



Investor presentation

Fourth Quarter 2019 Results

SAFE HARBOR

This presentation may make forward-looking statements relating to such matters as continued growth prospects for the Company, industry trends and product and technology initiatives.

These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements.

A reconciliation of Non-GAAP measures can be found in our fourth quarter 2019 earnings press release available on our investor relations website.

All of the information included in this presentation is updated as of December 31st, 2019. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

Numbers have been calculated using whole amounts rather than rounded amounts. This might cause some figures not to total due to rounding.

Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward- looking statements and risk factor sections of our 10-K and other filings with the Securities and Exchange Commission, which are available on our investor relations website. (<http://investor.mercadolibre.com>)



Fourth Quarter 2019

Operational & Financial Highlights

US\$3.9BN

+40%LC YoY

GMV

74.4%

+72%LC YoY

GMV SHIPPED

109.5MM

+28% YoY

ITEMS SOLD

US\$674.3MM

+84%LC YoY

NET REVENUES

US\$8.7BN

+99%LC YoY

TPV

US\$3.9BN

+46%LC YoY

TPV ON

US\$4.7BN

+176%LC YoY

TPV OFF

285.5MM

+127% YoY

TPN

Fourth Quarter 2019 Overview

- ① Quarterly Highlights
- ② Financial Metrics
- ③ Margin Structures



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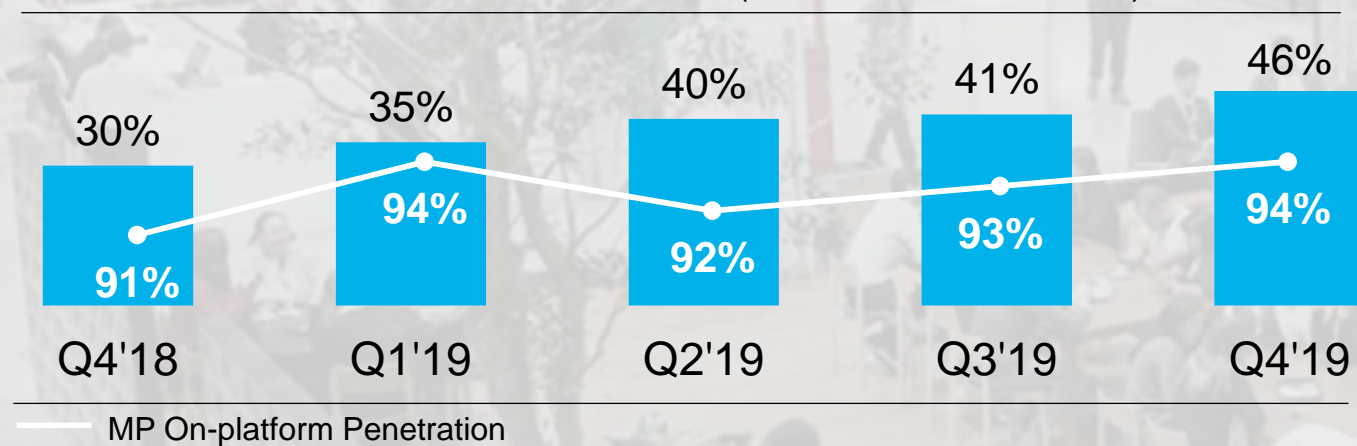


Fourth Quarter 2019 Quarterly Highlights

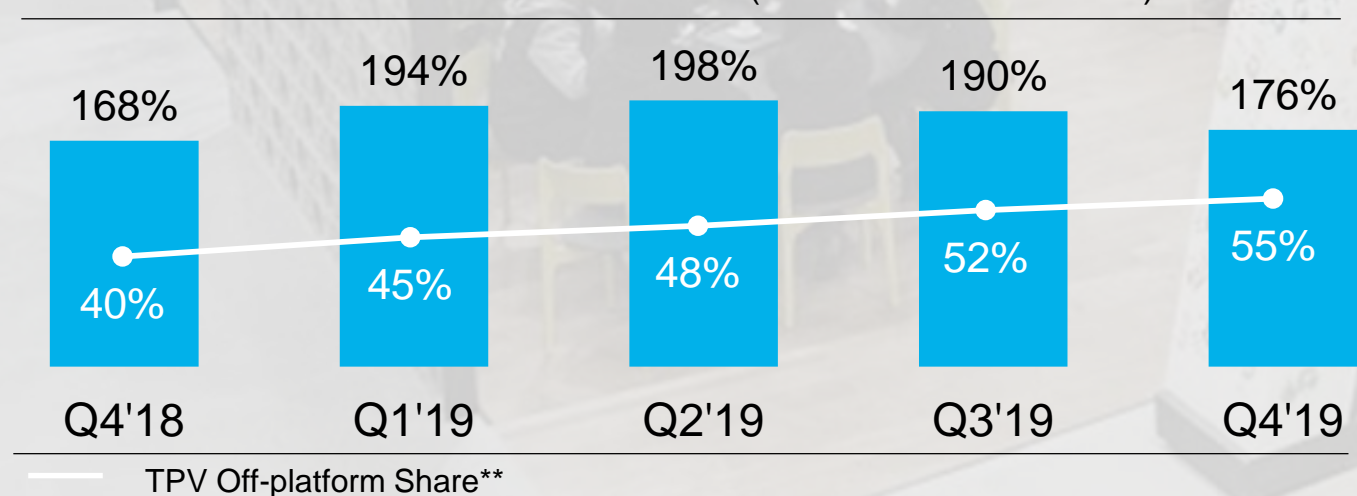


Payments - Mercado Pago

Consolidated TPV ON (FX Neutral YoY Growth)



Consolidated TPV OFF (FX Neutral YoY Growth)



Wallet

- TPV surpassed the 1 billion mark, reaching to 1.3 billion
- Strong growth in QR in Brazil and Mexico
- Outstanding QR metrics in Argentina with MAPS* surpassing the unique buyers metric in November for the first time
- We added more lighthouses to our QR network such as Starbucks in Argentina, 7 eleven in Mexico, and McDonalds, Burger King, Giraffas, Panvel and Cinemark in Brazil

Point

- Devices mix migrating to Point Pro in Brazil, with higher TPV per device and better activation rates

Merchant Services

- Strong growth in Q4, driven by Argentina and Brazil
- Strong recovery of Mexico and Colombia in Q4
- Closed Paypal's deal

Loyalty

- Started the integration of our MercadoPago users and products into the Loyalty program value proposition.

