expanding operating margins and increasing profitability has proved to be right and has further strengthened us to continue to invest in long-term projects that will bring further sales growth, in addition to increased profitability.

Once again, we thank our customers, sellers, employees, shareholders, and suppliers for their partnership and company on this journey.

EXECUTIVE MANAGEMENT TEAM

2Q24 Financial Highlights



Total sales with increased profitability. In 2Q24, total sales -- including physical stores, e-commerce first-party inventory (1P) and marketplace (3P) grew 4.5% compared to the same period of the previous year and totaled R\$15.4 billion. This was a result of a 0.9% increase in total e-commerce and a growth of 14.2% in physical stores, with significant market share gain.



Marketplace reaches 40% of total online sales.

During 2Q24, e-commerce sales increased 0.9% and totaled R\$10.8 billion. Magalu's 1P e-commerce sales, reduced 1.2%. Marketplace sales reached R\$4.4 billion during the quarter, with a 4.0% growth. This growth was a reflection of the App's performance, with 49.6 million monthly active users (MAU). Other contributing factors include faster delivery speeds for 1P and 3P, the growth of new categories and an increase in the seller base.



Expansion of the merchandise gross margin and higher contribution from service revenue.

In 2Q24, the gross margin was 30.9%, a growth of 210 bps from the same period in 2023. The gross margin on goods increased by 180 bps compared to last year, primarily due to a 300 bps expansion in the merchandise gross margin from our 1P e-commerce. Additionally, service revenue grew 11.2% and contributed to the evolution of the total gross margin, resulting in the highest gross margin in a second quarter in the last seven years.



Operating expenses. The percentage of adjusted operating expenses in relation to net revenues was 23.4% in 2Q24, stable compared to 2Q23. It is worth noting that non-recurring restructuring and integration expenses decreased from R\$160.1 million in 2Q23 to just R\$2.6 million in 2Q24.



Strong EBITDA growth and net profit.

The increase in the contribution margin across all sales channel, including physical stores, e-commerce first-party inventory (1P) and the marketplace, contributed to the 61.6% growth in adjusted EBITDA, which reached R\$710.7 million in 2Q24 with a margin of 7.9%, an increase of 280 bps. in relation to last year. During the same period, the adjusted net income was R\$37.4 million, reversing the negative net result in 2Q23. Considering non-recurring net expenses, net profit was R\$23.6 million.



Cash generation and capital structure.

Cash flow from operations in the last 12 months was R\$2.2 billion, driven by the significant evolution in the operational result and in working capital. In 2Q24, working capital was R\$871.1 million better than the same period of the previous year. In Jun/24, Magalu's adjusted net cash position was R\$ 2.0 billion, an increase of R\$1.1 billion compared to last year, and the total adjusted cash position was R\$ 6.5 billion.



MagaluBank.

Total payment volume (TPV) reached R\$23.9 billion in 2Q24. In Jun/24, the cardholder base was 6.4 million credit cards. Credit card billing grew 2.2% in 2Q24, reaching R\$14.4 billion during the period. The credit card portfolio reached R\$19.3 billion at the end of the quarter. Luizacred's profit reached R\$71 million in 2Q24.

R\$ million (except when otherwise indicated)	2Q24	2Q23	% Chg	1H24	1H23	% Chg
Total Sales ¹ (including marketplace)	15,385.1	14,727.2	4.5%	31,413.4	30,275.4	3.8%
Gross Revenue	11,177.3	10,645.9	5.0%	22,707.4	21,957.5	3.4%
Net Revenue	9,010.0	8,572.3	5.1%	18,249.2	17,639.6	3.5%
Gross Income	2,782.3	2,468.6	12.7%	5,545.7	4,947.9	12.1%
Gross Margin	30.9%	28.8%	210 bps	30.4%	28.1%	230 bps
EBITDA	655.0	283.9	130.7%	1,339.8	608.0	120.4%
EBITDA Margin	7.3%	3.3%	400 bps	7.3%	3.4%	390 bps
Net Income	23.6	(301.7)	-	51.5	(693.0)	-
Net Margin	0.3%	-3.5%	380 bps	0.3%	-3.9%	420 bps
Adjusted - EBITDA	710.7	439.8	61.6%	1,398.4	887.8	57.5%
Adjusted - EBITDA Margin	7.9%	5.1%	280 bps	7.7%	5.0%	270 bps
Adjusted - Net Income	37.4	(198.8)	-	67.3	(508.3)	-
Adjusted - Net Margin	0.4%	-2.3%	270 bps	0.4%	-2.9%	330 bps
Same Physical Store Sales Growth	15.6%	2.1%	-	12.3%	4.4%	-
Total Physical Store Sales Growth	14.2%	2.7%	-	11.0%	5.1%	-
E-commerce Sales Growth (1P)	-1.2%	2.3%	-	-1.6%	4.4%	-
Marketplace Sales Growth (3P)	4.0%	15.1%	-	5.2%	17.2%	-
Total E-commerce Sales Growth	0.9%	7.0%	-	1.1%	9.0%	-
E-commerce Share of Total Sale	70.4%	72.9%	-2.5 pp	70.9%	72.8%	-1.9 pp
Number of Stores - End of Period	1,246	1,303	-57 stores	1,246	1,303	-57 stores
Sales Area - End of Period (M ²)	693,120	716,595	-3.3%	693,120	716,595	-3.3%

¹ Total Sales include gross revenue from physical stores, 1P e-commerce sales and 3P marketplace sales.

| NON-RECURRING EVENTS

For ease of comparability with 2Q23, 2Q24 results are also being presented in an adjusted view, without the effects of non-recurring provisions and expenses.

CONCILIATION ADJUSTED INCOME STATEMENT (R\$ million)	2Q24 Adjusted	V.A.	Non-recurring	2Q24	V.A.
Gross Revenue	11,177.3	124.1%	-	11,177.3	124.1%
Taxes and Deductions	(2,167.4)	-24.1%	-	(2,167.4)	-24.1%
Net Revenue	9,010.0	100.0%	-	9,010.0	100.0%
Total Costs	(6,227.7)	-69.1%	-	(6,227.7)	-69.1%
Gross Income	2,782.3	30.9%	-	2,782.3	30.9%
Selling Expenses	(1,693.7)	-18.8%	-	(1,693.7)	-18.8%
General and Administrative Expenses	(339.9)	-3.8%	-	(339.9)	-3.8%
Provisions for Loan Losses	(110.0)	-1.2%	-	(110.0)	-1.2%
Other Operating Revenues, Net	36.4	0.4%	(55.7)	(19.3)	-0.2%
Equity in Subsidiaries	35.6	0.4%	-	35.6	0.4%
Total Operating Expenses	(2,071.6)	-23.0%	(55.7)	(2,127.3)	-23.6%
EBITDA	710.7	7.9%	(55.7)	655.0	7.3%
Depreciation and Amortization	(323.3)	-3.6%	-	(323.3)	-3.6%
EBIT	387.4	4.3%	(55.7)	331.7	3.7%
Financial Results	(401.1)	-4.5%	-	(401.1)	-4.5%
Operating Income	(13.7)	-0.2%	(55.7)	(69.4)	-0.8%
Income Tax and Social Contribution	51.1	0.6%	41.9	93.0	1.0%
Net Income	37.4	0.4%	(13.8)	23.6	0.3%

| Adjustments – Non – Recurring Events

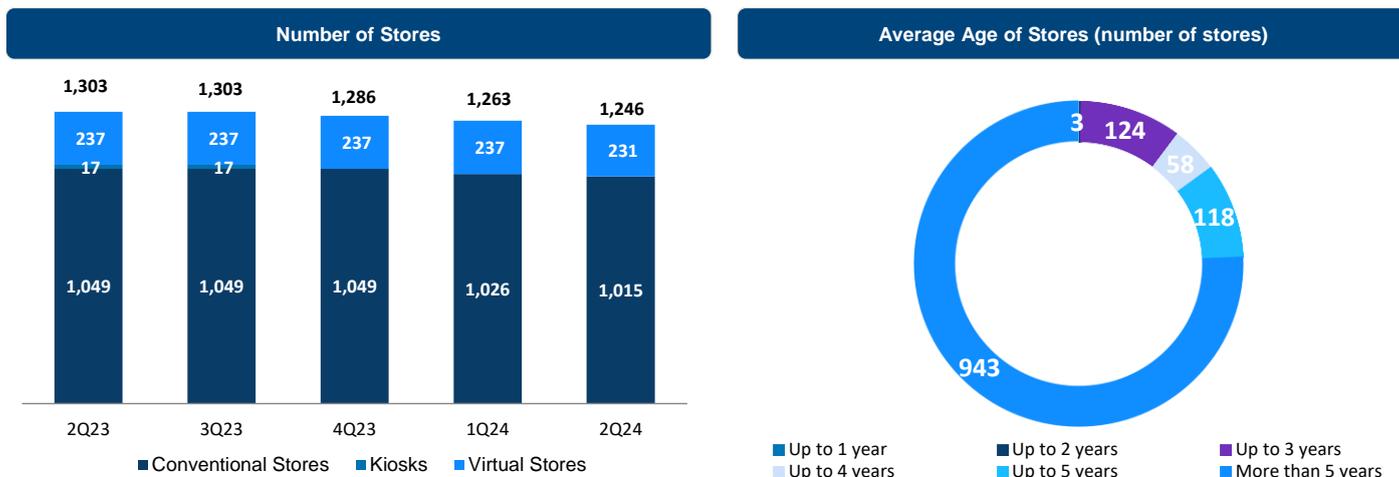
Adjustments	2Q24
Tax Credits ¹	163.4
Gain on Sale of Assets	(0.4)
Tax Provisions ²	(204.2)
Expert Fees	(8.1)
Non Recurring Expenses	(2.6)
Other Expenses	(3.8)
EBITDA Adjustments	(55.7)
Income Tax and Social Contribution	41.9
Net Income Adjustments	(13.8)

¹ Reassessment of the calculation methodology for excluding ICMS from the PIS/COFINS tax base in final judicial decisions. As a result, a tax credit of R\$160.8 million was recognized during the period.

