RSKD Earnings Call Transcript

Date: 2025-11-12

Quarter: 3

Operator: Good day, and thank you for standing by. Welcome to the Riskified Third Quarter 2025 Earnings Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question and answer session. To ask a question during the session, you will need to press star 11 on your telephone. You will then hear an automated message advising that your hand is raised. To withdraw your question, please press star 11 again. Please be advised that today's conference is being recorded. I would now like to hand the conference over to your first speaker today, Chet Mandel, Head of Investor Relations. Please go ahead.

Chet Mandel: Good morning, and thank you for joining us today. My name is Chet Mandel, Riskified's Head of Investor Relations. We are hosting today's call to discuss Riskified's financial results for the 2025. Participating on today's call are Eido Gal, Riskified's Co-Founder and Chief Executive Officer, and Aglika Dotcheva, Riskified's Chief Financial Officer. We released our results for the 2025 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 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 12/31/2024, 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: Thanks, Chet, and hello, everyone. We've built solid momentum this year, driven by disciplined execution and focus across the business. That progress is especially clear in our third quarter results, where we delivered a meaningful turnaround in non-GAAP gross profit, improving from a 4% decline in the first half of the year to 5% growth in Q3. While the first half of the year reflected some temporary softness, the actions we took during the period have laid the foundation for a higher gross profit trajectory and expanding profitability in 2025 and beyond. Looking ahead, we expect an even stronger step up in the fourth quarter, supported by improved technical model performance and the seasonally stronger, traditionally lower-risk holiday period. We've continued to invest heavily in our machine learning capabilities, enhancing key features and expanding our autonomously trained model

program to reinforce our market-leading technology. So far in 2025, we have shifted approximately 70% of our models from manual to autonomous training, and 100% of the autonomously trained models now outperform their previous manual production models. We believe that this automation will allow us to continue scaling the business with high leverage. Our autonomous program allows for real-time retraining when early fraud signals appear, freeing up our data scientists to focus on developing new features that further boost performance. On the revenue side, our push into more nondiscretionary categories continues to deliver. I want to highlight the strong momentum in our money transfer and payments category, which grew 100% in the third quarter. We believe we are on track to nearly double the absolute revenue dollars in this for full year 2025 as compared to last year. This growth is being driven primarily by new business activity. Both our top new logo won and the largest upsell during the third quarter were in this category, and we believe that merchants in this vertical, where transaction speed and superior fraud capabilities are paramount, are increasingly recognizing the performance and ROI that Riskified offers. We also returned to meaningful adjusted EBITDA margin expansion in the third quarter, improving by roughly 560 basis points year over year. Aglika will cover we expect a further step up in our Q4 margin, approximating a 15% adjusted EBITDA margin, reflecting the operating leverage of our model, the scalability of our platform, and the efficiency gains achieved over the past few years. Beyond financial performance, we executed well against our 2025 product roadmap. It's now been several quarters since we launched an adaptive checkout, the advanced configuration of our chargeback guarantee engine. Adaptive checkout uses AI to raise conversion rates by adding friction only when it's truly needed and removing it where exemptions apply. The results have been impressive. One US ticketing merchant increased total conversion by 5% by using selective one-time password friction to recover declined orders. In EMEA, an electronics merchant lifted conversion by 26% by removing unnecessary 3D secure friction through Riskified exemption and preauthorization analysis. As adoption grows, adaptive checkout continues to raise the bar for intelligent risk management and positions us to capture more share in the global e-commerce market. We're also very focused on the rise of agentic e-commerce. Our research shows that many shoppers already use AI somewhere in their shopping journey, but very few complete purchases through large language models today. As AI agents begin making purchases on behalf of consumers, critical data that fraud teams depend on can disappear, reintroducing many of the risks merchants have worked hard to eliminate. The result can be higher chargebacks, disputes, and policy abuse. We're positioning Riskified to help merchants navigate this shift safely through a combination of strategic partnerships, innovative technology, and enhanced infrastructure. Our collaborations bring together fraud prevention expertise with secure agentic protocols to deliver accurate decisions and better business outcomes in this new e-commerce environment. As we head towards the end of the year, our third quarter has provided momentum as we approach the peak year-end holiday season. Our internal data continues to show resilient consumer spending, with October tracking in line with our expectations. We are seeing solid performance in our three largest categories: tickets and travel, fashion and luxury, and money transfer and payments, which collectively represent more than two-thirds of our GMV. Assuming steady activity through the year-end, we're cautiously optimistic for another healthy holiday season. Combined with a solid first nine months of performance, we have the confidence to raise the bottom end of our revenue guidance for the second consecutive quarter. In conclusion, our global platform continues to lead in the e-commerce fraud and abuse prevention market. Our team remains focused on executing on the large new business opportunities ahead, and we are on track to close out the year strong and to enter 2026 with solid momentum, a healthy new business pipeline, and confidence in our growth trajectory. I will now turn it over to Aglika.

