JaguarAnalytics
SPECIALTY EQUITY RESEARCH

Riskified (RSKD) **September 23, 2026**

AI Summary: Video | Slide Deck

Riskified (RSKD) – Riskified has shown up in my Hidden Angles digest five times since March, and each time the angle got more interesting. I believe the market is still pricing it as a sleepy chargeback-insurance vendor, while the company is quietly becoming the identity layer that AI agents will need to shop, refund and trade safely. The Q2 print on August 12 was the tell. Revenue grew 22% to $98.7 million, its fastest pace in years, and management raised 2026 guidance for the second time, to $400–410 million of revenue and $33–39 million of adjusted EBITDA. Yet consensus still models 2027 revenue at just $450.8 million, roughly 11% growth, right after a year tracking close to 18%. My view is simple: AI agents and AI-enabled fraud expand Riskified's opportunity faster than they commoditize it, and the Street is modeling the deceleration, not the platform. One honest caveat up front. After a run from about $5 in January to roughly $6.80 today, this is no longer the 1x-sales bargain it was in the spring. It is a re-rating story now, not a deep-value story, so let me show you why I think the re-rating has further to go.

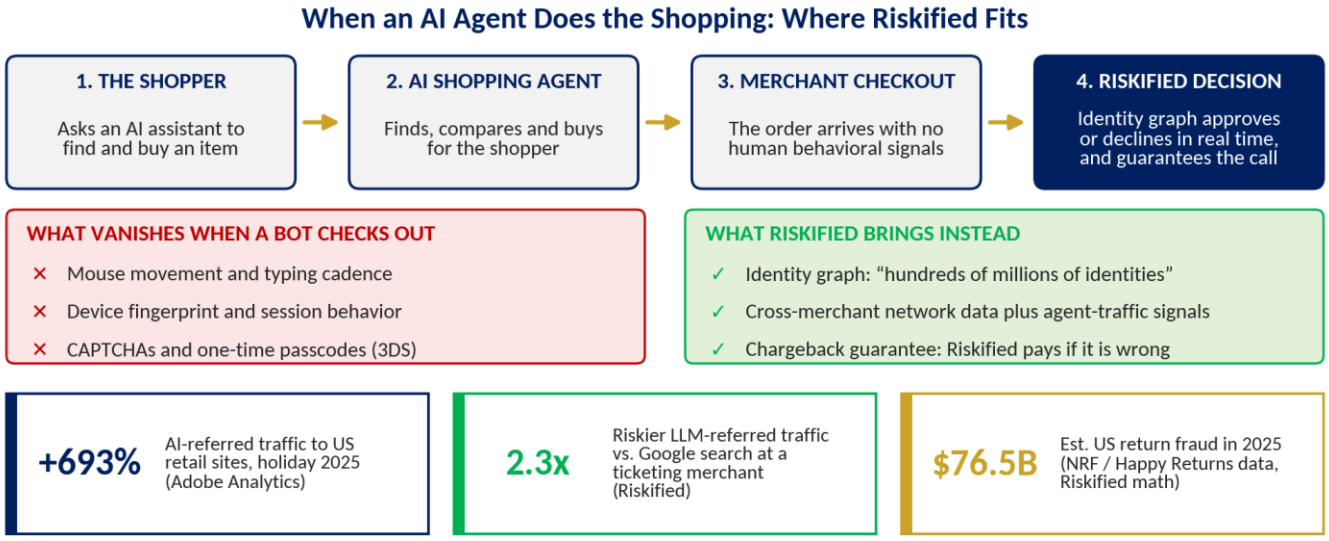
High Level Background: What does Riskified actually do? Many of the world's biggest online brands rely on Riskified to decide, in real time, whether an order is legitimate. The twist is that Riskified puts its own money behind that call. If an order it approved turns out to be fraud and the merchant gets hit with a chargeback, Riskified pays. In return, it collects a small fee on the orders it approves. In 2025 that meant $344.6 million of revenue on $155.1 billion of gross merchandise volume (GMV), or roughly 22 cents for every $100 of approved orders. Think of it as an insurance underwriter for e-commerce. Last year's wins included Nintendo, Temu, Tripadvisor and crypto on-ramp Banxa, and around the core guarantee sit add-on products for refund abuse (Policy Protect), account takeover (Account Secure) and chargeback disputes (Dispute Resolve).

