



# Mercado Libre

## First Quarter 2018 Results

Investor Relations

This presentation 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 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 presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our 10-Q and other filings with the Securities and Exchange Commission, which are available on our investor relations website. (<http://investor.mercadolibre.com>)

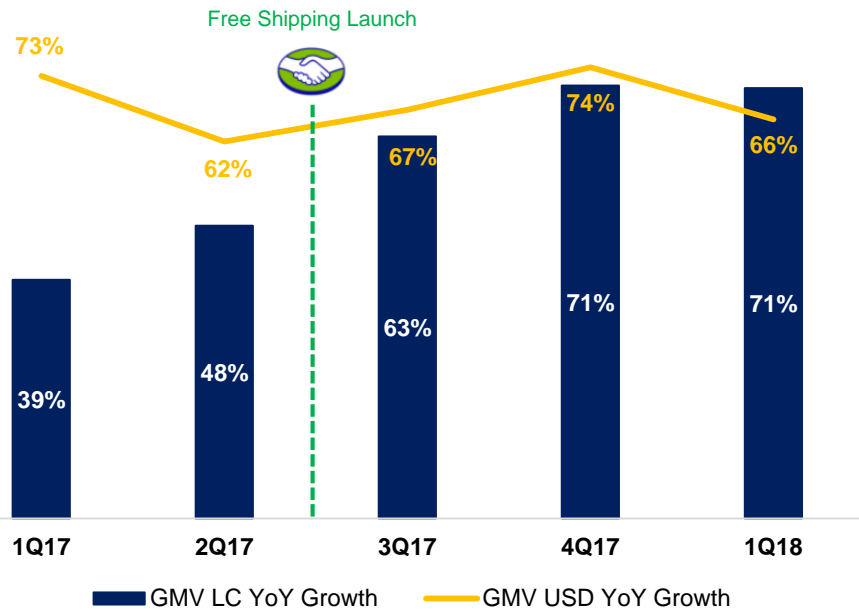
A reconciliation of Non-GAAP measures to the nearest comparable GAAP measures can be found in our first quarter 2018 earnings press release available on our investor relations website.

All of the information included in this presentation is updated as of March 31st, 2018. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

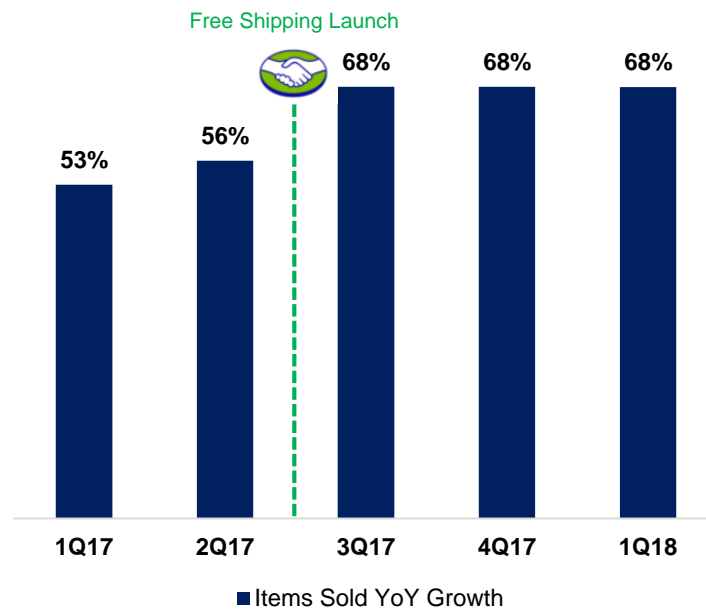
# Maintaining Momentum in Brazil



### GMV Growth Evolution per Quarter



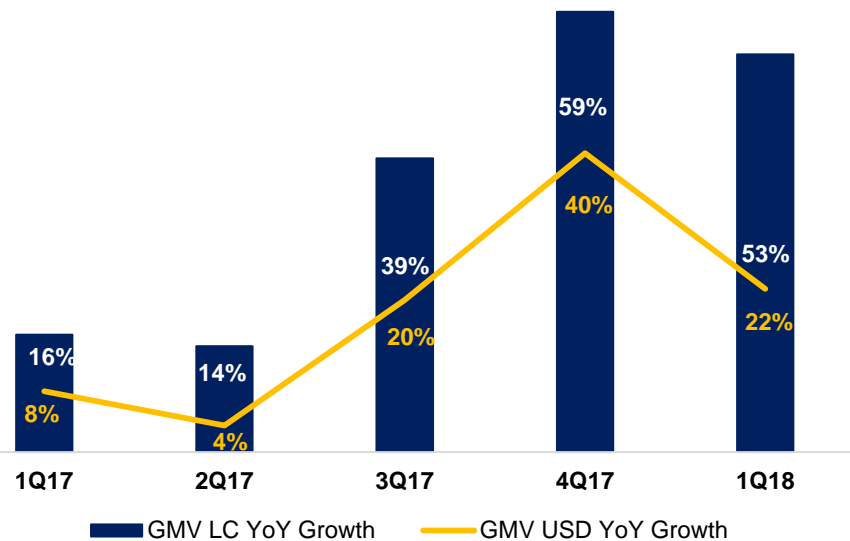
### Items Sold Growth Evolution per Quarter



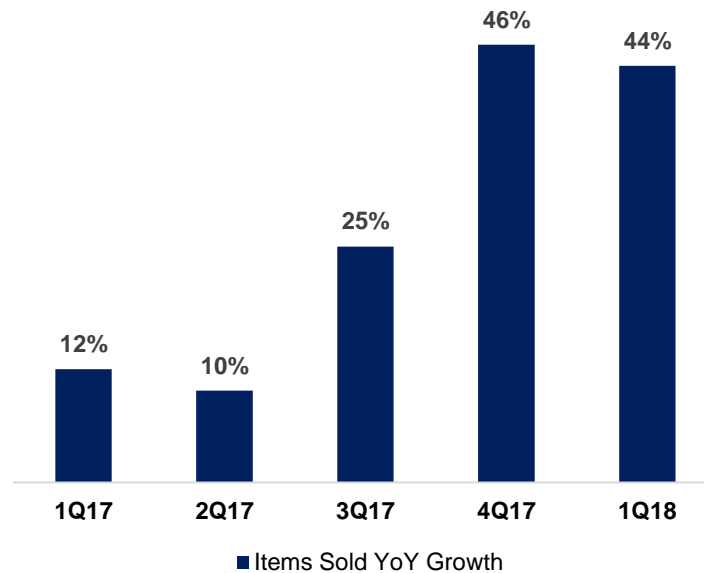
# Business in Argentina Continues to Recover