Aglika Dotcheva: Thank you, Eido, and everyone for joining today's call. Our GMV for the third quarter was $37.8 billion, $108.4 billion for the first nine months, reflecting a 97% increase year over year, respectively. We achieved record third quarter revenue of $81.9 million, up 4% year over year. Revenue for the first nine months of $245.3 million increased 5% year over year. Our GMV and revenue growth during this quarter was primarily driven by continued new merchant and upsell activity. Our largest category, tickets and travel, grew percent during the third quarter, driven primarily by strong new business wins and upsell activity, offset by softness in our tickets and live events vertical. This is primarily due to tougher second half comparable periods versus 2024's record level of activity.

Anticipated momentum heading into the end of the year travel saw strong growth in Q3, due to both new business wins and stronger same-store sales growth. The overall net effect is expected to result in similar year-over-year growth rates in the fourth quarter. Our fashion and luxury category grew 13% during the third quarter, which was supported by continued momentum in new business activity and improvements in some of our largest merchants in this category, partially offset by continued same-store sales pressure, particularly within our high-end fashion sub-vertical. We're confident that this category will continue to grow for the year, supported by a strong pipeline of new business opportunities that are expected to close in the fourth quarter and some anticipated micro steadiness in the high-end fashion support vertical. Our money transfer and payments category achieved 100% year-over-year growth in the third quarter. This growth was driven by the new business activity, which continues to be a key area of expansion. As anticipated, we saw year-over-year declines in our home category, which contracted by approximately 70%. I'm encouraged that in the fourth quarter, we expect to revert to year-over-year growth in this category as we lap the dynamic that impacted the first nine months of 2025. In the United States, revenue declined 12% year over year, primarily as a result of the contraction in our home category. Encouragingly, we continue to grow across all of our other regions. During the third quarter, APAC grew approximately 55% year over year, while other Americas, which represents Canada and Latin America, grew approximately 18% year over year, primarily driven by momentum in new business and upsell activity, with particular strength in the travel vertical. EMEA grew approximately 19% year over year, with the strongest performance concentrated in our fashion and luxury, tickets and travel, and money transfer and payments verticals, supported by both new business and upsell momentum. Overall, we believe that our continued international growth reflects ongoing progress in capturing market share. Our non-GAAP gross profit of $41.5 million increased 5% year over year in the third quarter. This translates to a non-GAAP gross profit margin of approximately 51%, an improvement of 1% from the same period in the prior year. Our third quarter 2025 margin represented a step up from 50% in the first half of the year. The year-over-year growth was driven by meaningful improvements in our core machine learning models, along with the contributions of new product revenue. This improvement was offset by the ramping of merchants in new categories, in particular, with the money transfer payments category, which has experienced very strong growth in 2025. Overall, I'm encouraged that four of our last five cohorts expect an average of 5% year-over-year improvement in our chargeback to billings, demonstrating the success in our machine learning platform. As a reminder, I encourage you to continue analyzing our gross margin on an annual basis, given individual quarters can vary due to various factors, including the ramping of new merchants and the risk profiles of transactions approved. I'm encouraged about the sequential progress we have made throughout the year, and continue to target an annual non-GAAP gross profit margin target of 52%. Moving to expenses, we continue to manage the business in a focused and disciplined manner. Total non-GAAP operating expenses were $36 million for the third quarter, down from $38.7 million in the prior year, largely due to several one-time positive impacts in the period. Our non-GAAP operating expenses as a percentage of revenue for the third quarter declined year over year from 49% to 44%, reflecting ongoing leverage in the business model. We anticipate having quarterly non-GAAP operating expenses of approximately $39 million in the fourth quarter. We achieved positive adjusted EBITDA of $5.6 million in the third quarter, a record for the third quarter. This represented approximately 560 basis points in margin expansion or a margin of approximately 7%. Based on our implied guide for the fourth quarter, which I will touch on shortly, we expect a large step up in margin on a sequential basis and our fourth quarter adjusted EBITDA margin to approximate 15%. Moving to the balance sheet, we ended the third quarter with $325 million of cash deposits and investments, and we continue to carry zero debt. We maintain a healthy cash flow model, achieving quarterly free cash flows of $13.4 million in the third quarter. For the first nine months, we achieved $22.4 million in free cash flow, and based on current conditions, 2025, we now expect over $30 million of positive free cash flow for the full year. In the third quarter, we repurchased 5.2 million shares for a total price of approximately $25.3 million. For the first nine months of the year, we repurchased 14.2 million shares for a total price of approximately $69.2 million. As a result of this buyback activity and our ongoing commitment to prudent dilution management, we continue to expect shares outstanding to decline by at least 5% year over year. 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. Now turning to our outlook. As a result of the solid first nine months of the year, and cautious optimism around the upcoming holiday season, we're improving the bottom end of our revenue range for the second consecutive quarter to now anticipate revenue of between $338 million and $346 million, or $342 million to the midpoint. As a result of our disciplined and expected margin expansion in the fourth quarter, we now expect our adjusted EBITDA guidance to be between $21 million and $27 million, or $24 million to the midpoint. I'd like to wrap up by thanking the Riskified team for their hard work and execution this quarter. I'm encouraged that we meaningfully improved our results versus the first half of the year, and I believe that we are well-positioned to continue this momentum in the fourth quarter. The foundation we are building positions us for continued growth ahead, which will allow us to deliver ongoing value to our shareholders. Operator, we are ready to take the first question, please.

