Company Name: Flywire Corporation (FLYW)
Event: William Blair 46th Annual Growth Stock Conference
Date: June 04, 2026

<<Cristopher Kennedy, Analyst, William Blair>>

In person and online. My name is Cris Kennedy. I'm a research analyst at William Blair covering the fintech and payments sector. For a complete list of research disclosures and/or potential conflicts of interest, please visit our website at williamblair.com.

Next up is Flywire. From the company, we have the CFO, Cosmin Pitigoi, and from Investor Relations, Masha Kahn. The company combines software and payments. The company has diversified over the years. Initially, it was focused on simplifying cross-border payments for international students, but it has expanded into domestic payments and other verticals such as travel and healthcare, which I'm sure Cosmin will talk about.

So with that, let me pass it over to Cosmin.

<<Cosmin Pitigoi, Chief Financial Officer>>

Awesome. Thanks, Cris, and great to be here again this year. Love the location, love sort of meeting everyone here, so thanks for having us. So maybe I'll start with, well, actually first the disclosure. So as you'll see on our page, any sort of non-GAAP disclosures are reconciled in the appendix. So now that we get that out of the way, maybe I'll start, for those of you who don't know Flywire, I'll start with just picturing two or three examples, which is one is, imagine a student from India trying to pay their tuition bills in the UK. Imagine a travel operator in an African luxury safari trying to accept payments from several different payers from Germany. Or imagine you get your hospital bill, and you're trying to figure out how do I pay this and how do I make sure both the hospital and the payer gets all of – all of that money reconciled and on time.

This is what this company does. It's the most complex and most critical type of payments. And a little bit about myself. As Cris said, I'm the CFO here, and I also manage a number of parts of the company big beyond sort of the CFO. I have the data architecture, data engineering team, analytics, the CIO organization, and other parts of the org. But I've spent over 20 years in companies like eBay, PayPal, and large companies, and I came here because of the vision and what Mike, the CEO, and the team have built, which is very unique and special.

These are really the most complex payments you can imagine, the largest, but also solve a real operational back-office complexity. It is also, as you can tell, very passionate areas. When you save money for that vacation, or you save money for that tuition, or you're stuck with the hospital bill, these are the most complex payments. So I'll talk a bit about it today, but that is basically our mission. If I was to summarize it, is to deliver those world's most important and complex payments. And when people ask me, why is this so hard, it's because that last mile. You can say, well, I've solved payments. Great, but is it reconciled into a system of record? Have you made sure that you can transfer this much money in a regulated country across a number of different areas? And so we've built all of that. We're built for that complexity, and that's what the team has done.

And so having been in payments and in e-commerce for a long time, you always realize that uniqueness of that last step, especially for large payments, complex ones like this, it is very hard to build. And it takes a very special kind of culture to build. It takes a very special company, and so that's why I joined about two and a half years ago. My mission joining the company was to help it scale. We want to be over $1 billion over time. That's our ambition and continue to be even more profitable and generate more cash over time. So that is kind of how we think about the business and what I've sort of joined to do.

So a little bit about the business. We are in four different verticals. And what you'll see is they all kind of have very key similarities. One is they all have massive TAMs. Second, there is long-term structural growth to all of them. And there is that complexity that cuts across all of them. So, first, education. That is kind of our – if you will, our origin story. And so education is not just cross-border as kind of where we started in cross-border education, but now increasingly both domestic and cross-border. We are the only player in certainly the U.S., but sort of globally that does both domestic and cross-border education payments. Many do either one of those two things, but not at the scale, and we'll talk more about that in a minute.

In travel, we are – think of it as both luxury or multi-day bespoke type travel, but also now we're in hospitality, so think of scheduling a wedding or an off-site event. We also manage those payments, which again, have an operational complexity to it. And then the other two verticals are B2B and healthcare. So we are – again, we've expanded into other verticals that look very much similar to the ones that we were in before.