## GMV Growth Evolution per Quarter



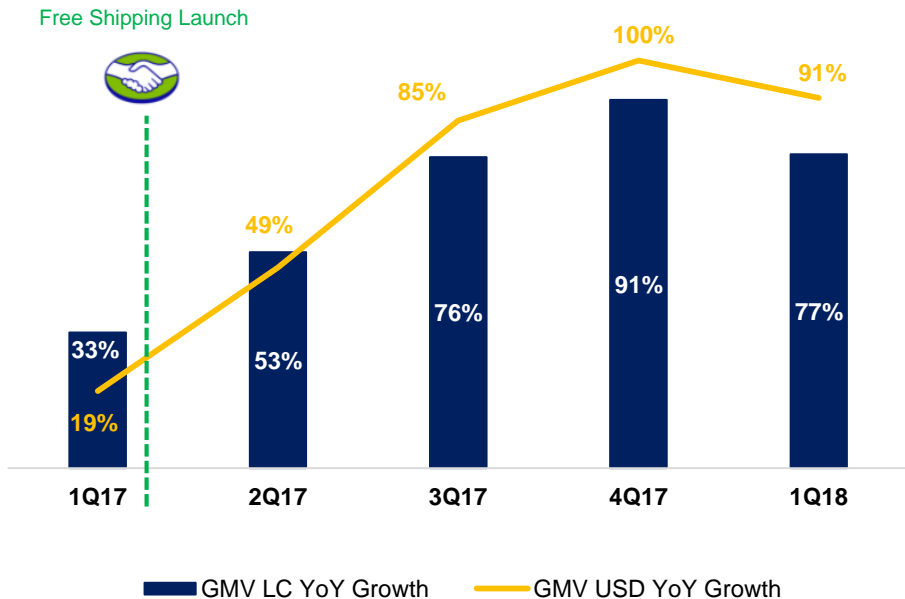
## Items Sold Growth Evolution per Quarter



# Mexico Continues to be Strongest Performer



## GMV Growth Evolution per Quarter



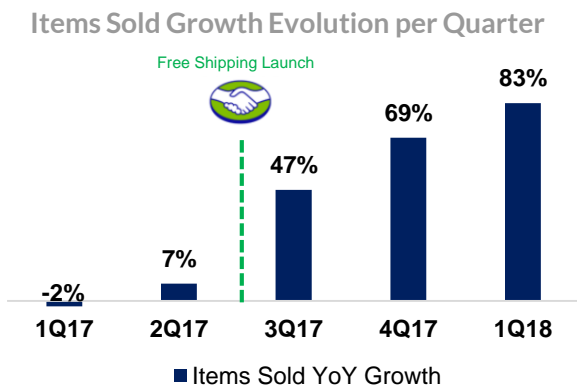
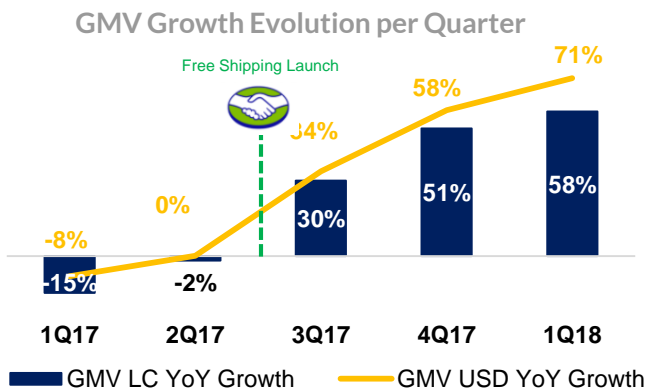
## Items Sold Growth Evolution per Quarter



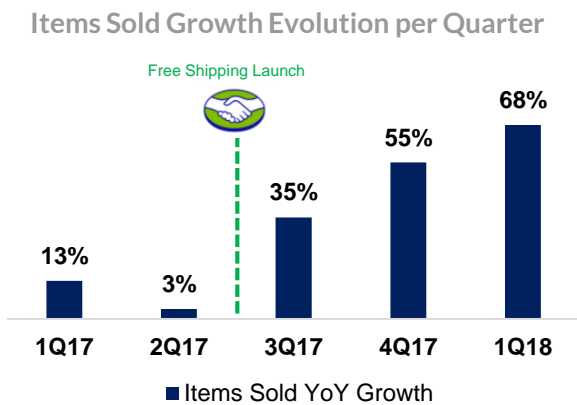
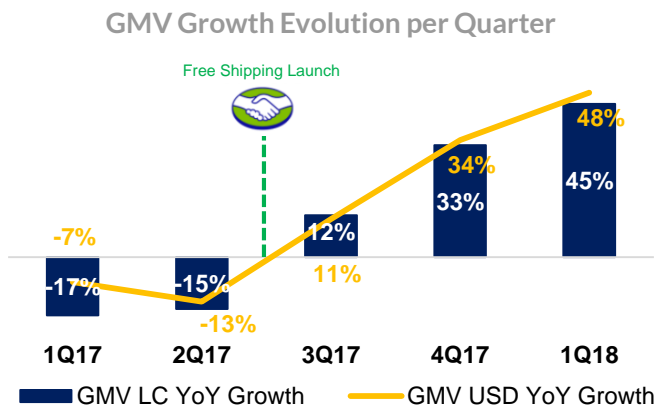
# Chile and Colombia Beginning to Take Shape as Complementary Engines of Growth



Chile



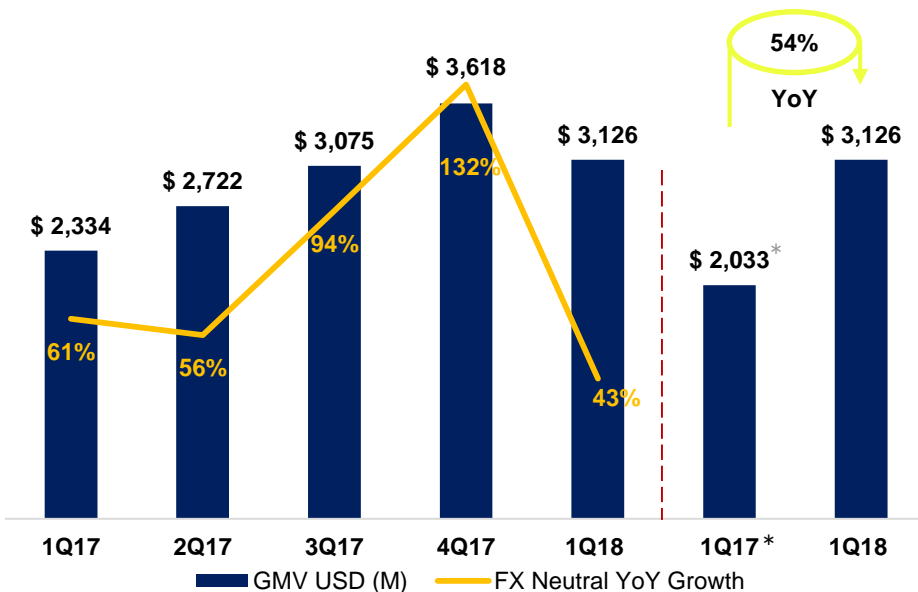
Colombia



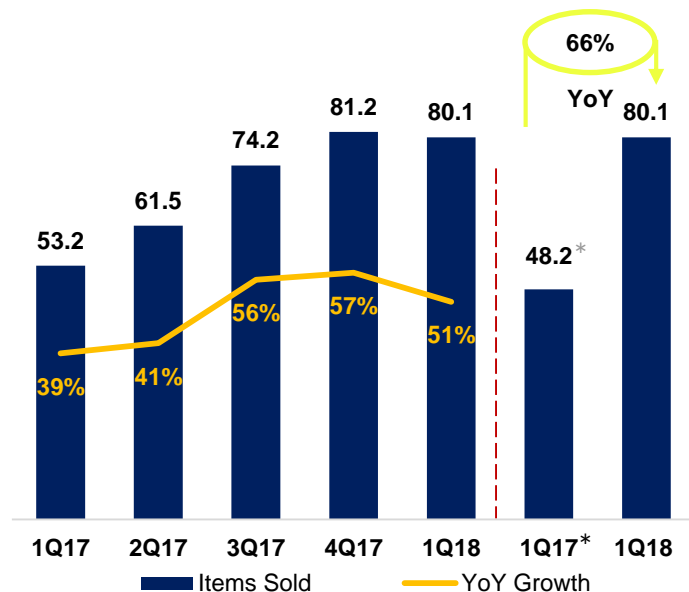
# Another Q of Great Performance in GMV and Items Consolidated