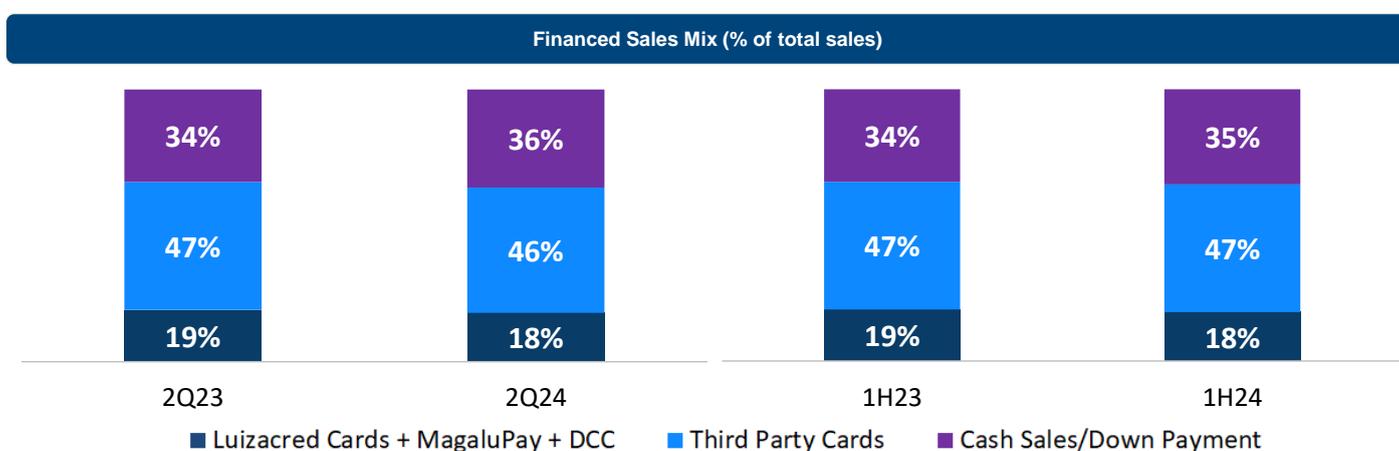
² It primarily refers to the provision for ICMS – DIFAL, where the Company believes the chances of loss are greater than those of gain (R\$142.9 million in the parent company and R\$61.3 million for the subsidiaries).

| OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 2Q24 with 1,246 physical stores, (1,015 conventional, 231 virtual). During 2Q24, the company closed 17 stores, including 11 conventional and 6 virtual. Twenty-four percent of our total number of stores are in the process of maturation.



In 2Q24, Magalu’s total sales grew 4.5%, as a result of an 0.9% increase in e-commerce sales and a 14.2% increase in physical store sales. It is worth mentioning the performance of the marketplace, which grew 4.0% in 2Q24, resulting in a 24.3% four-year CAGR.



In 2Q24, the share of cash (non-installment) sales increased from 34% to 36% compared to the same period in 2023. The increase in cash sales was driven by widespread PIX adoption, especially at Kabum, Netshoes and Magalu, which contributed to mitigate the effect of high interest rates.

| Gross Revenues

(in R\$ million)	2Q24	2Q23	% Chg	1H24	1H23	% Chg
Merchandise Sales	10,083.0	9,661.6	4.4%	20,531.6	19,994.5	2.7%
Services	1,094.3	984.3	11.2%	2,175.8	1,963.0	10.8%
Gross Revenue - Total	11,177.3	10,645.9	5.0%	22,707.4	21,957.5	3.4%

In 2Q24, total gross revenue was R\$11.2 billion, a 5.0% increase compared to the same period in 2023. The performance of physical stores and the growth of e-commerce during the quarter contributed to the evolution of gross revenue. It's worth highlighting the 11.2% increase in service revenue, notably including the growth in marketplace revenues and the insurance sold in stores. In 1H24, total gross revenue was R\$22.7 billion.

| Net Revenues

(in R\$ million)	2Q24	2Q23	% Chg	1H24	1H23	% Chg
Merchandise Sales	8,099.9	7,756.0	4.4%	16,460.4	16,004.2	2.9%
Services	910.1	816.2	11.5%	1,788.9	1,635.3	9.4%
Net Revenue - Total	9,010.0	8,572.3	5.1%	18,249.2	17,639.6	3.5%

In 2Q24, total net revenue was R\$9.0 billion, a 5.1% increase compared to 2Q23, in line with the variation in total gross revenue. In 1H24, net revenue increased 3.5% to R\$18.2 billion.

| Gross Profit

(in R\$ million)	2Q24	2Q23	% Chg	1H24	1H23	% Chg
Merchandise Sales	1,881.4	1,658.9	13.4%	3,775.9	3,325.0	13.6%
Services	900.8	809.8	11.2%	1,769.8	1,622.9	9.1%
Gross Profit - Total	2,782.3	2,468.6	12.7%	5,545.7	4,947.9	12.1%
Gross Margin - Total	30.9%	28.8%	210 bps	30.4%	28.1%	230 bps

In 2Q24, gross profit grew by 12.7% and reached R\$2.8 billion. Gross margin was 30.9%, an increase of 2.1 p.p. compared to the same period last year. The gross margin on goods increased by 180 bps compared to last year, primarily due to a 300 bps expansion in the merchandise gross margin from our 1P e-commerce. Additionally, service revenue contributed to the addition to the total gross margin, resulting in the highest gross margin in in the past seven years. In 1H24, gross profit grew 12.1% to R\$5.5 billion, equivalent to a gross margin of 30.4%.

| Operating Expenses

(in R\$ million)	2Q24		2Q23		% Chg	1H24		1H23		% Chg
	Adjusted	% NR	Adjusted	% NR		Adjusted	% NR	Adjusted	% NR	
Selling Expenses	(1,693.7)	-18.8%	(1,597.0)	-18.6%	6.1%	(3,353.7)	-18.4%	(3,241.5)	-18.4%	3.5%
General and Administrative Expenses	(339.9)	-3.8%	(325.8)	-3.8%	4.3%	(679.5)	-3.7%	(634.2)	-3.6%	7.1%
General and Administrative Expenses	(2,033.7)	-22.6%	(1,922.8)	-22.4%	5.8%	(4,033.2)	-22.1%	(3,875.7)	-22.0%	4.1%
Provisions for Loan Losses	(110.0)	-1.2%	(105.1)	-1.2%	4.7%	(229.1)	-1.3%	(204.0)	-1.2%	12.3%
Other Operating Revenues, Net	36.4	0.4%	20.8	0.2%	74.5%	72.6	0.4%	42.1	0.2%	72.3%
Total Operating Expenses	(2,107.2)	-23.4%	(2,007.1)	-23.4%	5.0%	(4,189.8)	-23.0%	(4,037.6)	-22.9%	3.8%
Operating Expenses / Total Sales	-13.7%		-13.6%		-6.8 bps	-13.3%		-13.3%		-0.1 bps

| Selling Expenses

In 2Q24, selling expenses totaled R\$1.7 billion, representing 18.8% of net revenue. This corresponds to an increase of 0.2 p.p. compared to the same period in 2023, remaining practically stable and reflecting the efforts to increase operational efficiency in recent years. In 1H24, selling expenses totalled R\$3.4 billion, equivalent to 18.4% of net revenue.

| General and Administrative Expenses

In 2Q24, general and administrative expenses totaled R\$339.9 million, equivalent to 3.8% of net revenue, stable compared to the same period in 2023. In 1H24, general and administrative expenses were R\$679.5 million, equivalent to 3.7% of net revenue.

| Provisions for Loan Losses

Provisions for loan losses totaled R\$110.2 million in 2Q24 and R\$229.1 million in 1H24.