Hidden Angle #1: When the buyer is a bot, the old fraud playbook breaks. Legacy fraud tools were built to read humans: mouse movements, typing cadence, device fingerprints, CAPTCHAs and the one-time passcode texted to your phone. An AI agent checking out on your behalf has no mouse, no thumb and no patience for a passcode. Strip out those signals and a merchant faces an ugly choice: decline good agent orders and lose revenue, or wave through fraudsters hiding behind automation. Riskified's own data shows the stakes. In August 2025, it reported that traffic referred by large language models (LLMs) was 2.3x riskier than Google search traffic at a large ticketing merchant and 1.8x riskier at an electronics merchant. The answer is not to watch the session harder; it is to know the identity behind it. That is exactly Riskified's core asset: a graph of "hundreds of millions of identities with billions of nodes," as CEO Eido Gal described it in May, backed by a guarantee that puts Riskified's own balance sheet behind every approval.

Already Shipping: This is not a slide-deck strategy. In August 2025, Riskified partnered with bot-detection specialist HUMAN Security and launched AI Agent Approve, which lets merchants and LLMs tap Riskified's decisioning through MCP (the plug-in standard AI assistants use to talk to outside software), plus dashboards and policy tools aimed at agent-driven returns abuse and reseller arbitrage. In March 2026 it added AI Agent Identity Signals, letting a merchant's own shopping assistant query the identity graph through MCP, Google's Agent-to-Agent (A2A) protocol or standard APIs. August brought a partnership with card-issuing platform Marqeta to share risk data with issuers and lift approval rates, and September 15 brought a Zendesk integration that feeds identity risk scores to AI customer-service agents. On the August call, discussing the fraud pressure merchants are facing, Gal put it plainly: "we believe agentic tools are part of what is accelerating that." He is also appropriately measured

about timing. In May he acknowledged that general-purpose LLMs are still used mainly for product discovery rather than checkout, but added:

"We now have merchants leveraging Riskified as the identity and risk intelligence layer that makes those interactions both safe and economically viable." --- CEO Eido Gal in earnings call on May 13th

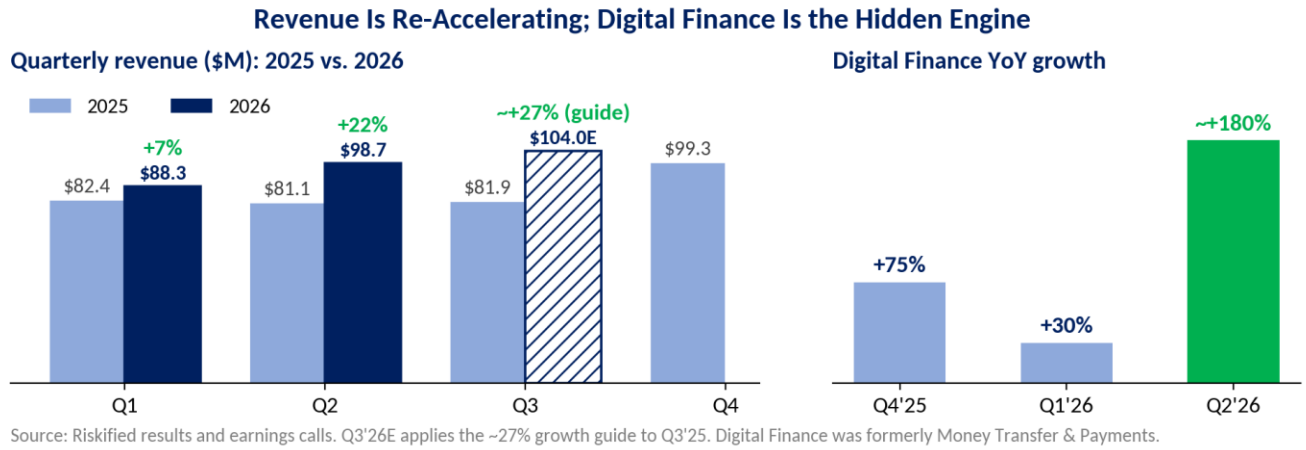


The Contrarian Twist: In agentic commerce, liability is the product. You may be wondering, won't Visa and Mastercard simply solve this? They are certainly building credentials for AI agents (Visa Intelligent Commerce and its Trusted Agent Protocol, Mastercard Agent Pay), and when a properly tokenized agent transaction turns out to be outright fraud, existing card rules generally put that loss on the issuing bank. But listen to Reshmi Suresh, Worldpay's Head of Agentic Commerce, writing on July 30: "No liability shift exists yet," and "Where it gets murkier is everything short of outright fraud." That murky zone, the "my agent bought the wrong thing" disputes, agent-filed refund claims and friendly fraud, lands on merchants. When nobody knows who eats the chargeback, a vendor that guarantees its own decisions becomes more valuable, not less. To be fair, Riskified was not first. Forter launched agentic identity monitoring on August 5, 2025, eight days before the HUMAN tie-up, and has since rolled out its own suite of AI agents. The bears also argue that processors like Stripe and Adyen will eventually bundle "good enough" agent fraud scoring for free, and at the low end of the market they probably will. I would call Riskified a fast follower with a different moat, guaranteed liability plus cross-merchant identity scale, which matters most to the large enterprise merchants it actually serves. And the demand signal is real: Adobe Analytics says AI-referred traffic to US retail sites jumped 693% in holiday 2025, converted 31% better than other traffic and was still up 138% in May 2026, albeit from a small base.