GMV Growth Evolution per Quarter



Items Sold Growth Evolution per Quarter



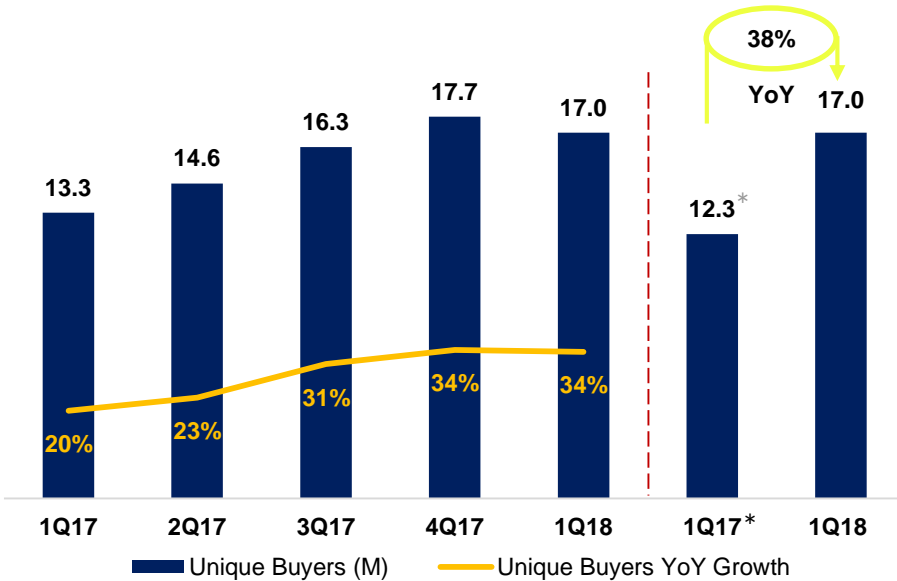
\* Excluding Venezuela



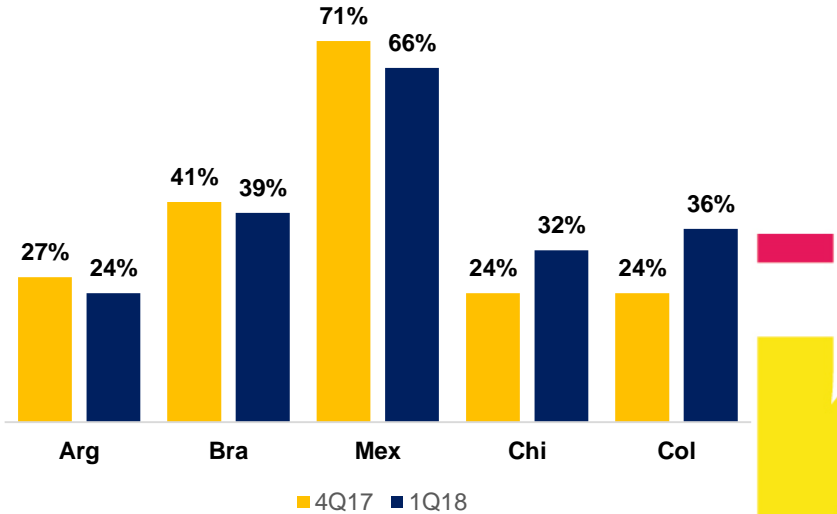
# Unique Buyers Sustaining High Growth

## Consolidated

### Unique Buyers



### Unique Buyers Growth by Country



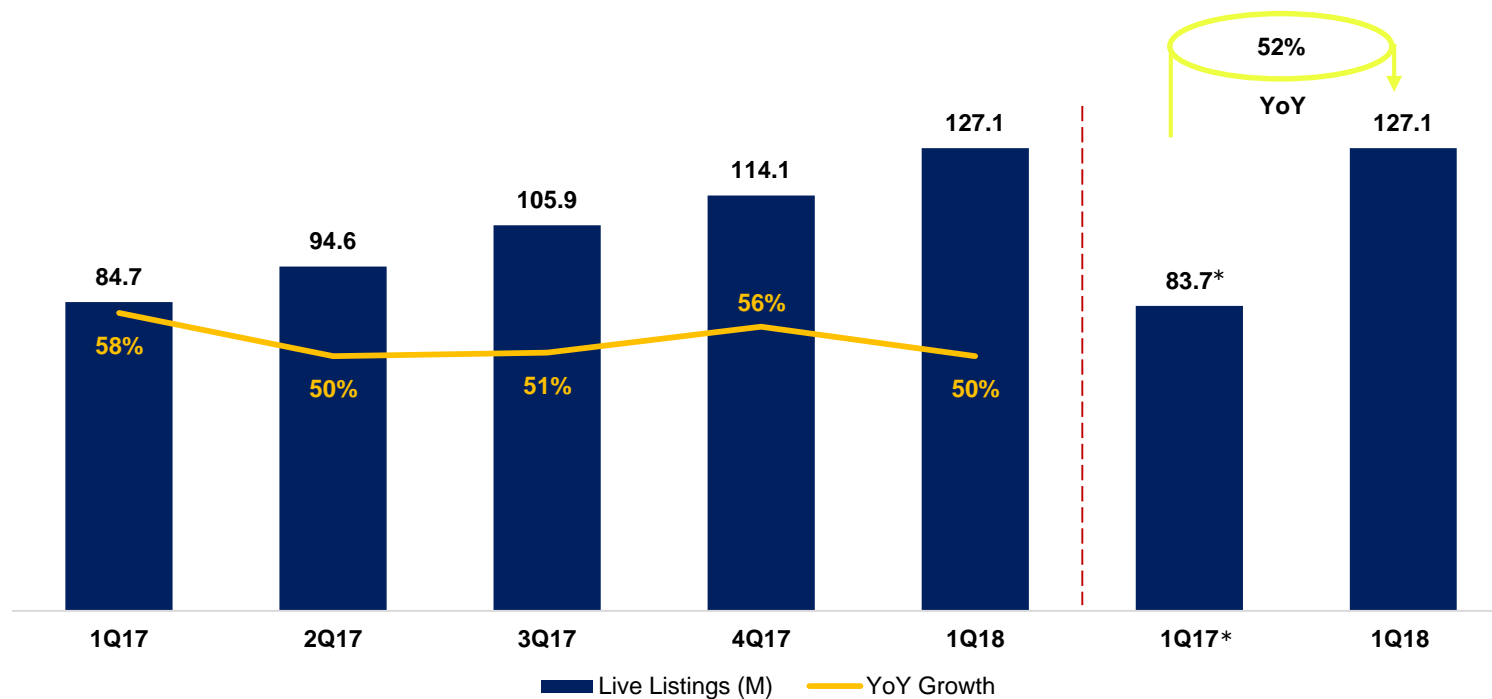
\* Excluding Venezuela



# Selection Continues to Deepen Consolidated



## Live Listings



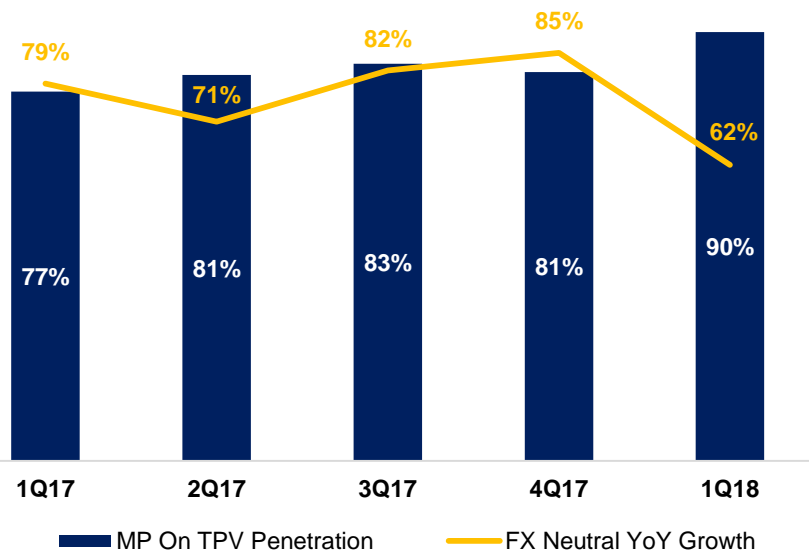
\* Excluding Venezuela

# Payments Gaining Traction On Marketplace

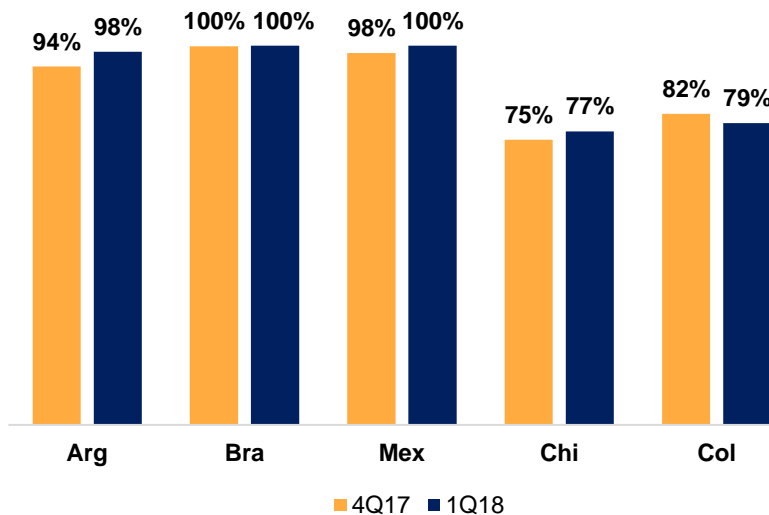


MercadoPago On Platform Payments grew 62% YoY reaching 90% penetration

