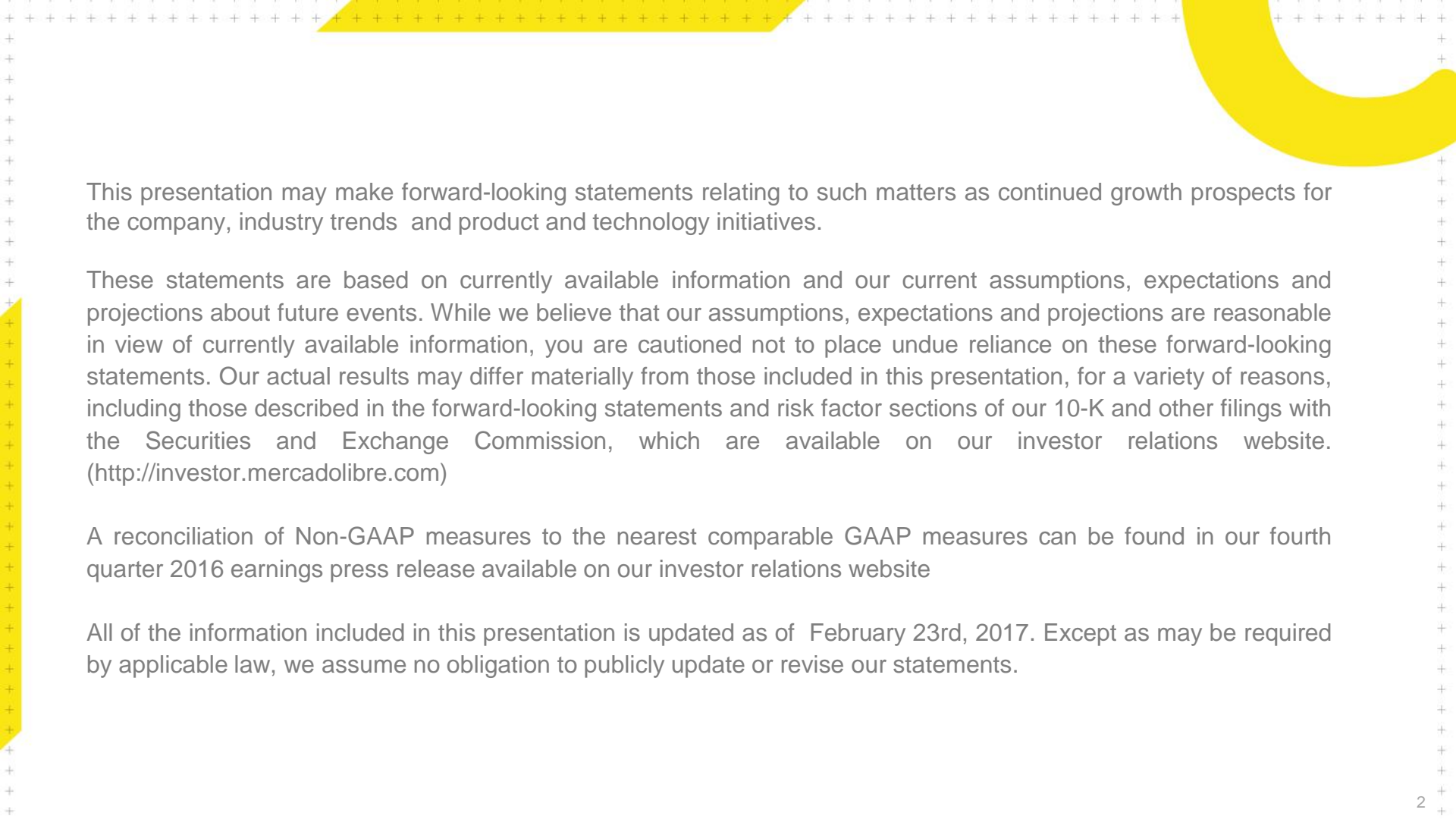


# Mercado Libre

## Fourth Quarter 2016 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-K 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 fourth quarter 2016 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of February 23rd, 2017. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.

