William Blair

Equity Research
Financial Services and Technology | Fintech

April 22, 2025
Industry Report

Cristopher Kennedy, CFA
+1 312 364 8596
ckennedy@williamblair.com

Marc Feldman, CPA
+1 312 364 8397
mfeldman@williamblair.com

Money Remittances

2024 Marks Four Consecutive Years of Pricing Stability

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Executive Summary

Our annual *Money Remittances* report is our effort to provide investors some clarity into key pricing trends within the massive, complex money remittance market by leveraging data from the World Bank. The analysis assesses year-over-year trends across the overall industry as well as by provider type, channel, and payment method. Further, we provide a deep dive analysis on pricing trends by channel and by provider in the four largest U.S. outbound corridors.

In our third annual remittance pricing report, our analysis suggests that 2024 marked the fourth consecutive year of relatively stable-to-increasing prices within the money remittance market. While pricing remains below pre-pandemic levels, ***we believe four years of stability should help ease investor concerns that money remittance pricing is a race to the proverbial bottom. Our key 2024 pricing trend observations from the World Bank data include the following.***

- The average global price to send US$200 across all providers, channels, and payment methods was 6.5% of principal (versus 6.2% in 2022 and 6.3% in 2023) and compares with 7.1% in 2017-2018.

- Bank and non-bank financial institutions remain the most expensive channel at 12.5% of principal (versus 11.4% in 2023), while money transfer operators (MTOs) averaged 5.5% (versus 5.4% in 2023)—marking the widest spread since at least 2017. We believe financial institutions will be the primary share donors and expect these institutions will be most susceptible to take-rate compression.

- The average price for a retail transaction through an MTO was 6.5% of principal (versus 6.6% in 2023 and 6.8% in 2017-2018), and the average price for a digital transaction was 4.9% of principal (versus 4.9% in 2023 and an average of 5.5% in 2017-2018). In our view, this highlights the opportunity for digitally based providers to drive additional share gains.

- Across our analysis of the four largest U.S. outbound corridors, which collectively account for roughly 12% of formal global remittance flows, average digital MTO pricing was 3.6% of principal (versus 3.8% in 2023 and 4.4% in 2017-2018). Prices increased in three out of four markets.

- Highlighting the difficulties of operating in the market, U.K.-based money transfer firm Small World shuttered due to operational challenges in June 2024. In likely a last-ditch effort to improve financials, the firm raised prices in early 2024 to above the industry average in 11 of the 32 corridors that we tracked (up from 4 markets exiting 2023). The average price premium was 40% above its peers.

- Pricing remains complex as it is corridor-specific and is driven by a variety of factors, including funding and payout method, speed, convenience, ease of use, additional features, and brand trust and loyalty. We believe the providers that excel in these areas should be able to sustain premium pricing and/or gain share.

Beyond industry-level pricing, this report provides an updated overview of the industry as a whole and discussion on select providers. We provide coverage-specific impacts in the following section, but our key takeaways are below.

- We believe the data supports our view that the money remittance industry is not a commodity. Customer preferences go well beyond cost and include speed, convenience, ease of use, additional features, and brand trust and loyalty.

- The money remittance market is a massive market that is highly fragmented but can likely support multiple winners.

- Regions can be influenced by short-term economic and geopolitical trends; however, remittance is a large global market that has proved resilient—global volume has declined in only 5 of the last 40 years, according to the World Bank.

- While the current administration's stance on immigration or the depreciating U.S. dollar could pose a headwind, we believe the providers in our coverage should be able to navigate the changes and believe current border policies could drive potentially counter-balancing tailwinds.

- Despite concerns, we believe globally scaled remittance providers maintain strong competitive moats due to regulatory hurdles, customer acquisition costs, the complexities of managing global networks, and the necessary scale needed for profitable operations.

Coverage Observations

We outline specific takeaways from our analysis for each MTO provider in our coverage below.

- Remitly is priced *above* the industry average in the U.S.-to-Mexico and U.S.-to-India corridors and is modestly below the average in the U.S.-to-Philippines corridor. In 2024, 65% of its revenue was attributable to U.S. outbound (send) transactions (versus 67% in 2023), while 49% of revenue was attributable to these three inbound (receive) countries (versus 55% in 2023). Guidance for 2025 calls for 24%-25% revenue growth (versus 34% in 2024), and adjusted EBITDA of $180 million to $200 million imply 12% to 13% margins (versus 10.7% in 2024).

- Euronet's digital Ria business was priced *below* the industry average in three U.S. outbound corridors that we tracked. Euronet's digital business operates in approximately 25 send countries, but several digital remittance providers (e.g., Sendwave, Xoom, and Remitly) leverage Euronet's global network of distribution partners and agents to support payouts in certain geographies. Euronet's digital business grew transactions more than 30% in 2024, and exiting the year, 54% of payout volume was digital, which is lower cost and supports lower pricing.

- Western Union's digital business was priced *above* the industry average in two of the three corridors that we tracked (U.S.-to-Mexico was slightly below the average). The December 2024 quarter marked the seventh consecutive quarter of growth for the digital business (22% of total revenues), with the business growing about 8% in 2024.

About the Data

Our analysis is based on the World Bank's database on remittance pricing, which covers 367 country corridors, including 48 send countries and 105 receive countries. Based on estimated remittance volume data from the World Bank's bilateral remittance matrix, we estimate that the corridors assessed within the pricing database represent over 50% of the estimated $823 billion in formal remittance volumes. Within each assessed corridor, the World Bank collects pricing data from select providers to create a representative sample that covers the maximum remittance market share possible. The researchers aim for the provider samples in each corridor to represent a minimum aggregate market share of 80%.

The World Bank dataset includes point-in-time pricing for selected providers within each assessed corridor, and further dichotomizes the data based on certain attributes of the transaction, including, but not limited to, access point, transfer speed, payment instrument, and receiving method. While this database is comprehensive, we believe it represents a relatively small component of the massive, highly fragmented industry; for example, Western Union operates in 20,000 corridors, and the difficult-to-track informal channel is at least the size of the estimated $823 billion formal remittance channel.

As of the date of this report, the database includes pricing data through the September 2024 quarter. Due to the availability of the data and to account for the impacts of seasonality, our analysis uses the trailing-four-quarter average as a proxy for average pricing in 2024. *Accordingly, throughout this report when we discuss 2024 pricing, we are referring to the trailing-four-quarter average ended third quarter 2024. In addition, as we discuss price throughout this report, we refer to the cost as a percentage of principal to send US$200 within a corridor.*

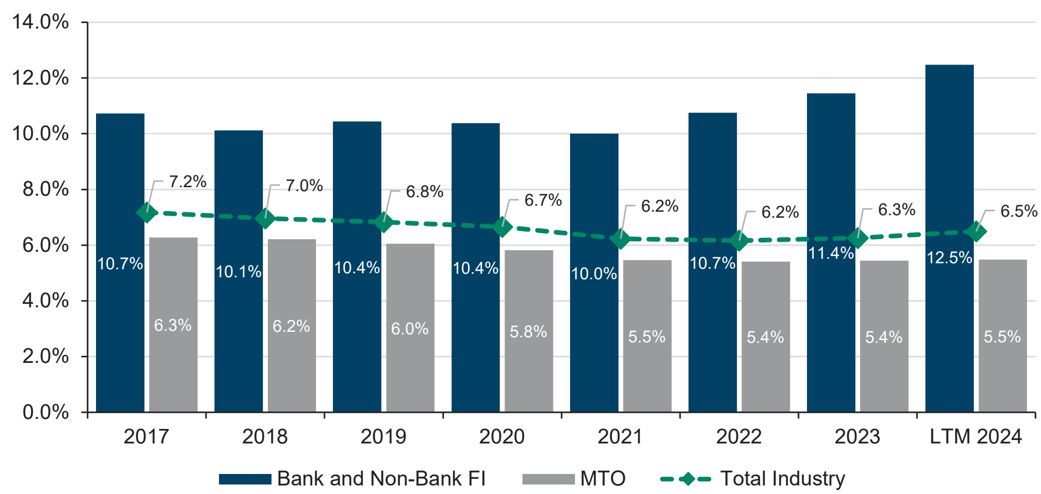
Key Macro Trends

Overall Trends and Pricing by Provider Type
As outlined below, 2024 should mark the fourth consecutive year of relative price stability within the money remittance market. Prices remain below pre-pandemic levels, which could be driven by a host of factors discussed below.

Across all provider types, global pricing was 6.5% of principal in 2024 (versus 6.2% in both 2021 and 2022, and 6.3% in 2023) but remains well below the 7.1% average in 2017-2018. On a more granular level, MTO pricing has increased 10 basis points versus 2023, to 5.5% of principal, while bank and non-bank FI pricing increased by 110 basis points, to 12.5% of principal.

