Robinhood Markets, Inc. Q2 2026 Earnings Call Transcript

Robinhood Participants

- Vladimir Tenev, Chairman and Chief Executive Officer
- Shiv Verma, Chief Financial Officer
- Chris Koegel, Vice President, Corporate Finance and Investor Relations

Other Participants

- Zack N., Retail Shareholder
- John H., Retail Shareholder
- Joe T., Retail Shareholder
- Dan Dolev, Mizuho, Analyst
- Daniel Fannon, Jefferies, Analyst
- David Smith, Truist, Analyst
- Devin Ryan, Citizens, Analyst
- Christian Bolu, Autonomous, Analyst
- Ramsey El-Assal, Cantor Fitzgerald, Analyst
- James Yaro, Goldman Sachs, Analyst
- Daniel N., Retail Shareholder
- Jon Ma, Artemis
- Craig Maurer, FT Partners, Analyst
- Alexander B., Retail Shareholder
- Amit, Amit Is Investing, Finance Content Creator
- Steven Chubak, Wolfe Research, Analyst
- Craig Siegenthaler, Bank of America, Analyst
- Alex Markgraff, KeyBanc, Analyst
- Brian Bedell, Deutsche Bank, Analyst
- Patrick Moley, Piper Sandler, Analyst
- Ben Budish, Barclays, Analyst
- Ed Engel, Compass Point, Analyst
- Andrew Harte, BTIG, Analyst
- Michael Cyprys, Morgan Stanley, Analyst
- Gav, WOLF Financial, Finance Content Creator

Operator

Thank you to everyone for joining Robinhood's Q2 2026 Earnings Call, whether you're tuning into the live stream or here with us in person. With us today are Chairman and CEO Vladimir Tenev, CFO Shiv Verma, and VP of Corporate Finance and Investor Relations, Chris Koegel. Vlad and Shiv 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 Shiv.

Vladimir Tenev

Wow. Thank you guys for joining. Thanks for the warm welcome. And it's awesome to see a packed house here.

We're back again at Nasdaq in New York City - taking a big bite out of the Big Apple with Shiv and Chris. Largest audience yet for an Earnings event - I remember, Shiv, last year was when we did the first event with analysts in person, and we were worried, would anyone come? And not too many people did, but the people that did had a lot of fun. And now, I'm glad to see the word has spread. So, it's really great to see shareholders, analysts, buy side and sell side, content creators in the audience here.

It's been about five years - actually, I think exactly five years - since we rang the bell at the Nasdaq. And in that time, we've really accomplished significant growth, and we've delivered for our customers. In that time period since IPO, Total Platform Assets have quadrupled and Adjusted EBITDA has more than 8x'd. But one thing hasn't changed - why we exist.

Robinhood exists to make everyone an owner. And I think that's a unique vision - I don't think a lot of companies are going after this. It's a powerful vision - not just for each individual customer - but I think also for society at large.

I think that a society without ownership broadly distributed is very fragile. And we think broad ownership is essential to a free, stable, and prosperous society, because when more people have stake in the outcome - more skin in the game - they're literally invested in the outcome. And we want more people to be invested in the companies of our great country - and I think we've just scratched the surface for what we can do there.

To achieve our aspirations of making everyone an owner, we're focused on three things. Number one, being number one in active traders, which will allow customers to own any tradable asset. Number two is being the leader in wallet share for the next generation, bringing ownership to the entire family - so, the whole family, and, really, lifelong ownership. And then number three, building the leading global financial ecosystem, which is really about expanding the ownership that we've been able to contribute to in the US, worldwide. Billions of people around the world could benefit.

So, in Q2, our continued product velocity across these three arcs led to a bunch of records.

On the active trader front, core business is humming, which drove market share gains and record volumes across not just equities, but also options and prediction markets in the quarter. Also, have to highlight, Rothera started supporting Robinhood prediction markets, and has rapidly become a top three DCM - so, top three designated contract market in the US. We also launched the first version of agentic trading, which allows customers to build AI agents to trade equities, options, and crypto, and to have access to Robinhood tools and features. We're very excited about that.

So, looking at wallet share, Trump Accounts have officially launched - which is a historic step towards enabling broad financial ownership from birth. We're honored to serve as broker and sole initial trustee, helping millions of American children become owners of our great economy from day one.

We also crossed an exciting milestone for the Robinhood Gold Card - 1 million cardholders - that's a number we're very excited about. And, actually, the Gold Card is now driving over $17 billion in annualized purchase volume. So, it's being heavily used - I think a lot of people in this room might have them. Plus, we broke $3 billion in Robinhood Banking deposits since we began rolling out just last November.

And all of this put together contributed to record Net Deposits. Customers are continuing to trust us with more and more of their assets, which in turn helped drive Total Platform Assets to record levels in the quarter as well.

Finally, global financial ecosystem. We closed our acquisition of WonderFi in Canada, we received our capital markets services license in Singapore, and at our crypto and international event - The World is Flat - we introduced a suite of products, including Robinhood Chain, which is the first chain purpose-built for real world assets.

And we've been seeing a lot of great initial traction on all these products, but in particular, the chain. So, we saw over $12 billion in DEX volume - so, that's over $12 billion in trading volume on decentralized exchanges - after launch, which made it one of the largest chains by transaction volume over the past week. It was also the fastest chain to get to 100 million transactions. I think we're well north of 150 million transactions at this point, which is very, very cool.

Also, customers have deposited over $200 million into Robinhood Earn. So, remember, Robinhood Earn is our stablecoin lending product that's powered by Robinhood Chain and our stablecoin [partnership], USDG. Now, it allows customers to earn 7% of APY, which is a competitive rate. So, $200 million [in deposits] so far, and it's just been a few weeks.

Stock tokens - which I'm perhaps the most excited about - we're very excited about bringing ownership of real world assets to everyone in the world. Stock tokens are available in more than 120 countries, which allow many people around the globe to experience the idea of ownership. Tokenization makes it possible to expand exposure to high-quality assets like US stock to every single person with an internet connection. So, if you have a smartphone, have an internet connection, you can connect to our blockchain and you can get exposure to US stocks - and that's very exciting.

Overall, we're now serving over 1 million accounts outside the US, and very much at the beginning there.

So, continued product velocity across these three arcs led to record results in Q2. Record revenues of $1.3 billion - that's up 32% from last year. Record Net Deposits of $22 billion, which is a 28% annualized growth rate. And record Gold Subscribers of 4.8 million, which is now a 17% attach rate relative to our net funded accounts.

Now, I'll hand it over to Shiv to discuss our results in more detail. Shiv?

Shiv Verma

Well, thanks, Vlad. Before getting into results, I wanted to share three big takeaways from the quarter.

To start, the core business is going strong. So, Net Deposits were a record $22 billion - a 28% growth rate - and we drove new records across equities, options, prediction markets, and margin. It's also great to see top-of-funnel growth picked up as we added nearly 1 million Funded Customers in the quarter.

Second, this led to both record revenues - up 32% year-over-year - but also another quarter of strong profitability with 57% Adjusted EBITDA margins. So, we're continuing to drive strong top line growth and profitability at scale.

