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Earnings Call

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Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to the Figma Third Quarter 2026 Earnings Call. [Operator Instructions] I will now hand the conference over to Kate DeLeo, Vice President of Investor Relations. Kate, please go ahead.

Kate DeLeo
VP of Business Operations & Investor Relations

Good afternoon, and thank you for joining us on today's conference call to discuss Figma's results for the third quarter of 2026. On the call, we have Dylan Field, Figma's Co-Founder and Chief Executive Officer; and Praveer Melwani, our Chief Financial Officer. During the course of today's call, we may make forward-looking statements, including, but not limited to, statements regarding our guidance and future financial performance, market demand, product development, growth prospects, business strategies and plans, partnerships, ability to attract and retain customers and ability to compete effectively.

These forward-looking statements are based on management's current views and assumptions and should not be relied upon as of any subsequent date, and we disclaim any obligation to update any forward-looking statements. Actual results may vary materially from today's statements. Information concerning our risks, uncertainties and other factors that could cause results to differ from these forward-looking statements are included in our filings with the SEC, including our quarterly report on Form 10-Q for the quarter ended September 30, 2026.

Our discussion today will include certain non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, not as a substitute or in isolation from, GAAP measures. Our non-GAAP measures exclude the effect of our GAAP results of stock-based compensation and certain other items. Reconciliations of non-GAAP financial measures to comparable GAAP measures can be found in our press release accompanying this call, which is posted to the Investor Relations page on our website. I would now like to turn the conference call over to Dylan.

Dylan Field
CEO, President & Chairman

Hi, everyone, and thank you for tuning in to today's call. For decades, writing code was the bottleneck of the product development process. As coding models improve, that is no longer true. Value is moving up the stack to design and demand for great design is growing. According to our research, a majority of product builders, developers included, believe the design skills are becoming more important than coding skills. And we see this in how teams use AI and Figma with our own agents and others that are connected to our Canvas. To design something well, AI needs the context that lives on Figma's platform, your thinking, your design system, the decisions that your team has made. Design is the new code, and Figma is the center of gravity for design.

This expands Figma's market opportunity, and we're already seeing it in our results. I'll walk through a few highlights from the quarter. In Q3, we delivered $391 million in revenue, up 43% year-over-year and $16 million above the high end of our prior guidance. Our net dollar retention rate was 131%. Non-GAAP gross profit dollars grew 36% year-over-year. Our non-GAAP operating margin was 12%, and our free cash flow margin was 11%. We finished Q3 with $1.7 billion in cash, cash equivalents and marketable securities. We delivered these results as we focused on building the full stack canvas for visual-first development. It's made for collaboration, increasingly powered by our first-party model and native to the ways that teams design and build with AI. This is Figma's opportunity and what we believe will fuel our next phase of growth ahead.

We're tackling this opportunity by extending the Figma platform on three main fronts: First, Code and context; second, the Figma agent and the Figma MCP server; and third, our first-party model. Let's start with code and context. Earlier this year, we introduced Code layers, which launched into open beta last

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month. As code becomes a commodity, more designers are using it to visualize their thinking and bring their ideas to life. Some of that work is starting with coding agents and terminals and IDEs. These tools are powerful, but working in a linear code-first way can lead to tunnel vision and siloed workflows. When you're working alone, it's easy to get attached to your first idea and build the wrong thing, which ends up slowing everyone down. We see this in our research. More than half of product builders, 52%, said fixing AI outputs is becoming one of the most time-consuming parts of their day-to-day work. As one customer told us, it's "fast, fast, fast and then slow."

We also know that for many of our customers and basically anyone who's not a developer, the terminal, the IDE, they just don't feel like home. They prefer the canvas where they can explore and compare and rip on ideas with their team. And agents make the canvas even more valuable. The faster AI can help you generate prototypes, the more teams need a shared place to see them side by side and decide which ones are worth developing, which deserve to ship. This is where Code Layers shines. At Merkle, teams are reporting 30% faster iteration and feature development with Code Layers. As Merkle's VP and Global Lead of Experience Design, Dave Calleja, put it, the power of Code Layers is removing the perceived decision between code-based and canvas-based tools with the full power of both. The design, engineering and product teams at Cox Automotive are using Code Layers to explore variations on a new dealer-facing CRM. A senior PM for AI went through 19 versions of that CRM with about an hour of hands-on keyboard time. In their words, working with Code Layers was "at least 10x more efficient or about 90% time saved".

Code layers rolled out to all users this week. We see it as core infrastructure that we'll continue to invest in and improve. It's already changed how we build at Figma, and we're excited about code layer's potential to transform how teams build with code in a visual-first way.

In addition to code, we're also introducing ways to bring more context into the Figma canvas with specs. Now to understand the power of specs, it helps to understand markdown, a context format that has become widely used to feed context to agents. Specs is a medium for markdown so it's directly on the Figma canvas. It gives teams a new way to codify context and move it into, out of and across Figma.

It works with all content types, visual, written, design and also code. It's also multiplayer, meaning you can work on specs with both human and agent collaborators. Specs houses teams' shared decisions and can reference work already in the canvas, giving teams a better way to ultimately ship their design intent.

That brings me to the second area of focus, agents, starting with the Figma MCP server. Figma's MCP server has become an important way of how teams build with AI. And recently, we've added several new capabilities, including the ability to generate Code Layers, images or push a markdown file into Figma specs. And last month, we added 20 new MCP partners so that workflows can easily connect to our platform. These new partners include Notion, Xcode, and Meta's AI agent, Muse, which was also designed in Figma. During Q3, the Figma MCP server was our fastest-growing product by growth in weekly active users. Today, it has approximately 1 million weekly active users. In Q3, total MCP usage grew 3x quarter-over-quarter and writeback usage grew 4x.

