

Q3'24 Results

# Investor Presentation

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MercadoLibre, Inc.

> November 6<sup>th</sup>, 2024



# Disclaimers

Third Quarter 2024

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This presentation may contain forward-looking statements including, but not limited to, statements regarding MercadoLibre, Inc.'s expectations, objectives and progress against strategic priorities; initiatives and strategies related to our products and services; business and market outlook, opportunities, strategies and trends; impacts of foreign exchange; the potential impact of the uncertain macroeconomic and geopolitical environment on our financial results; customer demand and market expansion; our planned product and services releases and capabilities; industry growth rates; future stock repurchases; our expected tax rate and tax strategies; and the impact and result of pending legal, administrative and tax proceedings.

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.

Certain financial measures included in this report are not measures of financial performance under U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, net debt, foreign exchange ("FX") neutral measures, Adjusted free cash flow and net increase (decrease) in available cash and investments.

A reconciliation of Non-GAAP measures can be found in our Third Quarter 2024 earnings press release, available on our investor relations website, and in the section entitled "Non-GAAP Measures of Financial Performance" of our upcoming quarterly report on Form 10-Q for the quarter ended September 30, 2024.

All the information included in this presentation is updated as of September 30, 2024. 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 31<sup>st</sup>, 2023 and upcoming quarterly report on Form 10-Q for the quarter ended September 30, 2024, 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 2024

**GMV**

**US\$12.9BN**

+14% YoY

+71% FXN<sup>1</sup> YoY

**ITEMS SOLD**

**455.9MM**

+28% YoY

**TOTAL TPV**

**US\$50.7BN**

+34% YoY

+73% FXN YoY

**CREDIT PORTFOLIO**

**US\$6.0BN**

+77% YoY

**NET REVENUE AND  
FINANCIAL INCOME**

**US\$5.3BN**

+35% YoY

+103% FXN YoY

**INCOME FROM  
OPERATIONS**

**US\$557MM**

10.5% Margin

**NET INCOME**

**US\$397MM**

7.5% Margin

**ADJUSTED FREE  
CASH FLOW<sup>2</sup>**

**US\$(203)MM**

-127% YoY

<sup>1</sup> FX-Neutral basis (Please see Q3'24 Shareholder Letter for reconciliation to nearest GAAP measure)

<sup>2</sup> Adjusted Free Cash Flow (Please see Non-GAAP section of Q3'24 Shareholder Letter for further information on this metric)

# Key Messages

Third Quarter 2024

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- **Outstanding operational KPIs:** Unique Buyers grew at 21% YoY to almost 61mn. This is the fastest growth since the Covid pandemic and was driven by all our initiatives aimed at driving offline retail online. Fintech MAU\* also grew strongly, up 35% YoY to 56mn.
  - **Strong GMV trends:** FX-neutral GMV growth in Q3'24 hit 34% YoY in Brazil and 27% YoY in Mexico as our investments continue to unlock the potential of the shift of offline to online commerce in Latin America. In Argentina, items sold growth accelerated to 16% as consumption trends improved.
  - **Credit growing at pace:** Mercado Pago's credit portfolio reached \$6bn in Q3'24. This is an increase of 77% YoY, with growth in all products and geographies. The credit card grew at the fastest rate of 172% YoY, with the portfolio reaching \$2.3bn (which has led to a negative mix effect on NIMAL\*\*\* spreads).
  - **Acquiring continues to scale:** Acquiring TPV growth remains solid in all markets, with FX-neutral growth of 30% YoY in Brazil and 46% YoY in Mexico. In Argentina, Acquiring TPV growth picked up in real terms (discounting inflation).
  - **Investment leads to short-term margin pressure:** We continue to invest across the business as we capitalize on the long-term, structural growth opportunities offered in Latin America. This led to strong revenue growth of 35% YoY, and approximately 7.4ppt of YoY margin pressure (on a comparable basis). See slide 19 for more detail.
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Tune into our IR Podcast series to learn more about Mercado Libre's competitive advantages.

[Listen here](#)





# Agenda

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**1.** Quarterly Highlights

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**2.** Financial Metrics

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**3.** Margins

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**4.** Appendix

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Q3'24 Results

# Quarterly Highlights

# 1

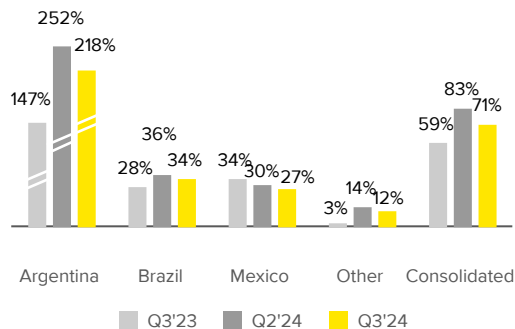




# Marketplace Highlights

Strong GMV and Items Sold growth with Unique Buyers rising at the fastest rate since 2021

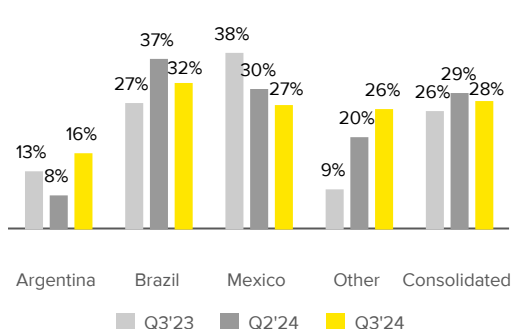
**Gross Merchandise Volume**  
(FX-Neutral YoY Growth)



**> Strong GMV growth remains strong**

Growth trends are encouraging across markets. Brazil continues to stand out, with FX-neutral GMV growth of 34% YoY in Q3'24. This continues a strong trend, despite a high comparison base.

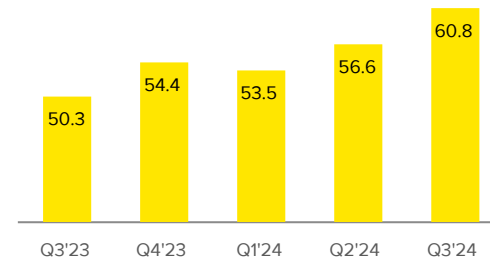
**Items Sold**  
(% YoY Growth)



**> Items Sold grew 28% YoY**

This is broadly in-line with Q2'24, which had the fastest growth since Q1'21. Brazil and Mexico are performing well, whilst trends in Argentina have improved significantly. This is being driven by our growth initiatives and better consumption trends more broadly in Argentina.

