

Q2'24 Results

Investor Presentation

MercadoLibre, Inc.

> August 1st, 2024



Disclaimers

Second Quarter 2024

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 Second 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 June 30, 2024.

All the information included in this presentation is updated as of June 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 31st, 2023 and upcoming quarterly report on Form 10-Q for the quarter ended June 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

Second Quarter 2024

GMV

US\$12.6BN

+20% YoY

+83% FXN YoY

ITEMS SOLD

420.9MM

+29% YoY

TOTAL TPV

US\$46.3BN

+36% YoY

+86% FXN YoY

CREDIT PORTFOLIO

US\$4.9BN

+51% YoY

NET REVENUE AND FINANCIAL INCOME

US\$5.1BN

+42% YoY

+113% FXN¹ YoY

INCOME FROM OPERATIONS

US\$726MM

14.3% Margin

NET INCOME

US\$531MM

10.5% Margin

ADJUSTED FREE CASH FLOW²

US\$678MM

+368% YoY

¹ FX-Neutral basis (Please see Q2'24 Shareholder Letter for reconciliation to nearest GAAP measure)

² Adjusted Free Cash Flow (Please see Non-GAAP section of Q2'24 Shareholder Letter for further information on this metric)

Key Messages

Second Quarter 2024

- **Mercado Libre grew strongly in Q2'24 with revenue of \$5.1bn up 42% YoY and net income up 103% YoY to \$531mn.** This was driven primarily by rapid growth in Brazil and Mexico, with improving trends in Argentina.
- **Unique buyers (+19% YoY) and items sold (+29% YoY) both grew at the highest rate since 2021.** Brazil posted the fastest growth on both measures in Q2'24, which led to its FX-neutral GMV growth accelerating to 36% YoY. Mexico had another fine quarter with growth of 30% YoY and Argentina's GMV FX-neutral growth improved to 252% YoY.
- **Fintech MAU* surpassed 50mn for the first time, with growth of 37% YoY.** Brazil delivered the highest MAU growth (46% YoY). We see engagement rising across our geographies with the 86% YoY growth in AUM** being a major driver and Insurtech being another.
- **The credit book reached \$4.9bn, up 51% YoY.** The credit card was the main growth driver, with solid trends in Brazil and Mexico. Asset quality was robust, with the 15-90 NPL falling 110bps vs. Q1'24. NIMAL*** of 31.1% fell YoY due to higher credit card mix in the portfolio.
- **Acquiring growth remained resilient.** Acquiring TPV of almost \$34bn grew 24% YoY in USD, with FX-neutral growth ticking up in Brazil, Mexico and Argentina, whose TPV was higher YoY despite the devaluation of the Argentine Peso.



Tune into our IR Podcast series to learn more about Mercado Libre's competitive advantages.

[Listen here](#)

*MAU refers to Monthly Active Users; **AUM refers to Assets Under Management;***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

Q2'24 Results

Quarterly Highlights

1



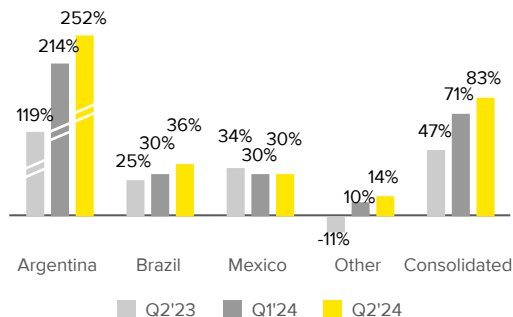


Marketplace Highlights

Growth accelerating: Items Sold and Unique Buyers rising at the fastest rate since 2021

Gross Merchandise Volume

(FX-Neutral YoY Growth)



> GMV growth accelerates in Brazil

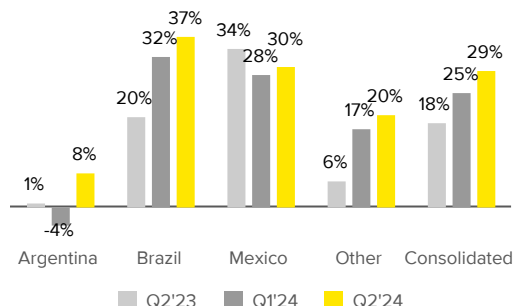
Even against high comps, FX-neutral GMV growth accelerated in Brazil to 36% YoY, the fastest pace of growth since Q2'21.

Mexico's growth of 30% was consistent with prior quarters, showing that momentum is strong.

Growth in Argentina improved, as initiatives to incentivize consumption worked well.

Items Sold

(% YoY Growth)



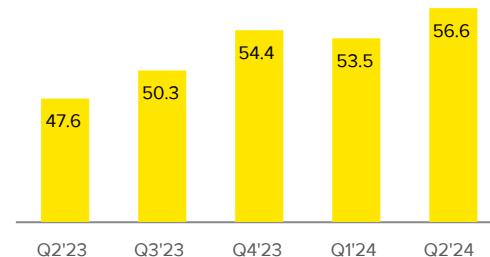
> Items sold grew 29% YoY

This is the fastest growth since Q1'21, with Brazil in the lead with growth of 37% YoY. Mexico's 30% growth was consistent with prior quarters, whilst Chile and Colombia posted their highest growth rates since 2021.