This reflects Figma's central place in the product development workflow and the power of working on the Canvas in a visual-first way. MCP is also bringing new teams to Figma. In Q3, about half of new Pro teams used our MCP server and customers using Figma MCP grew full seats faster than those who did not. It's also translating into meaningful AI usage on our platform. In fact, MCP is now driving 5% of credit consumption on Figma.

Turning to the Figma agent. The agent is foundational to the full stack canvas we're building. Customers are using the agent to generate designs grounded in their design systems to explore ideas and get them in front of users faster and save time by automating repetitive tasks. For example, at Uber, the agent helps document design system components across 7 different platforms. Documentation that once took multiple people months to complete can now be published by one designer in an afternoon.

At Granola, the Figma agent uses the Granola connector to turn meeting feedback into annotations directly on the Figma canvas. That way, designers can stay focused on the conversations they're having and then act on what they heard. As one of Granola's designers put it, "The quicker you can get a design in front of a user, the better. Everything I do with the Figma agent is in service of that". As of October 31,

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on a weekly basis, 65% of paid customers with more than $10,000 in ARR were using the Figma agent and over 80% were consuming AI credits. And across Figma, excluding beta usage, weekly AI credit consumption has increased 2.5x through the transition of the agent's GA launch to October 31.

The Figma agent and MCP server are also bringing new personas to Figma that want to work in a design and visual-first way. We believe this expands our total addressable market beyond traditional designers and product teams. For example, at Harvey, the marketing team is using agents connected through the Figma MCP server as well as tools like Figma Motion and Figma Weave to create launch films and personalized product videos. This is part of what they're calling a "frontier marketing org". They built reusable libraries for their brand guidelines, product screens and motion animations, all in Figma.

This gives agents the context to build consistently and at the quality bar that their team expects. The team visually reviews storyboards on the canvas while agents revise the work based on their feedback. In one batch, Harvey produced 36 films in 69 minutes. It's a workflow where human direction, shared design context and agents come together to, as they put it, "turn ambitious ideas into repeatable work at scale".

The third area of focus is the first-party model that's powering more of the agent's work. Growing usage of the Figma agent raises the bar for how our users expect it to perform. Every edit needs to be useful, precise and fast enough to keep people in their flow. This is why we're investing in our own first-party models. We've seen that post-training with expert designers and researchers calibrating our evals around design can compete meaningfully with frontier models on specific tasks.

From the start of Q3 through October 31, we more than doubled the share of work powered by our own post-train design model. Along with third-party models, it's delivering a better experience for our users. In head-to-head testing with expert designers, the agent beat or matched the previous production agent 62% of the time. User ratings are 33% higher and users undo the agent's work 60% less often. We're excited about the potential of this work for two main reasons. First, it shows that a deep understanding of design and designer needs can translate to meaningful model and product progress, particularly in specialized domains. And second, a model with more powerful capabilities can help designers push limits of their craft and expand who and what people can build in a visual-first way.

AI is opening up new possibilities for how products get built, and we see incredible opportunity for Figma to shape what comes next. As code becomes abstracted, the products that in apart will be defined by the judgment and the creativity of the humans behind them. The companies that win will invest in design. It is the differentiator. This has been our conviction since we started Figma 14 years ago that the easier it is to build software, the more it matters what you build and just as important, how well it's designed. We're building Figma to be the best place to do both. With that, I'll pass it over to Praveer.

Praveer Melwani
CFO & Treasurer

Thanks, Dylan. Dylan talked about how we're transforming our product and business in the AI era. I'd like to focus on how that's showing up in our results. For us, three things stand out. First, continued strength in renewals, expansion and upgrades drove Q3 revenue well ahead of prior guidance, and we're raising our full year outlook for both revenue and operating income. Second, AI usage on Figma grew meaningfully, including with our largest customers who are now building with AI in Figma at scale. Third, we believe our MCP server is strengthening Figma's place at the center of the product development ecosystem, leading to more conversion, improved retention and continued expansion. Taken together, we believe that we're building the right foundations to continue to drive our business forward.

Let's walk through our recent performance. Q3 revenue was $391 million. This is up 43% year-over-year and $16 million above the high end of our prior guidance. Q3 net dollar retention rate was 131%. This was our fifth quarter in a row where NDR was above 130%, driven by upgrades, strong seat expansion and AI monetization. Q3 gross retention rate remained in the mid- to high 90s and approximately 2/3 of paid customers with more than $10,000 in ARR added full seats compared to their prior renewal. We also continue to add customers across every tier. In Q3, we added more than 600 paid customers with more than $10,000 in ARR and more than 80 paid customers with more than $100,000 in ARR. But we're not just adding customers, we're also going deeper with our existing customers. When we went public last

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July, we disclosed that paid customers with more than $10,000 in ARR accounted for 64% of ARR as of the end of Q1 2025. As of the end of Q3, they accounted for nearly 70%. Whether it's through expansion, upgrades or AI monetization, our customers are doubling down on Figma.

A big part of our story over the last several months was the progress we're making driving AI usage on the platform. We have continued to experiment with our pricing and packaging as we ship more products and capabilities that consume credits. For our largest customers, we now offer the ability to draw down AI add-ons, giving them more flexibility in how they use credits across the platform. And in August, we repriced our credits to include more credits in each add-on. We see customers putting the credits to work. Among customers who purchased AI add-ons, utilization increased by an average of nearly 40% between our credit repricing and the end of October. With Figma Agent becoming generally available on October 6, we are powering entirely new ways to work for customers like Uber, Granola, Harvey and thousands more.