Operator: Certainly. To be announced. To withdraw your question, please press 11 again. And our first question will come from Connor Pasquali of Truist Securities. Your line is open, Connor.

Connor Pasquali: Great. Good morning, team. This is Connor Pasquali on for Terrell Frederick Tillman. Thank you for taking my questions. The first one, just wanted to ask on the momentum as you exit this year. So just as we kind of think about the mix expectations exiting 2025, how are you thinking about the growth outlook as it relates to expanding with existing merchants via upsell and cross-sell versus continuing to drive new business strength?

Eido Gal: Yeah. I think we'll see a continuous strong performance on both sides. We always kind of have a new cohort of merchants that we're onboarding that we're selling the platform to. But also really focused on gaining net new clients really consistent with how it's been working in prior years.

Connor Pasquali: Okay. Great. That's helpful. And then maybe just spoken about the money transfer and payments categories being a strong driver of expansion this year. And new merchant activity has been really a key driver there. Just moving into 2026, are there any other emerging verticals that could be important for us to watch next year? As you maybe have started to gain momentum with some of the new merchants and do you think about prioritizing resources to go after certain verticals? Thank you.

Eido Gal: Sure. So when we think about, you know, kind of expanding our market, we really do make a concentrated effort to go after specific verticals that we think are large in size, and have, you know, our product is a good fit for them. As we've continued to expand the product, you know, whether it's through policy account secure or CPMS, the different permutations of the chargeback product, we think that there's more value to different categories. We also tend to have a geographic view where we kind of say, hey. What other regions are there? Where we can kind of penetrate further? And that also leads us to think about the categories in those regions. And probably also some other thoughts and internal deliberations we have are more M distribution. You know, what is the value of going slightly more mid-market than the enterprise focus we have now? How do we get better distribution via partnerships? So as we kind of go through the 2026 planning cycle, those are all thoughts that we have and, you know, kind of going through.

Operator: And our next question will be coming from Cristopher David Kennedy of William Blair. Chris, your line is open.

