



# Q3 2022 Earnings Supplement

November 8, 2022



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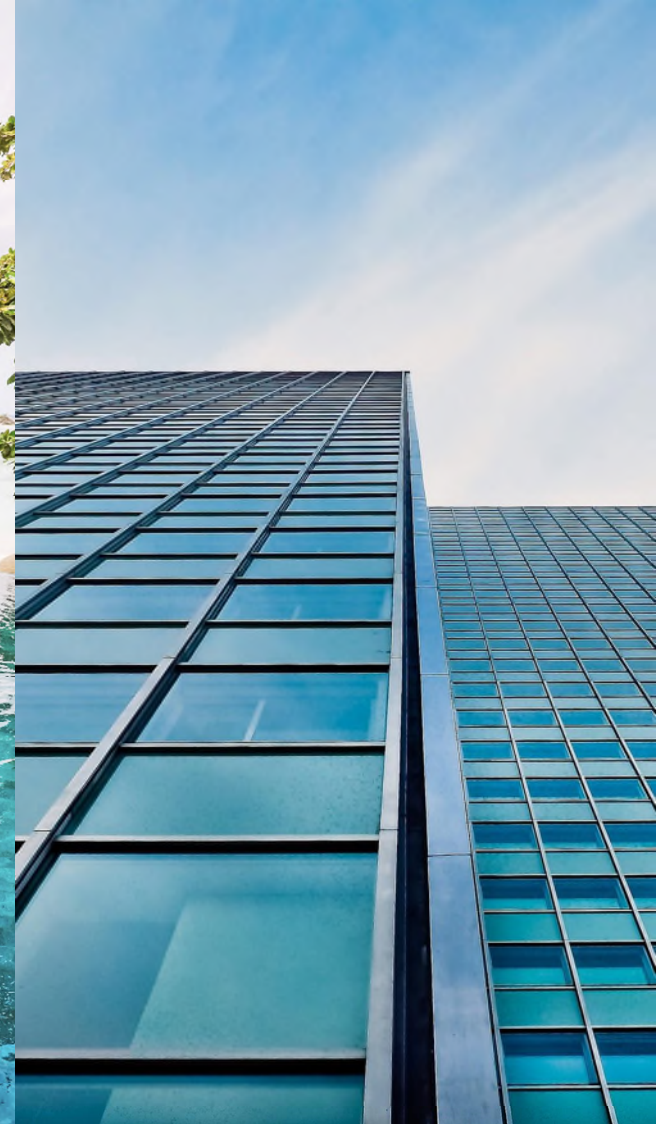
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 Our mission is to deliver the most important and complex payments