Items sold growth was positive in Argentina; this reverses the decline in Q1'24.

Unique Active Buyers

(MM)



> Unique Buyers grew 19% YoY

This is the fastest growth since Q2'21. Brazil was a major contributor to this trend, with its growth rate accelerating to 22% YoY, the highest since Q1'21.

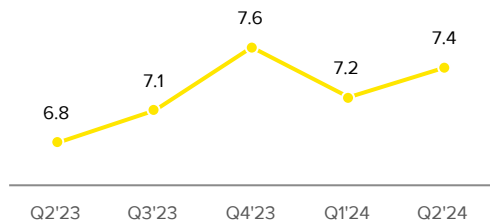
Mexico's growth remained above 20% YoY, whilst Argentina's growth accelerated sequentially.



Marketplace Highlights

Frequency continues to build on the back of strong service levels

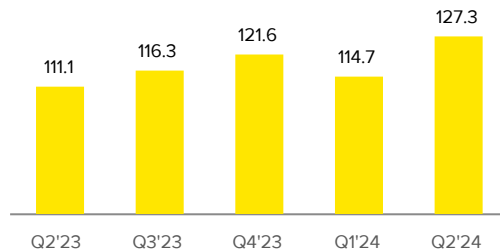
Items Sold per Unique Buyer
(Units)



> Items Sold per Buyer grew 9% YoY

This represents a small pick-up vs the 7% growth rate in Q1'24. We saw growth in Brazil, Mexico and our Other segment.

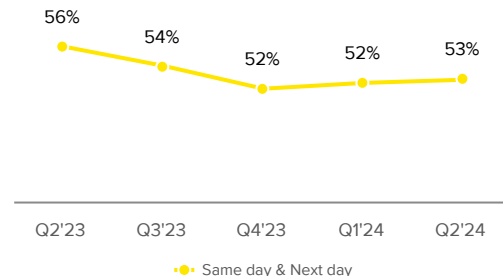
Same & Next Day Shipments
(MM)



> Same & Next day shipments grew 15% 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

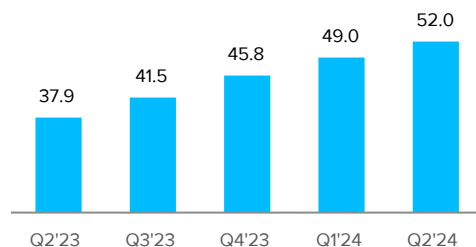
This is partly due to the increase of Slow shipment methods, whereby users choose a slower shipment method for convenience of lower cost. Constraints in capacity in Mexico have also contributed to the YoY decline in same & next day shipment penetration.



Fintech Services Highlights

Engagement with Mercado Pago is rising

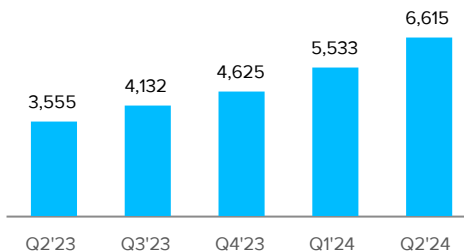
Fintech Monthly Active Users¹
(MM)



> MAU growth remained strong at 37% 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.

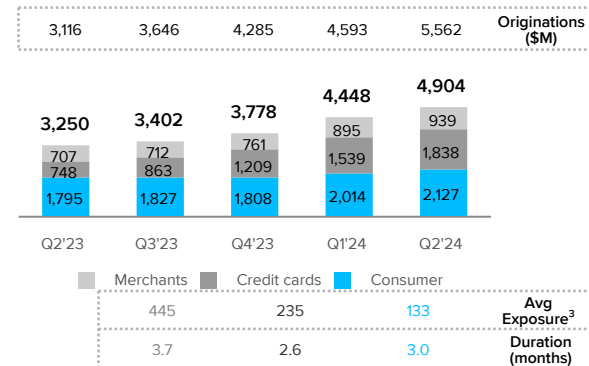
Assets Under Management²
(US\$ MM)



> AUM growth remains strong at 86% 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 51% 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 146% YoY.

¹ Fintech monthly active users is defined as Fintech payers and/or collectors as of June 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; ² Includes asset under management related to remunerated accounts, savings and investments, and non-invested balances; ³ Exposure per user US\$ = Portfolio end of period / Credit Active Users per book

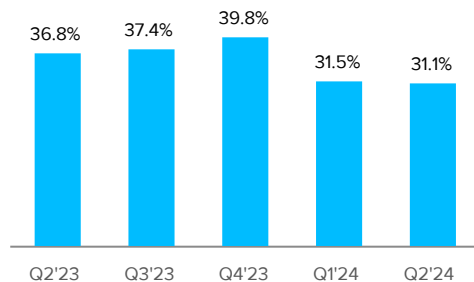


Fintech Services Highlights

Portfolio growth with sequential improvement in short NPLs and stable spreads

Net Interest Margin After Losses

(% of avg portfolio)



