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Q3 2026 Earnings Call

Introduction

Thank you, and hello everyone. Welcome to Bending Spoons' Q3 2026 earnings call. With us today to discuss our results are Luca Ferrari, co-founder and CEO, and Enrico Martinelli, co-CFO. For the Q&A portion of the call, we'll also be joined by Davide Scarpazza, co-CFO, and Francesco Patarnello, co-founder and head of M&A. But before we begin, let me cover the safe harbor statement.

Some of the information you'll hear today will consist of forward-looking statements, including those regarding our outlook, objectives, initiatives, and pending transactions. These statements reflect our current understanding and expectations, and are subject to a variety of risks and uncertainties. Actual events and results may differ materially. For more information, please refer to our registration statement on Form F-1, including the risk factors described there. We assume no obligation to update any forward-looking statements.

During the call, we'll discuss both GAAP and non-GAAP financial measures. You can find the definitions of our non-GAAP financial measures, together with reconciliations to the most directly comparable GAAP financial measures, in our Q3 2026 earnings release, which is available on the Bending Spoons investor relations website at *investors.bendingspoons.com.*

Unless we say otherwise, all comparisons refer to year-over-year results.

And now, over to you, Luca.

Luca Ferrari, co-founder and CEO

Thanks, James.

Q3 results

In Q3, revenue increased 125% to $780 million. Operating income increased 34% to $172 million, representing a margin of 22%. Adjusted Operating Income increased 130% to $424 million, representing a margin of 54%. Organic revenue growth was 3%.

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Growth trends across most of our businesses were broadly consistent with Q2. At AOL, the transition to our advertising stack reduced its contribution to organic growth by approximately one percentage point relative to Q2. Growth at WeTransfer remained strong, both year-over-year and quarter-over-quarter, but a tougher comparable meant it contributed less to organic growth than in the prior quarter.

I will now discuss progress across the three stages of our Playbook: *acquire, transform and optimize,* and *reinvest.*

Our Playbook

Acquire

The first stage is *acquire.* During the quarter, we announced the acquisitions of Airtable and Miro for a combined enterprise value of $2.65 billion. These acquisitions have now closed, and we have deployed Spooner teams to both to build on the work done by the pre-acquisition teams.

At Miro, we are currently focused on deepening our understanding of the business and developing our roadmap. At Airtable, we have announced our initial priorities and begun implementing them. These priorities are to improve the core offering, invest in AI, and enable people and agents to collaborate with appropriate controls. Since acquisition, we have already shipped 60 product improvements. We recently upgraded Omni, Airtable's built-in AI assistant, and launched Canvas, which allows users to build custom apps on their data.

Yesterday, we announced the agreement to acquire Mailchimp from Intuit for an enterprise value of $3.68 billion. Mailchimp generated $1.27 billion in revenue in the twelve months to October 31 by helping customers plan, execute, and optimize their email marketing campaigns. We see opportunities to improve the technology, product, and monetization through our Platform and are attracted by the business's scale and revenue predictability.

Transform and optimize

The second stage of our Playbook is *transform and optimize,* and for this call, I will focus on AOL, Eventbrite, and Vimeo. Based on the work done in Q3 and prior quarters, all three are positioned to accelerate growth in Q4.

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At AOL, planned subscription pricing and packaging adjustments were substantially completed by the end of Q3. By that point, most of the technological separation from Yahoo was also behind us. All desktop properties had migrated to a new instance of the advertising stack, and mobile traffic has since transitioned. The disruption to advertising performance was broadly in line with expectations, and the gap in impression pricing relative to Yahoo's stack had largely closed by mid-September. In October, we completed the rewrite of the iOS and Android apps, enabling us to start working on more significant product improvements. Operating on our own technology has enabled testing across advertising and user experience, with several experiments showing increases in engagement and advertising yield.

At Eventbrite, we have shipped more than 70 product improvements in the seven months since we acquired the business, and we continue to upgrade the business's technological infrastructure. Revenue also returned to year-over-year growth in October. Our primary focus has been on helping creators reach and better monetize larger audiences, simplifying event management, and improving technical reliability. Eventbrite events can now be discovered through ChatGPT, and creators can automate ticket pricing changes using predefined rules. We have also strengthened waiting rooms to handle surges in ticket demand and introduced additional checks to combat bot purchases. Alongside these improvements, we have introduced new monetization methods, including post-checkout advertising and a dedicated step for ticket add-ons.

