

REFINITIV STREETEVENETS

# EDITED TRANSCRIPT

RELY.OQ - Q2 2025 Remitly Global Inc Earnings Call

EVENT DATE/TIME: AUGUST 06, 2025 / 9:00PM GMT

## CORPORATE PARTICIPANTS

**Luv Sodha** *Remitly Global Inc - Investor Relations*

**Matthew Oppenheimer** *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

**Vikas Mehta** *Remitly Global Inc - Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

**Tien-Tsin Huang** *JPMorgan Chase & Co - Analyst*

**Will Nance** *Goldman Sachs Group Inc - Analyst*

**Ramsey El-Assal** *Barclays Services Corp - Analyst*

**Cristopher Kennedy** *William Blair Capital Partners - Equity Analyst*

**David Scharf** *Citizens JMP Securities LLC - Equity Analyst*

**Alex Markgraff** *KeyBanc Capital Markets Inc - Equity Analyst*

**Gus Gala** *Monness Crespi Hardt & Co Inc - Analyst*

**Zachary Gunn** *FT Partners - Analyst*

## PRESENTATION

### Operator

Good day, and thank you for standing by. Welcome to Remitly's second-quarter 2025 earnings conference call. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Luv Sodha, Investor Relations. Please go ahead.

---

### Luv Sodha - Remitly Global Inc - Investor Relations

Thank you. Good afternoon, and thank you for joining us for Remitly second-quarter 2025 earnings call. Joining me on the call today are Matt Oppenheimer, Co-Founder and Chief Executive Officer of Remitly; and Vikas Mehta, Chief Financial Officer. Results and additional management commentary are available in the earnings release and presentation slides, which can be found at [ir.remitly.com](http://ir.remitly.com). Please note that this call will be simultaneously webcast on the Investor Relations website.

Before we start, I would like to remind you that we will be making forward-looking statements within the meaning of federal securities laws, including, but not limited to, statements regarding Remitly's future financial results and management's expectations and plans. These statements are neither promises nor guarantees and involve risks and uncertainties that may cause actual results to vary materially from those presented here. You should not place undue reliance on any forward-looking statements.

Please refer to the earnings release and SEC filings for more information regarding the risk factors that may affect results. Any forward-looking statements made in this conference call, including responses to your questions, are based on current expectations as of today and Remitly assumes no obligation to update or revise them, whether as a result of new developments or otherwise, except as required by law.

The following presentation contains non-GAAP financial measures. We will reference non-GAAP operating expenses and adjusted EBITDA in this call. These metrics exclude items such as stock-based compensation, payroll taxes related to stock-based compensation, our Pledge 1% contribution, integration, restructuring, and other costs and other income and expense. For a reconciliation of non-GAAP financial measures to the most directly

comparable GAAP metrics, please see the earnings press release and the appendix to the earnings presentation, which are available on the IR section of our website.

Now I will turn the call over to Matt to begin.

---

**Matthew Oppenheimer** - *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Luv, and thank you to everyone for joining us for our second-quarter earnings call. Q2 was a defining quarter for Remitly. Not only did we deliver exceptional financial performance, but we also achieved breakthrough product innovation. Vikas will cover Remitly's exceptional financial performance in detail. So I will use my time today to focus on the new products, services, and experiences that we have introduced into the market in the first half of the year. These innovations are changing customers' lives, expanding our TAM, and further fortifying our business model, positioning us to shape the future of global financial services.

Our vision continues to be clear, to transform lives with trusted financial services that transcend borders, with over 8.5 million customers, we are no longer simply enabling cross-border peer-to-peer payments. We are becoming the modern financial platform for globally connected people and businesses. Today, I am excited to share the momentum behind our product innovation engine and why Q2 represents an inflection point for Remitly across multiple dimensions. I will highlight four core focus areas of product innovation in 2025, shown on slide 5.

First, I'll start with our product momentum on Remitly Business. Second, I am excited to introduce Remitly One, a first-of-its-kind membership for customers with cross-border needs. Third, I will share our innovative stablecoins initiatives. And fourth, I'll showcase our approach to Agentic AI to create a more personalized, frictionless experience. In all these areas, we are building on our existing strength as well as leveraging new technology innovations to further strengthen our lead.

Let's dive deeper into each one, starting with Remitly Business. With Remitly Business, we expanded our TAM more than tenfold from approximately \$2 trillion to over \$22 trillion, as we aim to serve the 1.5 billion freelancers and millions of small businesses increasingly paying international contractors, vendors, and employees. We are starting with small businesses and freelancers in this category who primarily need reliable, fast, and affordable service, something that Remitly does uniquely well.

Formally launched in the US in Q2, Remitly Business is already emerging as an engine of growth. Built on our proven differentiated money movement infrastructure, it delivers the same intuitive click-and-send experience our consumer customers love, now tailored for the trust control and compliance standards small business require.

