TRANSCRIPT FOR EXFY Q2 2026 EARNINGS CALL AUGUST 6, 2026

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00:01:33.320 --> 00:01:58.319
Audio shared by David Barrett: Hello, and thank you for joining us for Expensify's Q2 2026 Earnings call. My name is Niki, and I'm going to start off with the legal disclosure, and then I'll hand things off to Ryan Schaffer, our CFO, and David Barrett, our founder and CEO. Please note that all the information presented on today's call is unaudited, and during the course of this call, management may make forward-looking statements within the meaning of the federal securities laws. These statements are based on management's

2
00:01:58.320 --> 00:02:22.260
Audio shared by David Barrett: current expectations and beliefs and involve risks and uncertainties that could cause actual results to differ materially from those described in these forward-looking statements. Forward-looking statements in the earnings release that we issued today, along with comments on this call, are made only as of today and will not be updated as actual events unfold. Please refer to today's press release and our filings with the SEC for a detailed discussion of the risks

3
00:02:22.260 --> 00:02:46.590
Audio shared by David Barrett: that could cause actual results to differ materially from those expressed or implied in any forward-looking statements made today. Please also note that on today's call, management will refer to certain non-GAAP financial measures. While we believe these non-GAAP financial measures provide useful information for investors, the presentation of this information is not intended to be considered in isolation or as a substitute for the financial information presented in accordance with GAAP.

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00:02:46.590 --> 00:02:57.690
Audio shared by David Barrett: Please refer to today's press release or the investor presentation for a reconciliation of these non-GAAP financial measures to their most comparable GAAP measures. And with that, I'll hand it over to Ryan Schaffer, our CFO.

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00:02:58.000 --> 00:03:21.239
Audio shared by David Barrett: Thanks, Niki, and thanks, everyone, for joining today's call. Let's start with the Q2 financials. Revenue for the quarter was $33.9 million. Average paid members were $640,000. Expensify card interchange revenue across both Classic and New EXFY was

$5.9 million, up 12% year-over-year. While we continue to see some pressure on the top line, our focus remains firmly on the financials of the business.

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00:03:21.240 --> 00:03:46.240
Audio shared by David Barrett: and on executing the work required to return to sustainable growth. Even though revenue has declined year over year, we've been working hard to meaningfully improve profitability and cash flow. Operating cash flow was $8.4 million, and free cash flow was $6.4 million. Our GAAP net loss improved to $3.9 million from $8.8 million a year ago. Non-GAAP net income was $3.4 million, compared to a non-GAAP net loss last

7
00:03:46.240 --> 00:04:09.399
Audio shared by David Barrett: year, and adjusted EBITDA improved to $6.6 million from a negative adjusted EBITDA a year ago. These results reflect the discipline with which we're managing the business as we focus on improving execution, returning to growth, and creating long-term value. Q2 free cash flow of $6.4 million was up 2% from the same period last year, and up 162% from the previous quarter. Given that trajectory.

8
00:04:09.400 --> 00:04:25.880
Audio shared by David Barrett: We're raising our full year 2026 free cash flow guidance from 6 to 9 million, up to $12 to $14 million. As always, we'd like to give you an early look at next quarter's paid member trends. For July 2026, we had 634,000 paid members.

9
00:04:25.880 --> 00:04:39.279
Audio shared by David Barrett: As you can see from previous years, July tends to run a bit lower as people take vacations and travel less for business. This is the usual summer dip, and we'd expect things to pick back up as we move through Q3. Turning into capital allocation, this was an active quarter for us.

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00:04:39.280 --> 00:04:46.580
Audio shared by David Barrett: We commenced and completed a modified Dutch auction tender offer, repurchasing approximately 6.1 million shares

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00:04:46.580 --> 00:04:48.330
Audio shared by David Barrett: of Class A common stock.

12
00:04:48.330 --> 00:05:12.070

Audio shared by David Barrett: at $1.20 per share. That tender was actually substantially undersubscribed, despite the premium we offered on the stock price. So following its completion, we went into the open market and purchased an additional 712,000 shares at an average price of $1.63 per share. Altogether, that brings our total Q2 repurchase to approximately 6.8 million shares of Class A common stock.

