

Prepared Remarks: Figma Q1 2026 Earnings

May 14, 2026

Brendan Mulligan, Figma General Counsel and Secretary

During the course of today's call we will make forward-looking statements, including but not limited to statements regarding our guidance and future financial performance, market demand for our products, including adoption of Figma Make and other AI features, our product development plans, business strategies and plans, and our ability to attract and retain customers and 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 three months ended March 31, 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 for or in isolation from, GAAP measures. Our non-GAAP financial 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 our website. I would now like to turn the conference call over to Dylan.

Dylan Field, Figma CEO and Co-Founder

Hi everyone, and thanks for joining. I'm looking forward to sharing the results of another incredible quarter at Figma.

First, let me tell you how I'm thinking about the opportunity ahead. Anyone building software today knows that we are living through an extraordinary time. With AI, what used to take months can now ship in sometimes an afternoon. Code is easier to write, and the distance between an idea and its implementation is collapsing.

You've heard me say it many times in the past: when execution is cheap, design and creativity are the edge. And now it's not only me saying it—the world sees it,

too. The bottleneck has shifted, away from "can we build it?" and toward "can we imagine something that's worth building?"

More design tools are launching, more people are creating, more software is being built than ever before.

In a world where bits are abundant, what's scarce is human creativity: *actual* point of view, care and craft and judgment. This is what makes a product, a company, a campaign cut through the noise.

Designers, builders and creatives need tools that let them explore without limits and express their vision exactly as they imagined it. And that is what Figma has always been built for.

Our Q1 numbers reflect this momentum. Here are a few highlights:

- In Q1 2026, revenue grew 46% year over year to \$333 million, accelerating from 40% last quarter and 38% in Q3. Growth came from across the business: seat expansion, retention, enterprise adoption, new users and AI... through Figma Weave, our broader AI capabilities, and early traction from AI credit monetization, which started on March 18th.
- Net dollar retention rate also increased to 139%, our highest rate in over 2 years. This is up three percentage points from last quarter.
- We also continued to generate strong cash flow. Non-GAAP operating margin was 16% in the quarter, free cash flow was 27%, and we ended Q1 with \$1.6 billion in cash, cash equivalents and marketable securities.

Thank you to the Figma team for their focus and execution. I'm especially proud of how our team is adapting to new ways of working with AI during a time of exponential change.

The momentum we've built gives us the confidence to raise our revenue and non-GAAP operating profit guidance for the year. Praveer will share more details on that in a moment.

But the story of our quarter goes far beyond the numbers. We're seeing our customers go bigger and deeper with Figma. Let me share a few examples.

Google is a long-time Figma customer. Many of their most iconic products have been designed and built on our platform. As they build the next generation of AI-native products, they're doubling down on Figma. The team designing agentic Gemini experiences for millions of enterprise customers uses Figma end to end, as their single source of truth, from the earliest concept work all the way through to shipping. In their words, they can only "get to a level of detail that we want in Figma that's not possible with vibe coding."

Lufthansa is another example of a customer going deeper with Figma to drive real innovation. Their Lido navigation product design team used Figma Make to prototype Lido mPilot: an integrated iOS charting app that streamlines flight navigation for commercial pilots with a level of fidelity that goes well beyond traditional prototypes. By connecting Figma Make to their in-house API, the team could prototype dynamic, interactive map features so pilots could test real gestures before any production code was written. As they put it: "Pilots could really imagine what we were trying to show them. We validated our concepts before touching implementation. That's the goal of every product team, and we actually did it."

Teams aren't just going deeper with Figma. We're seeing broader adoption across the organization as well.

Rocket Mortgage serves 1 in 6 American homeowners, unifying multiple brands and technology stacks into a single homeownership platform. To help scale that vision, the team built their design system directly into Figma Make as a shared template infrastructure for the entire org, accelerating adoption well beyond the design team. As design engineering lead Will Hobick describes it: "We're seeing adoption across the organization. Teams across Rocket are using Figma Make to rapidly build dashboards, craft presentations, and explore new customer experiences, all built on top of our shared design system and brand foundations." Design director Emily Strobl had this to say on why it's resonating: "We've all experienced AI tools that don't quite hit the mark or reflect our brand standards. Embedding our design system into Figma Make has fundamentally changed that."