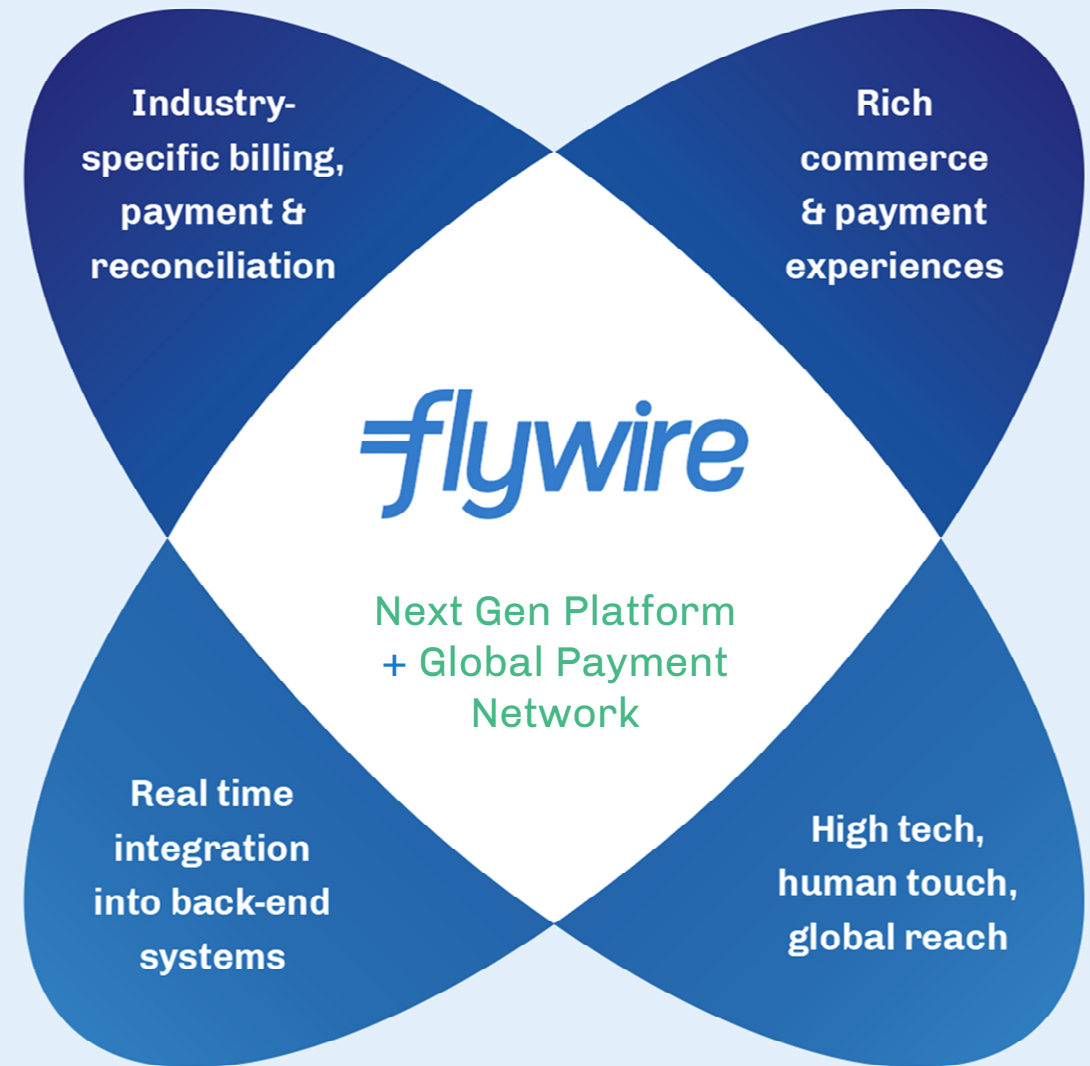
We help our clients  
get paid...

...and their customers  
pay with ease from  
anywhere in the world





# Software drives value in payments



**3,000+**

Clients Worldwide

**950+**

Global FlyMates

**\$13.2B**

Total Payment Volume  
(2021)



