



# Investor Presentation

Fourth Quarter 2022 Earnings  
February 22, 2023

# Disclosures

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements regarding our future operating results and financial position, including our fiscal year 2023 financial outlook, including forecasted fiscal year 2023 revenue and Adjusted EBITDA, anticipated future expenses and investments, expectations relating to certain of our key financial and operating metrics, our business strategy and plans, market growth, our market position and potential market opportunities, and our objectives for future operations. The words “believe,” “may,” “will,” “estimate,” “potential,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “target,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on management’s expectations, assumptions, and projections based on information available at the time the statements were made. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including, without limitation, risks and uncertainties related to: our ability to successfully execute our business and growth strategy, our ability to achieve and maintain future profitability, our ability to further penetrate our existing customer base and expand our customer base in existing and new corridors, our ability to expand into broader financial services, our ability to expand internationally, the effects of seasonal trends on our results of operations, the current inflationary environment, our expectations concerning relationships with third parties, including strategic, banking and disbursement partners, our ability to obtain, maintain, protect, and enhance our intellectual property and other proprietary rights, our ability to keep data and our technology platform secure, the success of any acquisitions or investments that we make, our ability to compete effectively, our ability to stay in compliance with applicable laws and regulations, our ability to buy foreign currency at generally advantageous rates, and the effects of changes to immigration laws, macroeconomic conditions and geopolitical forces on our customers and business operations. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, our actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Further information on risks that could cause actual results to differ materially from forecasted results are included in our annual report on Form 10-K for the year ended December 31, 2022 to be filed with the SEC, which will be available on our website at <https://ir.remitly.com> and on the SEC’s website at [www.sec.gov](http://www.sec.gov). The forward-looking statements in this presentation speak only as of the date of this presentation and except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons if actual results differ materially from those anticipated in the forward-looking statements. The guidance in this presentation is only effective as of the date given, February 22, 2023, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this deck following February 22, 2023 does not constitute re-affirming guidance by Remitly.

## Non-GAAP Financial Measures

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



# 4Q Strategic Overview



**Matt Oppenheimer**

Co-Founder & CEO



# Resilient customers, premium product and increasing returns on investments

- Resilient and predictable customer behavior
- Customer experience getting even better with scale
- Consistent track record of beating expectations/execution
- Focused on increasing returns on investments

4Q22  
REVENUE **\$191m**  
↑ 41% YoY

4Q22  
PROFITABILITY **(\$19m)**  
GAAP Net Loss  
**\$7.5m**  
Adjusted EBITDA

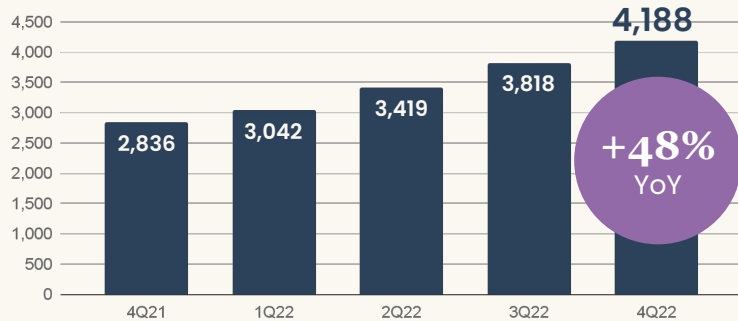
*Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of non-GAAP measures to the most comparable GAAP measures in the Appendix.*





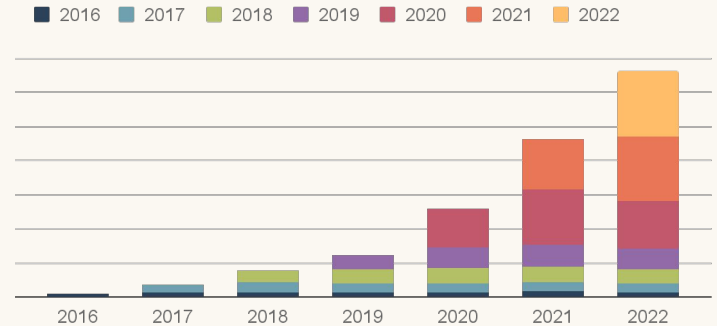
# Strong new customer acquisition and high retention

## Quarterly Active Customers (thousands)



- ✓ Exceptionally strong acquisition at compelling unit economics
- ✓ Geographic expansion