We are excited about upcoming launches in the UK, Canada, Australia, and the EU alongside vertical-specific onboarding flows, which will further accelerate our growth and broaden our global reach. With fast onboarding, automated EKYB, and instant reach to over 100 countries, businesses can go live in minutes. Our transparent competitive pricing is differentiated, while built in fraud detection and real-time attestation help ensure transactions are secure.

We're also rolling out additional features like bulk and recurrent payouts, payment requests and streamlined reconciliation to simplify operations and support growth at scale. We are seeing strong early momentum and have onboarded thousands of businesses in Q2. Average transaction sizes are nearly twice as large as those of our core consumers.

Thus far, retention signals are also tracking ahead of our expectations, leading to business customer lifetime value, roughly 6 times higher than consumer centers. We are confident that Remitly Business, anchored by an unrivaled customer experience and best-in-class pricing, will be a contributor to sustainable revenue growth, margin expansion, and long-term shareholder value. Looking ahead, Remitly is becoming the platform of choice not only for individuals, but for the millions of businesses powering the borderless economy.

Moving to the second area. I am thrilled to give you a preview of Remitly's One. A new membership program uniquely targeting cross-border needs. Remitly One will launch in September. With Remitly One, we are announcing not just another set of features. We are launching a bold new relationship. For the first time, customers can become members of a platform customized to address their cross-border financial needs.

Remitly One is our first-ever membership program, designed not around transactions, but around customer relationships. It's a single, seamless membership that brings together cross-border payments with financial products to store, spend, grow your funds, get liquidity, and other value-added services, all through a consistent and optimized experience.

Remitly One will be anchored at launch with two initial products: Remitly Wallet and Remitly Flex. Wallet and Flex are available stand-alone to customers today, but Remitly One members will get unique benefits with their membership. Let me double-click into Remitly wallet and Remitly Flex.

Remitly Wallet will serve as a secure multicurrency store value for both fiat and stablecoins designed to meet the needs of our customers. Fully integrated into our platform, the wallet will allow customers to manage balances, plan payments, and engage with their finances in a centralized, trusted environment. It will provide access to both fiat currencies and stablecoins, offering a safe flexible way to hold and use funds across borders.

Early customer feedback in the US shows strong promise with the Remitly's Wallet potential as a daily financial companion. Remitly One members will get access to special benefits that are like interest such as tax rewards on balances as well as other benefits like cash back on transactions and dollar credits for using their wallet.

Remitly Flex is our flexible funding solution, offering short-term liquidity, allowing eligible customers to send now, pay later. This structure provides an essential safety net for time-sensitive payments like medical emergencies or tissues without any interest or late fees associated with traditional lending. Importantly, Flex is powered by our proprietary transaction and other customer data, giving us a unique real-time view into customer behavior, cross-border payment history, and financial patterns. This allows us to consider risk responsibly and without friction in customer categories where others cannot.

Remitly One members will get access to special benefits like flexible repayment schedules, free instant funding, and more. We have seen strong early demand and good repayment history for Flex, as well as powerful upsell to membership or the additional expenses. Remitly One, its benefits and the underlying offerings like Wallet and Flex will be integrated into the Remitly experience, accessible from the same app our millions of customers already trust. It will be a unified experience that will scale with their needs, no learning curve, just more value every day. And this is just the beginning.

Remitly One is the foundation of a new ecosystem, one where membership drive daily engagement, emotional loyalty, and long-term financial growth. We will continue to add an expanding set of benefits, all designed for their lives when they meet them most. We look forward to showcasing Remitly One, including customer use cases and demos as well as what comes next at our upcoming product launch event on September 9. Our first of a signature series, we are starting called Remitly Reimagined.

Now moving on to the third area, Stablecoins. The toughest challenge for stablecoins users is ensuring secure on- and off-ramp to fiat currency. Our global money movement network, regulatory licenses, and deep compliance expertise uniquely position us to integrate stablecoins capabilities at scale. Our stablecoins initiatives position us to lead the next wave of modernization in cross-border financial infrastructure through three specific initiatives.

First, customers will have the option to store and manage stablecoin balances along with traditional fiat in their Remitly Wallet. This will especially be beneficial for customers in inflationary economies with high currency fluctuations. We are in beta testing and plan to launch this in September, working with Circle, a financial technology company that is accelerating stablecoin adoption.

Second, customers will be able to receive cross-border payments in stablecoin compatible wallets, seamlessly routed from our established fiat infrastructure. One of Remitly's core differentiators is our highly scaled fiat network, which enables instant cross-border transfers across 170 countries. We are excited to extend this network by integrating blockchain rails starting with stablecoin disbursement. This innovation enhances both our payout flexibility and global reach. The rollout is also in beta and plan to launch in September in partnership with Bridge, a Stripe company.