For exhibit 1, total industry pricing is an average of all data points collected for the period and is affected by the varying number of samples across provider type. While not individually broken out, mobile operator and post office pricing is included in the total industry average. To provide added perspective, we highlight that mobile operator pricing has gone from 2.8% of principal in 2017 to 3.7% in 2024, while post office pricing has gone from 6.5% of principal in 2017 to about 5.8% in 2024.

Exhibit 1
Average Global Cost of Sending US$200
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Despite stability over the past four years, MTOs drove most of the pricing reduction versus pre-pandemic, while banks and non-bank financial institutions have been raising prices. Between 2017 and 2024, MTOs *reduced* pricing at a 1.9% annual clip to 5.5% of the principal amount, while bank and non-bank financial institutions pricing *increased* at a 2.2% annual clip over the same period to 12.5%.

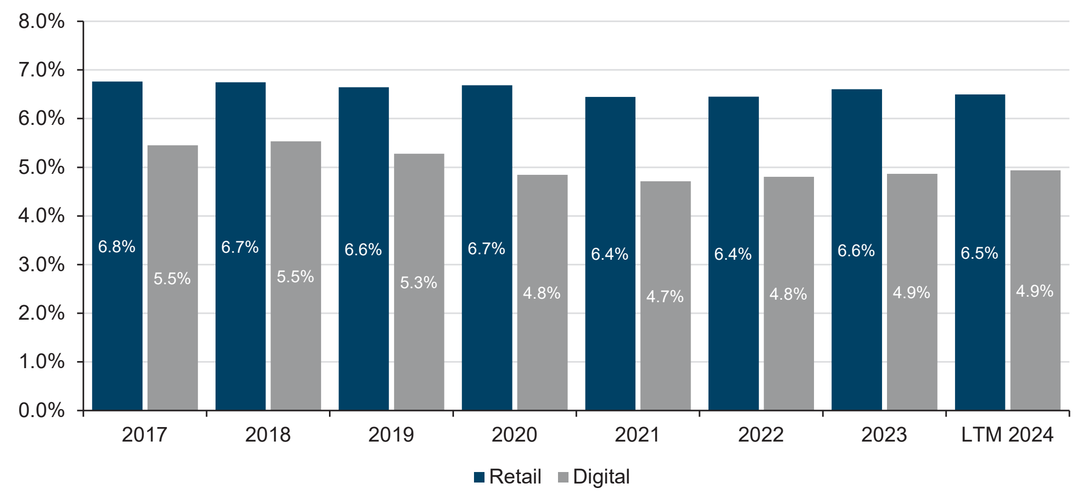
The mix shift to lower-cost operators has led to lower industry pricing; however, we believe other factors such as technology, increased competition, and government-led initiatives have driven industry pricing trends. In 2009, G8 countries adopted the 5x5 Objective, which was focused on reducing the cost of remittances by five percentage points of principal within five years, while the United Nations' Sustainable Development Goals includes an initiative to reduce global average remittance costs to 3% of principal by 2030 and for every corridor to be less than 5% of the principal amount.

While difficult to discern, we believe pricing stability (and sustainability) is largely a function of supply-and-demand dynamics. Other potential drivers include: 1) regulations (higher operating expenses, less competition); 2) lingering aftereffects from the pandemic (e.g., share shift from the informal channel to the formal channel); 3) an increased focus on foreign exchange-related services (versus upfront transaction fees); and 4) share gains coupled with the modern conveniences associated with money via digital apps (e.g., more seamless, frequent transactions).

Digital Versus Retail MTO Pricing Trends

In our view, a key driver of reduced pricing from MTOs (versus pre-pandemic levels) has been the growing adoption of digital remittance options. Across MTOs, digitally initiated remittances remain a lower-cost method for sending money (versus retail transfers). In 2024, digitally initiated remittances pricing was essentially flat with 2023, at 4.9% of principal, while retail remittances prices moderated to 6.5% of principal (versus 6.6% in 2023).

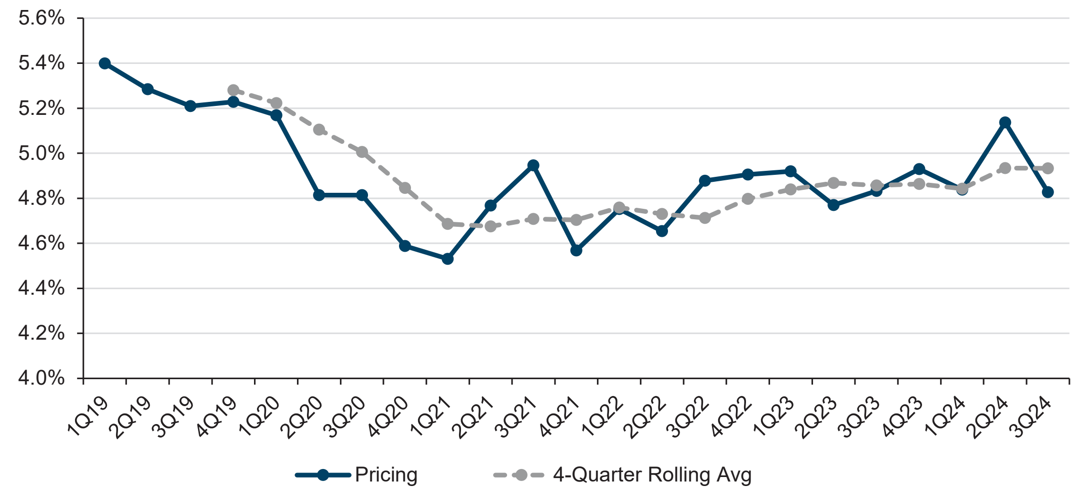
Exhibit 2
Average Global Cost of Sending US$200 Through MTO by Channel
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Digital MTO pricing has been relatively stable to slightly increasing since 2021; based on a four-quarter rolling average, pricing for digital remittances has held steady between 4.7% and 4.9% of principal.

Exhibit 3
Average Global Cost of Sending US$200 Digitally Through MTO
(as a percentage of US$200)



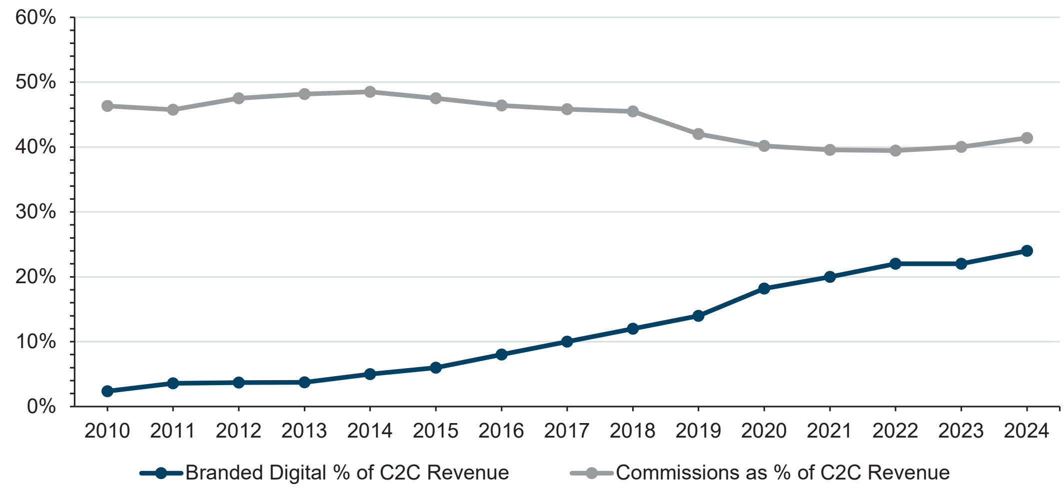
Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Cost Advantages of Digital Support Lower Pricing and Improve Profitability
As is the case with most businesses, money transfer operators need to balance operating costs with the value that they provide to their customers (i.e., price)—in general, lower operating costs can support lower prices. We attribute higher fees charged by banks and financial institutions to the infrastructure and regulatory overhead, a lower prioritization of remittances, and their ability to capitalize on captive customers.

In contrast, the lack of these costs and scale advantages (in terms of cross-border volume) enables MTOs to offer lower pricing. Moreover, the lack of commission expense for a digital transaction (versus a retail transaction) represents a large cost advantage, and some of these savings can be passed on to consumers in the form of lower pricing.

Western Union's commission expense as a percentage of revenue is down nearly 10 points over the last decade, while the contribution of its branded digital business has increased by nearly 20 points. We acknowledge other internal initiatives have supported this trend, but we believe the growth of the digital business has been a large contributor.

