Remitly Reports First Quarter 2024 Results

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Active customers up 36% year over year
Send volume up 34% year over year
Revenue up 32% year over year

SEATTLE, May 01, 2024 (GLOBE NEWSWIRE) -- Remitly Global, Inc. (NASDAQ: RELY), a trusted provider of digital financial services that transcend borders, reported results for the first quarter ended March 31, 2024.

“We are pleased with our strong start to the year that reflects our resilient customer base and superior customer experience,” said Matt Oppenheimer, co-founder and Chief Executive Officer, Remitly. “Our global scale and consistent execution has allowed us to deliver both robust top line growth and also improved profitability. As a result, we are pleased to build on this momentum by raising our outlook for full year 2024 Adjusted EBITDA.”

First Quarter 2024 Highlights and Key Operating Data
(All comparisons relative to the first quarter of 2023)

- Active customers increased to 6.2 million, from 4.6 million, up 36%.
- Send volume increased to $11.5 billion, from $8.5 billion, up 34%.
- Revenue totaled $269.1 million, compared to $203.9 million, up 32%.
- Net loss was $21.1 million, compared to $28.3 million.
- Adjusted EBITDA was $19.3 million, compared to $5.4 million.

2024 Financial Outlook
For fiscal year 2024, Remitly currently expects:

- Total revenue in the range of $1,225 million to $1,250 million, representing a growth rate of 30% to 32% year over year.
- To remain in a GAAP net loss position for 2024 and for Adjusted EBITDA to be in the range of $85 million to $95 million. This outlook reflects an increase from our prior Adjusted EBITDA outlook of between $75 million and $90 million.

Reconciliation of GAAP to Non-GAAP Financial Measures
A reconciliation of GAAP to non-GAAP financial measures has been provided in the financial statement tables included in this earnings release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.” We have not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) or to forecasted GAAP income (loss) before income taxes within this earnings release because we cannot, without unreasonable effort, calculate certain reconciling items with confidence due to the variability, complexity, and limited visibility of the adjusting items that would be excluded from forecasted Adjusted EBITDA. These items include, but are not limited to, income taxes and stock-based compensation expense, which are directly impacted by unpredictable fluctuations in the market price of our common stock. The variability of these items could have a significant impact on our future GAAP financial results.

Note: All percentage changes described within this press release are calculated using amounts in the Company’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”), for which revenue and active customers are presented in thousands and send volume is presented in millions. Rounding differences may occur when individually calculating percentages or totals from rounded amounts included within the press release body as compared to the amounts included with the Company’s SEC filings.

Webcast Information
Remitly will host a webcast at 5:00 p.m. Eastern time on Wednesday, May 1, 2024 to discuss its first quarter 2024 financial results. The live webcast and investor presentation will be accessible on Remitly’s website at https://ir.remitly.com. A webcast replay will be available on our website at https://ir.remitly.com following the live event.

We have used, and intend to continue to use, the Investor Relations section of our website at https://ir.remitly.com as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

Non-GAAP Financial Measures
Some of the financial information and data contained in this earnings release, such as Adjusted EBITDA and non-GAAP operating expenses, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”).

We regularly review our key business metrics and non-GAAP financial measures to evaluate our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. We believe that these key business metrics and non-GAAP financial measures provide meaningful supplemental information for management and investors in assessing our historical and future operating performance. Adjusted EBITDA and non-GAAP operating expenses are key output measures used by our management to evaluate our operating performance, inform future operating plans, and make strategic long-term decisions, including those relating to operating expenses and the allocation of internal resources. Remitly believes that the use of Adjusted EBITDA and non-GAAP operating expenses provides additional tools to assess operational performance and trends in, and in comparing Remitly’s financial measures with, other similar companies, many of which present similar non-GAAP financial measures to

investors. Remitly's non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial measures determined in accordance with GAAP. Because of the limitations of non-GAAP financial measures, you should consider the non-GAAP financial measures presented herein in conjunction with Remitly's financial statements and the related notes thereto. Please refer to the non-GAAP reconciliations in this press release for a reconciliation of these non-GAAP financial measures to the most comparable financial measure prepared in accordance with GAAP.

