

# IR-0047 Fiverr

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**Private Draft Business: Fiverr** Generated: June 01, 2026 **Identity & Overview** Fiverr was founded on February 1, 2010, by **Micha Kaufman** and **Shai Wininger**, to solve sourcing and payment frictions for businesses and freelancers by standardizing services as affordable, impulse-friendly **Gigs**; starting at \$5. Kaufman came from a law and technology entrepreneurship background, while Wininger was a product designer and technologist — and later a co-founder of Lemonade, the insurance startup. Wininger had previously been a co-founder of Wix.com, the website-building platform, which equipped him with the skills to build Fiverr's user-friendly interface. Fiverr is an Israeli multinational online marketplace for freelance services, connecting freelancers to people or businesses looking for services. The founders tackled a clear market friction — cumbersome bidding, negotiating, and invoicing for small digital tasks — by introducing a Service-as-a-Product (SaaS) marketplace where every offering, called a **Gig**, was initially priced at \$5, a pricing anchor that made buying decisions frictionless. The core business model is transactional: marketplace revenue includes transaction commissions paid by buyers and sellers based on completed orders, while services revenue comes from optional value-added products including subscription tiers like Seller Plus, advertising via Fiverr Ads, and financial or learning tools. The platform spans approximately 550 categories across nine verticals including graphic design, digital marketing, writing and translation, video and animation, music and audio, programming and technology, business, data, and lifestyle.

**Market Position** The freelance economy has reached unprecedented heights in 2025, with over 1.57 billion freelancers globally and the market valued at over \$761 billion. Three platforms dominate this landscape: Upwork, Fiverr, and Freelancer.com. Upwork leads the freelance marketplace with a 61.25% market share, serving as the premier destination for professional-grade projects and long-term collaborations. Fiverr occupies second position, differentiated by its gig-based, fixed-price model. Fiverr excels in creative and digital services, offering quick turnaround times and standardized service packages; its streamlined hiring process allows clients to browse pre-defined services and make immediate purchases without lengthy negotiations. Beyond the top three, major players in the freelance website market include Upwork, Freelancer.com, Fiverr, and Toptal. Other notable alternatives include Bark.com and Toptal. Fiverr charges a flat 20% fee structure, compared to Upwork's 0–15% sliding scale. This take rate is a structural competitive weakness with freelancers but historically supported Fiverr's margins. Despite competitive pressures from platforms like Upwork, Toptal, and Freelancer, Fiverr's focused efforts on leveraging AI and improving matching infrastructure represent its primary differentiator going forward.

**Traction & Scale** The platform is global, with freelancers and businesses spanning an estimated 160 countries. Annual active buyers as of December 31, 2025, were 3.1 million, compared to 3.6 million a year prior — a 13.6% decline. However, buyer quality is rising: despite fewer buyers, annual spend per buyer rose 13.3% to \$342, compared with \$302 a year ago. Following its 2010 launch, Fiverr grew explosively — reaching over 1.3 million Gigs by early 2012 — driven by viral social media exposure and an intuitive onboarding experience. By 2015, the company processed north of 1 million transactions per month and opened offices in New York and Berlin. Fiverr has made 9 acquisitions. Notable ones include AND.CO (2018, freelancer software), ClearVoice (2019, content marketing), and more recently, AutoDS, a dropshipping automation company acquired in November 2025, and Yaballe in January 2026. In September 2025, Fiverr cut 30% of its workforce — approximately 250 employees — as it transitions to an **AI-first** company, with CEO Kaufman framing the move as becoming **leaner and simpler**. The current headcount is estimated at under 800 full-time employees.

**Financial Picture** Pre-IPO, Fiverr raised \$111M in funding from investors including Bessemer Venture Partners, Accel, and Qumra Capital. Fiverr listed on the NYSE in June 2019 under ticker FVRR, raising approximately \$110 million at IPO. Revenue trajectory: revenue for the full year 2024 climbed 8.3%, from \$361.4 million in 2023 to \$391.5 million. Full-year 2025 revenue reached \$430.9M, up 10.1% year-over-year, with an adjusted EBITDA margin of 21.3%. Services revenue grew 50.9% to \$133.4M for 2025, while marketplace revenue declined slightly. 2026 guidance is the

