

Robinhood Markets Inc. (Investor Day)
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Corporate Speakers

- Chris Koegel; Robinhood Markets, Inc.; Vice President of Corporate Finance and Investor Relations
- Vladimir Teney; Robinhood Markets, Inc.; Co-Founder and Chief Executive Officer
- Steve Quirk; Robinhood Markets, Inc.; Chief Brokerage Officer
- Johann Kerbrat; Robinhood Markets, Inc.; Vice President and General Manager, Crypto
- Jason Warnick; Robinhood Markets, Inc.; Chief Financial Officer
- Daniel Gallagher; Robinhood Markets, Inc.; Chief Legal, Compliance and Corporate Affairs Officer
- Deepak Rao; Robinhood Markets, Inc.; General Manager, Money
- Ravi Mehta; Robinhood Markets, Inc.; Vice President and Chief Credit Officer

Participants

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- Dan Dolev; Mizuho Securities; Managing Director
- Alexander Bittan; Shareholder
- Brett Knoblauch; Cantor Fitzgerald; Head of Crypto and Digital Assets Research
- Craig Siegenthaler; Bank of America; Managing Director, Equity Research
- Ahmed Siiba; Shareholder
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- Matthew O'Neill; Financial Technology Partners; Managing Director
- Amit Kukreja; Shareholder
- Devin Ryan; Citizens JMP; Head of Financial Technology Research
- Benjamin Budish; Barclays; Equity Research Analyst
- Drew Morton; Rivermonth Capital; Analyst
- Brian Bedell; Deutsche Bank; Director
- John Todaro; Needham and Company; Principal
- Tom Hain; Azora Capital; Portfolio Manager
- Michael Cyprys; Morgan Stanley; Managing Director, Equity Research

PRESENTATION

[AUTOMATED RECORDING]^ Before getting started, we want to remind you that today's presentation will contain forward-looking statements. Actual results could differ materially from our expectations.

And we have no duty to provide updates unless legally required. Potential risk factors that could cause differences including regulatory developments that we continue to monitor are described in the presentation we issued today and our SEC filings, all of which can be found at investors.robinhood.com.

Today's discussion will also include non-GAAP financial measures. Reconciliations to GAAP measures we consider most comparable can be found in the appendix to the presentation. Both the presentation and the appendix can be found on our Investor Relations website.

Additionally, a recording of this presentation will be available on our Investor Relations website shortly after the conclusion of this event. Please welcome to the stage, Robinhood's Vice President of Corporate Finance and Investor Relations, Chris Koegel.

Chris Koegel^ Good morning everyone. All right. Welcome to Robinhood's first Investor Day. We've been excited about this opportunity to step back from the quarterly cadence of earnings calls and take a longer-term view. And so I'm going to get us kicked off with about five minutes of context.

And the first item on my agenda is thanking you all for coming today, whether you're here in person at the NASDAQ market site –many of you who have traveled from across the country to be here -- or whether you're joining us online. We appreciate your time. Okay. So let me grab my clicker. What's our agenda for today. We've got a great lineup, three hours in three parts.

First, we're going to hear from our Chair and CEO, Vladimir Tenev, about our 10-year vision for Robinhood. Then we're going to hear from three more business leaders. Chief Brokerage Officer, Steve Quirk; and GM of crypto, Johan Kerbrat, are going to talk about the opportunities that they see in their businesses.

And then CFO, Jason Warnick, will talk about how we drive shareholder value from here. And then lastly, we're excited to bring this whole group into the conversation. We're going to have group Q&A with the shareholders and analysts that are here today.

So because we're devoting the last a third of the meeting to this, please hold your questions until that session. And in that, we're going to have the same four presenters again and three more, GM of Money, Deepak Rao; Chief Credit Officer, Ravi Mehta; and Chief Legal Officer, Dan Gallagher.

We hope that you find this to be an engaging discussion of our business. And speaking of our business, we want to set a little bit of context before we hear from Vlad about the future and starting with our customers. So our customers are the next generation of investors.

As you can see on this page, our customers represent a broad mix of age, gender, income and life stage. And the big takeaway is that our customers are 75% millennial and Gen Z.

That means they're young and in their prime wealth building years. And the good news is they are building wealth and customer relationships are getting stronger. This page [6] shows average customer assets, Net Promoter Scores and customer retention rates. And what we see from this page is that average customer assets are up to about 6,500 – that's more than double a couple of years ago and an all-time high as customers continue to make consistent net deposits and generate positive returns in the market.

In the middle of the page, you can see that customer loyalty as measured by Net Promoter Score, is up over 30 points from a couple of years ago and up even more for active traders. And on the right, customer retention. A few years ago, that was around 80%. Now it's up to 95%.

So our relationships are also getting stronger. Now these strong customer outcomes are also driving strong business outcomes. On the top of this page [7], you can see our product areas and the bottom, some of our metrics.

So in terms of our product areas, we have three big product areas: Brokerage, which includes new areas like advisory; crypto, which is really a global business; and money including the Robinhood Gold credit card. And on the bottom half of this page, you see business metrics and financial measures. And the good news is all these numbers are at all-time highs.

Looking at the business metrics, we have over 24 million customers as of the end of October and over -- and about \$160 billion of AUC at the end of October.

And you may have seen that we introduced some additional color on November this morning. And the good news is that these numbers have also all moved higher. And stepping back and thinking about some of the growth that we've seen in these numbers, Funded Customers have grown by over 1.5 million customers in the last year. That's more than 3x the pace that we saw in 2022 and 2023. And AUC through the end of November has more than doubled from a year ago.

As for financial results, it's great to see that we've not only grown, but we've become a profitable company as well. If you look at total revenue, we're up close to \$2.5 billion now. And for adjusted EBITDA, we're close to \$1 billion. So the business is in a good place.

But in terms of what you came to hear today, I know you don't want to hear what you've already heard. You really came to hear about the future. So what do we want you as investors to take away from today, really four big things. So I'm going to focus you on the left-hand side of the page.

First, we have a massive market opportunity. Relative to that [nearly] \$2.5 billion of revenue I mentioned a minute ago, our market opportunity in revenue is over \$600 billion, meaning we've barely scratched the surface of where we're going to go.

Second, that innovation and product velocity you know so well from Robinhood, that's driving rapid market share gains. So big market, gaining share quickly. Third, our business is not only growing, it's also diversifying. And lastly, we have a powerful business model that's capable of driving a lot of profitable growth. So not only top line revenue growth, but also bottom line profit growth.

So we hope that you hear our excitement about growing our business and driving shareholder value from here. And without further delay, I'd love to welcome our Co-Founder and CEO, Vlad Tenev, to the stage to talk about the next 10 years for Robinhood.

Vladimir Tenev^ Thank you for attending our first Investor Day. I want to start by talking about this community of investors and analysts that's been building around our company. We've come together at prior earnings calls and investor conferences, but really, this is the first time we're coming together off cycle like this. And what we want to do at this event is zoom out a little bit. We're used to talking about the company quarter-to-quarter, sometimes we'll expand that to a year.

But today, I'd like to take the opportunity to talk about what can Robinhood be in 10 years? Robinhood has been public for over three years now. And before we went public, a lot of people warned me that I would hate it as a founder and as an entrepreneur. They talked about earnings and investor relations in particular as a chore. That hasn't been the case.

You see for us, we've got a huge overlap between our investors and our customers, unlike other companies where they are two completely separate worlds. We also have a lot of independent analysts, journalists and investors, some of whom are in person, hi guys, and some of whom are streaming at home. So this isn't just investor relations for us.

It's a community. And that's why we've been putting in so much time and effort into doing things like sharing our strategy with you all. I think this incredible variety of people watching today with so many individuals on equal footing with institutions that have been around for over a century speaks to why we are here.

We're in the midst of one of the biggest cultural shifts the modern world has seen. Institutional distrust is at an all-time high. Trust in government is at only 22%. Trust in the mass media is at a record low of 31%. And trust in financial institutions has dropped to 10%.

What's replaced this? Well we, at Robinhood, now we have a front row seat to this. With technology giving individuals the same type of power, reach and capabilities that were in the past reserve for large institutions. People are increasingly trusting themselves and their peer networks.

As a result, and some people have strong feelings about this, more and more individuals are self-directing the most important elements of their lives. From news to their health, to education to finances. Today of course, I want to talk about the financial part of all this. As you may know already, we're in the midst of the great wealth transfer.

So an estimated \$84 trillion of assets owned by older generations is going to be inherited by younger generations in the next two decades. The largest transfer of wealth in human history. And this is significant, not because so much money is changing hands, but because it's changing minds, it's moving from people who grew up needing stock brokers and visits to bank branches to the type of people we've been talking about, who are growing up with the tools to independently manage their finances from home. And since Robinhood has more millennial and Gen Z active users than the other top brokerages, we're uniquely positioned at the epicenter of this massive cultural and financial shift. And these changes I'm talking about, they're not just happening in the U.S.

When you look at Internet and mobile phone penetration rates as well as wealth accumulation, they're continuing to rise around the world. And as people see what's going on here in the U.S.,

they want access to the same tools and markets that we have, and we're now in a place where we can deliver that.

So I wanted to talk about the three arcs in our strategy for expanding to meet this increasing demand and continuing a mission. We feel like we've only just begun democratizing finance for all. Now it should come as no surprise that our first arc is focused on the individuals who are very much at the technological frontier of financial services, active traders. So we're in the heyday of active traders at Robinhood.

We're rapidly gaining market share, and improvements that we continue to make quickly translate to more revenue and more business value. And we believe success here with active traders will give the business the resources it needs to pursue our other two arcs, which are longer term. A good analogy that I like to use is that active trader products are like our Tesla Roadster. Active traders are specialized customers who demand the most innovation, the most speed. This keeps us at the cutting edge of our industry while also giving us the resources to expand into new markets, just as Tesla was able to expand with the Model S and eventually the Model 3.

Our second arc is becoming number one in wallet share for the next generation.

Now this arc is about broadening our services beyond trading, and we expect it to reach its climax in about five years. This is how long we believe it will take for the combination of wealth management, banking, and credit to rival active trading as a leading source of revenue. And we're always looking at the next generation of investors tuning into what their specific needs and areas of concern are rather than getting frozen and what's worked with millennials, for example.

Our third arc is to be the number one global financial ecosystem. This is our 10-year arc. For our first 10 years, we largely focused on the U.S. retail brokerage market, but our mission has always been bigger than that. And over the next 10 years, the goal is to take the infrastructure that we've built to establish our foothold in the U.S. and expand it across two independent vectors from domestic to global and from retail only to business and institutional.

I see multiple very clear and obvious paths to growing Robinhood by 10x, and they each benefit one another. And we plan to systematically tackle all of them. Now this might seem like a lot. And of course, the challenge will be in doing these things in the right order, giving them the appropriate amount of focus and avoiding the temptation of doing too much at the same time.

And me personally, I'm probably the most guilty of overestimating what we can do in one year and underestimating what we can do in 10. So we'll now go through the arts in more detail with a particular focus on what we'd like to accomplish in each one of them over the next year. Let me start by talking about our brand with active traders and how it needs to evolve in order for us to continue to be successful.

So up until now our brand has been that we're easy to use, and we offer low cost that our customers are sacrificing tools and functionality by using us. And the issue with this being our brand is that it makes us prone to graduation risk as our customers become more sophisticated and valuable. Moreover, the 'Robinhood is for Newbies' was getting in the way of active traders evangelizing us within their communities.

So what are we doing about that? Well in 2022, we mobilized our company. We put our most hardcore people on the task of making Robinhood the best platform for active traders on the market. And a few weeks ago, we held our first ever event for active traders in Miami. There, we launched what we believe to be the most state-of-the-art desktop platform for trading, Robinhood Legend.

And this was in addition to a slew of other new assets and features that we've been building and releasing over the past few years. So brands tend to lag reality. And over the next few years, we're going to continue making sure that active traders see Robinhood as the clear leader in technology and innovation in the market and feel like they're at a disadvantage using any other platform.

As an example, last month, we became one of the only companies offering event contracts for the U.S. election. Because we were early to market with such a relevant trading product, in just a few days, half a billion in contracts were traded. And so clearly, people using other platforms were at a disadvantage in this case.

