

Q3'23 Results

Investor Presentation

MercadoLibre, Inc.



> November 1st, 2023

Disclaimer

Third Quarter 2023

> This presentation may contain 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 Third Quarter 2023 earnings press release, available on our investor relations website, and in the section entitled "Non-GAAP Measures of Financial Performance" of our quarterly report on Form 10-Q for the quarter ended September 30th, 2023.

All the information included in this presentation is updated as of September 30th, 2023. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

Certain monetary amounts included elsewhere in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them.

Our actual results may differ materially from those included in this conference call, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our annual report on Form 10-K for the year ended December 31st, 2022, and any of MercadoLibre Inc.'s other applicable filings with the Securities and Exchange Commission, which are available on our investor relations website (<http://investor.mercadolibre.com>).



Operational & Financial Highlights

Third Quarter 2023

US\$11.4BN

+59% FXN YoY

GMV

357.0MM

+26% YoY

ITEMS SOLD

94.2%

+231 bps YoY

MANAGED NETWORK²

US\$3.8BN

+69% FXN¹ YoY

NET REVENUES

US\$47.3BN

+121% FXN YoY

TPV

US\$35.3BN

+145% FXN YoY

TPV OFF MARKETPLACE

US\$3.4BN

+23% YoY

CREDIT PORTFOLIO

US\$685MM

18.2% Margin

INCOME FROM OPERATIONS

¹ FX-Neutral basis (Please see shareholder letter for reconciliation to nearest GAAP measure)

² Percentage of items sold that were shipped on our Managed Logistics Network

Key Messages

Third Quarter 2023



- > Q3'23 was another quarter that showed our ability to deliver operating leverage as we scale on the back of continued strong growth, resulting in another **record for quarterly Income from Operations of \$685mn**, with a margin of 18.2%. We have achieved this whilst continuing to invest across the business.
- > **Mexico stood out** as the market with the fastest net revenue growth, which was up 66% YoY; **Brazil also stood out** as the market with the highest Direct Contribution growth, up 157% YoY. Together, these two markets accounted for 65% of Q3'23 Direct Contribution and 82% of incremental DC when compared with Q3'22.
- > **Gross Merchandise Volume** surpassed \$11bn on the back of accelerating sold items growth, which hit 26% YoY; all of our four largest markets posted faster YoY growth than Q2'23, with **Mexico reaching its highest sold items growth since Q1'21**.
- > Mercado Pago's **Total Payment Volume** surpassed \$47bn; off-platform TPV growth accelerated in each of our three largest markets, with strong trends in Acquiring and Digital Account volumes.
- > **Mercado Pago's** credit originations grew 46% YoY and the portfolio reached \$3.4bn with strong profitability as the annualized **NIMAL* spread remained stable at 37%**. We accelerated credit card issuance in Brazil and Mexico.

*NIMAL refers to net interest margin after losses, which is credit revenues (APRs and late fees) net of provisions for doubtful accounts and funding costs.

Agenda

1. Quarterly Highlights

2. Financial Metrics

3. Margins

4. Appendix





Q3'23 RESULTS

Quarterly Highlights

1

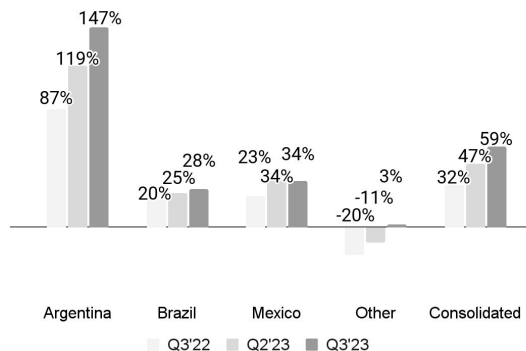


Marketplace Highlights

Momentum remains strong, with Items Sold growth accelerating across-the-board

Gross Merchandise Volume

(FX-Neutral YoY Growth)



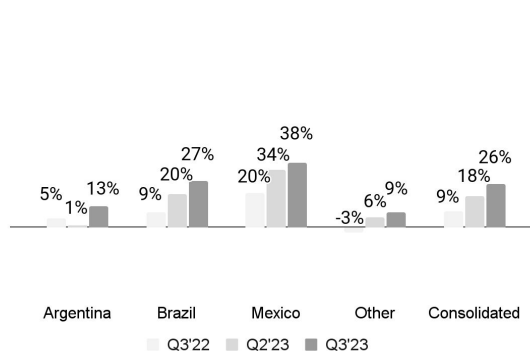
> GMV growth accelerating in Brazil and remaining strong in Mexico

Growth in Brazil continues to be broad-based, with all categories making a strong contribution to overall GMV growth of 28%.

GMV growth in Brazil and Mexico continues to be driven predominantly by the increase in new buyers.