Exhibit 4
Estimated Western Union Branded Digital Penetration Versus Commission Expense as a Percentage of Revenue

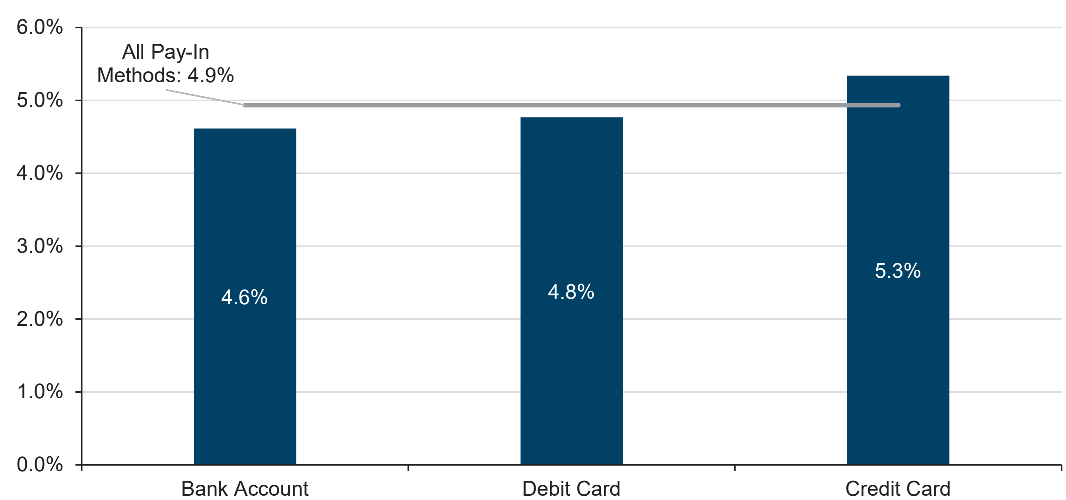


Sources: Company reports

The cost of digital transactions is lower because there are no agent commissions involved; however, MTOs incur costs from network partners that facilitate pay-in and payout, and from other connections that support a digital transaction. Varying payment methods and the routing of transactions influence end-user pricing.

For example, pay-in costs vary by method (e.g., debit interchange is lower than credit interchange), and these costs are passed on to consumers. As outlined below, credit card–funded digital transactions on average incur higher fees versus bank account/debit card–funded transactions.

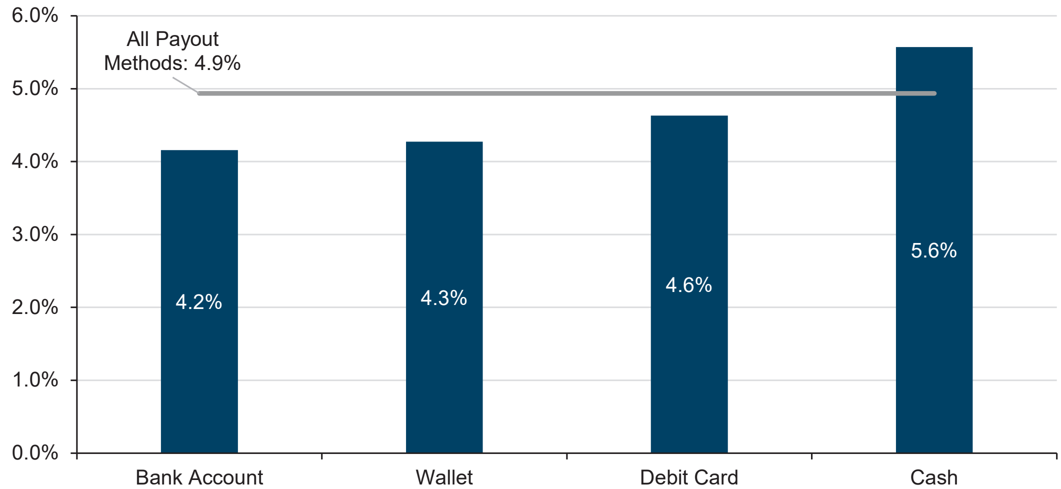
Exhibit 5
Average Global Cost of Sending US$200 Digitally Through MTO by Pay-In Method
LTM Third Quarter 2024
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Furthermore, as outlined below, digital MTOs generally charge higher fees for cash payouts (versus digital payouts), likely due to the costs associated with receive agents and payout partners.

Exhibit 6
Average Global Cost of Sending US$200 Digitally Through MTO by Payout Method
LTM Third Quarter 2024
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

To provide a more tangible example of how different pay-in and payout methods impact pricing, we looked at digital pricing for Remitly and Western Union in the U.S.-to-Mexico corridor. Using the same methodology as the World Bank, we collected corridor price data for different pay-in and payout methods for each provider on the same date.

As we outline below, Remitly's price varied by as much as 3.9 percentage points, while Western Union's price varied by as much as 6.2 percentage points. For both providers, credit card was the highest-price pay-in method, which we attribute to higher interchange rates, and cash pickup was the highest price payout method, which we attribute to the various receive agent costs.

Exhibit 7
Cost of Sending US$200 Digitally by Pay-In/Payout Method
U.S. to Mexico for Select Providers
(as a percentage of US$200)

Remitly

		Pay-In Method		
		Bank Account	Debit Card	Credit Card
Payout Method	Digital Wallet	4.7%	4.7%	7.7%
	Bank Deposit	4.7%	4.7%	7.7%
	Cash Pickup	5.6%	5.7%	8.6%

Western Union

		Pay-In Method		
		Bank Account	Debit Card	Credit Card
Payout Method	Digital Wallet	1.6%	2.5%	6.0%
	Bank Deposit	2.2%	3.3%	6.8%
	Cash Pickup	3.9%	3.9%	7.8%

Note: Data collected on 4/16/2025
Sources: Company data, FactSet, and William Blair Equity Research

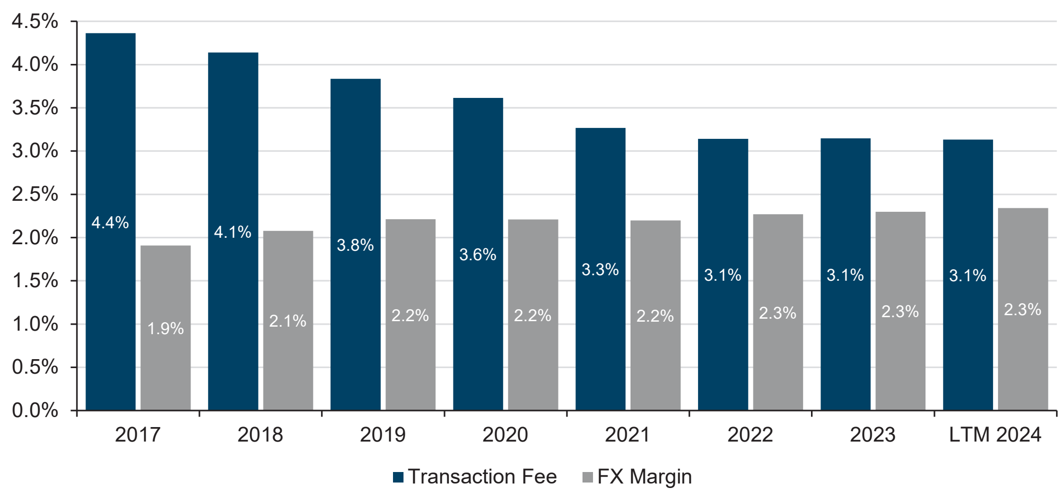
Money transfer operators have various initiatives to reduce costs, such as leveraging capabilities from the card networks (Visa Send and Mastercard Move), direct integrations with payout partners (versus aggregators), and direct connections to national payment schemes (versus bank-sponsored access). Remitly has indicated that direct partner integrations drive more efficiencies primarily through lower transaction costs and more visibility into the transaction. Remitly has highlighted that direct access to FedNow via the proposed Affordable Remittance Act (2024), could drive significant cost savings.

Transaction Fees Versus Foreign-Exchange Spread

Remittance pricing comprises two components, the transaction fee and the foreign exchange margin. The transaction fee is more transparent as it is paid upfront by the customer. On the other hand, the foreign-exchange margin is more complex as it represents the percentage difference between the foreign-exchange rate applied to the transaction and the interbank exchange rate.

The transaction fee and foreign-exchange margin components of remittance pricing remained relatively stable in 2024. Since 2017, the decline in average remittance pricing through MTOs has been driven by declines in transaction fees, while foreign-exchange margin has increased in share of overall pricing. That said, in line with overall MTO remittance pricing trends, both the transaction fee and foreign-exchange margin components of remittance pricing have remained relatively stable since 2021.

