

Mercado Libre

J.P. Morgan Global Emerging Markets Corporate Conference
Miami, Florida, February 2024



Agenda

- Overview of Mercado Libre
- Our Impact
- Financial Highlights

Overview of Mercado Libre

Key Messages

MELI 2023

Marketplace
Retail
Logistics
Classifieds
Advertising



Digital Account
Acquiring
Investments
Credits
Insurance
Benefits



- > [Founded in 1999](#), Mercado Libre's **purpose** is to expand **access to commerce and financial services** to transform the lives of millions of people in Latin America
- > **E-Commerce leaders**, consistently outgrowing key markets. **Fintech challengers and disruptors**: one of the top acquirers in the region and striving for primacy in fintech services. [Competitive Positioning](#). [Macro](#)
- > [E-commerce opportunities](#): offline to online, market share and penetration.
- > [Fintech](#): tech for acquiring, primacy in digital account and [credit](#) competitive advantages
- > **Propelling progress** in Latin America through **sustainable growth** and positive impact. [ESG](#)
- > Consistently **solid financial performance** over the years with focus on profitable growth across all geographies and business segments. [Q4 highlights](#)
- > Consistently stronger capital structure, with **decreasing leverage** and lean debt maturity profile
- > **Record high cash from operations** in 2023, together with **robust liquidity levels**

Tech Leader in Latin America

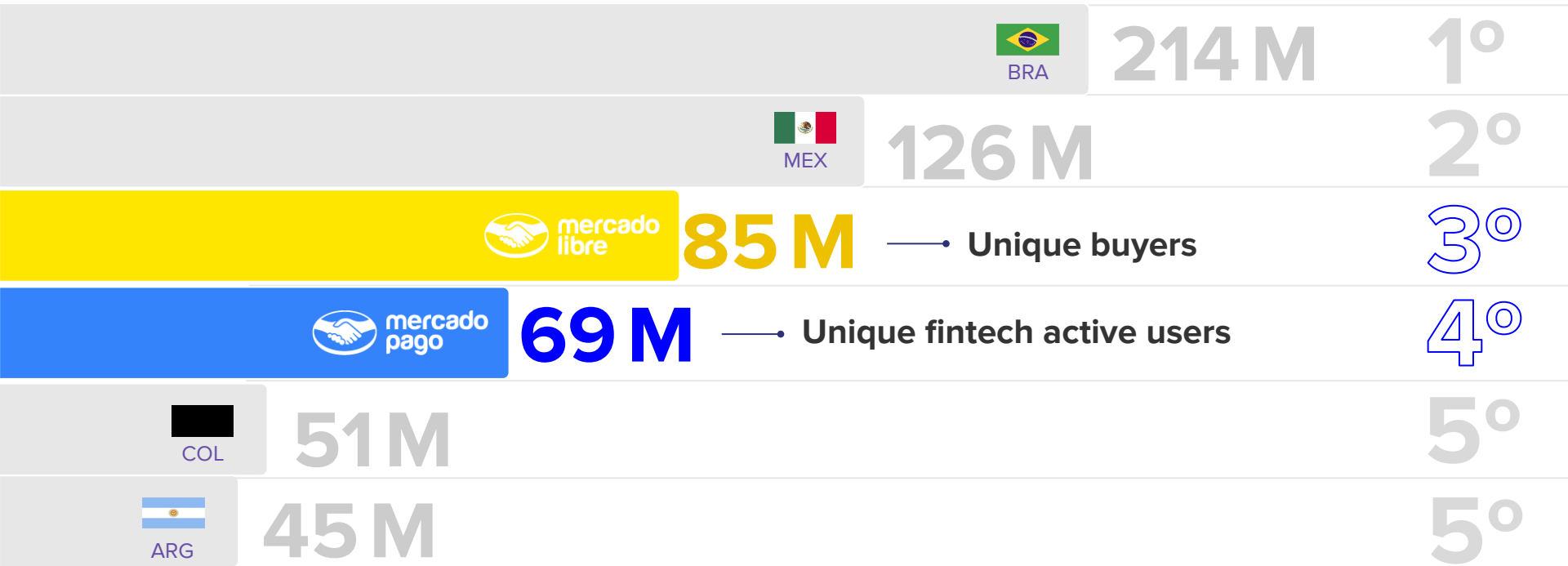


Our purpose is to expand access to commerce and financial services
to transform the lives of millions of people in Latin America.