**Unique Active Buyers**  
(MM)



**> Unique Buyers grew 21% YoY**

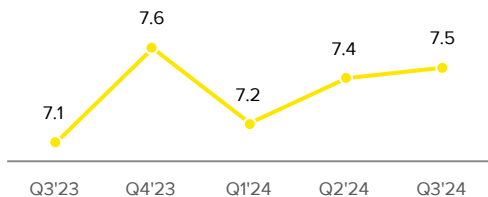
This is the fastest growth since Q2'21. Growth in Brazil and Mexico was broadly stable at high levels, and Argentina's growths improved QoQ.



# Marketplace Highlights

Frequency continues to build on the back of strong service levels

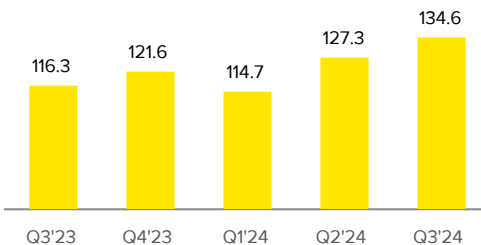
**Items Sold per Unique Buyer**  
(Units)



**> Items Sold per Buyer grew 6% YoY**

This is despite a record number of new buyers in Q3'24. All geographies segments are growing, with Brazil standing out.

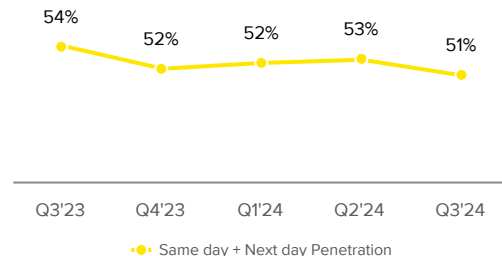
**Same & Next Day Shipments**  
(MM)



**> Same & Next day shipments grew 16% YoY**

We shipped a record number of items that arrived at the buyer's home on the same or next day.

**Same & Next Day Shipments Penetration**  
(% of total)



**> Same & Next day fell slightly YoY**

This is partly due to the increase of Meli Delivery Day and other slow shipment methods, whereby users choose a slower shipment method for convenience of lower cost.

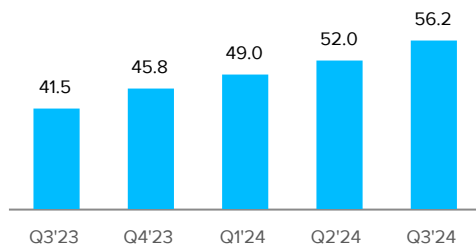




# Fintech Services Highlights

Engagement with Mercado Pago is strengthening

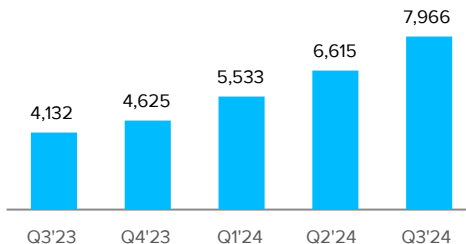
**Fintech Monthly Active Users<sup>1</sup>**  
(MM)



> MAU growth remained strong at 35% YoY

All major countries showed strong growth trends, with Brazil growing ahead of the average. We continue to see good momentum in Argentina on the back of the strength of the Mercado Pago value proposition in the current inflationary environment.

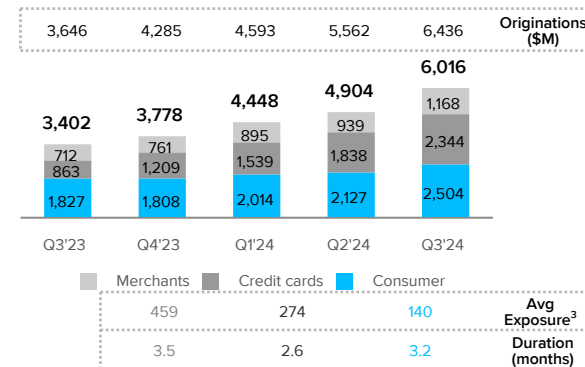
**Assets Under Management<sup>2</sup>**  
(US\$ MM)



> AUM growth picked up to 93% YoY

AUM in Brazil grew at the fastest pace of our three major geographies, and we continue to see strong inflows in Argentina. We continue to see millions of new users of our remunerated account, which points to the strength of the value proposition.

**Credit Portfolio**  
(US\$ M)



> Credit growth accelerated to 77% YoY

Stable asset quality and good accuracy from our credit underwriting models mean we continue to grow the credit portfolio at an accelerated pace, with the credit card growing most at 172% YoY.

<sup>1</sup> Fintech monthly active users is defined as Fintech payers and/or collectors as of September 30, 2024, that, during the last month of the reporting period, performed at least one of the following actions during such month: 1) made a debit or credit card payment, 2) made a QR code payment, 3) made an off-platform online payment using our checkout or link of payment solutions while logged in to our Mercado Pago fintech platform, 4) made an investment or employed any of our savings solutions, 5) purchased an insurance policy, 6) took out a loan through our Mercado Credito solution, or 7) received the payment from a sale or transaction either on or off marketplace; <sup>2</sup> Includes asset under management related to remunerated accounts, savings and investments, and non-invested balances; <sup>3</sup> Avg Exposure per user US\$ = Portfolio end of period / Credit Active Users per book

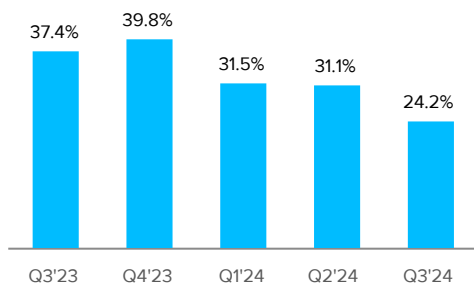


# Fintech Services Highlights

Lower spreads amidst portfolio growth and asset quality improvement

## Net Interest Margin After Losses

(% of avg portfolio)



Net Interest Margin After Losses (NIMAL) = Credit Revenues<sup>1</sup>  
(-) Provision for doubtful accounts (-) Funding Costs

> **13 ppts compression mainly explained by three strategic factors:**

Firstly, above-average-growth of the credit card portfolio (from 25% to 39% of total portfolio), heightened by it being a lower NIMAL product.

