

Robinhood Markets, Inc. Q3 2025 Earnings Call Transcript
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Corporate Speakers:

- Vladimir Tenev; Robinhood Markets, Inc.; Chairman and Chief Executive Officer
- Jason Warnick; Robinhood Markets, Inc.; Chief Financial Officer
- Shiv Verma; Robinhood Markets, Inc.; SVP of Finance and Strategy and Treasurer
- Chris Koegel; Robinhood Markets, Inc.; VP of Corporate Finance and Investor Relations

Participants:

- Patrick Moley; Piper Sandler; Analyst
- Alexander Markgraff; KeyBanc; Analyst
- Devin Ryan; Citizens; Analyst
- Jeff John Roberts; Fortune; Media
- James Yaro; Goldman Sachs, Analyst
- Benjamin Budish; Barclays, Analyst
- Brian Bedell; Deutsche Bank; Analyst
- Dan Dolev; Mizuho; Analyst
- Brett Knoblauch; Cantor; Analyst
- Edward Engel; Compass Point; Analyst
- Steven Chubak; Wolfe Research; Analyst
- Amit, Amit Is Investing; Finance Content Creator
- Roy, Crossroads Investing; Finance Content Creator
- Madeline Daleiden; JPMorgan; Analyst
- Tannor, Future Investing, Finance Content Creator

Operator^ Thank you to everyone for joining Robinhood's Q3 2025 Earnings Call, whether you're tuning into the live stream at home or here with us in person.

With us today are Chairman and CEO Vlad Tenev, CFO Jason Warnick, SVP of Finance and Strategy and Treasurer Shiv Verma, and VP of Corporate Finance and Investor Relations Chris Koegel. Vlad and Jason will offer opening remarks and then open the call to Q&A.

During the Q&A portion of the call, we will answer questions from the audience, which includes institutional research analysts, finance content creators who may hold an ownership position in Robinhood, and both institutional and retail shareholders.

As a reminder, today's call will contain forward-looking statements. Actual results could differ materially from our current expectations, and we may not provide updates unless legally required. Potential risk factors that could cause differences, including regulatory developments that we continue to monitor, are described in the press release we issued

today, the earnings presentation, 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 the GAAP measures we consider most directly comparable can be found in the earnings presentation.

With that, please welcome Vlad and Jason.

Vladimir Tenev^ Good to see everyone. It's great to be here with all of you today. We have a live audience again, this time from Downtown San Francisco. And also great to, I think for the first time in our earnings call, have institutional and retail shareholders, so, buy side, joining us. So welcome. Thank you. Also, we have our institutional analysts. So good to see a lot of familiar faces here.

Q3 was another quarter of relentless product velocity. So, we were excited to see that. It was really across our three focus areas, which, as a reminder, number one in active traders, number one in wallet share for the next generation, and number one global financial ecosystem.

So, I'll briefly go through each of these. Active traders. We want active traders to feel like they are at a disadvantage if they trade anywhere other than Robinhood. We've rolled out a ton of great new products for active traders. You guys might have seen our second annual HOOD Summit in Vegas just a couple of weeks ago. We announced a bunch of brokerage updates, shorting, multiple brokerage accounts, AI-driven custom indicators powered by Robinhood Cortex, a whole new social platform, Robinhood Social.

And we've got more. We've got more for you guys. We can't wait to share more next month at our first ever AI event on December 16. Innovation like this really has the active trader engine humming. In Q3, we had record equity and option trading volumes, and October looks even better. For both equities and options in the month of October, we had new single day and monthly records. So, both of those businesses just continuing to perform strongly. Prediction markets are really on fire. It's hard to believe that we launched this just about a year ago with the presidential election markets. We've doubled volume every quarter since then to 2.3 billion contracts in Q3. And the month of October alone was up to 2.5 billion contracts.

So, October by itself was bigger than all of Q3 combined. Customers really love the product, and we're bringing them even more. We're now at over 1,000 live contracts, and we've expanded categories. So, it's not just sports but also economics, politics, culture. We're making the UI much cleaner, the experience even better. I think it's really exciting to see where this can go. I mean we love being early to this new asset class. Some people are saying this could be one of the largest asset classes because you can price risk in pretty much anything.

We have a massive opportunity with assets as well. Turning to wallet share. Our assets are now up to over a third of \$1 trillion as the generational wealth transfer of \$120 trillion is fully in motion. So, I think it's really great to see our financial super app accelerating. On the long-term money side, retirement, now up over \$25 billion, which more than doubled in the past year. And Robinhood Strategies, which we just launched in March, now has over \$1 billion in assets and is one of the fastest-growing digital advisers.

On the banking front, Robinhood Gold Card now over 0.5 million cardholders with over \$8 billion in annual spend. So, the numbers there just keep growing. That's 5x growth in cardholders since the beginning of the year. We'll get into this a little bit more in Jason's section, but we like what we see there. The customer behavior is good, and that's given us confidence to accelerate the rollout, and we're going to accelerate it even further. And Robinhood Banking started early customer rollout quite recently.

So far, we like what we're seeing there, too. Customers are direct depositing. You might have seen some nice screenshots of the user experience and the onboarding flow, and people really love that they're getting interest, not just on their savings, but they have an opportunity to earn a good interest on checking. So, it's really about simplifying things for customers. And the plan is to just keep scaling this, keep adding more services, more products.

And last but not least, we've been really grinding to build out the number one global financial ecosystem. So, 10 years from now the aim is to have over half of our revenue be outside the U.S., and also cut another way, right now we're majority retail, and we think we can get to over half being non-retail, institutional. These are tough goals, but I think the opportunity is there, and we're going after it.

Three areas of progress to highlight from Q3. Tokenization, which are stock tokens in the EU. We're now up to 400-plus public companies and growing. There's a lot of innovation to be done. We're working hard. Robinhood Ventures in the U.S. So, we found a way to give exposure to non-accredited retail to private companies, which we think is super important and a huge opportunity for us. We've already made some initial investments. We're working towards the public offering for Robinhood Ventures in the coming months.