# Q4 2016 Highlights

## Key trends

- Revenues accelerated for the third consecutive quarter to \$256 million, +68% YoY on an FX neutral basis and one of the **strongest** quarters from a top line perspective.
- Items sold grew to 40% year over year, reaching 51.6 million units sold. Items sold in Brazil and Mexico accelerated to 62% and 47% YoY, both reaching **multi-year highs**.
- Gross Merchandise Volume +48% on an FX neutral basis, reaching \$2.2 billion.
- Marketplace revenues grew 74% and non-marketplace 59%. Total revenues grew 68%, all on an FX neutral basis.
- Total payment transactions +67% YoY to 42.5 million; total payment volume +84% YoY to \$2.4 billion, all in local currencies.

## Continued progress on strategic initiatives

- Mercado Pago on platform penetration reached 78% vs. 55% a year ago as adoption increases beyond our marketplaces in Brazil and Argentina.
- Driving **customer loyalty** and **user engagement** as unique buyers grew above 20% for the 4<sup>th</sup> consecutive quarter. Brazil, a highlight with unique buyers growing at 43% YoY, a multiyear high.
- MercadoEnvíos continues **gaining adoption**, as Items shipped grew 75% YoY to 25.9 million. Colombia performing exceptionally well, as penetration reached 40% of items within 18 months of launch.
- Mobile is the **largest contributor** of new users, representing 2/3 of all registrations, and 39% of GMV.

## In other news...

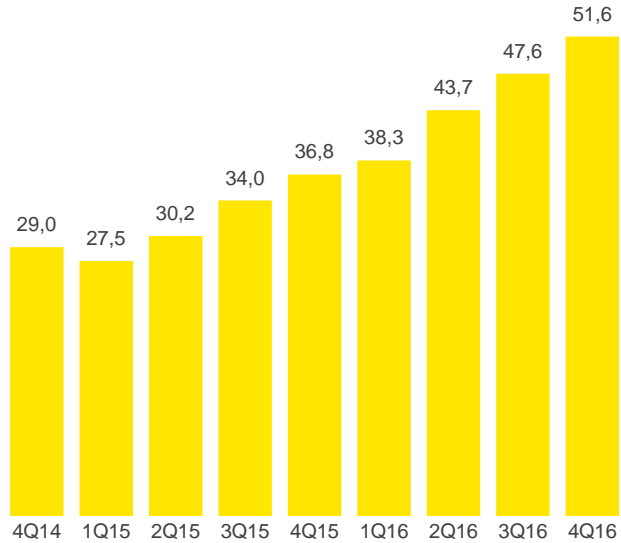
- Successfully Launched MercadoPago in Uruguay.
- Added almost **1300** brands and large retailers to Official Stores initiative in 2016.



