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## Figma's \$16.4 Billion IPO Threatens Adobe's Market Dominance.

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Adobe Inc. (NASDAQ: ADBE) is once again under competitive pressure as design startup Figma prepares to go public, seeking a valuation as high as \$16.4 billion. After Adobe's failed \$20 billion bid to acquire Figma, the latter's upcoming initial public offering (IPO) on the New York Stock Exchange (NYSE) marks a significant moment for the digital design industry and signals a fresh challenge for Adobe's market stronghold.

According to a July 21 report from Reuters, Figma intends to raise approximately \$1.3 billion by offering close to 37 million shares, priced between \$25 and \$28 each. Trading

under the ticker symbol “FIG,” the IPO will be underwritten by major financial institutions, including Morgan Stanley and Goldman Sachs. This move not only positions Figma for rapid growth but also opens the door for increased investor scrutiny of Adobe’s current trajectory in the competitive tech sector.

Adobe Inc., listed under the National Association of Securities Dealers Automated Quotations (NASDAQ) as ADBE, is a leading software firm best known for its digital content creation tools such as Photoshop, Illustrator, and Premiere Pro. The company has long been the dominant force in creative software, but this dominance now faces disruption. A year ago, Adobe attempted to neutralize this growing threat by acquiring Figma. However, European Union (EU) and United Kingdom (UK) regulators blocked the deal over concerns about monopolistic behavior and lack of competition, yet another instance of foreign oversight handcuffing American innovation.

With Figma now gaining financial independence through its IPO, it is set to accelerate its product development and deepen its foothold in the collaborative design space, particularly among younger tech-savvy users and corporate teams. This public debut could allow Figma to compete more aggressively on pricing, product features, and scale, putting pressure on Adobe’s subscription-based model.

Analysts have noted that while Adobe remains profitable and continues to deliver robust quarterly earnings, its growth story is becoming less compelling in the face of leaner, more adaptable competitors like Figma. The collapse of the acquisition deal also raises questions about Adobe’s strategy and whether regulatory interference from outside the U.S. is increasingly dictating the path of American tech firms.

From an investor standpoint, Adobe still offers value, but the risk profile is shifting. With Figma entering the public market, competition will likely drive innovation, but also potentially erode Adobe’s margins. Meanwhile, other tech segments, particularly Artificial Intelligence (AI), offer more upside potential. Companies leveraging AI, especially those benefitting from pro-growth U.S. policies such as onshoring initiatives and the revival of Trump-era tariffs, may represent stronger plays in the near term.

While Figma’s IPO may be welcomed by Silicon Valley and Wall Street alike, it’s a clear signal that Adobe can no longer afford to rely on its legacy dominance. It must now compete in an open field, where innovation, adaptability, and pricing will determine who leads the next decade of digital design.