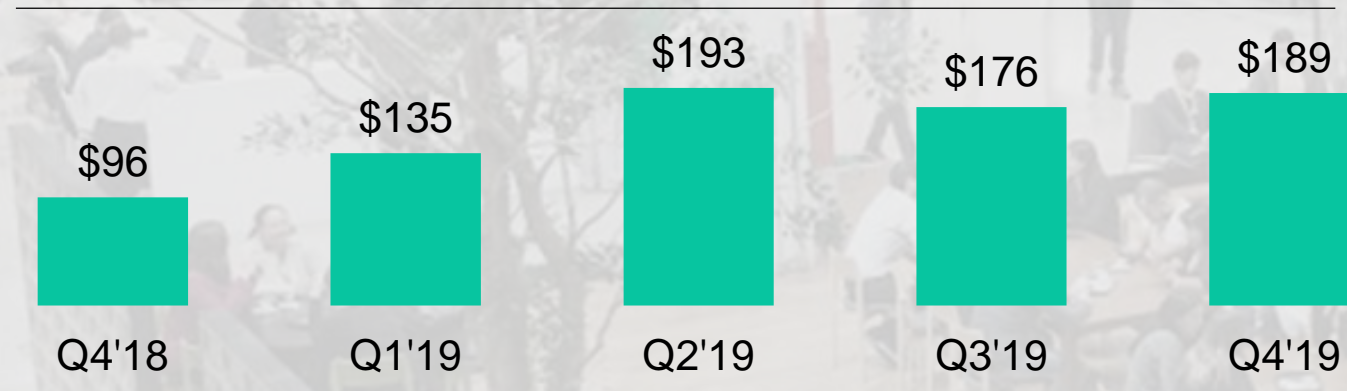
• Monthly Active Payers ** TPV Off-platform as a percentage of Total TPV

Fourth Quarter 2019 Quarterly Highlights

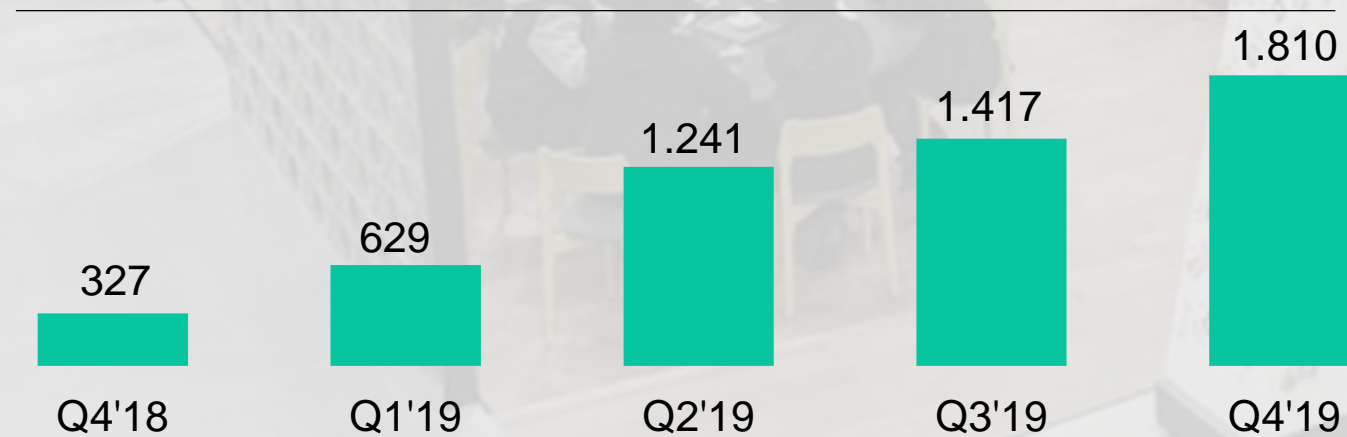


Credits - Mercado Crédito

Consolidated Credits Portfolio (US\$ M)



of Credits Originated (K)



Merchant Credits

- Good growth in Mexico with peak originations due to “Buen Fin”
- Argentina due to the instability of rates and inflation and in Brazil due to the seasonality of the year and adjustments in our risk models, we had a lower origination pace in dollars than in Q3.

Consumer Credits

- Launched in Mexico
- Continued scaling our offering with lower NPL's

Funding

- Launched during the quarter two additional trusts in Argentina both for merchant and consumers portfolios
- Mexico launched first trust with Goldman Sachs for our merchant credits loans

Bad Debt

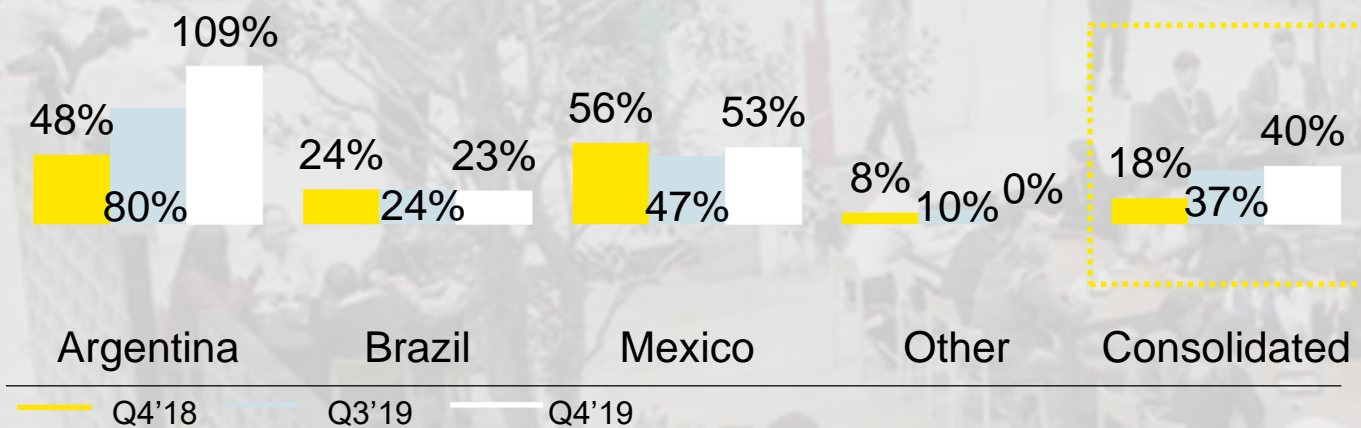
- Our risk teams reduced default rates of Instore and Consumer credits in Brazil

