

# ROBINHOOD MARKETS, INC. (HOOD)

Financial Services – Brokerage &amp; Investment Services

April 23, 2025

## Investment Thesis

Robinhood's strong position in fintech, innovative approach to investing, and appeal to younger users make it a compelling long-term growth story. With an expanding product suite, improving fundamentals, and an implied 13.28% upside from the current market price, we believe Robinhood is undervalued relative to its growth potential and recommend a **BUY** rating.

### Drivers of Thesis

- **New Product Expansion and Revenue Diversification:** Robinhood is expected to generate \$101M in new product revenues in 2025, growing to \$297M by 2034. This reflects the firm's move into high-margin areas like credit cards, wealth management, and banking products, which contribute to revenue diversification beyond payment for order flow.
- **Attraction of a New Generation of Investors:** With a platform built around accessibility, intuitive UI, and low fees, Robinhood is well positioned to capitalize on the "Great Wealth Transfer", where an estimated \$124 trillion is expected to move to younger generations over the coming decades.
- **Strong Balance Sheet and Capital Flexibility:** Robinhood operates with virtually no long-term debt and holds significant cash reserves. This financial flexibility allows the company to aggressively invest in R&D, international expansion, and top-of-the-line marketing initiatives.

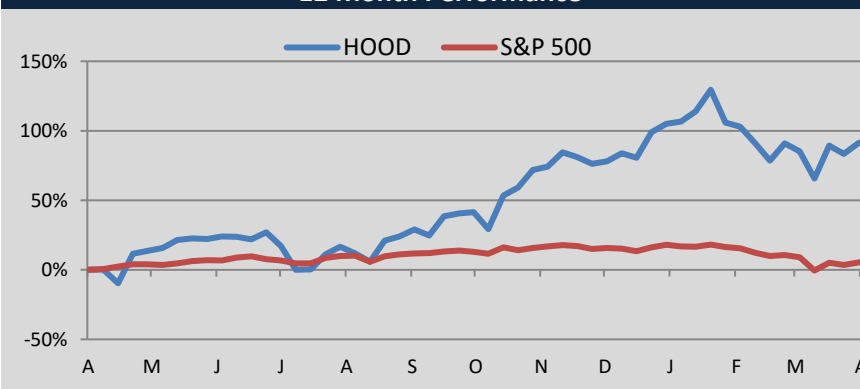
### Risks to Thesis

- **Regulatory Overhang on Payment for Order Flow (PFOF):** Transaction-based revenues (including PFOF from options, equities, and crypto) are forecasted to make up ~45% of total revenues in 2025 and remain significant through 2030. Regulatory actions that restrict PFOF could result in negative revisions to these forecasts.
- **Exposure to Volatile Markets:** Robinhood's revenue is partly dependent on active trading, especially in options and cryptocurrency, both of which are highly sensitive to market sentiment and regulations. Downturns in these segments could damage earnings potential.

## Earnings Estimates

Year	2022	2023	2024	2025E	2026E	2027E
EPS	-\$1.17	-\$0.61	\$1.60	\$1.31	\$1.59	\$1.73
HF est.				\$1.54	\$1.81	\$2.23
Growth	84.4%	48.1%	363.7%	-4.12%	18.14%	23.08%

## 12 Month Performance



## Stock Rating

**BUY**

## Target Price

**\$ 50.59**

Henry Fund DCF	\$50.59
Henry Fund Relative P/E	\$38.24

## Price Data

Current Price	\$44.66
52wk Range	\$13.98 – 66.91
Consensus 1yr Target	\$58.23

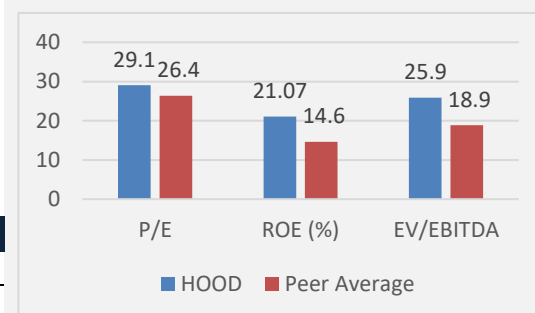
## Key Statistics

Market Cap (B)	\$39.03
Shares Outstanding (M)	881.11
Institutional Ownership	73.58%
Beta	1.62

Est. 5yr EPS CAGR	18.55%
Price/Earnings (TTM)	23.90
PEG Ratio (FY2024)	2.50
Price/Sales (TTM)	11.20
Price/Book (mrq)	4.10

## Profitability

Operating Margin	3.80%
Profit Margin	35.72%
Return on Assets (2024)	5.39%
Return on Equity (2024)	21.07%



## Company Description

Robinhood Markets, Inc. (HOOD) is a financial technology company that operates a commission-free trading platform via website and mobile app. HOOD provides access to equities, ETFs, options, and cryptocurrencies, with a mission to "democratize finance for all". The company generates revenue through payment for order flow (PFOF), interest income, and subscription services like Robinhood Gold. Beyond trading, HOOD is expanding into banking and wealth management services, positioning itself as a full-spectrum consumer finance platform.

## COMPANY DESCRIPTION

Robinhood was founded in 2013 by Vladimir Tenev and Baiju Bhatt with the goal of reimagining retail investing. They created a mobile app that allows users to trade stocks, ETFs, options, and cryptocurrencies commission-free, aiming to make investing more accessible to a new generation of investors. Named after the folklore hero who championed economic justice alongside his band of Merry Men, Robinhood was built on the belief that everyone should have access to financial markets, regardless of income, background, or experience.

The company's commission-free trading model disrupted the traditional brokerage industry, forcing legacy players like Charles Schwab, E\*TRADE, and TD Ameritrade to eliminate their own trading fees in response. This shift in pricing strategy is widely credited to Robinhood's entrance into the market and its influence on customer expectations.

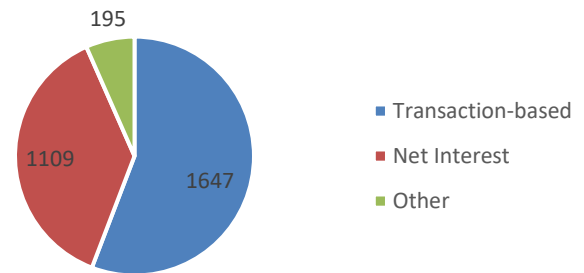
The platform also introduced a user experience that borrowed elements from gaming and social media. Including colorful animations, push notifications, and achievement-like features designed to drive engagement among younger, first-time investors. While this "gamification" of finance contributed to explosive initial growth, it also drew criticism from regulators and advocates who argued it encouraged excessive risk-taking.

Regardless of its polarizing stance in the financial services industry, many venture capital investors saw Robinhood as the future of finance. The company was valued at \$8.3 billion in May 2020, and went public with an initial public offering (IPO) on the Nasdaq in July 2021.

### Revenue Composition and Projections

Now as a publicly traded company, HOOD generates revenue from transactions, net interest income, and other sources such as subscription fees for its Robinhood Gold premium services and interest on cash balances.

Total Revenue by Segment - FY2024



Source: HOOD 10-K<sup>1</sup>

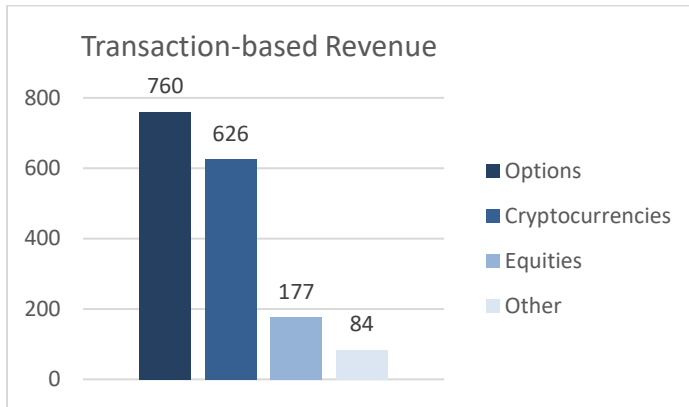
### Transaction-based Revenues

The largest portion of HOOD's revenue is transaction based, meaning it earns fees in exchange for routing users' equity, option, and cryptocurrency trade orders to market makers for execution<sup>1</sup>. Such fees are known as payment for order flow (PFOF). Robinhood does not charge users commissions on these trades, but instead it is compensated by third parties based on trade volume and order type. As a result, this revenue segment is particularly sensitive to changes in trading activity and market sentiment.

Total transaction-based revenue is projected to grow from \$1.65 billion in 2024 to \$5.04 billion by 2034, reflecting a compound annual growth rate (CAGR) of ~12%. Options trading represents the largest segment of this revenue stream, with expected growth supported by market volatility, increased participation from large financial firms, and greater activity from individual investors. Cryptocurrency-related revenue, while highly volatile, is projected to recover from recent lows. While the extraordinary gains seen during previous cycles driven by assets like Bitcoin and Ethereum are unlikely to repeat, we anticipate a more stable growth trajectory as digital assets become increasingly accepted by the public as part of mainstream investment portfolios. When compared to

street consensus, these projections align until 2028, after which growth rates are expected to stabilize.

*The chart below breaks down Robinhood's transaction-based revenues from FY2024, in millions of USD.*



Source: HOOD 10-k<sup>1</sup>

## Net Interest Revenues

Net interest revenue is the second largest contributor to Robinhood's top line, accounting for the income generated from customer activity and the company's own cash management strategies. In FY 2024, total net interest revenue reached \$929 million, representing 19.38% growth Y/Y and over 300% growth since 2021. This surge has been fueled by elevated interest rates, higher user cash balances, and growing trust in Robinhood as a reliable and accessible trading platform. The question now is not whether Robinhood has secured a place in fintech, but whether it can sustain this momentum and earn the confidence of users to hold even greater cash balances on the platform.

Robinhood earns margin interest by lending money to customers for the purchase of securities (trading on margin). Customers are charged interest on the borrowed amount, and this interest becomes a steady source of income for the company, especially when market activity is high.

Interest on segregated cash, cash equivalents, securities, and deposits is earned when Robinhood temporarily holds customers' cash that is not being actively used to buy or sell assets. Robinhood is allowed to invest this cash in

short-term, low-risk securities like treasury bills or keep it in interest-bearing accounts, generating returns.

Similarly, interest on corporate cash and investments is derived from Robinhood investing its own corporate funds. These funds are usually held in safe, interest-generating securities and give the company additional passive income.

HOOD's Cash Sweep program, which users must opt into on the mobile app or website, automatically moves, or "sweeps" uninvested customer cash into accounts at partner FDIC-insured banks. Those banks pay Robinhood a share of the interest earned on the funds deposited. As more users opt into this feature, revenue from cash sweeps grows substantially.

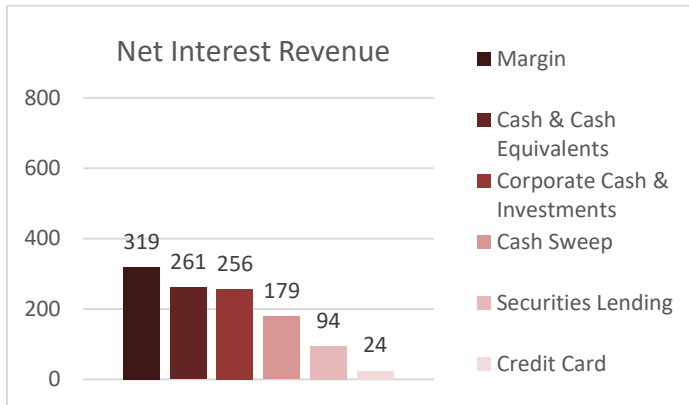
Robinhood also earns revenue from securities lending, where it temporarily loans out fully paid stocks (those that customers own outright and have agreed to lend) to institutional borrowers such as hedge funds or other third parties. These borrowers typically use the shares for things like short selling. In return, they provide Robinhood with cash collateral and an additional borrowing fee. Robinhood then invests the collateral and earns interest on it. A portion of the total earnings is shared with the original lending customer, while the remainder is kept by Robinhood as net revenue.

Finally, Robinhood has entered the credit card space through its partnership with Coastal Community Bank. The company earns net interest from customers who carry balances on their Robinhood Gold credit card. Robinhood collects interest from cardholders and pays a portion of it to the bank partner, keeping the difference as net revenue.

Net interest revenue is projected to grow from \$1.11 billion in 2024 to \$2.97 billion by 2034, reflecting a CAGR of ~10%. This growth will be supported by moderate increases in margin activity, expansion of the cash sweep program, and increased interest income from both customer and corporate funds as the rate environment remains favorable. Most notably, Robinhood's move into credit services, including its Robinhood Gold credit card, is expected to become a strong contributor to the growth of this revenue segment in the long term. These projections align with consensus estimates from 2025-2027, after

which they are expected to slowly decline to a more stable level by 2034.