Now – so we've asked, what do you mean by built for complexity? So think of it as the stuff that other people avoid, we really go all in. And that's usually that last mile. If you've ever planned a trip, it's easy to say, here's the itinerary. Okay, now who's going to go and actually book those payments and make sure that that payment gets the right end point? The same with in education. The example for the educational institution, it's one thing to say, we got the money for that tuition. We got it from the student. It reached the school. Great. Now who's going to book it in the back end?

So, we've built the system, and the team here built it for purpose. So the global payments network that we built was because there was nothing in place. And we – as people say, well, isn't there a payment system in place? Not if you're trying to receive money locally in all these different countries, and you're agnostic to what type of payment you're willing to intake, just it was not there. So the team actually had to build this locally, build the global payments network. So that's the first thing. Second, again, those of you who've been in payments for a while, there's a regulatory complexity here that is not just today, and it's been building. It continues to build. I don't see the regulatory framework that most countries have getting any easier anytime soon. That just keeps growing.

So we've already built for that regulatory complexity, and that's already a competitive moat, and just going to continue building on top of it. So with every regulation that comes out, our compliance teams, our risk teams, which some of them, I also manage risk for the company. It takes a day-to-day sort of tackle on the ground, having to have people in all these locations to really be able to execute within the regulatory complexity of a global payment network. And then third is the software integrations. Now if you think of all those verticals I just mentioned, in each one of those, there is a different integration or backend that any payment system has to actually tie into. So think of, for the most part, we're selling to CFOs. So we're selling to people like me who are ROI-focused, and I'm going to ask like, you know, why should I invest in the software? Why should I buy your vendor management software?

And for me, as we talk to the CFOs of these – all of our clients, they see the ROI, and we'll talk a bit about that. But tying into that system of record requires us to work with a lot of those vendors. We have over 100 integrations into those systems of record. Whether you're a school or a university in the U.S. or in UK or you're a travel operator, you have different ERPs and systems of record. Our software ties directly into that.

So you don't have to wonder once that your entire life savings shows up at the front door of one of these schools, what happens on the backend? Our integrations to that system of record matter. And that takes time. You don't build those integrations overnight. Those are relationships. And that's, again, complexity that we're helping these team's kind of move through.

A little bit about the network. So a lot of numbers on this page but 240 countries. The part that I like, 6,000 corridors that we've enabled and in 140 currencies and we are agnostic as how you pay. So you think about other players out there who are in this space. Everyone comes at it with their own kind of view. They kind of have a hammer, and hopefully, that hammer works for every kind of nail. We are agnostic to how you want to pay locally. So we try to be very much local, whether you're in any one of these countries.

So that's one of the things that obviously separates us from the rest. We continue optimizing this network. We don't stand still. Continue building, and obviously, this is one of the ways that we get scale and cost and infrastructure, as you can imagine, being able to manage and this is purpose-built. It is not – It's regulatory grade, and it's purpose-built for these types of large, complex payments, which is, again, a differentiator.

Why we win. So many people ask, well, explain to me, give me some of the numbers. What are these CFOs looking at when you try to convince them to kind of adopt your payment solutions? And you can see here, one, obviously, we embed into those mission-critical flows. We're not there to just do payments. We are embedded in those workflows. So you can see, across each of the different verticals, we are integrated into the system of record.

And what happens is you have high 90s retention rates. So once a client comes in and sees the kind of ROI, and some of the numbers on this page tell you these clients stay with us. So I'll show you in the next few slides, but we have very high retention. It's rare almost that one of our clients actually leave us. Again, it's a rarity for us, which again, one of the reasons that attracted me to the opportunity is that our clients truly love us.

So we remove that complexity. So if you're the CFO of any one of these or the finance department, it is a huge savings. You can see 40% fewer support inquiries, hours saved, and 30% drop in staff effort for a healthcare provider. These are meaningful impacting metrics, if you're, especially nowadays, when everyone is looking for efficiencies, we are that efficiency play for them.

