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PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Remitly fourth quarter and full year 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, David Beckel, Vice President of Investor Relations. Please go ahead.

David Beckel - *Remitly Global Inc - Investor Relations*

Good afternoon, and thank you for joining us for Remitly's fourth quarter and full year 2025 earnings call. Joining me on the call today are Matt Oppenheimer, Co-Founder and Chief Executive Officer of Remitly; Sebastian Gunningham, incoming CEO of Remitly; 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.

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 the 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, adjusted EBITDA and free cash flow in this call. These metrics exclude items such as stock-based compensation, payroll taxes related to stock-based compensation, 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 metric, 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, Dave, and thank you, everyone, for joining us today for our fourth quarter earnings call. Today's call is an important and especially exciting one for me as we announced the appointment of and welcome Sebastian Gunningham as Remitly's new CEO. He could have not timed to joining Remitly any better. We ended this strategically important year with incredible results, growing revenue by 29% and reaching adjusted EBITDA of \$272 million in 2025, exceeding our guidance for both. This very strong finish to the year, and our outlook for next year reflects the strength of our product platform, team and strategy and is the result of 15 years of hard work guided by a simple vision that sending money and receiving money across borders should be reliable, fast and fair.

Prior to founding Remitly, I lived and worked on three continents and saw how painful and uncertain basic financial flows could be for people who move money across borders. That experience was the seed for our now broader vision, transform lives with trusted financial services that transcend orders. I'm reminded of the importance of that vision every time I connect with customers like Sanjana, a customer since 2019, who joined Remitly through word of mouth during graduate school. She used Remitly initially to support her parents. Since then, she has lived in multiple countries sending larger and larger amounts over time and recently used Remitly to transfer \$60,000 in one transaction to meet tax obligations.

She is what we call a high amount sender, a customer category that grew send volumes more than 40% year over year in 2025. She says she prefers Remitly relative to banks and other competitors because of our competitive exchange rate and the speed of transfers.

That vision, our unrelenting commitment to delivering positive and trusted customer outcomes and the power of our scale platform have resulted in substantial growth over the years. Since just 2020, quarterly active users have grown by nearly 5 times and revenue has expanded more than sixfold. I'd like you to think about that for a moment. Just five years ago, Remitly was around \$250 million in revenue, serving close to 2 million customers. We are now over \$1.6 billion in revenue, serving more than 9 million customers.

That momentum in our core money movement business continues. And with less than 4% share of the consumer TAM alone, there is significant headroom to expand further. Beyond money movement, our portfolio of new products provides an opportunity to grow and diversify revenue by creating stronger relationships with customers we serve.

In my comments, I will share three key updates: First, I will reflect on our achievements in 2025; second, I'll share how this past year's accomplishments inform our strategic priorities for 2026; and finally, I will provide additional color on my decision to transition to the Chairman role, how I will stay engaged in that capacity and explain why Sebastian is the right leader for the company going forward. I will then turn the call over to Sebastian to more formally introduce himself.

Starting with the reflection on the past year. 2025 put simply was a phenomenal year for Remitly. Strategically and financially, it was one of the most pivotal years in Remitly's history, culminating in an Investor Day and the issuance of our medium-term outlook in which we expect to generate up to \$3 billion of revenue and \$600 million of adjusted EBITDA by 2028. Equally importantly, it created the right moment to accelerate execution with a new leader. Our exceptional performance in 2025 was underpinned by three things.

First, strength in our core money movement product; second, early contributions from new products, which enable our long-term vision of becoming a leading and trusted provider of financial services that transcend borders; and third, efficiency gains and operating leverage, which drove record levels of adjusted EBITDA, GAAP profit and free cash flow.

Starting with core money movement. 2025 marked another year of rapid customer growth. We ended the year with more than 9 million quarterly active users close to \$75 billion of annual spend volume and more than \$1.6 billion of revenue, growth of 29% year over year

continuing our track record of significant share gains amid one of the more challenging political and macroeconomic environments in recent memories. This growth was driven by an expansion of our reach with new customer categories like high amount senders. The strength of our platform, which allowed us to test, iterate, gather market intelligence and leverage learnings faster than ever and our continued focus on improving the customer experience.

Our relentless attention to trust, reliability, speed and simplicity and delay drove further increases in retention rates and customer lifetime value. Our platform also enables meaningful progress in the launch and adoption of new products. This past year, we launched our send now, pay later product, Flex. Flex is our first product outside of global money movement to surpass 100,000 users, reflecting its strong appeal with a large portion of our customers and it bridges timing mismatches between earnings and the transfer needs among our customer population.

We ended the year with around 120,000 total Flex users and saw solid double-digit quarter on quarter growth in users each quarter throughout the year. We also launched a product focused on businesses, Remitly Business, a global money movement product that allows small- and medium-sized businesses to pay international contractors, vendors and employees. The focus for Remitly Business this past year was on developing and testing features that appeal first to micro businesses while at the same time, managing a product road map that enables us to scale quickly to address the roughly \$20 trillion global money movement opportunity for small and medium-sized business customers.

