

Wise Plc.

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Sustainable Growth Hypothesis:

Wise reduces costs in cross-border financial transactions through its proprietary payment infrastructure. Driven by its mission to provide transparent and low-cost financial services globally, Wise cultivates deep customer loyalty, fuels growth, and supports financial inclusion by making cross-border living and business more accessible.

1. Growth: How likely is the company to deliver 10% p.a. profit growth over the next decade?

Wise has strong potential to sustain profit growth significantly above 10% annually, supported by massive addressable markets, growing demand for affordable cross-border transactions, and powerful network effects from increased transaction volumes. Maintaining high growth demands consistent operational excellence and navigating regulatory risks carefully.

2. Resilience: How much control does the company have over its own success?

Wise exercises strong operational control through disciplined pricing and a robust business model; however, regulatory complexities and FX volatility represent notable external vulnerabilities.

3. Valuation: What is our insight?

Wise's current valuation implies significant growth, yet likely underestimates the sustainable long-term trajectory and profitability potential inherent in its uniquely customer-centric "sharing economics" business model

4. Products: To what extent will the core products & services create value for society over the next decade?

Wise's core products significantly reduce the high and often hidden costs of cross-border financial transactions, directly benefiting individuals and SMEs. This has the potential to improve financial inclusion, supporting economic mobility, and lowering barriers for international business, with potential for even greater impact as they expand beyond their current customer base.

5. Practices: Does the company show leadership in its business practices?

Wise demonstrates exceptional leadership in customer-focused transparency, clear pricing structures, and rigorous partner standards, reinforcing trust and significantly influencing industry practices, though ongoing vigilance around regulatory compliance is critical.

6. Ambition: What is the company's purpose, and how ambitious are they?

Wise is driven by the ambitious and clear mission of building "money without borders," with goals for instant, transparent, convenient, and ultimately free transactions, genuinely embedding societal benefit into its business model and decision-making

7. Trust: Should we trust the company with our clients' capital?

Trust is high given CEO Kristo Kaarmann's track record, significant ownership stake, and strong governance, although concerns around tax compliance and regulatory scrutiny warrant careful ongoing monitoring.

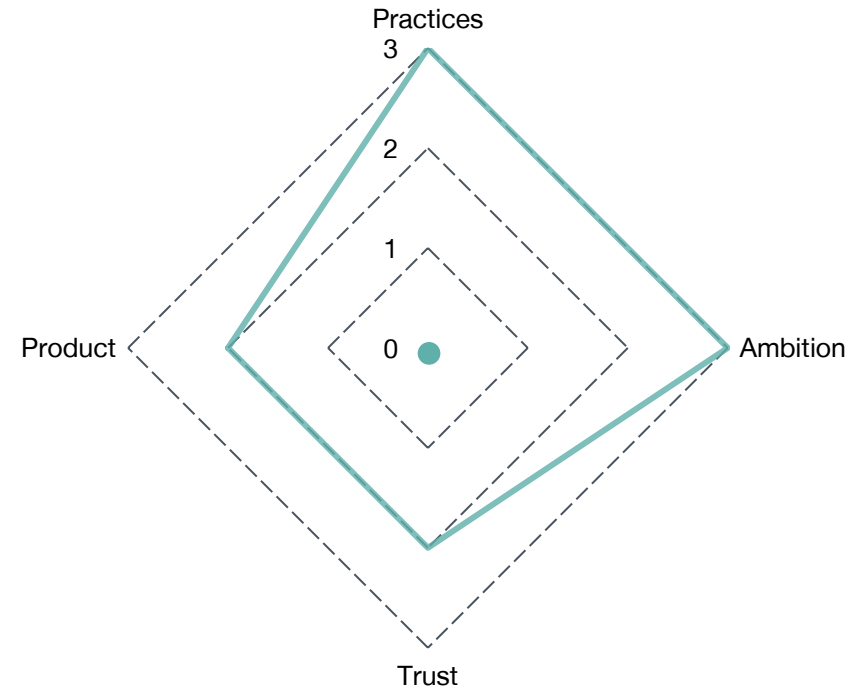
8. Engagement: No company is perfect, what should be our engagement priority?

A key engagement priority for Wise should be ensuring the organization retains its agility, employee satisfaction, and strong regulatory compliance framework as it rapidly scales. This involves careful monitoring of internal culture, operational effectiveness, and proactive management of increasing regulatory complexity, especially in anti-money laundering practices.

9. Milestones: What developments should we pay most attention to? Where could we be wrong?

Monitor closely Wise's sustained volume growth, cost-reduction progress, success of cross-selling initiatives, and competitive dynamics. Misjudging competitive pressures, regulatory setbacks, or overly conservative financial discipline could challenge the optimistic growth outlook.

Compass Scores



Important information and risk factors

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