Bitstamp around the world, our first scaled institutional business, we're very excited about that. We are continuing to grow. We're adding capabilities. We're adding more institutional customers. Volumes are up 60-plus percent quarter-over-quarter for Bitstamp. It's great to see that we're accelerating even as we're integrating. I think that's not a common thing. It's a big business. I think the team has done a really nice job integrating and making sure that product velocity just continues to increase.

And as a result of all this, great business results in Q3, revenues up over 100% year-over-year to a record of nearly \$1.3 billion, record net deposits in the quarter, over \$20 billion.

We've already exceeded last year's record of \$50 billion in net deposits, and we still have another entire quarter to go. So, we feel really good about the traction there. Gold subscribers up to a record 3.9 million, and that's 14-plus percent adoption when you look at the overall net account base, and it's nearly 40% for customers that joined in quarter, our new customers.

International customers, nearly 700,000 international funded [customers] including Bitstamp. So, the U.K. and EU are continuing to grow nicely. We feel great about Q3 product velocity and results.

I think it was a strong quarter, and I'll turn it over to Jason to go through financials before we get into Q&A.

Jason Warnick^ Sounds good. Thanks, Vlad. In Q3, we delivered another quarter of strong profitable growth. Revenue doubled while margins expanded, and earnings per share more than tripled from last year. Year-to-date through Q3, revenues are up 65%, earnings per share is up 150%, and we continue to stay disciplined on expenses to deliver 75% incremental adjusted EBITDA margins.

It's exciting that as our business grows, we're continuing to diversify. In Q3, two more businesses, prediction markets and Bitstamp, each surpassed \$100 million in annualized revenue, bringing us to 11 in total and underscoring the growing diversification and strength of our business. Prediction markets reached that milestone in less than a year. It's our fastest in history, and it's already tracking towards a \$300 million run rate based on October volumes. So just really, really going fast.

Now let's take a closer look at our Q3 results compared to a year ago. Revenues doubled to an all-time high of nearly \$1.3 billion as our customers remained engaged and continue to bring more of their assets to the platform. Trading volumes were up double to triple digits across equities, options, and crypto, and we continue to grow market share across product categories. We're also seeing strong contributions from newer products like prediction markets, index options, and futures. Interest-earning assets were up over 50%, driven by strong margin and cash sweep growth. It's great to see margin continuing to hit new highs as we win larger customers and gain market share. Securities lending also hit an all-time high with a strong market backdrop as IPO activity continued to pick up. And Robinhood Gold grew to 3.9 million subscribers. That's over 75% year-over-year growth as we continue to broaden the value proposition including Robinhood Banking, which is just beginning to roll out.

Turning to expenses. Q3 Adjusted OpEx and share-based compensation came in at \$613 million, it's about \$40 million above the midpoint of our prior outlook range. This was driven by two items that are both related to our strong performance. First, stronger year-to-date results led to higher Q3 employee bonus accrual. That is higher for Q3 but also includes a catch-up for the first half of the year. And second, the significant increase in our stock price this year triggered vesting on the remaining tranche of the 2019 CEO

market-based award. This resulted in unplanned payroll tax expense in G&A. We are through that award now so, Vlad, you get to go back to your \$40,000 a year.

Looking ahead to the rest of the year, we're tracking toward full year 2025 adjusted OpEx plus SBC of around \$2.28 billion, but it could be higher or lower depending on how the rest of the year plays out. This reflects our strong year-to-date business results, which had us tracking to the top end of our prior outlook range as well as some increased investment in new growth areas like prediction markets and Robinhood Ventures. I think each of these areas have significant potential for us.

And lastly, this also incorporates the cost of Vlad's market-based award, which were not previously included in our outlook.

I'll also provide a quick update on the strong results we're seeing so far in Q4, as you may have seen in the release. October was a strong month across the business. We saw continued momentum in net deposits, new records set across equities, options, prediction markets, and margin and a nice step-up in crypto volumes.

And before we go to Q&A, I'm sure you saw in the release that I'm going to be retiring next year.

I'll transition in Q1 from my operating role into an advisory role and will stay on until September 1. I'm incredibly happy and proud to share that Shiv Verma will be stepping into the role of CFO. I've worked closely with Shiv these past seven years, and I've got absolute complete confidence in him. You're going to find that he's seriously world-class.

Vladimir Tenev^ At this time, I'd like to invite Shiv Verma to join us up here.

Okay. First of all, I want to thank Jason for all he's done for Robinhood. He's been an incredible steward of the company, not just the finance team, but the entire company, and is leaving the finance team in a much stronger position than when he joined. Among his many assets, and you guys are obviously familiar with some of them, I would be remiss to not mention that his good looks were a main reason why we wanted to do these earnings on video, which everyone can agree. So, I'm sure he'll be missed by this audience as well.

I also want to congratulate Shiv. He's been working closely with me for some time now. You guys will increasingly see he's an exceptional operator. He's got a strong track record of not just being lean and disciplined, but also advocating for growth. And I think that balance is critical to so much that we do here. Tomorrow, Shiv celebrates seven years at Robinhood. So, while he's got his hands on nearly everything, he's currently SVP of Finance and Strategy and also our Treasurer.

So, Shiv, welcome. Maybe he'll say a few words as well.

Shiv Verma^ Yes. Thank you, Vlad. I'm so excited and humbled for the opportunity to serve our customers and shareholders. Much appreciation to you, the Board, and the entire leadership team for the trust. To Jason, a heartfelt thank you. We joined six weeks apart, and we've been on quite the journey together. Many of you know Jason is a fantastic CFO, but he's also an incredible colleague, mentor and friend. I just want to express my sincere gratitude.