Cristopher David Kennedy: Yeah. Good morning. Thanks for taking the question. When you think about the or can you give us an update on the revenue contribution from the non-chargeback guarantee products for 2025?

Eido Gal: Yes. So far, it's continued to be very strong, over 100%. Continue to be very pleased with the uptick in the market reception to that. It's been instrumental and very helpful, and kind of gaining longer-term contracts with our existing clients at renewal. It's been helping us win, you know, new business at a higher rate. So overall, really pleased with, you know, being able to develop additions that generate meaningful ROI to our clients.

Cristopher David Kennedy: Great. Thank you for that. And then you talked about some of the investments in machine learning and driving efficiencies with your business. I mean, when you add that with the non-chargeback guarantee products, any way to think about the long-term margin profile of Riskified as you go forward? Thank you.

Eido Gal: I think it just varies so much based on the mix of the different products. To us, it's just really

focusing on how do we generate gross profit dollars an increasing amount and driving that number higher. Thanks.
Operator: And our next question will be coming from William Alfred Nance of Goldman Sachs. Will, your line is open.
William Alfred Nance: Hey, thanks for taking the question. I just wanted to follow-up on the last question on the gross margin. It sounded like you've had some recent model improvements that have led to several prior cohorts outperforming. As we think about the trajectory of gross margins into next year, is that something we should be thinking about in terms of year-over-year gross margin improvement? And it also sounded like maybe money transfer was a small offset to that. So just how are you thinking about kind of those puts and takes on the gross margin into 2026? Thank you.
Eido Gal: You definitely characterized it correctly, right? We saw that the ramping of new categories, specifically the money transfer and remittance in some of the newer geographies, you know, kind of was a headwind in H1, and that's of the modeling improvements that we made during the first half helped improve performance not only there but also across the rest of the portfolio. And we would anticipate that to kind of flow through in performance into Q4 and beyond. At the same time, I do anticipate additional headwinds from newer regions and newer categories as well. So I think that dynamic will stay constant.
William Alfred Nance: Okay. That's helpful. And then maybe just one for Aglika. I was wondering if you could elaborate on the one-time expense impact that you mentioned in the script on 3Q? And you could just share a couple more details on what drove that. Thank you.
Aglika Dotcheva: Yeah. Sure. Thank you for the question, Will. So with any given quarter, there's always ins and outs, specific for this quarter, we saw some positive impact related to some payroll adjustments more around vacation accrual and reserve duties, specifically for our Israeli office. And maybe some movements of some events. But as we kind of shared in our prepared remarks, I do expect a range of around $39 million and change or $39 million for Q4, and that's a better representation of the run rate of the OpEx.
William Alfred Nance: Appreciate all the color. Thanks, guys.
Operator: And our next question will be coming from Ryan Tomasello of KBW. Ryan, your line is open.
Ryan Tomasello: Hi. This is Juan on for Ryan, and thanks for taking the questions. How do you envision the potential for growing stablecoin adoption and stablecoin payment rails to alter the fraud management landscape? And is the company currently exploring any opportunities to capitalize on this?
Eido Gal: Sure. I think as we think about stablecoins, crypto, and agentic, you know, kind of more broadly, we see that these are introducing additional complexity to our merchants and added requirements what they need to be able to support. And we've found historically that whenever this added complexity is, you know, gonna present it to the merchant, it both introduces new vectors of fraud. And it makes it more challenging for them to solve it on a standalone basis requiring an outside partner. So, you know, kind of year to date, what we've been seeing is that these have been kind of net positive drivers for the business. And we anticipate that to continue.
Ryan Tomasello: Right. And just to double click on that, you called on the prepared remarks an increased emphasis on those agentic commerce solutions. Has this driven any kind of notable uptick in inbounds or new business discussions in general?
Eido Gal: Yeah. I mean, when you think about the complexity that merchants face when they try to solve this, right? Like, a merchant suddenly gets a transaction for five big screen TVs. They have no idea where this transaction came from. They have limited data. And we're really helping them both identify that this came from, you know, kind of an agentic shopper on behalf of someone else. They need to be able to understand, hey. Is this, you know, kind of a hallucinating LLM that's ordering five big screen TVs, or is this a reshipper, or is this a legitimate customer? And when you think about the stack that we have, you know, the capabilities we've developed for about the detection, which are helpful in identifying these commerce agents, the capabilities we have around our policy suite of products, which are helpful in, you know, kind of identifying specific agents, result in more, service-related chargebacks or what type of policies you wanna enable to them. And, obviously, just the risk engine with, you know, kind of via our network is able to much better differentiate in these limited data points this actually a

