

Block Investor Day 2025 Transcriptions

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Hello everyone. Thank you for joining us today. Thank you for the time. I'm going to spend a little bit of time talking about where we're going as a company and what we want to focus on in the future, and then we have a full agenda going into all the details and how we're thinking about what we're building today and what we want to build for our customers in the future. So I wanted to start with some gratitude. I want to thank you all for having patience with us, for your belief in us, for the time that you're spending with us today. We're really excited to share our story. We put a lot of work into this presentation. We know that our business is complicated, and we want to use this time to make sure that it's much easier to understand going forward. We don't see this just as a presentation to you all. We think a lot of the value here is about getting feedback from you as well. So please give us feedback. Be critical, be upfront, be frank, and we are listening, and it's in this room, and it's also for all those who are watching online, always continue to give us feedback. It helps us. So I wanted to start off by saying and addressing what the fuck has happened over the past two or three years. I know you all have seen the stock performance, and I know you all have questions about what was going on in the company over those two and a half, two and a half to three years ago, and I wanted to, I wanted us to acknowledge this and also own it and go point by point on how I would diagnose some of our problems in the past and how we're correcting them. So first and foremost, we had an org structure that served us in the very early days, which was around a GM structure for square and one for cash up, but really stressed the product in the organization going forward, we actually pitted these two organizations against each other in order to compete with one another and constantly raise the bar. But in the end, we found that that competition wasn't serving our customers and it wasn't serving our original goal of being able to be both sides of the counter square and cash up seller and consumer. So we changed that. We changed to a functional organization that allowed us to have a lot more flexibility and allowed us to put our best humans and our best talent against our biggest problems and actually build shared resources. Second, we lost our focus on engineering because we had a GM structure between these two ecosystems and these two brands, a lot of our engineering talent dissipated and it wasn't highlighted, and we weren't leading with engineering mindset or the ability to solve problems and create challenges for ourselves and solve those problems for our customers. This was a big issue, and something that I intended over the past year to really put more of a premium on. We are a technology company. We are engineers, and we need to build magic technology that we can design and productize around for our customers. We've made this reset through a functional organization, and you'll see a lot of it in manifest today in the products and the features that we're putting out to all of our customers. Third, we just had the wrong leadership. We've made a lot of changes over the past year and a half to make sure that we have the right

leadership team in place, that it is a functional organization, that all of our folks are focused on mastering their craft above all so we can deliver the best products and features to our customers. And then finally, we weren't focused enough. We didn't have the right focus within square we didn't have the right focus within Cash App. Now we do, and again, you'll see that manifests in throughout the day, in our presentation. So. Now, where do we look what do we look like now? One, we're accelerating our velocity. It's really important to us that we put out as many features and products as a high quality bar as quickly as possible, so that we can learn from our customers and what we need to build for the market. Second, we're more and more profitable every single day. This has been a big focus for us. Rule of 40 has been an amazing instrument and framework that we intend to continue to push on and allow us to make the right decisions around our business. Third, we're connected. We're actually connecting the ecosystems in very visible ways, through things like neighborhood and Bitcoin, but also invisible ways to you all internally, as we continue to bring these ecosystems together and get all the leverage of our shared systems. And then finally, we're more and more automated, and this is really important to me, because it allows us to move much faster at a much lower cost of doing our business and bring that cost to that cost leverage to our customers as well. So I wanted to review some of our strengths as a company as a way to expand on the investment thesis that Matt, Matt just presented as I see them, we have all these capabilities and assets that are very hard to acquire and very hard to build up. We have these two at scale ecosystems with more behind them, and we're really, really good at interface and building interface and experience. So I wanted to dive into each one of those. On our capability side, we have all these financial capabilities, inclusive of lending, of payments, of everything that sellers and also individuals on Cash App intend to do with their financial life on a daily basis. We have operational capabilities, and this mainly is around the square side. We help businesses operate their business and help them with things that take a lot of time away, that we can give time back around. We have all these viral networks within our business and within our brands. The most visible and largest, obviously, is cash app, but we see networks within our staff, our square seller staff, population, within their employees, within their customers, and also sellers themselves. And we benefit from building these networks and make them more and more dense every single day. And then finally, we have all capabilities and assets, and these were built in house and custom to us, which allows us to be more vertically integrated with every single thing that we do, and all of our velocity over the past six months to a year is due to the fact that we've invested in AI infrastructure that, again, is custom to us on the ecosystem side, you think about two and we'll, we'll go through that one, We have square which is focused on sellers and merchants. The second obvious one is cash up, which is focused on individuals. The third, which I think you're seeing more and more weight behind and also features and how things all connect, is Bitcoin, and this is really focused on building networks and opening the financial network so that we can leverage it much better, and again, bring the cost down to our customers after pay. You know, as buy now, pay later. But we really think this is an ecosystem around advertisers. How do we get merchants, whether they be very small or very large to greater reach, so that they can really focus on bringing more and more customers every single day. And then finally, title is, right now, focused on musicians, but over the next few years, we'll be focused more and more on general creators and everyone who's creating and looking to distribute their work to a much larger audience. On the interface side, this is where we really invent and where we have a lot of

