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Airwallex

Empowering modern businesses to
grow beyond borders

University of Sydney Business School Case Competition
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In collaboration with:



THE UNIVERSITY OF
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Contributors

Written by:

Viveca Tang
Annie Wang
Joanna Kong
Charlotte Gwynn-Jones
William Bell

Designed by:

Viveca Tang
Anthea Trang
Lorraine Lee

Overseen by:

Wes Hamilton-Jessop

Credits to:

Susanna Wong
Joshua Chew
Nick Creevey

In collaboration with the University of Sydney Business School

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A Letter from the Airwallex Leadership

Airwallex was proudly founded in Australia in 2015, inspired by our founders' real-life experience of running a cafe in Melbourne and witnessing first-hand the impact of high cross-border payment costs on our profit margins. Using their collective backgrounds in technology and finance, a solution was developed from the ground up that step-changed payments and has now become a pivotal part of the global financial infrastructure.

Today, businesses of all sizes use our technology to accept payments, move money globally, and simplify their financial operations. Our purpose is to empower entrepreneurs and business builders to grow and operate beyond borders – to accelerate their business growth, rapidly scale from local to global, and thrive in today's digital economy.

In seven years, we have scaled our business from our foundation in Melbourne to serve more than 30,000 customers including major Australian brands Qantas, Stake and Canva. At a valuation of US\$5.5 billion, and with the confidence and backing of world-leading investors, we continue to be one of Australia's success business stories.

Our team is invested in delivering the future of finance, and we remain committed to the power of entrepreneurship and the potential of innovation.

As you delve into the case, I encourage you to think critically, be creative and propose innovative solutions. Fintech is an ever-evolving field where the ability to adapt and innovate is crucial. I believe that your fresh perspectives and innovative ideas will provide valuable insights that we can learn from.

We look forward to witnessing your amazing ideas. Thank you and best of luck!

Yours sincerely,
Luke Latham
General Manager of Australia and New Zealand

Background



Airwallex is a leading global financial platform for modern businesses, offering trusted solutions to manage everything from payments, treasury, and spend management to embedded finance. With proprietary infrastructure, Airwallex removes the friction from global payments and financial operations, empowering businesses of all sizes to unlock new opportunities and grow beyond borders.

Airwallex is a fully licensed fintech company that transforms the experience of small and medium-sized enterprises with business banking. Their financial services include multi-currency business accounts with debit cards, local and international transfers, foreign currency exchange, and more. Proudly founded in Melbourne, with engineering hubs in Amsterdam, Melbourne, San Francisco, Shanghai, Singapore, Hong Kong and Sydney; Airwallex supports over 100,000 businesses globally and is trusted by brands such as Brex, Rippling, Navan, Qantas, SHEIN and many more.

Airwallex was built with a single purpose in mind: to create a world where businesses operate free of geographical limitations, and in doing so, propel the growth of the digital economy globally.

The Airwallex story

- 2015 ● Founded in Melbourne, Australia by Jack Zhang (CEO)
- 2017 ● Series A fundraising taking total fundraising to US\$22m
- 2019 ● Entered Europe, Middle East and Africa
- 2021 ● Expanded into the Americas with the opening of the San Francisco office
- 2022 ● Series E2 fundraising with US\$5.6bn valuation

Products

For the purposes of this case, teams are to focus on the Business Account product and its six sub-products.

Aiwallex offers three core products:

1

Business Account: All-in-one platform business transactions

2

Core API: Powerful Application Programming Interfaces (APIs) that business can integrate into existing systems and applications

3

Embedded Finance: Integration of financial services and products into non-financial platforms, allowing customers to access finances seamlessly, without traditional banking intermediaries

Business Account Products



Global Accounts

Open domestic and foreign currency accounts in minutes



FX & Transfers

Make high speed international transfers at interbank rates



Payment Links & Plugins

Instantly accept payments from customers around the world



Borderless Cards

Issue multi-currency employee and company cards



Expense Management

Gain more end-to-end control and visibility of your expenses



Software Integrations

Connect Airwallex to other popular software platforms

The screenshot shows the Airwallex Business Account interface. On the left is a dark sidebar menu with options: Dashboard, Wallet, Global Accounts (selected), Conversions, Transfers, Cards, Expenses, Payments, and Reports. The main content area is titled 'Global Accounts' and includes a search bar, filters for Currency, Bank location, and Status, and an 'Export' button. Below these is a table of accounts:

CURRENCY	BANK LOCATION	NAME	ACCOUNT NUMBER
AUD Australian Dollar	Australia	AU Account Ecommerce Co.	612876420
GBP Great Britain Pound	United Kingdom	UK Account Ecommerce Co.	00176921
USD United States Dollar	United States	US Account Ecommerce Co.	8461948214
SGD Singapore Dollar	Singapore	SG Account Ecommerce Co.	8852013232
EUR Euro	Europe	EU Account Ecommerce Co.	90450239
HKD Hong Kong Dollar	Hong Kong	HK Account Ecommerce Co.	87535507290

Overlaid on the screenshot are three 'Account details' cards for USD, GBP, and AUD, each showing fields for Account no. and Routing no./Sort Code/BSB Code/Bank Code.



Monetisation model

Airwallex monetises in 2 ways: charging a fee per transaction or a monthly subscription price.

1

Transaction fees:

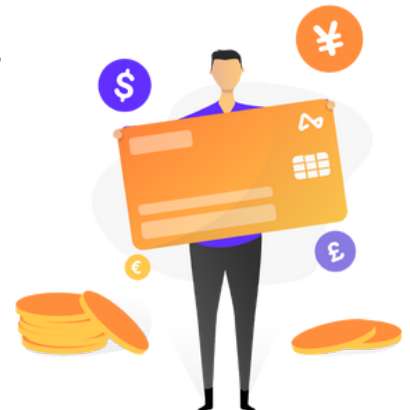
Airwallex earns transaction fees for FX, Payments Links and Cards. For FX, Airwallex charges the customers a 0.5%-1.0% markup on the conversion between currencies. For Payment Links, Airwallex charges the customer a percentage-based fee plus a fixed charge on domestic (1.20%+A\$0.30) and international card transactions (2.90%+A\$0.30). For Cards, Airwallex does not charge the customer a transaction fee, instead Airwallex takes a clip of the transaction amount from the merchant/seller which are known as interchange fees.



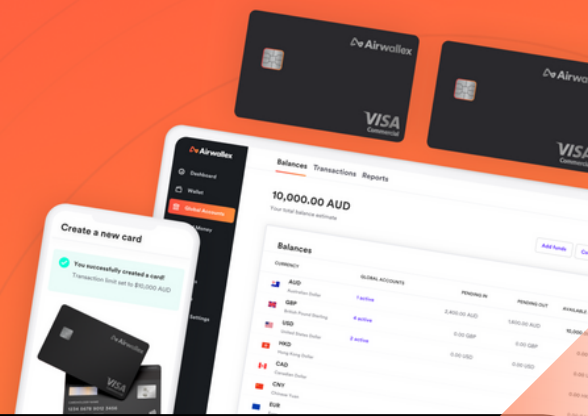
2

Subscription model:

Besides transaction fees, Airwallex also adopts a Software as a Service (SaaS) pricing model for their Cards & Expense management product. Airwallex offers employee cards at a price of A\$14 per cardholder per month. The subscription gives businesses access to physical and virtual cards which are integrated with Expenses Management. The SaaS model provides a steady, recurring revenue for Airwallex.



Add 3% back to your bottom line with an Airwallex business account



Business Accounts

Airwallex offers a platform that simplifies cross-border transactions for businesses. This enables customers to send and receive money internationally at a lower cost and faster processing time compared to traditional banks.

Businesses experience increased accessibility to financial services through a single integration point. For SMEs engaged in international trade, e-commerce or with cross-border supply chains, this is particularly valuable.

Collect

1 Global Accounts

Airwallex provides businesses with access to multi-currency virtual accounts. Global Accounts provide local currency accounts in your name that come with local bank and branch codes and dedicated account numbers. This bypasses international banking systems such as SWIFT, reducing fees and reducing the time taken to receive funds. Airwallex makes it easy for businesses to receive funds domestically and internationally from over 170 currencies into an Airwallex account. These accounts allow businesses to receive payments in various currencies, hold funds, and manage their finances more efficiently, simplifying the process of collecting payments from international customers. Once collected, funds are then stored in a single online account.