Exhibit 8
Average Global Cost of Sending US$200 Through MTO by Fee Type
(as a percentage of US$200)



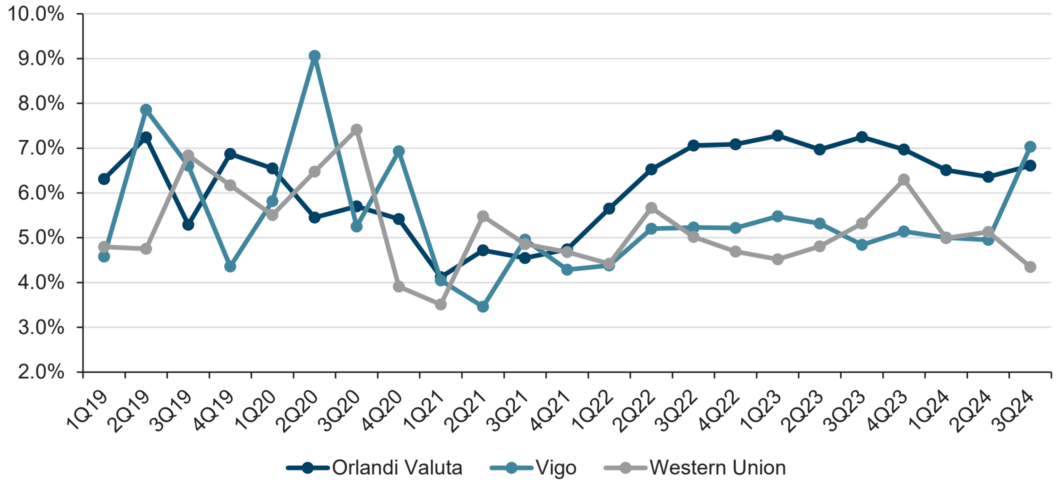
Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Brand and Pricing Strategy

Brand and overall strategy are key contributors of pricing. We believe this dynamic is evident in Western Union's retail business, which operates under three brands: Western Union, Orlandi Valuta (acquired in 1997), and Vigo (acquired in 2005).

In general, Western Union is the company's flagship global brand, while Orlandi Valuta and Vigo are niche, independent brands focused on specific corridors and types of customers. We note that despite Western Union being the more premium global brand, the Orlandi Valuta and Vigo brands maintain premium prices within the U.S.-to-Mexico corridor.

Exhibit 9
Western Union and Subsidiaries Retail Pricing - U.S. to Mexico
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

New Entrants and Exits

The massive, highly fragmented, and regulated remittance market has attracted strong interest from large established companies and emerging fintechs. Over the last 18 months, PayPal announced plans to refocus on its Xoom platform, while companies like Block, Coinbase, X, and Robinhood have expressed interest in entering the market. Despite this interest, Intermex evaluated strategic alternatives and suspended its effort earlier this year; its digital business had grown 59%, to $21 million, or 3% of total revenue, in 2024.

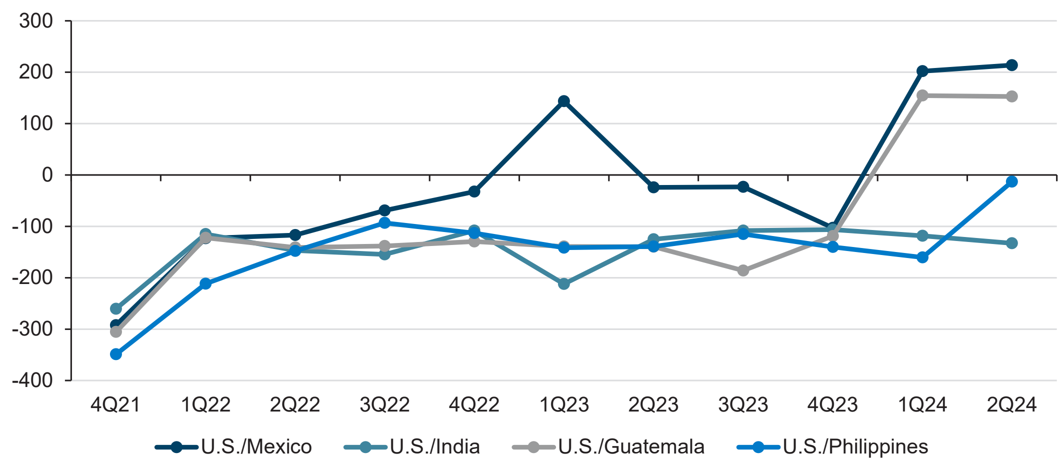
In July 2024, Tanzania-based fintech NALA, which has an international money transfer app, announced a $40 million series A round—marking one of the largest series A rounds in Africa—with backing from Accel, Bessemer Venture Partners, Amplo, DST Global, and Y Combinator. Thus far in 2025, established private money remittance provider Zepz secured $165 million in growth financing ($110 million revolver and $55 million term facility); Tabby raised $160 million in a series E round at a $3.3 billion valuation and announced plans to enter the market. In addition, LemFi, which cites over 1 million customers and processes over $1 billion of volume per month, raised $53 million in series B funding; and Felix, which added 250,000 new users and processed over $1 billion in volume in 2024, raised $75 million in series B funding.

Despite the enthusiasm for the opportunity, our work suggests entering the market is challenging due to regulatory hurdles, customer acquisition costs, and the necessary scale needed for profitable operations. Small operators have created large businesses between specific corridors, yet building a global network requires significant investment and gaining customers' trust requires time and strong internal execution. Western Union operates in 20,000 corridors, and the company manages pricing, foreign-exchange rates, payment partner relationships, agent agreements, and customers, among other variables, in each one. We believe these tasks have become even more complicated due to the ever-evolving regulatory, geopolitical, and economic landscape.

As an example of the difficulties associated with operating in the market, last year, MTOs Small World and Sigue Money Transfer shuttered their operations due to operational challenges. Further, after $150 million of reported investment, HSBC announced that it will shutter Zing in May 2025, which it had launched in January 2024. Zing was not solely focused on remittances, but enabled customers to hold funds in over 10 currencies and send funds to over 30 currencies in a single app—essentially targeting the capabilities of Revolut, Wise, and PayPal.

Small World was generally a lower-cost provider in the four largest outbound U.S. corridors, but immediately prior to its closure the company raised prices to levels well above its peer group in two of these corridors. These pricing initiatives temporarily skewed pricing within these corridors but were not sustainable.

Exhibit 10
Spread Between Small World and Digital Peer Average Pricing
Select Corridors
(difference in basis points)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

More broadly, exiting 2023 Small World was priced above the industry average in 4 of the 32 U.S. outbound corridors tracked in the database; however, in the June 2024 quarter Small World was priced above the industry average in 11 corridors with an average premium of 40%.

Exhibit 11
Small World Price vs. Industry Average
Tracked U.S. Outbound Corridors

	4Q23	2Q24
Corridors Above Average	4 out of 32	11 out of 32
Average Premium	*~72 bps*	*~152 bps*

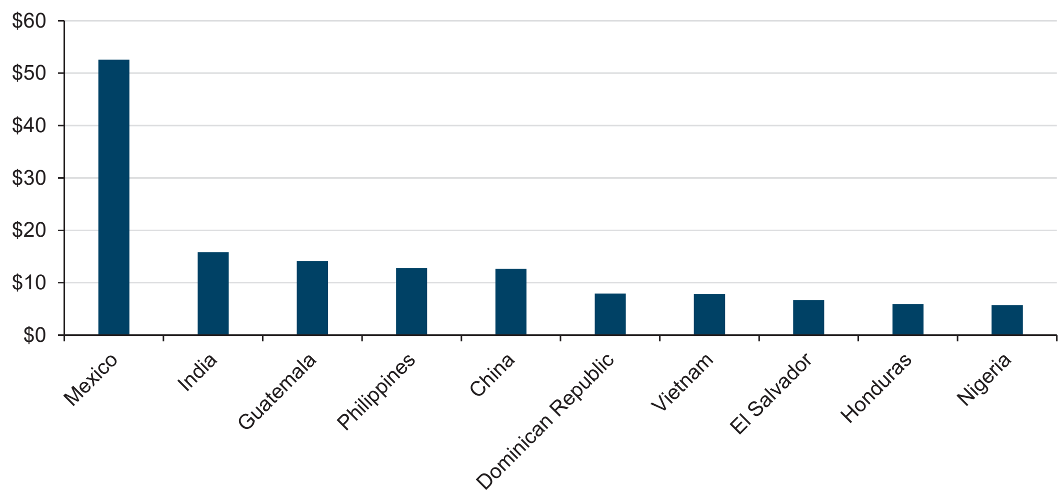
Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Pricing Trends Across Key Corridors

The global remittance market is highly concentrated in countries that send and in those that receive. Based on the World Bank's estimates for global formal remittance flows, the top 5 outbound countries account for about 42% of total send volume, while the top 10 inbound markets account for about 50% of inflows. By country, the data show that in 2023 India was the largest market for inflows with over $125 billion, Mexico was the second largest with about $67 billion, followed by China with about $50 billion. In our view, this highlights that the formal global remittance industry largely depends on a few corridors, as the largest countries tend to drive regional performance.