## Revenue Contribution by Cohort



- ✓ Continued customer loyalty and predictable transacting behavior—remittances are highly non-discretionary
- ✓ The vast majority of customers expect to send money at the same frequency or more often than they did in the past year (Feb. 2023 Remitly customer survey results)



Customer peace of mind + premium experience



# High return investments drive sustainable growth and enhance customer loyalty and engagement

Driving efficient customer growth



New customer acquisition



Geographical expansion

Driving higher retention and engagement



Remittance product enhancements



Complementary new products





# Customer acquisition enabled by sophisticated and localized marketing



Brand awareness



Localization at scale

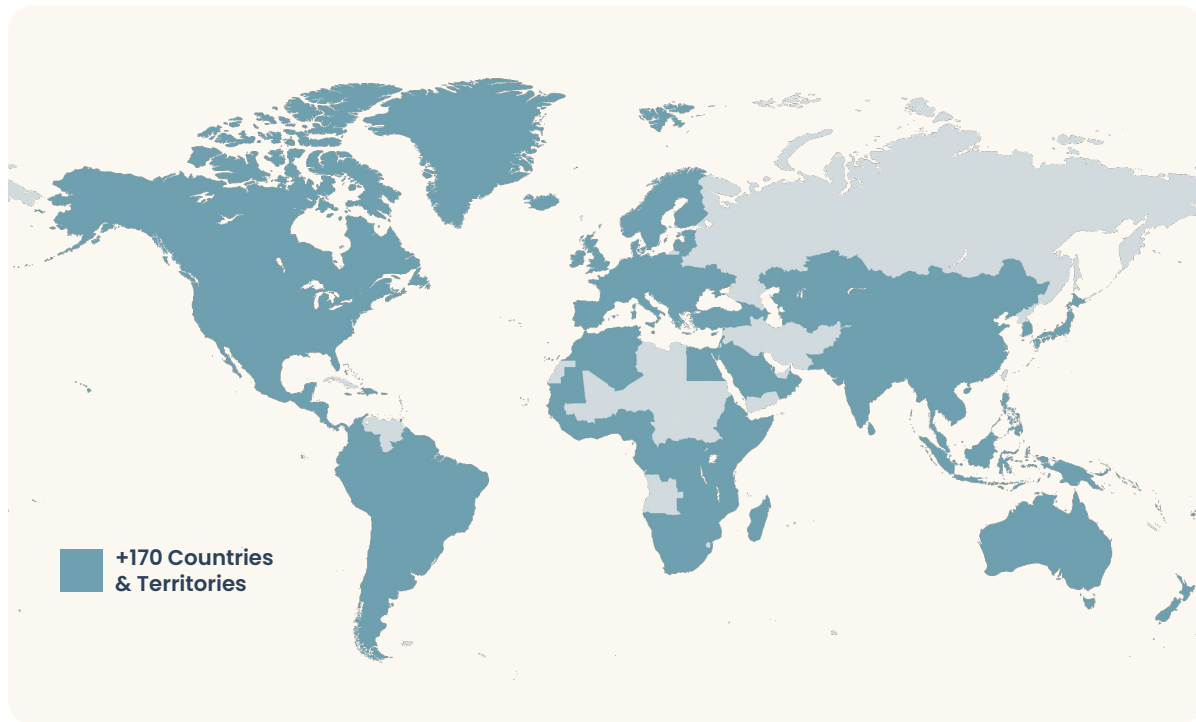


Scale drives increasing word of mouth





# Expanding into growth markets; entered key UAE market in January



**+4,300**  
corridors

**~4.0b**  
bank accounts

**+435k**  
cash pickup locations

**~1.1b**  
mobile wallets

Data as of 12/31/22.