For today I'll keep it short and just want to introduce myself. As Vlad said, I've been here a little over 7 years, and I've seen the company scale from a couple of million customers and a few billion assets to now [nearly] 27 million customers and over \$300 billion in assets globally. I work closely with Vlad, Jason and the entire team. I've gotten to wear a lot of different hats. And as Vlad said, today I lead four teams: finance, strategy, corporate development, and treasury.

In terms of what to expect, big picture, more of the same. Our top goal is still to grow and to keep delivering for customers to ship amazing products with high velocity. We also believe in a lean and disciplined culture, and this is personally where I spend a lot of time. We obsess about capital allocation and ROI. We pride ourselves on small teams that can deliver outsized results, and we believe in profitable growth. And lastly, our financial North Star is going to remain the same, grow earnings per share and free cash flow per share and compound long-term shareholder value, plain and simple. So, I'm excited to partner with everyone.

I'll turn it back to Vlad and Jason to talk about this great quarter.

Jason Warnick^ Thanks, Shiv, and I do look forward to seeing Shiv competing on Jeopardy someday. Chris, why don't we go ahead and take some questions.

Chris Koegel^ Alright. Thank you, Jason. For the Q&A session, we'll start by answering shareholder questions from Say Technologies from shareholders who are joining us on video. And after the Say questions, we'll turn to live questions from our audience and then go to dial-in participants. So, I'll kick it off with our first question from Say which comes from Preston.

Preston^ Hello Vlad and Jason, can you guys see me okay?

Vladimir Tenev^ I see you now. There you are. Look at that. He's got the Robinhood logo. Did you draw that yourself?

Preston^ I painted that in class a couple of days ago.

Vladimir Tenev^ Awesome.

Preston^ I was wondering how quickly do you expect to roll out Robinhood Banking to users?

Vladimir Tenev^ Yes. Great question. This will be a relatively fast rollout. When you compare banking to the credit card, there's not the same considerations around making sure the economics between the borrowing and the spending are perfectly calibrated. I think banking is a simpler product in that way. And so, the rollout will just be governed by customer feedback. We like what we see thus far, and so we're going to continue to roll out. We expect that if there's no surprises, it should be pretty quick. We've already got customers trying it, including cash delivery available in some markets, and early results are really good. So, if you're in the state of New York and have access to banking, you can try it right now.

Chris Koegel^ Alright. Thank you, Vlad. The next question is from Huibin. Alright. I'll read it. So Huibin's question was there was recent AWS-related outage. How are you strengthening platform resiliency to address that?

Vladimir Tenev^ Sure. Yes. That's a great question. So, for those of you that don't recall this, even though pretty much the entire Internet was briefly affected, including my kids elementary school, they couldn't take attendance, AWS had an outage a few weeks back, and that led to degraded app performance for a significant number of our customers.

Now the good news is it actually demonstrates how much progress we've made in the resilience of our systems over the past few years. If this had happened to us, like an outage of the infrastructure provider of this magnitude, if it had happened a few years ago, we probably would have been fully down. But we made a lot of investments in that time period. So even though things were slower and there were higher latencies, a lot of customers could manage their risk and place orders, although we didn't provide them with the type of experience that we would want. That's for sure.

One thing that you can be assured of is every opportunity, every outage like this, even if it's a third-party related, is an opportunity for us to further strengthen our resilience. So, we've been hard at work looking at how we could become even better. That's internally and also in conversations with all of our partners. So, this is part and parcel of what we have to do. We want to be our customers' -- not just primary financial account -- but we want to be their secondary financial account as well, which means that we have to continue to be robust.

Chris Koegel^ Alright. Thank you, Vlad. And let's take one more question from Say on video and see if we can go two for three here. So, the next question is from Griffin.

Griffin^ Really great quarter, first of all, but I wanted to ask around the super-app nature and kind of the evolution of Robinhood. So obviously it was started to democratize investing for everyone. And now as you evolve into the full financial kind of ecosystem and also the true super-app for the next generation, how do you see this ecosystem maturing? So, what products do you think will kind of be the core tie around all of this? And also, how do you see the biggest opportunities for this next generation as everyone's finances get more complex?

Vladimir Tenev^ Yes. I think that's a great question. I mean you're seeing that part of this vision is somewhat predictable in a sense. We have to look at how does money enter our ecosystem. Of course we have all of the existing mechanisms, but Robinhood Banking -- the goal with Robinhood Banking is to be the place where our customers deposit their paychecks as well. So that will handle the inflow of money. And a lot of the assets over time we do believe will be invested. But the question is, can we minimize the reasons customers have for withdrawing money and make it as easy as possible for people to get money in.

Over time there will be new products, new product categories like prediction markets that arise. We want to use our combination of best-in-class user experience and also economics to make sure we're a big player in everything that customers want to do with their money, not just in the U.S. but increasingly globally. So, it's going to be a combination of getting broader, but also selectively going deeper in areas where we feel like we have competitive advantage.

Chris Koegel^ Alright. Thank you, Vlad. That concludes our shareholder questions from Say Technologies. So now we'll move to Q&A from our live audience. The first question is going to be from Patrick Moley at Piper Sandler.

Patrick Moley^ Before my question, I want to say congratulations to both Jason and Shiv. Jason, really enjoyed working with you. Shiv, looking forward to getting to know you a little better. So, I had one on prediction markets. You've obviously become one of the leaders in the space, but there's been a lot of new entrants recently. So, I was hoping you could talk about just the strategy there and what you think gives you the right to win long term?

Then as a second part to that, can you talk through some of the strategic considerations around maintaining your position today as kind of a retail distribution for the venues versus maybe trying to develop something internally, whether that's organic or inorganic?

Vladimir Tenev^ Yes. Yes. So, I think one of the advantages we have entering any market, prediction markets aren't an exception is that we have distribution. We have lots of customers, 26 million-plus funded accounts in the U.S. that are trading and using us for all sorts of things. And from an infrastructure standpoint, we actually have an increasing set of tools that can plug in and are being built to be multi-asset.