We calculate Adjusted EBITDA as net loss adjusted by (i) interest (income) expense, net, (ii) provision for income taxes, (iii) noncash charge of depreciation and amortization, (iv) gains and losses from the remeasurement of foreign currency assets and liabilities into their functional currency, (v) noncash charges associated with our donation of common stock in connection with our Pledge 1% commitment, (vi) noncash stock-based compensation expense, net, and (vii) certain acquisition, integration, restructuring, and other costs. We calculate non-GAAP operating expenses as our GAAP operating expenses adjusted by (i) noncash stock-based compensation expense, net, (ii) noncash charges associated with our donation of common stock in connection with our Pledge 1% commitment, as well as (iii) certain acquisition, integration, restructuring, and other costs.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements regarding our future operating results and financial position, including our fiscal year 2024 financial outlook, including forecasted fiscal year 2024 revenue and Adjusted EBITDA, anticipated future expenses and investments, expectations relating to certain of our key financial and operating metrics, our business strategy and plans, market growth, our market position and potential market opportunities, and our objectives for future operations. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on management's expectations, assumptions, and projections based on information available at the time the statements were made. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including risks and uncertainties related to our ability to successfully execute our business and growth strategy, our ability to achieve and maintain future profitability, our ability to further penetrate our existing customer base and expand our customer base in existing and new corridors, our ability to expand into broader financial services, our ability to expand internationally, the effects of seasonal trends on our results of operations, the current inflationary environment, our expectations concerning relationships with third parties, including strategic, banking, and disbursement partners, our ability to obtain, maintain, protect, and enhance our intellectual property and other proprietary rights, our ability to keep data and our technology platform secure, the success of any acquisitions or investments that we make, our ability to compete effectively, our ability to stay in compliance with applicable laws and regulations, our ability to buy foreign currency at generally advantageous rates, and the effects of changes to immigration laws, macroeconomic conditions, and geopolitical forces on our customers and business operations. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, our actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Further information on risks that could cause actual results to differ materially from forecasted results is included in our quarterly report on Form 10-Q for the quarter ended March 31, 2024 to be filed with the SEC, and within our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC, which are or will be available on our website at https://ir.remitly.com and on the SEC's website at www.sec.gov. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons if actual results differ materially from those anticipated in the forward-looking statements.

About Remitly
Remitly is a trusted provider of digital financial services that transcend borders. With a global footprint spanning more than 170 countries, Remitly's digitally native, cross-border payments app delights customers with a fast, reliable, and transparent money movement experience. Building on its strong foundation, Remitly is expanding its suite of products to further its vision and transform lives around the world.

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REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Operations
(unaudited)

(in thousands, except share and per share data)	Three Months Ended March 31, 2024	2023
Revenue	$ 269,118	$ 203,865
Costs and expenses		
Transaction expenses[(1)]	89,881	74,066
Customer support and operations[(1)]	20,119	19,931
Marketing[(1)]	68,014	44,123
Technology and development[(1)]	63,206	49,376
General and administrative[(1)]	44,173	41,408
Depreciation and amortization	3,678	3,029
Total costs and expenses	289,071	231,933
Loss from operations	(19,953)	(28,068)
Interest income	2,226	2,024
Interest expense	(769)	(389)
Other expense, net	(1,586)	(1,511)
Loss before provision for income taxes	(20,082)	(27,944)

Provision for income taxes	998	370
Net loss	$ (21,080)	$ (28,314)
Net loss per share attributable to common stockholders:		
Basic and diluted	$ (0.11)	$ (0.16)
Weighted-average shares used in computing net loss per share attributable to common stockholders:		
Basic and diluted	189,848,799	175,113,904

(1) Exclusive of depreciation and amortization, shown separately, above.

REMITLY GLOBAL, INC.
Condensed Consolidated Balance Sheets
(unaudited)

(in thousands)	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 285,997	$ 323,710
Disbursement prefunding	202,042	195,848
Customer funds receivable, net	439,183	379,417
Prepaid expenses and other current assets	44,789	33,143
Total current assets	972,011	932,118
Property and equipment, net	19,335	16,010
Operating lease right-of-use assets	10,315	9,525
Goodwill	54,940	54,940
Intangible assets, net	15,427	16,642
Other noncurrent assets, net	7,173	7,071
Total assets	$ 1,079,201	$ 1,036,306
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 12,278	$ 35,051
Customer liabilities	192,296	177,473
Short-term debt	2,445	2,481
Accrued expenses and other current liabilities	155,080	145,802
Operating lease liabilities	5,746	6,032
Total current liabilities	367,845	366,839
Operating lease liabilities, noncurrent	5,345	4,477
Long-term debt	150,000	130,000
Other noncurrent liabilities	6,653	5,653
Total liabilities	529,843	506,969
Commitments and contingencies		
Stockholders' equity		
Common stock	19	19
Additional paid-in capital	1,062,029	1,020,286
Accumulated other comprehensive (loss) income	(307)	335
Accumulated deficit	(512,383)	(491,303)
Total stockholders' equity	549,358	529,337
Total liabilities and stockholders' equity	$ 1,079,201	$ 1,036,306