The chart below breaks down Robinhood's net interest revenues from FY2024, in millions of USD.



Source: HOOD 10-k<sup>1</sup>

## Other Revenues

Robinhood's other revenues segment covers income streams outside of trading and net interest activities, including its premium subscription (Robinhood Gold), shareholder proxy services, and smaller emerging business lines. This revenue segment is significantly smaller than the other two, but represents strategic opportunities for growth.

Robinhood's Gold premium membership is priced at \$5/month or \$50/year and offers users enhanced features such as<sup>2</sup>:

- 3% match on IRA contributions (1% for non-Gold members)
- 4% APY on your uninvested brokerage cash with cash sweep
- Bigger instant deposits
- Professional research from Morningstar
- Level II market data from Nasdaq
- First \$1,000 of margin borrowed is interest free
- Zero management fees on every dollar over \$100k

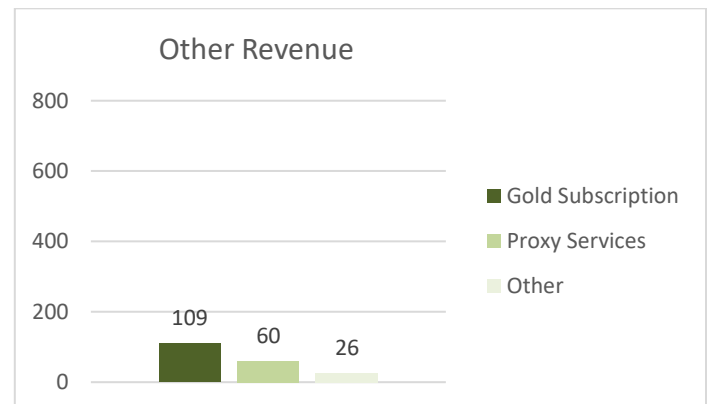
Gold subscription revenue totaled \$109 million in FY2024, supported by strong marketing and product investment that have established this premium service as a focal point for the future of the company.

Robinhood also earns fees from providing proxy services, which includes distributing materials and facilitating vote

collection on behalf of shareholders during corporate events. This revenue is earned through Say Technologies, a wholly owned subsidiary of HOOD that allows shareholders to cast votes without attending meetings in person<sup>2</sup>. While proxy services currently represent a small portion of overall revenue, the offering aligns with Robinhood's broader strategy of becoming an all-in-one financial services platform. Retail investors are encouraged not only to trade, but engage more actively in the companies they own.

Other revenues are projected to grow in line with consensus from \$195 million in FY2024 to \$465 million by 2027. Following this, other revenues growth will slow to a more stable rate, culminating in \$1.16 billion by 2034. These projections reflect increased Gold membership adoption and gradual growth in proxy service demand while also assuming a stable economic environment and consistent user engagement across Robinhood's expanding suite of tools. While these revenues are smaller in scale compared to Robinhood's trading and net interest income, they represent a high-margin, recurring source of growth for the company.

The chart below breaks down Robinhood's other revenues from FY2024, in millions of USD.

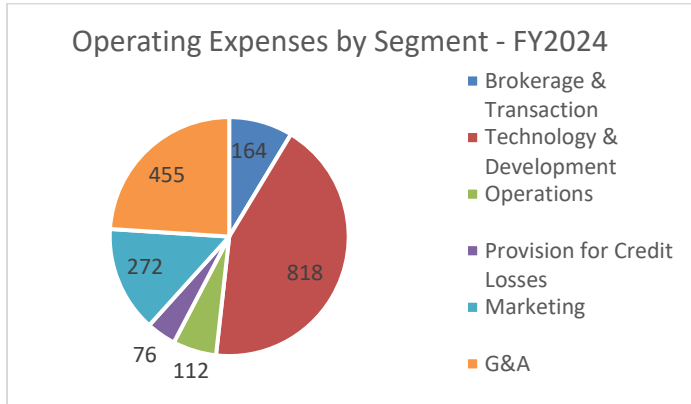


Source: HOOD 10-k<sup>1</sup>

## Cost Structure Analysis

Robinhood's operating expenses span six core categories: brokerage and transaction, technology and development, operations, provision for credit losses, marketing, and general and administrative (G&A). Total operating expenses are projected to increase from \$1.90 billion in FY2024 to a peak of \$2.11 billion by FY2028, driven by continued investment in platform development,

compliance infrastructure, and product expansion. However, beyond this peak, expenses are expected to gradually decline, stabilizing at \$1.48 billion by FY2034. This trend reflects operating leverage and economies of scale as Robinhood grows its revenue base more rapidly than its cost structure



Source: HOOD 10-k<sup>1</sup>

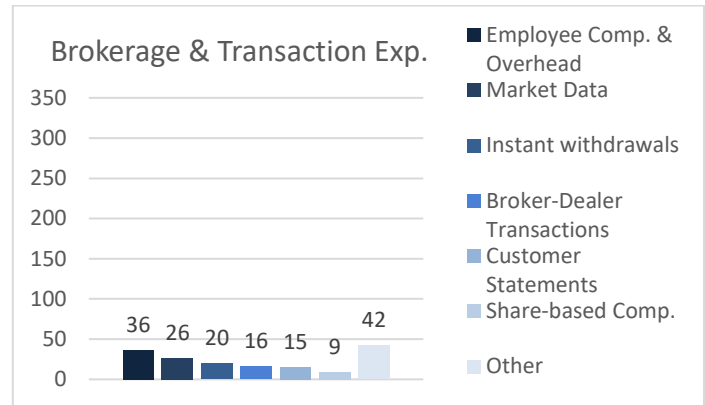
### Brokerage and Transaction Expenses

Brokerage and transaction expenses primarily consist of cash compensation and employee benefits, share-based compensation, and allocated overhead for staff involved in trading and clearing functions. These expenses also include costs related to market data, instant withdrawals, customer statements, regulatory fees, and the costs of programs like Cash Sweep and securities lending. Many of these costs are variable and tied to trading and transaction volumes on Robinhood's platforms<sup>1</sup>.

Brokerage and transaction expenses are expected to increase from \$164 million in FY2024 to a peak of \$206 million by FY2026, driven by higher platform usage and growing transaction volumes. Following this peak, expenses are projected to gradually decline and stabilize

at approximately \$127 million by FY2034, reflecting improved operational efficiency and cost management.

*The chart below breaks down Robinhood's brokerage and transaction expenses from FY2024, in millions of USD.*



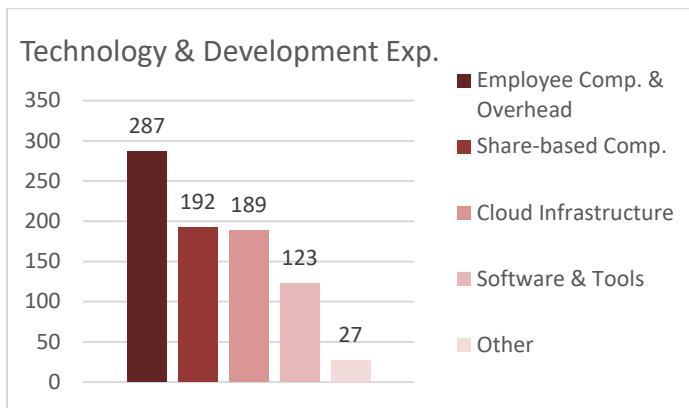
Source: HOOD 10-k<sup>1</sup>

### Technology and Development Expenses

Technology and development expenses include costs to maintain, improve, and expand Robinhood's platform and product offerings. These costs cover employee compensation and overhead for engineering, design, and data science teams. In addition, this category includes infrastructure expenses such as cloud computing services, internally developed software amortization, and other software tools needed to support product development and platform stability<sup>1</sup>.

These expenses are projected to grow from \$818 million in FY2024 to a peak of \$1.03 billion by FY2027, showing Robinhood's commitment to continuous investment and development of technology as it expands its ecosystem. Key drivers include higher cloud infrastructure usage, continued investment in internally developed tools, and expansion of engineering teams to cover new features such as credit, retirement accounts, and more. After this initial phase of heavy investment, technology and development expenses are expected to decline gradually and stabilize at approximately \$638 million by FY2034.

The chart below breaks down Robinhood's technology and development expenses from FY2024, in millions of USD.



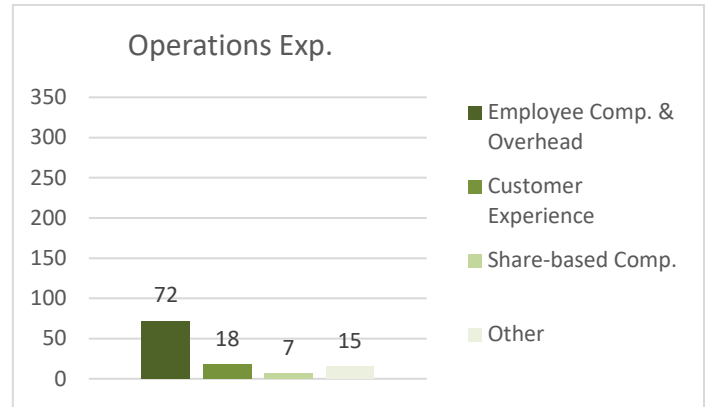
Source: HOOD 10-k<sup>1</sup>

## Operations Expenses

Operations expenses primarily relate to customer support and service. This includes salaries, benefits, and share-based compensation for employees working in customer service roles, as well as third-party vendors contribute to Robinhood's customer experience. The category also includes costs aimed at improving user experience and growing customer support along with Robinhood's user base<sup>1</sup>.

Operations expenses are forecasted to increase from \$112 million in FY2024 to \$140 million by FY2026. This projected growth is largely driven by an expanding customer base and the rising demand for support as Robinhood broadens its financial service offerings. As the platform introduces more complex products, like credit cards, wealth management, and checking and savings accounts, customer service needs are expected to increase accordingly. The same gradual decline is factored in for operations expenses, resulting in \$87 million by 2034.

The chart below breaks down Robinhood's operations expenses from FY2024, in millions of USD.



Source: HOOD 10-k<sup>1</sup>

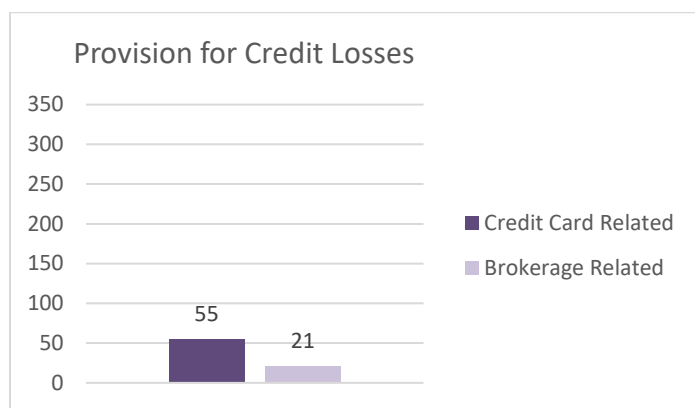
## Provision for Credit Losses

Provision for credit losses consists of expected losses related to Robinhood's credit card and brokerage products. These losses stem from two areas. First, credit card related provisions include unpaid credit balances. Second, brokerage related provisions, which are largely driven by unsecured user balances from margin lending and fraudulent deposit activity<sup>1</sup>. As Robinhood expands its credit offerings and makes their Gold credit card more widely available, these provisions play a key role in risk management.

Provisions for credit losses are projected to increase from \$76 million in FY2024 to \$95 million by FY2026, reflecting the growth in Robinhood's credit card and margin lending businesses. While these losses represent the necessary cost of scaling credit operations, the moderate growth implied by the forecasts assumes the company maintains strong risk controls, including improvements in fraud detection and credit screening. After the credit services become a more established part of the business, expenses gradually decline and settle at \$59 million by 2034.



The chart below breaks down Robinhood's brokerage and transaction expenses from FY2024, in millions of USD.



Source: HOOD 10-k<sup>1</sup>

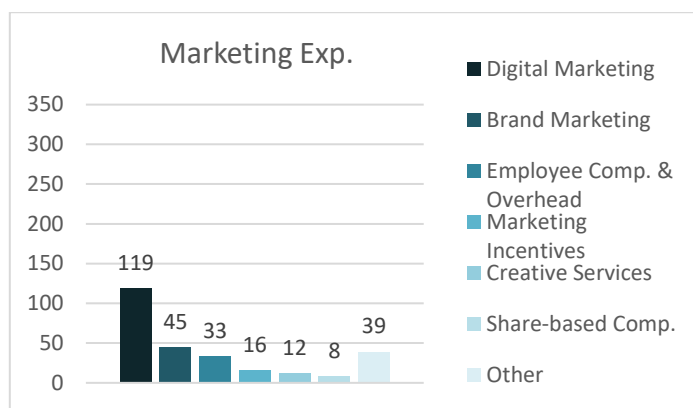
## Marketing Expenses

Marketing expenses include spending on digital and brand marketing, marketing incentives, employee compensation and overhead for the marketing teams, and creative services. These costs support Robinhood's efforts to grow its user base, increase brand awareness, and promote new products<sup>1</sup>.