Items Sold

(YoY Growth)



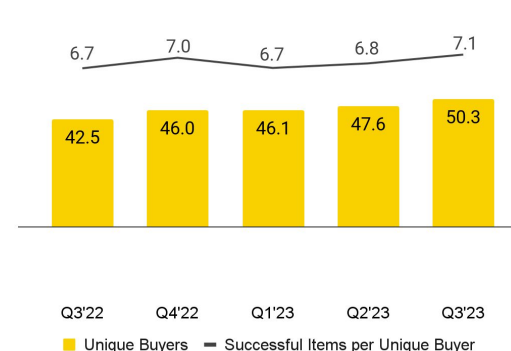
> Items sold accelerated for the fourth successive quarter

MercadoLibre sold an additional 73mn items YoY in Q3'23, accelerating significantly vs. the additional 50mn items sold in Q2'23.

Items sold growth is at its highest level since Q1'21 in Mexico and since Q4'21 in Brazil. Argentina also posted a step up in items sold growth despite a tough backdrop.

Total Unique Buyers

(Units, MM)



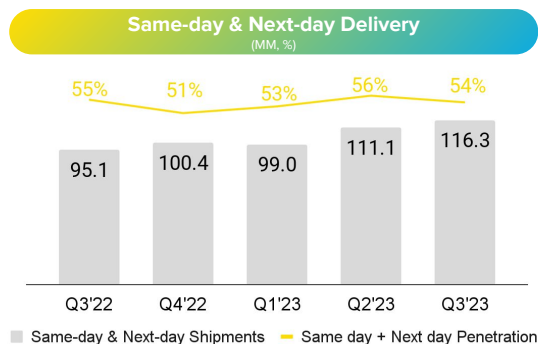
> Unique buyers grew by 18% YoY

Unique buyer growth hit its highest level since Q2'21. All major markets showed faster or stable YoY growth in unique buyers when compared to Q2'23. Mexico shows the highest rate of growth

Items sold per buyer ticked up, helped in part by Grocery returning to growth after lapping the introduction of higher free shipping thresholds in 2022.

Logistics Highlights

Fulfillment penetration reaches a new record of 48% of shipments, growing in all geographies

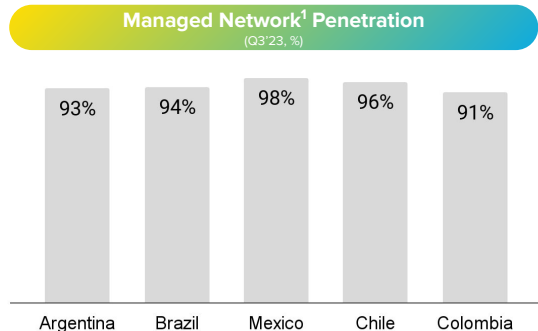


> Over 115mn same-day & next-day shipments in Q3'23

Mercado Libre shipped almost 350 million items in Q3'23, growing at 27% year-on-year.

The number of shipments delivered same-day or next-day increased by 22% YoY and almost 5% QoQ. This represents small YoY and QoQ declines as a percentage of total shipments, due to buyers choosing slower shipping options and higher growth in regions that are further from our fulfillment centers. The percentage of our GMV shipped for free reached an all-time high.

Almost 80% of shipments were delivered within 48 hours across Latin America, with Chile and Colombia reaching new records.



> Ongoing improvements in our managed network in most geographic segments

Total Managed Network penetration reached 94.2%, a record level for Mercado Libre.

Fulfillment by MELI grew once again, and reached a record level accounting for 48% of shipments. All markets with fulfillment operations posted higher penetration year-on-year, with Brazil showing the most progress (up more than 10ppts YoY).

Meli Places has over 8,300 partner locations, which now handle more than 50% of returns, in addition to acting as first mile and last mile hubs.

Our crowdsourcing solution for last mile, Mercado Envíos Extra, is now operating in 4 countries: Brazil, Mexico, Chile & Colombia.

¹ Includes Fulfillment, Cross Docking & Flex

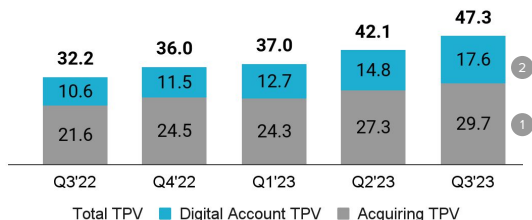
Core Fintech Highlights

Growth accelerated sequentially on a widespread basis

Acquiring & Digital Account¹ TPV (US\$ BN, FX-Neutral YoY Growth)