MP On Marketplace Penetration  
(TPV On as % of GMV)



Total On Marketplace TPV by Country  
(TPV On as % of GMV)

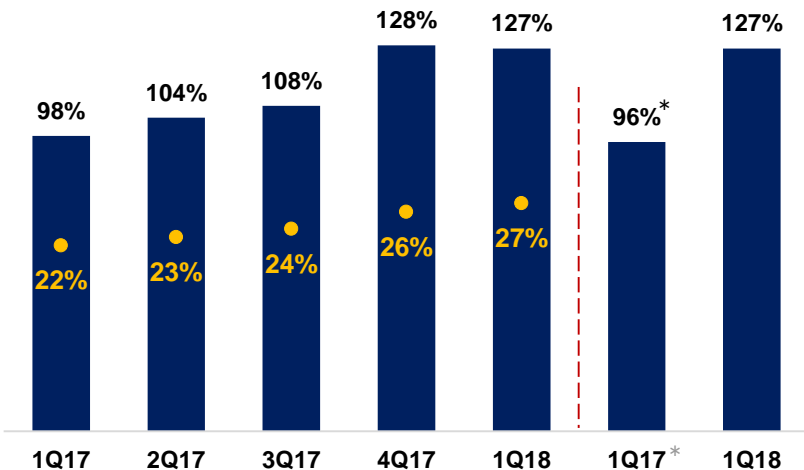


# 4th Q of Triple Digit Growth in Off Marketplace TPV

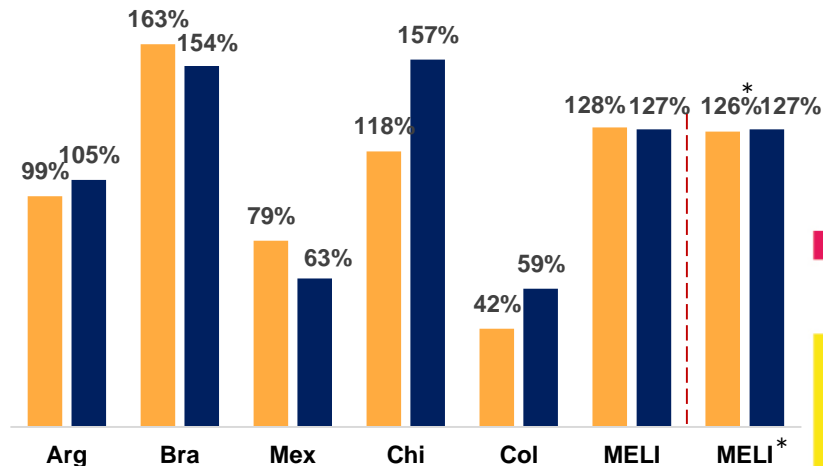


MercadoPago Off platform grew at a ~100% YoY pace

TPV OFF Growth



TPV OFF Growth by Country (LC)



■ TPV Off FX Neutral YoY Growth ● TPV OFF as a % of Total TPV

■ Q4'17 ■ Q1'18

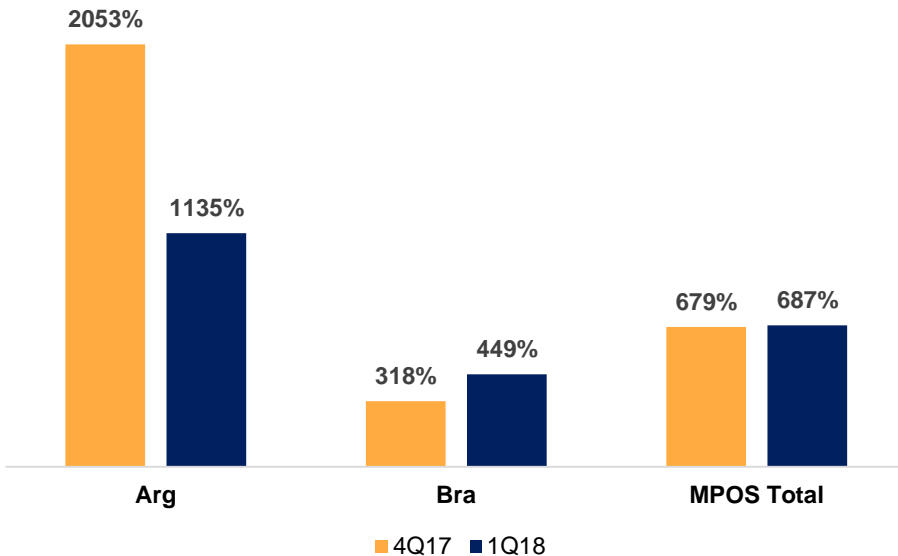
\* Excluding Venezuela



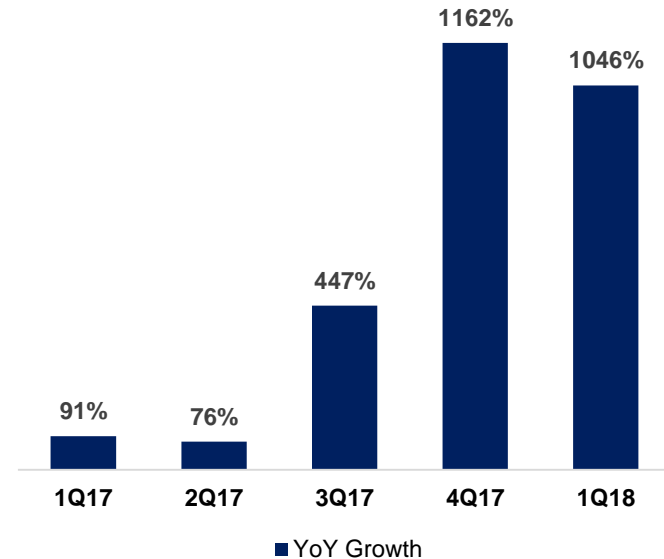
# MPOS TPV Agressively Growing in Brasil and Argentina