**240+**

Countries & Territories

**140**

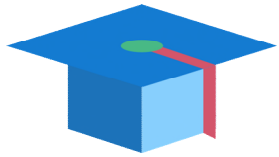
Currencies Supported

**10+**

Years to Build  
Payment Network



# High-stakes, high-value payments in large markets



**Education**  
**\$660B TAM<sup>1</sup>**

>2,000 global institutions

>2M students globally

THE UNIVERSITY OF  
**CHICAGO**



**Healthcare**  
**\$500B TAM<sup>2</sup>**

>80 healthcare systems

4 top 10 US health systems  
ranked by hospital size



**Travel**  
**~\$530B TAM<sup>3</sup>**

Large travel operators/  
accommodations



**GALANGAL**  
TASTE THE ROOTS



**VIRTUOSO**

MADRID & BEYOND



**B2B Payments**  
**\$10T TAM<sup>4</sup>**

Unique network of assets  
to support B2B

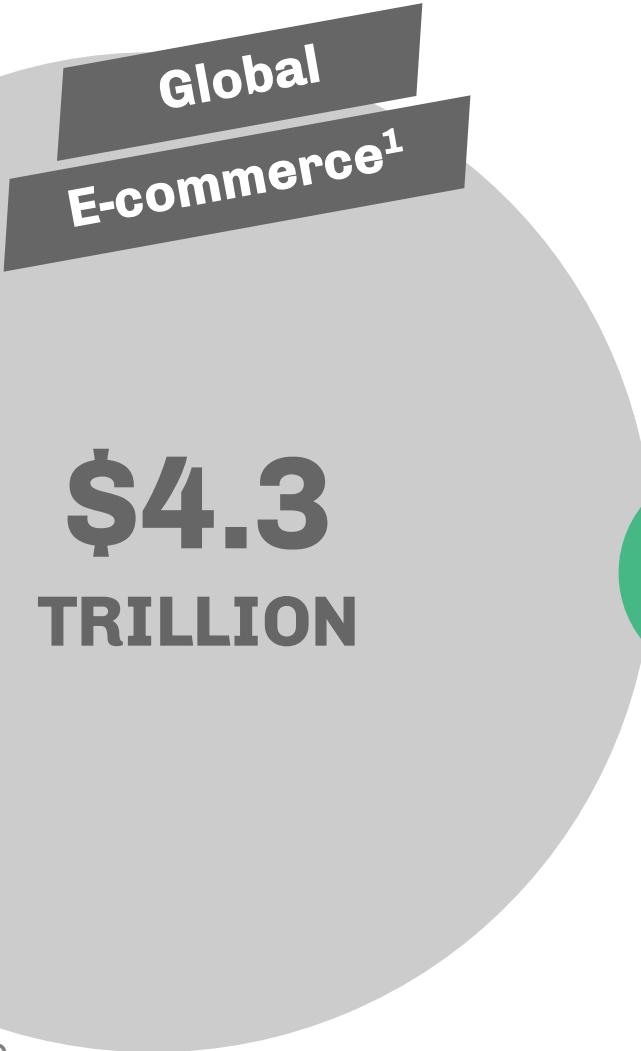


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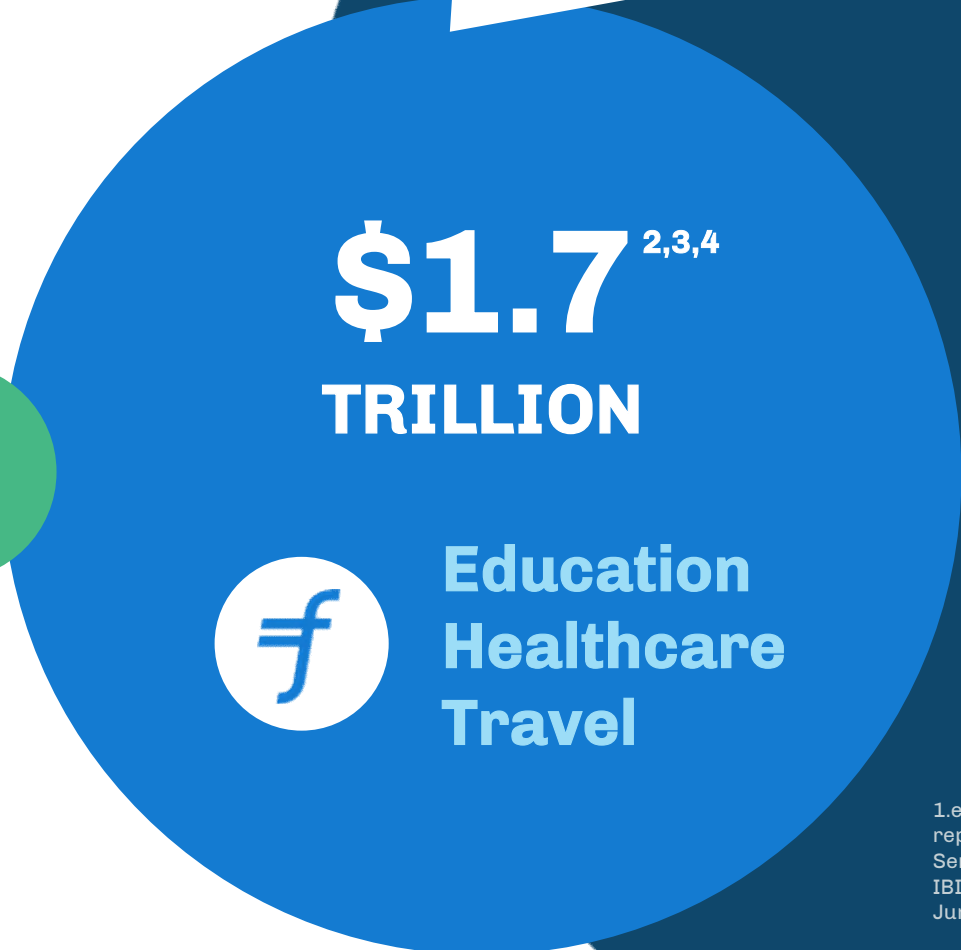
Our Flywire Advantage  
& Opportunity



# We believe our runway for growth is substantial



vs.