So not just our mobile app, but increasingly on web. We have Robinhood Legend. We have all of these things that we announced at HOOD Summit. It's really an ecosystem of financial services, and you'll see great integration between all of our platforms and all of our assets and account types, increasingly so in the future.

I think when we think about vertical integration, like should we be a market maker or should we be an exchange in any asset?

One thing we look at is, is the vertical integration going to be accretive to us? Is it going to be something that is increasingly commoditized over time? And my feeling for how this is going to evolve in prediction markets at least is there's going to be a lot of entrants in the space, a lot of exchanges.

In the same way that across equities and options, customers are well served because there's a wide variety of venues that are competing on cost to offer great execution, I think prediction markets will evolve that way too. And I think in that world, the customer certainly benefits because different DCMs and markets will compete for who offers the lowest cost.

I think the power continues to be in our distribution and offering a wide variety of products and services. I think we're the only ones currently that have this powerful combination for traders, not just being able to trade prediction markets, but crypto, options, equities, futures, I think it's a great combination, and there are certain advantages for everything being in one place under a simple, easy-to-use platform. I think we can keep pressing on that advantage. And as you've noticed, I think the product has continued to evolve at a pretty rapid pace. I think you should expect that to continue and to even accelerate.

Chris Koegel^ Alright. Next question from Alex Markgraff from KeyBanc.

Alexander Markgraff^ Jason, Shiv; congrats. Maybe, Jason, one on crypto, the crypto business for a second. Just want to understand better as you've moved through the third quarter and early part of the fourth quarter, the mix of smart exchange routing and how that's sort of factored into the numbers that we're seeing.

Jason Warnick^ Yes. So, the blended take rate is kind of in the high 60 [bps] zone. We are liking what we're seeing for smart exchange routing, really robust interest by customers. The take rate that we're seeing so far into Q4 is kind of in the same zone. We'll have to watch how the mix plays out. But we like what we're seeing from customers. They're bringing more -- when they select smart exchange routing, they're bringing more of their trading volume to Robinhood. So, we feel really good about the offering that we have.

Vladimir Tenev^ Yes. I would just add one thing there. It's a big step towards pricing being a little bit more personalized, right? And what we had before, a lot of people ask us 'well your take rate is so much lower across the board. Can you raise your take rate'. But I think the real story is a little bit more complex than that because certainly, if you're an active trader, you're trading huge volumes, you're able to use advanced offerings on exchanges.

In the past, we didn't have tools to offer those customers -- we might not have been super competitive for lower take rates. That's what smart exchange routing really unlocks for us. For those that are super active and bringing a ton of volume, almost like pro-sumer traders, which we're seeing more of now that we've got Robinhood Legend, can we make

Robinhood a no-brainer for them. We've seen more and more of those customers choosing us and coming in here after smart exchange routing, which is very exciting because that's just a customer segment that we felt we were underpenetrated with.

Chris Koegel^ Alright. The next question is from Devin Ryan from Citizens.

Devin Ryan^ Vlad, Jason, Shiv, and Shiv welcome to the call. I know you've been a big part of the story already. So, kind of welcome to the stage here. And Jason, to you as well, the success to date and the best practices you put in place with put the firm on strong footing. So, congratulations.

Jason Warnick^ Thanks, Devin.

Devin Ryan^ Question on private markets. Demand and activity that we're tracking is recovering. Last week, Morgan Stanley announced the acquisition of EquityZen. I know there can be some barriers with accredited investors, maybe that makes a it little bit complicated. But can you just talk about whether there's demand from your customer base and especially as companies stay private longer, just -- and a lot of the values created in the private markets, it would seem like Robinhood is in a great position to both be a trading hub and help create liquidity in the system, but then also maybe even in primary capital for private markets.

So, the question is just whether there's an increasing interest in private markets, if there's a plan there to do more. I know it connects to tokenization as well -- and also if M&A would make sense there as well.

Vladimir Tenev^ Yes. Maybe I'll start, but Shiv has also been working on the Robinhood Ventures front. So maybe I'll ask him to say a few words as well. Look, I think private markets are a huge opportunity -- and let's focus on the U.S. perhaps first because that's where we have the largest portion of our business, although international with tokenization provides some interesting opportunities as well. In the U.S., I think it's one of the biggest iniquities that we think is part of our mission to help resolve. You mentioned yourself, you have a lot of these companies that are staying private longer. They're avoiding the public markets. They're private in valuations of hundreds of billions now, right? And if you want access to the AI innovation economy or space technologies, you don't have a ton of pure-play public companies to select from.

So, we think it's a bigger problem, particularly as these technologies have so much potential to upend the lives of retail consumers, giving access to that is a big part of it. A few years ago, we rolled out IPO access. I would say that at first, people were kind of skeptical about it, right? Like we would have to really work hard to get companies to be interested to give retail IPO allocations. And recently, pretty much every company that's notable that's thinking about going public comes to us, talks to us about their retail engagement strategy.

And now they're looking at how do we engage retail better earnings calls, not just shareholder Q&A, but doing -- making earnings more compelling so that retail wants to actually watch and participate and learn as well. And we've noticed the allocations to retail going up in public companies, public IPOs, which we've been very happy about. I think that's a trend that's going to continue. We want to do that at earlier stage. I think that's really the thesis behind Robinhood Ventures. We found a way to do it, we believe, unaccredited.

And maybe Shiv can talk a little bit more about that.

Shiv Verma^ Yes. We've been working on this for a while, and we're super excited. In terms of the demand, when we talk to customers, it's one of the top things they want. They want access to these best-in-class technology companies that they use and love. When you ask them, there's three big things they want. First is daily liquidity. Second, not to be accredited. 85% of Americans aren't accredited today so they get left out. Third, more concentrated portfolios. They want to access, again, to the names they love. And so, when we designed the product, that was our main use case, how do we do that? And we think we found a great way to do that. We're on a file with the SEC for Robinhood Ventures I. We're in the quiet period, so we can't say too much more there. But we think this vehicle will be great and expect pretty strong customer demand.