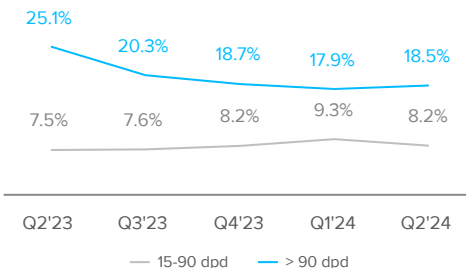
Net Interest Margin After Losses (NIMAL) = Credit Revenues¹
(-) Provision for doubtful accounts (-) Funding Costs

> Broadly stable NIMAL spread on a sequential basis

Consumer and Brazilian credit card spreads broadly neutral, and merchant spreads improving both on a sequential and annual basis. The consolidated NIMAL is lower due to increased share of Credit Card portfolio (from 35% to 37% sequentially)

Past Dues 15-90 & >90

(% NPLs / Total Portfolio)

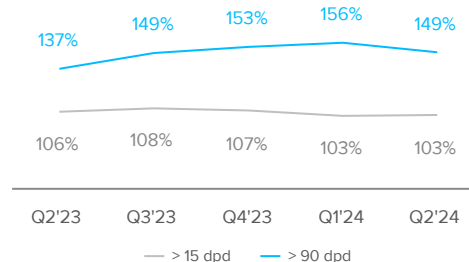


> 110 bps QoQ improvement in 15-90 dpd NPLs

In spite of the credit card being a traditionally lower NIMAL product with accelerated growth, the healthiness of the portfolio remains stable. Increase in >90 dpd explained by aging of last quarter past due cohorts.

Provision Coverage

(% Allowance of Doubtful Accounts / NPLs)



> Coverage remains >100% for all buckets

Our provisioning policy remains unchanged.

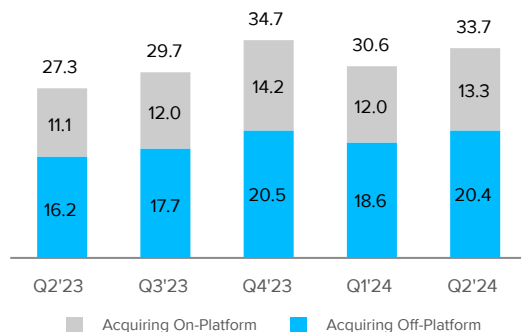
¹ Credit Revenues includes credit card interchange fees



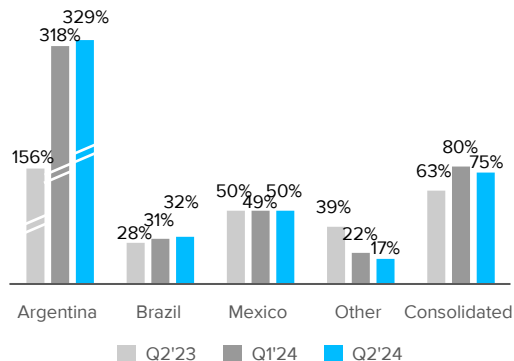
Acquiring Highlights

Growth momentum in Acquiring remains strong

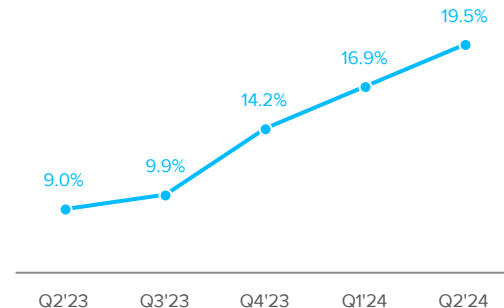
Acquiring TPV
(US\$ BN)



Acquiring TPV per Country
(FX-Neutral YoY Growth)



Monthly Active Sellers with Credit
(% of total)



> Acquiring TPV reached \$33.7bn

Acquiring TPV growth of 24% YoY, driven by off-platform (26% YoY) and with Argentina experiencing growth in USD despite the devaluation of the peso. Brazil and Mexico represent more than 60% of Acquiring TPV while successfully implementing a move upmarket strategy.

> 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.

> 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 Q2'24, driven primarily by In-Store merchants across all geographies.

Q2'24 Results

Financial Metrics 2



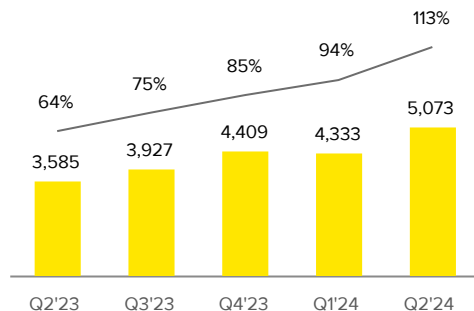


Financial Metrics

Net Income more than doubled YoY, with the margin of 10.5% at its highest since Q1'17

Net Revenues

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



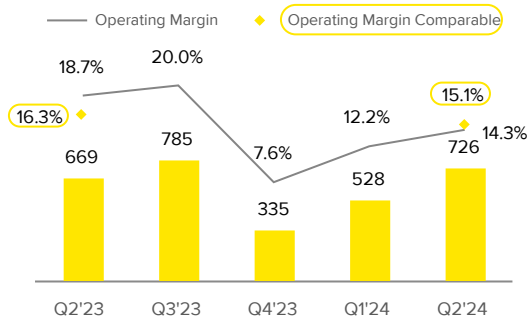
> Revenue growth remains strong

Revenue grew at 42% YoY, with 14ppts of growth due to shipping reporting updates explained in our Q1'24 Shareholder Letter.