So if I can sum up our three priorities to successfully lead the active trader market, they would be, number one, new product innovations that aren't yet offered by our competitors. These are things like 24-hour markets and self-custody wallets for example.

Number two, new asset classes like index options, futures and event contracts; and three, improving our tools, latency and charting to best-in-class, particularly on desktop. And these categories have informed what's being prioritized for 2025. There are some new innovations that we've got cooking that I can't wait to share with you all at our three product events next year. And yes, we are increasing the three product events.

So we'll have a Robinhood Gold event once again. We will have an active trader event, so follow-up to the Hood Summit; and an all-new crypto event. The agendas for them are already packed. So we're excited for that.

We've also heard on the backs of our successful presidential election market launch that customers want many more events to trade on. So we're going to be launching a more comprehensive events product. And finally, we'll be scaling Robinhood Legend to all supported asset classes and capabilities. We see a clear path to number one in retail trading market share across all assets before the end of the decade. And we have the most visibility into market share in options and equities.

We expect to get to number one in options before 2027, number one in equities before 2029. And as I mentioned, this is just one piece of a much larger picture. Active traders have broader financial needs that they would like to use Robinhood for.

And of course, not everyone is interested in actively trading, which leads us to our second arc and an opportunity for much bigger impact by becoming the main platform for the next generation for all their financial needs.

Over the next few decades, over \$84 trillion in assets will move from the silent generation and baby boomers to younger generations. This asset flow is going to be continuous and accelerating. Robinhood was already well positioned due to our popularity with millennials and Gen Z. So how do we ensure that Robinhood remains the platform of choice for all these assets in what's a highly competitive market? Well I think it will take three things.

Number one, rounding out the product suite to cover remaining core financial needs with an emphasis on multigenerational needs like wealth management and advisory. Number two, continuing to innovate and lead on economics and incentives, particularly through Robinhood Gold so that our customers get even more value from Robinhood as their assets with us grow. And number three, continuing to streamline the process for customers to onboard, deposit funds, and transfer assets into Robinhood.

We expect that we're going to make a ton of progress across all three of these in 2025. Multigenerational advisory is going to be a big focus area including via our pending acquisition of the RIA platform TradePMR.

Aside from net deposits, the other metric we use to track our progress in growing wallet share is a number of Robinhood Gold subscribers. So let me explain how Robinhood Gold fits into this picture. Now Robinhood Gold itself is a product in transition. It started, if you remember, as margin trading for active traders and has evolved over time. And we know from studying the great membership programs in business history. So Amazon Prime and Costco, for example, that when they're executed properly, lead to higher loyalty over time. An Amazon Prime member tends to move the majority of their shopping to Amazon. And as they benefit from the lower pricing, Amazon itself benefits from not just the subscription fee, but the higher gross merchandise volume per customer. And they generate more revenue from that relationship. A big unlock for us, and I think this is a non obvious point, is that membership loyalty and wallet share are all one and the same in financial services. And over the past year, we've validated this hypothesis.

We've seen that when someone becomes a Robinhood Gold member, they have 7x the assets under custody. They grow net deposits twice as fast and have multiples of the new product adoption rates of our average customer.

So when one becomes a gold member, they're much more likely to put all their assets into Robinhood and use all of our products. This, in turn, leads to higher average revenue per user and has allowed us to scale our marketing toward Gold customers and enjoy healthy payback rates. And all of this is what's been propelling net deposits to north of 40% annualized growth rates and gold subscribers to 60% plus year-over-year growth rates.

In this way, Robinhood Gold has been an accelerant to us growing wallet share with our customers. And we will continue to expand its coverage to more and more of our products. Meanwhile, the Robinhood Gold credit card crossed 2 million on the wait list and is adding roughly 200,000 waitlist sign-ups per month.

So at that rate, we won't have to worry about customer acquisition or credit card users for at least the next few years. And we're seeing strong early signals that the credit card is making our gold

flywheel spin even faster. And so scaling the Gold Card is a top priority in 2025. And aside from building a new diversified product line, the Robinhood Gold card is a key step in unlocking banking for our customers.

So if one invests with Robinhood and uses the Gold Card as their primary credit card, the activation energy for putting their paycheck into Robinhood becomes much lower. And if we execute all of this well over the next few years, we believe we'll have the most well-oiled benefit filled asset-gathering machine in our industry.

And we really have some exciting things that we can't wait to share with you all at our Gold event next year. All right. Let's imagine for a moment, Robinhood 10 years from now. So we've progressed across the first two arcs of our business. becoming number one in active traders and number one in wallet share for millennials and Gen Z.

We're busy trying to stay relevant with the evolving needs of Gen alpha. Can you believe that – Gen alpha. The oldest members of which would have graduated college and would be at the very beginning of their financial journeys.

So we've taken our strengths as a technology and innovation leader in the U.S., and we've expanded upon them. We're now serving customers all over the world. And we're not just serving individuals, but also small businesses, large corporations and institutional investors across all their financial needs.

What more do we have to do to get there? So the first observation is that the U.S. has the most robust and desirable capital markets in the world. So no surprise to those in this room. International investors generally look for ways to deploy their capital here. And so by serving the U.S. market, we're actually building capabilities that are attractive to customers worldwide.

Second observation is that the capabilities that we're building to serve retail consumers across the first two arcs. So these are things like 24-hour access to markets, low margin rates, comprehensive asset selection and a great user experience. These things appeal not just to retail, but also to businesses and to institutions.

And this year, we've already taken our first steps in going international with our United Kingdom and European Union launches. And we've also taken our first steps in B2B and institutional with our agreement to acquire Bitstamp and more recently, TradePMR. So the surface area here is large.

We'll have to be diligent in how we prioritize our time. And this is actually how I'd like to think about prioritization for international expansion. And I think the same model generally works for B2B as well. So first, we prioritize making things available that we've already built for U.S. retail consumers. And this is things like margin and options trading.

Second, we prioritize things that will accrue value to our platform globally and not just any one individual market. And these are things like multicurrency accounts or integration with foreign

exchanges like the London Stock Exchange. And finally, we prioritize market-specific functionality.

So this is something that might not be generally useful outside of an individual market. And those are things like ISAs and SIPPs, the retirement wrappers in the U.K., for example. And in general, what does this mean? This means we'll go broad before we go deep in any one market. And this allows us to enter new geographies and begin generating revenue without large capital expenditure.

So it's a more efficient way to progress. Next year, our focus will be on rounding out our offering with more asset classes, more capabilities in the U.K. and EU markets where, by the way, we've recently crossed 100,000 net funded accounts.

In addition, we're going to be launching a brand-new market. So I'm excited to announce that we're opening in Singapore as our APAC headquarters and we plan to be serving customers across Asia soon. That's very exciting.

Now beyond 'more'. We plan to acquire licenses for three more markets as well as launch a slew of platform level improvements and features related to this. Now Robinhood is a bit unique in that if you look at other financial companies, they tend to expand in new geographies, primarily through making acquisitions.

Now the problem with this approach is that it's expensive. You end up with duplicate systems, and it's hard for new features built for one market to make their way to customers in other markets. We don't face these problems because of our unified technology infrastructure designed with global expansion in mind.

So let's talk a little bit about technology. One way to look at Robinhood is that we were really the first native technology company to succeed in retail brokerage and our ability to adapt to the changing technological trends, which have been mainly mobile and cloud over the past 10 years, has been the driving force behind our success and also the source of much of the controversy surrounding us.

Fortunately, we're right at the center of the next two platform ships that have the potential to fundamentally change our industry. And those are artificial intelligence and cryptocurrency. Let's talk through what leadership in both might look like, starting with AI.

So Robinhood's adoption of AI is going to happen in three stages. The first is augmenting internal operations. The second is augmenting customer-facing products. And the third is what we're calling sophisticated autonomous financial agents.

Now in the past few months, we've progressed from the first one, to doing all three as we've been building out our team and our technology platform. We've really been moving fast. And I've been amazed at how quickly we've been able to create efficiencies and bring in top AI talent including from the leading frontier AI labs and via our acquisition of Pluto. And if you've gone through our customer service flows, you've already started to see generative AI in the product.

But we know not a lot of you guys have had access to those, which is a good thing. So you'll see a lot more next year including the first AI native products. And as a technology company, we've been able to rapidly adopt these new tools on the way to building complex AI agents.

I think this is something our competitors are going to struggle with, by the way, Imagine if you're a legacy brokerage running on mainframe or on-premise, you can't even get started. It's very difficult to train AI models on COBOL, for example.

Now let me talk about what we're calling sophisticated autonomous financial agents. So it's no surprise that model capabilities are continuing to improve. We see it in nonfinancial domains every day. So just a few years ago, early versions of large language models couldn't even put together coherent sentences.

Now they have the ability to autonomously crawl the Internet to perform complex actions. And we've gone from using AI to answer our queries to AI performing tasks on our behalf and communicating the status and progress to us. So what does this mean for the financial realm.

Well right now wealthy people have access to a team of experts that can help them across all of their financial needs. So budgeting, trust and estate, bill pay, insurance, tax, of course, wealth management. AI will play a big role in streamlining all of this.

So first, by automating the more transactional data gathering, processing, but eventually, it's going to move further up the value chain. And -- what we'll have is AI that allows advisers to provide a family office-like experience to the mass market.

So imagine having the equivalent of a Wharton educated financial team at your disposal, 24/7 at a small fraction of the cost. So we're really excited to keep building. And we believe Robinhood is the first place where you'll see some of these innovations in forms people actually want to use. So with that, let's move on to the second platform shift.

Over the past few years, Robinhood has quietly, I'd say, become a major player in retail crypto trading – already doing over half of Coinbase's volume with less than 10% of the number of coins they list and operating exclusively in the U.S. until this year. And there are two ways to look at crypto.

One, is as a specialized tradable asset that we support alongside all of our other assets like equities, options and futures. The other way is as a disruptive technology that will change the underlying infrastructure beneath payments, loans and a wide variety of tradable assets.

We, of course, intend to grow our crypto market share and become number one in crypto trading, but I believe the second lens is a more interesting one. And aside from allowing end customers to self-custody their assets, crypto technologies obviate the need for many of the services provided by legacy financial institutions like clearing houses, transfer agents, payment processors and more.

Because of these efficiencies that are enabled by the underlying blockchain technology, the cost of operating our crypto business is ~10x lower than our traditional brokerage business. So we believe that crypto and the traditional financial system will increasingly merge.

And crypto will eventually become the new infrastructure powering the financials in some ways like the transition from mainframe to cloud that's been playing out over the past few decades. The efficiency gains of moving traditional financial assets on to crypto rails are too large to ignore. And this is what we mean by tokenization.

We already have it in its most basic form, which is U.S. dollar stable coins. Dollar stable coins are responsible for the vast majority of native blockchain transaction volume -- and recently, there were even reports that USDT on Tron daily volume surpassed that of Visa.

Stable coins have become one of the simplest and cheapest ways to access U.S. dollars particularly in countries with weak local currencies. You can also find certain commodities like gold in tokenized form, where they can easily be swapped on decentralized exchanges and self-custodied on noncustodial wallets like our own Robinhood wallet. There will likely continue to be refinement in dollar stable coins.

For example, the current major stables don't have a great way to provide yield to holders. And in a world where 4% to 5% interest rates exist, this makes them inferior to holding dollars in a bank account.

However, there's no fundamental reason why this should be the case. And we expect to see the next generation of successful stables offer a larger yield directly to holders. And this is really what motivated us to partner on USDG, the global dollar network, and you'll hear much more about that in the coming months.

You should also expect that stocks and other assets will eventually be tokenized as well and available on chain. And in fact, we believe that we're uniquely positioned to be a leader in that space. We're planning a crypto event in the coming summer in Europe. -- where we're going to announce some new products and initiatives directly related to what we've been discussing.

So stay tuned. Okay. One other thing I want to discuss before I wrap up. So from time to time, I get asked about the culture at Robinhood. And mostly, this comes from people wanting to work for us or companies that we've acquired. But I thought it might be interesting to this audience as well.

Because for everything I've discussed to happen at the highest level possible, it requires a great culture. And to me, culture is three things: How we hire, our working environment, and how we promote performance, manage and compensate.

Now one of the reasons we're able to have a much higher product velocity than our peers, which is necessary in a world that's moving so quickly, is because we do things a little differently in each of these areas. And maybe I'll just quickly discuss a few of these that we haven't really

shared in the past. So first, when companies hire people, particularly leaders, they tend to look for ones that have led big organizations, right?