| Other Operating Revenues and Expenses, Net

(in R\$ million)	2Q24	% NR	2Q23	% NR	% Chg	1H24	% NR	1H23	% NR	% Chg
Deferred Revenue Recorded	36.4	0.4%	20.8	0.2%	74.5%	72.6	0.4%	42.1	0.2%	72.3%
Subtotal - Adjusted	36.4	0.4%	20.8	0.2%	74.5%	72.6	0.4%	42.1	0.2%	72.3%
Tax Credits	163.4	1.8%	-	0.0%	-	163.4	0.9%	0.6	0.0%	-
Provisions for tax, civil and labor risks	(204.2)	-2.3%	26.2	0.3%	-	(204.9)	-1.1%	21.0	0.1%	-
Expert fees	(8.1)	-0.1%	(12.3)	-0.1%	-34.2%	(9.2)	-0.1%	(12.9)	-0.1%	-28.3%
Restructuring and integration expenses	(2.6)	0.0%	(160.1)	-1.9%	-98.4%	(2.6)	0.0%	(266.3)	-1.5%	-99.0%
Gain on Sale of Assets	(0.4)	0.0%	(4.7)	-0.1%	-92.4%	(0.1)	0.0%	(5.6)	0.0%	-98.5%
Other Expenses	(3.8)	0.0%	(5.0)	-0.1%	-24.2%	(5.1)	0.0%	(5.3)	0.0%	-3.4%
Subtotal - Non Recurring	(55.7)	-0.6%	(155.9)	-1.8%	-64.3%	(58.6)	-0.3%	(268.4)	-1.5%	-78%
Total	(19.3)	-0.2%	(135.1)	-1.6%	-85.7%	14.0	0.1%	(226.3)	-1.3%	-

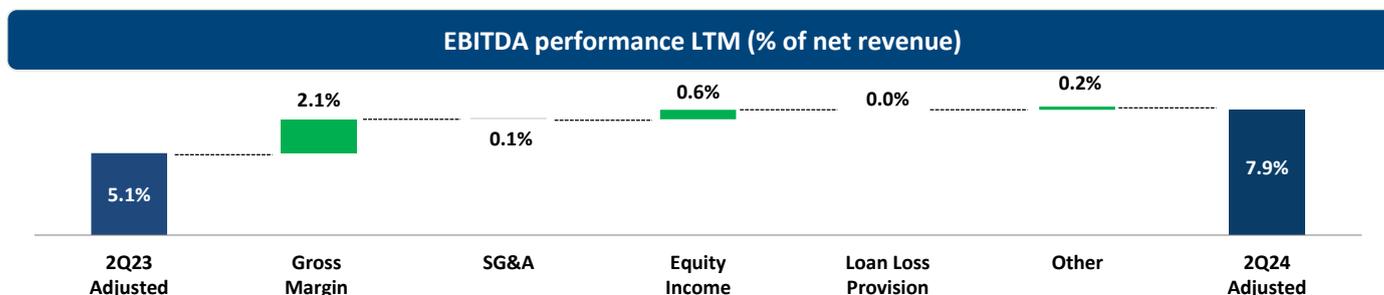
In 2Q24, other adjusted net operating revenues totaled R\$36.4 million, impacted by the recognition of deferred revenues. In 1H24, other operating revenues and expenses net were R\$72.6 million.

| Equity Income

In 2Q24, equity income was R\$35.6 million, comprised of R\$35.4 million in equity attributable to the performance of Luizacred; and practice adjustments in the amount of R\$0.2 million. In 1H24, equity income was R\$42.5 million.

| EBITDA

In 2Q24, adjusted EBITDA grew 61.6% compared to the same period last year, reaching R\$710.7 million. This significant improvement was due to the increase in gross merchandise margin and the contribution of service revenue, including the marketplace and in-store insurance sales, as well as the significant improvement in Luizacred's results. During this quarter, the expansion of the gross margin was 2.1 p.p., well above the variation in operating expenses. The adjusted EBITDA margin increased 2.8 p.p., from 5.1% in 2Q23 to 7.9% in 2Q24. In H1 2024, adjusted EBITDA reached R\$1.4 billion, equivalent to a margin of 7.7%.



| Financial Results

In 2Q24, net financial expenses totaled R\$401.1 million, equivalent to 4.5% of net revenue. Expenses fell 1.7 p.p., in relation to the same period last year, due to the evolution of cash flow from operations, improvement in capital structure, and reduction in the interest rate. In nominal terms, the financial result in 2Q24 was 24.6% lower than in 2Q23.

It is important to highlight that the Company made payments of R\$2.1 billion in debt and interest in 2Q24, which resulted in a one-time expense of approximately R\$30 million for card advances. Excluding this effect, financial expenses would have represented 4.1% of net revenue.

Setting aside the effects of interest on leasing, net financial expenses were R\$322.6 million in 2Q24, equivalent to 3.6% of net revenue.

R\$ million	2Q24	% NR	2Q23	% NR	% Chg	1H24	% NR	1H23	% NR	% Chg
Financial Expenses	(492.7)	-5.5%	(627.7)	-7.3%	-21.5%	(955.5)	-5.2%	(1,378.0)	-7.8%	-30.7%
Interest on loans and financing	(147.6)	-1.6%	(247.8)	-2.9%	-40.4%	(342.7)	-1.9%	(500.7)	-2.8%	-31.6%
Interest on prepayment of receivables – third party card	(187.3)	-2.1%	(164.9)	-1.9%	13.6%	(346.6)	-1.9%	(439.0)	-2.5%	-21.0%
Interest on prepayment of receivables – Luiza Card	(78.1)	-0.9%	(79.4)	-0.9%	-1.7%	(116.9)	-0.6%	(205.2)	-1.2%	-43.1%
Other expenses	(79.7)	-0.9%	(135.6)	-1.6%	-41.2%	(149.4)	-0.8%	(233.1)	-1.3%	-35.9%
Financial Revenues	170.1	1.9%	171.2	2.0%	-0.6%	171.6	0.9%	364.4	2.1%	-52.9%
Gains on marketable securities	23.7	0.3%	41.1	0.5%	-42.3%	58.4	0.3%	85.5	0.5%	-31.7%
Other financial revenues	146.3	1.6%	130.0	1.5%	12.5%	113.3	0.6%	279.0	1.6%	-59.4%
Subtotal: Net Financial Results - Adjusted	(322.6)	-3.6%	(456.5)	-5.3%	-29.3%	(783.8)	-4.3%	(1,013.6)	-5.7%	-22.7%
Interest on lease	(78.5)	-0.9%	(75.5)	-0.9%	3.9%	(156.2)	-0.9%	(150.9)	-0.9%	3.5%
Total Net Financial Results - Adjusted	(401.1)	-4.5%	(532.1)	-6.2%	-24.6%	(940.1)	-5.2%	(1,164.5)	-6.6%	-19.3%

| Net Income

In 2Q24, the Company experienced a net income of R\$23.6 million, showing a significant improvement compared to previous quarters due to operational efficiency and substantial reduction in financial expenses. Considering non-recurring income tax credits and other non-recurring items, adjusted net income was R\$37.4 million. Adjusted net income for 1H24 was R\$67.3 million.

| Adjusted Working Capital

CONSOLIDATED (R\$ million)	LTM	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
(+) Accounts Receivables (without Credit Card)	188.6	1,401.2	1,348.2	1,386.2	1,220.5	1,212.6
(+) Inventories	(374.9)	7,195.2	7,315.2	7,497.3	7,899.4	7,570.2
(+) Related Parties (without Luiza Card)	20.3	69.5	47.1	50.9	149.0	49.2
(+) Recoverable Taxes	241.9	1,662.9	1,691.2	1,680.5	1,513.2	1,421.0
(+) Income Tax and Recoverable Social Contribution	(40.3)	222.7	197.3	177.0	230.1	263.0
(+) Other Assets	(65.8)	356.8	416.0	334.7	402.9	422.7
(+) Current Operating Assets	(30.3)	10,908.3	11,015.0	11,126.7	11,415.2	10,938.7
(-) Suppliers (including agreement)	914.8	8,788.9	8,598.0	9,324.1	9,306.9	7,874.0
(-) Transfers and Other Deposits	6.6	1,480.4	1,724.5	1,765.1	1,533.7	1,473.8
(-) Payroll, Vacation and Related Charges	30.4	442.0	409.8	401.9	449.1	411.6
(-) Taxes Payable	(26.3)	270.3	281.4	360.0	280.4	296.6
(-) Related Parties	2.5	96.4	90.6	101.0	209.3	93.8
(-) Deferred Revenue	(0.4)	146.3	145.5	145.9	146.3	146.7
(-) Other Accounts Payable	23.1	1,680.4	1,875.8	1,847.5	1,741.9	1,657.3
(-) Current Operating Liabilities	950.7	12,904.5	13,125.5	13,945.4	13,667.6	11,953.8
(=) Working Capital Adjusted	(981.1)	(1,996.2)	(2,110.4)	(2,818.7)	(2,252.4)	(1,015.2)
% of Gross Revenue (LTM)	-2.1%	-4.3%	-4.6%	-6.2%	-4.9%	-2.2%

In Jun/24, the adjusted working capital need was negative in R\$2.0 billion, a variation of R\$114.2 million in 2Q24, mainly due to the transfer to sellers and other deposits, resulting from the migration of sellers from the deferred payment model to the automatically advanced model. It is worth noting that the Company reduced the level of inventories by R\$119.9 million in the quarter and by R\$374.9 million in the last 12 months, contributing to the improvement in working capital.