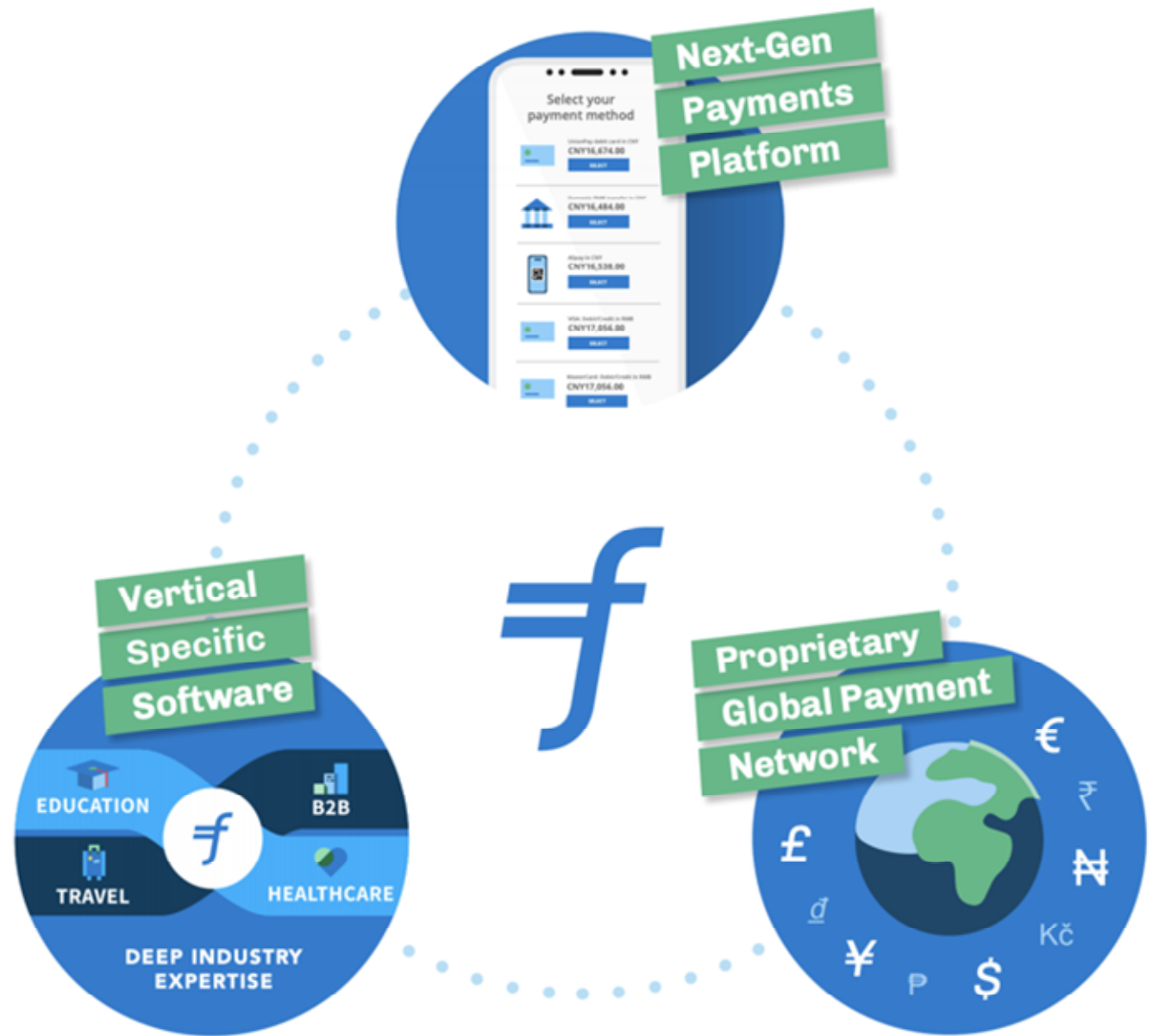
**Flywire Market Opportunity**



1.eMarketer, 2020 Global Online Sales 2. OECD & Parthenon report (Education); 3. Centers for Medicare & Medicaid Services and Patients Without Borders (Healthcare); 4. IBISWorld and management's estimates (Travel); and 5. Juniper and management's estimates (B2B).