2 Local transfers

Airwallex also provides the ability to receive transfers from domestic customers. Domestic transfers are free.

3 Payment links and plug-ins

Airwallex allows businesses to accept payments from consumers via Airwallex's payment acceptance product from local and international cards of consumers. This is often used for e-commerce businesses where consumers pay in multiple currencies and funds are all held in one online account. A wide array of popular global and local payment methods are accepted including Visa, Mastercard, American Express, Alipay, Wechat Pay, Apple Pay, Google Pay, PayPal, Union Pay, Skirll, iDEAL, Shopee Pay, Grab Pay and Kakao Pay.

Hold

The Airwallex wallet product allows customers to hold their cash balance in global currencies (concurrently) without mandatory conversion into foreign currency, avoiding costly transfer fees. Should they wish to convert, Airwallex facilitates currency transfers at marketing leading rates of 0.5%* as compared to a traditional 2-3% fee offered at most domestic retail banks. This product is particularly useful for expense management as an internal function.

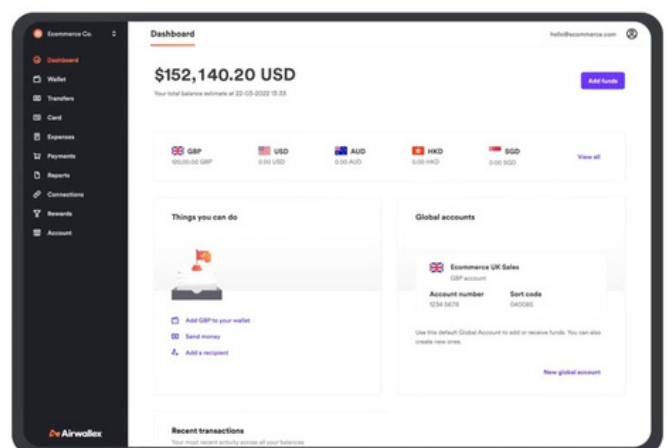
Spend

1 Borderless Cards

Airwallex offers debit cards that can be issued for employees, streamlining local and global purchases. These debit cards are linked to Airwallex global accounts, allowing users to make purchases in different currencies and access funds held in those currencies, eliminating unnecessary FX conversion fees. Airwallex has a partnership with Visa so users can use these cards for online and offline transactions, including point-of-sale (POS) purchases and ATM withdrawals.

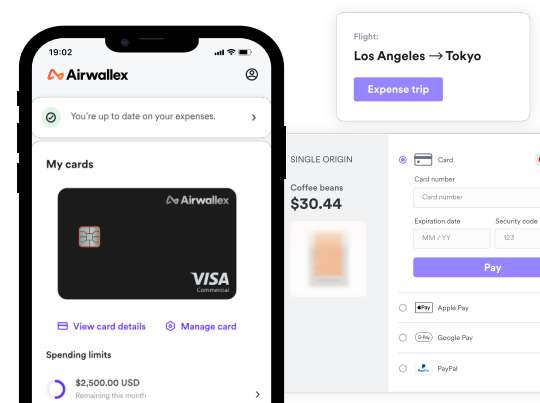
- 0% foreign card transaction fees
- Auto-convert at leading FX rates - if businesses don't have the requires currency balances, Airwallex auto-converts available funds in your home currency at market-leading FX rates.

This provides SMEs with more control over employee spending. Spending limits can be placed to manage budgets and restrict purchases to specific merchant types. Visibility is increased as a real-time view of employee spend is generated, with clear payment trails.



Airwallex provides competitive foreign exchange services, allowing users to convert one currency into another at transparent and competitive exchange rates. This is useful for businesses and individuals engaged in international trade, travel, or investments. When conducting FX transactions on Airwallex, users typically have access to real mid-market exchange rates. These rates are the same rates used by banks when trading currencies among themselves, ensuring transparency and fairness in currency exchange. Airwallex offers a wide array of local and global transfer options. Within Australia these include BPAY, SWIFT and Bank Transfer functions. Domestic transfers within a country remain free.