It is important to highlight that, in the last 12 months, the variation of the adjusted working capital contributed R\$981.2 million to the generation of operational cash flow.

| Capex

CAPEX (in R\$ million)	2Q24	%	2Q23	%	%Chg	1H24	%	1H23	%	%Chg
New Stores	-	0%	1.5	1%	-100%	-	0%	1.9	1%	-100%
Remodeling	15.7	11%	10.0	6%	58%	23.7	7%	20.1	6%	18%
Technology	105.3	71%	126.7	81%	-17%	267.8	81%	276.1	83%	-3%
Logistics	9.8	7%	5.2	3%	87%	18.4	6%	13.0	4%	42%
Other	17.4	12%	12.9	8%	34%	21.2	6%	23.3	7%	-9%
Total	148.2	100%	156.3	100%	-5%	331.1	100%	334.5	100%	-1%

In 2Q24, investments totaled R\$148.2 million, highlighting investments in technology, which represented 71% of the total investment for the quarter.

| Capital Structure

CONSOLIDATED (R\$ million)	LTM	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
(-) Current Loans and Financing	2,774.2	(57.1)	(2,269.4)	(2,954.3)	(3,002.7)	(2,831.4)
(-) Non-current Loans and Financing	(0.2)	(4,400.6)	(4,400.4)	(4,400.5)	(4,400.6)	(4,400.4)
(=) Gross Debt	2,774.0	(4,457.7)	(6,669.8)	(7,354.9)	(7,403.3)	(7,231.7)
(+) Cash and Cash Equivalents	(893.2)	1,207.4	1,978.3	2,593.3	2,804.0	2,100.6
(+) Current Securities	352.9	739.1	352.1	779.1	480.8	386.2
(+) Total Cash	(540.3)	1,946.5	2,330.3	3,372.4	3,284.9	2,486.8
(=) Net Cash	2,233.7	(2,511.2)	(4,339.5)	(3,982.4)	(4,118.5)	(4,744.9)
(+) Credit Card - Third Party Card	(1,176.6)	3,143.7	4,697.8	4,499.3	3,618.4	4,320.3
(+) Credit Card - Luiza Card	48.0	1,387.8	2,009.3	1,222.8	1,157.4	1,339.8
(+) Total Credit Card	(1,128.5)	4,531.5	6,707.1	5,722.1	4,775.8	5,660.1
(=) Adjusted Net Cash	1,105.2	2,020.3	2,367.6	1,739.6	657.3	915.1
Short Term Debt / Total	-38%	1%	34%	40%	41%	39%
Long Term Debt / Total	38%	99%	66%	60%	59%	61%
Adjusted EBITDA (LTM)	553.4	2,642.4	2,371.6	2,131.8	2,049.0	2,089.0
Adjusted Net Cash / Adjusted EBITDA	0.3 x	0.8 x	1.0 x	0.8 x	0.3 x	0.4 x
Cash, Securities and Credit Cards	(1,668.8)	6,478.0	9,037.5	9,094.5	8,060.7	8,146.9

The Company ended the quarter with a total cash position of R\$6.5 billion, considering cash and financial instruments of R\$1.9 billion and available credit card receivables of R\$4.5 billion. The net cash position increased from R\$0.9 billion in Jun/23 to R\$2.0 billion in Jun/24.

It is worth noting that, in Apr/24, Magalu made the payment of Promissory Notes amounting to approximately R\$2.1 billion, including interest. Additionally, in Jan/24, Magalu made the payment of the 9th issuance of simple debentures in the amount of approximately R\$900 million, including interest. Thus, the Company has already paid R\$3.0 billion in debt this year, eliminating its short-term debt. The remaining debts are due at the end of 2025 and 2026.

Additionally, this quarter, Magalu made part of the capital contribution to Luizacred, amounting to R\$200 million.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R\$ million)	2Q24	V.A.	2Q23	V.A.	% Chg	1H24	V.A.	1H23	V.A.	% Chg
Gross Revenue	11,177.3	124.1%	10,645.9	124.2%	5.0%	22,707.4	124.4%	21,957.5	124.5%	3.4%
Taxes and Deductions	(2,167.4)	-24.1%	(2,073.7)	-24.2%	4.5%	(4,458.2)	-24.4%	(4,317.9)	-24.5%	3.2%
Net Revenue	9,010.0	100.0%	8,572.3	100.0%	5.1%	18,249.2	100.0%	17,639.6	100.0%	3.5%
Total Costs	(6,227.7)	-69.1%	(6,103.6)	-71.2%	2.0%	(12,703.6)	-69.6%	(12,691.7)	-71.9%	0.1%
Gross Income	2,782.3	30.9%	2,468.6	28.8%	12.7%	5,545.7	30.4%	4,947.9	28.1%	12.1%
Selling Expenses	(1,693.7)	-18.8%	(1,597.0)	-18.6%	6.1%	(3,353.7)	-18.4%	(3,241.5)	-18.4%	3.5%
General and Administrative Expenses	(339.9)	-3.8%	(325.8)	-3.8%	4.3%	(679.5)	-3.7%	(634.2)	-3.6%	7.1%
Provisions for Loan Losses	(110.0)	-1.2%	(105.1)	-1.2%	4.7%	(229.1)	-1.3%	(204.0)	-1.2%	12.3%
Other Operating Revenues, Net	(19.3)	-0.2%	(135.1)	-1.6%	-85.7%	14.0	0.1%	(226.3)	-1.3%	-
Equity in Subsidiaries	35.6	0.4%	(21.8)	-0.3%	-	42.5	0.2%	(33.9)	-0.2%	-
Total Operating Expenses	(2,127.3)	-23.6%	(2,184.8)	-25.5%	-2.6%	(4,205.8)	-23.0%	(4,339.9)	-24.6%	-3.1%
EBITDA	655.0	7.3%	283.9	3.3%	130.7%	1,339.8	7.3%	608.0	3.4%	120.4%
Depreciation and Amortization	(323.3)	-3.6%	(319.8)	-3.7%	1.1%	(645.9)	-3.5%	(627.6)	-3.6%	2.9%
EBIT	331.7	3.7%	(35.9)	-0.4%	-	693.9	3.8%	(19.6)	-0.1%	-
Financial Results	(401.1)	-4.5%	(532.1)	-6.2%	-24.6%	(784.5)	-4.3%	(1,164.5)	-6.6%	-32.6%
Operating Income	(69.4)	-0.8%	(568.0)	-6.6%	-87.8%	(90.6)	-0.5%	(1,184.1)	-6.7%	-92.3%
Income Tax and Social Contribution	93.0	1.0%	266.3	3.1%	-65.1%	142.1	0.8%	491.1	2.8%	-71.1%
Net Income	23.6	0.3%	(301.7)	-3.5%	-	51.5	0.3%	(693.0)	-3.9%	-
Calculation of EBITDA										
Net Income	23.6	0.3%	(301.7)	-3.5%	-	51.5	0.3%	(693.0)	-3.9%	-107.4%
(+/-) Income Tax and Social Contribution	(93.0)	-1.0%	(266.3)	-3.1%	-65.1%	(142.1)	-0.8%	(491.1)	-2.8%	-71.1%
(+/-) Financial Results	401.1	4.5%	532.1	6.2%	-24.6%	784.5	4.3%	1,164.5	6.6%	-32.6%
(+) Depreciation and Amortization	323.3	3.6%	319.8	3.7%	1.1%	645.9	3.5%	627.6	3.6%	2.9%
EBITDA	655.0	7.3%	283.9	3.3%	130.7%	1,339.8	7.3%	608.0	3.4%	120.4%
Reconciliation of EBITDA for non-recurring expenses										
EBITDA	655.0	7.3%	283.9	3.3%	130.7%	1,339.8	7.3%	608.0	3.4%	120.4%
Non-recurring Result	55.7	0.6%	155.9	1.8%	-64.3%	58.6	0.3%	279.8	1.6%	-79.1%
Adjusted EBITDA	710.7	7.9%	439.8	5.1%	61.6%	1,398.4	7.7%	887.8	5.0%	57.5%
Reconciliation of Adjusted EBITDA for non-recurring expenses										
Adjusted EBITDA	710.7	7.9%	439.8	5.1%	61.6%	1,398.4	7.7%	887.8	5.0%	57.5%
Non-recurring Result	13.8	0.0%	102.9	1.2%	-86.6%	15.7	0.1%	184.7	1.0%	-91.5%
Adjusted Net Income	37.4	0.4%	(198.8)	-2.3%	-	67.3	0.4%	(508.3)	-2.9%	-

* 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 and IFRS 16 effects. In the case of the adjustment identified above, this result refers to tax credits, the Netshoes acquisition and other provisions and non-recurring expenses. The Company understands that the disclosure of Adjusted EBITDA is necessary to understand the actual impact on 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 similar measures provided by other companies.