For our analysis, we looked at the cost of sending US$200 from the U.S. to Mexico, India, Guatemala, and the Philippines, which according to World Bank data, collectively represent over 45% of outflows from the U.S., or about 12% of global remittance flows within the formal channel.

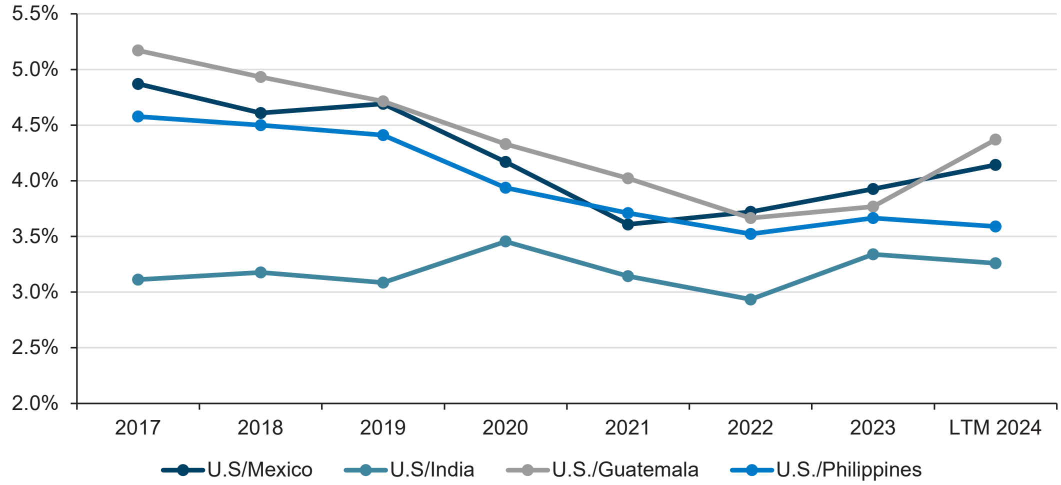
Exhibit 12
Top 10 U.S. Outbound Corridors
($s in billions)



Source: KNOMAD/World Bank Bilateral Remittance Matrix 2021, December 2022

Across these key markets, prices for sending US$200 through an MTO have been relatively stable, averaging about 3.6% since 2021 (versus 4.4% in 2017 and 4.3% in 2018). We note that across these key markets from 2017 to 2024, the average cost through an MTO has declined at a 2.0% annual clip to an average of 3.8% of principal. For our analysis, we exclude transactions that are funded through credit cards, which can skew pricing higher, as outlined above. We take a deeper look at dynamics in each individual corridor below.

Exhibit 13
Remittance Pricing in Top U.S. Outbound Corridors
(as a percentage of US$200)

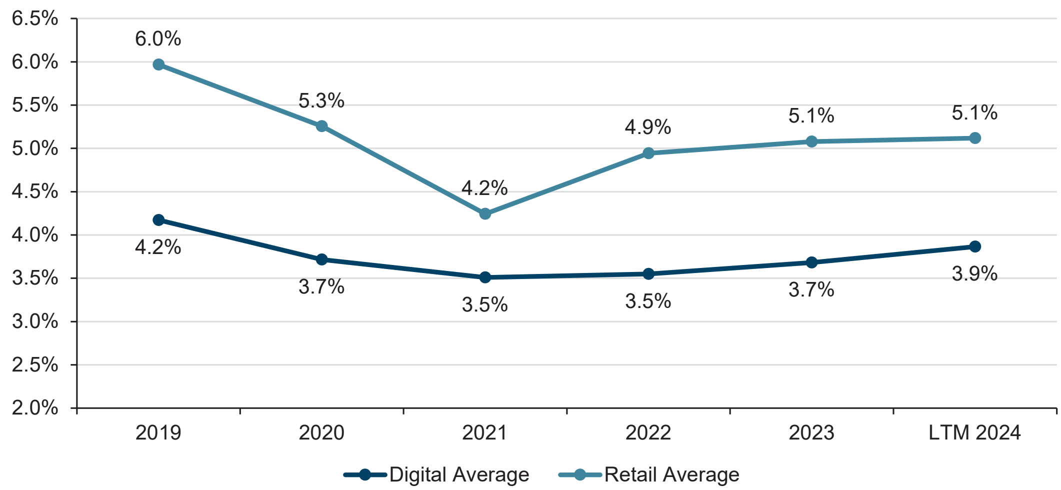


Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

U.S to Mexico ($52.6 Billion Volume Corridor)
Since bottoming at 3.5% in 2021, digital remittance prices for the U.S.-to-Mexico corridor have increased to 3.9% in 2024. The spread between retail and digital remittances was 130 basis points in 2024 versus 140 basis points in 2022-2023.

There has been some intraquarter variability within the U.S.-to-Mexico corridor, partly driven by now-defunct Small World. During its final two quarters of operations (first and second quarter of 2024), Small World significantly increased pricing to nearly 6% (versus the average of 3.9%), skewing the digital average for 2024; excluding Small World, the average would have been 3.8%. Intermex estimates that the market in Mexico is about 70% retail and 30% digital, while Nueva Elektra del Milenio estimates banks' share of payouts at about 15% (versus 20% in 2019).

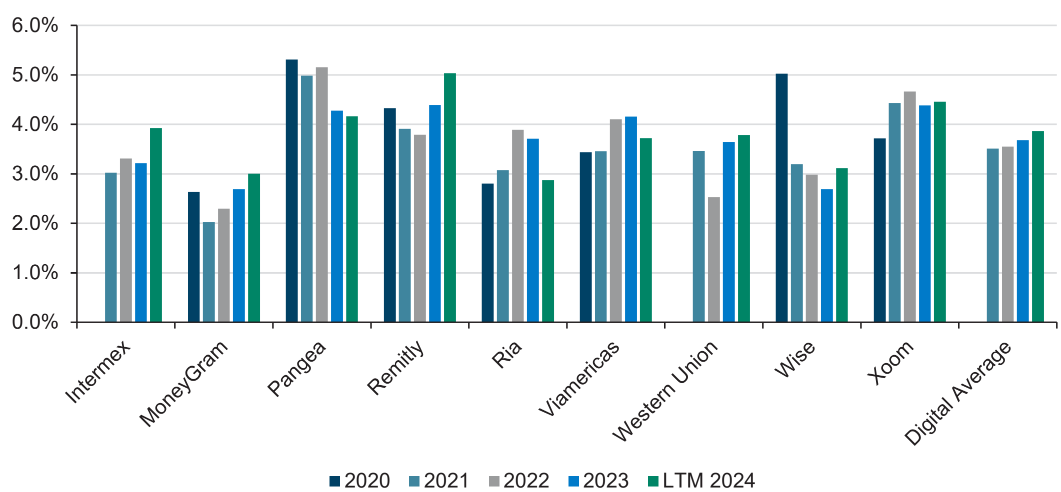
Exhibit 14
Digital vs. Retail Pricing – U.S. to Mexico by Year
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Across all tracked digital providers, the average price in the U.S.-to-Mexico corridor was 3.9% in 2024, up from 3.7% in 2023. During this period, and excluding Small World, the highest cost providers were Remitly at 5% and Xoom at 4.5%. The lowest-cost provider during this period was Ria at 2.9%. Notably, on the heels of Small World's 120-basis-point increase, there were some meaningful pricing shifts year-over-year from select providers: Intermex raised pricing by 70 basis points and Remitly raised pricing by 60 basis points, while Ria cut prices by 80 basis points.