Obviously, everyone wants to get paid. We are focused on receivables. As you compare us to other players out there, there is payables and receivables. We're much more on the receivable side, which again, for a CFO, for a finance department, getting paid is important. So we do help with that side. We have $360 million in collections. And so again, very important part of the ROI. And then we create that durable and expanding economics. So again, once we see someone come and start with us with one of our products, they continue growing, they stay with us, and we have that 90%-plus retention of those clients.

So again, one of the ways we look at the business is how many of these clients are actually larger size and how long do they stay with us. Just two examples here, education and travel, which is our two largest verticals. You can see on education, for example, and if you define a large client as about $100,000 of revenue in the last 12 months for us, then for education, that's about 90% of our clients represent that. And then for travel, it's just over 70%. And so those clients you can see fast-growing, and you can see at the top churn is less than 1%. So we almost have no churn at all with those clients. So they stay with us, they come in, and they grow with us. And why? It's because, again, we keep building on a lot of the products, the initial product set that they come in.

So how does that work? Let me illustrate with two examples, again, travel and education. So first for education, you hear us talk a lot about Student Financial Software, SFS. It's our sort of way of saying, going from having just one product with us, we're having a full suite of products. Going from a cross-border client, to a full domestic suite of student processing. So this is done before. So all red across every different team, whether it's the students on one side, the staff or the collections, and then the IT team in the background, obviously having multiple systems, which as a CFO, I can tell you, I feel all of these as you manage.

So we resolve all of those, including the fact that you've got multiple systems to deal with. So if you have a domestic software provider for your domestic students, and then you have a different one, cross-border, and you have something else for different parts of the education institution, we combine that. So vendor consolidation is a trend that we're seeing right now. I'm doing that actually at Flywire. I'll talk about it a little bit later, is simplifying your vendor footprint is actually a pretty good way to save a lot of money, but also simplify your IT department and stack in the back end.

What does this look like in numbers? So just to think about the TAM here. So I'll give you an example because this comes up I know all the time. Cris asked me how do we think about the TAM and the size of the opportunity. So let's talk about the U.S. briefly. But in the U.S., you have about 4,000 or so kind of educational institutions. We have about 1,000 of them that have our cross-border, so our kind of origin story products, about 1,000 of them. And then of those

1,000, we have about 10% of them that have now our more full suite type product. So think of it as a 10% attach rate on those 1,000.

We have many ways to grow. One, we can keep adding more cross-border clients. You can see we've added some in that cross-border business. But we also – the cross-sell, going from a cross-border client, to SFS domestic full suite client, it reduces, obviously, a lot of vendor expansion for them, but also it means for us then we're able to get even more revenue and margin from them. So if we go from a cross-border client in education to an SFS client, you have a 3x to 5x multiple on revenue, 2x to 3x on gross profit. And so again, we see good expansion and it's obviously a huge market for us to go after. And that's just in the U.S., Outside the U.S., there is less actual sort of ingrained competition. It's a bit more fragmented, so our product is even more differentiated outside the U.S. So we feel really good about kind of the education opportunity.

If you switch to travel briefly, think of travel, there's two different parts of our travel business. One is the kind of the – if you call it the legacy travel where we started, which is that experience, that luxury experiential kind of travel that I talked about. We made an acquisition last year, Sertifi, which is more on the hospitality side. Think of, again, hosting a wedding or an event. And nowadays, if any of you are going through an offsite or a wedding, you're going to find probably you have to sign a bunch of forms, you have to go through all sorts of workflows, you probably have to send a wire or do a bunch of uncomfortable payment opportunities. We actually automate a lot of that.

So it's the same kind of idea where we take the software and monetize the payment. So some of the reasons we win in our legacy travel, and again, it's all the stuff that CFOs basically love to hear, right? It's better economics, faster booking, faster cash, reduce operational complexity. On the Sertifi side, last year you saw Sertifi is actually ahead of plan in terms of payment monetization. Both our Sertifi business and the travel business are growing 30% plus across the year. So really strong growth above the company average, and we see more opportunity there.