Dylan talked earlier about how AI is making it easier than ever to build and more than that, building is happening in Figma. Teams are generating prototypes in Figma Make that turn designs into interactive Code Layers on the Figma Canvas or collaborating with Figma the agent to craft detailed specs that align designers, engineers and coding agents on exactly what to ship. These capabilities are resonating with customers and adoption is deepening. Since the start of Q3, the number of weekly active users consuming credits among paid customers with more than $10,000 in ARR increased by almost 50% through the end of October. We're especially encouraged by the early response to the Figma agent.

As of the end of October, over 80% of users on our Org and Enterprise plans who were consuming agent beta credits prior to GA continue to use credits and over 95% of those same users remain active on the platform. Importantly, we're seeing AI usage scale and grow into larger customer commitments. I'd like to share a few examples. Last quarter, we highlighted a technology infrastructure company that was rapidly expanding its use of our AI products. This company has continued to deepen its investment in Figma. Over the last 6 months, the company increased its AI add-ons twice before signing a new drawdown agreement, bringing its AI credit spend commitment to over 7x its initial purchase. This growth was driven by Figma's MCP becoming more deeply embedded in their day-to-day workflows. Teams work across Make and the Figma agent using Make kits and templates built from their own design systems to consistently produce results aligned with company standards.

A global payments company partnered with Figma to bring AI into product development across design, product and engineering. As adoption grew across teams, the company increased its AI credit spend commitment by nearly 8x its initial purchase over 5 months. Teams connected their enterprise design system to Make, MCP, and Code Connect to build faster while maintaining brand consistency, accessibility and governance. As weekly AI users grew, usage became more frequent and credit consumption per user increased with the company also quickly becoming one of the largest users of the Figma agent. A global pharmaceutical company sought to accelerate product development while delivering consistent experiences across its diagnostic instruments and software and increased their AI credit spend commitment by over 6x its initial purchase over 6 months. Working with our team, it brought its design system and code libraries into Figma Make, giving AI the context to generate results aligned with its own standards. The company reported better results with fewer rounds of prompting and meaningfully more efficient use of credits.

These examples show how AI consumption grows in Figma. Customers start with a focused commitment, see value and expand their investment. As we expand the surface for AI consumption across Figma and help customers adopt it in their workflows, we believe AI monetization will become an even more meaningful contributor to growth over time.

Turning to the income statement. Unless noted, all metrics are non-GAAP. We have provided a reconciliation of GAAP to non-GAAP financials in our earnings release, which is posted to our website. Gross profit was $321 million, up 36% year-over-year. Gross margin was 82%. As we said last quarter, our investments are in service of maximizing gross profit dollars over the long term. While gross profit dollars grew, we made the decision in Q3 to cover the cost of inference for the Figma agent ahead of its GA launch on October 6. Given the early adoption of Figma agent, we believe that this was the right decision. Last quarter, I said we were beginning to bring first-party models into the Figma agent as we've

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optimized the models and post-train for our agent from the start of Q3 through October 31, we more than doubled the share of work powered by our own post-train design model. And we've reduced the average cost per message across all agent messages.

We continue to experiment in how we price and package our products from repricing our credits in August to enabling drawdowns, a more flexible purchasing arrangement for our largest customers, which represented 80% of eligible add-on purchased from the pricing update through to the end of October. Taken together, these changes have enabled consumption to meaningfully grow on the platform. We remain focused on delivering more value across our products while improving quality and latency, and we'll continue to look for ways to improve costs. Q3 operating income was $47 million, a 12% operating margin. Operating income benefited primarily from our revenue outperformance as well as optimizations we've made to our internal AI spend. We have also continued to drive efficiency in how our team operates more broadly, resulting in cost savings in the quarter. Q3 free cash flow was $42 million, a margin of 11%. We ended the quarter with $1.7 billion in cash, cash equivalents and marketable securities, and we remain confident in the long-term cash-generating profile of the business.

Before we get into our Q4 outlook, I want to be clear about our strategy. We are continuing to make investments that we think will serve our customers and our business over the long term. We have intentionally made decisions that may act as near-term financial headwinds where we believe they will drive long-term benefits. Changes we have made like repricing our credits and enabling drawdowns are all in service of laying the foundation for a durable business over the long term. We view this as a continued investment in our business and opportunity. Now let's turn to our outlook. For the fourth quarter, we expect revenue of $402 million to $404 million or 33% growth at the midpoint. For the full year, we're raising our outlook to $1.497 billion to $1.499 billion, implying 42% growth, a raise of $33 million at the midpoint. Our guidance philosophy is unchanged. We provide a snapshot of our current view based on recent trends, including what we have high confidence in and where visibility is more limited, we observe sustained trends before fully incorporating them. With the Figma agent becoming generally available on October 6 and most of our products now consuming paid credits, we have more knowns walking into the quarter than in quarters prior. Our outlook reflects the pricing and packaging changes we made late in August and early signals into agent usage and adoption.
We're raising our full year non-GAAP operating income outlook to $158 million to $163 million, an 11% operating margin and a raise of $31 million at the midpoint. The raise primarily reflects our outperformance in Q3 as well as a carry-through of the internal AI efficiencies we recognized this quarter and improvements in our cost to serve our AI products. To close, Q3 was another strong quarter. Revenue came in well ahead of our prior guidance, and we are raising our outlook for revenue and operating income for the full year. AI usage grew in both breadth and depth, and our largest customers began committing to it at scale. And through our MCP server, we believe Figma is becoming the center of gravity across the broader ecosystem of AI tools and agents. We're excited about the opportunity ahead. New AI native workflows are opening up new possibilities for our business, and the team is executing relentlessly to ensure Figma remains the best place to get this work done. We're bringing teams and agents, design and code, context and content, all in one place. We're focused on executing against our strategy and delivering durable, profitable growth. With that, I'll hand it over to the operator for Q&A.