Third, for internal efficiencies, we've integrated tokenized US dollar stablecoins like USDC, into internal treasury operations to fund liquidity across global markets. This allows near instant settlement across time zones and weekends, which will enable quicker transaction processing, greater

reliability, and lower costs when customers send money with us. Together, these stablecoin initiatives enable us to modernize cross-border money movement, firmly positioning us at the forefront of stablecoin innovation and cross-border payments.

Following the Stablecoin update, the fourth area that I am excited to showcase is our approach to Agentic AI. At Remitly, we believe the next frontier of digital financial services will be intelligent, conversational, and personalized. That's why we are building an Agentic AI platform for this future. purpose-built for customers who use cross-border financial services. Today, our Agentic AI-enabled support experience handles nearly 2 million real-time interactions with customers resolving issues, predicting intent, and adapting contextually all while reducing cost to serve and increasing satisfaction.

We do not view AI merely as an efficiency unlock. We believe AI helps us generate revenue and bring new customers into our platform. As an example, based on industry data, a significant portion of cross-border transactions in the US to Latin America markets are still conducted offline. Our Agentic AI innovations, including Remitly on WhatsApp, will enable us to drive this secular off-line to online shift. This Agentic AI platform is embedded directly into WhatsApp, the most popular messaging happen in the world with nearly 3 billion customers, and enhances customer acquisition and onboarding.

With Remitly on WhatsApp, we've reimaged the cross-border payment experience as a simple conversational flow, spend money, check exchange rates, get help all via WhatsApp. Our vision is to make Remitly trusted, embedded, and intelligent wherever customers are, and it's working. Conversion rates for Remitly on WhatsApp are highest among customers who were previously transacting off-line, proving that conversational AI can be a powerful on-ramp to digital inclusion. Remitly on WhatsApp is already available to our US and Spanish customers sending to 11 countries, including Mexico and India.

Our platform innovation goes beyond WhatsApp The same Agentic AI-powered experience can be scaled across any conversational interface where our customers live and communicate, whether that's Meta's Messenger, which is launching soon, conversational platforms that are emerging, or platforms that haven't even emerged yet. In a world where financial institutions are still adapting the basic automation, we are not only constantly looking for ways to stay ahead of the curve, we are helping to find it. With Agentic AI, Remitly is building not just a better airspace, but a smarter relationship. One that makes cross-border finance feel as seamless as chatting with a brand, and we are getting started.

In closing, our vision at Remitly remains bold and unwavering to transform lives with trusted financial services that transcend borders. With over 8.5 million customers and a platform built for both individuals and businesses, we are a global fintech platform, purpose built for the digital age, meeting the full financial needs of global citizens and businesses who have long been underserved by legacy systems. We are doing this, leveraging the latest technology, innovating with AI and stablecoins to deliver intuitive, agentic, and trusted financial experiences.

From enabling Agentic AI for cross-border payments, to the launch of Remitly One, Wallet, Flex, and our business products, we are not just expanding our platform, we are creating entirely new categories of digital financial engagement. The thing that's most exciting is that we can uniquely do this given our scale. We've talked about our flywheel in the past and our flywheel is working.

We are delivering on our commitment to profitable growth, investing in high ROI opportunities that expand our TAM, and extend our advantage. And we are doing so while accelerating innovation, expanding into new customer categories, and unlocking massive TAM. We are proud of what we have built. We are energized about what lies ahead. And we are just getting started.

Now I'll hand it over to Vikas to walk through our financial and operational highlights from the quarter.

---

**Vikas Mehta** - Remitly Global Inc - Chief Financial Officer

Thank you, Matt, and good afternoon, everyone. We delivered another strong quarter of growth, expanded profitability margins while also investing in innovation. As shown on slide 12, second-quarter revenue was \$411.9 million, up 34% year over year. and adjusted EBITDA was \$64 million, representing a 16% margin. Results exceeded expectations with revenue \$28 million above and adjusted EBITDA, \$18 million above the midpoint of our Q2 guidance. We again delivered GAAP profitability, an important milestone that we expect to sustain going forward.

Before I dive into our quarterly results and outlook, let me address the macro topic that has been top of mind for investors, remittance tax. The One Big Beautiful Bill, which applies a 1% tax to cash and other physical instruments, exempts digital cross-border transfers funded via bank accounts, credit, and debit cards. All of our transactions are digitally funded and typically passed through both bank KYC standards at the payment instrument level as well as incremental KYC standards on Remitly platform, which gives us a structural advantage against legacy cash-based providers.

We expect this tax to further accelerate the shift from off-line to online benefiting Remitly when it's implemented on January 1, 2026. In short, this legislation is a tailwind for our business. And as Matt highlighted earlier, our product innovation around Agentic AI will further accelerate the shift from off-line to online.