Early traction for Remitly Business is strong as we ended the year with more than 15,000 business customers on the platform. The third major new product launch last year was our membership program, Remitly One, which ties all our new product offerings, liquidity, wallet and card into a unified experience that rewards engagement and build daily habits. Early adopters have shown strong demand for the Send Now, Pay Later feature as we continue to extend the availability and features of our wallet and card and refine other rewards and benefits.

In 2025, we also delivered record levels of efficiency, profitability and cash generation, significantly outperforming our expectations. Just one year ago, the business had a negative net income of \$37 million and today has net income of \$68 million, with \$41 million of that coming in the fourth quarter alone. Momentum and profitability is being driven by several reinforcing forces. First, AI-enabled operating enhancements are fundamentally improving both efficiency and velocity. For example, a recently upgraded fraud model, leveraging AI and integrated data across our platform helped drive record low transaction losses as a percentage of send volume and lower side line rates in Q4, contributing roughly \$10 million of incremental RLTE dollars versus our forecast.

And in product development, we have reduced developer time for product enhancements by combining processes that involve many data sources and human judgments into agent automated workflows, bringing up developer and engineering time for more strategic higher-impact projects. Second, scale continues to strengthen our flywheel, driving improved unit economics across transaction expenses and other major expense categories.

Third, optimization and treasury operations aided by AI models and stablecoin have driven continuous improvements to our FX costs. These factors, together with a disciplined approach to hiring, contributing to an expansion of adjusted EBITDA margin of more than 500 basis points year over year, enabled full year GAAP profitability for the first time in our history and drove a tripling of free cash flow. We will carry this momentum from 2025 into 2026 as we progress towards the three year financial goals we laid out at Investor Day of up to \$3 billion in revenue and \$600 million in adjusted EBITDA.

Slide 6 presented at our Investor Day, is the strategic blueprint we will use to drive improvements in our platform and products while ensuring we remain laser-focused on meeting the most critical cross-border financial needs of a growing group of customer categories. I'll touch on key priorities for each.

Starting with our platform. At Remitly, we see AI as a tremendous tailwind for improving our platform and an enabler of our strategic and financial goals. In 2026, we will further expand the use of agentic and AI systems company-wide to amplify productivity, streamline operations, lower fraud risk, improve customer satisfaction and speed product development and decision-making. We will expand our use of stablecoins by enabling broader assets to USDC and further embedding stablecoin and treasury operations to generate incremental working capital efficiencies and lower transaction costs.

Moving to products and specifically, our new products, credit liquidity, wallet, membership and our money movement products targeting businesses. In 2026, we will continue to test and optimize while moving to a full scale launch for a number of our new products in key geographies. We expect in total to more than double revenue from new products this year. Vikas will provide more detail about specific growth initiatives for the upcoming year in his commentary.

Finally, I'll discuss our priorities for growing the customer categories we outlined at Investor Day. In 2026, we will continue to expand our presence of the high amount senders or those that send more than \$1,000 per transaction, a large, important and underserved customer category. Our unit economics optimized for lower transaction amount give us a huge competitive advantage as we extend to higher send threshold. In 2025, we saw volumes from high amount senders grow 15 percentage-points faster than low amount senders, and we expect another year of strong growth in high amount send volumes as we further extend send limits. 2026 is also expected to be an important year for geographical expansion.

We continue to scale in the UAE, launched outbound service in Japan early in Q1 and plan to enable sending from the Kingdom of Saudi Arabia and potentially in Brazil, subject to regulatory approvals. I could not be more excited about Remitly's prospects in 2026 and beyond. Our growth today reflects the cumulative benefit of core strength developed over the last 15 years. Trust, a proprietary global money movement network and the compounding advantages of scale. We built a digital-first platform that dramatically lowered the cost and friction of cross-border transfers, helping to significantly reduce the industry cost of sending, transfer and saving customers billions of dollars as a result.

We turned a largely cash-based, slow remittance process into a near instant experience from millions of people, resulting in real tangible improvements in people less. Looking ahead, the work to drive positive business outcomes and the achievement of our medium-term financial targets is clear and interdependent. We will further accelerate product velocity, so we can convert product proofs in a broad adoption. We will continue to institutionalize operational excellence with tighter cadences, repeatable playbooks and a relentless focus on execution quality. We will manage costs thoughtfully and we have done it by strategically reducing head count and reallocating resources to high-impact growth areas.

And we will treat AI as a structural lever, using models to speed product delivery, improve underwriting and risk controls, reduce fraud risk, automate audit and compliance and make marketing measurably more effective.

Doing these things together at scale and with continued focus on capital discipline is what moves us from a global payments company to a company that offers a wider range of financial services that transcends orders, one capable of transforming lives for individuals and businesses with cross-border financial services needs. And with the foundation and plans in place, I am excited to hand the reins over to a new leader who will dramatically accelerate the delivery of new products and the realization of our vision.

The transition has been and will continue to be done with a lot of intentionality. I went to the Board a while back to start discussing the succession planning. I didn't know if it would take a quarter or several years to find my successor, but I had the conviction that now was the time to find an incredible successor. The company is doing exceptionally well. The vision is clear and with the right leader, we can meaningfully accelerate delivery while I continue as Chairman.