Instead, we look for ones that have led small organizations and have accomplished big things with as few resources as possible. This allows us to operate more like a start-up even at our size. And in our working environment, we instill not just the need to operate with an extreme sense of urgency but also an elimination of the point less bureaucracy and barriers to direct feedback that allow them to do this. And these may sound like simple things. But then you're ruthlessly cutting time waste as much as cost waste.

You're adding months or even years to your product cycle and demotivating people. And finally, with performance, we reward people not based on their scope or headcount, which are kind of the common ways to do it, but rather on driving impact with fewer resources. And we're okay if our cost per employee is higher than our peers as long as the revenue per employee is significantly higher.

So in short, I'd love to discuss more of this at a later point. We have an amazing company with great people who are really passionate about what they do. It's really a privilege to work alongside them. And I'm really glad you'll get to hear from a few of them later today. And so as we're standing here, a month after the U.S. election, I'm reminded of what happened eight years earlier.

So in 2016, as the election results came in, people panicked and were queuing their stock orders to get sold the next morning. Robinhood really felt like a spectator then. Meanwhile, sophisticated institutions had access to futures markets, and they were able to trade all through the night. With this last election, that's no longer the case.

Now we have three and soon to be four products that individual investors on Robinhood can use to trade through major events at all hours. And as a result, during this year's election, in our 24-hour equity markets, we saw the biggest volume we've ever had in overnight trading. And in our presidential election market, which, by the way, went from an idea to fully rolled out in less than a month, half a billion in contracts were traded.

And to us, this is really further statistical proof of the increasing need for our mission, the innovations we've led the way in and what I've been discussing today.

The financial world is not the same one we grew up with. It's experienced incredible growth in all dimensions. And the barriers that once kept it removed from the lives of everyday people, they're rapidly disappearing. We're even seeing headlines like this one [page 21] from six weeks ago, where retail traders are transforming some of the oldest and most important financial institutions in the world.

So if we put it all together, we're in the midst of a massive boom in six areas: retail trading and influence, cryptocurrency adoption, AI-driven disruption, wealth inheritance with 84 trillion going to younger generations, global access to markets and information, and a massive movement

of people self-directing a portion, if not the majority of their finances and their lives. And these specific areas are also where Robinhood excels.

So if this is indeed, as that article we just saw claims, the Robinhood era, then I think it's only just beginning. The roadmap is full. There's so much to do. So I look forward to continuing this never dull journey with all of you. And thank you for listening.

So it's my pleasure to hand it off to our Chief Brokerage Officer, Steve Quirk, after a short break, and I'll see you all for Q&A very soon. Thank you.

[AUTOMATED RECORDING]^ We'll now be taking a short 10-minute break. Please enjoy some refreshments and we'll see you back here in 10 minutes. [Break] Coming up next, Chief Brokerage Officer, Steve Quirk.

Steve Quirk^ I'm Steve Quirk, Chief Brokerage Officer here at Robinhood, and I've been here about three years. Before I get started, I'd like to confirm something Vlad said. He is definitely guilty of overpromising on what we can do in a year.

But it drives us all to overdeliver. And hopefully, you'll see that in what we talk about, what I talk about, what Johan talks about, what everybody talks about today, because I think it's going to be useful in understanding our philosophy and how we do things.

But I want to start off by just giving you a little history of myself and how I got to Robinhood. I started my retail brokerage career at a small firm called Thinkorswim, really fast growing in Chicago, which was acquired multiple times, most recently by TD Ameritrade and finally by Charles Schwab.

I referenced that because I had a seat at the strategic table of those firms. So I understand their customer base. I understand the customer base here at Robinhood. I understand the similarities. I understand the differences. And it helps us inform decisions on what we want to do and how we want to build for our current customers and potential future customers.

So I think if I just step back and look at Robinhood, after being here for three years. I think one of the things that's very well understood is Robinhood cracked the code on getting new market participants into the market. And that is widely accepted. I think we had government release figures that 58% of U.S. households are participating in the markets, which is all-time high and the envy of the world.

When we go to other places and consider doing business there, they say, we'd love to have the Robinhood effect happen there and give our customer or give our citizens access to the greatest wealth creation vehicle that exists. So I think that's widely accepted.

We sit with 25 million customer accounts. I think what isn't as appreciated or known, I'm sure this community does know it, but is just how large we are in terms of the self-directed space. And it was kind of mentioned a little bit earlier, but we are on a path to be the number one player in the

retail space on both equity and options in a very short clip of time. And so I wanted to kind of walk us through exactly what this looks like.

What you're looking at here [page 33] is our relative market share versus the number one player on both the equity and option size and what's happened over the course of the last couple of years. Vlad kind of talked about this. A couple of years ago, we were net ACAT negative versus most of our competitors.

So we were losing, we had graduation risk happening. And our NPS scores for our most active – they were terrible. We flipped the script on both of those things. Our NPS is now the most positive for our most active, which is what you'd want, obviously. And we're net ACAT positive against every one of our competitors, and we remain that way.

So those are really, really positive things that have us on a nice trajectory to be the number one destination for everybody self-directed. But we also have to look at ourselves versus not just the number one player, but against all of the players. It's a very competitive space. There are new entrants. There are incumbents.

We compete against all of them. And so we want to look at how we're doing versus everybody. And you can see over the course of those last two years, how we've been doing here. with a 40% increase on both of these.

So you should expect to see this growth continue and accelerate with all the things that we're working on, some of which we'll talk about today. Across the three arcs that Vlad talked about, the self-directed, the wallet share, and then our global ambitions.

I'll talk about a couple of things today. And then we'll have a Q&A session, of course, later for any questions that you will have. But I want to start with what Vlad talked about the rollout of Robinhood Legend in Miami.

So we just got to a point where we rolled it out to 100% of our customers, very early, but the reception has been great. We have early signals, which are very positive. If I share too much of it, Chris will come up and tackle me. So I won't – he's sitting close for a reason.

But what I would say is a couple of things. I think it's valuable to hear the logic of why we did what we did. And so I'll start by saying, if you just look at the retail trading that happens in the U.S. today, 50% of it is on mobile, 50% of it is on the web, either web or software-based apps. We are undoubtedly the leader in mobile.

If you just stripped away all the rest of the 50%, we would be the leader across the board. That's where you want to be. Because for as long as I've been in this business, the percentage of mobile trade has only grown, and it will continue to grow. There are a couple of reasons for that. Number one, we have as Vlad said, four asset classes that trade around the clock.

So naturally, I'm not carrying or on a laptop 24 hours a day, if I want to monitor my positions or take advantage of opportunities, but also the advances that are happening from a technological

standpoint just permit us to do so much more on mobile. And as a result of that, we're where we want to be. However, what we've heard loud and clear from both our customer base and the legions of people that are coming in is they need a complement for a primary to mobile.

So they need something that gives them an ability to do more than what you're able to do on a mobile device. And so when we rolled out and thought about Robinhood Legend, we took all of that into account. And we also thought about the mass migration that's just happened due to some consolidation of players in the industry. And they're being force migrated to legacy technology they don't want to be force migrated to. And we hear from all those customers. And one of the things that was stopping them from being able to come to us was having this. So all those things combined led us to this launch, we have a lot more to do here. You should expect us to very quickly add all the asset classes.

So index options, futures, everything we're rolling out will be on Legend in very short order, and the capabilities will also be enhanced. And we have a lot of belief that this is really going to drive some increased volumes and get us a lot more customers in the door, but expect to hear a lot more from us on that front.

The second thing that became a focus over the course of last year was margin. And again, I'll give you some context on just our thoughts around margin. So in order to really accommodate what a larger margin retail trader would be looking for, you need an offering that will do everything that they're looking for.

We felt we needed to get to a place where that offering would be something that would be conducive to people moving here or even to people here being able to utilize margin in a more powerful way than they were.

As soon as we got to that point, we rolled out some of the industry-leading margin rates. And you can see in a very short period of time, our book popped by 50%. Now I will tell you, we're pretty excited about the opportunity here for a couple of reasons.

We haven't really hit the gas on marketing or messaging around this. It's been kind of a slow roll thus far, but we intend to do it. And here's why we're excited. If you look at the books of our competitors, we are very small.

We're a very small fraction of this. And of course, we intend to be very active in going after these margin customers. We like to do the promos with things that we roll out. They tend to amplify and give people a reason to take a look at the things that we just rolled out. There's incentives that make them even more powerful.

I'll wrap up the self-directed component by talking about the event contracts.

I do have to correct Vlad because he did say it was under a month that it took us to build them. It's closer to two weeks. Under a month, you see -- as soon as it became clear that these were going to be permissible.

We put together a team and in just over two weeks, we rolled these out. We rolled them out a week before the election. You see the numbers and they were mentioned earlier, but half a million people opened accounts, half a billion contracts were traded.

It was in addition to every -- all the activity that was happening, we just became a destination for people to see what was happening in the election. And as a result, how that might impact all their other investments. The accumulation happened the night of the election.

It's probably about seven p.m. We're sitting in an office here in New York, and across all of our spots, and about 7, we saw this divergence happen in the election contracts.

So it went about 70-30. And as soon as it became evident that the Republicans were going to win, everything kind of went -- and when I mean exploded, I mean volume-wise, we started to see massive amounts of volume in the crypto space.

We allow 24-hour trading in 1,000 symbols, and symbols like Tesla, symbols like all the crypto complex other tech names just took off in terms of volume and in price. And what was really amazing to see was, first of all, the ability for people to express their opinion on what they thought would happen with the election, but also the ability for people to get timely news so that they can protect their portfolio, or take advantage of an opportunity.

And I think what's really eye-opening about that is they don't really care where they get the information. They just want access to information. So now we're a destination for information and investing which is awesome. And you should expect us to continue to be a market leader here. We'll continue to be on the cutting edge because I don't think anybody anticipated seeing the volumes or number of market participants that we got here. So I think there's an awesome opportunity here.

In addition to the election contracts, we rolled out index options. Index options have been one of the most requested components of our option trading by many of the people who are here. And for many of the people that are coming here, their fastest-growing element of options trading.

We're just at a point where they're rolling out broadly. So between that and futures, which are rolling out, we have two more asset classes that potentially trade around the clock, which is a big request of our customers as well. So I want to conclude the self-directed arc of this presentation and just talk about the velocity and all the things that we've rolled out here.

So all of these -- these are -- these would be asset classes, these would be capabilities. These are all the things that came out over the course of the year. These are all the things that are being worked on. And again, we have velocity.

We have super talented teams, but we have a velocity and a focus that makes us really formidable. We know how to deliver for customers. They value what we do. We listen to our customers. and it resonates, and you can see it in the results. And you should expect that to continue and accelerate.

So that's all self-directed, which is fabulous. But look at these [other] areas, which are a multiple of self-directed. We haven't touched them. We barely dipped our feet into any of these areas right here. And that Robinhood effect has been limited to this.

What's going to happen when it gets in there? It's going to be magical. It could be a ripple. We're about to go. So the first thing that we did last year, was, I'd call it a light version of wealth management. Light version was we rolled out retirement accounts. Why do I say it's wealth management? Because over half the people that open those retirement accounts, they use what we call a recommended portfolio.

So they didn't know what to invest in. So they took our low-cost ETF solution. But they also told us very loud and clear that they'd like to see that managed continually, not just recommended once. So as a reminder, the offering that we rolled out on the retirement side was very unique.

So we looked at our customer base, we listened to them. Many of them are self-employed, either completely or partially self-employed. There is no incentive for them. They don't have a 401k. They don't have an employee-sponsored plan, which matches their contributions.

So we said, we'll do that. We'll match your contribution. This caught the attention of our government. They're looking at it as well because they realize there's a need and the reception has been great. You can see what's happened.

We're at 1 million accounts, \$12 billion in assets. These accounts are multiples of the size of our average account. And we intend to continue to iterate on this, and you should expect to see more results -- as far as the next component of our journey in Wealth Management, there are two things happening.

Number one, and again, I'll reiterate, this is over 2x the size. And our entrance is going to look a lot like the self-directed entrants, which, again, disrupted, got a lot of firms bought, one of mine. What I think you're going to see here is we will do this in a uniquely Robinhood way.