Then the other thing we're working on is how do you make it great for companies --because you need both the customers but also the companies. So, we're trying to think what's the best way to partner and innovate with these customers and companies as well and have some really great traction there. So, we're excited to share more about the fund in the coming months. But as Vlad said, this is just fund one and just to start, our ambitions in the space are pretty large.

Chris Koegel^ The next question is going to come from Jeff John Roberts from Fortune.

Jeff John Roberts^ My question is about tokenized equities, which seem to be the future, and they seem very cool. But I'm curious, when do you think they're going to scale Vlad? And also what implications they might have for Robinhood's revenue when it comes to payment for order flow or otherwise?

Vladimir Tenev^ Yes. Great to see you, by the way. I forgot to mention we have some folks from the media joining us today too. So, thanks for the question. So tokenized equities, as you might remember from the event in France, there's three phases to the rollout. And we're still in Phase 1, but we're really ramping up the number of tokens available on the platform. So, we're now up over 400 available. I think that makes us the largest in terms of selection. I think the largest, maybe one of the largest at the very least. But I think where it really starts to get interesting is Phase 2 and Phase 3, which is them [being] available for secondary trading on Bitstamp and then eventually them being on DeFi where the possibilities really start to multiply. You start thinking about self-custody, collateralized lending and borrowing, which we think could be very, very disruptive as well.

Currently, the model is just foreign exchange in the EU. Yes. We take a relatively low simple foreign exchange fee for tokens. And actually, we're pretty happy with that. I think that's 10 basis points, if I'm not mistaken, which is actually slightly higher than what we would be foregoing with payment for order flow.

Chris Koegel^ Alright. The next question in the front row.

Unidentified Participant^ Vlad, this is for you. Anyone who's had the pleasure of being an investor or customer over the last many years, I think has seen an incredibly inspirational change in product execution base. I'm curious to understand from you guys, what have been the contributing factors there? How do you see that maintaining or increasing over the coming years, but really, incredible job, and it's so fun to be a customer.

Vladimir Tenev^ Well thank you. Yes. We appreciate that. I think that we've grown as a company and I think it's easy to sort of like dismiss what happened during Covid as we were sort of like too bloated and got too big and got away from us. But I think a lot of what we did actually was we built the foundation for the company subsequent to that. So, we brought great people into the company. And I think we realized, well -- we realized that we had to ask ourselves serious questions about what kind of culture we wanted, what we wanted to be, did we want to ship fast.

I think that set the foundation, both infrastructurally and from a people standpoint to the product velocity that you see now. So, I think we obviously had to make some tough decisions, getting fit. I think we've also -- I think this is sort of underreported. I think a lot of people don't like to talk about this, but we were pretty early to adopt AI and actually drive that through the organization, particularly in the areas where we think there's maximum impact, customer service and engineering, where we actually -- I believe, we're best-in-class in our industry.

So, you'll hear more about that at the AI event, but I think that there's not a lot said about that because we're not a foundation model company, but I think we're right up there leading the financial services industry with how we're deploying it at scale.

Jason Warnick^ Two things that I would add, which I think both relate to speed of decision-making. We made the change to a general manager model. I think having leaders over their specific business owning goals and driving against their milestones helped us move faster. The second piece was alignment on what our financial tenants were, around what the ROI and other financial guardrails are, and just getting a complete alignment across the teams that build and the teams that support on what those hurdles are and what those requirements are allowed us to move even faster once there was alignment on that. So those are two aspects that I think help us move faster.

Chris Koegel^ Alright. Yes. And also in the front row.

Unidentified Participant^ Cryptocurrency-related products and revenue have been an important part of Robinhood's growth story. What are your thoughts on adopting Bitcoin or other digital assets as part of your corporate treasury strategy?

Vladimir Tenev^ Shiv, what do you think about that one?

Shiv Verma^ So, we spend a lot of time thinking about this. We like alignment with the community. We are a big player in crypto. We want to keep doing it. We like that our customers are engaged in it. What we always try to figure out is, is it the right thing for shareholders as well? If you put it on your balance sheet, it has the positives in that you're aligned with the community, but it does take up capital. Our shareholders can also go and buy Bitcoin directly on Robinhood, and so are we making that decision for them? And is it the best use of our capital? There's a lot of different things you're doing, from new products for growth, investing in engineering. So, we have this debate constantly. I think the short answer is we're still thinking about it. There're pros and cons to both of it, and it's one that we're going to keep actively looking at.

Chris Koegel^ Alright. Before we move to the virtual queue, are there any other questions from folks in person? Alright. Now to the dial-in community. Alright. So, the first question is from James Yaro at Goldman Sachs.

Alright. We don't have James at the moment. So, we'll go to the next question. And James, jump back in if you can hear us.

Alright. So, the next question is from Ben Budish at Barclays. Alright. Well in the meantime while we work to connect with our virtual community, Alex Markgraff, do you have another question? Alright. Let's get Alex a mic. Shiv, do you want to tell -- share any more about yourself while we're waiting?

Shiv Verma^ I think we're getting Alex on mic. So, we're in good shape.

Alexander Markgraff^ Vlad, you mentioned the wealth transfer in your prepared remarks. I'd just be curious to get your thoughts as to in that sort of longer arc opportunity where we are today. Then Jason or Shiv, maybe just thinking about the contribution to growth, again sort of a longer-term question, but when we think about the contribution to growth from the wealth transfer, how should we sort of think about that over a 5-, 10-year arc?

Vladimir Tenev^ Yes. Maybe I'll start with some of the things we're thinking about on the product side. We've been really thinking about how to make Robinhood more useful for you, the more of your family is on it. So, you see this with credit card and now the banking offering. Like the product is really a family product. Family is a first-class experience. You can get your partner a credit card or a bank account and make it really easy to create accounts for children and other household staff as well. And a lot of people have been using it as like a family financial hub.