MercadoPago MPOS grew at a +450% YoY pace

### MPOS TPV FX Neutral Growth



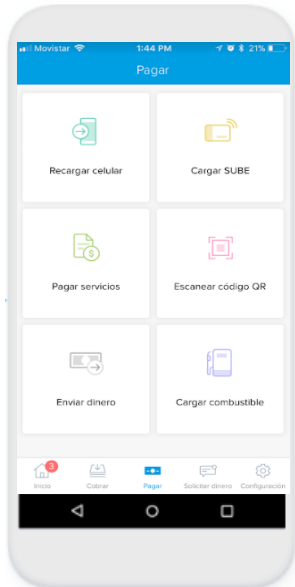
### Consolidated MPOS Devices Sold Growth





# Other Fintech Initiatives: Mobile Wallet & Merchant Credit

## MercadoPago App



~14x  
DAU's\*

## MercadoLibre App



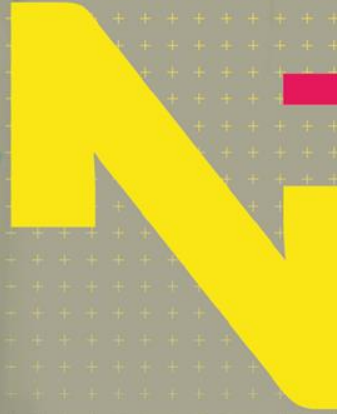
## MercadoCredito



## Merchant Credit

- ✓ Greater Merchant Sales Volume
- ✓ Synergies with Marketplace
- ✓ Higher Merchant Loyalty & Retention

\* Daily Active Users/Internal Company Data



# Financial Results

First Quarter 2018 Results

# Impact of New Revenue Recognition Standard (ASC 606)



|           | Gross billing (M) |          |          |          |          |
|-----------|-------------------|----------|----------|----------|----------|
|           | Q1 2017           | Q2 2017  | Q3 2017  | Q4 2017  | Q1 2018  |
| Brazil    | \$ 159.8          | \$ 180.0 | \$ 229.5 | \$ 262.1 | \$ 276.3 |
| Argentina | 71.4              | 88.0     | 91.3     | 108.7    | 106.1    |
| Mexico    | 15.5              | 20.2     | 22.6     | 28.2     | 29.4     |
| Venezuela | 14.4              | 14.2     | 9.8      | 16.0     | —        |
| Others    | 12.8              | 14.1     | 17.5     | 22.0     | 21.7     |
| Total     | \$ 273.9          | \$ 316.5 | \$ 370.7 | \$ 437.0 | \$ 433.5 |

|           | Gross billing growth |         |         |         |         |
|-----------|----------------------|---------|---------|---------|---------|
|           | Q1 2017              | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 |
| Brazil    | 106.1%               | 75.0%   | 75.2%   | 82.5%   | 72.9%   |
| Argentina | 48.1%                | 30.0%   | 30.5%   | 42.3%   | 48.6%   |
| Mexico    | 39.8%                | 76.3%   | 91.4%   | 135.5%  | 89.2%   |
| Venezuela | 18.9%                | 90.1%   | 41.6%   | 49.0%   | —       |
| Others    | 47.8%                | 39.1%   | 56.9%   | 61.9%   | 69.6%   |

|           | Free shipping paid by MercadoLibre (M) |           |           |           |            |
|-----------|--|-----------|-----------|-----------|------------|
|           | Q1 2017                                | Q2 2017   | Q3 2017   | Q4 2017   | Q1 2018    |
| Brazil    | \$ —                                   | \$ (22.9) | \$ (52.9) | \$ (64.8) | \$ (92.1)  |
| Argentina | —                                      | —         | —         | —         | (4.1)      |
| Mexico    | (4.2)                                  | (9.4)     | (11.1)    | (10.4)    | (12.3)     |
| Venezuela | —                                      | —         | —         | —         | —          |
| Others    | (0.1)                                  | (0.3)     | (1.7)     | (3.7)     | (3.9)      |
| Total     | \$ (4.3)                               | \$ (32.6) | \$ (65.7) | \$ (78.9) | \$ (112.5) |

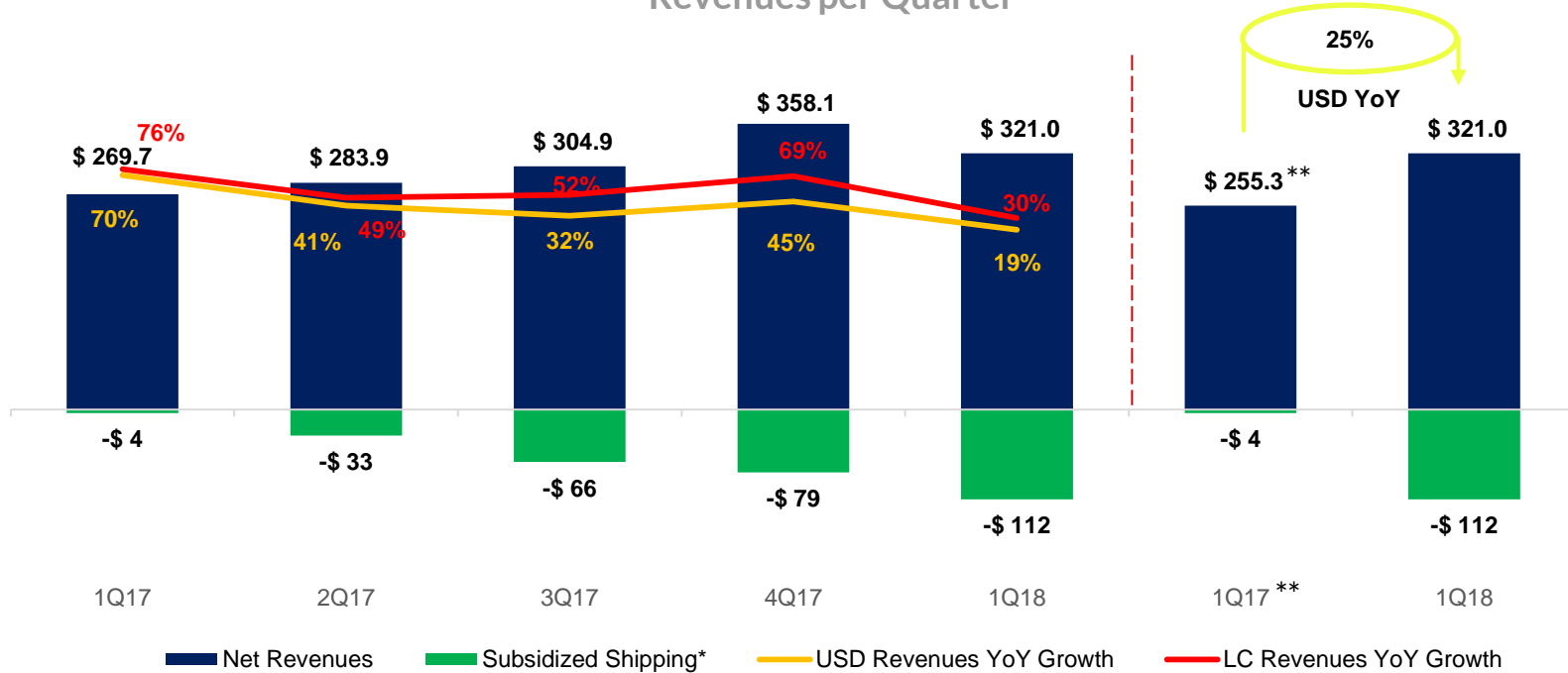
|           | Net Revenues (M) |          |          |          |             |
|-----------|------------------|----------|----------|----------|-------------|
|           | As Recast        |          |          |          | As reported |
|           | Q1 2017          | Q2 2017  | Q3 2017  | Q4 2017  | Q1 2018     |
| Brazil    | \$ 159.8         | \$ 157.2 | \$ 176.6 | \$ 197.3 | \$ 184.2    |
| Argentina | 71.4             | 88.0     | 91.3     | 108.7    | 101.9       |
| Mexico    | 11.3             | 10.8     | 11.5     | 17.7     | 17.1        |
| Venezuela | 14.4             | 14.2     | 9.8      | 16.0     | —           |
| Others    | 12.8             | 13.8     | 15.8     | 18.4     | 17.8        |
| Total     | \$ 269.7         | \$ 283.9 | \$ 304.9 | \$ 358.1 | \$ 321.0    |