13
00:05:12.180 --> 00:05:27.279
Audio shared by David Barrett: Which represents roughly a 7% reduction in shares outstanding. We think this reflects real conviction in the value of this business, and it's a continued commitment to returning capital to shareholders, even as we keep investing in growth. With that, I'll hand it over to David for a business and product update.

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00:05:27.280 --> 00:05:32.659
Audio shared by David Barrett: Thanks, Ryan. Q2 was a quarter where I think the product itself tells the story better than any single number could.

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00:05:32.660 --> 00:05:40.330
Audio shared by David Barrett: We made real progress in AI, on product velocity, and as Ryan just covered in capital allocation. Let me walk you through what that actually looked like for our customers.

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00:05:40.330 --> 00:05:47.600
Audio shared by David Barrett: I want to start with something a customer told us this quarter, because it captures exactly what we're building towards. Laura Redman of Redmond Accounting put it this way.

17
00:05:47.610 --> 00:06:00.539
Audio shared by David Barrett: Expense approvals used to sit in my inbox for days, waiting on me to eyeball a $40 lunch receipt. That's not judgment, that's just routing. I set up an agent rule that clears anything in policy on its own. I got back hours a week I didn't even know I was losing.

18
00:06:00.600 --> 00:06:15.439
Audio shared by David Barrett: That's the whole thesis in one sentence. Most approval work isn't judgment. It's routing, and routing is exactly what we should be automating away. That's what agent rules do. It's what we call Level 3 workflow automation. Tag, categorize, edit, route, hold, approve, reject, or pay.

19

00:06:15.440 --> 00:06:27.199
Audio shared by David Barrett: based on natural language rules that get evaluated with LLM judgment inside a real-time workflow. So instead of writing rigid if-this-then-that logic, you just tell it what you want in plain English, and it handles judgment calls the way Laura's example showed.

20
00:06:27.200 --> 00:06:40.230
Audio shared by David Barrett: The next step up from that is custom agents, what we call Level 4. These are prompt-driven agents that collaborate over chat, email, and SMS with employees, vendors, or clients. They're both reactive, responding to internal or external events as they happen, and proactive.

21
00:06:40.230 --> 00:07:00.009
Audio shared by David Barrett: taking scheduled actions on their own. So where Agent Rules handles routing within a workflow, custom agents can actually go and have that conversation on your behalf. And this one's no longer in beta, it's live. The EXFY MCP gives third-party AI assistants a direct connection to EXFY, so tools like ChatGPT, Claude, and Cursor can access expense data through natural language right from within those labs.

22
00:07:00.230 --> 00:07:15.769
Audio shared by David Barrett: We think this is a meaningful differentiator, and it's a good example of us meeting customers inside the tools they are increasingly using. Beyond the AI work, Q2 is one of our strongest shipping quarters yet, with more than 30 features and enhancements, and I want to hit a few highlights from each month, rather than read the whole list. This slide has the details for anyone who wants them.

23
00:07:15.940 --> 00:07:33.220
Audio shared by David Barrett: In April, the headline was really, Bring Your Own Card. We shipped personal card imports directly into the EXFY wallet, and shared card feeds across workspaces, so customers can keep using the corporate cards they already have, and still get full expense automation with no card migration required. In May, we focused on giving admins more control without more overhead.

24
00:07:33.220 --> 00:07:42.160
Audio shared by David Barrett: Card Freeze and unfreeze, and CSC company card imports both extend that same bring-your-own-card thesis, making it easier for finance teams to bring existing card programs into EXFY.

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00:07:42.180 --> 00:08:00.160
Audio shared by David Barrett: We also expanded prohibited expense detection, a good example of AI quietly doing enforcement work that used to be manual. And in June, as I just covered, the EXFY MCP went live, alongside real-time EXFY card rules and automatic VAT capture via SmartScan, which starts to open up more of our international opportunity. It's been gratifying to see that work recognized externally, too.