So we've already started to monetize a good amount of payments, but we have another $2.5 billion of incremental volume to go after. And then of course, we have Sertifi's mostly U.S., so we can go international. So a lot of opportunity for us to continue to capitalize on the synergies of the travel business, which by the way, the travel business now is bigger than what our U.S. education business is where we started. So again, it's a big opportunity to continue to diversify.

Financial performance, I'll just double-click a little bit through this. But over the last we went IPO 2021. Since then, we've basically tripled our revenues, as you can see on here, and also 5x to basically our EBITDA. So both revenue, massive growth, but also much more not just profitable on an adjusted EBITDA basis, but actually GAAP net income profitable. So this year, going from last year, around $13 million GAAP net income. This year, we've said we're going to 3x to 4x that number. So as we maintain also our dilution quite low, so sort of real GAAP EPS growth, and free cash flow growth for this business, which is again, coming in.

This is the kind of the inflection point that I see is the quality of the growth is now equally important to kind of just the growth itself. And so it is a great time to walk in as CFO and be able to build on that story. So with that, again, I think you look at OpEx, and so we've made some progress across all three different areas. We're seeing productivity, but we can do a lot more. So sales and marketing, R&D, and then G&A, all areas where we can obviously continue to drive productivity. Even before some of the AI kind of capabilities that have now come out in the last six to nine months, we saw even more so with that.

So maybe in the last 10 minutes or so, I'll talk through a bit of this transformation effort and journey that we started as a company. So when I came in, as I said, one of the things that I was tasked with is to say, "Listen, how do we get to $1 billion or more of revenue, but become even more profitable and more productive?" And so as we look – as you think through, like any company that grows at the rate that you just saw, that you're growing organically or through acquisitions, you end up with a number of systems, a number of processes that are usually suboptimal, and a data architecture that is usually not necessarily the most efficient.

So you can imagine every domain in the company creates their own versions of – kind of versions of truth. And it's all well-intended. As you buy companies, you end up with different vendors. All of that, every company that's growing fast, anyone that tells you that they have not experienced that is probably not entirely truthful.

But having been through those growth phases, that's just kind of the natural sort of opportunity. So how do you fix all that? Well, we fix it the way we've taken the approach, even with our clients. We go where the hard stuff is, which is – and you can see here in the stack, you start at the bottom, and you have to redesign end-to-end processes. You have to redesign not just the process, but the people who are doing the process. You have to rethink your organization. You have to rethink how you define every part of the business. And so that's where we started. So we started on this transformation journey. Internally, we call it Project Adapt. But it is basically a multi-year transformation. We started late last year, and it's going to be kind of ongoing.

But it is a bottoms-up, full redesign of kind of our process, our systems, and then our data, ultimately, but also organizationally. You've seen us announce a number of organizational changes around it. So how does that help you? So if you think of systems, so right now, if you have several different systems for HR tools, for example. You have several systems for finance. You've probably acquired and you've built a bunch of different salesforce support systems. Bringing all those together and creating a unified system across actually is a very powerful tool. Not just for today, but having done this even 10 years ago before you had AI agents, imagine being able to build something that an AI agent can navigate at scale. It's not just a new employee or an existing employee that becomes more efficient.

You now create basically a record book and a sort of data catalog for an agent to navigate at scale. So every question, suddenly you go from insight to action automatically. Whereas in the past, you sort of had to go. The CEO would ask a question of somebody, somebody would have to go to someone else to find that data and then figure out, reconcile three or four different systems and make sure it's right.

You kind of start to skip a lot of those levels in the decision-making process, and so that's what we're doing. So I have this term that I've used for a long time, democratizing certified data, which is imagine a fully detailed data catalog where every definition of every product and every kind of any metric dimension in a company is well-defined in terms of your metadata. Any client and/or any data is available at scale.