In some cases, expansion is going even further, beyond product development altogether.

At **NBBJ**, one of the world's leading architecture firms, Figma Weave, formerly Weavy, is changing how they win business. NBBJ's architects are subject matter experts in the industries they design for, and their work is about understanding how a space needs to function, not just how it looks. Pitching a client used to mean commissioning photorealistic renders from an external studio, a process that took days and returned only one or two versions with little room to refine. Now architects at NBBJ do it themselves. Figma Weave lets them translate their 3D models into precise, photorealistic renderings. They're able to generate and refine in real time, pushing until the result meets the exact bar their work demands—dialing in time-of-day lighting, grounding a design in its actual urban context, and getting the materiality just right. Figures placed at human scale make a ceiling height or entry sequence immediately legible to a client. The result is a faster pitch, a stronger presentation, and full creative control from start to finish. Adoption of Weave at NBBJ is expected to triple in the next three months.

Across these customers and countless others, Figma remains the place where teams with the highest bar come to do their best work; teams that know creativity and craft are what set them apart, and need tools that can match that ambition. Tools that let them explore freely and express their vision without limits. That's who Figma is built for.

Our platform is where creativity lives and compounds: where teams can move quickly on their first idea, and push further... Questioning, refining, iterating with the best of AI, code, and direct manipulation until the work is unmistakably theirs. We see this in how our customers actually work: as of Q1, around 60% of our largest customers used Figma Make on a weekly basis, and over 80% of Make users on Full Seats continued using Figma Design for visual editing and broader exploration alongside Make.

We love seeing how the ambition of our users and our community is always growing, and we're moving faster than ever to meet it. In the last few months:

- We shipped major updates to Figma Make that let users bring their own context into every prompt, and give them more control over every decision as they build.
- We introduced new MCP capabilities that let agents read and write directly to Figma files, so that teams can stay in control. In Q1, MCP weekly active users in Figma Design grew 5x quarter over quarter.
- And we shipped updates to Figma Weave, including a timeline editor for refining AI-generated video.

Figma Make has driven the most AI usage so far, but MCP, Figma Weave, and our AI assistant, which is currently in Alpha, are meaningfully expanding the surface for AI consumption in Figma.

All of this builds on what has made Figma the choice for the world's best teams building the world's best software:

- First, a performant, enterprise-grade multiplayer canvas and platform where humans and agents can work side by side, with no siloes, no handoffs, just the best ideas rising to the top.
- Second, deep product context that makes AI actually useful: the institutional taste, the historical decisions, the accumulated understanding of how your product should work and feel.
- Third, full creative control: the ability to prompt, code, and manipulate visually, all in one place... unlocking the full power of AI without giving up intent or the full range of what you can imagine.

In a world of abundant software, all of this together is what it takes to build products that stand out.

The companies that figure out how to harness human creativity alongside AI... those companies will define what the next era of software and creativity looks like. Having spent over a decade building for the most creative community on the internet, this is our moment.

I cannot wait for you all to see what we're shipping over the next weeks and months, including at Config, our annual user conference in June. With that, I'll pass it to Praveer.

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Praveer Melwani, Figma CFO

Thanks, Dylan. Dylan shared some of the headlines and why we believe Figma is outperforming. I'll share a bit more detail on what we're seeing and our outlook for the rest of the year.

AI continues to be an incredible tailwind for our business. Total revenue in the first quarter was \$333 million, representing 46% year-over-year growth and exceeding the high end of our guidance. This marks our second consecutive quarter of acceleration in our year-over-year revenue growth.

Our outperformance resulted from stronger than expected seat expansion across entire organizations, driven by design's growing importance and adoption of our AI products including Figma Make, MCP, and Figma Weave. Our international business also contributed to our results, with revenue growing 48% year-over-year. We also saw increased demand for our governance plus add-on and advisory services.

Key Metrics

Our Q1 results are a testament to the team's relentless work—building, shipping, iterating, and listening to feedback from our customers.

Retention and expansion metrics continued to strengthen in Q1. Our net dollar retention rate for paid customers spending more than \$10,000 in ARR reached 139%, up three percentage points from the prior quarter, and our highest level in over two years. Our outperformance in NDR was driven by strength in seat expansion and growth in our non-seat based offerings, including AI add-ons.

