



July 30, 2025

Fiverr International, Ltd. (NYSE: FVRR)

Prepared Remarks

Q2 2025 Earnings Call

Management Discussion

Jinjin Qian

Executive Vice President, Strategic Finance – Fiverr International, Ltd.

Thank you, operator, and good morning, everyone. Thank you for joining us on Fiverr's earnings conference call for the second quarter that ended June 30, 2025. Joining me on the call today are Micha Kaufman, Founder and CEO, and Ofer Katz, President and CFO. Before we start, I would like to remind you that during this call we may make forward-looking statements and that these statements are based on our current expectations and assumptions as of today and Fiverr assumes no obligation to update or revise them.

A discussion of some of the important risk factors that could cause actual results to differ materially from any forward-looking statements can be found under the "Risk Factors" section in Fiverr's most recent Form 20-F and other filings with the SEC.

During this call, we'll be referring to some key performance metrics and non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow. Further explanation and a reconciliation of each of the non-GAAP financial measures to the most directly comparable GAAP measures is provided in the earnings release we issued today and our shareholder letter, each of which is available on our website at investors.fiverr.com.

And now, I will turn the call over to Micha.

Micha Kaufman

Founder & Chief Executive Officer – Fiverr International, Ltd.

Thank you, Jinjin. Good morning, everyone, and thank you for joining us.

We delivered another strong quarter, building on a solid start to the year with continued momentum across our business. In Q2 2025, we achieved 15% y/y revenue growth and a 20% Adjusted EBITDA margin, as we continue to drive profitable growth with disciplined execution.

Within our platform, we are seeing strong signs of durability and growth, including surging demand for AI-related services and the continued momentum of Managed Services and Dynamic Matching products. While SMBs continue to take a cautious stance on spending and hiring amidst a volatile economic environment, our success in these efforts contributed to an acceleration in spend per buyer, which grew 10% y/y, alongside robust growth across key verticals such as Programming & Tech, Digital Marketing, and Video & Animation.

Additionally, we continue to expand our value-added services across our ecosystem. AutoDS continues to maintain strong growth momentum, and we've made meaningful progress in integrating our platforms to drive adoption and scale. Notable highlights include the launch of an AI-powered Shopify Store Builder, as well as the development of a deeper integration to enable seamless upselling and cross-selling between AutoDS and Fiverr's marketplace. The strong performance of the Services segment contributed to the revenue upside this quarter.

We are also incredibly excited about how AI is positively impacting every dimension of our business, driving demand through AI-related services, improving discovery and conversion for buyers and sellers on the marketplace, and unlocking operational efficiencies through AI agents across functions. Today, I want to delve deeper into each of these areas and demonstrate how we are at the forefront of AI adoption, with the speed, conviction, and clarity that set us apart.

First, the rapid development of AI technology is giving rise to numerous new skills, and Fiverr's marketplace is becoming the go-to destination for accessing and engaging with AI experts. Categories such as AI agents, workflow automation, and vibe coding have experienced 5-to-10-fold growth on our marketplace over the past six months. With AI fundamentally changing how humans and machines interact, it allows many non-technical entrepreneurs and professionals to build and leverage the technology. At the same time, we are increasingly seeing the gaps between on-the-shelf AI tools and the real-world problems our customers are trying to solve. This is where Fiverr comes in. Freelancers on our platform are filling the critical first- and last-mile gaps for our customers. This could involve setting up AI systems, selecting the most efficient AI models, integrating the backend with existing systems, adding functionality, creating custom workflows, or simply debugging when the customer encounters issues. Fiverr's freelancers help our customers turn concepts and prototypes into high-impact solutions and tangible business results. These exciting trends underscore our conviction that human expertise is crucial in unlocking the full potential of AI. With the proliferation of AI tools in the market and the increasingly ubiquitous access to these tools, we believe this represents a long-term tailwind for our business, driven by an increasing number of buyers who are deploying AI and their growing need and budget for tackling AI-related problems.

That's why we are not only expanding our catalog to meet this demand, but also exploring ways to embed Fiverr's talent network and transaction infrastructure directly into AI-driven workflows. These efforts include several ongoing strategic partnership discussions, the development of targeted fulfillment capabilities, and laying the technical foundations to build scalable AI powered by experts. Our goal is simple: Fiverr freelancers are addressing critical challenges for businesses adopting AI, and we must strive to meet customers where they are and build an integrated experience that makes it seamless for them to leverage our platform.

Second, we are shipping at an incredible pace so that we can leverage AI to strengthen our marketplace flywheel. Every transaction in our marketplace involves three core

participants: the buyer, the seller, and the platform. Our vision is to create an intelligent, agentic experience for each.

Two years ago, Fiverr launched Neo, the first-of-its-kind AI matching agent for buyers in a marketplace environment. Since then, Neo has evolved into a powerful AI engine that drives underlying KYC and matching across all of our front-end products. As we continue to build out the agentic experience on the buyer side, we envision a future where each buyer will be accompanied by a recruiting agent who can assist with drafting job briefs, communicating with freelancers, curating candidate lists, and even managing project execution end-to-end. This is the beginning of a search-less vision for the future – at least in the traditional keyword-based sense of search – that makes room for more expressive and nuanced ways to address customer needs, one that unleashes the power of the multiple solutions Fiverr has built on the platform to tackle any project, from simple tasks to the most complex ones imagined that require multi-task and multi-talent orchestration and assembly.

