



Q3'24 Earnings Transcript

Interactive Earnings Video

November 4, 2024

Gillian Munson - CFO

Hi, I'm Gillian Munson, Vimeo's CFO, here to highlight some key themes from our third quarter 2024 results. Before that, I encourage you to read through our safe harbor disclosures on investors.vimeo.com.

I would like to leave you with 3 takeaways from Q3:

First: We delivered stabilization in our topline by way of bookings and continued the work to position Vimeo for profitable bookings and revenue growth, which we believe we can achieve in 2025. Bookings growth was slightly positive in the quarter, a four percentage point improvement from Q2. Vimeo Enterprise grew bookings 39% and hit the \$100M run rate mark, a great achievement for our team, and a testament to this product's potential.

We continue to see the opportunity for growth at Vimeo. We believe that the math is starting to be in our favor for a number of reasons. Vimeo Enterprise is getting to a size and scale where it can lift our growth without major changes in the trajectory of other products. We continue to show price momentum with an uptrend in ARPU across products, and we will enter 2025 with stabilized marketing spend versus cuts of ~50% throughout this year as well as investment funding for growth initiatives.

Second: The strength of the Vimeo model was on display in Q3, as we were able to show incremental profitability despite a decrease in revenue. Gross margin was healthy at 79%, and operating expenses continued to be down year-over-year, though up slightly versus Q2 as we began to make focused growth investments. Since 2022, we have lowered quarterly operating expenses meaningfully while managing to deliver essentially flat quarterly gross profit dollars and executing a number of transitions at the company. We generated \$21 million in cash from operations in Q3 and ended with an enviable \$325 million in cash.

Third: In Q3 we began to accelerate our investments in growth initiatives with a particular emphasis on Research & Development, including innovations like our new Apple Vision Pro app, which enables a whole new way to experience video. We believe that these investments will position us to capitalize on the significant market opportunity ahead from a very solid business model base.

We're optimistic about what we can achieve in 2025 and look forward to updating you with additional detail on our Q&A call and again next quarter. Thanks for watching!

Philip Moyer - CEO

Hi, I'm Philip Moyer, Vimeo's CEO. We had strong performance in the third quarter. Bookings growth turned slightly positive, we delivered \$105 million in revenue and \$21 million in operating cash flow. This performance is a testament to the incredible work our team has done, and I'm excited about what more we can accomplish.

On October 23rd we hosted our inaugural, sold out user conference, Vimeo REFRAME, which brought together creators across professions and industries to share best practices for integrating video into their business operations.

The following clips from the event highlight why I'm so excited about the value we can provide for our customers and the opportunity for Vimeo ahead.

Check it out.