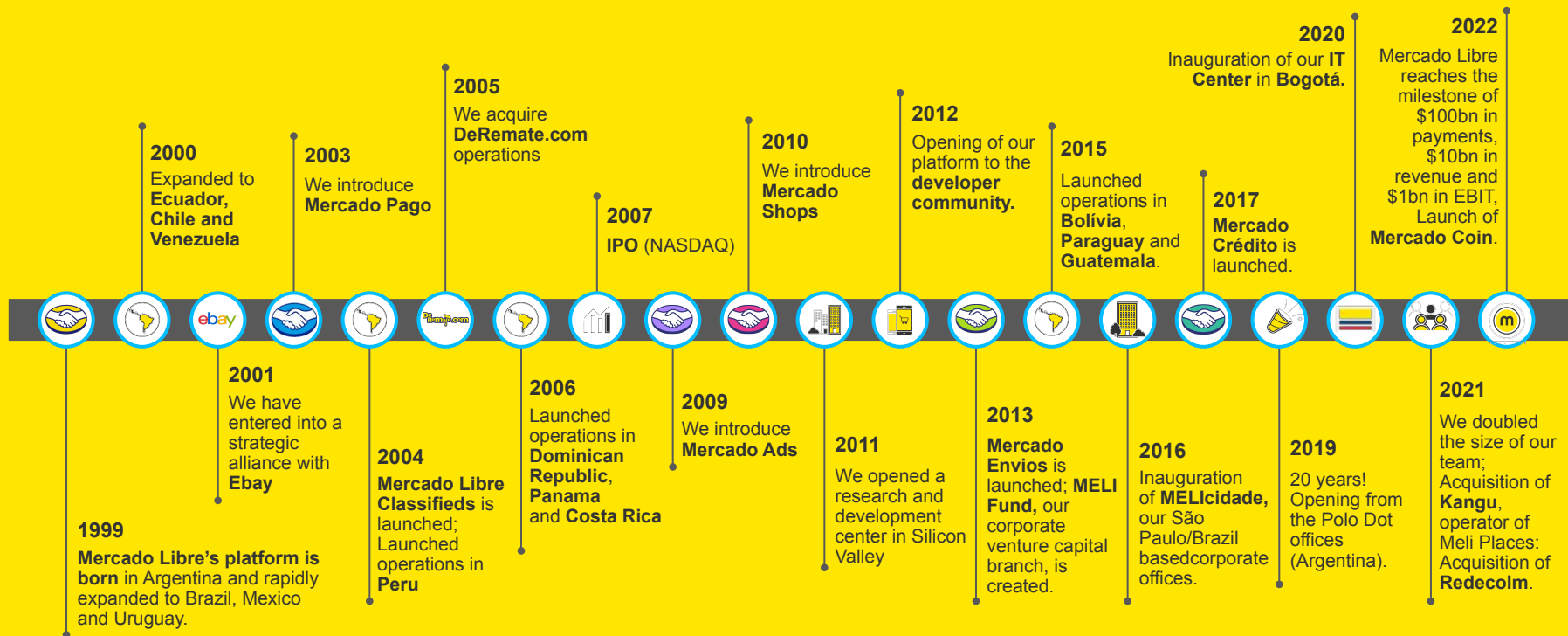




If Mercado Libre were a country, it would be One of the Largest in Latin America



MELI's Story



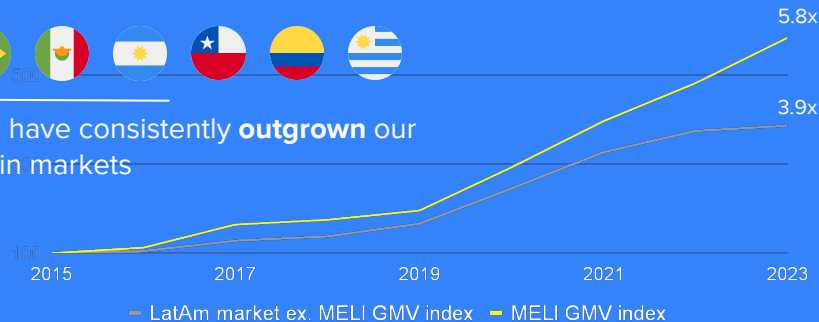
Leadership in Commerce is a competitive advantage as we disrupt Financial Services



Market leader in Commerce



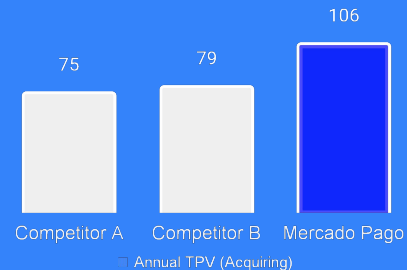
We have consistently **outgrown** our main markets



Challenger & Disruptor in Fintech



We are one of the **largest** Fintech acquirers in the region



"Market leader in Commerce" based on: GMV in Brazil, Orders in Mexico, Chile and Colombia and Brand Interest Index in Uruguay

Our Ecosystem



Our 2023 Operational and Financial Highlights

US\$44.7BN

+58% FXN YoY

GMV

US\$14.5BN

+68% FXN¹ YoY

NET REVENUES

US\$1.8BN

12.6% margin

INCOME FROM OPERATIONS

US\$987MM

+6.8% margin

NET INCOME

1.4BN

+22% YoY

ITEMS SOLD

US\$182.8BN

+120% FXN YoY

TPV

US\$135.6BN

+147% FXN YoY

TPV OFF MARKETPLACE

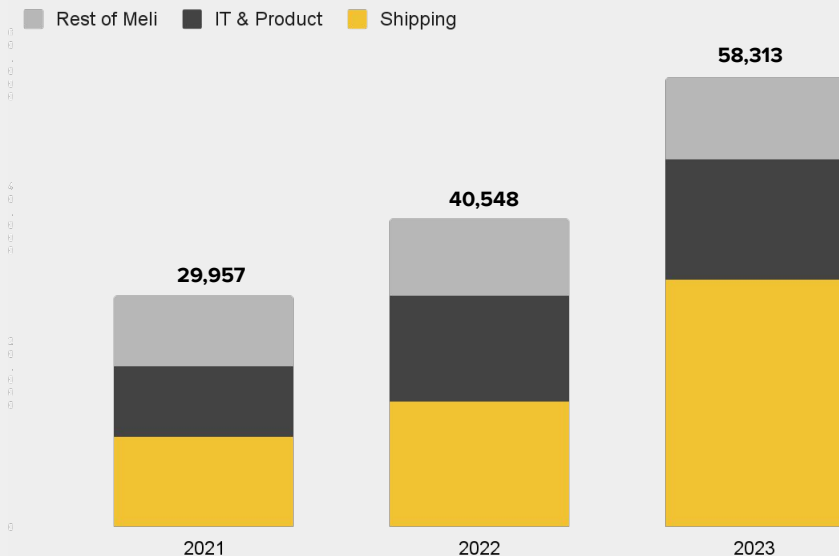
US\$3.8BN

+33% YoY

CREDIT PORTFOLIO

Workforce

OUR TEAM



We rely on the leaders of MELI and on our employer brand to find, choose and recruit the best talent. In a new year of growth, in which we welcomed over 17,500 people in the region, we rely on our culture and the experience working at Mercado Libre to form and develop a world-class team that allow us to lead the industry in each one of the markets in which we operate.