We also saw acceleration in our customer cohorts. Paid customers spending more than \$10,000 in ARR grew 37% year-over-year in Q1, a five percentage point acceleration relative to Q4 of last year. Paid customers spending more than \$100,000 in ARR grew 48% year-over-year in Q1, a two percentage point acceleration relative to Q4 of last year. And our overall customer base grew to approximately 690,000 Paid Customers from approximately 450,000 in Q1 of last year growing 54% year-over-year.

As AI gets better, Figma is accelerating and customer usage and workflows on our platform are deepening. Our platform and AI products drove faster growth for both new customer acquisition and expansion within existing accounts. Across all tiers, we're seeing customers grow seats and expand into new functions and teams. Within our larger enterprise customers, approximately 60% of customers with more than \$100,000 in ARR were using Make weekly in Q1, up from over 50% just last quarter. In the long tail, we are also seeing continued acceleration in adoption of our AI features, with new Pro team conversions, which we view as a leading indicator for future growth, up over 150% compared to Q1 of last year,

demonstrating our ability to both expand TAM and convert existing users to paid plans.

A few of our notable customer wins from last quarter include:

- One of the world's largest hyperscalers, running thousands of product and engineering teams across dozens of business units, unified its fragmented Figma usage across the enterprise into a single agreement, with over 35,000 paid seats. One of the largest deals in Figma's history.
- A top global media and entertainment company that started with organic Make usage ended up with a full company-wide rollout. As teams adopted Make, every developer upgraded to a full seat. That growth happened organically, driven by how the product is actually being used—not by a topdown mandate.
- We also saw some incredible wins in Q1 internationally.
 - In India, one of the country's largest IT services firms signed our largest ever deal in the region, consolidating design and engineering teams onto Figma.
 - And in Europe, one of the world's largest industrial automation companies—with over half of its R&D workforce focused on digital development—more than doubled their dev seats on platform. Engineers at the company now outnumber designers on Figma. The team is now leaning into Figma's MCP to connect design directly into their development environment.

The themes across our customers are clear: they are deepening their usage of our products, expanding their seats with Figma, and finding even more value in their user experiences with our AI products. In fact, in Q1 over 60% of paid customers with more than \$10,000 in ARR added Full seats compared to their prior renewal, consistent with what we observed last year and at equivalent expansion rates.

AI Monetization

I want to take a minute to highlight the strong early signal we are seeing on AI credit monetization. We are at an exciting inflection point.

On March 18th, we began implementing AI credit limits for all of our seats and have been very encouraged by the usage trends we've seen since then. As of the end of April, over 75% of users on our Org and Enterprise plans who were previously over their credit limit continued to use credits and over 95% of those same users remain active on the platform.

Early enterprise customers who have committed are doing so at scale. For example:

- One of the world's largest enterprise technology companies, in the middle of a company-wide push to become an AI-native organization—after standardizing on Make, they are now purchasing additional credits to expand AI capabilities across product, engineering, and PM teams spanning seven business units.
- One of the world's largest professional services firms expanded their Figma investment after a company-wide Figma AI training drove a step-change in adoption and embedded AI capabilities at the center of how they design, prototype, and deliver client work across every major industry.

Additionally, as of the end of Q1, Pro teams that purchase AI credit add-ons had more seats per team and an average annualized spend of over 3x than that of teams that haven't purchased add-ons.

Importantly, the surface area for credit consumption continues to expand. While today's credit usage is driven by products like Figma Make and our advanced image editing features, new capabilities currently in our early access program, like our AI assistant, which enables new AI-native creative workflows directly in the Figma Design canvas, are expected to begin drawing on credits in the near future as well.

Our MCP enables developers and AI agents to build and interact with Figma directly within their workflows. We are seeing more teams convert to paid plans and upgrade seat types to access higher rate limits for our MCP. Among customers with more than \$100,000 in ARR, those that were using our MCP grew full seats approximately 70% faster over the quarter than customers who were not using our MCP server. We expect this to evolve into a usage-based offering, but it is currently available for free during the beta period.

