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PRESENTATION

Operator

Thank you for standing by, and welcome to Remitly's First Quarter 2022 Earnings Call. (Operator Instructions)

Now it's my pleasure to hand the conference over to your host, Stephen Shulstein. Please go ahead.

Stephen M. Shulstein - Remitly Global, Inc. - VP of IR

Thank you. Good afternoon, and thank you for joining us for Remitly's First Quarter 2022 Earnings Call. Joining me on the call today are Matt Oppenheimer, Co-Founder and Chief Executive Officer of Remitly; and Susanna Morgan, our Chief Financial Officer.

Our results and additional management commentary are available in our earnings release, which can be found on the Investor Relations section of the website at ir.remitly.com. Please note that this call will be simultaneously webcast on the Investor Relations section of the company's website and please also reference the presentation slides, which are also available on the IR 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 for the business. 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 our earnings release and SEC filings for more information regarding the risk factors that may affect our 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 them 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. For reconciliation of each of these non-GAAP financial measures to the most directly comparable GAAP metrics, please see our earnings press release, which is also available on the IR section of our website.

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

Matthew B. Oppenheimer - Remitly Global, Inc. - Co-Founder, CEO, President & Director

Thank you, Stephen, and thank you all for joining our first quarter earnings call. I want to first thank our employees for delivering a strong start to 2022, and our customers for continuing to place their trust in Remitly. I'll begin with a brief overview of our first quarter results, and then I'll discuss

how our strategy and investments around customer centricity have led to an enduring preference for Remitly in the marketplace, driving growth and outsized market share gains.

I'll discuss the growth investments we are pursuing as we execute on our vision to transform the lives of immigrants and their families by providing the most trusted financial services on the planet. These investments are designed to create a differentiated offering for our customers and drive long-term returns for our shareholders.

Before turning to the results, I want to take -- I would like to comment on the CFO transition that we announced in our earnings release. Susanna has made significant contributions to Remitly's growth over her nearly 4 years of service and was instrumental in bringing the company public. I want to publicly thank her for her hard work and contributions across the company and for helping to position the company for even further growth ahead.

We have commenced a search for a successor CFO with an executive search firm and are grateful that Susanna will remain with us as CFO until a successor is in place and then support a smooth transition in an advisory capacity through September 30. We have built a very strong finance team, and I'm confident that they will continue to provide great support and leadership as we move forward.

Now let's turn to the results for our first quarter. We delivered strong results for the quarter, as you can see on Slide 4. Starting with our customers who drive everything that we do, we saw our active customer base increase by 42% to more than 3 million active customers, gaining significant market share. This is a testament to our ever-improving value proposition, our marketing investments to acquire new customers and in turn, the quality and loyalty of our customers.

The combination of active customer growth and repeat transactions drove revenue up 49% year-over-year to \$136 million. These new and repeat customers will have a significant impact on revenues for the balance of 2022 and beyond. And as a result, we're increasing our revenue outlook for 2022.

Our playbook remains the same: invest in continuously improving the remittance experience, invest in opening new corridors and invest in bringing more customers to Remitly and deepening their loyalty by providing peace of mind. Our customers are the central focus at Remitly, and we see a vast opportunity to serve them even better. We do this by driving customer-focused change across global payments, while delivering trusted and immigrant-centered financial services.

For the vast majority of the over 280 million immigrants worldwide, traditional financial services have not delivered peace of mind, as you can see on Slide 5. This has led to a deficit of trust for banks and other legacy financial institutions.

The types of customers we serve are often charged excessive fees and have had poor customer service experiences with these legacy providers. As a result, 50% of immigrants in the U.S. are under banked and they spend an average of \$3,000 in fees annually with various financial providers. This results in a large market opportunity, not only in remittances, but broader financial services as well and that provides a significant opportunity for us to deliver the same trusted experience to these broader financial services.

The legacy remittance experience is broken, as you can see on Slide 6. We people sending money often have to travel to a physical location, endure long line, repeatedly fill in manual forms and tolerate limited transparency, slow delivery of funds and hidden fees. For their families receiving the money, the experience is equally fret, finding and traveling to a site to get the money, more long lines, more paperwork and limited transparency on the amount received.

