



30 OCTOBER 2026

dLocal: connecting global giants to emerging markets

Headquartered in Uruguay and listed on the NASDAQ, dLocal provides the payments infrastructure that connects global merchants to consumers and partners across emerging markets (EM) where 71% of the world's population live. "We believe we are only scratching the surface of the opportunity ahead. The total addressable market for digital payments in emerging markets, \$2.1 trillion in 2025, is expected to double by 2030, and we currently hold less than 2% of it.", according to Pedro Arnt, the CEO. The former CFO helped grow e-commerce giant Mercado Libre, dubbed the "Amazon of Latin America", into a \$100 billion operation. No mean feat! Emerging markets (EM) are characterised by financial and political instability as well as exchange rate volatility. Herein lies the opportunity. Along with new CFO Guillermo Lopez Perez (ex-Visa) and COO, Carlos Menedez (ex-Mastercard), the top 3 executives have over 80 years of on-the-ground EM & developed markets payments experience between them. This gives investors and clients like Google and Amazon a high level of comfort to invest in dLocal's ability to deliver growth in the exciting EM fintech space.



**Nick
Rogers**

What exactly does dLocal do? dLocal is often called the "Stripe of Emerging Markets" because it provides the same smooth experience as global payment giants but focuses on more difficult-to-reach regions with complex regulatory environments and fragmented payments systems. While Stripe and Adyen are the gold standard for North American and European payments, they

often struggle with the "long tail" or 1000+ local payment methods like cash vouchers in Mexico or mobile money in Kenya. This is where dLocal excels. In a nutshell, dLocal is the "invisible plumbing" that enables global merchants like streaming service Spotify or ride-hailing app Uber, to get paid in, and pay people out, in markets where credit-card penetration is about 11% (versus 65% in the G7).

How does dLocal differentiate itself from the competition? Despite merchants becoming increasingly global, financial infrastructure remains local. EM countries are becoming more complex and locally regulated too. These EM structural challenges create headaches but that is exactly why dLocal's platform exists and has such wide adoption among the world's most successful digital companies. The company holds 40 licenses across 26 markets, with 19 active applications in process. Licences take years to obtain, providing a defensive moat. Most importantly, dLocal simplifies all this complexity through a single, unified

SPEED READ

- dLocal provides the "invisible plumbing" that enables global merchants get paid in, and pay people out, in markets where credit-card penetration is about 11% (versus 65% in the G7).
- dLocal is no longer just a platform for entering emerging markets, it has become the engine for expanding within them.
- Clients include Amazon, Spotify, Microsoft, Google, Uber, Shein, InDrive, Tripadvisor, Nike, Booking.com, Capitec and Western Union.
- dLocal now operates in 60+ markets across Latin America, Africa, Asia and the Middle East, supporting 1,000+ payment methods and serving 760+ merchants.
- dLocal represents an exciting investment opportunity in the secular digitization of the Global South where traditional cash is being replaced by innovative tech solutions.

world-class platform called One dLocal. How simple is it?

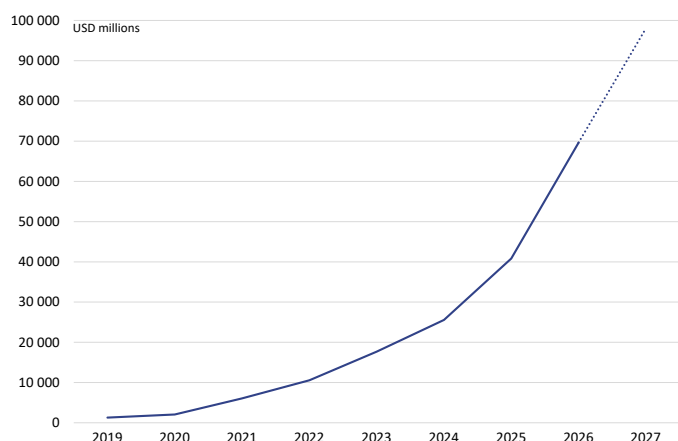
- One Connection – The merchant uses one API and one contract to reach 40+ countries.
- Local Habits - Customers pay using their own local cards, apps, or cash.
- No Local Entity – The merchant does not need to open a local office or bank account.

dLocal's main services include:

- Accepts Money - connects your store to 1,000+ local payment methods.
- Sends Money - pays your local workers or partners in their own currency.
- Handles in-country Red Tape, compliance & fraud.
- Moves Cash - converts local currency back into your home currency (USD, EUR, GBP etc.)

Net Retention Rate (NRR) is a key payments metric which measures revenue growth generated from an existing customer base over time. NRR has remained above 100% since 2020, reaching 145% in 2025. This means that even if dLocal acquired zero new customers in 2025, their existing merchant base grew their spending by 45% year-on-year organically. dLocal's top 50 merchants are served across an average of 12 countries and utilize 50 different pay-in methods on average. Consequently, once embedded into dLocal's unified platform, the friction and technical risk of switching to a competitor are remarkably high. This level of complexity creates "stickiness", which reduces customer churn.