26
00:08:00.160 --> 00:08:17.009
Audio shared by David Barrett: We were named Expense Management Platform of the Year at the Travel Tech Breakthrough Awards this quarter. Now, I want to step back, because I think the simplest way to understand ExpenseFi right now is that we're not really one company, or two. Expensify Classic is the gold standard for traditional expense management. It established what's now the traditional design in the category.

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00:08:17.010 --> 00:08:28.499
Audio shared by David Barrett: web and mobile app, credit card import plus scanning plus GPS mileage tracking, and an end-to-end workflow with export-to-cloud accounting and next-day reimbursement. That was our focus for the first 12 years, culminating in our IPO.

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00:08:28.500 --> 00:08:45.339
Audio shared by David Barrett: But here's the thing. Less than 1% of global businesses are actually interested in traditional expense management approach. New EXFY is the new standard for AI expense management. A mobile-first, chat-first design that puts humans and AI agents in the same workflow. With a stripped-down, AI-centric experience that works over email and meets users wherever they already are.

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00:08:45.340 --> 00:08:51.440
Audio shared by David Barrett: New EXFY is what lets us go after the other 99%. And each of those two products plays a different role for us financially.

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00:08:51.510 --> 00:08:57.740
Audio shared by David Barrett: Classic is a steady profit engine. It requires minimal engineering and direct investment, but it produces a substantial cash flow.

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00:08:57.810 --> 00:09:12.220
Audio shared by David Barrett: New signups only ever see New Expensify now, so Classic is a large but deliberately shrinking set of customers. That's fine. Classic has given us the platform

and the resources to build new Expensify in the first place. We believe New ExpenseFi, on the other hand, is our rapid growth engine into a genuinely untapped market.

32
00:09:12.220 --> 00:09:20.310
Audio shared by David Barrett: Essentially, all of our engineering has been devoted to it for years now, and most of our customers and users, including both net new signups and migrated classic customers, are on it today.

33
00:09:20.310 --> 00:09:36.709
Audio shared by David Barrett: is extremely competitive and growing rapidly, on top of and separate from the Classic migration itself. And you can see that growth directly in the numbers. Net new revenue from New EXFY, meaning revenue from customers who signed up on New EXFY and never touched Classic. So this excludes all of the Classic customers who simply migrated over.

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00:09:36.710 --> 00:09:41.929
Audio shared by David Barrett: grew more than 250% year-on-year to over $10 million in ARR. So to summarize the quarter.

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00:09:41.930 --> 00:09:51.500
Audio shared by David Barrett: Our Classic to New migration has entered its long tail. Virtually all Classic customers have been nudged towards new EXFY, most of them choose to stay, and now we have more users on new than on Classic.

36
00:09:51.540 --> 00:10:05.080
Audio shared by David Barrett: New EXFY itself grew rapidly, with net new revenue up over 250% year-on-year, to more than $10 million in ARR. Our card program continued to scale, with combined Classic and New EXFY card interchange revenue up 12% year-over-year to $5.9 million.

37
00:10:05.220 --> 00:10:13.760
Audio shared by David Barrett: We launched a wide range of customer-requested features, more than 30 this quarter, including the MCP server and our new AI agents, which ultimately earned us a Platform of the Year award.

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00:10:13.940 --> 00:10:25.210

Audio shared by David Barrett: And we returned capital shareholders, repurchasing approximately 6.8 million shares of Class A common stock, representing about 7% reduction in our shares outstanding. Our path forward is the same one we've talked about since the IPO.

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00:10:25.210 --> 00:10:40.749
Audio shared by David Barrett: Keep migrating the remaining classic customers onto new EXFY, where they get a dramatically better experience, and keep accelerating new customer acquisition into a market that's still almost entirely untapped. What's different today is that now we have increasingly solid evidence the plan is working. With that, thank you all for joining us today, and let's move to Q&A.

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00:10:43.380 --> 00:10:46.089
Niki: Lovely. Aaron, I believe you're on the line with us?