Marketing has been a focal point for Robinhood in the past year, increasing expenses from \$122 million in FY2023 to \$272 million in FY2024. This spike appears to be correlated with the launch of the Robinhood Gold credit card in March 2024 and shows management's confidence in the company's new offerings.

Looking ahead, marketing expenses are expected to continue rising for the next two years, peaking at \$342 million by FY2026. As Robinhood becomes more established in the financial services industry and benefits from stronger brand recognition, marketing spend is expected to gradually decline, settling at \$212 million by FY2034.

The chart below breaks down Robinhood's marketing expenses from FY2024, in millions of USD.



Source: HOOD 10-k<sup>1</sup>

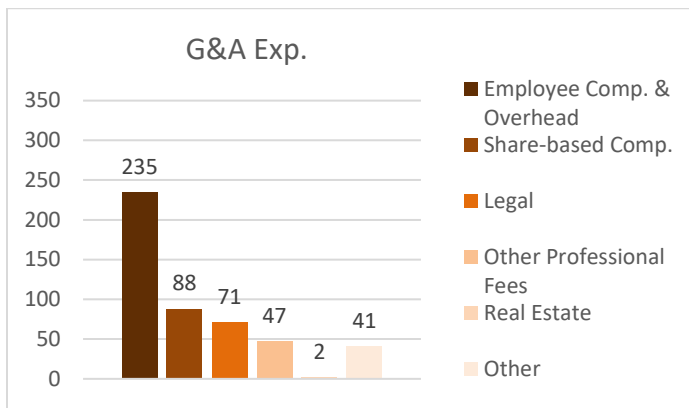
## General and Administrative (G&A) Expenses

G&A expenses cover the costs of running Robinhood's core business operations beyond product development and customer service. These expenses include employee compensation and overhead for legal, finance, HR, and executive leadership. G&A also covers legal and professional fees, business insurance, real estate charges, and settlements or penalties<sup>1</sup>.

G&A expenses are difficult to project due to their tendency to appear as one-time charges. For this reason, a historical average growth rate was used for most line items, excluding outliers.

Going forward, G&A expenses are projected to scale with the company's growth, totaling \$572 million by FY 2026. As Robinhood matures, the forecasts anticipate an increase in legal and compliance costs, reflecting a more complex regulatory environment and an expanding client base. Additionally, leadership compensation is expected to rise as the company grows, contributing significantly to total G&A costs. While G&A remains a significant portion of expenses, its relative share of total operating expenses is expected to decline over time, resulting in \$355 million by 2034.

The chart below breaks down Robinhood's brokerage and transaction expenses from FY2024, in millions of USD.



Source: HOOD 10-k<sup>1</sup>

## Debt Maturity Analysis

As of December 31, 2024, Robinhood's total debt amounted to \$10.1 billion<sup>3</sup>. However, the company's most recent 10-k filing provides little detail regarding its debt structure. Additionally, Robinhood does not offer specific guidance on its debt financing strategy in its filings.

One notable disclosure is the Robinhood Markets (RHM) March 2024 Credit Agreement, under which Robinhood signed a \$750 million revolving line of credit, with the option to increase it to \$937.5 million if certain conditions are met. This credit facility matures on March 22, 2027, and carries an interest rate based on either the Alternate Base Rate or Adjusted Term SOFR, plus a 1.50% margin. Robinhood also pays a 0.25% commitment fee on any unused portion of the facility<sup>1</sup>. While this agreement provides short-term financial flexibility, the limited transparency in Robinhood's financial reporting makes it difficult to conduct a detailed debt maturity analysis.

## ESG Analysis

Robinhood's Environmental, Social, and Governance (ESG) initiatives focus on transparency, ethical operations, and long-term impact. The company aims to give customers greater insight into how management sets priorities and runs the business, reinforcing trust and alignment with stakeholder interests. By doing so, Robinhood is positioning itself to engage a new generation of investors who want to support companies that reflect their personal beliefs and social commitments<sup>5</sup>.

## Environmental (E)

Robinhood is committed to managing its environmental footprint, with a particular focus on addressing carbon emissions that contribute to climate change. Since 2019, the company has conducted annual greenhouse gas (GHG) inventories to monitor its emissions. Additionally, Robinhood has taken steps to support clean energy development and carbon removal including (as of August 2024)<sup>6</sup>:

- 5 new solar plants
- 8,892 metric tons CO<sub>2</sub>-equivalent removals through reforestation and kelp sequestration
- 52,000 metric tons of CO<sub>2</sub>-equivalent carbon avoidance through its support of emissions-reducing projects
- 129,329 megawatt-hours of wind Renewable Energy Certificates (RECs) purchased

## Social (S)

On the social front, Robinhood is working to break down barriers that have historically prevented millions of investors from participating in financial markets. A key component of this effort is education. HOOD offers a variety of ways for customers to grow their financial knowledge including "Robinhood Learn", in-app tutorials, access to premium financial news outlets, and an easily digestible newsletter called "Sherwood Snacks". All these resources are designed to help users build financial literacy and make more informed investment decisions.

Beyond its online platform, Robinhood engages with the community through educational initiatives like student-athlete financial education, teacher training, and retirement education workshops. Internally, the company emphasizes growth, motivation, and retention by encouraging an inclusive workplace culture. It provides employees with development tools, coaching, and leadership training, while also supporting Employee Resource Groups (ERGs) that promote belonging and representation inside the organization<sup>6</sup>.

## Governance (G)

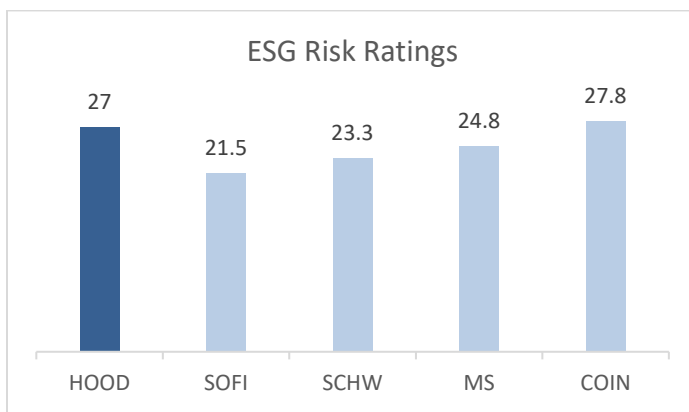
Robinhood's corporate governance framework is overseen by the Nominating and Governance Committee of the Board of Directors, which is responsible for HOOD's governance practices, including its ESG strategy, board performance, and risk management. Another board group,



the People Committee, looks after things like executive pay, leadership development, company culture, and inclusion efforts.

Protecting customer and employee data is also a top priority. The company has improved security by adding stronger data protections, automatic device approvals for certain risky actions like withdrawals, and alerts for customers whose login info may have been exposed in data breaches. Robinhood also takes a stand on public policy issues, working with lawmakers and industry players to support fair and open access to the financial markets.

*The graph below shows the ESG risk ratings of Robinhood and its peers in the financial services and fintech space.*



Source: Sustainalytics<sup>4</sup>

Robinhood's ESG rating of 27.0 places it in the medium risk range relative to its competitors. This suggests that, while HOOD is making meaningful ESG progress, there is still room for improvement compared to industry leaders.

## RECENT DEVELOPMENTS

### Expansion into Banking, Wealth, and AI

In March 2025, Robinhood hosted a keynote event titled "Robinhood Presents: The Lost City of Gold". The event was led by Co-Founder and CEO Vlad Tenev, who introduced a suite of new products designed to give users what he described as "a world-class financial team in your pocket." The announcements included Robinhood Strategies, Robinhood Banking, and Robinhood Cortex, offerings

aimed at expanding the company's presence in banking, wealth management, and personalized financial AI.

### Robinhood Strategies

This is the company's take on a robo-advisory service. Robinhood Strategies delivers tailored, expert-managed portfolios directly through the mobile app. The standout feature of this service is its pricing, offering a low 0.25% annual management fee, with a yearly cap of \$250 for Robinhood Gold members. This effectively reduces costs for users carrying higher balances in their accounts. Management becomes free for Gold members on portfolio balances above \$100,000, and the effective fee drops to 0.10% at \$250k and 0.05% at \$500k.

This addresses a common criticism of traditional advisors. That is, as your portfolio grows, so do the fees. Robinhood aims to eliminate these increased fees and instead reward users who hold a higher balance within their app.



Source: Robinhood Presents: The Lost City of Gold (YouTube)<sup>17</sup>

Compared to existing robo-advisors, SoFi Invest also charges a 0.25% annual fee but does not offer a cap<sup>8</sup>, making Robinhood's pricing more favorable for larger portfolios. Meanwhile, Charles Schwab's Intelligent Portfolios Premium markets itself as "free of annual management fees", but includes a \$25,000 minimum investment, a \$300 setup fee, and a \$30/month advisory charge<sup>7</sup>. Given the current offerings in the market, Robinhood Strategies is competitively priced and positioned to challenge other companies for user growth

going forward. This feature started rolling out to all customers in April 2025<sup>9</sup>.



Source: Robinhood<sup>9</sup>

## Robinhood Banking

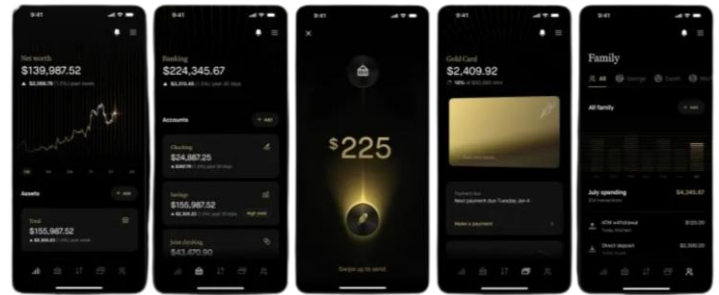
Following the launch of the Robinhood Gold Card in March 2024, which has already been issued to over 100,000 customers with a waitlist of future card holders nearing 3 million, Robinhood has unveiled the next major expansion of its “Robinhood Money” ecosystem, Robinhood Banking. This new platform is designed to offer a premium, private banking experience tailored specifically for Robinhood Gold members.

Robinhood Banking includes features typically associated with high-net-worth financial services, such as 4.0% APY on savings accounts (roughly 9x the national average), access to professional tax advisors and estate planning, individual and joint checking/savings accounts, children’s accounts with allowance and spending controls, instant transfers between Robinhood accounts, and comprehensive net worth tracking, even across external financial institutions. The goal is to create a seamless, fully integrated money management platform.

Robinhood is also including some more gimmicky features with exclusive perks such as access to events like the Met Gala, Oscars, and The Masters, private jet and helicopter travel, members-only vacation clubs, and even a service that delivers physical cash directly to a user’s doorstep<sup>9</sup>.

While the feature set is impressive, Robinhood is not a licensed bank, and all banking services will be provided through Coastal Community Bank, an FDIC-insured partner. This could raise concern among users who may prefer the stability of larger, established banks. However, Robinhood’s management has expressed confidence that this arrangement will not pose significant issues. With a

full rollout planned for fall 2025, Robinhood Banking could mark a significant step toward transforming Robinhood into a full-spectrum financial services platform.



Source: Robinhood<sup>9</sup>

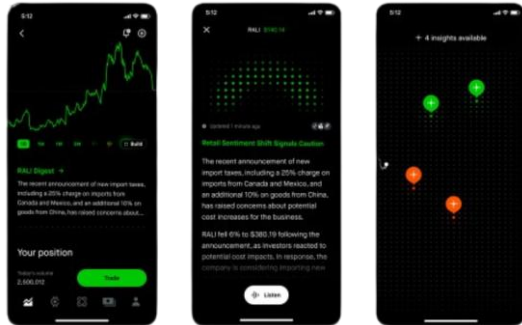
## Robinhood Cortex

Outside of wealth management and banking, Robinhood also introduced what it calls its “next big thing” in Robinhood Cortex. This AI-powered investment tool is designed to deliver real-time market analysis, identify potential investment opportunities, and provide up-to-date market news and insights. While Cortex does not execute trades for users, it serves as a powerful tool, helping investors make more informed trading decisions by showing relevant data and simplifying daily market movements.

Robinhood management expects Cortex to integrate across their platform over time, enhancing other product areas and the overall user experience. Key features at launch include Stock Digests, which clearly answer questions like “Why is this stock going up or down today?”,

and Trade Builder, a tool aimed at educating users on new investment strategies<sup>9</sup>.

With Cortex, Robinhood is signaling its ambition to become a leading player in the application of AI within financial services.



Source: Robinhood<sup>9</sup>

## INDUSTRY TRENDS

### Digital-First Financial Services

Consumers, particularly Millennials and Gen Z, are increasingly favoring digital-first financial experiences. Digital banks are reshaping the traditional banking model by operating without physical branches and offering a comprehensive suite of financial products through digital platforms.