I think you should expect that to be broader and deeper across the entire ecosystem. You guys might probably recognize even though we've added a bunch of account types to the product, a few years ago, Robinhood just used to be a single individual brokerage account. We didn't even have retirement accounts.

Now you have retirement accounts. You can have -- recently launched -- up to 10 custom individual brokerage accounts, which people have been really loving. But we still have a way to go. We don't have trusts. We don't have custodial. But we think that's an opportunity to continue to both get people when they're younger, but also when customers get wealthier, they tend to start diversifying, putting things into a trust.

So, we see that as an opportunity as well. I think this is an area where TradePMR is also going to become increasingly important. As we work to integrate that platform, particularly as financial needs become a little bit more complicated, having a person there to help you navigate the entire thing and give a little bit more customized advice, I think will be a great complement to our suite of digital services.

So, over the next year, you'll see a lot more. We're attacking this problem and this huge \$100-plus trillion opportunity from multiple angles. And I actually -- I don't think it's on the radar of a lot of our competitors. I mean, you don't hear about people designing with the whole family in mind. I think that's a big opportunity for us to differentiate.

Jason Warnick^ Stepping back, we've been winning market share really across every category that we're in. I think as we execute against the vision that Vlad was sharing, we're positioned to take an outsized share of that -- of the wealth transfer.

Chris Koegel^ Alright. The next question I'm going to read on behalf of James Yaro from Goldman Sachs. We are seeing tokenization across Robinhood and other firms and your tokenized equities product and those of peers are not interoperable as they are slightly differently structured and on different blockchains in many cases. Does this result in fragmentation of liquidity across the equity market? How do you expect this market to develop? And how would you make these tokenized stocks interoperable?

Vladimir Tenev^ Yes. Yes. I can field that one. So right now, certainly Robinhood stock tokens are not as interoperable as we would like, but that's just because they're actually not on DeFi yet. So, they're very much in the Robinhood walled garden, which has certain advantages. Right now, every trade that a customer does is backed by a traditional equities trade in a TradFi market. And as we continue to build up the liquidity and the collection of -- and the supply of tokens, I think that's going to lead to actually a really great initial customer experience.

Over time I do expect greater interoperability. As you've seen with other assets in the crypto world, even if they're on other chains, the community tends to get involved and build bridges and wrappers. So, I think that's less of a concern. I think every major tokenized asset will eventually end up being multichain. So, it's just a question of how do we get there. But interoperability, not a huge concern. I think it will come.

In terms of liquidity fragmentation, I mean that's nothing new, especially if you look at it on a global level across all asset classes, there's multiple exchanges. There are multiple market makers involved. And this is something that they know how to deal with, managing liquidity and trading across different venues. I think in some ways, crypto technology and infrastructure makes that a somewhat easier problem because the cost and complexity of integration from an engineering standpoint is just -- tends to be much simpler.

Chris Koegel^ Alright. Thank you, Vlad. The next question is for Jason, and it's from Ben Budish at Barclays. I'll read it on his behalf. You've called out a number of cost items impacting this year, some of which it sounds like won't recur. How should we think about the run rate into 2026?

Jason Warnick^ Yes. So, we're working through planning right now for 2026. But what I would tell you is that we're approaching it the same way that we've approached the last couple of years, which is we think that we can invest for growth while delivering profitable growth, meaning margin expansion. The way that we approach that is that we ask the existing businesses to find efficiencies.

When we set targets and build our plans, we ask them to grow their cost base in the low single digits and in some cases, even lower. And we use those savings then to reinvest into growth, things like increasing spend in marketing, which we love the ROI efficiency of our marketing spend, but then also investing in new businesses.

You see the kind of outcomes that we've been able to deliver the last couple of years in terms of fast revenue growth and relatively more modest expense growth, and that's the approach that we're taking right now for -- as we plan for 2026.

Chris Koegel^ Alright. Thank you, Jason. We're going to take another shot at going to the live phone queue. Alright. So, the next question is from Brian Bedell at Deutsche Bank.

Brian Bedell^ Can you hear me okay?

Jason Warnick^ We hear you. The telephone works.

Brian Bedell^ Excellent. Alright. The old-fashioned, TradFi telephone. Well, I just want to say first of all, congrats, Jason, on retirement. It's been great working with you. Welcome, Shiv. Looking forward to working with you as well. Maybe my question will go to prediction markets. So maybe if you can just talk about how the customer behavior has been forming just in the last two months. We've seen a big increase in volume, obviously in September with the NFL and college games added. And how are you seeing that maybe sort of shape in coming into October?

Are you seeing that volume increase coming from more new users coming into the prediction markets or rather greater usage of existing users? Then if you can talk about maybe just your thoughts around timeline of launching new contracts and potentially even weaving in things around maybe single stocks that active traders can start using.

Vladimir Tenev^ Yes. I can start. We are working on this. We've actually increased the diversity of the contracts we offer tremendously in the past few weeks, launching entirely new categories. I mean recently, lots of new entertainment and culture markets -- you've seen us broaden out the technology markets as well. So now we're offering over 1,000 live event contracts for customers to trade.

We're seeing a lot of adoption. It might not be a surprise because we have such a large, established customer base, a lot of adoption from existing users, particularly traders, but we're seeing new customers as well. So, there's customers that join Robinhood because they want access to our prediction markets offering. I think there's plenty more we could do, not just increasing contract diversity, but making the user experience better, making it a little bit more discoverable in the product. The team continues to work hard. You should see the product continue to improve week-over-week.

Jason Warnick^ Much like our active trader offering, a relatively smaller portion of our customers are participating in the market. I think as we continue to work on the user interface and discoverability of the product, we've got expectation that we can take that higher.

Chris Koegel^ Alright. The next question is from Dan Dolev at Mizuho.

