



To our Shareholders:

It's all about the network.

When you visit a Plaid office, you notice a certain buzz. The walls are covered in dashboards (with a few Plaidypus posters in between). People are chatting excitedly, talking about something creative a customer built, or an interesting data analysis we've created. We're a company of nerds, working hard to create an impact on everyday financial services – and we love it! We're building the largest financial network in the world, and using it to solve previously-intractable problems that improve our financial system and consumer outcomes.

In 2025, that focus showed up in our results. We meaningfully accelerated both our top and bottom line, ending Q4 2025 at well over \$500 million in ARR, up ~40% YoY. We were operating cash flow positive and profitable on an adjusted operating margin basis for the full year. Growth accelerated across both core and new products, with new products making up 21% of revenue, and growing at a collective 92% per year.

Plaid started with bank linking. We built an I/O layer for bank accounts, allowing users to connect their bank accounts to digital financial applications, and move money and data back and forth. Over the past 10 years, the majority of Americans (and many more abroad) set up Plaid connections to the nearly 9,000 applications we are lucky to call customers. Every day, nearly one million connections are made through Plaid. These connections generate data that powers our network, enabling products including Credit, Anti-Fraud, and Payments.

If you ask the average consumer about their credit score, chances are you'll get a groan. They might tell you a story about how they finally paid off that card they opened in college, only to see their credit score drop when they closed the account. Credit scores impact how much we can spend and where we live, yet most people distrust or misunderstand them.

In 2025, Plaid launched a new type of credit score named LendScore. LendScore behaves in the way that a consumer expects it to. If your income goes up and your spending stays the same, your credit score improves. No penalties for closing credit cards or paying off your mortgage. LendScore is built on your income and spending data, combined with insights from our network. We see a 25% lift in predictive performance compared to traditional credit data alone, and it costs less for lenders. It's a win-win for consumers and lenders alike.

We focus on the network because the network is what enables products like LendScore to exist. Prior to Plaid, consumer data was fragmented and advanced products like LendScore could not be built. We've applied this same concept to Anti-Fraud and Payments as well. Financial fraud is at an all-time high, fueled by AI scams and deepfakes. Using insights from our network, Plaid is able to cross-reference a user's actions across financial products and against historical patterns to identify fraudulent actors, flag fraudulent activity, protect consumers from scams, and equip our bank partners + fintech customers to fight fraud in their own environments. Our Anti-Fraud suite can improve fraud detection up to 50% with minimal conversion impact.

In Payments, we have a similar story. Plaid has long been a leader in bank-linked payments supporting ACH, RTP, FedNOW, wires, and more – but over the past year, we've applied the Plaid network to make these payments more intelligent. Our network gives us richer intelligence to predict payment failures, catch fraud, and improve risk controls in a unique and valuable way. Credit analytics, risk analytics, payments analytics, and much more – all built based on an integrated dataset and set of analytical tools. It's all about the network.

The elephant

We've gone more than half of this letter without addressing the elephant. Over the past year, the world has yet again been transformed by AI. Financial services has historically been slow to adopt new technologies, but the pace of AI utilization has pleasantly surprised us. Many of our largest customers and partners have already realized early productivity gains and cost improvements across their sales, support, and engineering teams. In-product use of AI has been slower for enterprises, but many fintech startups are using it to create new chat and voice experiences, analyze data in new ways, and more. At Plaid, we've seen substantial gains in terms of both team efficiency and in the products we ship – from data analysis to modeling to developer tooling.



Even more exciting is the increased customer utilization of Plaid's products in an AI-first world. We are already seeing a new wave of AI-enabled customers sign up for Plaid. To-date, we have more than 400 AI companies building on Plaid, representing 20% of our new customers in 2025. In the first month of 2026, we saw an 80% increase in the number of builder and startup signups, most of which are AI-enabled. We launched a number of enhancements to our developer onboarding experience and launch toolkit, as this is a trend we expect to continue. The use cases are endless, and Plaid's network, data connectivity, and analytics are essential and unique. Who could have predicted that chatting with a bot about your finances would become a core part of life for consumers and small businesses?

Limiting factors

If you listen to our conversations at Plaid, you'll often hear us discussing limiting factors. A leader's job is to identify bottlenecks to growth, and rapidly work to remove them. For most of the history of Plaid, the limiting factor has been engineering capacity. As coding models improve and our use of them accelerates, it is likely that eng capacity may now be secondary to product decision-making or go-to-market execution. We are adjusting our team accordingly and ramping up our product management and product decision-making capacity, while still investing in key technical areas including data and ML. These are exciting times, and evolving our team and processes as the limiting factors change is a constant conversation for our leadership team.

Looking ahead

In 2026, we are focused on distributing our Credit and Anti-Fraud products rapidly, and continuing to embed AI across our team and product suite. These product areas have strong early market traction, and this year is about growing reach and scale. We expect another strong year for our core products, including accelerating demand and usage from AI-enabled customers. As we have now largely exited the investment cycle of 2022 through 2024, we expect to maintain operating margins again this year.

The team at Plaid today is the strongest I've experienced yet – our talent density continues to go up. Over the past year, we've seen substantial business growth, but only moderate headcount growth. Small, highly-talented teams move faster than big teams. We plan to run Plaid as a lean, fast-moving machine.

Onward,
Zach

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