

# MERCADOLIBRE 1Q'22 EARNINGS CONFERENCE CALL SCRIPT



May 5<sup>th</sup>, 2022.

## PART I: INTRODUCTION AND DISCLAIMER - INVESTOR RELATIONS

Hello, and welcome to the MercadoLibre earnings conference call for the quarter ended March 31, 2022. I am Lissa Schreurs, Investor Relations Officer for MercadoLibre. Today, we will share our quarterly highlights on video. After which, we will begin our live Q&A session with our Chief Financial Officer, Pedro Arnt; and Chief Executive Officer of Mercado Pago, Osvaldo Gimenez.

I remind you that management 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 the currently available information, you are cautioned not to place undue reliance on these forward-looking statements.

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 Factors sections of our Form 10-K for the year ended December 31, 2021, and any of MercadoLibre, Inc.'s other applicable filings with the Securities and Exchange Commission, which are available on our Investor Relations website.

With that, let's begin with a summary of our results.

## PART II - OVERVIEW & FINANCIAL RESULTS - PEDRO ARNT

Hi, everyone. I'm pleased to present some of the highlights and key messages regarding the performance in Q1 of 2022. We had a very strong start to the year, setting a sound base for the challenging ramp-up ahead of us in the coming quarters.

Our Marketplace growth has remained consistent for yet another quarter. We reached almost \$7.7 billion in gross merchandise volume, growing nearly 32% on an FX-neutral basis and sustaining a 2-year CAGR above 70%. With almost 40 million unique buyers in the quarter, buyer behavior remains sticky. Total items per buyer continues to grow versus last year's pandemic-impacted year. We're confident that the depth of product and category mix on our Marketplace and the quality of our seller base places us in a unique position to drive continued growth with solid monetization in commerce.

The services attached to our Marketplace are also continuing to expand. Specifically, the Advertising business has been a consistent highlight in terms of growth and margin structure and has almost doubled in revenues year-over-year as we've improved our technology to serve ads throughout our platforms. We will continue to launch more features and channels behind this business.

We're also very encouraged by the performance of the FinTech business during this quarter. Total payment volume surpassed \$25 billion for the first time ever and has accelerated in both Acquiring and in digital account TPV with important growth in overall FinTech take rates. We had almost 36 million unique active users in the FinTech segment, growing across all of our geographies, boosted by higher engagement in wallet payments and the growth in credit users. The credit portfolio continues to deliver consistent profitable growth, while the credit books are performing to our expectations.

Regarding our financial results, we've achieved a new record in terms of total revenues, even higher than the fourth quarter of last year, with improvements in monetization in both commerce and FinTech. Our gross margins have improved year-over-year with better operating leverage over our cost base. And in line with our objective to grow profitably, we've sustained consolidated EBIT margins at similar levels to Q1 of last year despite the tough comp.

Bottom line performance was equally strong, delivering record net income for the first quarter. A more detailed customary commentary on the first quarter operational and financial highlights are now available in a management commentary letter to stakeholders, which we will now release to our Investor Relations website on the day of earnings.



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And before initiating the live Q&A section of tonight's earnings call, there are a few more highlights we want to share with you.

## PART III - OPERATIONAL HIGHLIGHTS

MercadoLibre continues to expand its ecosystem to offer its 140 million users solutions that simplify and improve their digital experience for buying and selling and to deliver on our mission to democratize access to e-commerce and financial services in Latin America. Logistics operations are increasingly efficient, not only due to scale, but also through the use of technology to optimize each step of the process.

Our fulfillment continues to grow, driving more same-day and next-day deliveries. We started the year of 2022 with 40% of the volume of delivery by fulfillment. And we already have 20 sites in operation.

MELI Places is also growing. There are already more than 5,800 spaces like this in Latin America, offering sellers the ability to drop off and allowing customers to pick up and return packages in a very convenient manner.

Mercado Credito is an important catalyst of the MercadoLibre ecosystem. Almost 10 million users already have an active credit line. The greater their engagement on our platform, the better we can score them for credit. Users can take loans through the app to make payments on the Mercado Pago checkouts or when making a PIX payment in Brazil. The merchants receive the funds instantly.

We are also creating an easy way to manage cryptocurrencies on our digital accounts. In the first quarter of the launch, the crypto wallet reached the mark of 1 million users that have purchased or sold cryptocurrencies.

The MercadoLibre ecosystem is experiencing a peak of operations growth in recent years and will continue to evolve. In this complex environment, clear priorities and agility will be essential to perform with excellence and to continue to innovate. To do so, we will also hire over 13,000 employees in the region by the end of 2022, totaling a team of more than 43,000 employees.

As always, the best is yet to come.

**THANK YOU**