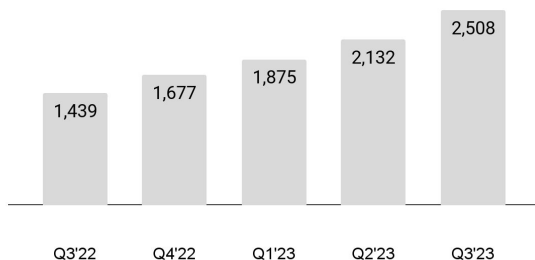
Digital Account TPV: +188.7%

Acquiring TPV: +81.7%

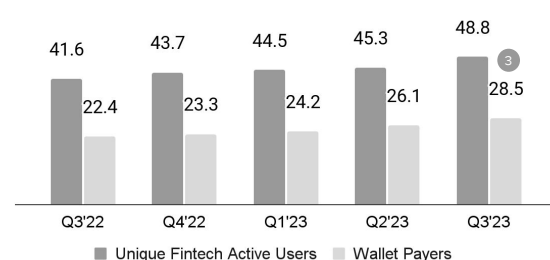


TPN (Units, MM)

Year-on-Year growth: 74.2%



Unique Fintech Active Users² and Wallet Payers (Units, MM)



1 Acquiring TPV accelerated growth in each segment

Triple-digit TPV growth (FX-neutral) in Online Payments, with all geographies accelerating, reaping the rewards of investments in product development and capitalizing on structural opportunities. Mexico and Chile's combined POS TPV surpassed Argentina for the second consecutive quarter. QR TPV also accelerated sequentially, showing encouraging growth in Brazil and in Chile.

2 Digital Account TPV growth continues to grow rapidly in all countries

With consolidated or increasing brand awareness, fuelled by campaigns and enhanced value proposition, our Digital Account TPV continues to deliver non-stop growth. Principality in Argentina, aggregated digital account offering in Brazil, strategic transportation alliances in Mexico and Chile, combined with product improvements, explain the uptick in Digital Account TPV across the board.

3 Unique Fintech Active Users increased by almost 3.5mn users sequentially, in-line with all-time-highs net user ads of H1 2022.

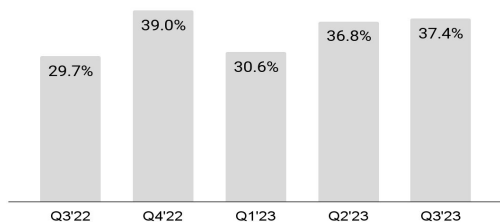
¹ Transfers to other external accounts are not considered payments volume

² Unique Fintech Users refers to the users who engage in at least one of the following services within the quarter: wallet payments online, in app or in store; transfers; withdrawals; consumer or merchant credit borrowers; card users; fintech sellers; and fintech active products such as asset management and insurtech users

Credits Highlights

Consolidated profitability expansion with largely stable credit portfolio

Net Interest Margin After Losses³, Total (% of avg portfolio)



Net Interest Margin After Losses (NIMAL) =

Credit Revenues

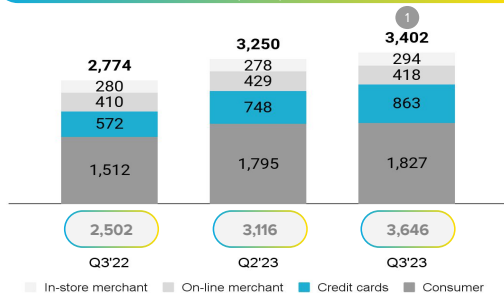
(-) Bad Debt

(-) Funding Costs

> NIMAL reached 37.4% in Q3, showing an annual expansion with sequential stability. This can be explained by:

- 1 Steady portfolio growth on a sequential basis, similar to previous quarters, led by Brazil and Mexico, and partially offset by Argentina's portfolio compression due to FX and macro environment.
- 2 Revenue growth due to: increasing credit limits in Brazil for certain low-to-medium risk consumer cohorts and continued originations in the Mexican consumer book.
- 3 Bad debt increase due to: higher originations in the Brazilian consumer book, continued increase in the pace of Brazil credit card issuance, and a small increase in delinquency in the Mexican consumer book. We have also accelerated the penetration of higher ticket, longer duration consumer products in Brazil.

Credit Portfolio, Total & by Product (US\$ M)



Originations¹
(US\$ M)

	Exposure per User ² (US\$ ¹)	Duration (months)
In-store Merchant	357	3.0
Online Merchant	1.6k	5.1
Credit Cards	206	2.4
Consumer	166	2.1

¹ Originations include credit card TPV

² Exposure = Portfolio eop / Credit Active Users per book

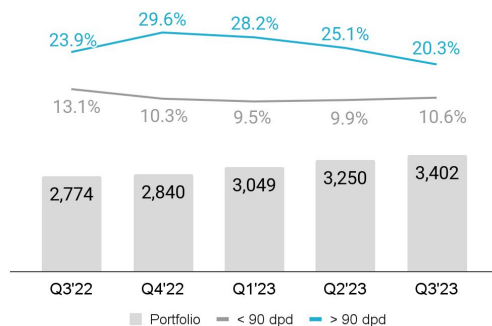
³ Net Interest Margin After Losses (NIMAL) = Revenues (interest from loans + late fees) net of provision for doubtful accounts and funding costs. Note: Interchange fee revenues from credit card is not considered Credit Revenues. Portfolio considered is annualized period average.