41
00:10:48.330 --> 00:11:05.649
Aaron Kimson: I'm here, thanks for the questions. First one for me, the free cash flow guide for the year was initially a little bit lighter for 2026 at $6-9 million on the 4Q call in late February. You reiterated it on the 1Q call in May. Tonight, you took it up $5.5 million at the midpoint.

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00:11:05.850 --> 00:11:15.059
Aaron Kimson: I guess the question is, where are you in terms of the sales and marketing investments, as well as AI investments that you initially cited as part of the drag on free cash flow?

43
00:11:15.350 --> 00:11:20.719
Aaron Kimson: In 26, on the original guide, relative to 25 free cash flow.

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00:11:21.050 --> 00:11:24.680
Ryan Schaffer: Yeah, great question. So, we are,

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00:11:24.790 --> 00:11:30.810
Ryan Schaffer: Deploying our sales and marketing dollars that has started. We have some more coming later this year.

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00:11:30.870 --> 00:11:34.869
Ryan Schaffer: Also, we are currently in…

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00:11:34.870 --> 00:11:54.349
Ryan Schaffer: a… I think, a place a lot of companies are, where our AI spend is scaling, but we're also now looking at it and trying to cut it back. Luckily, we have the best spend management software in the world, so we're doing a great job, you know, doing that responsibly. So, it's scaling, but also, I'm trying to, you know, figure out how we can

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00:11:54.350 --> 00:11:56.839
Ryan Schaffer: Reduce it without, you know, impacting operations.

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00:11:56.840 --> 00:12:13.470
Ryan Schaffer: And also, I just want to point out that we had a class action lawsuit settlement in Q1, and we weren't exactly sure how that was going to turn out, and that's all, you know, behind us, so that also helps put a… now that we kind of… that's a known quantity, that helps put a better

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00:12:13.990 --> 00:12:15.500
Ryan Schaffer: Pick, you know.

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00:12:16.210 --> 00:12:20.190
Ryan Schaffer: We can see what the numbers are gonna look like a little bit better now that that's kind of behind us.

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00:12:22.690 --> 00:12:34.010
Aaron Kimson: Got it. And then the second question I have… so the $10 million in new EXFY… new EXFY ARR, exclusive of prior Classic customers that switched over, is really encouraging.

53
00:12:34.130 --> 00:12:48.779
Aaron Kimson: I guess what I'm interested in is less the 250% year-over-year number, and any commentary you can give on the sequential growth of what that might have looked like a quarter ago. I think that's the most important thing for investors right now, is trying to figure out

54
00:12:49.060 --> 00:12:52.419
Aaron Kimson: you know, whether new EXFY is bringing in

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00:12:52.610 --> 00:13:06.840
Aaron Kimson: net new customers and revenue at a rate that it's gonna continue to accelerate and become a more meaningful part of the business, right? At a 10 million ARR, it's still less than 10% of the total business from those net new customers on new EXFY.

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00:13:07.000 --> 00:13:16.440
David Barrett: Sure, that makes sense. Maybe I'll be curious, Ryan, for your thoughts on this in a second, but I guess I would say, I think that is the real, kind of, story and challenge of the company right now. On one hand.

57
00:13:16.920 --> 00:13:33.529
David Barrett: If this company were exclusively New EXFY, we would all be high-fiving each other as, like, the hottest startup in the space by far. And that we have a product which is super rad, it's very competitive, it's growing really quick. It's already got

58
00:13:33.530 --> 00:13:39.709
David Barrett: you know, almost like 12,000 customers, or already, like, you know, over $10 million in AR. This is a great, great

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00:13:39.710 --> 00:13:41.650
David Barrett: startup

60
00:13:41.810 --> 00:14:01.380
David Barrett: And also, we have this classic product, which has been around forever, which is producing a tremendous amount of cash, that we've used to fund and build this startup. And either of those is actually quite valuable. Like, having a super fast-growing expense management

61
00:14:01.740 --> 00:14:03.140
David Barrett: You know, startup.

62
00:14:03.380 --> 00:14:06.000
David Barrett: Combined with a kind of…

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00:14:06.290 --> 00:14:14.320

David Barrett: super cash flow positive, sort of traditional products. Both of those are actually really, really nice to have.