The rise of digital banks is not only an advancement in technology, but also a response to a shift in consumer preferences. Today's customers want to manage their finances in the same way they shop, communicate, and live: digitally.

The global AI in fintech market was valued at \$8.23 billion in 2021 and is projected to reach \$61.30 billion by 2031, growing at a CAGR of 22.5%<sup>10</sup>. These numbers indicate that the digital revolution in banking is not just a trend, it is a significant change in the industry that is shaping how consumers manage their money.

### Growth of Robo-Advisory

Robo-advisors have shown notable growth in wealth management, offering low-cost, algorithm driven, investment strategies without human interaction. While they haven't fully replaced traditional financial advisors, they've become a mainstream option embraced by both fintech firms and traditional financial institutions.

Companies such as SoFi, Charles Schwab, Vanguard, Fidelity, and E\*TRADE (along with Robinhood) have all introduced their own robo-advisory platforms, each aiming to attract a new generation of investors with user-friendly interfaces, low fees, and automated portfolio management.

The market for robo-advisors continues to expand rapidly. In 2023, it was valued at \$6.36 billion and grew to \$8.01 billion by 2024. Projections suggest it will reach \$33.38 billion by 2030, growing at a CAGR of 26.7%<sup>11</sup>. As AI technology matures, robo-advisors are expected to begin using more advanced tools, playing a key role in the evolution of wealth management.

### The Great Wealth Transfer

Over the coming decades, an estimated \$124 trillion will be passed down from Baby Boomers and Gen X to Millennials and Gen Z in what is being called "The Great Wealth Transfer", the largest movement of assets in human history<sup>17</sup>. This shift represents a massive opportunity for fintech platforms that cater to younger, digitally savvy investors. HOOD is strategically positioning itself to benefit from this generational shift by building a modern, user-friendly financial ecosystem that appeals directly to the next wave of wealth holders. As these younger users inherit and grow their assets, HOOD has the potential to capture a significant share of newly transferred wealth.

### Regulatory Uncertainty

As fintech platforms continue to disrupt the financial services industry, they are operating in a regulatory gray area. Companies like Robinhood, Coinbase, and others have come under scrutiny from agencies such as the SEC and FINRA because they blur traditional boundaries between brokerage, banking, and asset management.

One of the most hotly debated regulatory issues is payment for order flow (PFOF), a core revenue stream for many fintech firms, including Robinhood. While PFOF has helped usher in zero-commission trading and expanded access for retail investors, critics argue it introduces conflicts of interest, encouraging brokers to prioritize profitability over optimal trade execution for their clients.

PFOF has already been banned in the United Kingdom, Canada, and Australia, and the European Union has

reached an agreement to prohibit it as well. In the United States, the SEC proposed a set of reforms in December 2022 that would have introduced more competitive order execution practices and tighter rules, but those proposals have yet to be implemented<sup>12</sup>. Should these reforms be brought back to light, they could have significant implications for the business models of firms that rely heavily on PFOF.

Although no final decision has been made, the outcome of these regulatory debates will be pivotal in shaping the future of digital brokerages. As regulators continue to evaluate their approach, fintech companies will need to remain flexible and in navigating an increasingly complex and evolving regulatory environment.

## PEER COMPARISONS

To understand Robinhood's position in the broader financial services landscape, it's important to compare it to peers offering similar or related financial services. Each of these companies brings a unique approach to digital finance, whether through traditional brokerage, robo-advising, cryptocurrency trading, or full-service banking. In this section, we will compare Robinhood (HOOD) to key competitors including SoFi Technologies Inc. (SOFI), Coinbase Global Inc. (COIN), E\*TRADE (owned by Morgan Stanley, MS), and Charles Schwab Corp. (SCHW).

### Market Capitalization

Company	Market Cap (\$M)	IPO Year (Age)	Market Cap/Age
HOOD	39,031	2021 (4)	9,758
SOFI	11,996	2021 (4)	2,999
COIN	44,573	2021 (4)	11,143
MS (E*TRADE)	184,396	1996 (29)	6,359
SCHW	143,917	1987 (38)	3,787

Source: FactSet<sup>3</sup>

Market capitalization provides a snapshot of a company's overall value as perceived by investors and is often used as a quick benchmark for company size and market presence. As shown in the table above, HOOD currently holds a market cap of approximately \$39 billion, placing it ahead of SOFI (\$12B) and close behind COIN (\$45B), both of which also IPO'd in 2021. However, HOOD is still significantly smaller than long-established players like

SCHW (\$144B) and MS (\$184B), who have had decades to grow.

To help level the playing field, we can look at a rough Market Cap per Year Since IPO (Age) metric. While this is by no means a perfect measure since it doesn't account for market cycles, growth spurts, or macroeconomic shifts, it does provide a simplified lens through which to view how quickly a company has scaled in the public markets.

Based on this metric, HOOD compares favorably, with a Market Cap/Age of approximately \$9.76 billion, second only to COIN. While this ratio should not be taken as a definitive ranking, it does highlight HOOD's emerging presence and potential in the competitive landscape.

### Price/Earnings (P/E) Ratio

Company	P/E (TTM)
HOOD	25.98
SOFI	27.04
COIN	18.01
MS (E*TRADE)	12.65
SCHW	25.21

Source: YahooFinance<sup>13</sup>

HOOD's P/E ratio of 25.98 places it in line with traditional players like SCHW (25.21) and just below SOFI (27.04), which also leans heavily into growth narratives. While COIN (18.01) and MS (12.65) have lower P/E ratios, that may reflect different market positioning, risk profiles, or earnings consistency.

It's important to note that higher P/E ratios aren't inherently better or worse. For a growth-oriented fintech like Robinhood, a mid-20s P/E suggests the market sees

upside potential, but with a relatively conservative approach given the historic volatility of the stock.

## Return on Equity (ROE)

Company	ROE (FY2024)
HOOD	21.07%
SOFI	6.5%
COIN	23.7%
MS (E*TRADE)	13.5%
SCHW	14.8%

Source: FactSet<sup>3</sup>

FY2024 marks Robinhood's first full year of profitability, and with it, their first reported positive ROE, coming in at 21.07%. This is a strong debut and places HOOD near the top of its peer group. Among the companies compared, only COIN (23.7%) posted a higher ROE.

Robinhood's ROE stands out, outperforming more established players MS (13.5%), SCHW (14.8%), and SOFI (6.5%). This strong ROE, especially as a first-time profitable company, suggests growing operational efficiency and a business model that is becoming more effective.

## EV/EBITDA

Company	EV/EBITDA (FY2024)
HOOD	25.9
SOFI	26.2
COIN	18.7
MS (E*TRADE)	N/A
SCHW	11.8

Source: FactSet<sup>3</sup>

When comparing enterprise value relative to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA), HOOD (25.9) falls right in line with other growth-oriented fintech peers such as SOFI (26.2). This suggests that both companies are valued at a premium relative to their earnings, which is often the case for businesses that investors expect to grow rapidly in the near term.

COIN (18.7) trades at a lower EV/EBITDA, which may reflect a mature earnings profile, or perceived risks related to the crypto market. Meanwhile, traditional players like SCHW (11.8) tend to have lower multiples, a reflection of steadier earnings and slower growth. MS (E\*TRADE) was

excluded from this specific comparison due to a lack of standalone EBITDA data for E\*TRADE.

In Robinhood's case, the company's elevated EV/EBITDA multiple indicates that the market continues to price in long-term upside.

## Revenue Drivers

Company	Main Revenue Drivers
HOOD	PFOF, Interest Income, Commission-free Trading
SOFI	Lending (Personal, Student Loans), Interest Income, PFOF
COIN	Crypto Trading Fees, Blockchain Services
MS (E*TRADE)	Net Interest Income, Advisory Fees, Margin Lending
SCHW	Net Interest Income, Asset Management Fees, Trading Commissions

Source: HOOD 10-k<sup>1</sup>, SOFI Invest<sup>8</sup>, COIN<sup>16</sup>, Morganstanley.com<sup>15</sup>, Schwab.com<sup>13</sup>

When comparing the main revenue drivers of leading financial service companies, each firm caters their offerings to their core customer bases and company strengths. Traditional players like SCHW and MS derive the bulk of their revenue from net interest income and asset management or advisory fees. These models tend to be stable and interest-rate sensitive, but do not possess the same growth potential as newer platforms.

In contrast, COIN is heavily reliant on transaction fees from cryptocurrency trading. This is a highly volatile, but potentially lucrative revenue stream. Crypto saw a very positive year in FY2024, hence the elevated numbers in the previous charts. If crypto were to see a dip, COIN is heavily leveraged in this space and would experience significant drops in profitability.

SOFI is unique in its heavy reliance on lending, especially in personal and student loans, positioning it more like a digital bank than a brokerage platform<sup>8</sup>. Meanwhile, HOOD derives revenue from payment for order flow, interest income, and trading. What differentiates HOOD is its ability to monetize a large customer base without charging commission on trades. As Robinhood expands into areas like banking, robo-advising, and AI financial



tools, the company is diversifying its revenue beyond trading while maintaining a strong foundation. Given its tech-forward approach, expanding ecosystem, and appeal to Millennial and Gen Z investors, Robinhood is uniquely positioned to capture share in a rapidly evolving financial landscape.

## ECONOMIC OUTLOOK

### Fed Funds Rate/1-Year T-Bill Yield

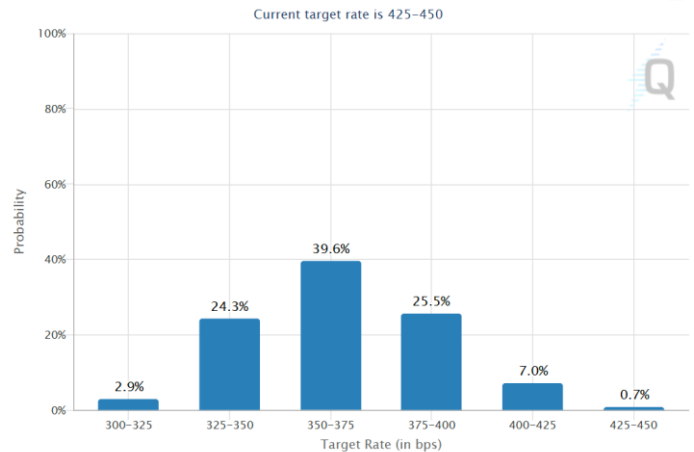
Short-term interest rates, like the Fed Funds Rate and 1-year T-Bill, are key macroeconomic variables for financial platforms like Robinhood. These rates directly impact HOOD's net interest income, the portion of its revenue that comes from uninvested customer cash and margin accounts. Currently, the Fed Funds Rate stands at 4.5%, with the members of the Henry Fund projecting a slight decline to 4.32% over the next six months, reflecting expectations of a soft landing or more stable inflation. The 1-Year T-Bill yield sits at 4.04%, with the Fund projecting a slight drop to 3.93%.

Even with these projected decreases, short-term rates remain high compared to historical norms. For Robinhood, this elevated rate environment is a net positive, enabling the company to generate interest income without increasing other costs for its users. While a gradual decline in rates may slightly reduce this revenue stream, HOOD's

expansion into new financial services suggests less reliance on interest income in the near future.

*The table below shows the target Fed Funds Rate probabilities for the October 2025 Fed meeting (6 months from now).*

TARGET RATE PROBABILITIES FOR 29 OCT 2025 FED MEETING



Source: CME Fedwatch<sup>19</sup>

### CPI Inflation Rate

We expect an increase in Consumer Price Index (CPI) Inflation in the next six months, with a projected rate of 3.16%, up from the current 2.8%. As trade tensions and tariffs continue to shake the U.S. economy, inflationary pressures are likely to remain. For Robinhood, the impact of rising inflation is mixed. On one hand, elevated inflation could delay potential Fed rate cuts, helping to maintain higher short-term interest rates, which supports Robinhood's net interest income. On the other hand, higher inflation can decrease customer purchasing power, potentially slowing retail investor activity and trading volume on their platform. Still, Robinhood remains one of the cheapest and most easily accessible financial tools on

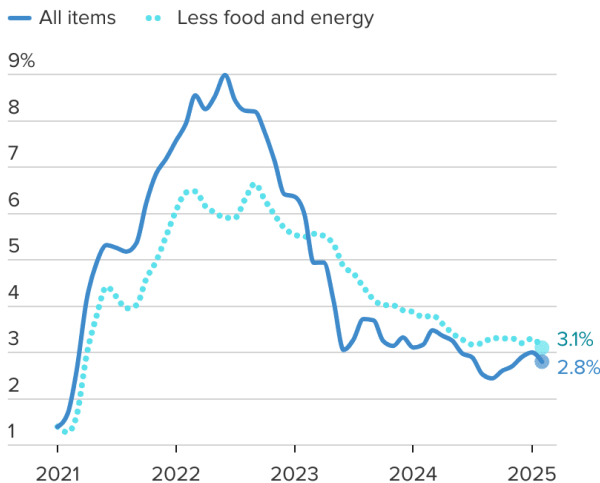


the market, positioning it well to retain users even during inflationary periods.

