Riskified Third Quarter 2024 Earnings Transcript *Edited*

Corporate Participants

Chett Mandel, *Head of Investor Relations*

Eido Gal, *Chief Executive Officer*

Agi Dotcheva, *Chief Financial Officer*

Analyst Participants (Alphabetical Order)

Ramsey El-Assal – *Barclays*

Cristopher Kennedy – *William Blair*

Terry Tillman – *Truist Securities*

Ryan Tomasello – *KBW*

Reggie Smith – *J.P. Morgan*

Chett Mandel
Head of Investor Relations

Good morning and thank you for joining us today. My name is Chett Mandel, Riskified's Head of Investor Relations. We are hosting today's call to discuss Riskified's financial results for the third quarter of 2024. Participating on today's call are Eido Gal, Riskified's Co-Founder and Chief Executive Officer, and Agi Dotcheva, Riskified's Chief Financial Officer.

We released our results for the third quarter of 2024 earlier today. Our earnings materials, including a replay of today's webcast, will be available on our Investor Relations website at ir.riskified.com.

Certain statements made on the call today will be forward-looking statements related to our operating performance, business and financial goals, outlook as to revenues, gross profit margin, Adjusted EBITDA profitability, Adjusted EBITDA margins and expectations as to positive cash flows, which reflect management's best judgment based on currently available information and are not guarantees of future performance. We intend all forward-looking statements to be covered by the Safe Harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our expectations as of the date of this call and except as required by law, we undertake no obligation to revise this information as a result of new developments that may occur after the time of this call. These forward-looking statements involve risks, uncertainties and other factors, some of which are beyond our control, that could cause actual results to differ materially from our expectations. You should not put undue reliance on any forward-looking statement. Please refer to our Annual Report on Form 20-F for the year ended December 31, 2023 and subsequent reports we file or furnish with the SEC for more information on the specific factors that could cause actual results to differ materially from our expectations.

Additionally, we will discuss certain non-GAAP financial measures and key performance indicators on the call. Reconciliations to the most directly comparable GAAP financial measures are available in our earnings release issued earlier today, and also furnished with the SEC on Form 6-K, and in the appendix of our Investor Relations Presentation, all of which are posted on our Investor Relations website.

I will now turn the call over to Eido.

Eido Gal

Co-Founder, CEO & Director

Thanks Chett and hello everyone.

Our revenue growth during the third quarter and first nine months of 2024 continued to be primarily driven by the execution of our "Go-to-Market" strategy, which contributed to 10% year-over-year revenue growth in both periods. For the first nine months of 2024, we've achieved GMV growth of 16%, and our non-GAAP gross profit growth of 17% year-over-year outpaced our revenue growth. Demonstrating our ongoing commitment to Adjusted EBITDA margin expansion, I am pleased that we are flowing through some of the outperformance that we've seen in the third quarter to the annual guide.

We are executing on our goal of expanding our merchant base through new logo wins. Our top ten new logos added in the third quarter included key wins across each of our six verticals, further broadening our network. We continued to add to our portfolio of merchants in our more established areas such as Fashion and Luxury, and Tickets & Travel, and captured share in newer areas such as Remittance, and Food.

I want to highlight an important win in a newer sub-vertical for us. During the third quarter, we went live with our core Chargeback Guarantee product with our first traditional Grocery merchant who has GMV over $1 billion. We have helped this merchant reduce its fraud costs by approximately 40% by fully automating their fraud efforts, and upon initial contract, captured all of their eligible chargeback volume for a multi-year term. As the way consumers shop continues to migrate towards online channels, we are being strategic in how we focus our go-to-market efforts towards both discretionary and especially non-discretionary areas. Overall, I am excited about the expansion in our Food category.

Year-to-date, we've been successful with our new business generation. I believe that our focus on strong merchant performance, combined with the sophistication and accuracy of our platform continues to differentiate us from our competitors. In the third quarter, we closed more new business than in each of the first and second quarters, and we anticipate a similarly strong fourth quarter. Notably, in the first nine months of the year, we have already matched the number of new business contracts with an annual value of $1 million or more that we achieved throughout all of 2023. We believe that our pipeline for 2025 is robust, and that we are well positioned to further diversify our revenue across verticals, geographies and product lines.
It is important to note that we have made this progress against an uneven backdrop and a recent uptick in competitive pressure. We were recently made aware that a large merchant, which makes up a significant portion of our "Home" category, would be leaving the Riskified network at the end of October. We are taking this opportunity to refine our pricing and product bundling strategies, enhance our go-to-market coverage, and strengthen our contract renewal processes in order to best position the business to win and retain customers. I want to highlight that during the third quarter, we achieved a 100% renewal rate across our top 20 contracts up for renewal, and outside of this churn event, we anticipate a similarly strong fourth quarter of renewal activity as well. I believe that our underlying business fundamentals remain strong.