Brazil's revenue grew at 51% YoY and Mexico's growth reached 66% YoY. Argentina's revenue grew by 1% YoY, despite the devaluation.

Income from Operations¹ and Margin

(US\$ M, % of Net Revenues)



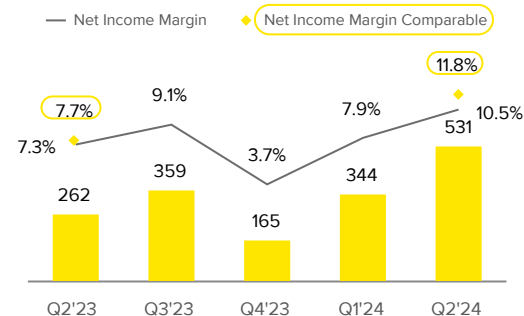
> Income from operations up 9% YoY

The 4.4ppt YoY margin decline includes pressure of: 1) 1.5ppts from shipping reporting updates; and 2) 2.4ppts from margin compression in Argentina and the country accounting for a smaller portion of revenue than the prior year. We also saw higher provisions due to the accelerated growth of the credit book, partially offset by dilution of operating expenses. See more details on slide 19.

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

Net Income² and Margin

(US\$ M, %)



> Net income grows 103% YoY

Net income grew at a faster pace than net revenue and income from operations, as the distortions caused by the dual FX rate in Argentina begin to ease.

The net margin of 10.5% is the highest since Q1'17.

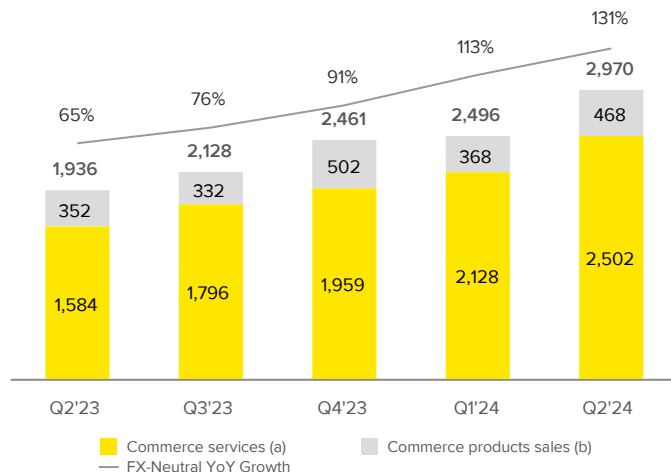
² Net Income in Q4'23 includes \$234mn of one-off expenses (net of tax), which are detailed in the Q4'23 Shareholder Letter MercadoLibre, Inc. | 13



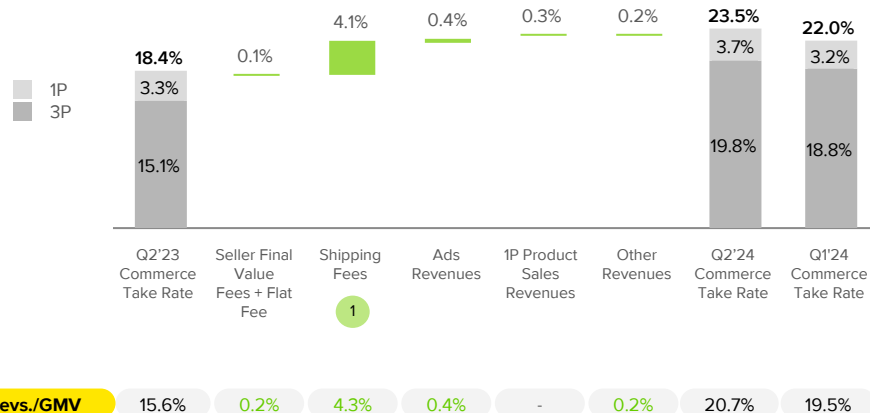
Financial Metrics

Commerce monetization improved YoY, with higher Ads penetration and lower Argentina mix

Commerce Net Revenues per Quarter
(US\$ M., % FXN growth)



Commerce Take Rate¹
(YoY evolution)



1

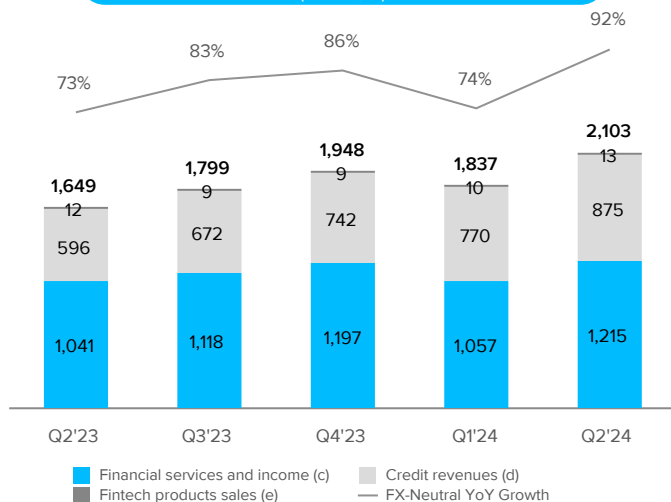
3.9ppts of this overall gain was due to the increase in shipping revenues where Mercado Libre is considered Principal (with revenue booked on a gross basis), as explained in the Q1'24 Shareholder Letter.