- Airwallex facilitates batch transfers for SMEs to suppliers. No-code payouts to multiple parties in one go are facilitated, with batch transfers to up to 1,000 recipients across countries, currencies, and transfer methods. Airwallex also customises and manages multi-layered approval workflows to allow batch transfers to be executed including setting individual permissions for employees and third parties, including 'view only' access; and security such as verifying each transfer with multi-factor authentication for added security and peace of mind.



Software Integrations

Airwallex offers software integration functionality with accounting systems such as Xero, Netsuite and Quickbooks; CRM systems such as Hubspot; and e-commerce platforms to streamline order and sales data from sites including Amazon, Shopee, Shopify and eBay.

HubSpot



amazon

These integrations functions streamline internal finance operations and enhance businesses' ability to manage international payments and multi-currency accounts, among other financial processes.



First Party vs Third Party Use Cases

For the purposes of this case, teams are to focus on the first party use case.

Airwallex's two broad customer segments:

1

First Party Use Case: Internal Business Use

Companies can use Airwallex to pay suppliers in different countries. This eliminates the need for businesses to use traditional banking systems which are slow and costly. Hence, their unique value proposition is that they remove the need to use multiple intermediaries, flat transaction fees and currency conversion rates.

Businesses looking to expand into other international markets can use Airwallex for foreign exchange and international payments. This simplifies the financial logistics involved in setting up operations in new countries. In particular, it aids in currency management, multi-currency accounts and invoicing.

Airwallex also allows businesses to collect payments from international customers in multiple currencies. This makes it easier for a company to do business globally without worrying about currency conversation or international payment issues, becoming a leader in digital transformation.

2

Third Party Use Case: B2B2C

Airwallex offers white-labelled embedded finance solutions that enable businesses to build their own global payments and financial products. This empower businesses to unlock new revenue streams and create a better customer experience by offering global financial services to their customers without ever having to leave their platform.

First Party Use Case

JULY

Your most compact travel companions...



July is a contemporary luggage brand known for its stylish and durable travel products. They focus on combining aesthetics and functionality to create innovative luggage solutions for modern travelers and have achieved explosive growth after entering the e-commerce scene in 2019 with Airwallex payment solutions being the driving factor of their seamless global finance processes.



"We have contractors based in China, the US, and Europe, and our Airwallex Global Account enables us to make global payments from one simple portal. Having Airwallex as our global trusted partner means we can spend less time on the phone to the bank, and more time instead focusing on growing our business both domestically and internationally."

Richard Li
Co-founder & CEO, July

As a global e-commerce business, cost-efficient payments processing and transfers are crucial to July. July's partnership with Airwallex enables them to accelerate growth in 4 key ways:

- 1. Having a trusted and scalable partner for rapid expansion.**
- 2. Consistently achieving a minimum of 10% savings in transfer fees** - Airwallex's Payment Link product has allowed July to provide exceptional customer service to their corporate clients. Instead of paying via Shopify, customers receive a quick and easy link for the required amount that facilitates instant payment.
- 3. Easy monitoring of employees expenses globally** - borderless cards have provided July with an easy way to pay expenses immediately. Airwallex's seamless authorisation mechanism for payments via the automated approval workflows, implementation of spending controls and live transaction provides an efficient monitoring process.
- 4. 50% more efficient finance team** - Airwallex's interface allows July to pay their suppliers in a simple and efficient manner due to the easy process flow of the interface

Airwallex products used:



Global Accounts



Borderless Cards



FX and Transfers



Expense
management



Payment Links
and Plugins

Third Party Use Case



Seamlessly invest on the ASX and Wall St



Stake, a leading digital brokerage firm with over 540,000 customers faced challenges related to cross-border payments, currency exchanges, expanding their offering to diversified payment systems and satisfying their growing customer base in international markets including New Zealand, Brazil and the United Kingdom.