The chart below shows historical trends in the US consumer price index.

### U.S. consumer price index

Year-over-year percent change | Jan. 2021–Feb. 2025



Source: CNBC <sup>20</sup>

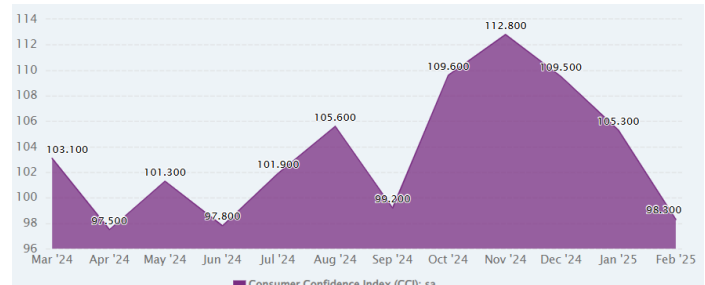
## Consumer Confidence

The current consumer confidence index stands at 92.9, and the Henry Fund projects a continued decline over the next six months. This downward trend is largely attributed to increased volatility in the equity markets, driven by the US-China trade tensions and global tariffs. These factors have created uncertainty in the global economy, leading to concerns among consumers. However, for Robinhood, this volatility may actually present an opportunity.

A report from April 14, noted that Goldman Sachs posted record quarterly revenue from equities trading, rising 27% Y/Y, likely due to increased client activity in reaction to market volatility<sup>18</sup>. This heightened trading volume

directly benefits Robinhood, as the platform earns revenue from each transaction executed on its platform.

The chart below shows the US consumer confidence index from 2024-Feb 2025, illustrating the continued downward trend.



Source: Ceicdata<sup>21</sup>

## VALUATION

### WACC

Robinhood's WACC calculation involves determining the costs of equity and debt, and weighing them according to their proportions in the capital structure. The cost of equity is estimated using the Capital Asset Pricing Model (CAPM), resulting in a cost of equity of 12.30%. The cost of debt, adjusted for HOOD's marginal tax rate, returns an after-tax cost of debt of 4.36%. The WACC is then determined as a weighted average of these costs, resulting in an estimated WACC of 10.68%.

### Discounted Cash Flow (DCF) & Economic Profit (EP)

Key inputs for the DCF model include a continuing value (CV) growth of NOPLAT at 5%, a CV Year return on invested capital (ROIC) of 41.90% and a cost of equity ( $R_E$ ) of 12.30%. The present value (PV) of FCF from 2025 to 2034 is combined with the PV of the CV to estimate the value of operating assets at \$53.5 billion. After accounting for non-operating adjustment, dividing by shares outstanding, and adjusting to today's date, we arrive at an implied price of \$50.59 per share.

The EP model evaluates the company's value based on economic profit (EP). This is calculated by taking the beginning-of-year invested capital (IC) and multiplying it by the difference between ROE and WACC. The present value of EP from 2025 to 2034, combined with the CV, results in a total present value of EP of \$46.8 billion.

Adding back IC from 2024 gives us the same value of operating assets as the DCF model (\$53.5 billion) and an identical implied price of \$50.59 per share.

## Relative Valuation

Robinhood's projected P/E ratios for 2025 and 2026 are 29.1 and 24.6, respectively. Comparing these to the peer averages of 26.39 for 2025 and 18.64 for 2026, Robinhood's P/E ratio is higher than the peer averages, suggesting it is relatively overvalued based on earnings.

## KEYS TO MONITOR

Robinhood presents a strong investment case, but as with any investment, there are factors that could drive both upside and downside risks. Below are the key positives and negatives to monitor:

### Bull Case

**Sustained Growth in Robinhood Gold Subscribers:** Robinhood's Gold subscription service has demonstrated significant growth, with subscribers increasing by 86% year-over-year to 2.6 million in Q4 2024. This expansion contributes to a higher Average Revenue Per User (ARPU) and diversifies revenue streams beyond transaction-based income. Continued growth in this segment could enhance revenue stability and profitability.

**Expansion into New Markets:** Robinhood has already shown signs of expanding into foreign markets. Successful international expansion could exponentially increase user growth and revenue diversification.

**Growth in Assets Under Custody (AUC):** A rise in AUC indicates trust in the platform and a stickier customer base. It is important for HOOD to continue gaining the trust of consumers as a go-to financial services app.

### Bear Case

**Regulatory Challenges and Compliance Costs:** Ongoing or future regulatory challenges could lead to increased compliance costs, potential fines, and reputational damage, all of which may adversely affect HOOD's financial performance.

**Market Volatility Impact on Trading Revenues:** While market volatility can drive increased trading activity, it also introduces unpredictability in revenue streams. A

significant decline in market volatility could lead to reduced trading volumes, impacting transaction-based revenues and overall financial performance.

**Competitive Pressure in the Fintech Sector:** The fintech industry is highly competitive, with numerous players offering similar services. Increased competition could lead to margin compression, higher customer acquisition costs, and challenges in retaining users.

## INVESTMENT SUMMARY

Robinhood stands out as a disruptive force in fintech, with a strong brand, product-led innovation, and a clear path to long-term growth. Our financial model projects a revenue CAGR across transaction-based (~12%), net interest (~10%), and other revenue streams (~11%) from 2024 to 2034, supported by platform expansion into credit, banking, and AI-driven wealth management. While operating expenses are expected to peak in the near term due to investments in new services and technology, the firm achieves meaningful operating leverage by 2034. Valuation using DCF and EP yields an implied price of \$50.59, representing a 13.28% upside from the current share price of \$44.66. Despite regulatory risks related to PFOF and market sensitivity in crypto and options trading, Robinhood's scalable infrastructure, sticky user base, and expanding ecosystem position it to become a leading full-service financial platform. We recommend a **BUY** rating on Robinhood.

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Fiscal Years Ending Dec 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
(In millions except ARPU)																
<b>Funded Customers</b>	<b>5.10</b>	<b>12.50</b>	<b>22.70</b>	<b>23.00</b>	<b>23.40</b>	<b>25.20</b>	<b>26.59</b>	<b>27.89</b>	<b>29.34</b>	<b>30.82</b>	<b>32.40</b>	<b>34.05</b>	<b>35.79</b>	<b>37.61</b>	<b>39.53</b>	<b>41.55</b>
Growth	-	145.10%	81.60%	1.32%	1.74%	7.69%	5.50%	4.90%	5.20%	5.05%	5.13%	5.09%	5.11%	5.10%	5.10%	5.10%
Annual Changes Within Funded Customers:																
Beginning Funded Customers	3.30	5.10	12.50	22.70	23.00	23.40	25.20	26.59	27.89	29.34	30.82	32.40	34.05	35.79	37.61	39.53
Growth	-	54.55%	145.10%	81.60%	1.32%	1.74%	7.69%	5.50%	4.90%	5.20%	5.05%	5.13%	5.09%	5.11%	5.10%	5.10%
New Funded Customers	2.30	8.00	12.20	1.30	1.10	2.20	2.32	2.43	2.56	2.69	2.83	2.97	3.12	3.28	3.45	3.63
Growth	-	247.83%	52.50%	-89.34%	-15.38%	100.00%	5.50%	4.90%	5.20%	5.05%	5.13%	5.09%	5.11%	5.10%	5.10%	5.10%
Resurrected Customers	0.20	0.30	0.50	0.20	0.20	0.50	0.53	0.55	0.58	0.61	0.64	0.68	0.71	0.75	0.78	0.82
Growth	-	50.00%	66.67%	-60.00%	0.00%	150.00%	5.50%	4.90%	5.20%	5.05%	5.13%	5.09%	5.11%	5.10%	5.10%	5.10%
Churned Customers	(0.70)	(0.90)	(2.50)	(1.20)	(0.90)	(0.90)	(1.46)	(1.69)	(1.69)	(1.82)	(1.89)	(2.00)	(2.10)	(2.21)	(2.32)	(2.44)
Growth	-	28.57%	177.78%	-52.00%	-25.00%	0.00%	62.50%	15.24%	0.47%	7.52%	3.92%	5.70%	4.80%	5.25%	5.03%	5.14%
Ending Funded Customers	5.10	12.50	22.70	23.00	23.40	25.20	26.59	27.89	29.34	30.82	32.40	34.05	35.79	37.61	39.53	41.55
Growth	-	145.10%	81.60%	1.32%	1.74%	7.69%	5.50%	4.90%	5.20%	5.05%	5.13%	5.09%	5.11%	5.10%	5.10%	5.10%
<b>AUC</b>	<b>14,000.00</b>	<b>63,000.00</b>	<b>98,000.00</b>	<b>62,200.00</b>	<b>102,600.00</b>	<b>#####</b>	<b>255,592.50</b>	<b>322,557.74</b>	<b>455,612.80</b>	<b>587,171.00</b>	<b>705,852.93</b>	<b>805,722.30</b>	<b>885,522.05</b>	<b>946,914.29</b>	<b>992,868.24</b>	<b>#####</b>
Growth	-	350.00%	55.56%	-36.53%	64.95%	88.01%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
Components of AUC by Type of Asset:																
Equities	11,700.00	53,000.00	72,100.00	45,800.00	69,400.00	#####	173,045.00	218,382.79	308,465.69	397,535.16	477,886.95	545,501.98	599,529.18	641,093.87	672,062.29	695,041.91
Growth	-	352.99%	36.04%	-36.48%	51.53%	88.18%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
% of Ending AUC	83.57%	84.13%	73.57%	73.63%	67.64%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%	67.70%
Cryptocurrencies	400.00	3,500.00	22,100.00	8,400.00	14,700.00	35,200.00	46,640.00	58,859.68	83,139.30	107,145.77	128,802.61	147,026.57	161,588.26	172,791.00	181,176.58	187,331.36
Growth	-	775.00%	531.43%	-61.99%	75.00%	139.46%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
% of Ending AUC	2.86%	5.56%	22.55%	13.50%	14.33%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%	18.25%
Options and Futures	200.00	2,100.00	1,500.00	300.00	600.00	1,800.00	2,385.00	3,009.87	4,251.44	5,479.05	6,586.50	7,518.40	8,263.04	8,835.90	9,264.71	9,579.44
Growth	-	950.00%	-28.57%	-80.00%	100.00%	200.00%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
% of Ending AUC	1.43%	3.33%	1.53%	0.48%	0.58%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%
Cash Held by Customers	2,400.00	7,900.00	8,800.00	10,800.00	21,300.00	33,300.00	44,122.50	55,682.60	78,651.67	101,362.33	121,850.20	139,090.48	152,866.17	163,464.21	171,397.16	177,219.72
Growth	-	229.17%	11.39%	22.73%	97.22%	56.34%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
% of Ending AUC	17.14%	12.54%	8.98%	17.36%	20.76%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%	17.26%
Receivables from Customers (primarily margin balances)	(700.00)	(3,500.00)	(6,500.00)	(3,100.00)	(3,400.00)	(8,000.00)	(10,600.00)	(13,377.20)	(18,895.30)	(24,351.31)	(29,273.32)	(33,415.13)	(36,724.61)	(39,270.68)	(41,176.50)	(42,575.31)
Growth	-	400.00%	85.71%	-52.31%	9.68%	135.29%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
% of Ending AUC	-5.00%	-5.56%	-6.63%	-4.98%	-3.31%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%	-4.15%
Annual Changes Within AUC:																
Beginning AUC	8,300.00	14,100.00	63,000.00	98,000.00	62,200.00	#####	192,900.00	255,592.50	322,557.74	455,612.80	587,171.00	705,852.93	805,722.30	885,522.05	946,914.29	992,868.24
Growth	-	69.88%	346.81%	55.56%	-36.53%	64.95%	88.01%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%
% of Ending AUC	59.29%	22.38%	64.29%	157.56%	60.62%	53.19%	75.47%	79.24%	70.80%	77.59%	83.19%	87.60%	90.99%	93.52%	95.37%	96.71%
Net Deposits	4,300.00	31,000.00	27,100.00	18,400.00	17,100.00	50,500.00	31,346.25	33,482.62	66,527.53	65,779.10	59,340.97	49,934.68	39,899.87	30,696.12	22,976.98	16,864.44
Growth	-	620.93%	-12.58%	-32.10%	-7.07%	195.32%	-37.93%	6.82%	98.69%	-1.13%	-9.79%	-15.85%	-20.10%	-23.07%	-25.15%	-26.60%
% of Ending AUC	30.71%	49.21%	27.65%	29.58%	16.67%	26.18%	12.26%	10.38%	14.60%	11.20%	8.41%	6.20%	4.51%	3.24%	2.31%	1.64%
Net Market Gains (losses)	1,400.00	17,900.00	7,900.00	(54,200.00)	23,300.00	39,800.00	31,346.25	33,482.62	66,527.53	65,779.10	59,340.97	49,934.68	39,899.87	30,696.12	22,976.98	16,864.44
Growth	-	1178.57%	-55.87%	-788.08%	-142.99%	70.82%	-21.24%	6.82%	98.69%	-1.13%	-9.79%	-15.85%	-20.10%	-23.07%	-25.15%	-26.60%
% of Ending AUC	10.00%	28.41%	8.06%	-87.14%	22.71%	20.63%	12.26%	10.38%	14.60%	11.20%	8.41%	6.20%	4.51%	3.24%	2.31%	1.64%
Ending AUC	14,000.00	63,000.00	98,000.00	62,200.00	102,600.00	#####	255,592.50	322,557.74	455,612.80	587,171.00	705,852.93	805,722.30	885,522.05	946,914.29	992,868.24	1,026,597.12
Growth	-	350.00%	55.56%	-36.53%	64.95%	88.01%	32.50%	26.20%	41.25%	28.88%	20.21%	14.15%	9.90%	6.93%	4.85%	3.40%
<b>Net Deposits</b>	<b>4,295.70</b>	<b>31,034.40</b>	<b>27,405.90</b>	<b>18,400.00</b>	<b>17,100.00</b>	<b>50,500.00</b>	<b>64,149.39</b>	<b>78,644.68</b>	<b>105,162.18</b>	<b>144,944.25</b>	<b>171,604.42</b>	<b>194,299.71</b>	<b>212,953.17</b>	<b>230,005.76</b>	<b>240,187.14</b>	<b>248,037.57</b>
Growth	-	622.45%	11.69%	-32.86%	-7.07%	195.32%	27.03%	22.60%	33.72%	37.83%	18.39%	13.23%	9.60%	8.01%	4.43%	3.27%
% of Ending AUC	30.68%	49.26%	27.97%	29.58%	16.67%	26.18%	25.10%	24.38%	23.08%	24.69%	24.31%	24.11%	24.05%	24.29%	24.19%	24.16%
<b>ARPU</b>	<b>\$ 66.08</b>	<b>\$ 108.96</b>	<b>\$ 103.13</b>	<b>\$ 59.43</b>	<b>\$ 80.39</b>	<b>\$ 121.44</b>	<b>\$ 147.59</b>	<b>\$ 159.19</b>	<b>\$ 166.16</b>	<b>\$ 179.57</b>	<b>\$ 191.70</b>	<b>\$ 202.55</b>	<b>\$ 211.19</b>	<b>\$ 218.26</b>	<b>\$ 223.74</b>	<b>\$ 227.68</b>
Growth	-	64.89%	-5.35%	-42.37%	35.26%	51.07%	21.53%	7.86%	4.38%	8.07%	6.76%	5.66%	4.26%	3.35%	2.51%	1.76%
<b>Gold Subscribers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.14</b>	<b>1.42</b>	<b>2.64</b>	<b>3.62</b>	<b>4.94</b>	<b>5.97</b>	<b>7.22</b>	<b>8.16</b>	<b>9.21</b>	<b>10.41</b>	<b>11.32</b>	<b>12.32</b>	<b>13.40</b>
Growth	-	-	-	-	24.56%	85.92%	37.15%	36.37%	20.98%	20.81%	13.01%	12.97%	12.99%	8.78%	8.78%	8.78%
% of Funded Customers	-	-	-	4.96%	6.07%	10.48%	13.62%	17.70%	20.36%	23.41%	25.17%	27.06%	29.09%	30.11%	31.16%	32.25%