Now I will begin with an overview of our second-quarter results and then share our outlook for the full-year and third-quarter 2025. Let me unpack the revenue growth drivers. Send volume grew 40% to \$18.5 billion, driving the strong volume growth. Send volume per active customer increased a record 12% year over year. This was driven by strong growth, both in transactions for active customers and average transaction size as we continue to win share and gain traction with high-amount senders and micro-business customers.

Quarterly active customers increased 24% year over year to over 8.5 million in line with our expectations, driven by continued retention and strength in new customers acquired in the quarter. Take rate was 2.23%, in line with our expectations.

Now let me dive deeper into our revenue outperformance from a geographic and customer category perspective. A key dimension of our scale is geographic diversification. From a send perspective, US revenue grew 35%, in line with last quarter, driven by continued share gains. Rest of the world grew 40% year over year, ahead of our overall revenue growth.

On the receive side, the revenue from regions outside of India, the Philippines, and Mexico, grew 41% year over year. Despite the overall remittance market to Mexico remaining soft in Q2, our Mexican receive business revenue growth outpaced our overall revenue growth. This outperformance is a clear indication that we are continuing to gain share in the Mexican market, growing meaningfully faster than the broader industry.

Besides geographic diversification, we are also seeing success in diversifying our customer categories. As we noted last quarter, high-amount senders is a key area of strategic focus for us. Using AI, we are able to reduce friction and enable higher send amounts without compromising compliance, combined with our deep partner integrations, we have raised transaction limits significantly and streamline the experience end-to-end. This has led to a record year-over-year send volume growth of over 45% for customers sending more than \$1,000 and the volume mix from these customers increased by 300 basis points year over year.

We introduced two new features send to self and multi-corridor sending designed specifically to reduce operational friction and unlock new use cases for expat, international professionals, and globally mobile families. Given that high amount senders is a new category for us, we are also making deliberate strategic investments in competitive pricing to attract and retain this valuable cohort and to accelerate adoption in H2, we have launched targeted marketing push tailored specifically to the needs and motivations of high amount senders.

Turning to our focus on driving profitable growth on slide 13. Transaction expenses this quarter were \$143.8 million and as a percentage of revenue was 34.9%. Excluding provision for transaction losses, other transaction expenses were \$115.7 million, improving 175 basis points year over year as a percentage of revenue. The mix of digital receive transactions increased year over year by more than 300 basis points, continuing a trend that has been positive for our business and customers.

Provision for transaction losses was \$28 million or 15.2 basis points as a percentage of send volume. This came in above our expectations due to a sophisticated fraud incident in May. We responded swiftly closing off are vectors and bolstering our already robust fraud detection systems. This was an isolated event and led to a discrete nonrecurring loss of \$3.8 million. Excluding this onetime item, provision for transaction losses would have been \$24.2 million or 13.1 basis points, consistent with our expectations.

Looking ahead, we'll continue to enhance our AI-driven risk models to proactively adapt to evolving fraud patterns without compromising the seamless customer experience that defines Remitly. As I've shared in prior quarters, RLTE expansion is an indicator of the long-term business model

success. RLTE dollars grew 35% to \$268.1 million, reflecting strong new and existing customer activity and economies of scale. RLTE as a percentage of revenue this quarter was 65.1%, modestly better than the percentages we saw last year.

As you will note, while there is a mix impact of high amount senders on take rates in the short term, over the long term, these customers help us drive incremental RLTE dollar growth. We are focused on long-term RLTE dollar growth as we continue to attract new customers, innovate with new use cases and scale.

With that, let me walk you through the specific non-GAAP expense categories on slide 14. Marketing spend was \$79.8 million, up 10.4% year over year. As a percentage of revenue, it declined 422 basis points to 19.4%, reflecting improved efficiency. This performance was driven by gains in both digital and brand marketing as well as continued strength from word of mouth. In Q2, we also deepened our brand relevance with key audiences through high-impact sports partnerships, notable ones include a multiyear sponsorship of England and Wales Credit Board, our partnership with Concacaf Gold Cup, a soccer tournament that reached record-breaking viewership this year, and our ongoing support of major league cricket in the United States.

These campaigns are designed to connect authentically with our core customer base of global citizens, celebrating cultural connection and driving awareness in high-density corridors. Marketing spend for quarterly active customer was \$9.38 in Q2, 11% year-over-year decline, underscoring our focus on returns from marginal investments.

Customer support and operations expense was \$24.6 million, and as a percentage of revenue was 6%, improving 46 basis points year over year, continuing a trend that we have seen over the last couple of years. Our AI-based virtual assistant and product improvements have enabled lower agent contact rates and strong customer satisfaction ratings. Technology and development expense was \$53.4 million and as a percentage of revenue improved by 225 basis points year over year. Technology and development expenses grew 15% year over year as we become more efficient in managing our spend while delivering breakthrough product innovation.