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Question and Answer

Operator

[Operator Instructions] In the meantime, there is a question from retail investor, Marvin Jay. How does Figma plan to defend its position as design workflows increasingly overlap with coding and AI development tools?

Dylan Field
CEO, President & Chairman

Well, Marvin Jay, thank you for sending in your question, and definitely other folks out there, in the future send in yours. So, I think that to answer it, we're not just playing defense, we're playing to win. And as we think about what playing to win means, the way we see it, design is the new code. As I said on the call, as code becomes a commodity, we see value moving up the stack to design. And Figma is the center of gravity for design. This is an enormous TAM opportunity for us as we see that value moving up the stack. The visual first development possible on our platform, lets teams explore the possibilities before they decide what to build and ship. And this also is possible based on a few core pillars of our strategy. First, Code Layers. We want to make sure that we're able to bring design and code together with Code Layers on the canvas. That allows you to complete the journey from idea to design, execution and ultimately pushing a PR directly from Figma using the Figma agent.

Second, our MCP reinforces our place as the center of gravity for design. Third, our own first-party model is better at uniquely serving designers and their workflows already. And also, there's so much more we can do to expand out the number of cases that we serve and our overall profile of the first-party model. So, we're continuing to invest in all these areas, and we're excited about our progress ahead.

Operator

Your next question comes from the line of Arjun Bhatia with William Blair.

Alinda Li
William Blair & Company L.L.C., Research Division

This is Alinda Li on for Arjun. Could you help us update on with all the new AI capabilities coming on? If you can just give us a rundown of which new capabilities are now consuming paid credits? And how much of their contribution is reflected in the guidance here?

Dylan Field
CEO, President & Chairman

Yes, I appreciate the question. Yes. So, we transitioned our agent product from beta to GA on October 6, through that transition, what we've been able to see is credit consumption has more than 2.5x through the end of October. And we've grown the number of weekly active users consuming credits on our 10K plus plans by 50% from the start of Q3 through to the end October there.

So, getting agent over the line was one of the larger sort of efforts for us to move beta usage over to general availability. Code Layers, while still in beta, is consuming credits today, and Make, as well as the other AI features on platform, continue to consume credits.

As it relates to the guide, we're referencing our results over the last few weeks now and have incorporated those into the Q4 guide. I think what has actually been interesting in this guide versus the prior is during the prior guide, we were baking in the credit repricing that we had made in August. And now through that transition, we've been able to observe utilization of our add-ons increase by about 40%. Our utilization rate rather, of those add-ons up 40%.

So, we've been able to incorporate that as well. So, this quarter, I think we're walking in with more knowns than unknowns than we had in quarters prior. That's giving us confidence in the Q4 revenue guide.

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Operator

Your next question comes from the line of Michael Turrin with Wells Fargo.

Michael James Turrin
Wells Fargo Securities, LLC, Research Division

I think the commentary around near-term versus long-term trade-offs is clear, but I was just hoping you could maybe help level set how some of the adjustments to pricing and packaging you're making currently may have impacted metrics like the net retention rate, if at all, or if there's a way for us to think about that?

And also just curious to hear more around early feedback, particularly on the Agentic products and how you see the mix of customer spend towards things that are more consumptive evolving over a longer period of time.

Praveer Melwani
CFO & Treasurer

Yes. I can start there, Michael, I appreciate the question. I think we stated before and I'll restate it here today, our priority remains maximizing gross profit dollars over the long term. And this quarter, we saw gross profit dollars grow 36% year-over-year. As we continue to refine our pricing and packaging in service of our AI offerings we're going to take a flexible mindset and are going to be making those changes in the near term with the calculus that they should prove out to become these durable levers for us or these durable sources of growth for us over the long term.

We saw that play out with our AI credit repricing. And so for the same price that someone was paying on Pro, we increased the overall number of credits that they then received similarly on our Org and Enterprise plans.

The benefit that we saw is it actually increased the utilization rate of those add-ons. And as we -- and we've also grown the overall number of users that are consuming pay credits over there. So, I think there is a reality here where we're investing in our customers.

We want them to be able to adopt the new products that we're making and serving. And if that means trading off near-term growth, for that long-term growth durability, we will do that. And so yes, there is a potential impact there to near-term NDR, but over the long term, what we've seen is as folks start small, they then start to grow in multiple fold over time with these additional AI credit purchases.

And so we've talked about that in the prepared remarks as well. So, I think the general spirit and sentiment over here is that I think as folks become used to drawing down these credits that our AI credit offerings can become a larger growth driver for us in the foreseeable future. and we'll continue to stay close and continue to optimize along the way.

Operator

Your next question comes from the line of Elizabeth Porter with Morgan Stanley.

Elizabeth Mary Elliott Porter
Morgan Stanley, Research Division

I want to circle back on guidance. And the question is how much of the moderation in growth into Q4 reflects some of the pricing and revenue conversion dynamics versus any sort of changes in the underlying spending growth? And I understand it's a little early for formal 2027 guidance. But just at a high level, do you expect those headwinds to diminish sufficiently to support some growth stabilization? Or would that require further acceleration in some of the paid AI consumption?