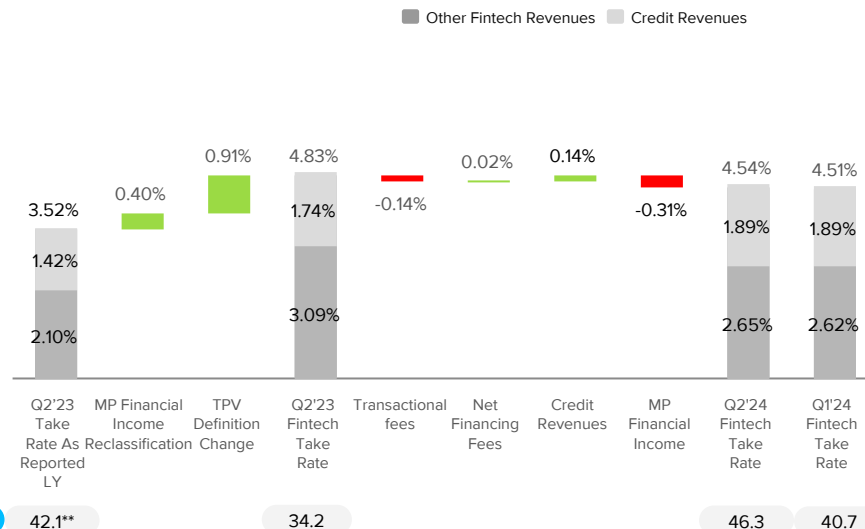
Financial Metrics

Take rate pressure primarily due to Argentina, plus the move upmarket strategy in Brazil

Fintech Net Revenues per Quarter
(US\$ M, %)



Fintech Take Rate¹
(YoY evolution)



TPV* (US\$ BN)

42.1**

34.2

46.3

40.7

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 June 30, 2024, for more information. For more details on revenues definitions, please refer to note on page 16 of this presentation.

¹ 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 June 30, 2024 for further information.

** Previously reported TPV



Net Revenue Breakdown by Products and Services

Second Quarter 2024

Q2'24 ¹ & Q2'23 ² (US\$ M)	Brazil		Argentina		Mexico		Others		Total	
	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23
Commerce Services (a)	1,411	846	261	243	686	393	144	102	2,502	1,584
Commerce Product Sales (b)	290	203	46	59	113	82	19	8	468	352
Total Commerce Revenues	1,701	1,049	307	302	799	475	163	110	2,970	1,936
Financial services and income (c)	609	524	412	380	138	88	56	49	1,215	1,041
Credit Revenues (d)	469	263	143	172	260	159	3	2	875	596
Fintech Product Sales (e)	7	6	1	1	4	2	1	3	13	12
Total Fintech Revenues	1,085	793	556	553	402	249	60	54	2,103	1,649
Total Net Revenues and Financial Income	2,786	1,842	863	855	1,201	724	223	164	5,073	3,585

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 June 30, 2024, for more information

¹ Figures for the three month period ended June 30, 2024; ² Figures for the three month period ended June 30, 2023; For six months figures please refer to our quarterly report on Form 10-Q for the quarter ended June 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, 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, and interest earned on investments as part of Mercado Pago activities.; (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.