Exhibit 15
Digital Pricing – U.S. to Mexico by Year and Provider
(as a percentage of US$200)

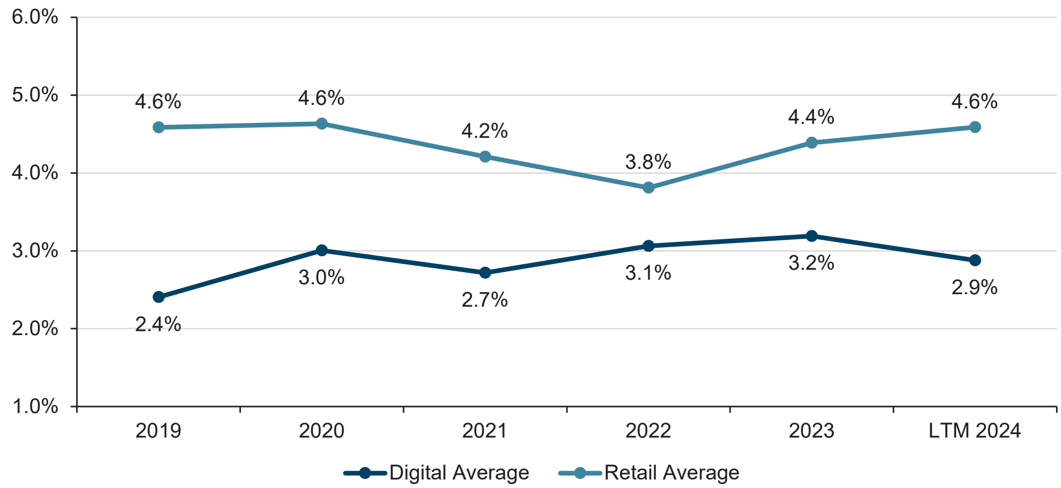


Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

U.S. to India ($15.8 Billion Volume Corridor)

In 2024, average retail prices increased 20 basis points, to 4.6%, while average digital prices fell 30 basis points, to 2.9%. The spread between retail and digital pricing widened to 170 basis points (versus 70 basis points in 2022 and 120 basis points in 2023).

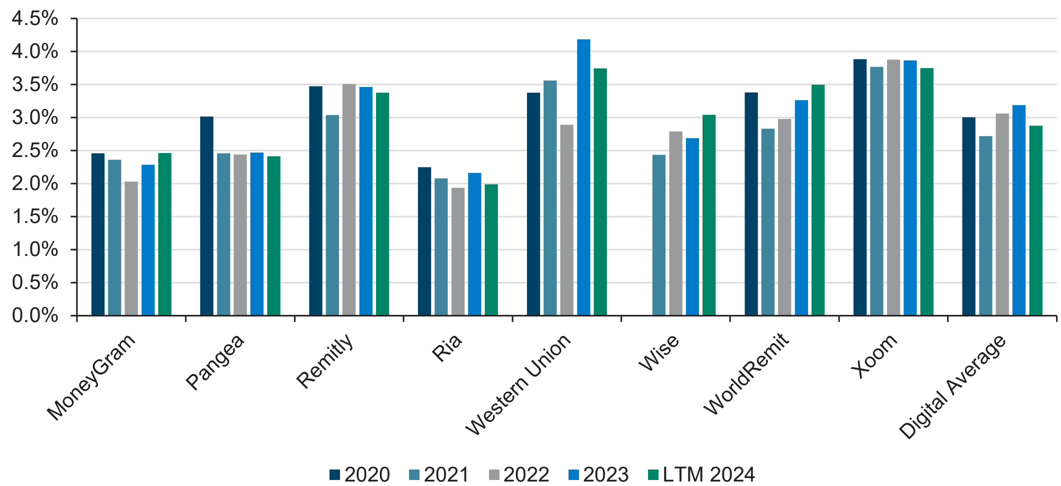
Exhibit 16
Digital vs. Retail Pricing – U.S. to India
by Year
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Across all tracked digital providers, the average price in the U.S.-to-India corridor was 2.9% in 2024, down from 3.2% in 2023. Over this period, the highest-priced providers were Xoom at 3.8% and Western Union at 3.7%, while the lowest-priced option was Ria at 2%. Pricing across the various providers in the corridor has remained relatively stable year-over-year, with the exceptions of Wise, which raised pricing by 40 basis points, and Western Union, which lowered pricing by 40 basis points.

Exhibit 17
Digital Pricing – U.S. to India
by Year and Provider
(as a percentage of US$200)

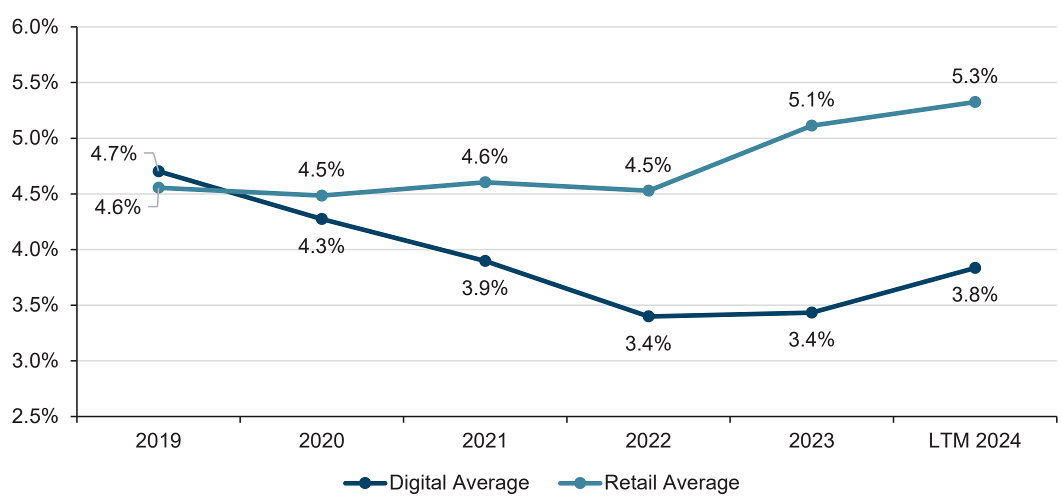


Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

U.S. to Guatemala ($14.1 Billion Volume Corridor)

Average retail prices increased 20 basis points to 5.3%, and average digital prices rose 40 basis points to 3.8% in 2024. The spread between retail and digital pricing narrowed to 150 basis points (versus 170 basis points in 2023). We note Intermex estimates that the market in Guatemala is about 85%-90% retail and 10%-15% digital.

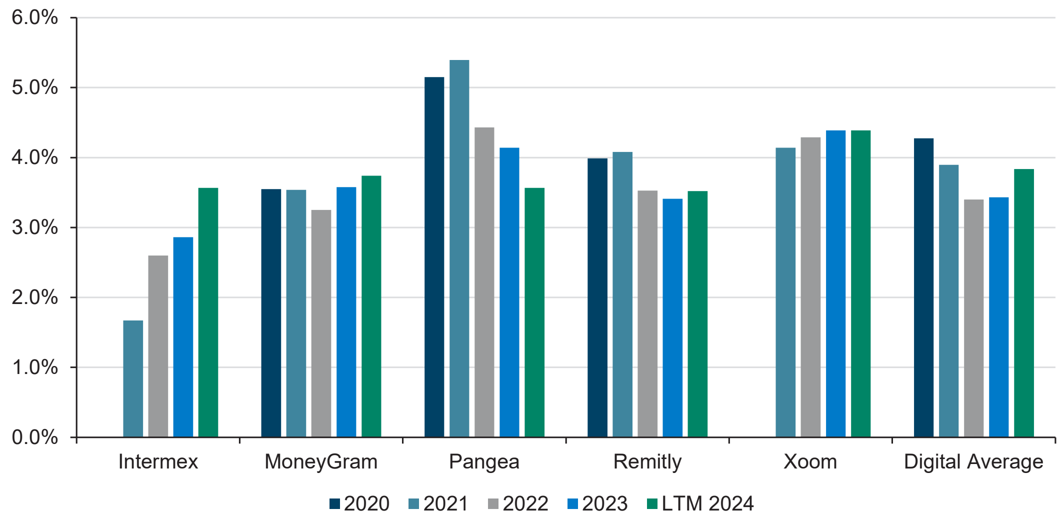
Exhibit 18
Digital vs. Retail Pricing – U.S. to Guatemala
by Year
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Across all tracked digital providers, the average price in the U.S.-to-Guatemala corridor was 3.8% in 2024. During this period, the highest-priced provider was Xoom at 4.4%, whereas the lowest-priced provider was Remitly at 3.5%. Year-over-year, prices were relatively consistent across all providers with the exceptions of Intermex, which raised pricing by about 70 basis points, and Pangea, which lowered pricing by about 60 basis points.