# Q4 2016 Core Operating Metrics

## Items Sold

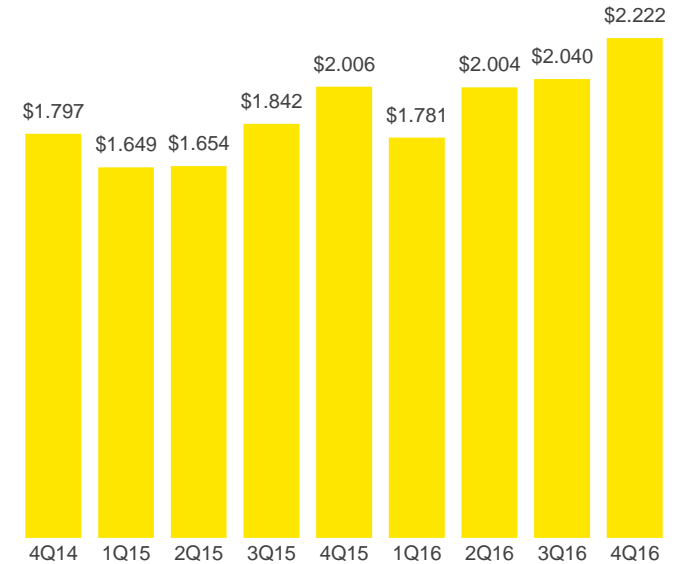
Million



YoY growth 27,2% 26,4% 27,8% 26,2% 27,0% 39,4% 44,7% 40,0% 40,2%

## Gross Merchandise Volume

U\$ Million



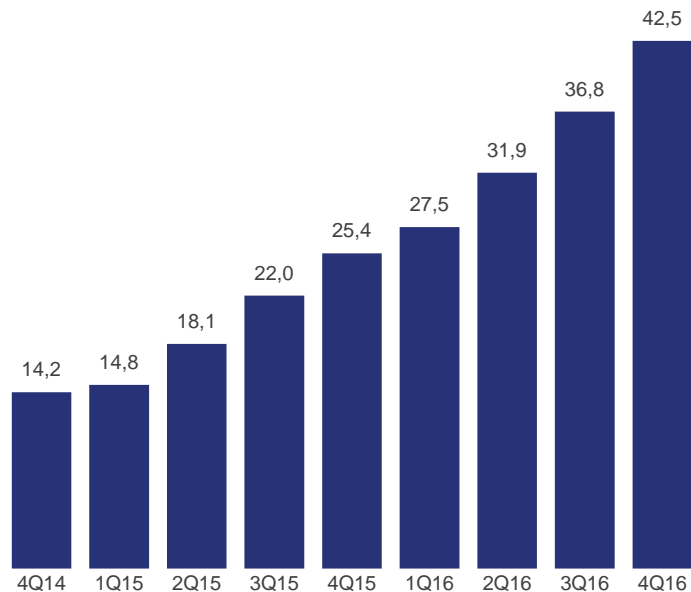
YoY growth -16,0% -8,2% -8,4% 9,5% 11,6% 8,0% 21,2% 10,8% 10,8%

