



Mercado Libre

Cómo una empresa de tecnología está revolucionando la logística

Coloque o envelope canguru com a NF-e aqui



Mercado Libre's Business Model: An ecosystem of tech solutions to democratize commerce and fintech



Sellers pay commissions on successful transactions, equal to a percentage of the value of an item (or GMV)



Efficient and reliable logistic solutions powered by cutting edge technology involving 3 party and inhouse providers. Drop Shipping, Cross Docking and Fulfillment



Credit solution to provide cash advances and working capital loans to professional sellers and loans to MercadoLibre buyers



Sellers pay to set-up and maintenance on storefronts powered by us



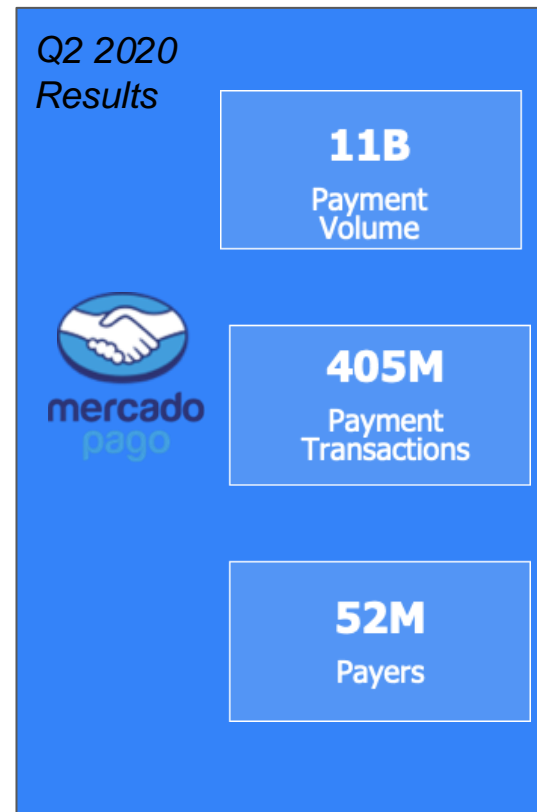
Broad offering of financial services, including payments processing. Gateway services, mobile payments, credits and cards



Advertisers promote their brands and products within the MercadoLibre marketplace, paying on a CPC basis for Product Ads and on a CPM basis for Display banners



We are the **leading e-commerce platform** and fintech services provider in Latin America





Agenda

Mercado Libre overview

Mercado Envíos overview - What does Logistics look like in Mercado Libre?

Current Context: Main impacts and challenges of the pandemic for e-commerce Logistics

Mercado Envios was born to provide efficient and reliable shipping solutions to our users

Satisfy (*increasing*) **demands and expectations** from user for product shipping & delivery

Buyer



Fast

- Trend towards Same and Next Day
- Varying expectations given geographies



Cheap

- Strong preference for Free Shipping options
- Pressure over Logistics costs



Great Experience

- On-time and good product conditions are MUST!
- Provide shipping options



Trust!!!

- Worry-free process for seller and buyer (eg: Protected purchase, Delivery guarantee, Customer Service, Product Care)

Seller



Higher sales

- Shipping services need to impact sales levels



Low Cost value prop

- Beneficial margin equation for sellers



Hassle Free Experience

- Facilitate Logistics processes (eg. stock mgmt)
- User friendly tools and interfaces

Our main shipping solutions have evolved over time to provide a winning value proposition for our users

Drop Shipping



Jan'13



Cross Docking (XD)



Jan'15



Fulfillment (FBM)



Sep'17



We build upon four main pillars to enable the development of a scalable and efficient logistic network



Technology

I

- Artificial Intelligence
- Machine Learning and Simulations
- Ops soft & hardware
- Apps, front ends, user interfaces
- Business Intelligence



Operations

II

- Scalable facilities
- Proprietary processes
- Safety protocols
- Engineering
- MHE and other equipment



Planning and Network Design

III

- Long Term goal based network design
- Medium term planning and optimizations
- Short term forecasting & S&OP