And lastly, we're dialed in on expenses. So, we're lowering and tightening our outlook, even as our core business grew to new highs and we layered on new products.

So, let's review our Q2 results compared to a year ago. As we said before, revenues grew 32% to a record $1.3 billion, and this was driven by strong growth across the business. Transaction volumes increased to record levels across the majority of our asset classes, and we drove market share to new highs. Interest earning assets also grew, and we had records across margin, our credit card book, and also Robinhood Banking. And finally, other revenues were up as Gold Subscribers reached an all-time high of 4.8 million and we started generating revenues for our work on the Trump Accounts.

And while product velocity continues to increase and revenues continue to grow to new highs, we also stayed disciplined on costs. Adjusted OpEx and SBC was $641 million as we managed expenses well below our prior outlook range - all while including costs related to two new businesses, Rothera and WonderFi - that were not included in our prior outlook.

As we look to the rest of the year, while we're adding costs related to Rothera and WonderFi, we also continue to get even more efficient in how we operate. And this is allowing us to both self-fund Rothera and WonderFi costs, but also remove additional costs from the system.

So, we're lowering and tightening our 2026 outlook for adjusted OpEx and SBC to a range of $2.675 billion to $2.775 billion. We believe it is a competitive advantage to not only be a growth company that can invest for the long term, but also leverage our lean and disciplined operating model to self-fund a meaningful amount of these new investments.

So, you take it all together - the strong top-line growth and expense discipline we drove in Q2 - it flowed to the bottom line. Adjusted EBITDA was $741 million, up 35% year-over-year, and a 57% margin. And earnings per share was $0.62, up 48% year-over-year.

If we turn to capital allocation, there's a few top-of-minds. In June, we opportunistically raised $2.2 billion of capital to give us even more flexibility to invest for future growth. We believe we have a massive opportunity ahead of us, and the capital gives us even more capacity to go after it. And we raised this capital at attractive terms for shareholders, with both a 0% coupon and no net dilution until our share price exceeds $300. And even while raising capital, we are prudently managing our share count. Year-to-date, we've repurchased 7.5 million shares for $664 million - and as we said before, the denominator matters.

So, overall, we're really proud of the results we drove in Q2 and Q3 is also off to a good start. July average daily volumes, compared to a record Q2, are in a similar area for equities, options, and event contracts. And July Net Deposits are tracking towards the $4 billion area - and this does not yet include deposits into the Trump Accounts.

Stepping back, we feel great about all the products we're shipping and the growth that we're driving. But we've also heard from some investors that it can be difficult to know which growth areas to focus on. So, I wanted to share three areas that we think are important for measuring progress and success on our long-term vision.

First, Net Deposits. Customers continue to trust us with their hard-earned deposits at over a 20% growth rates. As we drive strong Net Deposit growth, assets compound, and this leads to strong business growth.

Second, Rule of 40. We're driving double-digit revenue growth with strong Adjusted EBITDA margins, a combination that has made us more than a Rule of 80 company for the past few years. We think it's important to be both a growth company and a company that operates with strong margins - and all of this at our scale of over $5 billion of annual revenue, which is quite rare.

And third, $100 million ARR businesses. We're excited to share that we're now up to 13 businesses that have reached this level as we rapidly ship for customers, including two more that we added just this quarter - Robinhood Legend and the credit card. As we build out a family of financial apps, we plan to add even more $100 million ARR businesses in the year to come.

So, if we keep making progress on these areas quarter after quarter, year after year, the financial results should follow and take care of themselves. And as we've shared before, our financial North Star remains the same - maximize earnings per share and free cash flow per share for shareholders over time.

So, before I move to Q&A, I'm actually going to turn it back over to Vlad to show us a few of these great products that we've recently built. Vlad?

Vladimir Tenev

Thanks, Shiv. I want to try something a little bit different, if I may.

So, a lot of you are probably familiar with our main app. But over the past few years, we've really expanded from a single trading app to a broader ecosystem. So, what I wanted to do was just show you, give you a little tour of some of the other family of apps that we've built - and that we've really been improving upon very recently.

So, here they are, our four apps. I won't show you the main one, but why don't we start with this one here? Trump Accounts.

So, again, this has been an incredible collaboration between Treasury, National Design Studio, Robinhood - our teams - and BNY. And I believe it's the best digital experience the government has ever delivered. Actually, Secretary Bessent a couple of days ago said this was like the best launch - product launch - that the government has ever done. And I think that's high praise because, I mean, NASA, I think, would be in that.

Anyway, this is my kid's Trump Account. So, if you notice, you can select your kid there. One of the things that I think we've done really well, and maybe you'll recognize some of the design language and inspiration from Robinhood, is showing the magic of compound interest. And that's front and center. So, you not only see the account values today, but you can see what happens by age 18. And you can even simulate, okay, if I add $50 or $130 per month, what can we expect to happen with compounding to age 18? You can even see age 60, so you extend it to retirement age. And what we really wanted to do was illustrate how magical it is and get people thinking long term. You can scroll down here, and you can actually get a feeling for the companies that are in the low-cost ETFs.

And then, this is my favorite thing - the contribution flow. So, we have this awesome illustration. And we make it super easy to contribute. So if you want to do $5, my Robinhood checking account is linked, and you have this coin animation that fills up your piggy bank. You can make it a recurring contribution. And, actually, the level of the coins in the piggy bank - this is a nice little detail - corresponds exactly to how close you are to your annual giving limit of $5,000.

You can also share here. So, there's a QR code you can easily share with friends or put on a registry or have for birthdays. You can share this link at the bottom directly, too, and folks can just contribute - without even having an account - through Apple Pay, which I think is cool.

Here's the educational content. And we try to make it easy to just go through and learn the basics about the stock market and investing. And that's the idea. There's plenty more coming. We think it can be the best charitable giving vehicle, so we're working hard on that. Michael Dell, as you guys know, gave a very large donation with his wife, Susan, and many others as well. We're working to make it easy for employers to donate. So, there's a $2,500 tax-free employer limit per year, which Robinhood is participating in.

And so if you guys don't have it, I definitely recommend picking it up and getting it for your children or grandchildren. And you should expect that it just continues to get better and better. So, that's the Trump Accounts app. And again, great collaboration between Treasury, National Design Studio, BNY, and our team.

Let's take a look at the Robinhood Banking app. That's the second one up here. We believe we're building the best digital banking experience in the market. You can get a sense of the premium art deco feel. And we wanted to build a banking experience with no compromises. So, usually, other neobanks have sacrifices that you have to make from the experience being purely digital. But we want it to be a true private banking product.

One of the things people love about it most is your APY. So, we've now made it so that you can earn high APYs on both checking and savings just by setting up direct deposit and being a Gold subscriber, so no minimums. And people really love not having to think too hard and concentrate on moving their funds back and forth to make sure the bulk of their money is earning the highest yield. So, we just give you 3.5% automatically on every account. And customers love it. So far, about 40% of customers are signed up for direct deposit, which is a great attach rate.

