Riskified Third Quarter 2026 Earnings Transcript Prepared Remarks

Corporate Participants

Stephen Shulstein, *Head of Investor Relations*

Eido Gal, *Chief Executive Officer*

Agi Dotcheva, *Chief Financial Officer*

Stephen Shulstein
Head of Investor Relations

Good morning and thank you for joining us today. We are hosting today's call to discuss Riskified's financial results for the third quarter of 2026. Participating on today's call are Eido Gal, Riskified's Co-Founder and Chief Executive Officer, and Agi Dotcheva, Riskified's Chief Financial Officer.

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, without limitation, our operating performance, business and financial goals, outlook as to revenues, gross profit and gross margin, pipeline generation, pipeline conversion, the timing of new merchant go-lives, Adjusted EBITDA profitability, Adjusted EBITDA margins, non-GAAP operating expenses, free cash flow, and expectations as to category and regional growth trends, 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.

Please refer to our Annual Report on Form 20-F for the year ended December 31, 2025 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, and information regarding forward-looking non-GAAP measures, are available in our earnings release issued earlier today, and in the appendix of our Investor Relations Presentation, all of which are posted on our Investor Relations website. Our earnings release will also be furnished to the SEC on Form 6-K.

I will now turn the call over to Eido.

Eido Gal
Co-Founder, CEO & Director

Thanks, Stephen, and hello, everyone. I am very pleased with our third-quarter results.

Revenue grew 41% year over year to $115.2 million, well ahead of the approximately 27% growth we guided to, and this was our first quarter above $100 million. Non-GAAP gross profit grew 20% to $49.7 million, and adjusted EBITDA was $8.1 million which is a 7% margin.

Given this performance, we are raising our full-year outlook for revenue and adjusted EBITDA for the third time this year. I want to thank our team for delivering these results for our merchants and shareholders.

Last quarter, I described how the fraud environment is becoming more complex. The pace of change has only increased, in what we believe is a step change for our merchants. We believe this positions Riskified to capture more of our addressable market than ever before. Merchants are facing fraud that is faster, more sophisticated, and spread across more of the customer journey. As a result, we are seeing strong and growing demand for a modern, platform-based approach to risk, one that uses a shared identity layer to connect account, checkout, policy, and dispute decisions. We believe this quarter's results are a reflection of that opportunity, and we see substantial runway ahead.

Allow me to offer an analogy. In cybersecurity, as the attack surface expanded into the cloud, enterprises moved from point solutions toward platforms with end-to-end visibility across their environments. We believe commerce is following a similar path, and that a platform like ours only becomes more valuable as the surface expands.

We talked through some of these fraud trends last quarter, so let me focus on what is new.

Agentic commerce has quickly moved to the forefront of conversations with merchants as consumers are beginning to hand parts of the shopping journey to AI agents. The same capability that lets a legitimate shopper delegate a purchase or return also enables delegated fraud: a fraudster directing an agent to run a scheme or abuse merchant policies. When an agent acts for the customer, whether buying, returning, or filing a claim, many of the signals that merchants traditionally have relied on are absent.

We believe this presents an opportunity for us. For more than a decade, we've helped merchants make accurate decisions on orders that come with limited information and built a global network that has received more than $1.5 trillion in transactions. As agents begin to shop on consumers' behalf, we're applying that same experience, analyzing how the agent itself behaves, and assessing the trustworthiness of the person behind the agent, account, or wallet. Because we see the same consumers shop both with and without agents, we believe we can recover much of what's missing and deliver better outcomes for our merchants.

This quarter, we were very pleased to announce Agent Identity Risk Intelligence, a new set of capabilities designed to identify the AI personal assistant behind an order or a customer service request, resolve it to a real consumer identity, and return a risk signal in real time. Allow me to explain why we think this matters. Much of the industry's focus today is on confirming that an agent is authorized to make a purchase. But authorization only tells the merchant that an agent has permission to act. It does not tell them whether the person behind it can be trusted. We expect risk to be higher in agentic orders, driven by fraudsters using agents with stolen credentials or taken-over accounts, and by consumers using agents to abuse return, refund and promotion policies. Solving this requires knowing the real identity behind the agent, and that is what our network and identity graph were built to do. As agentic volume increases, we believe we are well-positioned to serve merchants as what we believe is the largest and most accurate company in our space.