good transaction, or is this a stolen credit card being used here? Would say that, you know, in reality, we're only seeing a handful of transactions right now. But merchants are definitely thinking about how to adapt to this new paradigm so it's helping from a conversation perspective.
Ryan Tomasello: Great. Thank you.
Operator: And our next question will be coming from Clark Joseph Wright of D. A. Davidson. Your line is open, Clark.
Clark Joseph Wright: Thank you. Just wanted to maybe touch on the notable sequential increase in GMV this quarter versus historical trends for what we typically see in 3Q. What are the key factors that drove this? And does the money transfer payments growth reduce your typical seasonality trends that we've seen?
Aglika Dotcheva: Yeah. Thank you for the question. When I think about our model, the GMV is kind of like an output of some of the revenue inputs. Having said that, we've shared before that we do expect it to be spread between the GMV growth and the revenue growth, and I think kind of heading into the second half of the year, this is kind of, like, more evidence. And actually, more aligned with what we've seen historically. It is great to see the GMV growth kind of, like, getting back to close to double digits and, overall, expect about the performance.
Clark Joseph Wright: Got it. Then maybe I'll just be a better one for you. But, you know, you've there's been disciplined expense management, and maybe this builds off of some of the prior questions that have been asked around operating leverage. But would love to kind of understand how you're able to continue to invest while continuing to see operating expenses relatively flat, and the fact that you're guiding to a flat in 4Q. And then I guess that builds also off of, you know, comment around being able to invest in capacity. So I guess how are you measuring your, you know, your expense guardrails while all kind of managing to this margin expansion story that you're gonna continue to see in 2026?
Aglika Dotcheva: Yeah. I'm happy that we're able to continue to. As we kind of shared in the beginning of the year, we're focused on our expense and making sure that we kind of stay within the total annual guide. Besides that, there's always ins and outs between the quarter. So this quarter appeared to be kind of relatively low compared to other quarters. But Q4 is expected to be higher, and within that, within every single quarter, there's always been some out. We continue to invest in areas that are related to growth-generating areas and continue to optimize areas that are more like on the operational part of the business. That has been a focus of us. Earlier on in the year, we kind of shared some of the offshoring activities that we've been kind of, like, taking over and we've been executing really well there as well. So all in all, there's a lot of going in the single quarter, but happy that we're able to show this focus on the numbers as well.
Eido Gal: Yeah. And maybe just to add a bit of my perspective there. We recently started going through or kind of mid-process of the 2026 product planning. And we've actually increased our development capacity by almost 50%. And that's a combination of, you know, kind of being average to being able to leverage, you know, kind of better cost locations, but also reducing kind of some consistently thinking KTLO work in other areas. So we are con, you know, constraint breeds creativity. How can we, you know, do more with less? I'm really proud of what the team has been able to achieve in that area.
Clark Joseph Wright: Thank you. Appreciate that.
Operator: And our next question will be coming from Timothy Chiodo of UBS. Timothy, your line is open.
Timothy Chiodo: Great. Thank you. A really helpful blog post that you put out a few weeks ago around I just wanna talk in there, you mentioned almost two paths for the payment to be received by the merchant. One is the payment token is received. The other is the payment comes through one of the wallet providers, and you specifically mentioned two pass-through wallets in Apple Pay and Google Pay. So two parts. Was hoping, number one, you could just recap for everyone the varying kind of, like, who takes on the liability and why in those two different paths. And you called this out a little bit in the blog. And then maybe more importantly, the second one, just from an industry perspective and what you're seeing, do you expect the wallet share of overall checkout within that channel to be roughly the same higher, or lower than it is on the, call it, the traditional website checkout? Thanks a lot.
Eido Gal: Sure. Happy to take that. So I think just simply with the payment token, we think the liability more often would not would sit with the merchant. Whereas if it goes through the digital wallet, more