Credits Highlights

Broadly stable past dues thanks to improved asset quality and product and geography mix

Total Portfolio and Past Dues <90 & >90

(US\$ M, % NPLs / Total Portfolio)

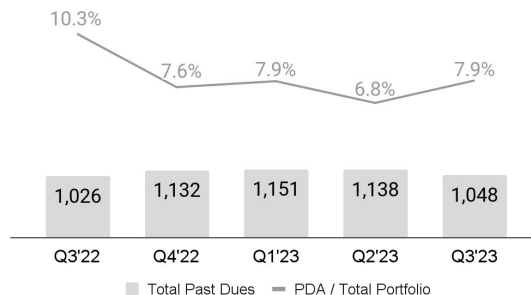


Our <90-day NPL edged slightly higher quarter-on quarter, driven by our Consumer and our Credit Card books.

Our >90-day NPL trended downwards for the third quarter. Buckets from 90 to 360 dpd decreased sequentially in absolute terms, thanks to the write off of a large portion of the 270+ dpd from Q2 (all fully provisioned). The largest portion of the USD improvement in longer NPLs is now concentrated over 210 dpd, continuing the downward trend we commenced in 2022.

Past dues and PDA¹

(US\$ M, % of Total Portfolio)

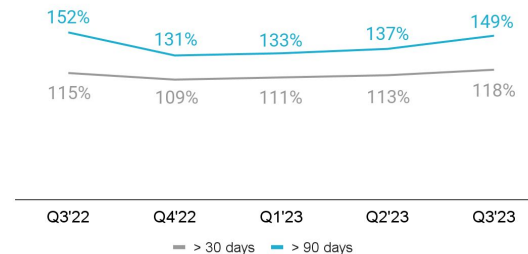


Our provision in Q3'23 was equivalent to 7.9% of the portfolio. The decrease in total past dues in dollar terms was due to continued prioritization of asset quality, and organic write off of previous cohorts.

¹ Provision for Doubtful Accounts

Provision Coverage

(% Allowance of Uncollectibles Provisions / NPLs)



Our conservative provisioning policy at inception and throughout the life of the loan ensures that we establish and retain high levels of coverage.



Q3'23 RESULTS

Financial Metrics

2

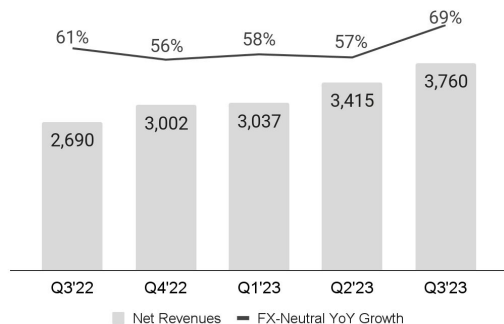


Financial Highlights

Margin expansion driven by cost dilution on the back of continued strong revenue growth

Net Revenues

(US\$ M, %)



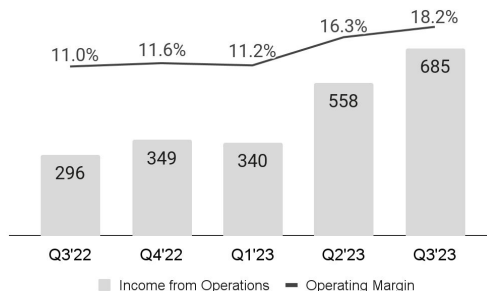
> **Net revenue up more than \$1 billion year-on-year, growing at 40% in US dollars and 69% on a FX-neutral basis.**

Commerce revenue reached \$2.1bn, growing at more than 76% YoY on an FX-neutral basis and 45% in USD.

Fintech revenues amounted to \$1.6bn, up 61% YoY on an FX-neutral basis and 33% in USD.

Income from Operations and Margin

(US\$ M, % of Net Revenues)



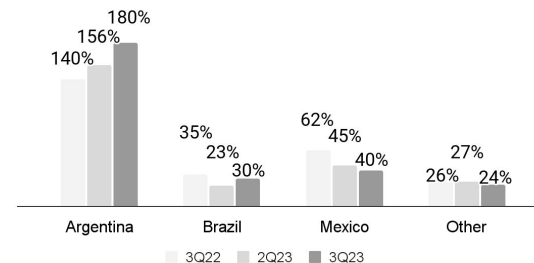
> **Income from operations more than doubled, with a YoY margin gain of 7.2ppts**

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.