Remitly is different, as you can see on Slide 7. We provide convenient access to our large global network, which allows customers to send money home in multiple ways, including bank accounts, mobile wallets, cash pickup and even home delivery in certain markets. Our service is fast. The majority of transactions are dispersed within minutes, and we offer flexibility for our customers who desire quick delivery of funds.

The user experience is intuitive and mobile-centric with the ability to send a repeat transaction in just 3 taps. In the rare instance if something goes wrong, our empathetic live customer service is available in 8 languages, along with 14 languages for self-help within the app. Accessible customer

support is a crucial differentiator from informal remittance channels and other emerging payment technologies and is key when you understand the motivations of our customers who are typically sending money back to their families for basic needs.

Finally, our prices are fair with an average take rate of approximately 2%, and we are upfront with any fees we charge in our foreign exchange rate. This results in a trusted experience and peace of mind for our customers.

Transparency is key to peace of mind as well. We provide transfer updates every step of the way through text message, e-mail or push notifications on each transaction to both the sender and the recipient. We are highly focused on delivering safe, secure transactions and have built in multiple levels of security with the latest technologies available. This enables good transactions to proceed and helps block fraudulent transactions from going through our platform. This is critical to the customer experience because we are able to avoid pausing transactions and delaying delivery of funds unnecessarily, which is a large source of customer frustration across the industry.

Turning to Slide 8. The remittance market opportunity is massive with a \$1.6 trillion total addressable market and a \$589 billion serviceable addressable market. In spite of growing faster than the overall remittance market, Remitly only has approximately 1% of the TAM and 3% of the SAM. As a digital-first provider, we placed our best on their being significant and continued mobile penetration growth at all levels of the global economy, and this has been a good bet that continues to pay off.

In order to continue capturing a disproportionate share of our TAM, we are making focused investments in 4 areas, as you can see on Slide 9: marketing, which drives our acquisition of new customers at highly attractive unit economics; our global network, which provides scale and additional options for customers; our product technology, which allows us to differentiate from our competitors; and finally, new products and services to serve immigrants and their families. We expect these investments to have multiyear return profiles with marketing and geographic expansion, providing an immediate return on investment, product technology investments in the near term and new products a medium-term return.

Our marketing investments have historically generated strong returns, and we expect that to continue. With 10 years of customer data, we are able to predict customer performance with high levels of accuracy, and our focus on unit economics directly informs how we invest in acquiring new customers. We are proud of the high returns we are seeing on our marketing investments, which are consistently breakeven within 1 year of customer acquisition, as you can see on Slide 10.

Cohorts acquired between 2015 and 2019 have demonstrated an approximately 200% IRR life to date. Additionally, while we don't share IRR data until we have 3 years of customer behavior, recently acquired cohorts continue to be highly engaged.

We are continuing to invest in our global network as seen on Slide 11. At the end of the first quarter, we served customers sending from 17 countries. And then in April, we added 5 new send countries: Greece, Latvia, Lithuania, Slovakia and Portugal, bringing our total send countries to 22. We now serve more than 2,300 corridors, and we added approximately 200 corridors in the first quarter alone. We look forward to continuing our geographic expansion into new attractive corridors, and our experience and our corridor expansion playbook enables us to enter into markets quickly and with the appropriate localization around payment acceptance, customer support and partner integration to attract new customers. The geographic expansion will help us acquire new customers and leverage our increasing scale.

We also have a large competitively differentiated and growing network of banks, mobile wallets and cash pickup locations so that our customers can choose what works best for them and their recipients. We believe offering our customers the broadest menu of delivery options drives customer loyalty.

Our investments in product and technology continue to drive a superior customer experience, enabled by our intuitive mobile-first interface, risk and fraud management, infrastructure, security and customer support. As you can see on Slide 12, these investments have resulted in more than 90% of Remitly customers engaging with us on their mobile phone, a 4.9-star rating on the iOS App Store and a 4.8-star rating in the Google PlayStore. Finally, our platform availability is above 99.96%, reinforcing customer peace of mind.