Fourth Quarter 2019 Quarterly Highlights

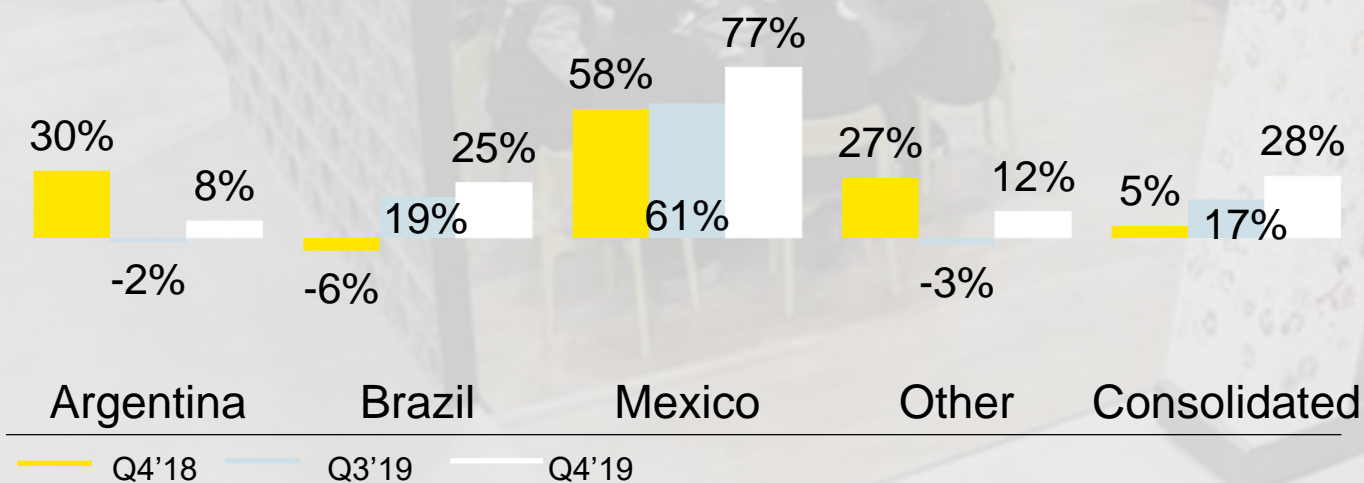


Marketplace – Mercado Libre

Gross Merchandise Volume (FX Neutral YoY Growth)



Items Sold (YoY Growth)



General Performance

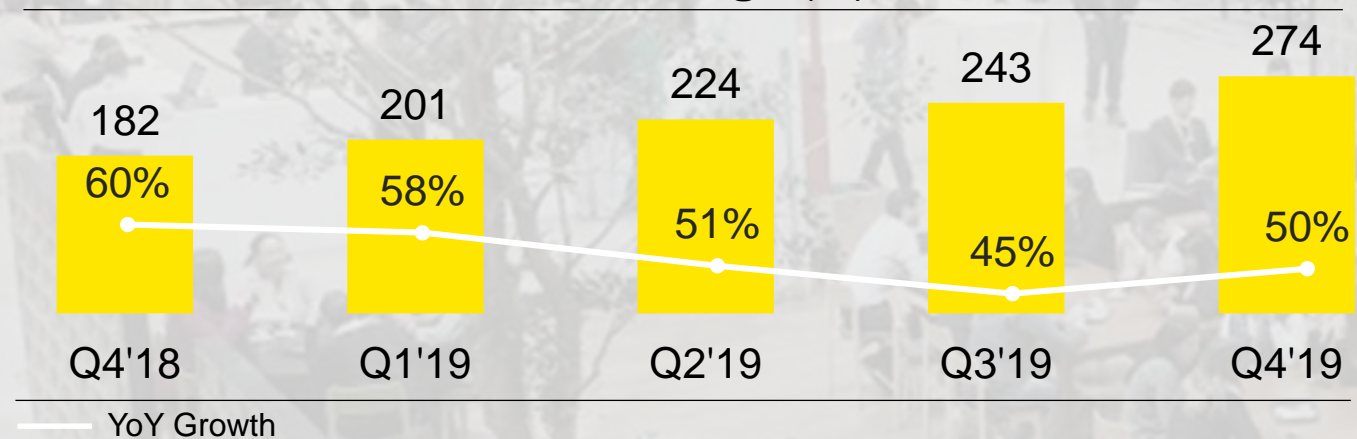
- Consolidated GMV acceleration
- Brazilian flat growth was impacted by weak Black Friday/Seasonal Campaign, however, items sold accelerated as we've begun to see traction in categories including cell phones and TV's, as well as an improvement in unique buyers metric
- Mexican GMV acceleration was due to the successful execution of three main initiatives: fulfillment operations that continue to scale and deliver improved delivery times, marketing investments and improvements in product assortment
- Argentine excellent performance during promotional seasonal dates, improvements in marketing campaigns, and the inflationary pass-through effects to item cost when measured on a local currency basis explain the solid GMV growth
- Frequency of purchase continues to improve in all geographies, with Mexico leading the way with a frequency of purchase of 6,13 purchases per unique buyer, representing a 11,2% improvement QoQ, mostly driven by a higher penetration of our CPG initiative

Fourth Quarter 2019 Quarterly Highlights

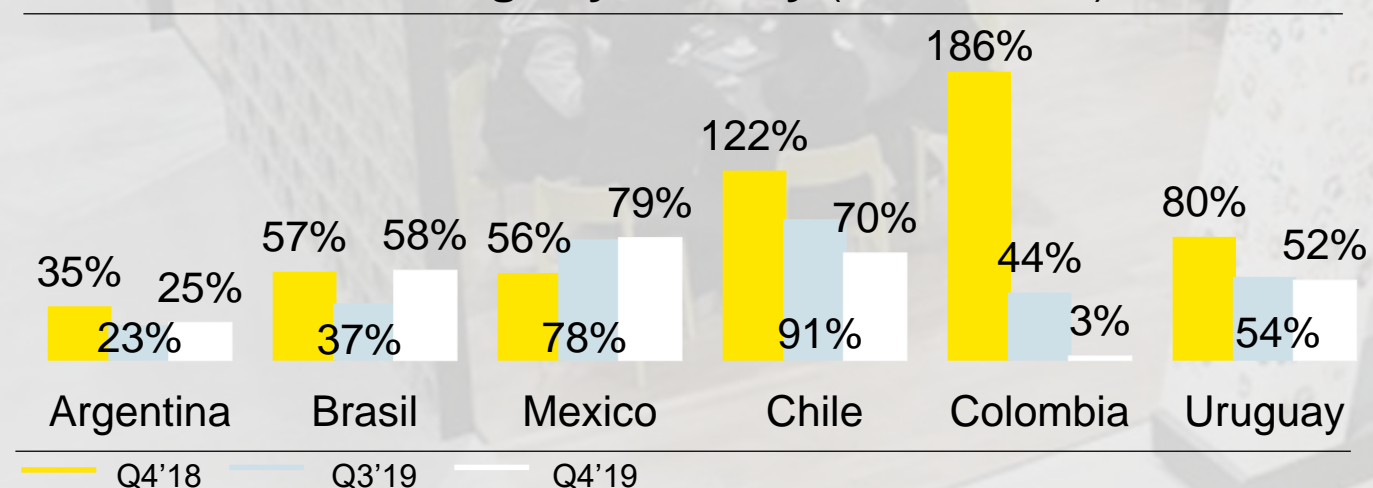


Marketplace – Mercado Libre

Live Listings (M)