The Board and I ran a deliberate exhausting process to identify that leader, defining a success profile, completing thorough interviews and running independent pre-hire diligence and assessment. Sebastian Gunningham emerged as the leader, who is an exceptional fit for what we need in our next phase. Originally from Argentina and with extensive professional experience in Latin America, he perceived better than most, the need for timely and reliable cross-border payment solutions and a stable currency. He also has great exposure to founder-led companies and cultures at the most senior levels, reporting directly to Larry Ellison at Oracle and Jeff Bezos at Amazon.

With this experience, he brings a rare combination of product rigor and operational discipline. He grew Amazon's Marketplace business to a multi-hundred billion GMV business and he's led growth companies as CEO at various stages. Finally, he has broad experience in financial services, running Amazon payments during his tenure at Amazon and more recently Chair of Santander Consumer Finance. Simply put, he

is uniquely suited for Remitly as a product-led technology executive and strong operator with incredibly unique experience at both very large and growth-stage technology and financial services companies.

As I have gotten to know Sebastian, it became clear that he is exactly what Remitly needs right now. and I am so excited for you to know him going forward. I will remain an active adviser for Sebastian and the Chairman of Remitly. My top priority is to work with Sebastian on an organized and thoughtful transition as he ramps up as CEO in the coming months. Sebastian and I are highly complementary.

He will relentlessly drive product velocity and operational cadence. I will provide a founder's perspective, support strategic external relationships and ensure continuity of our long-term vision. We will operate in a tight partnership. On a personal note, I think this more is stepping up and stepping away. I will continue to be the largest individual shareholder with no plans to sell for the foreseeable future and I will remain deeply engaged as Chairman, not as an operator of the business where I will defer to Sebastian.

I also plan to devote more time to systematic problems where Remitly's experience and scale could help. For example, remittance policy that supports safe digital adoption and regional work and fast-changing sending hubs like the Middle East, where an onshore presence, policy engagement and other macro issues are important to our customers.

These are longer-term cross-industry initiatives that I will pursue from a strategic vantage point and where our platform and AI capabilities provide practical levers to effect change. Let me close by reaffirming the one sentence that guides everything we do and that remains unchanged, transform live with trusted financial services, that transcend borders, that is the North Star for every product decision and every operational choice.

The platform, products and the team are now in place to deliver that ambition at a much larger scale. The work ahead is to increase velocity and execution quality, so more customers benefit faster.

With that, I will now hand it over to Sebastian for a short introduction.

Sebastian Gunningham - Remitly Global Inc - Incoming Chief Executive Officer

Thank you, Matt. First, I want to congratulate Matt and the entire Remitly team on an exceptional 2025, ending the year with 29% revenue growth from \$272 million in adjusted EBITDA is a testament to the strength of the platform we've built over the last 15 years. It's a privilege to join a company executing with such consistency and discipline of results. Second, I've been asked what attracted me to Remitly. The answer is a combination of mission, opportunity and time.

Let me start with the mission. Remitly serves a global community that has been historically underserved and overcharged. After getting to know Matt, it became clear that this mission is an authentic reflection of the farmer. This makes the work of serving this community meaningful, and it makes the impact were.

Next, the opportunity. Global remittances is a monster category with room for multiple strong players. Remitly has around 4% of the Consumer Payments segment alone. There is plenty of space for growth as money movement around the world is only going to get bigger and more important. Then the product.

Customers love the Remitly product, high trust and repeat usage proved that Remitly is a product value story. That trust built across more than 5,300 global corridors is a moat that doesn't reset overnight. The unit economics also work, as you are seeing in these latest results, this is a business with scale advantages that will continue to accrue into the future.

And finally, timing. AI is a big tailwind for this business. For me, personally, the timing is very good. I have a data and science background and have been deep in the evolution of real. I believe AI will be transformative and I also believe incumbents with established business models and happy customers are going to be huge beneficiaries of AI.

I'm going to aggressively lead that journey at Remitly. Putting all these points together, it became a very compelling reason to say yes, to leading Remitly. I've also been asked how I would brand myself as I step into this role. My career has been defined by building and launching products at some of the best companies in the world, leading large-scale engineering and business teams and operating within complex organizations. I have also spent the last five years working deep in banking and payments. Paired with my data science background and deeply attuned to the way AI is transforming the space.

I'm a product-first operator, someone who believes in combining rigorous operational discipline with the speed of technological innovation. Let me close with this reflection. Remitly operates in a fast-growing ever-evolving and over \$22 trillion annual cap. In this environment, in my opinion, there is only one durable advantage that matters, build the best product. In digital financial services, the product is the business. That will be my focus and the way we keep growing our customer base, delivering a great service and driving our revenue growth.

I look forward to interacting with all our analysts and shareholders and to working closely with Matt and the Board to deliver on the ambitious long-term vision we have laid out for Remitly.

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

Thank you so much, Sebastian. I am so incredibly excited that you are here. You're focused on building the best product combined with disciplined execution is going to result in really exciting results for our company and customers and it reinforces the strategy we laid out at Investor Day and strengthens our confidence in delivering on our ambition of \$3 billion in revenue and \$600 million in adjusted EBITDA by 2028. With that, I'll now turn the call over to Vikas to walk through our financial and operating highlights for the quarter.