On the seller side, we introduced Fiverr Go earlier this year, an AI assistant designed to help freelancers with project discovery, client engagement, and creative ideation. Following the successful launch in February, Fiverr Go continues to drive strong seller engagement and meaningful conversion uplift across the funnel it touches. Similar to the agentic AI experience on the buyer side, we have an extensive roadmap for Fiverr Go that will enable seller agents to provide more sophisticated support and guidance for our sellers, including service listing optimization, lead generation and qualification, and other marketing, analytics, operations, and production capabilities.

Last but not least, we are deploying agentic AI across internal functions to boost platform-level efficiency, from automating customer support workflows to enhancing marketplace integrity operations, and from improving job post matching algorithms to empowering customer success managers. These systems are designed to enable faster, more seamless orchestration between buyers and sellers, while scaling operational productivity behind the scenes.

As these agents become more capable over time, we believe they'll increasingly act autonomously, not only to improve individual workflows, but ultimately to enable

agent-to-agent transactions that reduce friction and eliminate the need for their human counterparts to manually navigate the platform. While this is an ambitious long-term vision, the path is clear. Having this roadmap enables us to make informed architectural and product investments today, and these early bets will position Fiverr at the forefront of marketplace innovation, further reinforcing our leadership through AI-powered differentiation.

As we wrap up the first half of 2025, I'm incredibly proud of how our team has delivered and even more excited about our strategy and roadmap for the second half of this year. I look forward to updating you on our continued progress in the months to come.

With that, I'll turn the call over to Ofer.

Ofer Katz

President & Chief Financial Officer – Fiverr International, Ltd.

Thank you, Micha, and good morning, everyone.

We delivered a strong second quarter, with both top and bottom lines exceeding expectations. Revenue for the second quarter was \$108.6 million, up 15% year-over-year. Adjusted EBITDA for Q2 was \$21.4 million, representing an Adjusted EBITDA margin of 20%, an improvement of 80 basis points from a year earlier. We continue to generate strong cash flow, with free cash flow totaling \$25 million, up 21% y/y. As always, we remain focused on taking a balanced approach between growth and profitability, while maintaining discipline with capital allocation.

Q2 saw solid performance across both our Marketplace and Services segments. Marketplace revenue was \$74.7 million, driven by 3.4 million active buyers, \$318 of spend per buyer and 27.6% of marketplace take rate. Within the Marketplace segment, we saw strong demand for AI-related services and AI category expansion, and Managed Services remains an important channel for upmarket penetration. We're encouraged by the accelerating growth across several of our core verticals and the steady increase in larger, more complex projects on the platform. In Q2, over 50% of GMV on our marketplace came from transactions over \$200 and these higher-value transactions are growing at a double-digit pace y/y. This is a strong indicator of our marketplace's ongoing evolution towards serving more sophisticated business needs. While the overall macro conditions do not warrant us revising our assumptions going into the second half of the year, we believe the structural tailwinds within the Marketplace segment, particularly around AI and upmarket adoption, will continue to help offset broader economic headwinds and serve as a sustained growth driver.

Services revenue was \$34 million, representing y/y growth of 84% and 31% of our total revenue in Q2. The upside was driven by several key initiatives, including the launch of an AI-powered Shopify Store Builder, streamlined cross-sell execution between AutoDS and the marketplace, and continued momentum in Seller Plus. We continue to see strong engagement and positive conversion impact from Fiverr Go, leading to

incremental uplift to Seller Plus Premium Tier subscriptions in Q2. Looking ahead, we expect Services revenue to maintain healthy momentum and as mentioned previously, expect it to represent a little over 30% of total revenue for the full year 2025.

Now, onto guidance. We are reiterating our revenue and Adjusted EBITDA guidance for the full year 2025. We expect full year 2025 revenue to be in the range of \$425 - \$438 million, representing year-over-year growth of 9%-12%. Adjusted EBITDA is expected to be in the range of \$84 - \$90 million, representing an Adjusted EBITDA margin of 20% at the midpoint. For the third quarter of 2025, revenue is expected to be \$105 - \$110 million, representing year-over-year growth of 5%-10%. Adjusted EBITDA is expected to be \$21.5 - \$23.5 million, representing an Adjusted EBITDA margin of 21% at the midpoint. We continue to operate with the highest level of discipline and efficiency. We believe we are well on track toward our long-term targets to reach 25% Adjusted EBITDA in 2027, and deliver 14% CAGR in free cash generation for the three years ending in 2027.

To close, we continue to execute on the goals and roadmap we set at the beginning of the year, and are looking forward to the second half as we remain well positioned to capture the enormous opportunity ahead of us.

With that, we'll now turn the call over to the operator for questions.