Riskified Second 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 second 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.

We released our results for the second quarter of 2026 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, 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 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 Stephen, and hello everyone. Before I begin, let me welcome and introduce Stephen Shulstein as our new Head of Investor Relations. Stephen is an experienced investor relations executive and his primary focus will be on fostering strong relationships across the investment community as we continue to drive shareholder value.

I am very pleased with our Q2 results where we delivered the strongest revenue growth in over four years. Revenue grew 22% year-over-year to $98.7 million. Non-GAAP gross profit grew 13% to $45.4 million, and Adjusted EBITDA increased 84% to $3.9 million. Given this momentum, we're once again raising our full-year outlook for revenue and Adjusted EBITDA. I want to thank our team for driving these results for our clients and shareholders.

We believe this accelerated growth is a result of an increasingly complex fraud environment driving more demand to our expanded platform. Allow me to elaborate:

Fraud risk for our merchants continues to grow. It's getting more sophisticated and moving faster, and we believe agentic tools are part of what's accelerating that. Bad actors are creating fake identities at signup, hijacking real accounts, and driving fraudulent activity across digital wallets, cards, ACH, P2P, tokenized transactions, and 3D Secure flows. And it's not limited to checkout as the same activity shows up in refund and return abuse, chargeback disputes and friendly fraud. Across that large and increasingly complex surface, we're seeing loss rates rise industry-wide. These complexities are leading merchants to increasingly look for more effective ways to manage fraud while maintaining a leading customer experience.

At the same time, merchants are increasingly frustrated stitching together multiple point solutions. KYC screening, identity resolution, account security, transactional fraud screening, shipping and returns abuse detection, and dispute representment are all part of the stack merchants need to manage. We hear a clear preference for a single platform, and a platform approach isn't just simpler. We believe it performs better, because the signal from one part of the transaction lifecycle strengthens the defense in every other part. That's the flywheel we've talked about before.

Turning to our platform. Our Risk Intelligence Platform applies insights from our global merchant network, identity graph, and AI capabilities across the ecommerce journey from account creation and login through checkout, to post-purchase refunds, returns, and disputes.

The platform brings together Account, Checkout, Policy, and Dispute Intelligence, all powered by a shared network intelligence and identity layer.

We believe that the recent improvements that have been driving the most demand are:

Expanded checkout fraud coverage. As non-card payment methods continue to grow and proliferate, merchants are increasingly looking to us to create the underlying trust mechanism that is missing in them. It is a large undertaking but once done successfully we believe meaningfully addresses a fundamental trust issue that hurts adoption of these alternative payment methods. For example, with ACH, we have built a risk layer that enables instant payouts, closing some of the gaps with credit cards allowing merchants to leverage a low cost funding instrument with substantially reduced risk. As merchants continue to offer alternate ways to pay, our platform allows them to meet customers where they are. We believe we are well positioned to build and replicate this trust layer for non-card payments in a way that creates value for both our merchants and Riskified. The dollar value of ACH transactions we processed in the quarter was approximately 19 times the value of transactions processed in the second quarter of the prior year.

Furthermore, merchants are increasingly using Riskified’s identity intelligence beyond checkout to improve the customer experience across the transaction lifecycle. We had shared last quarter that we are enabling real-time risk scoring inside customer service workflows, especially as customer service evolves toward a mix of human and conversational AI agents.

Additionally, we have now helped one of our newer merchants create dynamic customer risk profiles which allows safer customers to transact faster and at higher dollar amounts. We believe we are well positioned to deliver additional value to our merchants as our identity database has billions of nodes across the transaction lifecycle.

Our AI assistant, ARIA, continued to gain traction this quarter. We have embedded ARIA across our wider platform, giving fraud and risk teams a highly effective tool that helps them investigate activity, understand emerging trends, and take action more quickly. This helps our merchants optimize workflows and gain additional insights into their customers. Feedback from our merchants has been overwhelmingly positive. These results are enabled by using our differentiated data assets which we believe makes it more powerful than other solutions that don’t have access to our underlying data.

Our multi-product merchant base grew approximately 50% year-over-year. That consistency is the clearest evidence that this platform strategy is working: merchants aren't buying one tool, they're expanding into more of the network, which allowed for additional upsell opportunities and drives retention.

On to new business momentum. The two trends I just discussed — more complex fraud, and continued improvement in our platform — drove a significant acceleration of new business this quarter. This new business was diversified across geographies and across both new and existing merchant categories.

New logo acquisition was a significant contributor this quarter. We added new logos across all four regions, with five of our top ten headquartered outside the United States, spanning five categories. We're encouraged by the pace at which we continue to add merchants to the platform, which builds toward future expansion opportunities. Upsell activity with our existing merchant base was also healthy this quarter, reinforcing the durability of our platform as merchants continue to expand their use of our products.

Our pipeline is robust, with the U.S. still the largest contributor and strong momentum across APAC. From an industry perspective, we saw healthy activity within travel, payments, and fashion, and a particularly strong pace of conversion as many of the opportunities we discussed last quarter converted into new business.

Our competitive win rates remained above 75% in the second quarter, further evidence of the differentiation of our platform relative to the alternatives that merchants evaluate.

A notable highlight this quarter was live sports. A dense global events calendar, which included the World Cup and the NBA Finals, drove elevated transaction volume across two connected parts of our business. In Tickets, our established base benefited directly from this volume, reinforcing what we believe is the vertical's role as a durable growth driver. And our 'Money Transfer &

Payments' category, which we have renamed 'Digital Finance,' to reflect a broader merchant category, saw strong momentum from this same dynamic, with particular strength in ‘Event Contracts & Gaming’. We are particularly pleased with our expansion into newer categories within Digital Finance, enabled by our platform innovation.