Vikas Mehta - Remitly Global Inc - Chief Financial Officer

Matt, thank you for your leadership. Sebastian, welcome to Remitly. Good afternoon, everyone. As we shared at Investor Day, we are focused on profitable growth, strong free cash flow and manage dilution to drive long-term shareholder value. Q4 and full year results clearly demonstrated our ability to do that.

We delivered a pretty strong quarter and full year with record revenue and adjusted EBITDA. Fourth quarter was \$442 million revenue, up 26% year over year. Adjusted EBITDA was \$89 million resulting in an adjusted EBITDA margin of 20%, our highest quarterly adjusted EBITDA margin ever. Our performance this quarter was driven by key primary factors: the revenue growth aided by a strong December holiday period with efficiently managed marketing spend, lower-than-expected transaction losses, reflecting the benefits of a new AI-driven fraud reduction and prevention model and rigorous management of operating expenses.

For the full year, we once again delivered profitable growth. Revenue was \$1.635 billion, up 29% and adjusted EBITDA was \$272 million, resulting in an adjusted EBITDA margin of nearly 17%, an increase of more than 500 basis points year over year, as you can see on slide 12. Importantly, we delivered our first full year of GAAP profitability with \$68 million of net income. We delivered these results by carefully managing both top line and bottom line throughout the year with revenue ending up more than \$60 million above and adjusted EBITDA more than \$80 million above the midpoint of our initial 2025 guidance.

I'll begin with an overview of our fourth quarter results and then share our outlook for the full year and first quarter of 2026. Let me first unpack revenue growth drivers for Q4. Send volume grew 35% to \$21 billion, consistent with the prior quarter's pace, supporting the strong volume growth, send volume per active customer increased to over \$2,200, a 13% year over year growth to reach its highest level, both on an absolute and percentage growth basis. This was driven by growth in both transactions per active customer and record growth in average transaction size, as we continue to win share and gain traction with high amount senders and business customers. Quarterly active customers increased 19% year over year to nearly 9.3 million, in line with expectations.

Our retention remains strong, reflecting the benefits of investments in the core product to improve speed, reliability and the overall customer experience. As expected, volume and revenue exceeded QAU growth as we saw a greater mix of volume from high amount senders. Before

I dive into our performance, let me define our three customer tiers by send volume. Low amount senders are those that stand under \$1,000 per transaction. High amount senders are customers that spend between \$1,000 and \$10,000 per transaction and very high amount senders are customers that send over \$10,000 per transaction.

In Q4, we saw a continued shift in mix towards volumes from higher amount senders and very high amount senders. High amount sender volume grew 40% year over year and very high amount sender volume grew 105% year over year as shown on slide 14. Growth in volume from high amount senders and very high amount senders accelerated in Q4, increasing our mix of send volume from these years by over 350 basis points year over year. These two customer tiers are a strategic focus for us. And as we noted at Investor Day, now they comprise nearly 50% of send volume.

This quarter, our take rate was 2.13%, in line with expectations. Growth in volumes from high amount senders was one of the main contributors to year over year changes in take rate, both for the quarter and the fiscal year. Since take rate is heavily influenced by mix, it is not a great metric for analyzing our underlying business performance. We believe that RLTE dollar growth or RLD for active customers, which highlights shortly are more indicative of results than take rate for analyzing our performance.

Now let me dive deeper into our revenue performance from geographic and new product perspective. From a send perspective, US revenue grew 28%, driven by continued share gains. Rest of world revenue grew 26% year over year, accelerating sequentially and showcasing the geographic diversification of our business. Notably, in Q4, we saw strong adoption of our product in UAE with more than 150% quarter over quarter growth in new customers.

On the receive side, revenue from transactions to regions outside of India, the Philippines and Mexico grew faster than overall revenue growth and now comprises over half of our revenue mix. Before moving to a review of profitability, I'll discuss progress means with new product areas, focusing on Remitly business, Send Now, Pay Later, wallet and card and our membership program. As Matt noted, we are seeing strong indications of product market fit for each. Our goal over the next three years is to scale these products to drive adoption within our existing customer base and leverage new products as a means of attracting first-time users to the Remitly platform.

As noted at our Investor Day, we expect these new products to contribute 5% to 10% of total revenue by 2028. In 2025, new products contributed a little more than 1% to our revenue, and we expect new product revenue contribution to more than double in 2026. Revenue from new products include flat Remitly business, Wallet and Card and Remitly One. With that overview, let me share a few highlights as it pertains to our new products. Starting with Remitly Business.

Remitly Business is our global money movement product tailored to the 80 million small and medium businesses with cross-border financial needs. Remitly business addresses an opportunity more than 10 times the size of our core consumer payments business. As Matt noted, our early focus with this product has been micro businesses. This subcomponent of the \$20 trillion business TAM wants a low friction repeatable payment workflow that can be easily integrated into the system, small businesses use all with the same level of trust our core consumers enjoy. We have seen strong traction for Remitly Business in the six months it has been offered with over 15,000 businesses on the platform as its transaction sizes for business customers are roughly twice those of our core customer category.