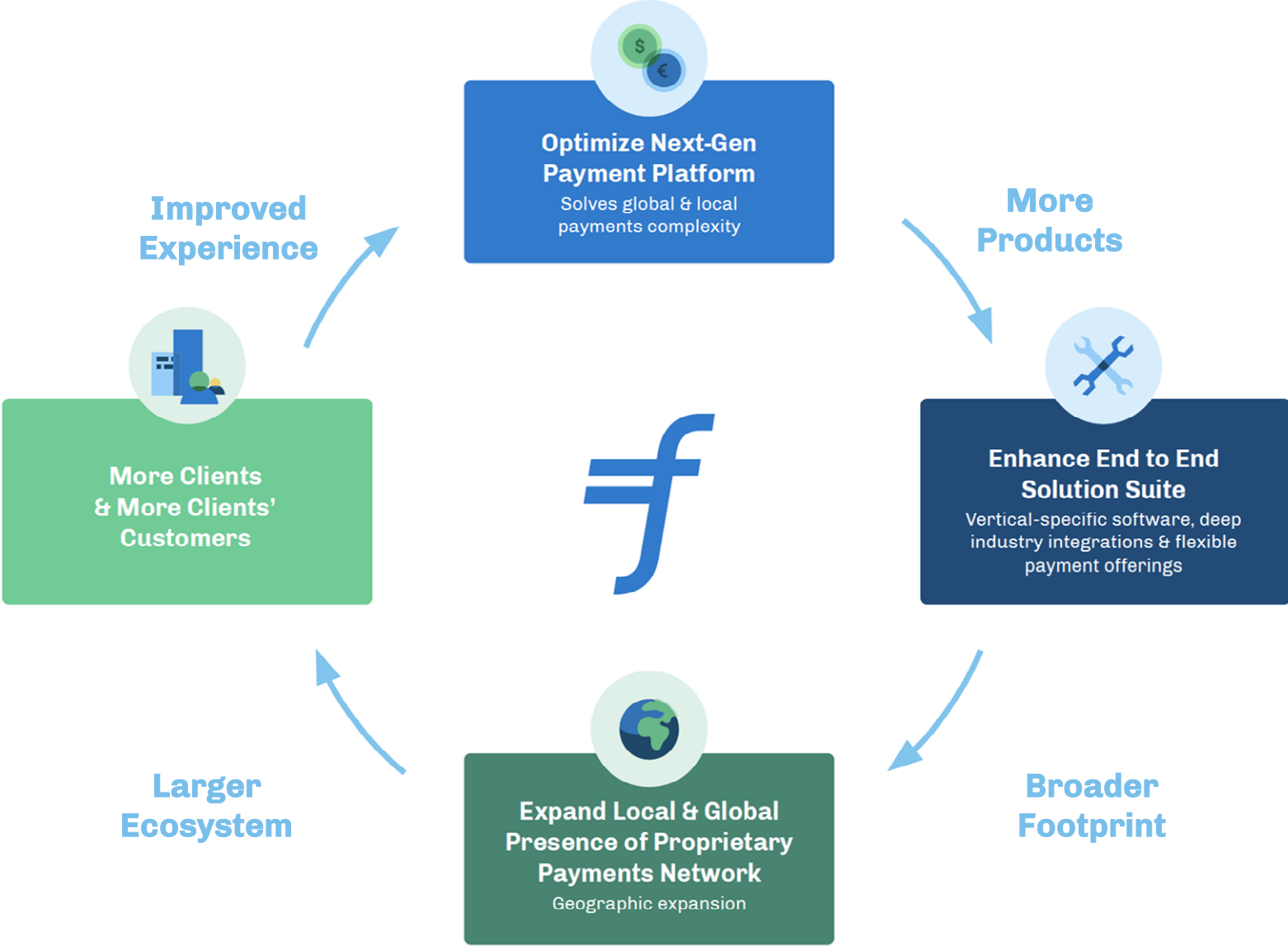


# Our proven Flywire Advantage





# Fueling a powerful & accelerating flywheel



# Strong tailwinds across our verticals

The digitization of payments is inevitable



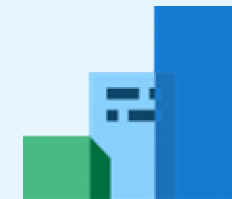
In **education**, demand for global education remains strong with U.S. higher education reporting 68%<sup>1</sup> increase in international student enrollment



Strong demand to **travel** especially among luxury travelers with 72%<sup>2</sup> planning to spend more traveling this year than they did pre-pandemic



The need for consumer-friendly and digital first payment options continues to be a priority in **healthcare**



The COVID-19 pandemic has accelerated the need for finance automation and digitization in **B2B**