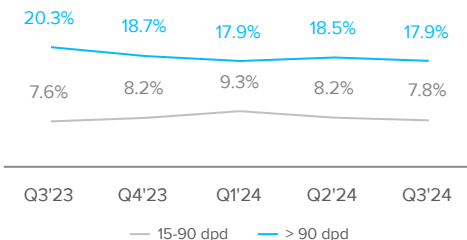
Secondly, move upmarket to lower risk users with lower margin loans.

Finally, accelerated pace of originations with higher upfront provisions.

<sup>1</sup> Credit Revenues includes credit card interchange fees

## Past Dues 15-90 & >90

(% NPLs / Total Portfolio)

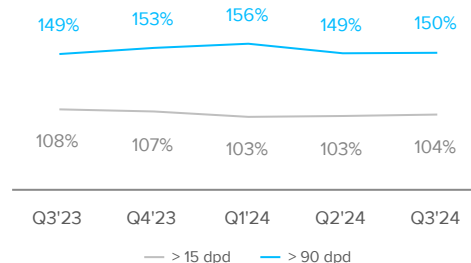


> **Broadly neutral 15-90 dpd NPLs YoY, with 0.4% QoQ improvement**

A shift towards lower risk cohorts in the consumer and the merchant portfolio explain the QoQ improvement. The sequential growth in the portfolio contributed to overall NPLs decrease.

## Provision Coverage

(% Allowance of Doubtful Accounts / NPLs)



> **Coverage remains >100% for all buckets**

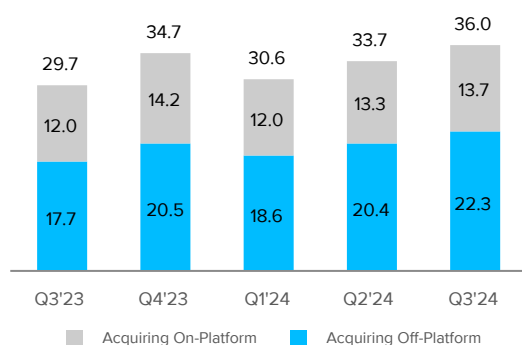
Our provisioning policy remains unchanged.



# Acquiring Highlights

Growth momentum in Acquiring remains strong

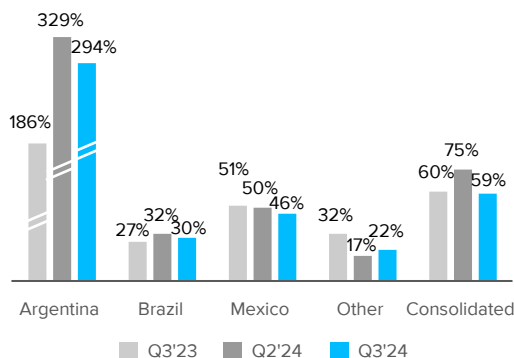
**Acquiring TPV**  
(US\$ Bn)



> **Acquiring TPV reached \$36bn**

Acquiring TPV growth of 21% YoY was strong, despite FX headwinds across all markets.

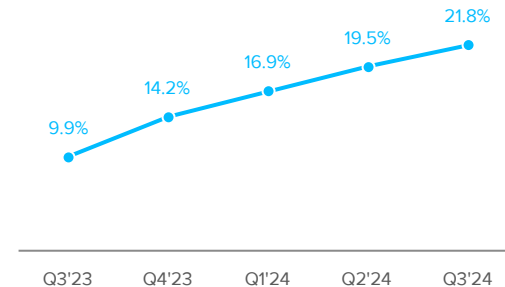
**Acquiring TPV per Country**  
(FX-Neutral YoY Growth)



> **Acquiring TPV growth remained healthy on an FX-neutral basis**

Growth was robust in Argentina, Brazil and Mexico. FX-neutral POS growth improved sequentially in Brazil, was still in the triple digits in Mexico and well ahead of inflation in Argentina.

**Monthly Active Sellers with Credit**  
(% of total)



> **Cross-sell to merchants continues to rise**

Cross-selling additional services to our merchants is an important element of our strategy to leverage the MELI ecosystem. Cross-sell of credit rose as a percentage of the merchant base in Q3'24, driven primarily by In-Store merchants across all geographies.

Q3'24 Results

# Financial Metrics

# 2



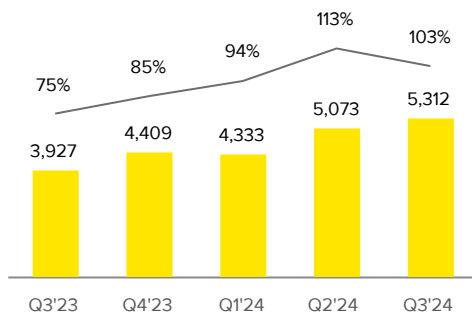


# Financial Metrics

Record quarterly revenue, which continues to show very strong growth

## Net Revenues

(US\$ M, FX-Neutral YoY Growth)

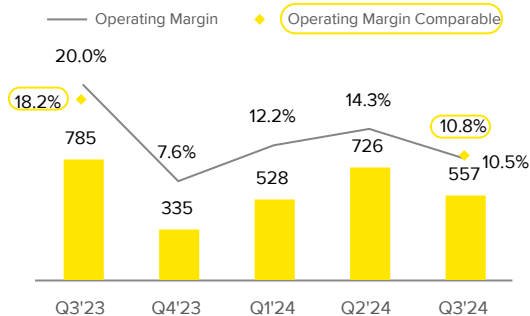


### > Revenue growth remains strong

Revenue grew at 35% YoY in US Dollars, despite headwinds from FX. Roughly 13ppts of growth due to shipping reporting updates explained in our Q1'24 Shareholder Letter.