We're also incredibly excited about our new partnership and integration with Zendesk that we announced in the third quarter. We continue to find new use cases for our identity intelligence product, which is a core asset for Riskified. The integration brings our identity intelligence directly into customer service, so both human and AI service agents can assess the customer behind a refund, return, or exchange request. The integration is designed so that trusted shoppers get faster resolution, and requests that signal fraud or policy abuse get additional review. We believe it also opens a new channel to reach both existing and prospective merchants.

Now, let me turn to some specific growth drivers in the quarter. The themes we've discussed in prior quarters showed up clearly in our results: the increasing complexity of fraud our merchants face, the value of a differentiated risk platform, and our investments in industry-specific product features. Our teams executed well on both driving new business and growing our existing base. As Agi will discuss in more detail, we saw broad-based growth across all verticals led by Digital Finance.

I want to spend a moment on Digital Finance as it is a key example of how we are driving growth by delivering for our customers. These merchants move money in real time across cards, ACH, wallets, and peer-to-peer payments, and they need a trust layer to do it safely. The investments we made in models and features for these payment methods have positioned us to deliver that, and we believe our performance will keep improving as we add more merchants in this category. Our plan is to repeat our approach across the rest of ecommerce. We believe the pace is accelerating, both because of the broader capabilities that our platform now offers and because the fraud environment is pushing merchants to look for a partner that can deliver this level of performance.

Our new business was also more global than ever. We added new logos across all four regions, and 8 of our top 10 new logos are headquartered outside the United States, compared to 5 in each of the first two quarters of 2026. We believe every merchant we add, in every region, extends our network and improves performance for all of our merchants.

As demand for a platform approach increases, merchants are responding by doing more with us. Our multi-product merchant base grew approximately 55% year over year, and nearly 50% of our top 50 clients are using two or more products.

Putting it all together, we believe we are well-positioned in a favorable operating environment, we are executing well, and our risk intelligence platform continues to deliver for merchants in a differentiated way.

Before I conclude, I'd like to offer some thoughts on capital allocation. We ended the quarter with approximately $235 million in cash, deposits, and investments and no debt. That gives us the flexibility to keep investing in the platform, opportunistically buy back shares, and evaluate inorganic opportunities that could accelerate our product roadmap. We will be disciplined and focused on generating the highest long-term returns for our shareholders.

As we look ahead, fraud is not a solved problem, and we believe it will continue to grow more complex for our merchants. This environment favors a platform like Riskified with our breadth and network. As commerce changes, we intend to keep doing what we have done for more than a decade, adapt early, and turn that complexity into value for our merchants and our shareholders.

I'll now turn it over to Agi for a deeper look at our financial results.

Aglika Dotcheva
Chief Financial Officer

Discussion of Financial Results:

Thank you, Eido, team, and everyone for joining today's call. Unless otherwise noted, this discussion will reference non-GAAP financial measures. We have provided a reconciliation of GAAP to non-GAAP financial measures in our earnings release.

We delivered a strong quarter of revenue and gross profit growth with increasing operating leverage. Let me unpack the drivers of growth and profitability and then share our outlook for the rest of 2026.

Our GMV for the third quarter was $44.6 billion, reflecting an 18% increase year-over-year. We achieved revenue of $115.2 million, up 41% year-over-year. Our GMV and revenue growth during this quarter was primarily driven by continued new merchant and upsell activity as merchants continue to recognize the value our platform provides.

Billings growth in the third quarter was broad-based across all of our categories, led by ‘Digital Finance’.

Our ‘Digital Finance’ category grew more than 300% year-over-year, driven primarily by strong activity at new merchants, with upsell activity across our existing base contributing as well.

That breadth extended beyond our largest categories, with ‘Electronics’, ‘General’, and ‘Home’ collectively growing by 12% year-over-year, supported by new business and upsell activity.