Consolidated Net Revenues per Quarter

(FX-Neutral YoY Growth, %)



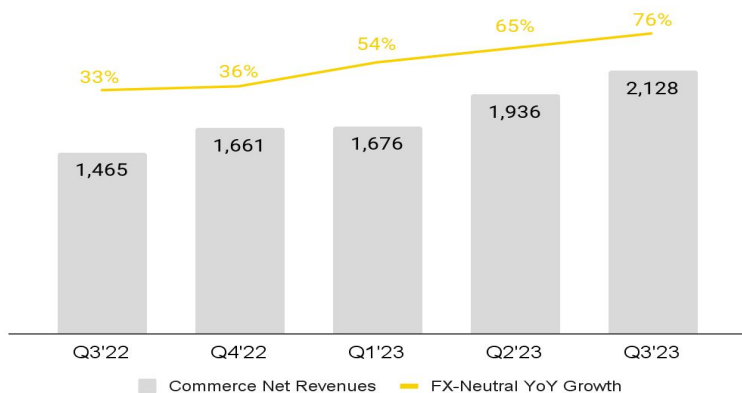
> **FX-neutral revenue growth remains strong in all of our geographic segments**

Financial Highlights

Commerce Revenue growth accelerated due to faster 3P GMV growth, a higher share of 1P and continued monetization efforts that drove the take rate higher

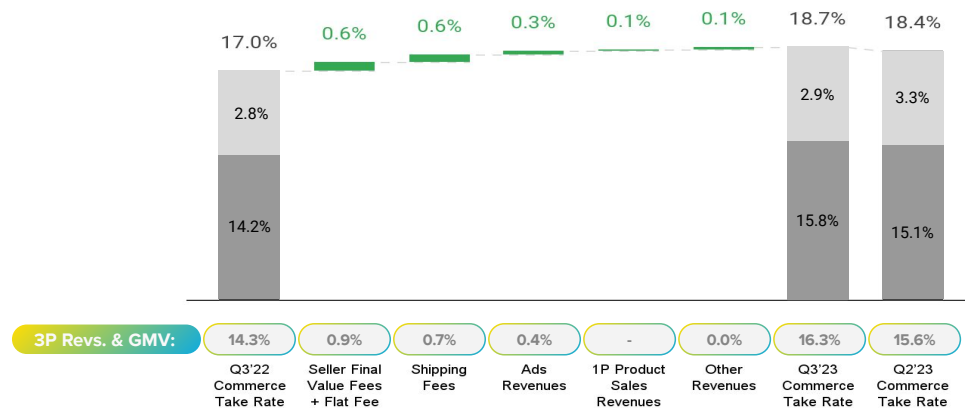
Commerce Net Revenues per Quarter

(US\$ M. %)



Commerce Take Rate¹

(YoY Growth)



■ 3P ■ 1P

Revenues from Commerce transactions are mainly generated from: Marketplace final value fees paid by sellers derived from intermediation services and related shipping fees, classified fees derived from classified advertising services and ad sales, revenues from inventories sales and related shipping fees.

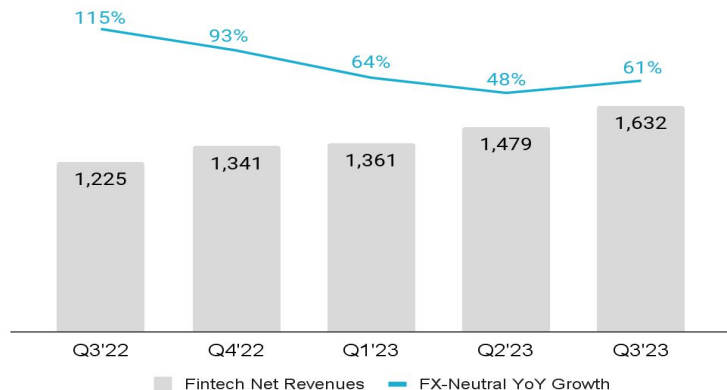
¹ Commerce Take Rate: Commerce Revenues as a % of Total GMV

Financial Highlights

Fintech Revenue growth remained high, but slowed as it lapped the 2022 peak of Credits growth

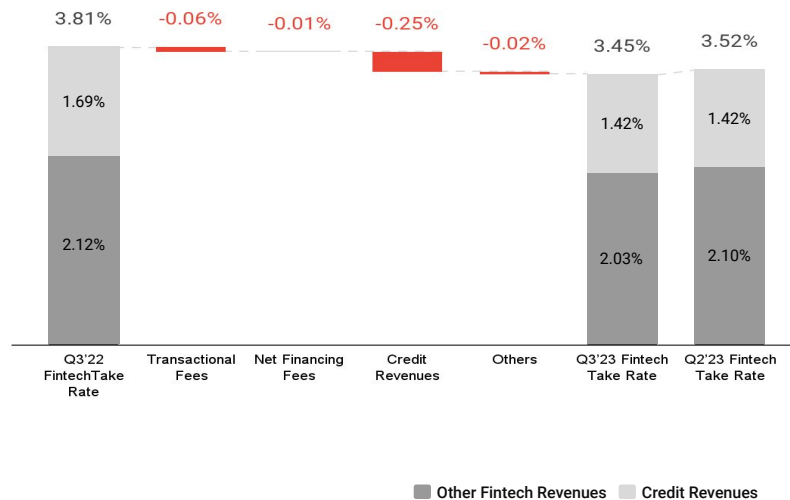
Fintech Net Revenues per Quarter

(US\$ M, %)