Turning to Vimeo, in Q3, bookings from both new and renewing customers grew year over year in each of the self-serve and enterprise segments. Trends in the OTT segment have been more challenging, but an overhauled checkout flow has lifted conversion for customers in early testing. Overall technical performance continues to improve, with median video transcoding time decreasing by 40% between the start and the end of the quarter. New bookings per sales representative reached an all-time high in Q3, as we improved team structure and invested in technology to support operations. More recently, we launched a free tier offering unlimited storage for public videos, removing the previous 1 GB cap. Alongside our commitments not to place advertising against uploaded videos or use them to train AI models, this offering is designed to make Vimeo a more attractive place for filmmakers to share their work.

AOL, Eventbrite, and Vimeo are still in their initial transformation phase, but we continue to improve our businesses well beyond the first year of ownership. For instance, in Q3, Meetup's revenue grew more than 20%, supported by Meetup+, the subscription offering for attendees. Revenue at komoot grew more than 30%, supported by new subscription options and product improvements, including live tracking capabilities and a redesigned mobile route planner. WeTransfer also grew revenue over 30% and added a record number of new paying subscribers in September. Growth was supported by improvements to expired transfer recovery capabilities and Previews, which lets recipients view files before downloading them. At all three businesses, Q3 revenue growth reflected increases in both the number of customers and revenue per customer.

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Still, not all of our businesses are growing at these rates. Revenues at Brightcove and Remini, for example, continue to decline. Our objective is to compound per-share earnings and free cash flow as rapidly as possible over the long term. We therefore assess each acquired business primarily against our original return expectations. Remini has performed exceptionally well by this measure. Brightcove, after a somewhat disappointing start, has recently shown encouraging progress. Even with the benefit of hindsight, we would make both acquisitions again.

We allocate Spooners where we see the most attractive prospective returns, and our Platform enables us to regularly reallocate them as these opportunities evolve. During the quarter, we added over 80 net new Spooners to our team, taking our core team to 753 full-time equivalents as of the end of Q3.

We have also continued to expand our use of AI to improve productivity. Today, 98% of our pull requests are written in full or in part by AI. Since the start of the year, pull requests per Spooner software engineer have more than quadrupled, while inference cost per pull request has roughly halved. These improvements reflect, in part, our investment in a proprietary harness that selects models based on task requirements and inference cost.

Beyond coding, we recently rolled out Diagram, a proprietary AI-powered design tool tailored to our workflows. With Diagram, every Spooner can develop a new user experience or slide deck from only a few natural-language prompts, drastically reducing the design resources required. We consider Diagram clearly better in our context than the third-party tools we were previously using.

Reinvest

The third stage of our Playbook is *reinvest.* As discussed last quarter, the pace at which we can reinvest and drive growth via acquisitions is governed by three potential constraints: the availability of targets, our access to capital, and our operational capacity. Hiring and AI are expanding our operational capacity, though Spooners are currently our scarcest resource.

Since the start of Q3, we have secured $8.35 billion in financing through debt and equity transactions, and expanded revolving credit facilities. Our debut bond issuance opened a new source of capital, while the Berkshire Hathaway private placement and the placement announced yesterday have further strengthened our financial position. After deducting the funds expected to be used for the Mailchimp acquisition and upon closing of the placement, we would have more than $4 billion of available liquidity to support further acquisitions.

Enrico will now discuss our financial performance in more detail.

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Enrico Martinelli, co-CFO

Thank you, Luca, and hello everyone.

Revenue

For Q3, total revenue was $780 million, up 125%. Of this total, $38 million was attributable to Airtable, which was consolidated into our financials from September 4.

Organic revenue growth was 3%. Similar to Q2, the strongest contributions to organic growth came from WeTransfer and Tractive. To provide some incremental detail, the 2026 and 2025 acquisition cohorts each grew revenue 6% year over year, the 2024 cohort 8%, and the 2023 cohort 10%. These figures reflect revenue-weighted growth and, where applicable, include comparisons to pre-acquisition periods.

This growth was partly offset by weakness at Remini, which reduced organic growth by 2 percentage points. We expect Remini to continue to face revenue pressure due to its historically relatively low retention rates, dependence on viral spikes for user acquisition, and increased competition in the AI image generation market, though its impact on overall organic growth will be moderated by its declining size within our overall portfolio.