## Income from Operations<sup>1</sup> and Margin

(US\$ M, % of Net Revenues)

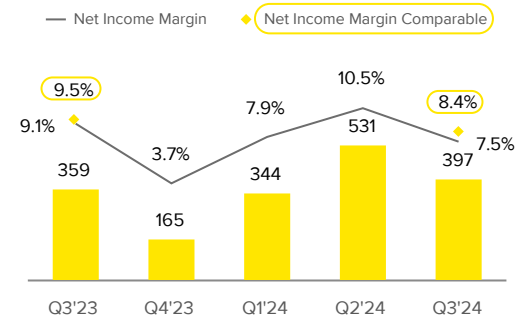


### > Income from operations down YoY

The largest single driver of the YoY compression in margin was higher bad debt. This was due to the credit portfolio's rapid growth and the shift in mix to the credit card, which has higher bad debt as a percentage of revenue than other products. For more details, please see slide 19.

## Net Income<sup>2</sup> and Margin

(US\$ M, %)



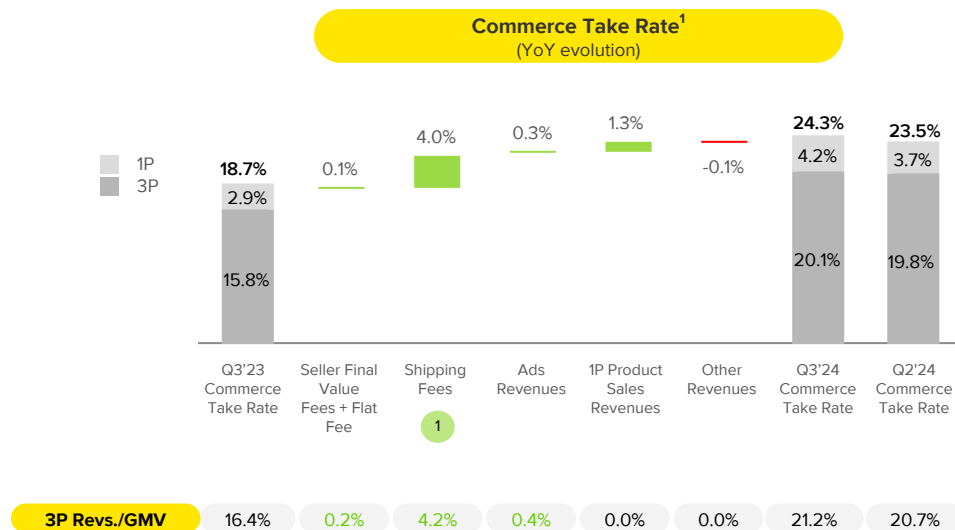
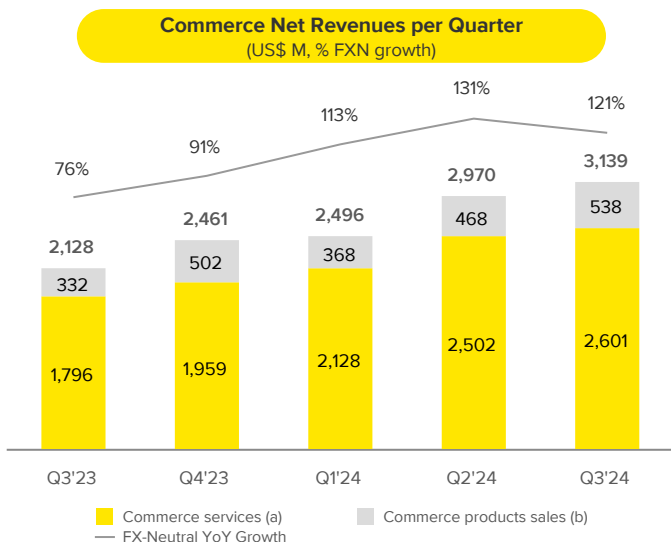
### > Net income grows 11% YoY

Lower FX losses and a lower tax rate offset the YoY decline in income from operations.



# Financial Metrics

Commerce monetization improved YoY, with higher Ads penetration

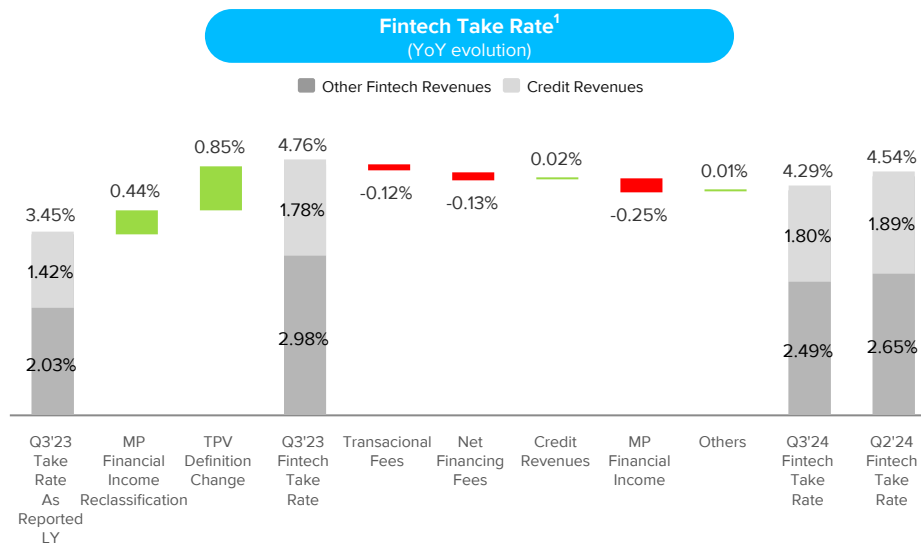
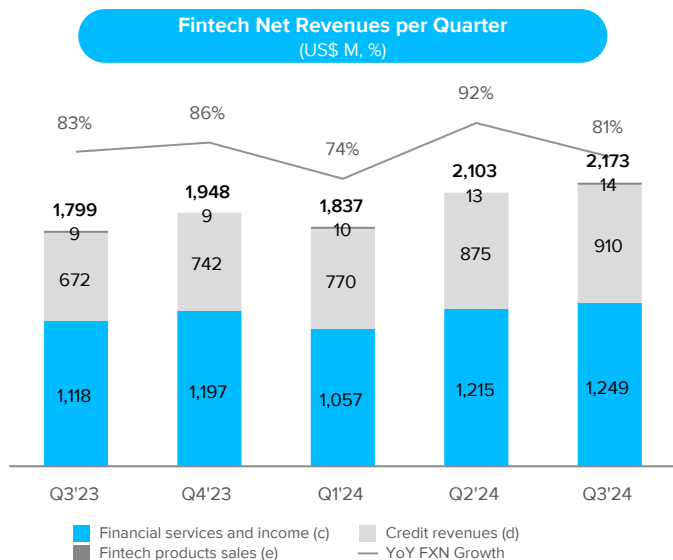