I believe that we have developed one of the most powerful and differentiated AI platforms in the market. This platform is powered by our advanced machine learning intelligence models, which are built from proprietary and vast data sets comprising billions of historical transactions, hundreds of billions of data attributes, and repeat interaction histories for hundreds of millions of consumers captured over a more than ten year period. I believe that this large global merchant network has created a unique data advantage for us, and is what sets us apart. Our algorithms learn from every transaction, by being fed back into the system for model training - creating a constant feedback loop that strengthens our platform's predictive capabilities, generating strong performance for our merchants. We believe that by focusing on improvements to our technology, we are continuing to strengthen the accuracy and performance of our Artificial Intelligence.

As has been reported widely, scammers are now leveraging Artificial Intelligence tools in areas beyond typical card not present fraud. Just as an example, we are now seeing scammers use chatbots to automate return and refund requests, generate phony tracking numbers, and find other vulnerabilities in merchants' back-end systems to deliberately return empty boxes, while keeping goods for themselves. It's imperative for merchants to fight bad actors and outmatch these fraudsters by leveraging the technological capabilities of advanced next-generation solutions like Riskified. That's why I am really excited about the enhanced suite of tools that we recently released for Policy Protect, which are aimed at preventing this type of behavior. These sophisticated tools place our machine learning network directly in our merchants' hands by providing automated, self-service capabilities for the creation, simulation, and management of customer-facing Policy Decisions. We are able to deliver unmatched flexibility and precision in automating and setting policies based on Riskified's identity and risk models.

These enhancements, in part, have contributed to a rise in platform adoption. I am excited that in the third quarter we went live with the largest Policy Protect deal since launch, worth nearly $2 million in Annual Contract Value. We have been able to deliver value to the merchant by blocking an incremental 7% of abusive returns, while working to keep customer complaints in line with the merchant's target.

Overall, I believe that we have the best product in a huge market and are well positioned to capture more market share. As we continue to layer in additional capabilities to help enterprise ecommerce merchants manage their businesses better, become more profitable, and further understand their customers, we are only extending our leadership position.

I am proud of our ability to execute on our gross profit objectives as we scale our global network. We have improved our Adjusted EBITDA outlook for the third consecutive quarter and are working towards delivering further Adjusted EBITDA margin expansion in the quarters and years to come. We are generating meaningful free cash flow, and our strong cash reserves, with no debt, empower us to utilize our capital strategically. We are assessing product bolt-on M&A to help accelerate growth and expand our platform, and we are looking for opportunities for potential consolidation of smaller players to drive scale and synergies. We have a high bar for M&A and will always weigh shareholder value when assessing potential M&A opportunities. That being said, in the near-term we believe that we have capital available to accomplish these capital allocation goals while also leveraging our large cash position to opportunistically repurchase shares.

To this end, our Board has recently approved an additional $75 million buyback authorization. Given our past buyback activity and our current intent to strategically utilize our strong cash position for additional repurchases, we believe we have the capacity to remove approximately 10-15% of our shares outstanding annually over the coming years.

Putting this all together, I am confident that our business is resilient, and that we have the best team in place to attack the opportunities in front of us. As we head into the holiday season, I am looking forward to driving value for our merchants and shareholders.

Now, over to Agi

Aglika Dotcheva
Chief Financial Officer

Discussion of Financial Results:

Thank you Eido, team, and everyone for joining today's call.

Our GMV for the third quarter was $34.7 billion, reflecting a 17% increase year-over-year. We achieved record third quarter revenue of $78.8 million, up 10% year-over-year. Our GMV and revenue growth during this quarter was primarily driven by continued new merchant and upsell activity.

Consistent with the first half of the year, our growth in our Fashion and Luxury vertical was primarily driven by new business activity, and growth in fast-fashion merchants. This growth was partially offset by continued same store sales pressures within our high-end fashion sub-vertical. Overall, our “Fashion & Luxury” category grew by low-single digits in the third quarter, which represents a good proxy for the expected growth in this vertical for the full-year.