Dylan Field
CEO, President & Chairman

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Yes, I appreciate the question, Elizabeth. So, I'll start on the guidance philosophy. And we take a typical pattern here of leveraging the knowns and providing a current outlook that's representative of the current trends and where we have less visibility, we don't incorporate those and to guide that we lay out.

I think the things that we are thoughtful about, as we're laying out our guide over here is there are changes that we made to our pricing and packaging. And while that's leading to increases in consumption in the near term, that revenue monetization will continue to take time to flow in there. And so we talked about this in the prepared remarks.

There are examples of customers that start with these initial purchases of our AI credit add-ons. You find these champions. Typically, you see these parallel distributions within these organizations as you identify these champions as we enable them as we have folks on our go-to-market team spend time with them.

We've been able to grow those initial purchases into larger purchases over time. I think the other piece that I'd like to share on our go-forward guide in the Q4 as we are still rolling off the pricing and packaging changes that we had made in Q1 of 2025. Those will completely flow out of our model by Q1 of '27, but there is some of that impact, especially as Q4 is a large renewal quarter for us.

And then I think to your point on '27 at this moment in time, we're not commenting on our '27 guide. But I'd point to some of the early traction and the momentum that we're seeing on the overall AI adoption so far.

Operator

Your next question comes from the line of Billy Fitzsimmons with Piper Sandler.

William Fitzsimmons
Piper Sandler & Co., Research Division

Two interrelated questions on AI credit consumption, and we've kind of talked about this a little bit on the call, but I want to ask as directly as possible. So, I guess one with kind of multiple pillars to our AI credit monetization, we've seen good overage consumption on Make after that went GA on March 18.

And then we saw the design agents and Weave exit beta and go GA this quarter. Can you frame how usage in credit consumption for both the design agent and Weave compared to Make exiting beta and the magnitude of those products?

And then on the 3Q results and 4Q guide, there's a lot of moving pieces here with two new products kind of coming online and the increased limits. Can you just help think about the mix shift in those two things as we think about results in the guidance?

Praveer Melwani
CFO & Treasurer

Sure. Yes, let me start by teasing apart of a few of them. Figma Weave or Weave when we acquired it a year ago was a product that we've been selling for some time. I think what you're referencing that recently GA is Weave tools in Figma which gives you a compelling way to kick off a workflow in the context of your Figma instance.

And so I think it's a really powerful way to get an understanding of what's possible, and we and I encourage more and more folks to try it out. As we transition from beta to GA on the agent or for our Figma agent in particular, the stat that I'd point you to is that we've grown credit consumption 2.5x through that transition through to the end of October over there.

And so there's a fair amount of momentum and excitement. Folks are adopting new workflows that are now powered by our Figma agent. I think the -- there are -- while there are a lot of moving pieces in the guide, I think the general thing that we've seen so far and the reason why I feel like the changes that we made in August are beneficial to us as we've seen the utilization rate of add-ons grow 40% from when we made those repricing changes to where we are as of the end of October, which signals that -- which signals folks are going deeper within their existing add-ons that they purchased.

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It signals that we've really sparked -- or rather, we've really captured some interest there. There's all that a fair amount of work that we need to continue to do and refine these products or areas that our team is relentlessly focused on. But I do believe that things are moving in the right direction over there.

One of the things that we haven't talked about, but it will come up in our Q4 renewals is how the credit -- the purchasing mechanics for how folks are actually buying those credits on our Org and Enterprise plans. Drawdowns represent an increasingly customer-friendly way to purchase those add-ons, they give folks the ability to use those AI credits over a longer period of time, which is -- which facilitates folks to be able to burst in activity at various moments over the course of their contract.

And so as those start to make its way into our pipeline, we get excited about what the potential is over there. But net-net and takeaway over here is that we're seeing consumption really pick up. It's folding it's way into our pipeline, and it leaves us in a positive spot as we look at the rest of Q4 over here.

Operator

Your next question comes from the line of Samik Chatterjee with JPMorgan.

Samik Chatterjee
JPMorgan Chase & Co, Research Division

Sorry if I missed this earlier, but can you talk about sort of what have you seen since the pricing changes in terms of customer conversion to full seat given that you were sort of enabling more credits under that full seat in terms of increases?

And then I think you've talked about sort of the higher utilization post those changes. When you think about sort of how much time it's maybe taking some of your customer cohort to become revenue neutral related to -- with that higher utilization.

Are you seeing any sort of time frame in terms of how that high utilization is bringing you maybe more on a neutral or a parity with -- on the revenue front with those customers once you allow for that higher credit sort of within the package itself.

Praveer Melwani
CFO & Treasurer

Yes. Thanks for the question here, Samik, but I think the things that I'd clarify here, while we repriced our credit add-ons, credits that were priced rather that were allotted in your seat remained unchanged. So, the utilization increase that I was sharing is utilization of an add-on, which is a part of the -- an additional amount that you're going to pay as you go or other pay after you've kind of consumed those credits within your seat.

So, I think the higher utilization rate, the growth in credits at least for us right now are leading to a stronger pipeline for Q4. And I think in not just because of the pricing and packaging changes, but it's the translation from some of our products that were previously in beta to GA as well.

Agent is, in particular, is one I'd point you to we were through that GA, we've grown credit consumption by 2.5x over there. So, I do believe that this strengthens the offering. Our customers are sharing that back with us. And the purchase mechanics here are typically folks will start small and then grow.

