

Figma's IPO



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Company & Industry Overview

Figma is a tech company founded in 2012 by Dylan Field and Evan Wallace, known for its co-creation and collaborative interface design platforms. By enabling remote team interaction in digital product development, the software company counts on Figma Design and FigJam as its core platforms, used by major global enterprises such as Google, Uber, and Zoom.

The company's business model relies on a Software-as-a-Service (SaaS) scheme, allowing its clients to benefit from centralized design software, analytics and admin controls, integration and development tools or governance and compliance systems. Figma's products run on a subscription-based model that includes a free tier, limited to small teams. As usage spreads across organizations' teams, companies rapidly increase their seat count and move to paid plans. With a high client retention rate, there is predictable recurring revenue and high capital efficiency.

Additionally, with the recent acquisition of Weavy, an Israeli AI startup (October 30, 2025 – deal value not specified), Figma has begun shifting towards AI-based monetization.

Through AI-assisted design and AI-generated visuals, the company is expected to be adding new capabilities to its products.

In a market environment defined by accelerating digital transformation with the integration of Artificial Intelligence into creative processes, the sector is consolidating around cloud-native tools that allow for cross-functional collaboration. With a claimed market share of approximately 40%, Figma is a top player in the collaborative UI/UX-design tools market, after Adobe and Canva.

In late 2023, Adobe proposed acquiring Figma on a \$20 Bn deal that ended up collapsing due to regulatory opposition ([Reuters, 2023](#)). The cash and stock deal did not get antitrust approvals in Europe and the UK and would have been among the biggest buyouts of a software startup.

IPO Overview and Market Response

Figma's debut on the New York Stock Exchange (NYSE) on 31 July 2025 represents a key moment for the software industry.

IPO Details	
•	Exchange: NYSE
•	Ticker: FIG
•	Pricing date: 30–31 Jul 2025
•	Offer price: \$33.00
•	Shares offered: 36,937,080 Class A (12,472,657 primary + 24,464,423 secondary)
•	Overallotment (greenshoe): 5,540,561 shares

Figma priced its offering at \$33 per share, issuing 36.9 million Class A shares (12.5 million new shares and 24.4 million from existing holders) and granting an additional 5.5 million-share greenshoe option.

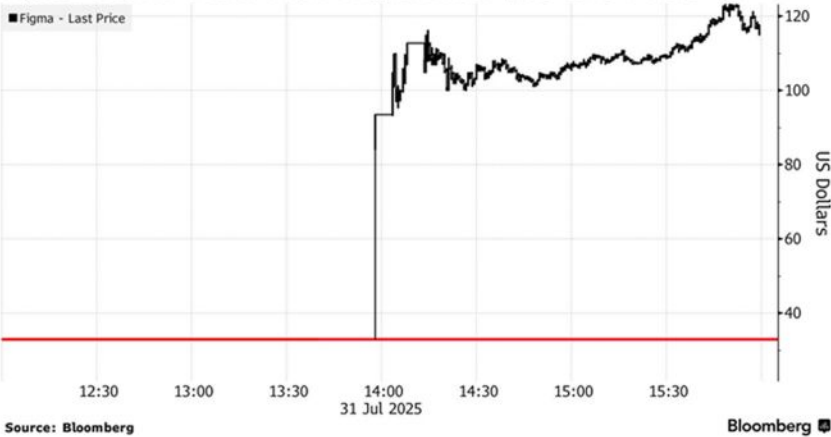
The transaction raised approximately \$1.2 Bn and implied an initial market capitalization of roughly \$19 Bn.

On its first day of trading, strong investor demand led to FIG opening near \$90 and closing at \$115.50, more than tripling its initial offer price and leading to a company valuation above \$56 Bn. The following days saw a subsequent normalization and the stock traded down about 20 % to \$92.75 (Market Value of \$45.2Bn) - a typical pattern of post-IPO price discovery as early allocations rotated.

In the months succeeding the IPO, Figma's shares have suffered considerable volatility, reaching a peak of \$142.92 in August and entering a subsequent phase of correction as market enthusiasm faded and investors reassessed their position. By late 2025 (end of November onwards) the company's stock was trading in the \$33-\$38 range, representing an undeniable decrease from July's price. The expiration of lock-up agreements in November allowed insiders and early investors to sell their shares, contributing to downward pressure on the stock price. This almost coincided with the Q3 earnings release, which showcased operational robustness and strong revenue growth alongside higher costs and margin pressure.

Shareholder structure still includes the founder who owns about 54.2 million Figma shares worth about \$5Bn after selling 2.35 million shares in the IPO. As apparently common in Silicon Valley startups, Field holds 74.1% voting power over the company, given his holdings of Class B shares.

Figma Shares More Than Triple From \$33 IPO Price



As a recently public company and with consequent heightened visibility, Figma will feel the need to balance rapid capability expansion with maintaining its signature simplicity and accessibility. Adding to this, the dual-class structure consolidates control with the founder, which may reassure long-term product-focused strategies and consistency, but could raise concerns on governance as well as on investor protection.

Conclusion

As Figma goes public, the months ahead will be shaped by its ability to ensure growth while navigating a competitive market. Investors and analysts are expected to focus on metrics such as the rate of seat expansion among large accounts, the monetization of AI-powered features, and the sustainability of margins as computing demands increase. These factors will be key to understanding whether Figma can justify the premium valuation established at its IPO (approximately 20-24x forward sales, compared with 8-12x for other SaaS peers).

Strategically, the company faces a pivotal phase, evolving beyond its UI/UX roots into AI-powered creativity and motion design. This ambition could be identified as one of the main drivers of the IPO, which has brought additional capital to fund expansion. Overall, the next 12 to 18 months will determine whether it becomes a long-term foundational platform or remains a high-growth disruptive player constantly adapting to public-market discipline. What is clear is that the company's strong financials, significant market position, and strategic vision based on AI-native tools should provide a solid foundation for future expansion, as long as it remains operationally consistent and competitive.

On a financial perspective, Figma entered the public markets in a position of unusual strength for a growth-stage SaaS company. In 2025 Q1, reported a revenue of \$228 million (up 46 % YoY) and a net income of \$44.9 million. Gross margins remained near 88 %, and cash from the IPO brought total liquidity to around \$1.8 bBn. These metrics signal a scalable, capital-efficient model with strong enterprise retention and upsell dynamics.

Implications and Outlook

Figma's IPO marks a significant milestone for both the company and the sector, as strong market reception emphasizes investor confidence and appetite for SaaS business models with high retention, strong expansion revenues, and embedded enterprise workflows.

This enthusiasm is also a symptom of renewed interest in companies in the sector after several years of low public-listing activity in tech.

Operationally, Figma is now placed under greater scrutiny with expectations for innovation and new products running high. The company's strategic bet on AI-boosted design, amplified by the acquisition of Weavy, positions it to capture emerging demand for cutting-edge services and more intelligent tools. This could drive new business lines and revenue streams, with new monetization layers as AI functionalities could be sold as premium add-ins. At the same time, this could strengthen Figma's competitive advantage in an increasingly AI-seeking ecosystem.

Simultaneously, the tech company faces growing competitive pressure with Adobe still dominating the creative software market and emerging players surging.