YoY growth LC 85,0% 79,1% 85,6% 76,5% 85,8% 101,7% 67,6% 45,9% 48,3%

# Q4 2016 Payments Operating Metrics

## Total Payment Transactions

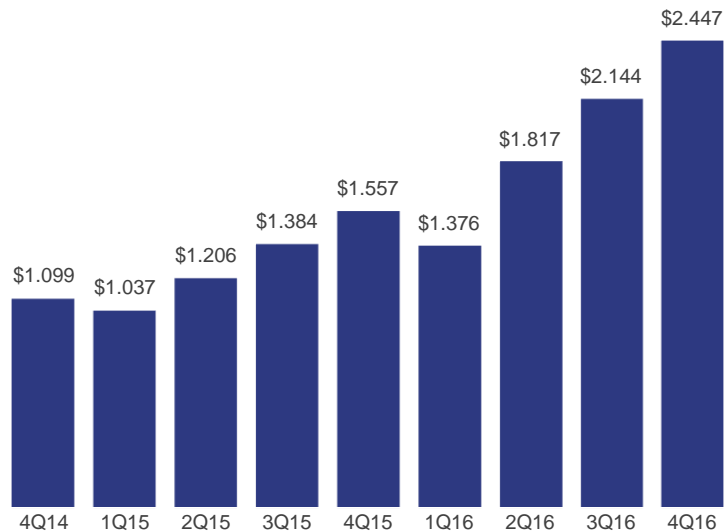
Million



YoY growth 2 58,2% 61,6% 75,8% 75,2% 78,6% 85,5% 76,0% 67,6% 67,1%

## Total Payment Volume

US\$ Million

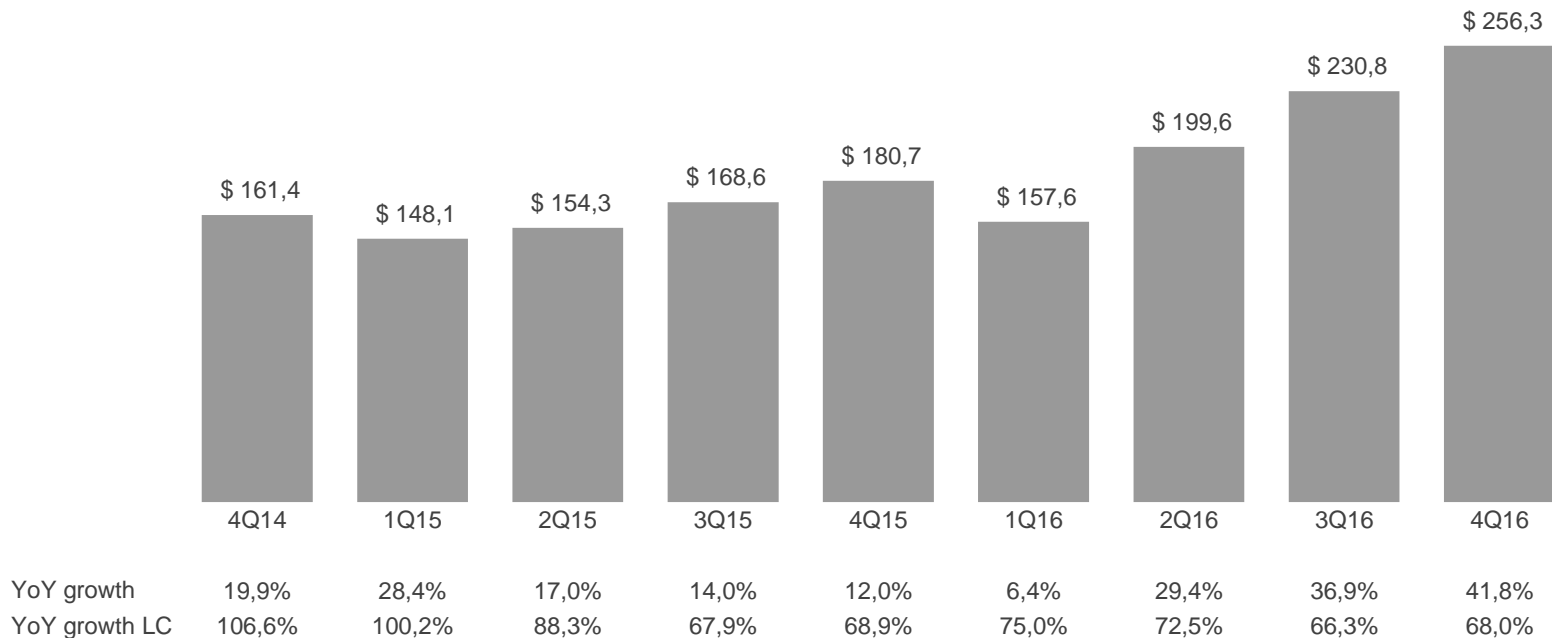


YoY growth 47,4% 56,2% 53,5% 42,0% 41,6% 32,6% 50,6% 52,6% 57,5%  
YoY growth LC 107,3% 102,4% 108,3% 94,8% 97,0% 107,9% 101,5% 84,5% 83,5%