Airwallex's unique white-label B2B2C solutions enabled Stake to interact directly with its customers whilst Airwallex's technology operated in the background. The key features of this collaboration are:



- Multi-currency conversation: Airwallex allows Stake to receive, convert and pay funds in multiple currencies
- Global payment systems: Stake can manage payments from Wall Street to ASX efficiently
- Financial cloud platform: a scalable solution to support Stake's global ambitions, including its move into the ASX and its beta launch of a modern SMSF product

This has led to improved outcomes in three key areas: operations, expansion and customer experience. With the help of Airwallex, Stake can streamline operations when it comes to moving markets between borders. Airwallex's technology has also facilitated recent expansions into new markets such as New Zealand and Brazil. Lastly, both Airwallex and Stake are committed to delivering a best-in-class experience, providing seamless brokerage without exorbitant fees.



















Airwallex Products Used:

- Global Accounts
- FX & Transfers
- Payment Links & Plugins



Competitive Landscape

Airwallex operates in a fragmented fintech industry, where competitors range in both size and geographic coverage. Listed below are the comparable offerings of Airwallex's competitors across the key product segments within its Business Account offering. Note also that the major domestic and international retail banks offer international money transfer capabilities at a higher rate.

Global Accounts & FX Transfers	Borderless Cards	Payment Links & Plugins	Expense Management
			
			
			
			
			

Note 1: Wise and Revolut focus on the consumer side but do have a business offering, whereas Airwallex entirely services business customers

Note 2: CBA, ANZ, Westpac and NAB are Australian Domestic Banks

Overview of Competitors

Wise

Wise is a financial technology company that aims to make international money transfers cheaper, faster, and more transparent for individuals, businesses, and financial institutions. Their key features include:

- International Money Transfers that supports transfers to more than 80 countries and multiple currencies.
- Multi-Currency Accounts allow users to hold and manage money in various currencies.
- Debit Card: allows users to spend money in multiple currencies at real exchange rates.
- Specialized business accounts and tools tailored to the needs of small and medium-sized enterprises (SMEs) engaged in international trade.
- API Integrations

The logo for Wise, featuring a green stylized 'W' icon followed by the word 'Wise' in a bold, green, sans-serif font.

Revolut

Revolut is a fintech company that aims to provide a digital alternative to traditional banking services. It focuses on offering users a range of financial tools such as money transfer and stock investing, with an emphasis on user control through a centralised app. Their key features include:

- Digital banking with features such as transaction tracking and spending analytics
- Currency exchange with minimum fees in over 25 currencies
- Investing services into stocks, ETFs, commodities and cryptocurrencies

The logo for Revolut, featuring the word 'Revolut' in a bold, dark blue, sans-serif font.

Stripe

Stripe is a groundbreaking fintech firm, heralding the next era of digital financial services and tools. Renowned as a transformative player in the world of online transactions, Stripe's solutions cater to an array of businesses ranging from budding startups to multinational giants. Their key features include:

- Unified global payments, operating in 46 countries with more to come
- Financial and revenue automation
- Banking as a service
- State of the art security and compliance

The Stripe logo, consisting of the word "stripe" in a lowercase, blue, sans-serif font, is enclosed within a black rounded rectangular border.

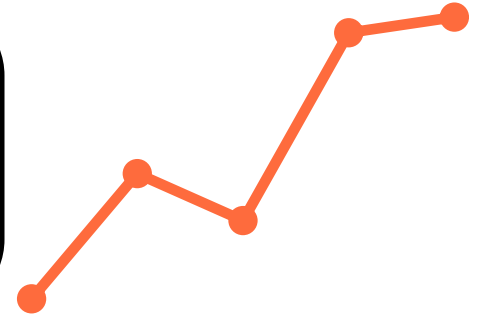
Paypal

A digital payments platform that enables individuals, businesses, and online merchants to make and receive payments securely and conveniently across the world. Their key features include:

- Personal account: shop, send money to a friend or receive payments
- Business account: accept credit cards and PayPal payments online, via invoice or in person

The PayPal logo, featuring a blue "P" icon followed by the word "PayPal" in a blue, sans-serif font, is enclosed within a black rounded rectangular border.