**ANNEX II – ADJUSTED
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT**

CONSOLIDATED INCOME STATEMENT (R\$ million)	2Q24 Adjusted	V.A.	2Q23 Adjusted	V.A.	% Chg	1H24 Adjusted	V.A.	1H23 Adjusted	V.A.	% Chg
Gross Revenue	11,177.3	124.1%	10,645.9	124.2%	5.0%	22,707.4	124.4%	21,957.5	124.5%	3.4%
Taxes and Deductions	(2,167.4)	-24.1%	(2,073.7)	-24.2%	4.5%	(4,458.2)	-24.4%	(4,317.9)	-24.5%	3.2%
Net Revenue	9,010.0	100.0%	8,572.3	100.0%	5.1%	18,249.2	100.0%	17,639.6	100.0%	3.5%
Total Costs	(6,227.7)	-69.1%	(6,103.6)	-71.2%	2.0%	(12,703.6)	-69.6%	(12,691.7)	-71.9%	0.1%
Gross Income	2,782.3	30.9%	2,468.6	28.8%	12.7%	5,545.7	30.4%	4,947.9	28.1%	12.1%
Selling Expenses	(1,693.7)	-18.8%	(1,597.0)	-18.6%	6.1%	(3,353.7)	-18.4%	(3,241.5)	-18.4%	3.5%
General and Administrative Expenses	(339.9)	-3.8%	(325.8)	-3.8%	4.3%	(679.5)	-3.7%	(634.2)	-3.6%	7.1%
Provisions for Loan Losses	(110.0)	-1.2%	(105.1)	-1.2%	4.7%	(229.1)	-1.3%	(204.0)	-1.2%	12.3%
Other Operating Revenues, Net	36.4	0.4%	20.8	0.2%	74.5%	72.6	0.4%	53.5	0.3%	35.7%
Equity in Subsidiaries	35.6	0.4%	(21.8)	-0.3%	-	42.5	0.2%	(33.9)	-0.2%	-
Total Operating Expenses	(2,071.6)	-23.0%	(2,028.9)	-23.7%	2.1%	(4,147.2)	-22.7%	(4,060.1)	-23.0%	2.1%
EBITDA	710.7	7.9%	439.8	5.1%	61.6%	1,398.4	7.7%	887.8	5.0%	57.5%
Depreciation and Amortization	(323.3)	-3.6%	(319.8)	-3.7%	1.1%	(645.9)	-3.5%	(627.6)	-3.6%	2.9%
EBIT	387.4	4.3%	120.0	1.4%	222.9%	752.5	4.1%	260.2	1.5%	189.2%
Financial Results	(401.1)	-4.5%	(532.1)	-6.2%	-24.6%	(784.5)	-4.3%	(1,164.5)	-6.6%	-32.6%
Operating Income	(13.7)	-0.2%	(412.1)	-4.8%	-96.7%	(32.0)	-0.2%	(904.2)	-5.1%	-96.5%
Income Tax and Social Contribution	51.1	0.6%	213.3	2.5%	-76.0%	99.3	0.5%	395.9	2.2%	-74.9%
Net Income	37.4	0.4%	(198.8)	-2.3%	-	67.3	0.4%	(508.3)	-2.9%	-

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET
ASSETS

	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
CURRENT ASSETS					
Cash and Cash Equivalents	1,207.4	1,978.3	2,593.3	2,804.0	2,100.6
Securities	739.1	352.1	779.1	480.8	386.2
Accounts Receivable - Credit Card	3,143.7	4,697.8	4,499.3	3,618.4	4,320.3
Accounts Receivable - Other	1,401.2	1,348.2	1,386.2	1,220.5	1,212.6
Inventories	7,195.2	7,315.2	7,497.3	7,899.4	7,570.2
Related Parties - Credit Card	1,387.8	2,009.3	1,222.8	1,157.4	1,339.8
Related Parties - Other	69.5	47.1	50.9	149.0	49.2
Taxes Recoverable	1,662.9	1,691.2	1,680.5	1,513.2	1,421.0
Income Tax and Recoverable Social Contribution	222.7	197.3	177.0	230.1	263.0
Other Assets	356.8	416.0	334.7	402.9	422.7
Total Current Assets	17,386.3	20,052.5	20,221.2	19,475.8	19,085.5
NON-CURRENT ASSETS					
Accounts Receivable	107.4	106.5	72.7	38.6	19.6
Recoverable Taxes	2,395.5	2,267.8	2,464.2	2,876.7	2,314.1
Deferred Income Tax and Social Contribution	3,098.0	2,959.8	2,836.9	2,650.1	2,188.9
Judicial Deposits	1,819.7	1,779.3	1,734.5	1,758.3	1,700.4
Other Assets	127.8	129.3	113.7	120.5	117.8
Investments in Subsidiaries	565.5	329.8	322.5	264.0	282.3
Right of use	3,158.4	3,243.8	3,343.1	3,380.9	3,509.0
Fixed Assets	1,797.7	1,823.6	1,841.5	1,872.3	1,910.7
Intangible Assets	4,521.2	4,526.5	4,504.8	4,481.7	4,470.6
Total Non-Current Assets	17,591.1	17,166.4	17,233.9	17,443.1	16,513.3
TOTAL ASSETS	34,977.4	37,218.9	37,455.1	36,919.0	35,598.9

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET
LIABILITIES

LIABILITIES (R\$ million)	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
CURRENT LIABILITIES					
Suppliers	8,788.9	8,598.0	9,324.1	9,306.9	7,874.0
Suppliers	6,445.5	6,367.0	6,966.0	6,476.4	5,112.7
Suppliers - agreement	2,343.4	2,230.9	2,358.1	2,830.4	2,761.3
Transfers and other deposits	1,480.4	1,724.5	1,765.1	1,533.7	1,473.8
Loans and Financing	57.1	2,269.4	2,954.3	3,002.7	2,831.4
Payroll, Vacation and Related Charges	442.0	409.8	401.9	449.1	411.6
Taxes Payable	270.3	281.4	360.0	280.4	296.6
Related Parties	96.4	90.6	101.0	209.3	93.8
Lease	469.2	506.0	508.4	456.0	467.1
Deferred Revenue	146.3	145.5	145.9	146.3	146.7
Other Accounts Payable	1,680.4	1,875.8	1,847.5	1,741.9	1,657.3
Total Current Liabilities	13,430.9	15,900.9	17,408.1	17,126.3	15,252.3
NON-CURRENT LIABILITIES					
Loans and Financing	4,400.6	4,400.4	4,400.5	4,400.6	4,400.4
Taxes to be collected	4.4	4.7	4.8	7.8	7.8
Lease	2,951.2	2,986.7	3,069.8	3,143.6	3,246.0
Deferred Income Tax and Social Contribution	158.3	163.9	105.1	135.1	90.8
Provision for Tax, Civil and Labor Risks	1,894.0	1,661.0	1,619.2	1,289.9	1,274.3
Deferred Revenue	1,032.1	1,067.1	1,102.8	1,139.4	1,172.1
Other Accounts Payable	131.9	134.2	134.2	143.6	143.8
Total Non-Current Liabilities	10,572.5	10,418.1	10,436.4	10,260.0	10,335.1
TOTAL LIABILITIES	24,003.5	26,318.9	27,844.5	27,386.3	25,587.4
SHAREHOLDERS' EQUITY					
Capital Stock	13,602.5	13,602.5	12,352.5	12,352.5	12,352.5
Capital Reserve	(2,551.9)	(2,102.7)	(2,087.3)	(2,069.4)	(2,061.0)
Treasury Shares	(529.9)	(951.9)	(990.6)	(1,001.6)	(1,029.1)
Legal Reserve	137.4	137.4	137.4	137.4	137.4
Profit Retention Reserve	319.8	319.8	319.8	1,298.9	1,298.9
Other Comprehensive Income	(55.6)	(133.2)	(121.4)	6.1	5.6
Retained Profits (Losses)	51.5	27.9	-	(1,191.3)	(693.0)
Total Shareholders' Equity	10,974.0	10,899.9	9,610.5	9,532.7	10,011.5
TOTAL	34,977.4	37,218.9	37,455.1	36,919.0	35,598.9

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R\$ million)	2Q24	2Q23	LTM	LTM
Net Income	23.6	(301.7)	(234.6)	(895.6)
Effect of Income Tax and Social Contribution Net of Payment	(109.1)	(276.6)	(785.5)	(947.6)
Depreciation and Amortization	323.3	319.8	1,261.0	1,255.4
Interest Accrued on Loans and Lease	228.2	325.3	1,148.6	1,324.5
Equity Income	(35.6)	21.8	(57.4)	54.1
Dividends Received	-	0.0	23.9	43.4
Provision for Losses on Inventories and Receivables	171.8	189.7	648.0	582.0
Provision for Tax, Civil and Labor Contingencies	285.1	31.8	774.8	101.8
Gain on Sale of Fixed Assets	-	0.1	(201.4)	0.9
Recognition of Deferred Income	(35.1)	(20.8)	(141.7)	(91.0)
Stock Option Expenses	7.1	25.1	27.4	142.3
Adjusted Net Income	859.2	314.4	2,463.2	1,570.1
Trade Accounts Receivable	(141.6)	(185.3)	(845.3)	(664.2)
Inventories	77.3	(0.6)	197.6	321.7
Taxes Recoverable	(217.8)	(15.4)	(504.9)	(609.6)
Deposit in Court	(40.4)	21.8	(119.3)	(315.5)
Other Receivables	41.7	(58.9)	48.3	(233.1)
Changes in Operating Assets	(280.8)	(238.3)	(1,223.6)	(1,500.8)
Trade Accounts Payable	190.9	878.6	914.8	493.2
Other Payables	(398.6)	(108.2)	31.5	267.0
Change in Operating Liabilities	(207.7)	770.3	946.3	760.3
Cash Flow from Operating Activities	370.7	846.5	2,185.9	829.5
Additions of Fixed and Intangible Assets	(148.2)	(156.3)	(637.5)	(671.1)
Investment in Subsidiaries	(214.5)	(4.0)	(220.4)	(599.5)
Sale of equity interest in jointly controlled entity	-	-	166.8	-
Sale of Exclusive Dealing and Exploration Right Contract	-	835.7	18.9	1,107.7
Cash Flow from Investing Activities	(362.7)	675.3	(672.2)	(162.9)
Loans and Financing	-	-	-	400.0
Repayment of Loans and Financing	(1,500.1)	(0.1)	(2,302.0)	(298.9)
Payment of Interest on Loans and Financing	(861.7)	(289.0)	(1,308.0)	(726.0)
Payment of Lease	(127.1)	(125.7)	(499.5)	(531.8)
Payment of Interest on Lease	(78.5)	(85.8)	(323.2)	(338.7)
Private Capital Increase	-	-	1,250.0	-
Cash Flow from Financing Activities	(2,567.4)	(500.7)	(3,182.6)	(1,495.4)
Cash, Cash Equivalents and Securities at Beginning of Period	9,037.5	7,125.8	8,146.9	8,975.7
Cash, Cash Equivalents and Securities at end of Period	6,478.0	8,146.9	6,478.0	8,146.9
Change in Cash and Cash equivalents	(2,559.4)	1,021.1	(1,668.8)	(828.8)