Looking ahead, we will continue to invest in marketing, focused on new customer acquisition, geographic expansion, product technology and importantly, new and adjacent products to expand our platform. The same 280 million immigrants worldwide have financial services needs beyond remittances and most have not been served or underserved by traditional financial services providers.

We founded Remitly just over 10 years ago by initially focusing on disrupting the remittance business. We are early in that journey with just 1% of the remittance TAM, and our vision for what we can accomplish is much larger. You can see this vision on Slide 13 to transform the lives of immigrants and their families by providing the most trusted financial services on the planet. This remains our North Star, and we are just getting started in our journey to accomplish it.

With that, I'll turn the call over to Susanna, who will provide more details on our financial results and outlook.

Susanna Morgan - *Remitly Global, Inc. - CFO*

Thank you, Matt. Working with you and the Remitly team has been such a meaningful experience. The commitment and drive for the mission to improve the lives of immigrants and their families has been inspiring. I'm proud of our work together to deliver on our promises and look forward to watching this wonderful company grow.

Now let's turn to our first quarter results. To reiterate Matt's comments, we delivered a strong Q1 and accordingly, we are raising our revenue outlook for 2022. I'll begin by reviewing the strategic drivers of our first quarter financial performance, and then I'll provide more detail on our outlook for 2022.

As a reminder, I will discuss non-GAAP operating expenses and adjusted EBITDA in my remarks. These metrics exclude noncash items, such as stock-based compensation in all periods. Reconciliations to GAAP results are included in the earnings release.

Beginning on Slide 15, active customers grew by 42% year-over-year to more than 3 million. Send volume grew 43% year-over-year to approximately \$6.1 billion, all resulting in revenue growth of 49% year-over-year to \$136 million, in line with our expectations.

As you can see on Slide 16, a number of factors drove the 42% active customer growth, including acquiring new customers and high retention of existing customers, who, in many cases, have transacted with us for multiple years. We continue to acquire new customers at highly attractive unit economics and retain existing active customers with a best-in-class user experience. Unit economics and new customer acquisition remain highly compelling even in a more competitive advertising market, and we continue to spend in customer growth wherever and whenever we find compelling ROI.

Turning to the loyalty of our customers and the reason for high lifetime value, we have over 90% revenue retention shown on Slide 17. This is a result of our compelling product and our commitment to invest in making it even better. In particular, we are investing in our mobile platform, our emphatic and efficient customer service and our global network.

Our average volume per customer grew slightly year-over-year, and our pricing continues to remain stable. Our take rate, as you can see on Slide 18, has consistently been between 2% and 2.5% over the last 8 quarters and reflects our goal to always provide a fair price, not the lowest price, driven by our sophisticated and data-rich pricing engine.

We're talking about take rate because it signals pricing stability over a longer term, but it is also important to note that take rate in the short term is influenced by transaction size and the associated corridor mix. Overall, the goal of our pricing strategy is to optimize for long-term cumulative revenue net of transaction expense.

Turning to Slide 19. The robust growth in active customers, stable take rates and high retention drove the 49% revenue growth that we delivered in the quarter as we continue our multiyear track record of healthy double-digit revenue growth at scale. Average revenue per active customer increased 5% year-over-year in the first quarter. The year-over-year increase was primarily driven by a larger book of returning customers who

transact frequently along with an increase in revenue per transaction. As expected, we saw flat sequential growth in the first quarter as compared to the fourth quarter, primarily due to the seasonal impact of customers transacting more during the holiday season.

Turning to costs on Slide 20. The first quarter reflects the leverage we're seeing in transaction expense and the impact of the investments we are making to drive future growth. Transaction expense was \$56 million or 41% of revenue, an improvement of nearly 400 basis points from 45% of revenue in Q1 of last year. This improvement is beneficial to our unit economics, increasing the lifetime value of our customers and the ROI of our marketing spend.

We've worked hard to make this happen through more direct partner integrations, better terms of payment processing partners driven by increasing scale and advanced risk and fraud management systems, which drive down transaction loss rates. We expect to see a modest ongoing improvement in transaction expense as a percentage of revenue in 2022 as we'll continue to benefit from increasing scale and improved precision around fraud losses although we expect some variability quarter-to-quarter.