**1** All of this overall gain was due to the increase in shipping revenues where Mercado Libre is considered Principal (with revenue booked on a gross basis), as explained in the Q1'24 Shareholder Letter.



# Financial Metrics

Most pressure on take rate was due to lower financial income (lower rates in Argentina) and the move upmarket in Brazil, which pressures transactional and net financing fees



TPV\* (US\$ BN)

47.3\*\*

37.8

50.7

46.3

Figures presented based on the recast condensed statement of income for fiscal year 2023. See the appendix to this presentation and our upcoming quarterly report on Form 10-Q for the period ended September 30, 2024, for more information

For more details on revenues definitions (c), (d) and (e), please refer to notes on page 16 of this presentation.

<sup>1</sup> Fintech Take Rate: Fintech Revenues as a % of Total TPV

\* As of January 1, 2024, we have excluded Mercado Pago to Mercado Pago peer-to-peer transfers from our TPV. Please refer to the Other Data section of our quarterly report on Form 10-Q for the quarter ended September 30, 2024 for further information.

\*\* Previously reported TPV



# Net Revenue Breakdown by Products and Services

## Third Quarter 2024

Q3'24 <sup>1</sup> & Q3'23 <sup>2</sup> (US\$ M)	Brazil		Mexico		Argentina		Others		Total	
	3Q24	3Q23	3Q24	3Q23	3Q24	3Q23	3Q24	3Q23	3Q24	3Q23
Commerce Services (a)	1,452	1,007	647	429	358	260	144	100	2,601	1,796
Commerce Product Sales (b)	357	204	111	70	53	50	17	8	538	332
<b>Total Commerce Revenues</b>	<b>1,809</b>	<b>1,211</b>	<b>758</b>	<b>499</b>	<b>411</b>	<b>310</b>	<b>161</b>	<b>108</b>	<b>3,139</b>	<b>2,128</b>
Financial services and income (c)	597	544	137	98	458	429	57	47	1,249	1,118
Credit Revenues (d)	499	304	246	195	163	171	2	2	910	672
Fintech Product Sales (e)	8	4	4	3	1	—	1	2	14	9
<b>Total Fintech Revenues</b>	<b>1,104</b>	<b>852</b>	<b>387</b>	<b>296</b>	<b>622</b>	<b>600</b>	<b>60</b>	<b>51</b>	<b>2,173</b>	<b>1,799</b>
<b>Total Net Revenues and Financial Income</b>	<b>2,913</b>	<b>2,063</b>	<b>1,145</b>	<b>795</b>	<b>1,033</b>	<b>910</b>	<b>221</b>	<b>159</b>	<b>5,312</b>	<b>3,927</b>

Figures presented based on the recast condensed statement of income for fiscal year 2023. See the appendix to this presentation and our upcoming quarterly report on Form 10-Q for the period ended September 30, 2024, for more information

<sup>1</sup> Figures for the three month period ended September 30, 2024; <sup>2</sup> Figures for the three month period ended September 30, 2023; For nine months figures please refer to our quarterly report on Form 10-Q for the quarter ended September 30, 2024.

(a) Includes final value fees and flat 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 and asset management product, 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, interest earned on cash and investments as part of Mercado Pago activities, including those required due to fintech regulations, net of interest gains pass through our Brazilian users in connection with our asset management product, Mercado Pago debit card commissions and insurtech fees; (d) Includes interest earned on loans and advances granted to merchants and consumers, and interest and commissions earned on Mercado Pago credit card transactions; (e) Includes sales of mobile point of sales devices.