Exhibit 19
Digital Pricing – U.S. to Guatemala
by Year and Provider
(as a percentage of US$200)

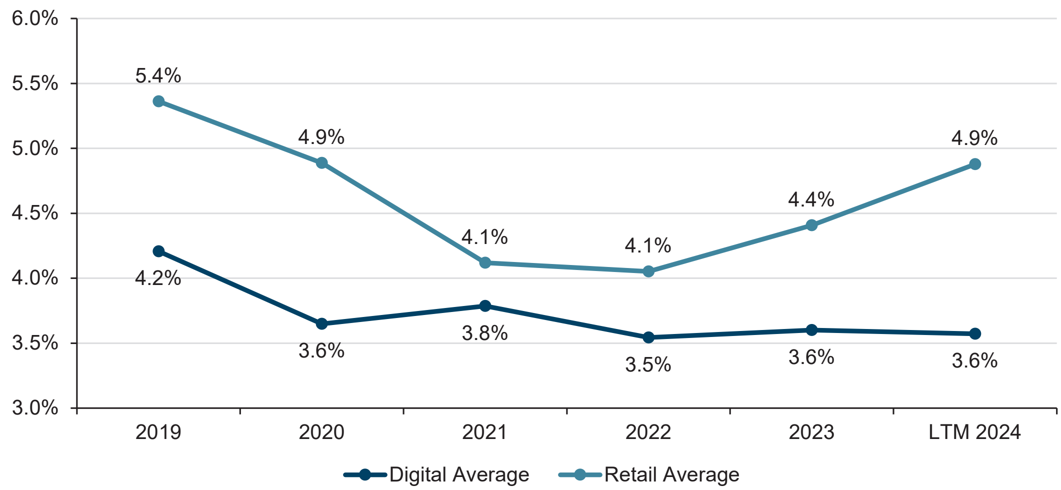


Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

U.S. to the Philippines ($12.8 Billion Volume Corridor)

Average retail pricing increased 50 basis points to 4.9%, while average digital prices were flat at 3.6% in 2024. The spread between retail and digital pricing expanded to 130 basis points (versus 80 basis points in 2023), which exceeds pre-pandemic levels.

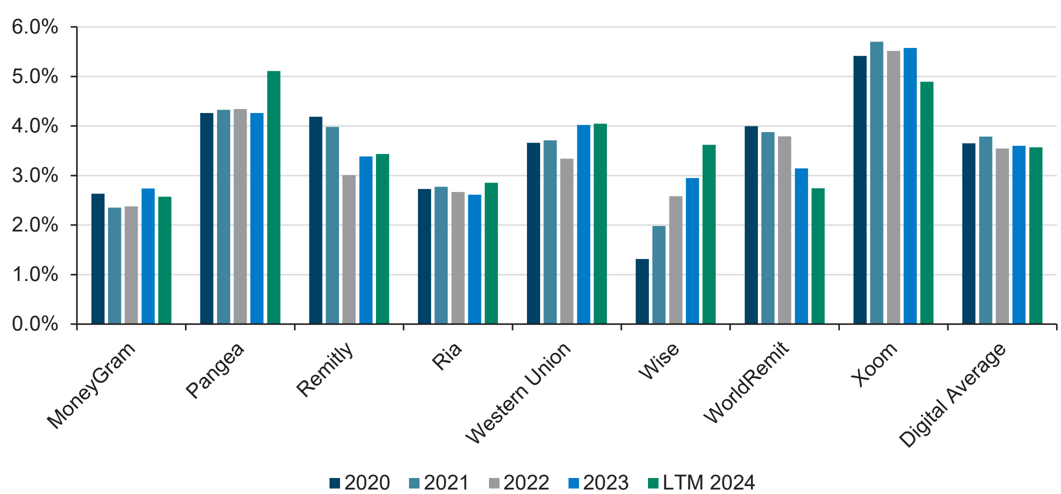
Exhibit 20
Digital vs Retail Pricing – U.S. to The Philippines by Year
(as a percentage of US$200)



Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

The average cost across all digital providers in the corridor was about 3.6% of principal in 2024. During this period, the highest-priced providers were Pangea at 5.1% and Xoom at 4.9%, while the lowest-cost providers were MoneyGram at 2.6% and WorldRemit at 2.7%. Notable price movements by providers included Pangea, which raised pricing by 80 basis points; Wise, which raised pricing by 70 basis points; and Xoom, which lowered pricing by 70 basis points.

Exhibit 21
Digital Pricing – U.S. to The Philippines by Year and Provider
(as a percentage of US$200)



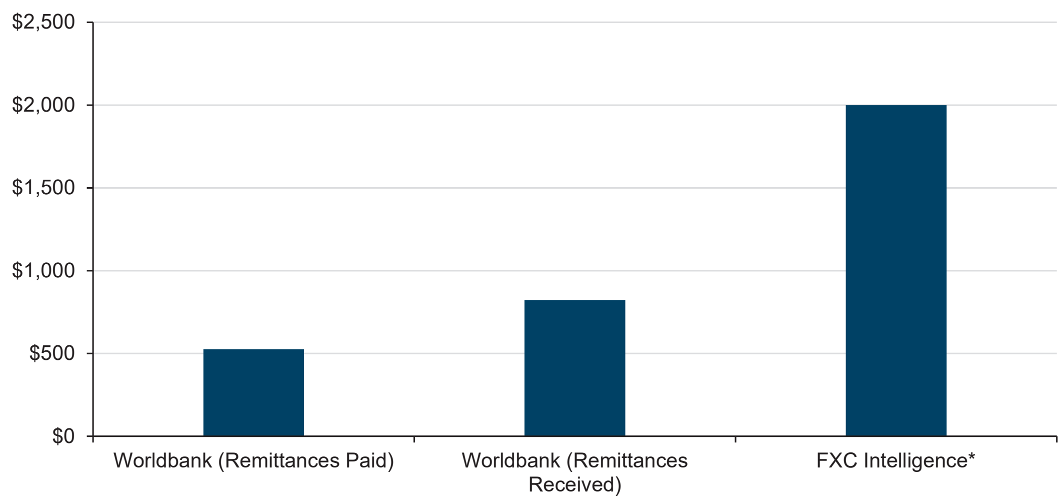
Sources: The World Bank, Remittance Prices Worldwide, available at http://remittanceprices.worldbank.org

Understanding the Market

Market Estimates
Due to a lack of data or the potential quality of available data, sizing the remittance market both globally and on a country-by-country basis is a complicated exercise yielding difficult-to-ascertain estimates. For instance, the World Bank, which is viewed as the de facto source for remittance market data, drives its estimates of remittance flows based on self-reported IMF Balance of Payments data and statistical techniques. This said, while we believe the accuracy of World Bank estimates is limited, absent improved sources, we believe the organization provides the most comprehensive picture of formal channel global remittance flows available.

In addition, in our work, we have found that the volume estimates provided by the organization understate market sizes, as they exclude informal channel volume, which is likely the same size if not larger than formal volume. Accurately estimating the volume of informal remittances is inherently challenging, but FXC Intelligence estimates total consumer-to-consumer cross-border payments volume at $2 trillion, growing at a 6% compound annual rate to $3.1 trillion in 2032. In addition, we highlight estimates from Wise, which suggest total P2P cross-border volume at approximately $3.8 trillion.

Exhibit 22
Global Remittance and P2P Cross-Border Volume Estimates
($s in billions)



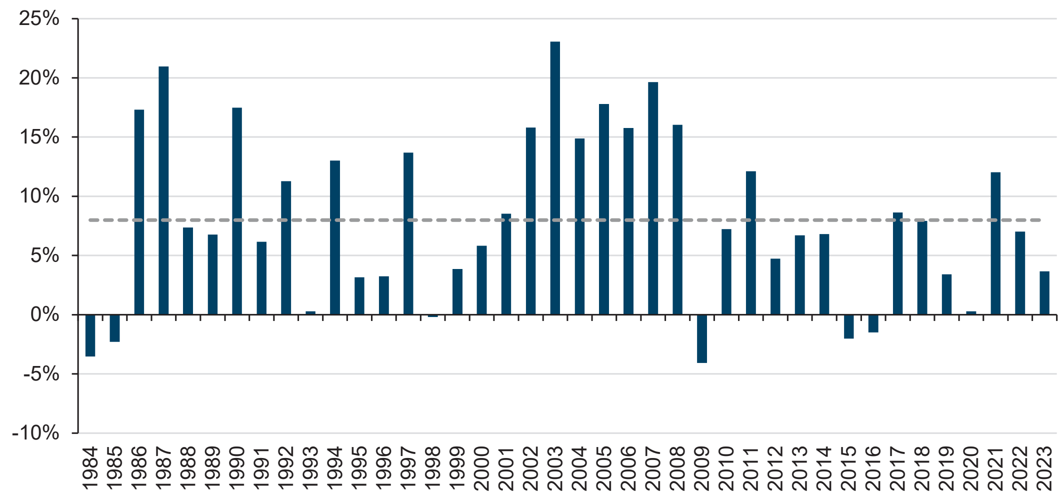
*Total cross-border P2P volume, includes high-value transfers; **cross-border P2P volume, includes high-value transfers, estimate based on research from Edgar Dunn & Company
Sources: World Bank, FXC Intelligence, and William Blair Equity Research

While there are nuances between remittance providers (e.g., Western Union, Remitly) and cross-border P2P/business payment providers (e.g., Wise), crossover exists between customer bases, and we believe both provider types are equipped to serve both remittances and other P2P cross-border payments. For instance, Remitly recently announced traction in high-value P2P transfers and is focused on micro businesses, while Wise has targeted remittance customers for multiple years.