You can also see down here, we've got the rewards menu, which we've done a redesign to make it easier to get into. So, 3% cashback you can see you can upgrade to the Gold Card, and we have all sorts of other reward redemptions. And then, down here, that's the family tab. So, you can add family members. This is really the first banking product where the family is the first-class citizen. And then, all of your transactions are down here.

So, really, I think this is a key part of building a financial ecosystem for our customers. Customers direct deposit into banking, they can spend with their credit card, cash back flows back into brokerage - which kick-starts or turbocharges their investing. And we make it incredibly easy to do that.

Also, just one note, I'm not going to show this, but we just started rolling out the Platinum Card, and it's looking really good. I think we've gone through a lot of the feedback that we had on launch. And I encourage you guys - maybe after Earnings - to check out the website, because it's looking really good.

Alright. Let me show now the third one, which is the Robinhood Wallet. So, as part of our announcements at The World is Flat, we launched Robinhood Chain mainnet. And of course, a robust chain like Robinhood Chain needs a robust wallet to match. So, let me show you how customers are using it. Now, I'll do a caveat. I'll show a lot of features that actually aren't available in the US. So, these are really just ex-US products. So, think of it that way. They're not available here, but people in over 120 countries outside [of the US] can actually use them.

So, you'll see right away, similar design language to Robinhood - but everything is powered by crypto technology. One of the tabs we have on the bottom there is perpetual futures. And the wallet itself is well-integrated into Robinhood Chain. So, the chain is a first-class citizen. So here, through our partnership with Lighter, you can - if you're an active trader outside the US - get leveraged exposure to not just crypto perps, but also commodity perps and single stock perps as well. And we make it easy to add funds, deposit, and withdraw, and place trades.

The other thing I'm very excited about is stock tokens. So here, I'll show you what they look like. This is NVIDIA. So, if you're a customer outside the US, you can get exposure to NVIDIA through stock tokens. And they have certain advantages over traditional stocks, even.

They're tradable 24/7, including Saturdays and holidays. And you can even send it on chain - you can see the address, you can receive just like you would any crypto. And this makes it really easy to expand ownership worldwide. All you need is an internet connection and to be connected to the blockchain. And looking ahead, we're going to continue to push on this. We're working on adding lots more stocks and really pushing on tokenization of other real world assets. We have a lot of momentum here, so a lot to do.

And there's plenty of other products in the pipeline. So, we have our third annual HOOD Summit in a couple of months, the Engines of Creation live from Houston, Texas. So, stay tuned for that. I think that'll be very exciting.

With that, Chris, unless you want me to show more apps, we can go to Q&A.

Chris Koegel

Thank you very much, Vlad and Shiv. For the Q&A session, we're going to start by answering shareholder questions from Say Technologies. After the Say questions, we'll turn to live questions from our audience and then go to the dial-in participants. So, I'm going to kick it off with our first question from Say, who should be joining us live. Zack, are you joining us?

Zack N.

Hey, everyone. Happy to be here. Just wanted to know what is the goal of Robinhood Social, and when will it go live for the general public?

Vladimir Tenev

Thanks for the question. I also noticed you are on Robinhood Social, if I'm not mistaken, and there was some discussion on Robinhood Social about this question. So, it's very full circle.

Yeah, the goal with Robinhood Social is, actually, Robinhood up until now has largely been a tool to place the trade, but the idea for the trade would typically come from outside. So, you'd get the idea somewhere from the real world and then come and place your trade.

And so, we asked ourselves, can we actually help customers learn from one another? Can we take advantage of the large community that we've built? And can we make it so that we can help you with idea generation? And so far, we're seeing great early signs.

And one of the advantages that we have compared to other social media platforms is since we have the trading data, we can make sure that everything is validated. And when you say you've made a trade, it's actually real, and you can see that the customer actually has the portfolio that they claim they have. So, we're adding more and more features.

The goal is to get it out to everyone by the end of the quarter. And what we're doing is we're just iterating and making sure everything like the feed ranking algorithm, all of the functionality in the posts are tuned before we make it available to everyone. But we like what we're seeing, so we feel pretty good about rolling it out before the end of the quarter.

Chris Koegel

Alright. Thank you for your question, Zack. The next question is coming from John.

John H.

Hey, guys. Hey, Shiv and Vlad. Thanks for taking my question. Mine's on the CLARITY Act. And I understand it's still moving through the senate, so things could change. But maybe if something similar were to pass, could you give an idea of what would be the most impactful aspects of that to Robinhood? And if there are delays, any impacts as well?

Vladimir Tenev

Yeah, totally. I'll field that one. So, I think the CLARITY Act is very, very important, because while the current administration has been great - and really is the first crypto-forward administration that's embracing the new technology - we want the foundation of the industry in the US to be durable. So, we don't want the floor to be shifting out from under us every four, eight years, and new rules to be put in place.

So, I think that in order for the industry to really grow, stability from - regulatory stability - is necessary, and that happens through legislation. So, we saw that with GENIUS. I think CLARITY takes it one step further.

And in particular, one of the things that we've been pushing hard on, as you saw earlier, is tokenization. We've been investing in our tokenized offerings. We think that's going to be a big industry. We're pushing that outside the US. You see some of the advantages already just in the past year from V1 of our tokenized products to V2. It's now fully on chain, now it's 24/7 trading, you can send and receive, and fractionalization by default. So, there's lots of advantages, and we think it would be a shame if the US didn't get to benefit from all those advantages.

So, we're excited about that, all of the aspects of it. And we think CLARITY helps take us one step further. But also, we're not standing still. We're pushing hard on our on chain and traditional centralized products. And we're making sure we continue to innovate overseas in some areas, but otherwise, with Robinhood Earn and other on chain products in the US.

So, we think we'll be good regardless, but of course, CLARITY is going to be very, very important to making the most out of all of these products that we've been building.

Chris Koegel

Alright. Thanks, John. And the last question from Say comes from Joe.

Joe T.

Hi Vlad, hi Shiv. Can you give us an update on early traction with Trump Accounts since the July launch? Specifically, the number of accounts opened, assets flowing in, and how you're thinking about long-term contributions to Net Deposits and assets under custody?

Vladimir Tenev

Oh, yeah - great question. Yeah, we've been very pleased with the progress thus far. So, 7 million children have signed up. We've seen over $1.5 billion in – or nearly $1.5 billion, I should say, is the number of contributions into Trump Accounts already. And again, that's before a lot of the philanthropic contributions have started flowing in.

So, yeah, we think that this is going to get to tens of millions [of children], and we're working aggressively to do that. And obviously, contributions, we believe, will continue to grow very rapidly from here - and it'll take continued hard work.

I think the great thing about programs that have success is people want a lot more things. They want them quickly. And I think, with our partners, we're working hard to deliver. So, on deck soon, making it so that employers can fund the Trump Accounts of their employees, making a great philanthropic experience.

I think for folks that want to donate and to be philanthropic, there's actually poor options available right now - there's not great options. It's kind of like there's no default option, at least. You have to evaluate charities. You have to figure out are they being wasteful with their fees? Is the money actually getting to where you want it to get to? And I think this can provide a default, great, low-cost mechanism. So, we're excited about that, and it's just the beginning.