Hidden Angle #2: AI also supercharges refund abuse, and Riskified has a new product for it. Shopping agents are only half of the AI story. Generative AI also makes fake damage photos, empty-box claims and synthetic accounts cheap to produce at scale. Riskified cites National Retail Federation and Happy Returns data showing $849.9 billion of US retail returns in 2025, with 9% of them fraudulent, or roughly $76.5 billion by Riskified's own math. Its first standalone identity data product, launched in Q1 2026, goes straight at this: when a customer contacts support, the service agent, human or AI, sees an identity risk score before approving the refund. Gal said merchants using the capability have seen up to a 30% reduction in complaint rates. Rue Gilt Groupe was the first retailer to run it inside Zendesk. Revenue from products beyond the core guarantee was nearly $10 million in 2025, with $15–20 million targeted for 2026, a target management reaffirmed in August. That is small today, but merchants using more than one product grew about 50% and already account for over 30% of revenue, which tells me the cross-sell engine is working.

Hidden Angle #3: Prediction markets are the growth engine nobody is modeling. Digital Finance, the renamed Money Transfer & Payments category, grew about 180% year over year in Q2 on new merchants in "event contracts and gaming," and the dollar value of ACH (bank transfer) transactions Riskified processed was roughly

19x the prior-year quarter. CFO Aglika Dotcheva expects the category to "significantly exceed" company growth for the rest of 2026. This caught my attention, and the best evidence arrived just four days ago. On September 19, The Wall Street Journal reported that Polymarket, hit by a campaign in which fraudsters linked stolen debit cards to thousands of new Polymarket US accounts and attempted at least $10 million of fraud, brought its fraud rates back to normal by May partly by "retaining antifraud contractor Riskified." That is the first public confirmation that a flagship prediction market runs on Riskified, and it shows why these platforms pay up: at the peak, payment processor Checkout.com was rejecting more than 80% of the Polymarket US deposits it handled as fraudulent, against an industry norm of roughly 1%. The flip side is regulation. At least seven bills targeting prediction markets have been introduced in Congress this year, Kalshi has been fighting state regulators in Nevada and Michigan, and Polymarket is reportedly under CFTC scrutiny. A platform like Polymarket could also eventually build fraud prevention in-house, so expect this vertical to be lumpy even if the trend is strong.



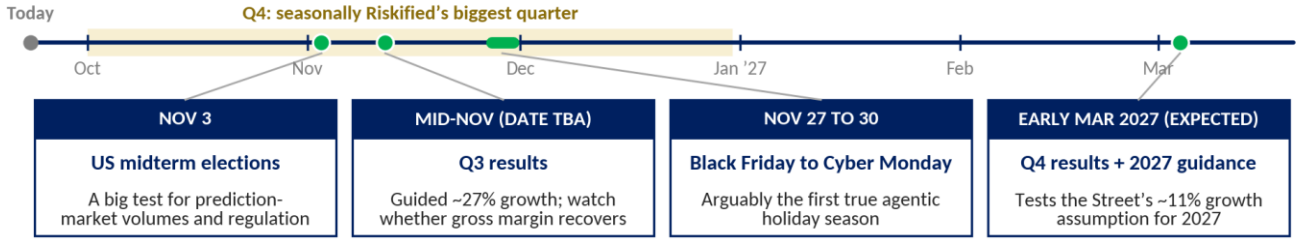
Valuation and Price Target: So, let's do the math. At about $6.80 and roughly 132 million shares, Riskified is worth around $900 million. Subtract $223.6 million of cash and investments (zero debt) and enterprise value (EV) is about $675 million, or roughly 1.7x 2026E revenue, 1.5x 2027E revenue, 19x the midpoint of 2026 EBITDA guidance and about 22x the $40 million-plus of free cash flow management expects this year. The buyback is doing real work, too: $351 million spent and a 26% cut in the share count since the program began. For 2027 (my estimates, not guidance), I assume free cash flow keeps funding buybacks, shrinking the count to about 127 million shares, while net cash holds near $225 million. In my realistic case, growth cools to 15% ($465 million of revenue) as Q3's guided ~27% growth and Digital Finance carry into next year, and the stock re-rates to 2x EV/sales, which is roughly 16–17x EBITDA on a 12% margin. That is $930 million of EV plus $225 million of cash, or $1.155 billion, which works out to about $9.10 per share. My 12-month price target is $9, about 32% upside, with roughly $11.40 in a blue-sky case (21% growth, 2.5x sales) and about $6.30 in a conservative case (9% growth, 1.3x sales). The sensitivity matrix at the end of this note maps every combination in between. The Street's average target sits around $6.50, with Goldman Sachs at Sell ($5.50) and DA Davidson and Truist at Buy ($7.50), so I am above the entire range. And don't forget that Reuters reported in March 2025 that Riskified was working with Qatalyst Partners to evaluate proposals from parties including digital payment processors and cybersecurity firms. No deal materialized, but anyone racing to own agentic trust would be buying the identity graph and the guarantee book, which puts a soft floor under the shares.