Putting it all together, this was a quarter that reflects both the strength of the market opportunity in front of us and our team's execution in capturing it. Fraud keeps growing more complex, and merchants are converging on the unified platform we've spent years building. That combination is showing up in our results: strong revenue growth, accelerating new business, and a multi-product base that keeps deepening. It's why we're raising our outlook for the second time this year. We enter the second half with the platform, the pipeline, and the momentum to keep delivering 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.

Our GMV for the second quarter was $41.3 billion, reflecting a 13% increase year-over-year. We achieved second-quarter revenue of $98.7 million, up 22% year-over-year, an acceleration from 7% growth in the first quarter and the strongest year-over-year growth in more than 4 years. 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.

Growth in the second quarter was broad-based across all of our categories, led by ‘Digital Finance’ and 'Tickets & Travel'.

Our ‘Digital Finance’ category grew approximately 180% year-over-year, driven primarily by the ramp of multiple new merchants onboarded in the quarter to the ‘Event Contracts & Gaming’ sub-vertical, with upsell activity across our existing base contributing as well.

'Tickets & Travel' grew approximately 23% year-over-year, an acceleration from 18% in the first quarter. 'Tickets' was the primary driver, with growth accelerating meaningfully as same-store-sales momentum strengthened across our largest ticketing merchants, and 'Travel', continued to deliver growth even with a tough year over year comparison.

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

Looking ahead, we continue to expect our 'Tickets & Travel,' 'Digital Finance,' and 'Fashion & Luxury' categories to collectively approximate 80% of total billings for the year, with 'Digital Finance' to significantly exceed the company’s average growth rate throughout the remainder of 2026.

Turning to our regional performance, Billings grew across all regions during the second quarter. The United States, our largest region, grew approximately 38% year-over-year, up from 10% in the first quarter, reflecting continued strength in 'Tickets’ and the addition of new merchants in Digital Finance. APAC grew approximately 42% in Q2. We continue to see healthy underlying demand in the region and expect more balanced growth as the year progresses. 'Other Americas' grew approximately 21% year over year, up from 11% in the first quarter primarily driven by new business activity, and EMEA delivered approximately 3% growth against a strong prior-year comparable period in the 'Travel' vertical. We believe that our continued growth across geographies is a testament to the success of our global expansion strategy.

Gross Profit:

Our gross profit for the second quarter was $45.4 million, reflecting a 13% increase year-over-year.

The growth was primarily driven by the contribution of new business onboarded, led by our ‘Digital Finance’ category, where we continue to expand into new verticals. This was further supported by strong same-store activity in our 'Tickets' sub-vertical, which benefited from elevated live sports during the quarter.

Our gross margin in the second quarter was 46%, attributable to the ramping of new merchants, which typically begin at lower margins and improve over time. Performance across our existing merchant base remained healthy, resulting from ongoing enhancements to our core machine learning models.

As a result of our second quarter performance, we are now raising our expected full-year gross profit growth to a range of 11% to 14%, or 12.5% at the midpoint. We expect gross profit growth in the third quarter to be similar to the growth in the second quarter.

Operating Expenses:

Moving to operating expenses.

Non-GAAP operating expenses totaled $41.5 million for the quarter, or 42% of revenue, compared to 47% in Q2 2025, reflecting sustained cost discipline as our business scales. On a constant currency basis, OPEX would have been $4.1 million lower, or approximately 39% of revenue, primarily driven by the continued appreciation of the Israeli shekel.

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

Adjusted EBITDA:

We delivered Adjusted EBITDA of $3.9 million, representing an 84% increase compared to $2.1 million in Q2 2025 and demonstrating the efficiency of our scaling cost structure.

On a GAAP basis, second quarter net loss improved 22% year over year to a loss of $9.1 million, compared to a loss of $11.6 million in Q2 2025. GAAP net loss was impacted by a decline in interest income and increase in 'Other expense', the latter primarily tied to foreign currency fluctuations.

Balance Sheet:

Moving to the balance sheet. We ended the second quarter with approximately $223.6 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 second quarter we achieved free cash flows of $12.9 million. We expect to exceed $40 million of positive free cash flow in 2026.

During Q2 2026 we repurchased approximately 13.7 million shares at an average price per share of $4.67 for total consideration of $63.9 million which contributed to a reduction of 8% in total shares outstanding.

From the inception of our buyback program through the end of Q2, we have repurchased approximately 72 million shares for a total of $351 million which helped contribute to a 26% reduction in total shares outstanding over that period.

We believe that our strong balance sheet and liquidity position are strategic assets that provide us with the flexibility to navigate a range of operating environments. We intend to remain disciplined and thoughtful in how we deploy capital 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 $400 million and $410 million, or $405 million to the midpoint, reflecting the outperformance of our second quarter results and increased visibility supported by early execution and elevated transaction volume from live events. We expect third quarter revenue growth of approximately 27%.

We currently expect Adjusted EBITDA to be between $33 million and $39 million, or $36 million to the midpoint, up from our prior range of $28 million to $34 million, representing a margin of approximately 9% at the midpoint, up from 8% implied in our prior guidance.

The primary factors that may determine where we fall within each range are consistent with what we shared last quarter - the timing and ramping of new merchant go-lives and existing merchant upsells, our success in retaining our merchants, and the broader macro environment.

Conclusion:

We're pleased with the strength of our second-quarter results. Revenue growth accelerated to its fastest pace in more than four years and profitability continued to expand alongside it. We generated meaningful free cash flow while continuing to return capital to shareholders through our buyback program and we raised our full-year guidance for both revenue and Adjusted EBITDA for the second time this year. With a strong balance sheet, zero debt, and a favorable market environment, we're well-positioned to keep executing through the second half.

Operator, we are ready to take the first question.

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