Operating expenses and profitability

Q3 operating income totaled $172 million, increasing 34%, and Adjusted Operating Income reached $424 million, increasing 130%. Airtable contributed $10 million to Adjusted Operating Income.

Operating income as a percentage of revenue was 22%, down from 37% in Q3 2025. Adjusted Operating Income Margin was 54%, expanding 1 percentage point compared to Q3 2025.

Operating income as a percentage of revenue declined despite the improvement in Adjusted Operating Income Margin, primarily due to a $149 million increase in amortization of intangible assets. This increase reflected the businesses we acquired over the past year and the finalization of purchase price allocations for AOL, Eventbrite, Tractive, and Vimeo. Finalizing these allocations resulted in a $65 million catch-up charge relating to prior periods. Transaction-related expense and other items not indicative of ongoing operating performance also pressured operating income as a percentage of revenue, the former due to the acquisitions of Airtable and Miro, and the latter due to IPO-related costs.

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The expansion in Adjusted Operating Income Margin was primarily driven by a 275-basis-point decline in advertising expense as a percentage of revenue. This reduction is both a function of our strategy to select acquisition targets that are not highly reliant on paid advertising for user acquisition, and a result of our work to eliminate inefficient expenditure.

This improvement was partly offset by the impact of changes in portfolio mix on certain items within cost of revenue. IT infrastructure expense and other cost of revenue both increased, while distribution and payment processing expense declined, all measured as a percentage of revenue. Together, these cost of revenue items reduced Adjusted Operating Income Margin by 125 basis points.

Bottom line

Interest expense was $107 million, rising 163% year over year, but broadly stable sequentially as outstanding debt in the quarter was consistent with Q2. Other expense was $17 million, primarily reflecting currency exchange losses, and we recognized an income tax benefit of $43 million. This benefit included the partial release of a valuation allowance associated with the finalized purchase price allocation for Vimeo. Diluted earnings per share was $0.13, down 3%, and Adjusted Earnings per Share was $0.42, up 98%.

Cash flow and financial position

Turning now to cash flow and our financial position.

In Q3, net cash from operating activities totaled $261 million. We also received $1.09 billion in net proceeds from our IPO.

We paid $1.21 billion for acquisitions, net of cash acquired. Capital expenditure was $5 million. We also repaid $297 million under our revolving credit facilities and made $206 million in scheduled principal repayments of long-term debt.

At quarter-end, the carrying amount of long-term debt was $4.91 billion. Net debt fell by $187 million during the quarter, to $4.00 billion at the end of Q3. Leverage ratio stood at 2.1×. Available liquidity totaled $3.36 billion, including cash and amounts available under committed term loan and revolving credit facilities.

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After quarter-end, we paid $1.36 billion for Miro. We secured $4.46 billion from term loan add-ons, our first bond issuance, the Berkshire Hathaway private placement, the reinvestment by certain Miro shareholders, and other borrowings. These transaction amounts are gross of fees and associated costs.

Giving effect to these transactions, available liquidity at quarter-end would have been $6.46 billion. The private placement announced yesterday would add $1.30 billion upon closing. The Mailchimp acquisition would reduce liquidity by $3.31 billion, net of Intuit's reinvestment. Had both pending transactions also closed at quarter-end, available liquidity would have been $4.45 billion.

Guidance

Now to guidance.

For Q4, we expect revenue to be in the range of $984 million to $1.00 billion. This represents organic revenue growth of 5% at the midpoint.

We expect Adjusted Operating Income to be in the range of $470 million to $490 million, which represents an Adjusted Operating Income Margin of 48% at the midpoint. The implied sequential decline in this margin reflects the incorporation of the Airtable and Miro cost bases into our financials. We expect margins excluding these businesses to expand both year over year and quarter over quarter.

For the full financial year of 2026, this outlook implies revenue of between $3.07 billion and $3.09 billion, an increase from our prior guidance of $2.78 billion to $2.82 billion. It also implies full year 2026 Adjusted Operating Income of $1.58 billion to $1.60 billion, an increase from the previously provided outlook of $1.46 billion to $1.51 billion. Both increases reflect a stronger outlook for businesses included in our prior guidance and contributions from Airtable and Miro.

This guidance is based on the set of businesses we own today, and doesn't incorporate any contribution from future acquisitions. Specifically, it includes a full quarter contribution from Airtable and Miro's contribution from October 26, but no contribution from the pending Mailchimp acquisition.

With that, we're ready to start the Q&A portion of the call.