Live Listings by Country (YoY Growth)



Category expansion

- CBT gaining share in Mexico, driven by Fulfill by Meli feature
- 1P launched in Brazil, Argentina and Mexico

Quality offerings

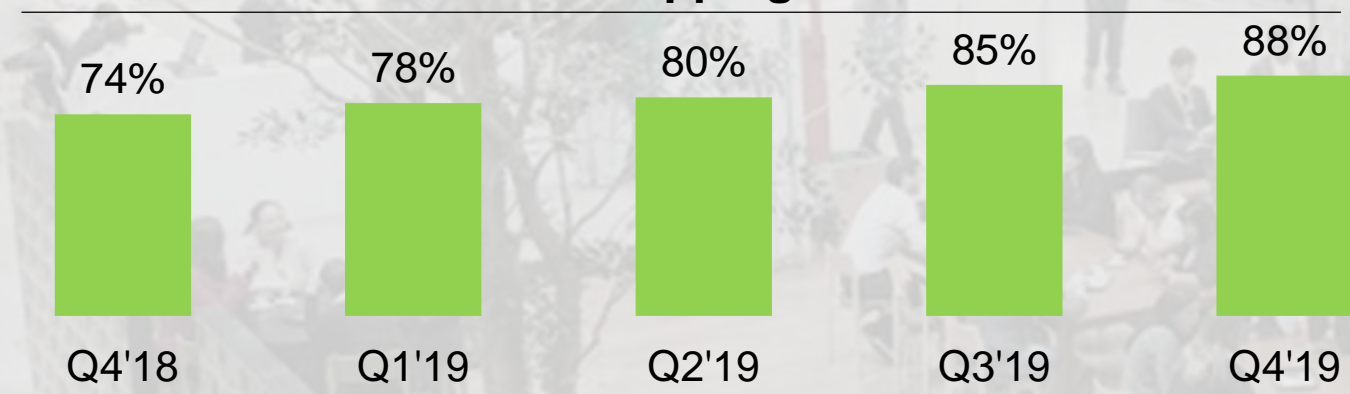
- In Brazil, 60 new official stores including Apple, Michelin, Under Armor, Carrefour, Osklen, Pernambucanas, Lojas Colombo, Mexpreso, Gamin, among others.
- In Mexico, 150 new official stores during the fourth quarter including Compuprice, Greenlander and CV Directo.
- In other regions we also added some relevant new official stores as Electrolux in Chile, Newsan in Argentina and Xaiomi in Colombia

Fourth Quarter 2019 Quarterly Highlights

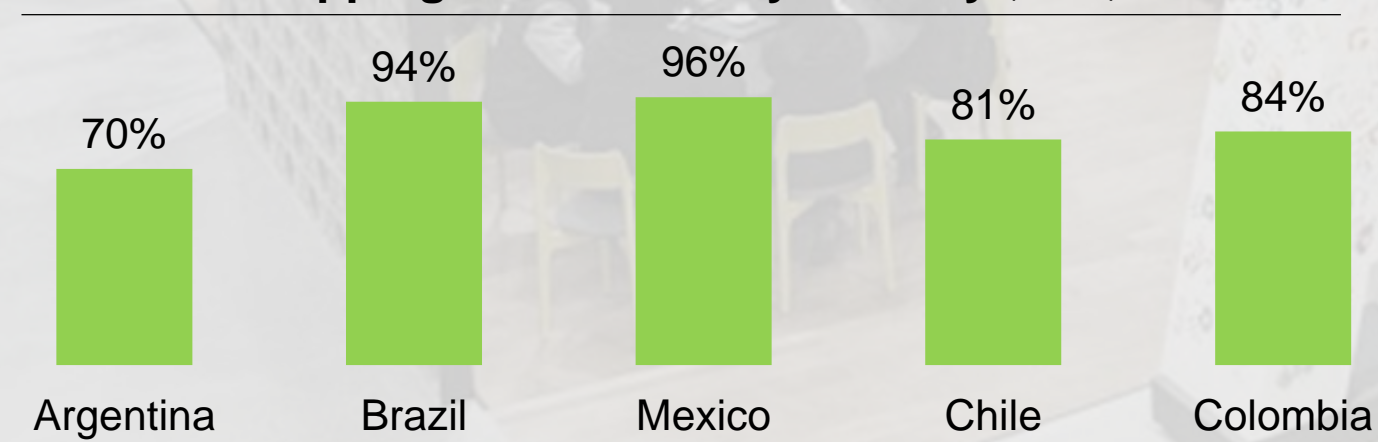


Logistics - Mercado Envios

Consolidated Shipping Penetration*



Shipping Penetration by Country (4Q19)



General Performance

- Prop Network penetration reached 43% on a consolidated basis
- Brazilian Fulfillment operation almost doubled the penetration vs last quarter reaching to an average penetration of 12%
- Flex in Argentina reached 12% of shipping penetration, already representing 70% of City of Buenos Aires shipments, with almost 60% of the deliveries being done same day and 40% next day
- More than half of our volume though MercadoEnvios shipped in less than 48hs
- Average cost per order we've being able to also improve 14,2% QoQ