Remitly Business is currently available to businesses in the US, Canada and the UK with plans to expand in the EU in 2026. In 2026, we also plan to add features that appeal to larger businesses with more advanced cross-border payment needs like recurring and bundled payments. Moving on to Send Now, Pay Later. We continue to see strong product market fit for Flex with active users reaching around 120,000 and revenue nearly doubling sequentially in Q4. Unit economics for Flex in Q4 are encouraging and in line with expectations. Our data reviews that Flex customers spend more than non-Flex members and loss rates are trending in line with expectations.

In 2026, we leverage key learnings from early cohorts to continue to expand. As we have shared at Investor Day, this spring, we will also launch Remitly Credit, a recourse line of credit that will offer customers access to higher mutate and provide customers a means of establishing a credit history. Finally, wallet and card are foundational elements offer a broader financial services offering and are expected to be a key enabler of the adoption and utility for over new products, allowing customers and businesses to store, save and spend money.

We are seeing encouraging early traction with over 60,000 wallets created to date despite a controlled product rollout. Flex Advance, Wallet and Card and upcoming Remitly Credit comprise the core set of features for Remitly One, our flagship membership product. While members have shown a strong interest in flat benefits, we expect to unlock Wallet and cards global availability, launched radically car credit and grow other benefits and rewards as we expand penetration of Remitly One among our customer base throughout 2026.

Turning to our focus on driving profitable growth on Slide 16. As I noted earlier, the Revenue Less Transaction Expenses, or RLTE, is a useful indicator of our business model's long-term success. RLTE dollars grew 30% to \$305 million reflecting strong customer activity, improved partner economics, routing optimization and economics of scale. RLTE as a percentage of revenue this quarter was 69%, a record high, improving 252 basis points year over year. We remain focused on long-term RLTE dollar growth as we continue to attract new customers, innovate with new use cases and scale.

Transaction expenses this quarter were \$138 million and as a percentage of revenue was 31%, excluding provision for transaction losses other transaction expenses were \$123 million, improving 200 basis points year over year as a percentage of revenue as we continue to benefit from the improved network economics. The mix of digital received 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 \$15 million or 7.3 basis points as a percentage of send volume, a record low and better than our expectations. As noted, improved performance this quarter is due in part to a recently deployed AI-driven fraud prevention and detection model. With that, let me walk you through the specific non-GAAP expense categories. Notably, we delivered leverage across all expense categories in Q4. Marketing investments remain disciplined and growth focused. We spent \$88 million on marketing in Q4, up 11.5% year over year.

As a percentage of revenue, marketing expense was 19.9%, improving more than 250 basis points year over year. Marketing spend per active customer was \$9.49, down 6.5% year over year. This outcome was driven by a more focused and intentional approach to invest in customer acquisition around peak holiday period aided by ongoing incrementality testing, which allows us to more efficiently meet our targets by optimizing spend across geographies.

We were able to deliver these marketing efficiencies while supporting growth in higher on standards and business customers. Notable campaigns in Q4 included a focus in the US on capturing and driving offline to online conversion through our WhatsApp send, product and campaign featuring awareness of the 1% remittance tax on cash remittances. Our lifetime value to customer acquisition cost ratio was about 6x, while our payback period remained under 12 months.

As a reminder, our marketing investments drive returns for many years beyond our initial investment, given our growing days of repeat users. Customer support and operations expense was \$27 million and as a percentage of revenue was 6.1%, improving 12 basis points year over year and continuing a trend that we have seen over the past couple of years. AI-based assistants are driving lower agent contact rates with early customer satisfaction scores, indicating AI-led interactions can perform as well or better than human agents.

Technology and development expense was \$56 million, and as a percentage of revenue was 12.7%, improving by 83 basis points year over year. Technology and development expense grew 18% year over year, reflecting our ability to more efficiently manage technology spend while delivering robust product innovation, across product and engineering, agentic AI is accelerating development velocity through code generation and testing, enabling rapid design markups, enhancing customer service, supporting transaction completion, streamlining document verification and powering natural language querying.

In Q4, we further increased our leading metrics across speed and reliability. Over 65% of transactions were dispersed in under 20 seconds, increasing 7 points in Q3. More than 97% of transactions were completed without customer support contact and our platform delivered 99.9% of time. G&A expense was \$45 million, an improvement of 130 basis points as a percentage of revenue year over year, reflecting continued leverage across the business. Overall, we continue to maintain rigorous discipline on hiring and non-headcount spend while investing in compliance, geographic expansion and AI tools.

As Matt noted, we are investing in AI across the organization with AI, now an important element of performance objectives comp-wise. We expect to generate operational efficiencies and top line benefits from these investments through increased productivity and more targeted efficient customer acquisition. Strong revenue growth combined with efficiency and discipline led to record adjusted EBITDA of \$89 million. We also delivered a record GAAP net income quarter to \$41 million of GAAP net income, a significant improvement compared to a \$6 million net loss in the fourth quarter of 2024.

As we noted at the Investor Day, we're not star is to drive free cash flow while managing dilution. 2025 showcases our ability to drive meaningful growth in free cash flow while prudently managing dilution. Free cash flow was \$283 million in 2025, which more than tripled from the prior year. Outstanding shares grew only 5% year over year. resulting in substantial growth in free cash flow related to growth in our share count. This quarter, we adjusted our presentation of cash flow, making it simpler for investors to calculate a model by removing the impact of pass-through customer funding activity.