TOTAL PAYMENT VOLUMES



Total payment volumes have expanded at an extraordinary 88% CAGR over the past decade. They are estimated to grow from \$40.8 billion in 2025 to \$98 billion by the end of 2027.

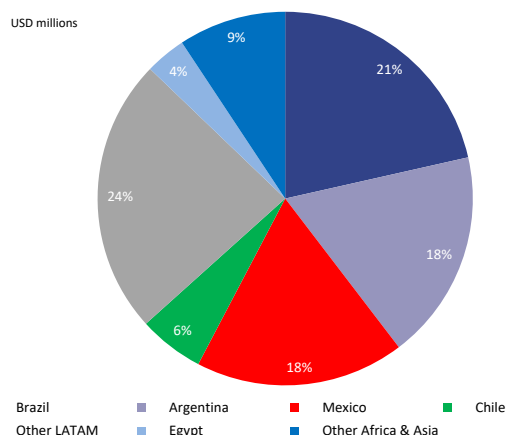
dLocal's "follow-your-customer" strategy ensures the company scales seamlessly alongside its clients. When a global giant like Uber or Netflix expands from a market like Brazil into Indonesia, dLocal automatically captures an increasing share of their Total Payment Volume (TPV) without incurring new customer acquisition costs. dLocal's flywheel is a virtuous cycle where each success automatically powers the next. As more companies use the platform, dLocal gains the leverage to negotiate cheaper fees and better terms with local banks and payment providers. As TPV accelerates, more data is collected. dLocal's "Defense Suite" provides a layer of security through advanced fraud prevention tools. By leveraging the data from billions of

transactions across 44 countries, dLocal uses artificial intelligence algorithms which can quickly detect anomalies and mitigate risk. Fewer scams mean more real payments get approved, directly boosting sales and removing large headaches for merchants.

Pay-ins represent dLocal's primary volume driver (72% of total TPV) and management have raised 2026 guidance for TPV to increase by 60–70%. Foreign exchange management and the collection of spreads on these cross-border conversions serve as a major high-margin revenue driver for the company, historically accounting for roughly 30% of dLocal's total business and revenues. Another avenue of growth is "Buy Now Pay Later" which is growing faster than the overall market with an expected 20% CAGR between 2024–2027. dLocal now offers a full suite of stablecoin solutions as well as enabling merchants to process agentic (AI) payments. dLocal's innate ability to stay abreast of the latest technology as well as streamlining traditional, trusted methods is key to its impressive growth trajectory.

The more complex the environment becomes, the more valuable it gets for dLocal. One of the big challenges is to turn global demand into compliant, recurring revenue. Enter dMoRe, the new Merchant of Record solution. This moves dLocal beyond simply processing payments to taking care of local invoicing, taxes & compliance under one roof. dMoRe not only solves historical pain-points for global merchants operating across multiple EMs, where regulation can change quickly, but also enables clients to focus on their core business. Combined, these difficult to replicate solutions create further 'stickiness' and add to dLocal's defensive moat.

REVENUE BY GEOGRAPHY



Given its roots in Latin America, it is not surprising that that region still accounts for the bulk of revenue. However, payment complexity is just as prevalent in Asia and Africa – a huge opportunity.

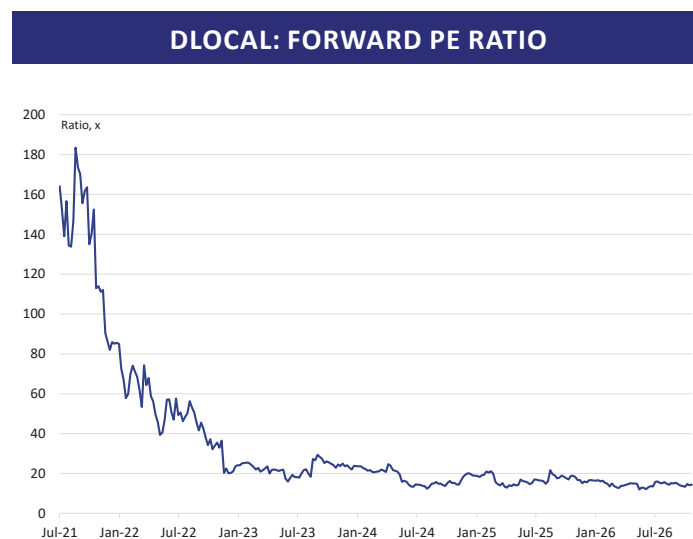
What are the risks? The top ten merchants were 61% of 2025 revenue. Consequently, losing or repricing a top client would hurt materially. The good news is that half of the top ten firms from two years ago were replaced by new merchants with faster growth. In mature core markets like Brazil, merchants frequently multi-source payment processors to negotiate lower processing fees or establish direct bank integrations which can place pressure on margins. Furthermore, EMs are susceptible to exchange rate volatility and the current elevated energy prices, and US Dollar strength is negative for non-oil producing EM economies.