often than not, it would sit with the issuing bank. And sorry, Tim. What was the second part of that question?
Timothy Chiodo: Sure. Nick's. So let's just I'm just gonna make up a fake number. But let's say there's in all of e-commerce, let's just say that all of digital wallets made up 20% of checkout, would you expect that through the agentic channel through sort of like a chat GPT user interface that the digital wallet share of checkout would be higher than that 20, about that same 20 that it is on regular websites. Or maybe lower than that 20? And then why would that why would it be higher, lower, or the same?
Eido Gal: I think that's a really interesting question I would need to think about in much deeper. The reality is that to date, there's only been, you know, kind of a handful of transactions. Now, obviously, there's potential it's for it to grow further, but based on that, it wouldn't know, it would be more of a guess than a database answer, which is know, what I would prefer to provide to you.
Timothy Chiodo: Okay. Thank you.
Operator: And our next question will be coming from Reginald Lawrence Smith of JPMorgan. Your line is open, Reggie.
Reginald Lawrence Smith: Hey. Good morning. Thanks for taking the question, and nice to see the acceleration in GMV. You know, kind of a follow-up on the agentic theme. The previous question. You know, I'd love to get your view on you think about both the opportunities and the threats. As it relates to e-commerce on your business? And by that, I mean, paint a picture for me where agentic increases the demand for your services and maybe another where it could possibly reduce it? I'm just trying to understand, like, the there, the bull face agentic, and how it relates to Riskified and your services. Then I have one follow-up.
Eido Gal: Sure. Happy to take that. So the positive scenario, which is kind of similar to what I outlined before, is that merchants now need to deal with increasing complexity with agentic transactions. They need to understand that this is an agentic shopper. That's difficult. We can help them with that. They need to understand not only is this an agentic shopper, is it a legitimate one or a fraudulent one? We can help them with that. After they even understood that it's a legitimate one, they need to understand if, you know, it fits the various policies that they have, and they probably wanna create some unique policies for agentic shopping so we can help them with that. So I think in this scenario, it's a net positive for us because there's a lot of complexity, and we're good at solving complexity for our merchants. It's a complex world right now where you have a multitude of standards. Right? It's not like there's one standard. There's standards with an s. And if a single merchant is trying to solve all those problems, it's a huge issue for them. So I think to me, that's the most likely outcome and what we're seeing kind of so far merchants preparing for. The more negative potential could be if that more transactions move away from enterprise e-commerce. So I think, you know, some of the kind of blue-chip names that we work with. If people don't shop on their site anymore, and go to various kind of agents and do an end-to-end purchasing within that LLM environment.
Reginald Lawrence Smith: That makes sense. And I guess two quick follow-ups. One, is there an opportunity to actually provide a to the AI labs then secondarily, we've gotten a lot of questions the last couple of months about 2026 EBITDA targets. And, you know, I guess, light of the gross margin and the operating leverage and the accelerating GMV growth, I'd love to hear how you guys are feeling about those targets in 2026, those EBITDA margin targets that you laid out previously, feeling better, worse than maybe a few months ago? Any color you can provide there would be helpful.
Eido Gal: Sure. Happy to take that. So look, I think, obviously, the LLM providers can, of course, be Riskified clients. And, like, we help others, we can help them manage the fraud. So that's a clear and easy number one. With regards to number two, you know, we're happy that we're targeting 50% margins in Q4. And I think we're really proud of the progress that we've made over the past two to three years since we set out this guidance for next year, and we continue to, you know, plan for double-digit growth next year. At the same time, I do think that some of the merchant events that happened in 2024 does mean that kind of the 15% margin would be pushed out by a few quarters. But, you know, kind of similar to what's already reflected in sell-side expectations.
Reginald Lawrence Smith: Perfect. Thank you so much.
Eido Gal: Thank you.
Operator: I'm showing no further questions at this time. I would now like to turn the call back to Eido for

closing remarks.

Eido Gal: Thank you, everyone, for joining our call, and we look forward to updating you on the progress in a few months. Thanks.

Operator: And this concludes today's program. Thank you for participating. You may now disconnect.