Now I'll turn to our non-GAAP operating expenses on Slide 21, which reflects the investments we're making to execute on our long-term vision. Our largest operating expense is marketing, which represented \$40 million in the quarter or 43% of total operating expense. This marketing investment delivered very strong new customer additions within our payback guardrails.

Our goal is to continuously bring in more and more customers within these guardrails. As a result of our highly attractive unit economics, we're very comfortable with our level of marketing spend. While we continue to deploy our dollars efficiently like many other companies that leverage digital advertising, we have observed a broader shift in the marketplace as major platforms adapt to more competitive digital advertising and a new data privacy landscape.

Compensating for this, we continuously test new marketing channels, including more brand building to drive customer acquisition cost efficiencies. Our investment in and commitment to delivering a superior customer experience also drove a 300 basis point year-over-year increase in customer referrals as a percentage of our marketing channel mix. Increasing brand awareness and lower cost referrals are a few of the many ways we can drive efficiencies and CAC in the future.

Technology and development expense was \$20 million in the quarter, 21% of total operating expenses. This included technical hiring, along with enhancing our product platform and security. These investments are critical to ensure a superior customer experience and to drive expansion geographically and in new products.

As we mentioned on our last call, we expect technology and development expense to increase as a percentage of revenue in 2022 compared to 2021 as we prioritize product improvements, new product development and corridor additions.

G&A expense was \$19 million in the first quarter or 21% of total operating expense. This includes an investment in our human resources, finance and legal teams and additional public company operating costs, which will allow us to effectively scale to support our growth initiatives. We expect the year-over-year growth in G&A expense to moderate as we begin to anniversary public company costs in the fourth quarter of 2022, and we expect to see leverage in G&A later this year.

Finally, customer support and operations expense was \$14 million in the first quarter or 15% of total operating expense. This was driven by a deliberate strategy to improve customer support, remove friction points to reduce the customers need to call us and to deliver peace of mind.

As we continue to scale, we expect to leverage our customer support organization with the benefit of increased automation and efficiencies as we add new corridors. Our product investments in ensuring a frictionless customer experience will also drive leverage and customer support costs over time as our customers will need to contact us less often.

Turning to the bottom line, on Slide 22, Q1 GAAP net loss was \$23 million compared to an \$8 million net loss in the first quarter of 2021. The increase in net loss was primarily due to increased investments in new customer direct marketing and headcount growth in technology and development and other areas as well as \$8 million of incremental stock-based compensation expense.

Adjusted EBITDA, which excludes stock-based compensation expense, was negative \$12.1 million in the first quarter of 2022. This performance reflects the \$40 million we spent on marketing in the quarter, of which the vast majority is related to new customer acquisition. As our unit economics remain highly attractive, we will continue investing in marketing, and we have the ability to scale it up or down depending on the returns we expect to generate.

Adjusted EBITDA margin was negative 8.9% as compared to negative 6.4% in the first quarter of 2021. Our adjusted EBITDA margin reflects the investments they are making to drive long-term growth and profitability, along with the scale benefits we are delivering on the transaction expense line.

Turning to our balance sheet. Working capital at the end of the quarter was approximately \$456 million and reflects cash on our balance sheet of \$445 million. Our balance sheet provides us significant flexibility to execute on our main growth drivers of acquiring new customers at highly attractive unit economics, expanding corridors in new geographies and building a broad suite of financial services for immigrants and their families.

Moving to our 2022 outlook on Slide 23, we expect revenue to be between \$610 million and \$620 million. This is a \$5 million increase at the midpoint from our prior guidance and implies a year-over-year growth rate of 33% to 35%. We are increasing our guidance to account for the strong new customer acquisition trends we saw in the first quarter, as well as the strong performance we have seen in April. We expect increased transactions from these new customers to benefit us through the rest of 2022 and beyond. As a result, we expect revenue to increase sequentially every quarter and the remainder of 2022.