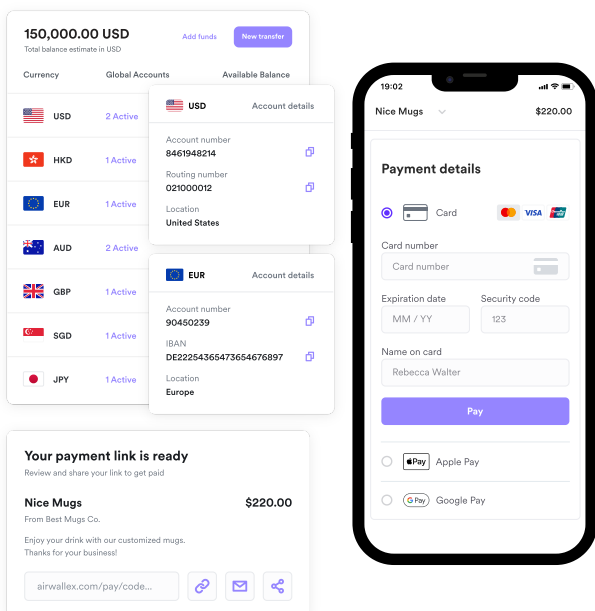
Growth Opportunities



Airwallex is poised for remarkable growth as it continues to disrupt the traditional financial services industry. The opportunities available to Airwallex are innumerable. As an emerging leader in the industry, they are looking to leverage their competitive advantage in this fast moving industry and expand reach in new segments of growth.

Presently, there are 3 key industries in which Airwallex already operates:

1. eCommerce
2. Software-as-a-Subscription (SaaS), and;
3. Professional services



Now, Airwallex would like teams to research and **select the most suitable industry/ies (maximum 2)** for its next stage of growth, aside from the 3 listed above in which they already have a strong presence. Teams should provide **clear decision rationale** for their choice, as well as reasoning for why they disregarded other industries they came across in preliminary research.

Teams are welcome to make use of the internet, and other research tools to help inform their choice, however should be aware of the following client industries which are to be excluded from consideration due to Airwallex's ethical and social obligations. These are noted within the appendix.

For the purposes of this case, Airwallex would like remind teams to to focus specifically on its Business Account product and the six sub-products within it. Additionally, teams are to focus on the first party use case.

Case Question

As fintech companies continue to leverage technology and data analytics to gain mainstream attention, Airwallex has proven itself continually as a key disruptor. Airwallex's potential for expansion into various industries remains boundless, promising a future marked by increased financial inclusivity and innovation.

Teams should address the following question as the basis of their analysis:

Which industry/ies should Airwallex target for their next stage of growth?

In addition, teams should use the following 4 sub-questions to help inform their decision to the question above:

1

What is the **total addressable market** in the chosen industry/ies (max. 2) ?

- Size, composition, growth outlook and trends of the industry

2

What is the **ideal customer profile** of a typical Airwallex user? What else should Airwallex consider to increase their customer base?

3

What is their **right to win** for the selected industry/ies and how should they go about displacing incumbents?

- What is Airwallex competitive advantage in tackling the chosen industries?

4

How can Airwallex practically **action** these new strategies to see success in new industries?

- What **go-to-market strategies** should they use?