We are delivering on the metrics that matter most. In Q2, over 93% of transactions were disbursed in under an hour. More than 97% were completed without customer support contact, and our platform delivered 99.99% uptime. These are not just operational steps. They are proof points of the trust we are earning at scale.

G&A expense was \$46.3 million and was modestly higher as a percentage of revenue. We saw modestly higher provisions related to collectability of amounts due from certain processing partners with unique risk indicators in the quarter. We proactively assess the collectability of balances with various partners and prudently reserve when appropriate.

We are also investing in AI across the organization from writing code to writing documents to reimagining our internal operations and processes. For investors, that means we are building a smarter, more agile remedy, one that scales faster, serves customers better, and delivers long-term shareholder value. Overall, we continue to maintain rigorous discipline on hiring and non-headcount spend, while investing in compliance, geographic expansion, and AI tools.

Strong revenue growth, combined with efficiency and discipline led to adjusted EBITDA of \$64 million. We delivered our second-consecutive-positive GAAP net income quarter with \$6.5 million GAAP net income, a significant improvement compared to a \$12.1 million net loss in the second quarter of 2024. Stock-based compensation was \$38.1 million, and as a percentage of revenue was 9.2%, approximately 288 basis points lower than the second quarter of 2024.

Now moving on to our outlook on slide 15. Given that we are seven months into the year, we have a stronger line of sight into performance and underlying trends, which gives us greater confidence in our updated outlook. This guidance reflects a more realistic and grounded view of where we expect to land for the full year.

For the third quarter of 2025, we expect revenue of \$411 million to \$413 million or 22% to 23% growth. As you will note, the third quarter faces the toughest revenue comp of the year. The majority of our revenue in 2025 comes from prior-year cohorts giving us greater visibility into the durability of our revenue growth. If we unpack the revenue growth expectations further, we expect revenue to our group quarterly active customers

due to continued strength in high amount senders and micro business customers. Growth in send volume for quarterly active customer is expected to increase mid-single digits primarily by higher frequency of transactions and continued trend in higher amount centers and micro businesses.

Consistent with recent trends, we also expect send volume growth to outpace revenue growth for both Q3 and FY 2025. Higher transaction sizes lead to higher send volume growth, driving RLTE dollars higher, even with moderating take rates. Given our traction with high amount senders and micro-business customers, we believe volume growth is a stronger indicator of our future growth potential in addition to quarterly active customers.

For the full year, we expect revenue between \$1.61 billion and \$1.62 billion, reflecting a growth rate of 27% to 28%. This outlook reflects our performance in the first half of 2025. The confidence we have in durable customer behavior and strong returns from our marketing investments. Note, we will be lapping tougher comps in the second half of 2025 due to the outperformance in the back half of 2024.

Shifting to our adjusted EBITDA outlook. We expect Q3 adjusted EBITDA to be between \$53 million and \$55 million, translating to 13% margins. Starting with transaction expense. We expect Q3 transaction expense as a percentage of revenue to be in line with full-year 2024. Please note, in FY 2025, we are lapping the benefits from key payment processing partnership that we realized in 2024.

We are aware of recent developments where some partner banks are introducing fees for API access, which may increase costs for fintechs that rely heavily on ACH. However, the vast majority of our funding comes through debit cards and credit cards. As we have shared before, transaction losses may vary from quarter to quarter, and we remain disciplined in optimizing customer lifetime value and rigorously managing risk.

Shifting to marketing. We expect our marketing investments in Q3 will continue to deliver strong ROI. We'll increase our marketing investments over the next 6 to 12 months to support initiatives around high amount senders, micro businesses, and membership. We will meet these investments while prioritizing efficiency. Our LTV to CAC was about 6x in Q2, while our payback period remained under 12 months.

As a reminder, our marketing investments drive returns for many years beyond our initial investments, given repeat behavior. Recall, we began delivering the meaningful marketing for QAU efficiencies in the second half of 2024. So as we lap those improvements in the second half of 2025, you would expect marketing per QAU to grow by mid-single digits as we support product innovation.

For the full year, we expect adjusted EBITDA to be between \$225 million and \$230 million, representing an adjusted EBITDA margin of 14%. We expect to generate modest positive GAAP net income in the third quarter of 2025 as we plan to make growth enhancing investments, improve adjusted EBITDA, as well as manage dilution, net burn rate, and stock compensation expense effectively.

Overall, we expect to deliver positive GAAP net income for the full year. This outlook provides us with the flexibility to make key growth investments, while at the same time, deliver efficiencies across our operating expense base.