We remain focused on growing active customers by enhancing the loyalty of our existing customers and continuing to invest in acquiring new customers in existing and new corridors. We are maintaining our 2022 adjusted EBITDA outlook of between negative \$40 million and negative \$30 million. As we have discussed, 2022 is a year of disciplined investment to drive future growth. We expect to continue making growth investments in the second quarter and expect Q2 adjusted EBITDA to be roughly in line with the first quarter of 2022 as we maintain flexibility to pursue high-return investments that drive long-term growth.

We expect adjusted EBITDA in the back half of the year to improve compared with the first half due to the timing of certain investments and higher expected revenue. Given the expected high return of investing in new customers, expanding geographies and building new products, we will continue to invest at highly attractive unit economics. These investments will propel our growth going forward and put us on a path to profitability as we look to leverage our scale and our strong customer loyalty in the years ahead.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from Andrew Schmidt with Citi.

Andrew Garth Schmidt - Citigroup Inc., Research Division - VP & Analyst

Matt, Susanna and Stephen. Good quarter here. And Susanna, I know you'll be around for a little while, but good work with you and best of luck. So I want to start off just on the marketing expense. I know you mentioned some more competition, particularly in the digital acquisition channel. Perhaps you could talk about that a little bit more and your sort of -- your ability to offset that being more agile with creative customer acquisition? And then just as a follow-on to that, maybe more of a longer-term question. Just if you talk about your experience as you sort of spend more time in a given market, do you see incremental efficiency coming from marketing is perhaps your marketing shifts to more efficient word of mouth or other channels? It's kind of a near and a longer-term question, if you don't mind.

Susanna Morgan - *Remitly Global, Inc. - CFO*

Yes. Thanks, and good to chat with you. So in terms of CAC, we have seen some CAC pressure. I'd say it's consistent with the broader industry. And despite that, our unit economics remain highly attractive. We really focus on payback and LTV to CAC since CAC in and of itself isn't meaningful. And historically, we've had the 6x LTV to CAC. And we talked here about 200% ROI on our marketing spend. So we feel really good about the returns on that marketing spend and the fact that LTV is also increasing as transaction margins increase as well to help compensate for some of the market pressures.

In terms of the -- does CAC reduce over time as we have more time in certain markets, I would say that referrals become an increasingly important part of the marketing mix. And we talked about that a little bit here, just the longer we're in market and that's obviously a very low-cost acquisition channel and more brand awareness as well as we've had more time within the markets, which helps with offsetting some of those CAC pressures as well?

Andrew Garth Schmidt - *Citigroup Inc., Research Division - VP & Analyst*

And then just a higher-level question, just on the economic environment. Obviously, a lot of secular growth here and ability to continue to drive growth for the foreseeable future. But if you don't mind maybe talking about what you're seeing just from an employment or macro perspective? And then just remind us just the overall sensitivity of the model to things like employment, labor market? And obviously, this depends on whether we're talking about send or receive markets. But if you could just remind us just how to think about cyclical sensitivity, that would be great.

Matthew B. Oppenheimer - *Remitly Global, Inc. - Co-Founder, CEO, President & Director*

Thanks, Andrew. Yes. Happy to take that one and good to see it. I think historically, if you look at the remittance market, it has been resilient during economic hardships or downturns. When you think about why that's the case, it's because our customers are sending money home to their families for basic needs, for living expenses, for emergency medical expenses. So it's not discretionary in that sense and it's a key priority for our customers to send money back home. They're not always immune to economic hardships, but it's not like other consumer businesses where it's low on the list of spend. This is a key priority for our customers.

And you can see that whether it was the 2008 recession and whether it was -- as we went through COVID, it's a very sticky and repeat business. And that's a testament to the resilience of our customers and how committed they are to getting money back on to their families. So that's what we've seen historically, that's what we've seen in Q1. And we're confident as economic conditions continue to evolve that our customers will continue to prioritize getting money back to their family.

Operator

Your next question comes from Ramsey El-Assal with Barclays.