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
- (iii) the accounting treatment of suppliers' agreements as suppliers

ANNEX V
RETURN ON INVESTED CAPITAL (ROIC) AND ON EQUITY (ROE)

INVESTED CAPITAL (R\$ million)	jun/24	mar/24	dec/23	sep/23	jun/23
Working Capital	2,066.1	4,090.7	2,395.0	2,067.4	4,177.8
(+) Accounts Receivable	107.4	106.5	72.7	38.6	19.6
(+) Income Tax and Social Contribution deferred	3,098.0	2,959.8	2,836.9	2,650.1	2,188.9
(+) Taxes Recoverable	2,395.5	2,267.8	2,464.2	2,876.7	2,314.1
(+) Judicial Deposits	1,819.7	1,779.3	1,734.5	1,758.3	1,700.4
(+) Other Assets	127.8	129.3	113.7	120.5	117.8
(+) Investment In Joint Subsidiaries	565.5	329.8	322.5	264.0	282.3
(+) Right of use	3,158.4	3,243.8	3,343.1	3,380.9	3,509.0
(+) Fixed Assets	1,797.7	1,823.6	1,841.5	1,872.3	1,910.7
(+) Intangible Assets	4,521.2	4,526.5	4,504.8	4,481.7	4,470.6
(+) Non Current Assets	17,591.1	17,166.4	17,233.9	17,443.1	16,513.3
(-) Provision for Contingencies	1,894.0	1,661.0	1,619.2	1,289.9	1,274.3
(-) Lease	2,951.2	2,986.7	3,069.8	3,143.6	3,246.0
(-) Deferred Revenue	1,032.1	1,067.1	1,102.8	1,139.4	1,172.1
(-) Taxes to be Collected	4.4	4.7	4.8	7.8	7.8
(-) Income Tax and Social Contribution deferred	158.3	163.9	105.1	135.1	90.8
(-) Other Accounts Payable	131.9	134.2	134.2	143.6	143.8
(-) Non-Current operating liabilities	6,172.0	6,017.7	6,035.9	5,859.4	5,934.7
(=) Fixed Capital	11,419.1	11,148.7	11,198.0	11,583.7	10,578.6
(=) Total Invested Capital	13,485.2	15,239.4	13,593.0	13,651.1	14,756.4
(+) Net Debt	2,511.2	4,339.5	3,982.4	4,118.5	4,744.9
(+) Shareholders Equity	10,974.0	10,899.9	9,610.5	9,532.7	10,011.5
(=) Total Financing	13,485.2	15,239.4	13,593.0	13,651.1	14,756.4
FINANCIAL EXPENSES RECONCILIATION (R\$MM)	2Q24	1Q24	4Q23	3Q23	2Q23
Financial Income	170.1	157.1	396.5	345.2	171.2
Financial Expenses	(571.2)	(540.5)	(623.6)	(645.8)	(703.3)
Net Financial Expenses	(401.1)	(383.4)	(227.2)	(300.6)	(532.1)
Interest on prepayment of receivables: Luiza Card and third-party card	265.4	198.1	241.1	234.9	244.3
Adjusted Financial Expenses	(135.7)	(185.4)	13.9	(65.7)	(287.8)
Taxes on Adjusted Financial Expenses	46.1	63.0	(4.7)	22.3	97.8
Net Adjusted Financial Expenses	(89.6)	(122.3)	9.2	(43.4)	(189.9)
NOPLAT AND ROIC/ROE RECONCILIATION(R\$MM)	2Q24	1Q24	4Q23	3Q23	2Q23
EBITDA	655.0	684.9	548.6	(286.0)	283.9
Interest on prepayment of receivables: Luiza Card and third-party card	(265.4)	(198.1)	(241.1)	(234.9)	(244.3)
Depreciation	(323.3)	(322.7)	(305.4)	(309.7)	(319.8)
Current and deferred taxes	93.0	49.2	196.2	398.0	266.3
Taxes on Adjusted Financial Expenses	(46.1)	(63.0)	4.7	(22.3)	(97.8)
Net Operating Income (NOPLAT)	113.2	150.3	203.0	(455.0)	(111.8)
Invested Capital	13,485.2	15,239.4	13,593.0	13,651.1	14,756.4
ROIC Annualized	3%	4%	6%	-13%	-3%
Net Income	23.6	27.9	212.2	(498.3)	(301.7)
Shareholders Equity	10,974.0	10,899.9	9,610.5	9,532.7	10,011.5
ROE Annualized	1%	1%	9%	-21%	-12%

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

Breakdown of Total Sales (R\$ million)	2Q24	V.A.	2Q23	V.A.	Growth
					Total
Virtual Stores	279.7	1.8%	270.1	1.8%	3.6%
Conventional Stores	4,280.9	27.8%	3,724.0	25.3%	15.0%
Subtotal - Physical Stores	4,560.6	29.6%	3,994.1	27.1%	14.2%
Traditional E-commerce (1P)	6,458.4	42.0%	6,536.5	44.4%	-1.2%
Marketplace (3P)	4,366.1	28.4%	4,196.5	28.5%	4.0%
Subtotal - Total E-commerce	10,824.5	70.4%	10,733.0	72.9%	0.9%
Total Sales	15,385.1	100.0%	14,727.2	100.0%	4.5%

Breakdown of Total Sales (R\$ million)	1H24	V.A.	1H23	V.A.	Growth
					Total
Virtual Stores	563.9	1.8%	559.1	1.8%	0.8%
Conventional Stores	8,571.6	27.3%	7,671.2	25.3%	11.7%
Subtotal - Physical Stores	9,135.5	29.1%	8,230.4	27.2%	11.0%
Traditional E-commerce (1P)	13,270.9	42.2%	13,485.2	44.5%	-1.6%
Marketplace (3P)	9,007.0	28.7%	8,559.8	28.3%	5.2%
Subtotal - Total E-commerce	22,277.9	70.9%	22,045.0	72.8%	1.1%
Total Sales	31,413.4	100.0%	30,275.4	100.0%	3.8%

¹ Total Sales include gross revenue from physical stores and e-commerce plus marketplace sales

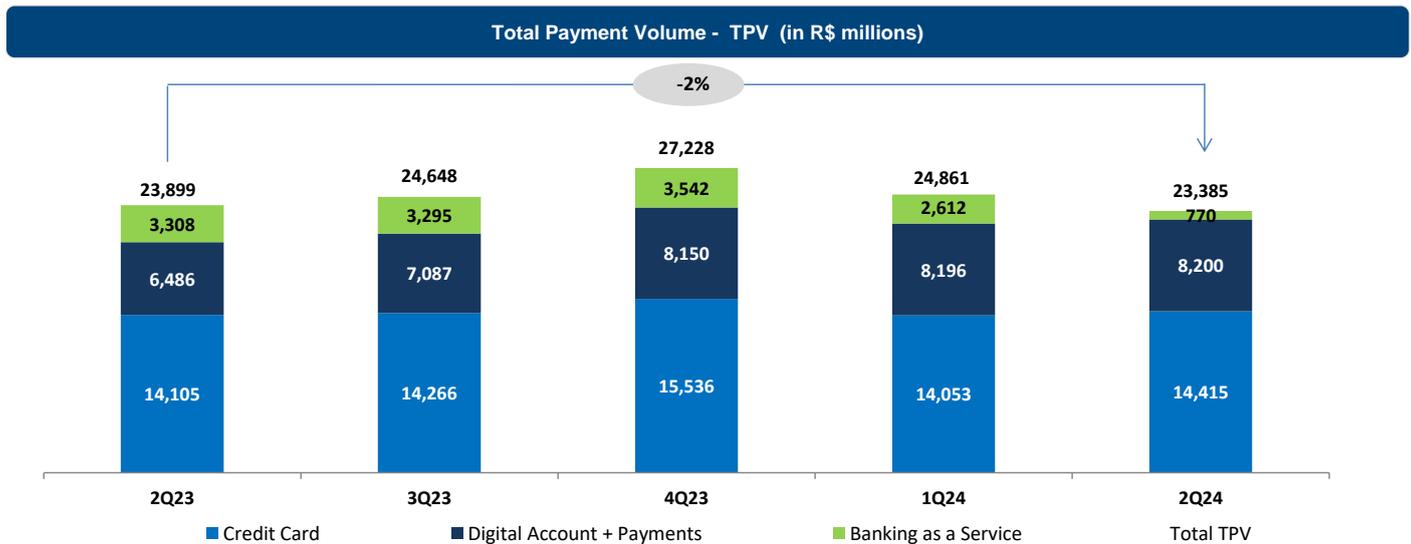
Number of stores per channel – End of the period	jun/24	Part(%)	jun/23	Part(%)	Growth
					Total
Virtual Stores	231	18.5%	237	18.2%	(6)
Conventional Stores	1,015	81.5%	1,049	80.5%	(34)
Kiosks	-	0.0%	17	1.3%	(17)
Subtotal - Physical Stores	1,246	100.0%	1,303	100.0%	(57)
Total Sales Area (m²)	693,120	100.0%	716,595	100.0%	-3.3%

ANNEX VII MAGALUBANK

MagaluBank's offerings include solutions for individuals and marketplace sellers. MagaluBank's services include: a sub-acquiring business; a digital bank account (MagaluPay); credit to consumers via the Luiza and Magalu Cards, and loans for individuals and sellers.