As part of this balanced approach to investing for growth while maintaining financial discipline, we are also taking thoughtful steps to strengthen our capital position. In late June 2025, we closed on an upsized \$550 million secured revolving credit facility, replacing the \$325 million agreement from 2021. As our business continues to scale, this increased facility provides additional liquidity required to prefund rising customer transaction volumes, especially around peak periods like holiday weekend when transaction volumes are significantly higher. This ensures we can continue to deliver seamless real-time money movement across global corridors.

GAAP profitability, strong free cash flow generation, and optimism in our future give us the confidence to authorize a \$200 million share repurchase program. While we continue to invest organically in our business, opportunistically investing in a share buyback program to manage dilution is also important to our capital deployment strategy. We do not have a specific time table for repurchases and will act judiciously consistent with our disciplined capital allocation approach. The share repurchase program reflects confidence in our ability to deliver for our customers, while also building long-term value for our shareholders.

To summarize, we delivered Rule of 50 for the second consecutive quarter with 34% revenue growth and 16% adjusted EBITDA margin while also investing in innovation. This momentum reflects Remitly's diverse durable revenue growth along with profitability and we remain committed to relentless innovation.

With that, Matt and I will open up the call for your questions. Operator?

---

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

Tien-Tsin Huang, JPMorgan.

---

### Tien-Tsin Huang - JPMorgan Chase & Co - Analyst

Great. Matt, I appreciate your enthusiasm here around all these fund initiatives. I'll ask on that, if you don't mind, just anything else you can share on the expected time line? And in the geographic phasing for the rollout of these products like Business and Remitly One, Wallet, of course, a stablecoin remittances. And I'm curious if you can comment on if you expect these initiatives to be -- there's a lot to do here to promote these initiatives properly to your user base? Is that going to alter your profit commitments in any way?

---

### Matthew Oppenheimer - Remitly Global Inc - Chairman of the Board, Chief Executive Officer

Yeah, I'll start and then I can let Vikas add on some of the latter part of your question. Yes, Tien-Tsin. I appreciate the question. We are incredibly excited about both expanding to new customer segments like Remitly Business, which we mentioned we launched in Q1 continued to grow really nicely in Q2. And then excited about Remitly One, which is our membership product that includes two products that are already live. Remitly Flex, which is our send now, pay later solution and Remitly Wallet, which is the ability to store both fiat and over time, stablecoins as well.

So incredibly excited about the foundation that gives us to continue to innovate, serve new customers, serve our existing customers with additional services. And I don't expect it to impact marketing line items, areas like that, I think that we have clear plans to be able to continue to grow those products.

---

### Vikas Mehta - Remitly Global Inc - Chief Financial Officer

Yeah. Let me just add a few quick points. So first of all, we have given a detailed guide for Q3 and the full year. So that covers everything that we have discussed in all the new products. A few double clicks to that may be helpful over here.

The first is, as we highlighted, we are seeing strong success -- early success with SME where the transaction sizes are larger, the retention profile is better. So clearly, that has its own dynamics with regards to stand send per QAU as well as take rates. Beyond that, if you look at the P&L line items, thus far, we have not specifically invested in marketing in new areas, but now starting second half, we will be focusing with targeted campaigns on newer areas. So definitely, that's already built in to our guide, but just highlighting that, which will, of course, drive additional marketing investments. But again, all within the envelope of what we have shared.

In addition to that, tech and dev, will also be an important area of investment, especially as we innovate. Overall, as I shared earlier, it's all part and parcel of our guide that we have given, so no specific changes and very excited about the innovation that's coming ahead of us.

**Operator**

Will Nance, Goldman Sachs.

---

**Will Nance** - *Goldman Sachs Group Inc - Analyst*

And would echo Tien-Tsin's comments on the new products. It's great to see some of the momentum and some of the investments you've been making paying off. I wanted to talk maybe on the -- I'll just kind of pick on Remitly Wallet for a second. Maybe you can talk a little bit in more detail about the customer profile that you'd be going after, how you think about kind of cross-sell to the existing customer base versus maybe unlocking a different type of customer? And just how you think about newer economics in that space and pricing and just how it may alter the complexion of the business as that products sails.

---

**Matthew Oppenheimer** - *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

Yes, absolutely. Happy to, Will. And I'm glad you can sense the excitement it's definitely a defining quarter for Remitly. When it comes to the Wallet, we are excited about giving our customers the ability to store both fiat and stablecoins. And I think in terms of the types of customers that we can serve, I think there's opportunities across the board.

I think that starting with our existing customer base, we have 8.5 million quarterly active users that, I think, have a need to store multi-currencies across the globe. And then over time, I think that oftentimes a place that we can capture demand is when customers move to a new country, there's a broad financial services set of needs that they have, getting money back to their families is where we put it on historically. And I think also getting that initial bank account set up is an area where there's a pain point. So I think that lots of opportunities there and really excited about what's to come.