Unidentified Analyst

This is Ben, on for Ramsey. I wanted to ask about the take rate. I think we had thought that perhaps as you continue to expand into new geographies and diluted the big 3 quarters that you might see some yield uplift just by the nature of those being less competitive, and it sounds like the expectation is perhaps for that to be a little bit more stable. Just wondering if you could kind of comment on that trend.

Susanna Morgan - *Remitly Global, Inc. - CFO*

Yes. We have seen that be quite stable over time, which we see good as a proof point around pricing in the industry in general. There's probably some mix component to that, but I wouldn't say that it's a predominant factor. So we forgo that it's been quite stable over the last 8 quarters.

Matthew B. Oppenheimer - *Remitly Global, Inc. - Co-Founder, CEO, President & Director*

Yes, Ramsey. I'd just add that I think that certainly, we've proven that we can be successful in some of the largest and most competitive remittance corridors out there. I think as you get into some of the what we call longer tail corridors, you may see even higher pricing. But when you look at take rate over the long term, there could be potential there. That being said, it's influenced by mix shift, by average transaction size, by each individual corridors is different. So that's why we've shown the data that we've consistently been in the 2% to 2.5% take rate. And I think in the long term, that's a pretty good assumption.

Unidentified Analyst

And then kind of another little modeling question, just on your transaction expense. I know you indicated that the -- for the whole year, it should be continuing to improve, but perhaps not at the same magnitude as what we saw in Q1. Are there any like seasonal impacts to think up? Like I believe it usually ticks up a tiny bit in Q4. Anything else we need to kind of keep in mind as we're looking at the transaction expense line?

Susanna Morgan - *Remitly Global, Inc. - CFO*

Yes. No, we were really excited to see the increase in transaction expense or transaction margin in Q1 expense as a percent of revenue kind of coming -- improving by about 400 basis points. In terms of kind of go forward, we would expect to see some modest improvements over time. That's due to 3 factors, really, it's more direct partner integrations, which are both better cost and better customer experience but do require some product investments. It's also due to better terms of payment processors as we're driving increasing scale and then advanced risk and fraud management systems, which drive down transaction loss rates.

So modest improvements over time in terms of quarterly seasonality, in some cases, Q4 is a bit lower transaction margin quarter because we typically see a larger mix of new customers in Q4 and they sometimes have higher losses or kind of lower margins associated with new customers due to promotions and the like. So that is one, I guess, relatively minor factor to consider in terms of seasonality at this point. That's becoming less prominent as our existing base gets bigger and bigger, and we have more and more repeat customers.

Operator

Your next question then comes Tien-Tsin Huang with JPMorgan.

Tien-Tsin Huang - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Just -- so I'm thinking about the quarter and how it shook out as pretty close to what you had predicted, right, that it will be in line with the fourth quarter. It looks like it ended up being at about \$1 million higher, as you mentioned, you're taking up the guide by what, \$5 million. So just curious on the confidence in the raise? Is it really just based on -- I think you said customer acquisition being quite strong, including into April, is that the main driver? I just wanted to make sure I caught the details there.

Susanna Morgan - *Remitly Global, Inc. - CFO*

Yes. Thanks, Tien-Tsin. I'd say that is the primary driver. We saw really good customer acquisition in Q1 and in April as well. We're also seeing that our customer base continues to be very high quality, and we have really high retention in that base as well. So I would say that we have high

confidence in that because of the over 90% revenue retention, which really gives us visibility into near-term trends and pretty rigorous forecasting at the cohort level as well. And so yes, we're excited that we're able to take up the revenue guidance for the year as a result of that.

Tien-Tsin Huang - *JPMorgan Chase & Co, Research Division - Senior Analyst*

And so a quick follow-up and then I'll jump off. Just on the macro, I know you've addressed that well. Just with a lot of FX volatility going on, we've been hearing it throughout this earnings season, does that mean anything either from a behavior or potential sort of pricing dynamic there? I know it's somewhat unprecedented in terms of the amount of volatility. I hope it comes down, but just wanted to make sure we discuss that.