Q2 will be our first full quarter of credit monetization. We have been investing in more features to improve the customer experience, including expanded admin controls, pay-as-you-go for Pro customers, and more flexible contracting structures for enterprises. Our goal remains the same: for our monetization model to support adoption rather than constrain it. Lots more to come here in the quarters ahead.

Gross Profit

Now turning to some key income statement results. Unless otherwise 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 in Q1 was \$275 million, representing a gross margin of 82%. During the quarter, we saw broader and deeper adoption of our AI features, with our users benefiting from access to higher-capability models, which in turn increased engagement and improved retention. With full seat AI credit limits now live,

growing AI usage and adoption now translates into revenue—a key monetization milestone.

We expect to continue to capture efficiency gains where available and have a clear set of levers to manage inference costs as adoption scales. This includes routing queries across models based on task complexity and leveraging our model-agnostic architecture to optimize across providers. We are also investing in first-party models trained on Figma’s design corpus to improve performance on design-specific tasks while reducing cost.

Operating Income

As we’ve re-accelerated our business, we’ve also delivered \$52 million in operating income, representing an operating margin of 16%.

Across the business, we’ve taken a first-principles approach to rebuilding how we work across engineering, go-to-market and operations with AI tooling at the center. It’s been energizing to see the creativity of our team and the tangible wins in productivity across the board.

We continue to evaluate our hiring needs to make sure we are operating efficiently. We believe the future calls for flatter organizational structures and more, smaller, high-agency teams that can move even faster, which gives us more capacity to invest and retool how we work.

Free Cash Flow

Our Q1 free cash flow was \$89 million, representing a free cash flow margin of 27%. We ended the quarter with \$1.6 billion in cash, cash equivalents, and marketable securities.

As we previewed, we introduced an annual corporate bonus program in 2025 which was accrued for during 2025, and paid out for the first time in Q1 this year. This was a \$56M cash outflow and had a 17 percentage point impact on our Q1 free cash flow margin. Going forward, we expect to continue to accrue for the annual bonus each quarter and payout in Q1 of each year.

We remain confident in the long-term cash-generating profile of the business.

We also remain committed to managing dilution responsibly. As our pre-IPO equity grants amortize, we expect that strong revenue growth, disciplined hiring, and expanding operating leverage from AI will continue to drive improvement in stock-based compensation as a percentage of revenue.

Outlook

Now turning to our outlook. A reminder on our guidance philosophy. We’re providing a snapshot of our current view of the business based on recent trends. We include what we have a high degree of confidence in, and where our visibility

is more limited, we look to observe sustained trends in the data before we fully incorporate the benefit in our guidance.

For the second quarter of 2026, we expect revenue in the range of \$348 million to \$350 million, implying 40% year-over-year growth at the midpoint.

For the full year, we expect revenue in the range of \$1.422 billion to \$1.428 billion, implying 35% growth at the midpoint and a raise of \$55 million relative to our prior outlook.

Our raise for the full year is driven by three things:

- First, increased paid conversion across our customer base, fueled by the depth and breadth of AI across our platform
- Second, sustained, broad-based seat expansion across every tier with teams and organization opting for more dev and full seats to access our AI products and credits; and
- Third, outperformance vs our expectations across credit utilization, retention, and add-on purchases since implementing credit limits

On operating income, for the full year we expect non-GAAP operating income in the range of \$125 million to \$135 million, representing a non-GAAP operating margin of 9% at the midpoint. This represents a raise of \$25 million relative to our prior outlook. Our increase in operating income is driven by our revenue increase for the full year, operational efficiencies, and continued optimizations we have made in our AI implementations.

Additionally, while we are not issuing quarterly operating income guidance, we would note that Q2 operating income and free cash flow are historically impacted by Config, our annual user conference. We anticipate a similar effect in 2026.

In closing, Q1 was an exceptional quarter across multiple dimensions.

Year-over-year revenue growth has now accelerated for two consecutive quarters, Net Dollar Retention rate reached its highest level in over two years, and the early signs from AI credit monetization give us tremendous confidence in the road ahead. As Dylan shared, design has never mattered more, and Figma is built for this moment.

With that, I'll hand it over to the operator for Q&A.

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