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<i>(in millions, except share and per share data)</i>																
<b>Revenues:</b>																
Transaction-based revenues	170.83	720.13	1,402.35	814.00	785.00	1,647.00	2,134.52	2,390.71	2,537.60	2,885.67	3,243.21	3,606.06	3,970.22	4,332.00	4,688.09	5,035.63
Growth	-	321.55%	94.73%	-41.95%	-3.56%	109.81%	29.60%	12.00%	6.14%	13.72%	12.39%	11.19%	10.10%	9.11%	8.22%	7.41%
Net interest revenues	70.64	177.44	256.96	424.00	929.00	1,109.00	1,387.07	1,552.22	1,731.88	1,926.78	2,124.21	2,322.06	2,493.68	2,658.85	2,816.94	2,967.34
Growth	-	151.19%	44.82%	65.00%	119.10%	19.38%	25.07%	11.91%	11.57%	11.25%	10.25%	9.31%	7.39%	6.62%	5.95%	5.34%
New Product revenues	-	-	-	-	-	-	101.00	120.00	140.31	161.69	183.86	206.55	229.50	252.44	275.15	297.43
Growth	-	-	-	-	-	-	-	18.81%	16.93%	15.24%	13.71%	12.34%	11.11%	10.00%	9.00%	8.10%
Other revenues	36.06	61.26	155.83	120.00	151.00	195.00	301.28	376.59	465.09	560.18	659.82	761.93	864.51	965.77	1,064.18	1,158.52
Growth	-	69.88%	154.36%	-22.99%	25.83%	29.14%	54.50%	25.00%	23.50%	20.45%	17.79%	15.47%	13.46%	11.71%	10.19%	8.87%
<b>Total net revenues</b>	<b>277.53</b>	<b>958.83</b>	<b>1,815.14</b>	<b>1,358.00</b>	<b>1,865.00</b>	<b>2,951.00</b>	<b>3,923.86</b>	<b>4,439.53</b>	<b>4,874.89</b>	<b>5,534.32</b>	<b>6,211.11</b>	<b>6,896.60</b>	<b>7,557.90</b>	<b>8,209.05</b>	<b>8,844.36</b>	<b>9,458.92</b>
Growth	-	245.48%	89.31%	-25.18%	37.33%	58.23%	32.97%	13.14%	9.81%	13.53%	12.23%	11.04%	9.59%	8.62%	7.74%	6.95%
<b>Transaction-based revenues:</b>																
Options	110.66	440.07	688.90	488.00	505.00	760.00	921.12	1,012.31	1,190.48	1,379.05	1,575.65	1,777.81	1,983.10	2,189.19	2,393.96	2,595.48
Growth	-	297.69%	56.54%	-29.16%	3.48%	50.50%	21.20%	9.90%	17.60%	15.84%	14.26%	12.83%	11.55%	10.39%	9.35%	8.42%
Cryptocurrencies	9.49	26.71	419.38	202.00	135.00	626.00	875.15	1,000.29	966.78	1,091.21	1,217.60	1,344.54	1,470.68	1,594.87	1,716.07	1,833.44
Growth	-	181.52%	1470.25%	-51.83%	-33.17%	363.70%	39.80%	14.30%	-3.35%	12.87%	11.58%	10.42%	9.38%	8.44%	7.60%	6.84%
Equities	50.69	251.20	287.73	117.00	104.00	177.00	239.13	260.65	247.62	267.67	287.19	306.03	324.10	341.32	357.65	373.04
Growth	-	395.58%	14.54%	-59.34%	-11.11%	70.19%	35.10%	9.00%	-5.00%	8.10%	7.29%	6.56%	5.90%	5.31%	4.78%	4.30%
Other	-	2.16	6.34	7.00	41.00	84.00	99.12	117.46	132.73	147.74	162.78	177.69	192.34	206.61	220.41	233.66
Growth	-	193.97%	10.50%	485.71%	104.88%	-	18.00%	18.50%	13.00%	11.31%	10.18%	9.16%	8.24%	7.42%	6.68%	6.01%
<b>Total transaction-based revenues</b>	<b>170.83</b>	<b>720.13</b>	<b>1,402.35</b>	<b>814.00</b>	<b>785.00</b>	<b>1,647.00</b>	<b>2,134.52</b>	<b>2,390.71</b>	<b>2,537.60</b>	<b>2,885.67</b>	<b>3,243.21</b>	<b>3,606.06</b>	<b>3,970.22</b>	<b>4,332.00</b>	<b>4,688.09</b>	<b>5,035.63</b>
Growth	-	321.55%	94.73%	-41.95%	-3.56%	109.81%	29.60%	12.00%	6.14%	13.72%	12.39%	11.19%	10.10%	9.11%	8.22%	7.41%
<b>Net interest revenues:</b>																
Margin interest	19.10	66.78	131.82	177.00	243.00	319.00	470.53	535.03	602.07	669.97	737.97	805.38	871.58	936.07	998.40	1,058.24
Growth	-	249.57%	97.40%	34.27%	37.29%	31.28%	47.50%	13.71%	12.53%	11.28%	10.15%	9.13%	8.22%	7.40%	6.66%	5.99%
Interest on segregated cash, cash equivalents, securities, and deposits	36.28	13.40	4.02	57.00	210.00	261.00	282.40	268.28	257.55	257.55	257.55	257.55	257.55	257.55	257.55	257.55
Growth	-	-63.06%	-69.98%	1316.85%	268.42%	24.29%	8.20%	-5.00%	-4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest on corporate cash and investments	-	-	-	103.00	288.00	256.00	294.40	338.56	372.42	409.66	450.62	495.69	520.47	546.49	573.82	602.51
Growth	-	-	-	179.61%	-11.11%	-	15.00%	15.00%	10.00%	10.00%	10.00%	10.00%	5.00%	5.00%	5.00%	5.00%
Cash sweep	-	-	-	22.00	123.00	179.00	217.49	266.42	321.04	376.98	432.81	487.30	539.45	588.51	634.01	675.68
Growth	-	-	-	459.09%	45.53%	-	21.50%	22.50%	20.50%	17.43%	14.81%	12.59%	10.70%	9.10%	7.73%	6.57%
Securities lending, net	6.38	98.17	137.15	89.00	79.00	94.00	119.38	140.27	169.31	198.40	226.69	253.52	278.42	301.13	321.51	339.57
Growth	-	1438.64%	39.72%	-35.11%	-11.24%	18.99%	27.00%	17.50%	20.70%	17.18%	14.26%	11.84%	9.82%	8.15%	6.77%	5.62%
Credit card, net	-	-	-	-	9.00	24.00	25.92	26.70	31.50	36.23	40.58	44.63	48.20	51.10	53.65	55.80
Growth	-	-	-	-	166.67%	-	8.00%	3.00%	18.00%	15.00%	12.00%	10.00%	8.00%	6.00%	5.00%	4.00%
Other	9.87	3.97	4.18	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-59.74%	5.26%	-100.00%	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses related to credit facilities	(0.99)	(4.88)	(20.22)	(24.00)	(23.00)	(24.00)	(23.04)	(23.04)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)
Growth	-	392.63%	314.13%	18.71%	-4.17%	4.35%	-4.00%	0.00%	-4.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total net interest revenues</b>	<b>70.64</b>	<b>177.44</b>	<b>256.96</b>	<b>424.00</b>	<b>929.00</b>	<b>1,109.00</b>	<b>1,387.07</b>	<b>1,552.22</b>	<b>1,731.88</b>	<b>1,926.78</b>	<b>2,124.21</b>	<b>2,322.06</b>	<b>2,493.68</b>	<b>2,658.85</b>	<b>2,816.94</b>	<b>2,967.34</b>
Growth	-	151.19%	44.82%	65.00%	119.10%	19.38%	25.07%	11.91%	11.57%	11.25%	10.25%	9.31%	7.39%	6.62%	5.95%	5.34%
<b>New Product Revenues:</b>																
<b>Total new product revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.00</b>	<b>120.00</b>	<b>140.31</b>	<b>161.69</b>	<b>183.86</b>	<b>206.55</b>	<b>229.50</b>	<b>252.44</b>	<b>275.15</b>	<b>297.43</b>
Growth	-	-	-	-	-	-	-	18.81%	16.93%	15.24%	13.71%	12.34%	11.11%	10.00%	9.00%	8.10%
<b>Other revenues:</b>																
Gold subscription revenues	-	-	-	68.00	75.00	109.00	168.41	210.51	259.88	313.13	368.82	425.90	483.24	539.84	594.85	647.59
Growth	-	-	-	10.29%	45.33%	45.33%	54.50%	25.00%	23.50%	20.45%	17.79%	15.47%	13.46%	11.71%	10.19%	8.87%
% of Total other revenues	0.00%	0.00%	0.00%	56.67%	49.67%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%	55.90%
Proxy revenues	-	-	-	44.00	61.00	60.00	92.70	115.88	143.11	172.36	203.02	234.44	266.00	297.16	327.44	356.47
Growth	-	-	-	38.64%	-1.64%	-	54.50%	25.00%	23.50%	20.45%	17.79%	15.47%	13.46%	11.71%	10.19%	8.87%
% of Total other revenues	0.00%	0.00%	0.00%	36.67%	40.40%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%	30.77%
Other	36.06	61.26	155.83	8.00	15.00	26.00	40.17	50.21	62.01	74.69	87.98	101.59	115.27	128.77	141.89	154.47
Growth	-	69.88%	154.36%	-94.87%	87.50%	73.33%	54.50%	25.00%	23.50%	20.45%	17.79%	15.47%	13.46%	11.71%	10.19%	8.87%
% of Total other revenues	100.00%	100.00%	100.00%	6.67%	9.93%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%	13.33%
<b>Total other revenues</b>	<b>36.06</b>	<b>61.26</b>	<b>155.83</b>	<b>120.00</b>	<b>151.00</b>	<b>195.00</b>	<b>301.28</b>	<b>376.59</b>	<b>465.09</b>	<b>560.18</b>	<b>659.82</b>	<b>761.93</b>	<b>864.51</b>	<b>965.77</b>	<b>1,064.18</b>	<b>1,158.52</b>
Growth	-	69.88%	154.36%	-22.99%	25.83%	29.14%	54.50%	25.00%	23.50%	20.45%	17.79%	15.47%	13.46%	11.71%	10.19%	8.87%