strength. It starts with hardware. We are a hardware and software company, and this is very unique. We build our hardware full stack. We can build it in the US, and we can build extremely complex hardware systems from a point of sale, which is a full computer that sits on your countertop, all the way to a bitcoin miner and the ASIC and the hashboards. And we can do it in a way that makes sense to our customers. It gives them flexibility and gives them an entirely new experience where they can't find anywhere else in the market. And because it is in house, we can pair it with really great software that drives it specifically, which is hard to find. The second is that network aspect, the social networks that we find naturally in Cash App, these are viral networks. They have viral loops associated with them. Every single person that comes on to the network, whether it be an individual in cash, up a. Seller within square, an employee of that seller within square or a customer, makes the entire network more valuable and bigger. We have not done enough work to really see this manifest in the products and in our revenue and in the numbers, but this is a big focus for us. And then finally, we have something which we're calling proactive intelligence. This is artificial intelligence paired with real time living data, and we have a deep understanding of both our sellers and also our individuals and cash apps, and they're providing us data and understanding every single day, so we can be a lot more proactive with our tools and reach them in a way that they don't have to know which question to ask. We can actually take their data and understand what might be the most predicted next outcome, or the predicted next action. As a company, we've benefited from having multiple inflection points. Our first was this understanding of moving like the seeing more and more of the world moving to plastic away from paper cash and checks. And when we saw that, we built the card reader. And that really was the birth of square. Our next one was noticing what our sellers had to deal with every single day and how they were going to banks to get loans. And those those loan amounts were just way too big and way too unmanageable for our sellers, and what they actually needed was a better way to manage their cash flow. And this is where we created square loans, which was an invite only system that allowed us to give anywhere from 500 all the way up to a million dollars to a seller based on an understanding of who they were and what they needed and where they sat within their own industry and their own competitive set. And this worked, and this gave us a lending approach that we now extend to cash up with borrow. And we can go even further as we look more broadly at our ecosystems, the third was the debit card, and recognizing that all these people had debit cards in their pocket, we could actually build a peer to peer network on top of it, because there was a very low cost way to push money to that debit card immediately, and all you needed to sign up for that peer to peer experience was a debit card in your pocket, and suddenly you could get instant access to your funds. This created Cash App and allowed us to look at that debit card, but also create one of our ourselves in the Cash App card. And then finally, I think we're on the on the brink of another inflection point for us, which is this concept around proactive intelligence. How do we take our living understanding of our sellers and our customers and take that data and pair it with really great AI, such that we can prompt our customers instead of waiting for them to prompt us throughout our 16 years this, these three words have come back again and again, and it's one of our principles as a company, and it's something that guides us. How do we give our customers time back? How do we save them time? We believe this is the most valuable resource that we can we can give to them and something that is really important, not only to them, but also to us. How do we give ourselves time back and save a lot of the temporal cost and also, obviously the financial cost