Remittance Volume Resiliency
Remittance volumes are sensitive to macroeconomic trends and migration patterns on both a regional and global basis; however, given the largely nondiscretionary drivers of migration and the reliance that receivers place on the funds, global remittance volumes have proved generally resilient.

While acknowledging the aforementioned limitations to the data, based on the World Bank's estimates, global remittance volumes declined in only 5 of the last 40 years. In 2009, at the peak of the Great Recession when global GDP declined by 5%, remittance volumes declined 4%, and swiftly rebounded to above pre-recession levels in 2010.

Exhibit 23
Remittance Year-Over-Year Volume Growth
Personal Remittances Received



Sources: World Bank

While we believe it is prudent to consider the potential negative impact that current geopolitical and macroeconomic factors may have on global remittance volumes in the near term, we expect a stable growth trajectory over the long term. The United Nations estimates that 1 billion people are impacted by remittances—200 million senders and 800 million receivers.

In addition, while the Trump administration's immigration stance has been a key point of investor concern for near-term performance, we believe these border policies should prove manageable for most providers. For instance, given Western Union's large global presence, management highlighted that its most at-risk revenues were those from U.S. to Latin American and Caribbean retail customers acquired in the last 12 months, representing 2.5% of revenues. For Remitly, we would expect at-risk revenues to be lower given the company is 100% digital, essentially requiring its customers to be banked.

Moreover, while a more secure border and deportations would intuitively point to a smaller number of remittance users in the U.S., we believe counterbalancing impacts could exist. For example, undocumented migrants who reside in the U.S. for only a portion of the year may be more likely to stay full time due to the risk of not being able to reenter. In addition, we believe a tighter border may result in the growth of formal channel U.S.-to-Latin-America remittance volumes as the flow of informal volume (i.e., cash) becomes bottlenecked. Recent research from the World Bank and International Monetary Fund suggest that pandemic-related border closures and travel restrictions resulted in volumes shifting toward formal channels.

Furthermore, as we discuss above, the primary drivers of migrations, such as work and security, are in many cases nondiscretionary; thus, while the destination country may vary based on current political considerations, overall migration levels should prove resilient. Accordingly, certain providers have entered or increased their presence in new send markets. For instance, Western Union opened eight company-owned stores in Mexico, while Euronet has expanded its send market presence into Mexico, the Philippines, and Thailand.

Considering these dynamics, we believe that individual providers can sustain growth, irrespective of global volume trends, as they enter and expand in new geographies and take share from higher-cost providers.

Digital Adoption
As is the case across all payments, the money remittances market is being disrupted by technology, though the shift toward digital remains in its early stages. Digital adoption varies by market and by sender/receiver. Similar to broader market estimates, measuring the level of digital adoption within remittances is challenging.

This said, while not a perfect proxy, disclosures from individual providers can add some perspective. For example, in 2024 32% of Western Union's transactions were through its branded digital business (versus 29% in 2023), while Intermex estimates that about 30% of the Latin America market is digital but with variation by market (10%-15% digital adoption in Guatemala, 30% in Mexico, over 50% digital adoption in Dominican Republic).

The prices of the common stock of other public companies mentioned in this report follow:

Block (Outperform)	$52.39
Coinbase	$175.00
Euronet (Outperform)	$91.70
HSBC	$52.11
Intermex	$12.10
Mastercard (Outperform)	$509.32
PayPal (Market Perform)	$60.29
Remitly (Outperform)	$19.10
Visa (Outperform)	$320.10
Western Union (Market Perform)	$9.71
Wise	$12.88

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NASDAQ: 15870.90

Additional information is available upon request.

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William Blair

Equity Research Directory

John Kreger, Partner Director of Research +1 312 364 8612
Kyle Harris, CFA, Partner Operations Manager +1 312 364 8230

Scott Hansen, Partner Associate Director of Research +1 212 245 6526

CONSUMER

Sharon Zackfia, CFA, Partner +1 312 364 5386
Group Head–Consumer
Lifestyle and Leisure Brands, Restaurants, Automotive/E-commerce

Jon Andersen, CFA, Partner +1 312 364 8697
Consumer Products

Phillip Blee, CPA +1 312 801 7874
Home and Outdoor, Automotive Parts and Services, Discount and Convenience

Dylan Carden +1 312 801 7857
E-commerce, Specialty Retail

ECONOMICS

Richard de Chazal, CFA +44 20 7868 4489

ENERGY AND SUSTAINABILITY

Jed Dorsheimer +1 617 235 7555
Group Head–Energy and Sustainability
Generation, Efficiency, Storage

Tim Mulrooney, Partner +1 312 364 8123
Sustainability Services

FINANCIAL SERVICES AND TECHNOLOGY

Adam Klauber, CFA, Partner +1 312 364 8232
Group Head–Financial Services and Technology
Financial Analytic Service Providers, Insurance Brokers, Property & Casualty Insurance

Andrew W. Jeffrey, CFA +1 415 796 6896
Fintech

Cristopher Kennedy, CFA +1 312 364 8596
Fintech, Specialty Finance

Jeff Schmitt +1 312 364 8106
Wealthtech, Wealth Management, Capital Markets Technology

GLOBAL SERVICES

Tim Mulrooney, Partner +1 312 364 8123
Group Head–Global Services
Commercial and Residential Services

Andrew Nicholas, CPA +1 312 364 8689
Consulting, HR Technology, Information Services

Trevor Romeo, CFA +1 312 801 7854
Staffing, Waste and Recycling

HEALTHCARE

Biotechnology

Matt Phipps, Ph.D., Partner +1 312 364 8602
Group Head–Biotechnology

Sami Corwin, Ph.D. +1 312 801 7783

Lachlan Hanbury-Brown +1 312 364 8125

Andy T. Hsieh, Ph.D., Partner +1 312 364 5051

Myles R. Minter, Ph.D., Partner +1 617 235 7534

Healthcare Technology and Services

Ryan S. Daniels, CFA, Partner +1 312 364 8418
Group Head–Healthcare Technology and Services
Healthcare Technology, Healthcare Services

Margaret Kaczor Andrew, CFA, Partner +1 312 364 8608
Medical Technology

Brandon Vazquez, CFA +1 212 237 2776
Dental, Animal Health, Medical Technology

Life Sciences

Matt Larew, Partner +1 312 801 7795
Life Science Tools, Bioprocessing, Healthcare Delivery

Andrew F. Brackmann, CFA +1 312 364 8776
Diagnostics

Max Smock, CFA +1 312 364 8336
Pharmaceutical Outsourcing and Services

INDUSTRIALS

Brian Drab, CFA, Partner +1 312 364 8280
Co-Group Head–Industrials
Advanced Manufacturing, Industrial Technology

Ryan Merkel, CFA , Partner +1 312 364 8603
Co-Group Head–Industrials
Building Products, Specialty Distribution

Louie DiPalma, CFA +1 312 364 5437
Aerospace and Defense, Smart Cities

Ross Sparenblek +1 312 364 8361
Diversified Industrials, Robotics, and Automation

TECHNOLOGY, MEDIA, AND COMMUNICATIONS

Jason Ader, CFA, Partner +1 617 235 7519
Co-Group Head–Technology, Media, and Communications
Infrastructure Software

Arjun Bhatia, Partner +1 312 364 5696
Co-Group Head–Technology, Media, and Communications
Software

Dylan Becker, CFA +1 312 364 8938
Software

Louie DiPalma, CFA +1 312 364 5437
Government Technology

Jonathan Ho, Partner +1 312 364 8276
Cybersecurity, Security Technology

Sebastien Naji +1 212 245 6508
Infrastructure Software, Semiconductor and Infrastructure Systems

Maggie Nolan, CPA, Partner +1 312 364 5090
IT Services

Jake Roberge +1 312 364 8056
Software

Ralph Schackart III, CFA, Partner +1 312 364 8753
Internet and Digital Media

Stephen Sheldon, CFA, CPA, Partner +1 312 364 5167
Vertical Technology – Real Estate, Education, Restaurant/Hospitality

EDITORIAL AND SUPERVISORY ANALYSTS

Steve Goldsmith, Head Editor and SA +1 312 364 8540

Audrey Majors, Editor and SA +1 312 364 8992

Beth Pekol Porto, Editor and SA +1 312 364 8924

Lisa Zurcher, Editor and SA +44 20 7868 4549