

Mercado Livre announces acquisition of Kangu, a Latin American logistics operator

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SÃO PAULO, Aug. 25, 2021 (GLOBE NEWSWIRE) -- Mercado Livre, Latin America's leading e-commerce and financial services technology company, has announced its acquisition of [Kangu](#), a Brazilian logistics company that operates in Brazil, Colombia and Mexico. Mercado Livre, which was already a strategic partner, expanded its participation with the acquisition of the entire company. This is consistent with the platform's strategy of increasing investment across its logistics network to boost efficiency for sellers and offer its thousands of customers the fastest delivery times in Brazil.

Over 40 thousand sellers currently use the Kangu network in the three countries where it operates. Kangu has more than 5,000 collection and delivery points, more than half of them in Brazil. The company serves a wide variety of companies including Mercado Livre, connecting e-commerce sellers to its network of neighborhood partners such as pet shops, stationers and other local stores. These stores form a high capillarity network of collection points where sellers can leave their products for delivery, or delivery points where customers can pick up their orders.

"Kangu is already an important part of our ecosystem, with over 5,000 locations connecting Mercado Livre buyers and sellers. The deal will increase operational efficiency and capillarity as we maintain our focus on delivering to Brazilian customers as quickly as possible," said

Renato Pereira, Corporate Development director for Mercado Livre. "During the pandemic, when order volumes rose, Kangu's ancillary network played a major role in increasing delivery efficiency," Renato added. Apart from the notable growth in e-commerce, the acquisition is part of Mercado Livre's rapid expansion, especially in Brazil, and will help grow its logistics network.

"We develop solutions in-house while also looking for partners and opportunities to democratize e-commerce and keep reducing delivery times," said Leandro Bassoi, Mercado Livre's vice-president of Logistics for Latin America. The company currently offers next-day deliveries in 2.1 thousand Brazilian cities and same day deliveries to dozens of locations. "Apart from the logistics synergies, Kangu will increase operational sustainability with

alternatives that reduce vehicle traffic and emissions and increase our social impact, generating income for the small stores that make up its network,” said Bassoi.

In 2020, Kangu’s revenues grew by a factor of 100 year on year. In addition to its pick-up and drop-off points, the company’s business model includes shipping services supported by external partners and reverse logistics. Kangu has been able to optimize deliveries and offer additional services thanks to its investment in technology, especially intelligent data management.

“In the past few years the Mercado Livre partnership has driven rapid growth across our operation and we will continue growing to better serve our current and future customers,” said

Marcelo Guarnieri, Kangu founder and co-CEO. “We already operate 2.6 thousand points and five of our own cross-docking site in Brazil alone. We expect this to rise to 3.5 thousand points and 13 cross-docking sites by December.”

Kangu will remain independent and will continue to be managed by its co-CEOs. It will continue its strategy of attracting new e-commerce sellers who require efficient collection, delivery and reverse logistics solutions. “Kangu’s market share has mainly risen because of the positive impact we have across the chain. We will continue serving Mercado Livre and other companies and developing new services,” noted

Ricardo Araujo, Kangu founder and co-CEO.

The Kangu acquisition will reinforce Mercado Livre’s business ecosystem as part of its strategy which involves the provision of services from third-party logistics companies, reducing delivery times and expanding capacity at Mercado Envios, its logistics arm. This business unit shipped over 230.5 million items in the second quarter, up 46.4% from Q2 2020. The transaction is subject to approval from competition regulators.

About Mercado Livre

Mercado leader is Latin America’s leading e-commerce and financial services technology company. It offers solutions that allow people and companies to buy, sell, pay for, advertise and ship products and services over the Internet. In addition to its e-commerce platform and Mercado Pago fintech, the company also operates in the following areas:

Mercado Envios, Mercado Livre VIS (Vehicles, Property and Services), Mercado Ads and Mercado Shops. Mercadolivre.com, which is Latin America’s biggest and most comprehensive marketplace, has 75.9 million active users and over 12 million sellers, including a number of major brands. The site makes 29 sales a second.

Mercado Pago, which has more than 62.1 million active payers, offers a fully-fledged financial technology platform with free accounts alongside payment and credit solutions. Founded in 1999 and currently operating in 18 countries, Mercado Livre is the only Latin American company in the top 10 World’s Best Workplaces, according to the GPTW 2020.

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