Workforce



vs Market Average

Equity	44%	38%	WOMEN All Meli
	33%	23%	Women LEADERS
Inclusion	48%	40%	ETHNICITIES Brazil
	12%	5%	Ethnicities LEADERSHIP
Diversity	12%	11%	Of our team is part of the LGBTQIAP+ COMMUNITY



[Back to Key Messages](#)

e-Commerce

The widest assortment with the fastest shipping accessible to millions of consumers and sellers



e-Commerce



Opportunity to drive Offline to Online

Multi-category marketplace with **millions of sellers** that offer competitive prices

Proprietary logistics network, delivering around **80% of items within 48 hours**

Frictionless buyer and seller experience

MARKETPLACE



Market share opportunity

Complementary assortment in specific categories that require **scale for competitiveness**

Cross-sell into the existing user base

RETAIL



Penetration opportunity

8 out of 10 searches done inside ecommerce in the region

Full funnel solutions for sellers and brands:

Display Ads: **awareness**
Brand Ads: **consideration**
Product Ads: **conversion**

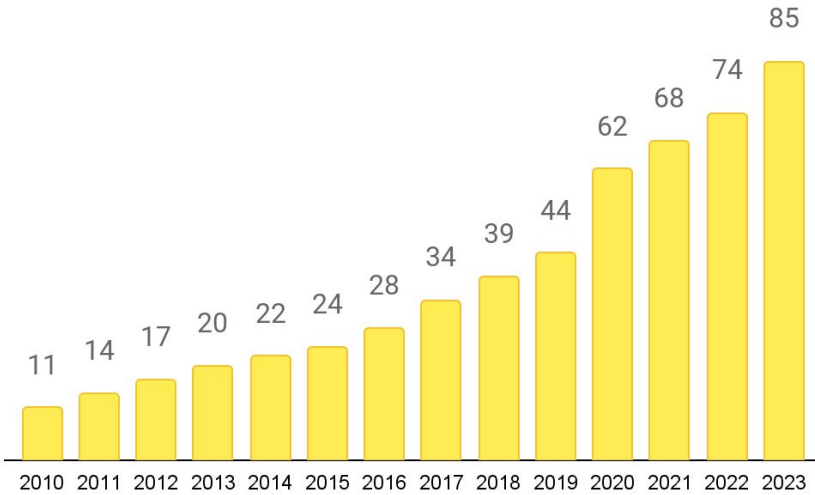
ADS

\$45bn GMV

#1 player in all main geographies

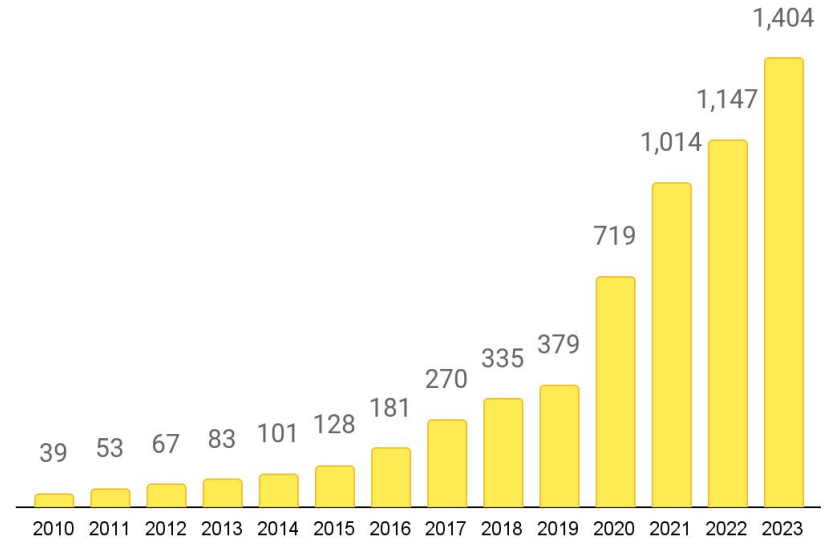
Unique Buyers

(Millions)



Items Sold

(Millions)



1.4bn Shipped items



Commerce

Packing & shipping

Packing Materials **100% recyclable**, reusable or compostable &

Reverse logistics program: **recovery of 97%** of returned products.

Technology



Proprietary technology to drive speed & efficiency

Thousands of engineers dedicated to MercadoLibre logistics organisation

A network tailored to the needs of sellers in LatAm

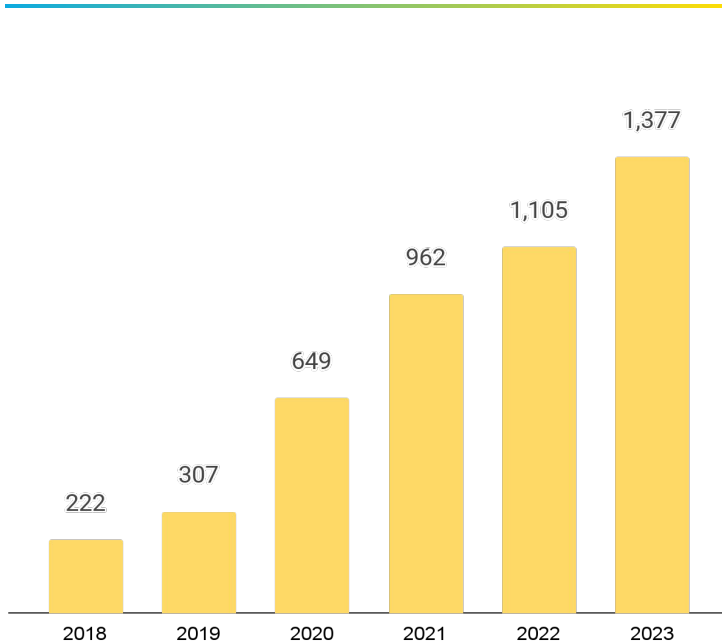


- Fulfilment
- Flex
- Cross-docking
- Drop Shipping



Logistic Network

Items Shipped (# Millions)



49%
shipped through
fulfillment



36%
shipped through
cross
docking



Fintech

Leading innovations
for the future of
financial services





Online and Offline Payments processing

Technology developed for Commerce is being leveraged to serve off-platform merchants

Strong mPOS presence among micro merchants, with a **growing presence** among **SMBs**

Online Payments for desktop, mobile and social checkouts

QR codes for in-store purchases



Digital Account

Enabling day-to-day financial services, aiming for **principality** among users where we have a “right to win”

Debit and credit cards Payments and transfers

Savings tech

Insuretech

Crypto



Credit

Unique first-party data provides deep insights that drive our underwriting models