---

**Operator**

Ramsey El-Assal, Barclays.

---

**Ramsey El-Assal** - *Barclays Services Corp - Analyst*

And great results tonight. I wanted to ask you, guys, what you're actually seeing in the marketplace when it comes to stablecoin demand from your customers. There's obviously a kind of emerging market use case already sort of an inflation hedging use case. Are your customers -- are you getting signals that they're looking for you to provide these capabilities? Or is this more sort of like you're laying in these solutions just to be prepared as the market evolves? Does that make sense?

---

**Matthew Oppenheimer** - *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

Yeah. Thanks, Ramsey. Whenever I look at new technologies, whether it's AI or stablecoin, I look at what is the problem that can be solved for customers. And I think that the first problem that can be solved is exactly what you said. There is a demand in a lot of countries for customers to hold a less-volatile currency. And I think stablecoins are a potential solution for that.

The solution that we're offering when it comes to how to leverage stablecoins is, one, the ability to hold stablecoins as part of their Remitly Wallet. And then the second is we are incredibly good at getting funds to customers the way that they want to receive them. And we can do that via 4 billion bank accounts and mobile wallets. We can do that via over 400,000 cash pickup locations. We can even do door-to-door delivery in some markets where it's popular in the Dominican Republic.

What we're excited about today is announcing that we'll be giving our customers the ability to send money to stablecoin wallets across the globe. -- to give them another option of a way to send money back home to their families. And we'll be doing that in partnership with Bridge, which is obviously a Stripe company. And so I see those two solving the first pain point is customers in emerging markets wanting to hold a stable currency.

And then the second is we could be the potential customer. And we have already launched within our treasury team, the ability to leverage stablecoins to improve our FX, treasury and cash management. Now to your point, Ramsey, that's the future. That's where the world is headed. Modest usage now because sometimes technology takes time to adopt a specialty in financial services. But I think we're investing in the future. We're ahead of the curve and we're excited about what's to come.

---

**Operator**

Chris Kennedy, William Blair.

---

**Cristopher Kennedy** - *William Blair Capital Partners - Equity Analyst*

Can you just talk a little bit more about your Wallet initiative, kind of how you're thinking that your customers would utilize and spend those balances and kind of talk about the float opportunity for Remitly?

---

**Matthew Oppenheimer** - *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

Yeah, absolutely, Chris. And I'll build on a little bit more to what I answered with Will. So I think that there is, as I mentioned, the desire to hold multi-currencies, whether the fiat or stablecoins. And the exciting thing is we're putting it in the overall context of a membership solution. And so that's where Remitly One comes into play.

Customers will be able to hold balances without a Remitly One membership. But then by becoming a Remitly One member they'll be able to earn interest like rewards to be able to actually increase those cash balances, and there'll be more seamless integrations with things like being able to spend money. So we will talk more about the wallet, about Flex, and about Remitly One, the membership that gives customers additional benefits of those two products and others at the product launch met Remitly Reimagined, I mentioned will be happening in September. So excited to share even more then.

---

**Operator**

David Scharf, Citizens Capital Markets.

---

**David Scharf** - *Citizens JMP Securities LLC - Equity Analyst*

I wanted to just follow up on the stablecoin discussion. Given that FX markup is a significant the fee structure of any send, can you discuss how holding a stablecoin sort of impacts the unit economics, I mean, are we -- should we be thinking about a different revenue model for stablecoin-type transactions either on the send or receive side?

---

**Matthew Oppenheimer** - *Remitly Global Inc - Chairman of the Board, Chief Executive Officer*

Yes. Thanks, David. I think the quick answer is I expect the revenue model to be similar. I think that what we are fundamentally good at and what will remain is the fact that we are good at getting one currency to another, and that could be at fiat stablecoin, stablecoin fiat. It could be via cash pickup. It could be via a lot of the options that I mentioned.

But doing that requires an enormous amount of infrastructure, an enormous amount of regulatory expertise, an enormous amount of risk systems that do it quickly and also at a low cost. And so I would say that the model will remain similar, and we're -- we feel really well positioned in terms of our ability to drive stablecoins adoption given that we have always been and will continue to be in the business of currency conversion and we're very well positioned to do with that with stablecoin as we've been with fiat.

---

**Operator**

Alex Markgraff, KBCM.

---

**Alex Markgraff** - KeyBanc Capital Markets Inc - Equity Analyst

I appreciate the question. Matt, could you talk about Remitly Business a little bit? I mean, I think from a TAM standpoint, pretty compelling. You showed some unit economics. But maybe just some thoughts on competition and the pricing dynamic in B2B versus P2P remittances. And then just anything you'd flag on sort of first party versus partnership-type opportunities with Remitly Business?