Launches

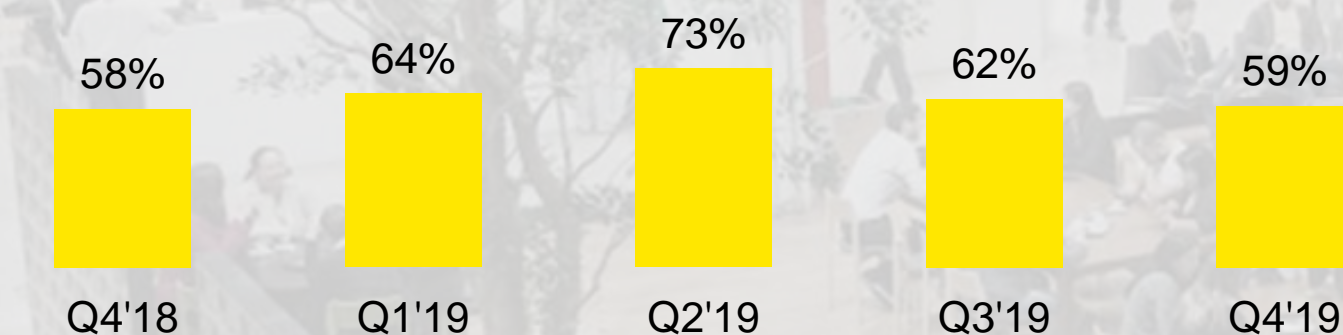
- Opened 9 service centers in Mexico and 9 in Brazil
- Opened 335 drop off points for merchants that are already operational in the city of Sao Paulo
- Flex solution is now available in Argentina, Brazil, Colombia and Chile
- Implemented new bidding process for all routes in Brazil

* Shipments paid with Mercado Envios / Sold Items

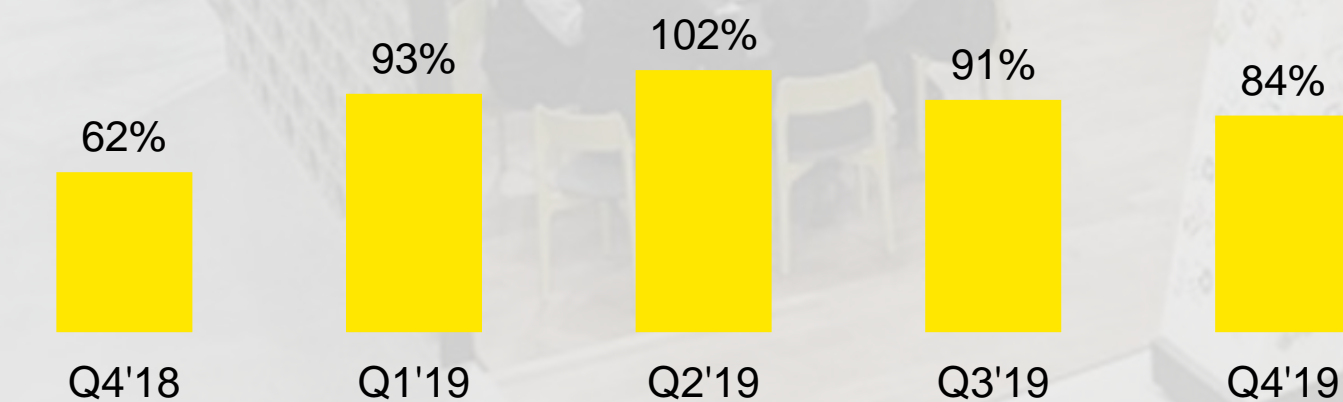
Fourth Quarter 2019 Quarterly Highlights

Financial Results

Gross Billings (Fx Neutral YoY)



Net Revenues (Fx Neutral YoY)



- Gross Billings continued to maintain strong momentum growing on an FX neutral basis 59.1%, while in USD 36.4% YoY. Consolidated net revenues grew faster than gross billings both on an FX neutral basis and USD basis, growing to 84.4% YoY and 57.5% respectively, and reaching \$674.3 million dollars as we continue to optimize subsidies, minimizing contra revenues.
- Gross profit was \$308.3 million dollars, representing 45.7% of revenues during the quarter and relatively flat versus 47.8% a year ago.
- Operating expenses ascended to \$377.2 million dollars or 55.9% of revenues versus 48.0% during the fourth quarter of 2018.
- Operating losses declined to \$68.9 million dollars.
- Net loss for the quarter ascended to \$54.0 million dollars, explained, for the most part by the investments in marketing.

Fourth Quarter 2019 Quarterly Highlights

PayPal Deal

- During the fourth quarter we've reached the awaited strategic agreement with PayPal. Now we are unlocking more payment options for millions of Brazilian and Mexican PayPal buyers, as well as it boosts our reach and international scale by expanding payment options for our own users abroad
- Mercado Pago will be now available as a payment method in PayPal's merchants worldwide, allowing approximately 50M of users of Latin America's largest virtual wallet in Brazil and Mexico to purchase on other countries
- In addition, Xoom will allow Mercado Pago users in Mexico and Brazil to receive funds in their wallets, helping us to build our remittances offering
- PayPal will also be available as a payment option on online sites that accept Mercado Pago in Brazil and Mexico. This opens the door for over 300 million PayPal customers to buy from thousands of new retailers. PayPal will also be accepted as a payment method on the Mercado Libre platform in Brazil and Mexico, for cross-border purchases
- This is the beginning of what we will do together to boost inclusion and access to the global digital economy



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Gross Billings maintaining strong momentum in spite of FX headwinds in some of our main countries.

- The tables below present our gross billings and amounts paid by us in connection with our free shipping service

Gross Billings

In millions

	Q4 2019	Q4 2018
Brazil	US\$ 463.8	US\$ 358.1
Argentina	US\$ 139.5	US\$ 99.0
Mexico	US\$ 96.3	US\$ 50.4
Others	US\$ 31.5	US\$ 28.7
Total	US\$ 731.1	US\$ 536.2

Free Shipping Service Cost

In millions

	Q4 2019	Q4 2018
Brazil	US\$ (35.5)	US\$ (92.7)
Argentina	US\$ (7.0)	US\$ (8.2)
Mexico	US\$ (11.5)	US\$ (4.9)
Others	US\$ (2.8)	US\$ (2.3)
Total	US\$ (56.8)	US\$ (108.1)