Our Tickets & Travel vertical grew over 20% in the third quarter, an acceleration from the first half of the year, primarily due to new business activity, seasonal strong performance in the Live Events space, and better than expected summer travel. Based on activity levels in October and early November, we are expecting this acceleration to continue into the fourth quarter. This is being driven by better than anticipated activity across both Travel and Live Events, fueled by continued strength of new business in this category.

Our “General” vertical, which includes both “Food” and “General Retail” merchants grew 15% in the third quarter, primarily driven by growth in our “Food” sub-vertical, offset by weakness in our “General Retail” sub-vertical. In addition, we saw over 70% growth in our “Payments and Money Transfer” category, driven predominantly by new business activity, which remains a key area of expansion.

The “Home” category declined by 2% year-over-year. Going forward, as a result of the churn event that Eido referenced earlier, we expect to have non-comparable periods in this category until the fourth quarter of 2025

Finally, we also saw revenue growth across all geographies. Our third quarter revenue in the United States, our largest region, grew by 14% year-over-year and we experienced 9% year-over-year growth in EMEA, exceeding our expectations. I am excited about the growth we experienced in the Other Americas, which represents Canada and Latin America, and the APAC region, which grew by 9%, and 25% respectively, both fueled by market share gains achieved through the addition of new logos.

GAAP to non-GAAP Disclosure:

Moving to the discussion of our gross profit margin, operating expenses, and Adjusted EBITDA. Unless otherwise noted, I will be referencing non-GAAP financial measures with respect to these metrics. We have provided a reconciliation of GAAP to non-GAAP financial measures in our earnings release.

Gross Profit Margin:

As a reminder, I encourage you to continue analyzing our gross margin on an annual basis, given individual quarters can vary due to many factors, including the ramping of new merchants, and the risk profiles of transactions approved.

Our gross profit margin for the third quarter of 2024 was 50%, in line with our expectations.

We continued to benefit from improvements in our overall core machine learning models and the positive impact of new product revenue, offset by the impact of ramping of significant new merchants and quarterly variability in our revenue mix.

For modeling purposes we continue to expect our non-GAAP gross profit margin to be between 52.5% to 53.5% for the full year and expect our Q4 margin to be above this range.

Operating Expenses:

Moving to our operating expenses. We continued to manage the business in a focused and disciplined manner.

Total operating expenses were $38.7 million for the third quarter, representing a year-over-year decline of 4%. We saw year-over-year operating expense declines in each of R&D, S&M and G&A. The absolute dollar expenses represented the lowest level in three years, while continuing to grow our business.

Our operating expenses as a percentage of revenue declined from 56% in the prior year period to 49% in the third quarter of 2024, reflecting leverage in the business model.

For the fourth quarter of the year, we continue to expect approximately $39 million in expenses.

Adjusted EBITDA:

We achieved positive Adjusted EBITDA of $0.9M in Q3'24, as compared to negative $8.4M in Q3'23, representing the ninth consecutive quarter of year-over-year improvements and the fourth quarter in a row achieving positive adjusted EBITDA.

This quarter's positive Adjusted EBITDA represents year-over-year margin improvement of approximately 1300 bps, which is on top of the approximately 1000 bps improvement achieved in each of the last three quarters.

Balance Sheet:

Moving to the balance sheet. We ended the third quarter with approximately $390 million of cash, deposits and investments, and we carry zero debt.

In the third quarter we increased the pace of our share repurchases from the previous two quarters. During the third quarter, we repurchased 8.6 million shares for a total price of approximately $47.0 million. As a result, total shares outstanding has decreased sequentially by approximately 6.5 million shares from the second quarter.

For the first nine months of 2024 we have repurchased 21.8 million shares for a total price of approximately $116.0 million.

As Eido just mentioned, I am excited to announce that our Board of Directors has authorized an additional $75 million of share repurchases, subject to the satisfaction of certain Israeli regulatory requirements. When combined with amounts that remain available under our existing share repurchase authorization our total outstanding authorization is approximately $85 million.

As a result of our continued strong buyback activity, and commitment to managing dilution to meaningfully lower levels than in prior years, we continue to expect our share count to decline year-over-year.

We continue to believe that our strong balance sheet and liquidity position are valuable assets. We intend to remain thoughtful in how we utilize our capital to drive shareholder value.