# Q4 2016 Net Revenues

## Net Revenues

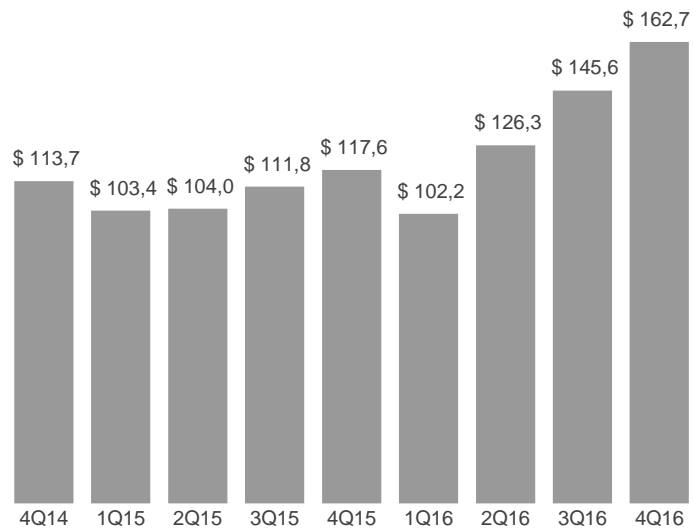
U\$ Million



# Q4 2016 Gross Profit & EBIT

## Gross Profit

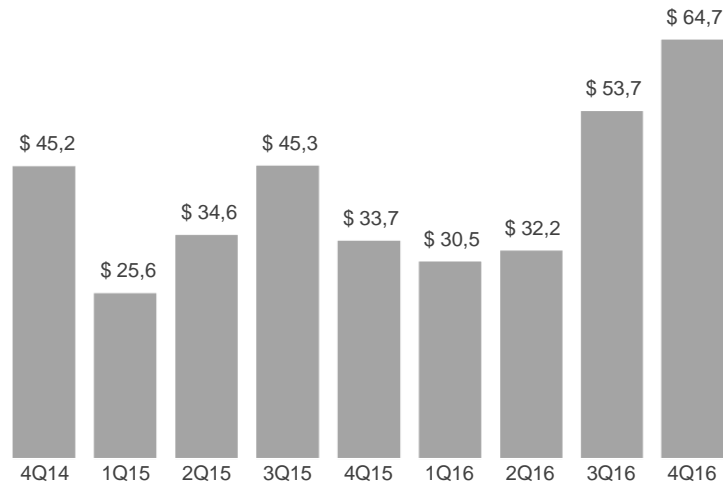
U\$ Million



Gross Profit Margin 70,5% 69,8% 67,4% 66,3% 65,1% 64,8% 63,3% 63,1% 63,5%

## EBIT

U\$ Million

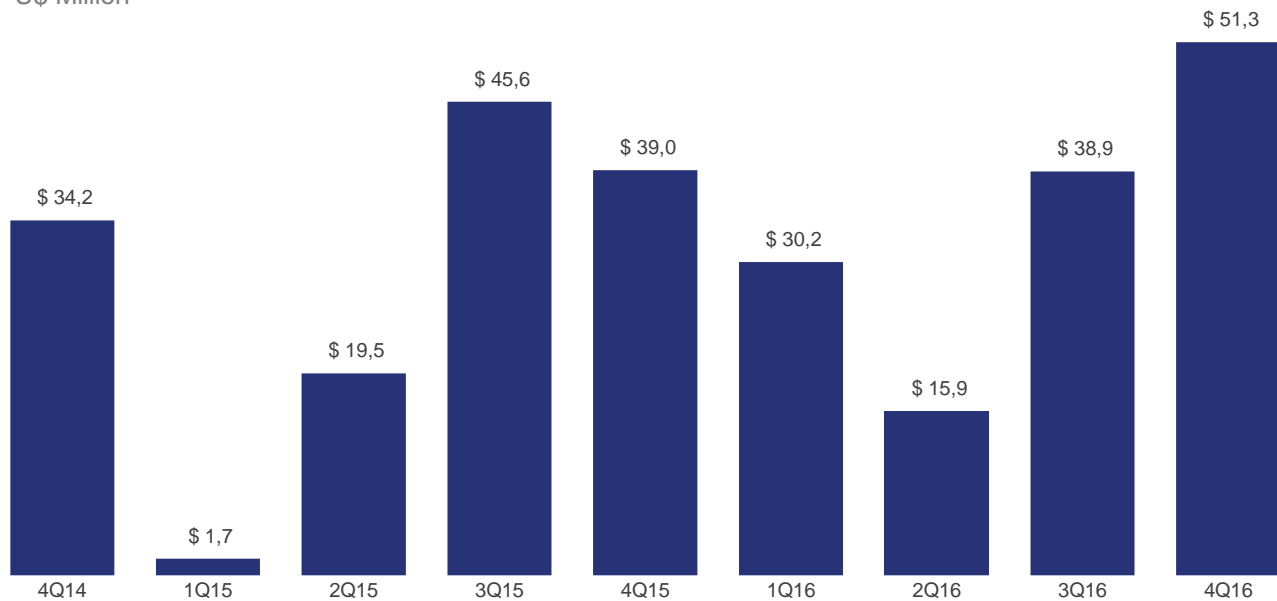


EBIT Margin 28,0% 17,3% 22,4% 26,8% 18,6% 19,3% 16,1% 23,3% 25,2%

# Net Income & EPS

## Net Income

U\$ Million



Net Income Margin