Matthew B. Oppenheimer - *Remitly Global, Inc. - Co-Founder, CEO, President & Director*

Tien-Tsin, yes, it's great to see you and appreciate that question. I think that, yes, from a broader economic standpoint, yes, I would reiterate the resilience of our customers and the resilience of remittances broadly. I think when it comes to foreign exchange, the origination currency, meaning euro, pound, dollar, when it strengthens relative to where our customers send money to, there could be some short-term pull forward or pull back of demand. But it's historically at a global level, not been that dramatic.

And one of the things about being in now 2,300 corridors is there's also this diversification standpoint that is valuable to our business because we have a wide range of currencies, a wide range of customers. And so there's also an offsetting component depending on how various currencies are changing. And in the medium- to long-term basis, there's not an impact. It's mainly just short-term fluctuations when that happens.

Tien-Tsin Huang - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Understood, right. So probably even sought over time.

Operator

(Operator Instructions) Next question is from Alex Markgraff with KeyBanc Capital.

Alexander Wexler Markgraff - *KeyBanc Capital Markets Inc., Research Division - Associate*

Just one question as it relates to headcount expectations for '22. Just curious if you're seeing any changes to the competition for talent as we've seen some reduction in force and hiring freezes across tech, really just looking for any read on that or any changes to your outlook for the year to be aware of?

Matthew B. Oppenheimer - *Remitly Global, Inc. - Co-Founder, CEO, President & Director*

Yes. Thanks, Alex. Great question and good to see you. I think that certainly, if you look at our engagement and retention, we're pleased with some of those metrics. And I think that's rooted in the fact that we care very, very deeply about culture. We care very, very deeply about our theme. And I think if you were to walk the virtual or in-person Remitly halls, you would see that. From a recruiting standpoint, it's important that we continue to hire across the globe. And that means across the U.S., that means in our offices across 3 European offices and countries, we have also customer support sites in Manila and Managua.

And so we, I think, we have expanded our geographic presence to be able to accelerate hiring. And that's where I'd say is a key part of our focus is to fill some of the open roles that we have because it is competitive to recruit folks. But the employee experience, the engagement, the attrition been very pleased, and I think that's rooted in our culture, and our culture is rooted in customer centricity and a team that really wants to make a positive impact in the world. And I think they see that by coming to Remitly.

Alexander Wexler Markgraff - KeyBanc Capital Markets Inc., Research Division - Associate

Maybe just one final point on the macro discussion. Just to clarify, as it relates to your expectations for the year, you are not assuming any sort of deterioration in the health of the customer base, is that a fair assumption as we look at the '22 guidance sort of expectations through the year?

Susanna Morgan - Remitly Global, Inc. - CFO

Yes, I think that's a fair assumption. We've seen very consistent customer behavior trends, which has been really nice to see. And you'll see like average spend per active customer increased very modestly, but has been stable in the quarter. We're still seeing very strong retention. And so far, no signs. The customer base has been very resilient in other periods as well. And so far, we're seeing just a consistency in terms of the customer behavior.

Operator

And that's the last question. I would now like to turn the call back to Matt Oppenheimer for his closing remarks.

Matthew B. Oppenheimer - Remitly Global, Inc. - Co-Founder, CEO, President & Director

Thank you. And thank you, everyone, for your thoughtful questions. As we always do at Remitly, I'd like to end the call by highlighting another one of our amazing customers. This customer's name is Floyd. Floyd is a relatively new customer, he joined Remitly in 2021. And Floyd works in the U.S. and sends money to his girlfriend in the Philippines.

So far, Floyd has already sent money with Remitly more than 50x, 5-0. Floyd shared his story with Remitly and sharing his own words he said, "I wanted to send money to my girlfriend who is in the Philippines, and it was a great experience using Remitly. My experience with the money transmitter companies I used before was really bad. They made sending money really hard, and I would get rejected. I'm proud to help support my girlfriend back home and I feel that Remitly treats me with dignity, and I know she receives the money safe and sound. This is the way it should be. We thank your company for providing a great service for us." We thank you, Floyd, and all of you on the call for being part of the Remitly journey, and we are excited about 2022 and look forward to sharing our progress as we continue our mission.

Operator

And ladies and gentlemen, with that, we conclude today's program. And you may now disconnect. Please have a great day.

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