Huge and zero cost distribution given >100mn users of the ecosystem

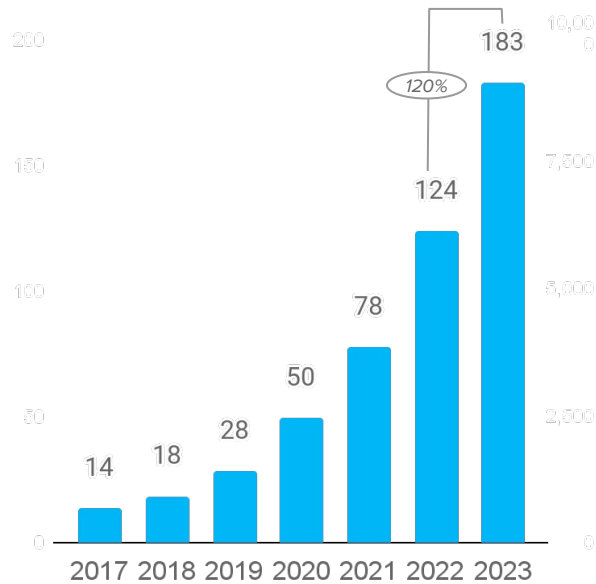
Complementary business for the ecosystem with risk management as the no.1 priority

\$183bn TPV

One of the region's leading Fintechs

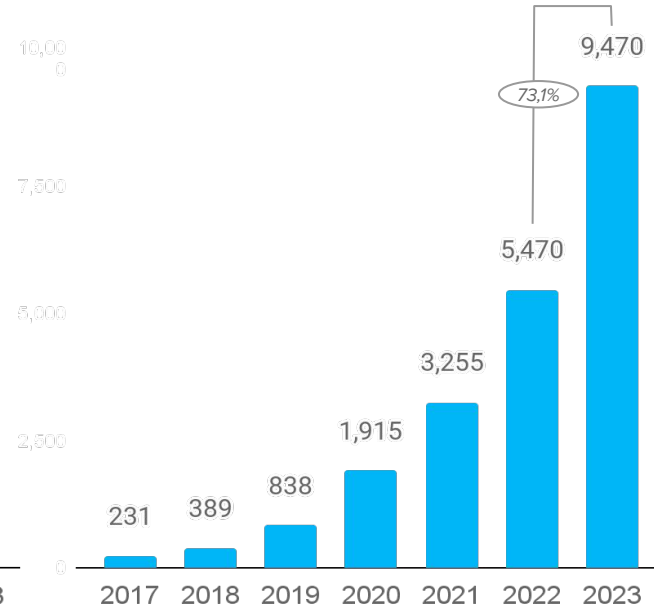
Total Payment Volume

(in billion)



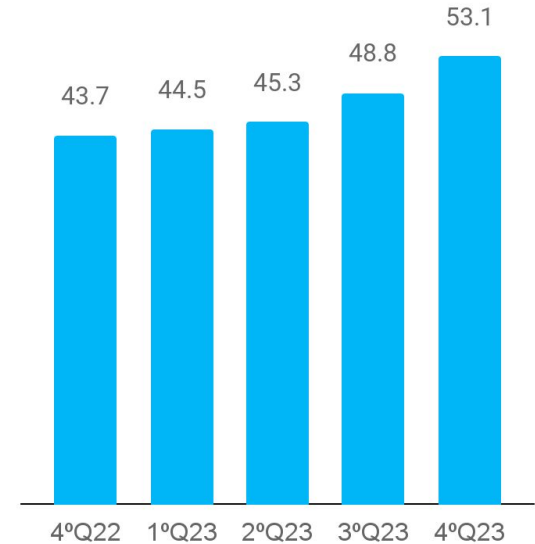
Total Payment Number

(in million)



Unique Fintech Active Users

(in million)