In addition, we continue to maintain a healthy cash flow model and in the third quarter we achieved quarterly free cash flows of $14.0 million, the highest in our history. As a result of our strong cash flow generation in the first nine months of the year, we now expect to exceed $35 million of positive free cash flow in 2024, up from $30 million previously.

Guidance:

Now turning to our outlook.

I am pleased that we are able to raise our 2024 guidance that we previously shared on our last earnings call. We now anticipate revenue between $322 million and $327 million for the full-year 2024, or $324.5 million at the midpoint.

This improvement in our guide is primarily driven by anticipated outperformance in our new business activity and an improved outlook for our Tickets and Travel vertical in Q4, offset by continued softness in our Fashion and Luxury vertical and the expected impact of the recent uptick in competitive pressures we are currently seeing, including the churn event in the "Home" category referenced earlier.

As a result of our improved revenue outlook, we are also improving our Adjusted EBITDA outlook. We now anticipate that our full-year Adjusted EBITDA will be between $14 million and $20 million, or $17 million to the midpoint. The current midpoint of our adjusted EBITDA guide represents additional margin expansion of approximately 900 bps from the prior year, demonstrating leverage in the business model.

Conclusion:

Overall, we had a strong third quarter which led us to a healthy first nine-months of the year. I continue to believe that our leading product platform and disciplined approach in managing the business will allow us to continue delivering value to our broad-based and diversified portfolio of merchants and ultimately to our shareholders.

Operator, we're ready to take the first question please.

Question and Answer

Ryan Tomasello
KBW

Just wanted to start out on the churn call out in the Home category. First, if there's any way to size the impact of that on a revenue or GMV basis and if that's impacting the 4Q guidance at all? And then just broadly, any color you can provide on maybe what drove that merchant's decision to move off the platform? If they're moving to a competitor? And I think you also called out, Eido, taking this as an opportunity to review your pricing and bundling strategy. So just maybe elaborate on what you mean by that? If this is perhaps indicative of pricing pressure or changes you might need to make to your pricing strategy?

Eido Gal
CEO, Riskified

Ryan, thanks for the question. So I'll start with giving you more context and then I'll hand it over to Agi to do some of the sizing. So look, for context, in the 6 years that we've been involved with this merchant, they've experimented with a lot of different set-ups for managing risk and fraud. I think they used about 4 different vendors, including an in-house model. And right now, they're moving the volume in-house under a different model. This is something they've actually tried before, it was not successful and that's when they ramped up usage of Riskified. I think it's important to mention that most recently, this merchant had the highest approval rate and the lowest chargeback rate, at least in the 6 years that we've been working with them. So we definitely don't think it's a product issue and we're going to stay close to this merchant to see if there's an opportunity to collaborate again.

Some other items that might have influenced this decision are the merchant's current financial profile and also some personnel and leadership changes, especially in the areas and teams that we were working with. So that's just a bit more context on this specific merchant. When we think about how we are going to adapt to this moving forward, just being a public call, I don't want to go into all the tactical details of what we're going to be doing. But I think theoretically, we do want to lean into our product platform a bit more and make sure that it's easier to integrate, go-live and price for our largest clients because we have seen great adoption and stickiness once we've been successful there.

Another thing we're looking at the task force that the leadership team is focused on is how do we build better incentives for earlier and longer term renewals and leveraging the relationships that we've built over time in order to execute that. And that's definitely a core focus for us moving forward.

Aglika Dotcheva
CFO, Riskified

And just to help you size the event, right now, the biggest impact will be seen in 2025 as it was a partial event in Q4. It was approximately $5 million in the fourth quarter. And without this, we will have seen much higher growth rates in the fourth quarter and obviously an acceleration from the third quarter. But I think the right way to think about for 2025 is probably around $18 million impact next year and mostly lapping in Q4 of next year.

Ryan Tomasello
KBW

Okay. Got it. And then, congrats on the large upsell to -- for Policy Protect. Any way you can size what that uplift represented to ACV for that client? I guess, I'm just curious, how this meaningful win compares to what I think you previously said is maybe like a 10% to 30% ACV uplift that you think you can get from these additional products like Policy Protect and Dispute Resolve. So just generally, what do you see as you start to find more of a rhythm in these cross-sells in terms of the ACV uplift?

