Block Investor Day 2025 Transcriptions

Arnaud Weber

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Hello everyone. I'm Arnaud Weber, the new lead for block engineering. I joined the company last June, and I've been running block engineering for the last few months, I have been working in the tech industry for the last 30 years, and have held leadership roles at companies like Google and Twitter. I also started three startup companies with multiple successful exits as a newcomer, I have the opportunity to quickly gain perspective on blog's biggest strength and opportunities over the last few months. This presentation will focus on block engineering, block automation, and how we are transforming into an AI first company, we made a critical change just before I got here to functionalize all of block including engineering. That change has been very powerful. It has accelerated our velocity and enabled us to deliver more products to our customer faster. However, this is still work in progress. My number one priority is accelerating engineering velocity. We need to shape to we need to shape excellent software and do so more frequently. I'm really proud of what the team has accomplished this year, which you can all see with the recent releases we had for both square and Cash App. However, we will continue to focus on improving our product development velocity. This focus on velocity is coming at an opportune time as we are able to take advantage of the surge in productivity from using AI tools. The engineering team in all of block is embracing AI to automate the company and deliver AI products to our customers. Finally, while functionalization helped us become more efficient in many ways, we need to continue to optimize how we work across team boundaries. As Jack said earlier, block is a technology company building connected ecosystems and financial products with the availability of advanced AI tools, everyone at the company is expected to build what they need or contribute to our main products. Our top priority for 2025 has been to automate block we want. We want to automate as many tasks as possible in order to move faster and allow everyone to focus on the most critical work. Automating block is still work in progress, and this effort will continue to be one of the top priority for at least 2026 in order to make all of this possible, we have developed our own general AI agent, which is tailored to our needs and integrates with every software and data layer at the company. Embracing the AI revolution is critical to our success, and this is not just for engineering, but rather every function at the company. Across block employees in functions ranging from HR to customer operation to legal are also using our general AI agent in their everyday work. Leverage it for use cases that range from generating customer insights to automating the intake of inbound request. Block has built a world class engineering team, and isn't new to machine learning or artificial intelligence. Block has been developing ml models since building automated onboarding in 2012 in the very early days of the company. We also developed some ml models to pioneer automation of cash flow based customers underwriting. Most recently, we developed goose, an open source general AI agent, and partnered with entropic to develop the model context protocol, which you

may also already know as MCP, which is critical to connect AI systems with any other application, both for reading data and performing actions. We also launched g2 a text, to persistent application playground to let everyone at the company build the automation they need. We learned a lot about AI while developing goose and developed a shared agentic substrate that is completely reusable. For example, this allowed us to build square AI and money bought for our square and Cash App customers. Here is an overview of block's AI strategy. We are on a journey to automate every function at the company with goose, our own general AI agent and Jitu, our text to persistent app AI playground. We are working on automating customer support with AI. This is mostly focusing on cash, but will extend to square and after pay for both text and voice. Finally, we are using goose g2 and many other tools to fully capitalize on AI automation for the purpose of software development. Let's go through some of these efforts in more details, we launched goose, an open source general purpose AI agent. At the beginning of last year, we built goose to automate the company. We needed to go beyond what large language models can provide and offer everyone a general agent that can do work for them while processing our proprietary data, not just answer questions. Goose is a general AI agent that integrates with many services through MCP, unlike just a foundation model, Goose can read proprietary and real time data and has been designed to perform action. Goose is foundation model agnostic, and is designed for deep insights and continuous learning with self improvement. We have already integrated goose with about 150 services, and we will continue to grow this ecosystem of connected tools as needed to enable the automation of most of our functions. Our differentiated AI strategy also drives what we can build for customers and the speed at which we can build for them. Every AI tool we are delivering to our customers is powered by the same foundation that we are using to automate block we were able to build a minimum viable product for moneybot in six weeks and manage your bot in eight weeks. These were very short development cycles. Given the complexity of these agents, moneybot provides customers deep insights and recommendations to help improve their financial lives. Manager bot redefines a square dashboard to become the interface for small businesses to optimize and manage their operations. Owen talked about this earlier. The speed at which we are delivering these to customers is simply incredible. Goose is driving goose is driving efficiencies throughout every function, not just engineering. For example, Goose is routinely used to analyze proprietary data, such as internal sales data, build dashboards and manage work in ticketing systems. Goose can also create artifacts like documents or even editing video assets. Finally, Goose is used for software, used for software development. For example, we can now simply tag a bug report in our system. And have goose automatically prepare a diagnosis and a possible code change to fix the problem. All that automatically with almost no human in the loop. Let's talk about g2 goose has been an amazing productivity tool for block, but it was just the start in the third quarter, we rolled out g2 an agentic interface we built to first to further automate our work. Building on the foundation of goose, g2 offers an intuitive user interface made of tiles. It enables anyone at the company to create dynamic, autonomous workflows that run on their own so they can focus less on repetitive tasks and have more time to work on more impactful things. The real power of Jitu is that any non technical person can build a custom application they need without requiring the help of an engineer. In the past, non party will express needs, and a team of engineers will build a custom application with g2 everyone can just build the custom application they need in just a few minutes. G2 exponentially increases the efficiency and

potential of each employees at the company. G2 is made of tiles. Each tile contains a persistent application that works on the user behalf, continuously and asynchronously. G2 usage is similar to Google's usage, but in the context of these persistent applications, please see for yourself. Here is a one minute video showing g2 in action, You, go You all right, let's talk about a few metrics. AI tools are generating substantial operational improvement across the organization, improving both velocity and efficiency, we've achieved a 25% reduction in manual work hours by using AI tools across more than 75% of our employee base in customer support, AI now handles 65% of Cash App cases, significantly improving response times and the overall service quality. Our engineering teams have embraced AI assisted development with over 90% of code submission now authored partially or fully with AI support. This has translated in a 30% increase in the median number of weekly code change engineering produce throughout September. This matrix demonstrates how AI is not just enhancing productivity, but fundamentally transforming how we how our operational efficiency, positioning us to scale more effectively while maintaining high quality outputs across every business functions, we're navigating AI's rapid evolution in engineering by adopting an AI first approach that goes beyond single tools like goose or g2 we are leveraging diverse AI technologies to boost development velocity and are evolving the culture to simply become AI. First, we've added AI frequency in our job ladder and interview rubrics. We have also launched several programs to foster effective AI usage and adoption. The next step for engineering is really to use AI for every task, including the most complex or most difficult work. We are accelerating engineering pace beyond AI by developing tools that keep engineers in their flow state, eliminating context switch. And friction that traditionally slows development cycles. We are focusing on systematically enhancing our developer experience from streamline workflows to powerful frameworks. We are also implementing some rigorous performance management to ensure that we are fundamentally transforming how engineering teams operate to achieve unprecedented velocity and productivity. Looking forward, we are going to continue to automate block with more advanced automation in many functions. The strategy to develop AI systems tailored to our needs has been showing great results, and we are going to continue to develop goose and g2 on the engineering side, we will continue to optimize engineering velocity in every possible way. Expect us shipping impactful, high quality releases at a much higher pace. Thank you.