Fintech Take Rate¹

(YoY Growth)



Fintech revenues are generated from payments fees. Regarding our Mercado Pago service, we generate payment fees attributable to: commissions representing a percentage of the payment volume processed that are charged to sellers in connection with off Marketplace platform transactions; commissions from additional fees we charge when a buyer elects to pay in installments through our Mercado Pago platform for transactions that occur either on or off our Marketplace platform; commissions from additional fees we charge when our sellers elect to withdraw cash; commissions that we charge from transactions carried out with Mercado Pago credit and debit cards; interest cash advances and fees from merchant and consumer credits granted under our Mercado Credito solution; and revenues from the sale of mobile points of sale products and insurtech fees.

¹ Fintech Take Rate: Fintech Revenues as a % of Total TPV

Net Revenue Breakdown by Products and Services

Third Quarter & 9-month period 2023

3Q23 ¹ & 3Q22 ² (US\$ M)	Brazil		Argentina		Mexico		Others		Total	
	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22
	Commerce Services (a)	1,007	669	260	221	429	257	100	76	1,796
Commerce Products Sales (b)	204	111	50	69	70	54	8	8	332	242
Total Commerce Revenues	1,211	780	310	290	499	311	108	84	2,128	1,465
Fintech Services (c)	487	357	344	245	75	38	45	32	951	672
Credit Revenues (d)	304	287	171	139	195	115	2	1	672	542
Fintech Products Sales (e)	4	7	-	1	3	1	2	2	9	11
Total Fintech Revenues	795	651	515	385	273	154	49	35	1,632	1,225
Total Net Revenues	2,006	1,431	825	675	772	465	157	119	3,760	2,690
9M23 ³ & 9M22 ⁴ (US\$ M)	Brazil		Argentina		Mexico		Others		Total	
	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22
	Commerce Services (a)	2,615	1,877	727	602	1,160	702	293	234	4,795
Commerce Products Sales (b)	552	344	158	198	212	161	23	29	945	732
Total Commerce Revenues	3,167	2,221	885	800	1,372	863	316	263	5,740	4,147
Fintech Services (c)	1,375	1,059	927	636	198	97	134	86	2,634	1,878
Credit Revenues (d)	808	833	502	347	489	291	5	2	1,804	1,473
Fintech Products Sales (e)	15	21	3	4	7	6	9	6	34	37
Total Fintech Revenues	2,198	1,913	1,432	987	694	394	148	94	4,472	3,388
Total Net Revenues	5,365	4,134	2,317	1,787	2,066	1,257	464	357	10,212	7,535

¹ Figures for the three month period ended September 30, 2023; ² Figures for the three month period ended September 30, 2022; ³ Figures for the nine month period ended September 30, 2023; ⁴ Figures for the nine month period months ended September 30, 2022; (a) Includes final value fees paid by sellers derived from intermediation services and related shipping and storage fees, classified fees derived from classified advertising services and ad sales; (b) Includes revenues from inventory sales and related shipping fees; (c) Includes revenues from commissions the Company charges for transactions off-platform derived from use of the Company's payment solution, revenues as a result of offering installments for the payment to its Mercado Pago users, either when the Company finances the transactions directly or when the Company sells the corresponding financial assets, Mercado Pago credit and debit card fees and insurtech fees; (d) Includes interest earned on loans and advances granted to merchants and consumers, and interest earned on Mercado Pago credit card transactions; (e) Includes sales of mobile point of sales devices.