Eido Gal
CEO, Riskified

You're right. I think historically, we've said kind of 10% to 20%, maybe on the higher end, it was 10% to 30%. This specific deal is actually much bigger than that as a percent of ACV. I wouldn't get ahead of our skis and go updating all the models. We think it's a great proof point, but it's not something that we're seeing as common right now. I think maybe the more interesting opportunity is that this is a very large merchant where we actually have a subset of the chargeback volume. So we think potentially as we scale policy and become more successful, there's definitely more bundling opportunities and platform opportunities which can drive acceleration on both ends. So I think that's really exciting for us.

Ramsey El-Assal
Barclays

This is Owen on for Ramsey. I appreciate you taking our question this morning. You called out weakness in the kind of Luxury and Home Goods, but you also have some good wins in newer categories such as Remittances, seeing good growth with some grocers coming to the platform as well. Just interested in your kind of capacity to grow wallet share on your kind of land and expand strategy within those sort of faster-growing new logo verticals. Any kind of context there would be helpful.

Eido Gal
CEO, Riskified

Yes. So I would say, broadly, we're really happy with how the new business has been tracking. And if you remember, I think we mentioned a few quarters ago that we're making a conscious effort to diversify from kind of the discretionary areas to have a more kind of resilient and diversified business in some of these categories. Groceries, food and remittance that we focused on, we're definitely starting to see the success there. And in areas where we have had this initial success historically, like live events and like Luxury Fashion, we've been able to build a very kind of unique and differentiated network.

So kind of leveraging the early successes to capture more. I think the dynamics around increasing wallet share within our existing clients and also adding newer clients are very similar right now with grocery and remittance to some of the other categories. So yes.

Ramsey El-Assal
Barclays

Understood. And just a quick follow-up on that kind of implied Q4 revenue growth rate. Just interested, you called out maybe kind of $5 million from that merchant getting kind of pulled out. But just interested in kind of anything else that's baked into that Q4, some of that macro deceleration that you called out last quarter and anything else as we exit into 2025 would be helpful as well?

Aglika Dotcheva
CFO, Riskified

Yes, of course, Owen, thank you for the question. So when we reported in Q2 in August, early in August, we talked about some trends that we've seen around travel and fashion. And I was actually pleasantly surprised at the end of the quarter, things reversed a bit, especially in the live events space, but also in travel, things turned out to be much more active than we thought. And that helped us actually outperform in the quarter.

Also positively - thinking and looking at the first few weeks in November and the month of October, we've seen this activity continue to persist. And this overall positive trends for these categories and for the year kind of helped us push through some of the outperformance towards the annual guide.

In terms of fashion, I think that we've just seen maybe more of the same, maybe kind of a little bit worse actually than what we previously said. So -- and it's just in the same categories that we've been mentioning like high-end fashion and sneakers. It's difficult in this category and we are kind of factoring this in Q4 as well. And lastly, I'm very happy with our performance from our new logos, continuing to kind of expand our penetration in new markets and this is kind of seen in the numbers where predominantly the growth continues to be kind of driven by the new merchant generation.

Christopher Kennedy
William Blair

Just a follow-up on the last question. Any way to think about the growth profile in 2025 given the customer loss and some of the emerging categories?

Eido Gal
CEO, Riskified

Cris, sure. So let me start off. The things that are working well are the new merchant wins and additions, right? I think we mentioned that already 9 months into the year, we've already increased the amount of new logos worth over $1 million, diversification of the client base. So seeing a lot of good success there. On the -- net of this kind of one-off churn event, seen a slightly more competitive environment overall and probably just a bit more related to an uneven kind of macro landscape. And I think that on the macro side, I don't think there's any kind of difference or anticipation into '25 on our end. Obviously, hoping for improvements, but nothing baked into the model. So I think that's how we're thinking about the build for next year right now.

Christopher Kennedy
William Blair

Okay. And any updated thoughts on your 2026 EBITDA margin goals of 15% to 20%?

Eido Gal
CEO, Riskified

Sure. No, I would say, that's definitely still kind of our North Star in marching order. Again, obviously, this is -- this merchant churn would be a setback to that, but we still think it's achievable based on some of the strength and success we've had in other areas. And in the 2 years we have to achieve those targets, we continue to feel confident in our ability to reach them.

Terry Tillman
Truist Securities

This is Connor Passarella on for Terry. Just curious, the first one, any indication so far about the strength of the holiday season? Just any commentary you can provide on what maybe merchants are seeing or what they expect to see in terms of consumer strength? And then maybe how that impacts your thoughts around growth into the end of the year versus continued new logo activity being strong?