going forward? And what this means to us is, how do we build a fully autonomous economic platform for both individuals and for businesses? And this is exactly what we're focused on today. You're going to see a deep dive into cash app, into square into Bitcoin, into all of our products. And we're going to go through all of our features and why they matter and how this all letters up. But I want to spend a little bit of time before that focused on how I think about our future and our specifically the interface of our future. So as we think about the plan for the next year and the years out, we have a five point plan that we're working against. And a lot of this has to do with how do we build into our brands the right technology so that we are future proof, so we have an interface that lasts a decade, and we can be truly proactive and get more and more customers to consider us, but also to stay with us and build on top of us. So the first point of that plan is to build manager bot to operate your business. This is about square right now. We call this square AI. But as it gets more proactive, as we get a deeper understanding of every single thing that a seller is doing, we want to move to a world where it actually becomes a proactive COO, a manager for your business that truly operates your business. And I'll get more into that second. We. Want to build money, but which you saw cash releases to make the most of your money. We'll go deeper into that. We want to connect neighborhoods globally through square and cash up. And we'll go very deep into this later on in the day. And what that means and why we think it's important. We want to reduce our dependency on the current financial system with Bitcoin, this is very important to us, that we have other options than this current financial system, and that's why we put so much emphasis on Bitcoin. And we want to build it all with tools that we've created that allow us full autonomy and allow us full velocity and really raise the quality bar on ourselves. So going into manager bot first, we see this as a way to automate payroll, scheduling, inventory, marketing, all the mundane tasks that a seller has to do on a regular basis. We want them to think of this as hiring a manager or hiring a COO to truly operate their business end to end. This reduces manual work and increases throughput, so they can really focus on what makes their business their business, which is their customers, their personality, how they think about their products, how they think about expansion, but take all the mundane work away. Is this possible? Absolutely. It's possible today, because we have this understanding, and because we have this real time information coming in every second that they use square. We want this to be consistent. We want it to be always on, and we want it to focus on just effortless operations so you can just, you can truly see it as running your business. And again, we have the technology to do this today, and this is going to be a big focus for us. Money bot is just getting started as well, but this automates budgeting, taxes, savings, payments, everything in an individual's Finance, Financial life that weighs on them, where they have to do something very mechanical. We want money bought to be on the very edge of pushing the envelope on helping them build wealth and helping them build savings, and helping them really think about their financial life. Going forward, it's going to be adaptive to all customer behavior and the local context. And you can see this today. If you're in the beta for money up, it really understands who you are, the context you're in, the questions you've asked in the past. And it's super, super fast, and this is only the beginning of it. And then finally, it's globally portable, Bitcoin native foundation. What this means is this is working within Cash App such that it can go to stable coins, it can go to cash, it can go to Bitcoin. It all looks the same, and it can operate on your money in a much more fluid and easier way, so that you don't have to think about how you're transacting and what you need to do. So both manager but and money, but we