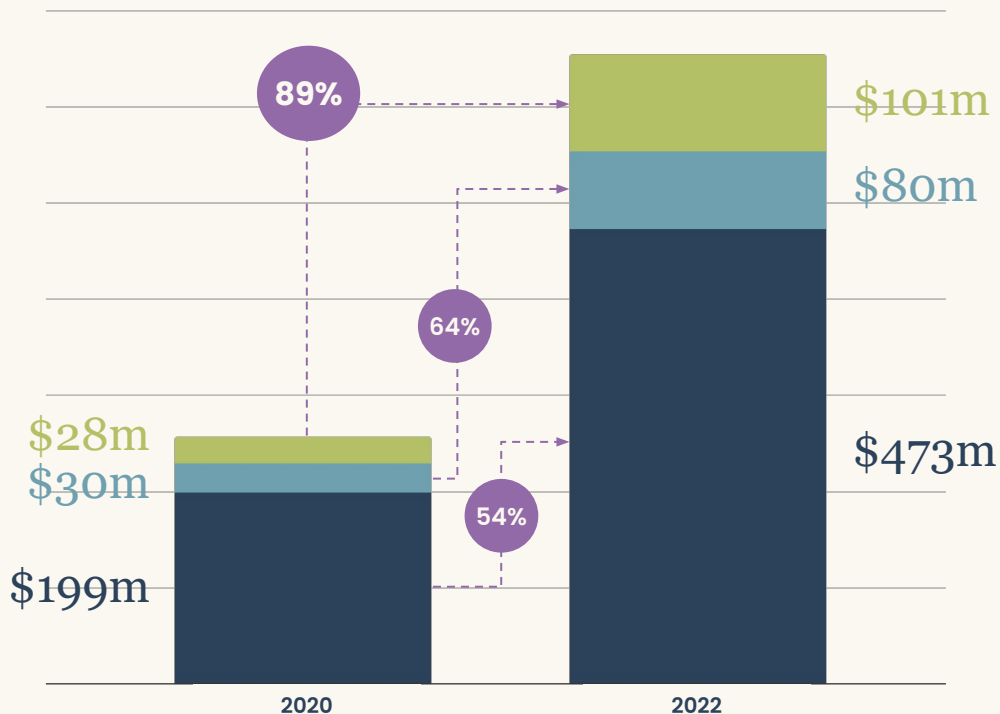




**Our revenue mix has become more globally diversified**

2020 v. 2022 Revenue Mix

■ USA ■ Canada ■ Rest of World ● CAGR

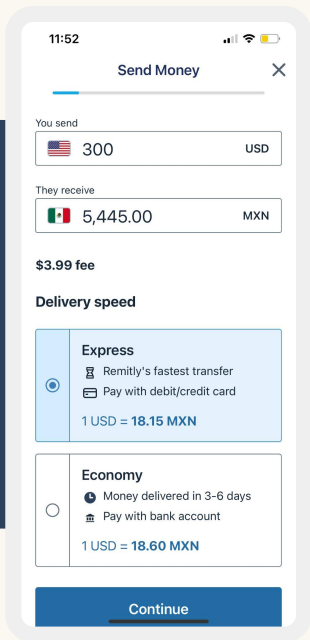




# Delivering a more premium customer experience as we scale

## Speed

>90% of customer transactions disbursed in less than an hour<sup>1,2</sup>



## Reliability

Platform Availability  
99.94%<sup>1</sup>



Premium experience leads to high retention

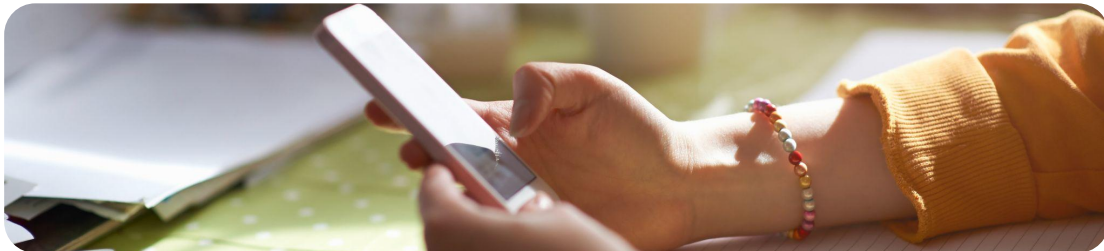
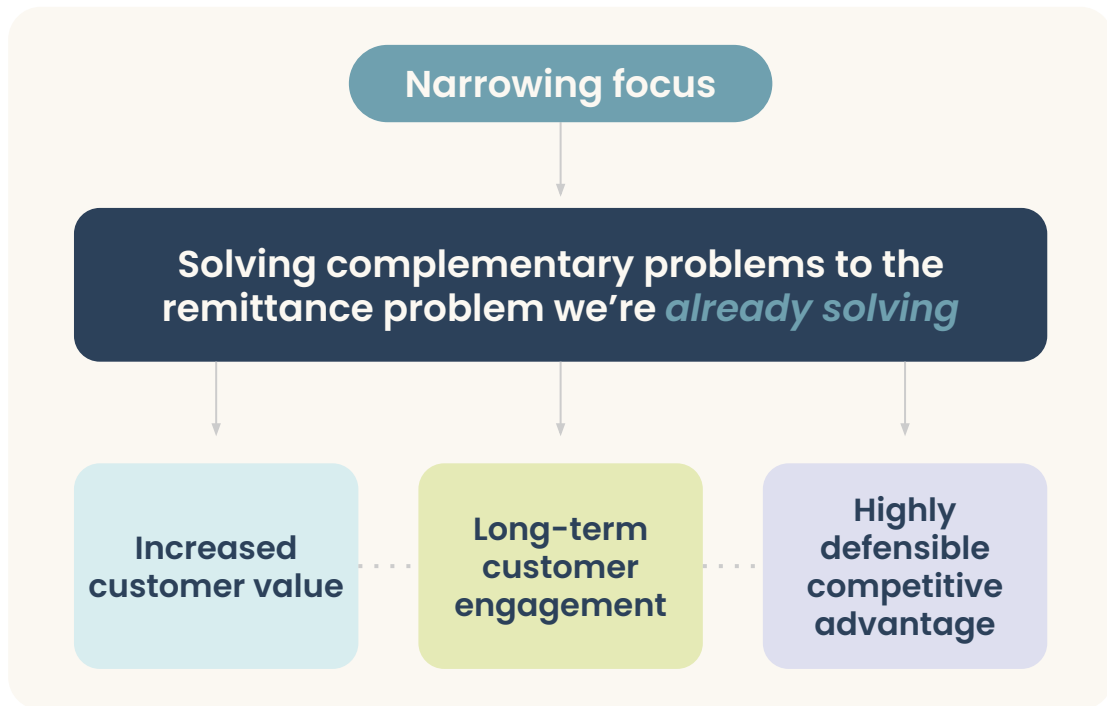
1. Remitly internal data for 4Q 2022.