The Mercado Pago Account

Credit card

Debit card

Money income

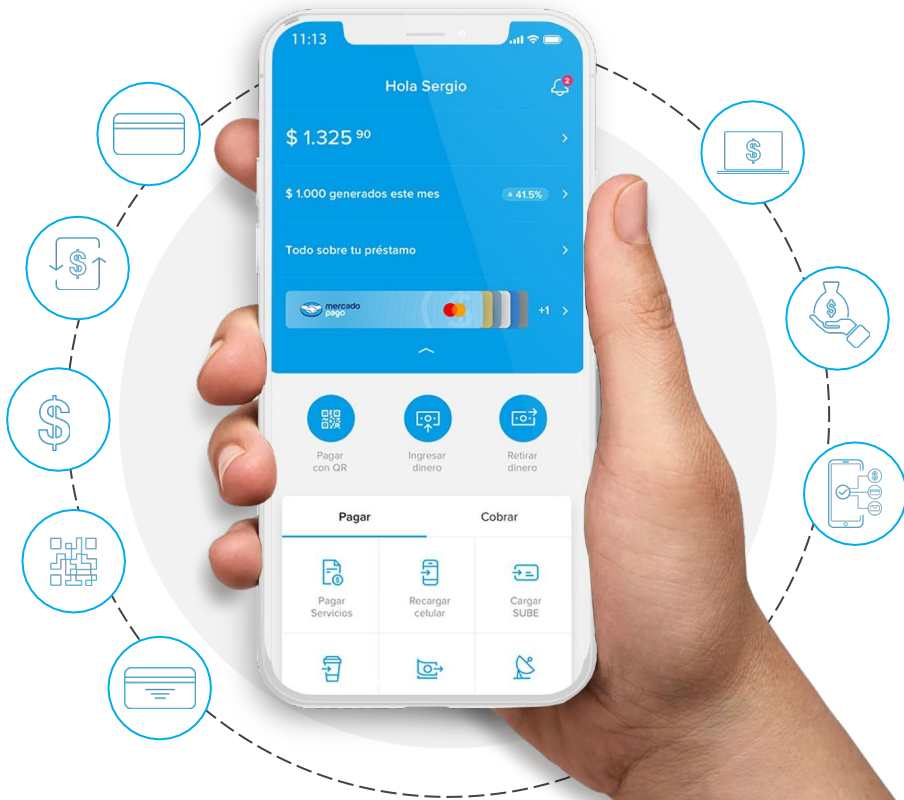
Online payments

Money flow

Asset Management

Offline payments

Credits



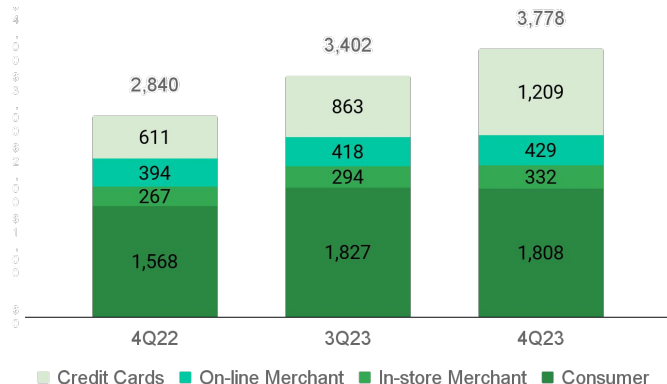
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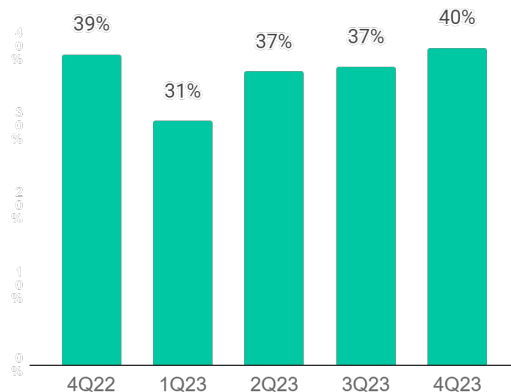
Credit Highlights

Consolidated profitability expansion with largely stable credit portfolio

Credit Portfolio by Product (US\$ million)



Net interest Margin After Losses² (% of avg portfolio)



Net Interest Margin After Losses (NIMAL) =

- (+) Credit Revenues
- (-) Bad Debt
- (-) Funding Costs

Credit Features (in US\$ million; months)

	Exposure per User ³	Duration (months)
In-store Merchant	288	3.0
Online Merchant	1,206	5.1
Credit Cards	219	2.6
Consumer	140	1.9

¹ Exposure = Portfolio eop / Credit Active Users per book

² Net Interest Margin After Losses (NIMAL) = Revenues (interest from loans + late fees) net of provision for doubtful accounts and funding costs. Note: Interchange fee revenues from credit card is not considered Credit Revenues. Portfolio considered is annualized period average.

³ Exposure = Portfolio eop / Credit Active Users per book

Our Impact In Latin America



We propel **progress** in Latin America through commerce and financial services, enabling **sustainable growth**, shared and with a **positive impact**

POSITIVE IMPACT



+4.6

MILLIONS

Packages delivered using **sustainable transportation models**

+10

MILLIONS

Restored native trees

+11

MILLIONS

Products with a **positive impact** sold

+5.2

MILLIONS

Credits to small **entrepreneurs**



+1.8

MILLION

Families in the region for whom MercadoLibre is their main source of income

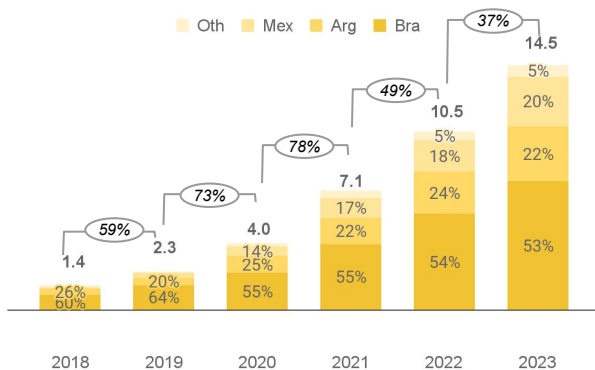


2023 Financial Highlights

Growth & Profitability

Net Revenues

(US\$ billion, %)



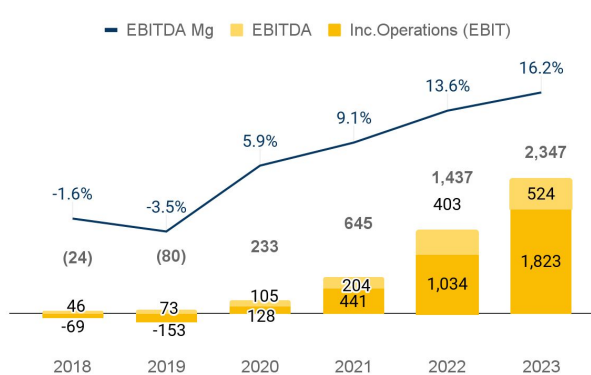
> Net revenue up almost \$4 billion year-on-year, growing at 37% in US dollars

Commerce revenue reached \$8.2bn, growing at more than 41% YoY in USD.

Fintech revenues amounted to \$6.3bn, up 33% YoY in USD.

Income from Operations and Margin

(US\$ million, % of Net Revenues)



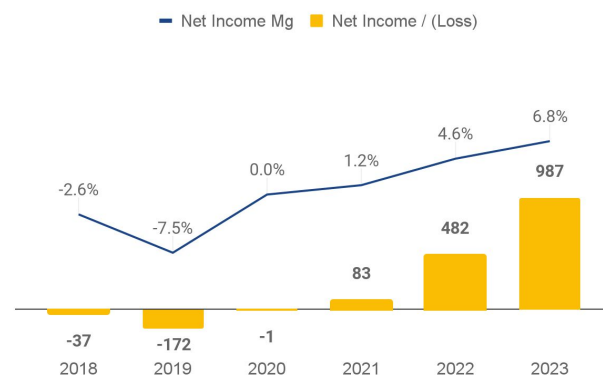
> EBITDA Margin reached 16,2%, a gain of 2,6pp over last year

Continued strong growth alongside cost discipline led to operating leverage across several expense lines.

Brazil showed the highest profit (direct contribution) growth, followed by Mexico.

Net Income / (Loss) and Margin

(US\$ million, %)



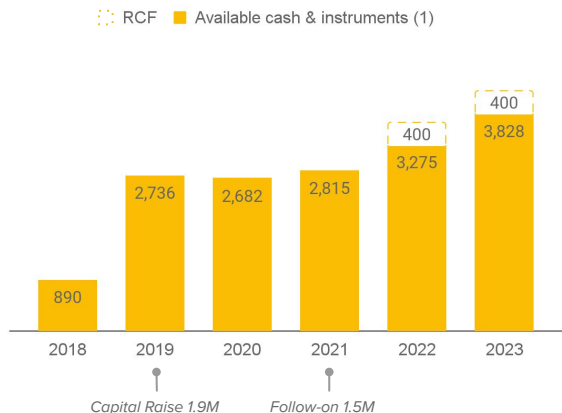
> Net Income surged to nearly \$1 billion, marking a robust increase of over twofold compared to previous year

Net Income of \$987 million reflects a significant increase of \$505 million compared to LY primarily attributable to enhanced profitability and interest income.