So we'll have AI advisory solutions. We will have pricing that will be extremely competitive. And we'll do it in a unique way, which is about all I can say. Otherwise, Chris, again, is going to charge me. But you should expect to hear about this in the next coming months. We're pretty excited about what's going to roll out. And I think it will be transformative in the wealth management space.

Second thing is the acquisition of TradePMR, which you probably all saw in the media. The reason why I think this is such an amazing marriage is really two things. And it was discussed earlier a couple of times, but this \$84 trillion wealth transfer that's happening. A lot of this is happening on advised assets. So many of the advised assets that advisers are taking care of are in the wealth deaccumulation phase of their journey.

So they are essentially either preparing to or in the process of handing that down one generation or two generations. Every adviser – and Robb [Baldwin] is here today, raise your hand, Robb.

Every adviser will tell you that as soon as that wealth gets passed to that generation, do you know what they do? They fire that adviser.

70% of them get fired. So what do they need? They need access to the next generation of investors. Do you know where they are? Here they are. They're here at Robinhood. They're in the wealth accumulation stage. Those people are in the wealth accumulation stage. This is such a powerful, powerful component to this marriage. They now have access to the customers and the next generation of customers that are looking for advice solutions.

Second component, our second element that makes us such a powerful marriage is there's been a lot of consolidation in the industry. We basically have a duopoly now. two firms that control the majority of the space.

As a result, a lot of what used to happen in the space, the referrals to the RIAs isn't happening as much anymore because both of those larger firms have their own RIA. And if you talk to an RIA or an adviser, about how they feel about competing with their custodian, they don't really love it.

So we have no ambitions of competing with our custodians or with our advisers. As a matter of fact, we have the opposite: we plan on creating a world-class referral program for all the people that are looking for advice solutions.

We know there are a lot of them. We talk to them. They say, hi, listen, I'm self-directed here, but I can't bring my advised assets over because you have no solutions for us. We now have a solution for them. In addition to that, all of our new customers who want some component of that wealth managed for them, we have a solution for them as well.

So we are pretty excited about this, and you should expect us to move really quickly in delivering on everything here.

I will conclude by talking about -- everything we talked about today was domestic. So we talked about all the capabilities that are being built or have been built and most of them are all domestic.

But we did dip our toe in the water in the U.K. -- we had what I'll call a skinny license. So we didn't have approval from the FCA to do everything we were looking to do from a brokerage standpoint. We now have approval.

So equities, options, securities lending, margin, all those things are approved -- and they're in the process of being rolled out. We've already started to see business pick up there really nicely. And finally, as you heard, we are establishing our Asian office in Singapore.

We've already hired three key employees there. We are working with the MAS to get licensed, and you should expect to hear quite a bit more there. I think the part that if we look at it as a team and think about it, the part that excites us the most, is the 58% of US households that are participating in the marketplace.

It's like in the teens and 20s in most areas and democratizing finance for all, it's borderless. Everybody wants it. So with that, I will turn it over to my partner, Johann.

Johann Kerbrat[^] Thank you, Steve. Tough act to follow. Great to see you all today. I'm Johann Kerbrat, GM of Robinhood Crypto. Prior to Robinhood, I've been working in payments and crypto for more than a decade, and I joined Robinhood four years ago as an engineering lead for Robinhood crypto. As an engineer, I like to say that when it comes to crypto, it has always been a very technical product made by engineers for engineers.

But I will show you how Robinhood is breaking down the barriers to entry. The interesting thing is a lot of people who aren't on Robinhood are not even aware that we offer crypto, and even less that we are one of the largest crypto retail platforms in the U.S. It might be even surprising to some of you, but I will share some facts with you later. And 2024 was a big year for crypto.

The first ETF has institutions starting to come in, regulatory clarity on the horizon, but you can tell after the past few weeks that 2025 is going to be an even bigger year with broader adoption. And this is very exciting to me because I joined Robinhood thinking it will be the only company able to actually make crypto accessible to everyone and really make blockchain the financial operating system of tomorrow.

A lot of what gets lost around the excitement about things like bitcoin prices, meme coins, for example, is that blockchain technology can really mean something different for the fintech industry. You don't need to understand everything about the protocols to see how blockchain can be more efficient.

For example, have you considered settlement, 24/7 in seconds can improve operations instead of waiting for business days like today in traditional finance?

An easy way to see this improvement is tokenized dollars, like Vlad mentioned, a lot of people and companies are using them already. And using the dollar on-chain can help reduce the cost of capital, increase availability and much more. And this is why we recently took our first step in real world [tokenized] assets by joining USDG. And since starting crypto in 2018, we have learned a lot about how blockchain technology can be superior and cheaper to operate.

Looking at the big picture, you can imagine a future where all sorts of assets are available 24/7 worldwide with instant settlement on a Crypto exchange like Bitstamp. And I think we are uniquely positioned because Robinhood is the only company with high scale and expertise in both crypto and traditional finance. The other great thing about crypto and blockchain is that it is a much lower cost to operate once you are in, and this is a great tool for Robinhood to expand worldwide.

In the U.S., there is a very high barrier to entry, but we're already available in every state and territory. We have been very careful before adding assets and features, but we're already in a leading position. In the EU, we're available in eligible countries and plan to be available in all of the 27 countries once we obtain our MiCA license in 2025. And finally, the interesting part is that it operates really in two words.

One is centralized like Robinhood and the other is decentralized. The Web3 space is moving so quickly. New decentralized apps are starting every day, new assets appear every day as well. And our wallet is a way for customers to access Web3 in a comfortable and easy-to-use interface unique to Robinhood.

We pioneered gasless trading, cross chain swaps, and many more features that our customers love. The wallet is already available in 100-plus countries. That means that if you're in a country where you cannot use Robinhood, you can most likely still use the Robinhood wallet. Now let me focus on the U.S. – our longest running crypto business.

Just so we all know how big and popular this space is for Robinhood and for people in general, almost half of the customers on Robinhood are holding crypto in their Robinhood account. Robinhood is very well known for its brokerage services, but we're also a leading U.S. crypto trading firm, 12 million funded accounts, \$21 billion in crypto AUC, close to \$90 billion of volume over the past year. And when I say that crypto is an important growth area for us, let me show you why. These numbers that I just showed you here are up to October.

In November alone, we had more than \$30 billion in crypto notional volume, up more than 40%. But you may ask, why are customers using Robinhood crypto instead of one of our competitors? Well we have two big advantages that are very difficult to match.

One, lower price. You can see on the left that you get on average for your money at Robinhood as much as 10% more compared to the other leading competitor. Two, flexibility to trade across asset classes. Moving in and out of crypto and traditional investments, all on the same platform.

Outside of Robinhood, if you want to trade equities, you have to go on your brokerage, and go to a Crypto exchange to get your crypto assets. We are one of the only platforms to allow you to trade many crypto assets and equities in the same place. You won't need two different apps.

Robinhood can be the one platform for all our financial needs. And as Vlad mentioned before, we see a much larger crypto opportunity in front of us that is aligned with our key goals that he explained earlier. In Active Traders, we are going to focus on adding more assets and launching more advanced tools for active traders like Robinhood Legend, and using the exchange we announced the acquisition of in June.

On wallet share, we are going to offer more capabilities like staking, investing more in wallet for assets we don't support or decentralized apps. And we're also going to improve our easy on-ramp and off-ramp named Robinhood connect, that already has one of the highest conversion success rates.

Finally, we think crypto is the best way to accelerate our expansion. Internationally, we started with the EU. Institutional. And as we've discussed before, we think tokenization is the fastest and most efficient way to do so.

As you can see, this is a lot, and I'm going to walk you through a few of these opportunities to show you what is in front of us. Let's look at tokens. In the U.S., like I mentioned, we have stayed really conservative in our selection.

In fact, we only had 15 assets until a few weeks ago, so less than 10% of the available assets versus other major platforms. We think it's a major opportunity because it's a request we hear the most often from our customers is access to more assets. And the proof is there.

In November, we added five new assets. Since then, we have seen more than 5 billion of trading for these assets alone in November. This is comparable to the volume in October for all our assets. We also want to do more.

We want to add more features to our crypto offering. One of them is staking. For those who don't know, staking basically means that you are earning rewards in exchange for holding specific assets in order to secure the blockchain.

It's a capability that we have recently launched in the EU. And between the U.S. and the EU, we have a lot of stakable assets in our custody. This is also important to keep our share of wallet high. A lot of our customers are actually buying crypto at Robinhood given our better pricing, only to spread it into the ecosystem in different ways after that.

But by offering staking, we are giving them a reason to keep them on the platform. And in Q2, we turned on staking for Solana in the EU, and it's quickly grown to the point where more than half of our customers' SOL now staked. And just last week, we actually launched [ETH] staking, and we think that continuing to offer more staking opportunities will lead to greater share of wallet. One of the huge news [headlines] in the Crypto sphere this year was our announcement to acquire one of the world's longest running exchanges, Bitstamp. This will allow us to build more advanced trading tools like trading from the order book, and it will also improve our crypto liquidity.

Crypto exchanges are a huge market, \$15 trillion last year, nearly 20x our volume. But the acquisition will also unlock a large new market for us, institutional. Most of the global trading volume on crypto is already institutional. Institutional has already gotten into the space following the first few ETFs this year. But following the elections, more companies and banks are likely going to want to get into this space.

And the Bitstamp acquisition will enable us to move quickly into that space with an already established business with long-standing relationships and some of their offerings like crypto-as-a-service. Combined with Robinhood's scale and expertise, we believe we'll be able to offer unique services to institutions and get market share in this space very quickly.

Despite already being such a big opportunity, I am convinced that we are still very early in this space, and we intend to become a major player here. And this is a very exciting time in crypto in the U.S. right now. As you have seen, we have a unique position as a leader in the space.

As I mentioned, we will grow our position by adding more assets, more features and expanding to new markets. More importantly, we think blockchain and crypto will be the backbone of the financial companies of tomorrow and that Robinhood will be the leader in this.

We have been working for many years preparing for this moment. I've never been more excited about this space and the opportunity in front of us. Today I really only gave you the introduction of everything we are doing in crypto.

If you want to hear everything else that we are doing, I want to invite you all to the Crypto HOOD Summit in the summer of 2025. The first crypto event that we are organizing, demonstrating our commitment to the space, and I hope you will be there. Now let me turn it to Jason to walk you through what the future could like for Robinhood shareholders.

Jason Warnick^ Thanks, Johann. Hi, everyone. I'm Jason Wornick, CFO at Robinhood. Over the last 90 minutes, you've heard from Vlad talking about our long-term vision. And you've seen exciting business updates for brokerage and crypto.

Now what I'd like to do is pull it all together to talk about how we can create value for shareholders. Let's set the stage with our track record. On this slide, we have customer assets, revenues, costs and adjusted EBITDA. And what you can see, we've been growing customer assets and revenues.

Once we hit scale, we've managed our costs closely. And this is leading to profitable growth. We've increased adjusted EBITDA by over \$1 billion in just the last few years. So with this strong track record unfolding, the question becomes going forward, can we keep creating value. And I think the answer is yes.

For the four big reasons that Chris highlighted earlier, we have a huge addressable market, and we're winning market share. Our business is diversifying and our business model positions us to drive profitable growth from here.

So we'll talk about each one, and let's start with the addressable market. You heard Vlad talk about three big areas of opportunity. Active traders, share of wallet and global financial ecosystem. Together, they build to an addressable market exceeding \$600 billion in revenue. For active traders in the U.S., brokerages make over \$20 billion in active trader revenue.

So there's a lot of headroom for us there. And as you can see, share of wallet is nearly 10x the size of active traders. This includes savings, credit card and advisory. And what's really exciting is our long-term opportunity, global financial ecosystem, is also our biggest.

If you look to the far right-hand column [slide 59], you can see that we've only scratched the surface of a TAM opportunity that's over 200x the size of our current business. We're literally just getting started.

So when you have a big addressable market, the question becomes, can you take market share? And you've heard from Steve and from Johann, that we've been taking share in equities and

options and crypto, and we're beginning to do that in margin as well. Another way to look at market share is with net deposits.

And whether you look at our long-term organic growth rate of over 20%, or our most recent growth of over 40%, we're growing at multiples of the industry, which means we're taking share of net deposits. But we aren't just growing with customers.