<sup>1</sup> The Open Doors 2021 Report

<sup>2</sup> Flywire's Report: Luxury Travel's Role in the Industry's Recovery (2022)



# Growth strategies



Grow with existing clients

**123%<sup>1</sup>**

Three year average annual dollar-based net retention rate

Grow with new clients

**145+**

New clients in Q3 2022

Expand our ecosystem through channel partnerships



Expand to new industries, geographies & products

**500+**

Travel & B2B Clients

Pursue strategic & value-enhancing acquisitions





# Q3 2022 Performance

# GAAP Financial Highlights

## Q3 2022

**\$95.2M**

**Revenue**

**64.4%**

**Gross Margin**

**\$(4.3)M**

**Net Income (Loss)**



# Key Operating Metrics (Non-GAAP)

## Q3 2022

**\$7.0B**  
**(+33%)<sup>1</sup>**

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**Total  
Payment  
Volume**

**\$88.9M**  
**(+43%)<sup>1</sup>**

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**Revenue Less  
Ancillary  
Services**

**69.0%**  
**(-2.9%)<sup>2</sup>**

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**Adjusted  
Gross  
Margin**

**\$18.2M**

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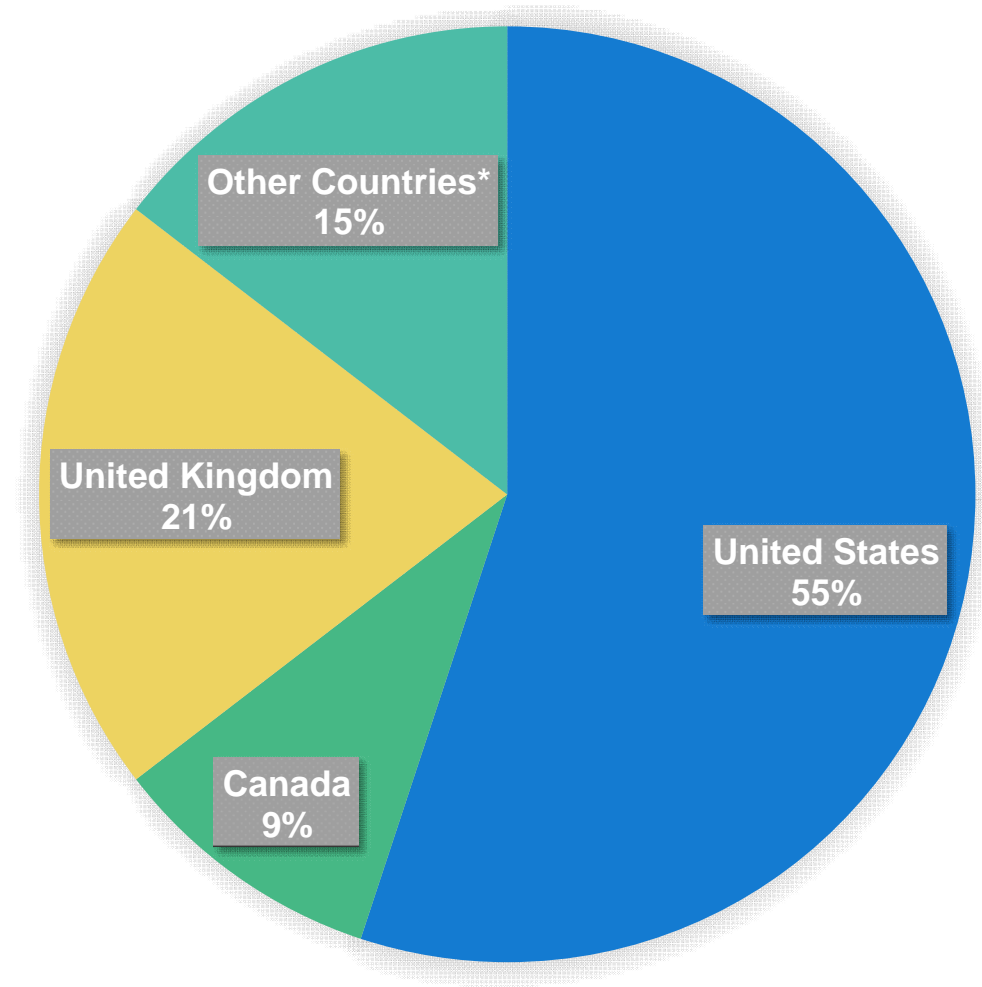
**Adjusted  
EBITDA**