Chris Koegel

Alright. Thank you, Vlad. And that concludes the Say portion of our Q&A. So, we're now going to go to Q&A from our live audience. We ask that each person limit their questions to one, and please raise your hand if you'd like to ask a question. Alright. Can we get the mic to Dan Dolev?

Dan Dolev

Hi, Dan Dolev at Mizuho. Congrats, Vlad. Congrats, Shiv. Amazing quarter. I think what surprised us the most on the positive side was the amazing growth in the funded accounts. Maybe you can shed some light on what part of that is structural, what you are doing? And maybe a quick update on the progress in Europe and how that is going. So, very impressive there. Thank you.

Shiv Verma

Yeah. I'm happy to start with that one, Vlad - give you a little break.

So, we said last quarter we were making a concerted effort to regrow top of funnel. And as you mentioned, really great to see the progress - a million Funded Customers, the most we've added in a quarter in nearly five years since the IPO. There were a variety of different vectors, so it wasn't any one thing. A really strong market backdrop that definitely helped. We had a lot of new products that came out, Banking, Credit Card, for example, those contributed strong organic growth. We also had the SpaceX IPO, which helped. We had an acquisition in the quarter, which provided a couple hundred thousand accounts, and we continue to grow overseas.

And so, what it's showing is just the power of the ecosystem or the financial apps that Vlad was saying. And any given time, there may be a couple different vectors that are growing. And this quarter, we saw a lot of them hit at the same time, and we're going to keep focusing on this. So whether it's through new products or marketing, it's going to be one of our top KPIs going forward.

Vladimir Tenev

More to do.

Chris Koegel

Alright. I think moving from the front row to the second row, Dan Fannon.

Daniel Fannon

Yeah. Thanks. So, wanted to talk on prediction markets and how you're thinking about sustainability as we exit the World Cup, bridge to football season. Just how you think about the long-term durability of this kind of asset class and what you're seeing outside of maybe some of the sports stuff related to macro or bigger events.

Vladimir Tenev

Yeah, absolutely. I mean, I think the great thing about prediction markets is there's events all the time. You mentioned football season that's coming up. There's also the midterms, which I think are extremely important - they're going to be a topic of discussion, of course, customers are going to want to trade them and hedge their portfolios. Yeah, and there's events just on a consistent basis. So, we're gearing up for that. We're making product improvements constantly, we're making pricing improvements.

Rothera has gone live, and I think the World Cup was really a proof of concept there. And we're looking to scale that rapidly and make it much bigger, with the goal of providing great pricing to our customers. And that's really how we think about it - can we route to multiple venues with the goal of making sure, as a customer, you get the best deal possible on Robinhood.

Chris Koegel

Alright. Thanks, Dan. Next to Dan, and there are a lot of questions in the room, so we'll keep the mic moving around. So, David Smith, do you want to take the next question?

David Smith

Hey. Thank you. In the past, you've spoken about how it's typical for new customers to come to Robinhood based on interest in one particular product and engage with you for more products over time as they become more familiar with your offerings.

With the really strong prediction market engagement we saw in June and seemingly continuing into July, can you help us get a sense of how much came from existing prediction market users, existing Robinhood customers who maybe were new to prediction markets, and also from new customers who joined Robinhood in the past month or two to transact with you in this product?

Vladimir Tenev

Shiv, how do you feel about that one?

Shiv Verma

Yeah, I'm happy to take it. So, we've said before, when you come to Robinhood to do one thing, you tend to do more. A couple of things we'll point you to. New customers still sign up for Gold about 40% to 50%. So, customers come in, their journey is they come for something - equities, options, prediction markets, crypto, banking - they discover Gold, and they discover other products.

What we're seeing is regardless of what product you come in for, you tend to sign up for Gold and you tend to adopt others. So, one thing we looked at, if you're a prediction market customer, for example, you're actually more likely to have a retirement account with Robinhood. And so, any vector you come in, whether it's banking, prediction markets, credit card, you tend to adopt others.

And so, I'd say it's just one of them that we saw were strong in the quarter. Banking was really strong. That's been a really nice new vector that's been coming in. Credit Card as well. We said we have over 1 million customers there. Q1 and Q2, you still have a little bit of retirement season, so you saw some people coming from there. And then whether there's new events in the prediction market, such as the World Cup or the midterms coming in, they come there.

The last number we shared was we had about 1.5 million people that have used the prediction markets. That number is now closer to 2 million - so, continue to grow nicely there. But I think the main takeaway is it's across all of the different products and people are coming in and adopting multiple products at the same time.

Vladimir Tenev

Yeah. On the marketing side, we continue to see strong ROIs, and it's diversified. So, strong ROIs on prediction markets, but also Gold and some of the active trader offerings as well. And I think we're in the fortunate position of having it be working really, really well across multiple fronts.

Chris Koegel

Alright. Thank you, next question - maybe Devin Ryan, back in the front row.

Devin Ryan

Thanks so much. Devin Ryan, Citizens. Hey, Vlad. Hey, Shiv. Question, Vlad. You mentioned Version 1 of agentic, and obviously, is still fairly new. But can you talk about what you're learning with customers that are using that? How is their investment performance? Is there anything else interesting that you're seeing with their behaviors?

And then how does that then map to Version 2.0? I know you guys are very focused on bringing these capabilities to all of your customers, and that's probably where this becomes a much bigger deal for Robinhood. So, how do we think about mapping that out and what that will look like and when? Thanks.

Vladimir Tenev

Yeah. I mean, since we're the first major platform doing this, we wanted to start fairly conservatively, right? So, we started with stocks and also started with the agentic account being separate from your main account. And so, what you typically see there is customers fund it with a relatively small amount of money and link their agent.

Of course, we've expanded it since then, so now options are tradable with agentic as well. And we've seen customers do really interesting things - they can put together really complex and sophisticated strategies. Crypto is coming soon as well. And we're going to expand the toolkit to cover as much as possible from the entire Robinhood ecosystem.

We've had over 100,000 people actually integrate and open up agentic accounts, which has been very cool. Yeah, the AUM in agentic or the trading volumes have also been growing, and that's been good to see. In terms of friction, I think one piece of friction has been that not everyone loves, surprisingly, going to a Codex or a Claude Code and kind of stitching together these two apps, you have to have quite a bit of sophistication in order to do that. So, we're thinking, how can we make that even easier?

And also in many cases, the models themselves aren't familiar with being used for trading. So, sometimes they'll fight you and they'll say, well, I don't know, I don't really want to trade, and you kind of have to work hard to get it to do what you want to do. And yeah, we're hard at work addressing both of those things and other things.

Chris Koegel

Alright. Thank you, Vlad. Next, let’s go to Christian Bolu sitting next to Devin Ryan.

Christian Bolu

Thanks. Christian Bolu, Autonomous. Vlad, I think you called out Rothera as a top three DCM. So, I'm just trying to think through longer-term, your vision around having a DCM, having retail distribution. Is there a possibility here that you could further build that out, whether it's perps or traditional futures, to take on maybe the top two DCMs out there?