Why the Discount Exists, and Why I Think It Closes: The bears have real ammunition, and the biggest is gross margin. GAAP gross margin fell to 46% in Q2 from 49% a year earlier, and gross profit grew only 13% against 22% revenue growth, which raises the fair question of whether Riskified is buying growth with its guarantee. Management ties the squeeze to new-merchant and ticketing mix, and new merchants usually start at thinner margins until the models learn their traffic, so I treat it as transitory until proven otherwise. GAAP profitability has not stuck either; the Q4 2025 profit was a single quarter, and Q2 showed a $9.1 million net loss. Director Erez Shachar sold 50,000 shares on both September 3 and September 16. And because Riskified is headquartered in Tel Aviv, regional conflict and a strong shekel are real risks; the currency alone added $4.1 million to Q2 operating

expenses. None of this breaks the thesis, but it explains why the Street is anchored at 11% growth, and it is exactly the gap a couple of clean quarters can close.

Catalysts and Timeline: The calendar below lays out the dates, so let me focus on the tells. Q3 results in mid-November should show the guided ~27% growth, but the real test is whether gross margin starts recovering as those new cohorts mature. Holiday 2026 is arguably the first true agentic holiday season, and Q4 is also Riskified's biggest quarter; last year it delivered $17.7 million of adjusted EBITDA and the company's first GAAP-profitable quarter. Then 2027 guidance, likely in early March, is the event that should force consensus off that 11% growth assumption. My line in the sand is simple: if Q3 margins slip again and 2027 guidance lands near 10%, I would walk away.

Catalyst Calendar: What to Watch Over the Next Six Months



Bottom Line: In a world where machines buy from machines, the scarcest asset is not the checkout button; it is knowing who is really behind it, and being willing to pay when you are wrong. Riskified has both. It is the underwriter of the agentic economy, still priced like a claims adjuster.

The Sensitivity Matrix: Asymmetry in 2027E Value per Share

	1.3x EV/Sales	2.0x EV/Sales	2.5x EV/Sales
+9% growth $440M revenue	CONSERVATIVE $6.28 (-8%)	$8.70 (+28%)	$10.43 (+53%)
+15% growth $465M revenue	$6.53 (-4%)	BASE CASE $9.09 (+34%)	$10.93 (+61%)
+21% growth $490M revenue	$6.79 (flat)	$9.49 (+40%)	BLUE SKY $11.42 (+68%)

JaguarAnalytics estimates. Assumes ~127M shares and ~$225M net cash in 12 months; % vs. ~$6.80 current price. Street average target ~$6.50.


RSKD Riskified Ltd. NYSE + BATS
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Technology / Computer Services
Wednesday 23-Sep-2026 10:56 am
Open: 7.00 Ask: 6.78 x 200 Mkt Cap: 925.6M P/E: -3.28%
High: 7.07 Bid: 6.77 x 100 Fwd Dividend: N/A EPS: -0.10 Chg: -0.23
Low: 6.72 Last: 6.78 x 14 Fwd Yield: N/A Last Earnings: 2026-08-12 Last: 6.78
Prev Close: 7.01 Optionable: yes SCTR (SmlCap): 93.8 Next Earnings: 2026-11-11 Volume: 1,881,254
RSI(14) 61.69
RSKD (Daily) 6.78
Volume 1.88M, EMA(60) 1.54M
MACD(12,26,9) 0.198, 0.167, 0.031
26 Jun 8 15 22 29 Jul 6 13 20 27 Aug 10 17 24 Sep 8 14 21 28 Oct 5