And in certain situations, we've been able to land larger. But I think we're going to continue to see the sort of muscle [indiscernible] momentum build as we identify these champions and they really start to mature.

Operator

Your next question comes from the line of Alex Zukin with Wolfe Research.

Aleksandr J. Zukin
Wolfe Research, LLC

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Just a quick 2-parter for me. Maybe just given all the talk about making budget available for token consumption. Maybe just a comment on what you're seeing in terms of pipeline and the general sales cycles and the demand environment as you're seeing and continuing to monetize existing customers?

And then I know we're doing a lot of experimentation, but any more clarity. I know I asked this question all the time just around the gross margin trends for Q4 and beyond, just to give us a sense for the lower balance of gross profit dollar growth.

Praveer Melwani
CFO & Treasurer

Sure. Thanks for the question, Alex. I think our conversations continue to lean positive in our customer checks. Customers continue to invest in Figma, our net dollar retention rate remained above 130%. It's been that way now for a number of quarters, gross dollar retention rate in the mid- to high 90s. We're very focused on improving ROI of AI consumption as we take these products to our customers.

It's been really important to us to invest in it's one of the reasons why it's been really important for us to invest in our first-party model because it's allowed us to serve a lower latency outcome with similar higher quality and being really thoughtful about costs for our customers and that's now -- it's now growing to be a larger and larger share of the overall number of activities that are powered are powered by a first-party agent today.

So, we doubled it over the course of the quarter. I think we've shared a ton about the credit adoption. I think it's really important for us to have our customers really see that value and really sink into it prior to continuing to purchase more. And through this translation from beta to GA, what I've gotten really excited about is the retention of that beta usage through GA.

So, about 80% of our Org and Enterprise customers that were using the agent prior to GA continue to use the GA post -- sorry, continue to use agent post GA. 95% of those same customers continue -- or over 95% of those same customers continue to remain active on the platform, signaling that we've done a good job being able to capture the energy and attention there.

And then I think the -- or actually, Dylan, do you got anything to add?

Dylan Field
CEO, President & Chairman

Yes, I can chime in on just sort of the seller conversations we're having. One thing I just wanted to also add there is where I expect it to go in the near term is an increasing focus on security. And this is something that perhaps we're not seeing yet broadly, but I expect it to be quite soon that folks are very focused on this for all their vendors.

This is an area that we've really invested in, and we'll continue, obviously, to invest in and you can see some of the ways we've been working through agentic security even before that was part of the popular conversation back to Praveer.

Praveer Melwani
CFO & Treasurer

Yes. And then, Alex, just to close the loop on gross margin. I think, again, we're way more anchored to gross profit dollars, operating profit dollars, how that trends over time and really want to see that as our North Star over here. We're going to have these periods where we invest ahead of monetization. Q3 was one of those quarters where we invested ahead of that agent GA. And so that's what you saw driving the gross margin decline by 3 points there. from Q2 to Q3.

What we found though, even over the course of the quarter, is that we're increasingly being able -- we're increasingly being able to serve our AI features and offerings more -- with more efficiency. We've also been leveraging AI tools internally, and that's allowed us to run the business more efficiently. This all comes together, allowing us to increase our op profit guide for the full year, up just over $30 million for the full year there.

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So, I do think that our strategy here is one that is working. It's one that's driving adoption. It's one that's driving usage and one that we'll continue to come back to.

Operator

Your next question comes from the line of Tal Liani with Bank of America.

Tal Liani
BofA Securities, Research Division

Actually, my question is coming in the right order. I want to continue the previous question, and I have basically two questions. Number one is -- the -- I know you're focusing on gross profit dollar growth of gross profit, but there is no leverage. You grew your revenues by 42%. Your operating margin went down. It went from 12.4% to $12 million.

And normally -- I mean part of it is gross margin, but there are other things that drive it. So, the question is, what's your plan? Meaning how long does it take to translate this substantial growth and success into also margin enhancement? And what needs to happen for it to come out.

Praveer Melwani
CFO & Treasurer

Yes. I appreciate the spirit of the question. Maybe I answer this one, we can go back to you. The -- we've played this strategy over the entirety of the year. So, when we -- when we're transitioning from our beta period to first monetizing our AI credits, in the early part of this year, in March of this year.

We have taken our gross margin down. And as we flip the switch on monetization, we saw our gross profit dollars accelerate in a pretty meaningful way over the course of Q2. We invested ahead of a product and platform that is our Figma agent because we believe it's -- it has the ability to drive more usage, more adoption and these deepening workflows over the near term.

And so as we transition from that beta period to GA, even on October 6 this year, rather, this quarter, we'll start to see some of that investment that we've made over the course of Q3 start to translate into gross profit dollars in the Q4. And so I do think you need to take a long-term mindset to our investment thesis here. It's one that I think we've proven out and we've also found leverage in our cost to serve.

So, I think we're going to stick by our guns on this one. But I appreciate the question and the spread of where it's coming from.

Tal Liani
BofA Securities, Research Division

Got it. The second question is, I want to take a step back. You spoke a lot about technology and what you offer to customers, and I want to take it from a customer perspective. What drives the customer to spend more money with you? What kind of benefits do they get? Meaning, is it lower expense? Is it higher revenues? Or how do you frame it to customers in your sales pitch -- and what's your cost versus competition?

One of the other things we see with other companies is not just about what you offer, what a company offers is also where the competition is standing. So, can you talk about the relative cost of providing not just the quality of the solution that you focused on, but rather the relative cost of providing your solution versus the relative cost of providing the alternative solution that they might go after.