Vladimir Tenev

Yeah. I mean, obviously, we're top three after one month, but the goal would be to keep growing that, right? We're not satisfied just with where we are after just a couple of months. And yeah, I mean, I think the roadmap on the Rothera side, not speaking for them because it is a joint venture, is to continue to grow, add more capabilities. Of course, they're definitely focused right now on the prediction markets event contracts, but over time, you should see that expanding.

And in terms of - you mentioned perps - we also have perps not just on chain like I showed you, but through our Bitstamp exchange overseas, where we've been rapidly increasing the scope of the perps offerings, now offering commodity perps.

And you should see that that inventory should expand and grow over time as well. So, I think our customers, through the Robinhood retail apps, will have access to the best products from multiple exchange providers. And our job will be to stitch that together, make it really clear what the costs are, and also make those costs as low as possible for the customers. But you should assume that it's multi-homed and that the customers can get the best of everything.

Shiv Verma

It can also be a B2B business over time - so, we can onboard additional FCMs. So, right now, we're laser focused on making sure the Robinhood customer gets a great experience, but when you think out longer-term, there's no reason why this can't be a large institutional business as well.

Chris Koegel

Christian, if you'll hand the mic right behind you to Ramsey, that'd be great.

Ramsey El-Assal

Hi, Ramsey El-Assal from Cantor. Thanks for taking my question. Now that - building on some of your comments and some of the prior questions - now that Robinhood Chain is live and thriving, how should we think about the broader DeFi roadmap for you guys?

You've got obviously tokenized assets, Robinhood Earn, perps in your wallet, I saw. What other on-chain services could be the next sort of growth opportunities? I'm thinking maybe like lending and borrowing or other yield-generating type products. Any comments?

Vladimir Tenev

Well, we already have that through partners. You can build lending and borrowing pools on chain. People have started building really interesting stuff. I think one of the really cool things about seeing so much volume - again, fastest chain to 100 million transactions - is a lot of other chains have to do a lot of work to get third-parties to integrate. I mean, we were fortunate to get pretty much all the major wallets and protocols to integrate with us over the past couple of weeks, because they saw the volume. And then that in turn, when you're a developer thinking about what chain to build for first, you're seeing all this momentum, seeing all the wallets. And we've gotten a lot of developer activity, too - we've been among the top chains in terms of developer activity.

And yeah, some of the interesting things are developers building things that compose with the real world assets, the RWAs. So, all kinds of things that utilize the stock tokens in interesting ways, in ways that we haven't thought of.

And our roadmap will be, of course, making the infrastructure better and better, making the APIs cleaner. The block speed and block times are quite good, so it's a great chain for developers, but could continue to get better. And just adding in more RWAs, more stock tokens, expanding to all kinds of other asset classes as well - which we're already hard at work on. And we think that the unique thing is us supplying the RWAs as a key primitive of the chain, making sure those work really well, and then seeing what other developers can do to compose them.

Chris Koegel

Alright. Thank you, Vlad. So, Ramsey, right behind you, James Yaro has his hand up.

James Yaro

James Yaro, Goldman Sachs. Thanks for taking the question. I wanted to touch a little bit more on perps in the US. What's the appetite to add them in the US brokerage? What are the hurdles to rolling them out? And I guess, are you looking to roll them out in the near-term, CFTC approval permitting?

Vladimir Tenev

Yeah. So, as you can imagine, we've been in conversations with CFTC, and they've been constructive. And yeah, we are making progress. So, I don't have specific things to share, but I think we feel really good about our customers having a great perps experience. And we already have it in Europe, so the work is not a large amount of work.

Chris Koegel

Alright. Thanks. James, can you pass the mic immediately to your left?

Daniel N.

Hi. Are there plans to add support for foreign stocks? Right now, investors have to buy ETFs to get exposure to certain foreign companies.

Vladimir Tenev

Yes. In short, yes. Obviously, it's on our roadmap. And over time, you should expect that, as a Robinhood customer, you have - we not only want to give US stocks to customers all over the world, but we want to give foreign stocks to customers all over the world, including to the US. So, we're going to build out a marketplace.

And I think our common infrastructure could be a real asset there. Yeah, unfortunately, it's not one of those things I can just snap my fingers and we're connected everywhere, even though I try. But yeah, it's definitely top of mind for us. And it's great to see customers always - the active traders always - want more things, so we're always busy, and we love that.

Chris Koegel

Alright. If you could pass the mic to your right and back one row.

Jon Ma

Hey, Vlad. Hey, Shiv. Jon from Artemis. Congrats on launching Robinhood Chain - $15 billion of monthly trading volume, two plus million of monthly transacting users, I think closer to $500 million of stablecoin supply.

What could go right with Robinhood Chain? Because you could offer the opportunity of having the Robinhood app to everyone globally. Like, what could go right?

Vladimir Tenev

I think a lot could go right. And, thank you, by the way. I've been enjoying your content and your analysis on X - it's been really good.

Yeah, I mean, I think that we built Robinhood Chain to be purpose-built for real world assets. I should clarify, I like memes as well. I'm like - yeah, they always get a little upset with me - Robinhood was one of the original - we kind of created this market in so many ways. So whatever it is you want to build, a Robinhood Chain can be the permissionless home for that. Our unique contribution is the real world assets. And I think we're doing really the difficult work on the liquidity side, on the regulatory side, to make sure we safely bring all of these assets on chain and make them useful.

So, we started with a first set of stock tokens. We're going to grow that over time, make them fully DeFi-enabled. And then we're already hard at work thinking about other types of real world assets that we can add.

And I think you're already starting to see some of the activities. Developers are doing really interesting things that I hadn't thought of. And I think our job is to give them better and better tools to do it. And I think the enthusiasm has been great, but there's obviously much more to do. And we're never mistaking and confusing enthusiasm with complacency.

So, we know that we just got to keep building and making sure that it's the most useful chain for developers and all of our traders.

Chris Koegel

Alright. Thanks, Jon. Can you pass the mic a couple of rows up to Craig? Thank you.

Craig Maurer

Hi. Craig Maurer with FT Partners. If I could just ask a question about the quarter. You had a disclosure in the deck showing that you're trending toward roughly $4 billion in Net Deposits. That's down quite a bit from June - it's the lowest of the year. So, I was wondering if there's any commentary around that. And does it have anything to do with - well, I also want to ask about the health of investors considering the drawdown in semis and what's been happening in the market. Thanks.

Vladimir Tenev

Yeah, I'm happy to take that one. So, our goal, as we've said, is 20% on an annualized basis. I don't look at any particular quarter and month. There will be things that change from time to time. If you look at year-to-date, including July, we're still well north of that 20%. As you mentioned, we had a really strong Q2 - great to see the engagement. It will fluctuate from time to time, but I don't read anything into it.

Net Deposits have a variety of factors. It's what's going on in the macro. It's when do we launch new products. There is some seasonality - summer tends to be a little bit slower. What promotions were going on. And so, what we're focused on is can we keep delivering for customers, can we keep doing these new products. And then over the fullness of a year or even longer, we should be growing at about 20%. And everything we're seeing is that's still happening.

In terms of the health of the customer, very healthy engagement. And our customers tend to be techno-optimists. They tend to be younger. They tend to believe. And so, they use some of these drawdowns as ways to buy. And so, on down days or down months, we tend to see really strong net buying.