We're attracting new larger balance customers too. This slide [61] shows that over the last two years, we have 4x the number of accounts with over \$100,000. And when you think about the market opportunity, winning larger customers gives me even more confidence in our ability to continue taking market share.

So why is it important that we grow customer assets? On this slide [62], you can see that more assets drives more revenue. And the correlation between our customer assets and revenues is actually pretty high. More assets means more trades, means larger trades and more interest-earning assets.

But we haven't just been growing assets. We've also been increasing the way that we serve our customers. As we've rolled out products like yield savings and retirement, you can see that our customer assets have diversified pretty significantly over the last several years. And that means our business is diversifying as well.

In fact, we're now up to nine businesses with \$100 million or more in revenue run rate, and we want to take that number even higher. I think this should make our business more resilient over time and likely more predictable throughout various market cycles as we continue to diversify.

So we've been growing customer assets and growing and diversifying our revenues. Let's take a look now at costs. We are at our core a tech company, and this brings some advantages, particularly for costs. On the left [slide 64], you can see our operating costs split between fixed and variable.

In the middle, our recent incremental margins; and on the right, a measure of revenue productivity by taking revenue per full-time employee. So what do we see? First, our costs are 90% fixed. This means that only 10% of our costs move with customer activity. And if we manage fixed costs well this can lead to a ton of leverage when we grow the top line. And you can see this already with our high incremental margins over 70%.

And this is even as we've been investing for growth in new businesses and increasing our marketing spend. And on the measure of revenue per employee, it's more than doubled in the last two years, now over \$1 million per employee and I think we can take this higher as we grow. Some large tech companies are in the zone of \$2 million per employee, and I've got my eyes on that. So this should be an exciting measure for all of us to watch over time. So we're growing our revenues.

We're leveraging our cost to drive higher profitability, but we all know what's really important to shareholders is increasing profitability per share. And this chart [slide 65] shows our share-based

compensation, our outstanding shares, and lists some actions we've taken to manage them both. And here's what we see.

Our SBC was too high around the time of our IPO. But we've managed that down substantially recently to 13% of revenues, and I think we can get this even lower in the zone of like 10%. For our fully diluted shares, you can see that we've been flat to down over the last couple of years. This year, we guided to 2% dilution or less, and it's trending more like around 1%.

So great progress here managing our share count. And I think both of these trends demonstrate our commitment to managing per share value, we want to deliver as high of per share value as possible. And I'd encourage you to take a look through the list of actions that we've taken to manage shares. I think it really demonstrates how seriously we're taking this.

So now let's talk capital allocation. And when we allocate capital, our number one priority is to maximize earnings and free cash flow per share. This chart [slide 66] shows first that we have a really strong balance sheet and cash flow position.

It also shows that we've been allocating capital to drive profitable growth per share. We've been investing in organic growth, including things like deposit matches and marketing, as well as investing in existing and new businesses.

We've also been deploying capital through M&A to accelerate our roadmap and drive our business even faster. And lastly, we've been buying back our shares. So we've deployed over \$700 million in just the last 1.5 years to reduce our share count. And we remain committed to continue buying back our shares.

Now one of the areas we've been allocating capital to more recently is matches. These are incentives for customers to transfer balances to us from other brokerages. As you know matches represent about 25% of customer net deposits over the last year. So you've likely heard me say a few times that we love the economics of transfer matches. The payback periods are short, one year for the 1% match and two to three years for the 3% match.

What makes us even more excited is what's illustrated on this page [67]. This chart shows one of our earlier cohorts from Q4 2023, but it's representative of what we're seeing across cohorts. And what you can see is that customers who transfer in their assets in response to our match promotion, continue to bring more assets to Robinhood following their initial transfer. This is super exciting to see this compounding growth, and it gives me even more confidence in our match promotions.

Okay. Let's zoom in a little bit more on M&A. I think we're building a strong track record here of adding strategic and complementary businesses through acquisition. We have two great ones, Bitstamp and TradePMR in the process of closing.

For each of those, at the time of announcement, they were in the zone of about \$50 million in revenue. So let's talk about what we consider when looking at an acquisition. The four main attributes that we're looking for. One, are we getting a great team and great technology; two, will

it help us move faster – we love 18 months of acceleration or even more. Three, can Robinhood and its large customer base ignite value in the company; four are we paying a price that we think will be meaningfully accretive to shareholders over time. So going forward, with such a big market opportunity ahead of us, we'll continue to be active on the M&A front.

And I think these criteria will help us continue to make great decisions there. So now let's talk about how all this comes together to drive shareholder value higher from here. It's really about three things: First, continue driving double-digit revenue growth. We see a compelling path here. It's fueled by product innovation, and it's driven by our 20-plus percent net deposit growth

Second, we'll keep managing expenses closely. So expense growth consistently stays below revenue growth. So we continued delivering incremental operating leverage. Here, we're really aided by our 90% fixed cost structure, and we'll keep using productivity and efficiency to self-fund a lot of our investment in new growth opportunities.

And third, we'll consistently manage share count to low single-digit growth or less. We've taken a lot of steps here to reduce dilution, and we have an active buyback program in place as an offset. So bringing this all together, we believe we've got a great opportunity to continue driving strong double-digit EPS growth from here.

Now of course, it won't be a straight line. Some years will be better than others. But as we look ahead, we think we have a lot of EPS growth in front of us. I want to finish with a measure I know you're all familiar with.

It's the rule of 40. And I think we all know that if the sum total of revenue growth percentage and margin percentage is 40%, that's just a great sign for creating shareholder value. And here [slide 70], you can see that we are well above 40 and have been for some time. And we've been taking it consistently higher with a recent LTM at 75%.

So with our leverage, cost structure, and this vast market opportunity ahead of us, I feel really good about our ability to keep delivering profitable growth and printing strong rule of 40 numbers.

So I hope you can tell I'm really, really excited about our business and the possibility for us to deliver a lot of value for shareholders over time. As you can see on this slide [71], there's so much opportunity in front of us.

We have a huge market, we're taking share. Our business is diversifying, and we're driving a ton of profitable growth. Thanks for listening. Let's go ahead and take a short break, and then we'll move to Q&A.

QUESTIONS AND ANSWERS

[AUTOMATED RECORDING]^ We'll now be taking a short 10-minute break. Please enjoy some refreshments and we'll see you back here in 10 minutes. [Break] We'll now head into the

question and answer portion of today's session. Please welcome Robinhood leadership to the stage.

Chris Koegel^ All right. We've had a chance to spend a couple of hours sharing our thoughts and now we're excited to hear yours. So we're going to spend the next roughly 60 minutes taking Q&A from the audience.

Now we brought together this group of people because we really wanted you to have a chance to unpack more about the next 10 years of Robinhood. So naturally, we'd love you to keep your questions more at the strategic level than at that sort of modeling level.

The other thing I'd mention is in terms of just overall flow, we really want to answer everybody's questions today. Given this, we'd ask that you limit it to one question per person, and management will stay after we finish the live Q&A to give you a chance to ask more questions.

So you don't need to worry if we don't get to your questions. If you want to ask a question, please raise your hand to ask for a mic. And when you get a mic, stand up and say your name and ask your question.

Before we open it to questions, I do want, because we just haven't had a chance yet to hear from Deepak or Dan or Ravi, to give them a chance to introduce themselves and then Vlad will call on the first question. All right. Deepak.

Deepak Rao^ Hi, everyone. My name is Deepak. I'm the GM of the credit cards and banking business. Before this, I was the Co-Founder and CEO of X1, which was acquired by Robinhood last year. Prior to that, I used to lead the core product team at Twitter, when it used to be called Twitter. And before that, I went to Stanford for school.

Daniel Gallagher^ I'm Dan Gallagher. Chief Legal Compliance and Corporate Affairs Officer here at Robinhood and currently super excited because we just got a new SEC Chairman, it's really good.

Ravi Mehta^ I'm Ravi. I'm the Chief Credit Officer for Robinhood. Before joining Robinhood, I was Head of Credit and Chief Credit Officer at Nubank for four years. And before that, I was at Capital One for 17 years.

Vladimir Tenev^ And we actually were just crunching some numbers during Jason's talk, we figured out it's Jason's six-year Robinhood anniversary today.

When Jason joined, he really professionalized everything we do here. We were a bunch of kids. So congrats. Let's move to questions. And if you want someone specific to answer your question, feel free to direct it. Otherwise, we can -- I'll do my best and probably pick the wrong person.

Patrick Moley^ You've mentioned a couple of times -- or I'll start with one on the crypto. You've talked today about how you offer much less tokens than some native platforms and that you plan to offer more over time.

Can you maybe just talk about the timeline there, how quickly you could do that? And then on the topic of regulation and there being a new SEC head in terms of expanding the crypto offering, what more do you think you need to see regulatory standpoint and getting clarity there before you feel comfortable really beefing up that offering?

Vladimir Tenev^ I think that's a Johan and maybe Dan question.

Johann Kerbrat^ Yes. So for listing more assets, we've been able to do it very quickly, as you've seen in the past months, we already added more assets and just on those alone, we had more than \$5 billion in volume. And so our goal is to keep the same process. We have a listing committee that meets regularly to see which assets are asked by our customers, which ones are interesting and then go through the process and then we can add on the platform.

And then in the future, once we also finalize the Bitstamp acquisition, having an exchange will also help our liquidity and we'll be able to more often. And Dan, maybe you want to talk about the points.

Daniel Gallagher^ Yes. So look, I think the listing qualification committee is really important regardless of the regulatory status. I mean there is an issue that will remain present of whether any given token is a security or not. And so having this process gives us comfort that they're not. And so I think that will play into whatever happens on the regulatory or legislative side, there's still going to be the issue that Congress needs to resolve that the regulators need to resolve.

Are you dealing with the security or nonsecurity – I think in very positive news, this notion that everything is a security, which is what we've been getting out of the Gensler SEC for years, is out the door, right? I think there'll actually be room to have a debate and that I don't suspect even a majority of these would be a security.

So we'll get the regime in place here. You'll have new regulators. It will not be regulation by enforcement anymore. It will be real policymaking. That policymaking will involve what I view, as I keep calling it, an interim rule set, some sort of basic rule set that will allow you to come in to either the CFTC or the SEC if you want to register.

You're not going to declare everything on security, and you have to come in, but you're going to say if you feel like you might be dealing with a security, you want to come in and register. Come on in, we'll have a basic registration for you, while we lobby Congress.

And I mean that sounds weird for an agency to lobby Congress. But that's part of the duty when you're an agency head is to work with Congress to come up with legislation that works for new markets, for novel issues. That has not happened in four years, that will happen in the new regime. So I think we'll have an interim rule-making set of some sort of policymaking set of some sort that will lead to legislation, maybe even next year, which would be.

And when that happens, we'll have clarity, and then Johann's animal spirits will be let loose.

Dan Dolev^ Great Investor Day. I actually have two questions, two different topics. One is on TradePMR and one is on crypto. Maybe start with crypto.

I mean fascinating to hear about how you're already doing half the volumes of your competitor Coinbase – like what needs to happen in terms of marketing or consumer awareness to basically become the leader other than more tokens.

And then my question on TradePMR is long-term strategic inclusion of that into the Robinhood strategy. It would be really interesting to hear how you're thinking about taking the existing platform in including the strategy for TradePMR for this new acquisition?

Vladimir Tenev^ You want to start with the crypto one?

Johann Kerbrat^ Yes. I think for us on crypto, there are a few things that we're looking at. One is the assets that we just talked about. The fact that we were limited on our selection was limiting the amount of customers able to stay on the platform because they wanted to trade something that we didn't have -- so they prefer to have all the assets on a different platform.

So that's something that we are actively working on bridging the gap. The second thing is we were also missing some features for advanced traders. And like I mentioned in the presentation, we are actively working towards it.

We'll support Robinhood Legend, for example, and other advanced features that really will grab this new segment of customers that we were kind of not able to serve right now. And I think a lot of the things that we are also building on bridging the gap of future sets... staking in Europe, for example, is something that we see as a lot of stickiness for assets and customers staying on the platform for that reason and what you're building on this type of new features.

Vladimir Tenev^ And I think the one thing I would add is that if that comparison in Coinbase – amazing company – they're global and a lot of that volume is outside of the U.S. We've been expanding starting this year with that. And I think our advantages and strengths that really carry over to crypto is pricing.