Q3'24 Results

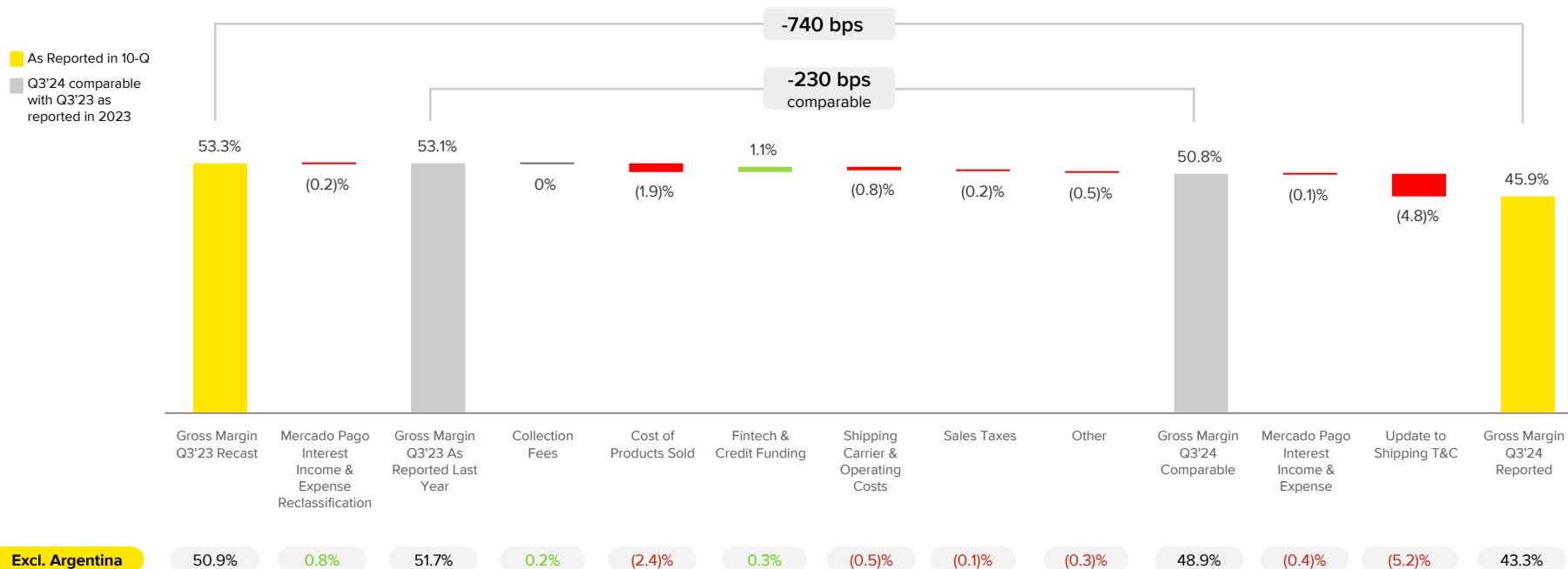
# Margins 3





# Gross Profit Margin

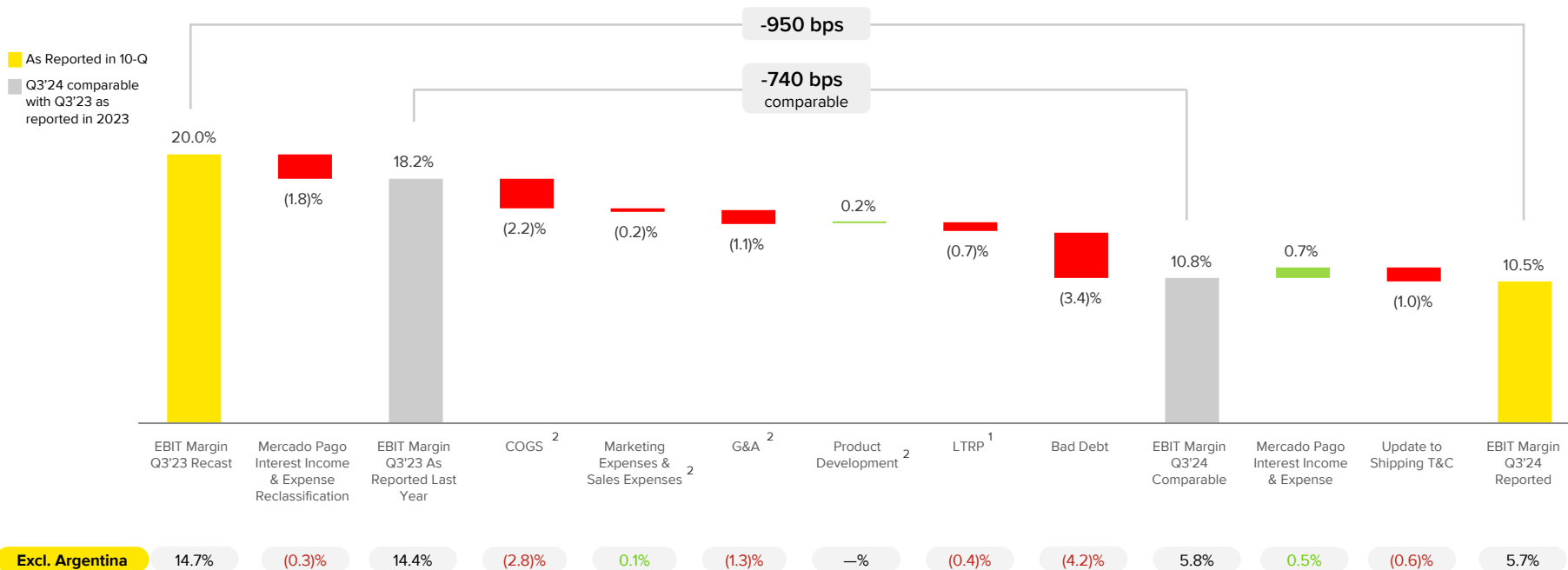
Lower gross margin on a comparable basis due primarily to 1P mix effect and investments in logistics





# Income from Operations Margin

Higher bad debt, due to growth and mix shift of the credit portfolio, was the main driver of margin pressure; other headwinds include G&A and the LTRP (for more detail, see our Shareholder Letter)