That's what we saw in Q2 and we're continuing to see that. As I shared, July, the average daily volumes are very similar to the Q2 average. So, continuing to see strong Net Deposits there. And everything else that we're seeing is the health of the customer is very strong.

Vladimir Tenev

Yeah. And I'd say we have some good long-term tailwinds to that growth. So, it's not just the short-term things like promos and the macro, but we're building more durable engines of Net Deposit growth. I think banking has been a great success thus far, and it's still early - it's not yet fully integrated into the main app or the ecosystem. So, I think we have more room there. Advisor network, I think that's the beginning of what could be a really, really strong RIA integration. And as you probably know, the RIA channel is a good, durable, consistent source of Net Deposits.

We've been seeing good growth from multiple brokerage accounts. And then, of course, trusts is rolling out. So, there's a lot of people of higher net worth that use trusts and that have all of their wealth there. So, I think as we keep adding these things and keep supporting, that should just be a long-term durable tailwind for our business and Net Deposit growth.

Chris Koegel

Alright. Craig, would you mind passing up one row to Alex?

Alexander B.

Hi. Alexander here. Thanks for taking my question. So, Peter Thiel once said when asked if he regretted selling Facebook at $100 billion valuation, that each 10x up to $100 billion he saw as equal difficulty, but $100 billion to $1 trillion he imagined would be significantly harder. In hindsight, Facebook's move from $100 billion to $1 trillion may have been its easiest 10x, because it had already reached scale.

Vladimir Tenev

I like where this is going.

Alexander B.

As Robinhood approaches that $100 billion market cap, how do you think about the difficulty of the next 10x? Could getting from $100 billion to $1 trillion actually be the easiest because the scale and operating leverage you've built? What will it take for Robinhood to surpass market caps of legacy financial institutions? And do you see AI supercharging your global domination plans?

Vladimir Tenev

I've got some Board members in the audience too. I think getting to $1 trillion will be very, very difficult. I don't think a financial company has ever hit $1 trillion market cap - but I think it can be done.

As you mentioned, there's a lot of new things that are changing rapidly that I think we're on the forefront of. So, it's not just growing our brokerage business and expanding it internationally, but it's also agentic finance, and can we build great tools for agents, and can we see a world where a lot of the activity, if not the majority, goes in that direction? We're building for that.

Can we use the early success of Robinhood Chain to actually make all assets, make everything that you have in the US available to billions of people worldwide? And then we benefit from the tailwind of the rest of the world getting wealthier, and the rise of the global economy as well by giving them access to things.

Private markets, I'm very excited about. And we've seen Robinhood Ventures Fund I and now Robinhood Ventures Fund II, which is beginning the roadshow. So, we have the prospectus live. That one is focused on early stage. And the goal really with Robinhood Ventures is for us to be there for individual investors to have exposure to companies at the earliest possible stages, but really across the entire life cycle, including early stage.

And so, I think putting all these things together, I see multiple axes that the company could 10x, and I think we're going to pursue all of them.

Shiv Verma

Yeah. And we don't comment on the stock price specifically, but what we've said before is we believe we can 10x the business over the next 10 years - and that's through a lot of the vectors Vlad shared.

When you look at assets, assets are the greatest predictor of what's going to happen in financial performance. We're super excited we're nearly $400 billion today, but if you look at some of our competitors, they've got to tens of trillions of assets. So, there's no reason you can't do that. And that's just the core brokerage.

Then you go to retirement, which is even a multiple of that. Then you go into banking and crypto, which are even multiples of that. Then you go international, then you go to B2B. And so everywhere you look at it, it's pretty unique. When most companies go to their adjacent businesses, they tend to be smaller TAMs. For us, it's actually the opposite. As we go to some of these adjacent businesses, they're actually larger, so that allows us to grow.

We actually build a 10-year roadmap. And so, we look at what we want to do not just over the next 1 year, the next 5 years, but over the next 10 years. And if we execute on that, we have a really cool opportunity in front of us.

Alexander B.

And I'll just add that it wasn't long ago that Apple was the first company to hit $1 trillion, and we didn't think that all these companies would be. And now, there's $5 trillion companies, and soon we'll have $10 trillion companies. I have no doubt Robinhood will be a $1 trillion company.

Vladimir Tenev

Well, thank you.

Chris Koegel

Alright. Let’s see. Amit, do you want to take a question?

Amit

Sure. Vlad and Shiv, congrats on a great quarter. I don't know how I'm going to follow up that question.

Vladimir Tenev

Congrats on a great hoodie.

Amit

It's a nice one here. Very, very nice. Yeah, I mean, look, I think what I'm observing in the quarter, especially as someone who's been looking at the business and the trajectory over the past five years, is just really strong engagement.

AUM at almost $400 billion. You're seeing the Gold attachment rate at 17% of subscribers that are there, all-time high on Gold Subscribers. I guess, my broader question is, why do you think the engagement is becoming so strong? Why do you think customers are so willing to adopt the credit card, agentic services, try out meme coins on the Robinhood Chain? Like, what about the flywheel is working, and what do you think you can do to sustain that flywheel working for the next 10 years to hopefully get to that $1 trillion market cap?

Vladimir Tenev

Yeah, that's a great question. I think that, first off, the products have to be good, right? I mean, we've rolled out a lot of good products. I think the credit card has been really great - value prop's hard to argue with, 3% cash back on all categories, great UI, virtual cards experiences is really, really good.

And it hasn't always been, not all of them - we haven't batted a thousand, right? We've had many versions of the debit card and cash management, if you remember, [ph] duckling (00:58:47), we called it. It had various iterations before we found success there. But I think what we found is there is a flywheel, right? We get a customer in, they become a Gold Subscriber. After they become a Gold Subscriber, they look out at all the different products we offer. If those products are competitive with what's on the market or better, they'll adopt them. And then a decent chunk of their earnings - if we get the direct deposit - go into Robinhood.

And they spend time on the platform. They use us for - a lot of our customers use us for everything. And so, when we add something new, they're likely to see it and take advantage of it.

So, I think what we have to make sure that we do - and this is not an easy problem - is putting the right products in front of the right customers at the right times, making sure the entire experience is coherent. And that's actually becoming a hard problem, because the app is constantly changing. And so, the orchestration of all of these things into one story - into one financial tool - is becoming an increasing source of focus, because I still think we could do better there. And making sure that all the individual pieces - even if you're not using 10 Robinhood products, each individual one should be world-class as well. I think if we can deliver that, all the individual pieces and then stitching them together nicely, there's plenty more room.

Chris Koegel

Alright. Thank you, Vlad. As much as we've had a lot of great questions in the room, there are even more people on the phone. And so, we're going to start now and shift over to the Zoom Q&A. So, the first person asking a question on Zoom is Steven Chubak from Wolfe.

Steven Chubak

Hey. Good evening, Vlad and Shiv, and thanks for taking my question. Sorry I couldn't be there in person.

Vladimir Tenev

You're missing out, man.