Q2'24 Results

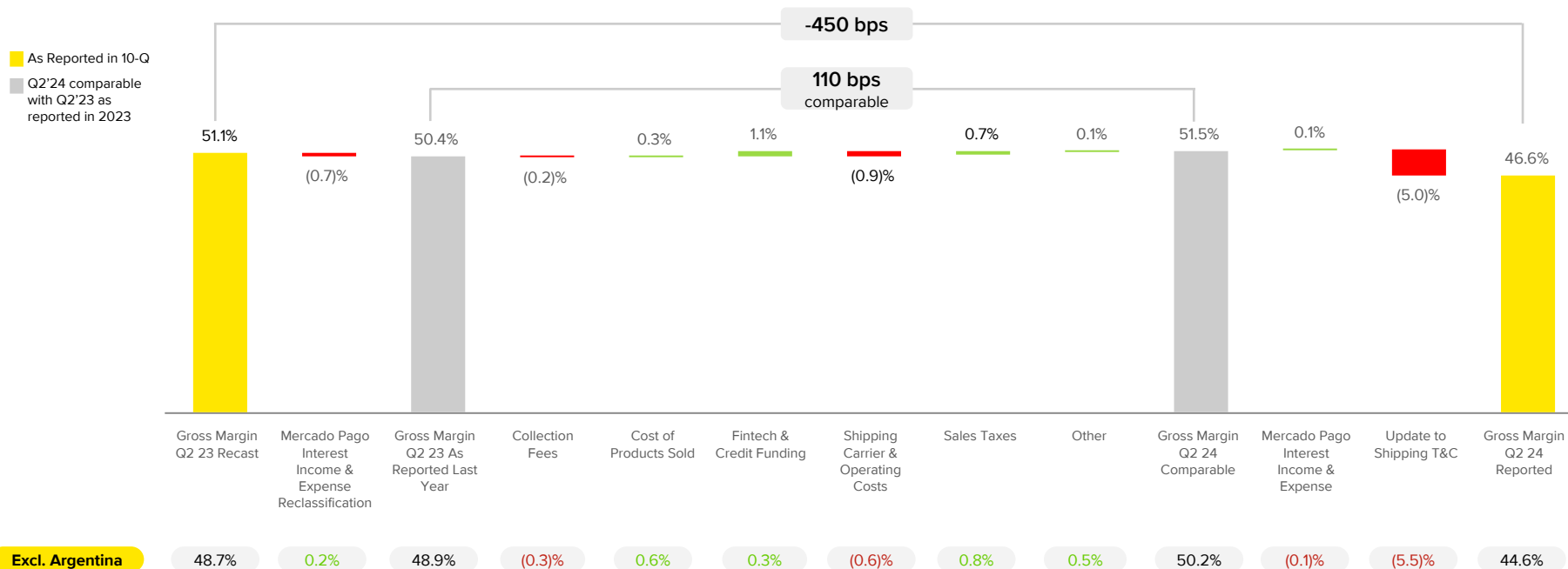
Margins 3





Gross Profit Margin

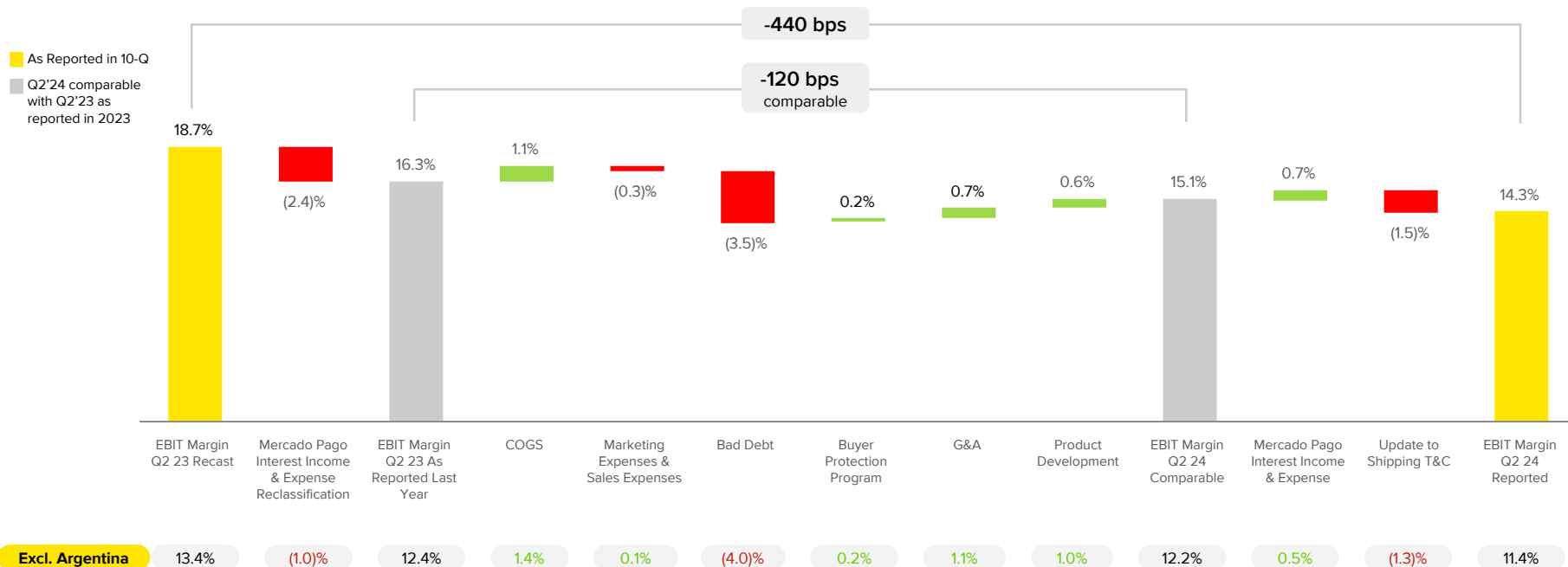
Higher gross margin on a comparable basis, despite pressure from Argentina