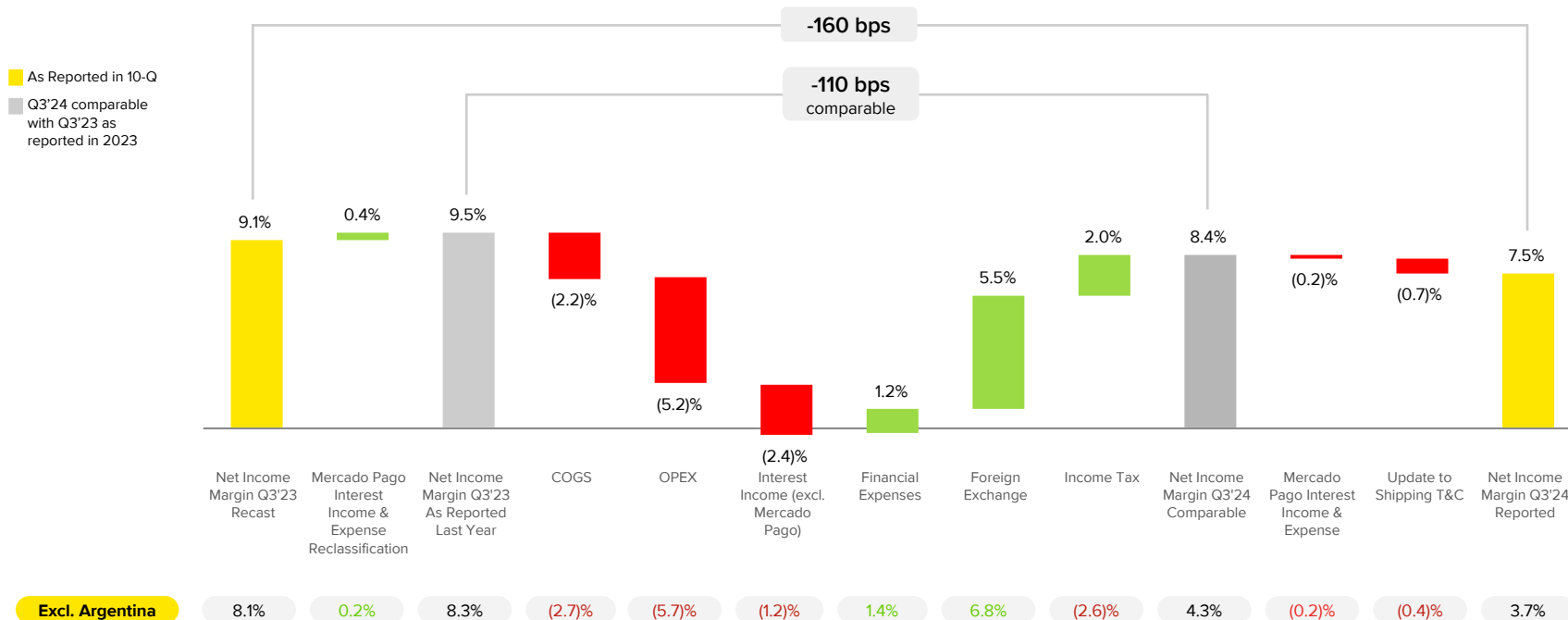


<sup>1</sup> LTRP = long term retention plan; <sup>2</sup> Figures presented exclude LTRP



# Net Income Margin

Lower FX losses and a lower tax rate helped to partially offset margin pressure from higher opex

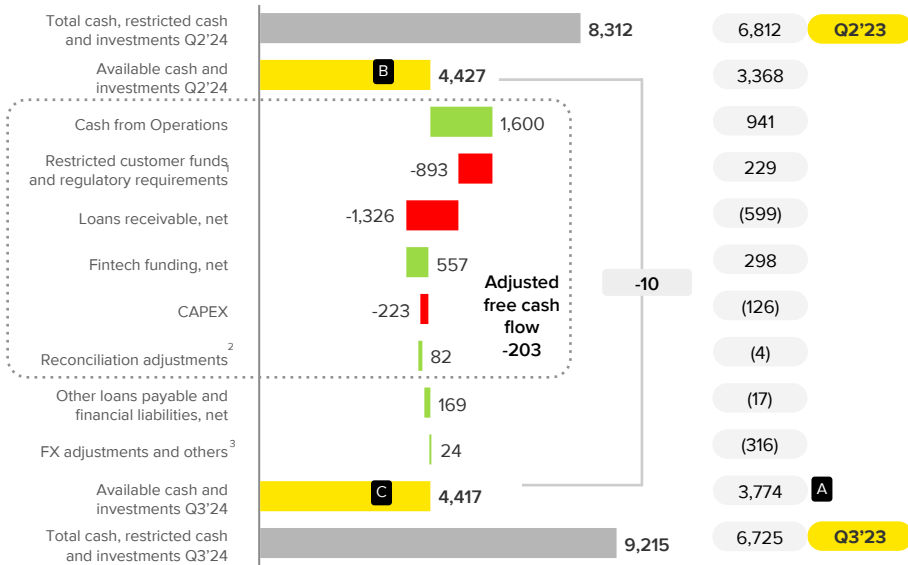




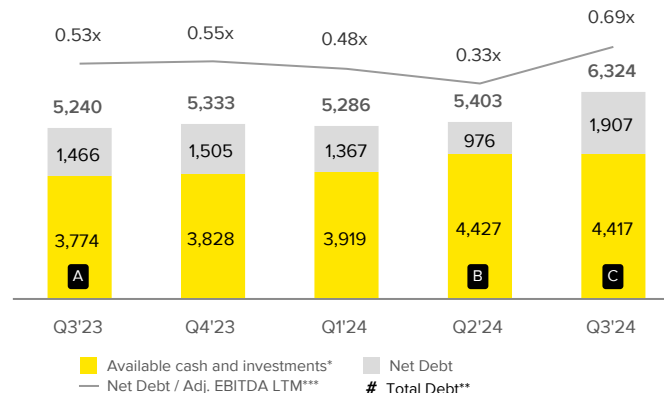
# Cash Flow & Leverage

Broadly stable available cash and investments, paired with improving leverage

**Quarterly Total Cash**  
(US\$ M)



**Leverage Evolution**  
(US\$ M)



> **Adjusted free cash flow consumption of US\$203M, mostly explained by acceleration of credit portfolio growth.**

Operational cash generation net of restricted customer funds and other restrictions decreased YoY mostly related to an increase in restricted funds because of a calendar effect. Third party funding for credit portfolio remains stable. Leveraged increased sequentially fuelled by the growth of the credit portfolio.

<sup>1</sup> Includes equity securities held at cost.

<sup>2</sup> Includes accrued interest and financial income net of interest received from available and restricted investments.

<sup>3</sup> Includes the effect of exchange rate changes on available cash and investments, and other investing and/or financing activities

\* Includes cash and cash equivalents, short-term investments (excluding time deposits and foreign government debt securities restricted and held in guarantee) and long-term investments (excluding investments held in VIEs as a consequence of securitization transactions and equity securities held at cost)

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

\*\*\* Adjusted EBITDA is calculated LTM. Reconciliation can be found in the shareholder letter.