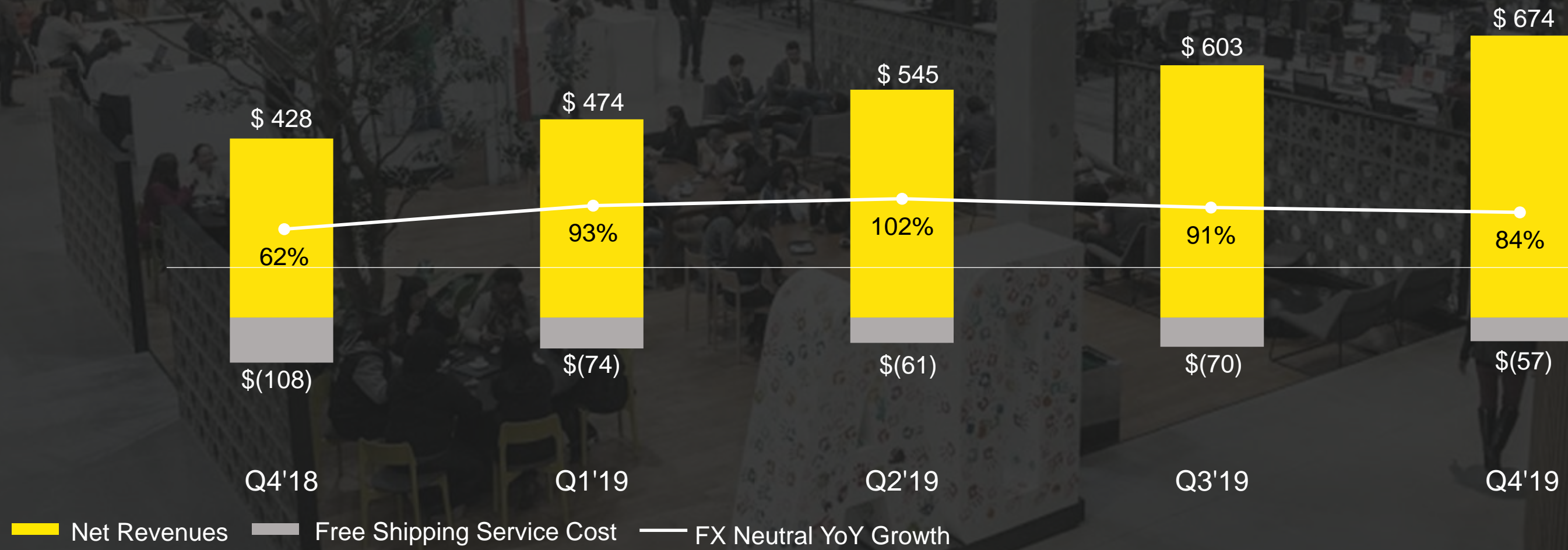
Net Revenues

In millions

	Q4 2019	Q4 2018
Brazil	US\$ 428.3	US\$ 265.4
Argentina	US\$ 132.4	US\$ 90.8
Mexico	US\$ 84.8	US\$ 45.5
Others	US\$ 28.7	US\$ 26.3
Total	US\$ 674.3	US\$ 428.0

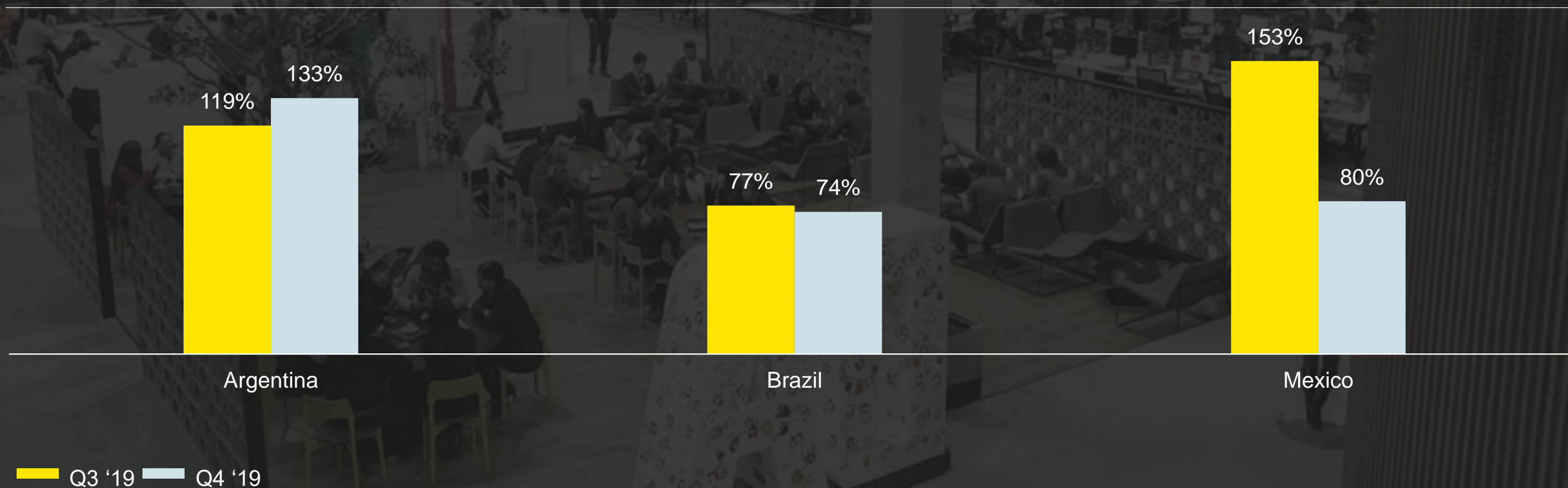
Net Revenues grew even faster than gross billings

Net Revenues per Quarter (US\$ M)



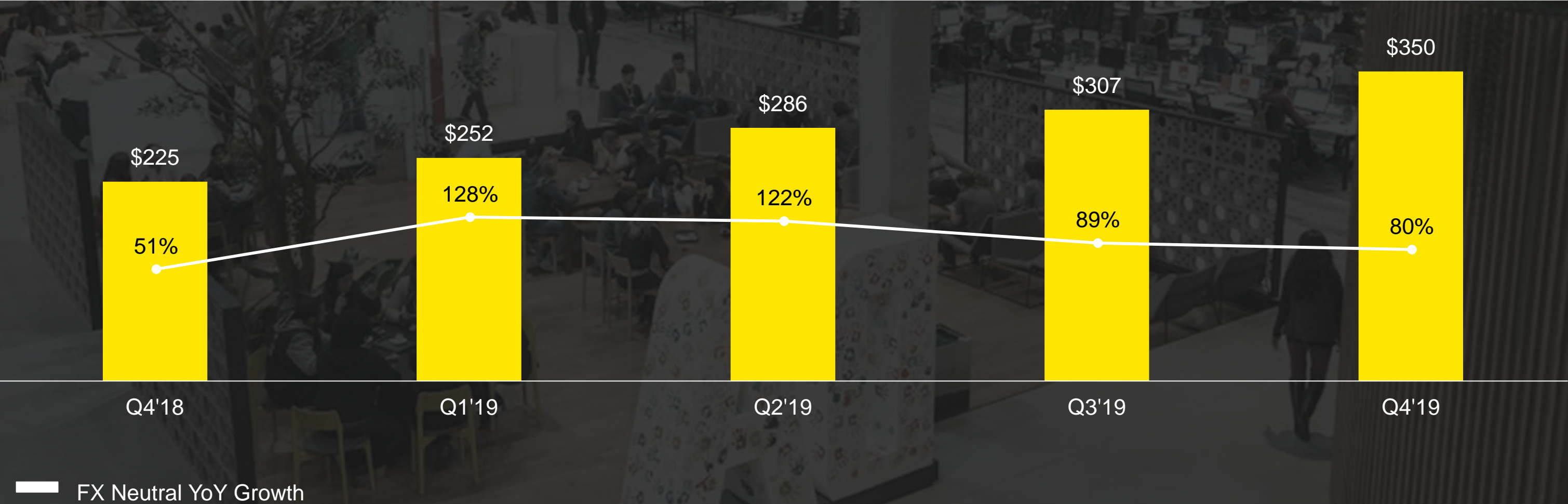
Net Revenues in Argentina was a highlight, while Brazil and Mexico continue to grow at a healthy clip