Dylan Field
CEO, President & Chairman

Yes, I can start. I think that the framing we have across both when it comes to the more Figma agent product and things that consume credits, it's really how do we look at this frontier of quality, cost, latency and really make sure that we're optimizing across it. And I think that the way that we've been really driving towards there, making it so that we're able to improve quality, decrease latency, decrease cost.

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And start to pass it on to our users on the cost side, overall, will set us up with the best possible way going forward too. And I think that we'll continue to invest on improvements around that frontier. I'll pass to Praveer for some of the financing angle?

Praveer Melwani
CFO & Treasurer

Yes. Tal, I think the other angle I'd add is we are already working with others as part of the product building process. And so I'd point you to our MCP growth that we've seen over the course of the quarter. And so overall usage is up 3x and right usage is up which means that more folks are drawing usage into the canvas, which for us is -- it's driving stickiness. It's just driving expansion. It's actually driving new users and teams to convert for the first time. And one of the interesting things that we're able to do our MCP now is actually kick off certain credit consumptive workflows that are happening on Canvas.

And so about 5% of all credits that were consumed over the course of the quarter had been kicked off via an MCP request. So, I do think that there's a world here that you have to think about Figma in context with how we work with the entirety of the product building process, and it's one that we've very much invested in over the course of the quarter.

Operator

Your next question comes from the line of Nick Altman with U.S. Bancorp, BTIG.

Nicholas William Altmann
BTIG, LLC, Research Division

Awesome. I actually wanted to build on the MCP comment, Paveer. The Harvey use case is really fascinating, especially as they're using Motion and Weave. But my question is just how do you think philosophically about MCP monetization right now, MCP volume is sort of bundled in the seats and the higher tier seats get more volume. But -- you also mentioned that MCP is driving, I think, you said 5% of AI usage.

So, can you just talk about where the bulk of, I guess, you call it indirect monetization from MCP will accrue, whether it's driving seat upgrades, adding more nontraditional personas monetizing through AI credits or even in the instance of the Harvey use case, whether using it with some Motion, Weave. But just any additional color on where you think philosophically the indirect monetization will sort of surface from the MCP server over the medium term would be helpful.

Praveer Melwani
CFO & Treasurer

Yes. Yes. I think in the near term, what we've seen is more seed upgrades. We've seen -- and if you kind of look at our Pro teams, about half of folks are coming and are using our MCP now from our -- within our Pro business as they're converting. So, it is a meaningful driver for us. We're also seeing that it's driving more expansion within folks that are adopting our MCP. It's also driving more retention as well because I think it takes some time to set the work flows up.

And once you do that, the benefit of being able to have a canvas that you're able to visually explore, it's like so much closer to how folks actually want to interact with the product building process. And so I think we have this -- we use the phrase visual first development or either full stack canvas for visual first development because that's the intention of where we're building.

I think in the medium to long term, the framing around how we can use our MCP to kick off Figma agent workflows in an increasingly growing way could lead to more credit consumption on platform. And I think it's then on us to figure out the right balance and when to kick off.

Workflow via our Figma agent versus otherwise. So, lots more to unpack over there, but I think the trends are very clear in that this is a product that's really, really catching wind. And it's a workflow that we think is crucial to our customers today.

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Operator

Your next question comes from the line of Rishi Jaluria with RBC.

Rishi Nitya Jaluria
RBC Capital Markets, Research Division

Maybe just a simple one. As we think about your consumption and credit monetization and mix growing versus traditional seat-based model, as we fast forward, call it, 3 years, how should you we be thinking about that -- what that mix looks like in terms of what kind of a subscription for, whether it's seat-based or platform fee or it have and kind of what looks consumption in nature?

And maybe just related to that as a housekeeping item. As that mix of consumption grows, how does this -- how is this going to kind of impact the way we look at NRR, both kind of technically and then from a definition perspective.

Dylan Field
CEO, President & Chairman

Sure. Rishi, it's hard to play out how 3 years will look like -- or rather what the world will look like 3 years from now, but I do think that we're best positioned to win in whichever way the world shakes out.

I do believe that there's good reason for folks today to hold a seat. I think that there's a whole host of different ways to operate within Figma if it's via our AI features or if it's via direct manipulation on the canvas, if it's via code. I think we give people the benefit of the path that they're choosing there. And I do think that there's value in that offering.

With that said, we're very much all in and trying to drive credit adoption and consumption on platform. There was the reasons behind the repricing of our credits in Q3. It's the reasons that we've continued to evolve our pricing and packaging because we do believe that this is where the world is going, and we're very much leaned in over here.

And so I can't tell you exactly how the world will play out, but I know that we've shown an ability to adapt and move really quickly here. And I think it's on us to continue to meet the moment and show up for our users. And I think -- on your question on NDR, I think we'll take credit for the stuff that's actually subscriptions or coterminous with the entirety of your subscription term and where there's instances where you're paying as you go. That will not flow through to the NDR.

Operator

Your next question comes from the line of Jackson Ader with KeyBanc Capital Markets.

Jackson Edmund Ader
KeyBanc Capital Markets Inc., Research Division

The question I had was as you continue kind of moving upmarket and you've got now a broader solution set to sell your deals are growing and sometimes larger deals comes with like more ask for budget. And we're starting to hear some other companies talk about increased budget scrutiny and elongating sales cycles.

So, I'm just curious, like, are you seeing any of that maybe as your deals are growing or have grown through the year, are you seeing more scrutiny and more budget pressure as you continue to ask for more dollars?