1. Represents Y-o-Y growth as compared to Q3 2021, 2. Represents Y-o-Y decrease compared to Q3 2021

See appendix for reconciliation to GAAP amounts

# Revenue by Geography

Three Months Ended  
September 30, 2022



\*No single country included in the "Other Countries" category generated 10% or more of revenue





# Financial Outlook

# Q4 2022 Outlook

**\$64 – 67M**

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**Revenue Less  
Ancillary Services**



# FY 2022 Outlook

**\$263.5 – 266.5M**

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**Revenue Less  
Ancillary Services**

**\$14 - 16M**

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**Adjusted EBITDA**

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Appendix

# Revenue Less Ancillary Services & Adjusted Gross Margin Reconciliations

|   | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                 |
|---|-------------------------------------|----------------|------------------------------------|-----------------|
|   | 2022                                | 2021           | 2022                               | 2021            |
| Revenue   | \$ 95.2                             | \$ 67.8        | \$ 216.3                           | \$ 149.8        |
| Adjusted to exclude gross up for:   |                                     |                |                                    |                 |
| Pass-through cost for printing and mailing                                | (5.4)                               | (5.0)          | (15.1)                             | (13.4)          |
| Marketing fees  | (0.9)                               | (0.8)          | (1.5)                              | (1.2)           |
| Revenue Less Ancillary Services   | <u>\$ 88.9</u>                      | <u>\$ 62.0</u> | <u>\$ 199.7</u>                    | <u>\$ 135.2</u> |
| Payment processing services costs   | \$ 32.3                             | \$ 21.7        | \$ 78.3                            | \$ 50.9         |
| Hosting and amortization costs within technology and development expenses | 1.6                                 | 1.5            | 4.6                                | 4.2             |
| Adjusted to:  |                                     |                |                                    |                 |
| Exclude printing and mailing costs  | (5.4)                               | (5.0)          | (15.1)                             | (13.4)          |
| Offset marketing fees against related costs                               | (0.9)                               | (0.8)          | (1.5)                              | (1.2)           |
| Costs of revenue less ancillary services                                  | <u>\$ 27.6</u>                      | <u>\$ 17.4</u> | <u>\$ 66.3</u>                     | <u>\$ 40.5</u>  |
| Gross Profit  | \$ 61.3                             | \$ 44.6        | \$ 133.4                           | \$ 94.7         |
| Gross Margin  | <u>64.4%</u>                        | <u>65.8%</u>   | <u>61.7%</u>                       | <u>63.2%</u>    |
| Adjusted Gross Profit   | \$ 61.3                             | \$ 44.6        | \$ 133.4                           | \$ 94.7         |
| Adjusted Gross Margin   | <u>69.0%</u>                        | <u>71.9%</u>   | <u>66.8%</u>                       | <u>70.0%</u>    |

# Revenue Disaggregation by Revenue Type

|   | Three Months Ended<br>September 30, 2022 |                                    |                | Three Months Ended<br>September 30, 2021 |                                    |                |
|---|--|------------------------------------|----------------|--|------------------------------------|----------------|
|   | Transaction                              | Platform<br>and<br>Usage-<br>Based | Revenue        | Transaction                              | Platform<br>and<br>Usage-<br>Based | Revenue        |
|   |  | Fees                               |                |  | Fees                               |                |
| Revenue                                       | \$ 77.1                                  | \$ 18.1                            | \$ 95.2        | \$ 53.0                                  | \$ 14.8                            | \$ 67.8        |
| Adjusted to exclude gross up for:             |  |                                    |                |  |                                    |                |
| Pass through cost for printing and mailing    | ---                                      | (5.4)                              | (5.4)          | ---                                      | (5.0)                              | (5.0)          |
| Marketing fees                                | (0.9)                                    | ---                                | (0.9)          | (0.8)                                    | ---                                | (0.8)          |
| Revenue Less Ancillary Services               | <u>\$ 76.2</u>                           | <u>\$ 12.7</u>                     | <u>\$ 88.9</u> | <u>\$ 52.2</u>                           | <u>\$ 9.8</u>                      | <u>\$ 62.0</u> |
| Percentage of Revenue                         | 81.0%                                    | 19.0%                              | 100%           | 78.2%                                    | 21.8%                              | 100%           |
| Percentage of Revenue less Ancillary Services | 85.7%                                    | 14.3%                              | 100%           | 84.2%                                    | 15.8%                              | 100%           |