Q3'23 RESULTS

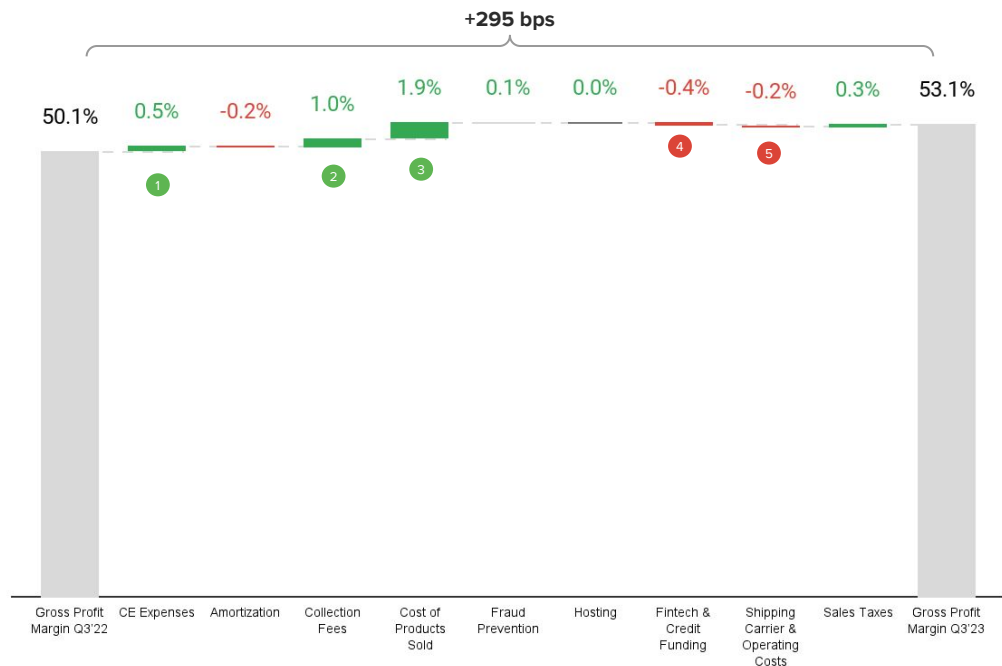
Margins

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Gross Profit Margin

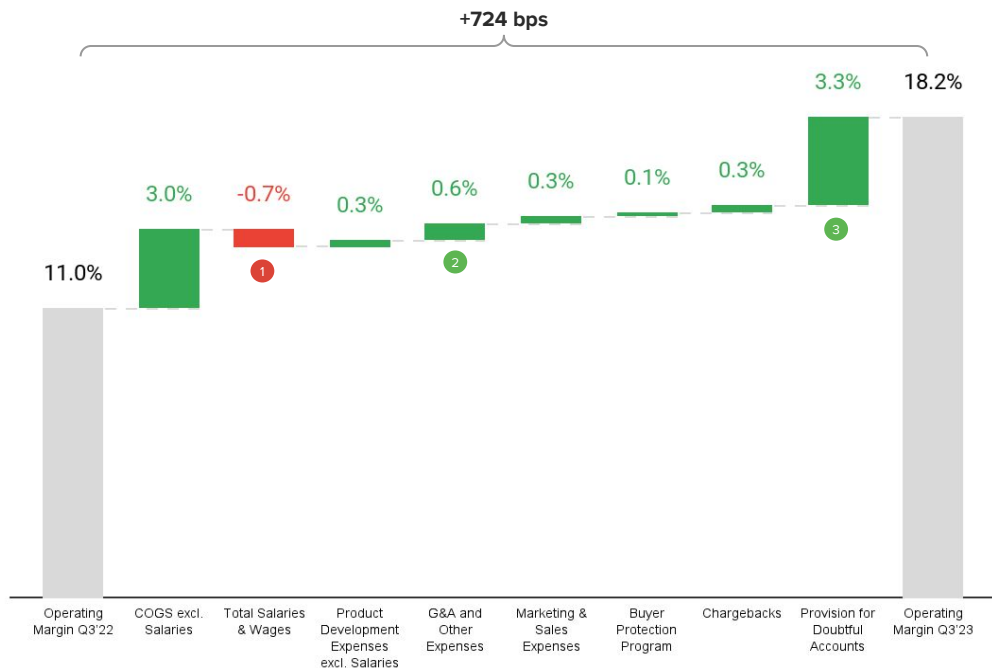
Gross margin expansion driven by cost dilution and efficiency, as well as lower POS device sales



- 1 Dilution of Customer Experience costs
- 2 Higher volumes through our own acquirer
- 3 Gains from lower POS device sales and better first-party product margins on broadly stable first-party contribution to sales
- 4 Higher funding costs, including CDBs related to Credits
- 5 Higher shipping operations costs, primarily due to the increase in fulfillment penetration.

Income from Operations Margin

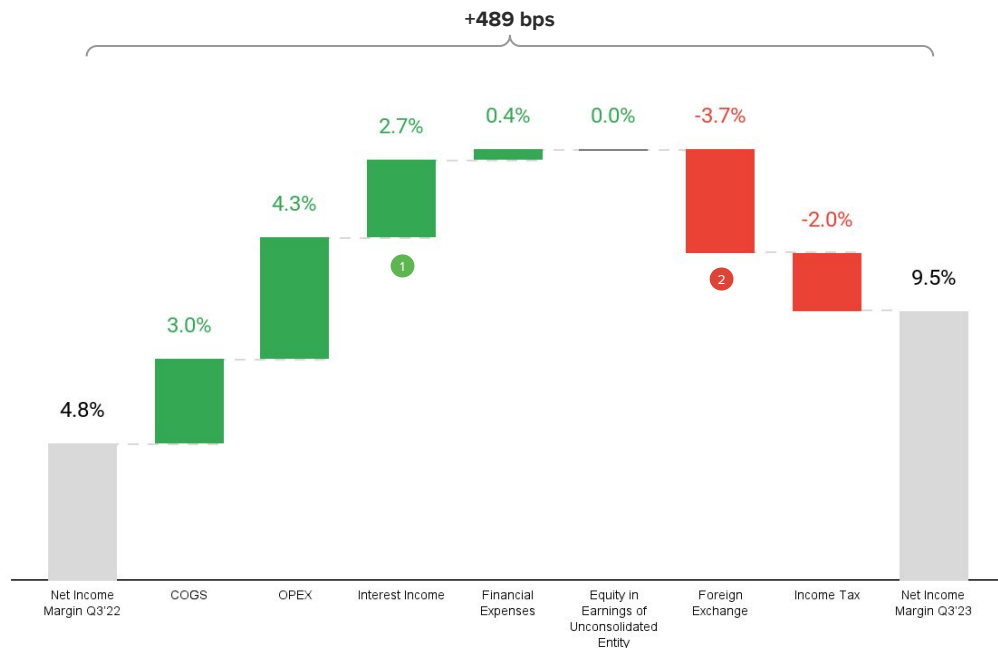
Strong margin gains on the back of operating leverage as the business continues to scale