**Fiscal Years Ending Dec. 31**
*(in millions, except share and per share data)*
**Revenues:**
**Transaction-based revenues:**

Options

Cryptocurrencies

Equities

Other transaction-based revenues

**Total transaction-based revenues**
**Net interest revenues:**

Margin interest

Interest on segregated cash, cash equivalents, securities, and deposits

Interest on corporate cash and investments

Cash sweep

Securities lending, net

Credit card, net

Other interest revenue

Interest expenses related to credit facilities

**Total net interest revenues**
**New product revenues:**
**Total new product revenues**
**Other revenues:**

Gold subscription revenues

Proxy revenues

Other other revenues

**Total other revenues**
**Total net revenues**
**Operating Expenses:**
**Brokerage & transaction:**

Employee compensation, benefits, and overhead, excluding Share-based compensation

Market data expenses

Instant withdrawals

Broker-dealer transaction expenses

Customer statements

Share-based compensation

Q4 2022 Processing Error

Other brokerage &amp; transaction

**Total brokerage & transaction**
**Technology & development:**

Employee compensation, benefits, and overhead, excluding Share-based compensation

Share-based compensation

Cloud infrastructure services

Software and tools

Other technology &amp; development

**Total technology & development**
**Operations:**

Employee compensation, benefits, and overhead, excluding Share-based compensation

Provision for credit losses and fraud

Customer experience

Share-based compensation

Other operations

**Total operations**
**Provision for credit losses:**

Credit card related

Brokerage related

**Total provision for credit losses**
**Marketing:**

Digital Marketing

Brand Marketing

Employee compensation, benefits, and overhead, excluding Share-based compensation

Marketing incentives

Creative services

Share-based compensation

Other marketing

**Total marketing**
**General & administrative:**

Employee compensation, benefits, and overhead, excluding Share-based compensation

Share-based compensation excluding 2021 Founders Award Cancellation

Legal expenses

Other professional fees

Real estate related charges

Share-based compensation related to 2021 Founders Award Cancellation

Settlements and penalties

Business insurance

Other general &amp; administrative

**Total general & administrative**
**Total operating expenses**
**Change in fair value of convertible notes & warrant liability**

Other income (expense), net

Income (loss) before income taxes

Provision for (benefit from) income taxes

Net income (loss)

**Net income (loss) attributable to common stockholders:**

Basic

**Net income (loss) per share attributable to common stockholders:**

Basic

**Weighted-average shares used to compute net income (loss) per share attributable to common stockholders:**

Basic

Annual dividends per share

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E										
971.12	1,012.31	1,190.48	1,379.05	1,575.65	1,777.81	1,983.10	2,189.19	2,393.96	2,595.48											
825.13	1,000.29	966.78	1,091.21	1,217.60	1,344.54	1,470.68	1,594.87	1,716.07	1,833.44											
121.20	260.65	247.62	267.67	287.19	306.03	324.10	341.32	357.65	373.04											
99.12	117.46	132.73	147.74	162.79	177.69	192.34	206.61	220.41	233.66											
2,134.52	2,380.71	2,537.60	2,865.67	3,242.21	3,606.06	3,979.22	4,332.00	4,686.09	5,055.63											
470.53	535.03	602.07	669.97	737.97	805.38	871.58	936.07	998.40	1,058.24											
362.40	268.28	257.55	257.55	257.55	257.55	257.55	257.55	257.55	257.55											
294.40	338.56	372.42	409.66	450.62	495.69	520.47	546.49	573.82	602.51											
217.49	266.42	321.04	376.38	432.81	487.30	539.45	588.11	634.01	675.68											
119.38	140.27	160.31	198.40	226.69	253.52	278.42	301.13	321.51	339.57											
25.92	26.70	31.50	36.23	40.58	44.63	48.20	51.10	53.65	55.80											
(23.04)	(23.04)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)	(22.00)											
1,987.07	1,552.22	1,731.88	1,936.78	2,124.21	2,322.06	2,493.68	2,658.85	2,816.94	2,967.84											
101.00	120.00	140.31	161.89	183.86	208.55	229.50	252.44	276.13	297.48											
108.41	210.54	259.98	312.12	368.82	425.90	482.24	539.84	594.85	647.59											
92.70	115.88	143.11	172.36	203.02	234.44	266.00	297.16	327.44	356.47											
40.17	50.21	62.01	74.69	87.98	101.59	115.27	128.77	141.89	154.47											
301.28	376.39	461.09	560.58	659.82	763.53	864.51	965.77	1,064.18	1,158.52											
1,911.85	4,439.61	4,874.89	5,534.32	6,211.11	6,896.60	7,557.90	8,209.05	8,844.96	9,456.92											
24.76	45.27	44.18	40.13	36.03	32.00	28.06	24.38	26.27	28.09											
30.16	32.69	31.91	28.98	26.02	23.11	20.26	17.61	18.97	20.29											
23.20	25.15	24.55	22.29	20.01	17.78	15.59	13.54	14.58	15.61											
18.56	20.12	19.64	17.83	16.01	14.22	12.47	10.84	11.67	12.48											
10.40	18.86	18.41	16.72	15.01	13.33	11.69	10.16	10.94	11.70											
17.44	11.32	11.05	10.03	9.02	8.00	7.01	6.09	5.37	7.02											
48.72	52.81	51.54	46.81	42.03	37.34	32.73	28.44	30.64	32.77											
196.24	206.12	201.27	182.26	164.12	145.79	127.81	111.06	115.66	127.97											
332.92	360.89	352.22	319.90	287.21	255.13	223.67	194.36	209.40	223.95											
222.72	241.43	235.63	214.01	192.14	170.68	149.64	130.02	140.08	149.82											
219.24	237.46	231.95	210.66	189.14	168.01	147.30	127.99	117.90	147.48											
142.68	154.67	150.95	137.10	121.09	109.34	95.86	83.30	80.74	95.98											
31.32	31.95	33.14	30.09	27.02	24.00	21.04	18.28	19.70	21.07											
948.88	1,028.99	1,003.90	911.76	818.61	727.16	637.51	553.95	596.82	638.29											
81.52	90.54	88.36	80.25	72.05	64.00	56.11	48.76	52.53	56.18											
20.88	22.63	22.09	20.06	18.01	16.00	14.03	12.19	13.13	14.05											
8.12	8.80	8.59	7.80	7.01	6.22	5.46	4.74	5.11	5.46											
18.86	18.41	16.72	15.01	13.33	11.69	10.16	10.16	10.94	11.70											
129.92	140.83	137.45	124.84	112.08	99.56	87.29	75.85	81.72	87.39											
63.80	69.16	67.50	61.30	55.04	48.89	42.86	37.25	40.13	42.92											
26.16	25.41	25.77	21.41	21.07	18.67	16.37	14.22	15.32	16.39											
88.16	95.97	93.27	84.77	76.06	67.56	59.23	52.47	55.45	59.30											
120.00	149.64	146.04	132.64	119.09	105.79	92.74	80.59	86.82	92.86											
58.20	56.58	55.23	50.36	45.03	40.00	35.07	30.47	32.83	35.11											
38.18	45.50	40.65	33.74	28.72	24.93	21.22	18.16	20.25	20.76											
18.56	20.12	19.64	17.83	16.01	14.22	12.47	10.84	11.67	12.48											
13.92	15.09	14.73	13.38	12.01	10.67	9.35	8.13	8.76	9.36											
9.28	10.06	9.82	8.92	8.01	7.11	6.23	5.42	5.62	5.86											
45.24	40.04	47.86	61.47	39.10	34.67	30.39	26.41	28.45	29.43											
315.52	342.02	333.82	303.18	272.20	241.79	211.08	184.20	184.05	212.24											
272.60	295.50	286.41	261.94	235.17	208.90	183.15	155.14	174.46	185.37											
102.08	130.60	108.00	88.00	68.07	48.58	28.54	99.39	64.21	66.67											
82.36	89.28	87.14	79.19	71.03	63.12	55.33	48.08	51.80	55.40											
24.52	59.10	57.68	52.34	47.05	41.78	36.63	31.83	34.29	36.67											
2.12	2.12	2.13	1.00	2.18	1.56	1.56	1.56	1.56	1.56											
(33.64)	(36.47)	(35.59)	(32.32)	(29.02)	(25.78)	(22.60)	(19.64)	(21.14)	(22.63)											
47.56	51.56	50.32	45.70	41.03	36.45	31.95	27.77	29.91	31.91											
527.80	572.14	558.40	507.15	455.94	407.47	354.60	307.12	279.91	305.04											
2,200.52	2,385.36	2,328.11	2,114.40	1,896.40	1,680.54	1,478.43	1,284.94	1,190.06	1,080.24											
2,200.52	2,385.36	2,328.11	-	-	-	-	-	-	-											
1,723.34	2,054.16	2,546.78	3,419.89	4,312.71	5,210.27	6,079.47	6,924.41	7,640.30	7,978.68											
187.31	425.90	528.03	709.06	884.17	1,080.26	1,260.48	1,435.06	1,546.77	1,654.25											
1,366.04	1,628.27	2,018.75	2,710.83	3,428.54	4,130.00	4,818.99	5,488.75	5,933.53	6,324.44											
1,366.04	1,628.27	2,018.75	2,710.83	3,428.54	4,130.00	4,818.99	5,488.75	5,933.53	6,324.44											
\$	1.54	\$	1.81	\$	2.23	\$	3.00	\$	3.78	\$	4.57	\$	5.33	\$	6.07	\$	6.54	\$	6.99	
OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES	OPERATING REVENUES





**Robinhood Markets, Inc.**  
Balance Sheet

**Fiscal Years Ending Dec. 31**

**2019 2020 2021 2022 2023**

(in millions, except share and per share data)

**Assets:**

**Current Assets:**

Cash and cash equivalents	644.05	1,402.63	6,253.48	6,339.00	4,835.00
Cash, cash equivalents & securities segregated under federal & other regulations	2,420.35	4,914.66	3,992.42	2,995.00	4,448.00
Receivables from brokers, dealers, & clearing organizations	20.71	124.50	88.33	76.00	89.00
Receivables from users, net	640.17	3,354.14	6,638.90	3,218.00	3,495.00
Securities borrowed	-	-	-	517.00	1,602.00
Deposits with clearing organizations	122.48	225.51	327.92	186.00	338.00
Asset related to user cryptocurrencies safeguarding obligation	-	-	-	8,431.00	-
User-held fractional shares	-	802.48	1,834.48	997.00	1,592.00
Held-to-maturity investments	-	-	27.19	-	413.00
Prepaid expenses	-	-	-	86.00	63.00
Deferred customer match incentives	-	-	-	-	11.00
Other current assets	28.34	48.66	120.84	72.00	196.00
<b>Total current assets</b>	<b>3,876.11</b>	<b>10,872.58</b>	<b>19,283.54</b>	<b>22,917.00</b>	<b>17,082.00</b>
Property, software and equipment, net	25.30	45.83	146.42	146.00	120.00
Goodwill	-	-	100.52	100.00	175.00
Intangible assets, net	-	-	34.11	25.00	48.00
Non-current held-to-maturity investments	-	-	-	-	73.00
Non-current deferred customer match incentives	-	-	-	-	19.00
Restricted cash	5.16	7.36	23.77	-	-
Other non-current assets, including non-current prepaid expenses	37.83	62.69	180.82	149.00	107.00
<b>Total assets</b>	<b>3,944.40</b>	<b>10,988.47</b>	<b>19,769.18</b>	<b>23,337.00</b>	<b>17,624.00</b>