So now everyone from the CEO to the most junior person in the organization or an AI agent can navigate that, and you get an answer pretty much automatically. So pretty excited about that, and so that's one of the areas that will impact all different parts of the company. So the way we think about it, impact is across sales and marketing, R&D and product in different ways. So if you think of sales, you should see revenue per rep grow. You should be able to identify who's your most productive rep, what products should they work on, in which areas, in which markets even faster.

In R&D, you can innovate faster, as you can imagine. We've got Claude now for a lot of folks internally. I am the AI exec sponsor, so I actually now code on weekends. If you're not having fun with that yet, I can tell you I am. My family hates it a little bit, but I do spend a lot of time coding, and I've sort of rediscovered the joy of building multi-user apps. So thanks to Plaid for that. I can tell you, my team is feeling the pressure when the CFO is coding up multi-user apps based on structured and unstructured data. It definitely creates a culture of innovation. So it is fun to see everyone. Kind of suddenly, the level of innovation in the company is sort of accelerated with that. so we're excited about that.

And look, obviously we're going to measure ROI. I'm the CFO, so I'm going to look at all this in numbers. But I can tell you the upside is huge from just sort of building that innovation flywheel internally and the productivity flywheel together at the same time. It's really quite exciting. Capital allocation, just to touch on a few things. Not much necessarily changed here. So still investing in organic, so organically investing, so whether it's go-to-market growth, or the product and R&D. So the SFS or domestic expansion or you've heard this transformation project that we have.

So all of these are really exciting organic investments that we're going after. And then on the share buybacks, if you look over the last 2.5 or so years, we've pretty much spent majority of our cash, free cash flow on buybacks. So we remain – you've heard our CEO say that our biggest opportunity right now, if you look at where it's dislocated, is still our own stock. So we've been buying back our stock. Actually, we just finished our $50 million buyback commitment that we made in earnings. So that was something that we're done because we still see the dislocation and we continue to see the opportunity there.

So – and then we'll continue looking at M&A. Obviously, the market still feels – there's some opportunities there, but we're really focused on execution and what we have on our plate right now.

So in closing, I won't go through this slide, but huge change from IPO to today. But I would say if I was to draw this slide for another four or five years, it's going to be even better. So I think we're building on top of true financial quality of growth. We're more diversified, more profitable. We have now consistent free cash flow, kind of generation. Again, diversified in a way that in prior years we were not. You can see we're more and more diversified with really strong growth, but strong sort of high quality growth, which is, if you look at just in terms of colors, travel, 21%

last year. And that's again, just we didn't even have a full year of the Sertifi acquisition. It's bigger than that U.S. education at 18% share of the business. And you can see the growth rates. Everything's growing at quite a fast rate. And this year again, we're seeing strong growth in education.

Despite all the macro noise and all of that, we still see sort of, we saw last year's 12% growth in education, which is sort of our legacy business. This year's not very different from that. So seeing continued growth in education. But in the rest of the businesses you can see B2B growing at 100%, travel again 100%, but if you actually unpack it's about 30-plus percent individually between Sertifi and our core business. Really strong growth across all of these. But the part that we're excited about is, and I'll maybe leave you with this, is just again, that solving that complexity, that operational complexity is what differentiates us. it's the stuff in the middle that's the best.

It's kind of like your sandwich. We are that special sort of sauce that is in the middle that kind of solves that operational complexity with all the stuff that I talked about, the compliance, the FX, handling the FX and settlement, the integrations into the ERPs, and being that connection between the payer and those very, very special cases where whether it's your travel money that you saved or it's the education, all those are key. Obviously big points in time for people. The client obviously gets all the benefits from us. So really differentiated, solving complexity with higher financial quality. So thank you. Appreciate it. Appreciate the time.

<<Cristopher Kennedy, Analyst, William Blair>>

Great. With that, we'll end it there. There is a breakout upstairs. Thank you, Cosmin.

<<Cristopher Kennedy, Analyst, William Blair>>

Thanks.