

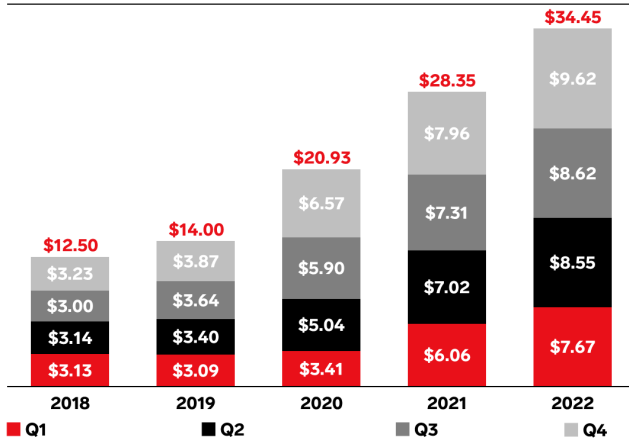
# Mercado Libre's retail ecommerce sales soar 21.5% in 2022

Article

**The news:** Despite persistent high inflation and mounting economic uncertainty across Latin America, **Mercado Libre** generated nearly \$10 billion in retail ecommerce sales in Q4 2022.

## Mercado Libre Retail Ecommerce Sales in Latin America, by Quarter, 2018-2022

billions



Note: includes all transactions completed through the Mercado Libre marketplace; excludes classified items such as aircraft, motor vehicles, real estate sales, and vessels; numbers may not add up to 100% due to rounding  
Source: Mercado Libre, "Investor Presentation: Fourth Quarter 2022 Results"; Feb 23, 2023

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eMarketer | InsiderIntelligence.com

### 2022, in review:

- **Retail ecommerce sales grew by 21.5%, reaching \$34.45 billion in 2022.** Remarkably strong performances in Brazil and Mexico drove these gains, leading to incremental growth in market share in both countries.
- **Our forecast was largely on track with Mercado Libre's results.** Its reported full-year sales growth was slightly lower than the 22.6% expected, but our estimates were still within a 0.9% margin of error.
- **Retail media is on fire.** Mercado Libre's advertising unit, Mercado Ads, grew at a rapid pace in 2022 in all key geographies, at over 70% year-over-year (YoY), per our preliminary estimates. Ad revenues as a percentage of GMV reached 1.3% for the entire year, with the company raking in 2.7% of all digital ad spending in Latin America last year.
- **Over 1 billion items were sold on—and shipped by—Mercado Libre for the first time in the company's history.** That's more than triple the number of items sold and shipped just three years earlier. On average, 54% of orders were delivered within the same or next day across the region.
- **Mercado Libre is an island in a sea of recent tech layoffs.** While players like Amazon, Shopify, and H&M have all recently announced layoffs, Mercado Libre's strong financial discipline over the past few years helped it stave off any potential job cuts. The company's

decision to not over-hire, or over-spend, during the pandemic, has given it a “competitive advantage,” said CFO **Pedro Arnt** during the Q4 earnings call. That puts Mercado Libre in a “unique position” where it can continue to hire in 2023—albeit at a “slower rate” than in years past—he said.

**Looking ahead:** Mercado Libre’s ongoing investments will continue to pay dividends over the short and long terms. The company remains a regional powerhouse and has weathered Latin America’s macroeconomic headwinds better than most.

- 2023 will be an equally challenging year, but Mercado Libre has the building blocks it needs to find success where others, like Singapore-based **Shopee**, have struggled.
- We expect its retail ecommerce business to grow by 18.7% to over \$40 billion, increasing its share of the regional market to roughly 22%.

Go further: For more on our coverage of Mercado Libre, and broader ecommerce trends in Latin America, read:

**Report** by Matteo Ceurvels Jan 11, 2023

## Latin America Trends to Watch for 2023



**Report** by Matteo Ceurvels Nov 16, 2022

## Latin America Retail Ecommerce Players Q2 2022 Review and 2023 Outlook



**Report** by Matteo Ceurvels Aug 16, 2022

## Spotlight: Mercado Libre Forecast 2022