I'll now discuss dilution management on slide 18. In 2025, we made progress across each of the metrics we track. Stock-based compensation as a percentage of revenue was 9.5% for the full year, approximately 250 basis points lower than in 2024. In Q4, stock-based compensation was \$41.3 million, 0.8% lower year over year, the first year over year decline in quarterly stock-based compensation in the company's exchange. Dilution declined to 5%, a 140 basis points year over year improvement supported in part by the \$23.9 million worth of share repurchase in 2025 under our 200 million authorization. The net burn rate fell 2.9% in 2025, improving 200 basis points year over year.

With that, I'll move to our outlook. For the first quarter of 2026, we expect revenue of \$436 million to \$438 million or 21% growth. First quarter revenue guidance reflects a strong start to the year continuing the momentum we have observed exiting 2025, favorable seasonality as well as early customer acquisition benefits associated with the recent 1% debt of cash revenue.

Breaking down our revenue growth expectations, consistent with recent trends, we anticipate send volume growth to exceed revenue growth and revenue growth to outpace quarterly active customer growth, driven by continued momentum among high amount senders and businesses. Sell volume for active customer is expected to grow in the mid- to high single-digit range supported by the shift in mix towards among senders and businesses as we continue to make strategic investments and expand engagement in these customer categories.

For the full year, we expect revenue between \$1.94 billion and \$1.96 billion, reflecting a growth rate of 19% to 20%. And I'll provide more context on our outlook for the year. The majority of our revenue in 2026 comes from prior year cohorts, giving us strong visibility to the following year. As noted, we expect revenues from new products to more than double in 2026. New products growth will be driven primarily by flat remittance volume, membership fees and growth in business remittance volumes.

Now let us give it to profitability and expense guidance, starting with RLTE. We expect Q1 and full year RLTE margin to be broadly in line with 2025 levels, adjusting for normalized transaction loss rate. As always, transaction loss rate may fluctuate quarter to quarter, and we remain disciplined about optimizing customer lifetime value while rigorously managing risk across our platform.

Shifting to marketing. We expect continued marketing efficiencies in 2026 as we prioritize high ROI marketing opportunities in our core remittance business while continuing to invest in marketing for new products and customer categories. For Q1, we expect marketing spend per QAU to be roughly flat year over year. Putting this all together, we expect Q1 adjusted EBITDA to be between \$82 million and \$84 million, translating to an adjusted EBITDA margin of around 19%. For full year, we expected adjusted EBITDA to be between \$340 million and \$360 million, representing an adjusted EBITDA margin of around 18% as product and marketing investments supporting new products are expected to build throughout the year.

The improvement in adjusted EBITDA margin year over year reflects continued operating leverage, supported by the prudent use of AI to improve operating efficiency and actions taken this quarter to better align with global resources with our most significant growth opportunities. We expect to generate positive GAAP net income each quarter this year and strong year over year growth in GAAP net income and free cash flow.

In terms of cash flow priorities, after organic investments, our top priority will rename the repurchase of shares. At current stock prices, we believe the repurchase of shares provide a strong return on capital and we expect to increase the quarterly pacing of our buyback activity in 2026.

To summarize, in Q4, we delivered very strong results across our key financial metrics, achieving 26% revenue growth and 20% adjusted EBITDA margins. We also delivered record GAAP profitability and strong free cash flow, underscoring the power and scalability of our business model. Thank you, Matt, for your inspiring leadership all these years with very strong momentum exiting 2025 and Sebastian's leadership going forward, we are excited about the future.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Tien-Tsin Huang, JPMorgan.

Tien-Tsin Huang - JPMorgan Chase & Co - Analyst

Great. Yeah. I just want to add my thanks to Matt as well. I learned a lot from you, Matt, and what you've built. So hopefully, we'll be able to stay connected here. My question, maybe just for Sebastian as we have you, and I'm sure we'll learn more and I appreciate your intro on yourself. But just given your background, what's really interesting, I would love to hear a little bit more on how your prior experience prepares or informs your decision to join and lead Remitly, given that it is a smaller consumer platform different than some of the larger enterprise businesses that you led. So just love to hear your thoughts on that.

Sebastian Gunningham - Remitly Global Inc - Incoming Chief Executive Officer

So thank you for the question. Some of my prior experiences include leading product organizations and engineering organizations and some of the best companies in the world, some of those were big. Some of those were smaller. I've run large, complex businesses in many continents. I've been a CEO a number of times.

And specific to payments on the Remitly business, I did run the payments business at Amazon, as I mentioned, both on the consumer side and on the merchant side, those were not always big, but they did scale. And this included all the money in and the money out channels for the Amazon business. And then finally, over the last few years, I've played both the Board role and a product role at Santander, helping its very successful global digital transformations in its core business and its payments business. So I think the sum of all these experiences position me well to lead Remitly in this next chapter of scaling.

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

Great. Yeah. And the only thing that I will add, Tien-Tsin, is huge thank you to you. I've known you for a decade, you're an amazing analyst, and I appreciate all the thoughtful questions and coverage. I am incredibly excited for Sebastian to be here.