- 1 Higher Product Development expenses, partly due to increase in headcount.
- 2 Dilution of operating expenses, particularly G&A
- 3 Better asset quality alongside limited growth in originations in the credit business, as well as dilution from other company revenue streams that grew at a faster pace than Credits.

Net Income Margin

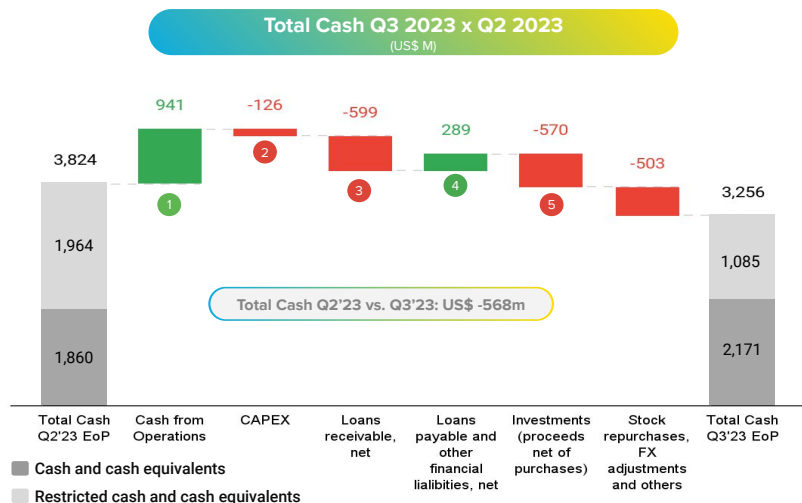
Strong Net Income margin expansion, driven by higher Income from Operations and margin expansion



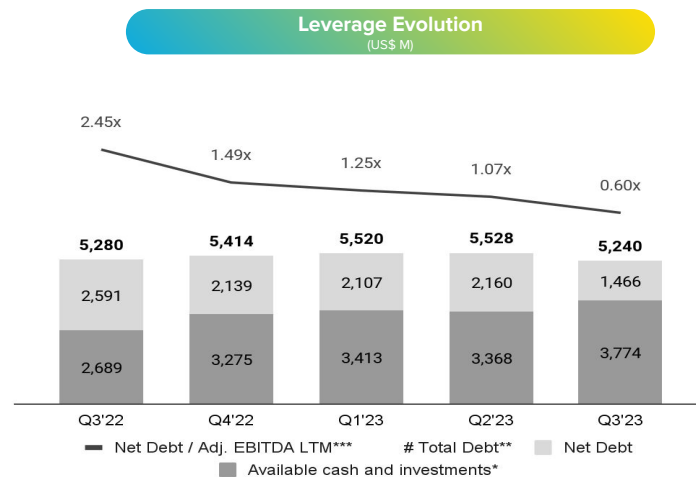
- Higher interest income from balances stored in the MercadoPago wallet, particularly in Brazil and Argentina, and interest income on corporate cash balance
- FX losses, primarily related to our share repurchase program in the Argentine market and, to a lesser extent, revaluation of assets & liabilities.

Cash Flow & Leverage

Available cash rose by US\$311M, resilient CFO and healthy leverage ratio



- 1 Higher profitability in Q3 partially offset by an increase in working capital investments
- 2 Continued investments in our managed logistics network
- 3 Growth of the Total Credit Portfolio
- 4 Higher third party funding for Credit Portfolio, partially offset by interest payments and FX fluctuations
- 5 Increase in short and long-term investments, both locally and in the US



> Cash flow from operations amounted to USD 941 MM, fuelled by robust quarterly income from operations.

Credit portfolio growth continues to be cautious but nonetheless delivers firm profitability. Funding strategies across all geographies remain unaltered.

Leverage ratios continue in a downward trend, following an increase in available cash and ongoing partial exercise of the 2028 Convertible Notes

* Cash and cash equivalents and total investments (excl. restricted BACEN securities, securitization transactions and equity securities held at cost)

** Total loans payable and other financial liabilities plus total lease liabilities

*** Adjusted EBITDA is calculated LTM



Q3'23 RESULTS

Appendix 4



Q3'23 Results

Thank You

MercadoLibre, Inc.



> November 1st, 2023