We want to be the value leader. We want the reputation brand among active traders and also the, the more crypto curious long-term investors who aren't as active, want them to associate Robinhood with being the cost leader.

And I think the fact that the user experience is really simple and great and that you get everything in one place, which Johann talked a little bit about. This really resonates with people. If you can have all of your tradable assets and investable assets together. There's a lot of really interesting equities that crypto traders enjoy investing in, and we think there's crossover there. I think those are strengths of the Robinhood platform.

Dan Gallagher^ Can I jump in on that, too. I think it's fascinating, right? We've had this pent-up desire for regulatory clarity for years during an administration that's led by enforcement, right? So it's been an acute call from the crypto industry, we need clarity. We need regulation, right?

And now you're going to have some level of regulation, whether it comes through this interim rule set, the legislation, both -- even basic registration reporting, all these things, it's going to be

hard for some members of the industry, right, to go from wholly unregulated to regulate it in some way, and that's a huge competitive advantage for us.

It's like flicking a switch. And we've treated this crypto platform as if it was a regulated broker-dealer for the five years that we have been working together on it. So it makes us really proud that we've done that.

We think, in many ways, it's been for the better of customers, more transparency, tax reporting, other things that are not necessarily native outside of Robinhood, but I think when these things hit when the new requirements hit, we're going to be ready to roll in the way that other folks won't.

Vladimir Tenev^ To hit the TradePMR point, I would just say two things that get us excited. One is comprehensive multigenerational wealth management. I think that that's a huge growth area. And it's not just about the assets that TradePMR brings in, \$40 billion of assets, a very significant player in the space, but it's what we can do when we integrate and make available the marketplace of advisers to Robinhood customers.

And the second thing is it is a marketplace, and that's exciting. That's what people I don't think understand about it. We're providing technology that will plug in advisers into our customer base.

And so we'll sort of like not just make things better for our customers who want -- who have graduated to more sophisticated needs, but also this is a product that is going to be really good for advisers as well. And when you look at all the technology and innovation that's happened in retail, when we talk to advisers, they just want a mobile app and the balances to update in real time.

So we're considerably behind on the adviser side of things in terms of what customers are used to getting. And just even just getting a nice mobile app and a customer experience, I think, will be really, really welcome and unexpected... to bring that UX and design to adviser-facing products. And I think TradePMR has done an existing -- a great job taking that to the customer who's a customer of advisers as well and really unifying that with Robinhood is something we're excited about.

Steve Quirk^ The one thing I would just add is the core principle at the starting point is that everything we're going to do is additive or helpful for those advisers. So in other words, we don't want to disrupt anything in the integrations or reporting or anything of that nature. We want to provide more value to them through the referral program, but also making the experience better. And Robinhood and team will help us guide how we do that.

Vladimir Tenev^ Let's go to the retail side.

Alexander Bittan^ Alexander Bittan here. Congrats, by the way, on the event and getting event contracts out in two weeks. That's great. I am curious on the event contracts, does that open the door to things like sports betting through event contracts?

Vladimir Tenev^ Good question. Yes, maybe -- I mean maybe I'll start. It's different than sports betting fundamentally because these are regulated event contracts offered through our FCM

license, or futures commission merchant, regulated by the CFTC. And I think that's a national federal licensure, right? So that said, I mean we are interested in exploring all kinds of events.

And I think there is -- a lot of people have been talking about the potential for sports event contracts and taking that into the regulated space. And a lot of our customers who index on millennial and Gen Z are interested in sports in general.

So we're keenly looking into that space -- nothing to announce just yet, but it's so important to our customers and in culture that we're excited about it. Anything you wanted to throw in. Does your mic work?

Steve Quirk^ Yes. We might have it in two weeks. Kidding. Joking.

Dan Gallagher^ He's joking. We will not have something.

Vladimir Tenev^ Yes. I guess generally speaking, we want to avoid specific product launches at these events. We want to save those for product events, but we're definitely thinking about it.

Brett Knoblauch^ How far away do you think we are from equities being tokenized? And what would that mean for your business? And then additionally, could you maybe just talk about the staking opportunity how big of a business do you think that could be once we get some regulatory guardrails at least in the U.S.?

Vladimir Tenev^ Cool. Why don't you start and I'll add if needed.

Johann Kerbrat^ Well so for tokenization, I think there are a few aspects that we are looking at, and we will have more to announce in France in the summer. So that's really just an invitation to -- for you to come there.

But I think we're not that far -- the concept of tokenizing real world assets has existed for a long time now. The question is more like having the right structure in place to, one, be regulatory compliant, and two, being able to support the scale of something like securities. And I think for us, there are a few things that we are looking at that will unlock.

One is it will simplify our operation. improve our capital requirements, for example, 24/7 because crypto exchange works nonstop and fractionalization by default.

So all of these are really just like small advantages that you will see really making tokenized assets better than the traditional ways. And then on the staking point, I think for us, the opportunities are twofold. One is to keep the customers within Robinhood, like they shouldn't have to leave the platform to be able to use the assets.

The second thing, it's one of the first big uses of crypto, really, like being able to secure the blockchain is important. And a lot of our customers want to participate in the blockchain that they invest in. And the third point is we -- the way that we will monetize, for example, in the EU is we are taking a portion of the yield that the reward that is generated from the asset being staked. And that will be split between the customers and revenue.

Vladimir Tenev^ I think that was perfect.

Craig Siegenthaler^ Do I need to stand? Craig Siegenthaler, Bank of America. Guys, thanks for hosting a great event. I had a question on your promotional match strategy. What are your plans for the future? What's live today? And then any perspective on how payback math has trended to date on the existing cohorts.

Vladimir Tenev^ Yes. Maybe I'll hit the general point, and then Jason can talk about payback and what we have running right now. Being the cost leader for all of our customers and being the best place, the most economical place to store all of their assets is a big part of our strategy for how to grow wallet share with our customers.

We want your assets in Robinhood to generate the most for you relative to other platforms. And Robinhood Gold's an element of that with evergreen high APY we offer to cash deposits. And the matches are also an element of that. They create just sort of like a strong value proposition for moving assets over. I think they've been really good with product launches.

For example, we launched joint accounts alongside that launch, we had a match for moving over joint accounts for other -- from other brokers. Hood Summit brought HOOD week as well which worked very, very well for us.

And the friction in moving assets from a broker to Robinhood can be high. Other brokers are not incented to make that as easy as possible. We're working on our end to make it as easy as possible. The matches just help with that. And I think what you should expect in the future is us continuing to get more sophisticated, personalized matches where different customers might get different offers -- we like the fact that they are -- that we've been iterating on it pretty quickly, and we've tried lots and lots of different things. And I know a big question is what happens if your competitors offer matches -- besides that being difficult for them to do with such large entrenched low-yielding assets.

I think the real benefit that we have, the advantage we have is we move quickly and V1 of match promos has already been supplanted by subsequent versions. You should expect them to get more sophisticated over time. We've gotten really good at tracking paybacks and that should continue to get better and better.

Jason Warnick^ Yes. I would just add, Vlad kind of teased it a little bit, we do track each promotion closely by cohort, and we're consistently seeing paybacks for the 1% promotion, one year less and for the 3% promotion two to three years. So really pleased with that. You also saw a signal that when we are monitoring a promotion that we don't like to return on, we stop those promotions as well.

And I think that's really important for an inventive company to be willing to double down when things are working and also pull back when something is not working, because if we get an ego or entrench a point of view, it can lead to just costs in the business.

I'd rather spend those dollars on things that are working both for customers and for shareholders and so we feel great about the promotions that we're running. It's not something that we're doing evergreen across the board.

We run them periodically. But we do love the customer response and the payback periods.

Vladimir Tenev^ Retail corner, anyone.

Ahmed Siiba^ Thank you. My name is Ahmed Siiba. I'm a Robinhood user and a gold member since the beginning.

I just have a simple question. Does Robinhood have any plans to reintroduce the features that allowed retail or their customers to kind of compare the portfolio benchmark with the broader index because it was available and then it was taken away.

Vladimir Tenev^ Great question. Q, you want to take it? The portfolio -- the returns comparison feature. Where you could compare your returns versus stock.

Steve Quirk^ I might have to get back to you on that because I'm not actually 100% sure on why that changed, but I will definitely get back to you. We'll talk later. I probably need to get the answer.

Alexander Markgraff^ Alex Markgraff, KeyBanc Capital Markets. Jason, you talked a lot about the cost to operate the platform, and I think others spoke to upgrading the financial infrastructure. How would you sort of size the incremental opportunity to improve the cost to operate the platform from here?

Jason Warnick^ I think that any time you have a big and growing business there's opportunity to drive additional productivity and efficiency year-over-year. If you take 2024 as an example, and I'm sitting with enough distance to Q for a reason. We're really tough on the businesses because we ask them to self-fund a lot of the new investment opportunities. And that's because every year, technology and process improvements lead to efficiency. And we just think it's incredibly important to have that discipline to collect that efficiency and redeploy it to other areas.

Otherwise, over time, you just end up with a bloated organization that moves slower. And so when I think about the opportunity over time, I just expect every year as our business gets bigger, that we'll continue to expect kind of mid-single-digit level of productivity, possibly higher in some parts of the business and I know there are areas of our business that we actually reduced costs in last year's budget in order to fund new things, and we continue to operate well.

So I think there's a big opportunity there. I think the 90% fixed cost structure can't be over told as we go after the massive market opportunity that we laid out today. If we're able to manage our fixed costs well it's a recipe for just really fast bottom line growth.

Vladimir Tenev^ Yes. And I would just add that the same mindset of asking businesses to self-fund pushing for efficiency targets also creates an incentive to invest in AI technologies. You

can imagine AI technology is there, it can be difficult to get people to change their behavior and adopt it.

But if you have efficiency targets, then you're incented to look very, very closely at how we can adopt it as aggressively as possible throughout all sides of the organization. That's been, I think, really positive. Over there.

Kevin Feng[^] Kevin Feng, Southpoint Capital, still on the Gold waitlist. So if we hope to do something about that -- in all seriousness, I wanted to go back to kind of comparing to Coinbase for a second.

I think they generate, between stake and stable, something like 20% of revenue from those 2? And I know they have a unique relationship with USDC, et cetera. But just curious, like when you think about your opportunity there, is that something you guys can bridge as well over time? And then second to that, the institutional business, how do you think about doing something similar, if at all?

Vladimir Tenev[^] Johann?

Johann Kerbrat[^] So on the institution piece, this is something we're really excited about. I think I mentioned in my presentation, the Bitstamp acquisition is going to be a big game changer for us because they already have an established institutional business. They already have long-standing relationships.

And so we're kind of able to take that over. And I think in the U.S., it's prime for really rapid growth because a lot of companies, a lot of banks and hedge funds, are kind of staying away from crypto until they are able to see the regulatory clarity.

So I think for us, like we want to double down on this point. We have a lot of advantages using Robinhood that's a retail platform. We have a large flow of volume that is coming from retail. So it's a non-toxic flow that institutions are excited by. And then on the stable/staking question.

So on staking, I think there is a lot that can be done here, both on the institution side and on the retail side. A lot of institutions have a major position in crypto, but they don't really want to deal with running (inaudible) and things like that.

So they will use a platform like Robinhood to stake their assets and generate rewards from it. And then on the USDC front, so we actually joined the USDG network. We are one of the four founder members at this point. And we think there's a lot of value in this network.

We are going to have multiple platforms like Kraken and ourselves part of the network. And so the assets are going to be able to move quite a lot between these institutions. And I think you will see a lot of the market moving away from the other solutions because they don't get any rewards. We will be able to redistribute some of the rewards from the network.

Vladimir Tenev[^] Go back to the middle, yes. She who holds the mic wields all the power.

Matthew O'Neill^ Matt O'Neill, FT Partners. I'll dovetail off the waitlist joke a moment ago and dig in maybe a little bit on the credit card.

Vladimir Tenev^ Good, Deepak has been itching to speak here.

Matthew O'Neill^ So I would imagine there's a lot of sort of test and learn with the initial cohort. You need to see it season, you need to see the behavior. But as a result, maybe there's an opportunity for sort of nonlinear growth starting in '25? I know you've alluded to bigger groups coming off that wait list.