Net Revenues
(FX neutral YoY Growth)



Enhanced Marketplace Net Revenue continues to grow at a healthy pace

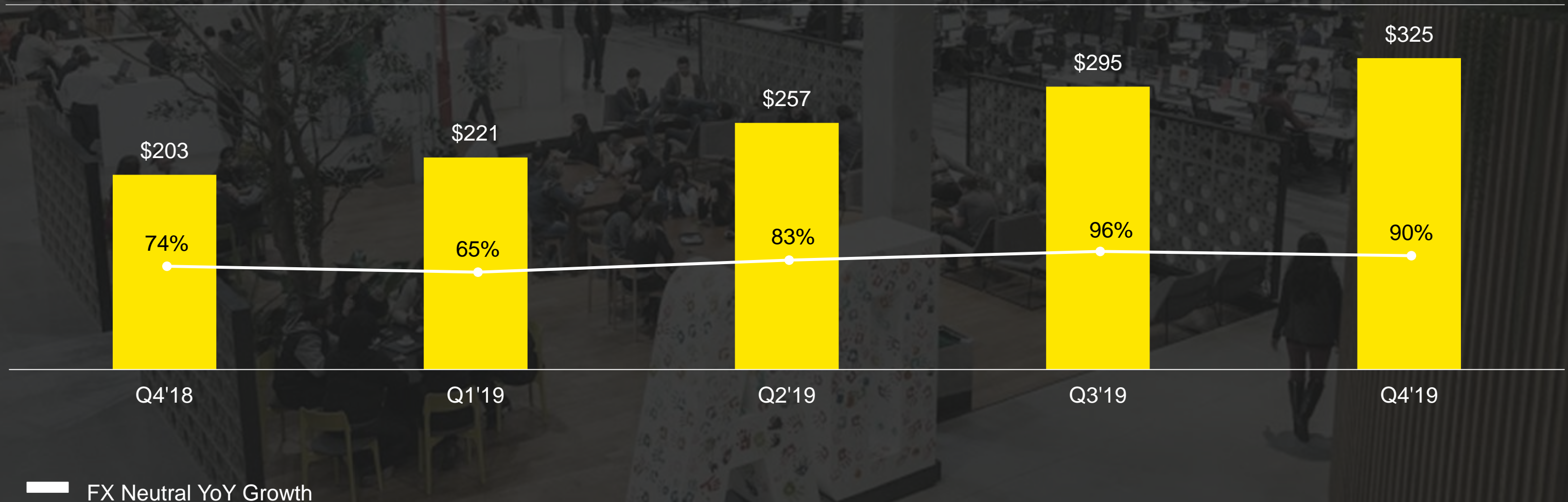
Enhanced Marketplace
Net Revenues per Quarter
(US\$ M)



Non-Marketplace revenues includes, among other things, ad sales, classified fees, payment fees and other ancillary services

Non-Marketplace Net Revenue continues to grow driven by Payments Business Unit

Non-Marketplace Net Revenues per Quarter (US\$ M)