Q3'24 Results

# Appendix 4





# Operational & Financial Factsheet

## Third Quarter 2024

### Volumes (US\$ M, %)

GMV (FX-Neutral growth)	12,907	71.2%
Items Sold (units)	456	27.7%
Live Listings (units)	452	(1.1)%
Managed Network Penetration (%)	94.5%	30 bps
TPV (FX-Neutral growth)	50,691	72.7%
TPV Acquiring (FX-Neutral growth)	36,042	59.4%
TPV Fintech Services (FX-Neutral growth)	14,650	124.1%
TPN (units, MM)	2,936	47.5%
Assets Under Management <sup>2</sup> (US\$ growth)	7,966	92.8%
Credit Portfolio (US\$ growth)	6,016	76.8%
Merchant (US\$ growth)	1,168	64.0%
Consumer (US\$ growth)	2,504	37.1%
Credit Card (US\$ growth)	2,344	171.6%

### Users (MM)

Unique Active Buyers (units)	60.8	20.8%
Fintech Monthly Active Users (units)	56.2	35.4%

### P&L (US\$ M, %)

Net Revenues (FX-Neutral growth)	5,312	102.7%
Commerce Revenues (FX-Neutral growth)	3,139	121.1%
Fintech Revenues (FX-Neutral growth)	2,173	81.0%
Gross Profit (FX-Neutral growth)	2,439	89.3%
Gross Profit Margin (%)	45.9%	-740 bps
Income from Operations (FX-Neutral growth)	557	51.6%
Operating Margin (%)	10.5%	-950 bps
Net Income (Net Income Margin %)	397	7.5%

### Net Revs. per Country<sup>1</sup> (US\$ M, %)

Brazil	2,913	41.2%
Commerce	1,809	49.4%
Fintech	1,104	29.6%
Argentina	1,033	13.5%
Commerce	411	32.6%
Fintech	622	3.7%
Mexico	1,145	44.0%
Commerce	758	51.9%
Fintech	387	30.7%
Other Countries	221	39.0%
Commerce	161	49.1%
Fintech	60	17.6%
Consolidated	5,312	35.3%
Commerce	3,139	47.5%
Fintech	2,173	20.8%

Figures presented based on the recast condensed statement of income for fiscal year 2023. See our upcoming quarterly report on Form 10-Q for the period ended September 30, 2024, for more information.

Note: Growth rates presented on a yearly basis, except as otherwise stated.

<sup>1</sup> Consolidated Net Revenues for the quarter ended September 30, 2024.

<sup>2</sup> Includes asset under management related to remunerated accounts, savings and investments, and non-invested balances.



# Reclassification of MercadoPago interest income & expense

	Three Months Ended March 31, 2023	Three Months Ended June 30, 2023	Three Months Ended September 30, 2023			Three Months Ended December 31, 2023	For the year ended December 31, 2023
	Recast (In millions)	Recast (In millions)	As reported	Reclassification	Recast	Recast (In millions)	Recast (In millions)
Net service revenues and financial income	2,912	3,221	3,419	167	3,586	3,898	13,617
Net product revenues	274	364	341	—	341	511	1,490
<b>Net revenues and financial income</b>	<b>3,186</b>	<b>3,585</b>	<b>3,760</b>	<b>167</b>	<b>3,927</b>	<b>4,409</b>	<b>15,107</b>
Cost of net revenues and financial expenses	(1,572)	(1,754)	(1,765)	(67)	(1,832)	(2,359)	(7,517)
<b>Gross profit</b>	<b>1,614</b>	<b>1,831</b>	<b>1,995</b>	<b>100</b>	<b>2,095</b>	<b>2,050</b>	<b>7,590</b>
<b>Operating expenses:</b>							
Product and technology development	(381)	(368)	(396)	—	(396)	(686)	(1,831)
Sales and marketing	(383)	(383)	(441)	—	(441)	(529)	(1,736)
Provision for doubtful accounts	(252)	(222)	(277)	—	(277)	(299)	(1,050)
General and administrative	(180)	(189)	(196)	—	(196)	(201)	(766)
<b>Total operating expenses</b>	<b>(1,196)</b>	<b>(1,162)</b>	<b>(1,310)</b>	<b>—</b>	<b>(1,310)</b>	<b>(1,715)</b>	<b>(5,383)</b>
<b>Income from operations</b>	<b>418</b>	<b>669</b>	<b>685</b>	<b>100</b>	<b>785</b>	<b>335</b>	<b>2,207</b>
<b>Other income (expenses):</b>							
Interest income and other financial gains	23	34	196	(158)	38	40	135
Interest expense and other financial losses	(34)	(49)	(111)	58	(53)	(38)	(174)
Foreign currency losses, net	(87)	(182)	(239)	—	(239)	(107)	(615)
<b>Net income before income tax expense</b>	<b>320</b>	<b>472</b>	<b>531</b>	<b>—</b>	<b>531</b>	<b>230</b>	<b>1,553</b>
Income tax expense	(122)	(210)	(172)	—	(172)	(65)	(569)
Equity in earnings of unconsolidated entity	3	—	—	—	—	—	3
<b>Net income</b>	<b>201</b>	<b>262</b>	<b>359</b>	<b>—</b>	<b>359</b>	<b>165</b>	<b>987</b>

The table shows a recast of our 2023 quarterly results to reflect the reclassification of Mercado Pago financial income & expenses. This has the effect of increasing revenue, gross profit and income from operations and has a corresponding effect that decreases interest income and other financial gains, and interest expense and other financial losses. The net effect on net income is zero.

We have implemented this update because we view these revenue and cost lines as operational. It also aligns the reporting of our fintech revenue and costs with fintech peers.

For a more detailed discussion of the reclassification of our prior year results, see Note 2 of our unaudited interim condensed consolidated financial statements in our upcoming quarterly report on Form 10-Q for the quarter ended September 30, 2024.





# Changes in Mercado Pago TPV

In Q1'24, we updated the definition of TPV which excluded peer-to-peer transfers within Mercado Pago. This impacts Total and Fintech Services (previously “Digital Account”) TPV, but Acquiring TPV is unchanged. We think the change creates a better metric for investors to track a business that has evolved from a payments wallet into a full fintech services platform.

To aid investors, the table below shows the recast TPV values for 2022 and 2023.

US\$ M	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>TPV Total</b>	<b>21,255</b>	<b>24,466</b>	<b>25,762</b>	<b>29,103</b>	<b>30,270</b>	<b>34,169</b>	<b>37,839</b>	<b>44,461</b>	<b>40,727</b>	<b>46,328</b>	<b>50,691</b>
TPV Acquiring	17,444	20,321	21,484	24,425	24,256	27,243	29,721	34,732	30,579	33,746	36,042
TPV Fintech Services	3,810	4,145	4,278	4,678	6,013	6,926	8,118	9,728	10,148	12,582	14,650

Q3'24 Results

# Thank you

MercadoLibre, Inc.



> November 6<sup>th</sup>, 2024