Net Income Margin reached 6.8%, reflecting a 2.2 percentage point increase over the previous year

Cash, Liquidity & Leverage

Available Cash & Liquidity (US\$M, % of Net Revenues)

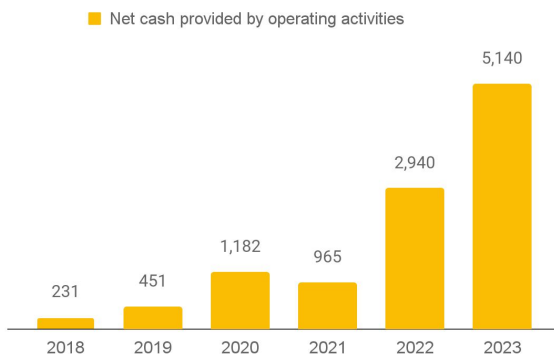


> Available cash grew +500 millions 2023 over year end 2022

+30% of available cash in USD denominated assets, i.e. free of FX volatility and Risk Country

Liquidity ratio (Av Cash / Revenues LTM) ~30% aligned with worldwide peers

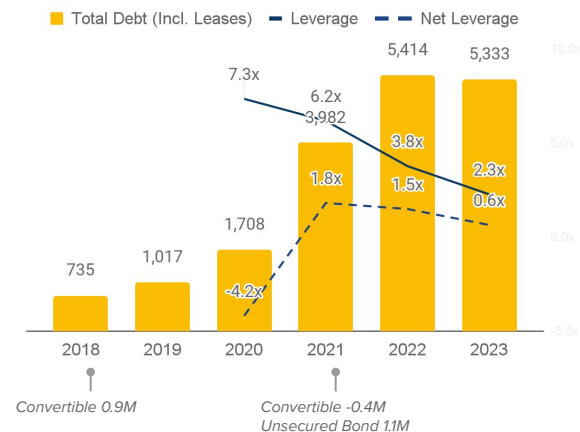
Cash Flow from Operations (US\$ M)



> Cash from operations grew +75% YoY, trend seen in a all geographies

Since 2022 at new levels QoQ, with all business operating with positive CFO

Total Debt & Leverage (US\$M, %)



> Deleverage trend since 2021 with both increasing profitability and lower debt needs

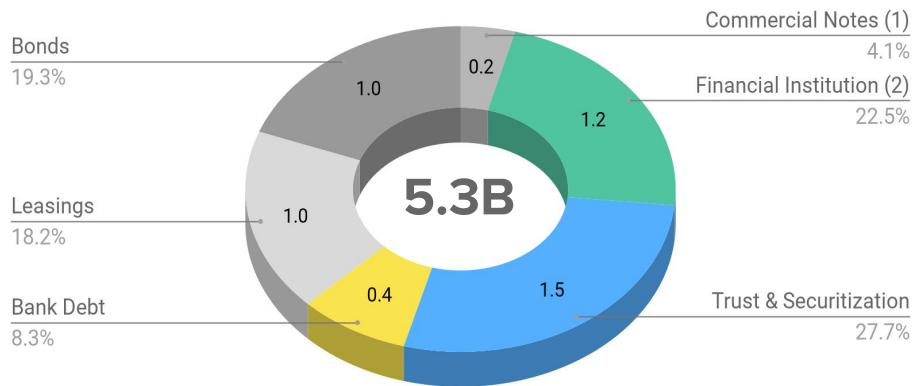
Part of our Fintech business in Brazil has Certificate Deposits ("CDB"), which is included in the metric above even though it is not considered debt in other Fintechs companies (as per rating agencies model).

Debt Profile

Debt breakdown by currency, type and country

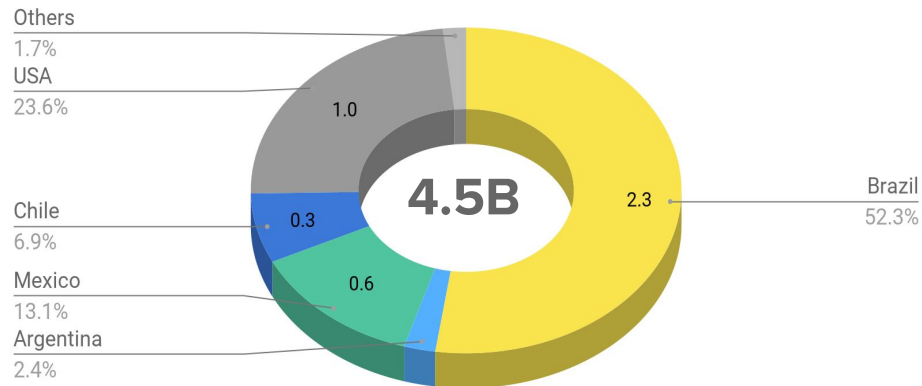
Debt Instruments & Leasings

(US\$ billion, Q4'23)



Debt Instruments by Country (excl. Leasings)

(US\$ billion, Q4'23)



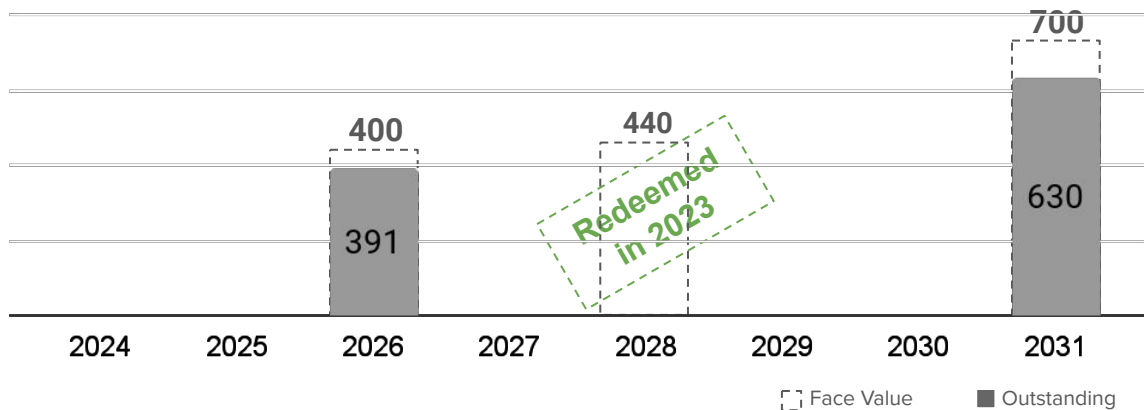
(1) Brazil Real-Estate Securities

(2) For SEC reporting purposes, we consolidate 100% of the debt into securitization instruments