---

**Matthew Oppenheimer** - Remitly Global Inc - Chairman of the Board, Chief Executive Officer

Yes. Thanks, Alex. I would love to talk about Remitly Business. So Remitly Business was born out of the fact that we had a lot of customers coming to our platform, trying to use it. And it was not previously optimized in terms of a streamlined automated KYB, meaning know your customer flow and a lot of other features that I mentioned in my opening remarks that small and micro-businesses need.

So the question is why were customers coming to our platform to use it in the first place, despite the fact that there was friction in the early days. And it's because that segment of customers, we're talking about folks who are sending money to freelancers who might be on the lower end of the overall business or SMB segment in terms of average transaction size, that segment, we believe, is not well served. And the reason it ties a bit to your cost point is because -- they do not need a lot of the additional features, but what they do need is a reliable, fast and affordable product. And what we've done in the consumer space is we have really optimize the unit economics for exactly that and really optimize the experience for exactly that.

And so we're really excited now that we've actually optimized our product for small businesses. We believe we can continue to kind of move up market over time, I think that we can add the features that initially micro and small businesses require. And then over the medium to long term, I think that we can continue to serve a wide range of businesses because, as I mentioned, it's 10 times the overall TAM, increasing our TAM to \$22 billion. And we always say we're just getting started. We are very much just getting started with Remitly Business.

---

**Operator**

Gus Gala, Monness, Crespi, Hardt & Company.

---

**Gus Gala** - Monness Crespi Hardt & Co Inc - Analyst

I wanted to ask about the CAC per quarterly active moderation in the back half. Is it kind of -- I mean, you're talking about performance marketing to drive business, but is there under or beyond that, maybe for the core business, are we putting in more in top funnel in the back half? Just help us think about that. And one clarification I can squeeze it in.

The guide you clearly raised by more than the mean how much of that. Is any of that coming from new innovations? Clearly, the business part is some of it because it's been in market since Q2, but just help us on being you need that.

**Matthew Oppenheimer** - Remitly Global Inc - Chairman of the Board, Chief Executive Officer

Thanks, Gus. I'll take this one. Let me answer the second part of your question. If you look at the guide and the beat, I'd say given that a lot of the new initiatives are early. In addition to that, as Matt clarified, Remitly One launches in September. So clearly early days. So a lot of the upside you are seeing is from the core business.

Now moving to your question around marketing. Let me clarify a few things. I think the first is we have seen a very efficient marketing engine with continue 6x plus CAC to LTV, LTV to CAC as well as payback period is less than 12 months. So that continues to remain a strength for us. As we look at second half of the year, just comps are very, very tough. Last year, in the second half, we had a lot of efficiencies. The marketing per QAU, really went up and in terms of just efficiency. And as we comp, some of those tough last year numbers, it's just more of law of numbers there.

In addition to that, as we innovate and launch new products, we want to have a targeted focus supporting those newer initiatives. So I think a mix of those two is what you're seeing here in terms of the outlook of marketing what we have said. But overall, marketing continues to be a very important level for us in attracting new customers and building for our future.

---

**Operator**

Zachary Gunn, FT Partners.

---

**Zachary Gunn** - FT Partners - Analyst

I also wanted to just follow up on the stablecoin dynamics. So today, if we break down your transaction expenses, pay in and pay out cost to each about 30 basis points of overall volume. So for transactions where customers want to receive cross-border payments in stablecoins, how do those relative economics compare, especially when you might have a party like Bridge involved who would want to share in those economics?

---

**Matthew Oppenheimer** - Remitly Global Inc - Chairman of the Board, Chief Executive Officer

Yes. I think -- great question. And I think overall, I think that it's comparable when you look at it as a disbursement option effectively. And then I think there's upside for us as we think about the Remitly Wallet product, where we're actually storing stable point value, whether that's earning net interest income in areas like that or whether it's earning other benefits. I think that there's lots of opportunity as we think about stablecoins adoption for the economics to work very well for us.

---

**Operator**

I'm showing no further questions at this time. I'd like to turn it back to Matt Oppenheimer for closing remarks.

---

**Matthew Oppenheimer** - Remitly Global Inc - Chairman of the Board, Chief Executive Officer

Great. Thank you so much, and thank you, everyone, for the incredibly thoughtful questions. As always, I will end with a customer story. This one is from a Remitly Business customer named Tony. And Tony shared with us the first transaction was flawless, and it was convenient and it was fast. So I have been hooked ever since. We thank Tony for his loyalty and for trusting Remitly to get money to his business reliably and seamlessly.

Thank you, everybody, for joining us. We appreciate your support. We are excited about the opportunities ahead and we look forward to sharing our progress as we continue to execute on our vision of transforming lives with trusted financial services that transcend borders.

**Operator**

This concludes today's conference call. Thank you for participating, and you may now disconnect.

**DISCLAIMER**

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2025, Refinitiv. All Rights Reserved.