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00:14:15.690 --> 00:14:26.670
David Barrett: But when you combine them, it looks like a single company that has kind of, like, nothing going on. So it's a very confusing story that we admit. That's why I was trying to…

65
00:14:26.770 --> 00:14:43.739
David Barrett: And it's a story we've been telling for a long time. We understand why, you know, people could be confused. That's why we're trying to break it out a bit here, to clarify that, no, actually, there is… there's something really rockin' and rollin' here. And also there's something else that's funding it, which is a really great thing. And so the question is, how does the…

66
00:14:44.020 --> 00:14:54.649
David Barrett: how does those balance out? And it's a great question. I guess if we had better insight, we would be giving better forecasting. And I would say, right now, our challenge is, we've…

67
00:14:54.650 --> 00:15:08.320
David Barrett: we've solved the… what I would say is the hardest part, and that is build an incredibly successful, new, differentiated product in this market, and I think that this chart really shows the growth of that product, and it's really good.

68
00:15:08.370 --> 00:15:12.720
David Barrett: Now what we need to do is we need to complete migrating…

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00:15:12.870 --> 00:15:25.499
David Barrett: everyone over to it, and addressing, basically, any sort of anxieties along the way. Recall that New Expensify is… it's a new product, it's pretty differentiated, it's quite different. And…

70
00:15:25.500 --> 00:15:39.010
David Barrett: And it's targeted to a much larger market than the one that we were historically targeting. And so, there are a lot of conversations with existing customers. We're like, well, you know, how does this really… how do these changes

71

00:15:39.070 --> 00:15:43.110
David Barrett: like, you know, how do they work for me? And it reminds me a bit, like.

72
00:15:43.110 --> 00:16:04.280
David Barrett: when, when I get a Tesla for the first time, years ago, and I went in, and I was just shocked, like, it doesn't have a key. Like, you don't start the car, you just drive. You don't even turn on the windshield wipers, it just figures it out. It's just such a different experience, like, it has no buttons. It's a wildly different experience, and that can be a little jarring. And I think that that's sort of…

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00:16:04.330 --> 00:16:20.260
David Barrett: some of the experience we're dealing with now is basically, it's like, how do we get existing customers onto the new platform such that we can address, kind of the churn which is gradually eroding the traditional customer base? And so, the question is.

74
00:16:20.550 --> 00:16:30.690
David Barrett: Well, which is gonna happen first? Will new Expensify's growth just get to a scale that it can overcome Classic's churn?

75
00:16:30.690 --> 00:16:45.429
David Barrett: And also, what can we do to reduce and reverse Classics churn, by getting those customers onto new EXFY, and then cross-selling our new products, and so forth. So there's kind of two different business strategies playing out in parallel.

76
00:16:45.430 --> 00:16:54.899
David Barrett: which of those is gonna win? Which is gonna happen first? I mean, it's a combination of the both. But it's a pretty dynamic system right now, and so it's, you know…

77
00:16:54.910 --> 00:17:07.759
David Barrett: If I had better insight, I would be sharing it, but right now we're just saying there are these really positive trends on both sides, and it's a little unclear which is gonna win out. Anyway, I don't know if… that was kind of my take on the answer. I'd be curious for your thoughts, Ryan.

78
00:17:08.599 --> 00:17:16.299
Ryan Schaffer: So, Aaron, I believe you asked what… what's the sequential core? I don't have that offhand, I'm just… I'm looking at the,

79
00:17:16.669 --> 00:17:17.769
Ryan Schaffer: the graph?

80
00:17:19.289 --> 00:17:22.689
Ryan Schaffer: And, it looks like we were at…

81
00:17:22.899 --> 00:17:32.389
Ryan Schaffer: little around 7, end of Q1, so we're just around 12 in… End of, Q2, so…

82
00:17:32.889 --> 00:17:36.349
Ryan Schaffer: It's growing pretty rapidly, which is why we're highlighting this.