key inflection point. Management guided for FY 2026 revenue of \$380–\$420 million, implying year-over-year decline of 3%–12%. The current stock price is \$10.99 as of May 29, 2026. The stock is trading 65.6% below its 52-week high of \$33.78 from June 2025. The company is valued at approximately \$445 million — barely above its cash holdings and 31.5% below its 2019 IPO price. Public Sentiment User sentiment on Fiverr is deeply bifurcated by role (buyer vs. seller) and transaction tier. On the Apple App Store, the app holds a 4.9/5 average rating, reflecting a largely satisfied mobile user base for routine transactions. Positive reviews highlight ease of use and access to affordable talent. Sellers in creative categories describe the platform as enabling them to reach buyers globally, with some longstanding users reporting years of successful business. Negative sentiment, however, is significant and consistent. On Trustpilot and review aggregators, critical themes recur: freelancers describe the platform's economics as punishing, citing a 20% commission cut as fairly aggressive; rising to 25% on larger orders. Fiverr simply doesn't do enough to ensure people can't make false and misleading claims about their level of experience and language proficiency; (reviews.io) is a representative buyer complaint. Buyers frequently report that Fiverr only has AI customer service with no accessible human support. Fiverr is an open platform where anyone can sign up and start selling, meaning there is no real vetting process; even Top Rated and Level 2 sellers aren't always consistent. Media & Press Fiverr's June 2019 NYSE IPO was a landmark media moment, positioning the company as the defining stock of the gig economy era. The stock briefly traded at a peak above \$300 per share in 2021 during the pandemic remote-work boom. In 2024, Fiverr put out a controversial ad campaign claiming that nobody cares; if work is done by a person or AI, which sparked debate about AI ethics and creator rights. In April 2025, Fiverr launched Fiverr Go, an AI service starring Stranger Things actor Brett Gelman, enabling freelancers to train their own AI models to streamline workflow. The most damaging press came in September 2025. CEO Kaufman had urged staff to upskill and adapt to AI, then five months later cut 30% of the workforce as the company transitions to AI-first. The irony was widely covered: a company that helps people get freelance jobs — increasingly endangered by AI — was itself laying off employees due to AI. In October 2015, Amazon took legal action against 1,114 Fiverr sellers it claimed were providing fake reviews on its website — an early trust controversy that remains a recurring theme. More recently, law firm Pomerantz LLP initiated an investigation into potential securities law violations following Fiverr's weak 2026 guidance. Current Status Fiverr is in active and painful structural transition. The headline narrative is a deliberate platform pivot: executing one of the most deliberate and painful platform pivots in gig economy history, deliberately sacrificing near-term revenue by deprioritizing low-end transactions. The core problem is structural AI displacement. The AI revolution has already made many of Fiverr's popular services redundant, from translation and basic graphic design to coding tasks. Low-skill categories like writing and translation declined approximately 20% in 2025 as AI-generated alternatives accelerated their commoditization. The counter-thesis rests on upmarket performance: GMV from transactions over \$1,000 grew 22.8% in Q4, and full-year adjusted EBITDA reached \$92 million at a 21.3% margin, while the company holds \$300 million in cash. The February 2025 launch of Fiverr Go is designed to boost buyer conversion, and services revenue saw a 94% year-over-year increase in Q1 2025, reaching \$29.5 million. Fiverr's stock jumped 17% after reporting Q1 2026 results, peaking at a 27.8% gain, suggesting early signs that investors may be warming to the AI-native repositioning — but the stock remains severely depressed versus historical levels. Summary Verdict Intelligence Briefing — Fiverr International Ltd. (NYSE: FVRR)\*\* Fiverr is a structurally sound but strategically besieged platform undergoing the most consequential transformation in its 15-year history. Founded in 2010 by Micha Kaufman and Shai Wininger in Tel Aviv, the company pioneered the productized gig marketplace and scaled it to a \$430.9M revenue business with global reach across 160 countries. It is now a public company trading at roughly \$11 per share — a fraction of its 2021 peak above \$300 — with a market capitalization near its own cash balance. The core challenge is existential in nature: AI is commoditizing the low-end services that built Fiverr's marketplace. Writing, translation, basic design, and simple coding — the original bread-and-butter of the platform — are declining rapidly as buyers turn to AI tools directly. Management's response is a deliberate, high-risk upmarket pivot: shedding 30% of employees, investing in AI-native infrastructure (Fiverr Go, Neo matching), and chasing higher-value transactions. The data on the upmarket thesis is genuinely encouraging — spend per buyer rose 13.3% to \$342 in 2025, and GMV from \$1,000+ transactions grew 22.8% — but total active buyers fell 13.6% to 3.1 million, and 2026 revenue is guided to \*decline\* by 3%–12%. Profitability remains intact: 2025 adjusted EBITDA margin reached 21.3%, and the company holds \$300M in cash with minimal debt. The balance sheet is not

the problem. The problem is whether the AI-native repositioning produces a business large enough and sticky enough to justify the platform's existence against both AI tools (eating the bottom of the market) and premium competitors like Toptal (eating the top). User trust is also a persistent liability — open marketplace dynamics, inconsistent quality, and AI-inflated seller profiles generate chronic negative sentiment. Two legal clouds add near-term risk: a Pomerantz LLP securities investigation triggered by the guidance miss, and the reputational fallout from the "AI is coming for your jobs" memo followed immediately by mass layoffs. One-line assessment: Fiverr is a profitable but shrinking marketplace in managed decline at its core, betting that an AI-native upmarket pivot can outpace the structural erosion before the market loses patience — a credible but unproven thesis trading at deep value for risk-tolerant investors.