Aglika Dotcheva
CFO, Riskified

Yes, Terry, thank you for the question. So just looking at what we see on our end broadly for Q4, but also some of the industry reports that have been reporting for the holiday season. All in all, we expect a healthy holiday season. And I wouldn't call it extraordinarily strong or -- but overall positive. And I don't have enough view to understand how the sales season is kind of being aligned in terms of timing. Sometimes there's pre-sales that kind of last longer and maybe the few days that it is just the actual holiday are softer. I don't have a view of this yet, but all in all, we do expect a healthy holiday season.

Terry Tillman
Truist Securities

Got it. Okay. And then as a follow-up, just around the operating expense discipline and the focused investment there. Could you maybe just speak to where you're investing and what kind of projects you're seeing having a pretty high ROI, either from a go-to-market perspective or maybe a product platform perspective?

Eido Gal
CEO, Riskified

I would say, just taking a step back, I think over the past 2 years, we've really been focused on kind of increasing throughput, whether it's leveraging AI tools internally to increase productivity, looking at all the various bottlenecks and automating them so that we have more throughput from our existing team. So I think overall, that's been like a very successful enterprise for us. Most of our investments right now on the product side is definitely on expanding the platform. And just based on the demand that we're seeing, investing in those products and in the key areas that are showing the most success. And when I think about probably the sales and marketing team, a lot of it has been on kind of growth and lead generation, especially in those newer verticals and attacking some of those non-discretionary areas as well.

Reggie Smith
J.P. Morgan

I guess I wanted to follow-up on the client loss. And I wanted to confirm that it was an expiring contract and not just kind of a cancellation mid-contract. I was curious, when you heard about that loss? And I guess, I'm asking because I was somewhat surprised at how quickly they were able to migrate off. And maybe any color you could add around that would be great. And I have a few follow-ups.

Eido Gal
CEO, Riskified

Sure. So it was the end of a contract. It was not mid-contract. We knew about it during this quarter, which is during Q4. And the last piece around the reduced submission, so like we mentioned, this is a client that's already tested a lot of different models over the years and had 4 to 5 different vendors integrated. So I think because of that, it was relatively easier for them to adopt this newer strategy.

Reggie Smith
J.P. Morgan

Got it. And thinking about, it sounds like you guys are going to stay close with them and they may come back if it doesn't work out. The reintegration process, we never kind of experienced that with you guys, but I know you guys integrate very deeply with the website and the checkout experience. Would it be easier or easy -- relatively easy for you to reactivate that if they decided to come back?

Eido Gal
CEO, Riskified

Yes. So that would be similar to what we've already done with this merchant historically where we've had these instances, correct.

Reggie Smith
J.P. Morgan

Understood. Okay. And then one more just kind of big picture question. With all the interest in AI and ML, I was curious, if your capabilities could be repurposed beyond retail? If there's a use case or an expertise that could possibly be monetized in other ways. Obviously, you're doing Policy Protect, but just thinking more broadly, is there something else that your capabilities lend themselves well to?

Eido Gal
CEO, Riskified

Yes. So taking a step back, we really believe that our capabilities are in machine learning -- or sorry, I should say, AI right now on building these models, leveraging our large data set and consortium of merchants, spinning up models, optimizing them, leveraging new data to update them. So we call that our machine learning factory.

And to your point, right now, we're focused on -- we initially started by focusing on looking at a transaction and understanding if it's fraudulent or not. We've expanded that to look at a transaction or I should say an identity in understanding if it's abusive or not. We're expanding that to give merchants self-service tools to leverage our identity engine, to use that to build their own kind of policy and ways to manage their business. So we definitely see a lot of additional applications here. Again, just from a competitive perspective, I don't want to outline all of them right now. But that's how we think about it long-term, the suite of services enabled by AI for enterprise e-commerce clients.

Reggie Smith
J.P. Morgan

Got it. Is there anything like potentially on the demand side? So like knowing all the data or recognizing all the data that you have like to drive incremental sales, is there anything on the road map or does that even make sense to you guys?

Eido Gal
CEO, Riskified

Again, there are a lot of things that you could use the predictive capabilities and the data that we have to make a smarter outcome for these enterprise e-commerce clients. And I think, hopefully, we can share more in the quarters ahead about the next big thing.

<End of Q&A>

Eido Gal
CEO, Riskified

All right. Thank you, everyone, for joining this call, and I look forward to updating you on our progress in the quarters ahead.