Income from Operations Margin

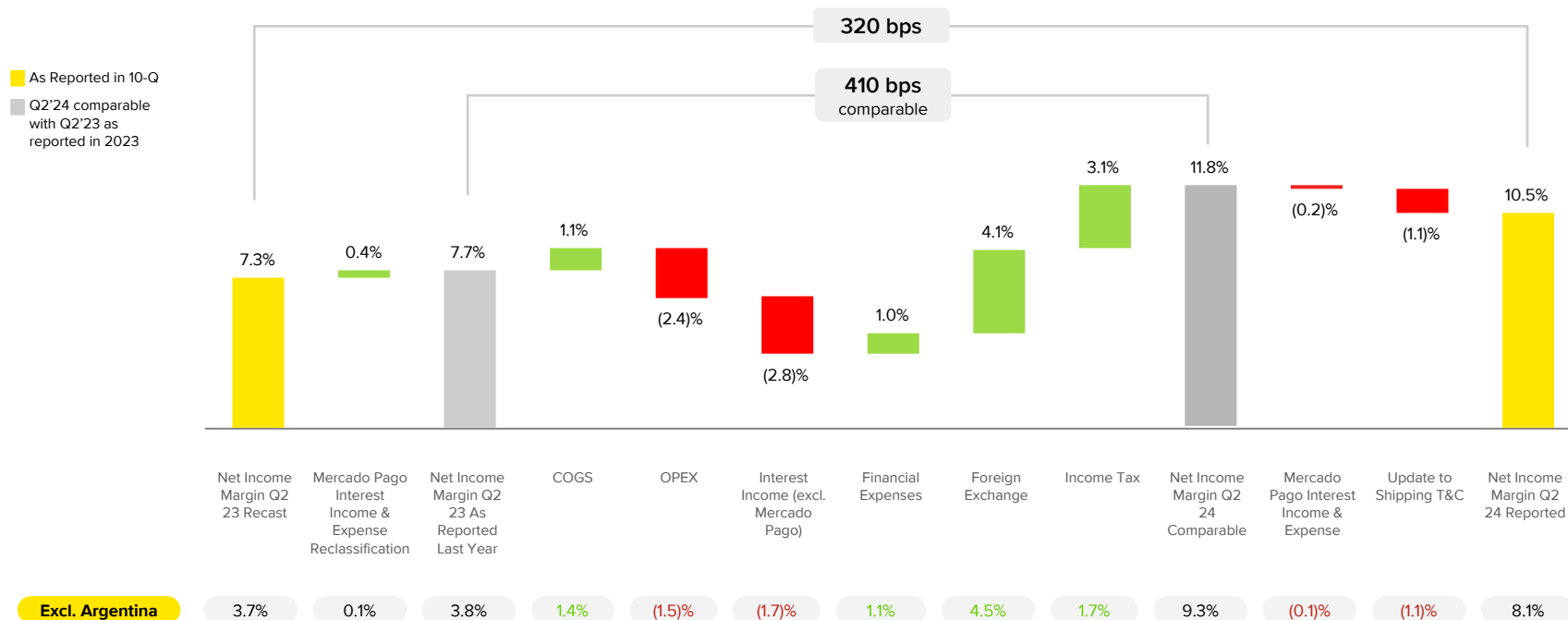
Margin pressure due to lower interest income (primarily Argentina), higher provisions (due to the credit card book's growth) and shipping reporting updates (dilutive to margin but neutral to profit)





Net Income Margin

Increase YoY supported by EBIT growth and reduction of FX losses related to Argentina

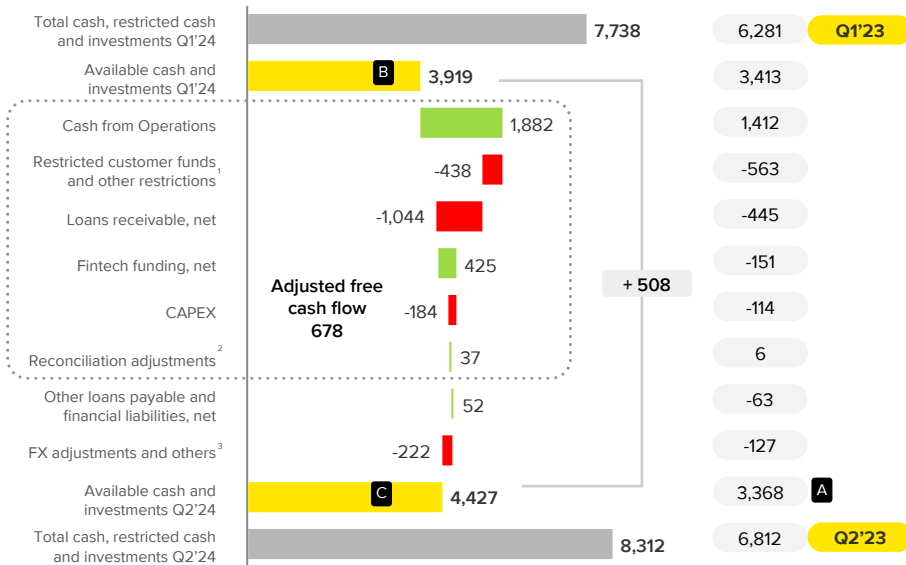




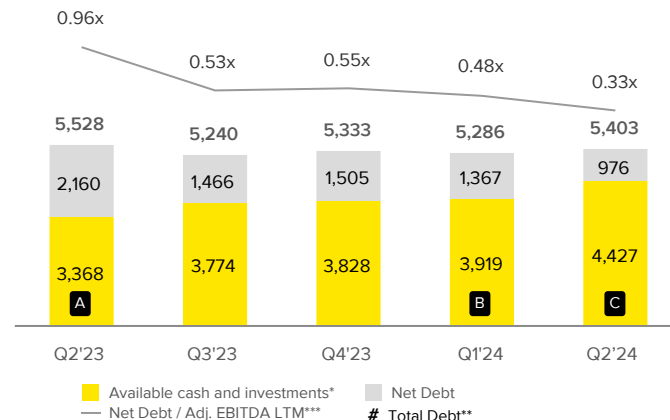
Cash Flow & Leverage

Robust increase in available cash and investments, paired with improving leverage

Quarterly Total Cash (US\$ M)



Leverage Evolution (US\$ M)



> Adjusted free cash flow reached US\$678 M, fuelled by strong cash from operations and appropriate leverage management.