21,2%	1,2%	12,6%	27,1%	21,6%	19,2%	7,9%	16,9%	20,0%
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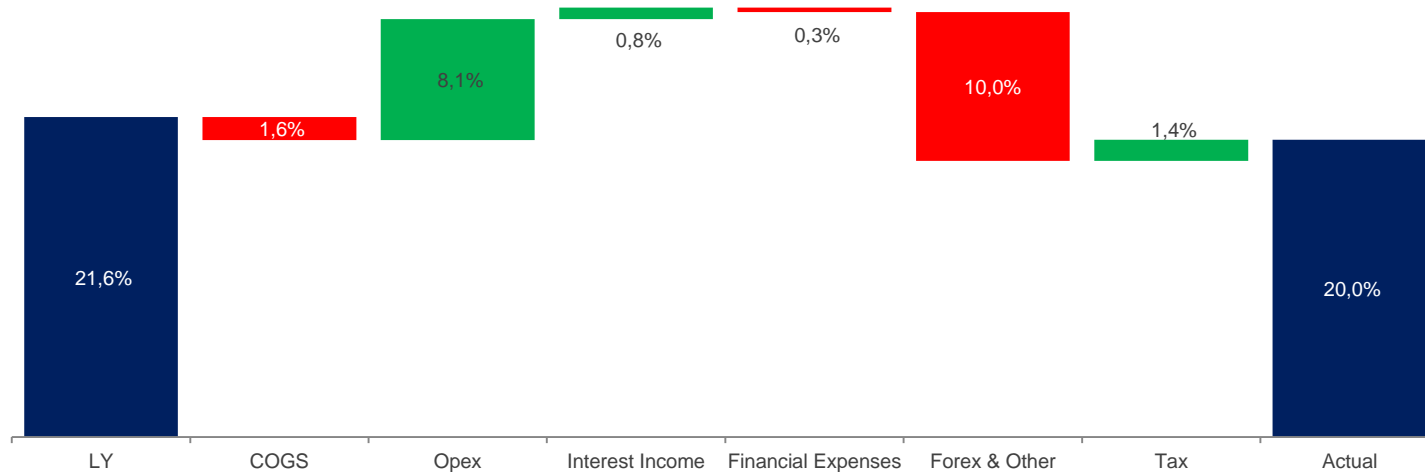
EPS

\$ 0,8	\$ 0,0	\$ 0,4	\$ 1,0	\$ 0,9	\$ 0,7	\$ 0,4	\$ 0,9	\$ 1,2
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# Q4 2016 Net Income Margin vs. Last Year

- Net Income margin contracted to 20% year-over-year as a result of the comparison against Forex gains in Argentina during Q4 2015.
- OPEX scale gains of 810bps





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