- (1) Total accrued fees, commissions, interest, and other sales received from users
- (2) Prior to the adoption of ASC 606, this amount was presented as a component of cost of net revenues.



# Net Revenues Consolidated

## Revenues per Quarter



Balances are adjusted to the adoption of ASC 606

\*Subsidized shipping netting them from revenues

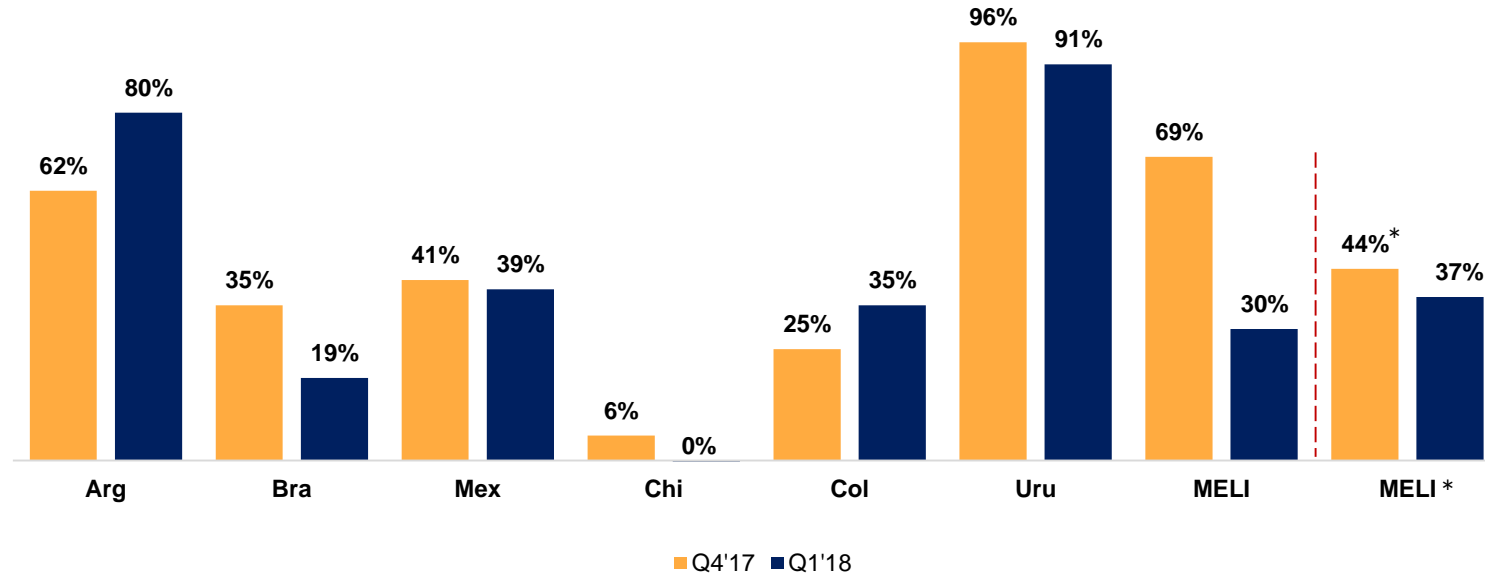
\*\*Excluding Venezuela





# Net Revenues By Country

## LC Revenue Growth



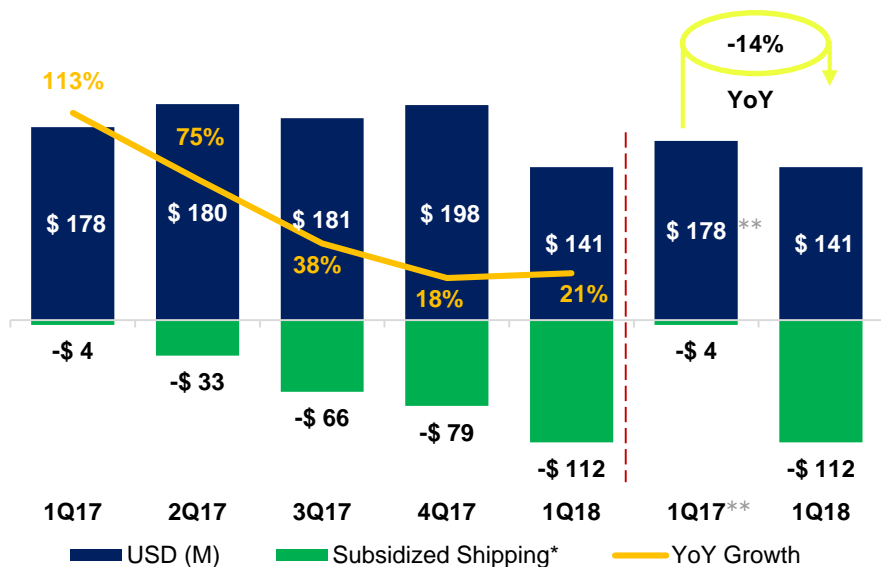
\* Excluding Venezuela

# Enhanced Marketplace & Non-Marketplace Revenues

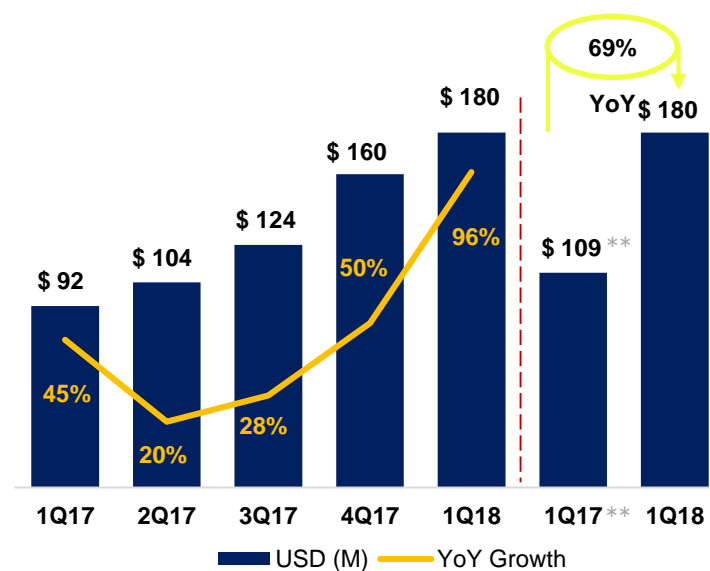


## Consolidated Breakdown

### Enhanced Marketplace Revenues



### Non-Marketplace Revenues



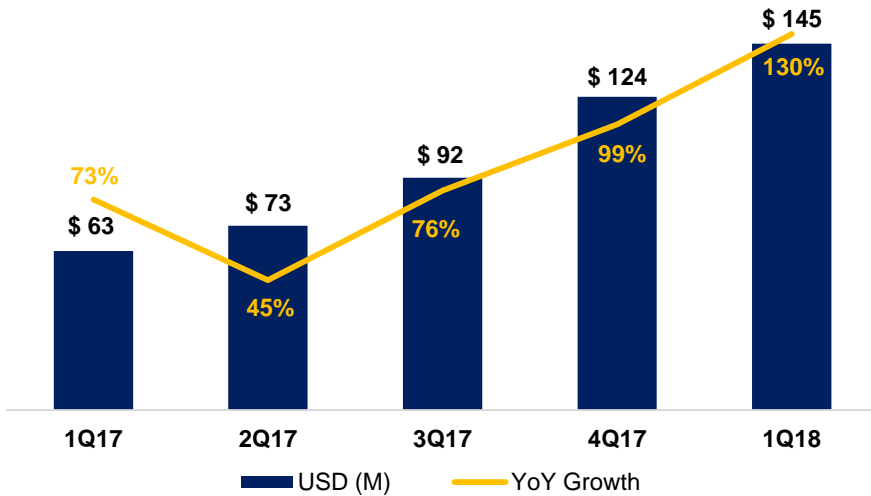
+ Balances are adjusted to the adoption of ASC 606  
 + \*Subsidized costs of shipping netting them from revenues  
 + \*\*Excluding Venezuela



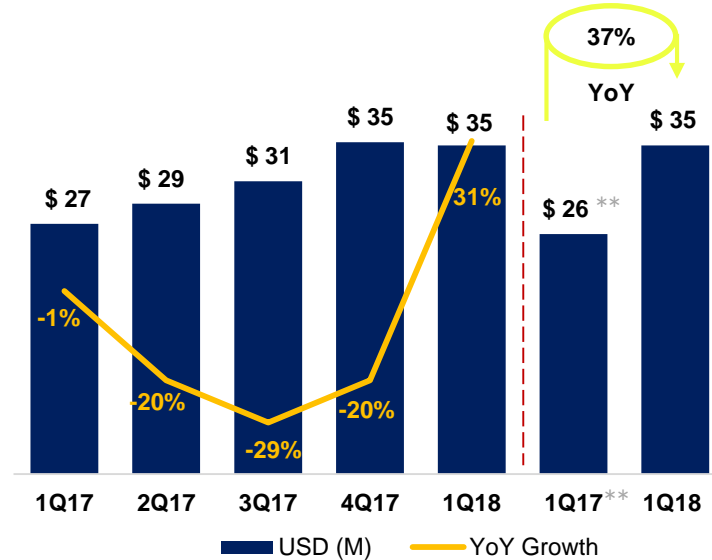
# Non-Marketplace Revenues

## Consolidated Breakdown

### Payments Revenues



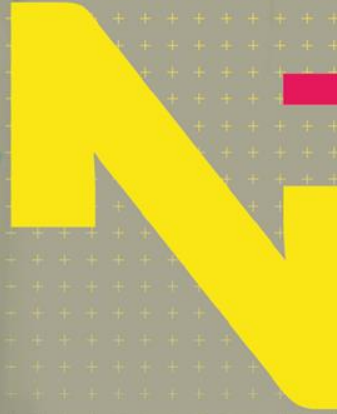
### Other Revenues\*



+ Balances are adjusted to the adoption of ASC 606

+ \*Other Revenues includes: Classifieds, Advertising, Mercado Shops & ERP Solutions