83
00:17:36.619 --> 00:17:37.659
Ryan Schaffer: the…

84
00:17:38.499 --> 00:17:53.599
Ryan Schaffer: to maybe just put a little finer point on what David just said. Basically, we have our large… we've broken the customer base out into two cohorts. We have our large, classic cohort, which is slowly decreasing, and of course it's decreasing because we're not adding new customers to it.

85
00:17:53.599 --> 00:17:58.769
Ryan Schaffer: Right? It's… you cannot join the classic cohort anymore. And then we have the…

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00:17:58.889 --> 00:18:10.409
Ryan Schaffer: new expense cycle, or which is small but growing rapidly. So, if you were to line up two charts, one which is the classic, slowly declining, and

87
00:18:10.589 --> 00:18:29.149
Ryan Schaffer: On top of it, you overlaid new EXFY rapidly increasing. Eventually, those two lines intersect, and then we're just in growth mode again. So, we think that that is, you know, on its way. We don't know exactly when it's gonna happen, we think it's coming soon, and so we're just sharing the information that we have.

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00:18:30.410 --> 00:18:42.310
Aaron Kimson: I appreciate that, and I had missed the graphic with the deluge of Earnings after the bell, so this really helps. And then, I guess the last question I would have is just any color on the percentage of

89
00:18:42.310 --> 00:18:50.919
Aaron Kimson: total ARR that comes from New Expensify when you include the migrations from Classic today. Is it a meaningful part of the business?

90
00:18:51.960 --> 00:18:59.069
Ryan Schaffer: So, over… I believe it's 56% of users are on new EXFY, so we have crossed

91
00:18:59.790 --> 00:19:05.420
Ryan Schaffer: more people use New Expense Buy than Classic now, so that's a pretty major milestone that we hit this quarter.

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00:19:06.100 --> 00:19:18.679
David Barrett: Oh, but also, I would say, virtually all new revenue is coming from New EXFY, because you can't buy Classic anymore. It's… we only sell new. And so I'd say all new… all incremental revenue is being added via new.

93
00:19:19.990 --> 00:19:21.660
Aaron Kimson: Understood. Thank you, guys.

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00:19:23.780 --> 00:19:28.360
Niki: Great! Daniel, I believe you're on the line. Daniel Jester, I have a couple of Daniels.

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00:19:28.840 --> 00:19:40.179
Daniel Jester: Hey, good, I hope you can hear me. Good evening, everyone. Thanks for taking my questions. Can we just continue the conversation, then, about New EXFY?

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00:19:40.330 --> 00:19:48.129
Daniel Jester: And so, I think from a client perspective and a user perspective, I think this all is very clear.

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00:19:48.510 --> 00:19:56.980
Daniel Jester: Is there a different monetization opportunity for new EXFY customers versus Classic?

98
00:19:57.820 --> 00:20:15.810
David Barrett: I can do a crack at this and see what Ryan has to say after that. So, fundamentally, it's solving the same problem, and it's solving it in a… using the same servers, and the same support team, and the same sales team, and everything. So the business model is fundamentally the same. I view it more as just…

99
00:20:17.460 --> 00:20:26.440
David Barrett: a refinement on executing the fundamental business model. And by that, I mean, what makes EXFY special is not necessarily that it's, you know, it's

100
00:20:26.660 --> 00:20:44.379
David Barrett: buttons click faster, or whatever it might be, but that it allows customers to close their books faster, because we recognize that a huge fraction of the delay in closing of books starts with kind of… it's tied up in the human collaboration element. And so New EXFY is really about trying to help

101
00:20:44.540 --> 00:20:59.760
David Barrett: streamline the collaboration elements between humans, and also bring in AI agents to do the works that historically humans had to do, the kind of the collaborative chatting elements, the light judgment elements and routing elements that historically humans had to do.

102
00:20:59.760 --> 00:21:06.849
David Barrett: And so it's the same fundamental business model, it's just much, much better at it. So, for example,

103
00:21:06.880 --> 00:21:15.010
David Barrett: Classic has always grown, primarily through word of mouth, and individual employees adopting the product, before the boss.