And I wish you could see me because I have a huge smile on my face sitting next to him here in Seattle. I've lost my voice as you can potentially hear. So I'm speaking a bit more slowly and calmly, but the feeling I have is he's calm optimism about this change. And you'll hear more from Sebastian and Vikas today, which is great. And just super excited about what's to come.

Operator

Ramsey El-Assal, Cantor Fitzgerald.

Ramsey El-Assal - Cantor Fitzgerald LP - Analyst

I'll also add, Matt, it has been terrific interacting with you. all these years and welcome to you, Sebastian. Matt, I'm going to spare your voice and actually ask Vikas a question. What are you seeing out there in terms of kind of macro impacts to the business thinking things like FX or immigration policy or any other external factors. I guess the more nuanced question is, did you grow through any headwinds? Or are these macro factors that are in the headlines just not impacting your business?

Vikas Mehta - Remitly Global Inc - Chief Financial Officer

Thank you for the question. And I'd start with the fact that we had an exceptional year in a quarter as we ended the year with record revenue, record EBITDA and EBITDA margin. And a lot of that was because of really strong execution, especially in the December holiday period, we saw significant outperformance even compared to our internal expectations. And as we noted, it was along with driving marketing efficiencies at the same time. So a lot of it was really strong execution, understanding the customer needs and really having a product and a marketing message that has resonated with our customers.

As we look forward, we shared our guide and the drivers of the guide. I'd say, first of all, building on a strong FY25 gives us a lot of predictability coming into the year. We see that our customer is very resilient even in sort of geopolitical volatile background, which again strengthens our confidence with regards to the guidance. The one additional factor, which is a good tailwind at least in the beginning of the year is the 1% remittance tax that's applicable for cash remittances. So we definitely see a strong start to the year because of that.

But overall, the diversification that we have across geographies, customer and new products, the new product momentum we have seen thus far, all of us -- gives us a great confidence in the guidance we have put forward.

Operator

Aditya Buddhavarapu, Bank of America.

Aditya Buddhavarapu - Bofa Merrill Lynch Asset Holdings Inc - Equity Analyst

Just wanted to say Matt, congratulations on the successful run at Remitly and Sebastian, welcome. I have a couple of questions actually for Vikas as well. When I look at the 2026 guidance, you're talking about the 19%, 20% growth on revenues for the full year, with Q1 actually being at 21%. So could you just talk a bit more about the cadence of revenues through the year? Is Q1 faster than the full year outlook because of the 1% remittance tax giving some tailwind given you have actually easier comps in H2 -- actually, there may be some degree of conservatism there given maybe macro uncertainty.

So just some color on the quarterly cadence and they're also related to the outlook for '26 when you expect Q4 was 20% adjusted EBITDA margin for '26, the implied margin is close to about 18%, 19%. So could you talk what's driving maybe that sort of margin in -- for the full year being lower than Q4.

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

Yeah. Aditya, first of all, thank you for the question, and thank you for initiating coverage on Remitly. I'd start with your second part of the question, and then I'll go the first part. So as you noted, we exited 2024 with a very strong Q4 and a record EBITDA margin of 20%. There were a few reasons for that outperformance.

And I'd say the three key ones being a strong holiday period, along with marketing efficiencies, which pretty much grow one-third of that, call it, beat to guidance. The second important factor was a record loan transaction loss. It was at 7.3 basis points, which again, was very, very strong, especially given the new AI model that we have been able to deploy. And the final one was disciplined expense management. So as we look at we think about, for example, the transaction loss tends to be volatile.

And we -- in our guidance and our forecast, we look at the normal range, historical range, which is 9 to 13 bps and we take that as, call it, the baseline. Outside of that, we really feel that with strong execution, again, we are going to continue to drive margin expansion compared to the full year FY25.

At the same time, we view the organic opportunity ahead of us is huge. And as we have spoken about it earlier, the new product momentum has been good. So we want to invest behind that trend that we are seeing. So overall, we feel it's a very balanced profitability plus growth equation we are striking here. Shifting to your question on the revenue drivers and the seasonality thereof, the first point I'd make is that H1 versus H2, it's a similar thing that we saw last year, where the growth rates moderate in the second half, it's a little bit of the larger the business gets, it tends to follow that curve.

The second thing I would say is, as you noted, in Q1, we benefit from the remittance tax, and there's a little bit of a shift in the Ramadan timing also, moving a few weeks ahead compared to last year, and both those give us stronger confidence with regards to Q1. So overall, really looking forward to an exciting 2026. And as I said, a strong foundation from 2025 gives us a great momentum going in.

Operator

Will Nance, Goldman Sachs.

Will Nance - *Goldman Sachs Group Inc - Analyst*

And Matt, it's been a pleasure working with you. I guess one, maybe for Sebastian. I think in the prepared remarks, Matt called out the ability to accelerate product innovation and execution and some operational benefits given your history. When you look at the business kind of exiting the year in the mid-20s on revenue, margins expanding nicely, where do you feel like you can have the most impact in some of those things that Matt mentioned at the top of the script? What do you expect to be your main areas of focus as Matt kind of hands over the reins.