Operational cash generation net of restricted customer funds and other restrictions grew 70% YoY. Third party funding for credit portfolio remains stable.

Leverage ratios continue in a downward trend, following an increase in cash, and long and short term investments and a decrease in total debt.

* 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.

¹ Includes equity securities held at cost.

² Includes accrued interest and financial income net of interest received from available and restricted investments.

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

Q2'24 Results

Appendix 4





Operational & Financial Factsheet

Second Quarter 2024

Volumes (US\$ M, %)

GMV (FX-Neutral growth)	12,647	83.1%
Items Sold (units)	421	29.4%
Live Listings (units)	448	5.5%
Managed Network Penetration (%)	94.3%	40 bps
TPV (FX-Neutral growth)	46,328	86.2%
TPV Acquiring (FX-Neutral growth)	33,746	75.2%
TPV Fintech Services (FX-Neutral growth)	12,582	130.2%
TPN (units, MM)	2,675	54.8%
Assets Under Management ² (US\$ growth)	6,615	86.1%
Credit Portfolio (US\$ growth)	4,904	50.9%
Merchant (US\$ growth)	939	32.8%
Consumer (US\$ growth)	2,127	18.5%
Credit Card (US\$ growth)	1,838	145.7%

Users (MM)

Unique Active Buyers (units)	56.6	18.9%
Fintech Monthly Active Users (units)	52.0	37.3%

P&L (US\$ M, %)

Net Revenues (FX-Neutral growth)	5,073	113.2%
Commerce Revenues (FX-Neutral growth)	2,970	131.1%
Fintech Revenues (FX-Neutral growth)	2,103	92.2%
Gross Profit (FX-Neutral growth)	2,365	113.4%
Gross Profit Margin (%)	46.6%	-450 bps
Income from Operations (FX-Neutral growth)	726	114.2%
Operating Margin (%)	14.3%	-440 bps
Net Income (Net Income Margin %)	531	10.5%

Net Revs. per Country¹ (US\$ M, %)

Brazil	2,786	51.2%
Commerce	1,701	62.2%
Fintech	1,085	36.8%
Argentina	863	0.9%
Commerce	307	1.7%
Fintech	556	0.5%
Mexico	1,201	65.9%
Commerce	799	68.2%
Fintech	402	61.4%
Other Countries	223	36.0%
Commerce	163	48.2%
Fintech	60	11.1%
Consolidated	5,073	41.5%
Commerce	2,970	53.4%
Fintech	2,103	27.5%

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

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

¹ Consolidated Net Revenues for the quarter ended June 30, 2024.

² 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	As reported	Reclassification	Recast	Recast	Recast	Recast	Recast
	(In millions)		(In millions)		(In millions)	(In millions)	(In millions)	(In millions)
Net service revenues and financial income	2,912	3,051	170	3,221	3,586	3,898	13,617	
Net product revenues	274	364	—	364	341	511	1,490	
Net revenues and financial income	3,186	3,415	170	3,585	3,927	4,409	15,107	
Cost of net revenues and financial expenses	(1,572)	(1,695)	(59)	(1,754)	(1,832)	(2,359)	(7,517)	
Gross profit	1,614	1,720	111	1,831	2,095	2,050	7,590	
Operating expenses:								
Product and technology development	(381)	(368)	—	(368)	(396)	(686)	(1,831)	
Sales and marketing	(383)	(383)	—	(383)	(441)	(529)	(1,736)	
Provision for doubtful accounts	(252)	(222)	—	(222)	(277)	(299)	(1,050)	
General and administrative	(180)	(189)	—	(189)	(196)	(201)	(766)	
Total operating expenses	(1,196)	(1,162)	—	(1,162)	(1,310)	(1,715)	(5,383)	
Income from operations	418	558	111	669	785	335	2,207	
Other income (expenses):								
Interest income and other financial gains	23	188	(154)	34	38	40	135	
Interest expense and other financial losses	(34)	(92)	43	(49)	(53)	(38)	(174)	
Foreign currency losses, net	(87)	(182)	—	(182)	(239)	(107)	(615)	
Net income before income tax expense and equity in earnings of unconsolidated entity	320	472	—	472	531	230	1,553	
Income tax expense	(122)	(210)	—	(210)	(172)	(65)	(569)	
Equity in earnings of unconsolidated entity	3	—	—	—	—	—	3	
Net income	201	262	—	262	359	165	987	

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

Q2'24 Results

Thank you

MercadoLibre, Inc.



> August 1st, 2024