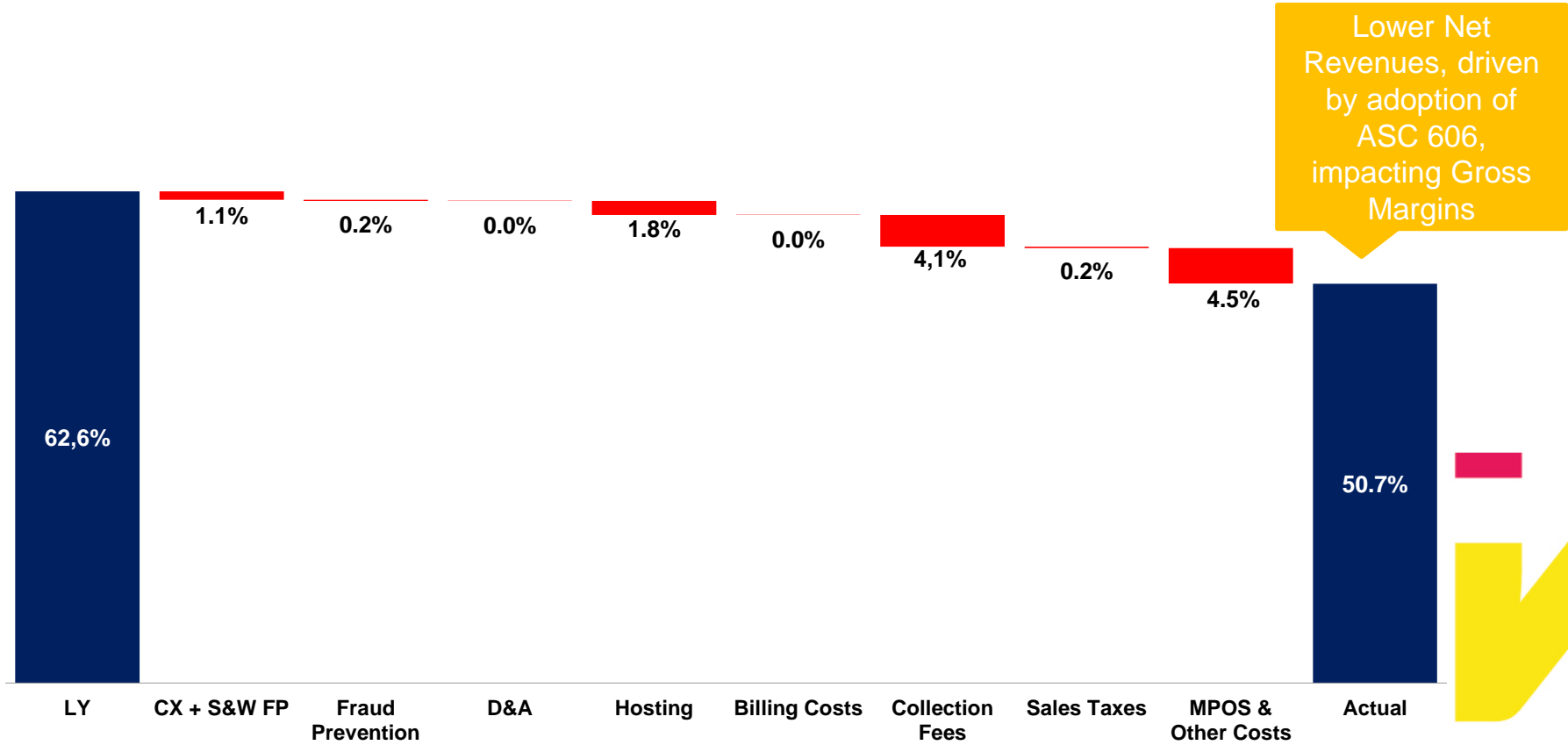
+ \*\*Excluding Venezuela



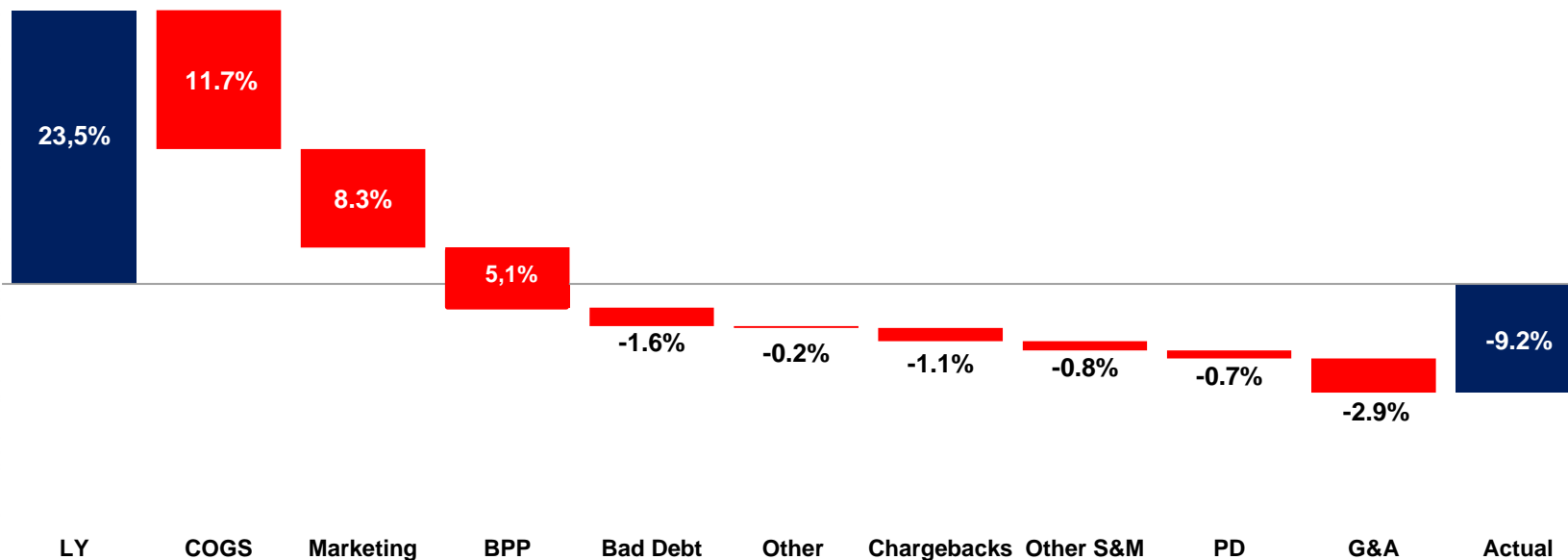
# Cost Structure

## First Quarter 2018 Results

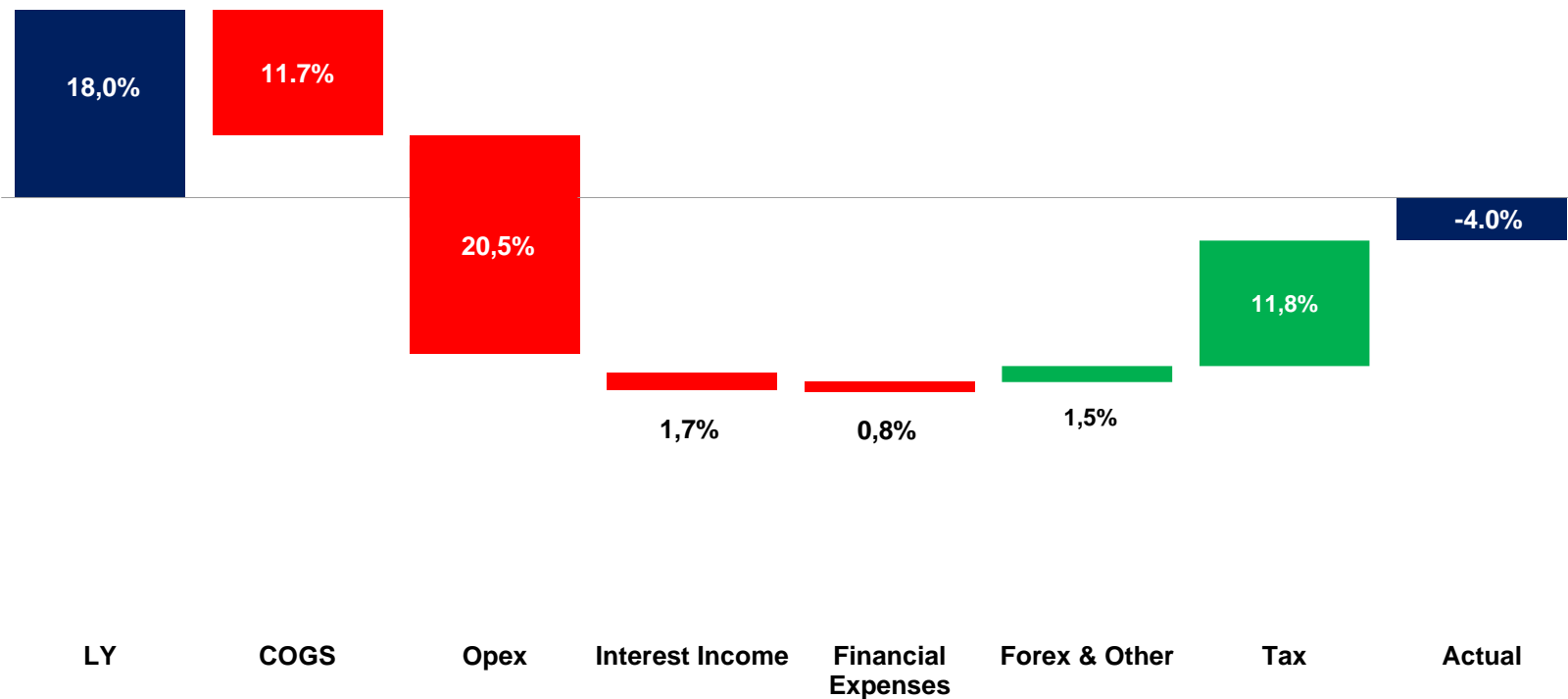
# Q1 2018 Gross Margin



# Q1 2018 EBIT Margin vs. Last Year



# Q1 2018 Net Income Margin vs. Last Year



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# Q&A

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