2. Disbursement speed reflects the time between when Remitly has the customer funds and when the funds are successfully disbursed (e.g. completed or available for pickup)





# Incredible opportunity to drive even more customer loyalty



# In 2023, we plan to continue to execute strongly toward our Strategic Priorities and delivering long-term returns



## New customer acquisition



Highly disciplined on CAC with variability depending on unit economics and competitive market dynamics



## Geographical expansion



Enter new markets efficiently and continue penetration of existing markets



## Remittance product enhancements



Deliver customer peace of mind with a flawless remittance experience and drive improved customer behavior/margins

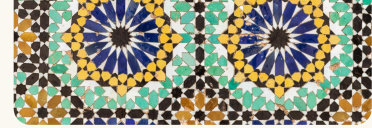


## Complementary new products



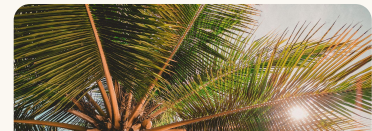
Solve problems unique to our remittance customers driving additional engagement/loyalty





# Vision

To transform the lives of immigrants and their families by providing the most trusted financial services on the planet.



# 4Q Financial Results



**Hemanth Munipalli**  
CFO

# 4Q — Strong financial performance



## SCALE

**4.2m**

48% growth in **quarterly active customers** over 4Q 2021

**\$8.1b**

35% growth in **send volume** over 4Q 2021



## REVENUE

**\$191m**

41% growth in revenue over 4Q 2021



## PROFITABILITY

**(\$19m)**

GAAP Net Loss

**\$7.5m**

Adjusted EBITDA

*Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of non-GAAP measures to the most comparable GAAP measures in the Appendix.*



# Q4 2022 benefited from strong execution and some favorable macro factors

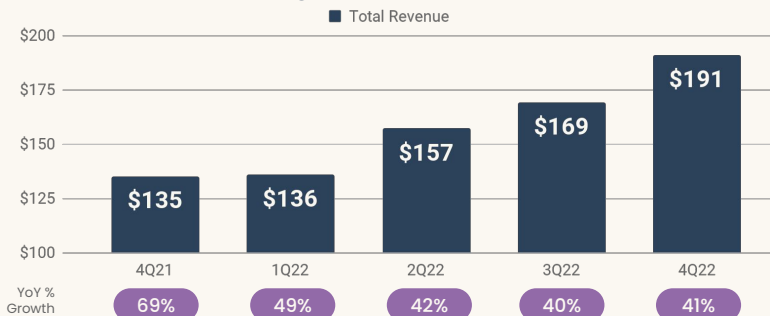
	4Q22 Year-over-Year Change	Execution Wins	Macro Factors
Revenue Growth	↑ 41%	<ul style="list-style-type: none"> <li>• High retention</li> <li>• Strong new customer acquisition</li> <li>• Geographic expansion from prior periods</li> </ul>	Some favorability from strong developed market currencies
Transaction Expense as a % of Revenue	↓ 410 bps	<ul style="list-style-type: none"> <li>• Advances in our approach to fraud prevention</li> <li>• Reducing costs across pay in and disbursement network</li> </ul>	
Non-GAAP Marketing Expense as a % of Revenue	↓ 660 bps	<ul style="list-style-type: none"> <li>• Brand awareness and word of mouth effects</li> <li>• CAC efficiencies particularly outside North America</li> <li>• Localized digital marketing</li> </ul>	Advertising market less competitive than expected
Non-GAAP Other Operating Expenses as a % of Revenue <sup>1</sup>	G&A ↓ 150 bps	<ul style="list-style-type: none"> <li>• G&amp;A expense discipline</li> </ul>	
	T&D ↑ 270 bps	<ul style="list-style-type: none"> <li>• Investments in high ROI initiatives such as product enhancements and complementary new products</li> </ul>	