believe, will eventually take over the interface of square and Cash App, and we're racing to push really hard on these and make them feel like it's something that, again, you can trust to proactively help run your business and help run your individual financial life on neighborhoods. This is something that connects all of our ecosystems together. We see this as one of our strengths in person transactions. In person commerce, we see this as one of the greatest ways to increase cash app adoption and also square adoption. It drives usage for both square and for Cash App it gives our square merchants a new way to reach out to their customers, and it gives cash app customers a new way to engage with our sellers and gives them, potentially instant cash back or whatever rewards that a seller wants to make, but it does so in a way that really respects the seller, instead of making them a commodity and in something like a delivery app. And we'll go deeper into that later on in the day. It reduces costs for us, and it also reduces costs for our customers, because all of these are honest transactions. They're in our network, and it truly expresses both sides of the counter in the way that we've been trying to do for years. Bitcoin. There's always been a lot of questions around why we focus on this so much, but really it comes down to this is a long term infrastructure thesis. I hope that you all saw the square or the cash app releases last week. I think you saw a lot of the breadcrumbs in terms of what we're trying to do from a payments perspective and from an everyday commerce perspective. And we believe that generally, we need another option for payments, and Bitcoin represents that. Stable coin represents that as well. But we believe bitcoin is the most open and the most neutral and the most independent, and it's something that we really want to see become every single everyday money as quickly as possible. Why? Because it allows us Global Access. We can ship all of our. Uh, all of our features in Cash App, all of our features in square around the world, much faster if we have a neutral, global open protocol for money. A big one that we were pushing last week is it's lower fees for sellers. Instead of paying 3% for transactions, they're paying zero into 2027, and 1% thereafter, this really reduces the cost for them. And we do believe that more and more merchants will be driving their customers to lower cost transactions such as Bitcoin and stable coins. And finally, it's programmable, and this is really important as we get into agentic commerce. And really, you know, pushing manager bot and money bot to help run your business. Having money that is inherently an open protocol and is programmable is going to be very important, and we have a really good reputation in this space. Block is the most important and the most impactful company within Bitcoin period, we are doing the most for this open protocol from for money. We are open and flexible, if it's not necessarily the right answer, but we do believe we need an open protocol for money. We do believe we need a native currency for the internet, and we do believe we need a third option compared to the current financial system today. So that's what this is all about, builder. But finally, is a model independent, autonomous software creation tool. We started this as goose. You'll see a little bit of it today in another form called g2 this underlies everything that we're doing in terms of building for the company today, this investment a year and a half ago, is the only reason we're able to get money bought and square AI out so quickly. And every single person in our company has used this tool to build something which is very impressive, and it allows them to automate a lot of their work away and help us focus on what's actually meaningful. And we we intend to leverage this significantly over the next few years. Goose is behind all this. You all may see goose as a front end, but it's also a back end. There's something we call headless goose, which runs in the background and is constantly looking for ways to improve everything that we're

doing, from money but to manager bot, to our own engineering to our security, we have gone full on in terms of trying to automate our company. This is our goal. Is, how do we automate fully our company and all the management tasks and all the operational tasks that come along with it? And we want to make sure that it enables every single one of our roles in the company, from financial roles to legal roles to engineering roles to design roles, such that they can build something themselves and they can get to at least a prototype state or something that saves them time and gives them time back so they can focus on something more, more meaningful. And finally, before I turn it over to Owen, to go through our products in depth, I want to talk about our mindset going forward. We are focused on automation of our company. As I said, if it can be automated, it must be this is something that we're taking on. We're looking critically at every single thing that we're doing and looking for opportunities to automate our work away. So again, we can focus on being a lot more creative and create more products and more features much faster. We believe that there is a great relationship between humans and AI. We're not going to be diminished by it. We're going to be we're going to embrace it. And we think our role as humans in this is designing it and making sure that we really focus on the experience and how it feels, and that everything is going to be run by AI. And again, this is a mindset that we're applying to all of our work. How do we design this in a way that feels amazing to customers and allows them to take away a bunch of that friction and time that they otherwise would focus on mundane tasks, to really focus on being more creative and focusing on their customers and their business or their financial life more and then finally, I hope you're seeing this in our company and comparing it to the past two years or three years ago, we're really focused on velocity. We're focused on a high quality bar, but what matters most is speed, and speed is going to be our core competency going forward. If we can move much faster as a company, if we can ship products and features, we're just going to learn much faster, and we're going to learn the right product market fit. And I've never felt more confident that we have all the tools, the structure, the team and the people to actually prove this and show it off and show that we can move faster than any other company out there, certainly in our space. But as time goes on, with larger Tech. Technology companies and our peers as well. So this is going to be a big focus for us, but all three of them are really to me, what changes our company and makes us much more successful in the future and allows us to focus on the things that you're about to see during the rest of this day. So they thank you very much for the time. I'll be back for Q and A right now we'll hand it over to Owen to go through Square and Cash App. Thank you. Please welcome blocks business lead, Owen Jennings.