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00:21:15.010 --> 00:21:30.300

David Barrett: That just works way better than New EXFY, because it's a simpler product to adopt, it's more… more like WhatsApp than it is like an enterprise tool. And you also don't need to use the app. You can just use email. And so, the bulk of the market out there…

105
00:21:30.300 --> 00:21:32.490
David Barrett: is just using email and Excel.

106
00:21:32.490 --> 00:21:52.120
David Barrett: And so this is trying to meet people where they currently are, by saying, it's like, hey, you like using email for your expenses? Cool, keep doing that. But rather than emailing a human, just email our agent, and then it's gonna work the same for you, but now your accountant doesn't have to basically manually enter it into the accounting system.

107
00:21:52.120 --> 00:21:55.460
David Barrett: And so, again, I would say, fundamentally, the monetization is…

108
00:21:55.490 --> 00:22:13.049
David Barrett: the same from a business model perspective. The difference, however, is I believe it's gonna have a much larger addressable market, because it's a fundamentally different experience that appeals to the 99% of the market that just has consistently opted out of a traditional, kind of like.

109
00:22:13.050 --> 00:22:15.850
David Barrett: Enterprise-heavy, kind of, like, web-based design.

110
00:22:15.850 --> 00:22:19.419
David Barrett: Anyway, that's kind of my crack at that answer. Ryan, I'd be curious what you think.

111
00:22:22.860 --> 00:22:24.169
David Barrett: And I think you're on mute.

112
00:22:26.090 --> 00:22:27.140
Ryan Schaffer: I am muted, okay.

113

00:22:27.140 --> 00:22:27.810
David Barrett: Alright.

114
00:22:27.810 --> 00:22:33.349
Ryan Schaffer: we have, so we are adding new monetization,

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00:22:34.020 --> 00:22:48.030
Ryan Schaffer: to the product. We launched a new feature called Consolidated Travel Billing, which is a new way we're monetizing travel. That's very new, but that's an exciting way to pull some more transactional revenue out of our travel product.

116
00:22:48.030 --> 00:22:55.660
Ryan Schaffer: We also recently launched a lot of AI features, and I think that some sort of usage-based

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00:22:56.090 --> 00:23:05.840
Ryan Schaffer: monetization is, something, you know, we're heavily considering. It's still early days there, but I think that's something that,

118
00:23:06.760 --> 00:23:19.850
Ryan Schaffer: we're, you know, considering and nothing to announce today, but, we are looking at new ways to generate revenue and developing new product features. Also.

119
00:23:19.990 --> 00:23:26.640
Ryan Schaffer: you know, invoicing is gonna… or, sorry, bill pay is on the horizon, a lot of opportunities there, so I think that we're gonna…

120
00:23:26.880 --> 00:23:31.159
Ryan Schaffer: Continue to layer more monetization opportunities into the product.

121
00:23:31.290 --> 00:23:33.290
Ryan Schaffer: On top of what we already have.

122
00:23:35.110 --> 00:23:40.729

Daniel Jester: That is very helpful, thank you, and maybe speaking of that, can we spend a moment around…

123
00:23:41.110 --> 00:23:59.149
Daniel Jester: what you saw in terms of payment volumes and revenue this quarter. It looked like you saw an improvement in growth compared to the first quarter, and so, what are you seeing there? And maybe any updates you're able to share in terms of the penetration

124
00:23:59.150 --> 00:24:02.239
Daniel Jester: Of the card into the base, and how that's been progressing.

125
00:24:03.050 --> 00:24:09.990
Ryan Schaffer: So I think the card continues to do really well, which is… I think encouraging, because our… Probably a…

126
00:24:10.770 --> 00:24:15.960
Ryan Schaffer: we have two, kind of, big marketing messages right now. One's really centered on AI, but another one is…

127
00:24:16.150 --> 00:24:27.389
Ryan Schaffer: really pushing what we call BYOC, Bring Your Own Card. This is a marketing message that we have found to be very effective, especially with all the noise. Everyone has a card these days.