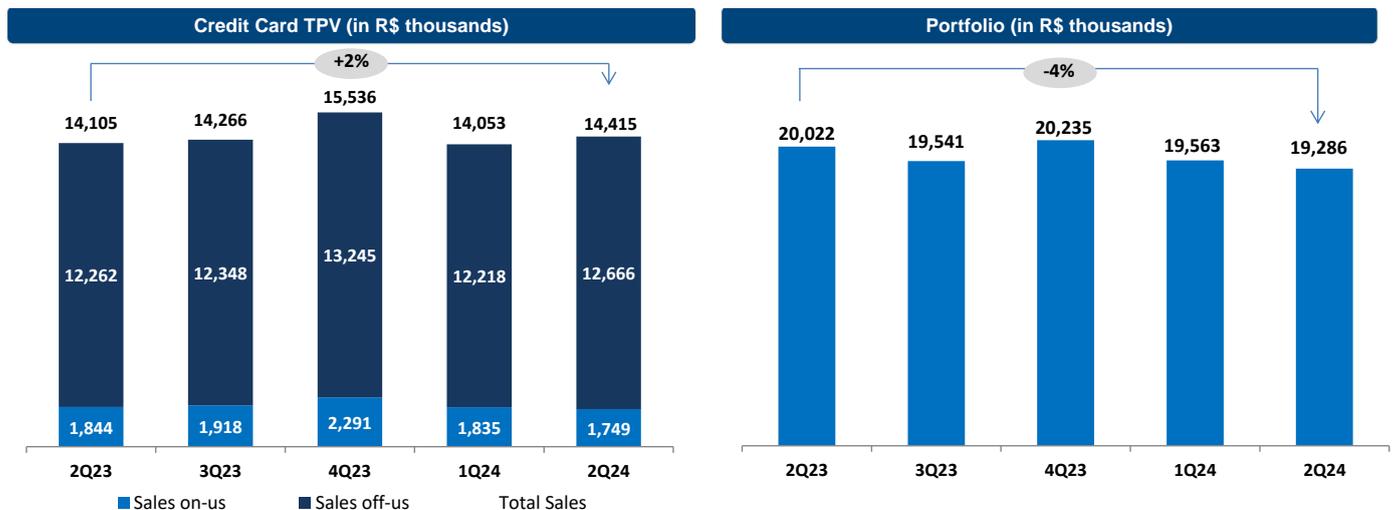
| Operating Indicators

- Magalu's total payment volume (TPV) reached R\$ 23.4 billion in 2Q24, varying -2.2 compared to 2Q23.

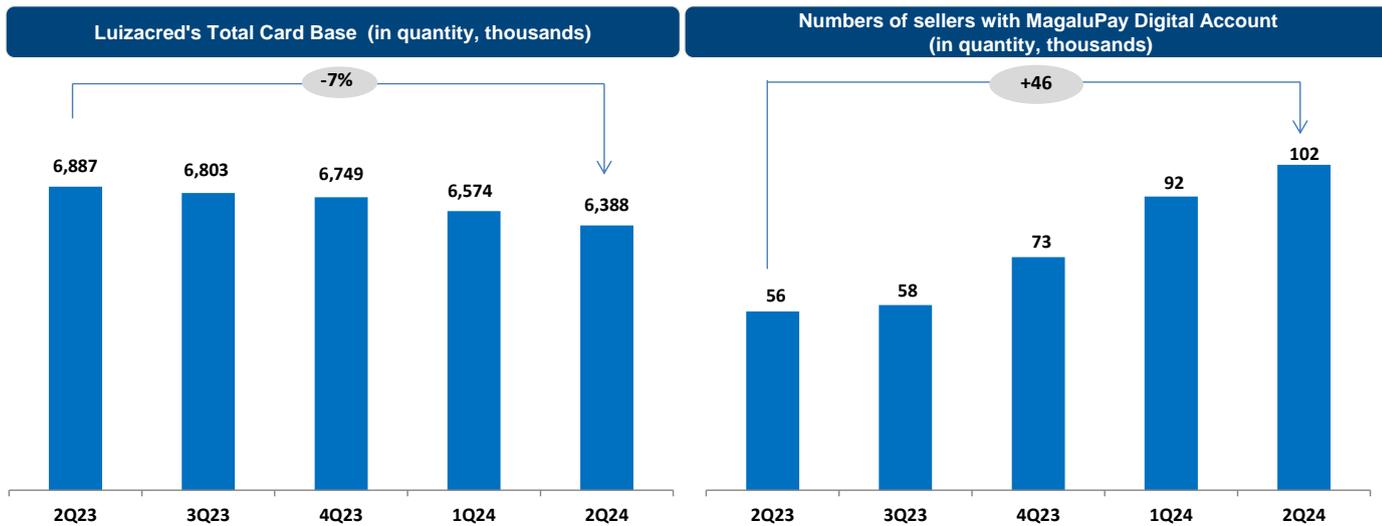


| Credit Card

- Credit Card TPV grew 2.2% in 2Q24, reaching R\$14.4 billion during the period. In-store sales to Luiza and Magalu Card customers, distinguished by their loyalty and higher purchase frequency, reached R\$1.7 billion in 2Q24. Sales outside Magalu grew 3.3% in 2Q24, reaching R\$12.7 billion in the quarter.
- Luizacred's credit portfolio reached R\$19.3 billion at the end of 2Q24, a decrease of 3.7% over 2Q23, due to a more conservative credit policy.



- In June 2024, Luizacred's total card base reached 6.4 million cards (-7.3% versus Jun/23). This includes Luiza Card and the Magalu Card.



| Digital Account and Payments

- The total payment volume (TPV) of sub-acquiring, digital accounts and loans to sellers reached R\$8.2 billion in 2Q24.
- In Mar/24, Magalu's digital banking initiative, MagaluPay, reached 12.6 million accounts, representing an increase of 217 thousand new accounts opened during the quarter and 2.1 million new accounts over the last twelve months.
- MagaluPay Empresas reached the milestone of 102 thousand accounts and a TPV of R\$992.6 million in 2Q24. Our digital customer account offers various financial services from the ecosystem in one place.
- MagaluBank expanded its financial credit services. The first offers of the Carnê Digital MagaluPay (buy now, pay later), fully integrated with the Magalu app, have been launched. It offers personalized rates and credit lines for each customer, with online and simplified contracting through facial recognition. The installment plan management is done within the app itself, allowing users to view installments, balance, and contract. With proprietary technology, the solution is integrated with all Magalu's service channels, back office, and management, ensuring agility for future expansions of credit offers.

| Banking as a Service (Baas)

- Total payment volume (TPV) in the Banking as a Service segment reached R\$769.9 million in 2Q24.