REMITLY GLOBAL, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(in thousands)	Three Months Ended March 31, 2024	2023
Cash flows from operating activities		
Net loss	$ (21,080)	$ (28,314)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,678	3,029
Stock-based compensation expense, net	34,088	29,234
Other	249	1,083

Changes in operating assets and liabilities:		
Disbursement prefunding	(6,194)	(44,157)
Customer funds receivable	(59,432)	69,608
Prepaid expenses and other assets	(10,377)	(12,078)
Operating lease right-of-use assets	1,392	1,184
Accounts payable	(22,707)	(4,512)
Customer liabilities	14,744	(7,448)
Accrued expenses and other liabilities	10,429	(9,570)
Operating lease liabilities	(1,598)	(355)
Net cash used in operating activities	(56,808)	(2,296)
Cash flows from investing activities		
Purchases of property and equipment	(945)	(864)
Capitalized internal-use software costs	(3,369)	(1,296)
Cash paid for acquisition, net of acquired cash, cash equivalents, and restricted cash	—	(40,933)
Net cash used in investing activities	(4,314)	(43,093)
Cash flows from financing activities		
Proceeds from exercise of stock options	2,483	4,844
Proceeds from issuance of common stock in connection with ESPP[1]	5,004	2,729
Proceeds from revolving credit facility borrowings	275,000	75,000
Repayments of revolving credit facility borrowings	(255,000)	(75,000)
Taxes paid related to net share settlement of equity awards	(1,366)	(1,413)
Repayment of assumed indebtedness	—	(17,068)
Net cash provided by (used in) financing activities	26,121	(10,908)
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	(1,099)	219
Net decrease in cash, cash equivalents, and restricted cash	(36,100)	(56,078)
Cash, cash equivalents, and restricted cash at beginning of period	325,029	300,735
Cash, cash equivalents, and restricted cash at end of period	$ 288,929	$ 244,657
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 285,997	$ 244,159
Restricted cash included in prepaid expenses and other current assets	2,190	444
Restricted cash included in other noncurrent assets, net	742	54
Total cash, cash equivalents, and restricted cash	$ 288,929	$ 244,657

[1] Beginning with the fourth quarter of 2023, the Company changed the presentation of shares purchased under the Employee Stock Purchase Plan ("ESPP") to reflect an operating cash outflow for compensation paid to employees and a financing cash inflow for cash paid by employees in exchange for shares. Previously such activity was treated and disclosed as noncash activity for the three months ended March 31, 2023.

REMITLY GLOBAL, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures
(unaudited)

Reconciliation of net loss to Adjusted EBITDA:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Net loss	$ (21,080)	$ (28,314)
Add:		
Interest income, net	(1,457)	(1,635)
Provision for income taxes	998	370
Depreciation and amortization	3,678	3,029
Foreign exchange loss	1,569	1,505
Stock-based compensation expense, net	34,088	29,234
Acquisition, integration, restructuring, and other costs[1]	1,468	1,173
Adjusted EBITDA	$ 19,264	$ 5,362

[1] Acquisition, integration, restructuring, and other costs for the three months ended March 31, 2024 consisted primarily of $0.8 million in restructuring charges incurred, $0.5 million of non-recurring legal charges, and $0.2 million related to the change in the fair value of the holdback liability associated with the acquisition of Rewire (O.S.G.) Research and Development Ltd. ("Rewire"). Acquisition, integration, restructuring, and other costs for the three months ended March 31, 2023 consisted primarily of $0.8 million related to the change in the fair value of the holdback liability and $0.4 million of professional fees incurred in connection with the acquisition and integration of Rewire.

Reconciliation of operating expenses to non-GAAP operating expenses:

(in thousands)	Three Months Ended March 31, 2024	2023
Customer support and operations	$ 20,119	$ 19,931
Excluding: Stock-based compensation expense, net	353	205
Excluding: Acquisition, integration, restructuring, and other costs	758	—
Non-GAAP customer support and operations	$ 19,008	$ 19,726

	Three Months Ended March 31, 2024	2023
Marketing	$ 68,014	$ 44,123
Excluding: Stock-based compensation expense, net	3,979	2,983
Non-GAAP marketing	$ 64,035	$ 41,140

	Three Months Ended March 31, 2024	2023
Technology and development	$ 63,206	$ 49,376
Excluding: Stock-based compensation expense, net	19,627	16,631
Non-GAAP technology and development	$ 43,579	$ 32,745

	Three Months Ended March 31, 2024	2023
General and administrative	$ 44,173	$ 41,408
Excluding: Stock-based compensation expense, net	10,129	9,415
Excluding: Acquisition, integration, restructuring, and other costs	710	1,173
Non-GAAP general and administrative	$ 33,334	$ 30,820