1. Other operating expenses are non-GAAP measures and include non-GAAP customer support and operations expense, non-GAAP general and administrative expense and non-GAAP technology and development expense. Please see reconciliation of non-GAAP measures to the most comparable GAAP measures in the Appendix

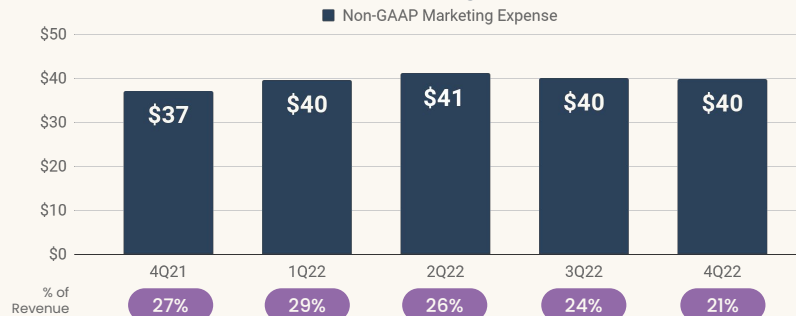


# Four key focus areas to drive sustainable, long-term returns

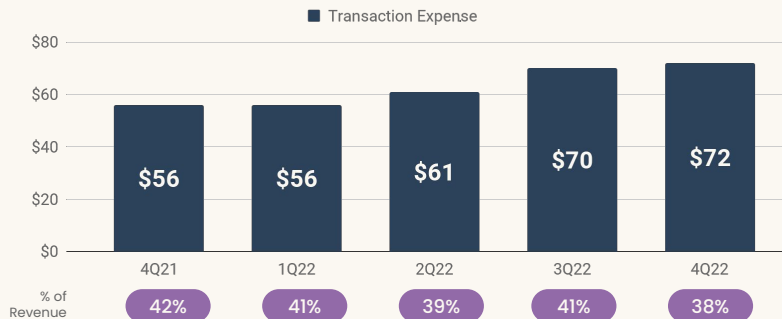
## Strong Revenue Growth



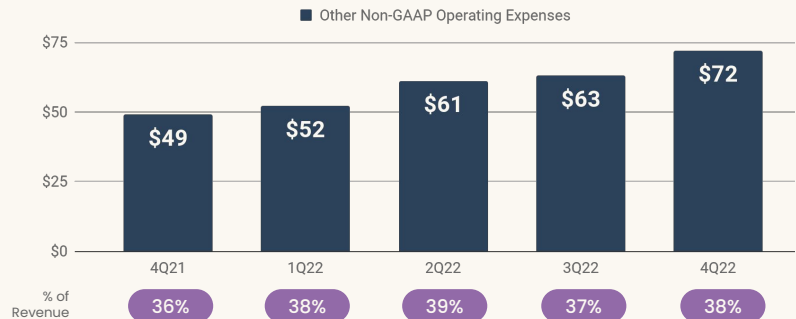
## Drive Marketing Efficiency



## Improve Transaction Expense



## Deliver Scale Efficiencies in Other Opex<sup>1</sup>



Note: \$ in millions

<sup>1</sup> Non-GAAP operating expenses include non-GAAP customer support and operations expense, non-GAAP general and administrative expense and non-GAAP technology and development expense. Please see reconciliation of non-GAAP measures to the most comparable GAAP measures in the Appendix.