Our ‘Tickets & Travel’ category grew approximately 5% year-over-year. ‘Tickets & Live Events’ was the primary driver, growing by low double digits on the back of a strong summer of live events. This was partially offset by a slight decline in ‘Travel’, where we saw new business and upsell activity within our airline merchants but tougher year-over-year comparisons among OTAs.

Our 'Fashion & Luxury' vertical grew 4% year-over-year, driven by new and upsell activity.

Turning to our regional performance, Billings grew across all regions except EMEA during the third quarter. The United States, our largest region, grew approximately 69% year-over-year, up from 38% in the second quarter, reflecting strong activity at new merchants. APAC grew approximately 14% year over year, and Other Americas' grew approximately 17% year-over-year, driven by continued upsell and new business activity. EMEA declined 3% due to a tough year-over-year comparison, primarily in the ‘Digital Assets’ sub-vertical within ‘Digital Finance’.

Gross Profit:

Our gross profit for the third quarter was $49.7 million, reflecting a 20% increase year-over-year.

The growth was primarily driven by the contribution of new business onboarded over the past year.

Our gross margin in the third quarter was 43%, reflecting the growing share of newly onboarded merchants in our mix. We continue to focus on driving gross profit dollar growth and as a reminder, gross margins across individual quarters can vary due to many factors, including the ramping of new merchants, and the risk profiles of transactions approved.

As a result of our third quarter performance, we are raising our expected full-year gross profit growth to a range of 14% to 16%, or 15% at the midpoint, up from our prior range of 11% to 14%.

Operating Expenses:

Moving to operating expenses.

Non-GAAP operating expenses totaled $41.6 million for the quarter, or 36% of revenue, compared to 44% in Q3 2025. This reflects sustained cost discipline as our business scales, while we also invest in our key growth priorities. On a constant currency basis, OPEX would have been $2.2 million lower, or approximately 34% of revenue, primarily driven by the appreciation of the Israeli shekel.

We expect fourth quarter non-GAAP operating expenses to range between $42 million and $43 million.

Adjusted EBITDA:

We delivered Adjusted EBITDA of $8.1 million, representing a 47% increase compared to $5.6 million in Q3 2025 as we continued to scale efficiently.

On a GAAP basis, our third quarter net loss improved by $6.5 million year over year to a loss of $1.3 million, compared to a loss of $7.8 million in Q3 2025.

Balance Sheet:

Moving to the balance sheet.

We ended the third quarter with approximately $235 million of cash, deposits, and investments, and continue to carry zero debt.

In addition, we continued to maintain a healthy cash flow model. In the third quarter, we achieved record free cash flows of $15.2 million. We now expect approximately $45 million of positive free cash flow in 2026.

We have $78 million remaining under our share buyback authorization. In Q3, we repurchased approximately 500 thousand shares, a more limited amount than in recent quarters, as we maintained flexibility across our broader capital allocation priorities.

We view our strong balance sheet and liquidity as strategic assets that allow us to invest in growth and navigate a range of operating environments. As Eido mentioned, we intend to remain disciplined and opportunistic in deploying capital across internal investments, share buybacks, and inorganic opportunities to create long-term shareholder value.

Guidance:

Now turning to our outlook.

As a result of our continued execution, we are raising the full-year guidance range across both revenue and Adjusted EBITDA.

We now anticipate full-year revenue to be between $427 million and $433 million, or $430 million at the midpoint, up from our prior range of $400 million to $410 million, reflecting the outperformance of our third quarter results and our expectations for a strong fourth quarter. Our outlook implies fourth quarter revenue growth of approximately 29% at the midpoint.

We currently expect Adjusted EBITDA to be between $39 million and $43 million, or $41 million at the midpoint, up from our prior range of $33 million to $39 million, representing a margin of approximately 10% at the midpoint, up from 9% implied in our prior guidance.

Conclusion:

To wrap up - We’re pleased with our third-quarter results. Revenue grew 41% to a record $115.2 million, our first quarter above $100 million, and we delivered this growth while maintaining operating expense discipline. Free cash flow was a record, and we’ve raised our full-year outlook for revenue and adjusted EBITDA for the third time this year. As we continue to execute in a favorable operating environment, we believe we are well positioned to drive durable, profitable growth.

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