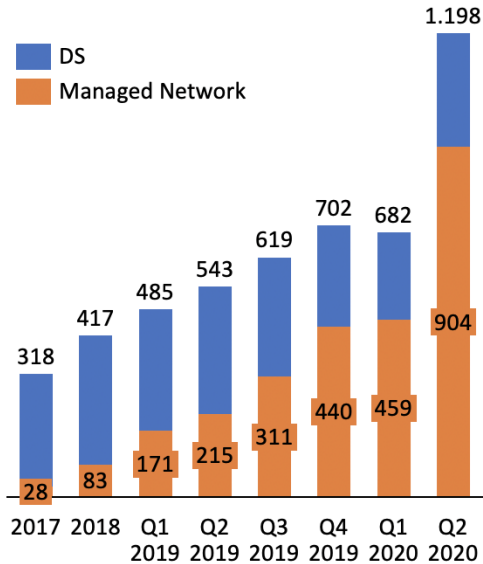
Culture

IV

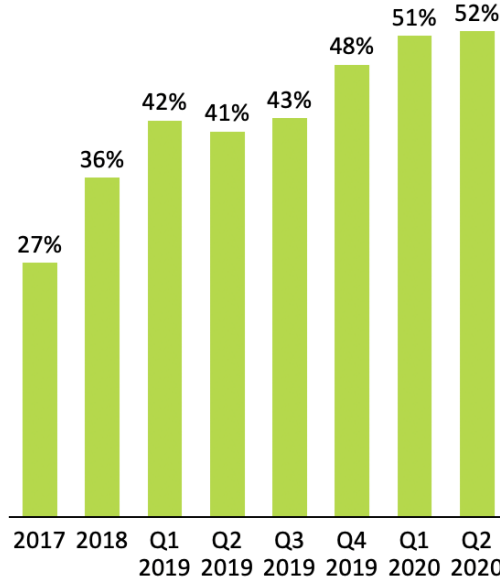
- User centered
- Continuous β
- Execution excellence
- Entrepreneurship
- Competitive teamwork
- Have fun!

Results (III/III): ... to handle more volume, reducing shipping times and delivery promises, and improving CX

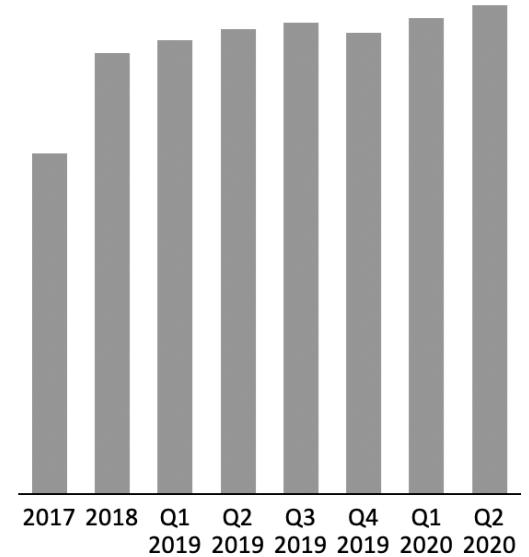
Shipments per day



Deliveries in less than 48hs



NPS (Experience indicator)



Our managed network in numbers...



10 Fulfillment Centers
15 million monthly items



12 Large XD Centers
18 million monthly items

80 Last Mile
Service Centers



+6.000 Last Mile
Drivers

+1.500 Drop-off
& Pickup points



Pandemic brought about changes that will stick and that have clear implications for e-commerce logistics

Context changes

Impacts on logistics



4 learnings from this pandemic...

1

Never be the **bottleneck**...

... invest in **growth** (plan ahead and put buffers!)

2

Code **adapts** easier than physical assets...

... invest in **tech** (hardware and software)

3

Grow by **growing others**...

... trust those **partners that have put skin** in the game

4

People make it happen...

... be **mindful** of your team, your partners, your buyers
and your sellers