Prepared Remarks: Figma Q3 2026 Earnings

November 4, 2026

Kate DeLeo, Vice President, Figma 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, Figma CEO and Co-Founder

Hi everyone, 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 that design skills are becoming more important than coding skills.

And we see this in how teams use AI in Figma, with our own agents and others that are connected to the 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've 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 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 in 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 riff 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, and 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 Vallejas, 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 10 times 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 layers' 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 that lives 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 write-back 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 to save time by automating repetitive tasks.

For example, at Uber the agent helps document design system components across seven 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 are having, 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, 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 and 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've 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-trained 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 the 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 stand 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 fourteen 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, Figma CFO

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 we are building the right foundations to continue to drive our business forward. Let's walk through our recent performance.

Q3 Revenue and Key Metrics

Q3 revenue was $391 million dollars. This is up 43% year-over-year and $16 million dollars 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 two-thirds 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 July, we disclosed that Paid Customers with more than $10,000 in ARR accounted for 64% of ARR as of the end of Q1'25. 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.

AI Monetization

A big part of our story over the past 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 drawdown 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 re-pricing and the end of October.

With Figma agent becoming generally available on October 6th, 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 the Figma 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 continued 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 six months, the company increased its AI credit add-ons twice before signing a new drawdown agreement, bringing its AI credit spend commitment to over seven times 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 eight times its initial purchase over five 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 six times its initial purchase over six 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.

Gross Profit

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 dollars, 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 6th. 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 optimized the models and post-trained for our agent, from the start of Q3 through October 31, we more than doubled the share of work powered by our own post-trained design model. And we've reduced the average cost per message across all agent messages. We've continued 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-ons purchased from the pricing update through 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 will continue to look for ways to improve costs.

Operating Income

Q3 operating income was $47 million dollars, 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.

Free Cash Flow

Q3 free cash flow was $42 million dollars, a margin of 11%. We ended the quarter with $1.7 billion dollars in cash, cash equivalents, and marketable securities, and we remain confident in the long-term cash-generating profile of the business.

Outlook

Before we get to 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 re-pricing 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 dollars, or 33% growth at the midpoint. For the full year, we are raising our outlook to $1.497 billion to $1.499 billion dollars, implying 42% growth, a raise of $33 million dollars 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 6th 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 are raising our full-year non-GAAP operating income outlook to $158 million to $163 million dollars, an 11% operating margin, and a raise of $31 million dollars 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.

(END)