Steven Chubak

I know. It's always a fun time - so, sorry I couldn't be there. But wanted to ask on the updated expense guidance. At the start of the year, you guided to 18% expense growth, of which 10% or a bit more than half of the growth was really earmarked to support new product launches, 5% to support the core business, 3% for acquisitions.

There have been a lot of moving pieces underpinning the new expense guidance. So, just wanted to better understand how the buckets have evolved under the new guidance, and whether it still contemplates a similar level of investment to support some of the more nascent growth initiatives?

Shiv Verma

Yeah. Great question. I think the really exciting part is we are able to self-fund a lot of the growth initiatives. So, we are still growing - that is not changing. Vlad just shared a lot of the different products and apps we're working on. And so, we are still a growth company, but the nice thing is because we run lean and disciplined, we can self-fund a lot of these.

And so, you mentioned the three different buckets. The short answer is the savings are coming from all of them. So, a little bit's coming from the M&A. We're being a little bit more efficient. The new M&A actually wasn't even included in those. So, we fully self-funded those.

On the core business, the teams are really, really working hard to make sure they're delivering fast, but also doing it efficiently. So, we had some savings there. And then, in the new seeds, not only are we making sure that we invested what we started the year, but we've actually added some even relative to where we started.

But when we put it all together, we're halfway through the year, we're trending well. Our lean and disciplined nature is showing through. So, we thought it was the right time to do it. But I think the takeaway is we are still growing, but we're just able to do it more efficiently. And so, now is the right time to lower our outlook.

Chris Koegel

Alright. Thank you, Shiv. Our next question is from Craig Siegenthaler at Bank of America.

Craig Siegenthaler

Vlad, Shiv, hope you guys are doing well. And Chris, nice job on emceeing this event.

Vladimir Tenev

He’s a star.

Chris Koegel

Thank you, Craig.

Craig Siegenthaler

Robinhood just received the MAS license in Singapore, so congrats on that. I think you also have two small brokerages that are live in Indonesia. So, the question is, where are you in the product rollout in Asia? What will the rollout look like relative to the US offering? And also, what countries can you passport into from Singapore?

Vladimir Tenev

Yeah. And again - just to clarify - this is for our centralized offerings. Now that we have the chain and all the DeFi offerings, we're live in a lot of countries with that. But for the centralized brokerage offerings, we did get the approval in Singapore. We are working hard to bring everything that we possibly can within, obviously, what's permissible by regulators over at MAS over there.

And I think what we've learned from the UK is it's better to get more at once rather than just launching equities, following up with options, then launching margin. So, I think what we're trying to do in subsequent launches is get more of the overall Robinhood ecosystem live at launch.

So, the team's been working hard on that. They're getting close. And I think that's generally the strategy you should expect us to take in other regions. And again, Singapore we anticipate to be the Southeast Asia and the APAC hub, so we'd be able to passport from there to lots of other countries in the region. And some of them, like Indonesia, will get direct licensure, depending on just where we see opportunity to go even deeper locally.

Chris Koegel

Alright. Thank you, Vlad. The next question is from Alex Markgraff from KeyBanc.

Alex Markgraff

Hey, guys. Thanks for taking the question. Maybe one for both, Vlad and Shiv, on Robinhood Chain and the DeFi product expansion. I'm curious how you think, Vlad, about how the effort to engage with customers and the touchpoints changed in DeFi products. Does it sort of force you to reevaluate how you interact with customers and capture the minds and wallets of customers?

And then, Shiv, just on a related note, would be curious if there's anything you can share from a monetization standpoint on how we should be thinking about those relationships versus the sort of CeFi relationships that exist today. Thanks.

Vladimir Tenev

I guess, I'll start with, yeah, how to engage with the customers. I mean, my observation is a lot of those customers hang out on Twitter and listen to podcasts, which are two areas that I'm somewhat active in already, much to the chagrin of the great Comms and Legal and Compliance teams that we have. But yeah - so I don't really see a problem. But we're always looking out for more. I'm not so active on TikTok. Maybe I'm too old. Maybe I'm too boomer-ish for that, but if I have to, I'll do it. I'll do the little dances.

Shiv Verma

Yeah, sure. The engagement - as Vlad said - it's actually coming from developers themselves. So when you build a great product, people have to find it. That's one of the beauties of Robinhood. If we launch a great product, just given our scale and distribution, they tend to do well. And then this has just been another example, whether it's DeFi or permissionless or centralized.

On the monetization piece, per transaction, we make a few basis points. Not per volume, it's per transaction. Now, it varies depending on the size of the transaction, but just think about it as a few basis points on average. And then, we do share approximately half of it with Arbitrum, who's the Level 2 that we built on top of. And so when we start to get larger and it goes through a couple of quarters, we'll break it down more specifically, but think of it as a few basis points on transactions and then a 50/50 rev share.

Chris Koegel

Alright. Thank you, Vlad and Shiv. And we'll see some of those dances later, Vlad. So, the next question comes from Brian Bedell at Deutsche Bank.

Brian Bedell

Great. Thanks. Good evening, Vlad and Shiv. How are you doing?

Vladimir Tenev

Doing well.

Brian Bedell

Excellent. My question's on Rothera, and specifically the company financial KPI contracts. With CBOE filing with the SEC to launch these potentially in the near-term, what's the interest in Rothera launching these in the near-term? And then also just in terms of migrating more of the event contracts at HOOD now to Rothera, such as NFL, how are you thinking about that game plan for the rest of the year?

Vladimir Tenev

Yeah. So, on the CBOE financial KPI contract, so my understanding is those are under the securities-based regime. So, I don't know if Rothera would be launching those right now - but obviously, Robinhood is able to connect to a wide variety of counterparties. We have a brokerage business. We also have our FCM business.

And of course, Rothera is a great joint venture that we have with SIG. So, that doesn't necessarily mean that we're not going to make all these products available to customers. I think the products, in general, are useful. There's interest. And so, we always evaluate opportunities for adding new things to the platform.

Shiv Verma

And then in terms of the flow, what we've shared is you should expect in the near- to medium-term more than the majority or a good portion will flow through Rothera. We're still making sure it can scale, and after one month, it's already doing tremendous volume. But yeah, you should expect that more and more of it will start to go through there.

Chris Koegel

Alright. Thank you. The next question is from Patrick Moley at Piper Sandler.

Patrick Moley

Yes. Hi, guys. Thanks for taking the question. Vlad, I just wanted to follow up on your earlier answer to James's question on perps. I'm just a little confused why you all are not being more aggressive with launching perps in the US. I think a little over a year ago, you submitted a comment letter supporting CFTC allowing perps in the US. They've opened the door now on a number of products. You have a few of your competitors who are either live or they're moving in that direction, and what they're really trying to do is become more of a multi-asset class platform so that they can compete more closely with you.

So, could you just elaborate on what the source of hesitation is with perps in the US? Are you worried about leverage? Are you worried about cannibalization of other products? Or is this a deliberate choice to let others take a regulatory first-mover risk? Thanks.

Vladimir Tenev

No, I don't think it's any of those things. I think we're - in some ways - in the fortunate position of having lots of great products that we see a huge opportunity in, right? And so, the roadmap - just a couple of weeks ago, we launched 13 new products that we're in the process of rolling out.