ANNEX VIII
LUIZACRED

| Income Statement in IFRS

LUIZACRED – Income (R\$ million)	2Q24	V.A.	2Q23	V.A.	% Chg	1H24	V.A.	1H23	V.A.	% Chg
Financial Intermediation Revenue	657.8	100.0%	656.2	100.0%	0.2%	1,256.7	100.0%	1,385.0	100.0%	-9.3%
Financial Intermediation Expenses	(646.3)	-98.3%	(829.5)	-126.4%	-22.1%	(1,334.0)	-106.2%	(1,670.9)	-120.6%	-20.2%
Market Funding Operations	(130.4)	-19.8%	(195.6)	-29.8%	-33.4%	(272.8)	-21.7%	(392.1)	-28.3%	-30.4%
Provision for Loan Losses	(516.0)	-78.4%	(633.9)	-96.6%	-18.6%	(1,061.2)	-84.4%	(1,278.8)	-92.3%	-17.0%
Gross Financial Intermediation Income	11.4	1.7%	(173.2)	-26.4%	-	(77.3)	-6.2%	(285.8)	-20.6%	-73.0%
Service Revenue	401.3	61.0%	376.7	57.4%	6.5%	804.7	64.0%	756.1	54.6%	6.4%
Other Operating Revenues (Expenses)	(295.7)	-45.0%	(312.0)	-47.5%	-5.2%	(587.7)	-46.8%	(636.6)	-46.0%	-7.7%
Personnel Expenses	(2.7)	-0.4%	(4.1)	-0.6%	-35.9%	(5.0)	-0.4%	(8.4)	-0.6%	-40.0%
Other Administrative Expenses	(198.4)	-30.2%	(212.6)	-32.4%	-6.7%	(401.5)	-32.0%	(438.6)	-31.7%	-8.5%
Depreciation and Amortization	(3.0)	-0.5%	(3.0)	-0.5%	-2.5%	(5.9)	-0.5%	(6.0)	-0.4%	-1.3%
Tax Expenses	(57.3)	-8.7%	(56.6)	-8.6%	1.3%	(112.0)	-8.9%	(115.9)	-8.4%	-3.4%
Other Operating Revenues (Expenses)	(34.3)	-5.2%	(35.7)	-5.4%	-3.8%	(63.2)	-5.0%	(67.7)	-4.9%	-6.6%
Income Before Tax	117.0	17.8%	(108.5)	-16.5%	-	139.6	11.1%	(166.3)	-12.0%	-
Income Tax and Social Contribution	(46.2)	-7.0%	42.5	6.5%	-	(55.5)	-4.4%	65.3	4.7%	-
Net Income	70.8	10.8%	(66.0)	-10.1%	-	84.2	6.7%	(101.1)	-7.3%	-

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

LUIZACRED – Income (R\$ million)	2Q24	V.A.	2Q23	V.A.	% Chg	1H24	V.A.	1H23	V.A.	% Chg
Financial Intermediation Revenue	657.8	100.0%	656.5	100.0%	0.2%	1,256.8	100.0%	1,385.5	100.0%	-9.3%
Financial Intermediation Expenses	(668.6)	-101.6%	(881.2)	-134.2%	-24.1%	(1,375.9)	-109.5%	(1,778.0)	-128.3%	-22.6%
Market Funding Operations	(130.4)	-19.8%	(195.6)	-29.8%	-33.4%	(272.8)	-21.7%	(392.1)	-28.3%	-30.4%
Provision for Loan Losses	(538.2)	-81.8%	(685.6)	-104.4%	-21.5%	(1,103.2)	-87.8%	(1,385.9)	-100.0%	-20.4%
Gross Financial Intermediation Income	(10.7)	-1.6%	(224.7)	-34.2%	-95.2%	(119.1)	-9.5%	(392.5)	-28.3%	-69.7%
Service Revenue	401.3	61.0%	376.7	57.4%	6.5%	804.7	64.0%	756.1	54.6%	6.4%
Other Operating Revenues (Expenses)	(295.7)	-44.9%	(312.0)	-47.5%	-5.2%	(587.7)	-46.8%	(636.6)	-45.9%	-7.7%
Personnel Expenses	(2.7)	-0.4%	(4.1)	-0.6%	-35.9%	(5.0)	-0.4%	(8.4)	-0.6%	-40.0%
Other Administrative Expenses	(198.4)	-30.2%	(212.6)	-32.4%	-6.7%	(401.5)	-31.9%	(438.6)	-31.7%	-8.5%
Depreciation and Amortization	(3.0)	-0.4%	(3.0)	-0.5%	-2.5%	(5.9)	-0.5%	(6.0)	-0.4%	-1.3%
Tax Expenses	(57.3)	-8.7%	(56.6)	-8.6%	1.3%	(112.0)	-8.9%	(115.9)	-8.4%	-3.4%
Other Operating Revenues (Expenses)	(34.3)	-5.2%	(35.7)	-5.4%	-3.8%	(63.2)	-5.0%	(67.7)	-4.9%	-6.6%
Income Before Tax	94.9	14.4%	(160.0)	-24.4%	-	97.8	7.8%	(273.0)	-19.7%	-
Income Tax and Social Contribution	(37.4)	-5.7%	63.1	9.6%	-	(38.8)	-3.1%	107.9	7.8%	-
Net Income	57.5	8.7%	(96.9)	-14.8%	-	59.1	4.7%	(165.1)	-11.9%	-

| Revenue from Financial Intermediation

In 2Q24, revenues from financial intermediation were R\$657.8 million, practically stable compared to the same quarter of the previous year.

| Provision for Loan Losses

The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 3.0% of the total portfolio in Jun/24, an improvement of 0.4 p.p. compared to Mar/24 and an improvement of 0.5 p.p. compared to Jun/23. The portfolio past due over 90 days (NPL 90) was 9.2% in Jun/24, a reduction of 0.2 p.p. in relation to Mar/24 and 1.7 p.p. compared to Jun/23.

Luizacred's conservative credit policy and the collection efforts carried out by the digital channels, stores and collection centers were, and continue to be, fundamental in minimizing the impact of recent macroeconomic conditions on the portfolio, already represented in the reduction of recent defaults. The total overdue portfolio decreased by R\$156.3 million in 2Q24, dropping from R\$2,508.2 million in Mar/24 to R\$2,351.9 million in Jun/24. This total overdue portfolio continues to improve in line with our more conservative credit risk management strategy.

Provisions for bad debt expenses, net of recovery, represented 2.7% of the total portfolio in 2Q24. We observed a positive trend in the reduction of default indicators in recent months, signaling a favorable contribution of new cohorts to Luizacred's performance. The overdue portfolio coverage ratio was 150% in Jun/24, up 230 bps compared to Mar/24.

PORTFOLIO - OVERDUE	Jun-24		Mar-24		Dec-23		Sep-23		Jun-23	
000 to 014 days	16,934	87.8%	17,055	87.2%	17,620	87.1%	16,862	86.3%	17,137	85.6%
015 to 030 days	115	0.6%	158	0.8%	135	0.7%	136	0.7%	127	0.6%
031 to 060 days	192	1.0%	224	1.1%	210	1.0%	215	1.1%	223	1.1%
061 to 090 days	278	1.4%	290	1.5%	290	1.4%	284	1.5%	352	1.8%
091 to 120 days	238	1.2%	232	1.2%	289	1.4%	275	1.4%	308	1.5%
121 to 150 days	244	1.3%	239	1.2%	251	1.2%	261	1.3%	310	1.5%
151 to 180 days	215	1.1%	228	1.2%	219	1.1%	266	1.4%	269	1.3%
180 to 360 days	1,071	5.6%	1,138	5.8%	1,222	6.0%	1,241	6.4%	1,296	6.5%
Portfolio (R\$ million)	19,286	100.0%	19,563	100.0%	20,235	100.0%	19,541	100.0%	20,022	100.0%
Receipt expectation of loan portfolio overdue above 360 days	429		402		367		335		302	
Total Portfolio in IFRS 9 (R\$ million)	19,715		19,966		20,602		19,877		20,324	
Overdue 15-90 days	584	3.0%	672	3.4%	635	3.1%	635	3.3%	702	3.5%
Overdue Above 90 days	1,768	9.2%	1,836	9.4%	1,981	9.8%	2,043	10.5%	2,183	10.9%
Total Overdue	2,352	12.2%	2,508	12.8%	2,616	12.9%	2,679	13.7%	2,885	14.4%
Provisions for loan losses on Portfolio	2,267	11.8%	2,361	12.1%	2,482	12.3%	2,518	12.9%	2,691	13.4%
Provisions for loan losses on available limit	388	2.0%	355	1.8%	332	1.6%	348	1.8%	332	1.7%
Total Provisions for loan losses in IFRS 9	2,655	13.8%	2,715	13.9%	2,814	13.9%	2,867	14.7%	3,023	15.1%
Coverage of Portfolio (%)	128%		129%		125%		123%		123%	
Coverage of Total Portfolio (%)	150%		148%		142%		140%		138%	

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

Financial intermediation gross results were positive R\$11.4 million in 2Q24, mainly influenced by the reduction in provisions and the reduction in funding costs.

| Service Revenue and Other Operating Revenues (Expenses)

Service revenues grew 6.5% in 2Q24, reaching R\$401.3 million, this was largely attributable to an increase in factoring and insurance penetration. During the same period, operating expenses decreased 5.2% to R\$295.7 million.

| Operating Income and Net Income

In 2Q24, Luizacred recorded a net income of R\$70.8 million under IFRS. Using the accounting practices established by the Brazilian Central Bank, the net income was R\$57.5 million during the period.

| Shareholders' Equity

In compliance with the same practices, Luizacred posted shareholders' equity of R\$1.3 billion in Jun/24. 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\$1.1 billion.

On May/24, Magalu and Itaú Unibanco approved a capital increase in Luizacred amounting to R\$400.0 million, proportionate to their stakes in the company's equity. On the same date, each party individually contributed R\$200.0 million through the issuance of new shares. Additionally, the parties agreed to deliberate on a second capital increase in Luizacred totaling R\$600.0 million, with each party expected to individually contribute R\$300.0 million, to be completed after the parties finalize the structuring of a financing instrument from Itaú Unibanco for the Company.

These capital increases come after three consecutive quarters of positive net income and aim to support the business's growth recovery while reducing funding costs and improving the company's profitability.

CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

Friday, August 09th, 2024

9:00 – Brasilia time

08:00 – New York time (EST)

Conference Call Access

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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 21 distribution centers serving a network of 1,246 stores in 20 states. 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 more than 2,200 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 70% 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.