Dan Dolev^ Great job again on an outstanding quarter. I wanted to thank you Jason. Thank you, Jason. It was a pleasure working with you. And I look forward to working with you, Shiv. And my question for you, Vlad, is Bitstamp very, very strong, I think over 60% growth quarter-over-quarter. This seems incredibly strategic to Robinhood. Can you maybe elaborate on the long-term strategic importance of this because it seems to be off to a great start.

Vladimir Tenev^ Yes. And actually, it was -- we've had the pleasure of the Bitstamp team on the engineering side actually at our offices. So, we got to hang out with a lot of them yesterday with Johann and really talk through what's our plan for next year. You're right that we've had pretty tremendous success growing volumes and improving the product post-acquisition. But we definitely aren't getting complacent. We're not slowing down. We see a huge opportunity.

I think Bitstamp can be very key to our tokenization plans as we enter Phase 2 of our tokenization vision. We really want to lean in there and give people access to real assets that have fundamental utility on the platform. It's also our first institutional business. And the one thing I really appreciate with institutional customers is they have lots of choices for where they take their business, and they're definitely not shy about telling us all of the things that we do -- that we need to do better, which there are a lot of, believe it or not. I

think we -- there's so many things that we hear from our institutional customers. So, we're going to have a busy year. I think that as we continue to be successful and build more things, I think we'll see that volumes and market share will follow.

Johann is very nervous watching me say all this.

Chris Koegel^ Alright. The next question is from Brett Knoblauch at Cantor.

Brett Knoblauch^ Congrats on the quarter. On Robinhood Social, could you maybe just dive into that a bit deeper and when you expect for that to rollout and how you expect maybe users to begin using that and how should impact maybe financials and when you would expect it to impact financials going forward?

Vladimir Tenev^ Yes. I think this is something where it may be somewhat challenging to forecast precisely the impact because the way we see it is this is going to be a new source of information for customers. It will be a source of trading ideas. We really want the product to be great, and we think that it can be just a source of information. We want to -- we think we can be the place where a lot of business and financial-related discussion can happen and hopefully originate.

And we've done some experiments with social features over the years. We have seen that when executed properly -- and I think we're being very thoughtful with how to make sure all of the content is high quality, of course with verification of traders, we have an advantage there -- we think it can be an engaging product that makes Robinhood not just useful when you have an idea that you want to trade on, but it can be actually where your ideas originate, which I think is a big opportunity because it allows us to close the loop.

If the ideas come from Robinhood and we're the place where they execute on the trades, the platform just becomes more powerful. That power and the network effect will continue as we continue to roll out more assets. I think we're going to be the only place where you're going to have live verified trades across not just equities, options and crypto, but also prediction markets and futures. So, the diversity of content, I think should be quite compelling for folks that are interested in business and finance.

Jason Warnick^ In terms of monetization, we really see this as an opportunity to spin the flywheel, attract more customers to the platform because of the rich social experience and then be able to capture a greater share of trading activity and other financial activities across the platform.

Chris Koegel^ Alright. Next question is from Ed Engel at Compass Point.

Edward Engel^ You talked about aspirations outside the U.S. and you guys talked about over half of, hopefully, one day your user base will be outside the U.S. How does M&A play into that strategy? And can we expect you to kind of continue kind of launching market by market? Or could they create an opportunity to kind of launching a couple of markets simultaneously given a bigger transaction?

Jason Warnick^ Over time I think it's probably a mix. I mean we naturally gravitate towards organic growth, and you're seeing examples of that, for example, in the U.K., but we do have an active corporate development team. Actually, Shiv has been leading that for some time now. When deals make sense for us -- great team, great technology, ability to accelerate the roadmap -- we don't shy away from those kinds of opportunities as well.

Chris Koegel^ Okay. The next question is from Steven Chubak at Wolfe.

Steven Chubak^ Congrats, Jason and Shiv. I wanted to start with a question just on the international strategy and the growth that you've seen thus far. I was hoping to get some perspective, Vlad, in terms of how that growth is tracking relative to plan? Is there more that you can do in terms of product deployment and innovation to maybe help accelerate that growth? It just hasn't gotten as much airplay as like some of the other opportunities. So, I was hoping you can unpack that a little bit further.

Vladimir Tenev^ Yes. I think it's still early in our international plan. That's why when we talk about this opportunity, it's really a 10-year vision. Because unlike the U.S., when we expand into these markets, we don't have an existing established customer base to cross-sell into. But we're really seeing signs that we like. So, we've continued to invest even more. Cohort activity, both in the U.K. and the EU has been improving, and that's actually led us to start doing marketing initiatives because we're starting to see real ROIs to marketing activity as revenue goes online. In the EU with the To Catch a Token event just a few months ago, we launched in 30 countries with stock tokens, which we're really excited about. I mean you've seen that ramp up. But again, it was a couple of months ago. So not much time has passed.

So, I think this is one of those things where 5, 10 years from now we'll look back and we'll say man, we underestimated the growth of that business as we tend to do with things that are early. But we like the early signs, and we're continuing to increase our investment. There's so much to build. I mean even I mentioned with tokenization, we're still just in Phase 1. So, I think over time it will become clear how those products actually have significant advantages over what you might find elsewhere.

Chris Koegel^ Alright. Thank you. The next question is from Amit at Amit Is Investing.

Amit^ A big thank you, Jason, over the years on your execution, and congrats to you, Shiv, on your new role. My question is for you, Vlad. Going back to tokenization, you recently said tokenization will eat the broader financial system. Outside of just tokenized equities, can you give us a more -- a larger look on how big of a size the opportunity is, why right now is the time to go after it? And what Robinhood is really thinking about over the next couple of years in terms of taking advantage of the opportunity? I know there's a lot of different other assets besides equities that could be tokenized. So, can you just speak a little bit more on how you guys are thinking of the opportunity?