Can you talk about that? And then maybe to keep it long term, how are the cards sort of dovetails into a broader sort of neobanking offering over that sort of decade viewpoint would be great to hear.

Deepak Rao^ Cool. So I think, first of all, in the credit card, we're honored by the interest. We're working really, really hard to give it to as many people as possible including you. But I think just in all seriousness, I think we have given the card to over 100,000 cardholders. The reception has been incredible.

We are Five Star rated across like iOS and Android. Just as of last week, we have crossed over \$3 billion of annualized spend. And the retention is immensely strong. And I think I'm going to hand over to Ravi to tell you more about the cohorts and credit quality. And then I'm going to answer your neo-banking point in the end.

Ravi Mehta^ Thanks, Deepak, and thanks for the question. So, given all the experience in the credit card industry, we have come to this realization that there's only one playbook that really works if you want to build a large, profitable and resilient card business in the long run. And that playbook requires you to be patient in the short term and then ambitious in the long run.

And the reason you want to be patient is -- obviously you want to validate the economics, you want to understand the cohort performance. But you are also taking time to gather the data, do a bunch of experimentation and fine-tune and train your models, so that they can be much more powerful down the road and then you can take that opportunity.

So that's the reason why we are being a bit patient and just learning from some of the successful models in the space. I think the few like having seen the data I have seen thus far. And again, it's too early to get to a place where we can start that nonlinear phase of the growth just yet, but again, '25 and '26 definitely.

But there are a few signs which make me cautiously optimistic, make us cautiously optimistic about the long-term prospects of the business. One, we are seeing that the gold card is attracting low-risk customers. And the level of delinquencies and defaults we are seeing on the gold card portfolio -- is significantly lower than the legacy X1 portfolio we had acquired.

So that's a positive sign that we can build this business in a responsible and safe way into a much bigger business. And the second thing which honestly has been a pleasant surprise to me. I know

that Vlad and Deepak always had this thesis that Gold Card is going to create this platform and ecosystem flywheel effect. And I was somewhat skeptical of that.

But as the data has come in, again, I'm seeing that Robinhood's customers engage slightly differently with the Robinhood platform, and they're bringing in more assets, there's more activity, there's retention benefits -- and all that leads to kind of competitive advantage, which will be difficult for a lot of the incumbents to match on the long term.

So you continue to be patient, continue to be cautiously optimistic. But let me hand it back to Deepak for neo-banking and how it connects.

Deepak Rao^ Yes. On neo-banking, our ambition is to be a top financial institution in the next 10 years across all credit and neobanking products. We'll take 10 years to get there. We, on the banking side, have something cooking that is incredible. It would be as cool as the 3% [rewards]. We just can't announce it yet. So if you give us a few more months, we're going to talk about it at the Gold event.

Vladimir Tenev^ And I would just add to one more point. I think second order effects, ecosystem value, that's all great. But we're -- we think of that as gravy. So we don't want to rely on that to make the business work.

We believe the business can work on a stand-alone basis. And I think the goal is to have the ecosystem's second order effects be sort of like a positive surprise upon that.

Amit Kukreja^ Hi, everybody. Congrats on an incredible year. Congrats on your first ever Investor Day. You guys made my uncle very happy today because he lives in Singapore. And my question is why Singapore?

Can we get some updates on how you're thinking of the demographics there and the timelines to roll out? And what are you seeing in Southeast Asia that's different from the rest of the world?

Steve Quirk^ I think the reason for Singapore is you should consider it a regional play. And so as you know because your uncle lives there, a lot of people move in and out of Singapore. It's a place where there's a lot of companies and a lot of wealth from the whole region.

So it -- I've had experience personally being -- having entities there that have been quite successful. So I think for us, as a starting point in Asia, we think it's a great place to start. And we're -- Dan will tell you as well. We're familiar with the regulator there.

We've had experiences with the regulator. One of the things that has been a focus is making sure that we're going to countries and regions where there are strong regulators and so that we can expand upon that. I don't know if you want to add anything, Dan?

Daniel Gallagher^ No. I mean customers like high-quality regulations. They like to know that their assets are safe and that we have to comply with the rules of the road. So the Robinhood mantra has been to seek out quality regulatory jurisdictions as opposed to running from them.

Steve Quirk^ I would also say in our experience there, we have a very keen interest in the U.S. So we'd also do things locally. But as Vlad kind of laid out earlier in his presentation, starting with our U.S. capabilities, they resonate there in a strong way.

Devin Ryan^ Devin Ryan, Citizens JMP. Thank you guys so much for a really great day. Maybe changing topics on the digital advisory offering seems really interesting. It sounds like it's going to be more than double the adjustable market relative to the self-directed.

So -- how should we think about -- obviously Robinhood doesn't have all the products today, so I can appreciate kind of layering on a technology layer to drive outcomes for or provide advice for customers. But -- should we think about it as like a marketplace opportunity for the firm where you'll direct customers to products maybe outside of Robinhood.

Or how will you do that for a product not within Robinhood? And then how should we think about like the revenue per asset dollar from advisory because, again, a huge addressable market, but there seems like there's a lot of ways you could monetize. So if there's anything you guys can share more on that?

Vladimir Tenev^ What do you think Q? Do you want to start?

Steve Quirk^ I can start. I think the way that we're approaching is kind of the way I talked about. Our customers tell us there's a need. They have -- they're looking for solutions. I mentioned our retirement accounts and rollout.

Over 50% of people are choosing a recommended portfolio and they tell us we would like to have this managed for us on an ongoing basis, which today it isn't. It's just recommended at a point in time and then sits. They can rebalance it if they want but they've indicated they want us to help.

So we have an obvious need. When we think about the whole spectrum of advice, it's kind of like you go all the way over here with self-directed all assets to somewhere in the middle where you're getting some help to an advisory solution to all the way over to TradePMR, where you have somebody take it off, help me manage every aspect of my financial journey.

We just want to accommodate what people want. So they can pick whatever point on that spectrum they want to be in. We'll help them make that decision. We're very good at that. Pointing out all the things that we offer.

We just didn't have that sleeve today, and we will in the near term. But we also want to do it in a way that is, as I said, uniquely, Robinhood. We're going to -- that -- that whole space has been a little stagnant.

I think the last innovation was in 2010 with the robo-adviser. I don't know if there's really been anything meaningful that's happened there in that space. So we have an opportunity there to do some quite innovative things.

Vladimir Tenev^ Yes. I think one thing that gets me personally very excited is, I think you shared it earlier. The lion's share of people that inherit their parents' advisers end up parting ways.

So the multi-generations of this is, can we actually make an experience that is good for the whole family. Can we encourage these folks to stick around and use the same platform.

And I think that economics is a part of it, but also if you have used the advisory platform in the past. There's really not a great user experience and connected tissue behind -- between members of the same family.

So I think there's a ton of low-hanging fruit. When you think about that \$84 trillion wealth transfer, we're starting to put the pieces together to just make a much better system that works in the same way, so we can capture a big chunk of those assets that are changing hands. And obviously we don't have to capture a huge percentage of them, even though we intend to do what we can to make our asset growth much, much bigger.

Benjamin Budish[^] Ben Budish from Barclays. My question is sort of the product creation opportunities around owning an Exchange. Vlad, you had me thinking about it when you were talking about launching new event contracts, which the election contracts are listed on another exchange or they're created by an exchange and you offer them to your clients, but you're going to own Bitstamp, I believe they offer some perpetual futures contracts, which could be something that eventually evolves into maybe what you're talking about about sports betting and perhaps you don't want to address that one any further.

But just -- so the general question is, how do you think about product creation opportunities as an exchange owner, which you will be in the future? And if you'd like to address the sort of like contract-specific piece, curious about that as well.

Vladimir Tenev[^] Yes. I think it's a huge opportunity. Maybe, Johann, you can talk about the Bitstamp exchange in particular, and I can add a couple of more thoughts.

Johann Kerbrat[^] Yes. So a few things. One is you're right, Bitstamp is one of the first European exchanges to have received a MiFID license, which allows them to offer a perpetual and at this point.

For us, exchange has a lot of value for multiple points. One is for our liquidity, for our current offering. Currently, we rely on market makers, but having an exchange also will help us offer 24/7 tight prices -- that our customers love.

The second thing is real-world assets, tokenization of real world assets like we mentioned, you will need somewhere to trade these assets. And so being able to have the exchange we're able to help support this type of new products that we are going to announce in the future. And the third point is a combination of all of this.

Like if you tokenize real world assets on one hand and on the other hand, you can also offer perpetual futures, you can see a world where you have perps on tokenized real assets, and that really helps bring a lot of new features in the future.

Vladimir Tenev^ Yes. And I think there's another angle, another axis besides us operating in exchange versus being a sort of like agency that plugs into other exchanges which is interesting. The other axis is on the on chain versus like TradFi lens.

And if you look at Robinhood in the EU, which Johann has been building, I think the really interesting thing there for me is we can see what Robinhood looks like if it's built on-chain. And I just don't think that opportunity is actually being pursued by a major financial player, like can we offer the same capabilities but using crypto infrastructure.

And eventually, we think the world is going to go there in the U.S. And in November, I think that the timeline for that likely accelerated a little bit. But I think that's just a really interesting thing that we're going to explore. And we're on both.

So even when you look at event contracts, you have sort of like the traditional structures that we're exploring with the presidential election market, and that's through the FCM kind of traditional rails.

But overseas, you also have event contract platforms that have gained significant scale on crypto rails, and we'll be able to pick and choose what's best because we have the technology to actually pursue both and compare the efficiencies and the user experience from both of those approaches.

Drew Morton^ Drew Morton with Rivermont Capital. Thanks a lot for Investor Day. It sounds like you guys have a huge opportunity ahead across a number of different product categories between crypto, retirement, international, et cetera.

From an organizational standpoint, like -- how do you manage the business internally to make sure that you're pursuing all these opportunities without spreading yourself too thin? How do you guys make sure you become the number one crypto platform while simultaneously investing in all these other areas?

Vladimir Tenev^ Yes. That's a great question. And I think that points to the fundamental difficulties of business building, right? How do you make sure you don't do too many things? How do you give the appropriate amount of focus and attention? And look, I can't say that we have it all figured out.

I mean just this past year, we've been doing a ton of iteration on just how we launch and announce products. We didn't do events before this year. But now we have two product events, an investor event just this year, and we're going to increase that next year. I think it really starts with having this great team of people.

I mean everyone around here are entrepreneurial folks, people with extreme amounts of industry experience and regulatory experience -- and I mean it's really been amazing to work alongside these leaders. They're scrappy.

They get stuff done, they push, and they're sort of like a -- I guess it's my job and I mean to a great degree, everyone's to make sure that we create an environment where people get stuff done

and remove bureaucracy, make sure that we set the right incentives. But I think this team of people is awesome, and it's an honor to work with these folks.

Deepak Rao^ Vlad also leads by example. He works all the time.

Dan Gallagher^ He's brutal.

Brian Bedell^ Brian Bedell Deutsche Bank. And thanks again for doing this - great, great info today. Maybe a two-part question on expenses and then investment and initiatives.

So as we think about that low single-digit core expense growth how would you layer on -- over the long term, not any guidance for next year or anything like that, but just over the long term, given your growth algorithm, how would you think about investment in initiatives say if the revenue is coming in nicely in the double digits, say, mid-teens, for example, and you see the growth opportunities there, would you step on the gas in terms of things like marketing spend or building out new projects.

And then also, in conjunction with that, how do you think about customer service, you're definitely automating a lot of the customer service through the advisory platform, but live customer service as you get into some of these markets that might require more human service? Or are you thinking about doing that in a more automated fashion or willing to actually extend to the right customers?

Vladimir Tenev^ Jason, do you want to start with -- the investments?

Jason Warnick^ Yes. So when we -- perhaps looking at 2024 is a good example. We manage the core business, existing businesses to low single digits, and in some instances, lower than that. Even with rising inflation, we were able to accomplish that. And what that does is it frees up resources and funding for things like marketing.

And marketing, we've more than doubled, and we've taken that budget even higher as we continue to find efficiencies above and beyond what was in our operating plan. This year, we're also allocating to new business initiatives, and you heard about a lot of those today.