128
00:24:27.920 --> 00:24:43.849
Ryan Schaffer: we have found the message that you can bring your own card and use Expensify. One interesting aspect of EXFY is that we don't require you to use our card. If you look at our kind of Neo card competitors, Ramprex, and the like, you have to use their card. There's…

129
00:24:43.920 --> 00:24:52.410
Ryan Schaffer: That's how they make money. So if you use… if you switch to them, you have to use their card. We don't require you to, to switch.

130
00:24:52.690 --> 00:25:04.339

Ryan Schaffer: We'd love to give you an Expensify card, but if you want to use your own card, that's great too. And there's a lot of people who don't want one of these NEO cards. They like their card, they like their Amex, they like their…

131
00:25:04.440 --> 00:25:11.120
Ryan Schaffer: you know, Capital One, whatever they have, and they don't want to switch. So, if you're one of those people, Expensify is kind of…

132
00:25:11.460 --> 00:25:14.269
Ryan Schaffer: Not only is it the best option, it's kind of your only option.

133
00:25:14.440 --> 00:25:29.200
Ryan Schaffer: So, that message has been working really well for us, and I'm just pointing out that the card is continuing to grow, despite the fact that we're pushing all of our marketing efforts towards saying, you don't need… you can bring your own card. So, it's…

134
00:25:29.400 --> 00:25:32.040
Ryan Schaffer: I think that's pretty interesting, and

135
00:25:32.640 --> 00:25:34.780
Ryan Schaffer: I think things are moving in the right direction.

136
00:25:37.090 --> 00:25:46.489
Daniel Jester: And would you share anything about maybe what, sort of compared to the first quarter, how second quarter payment volumes trended, any sort of high-level thoughts about what you saw?

137
00:25:48.660 --> 00:25:50.519
Ryan Schaffer: I mean.

138
00:25:51.420 --> 00:25:57.039
Ryan Schaffer: they, you know, a modest increase, right, quarter over quarter, so I think we're just consistently adding

139
00:25:57.160 --> 00:26:02.899

Ryan Schaffer: More volume quarter after quarter, and it just continues to grow.

140
00:26:03.590 --> 00:26:06.940
Daniel Jester: Okay. And then, one last one for me on…

141
00:26:07.130 --> 00:26:21.559
Daniel Jester: maybe the pipeline in terms of how you're seeing travel, I know that's a little bit of a different sales cycle, and I'd love to kind of hear how the ramping process is going there on the sales front. Thank you.

142
00:26:22.350 --> 00:26:31.780
Ryan Schaffer: So the… We just launched, I mentioned earlier, a feature called Consolidated Travel Billing, which is…

143
00:26:32.200 --> 00:26:37.720
Ryan Schaffer: kind of our answer. We think it's pretty unique and exciting in the market. It's basically…

144
00:26:38.030 --> 00:26:45.030
Ryan Schaffer: It's similar to central billing, but it solves all the problems that a central billing card,

145
00:26:45.280 --> 00:26:51.040
Ryan Schaffer: creates. So, we had… this is kind of the new hotness,

146
00:26:51.260 --> 00:27:04.760
Ryan Schaffer: For travel, and we have a huge list of customers that are, basically waitlisted on it, and we are now… we have, like, a contest internally, you know, a big push, basically, to

147
00:27:04.970 --> 00:27:16.899
Ryan Schaffer: get everyone onto this new feature that we just launched, and it's quite lucrative for us, so we are very excited about that. And I think travel just continues to be something that

148
00:27:17.200 --> 00:27:21.420
Ryan Schaffer: Brings us large customers, and it gets us in the conversation.

149
00:27:21.730 --> 00:27:25.369
Ryan Schaffer: With these kind of larger enterprises, so it's…

150
00:27:25.480 --> 00:27:30.049
Ryan Schaffer: We're still very excited about travel, and it's, you know, one of the pillars of our business.

151
00:27:31.170 --> 00:27:32.510
Daniel Jester: Alright, thank you.

152
00:27:34.540 --> 00:27:36.720
Niki: Alright, that rounds out all our questions.

153
00:27:38.050 --> 00:27:48.250
David Barrett: Great. Well, thank you so much for taking the time and talking with us here. It's been a really, really exciting quarter, and so, I can't wait to, talk more again in the future. So, thank you so much.