(3) Includes \$216M of bank debt

Meli Inc. Public Debt Instruments

Maturity Profile (US\$ Million)



Jan 2021

\$400M 5-Year Intl. Bond
(Jan-2026)

BB+ / BB+ / Ba1

FitchRatings S&P Global Ratings Moody's

Jan 2021

\$700M 10-Year Intl. Bond
(Jan-2031)

BB+ / BB+ / Ba1

FitchRatings S&P Global Ratings Moody's

> Convertible Note (2028)

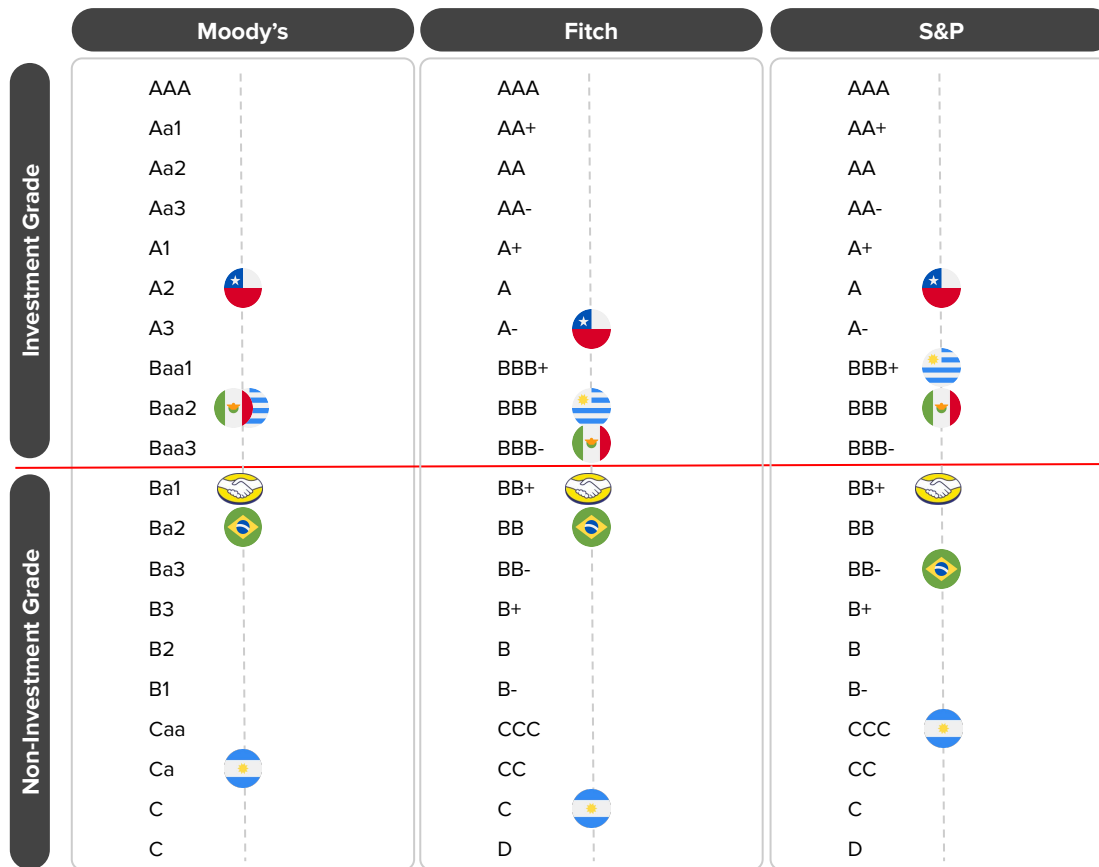
- In 2023, we announced the redemption of 100% of our 2028 notes by converting them into approximately 1 million shares of common stock, which had been held as treasury stock

> Unsecured Bond (2026 & 2031)

- The 2026 Sustainability Notes will mature on January 14, 2026, and the 2031 Notes will mature on January 14, 2031.
- During 2023, we repurchased US\$9 million and US\$70 million principal amount of the outstanding 2026 Sustainability Notes and 2031 Notes, respectively