# 2023 Outlook

Strong revenue growth  
and scale efficiencies  
enabling higher returns

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## \$860m-\$880m

2023E Revenue  
32% to 35% YoY growth

—

## Breakeven-\$10m

2023E Adjusted EBITDA

### Key 2023 Expectations

- Macro and FX environment stable to 4Q22
- Sustained marketing efficiencies in relatively stable advertising market
- Improved scale efficiencies; continued investments in product enhancements and complementary new products



# Strong balance sheet to fund strategic growth priorities

~\$300m

Cash

\$0m

Debt



 New customer acquisition

 Geographical expansion

 Remittance product enhancements

 Complementary new products

As of 12/31/22



# Q & A





“

It is an easy, efficient, and fast way to send money. I would recommend it – and have done so – to others.

**James**

**Remitly user since 2022**

Sends money from  
USA to Kenya



# Appendix



# Non-GAAP Financial Measures

Some of the financial information and data contained in this presentation, such as Adjusted EBITDA and non-GAAP operating expenses, have not been prepared in accordance with United States generally accepted accounting principles ("GAAP").

We regularly review our key business metrics and non-GAAP financial measures to evaluate our performance, identify trends affecting our business, prepare financial projections, and make strategic decisions. We believe that these key business metrics and non-GAAP financial measures provide meaningful supplemental information for management and investors in assessing our historical and future operating performance. Adjusted EBITDA and non-GAAP operating expenses are key output measures used by our management to evaluate our operating performance, inform future operating plans, and make strategic long-term decisions, including those relating to operating expenses and the allocation of internal resources. Remitly believes that the use of Adjusted EBITDA and non-GAAP operating expenses provides additional tools to assess operational performance and trends in, and in comparing Remitly's financial measures with, other similar companies, many of which present similar non-GAAP financial measures to investors. Remitly's non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial measures determined in accordance with GAAP. Because of the limitations of non-GAAP financial measures, you should consider the non-GAAP financial measures presented herein in conjunction with Remitly's financial statements and the related notes thereto. Please refer to the non-GAAP reconciliations in this presentation for a reconciliation of these non-GAAP financial measures to the most comparable financial measure prepared in accordance with GAAP.

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



## Non-GAAP Reconciliation

Reconciliation of operating expenses to non-GAAP operating expenses <i>(in thousands)</i>	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021
Customer support and operations	\$19,239	\$18,142	\$16,855	\$13,870	\$13,090
Excluding: Stock-based compensation expense, net	220	226	277	93	76
Non-GAAP customer support and operations	\$19,019	\$17,916	\$16,578	\$13,777	\$13,014
Marketing	\$43,163	\$43,337	\$43,849	\$40,621	\$38,267
Excluding: Stock-based compensation expense, net	3,363	3,352	2,765	1,032	1,118
Non-GAAP marketing	\$39,800	\$39,985	\$41,084	\$39,589	\$37,149
Technology and development	\$42,883	\$36,178	\$36,083	\$23,575	\$19,128
Excluding: Stock-based compensation expense, net	15,461	13,238	13,649	4,072	3,409
Non-GAAP technology and development	\$27,422	\$22,940	\$22,434	\$19,503	\$15,719
General and administrative	\$34,895	\$35,504	\$37,509	\$23,342	\$23,512
Excluding: Stock-based compensation expense, net	8,369	8,929	15,850	4,397	3,448
Excluding: Donation of common stock	-	1,972	-	-	-
Excluding: Transaction costs	1,077	2,385	-	-	-
Non-GAAP general and administrative	\$25,449	\$22,218	\$21,659	\$18,945	\$20,064

## Non-GAAP Reconciliation

Reconciliation of net loss to Adjusted EBITDA <i>(in thousands)</i>	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021
Net loss	(\$19,395)	(\$33,069)	(\$38,245)	(\$23,310)	(\$16,576)
Add:					
Interest (income) expense, net	(1,947)	(1,070)	(107)	277	(160)
Provision for income taxes	(434)	287	662	528	42
Depreciation and amortization	1,854	1,843	1,510	1,517	1,366
Foreign exchange gain	(1,090)	(1,815)	(1,687)	(669)	(81)
Donation of common stock	-	1,972	-	-	-
Stock-based compensation expense, net	27,413	25,745	32,541	9,594	8,051
Transaction costs	1,077	2,385	-	-	-
Adjusted EBITDA	\$7,478	(\$3,722)	(\$5,326)	(\$12,063)	(\$7,122)
Revenue	\$191,032	\$169,259	\$157,255	\$136,014	\$135,255
Adjusted EBITDA margin	3.9%	(2.2%)	(3.4%)	(8.9%)	(5.3%)



**Thank you.**



**Remitly™**