Dylan Field
CEO, President & Chairman

I mean, I think, first of all, thank you for the question. I think that Praveer spoke to us a bit already, overall, the tone is very positive in these conversations. And I think that -- this is not what we're seeing as much of perhaps versus other companies you're referencing. And I think the stat shared on the call back

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that up as well. And yes, like I said before, definitely, we're also thinking about where these conversations will head in the future security being one of those areas.

Jackson Edmund Ader
KeyBanc Capital Markets Inc., Research Division

Okay. And then just to follow up on that, on security. Do you feel that your customers are asking you Figma to be part of their security portfolio? Or is it just incumbent upon you to make sure that the models that you train and the AI you're providing to your customers is like absolutely secure.

Dylan Field
CEO, President & Chairman

Thank you for...

Jackson Edmund Ader
KeyBanc Capital Markets Inc., Research Division

[indiscernible] what I'm asking?

Dylan Field
CEO, President & Chairman

Absolutely, yes. I am not saying that they're asking us to be a security vendor. I am saying that they will require all their vendors to be very invested in the security of their platforms that they're serving them with. And this is what I fully expect will be the focus of many seller conversations. At least that's what we believe we need to scrutinize as well as just the security of all of our vendors right now.

Operator

Your next question comes from the line of Parker Lane with Stifel.

John Patrick McShane
Stifel, Nicolaus & Company, Incorporated, Research Division

This is Jack McShane on for Parker today. At Config, you had laid out, we're seeing a massive increase in new app creation, which consequently increases the need for design tools and Figma, et cetera. Despite that, we saw customer growth in the $10,000 cohort and $100,000 cohort step back a little bit, granted from heightened levels.

But can you walk us through what you're seeing in terms of the new customer funnel and whether we can expect customer count to reaccelerate due to this explosion of apps and democratization of design.

Dylan Field
CEO, President & Chairman

Yes, I can take a stab at it. I think we've seen a little bit of both. I think if you look at our Pro business, which is more of the long tail. We started to see more and more folks that are landing on paid plans through different paywalls I talked about, MCP being one of those larger drivers for us.

So, I do think that the health of the long tail there continues to exist. On your question on the $10,000-plus customers, I actually think I'd point you to how much that $10,000-plus customer cohort now represents as a percent of overall ARR. So, we commented in the prepared remarks, we grew it from 64% at time of rather a Q1 '25 up to 70% at the end of this quarter.

And so our focus has been how do we continue to go deep within a large share of customers that are currently on platform. And I think -- and one of the ways that we can do that is through AI consumption.

I think the areas I got excited about where a lot of the customer stories were folks start with these initial purchases. They start to expand their commitment as they adopt things like Figma's MCP, Make, Figma's agent, they build more templates and Make kits, and you really can start to see things really pick up over there.

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So, that is like the focus for us. It's like how do we find those champions within some of our larger and existing customers and give us that opportunity to do something transformative.

Operator

Your next question comes from the line of Tyler Radke with Citi.

Tyler Maverick Radke
Citigroup Inc., Research Division

Yes. Just a 2-parter here. Maybe the first one for Dylan. Just as you think about the strategy Figma has in place to maximized your top of funnel. Can you just talk about the evolution of that just given some of the ongoing headwinds we're hearing in the SMB as well as the changes to sort of search SEO.

And then Praveer, just as we look through the 10-Q that I think hit while the call was going -- can you just provide a little bit of color on the RPO. It looked like it came down slightly sequentially? And I guess, is there just -- is that a function of kind of the way that the credits are drawing down against that? Just any color there on the bookings would be great.

Dylan Field
CEO, President & Chairman

Thank you for the question. I'll start with your tunnel funnel question. I would call out that we have customers of all sizes and we're not a prosumer business. I also think that there are lots of ways to invest in this ecosystem and market in order to continue to drive growth and impact your growth equation. Yes, Praveer, do you want to take the second one? Right on to the first.

Praveer Melwani
CFO & Treasurer

No, yes. I'm happy to take the second. I think the thing to think about when you look at our RPO and so deferred revenue balance over there is we introduced some seasonality in our business. We went through that pricing and packaging change in Q1 of last year. So, Q1 and Q4 end up becoming our larger renewals quarters. I'd also remind you that we've got a decent chunk of our business. If it's not -- it's the remainder there outside of the $70 million, slightly less.

That is on a monthly arrangement, so they aren't necessarily going to flow through to bookings there or rather defer revenue in the same way.

And then lastly, I think we've made some changes that allow us to invest over the long term. And so we did trade off some near-term revenue in the course of the quarter as we're really trying to invest in building these deep and engaged workflows into the future. And so that credit repricing is an example of that.

But again, should we do our job well over here. That means that we're going to be maximizing our gross profit dollars and op margin dollars rather op profit dollars over the long term. And we're going to stay incredibly focused on that.

Dylan Field
CEO, President & Chairman

Overall, just to kind of close off on a question to you. I think I would orient you to our focus, which is very much always on the core of the designer and -- we want to make sure we're serving the designer first and foremost, but we also believe that by serving the designer in creating this full stack creative canvas making it so that you can do visual first development -- that is where the rest of the percentage that are around the designer will be going to.

First, there will be folks who are product managers and researchers and folks in marketing or non-developers. But over time, I believe the developers also will want this type of experience. And so the broader offering that I see us creating, I think, will also something that drives expansion and overall top of funnel too.

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Operator
There are no further questions at this time. This concludes today's call. Thank you for attending. You may now disconnect.

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