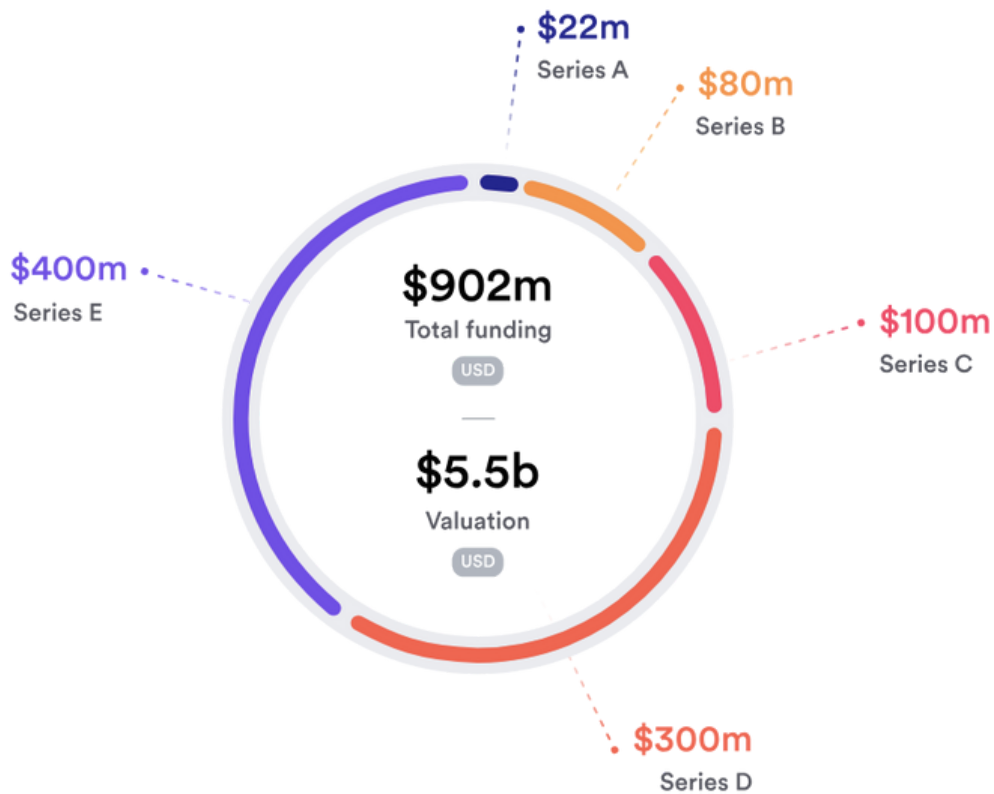
While there are many opportunities available for Airwallex to tap into, these undertakings carry risks. As an emerging player looking to grow, pragmatism, innovation and opportunism will be the key to success. Airwallex would like to see teams ideate creative, detailed and well-researched solutions to allow it to empower more modern businesses to grow beyond borders.

All presentations should be a maximum of 15 main deck slides and 5 appendix slides.

Best of luck!

Appendix

Funding Rounds



Airwallex has been backed by the following investors:



Excluded Industries

The Airwallex Leadership team would like you to remind you of the companies ethical and social obligations. The following list of industries are to be excluded from possible industries of consideration:

1. Non face-to-face adult content & services
2. Non face-to-face pharmaceuticals
3. Non face-to-face tobacco products
4. High-risk cyberlocker services
5. Online casinos and gambling
6. Horse racing and dog racing
7. Skill games
8. Gambling
9. Online lotteries
10. Security brokers and services
11. Cryptocurrency
12. Money transfer services
13. Manual cash disbursements
14. Quasi cash products and services

Environmental, Social and Corporate Governance

In 2022, Airwallex was named fintech company of the Year at Asia FinTech Awards. A significant part of this was owing to their work in facilitating financial literacy and access to financial products for consumers in developing countries, particularly in the South East Asia region. Their innovation in the global payments system has revolutionised global financial infrastructure with Airwallex crediting their employees as being the “heart of the team”.

Airwallex places particular emphasis on the fact that doing good by the planet and chasing profit aren't mutually exclusive. Instead, they stress that businesses that seek sustainable strategies to expand, are taking critical steps to build vital fundamentals for the future and this shapes their partnerships with companies such as:



Case study: Airwallex x KeepCup

KeepCup is an Australian brand that produces reusable cups and bottles designed for drinking on the go. Airwallex provided KeepCup with a range of financial solutions tailored to their specific needs:



1

Airwallex Global Account

Enabled KeepCup to receive and hold money in multiple currencies, bypassing costly conversion and transaction fees

2

Airwallex Borderless Cards

Allowed KeepCup to issue cards to staff members globally and track their real-time spending via a dashboard

3

Seamless Integration

Airwallex's offerings integrated with KeepCup's existing programs like Magento

By helping KeepCup reduce its cost to operate, Airwallex allows the company to invest more into their ultimate vision to 'reduce and reuse'. The transparency offered by the dashboard as part of their borderless cards facilitates improved governance, as they can track spending and mitigate financial irregularities. Airwallex's work to uphold ESG is summarised by Abigail Forsyth, a co-founder of KeepCup, who stated they “Airwallex makes things seamless for you internally, and then you can pass these benefits onto your customers”.