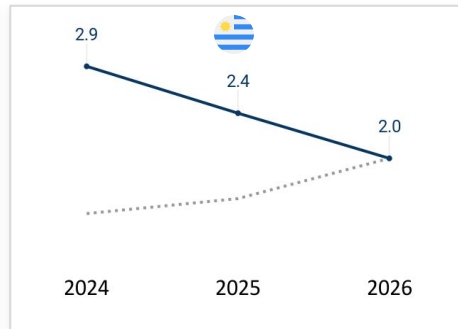
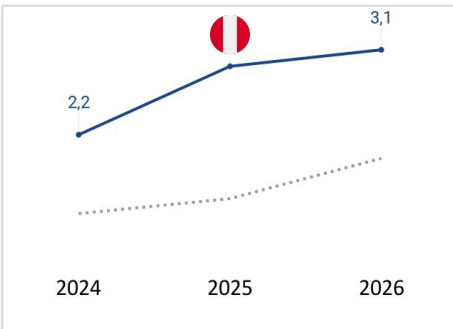
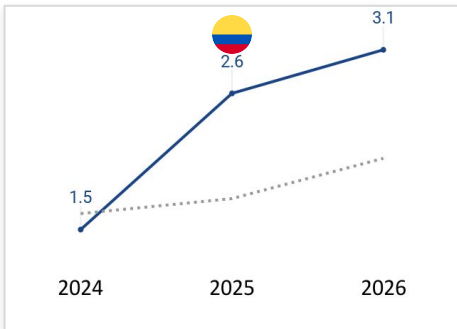
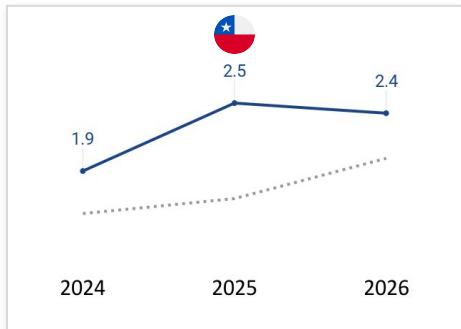
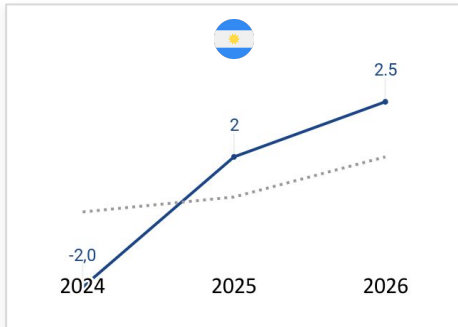
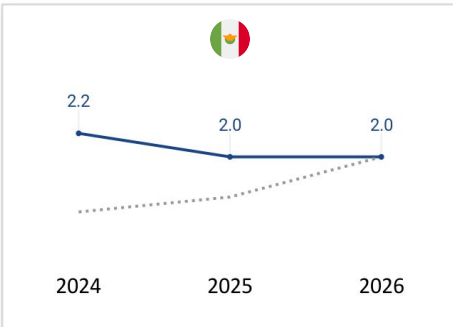
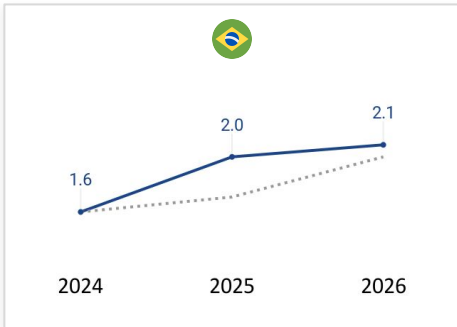
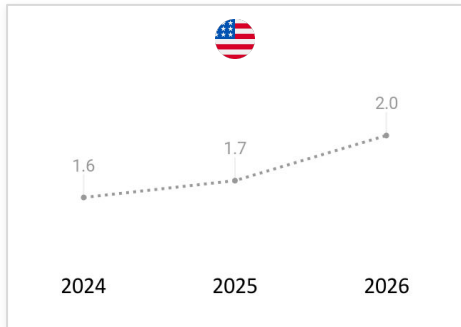
Long Term Credit Rating

MELI current rating and Sovereign comparison



Latin America GDP Growth projections

GDP growth projections, compared with US



● Country ●● US

Q4'23 Financial Highlights

Q4'2023 Operational and Financial Highlights

Fourth Quarter 2023

US\$13.5BN

+79% FXN YoY

GMV

US\$4.3BN

+83% FXN¹ YoY

NET REVENUES

US\$240MM

5.6% margin

INCOME FROM OPERATIONS²

US\$165MM

+3.9% margin

NET INCOME

413.1MM

+29% YoY

ITEMS SOLD

US\$56.5BN

+153% FXN YoY

TPV

US\$42.3BN

+182% FXN YoY

TPV OFF MARKETPLACE

US\$3.8BN

+33% YoY

CREDIT PORTFOLIO

¹ FX-Neutral basis (Please see Q4'23 Shareholder Letter for reconciliation to nearest GAAP measure)

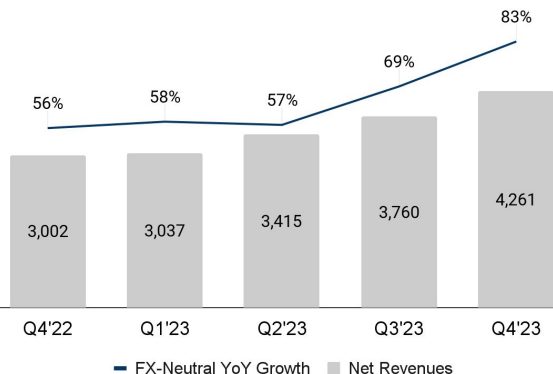
² Income from operations includes \$351mn of one-off expenses, which are detailed in the Q4'23 Shareholder Letter

Q4'2023 Financial Highlights

Revenue growth remains strong overall and across geographic segments

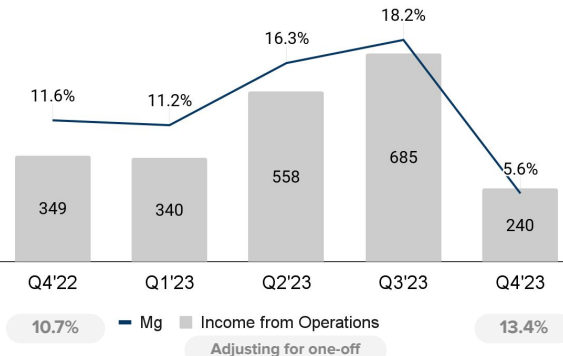
Net Revenues

(US\$ million, %)



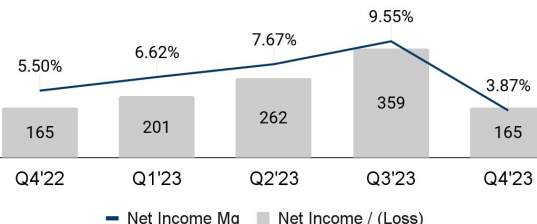
Income from Operations¹ and Margin

(US\$ million, % of Net Revenues)



Net Income / (Loss)¹ and Margin

(US\$ million, %)



> MELI added more than **\$1.2bn** in additional net revenue (YoY), with growth of **42%** in US dollars and **83%** on a FX-neutral basis.

Commerce revenue reached **\$2.5bn**, growing at **91%** YoY on an FX-neutral basis and **48%** in USD.

Fintech revenues amounted to **\$1.8bn**, up **73%** YoY on an FX-neutral basis and **34%** in USD.

> Income from operations reached **\$240mn**, or **\$572mn** excluding one-off expenses.

Excluding one-off expenses, income from operations would have grown **78%** YoY with a margin gain of **270bps** with all four expense lines showing cost dilution.

Brazil showed the most profit (direct contribution) growth.

> In **Q423**, we delivered net income of **\$165mn** on a reported basis and **\$383mn (+166% YoY)** excluding one-off expenses

Excluding one-off expenses, net income margin would have been **9.0%**

(1) Income from operations includes \$351mn of one-off expenses, which are detailed in the Q4'23 Shareholder Letter