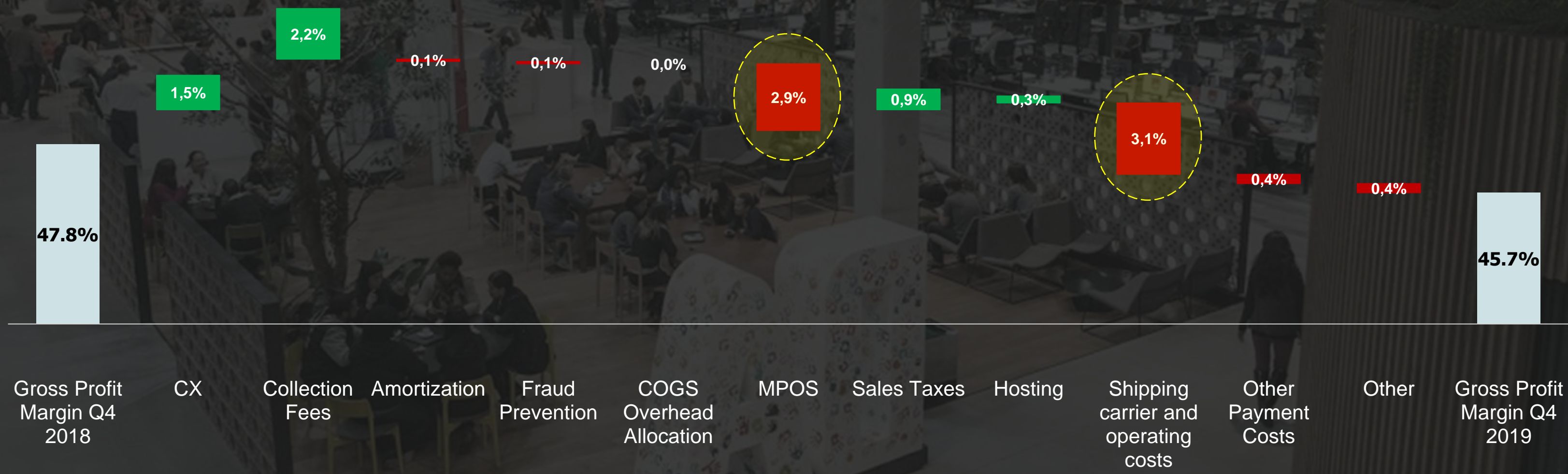


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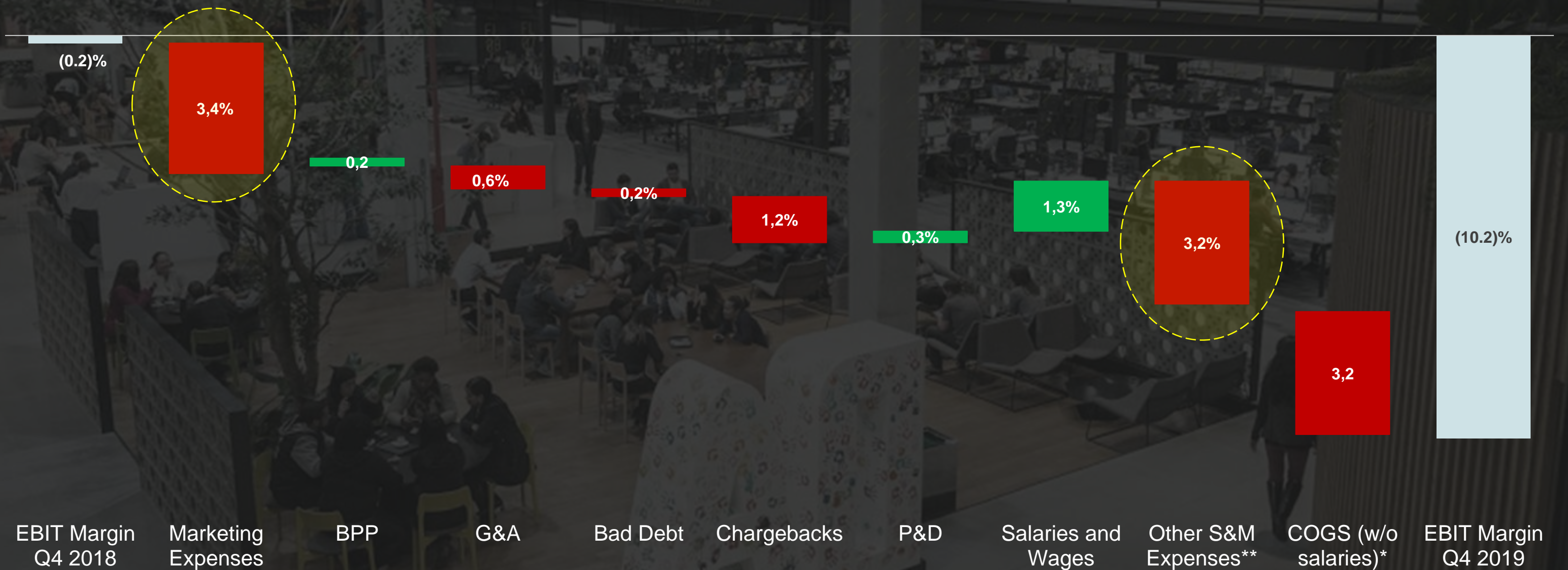
Gross Profit margin compression was driven by shipping subsidies, warehousing costs & purchases of mPos devices



*Other Payment Costs includes Mercado Pago financing cost and Prepaid Card expenses

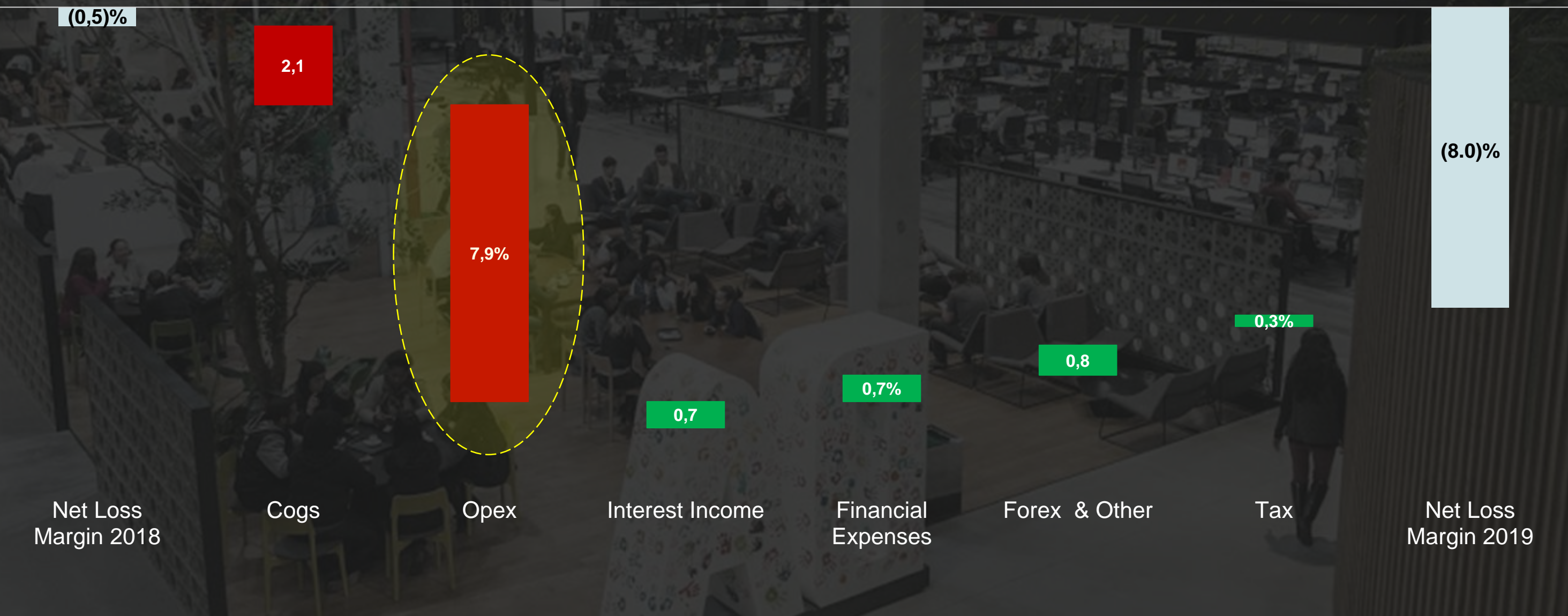
**Others includes certain taxes and withholdings

EBIT margin contraction further attributable to incremental marketing expenses



*Excluding Salary and Wages
** Other S&M Expenses includes marketing initiatives related to wallet and point feet on the ground sales teams

Net loss for the quarter ascended to \$54.0 million dollars due primarily to the incremental investments in marketing





Thank You

Investor Presentation
Fourth Quarter 2019 Results



mercado
libre