Vladimir Tenev^ Yes. I think the opportunity is very exciting. One of the things that I think is both a problem and an opportunity with the traditional crypto is that crypto and the traditional financial system up until fairly recently have kind of been two separate worlds. I think Robinhood has a unique position as a scaled crypto business, but also a scaled business in traditional finance to bridge the two and actually make room for what we consider traditional assets -- but really things like securities, products with real fundamental utility -- to leverage blockchain technology and actually be tradable on chain where customers can self-custody, they can engage with a variety of protocols, collateralized borrowing and lending, and where those assets can be traded 24/7 real time and in fractional quantities. You've obviously seen some efforts in private companies in the EU with our OpenAI and SpaceX token giveaways there. So, I think we're really interested in continuing to pull on that and making those products available to customers.

The other opportunities that I'm personally excited about is real estate, private credit, and unique assets and collectibles like art. If you think about what's a part of your portfolio, if you're a high net worth individual, there's a lot of these assets that retail can't access currently. I think that tokenization is a way to enable that at scale and sort of reduce some of the downsides that would typically be associated with holding those assets, like lack of liquidity, being locked into positions, and not being able to chunk the assets out and invest in portions of them.

So that's why we're continuing to push on it, both in the U.S. and outside. You should expect this to become bigger and bigger in the coming years, of course starting with stocks, which is the asset class that we think has the most potential, and we're also closest to.

Chris Koegel^ Okay. Thank you, Vlad. The next question is from Roy from Crossroads.

Roy^ Huge congratulations to Jason and also Shiv, and congrats to everybody on a great quarter, too. And very impressive, there's been a huge increase in prediction market activity. I'm curious if the volume shown in the platform is a mix of Kalshi and Robinhood? Or is it just pure Robinhood? And also, is Robinhood considering expanding this internationally even alongside or even ahead of its current trading expansion plans?

Jason Warnick^ Yes. I mean sure. The volumes that we're showing are the volumes that are on Robinhood. I'm sure Kalshi is counting the activity that we send to them, which is quite substantial. And for contracts that we offer, I think a very large chunk of Kalshi's volume is actually coming from Robinhood.

In terms of international, Vlad, I'll let you cover that one.

Vladimir Tenev^ Yes. We're definitely looking into it closely. You talk about tokenization as some of the previous callers have brought up, prediction markets is another asset class that actually has a strong crypto component, particularly outside the U.S. So, we're definitely taking a look at what's the most effective way to get that to our customers. I think it's going to be on a case-by-case basis, maybe slightly different in

each jurisdiction, but we have some options as a scaled traditional player, but also on the crypto side, I think we will have our pick of what's best in each jurisdiction, and that's something we're definitely closely looking at.

Chris Koegel^ Okay. The next question is from Madi Daleiden from JPMorgan.

Madeline Daleiden^ This is Madi on for Ken. On shorting, has Robinhood experienced a noticeable pickup in customers applying for margin accounts in order to participate in the short selling since your 3Q launch? What have early adoption numbers and customer behavior looked like in these first few months?

Vladimir Tenev^ Yes. So shorting is something that we've announced at the HOOD Summit event in Vegas a couple of weeks ago. Customers are very excited about it. It's somewhat hard to believe that we've been able to get to this point without offering shorting. But we've been rolling it out to employees and doing final testing. It's actually not yet rolled out to external customers. So, we think people will love it, but too early to tell. I guess to answer your question, no. I mean I don't think the increase in margin usage has been in anticipation of shorting because it's just not yet available.

Chris Koegel^ The next question is from Tannor with Future Investing.

Tannor^ First off, I just wanted to start off with a -- can you guys hear me?

Jason Warnick^ Yes. We can hear you.

Tannor^ Okay. Sorry. With a crypto question around crypto staking on the Robinhood platform so far, if there's any insights there? Then also just maybe a small request, if you guys are open to publishing event contract volume on their monthly metrics updates going forward? That's it.

Jason Warnick^ On the amount stake, I think it's -- we exited the quarter at about \$1 billion. The market has been pretty volatile over the last few days. So, I think it's come down a little bit, but customers are responding very well to the ability to stake.

Vladimir Tenev^ And what about the event contract volume published and monthly metrics?

Jason Warnick^ Yes. I'll leave that with Shiv as something to consider. I don't want to promise that for him, but we do like, in all seriousness, being as transparent as possible for investors, and we're always looking at ways to provide incremental disclosure to help you understand the business. So that's something we'll look at.

Vladimir Tenev^ Yes. Thanks for the suggestion.

Chris Koegel^ Alright. That is the last question from our virtual queue. Is there anybody else in the audience here who didn't get to ask a question earlier that wants to ask a question?

Alright. Well, I think let's pass it back to you, Vlad.

Vladimir Tenev^ Okay. I think you guys should know that we are not slowing down. The team remains incredibly excited to continue our mission, and there's so much to do. Roadmap is full. AI event is coming up, which I think will be very, very exciting. So hopefully, some of you will be able to join us there, at least virtually.

And to commemorate this occasion, bittersweet though it might be, I've learned that Jason has a favorite dessert. So, we've actually brought one here, and Jason wanted to share this with everyone in person and virtually, vicariously. A Baked Alaska.

Jason Warnick^ You all wonder why I'm retiring.

Vladimir Tenev^ Unfortunately, they wouldn't let us light it here even though that would have been very cool.

Jason Warnick^ It looks incredible. It's the first time I've ever had it, actually. Growing up, my favorite was lemon meringue pie, and this brings back fond memories. And underneath, I anticipate there's ice cream, which is my favorite.

Vladimir Tenev^ I wish they gave me the lighter, and that I just tried unsuccessfully to light it.

Jason Warnick^ Thank you. And I appreciate all the kind words of encouragement. I do believe we're leaving the company in an incredible position. I think you're going to find in short order that Shiv is, if not an upgrade, equally as good at driving the company forward. So, thank you.

Vladimir Tenev^ Thank you. We'll see if he can finish an entire one of these. It looks like there's one for each of us up here.

Shiv Verma^ We'll bring some of the team to help with that.

Jason Warnick^ Alright. Thank you.

Vladimir Tenev^ Thank you, all.