|   | Nine Months Ended<br>September 30, 2022 |                                    |                 | Nine Months Ended<br>September 30, 2021 |                                    |                 |
|---|---|------------------------------------|-----------------|---|------------------------------------|-----------------|
|   | Transaction                             | Platform<br>and<br>Usage-<br>Based | Revenue         | Transaction                             | Platform<br>and<br>Usage-<br>Based | Revenue         |
|   |   | Fees                               |                 |   | Fees                               |                 |
| Revenue                                       | \$ 167.5                                | \$ 48.8                            | \$ 216.3        | \$ 109.7                                | \$ 40.1                            | \$ 149.8        |
| Adjusted to exclude gross up for:             |   |                                    |                 |   |                                    |                 |
| Pass through cost for printing and mailing    | ---                                     | (15.1)                             | (15.1)          | ---                                     | (13.4)                             | (13.4)          |
| Marketing fees                                | (1.5)                                   | ---                                | (1.5)           | (1.2)                                   | ---                                | (1.2)           |
| Revenue Less Ancillary Services               | <u>\$ 166.0</u>                         | <u>\$ 33.7</u>                     | <u>\$ 199.7</u> | <u>\$ 108.5</u>                         | <u>\$ 26.7</u>                     | <u>\$ 135.2</u> |
| Percentage of Revenue                         | 77.4%                                   | 22.6%                              | 100%            | 73.2%                                   | 26.8%                              | 100%            |
| Percentage of Revenue less Ancillary Services | 83.1%                                   | 16.9%                              | 100%            | 80.3%                                   | 19.7%                              | 100%            |



# Net Loss to Adjusted EBITDA Reconciliation

|   | Three Months Ended<br>September 30, |         | Nine Months Ended<br>September 30, |           |
|---|-------------------------------------|---------|------------------------------------|-----------|
|   | 2022                                | 2021    | 2022                               | 2021      |
| Net (loss) income   | \$ (4.3)                            | \$ 10.0 | \$ (38.2)                          | \$ (16.8) |
| Interest expense  | 0.4                                 | 0.5     | 0.9                                | 1.8       |
| Provision for income taxes                                | 1.3                                 | 0.3     | 2.9                                | 0.8       |
| Depreciation and amortization                             | 3.4                                 | 2.3     | 9.2                                | 6.6       |
| EBITDA  | 0.8                                 | 13.1    | (25.2)                             | (7.6)     |
| Stock-based compensation expense and related taxes        | 9.3                                 | 2.8     | 23.3                               | 15.6      |
| Change in fair value of contingent consideration          | 1.3                                 | 0.5     | 0.3                                | 2.1       |
| Change in fair value of preferred stock warrant liability | -                                   | -       | -                                  | 10.8      |
| Other (income) expense, net                               | 6.2                                 | 0.2     | 13.6                               | 0.6       |
| Indirect taxes related to intercompany activity           | 0.1                                 | -       | 0.3                                | -         |
| Acquisition related transaction costs                     | 0.2                                 | -       | 0.4                                | -         |
| Acquisition related employee retention costs              | 0.3                                 | 1.0     | 1.2                                | 3.1       |
| Adjusted EBITDA   | \$ 18.2                             | \$ 17.6 | \$ 13.9                            | \$ 24.6   |

# Reconciliation of Revenue to Revenue Less Ancillary Services Guidance

|  | Three Months Ended December 31, 2022 |                | Year Ended December 31, 2022 |                 |
|--|--------------------------------------|----------------|------------------------------|-----------------|
|  | Low                                  | High           | Low                          | High            |
| Revenue                                    | \$ 69.3                              | \$ 72.6        | \$ 285.4                     | \$ 288.7        |
| Adjusted to exclude gross up for:          |                                      |                |                              |                 |
| Pass through cost for printing and mailing | (5.0)                                | (5.3)          | (20.1)                       | (20.4)          |
| Marketing fees                             | (0.3)                                | (0.3)          | (1.8)                        | (1.8)           |
| Revenue Less Ancillary Services            | <u>\$ 64.0</u>                       | <u>\$ 67.0</u> | <u>\$ 263.5</u>              | <u>\$ 266.5</u> |