And as Shiv mentioned, we had two new businesses just in the past quarter get to $100 million ARR or more, and we see a lot more coming. And we have perps live overseas as well, both through our DeFi offerings and through centralized.

So, I wouldn't take that to mean that we don't like perps. In fact, we like them quite a bit, and we intend to offer them to our customers. I didn't give you a timeline, but I wouldn't take the absence of a timeline at Earnings to mean that we don't intend to be aggressive. I just don't like giving timelines in Earnings. That's what our events are for.

Chris Koegel

Alright. The next question is from Ben Budish at Barclays.

Ben Budish

Hey. Good evening, and thanks for taking my question. Shiv, I was wondering if you could unpack the July commentary a little bit more. You said ADV was trending similar to Q2. I guess, on a product-by-product basis, equities, options, should we assume that that's equities similar to Q2, options similar to Q2?

And then any color you could share on the take rate - I know particularly for options, that one bounces around a little bit. Crypto, you didn't include in that commentary. Curious, not to make this a multi-parter, but what drove the fee rate improvement in Q2, and then similarly, what you're seeing in Q3? So, sorry for squeezing a bunch in there, but yeah, any color there would be helpful.

Shiv Verma

Yeah. Happy to, and I'll try to make sure I hit all of them. First, the way you read it was correct. So, for July, the ADVs for equities, options, and prediction markets are all in the similar area of Q2. So, those are seeing pretty healthy engagement - all of those. In terms of crypto, it's probably a little bit slower than what we saw in Q2, and so it's early in the month, but that's what we're seeing to start.

And then for take rates, for July, they're in a similar area to what we saw for the Q2 average. So, I would use that as kind of your starting point. For what drove the improvement, take rates are an output metric. There's a lot of different things that go into them. And so, for equities and options, it's mix shift, it's volatility, it's the type of contract. For crypto, it's institutional and it's what tier. So, lots of moving pieces, but big picture, July is off to a similar ZIP code for take rates, and for most of the asset classes to the Q2 average.

Chris Koegel

Alright. Thank you, Shiv. The next question is from Ed Engel at Compass Point.

Ed Engel

Hey, guys. Thanks for taking my question. We know that you're pretty focused on bringing more of the volumes onto Rothera within prediction markets, but we did see some news reports that you're exploring some partnerships with some other exchanges as well. Just kind of high level here, I mean, do you see any opportunity to improve your economics by partnering with different exchanges, or is the focus more to bring more activity just onto Rothera?

Vladimir Tenev

It's both. I think - we're invested in Rothera, and we think that the economics there are great, and we intend to push more flow there. At the same time, we've always been connecting to additional counterparties. We first connected to ForecastEx, which is IBKR's DCM. Then we went to Kalshi, then of course, Rothera.

And so, we always are on the lookout for diversifying, making sure our customers have access to multiple options, and we're not reliant on any one individual counterparty.

Chris Koegel

Alright. Thank you. The next question is from Andrew Harte at BTIG.

Andrew Harte

Hey, Vlad and Shiv. Thanks for taking my question. Sorry, I can't be there in person. My wife's due next week. So, probably next year.

Vladimir Tenev

Congratulations.

Andrew Harte

But looking forward to setting up a Trump Account very soon. Just wanted to follow up on the top-of-funnel question. Vlad, you said earlier there's more to come. Would love to just hear areas you're focusing on for customer acquisition strategy and focus areas - just generally speaking - going forward there.

And then just another part of that, with the pattern day trading elimination, or rule elimination, did you see any benefit in the quarter? And is there anything you're doing to try to draw back customers that you might have lost in the past? That'd be great. Thanks.

Vladimir Tenev

Maybe I'll hit top-of-funnel. You can talk PDT.

I think there's a lot of improvements to the product, making sure our onboarding is really clean, particularly as we get more and more products, and you can sign up for multiple accounts, multiple assets. I think we've been spending a lot of time investing in that. Getting customers to share the product with other customers, there's always opportunity there.

And of course, we're also looking into - as banking is scaling and we're seeing traction there, as the card is getting north of 1 million cardholders - can we make it even easier for folks signing up for brokerage to get the card and turn that into an active driver of growth in the other direction? Meaning customers that are getting the card and coming for banking, can we get them into brokerage? And yeah, a lot of those are opportunities that we haven't really explored up until now. So, there's just a lot of things that we have conviction in that remain in front of us.

Shiv Verma

And in terms of the PDT, as a reminder, we're very pleased that [FINRA] removed the antiquated rule where small balance customers were penalized for the way they're trading. And so, really excited for customers there.

It was a nice tailwind in June when the rule went through. I think what we're seeing is it's broader across the whole industry - so for regardless of what brokerage. We probably had an outsized benefit relative to our peers, given our customers have smaller balances.

And what we're seeing from customers is they're still continuing to come back and adopt it. So, it's going to be something that we continue to see a tailwind for, not just this quarter, but in coming quarters. And it's too early to tell what's exactly going to be, but big picture, customers are using it, they're coming back, and we're already seeing it in NPS surveys and other methods like that, where customers who had left are really pleased they're allowed to trade again.

Chris Koegel

The next question, I think, is from Mike Cyprys at Morgan Stanley. Chris Allen at KBW? Alright. We’ll try one more and see if we can get into the hall of fame - going one for three. Next, we have Gav from WOLF Financial. Gav?

Gav

Hey, Vlad and Shiv.

Shiv Verma

Gav, hello.

Vladimir Tenev

What’s up, dude? Good to see you.

Gav

Doing well. Doing well. Super excited to be on here. I wanted to talk for just a second about AI agents and agentic trading. This, to me, is one of the most fascinating things that you've rolled out in a long time. I've already hooked it up - I've got Claude in there trading, and I could really see this driving additional volumes as it goes on, right?

People set up strategies. Now, it's trading with them and not even having to be there. And I'm really curious, milestones that you're looking forward towards in terms of agentic trading, and if you think that this could truly swell volumes really beyond the human side of trading? And then, in a second part of that, I am curious if you are going to give the AI agentic trading access to prediction markets?

Vladimir Tenev

Yeah. I mean, on the product side, the goal is to give it access to all of the tools that you would have as a human trader using Robinhood. So, it's interesting for us because Robinhood's been kind of - traditionally - pretty closed off. We've been constraining access through our interfaces.

Now, we're opening it up. So, traders and developers will get access to all of the capabilities where it makes sense. And yeah, I'll just say that the team has really been cooking on the agentic stuff. I mean, we're just - yeah - we've got lots and lots of things.

We were early to market, but I think there's so much more that can be done. So, we look forward to sharing more, including at the active trader event that we've got coming up.

Chris Koegel

Alright. I think we can finish strong here. So, Vlad, would you like to offer any closing remarks?

Vladimir Tenev

Well, first off, thank you for all the engagement, both from institutional, sell side, retail, and our content creators. I'm really proud of the community here that's coalesced around the company. And you should know, as always, the team's been working incredibly hard. The roadmap is really full, and there's a lot to do. So, hopefully see some of you at the next HOOD Summit in Houston, Texas. Thank you.