Sebastian Gunningham - *Remitly Global Inc - Incoming Chief Executive Officer*

Yeah. Thanks for the question. I start as CEO tomorrow, so I don't want to get ahead of myself here. I think I'll make a couple of comments. I think these are very large markets. We are -- we've got a lot of traction in the consumer markets. We see, as Vikas and Matt have said, an opportunity in the business market and even within the business market, there are many, many subsegments. I think product -- having the right product for each of these segments is super important. So I think that overall, any velocity in product development is going to give us all kinds of opportunities in these large markets that we have to address. So a little bit early for me to have a strong opinion, but very excited about what we can do in these markets.

Operator

Chris Kennedy, William Blair.

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

Yeah. Congratulations to both Matt and Sebastian. Just a follow-up, Sebastian. You mentioned your history with data science and your enthusiasm around AI. Can you just provide more color as to kind of what the opportunity is at Remitly?

Sebastian Gunningham - *Remitly Global Inc - Incoming Chief Executive Officer*

So maybe I'll stay away from -- I'll make just a few general comments. I think there are a number of buckets of AI. There's the customer-facing part of AI. There's the internal efficiencies facing part of AI, there's the software product -- the software factory part of AI. So -- and we've all been following this.

I think there's -- as I said, for an incumbent like Remitly with a very strong business model, the right unit economics and the customer that loves the product, and probably doesn't only apply for Remitly, I think that the right AI adoption just gives us a lot of tailwinds into the next few years. So that will be my general statement. I'm very optimistic with what I've seen so far. I think it's going to be a very strong multiplier for the company over time.

Operator

Alex Markgraff, KBCM.

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

Matt, Sebastian, congrats to both of you. I guess just -- I don't know if these are for Matt or Vikas, but just a couple of questions on new products. I'd be curious to understand sort of what sort of observable benefits you've seen from Flex and one on [Wallet] (corrected by company after the call). And then just sort of curious on willingness to pay anything you've learned in these early days around willingness to pay for those from customers.

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

Thanks, Alex. Vikas one. We have been very impressed with what we have seen thus far from Flex. First of all, it opens up a whole new category with Send Now, Pay Later. And as we talk at Investor Day, if you look at our customers and segment them or categorize them, you will have the low amount senders, high amount senders, businesses and receivers.

And as you look at low amount senders, there's a clear mismatch between the timing of earnings and when they need to make payments. In addition to that, specifically for our customers, sometimes there's also a mismatch between their credit history versus the creditworthiness.

And this is where we feel we can fill that gap and voice in a meaningful way for the customer, along with driving really positive unit economics and creating shareholder value. And what we have seen thus far is pretty promising. 120,000 users, revenue almost doubling quarter over quarter. And along with that, clearly maintaining strong unit economics as well as having provisions very much in line with our expectations.

The last point I'll make on that is, we've also seen very interesting insights that the Flex users especially members tend to send more than the non-Flex users/members. And that clearly shows that not only are we creating a new category, we are actually creating a path where

higher volumes are sent and we are reducing some of the friction that was existing earlier. So overall, excited about Flex as well as Send Now, Pay Later in general.

Operator

Darrin Peller, Wolfe Research.

Darrin Peller - Wolfe Research LLC - Equity Analyst

Matt and Sebastian, congrats to both of you guys. I just wanted to touch back on the quarter is a clear about that names. But if you look at both quarter trends, it was obviously a very strong upside surprise. And so when we think about the opportunity you're seeing in terms of the higher senders. And maybe just reminding us what other scenarios, what other results grow, but we love to hear what you're seeing in terms of strategy around high amount senders and that's really driving that and maybe other factors all that you see in the quarter driving the upside?

Vikas Mehta - Remitly Global Inc - Chief Financial Officer

Thanks, Darrin. Clearly, the trend that we are seeing is that the higher mom centers are sending more and the product improvements that we are doing, raising the send limits, having the right marketing campaigns are resonating as well. And this shows in the numbers. We had in record send per QAU, both from a dollar perspective, about \$2,200 as well as growth at 13%. And if you feel that further, in fact, you provided a slide that breaks out low amount senders, high amount senders and we added one more tier to call out very high amount senders, which is people who spend or send more than \$10,000 per transaction.

And we are seeing really high growth rates with north of 40% on the high amount senders and north of 100% send volume out for the very high amount senders. And again, as we say, we are just getting started there, and with more product innovations and a more front-footed marketing campaign in that space will continue to drive higher market share gains, and we feel very excited about that in 2026 and beyond.

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

Great. And I'll just wrap with a couple of thoughts. Our ambitions at Remitly have never been higher. And if you look at our vision of transform lives with trusted financial services that transcend borders, that is our anchor. And as we think about this transition, as we think about Sebastian coming on, as we think about its product-led leadership, operational excellence, that is going to be a huge, huge accelerant to help us accomplish the vision and financials that we laid out at Investor Day.

And to wrap, as my last earnings call as CEO, I just want to say an enormous thanks to our investors, to our analysts, to all of our thousands of team members and to our millions of customers around the globe. This business is already making an enormous impact and it is because of you, and we are very much more than ever just getting started.

Operator

Thank you. This concludes the question-and-answer session and today's conference call. Thanks for participating. You may now disconnect.

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