

 Early Warning System

IDBI-15157-01

Accelerating Magalu's Digital Retail Transformation



Quick Facts

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



Project Description

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.



Investment Description

- IDB Invest (IDBI)



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

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Bank Documents

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