

 Early Warning System

**IDBI-15157-01**

**Accelerating Magalu's Digital Retail Transformation**



## Quick Facts

<b>Countries</b>	Brazil
<b>Specific Location</b>	Uninformed
<b>Financial Institutions</b>	IDB Invest (IDBI)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2025-05-09
<b>Borrower</b>	Magazine Luiza S.A.
<b>Sectors</b>	Industry and Trade
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 50.00 million
<b>Loan Amount (USD)</b>	\$ 50.00 million
<b>Project Cost (USD)</b>	\$ 50.00 million



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## **Project Description**

According to the IDB Invest, the main objective of the project is to support Magalu in its digital transformation strategy, which includes planned investments, especially in technology, over the next two years (2025-2026). The main initiatives include: (i) enhancement of the digital marketplace for retailers and MSMEs; (ii) provision of a multichannel fulfillment platform to optimize logistics and reduce costs; (iii) launch of Magalu Ads to improve advertising for small businesses; (iv) modernization and promotion of financial inclusion for consumers and entrepreneurs through Magalu Fintech; (v) implementation of AI focused on task automation, logistics optimization, and improving customer experience; and (vi) development of Magalu Cloud, the first Brazilian cloud service made available to Magalu's extensive network of MSMEs that sell products and services on its marketplace, representing a significant milestone for both the company and the country.

The proposed financing consists of a senior unsecured loan of US\$100 million equivalent in R\$, divided into two tranches: (i) US\$50 million in a committed tranche; and (ii) US\$50 million in an uncommitted tranche. Tranche II is subject to the receipt of Magalu's 2025 financial statements and approval by IDB Invest. The IDB Invest loan will be granted alongside a US\$150 million IFC A/B loan, under the same commercial terms.



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**Investment Description**

- IDB Invest (IDBI)



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Magazine Luiza S.A.	Client	-

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**Contact Information**

**IDB INVEST**

**ACCESS TO INFORMATION**

You can submit a request for information disclosure at:

<https://www.idbinvest.org/en/access-information-policy>.

**ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST**

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to [MICI@iadb.org](mailto:MICI@iadb.org). You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



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**Bank Documents**

- [MAGALU ENVIRONMENTAL AND SOCIAL ACTION PLAN \(ESAP\)](#) [Original Source]
- [MAGALU ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY \(ESRS\)](#) [Original Source]