I think the main governor on deploying capital for growth is not the finance team saying, "No. We need to manage to the bottom line. I think it's more on the cultural elements of how do we make sure we're ambitious but not doing too much and not spreading too thin. The business model is advantaged.

It is driving a lot of profitability to the bottom line. And even with doubling our marketing spend and doing so many different growth initiatives across the business, you're seeing incremental margins north of 70%. And so that's the power of the model.

We look at things like marketing, and we love the LTV to CAC. And so it's a real world question that we constantly ask ourselves and we dig in and validate and revalidate and look at the paybacks in a multiple different ways. Every way we look at it, we love the LTV to CAC on marketing. And so that's an area that we'll continue to lean into.

And I think a big part of our future growth is getting the word out. And I think marketing can play a really big role there.

Vladimir Tenev[^] Yes. And as far as customer service goes, we made a lot of improvement. We're really proud of the progress that we made on the customer service side since 2020 and 2021, where admittedly, there was need for improvement there. And it's one of the areas where we're investing heavily in AI, and we're already seeing the impact on deflections and also agent satisfaction and customer resolutions.

So we've got a great leader on the customer support side, handles fraud as well and they've really been driving. And I think the -- of course, we have great team members, licensed folks that are answering queries, but the benefits of investing so much in technology, which has been our approach, is that like this can be a spiky business where there's periods of extreme growth and people are opening more accounts, they're depositing more assets.

And you don't want to have to increase head count dramatically to catch those spikes -- and so the focus has really been on automating things and creating self-serve options, investing in both vendors and technology to do like customer verifications more smoothly, I mean in the past month, starting with the event contracts roll out and really it's continued.

Robinhood -- you've seen the numbers -- really scaled net funded account growth. I mean we -- we had number one in finance in the U.S. App Store. It's kind of been top 10 for the last many, many weeks. And there's always room for improvement, but I think you're starting to see the advantages of the investments that we've made, and we're continuing to invest there.

Jason Warnick[^] I think the one thing I'd add is -- the person who runs our customer service teams would tell you the most powerful thing he can do is create efficiencies such that the interactions we do have are more meaningful. And as we get more and more valuable, larger, more valuable customers, they expect those interactions to be very meaningful, and we have a model that is now delivering on that.

John Todaro[^] John Todaro from Needham. It is kind of a two-part question, but you guys have had a lot of success in the past with meme stocks. There's a big part of the crypto universe that's meme related now.

But most of the activity in Memes is actually on decentralized exchanges today. Curious, one, is that a focus area, given your past success with Meme assets? And then two, I guess, broadly, how do you compete with some of these decentralized exchanges that can move quickly, and does this new regulatory environment actually allow you to compete more directly with those exchanges?

Vladimir Tenev[^] Johann?

Johann Kerbrat[^] Yes. So I think, first of all, we do see a lot of volume on some of these like more Meme cryptocurrencies. But at the same time, Bitcoins, for example, are still top in terms of -- recurring investments and just in position, for example, that we have on assets under custody.

So we see a lot of balance, I will say, between people that are more active traders and people that are long-term holders. The second thing on the decentralized Exchange, it was kind of the reason why we invested on the Robinhood wallet.

For us, the idea of offering a self-costly wallet was to catch up with innovation in the space. We know that there are tens of thousands of new assets coming on different Blockchain every day. And we won't be able to support them all on our centralized platform but the Robinhood Wallet gives you access to all of this.

And when we talk to customers, when we do the UXR, we learned a lot that people love using Robinhood, and then they were trying to get into a self-custody wallet and they were getting lost because suddenly you go from the nice UX of Robinhood and you get into a wallet that is very complicated to use. People were having difficulties.

So we really built a world looking very much like Robinhood with the same kind of interface, easy to fund between your Robinhood account to your wallet and then you're able to access all these assets.

Vladimir Tenev^ Yes. And I think we're going to continue to invest in the wallet, other sort of like on chain, Web3 native flows. But really, the competitive advantage that Robinhood has that no other player really has is that in areas where crypto and traditional financial products and services meet, and I think that will be an increasingly large surface area. There's not really a better positioned company at that interface.

And you didn't mention Robinhood Connect, but Robinhood Connect is another example, and we've been seeing some good traction there where if you're a dApp provider or a noncustodial wallet, you still need to make it as easy as possible for people to fund with traditional assets and dollars to get into the Web3 realm.

And we've got a very compelling product for them. We've taken all of the infrastructure that we built for retail and in many cases, offer the lowest cost on-ramp and off-ramp technology. So that's an area where we're also excited about.

Johann Kerbrat^ And Robinhood Connect has one of the leading conversion rates, which is also very important for this wallet, because they want to make sure that customers can access the decentralized web.

Vladimir Tenev^ And on the stock side, on the Meme stock side. I think when there was a resuscitation of the Meme stocks earlier this year, of course, the media reached out and we dug into it quite deeply.

So a couple of things we learned. The people that originally came here for -- as an entry point through Meme stocks, 80% of them are still here, but they've graduated. They're retirement accounts and yield and all the other things that are available.

So it was kind of an entry point for some, but they've moved on and the volumes that we saw were a fraction of what we saw, I mean within that complex. So like the summary of that was it

doesn't matter how you get how you get your foot in the door with respect to investing, it matters how you progress. And so -- but we've been really, really happy with what we've seen. All right. Back there. Yes. Sir?

Tom Hain^ Tom Hain from Azora Capital, and apologies ahead of time for violating both of Chris' rules. Model question and two questions.

So Jason, 90% fixed cost, 73% incremental margins and another data point that I caught was this doubling of revenue per employee. All that adds up to some potential for some fairly high pretax margins 50% [Schwab], 70% for IBKR.

Is that something you can achieve in the next, let's just say, three to five years? And then for us, Steve, Slide 41, the white space -- can you achieve those in the next or execute on those in the next three years?

Steve Quirk^ Do you want to start?

Jason Warnick^ I'll start. So I think we can take our margins higher. I mean I think the structural advantage is such that we should be able to grow revenues double digit consistently and grow expenses slower than that, which will just continue to increase our margins over time.

We've used 50-plus percent as kind of a way station of -- we've gotten in that zone pretty quickly. I think we can continue to grow it. I think some -- some years will grow faster than others, just depending on the investments that we choose to fund, but I'm very optimistic that we can keep growing the margins.

Steve Quirk^ On the white space, I'd say we have a high degree of confidence that we'll get -- you said three years, right? Yes. Vlad said one. So we probably won't get 1, but three yes.

Michael Cyprys^ Mike Cyprys, Morgan Stanley. So I was hoping maybe you could elaborate a bit more on the AI native products. Just kind of how you're thinking about the opportunity set?

Vladimir Tenev^ You want to know what we're launching, do you?

Michael Cyprys^ But more broadly, how are you thinking about the opportunity over the next -- not just one to two years but also in five years? Like how meaningful could that be for Robinhood, if you could also maybe Dan, talk a little bit about the regulatory hurdles, if any, that you may need to navigate in order to bring this vision to the marketplace?

Vladimir Tenev^ Yes. I think there's two classes of products. One of them I mentioned is sort of like the -- replacing the family office or augmenting it so that it can -- the idea can serve many more people. And that's beyond just asset allocation products.

That's really the comprehensive end-to-end everything that I need to do to manage wealth across an entire generation of people. I think that's a huge opportunity and one where AI will play a big role because right now if you're not a high net worth individual, it's not even available to you.

You're not doing high-quality estate planning. You're using -- you're kind of doing your own taxes. And I think that we can offer a much higher level of service using these AI technologies at a self-serve price point, which is the really exciting long-term opportunity.

I think there's also an opportunity in self-directed -- and what I mean by that is the customer is making their own decisions and they can be trading decisions, but the AI actually lowers the friction of that and provides more information and insights and a really great self-directed experience.

I don't want to share too much about what form that will take, but I think there's -- we look closely at not just putting chatGPT in the app because I don't think that's likely to have great adoption among customers. But how can we use this technology to be embedded in a form that actually provides significant value to customers. And so you'll see some of those at our product events next year.

Daniel Gallagher^ And I think on the regulatory point, it's going to be incumbent upon us and the rest of the industry, but I think we'll take a leadership role in making sure that the rule books are amended to accommodate one in which AI can help investors, right? And it's kind of a legacy issue we had in Robinhood, the technology moved faster than the rules, right? These rule books are set up for 100-year-old institutions with bricks and mortar, not for Robinhood being app-based brokerage.

So we've had some growing pains through that, and the regulators have to, don't want to do that here. We want to start on the right page with the regulators. The regulators should embrace this technology.

I mean it's amazing what it can do for investors at the end of the day, whether on the advisory side or self-directed us or crypto anywhere as a tool. And so I think my favorite example, by the way, even for like Reg D product, accredited investor, if a knowledge standard is part of the accredited investor standard, well if you're AI-assisted right, all of a sudden, everyone is knowledgeable, right?

So the ability to offer more products through enhanced learning and understanding that is provided by the AI tool should open up those markets. There's really no good argument against that. So that's exciting for us, and I hope to push the envelope there.

And I think just generally, by the way, on the regulatory climate, if you look at what we've been through for four years, like no less than five federal rules, which were like scud missiles aimed at our business model.

Vladimir Tenev^ And PDA which -- that was going to kill AI in our industry -- nearly avoided that.

Daniel Gallagher^ Including PDA, right, the predictive data -- that was so antithetical to the notion of rolling out AI and helping customers. That was going to put us back - even Morgan Stanley - into the stone ages, right? And so it will be relegated to the dustbin where it belongs.

But I do think just being able to interact with regulators and innovate in a way that we haven't been able to. We've been on a reactive back foot from a regulatory perspective for four years. We're going front foot pretty hard.

Vladimir Tenev[^] And only one thing I would add, we talked a lot about brokerage and crypto advisory. But on the payments and banking side, we think there's a huge potential for AI. I know Deepak and team have been thinking a lot about that.

Deepak Rao[^] I'm not allowed to say again, but in three to four months, we'll show some more demos where you'll see like all this comes into process.

Vladimir Tenev[^] Last question. Okay. Who is the lucky questions asker here. All right.

Unidentified Participant[^] A lot of influential companies have changed activities [among] users. And it's pretty clear that you guys single-handedly impacted the equity ownership among a cohort. I guess just looking 10 years in the future, like what other activities, what other habits would you like to kind of enforce in your user base as you guys go on launching new products?

Vladimir Tenev[^] Yes. I mean I think that's a really good question. I think that we're at a time of profound change across all dimensions, not just finances, but I mean people are really taking ownership and trusting themselves, their peer networks like I was talking about earlier.

So I think in times of change, it's really important to think about what's not going to change. and kind of build your business around that. What are the things that we know are going to be persistent?

We know that people are going to continue to need to invest. They're going to need to hold assets. They're going to need to pay each other. They're going to need to pay for things. And they're going to really care about not just securing their own financial futures, but the futures of their families.

And so retirement and wealth planning, all of these things are going to continue to be important. And I think what's also going to be important, and this affects the positioning of Robinhood -- as a company relative to our peers -- having the lowest possible cost because all else being equal, assets and transactions are going to flow to the place where it's economically more valuable.

Cost is really an integral part of the customer experience and financial services. Hence, our positioning to lead on cost and value across all domains we operate in. And then the second is going to be the customer experience. If you are, all else being equal, the easiest to use and best customer experience, I think, will also win out in the end. I think those are the areas where we shine.

And as a company, continuing to move fast, learning from the mistakes that we made, which hopefully there won't be many. Hopefully, that's a decreasing thing, but -- if we do, at least they're original, right, new mistakes -- if we can make a series of original mistakes far better than not making any.

Or making the same one over and over again, which hopefully we'll avoid. But all right. I think that was the last one. Thank you, guys, for listening. It's been an awesome session. We have some more stuff for you.

I guess the one thing is we did talk about these events that we're running next year. So just in H1 of next year, we've already got two on the docket, Gold event which is likely going to be -- we'll see. It started out in New York City. I'm kind of pushing for SF.

It will be one of those we'll probably settle on in terms of the venue, but look out for that in the spring. And then the Crypto event, which we talked a lot about, our first one, Johan is very, very excited, as am I, to go back to his homeland of France and let people know what cool stuff we've been building on the Crypto side.

But I hope to see many of you guys there and before that at the next earnings as well. So thank you so much for listening.