In 2025, TPV reached a record \$41 billion, marking a 60% year-on-year increase. Revenue crossed the \$1 billion milestone for the first time and c3.5 billion pay-in transactions were handled, equating to about 6,700 payments per minute. The balance sheet is asset-light and, thanks to an over 100% cash conversion rate, management recently announced a \$300 million buyback and a dividend policy pegged at 30% of free cash flow. At an 18x estimated 2026 PE multiple, the valuation remains highly attractive.

In conclusion, the meteoric rise in EM fintechs is creating intense competition but established players like dLocal will continue to benefit from strong on-the-ground

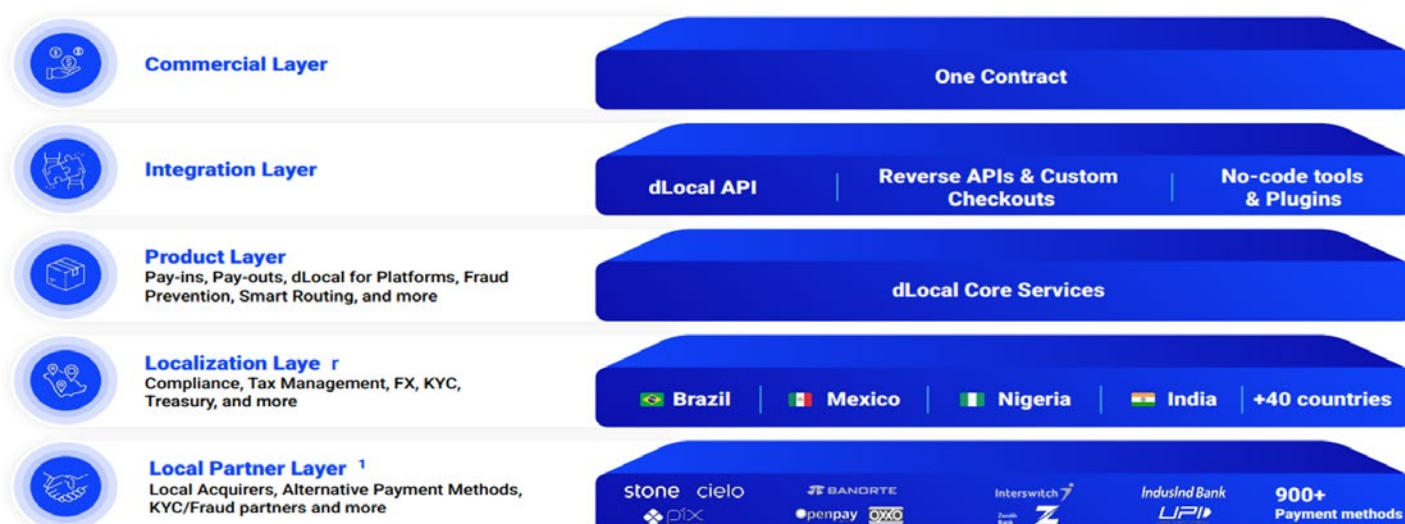
“At an 13x estimated 2027 PE multiple, the valuation remains highly attractive.”

relationships, with trust built over years coupled with the complexity of the solutions it has developed for global merchants, providing a defensive moat. There will be times of volatility, no doubt. However, dLocal offers a compelling long-term investment opportunity to gain exposure to structural tailwinds as digitisation accelerates across the emerging market payments landscape.



The excess hype evident in the valuation at listing has evaporated, offering investors a far better entry point into a company with significant growth and high barriers to entry.

ONE DLOCAL



dLocal navigates over 60 complex emerging markets by solving challenging payments issues with a simple one-stop shop for global merchants.



Our next seminar series will be held in November, when we traditionally review the past year and cast our eyes forward to the new year. We will do some with some trepidation, as we try to unpack whether 2027 will bring clam or chaos.



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Topic:

Outlook for 2027 – a more normal year?

Natal Midlands

Date: 3rd of December, 2026

Venue: Christ Church Howick, 23 Mare Street, Howick

Morning Time: 10am for 10.30am

Evening Time: 5.30pm for 6pm

Johannesburg

Date: 24th of November, 2026

Venue: Rosebank Union Church, Cnr Winne Mandela Drive and St Andrews Road, Hurlingham

Time: 7am for 7.30am

Cape Town

Date: 26th of November, 2026

Venue: J&J Belmont Square, Belmont Road, Rondebosch

Time: 7.30am

Venue: Helderberg Village Lifestyle Estate, 63 Bakkerskloof Rd, Helderberg Village, Cape Town

Time: 5.30pm for 6pm



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