**Liabilities and stockholder's equity:**

**Current Liabilities:**

Accounts payable & accrued expenses	37.59	104.65	252.31	185.00	384.00
Payables to users	2,365.15	5,897.24	6,475.73	4,701.00	5,097.00
Securities loaned	674.03	1,921.12	3,651.04	1,834.00	3,547.00
User cryptocurrencies safeguarding obligation	-	-	-	8,431.00	-
Fractional shares repurchase obligation	-	-	1,834.48	997.00	1,592.00
Other current liabilities	24.61	893.04	133.79	105.00	217.00
<b>Total current liabilities</b>	<b>3,101.38</b>	<b>8,816.05</b>	<b>12,347.34</b>	<b>16,253.00</b>	<b>10,837.00</b>
Other non-current liabilities	27.66	48.01	128.75	128.00	91.00
<b>Total liabilities</b>	<b>3,129.04</b>	<b>8,864.06</b>	<b>12,476.09</b>	<b>16,381.00</b>	<b>10,928.00</b>

**Mezzanine equity:**

Redeemable convertible preferred stock	912.41	2,179.74	-	-	-
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**Stockholders' equity:**

Common stock	-	-	86.00	-	0.09
Additional paid-in capital	99.44	134.31	11,169.14	11,861.00	12,145.00
Accumulated other comprehensive income (loss)	0.19	0.47	0.41	-	(3.00)
Retained earnings (accumulated deficit)	(196.68)	(190.10)	(3,876.54)	(4,905.00)	(5,446.00)
<b>Total stockholders' equity (deficit)</b>	<b>815.36</b>	<b>2,124.42</b>	<b>7,293.01</b>	<b>6,956.00</b>	<b>6,696.00</b>
<b>Total liabilities and stockholders' equity</b>	<b>3,944.40</b>	<b>10,988.47</b>	<b>19,769.18</b>	<b>23,337.00</b>	<b>17,624.00</b>

	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
4,332.00	6,617.60	8,259.21	11,471.07	15,660.68	19,659.02	23,595.85	29,618.46	36,232.66	43,397.25	50,976.65	
4,724.00	6,124.34	6,755.95	7,233.02	8,006.14	8,760.58	9,484.26	10,133.84	10,731.75	11,273.23	11,755.16	
471.00	337.74	390.58	394.87	478.11	568.08	681.05	669.70	730.87	788.99	856.75	
8,239.00	10,789.25	12,534.93	13,216.02	14,130.74	16,048.88	18,636.11	20,310.07	21,974.52	23,459.03	24,996.72	
3,236.00	3,836.67	4,340.88	4,959.61	5,484.39	6,182.41	6,905.19	7,526.67	8,188.51	8,828.47	9,432.34	
489.00	877.03	831.13	873.65	990.50	1,155.11	1,288.05	1,438.08	1,516.51	1,630.22	1,751.55	
-	-	-	-	-	-	-	-	-	-	-	
2,530.00	3,368.80	3,830.71	4,062.28	4,721.51	5,298.30	5,877.12	6,431.04	6,965.47	7,531.43	8,051.77	
398.00	699.07	694.85	815.75	896.15	1,022.54	1,126.06	1,239.15	1,343.13	1,448.58	1,548.43	
75.00	160.26	148.04	161.85	198.11	211.89	237.04	262.71	282.51	305.26	326.93	
100.00	78.06	119.38	114.03	139.13	150.72	170.37	185.05	201.89	217.03	232.37	
509.00	496.63	561.89	617.00	700.46	786.12	872.88	956.58	1,038.99	1,119.40	1,197.18	
25,103.00	33,385.43	38,467.55	43,919.15	51,405.92	59,843.65	68,873.99	78,771.34	89,206.81	99,998.90	111,125.85	
139.00	307.23	315.00	364.70	408.64	423.75	474.98	547.94	587.22	633.52	672.52	
179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	
38.00	19.05	9.55	4.79	2.40	1.20	0.60	0.30	0.15	0.08	0.04	
-	-	-	-	-	-	-	-	-	-	-	
195.00	261.88	299.26	331.89	380.55	431.36	483.76	535.45	587.39	639.18	690.43	
-	-	-	-	-	-	-	-	-	-	-	
533.00	424.44	459.40	535.40	617.25	694.61	833.86	838.61	914.68	997.18	1,071.07	
26,187.00	34,577.02	39,729.75	45,334.93	52,993.75	61,573.56	70,846.19	80,872.64	91,475.25	102,447.84	113,738.90	
397.00	562.58	642.38	734.27	844.31	964.46	1,012.72	1,125.34	1,229.85	1,332.57	1,425.24	
7,448.00	10,002.43	11,430.10	12,676.51	14,535.17	16,475.80	18,477.11	20,451.31	22,435.42	24,413.45	26,370.95	
7,463.00	9,972.96	11,340.00	12,514.33	14,278.17	16,104.37	17,971.15	19,792.82	21,605.56	23,394.03	25,144.70	
-	-	-	-	-	-	-	-	-	-	-	
2,530.00	3,390.00	3,672.67	4,146.30	4,702.91	5,266.28	5,819.81	6,409.21	6,956.21	7,489.28	8,007.10	
266.00	350.17	396.68	450.83	528.60	567.35	631.63	695.75	760.13	819.16	870.60	
18,104.00	24,278.13	27,481.83	30,522.24	34,889.15	39,378.27	43,912.41	48,474.43	52,987.17	57,448.49	61,818.58	
111.00	169.53	179.40	203.80	227.50	257.50	284.71	312.67	339.25	365.70	391.00	
18,215.00	24,447.66	27,661.23	30,726.04	35,116.65	39,635.76	44,197.12	48,787.10	53,326.42	57,814.19	62,209.59	
-	-	-	-	-	-	-	-	-	-	-	
0.09	12.67	25.24	34.30	34.30	34.30	34.30	34.30	34.30	34.30	34.30	
12,008.00	15,966.70	18,065.01	19,836.57	22,519.85	25,273.81	28,063.17	30,754.07	33,403.68	35,988.83	38,489.56	
(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	
(4,035.00)	(5,836.34)	(5,995.48)	(5,226.68)	(4,641.76)	(3,335.01)	(1,413.11)	1,332.48	4,746.14	8,645.83	13,040.75	
7,972.00	10,129.36	12,068.53	14,608.89	17,877.09	21,937.80	26,649.06	32,085.55	38,148.82	44,633.66	51,529.31	
26,187.00	34,577.02	39,729.75	45,334.93	52,993.75	61,573.56	70,846.18	80,872.65	91,475.25	102,447.84	113,738.90	



**Robinhood Markets, Inc.**  
Historical Cash Flow Statement

**Fiscal Years Ending Dec. 31**

2019 2020 2021 2022 2023 2024

(in millions)

**Operating activities:**

Net income (loss) (106.57) 7.45 (3,686.43) (1,028.00) (541.00) 1,411.00

Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:

Depreciation and amortization	5.44	9.94	25.50	61.00	71.00	77.00
Impairment of long-lived assets	-	-	-	45.00	5.00	2.00
Provision for credit losses	11.11	59.13	78.34	36.00	43.00	76.00
Deferred income taxes	-	-	-	-	-	(369.00)
Share-based compensation	26.67	24.33	1,570.39	654.00	871.00	304.00
Change in fair value of convertible notes and warrant liability	-	-	2,045.66	-	-	-
Other	0.17	2.14	(0.11)	35.00	3.00	(2.00)

Changes in operating assets and liabilities:

Securities segregated under federal and other regulations	-	(134.99)	134.99	-	-	(397.00)
Receivables from brokers, dealers, and clearing organizations	(9.08)	(103.79)	36.18	12.00	(13.00)	(382.00)
Receivables from users, net	(64.71)	(2,771.97)	(3,361.87)	3,386.00	(298.00)	(4,592.00)
Securities borrowed	-	-	-	(517.00)	(1,085.00)	(1,634.00)
Deposits with clearing organizations	(85.55)	(103.04)	(102.40)	142.00	(152.00)	(151.00)
Current and non-current prepaid expenses	-	-	-	33.00	37.00	(25.00)
Current and non-current deferred customer match incentives	-	-	-	-	(30.00)	(265.00)
Other current and non-current assets	(47.76)	(46.06)	(189.00)	(26.00)	(18.00)	(415.00)
Accounts payable and accrued expenses	13.90	67.12	134.09	(62.00)	134.00	(35.00)
Payables to users	802.82	3,532.09	578.49	(1,775.00)	396.00	2,351.00
Securities loaned	674.03	1,247.09	1,729.92	(1,817.00)	1,713.00	3,916.00
Other current and non-current liabilities	39.62	86.81	121.51	(31.00)	45.00	(27.00)

Net cash provided by (used in) operating activities 1,260.09 1,876.25 (884.77) (852.00) 1,181.00 (157.00)

**Investing activities:**

Purchases of property, software, and equipment	(7.26)	(24.44)	(63.18)	(28.00)	(2.00)	(13.00)
Capitalization of internally developed software	(5.20)	(7.89)	(20.47)	(29.00)	(19.00)	(37.00)
Business acquisition, net of cash and cash equivalents acquired	-	-	(125.43)	-	(93.00)	(6.00)
Asset acquisition, net of cash acquired	-	-	-	-	-	(3.00)
Purchases of held-to-maturity investments	-	-	(27.20)	-	(759.00)	(556.00)
Proceeds from maturities of held-to-maturity investments	-	-	-	-	282.00	658.00
Purchases of credit card receivables by Credit Card Funding Trust	-	-	-	-	-	(748.00)
Collections of purchased credit card receivables	-	-	-	-	-	556.00
Purchases of available-for-sale investments	-	-	-	(25.00)	-	-
Proceeds from sales and maturities of available-for-sale investments	-	-	-	42.00	10.00	-
Other	0.14	-	(1.60)	(20.00)	(1.00)	1.00

Net cash used in investing activities (12.31) (32.33) (237.88) (60.00) (582.00) (148.00)

**Financing activities:**

Proceeds from issuance of common stock in connection with initial public offering, net of offering costs	-	-	2,052.38	-	-	-
Proceeds from exercise of stock options, net of repurchases	2.62	8.56	13.80	6.00	5.00	18.00
Proceeds from issuance of common stock under the Employee Share Purchase Plan	-	-	7.34	16.00	14.00	16.00
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	372.73	1,267.33	-	-	-	-
Taxes paid related to net share settlement of equity awards	-	-	(422.08)	(12.00)	(12.00)	(244.00)
Repurchase of Class A common stock	-	-	-	-	(608.00)	(257.00)
Proceeds from issuance of convertible notes and warrants	-	-	3,551.98	-	-	-
Draws on credit facilities	137.00	937.70	1,968.28	21.00	20.00	22.00
Repayments on credit facilities	(137.00)	(937.70)	(1,968.28)	(21.00)	(20.00)	(22.00)
Borrowings by the Credit Card Funding Trust	-	-	-	-	-	132.00
Repayments on borrowings by the Credit Card Funding Trust	-	-	-	-	-	(1.00)
Change in principal collected from customers due to Coastal Bank	-	-	-	-	1.00	6.00
Payments of debt issuance costs	-	-	-	(10.00)	(10.00)	(15.00)

Net cash used in financing activities 375.35 1,275.88 5,203.42 - (610.00) (345.00)

Effect of foreign exchange rate changes on cash and cash equivalents 0.18 0.28 (0.07) (1.00) - (1.00)

Net decrease in cash, cash equivalents, segregated cash, and restricted cash 1,623.30 3,120.09 4,080.70 (913.00) (11.00) (651.00)

Cash, cash equivalents, segregated cash, and restricted cash, beginning of the period 1,446.27 3,069.57 6,189.66 10,270.00 9,357.00 9,346.00

Cash, cash equivalents, segregated cash, and restricted cash, end of the period 3,069.57 6,189.66 10,270.36 9,357.00 9,346.00 8,695.00

**Reconciliation of cash, cash equivalents, segregated cash, and restricted cash, end of the period:**

Cash and cash equivalents, end of the period	644.05	1,402.63	6,253.48	6,339.00	4,835.00	4,332.00
Segregated cash and cash equivalents, end of the period	2,420.35	4,779.67	3,992.42	2,995.00	4,448.00	4,327.00
Restricted cash in other current assets, end of the period	5.16	7.36	24.46	1.00	46.00	18.00
Restricted cash in other non-current assets, end of the period	-	-	-	22.00	17.00	18.00

Cash, cash equivalents, segregated cash and restricted cash, end of the period 3,069.57 6,189.66 10,270.36 9,357.00 9,346.00 8,695.00

**Supplemental disclosures:**

Cash paid for interest	0.62	3.21	11.90	12.00	12.00	16.00
Cash paid for income taxes, net of refund received	1.40	5.69	6.11	4.00	9.00	18.00

<b>Fiscal Years Ending Dec. 31</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
<i>(in millions)</i>										
<b>Operating activities:</b>										
Net income (loss)	1,366.04	1,628.27	2,018.75	2,710.83	3,418.54	4,130.00	4,818.99	5,488.75	5,913.53	6,324.44
Depreciation and amortization	87.00	96.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00
Changes in operating assets and liabilities:										
Receivables from brokers, dealers, and clearing organizations	133.26	(52.85)	(4.29)	(83.24)	(89.97)	(112.97)	11.35	(61.17)	(58.12)	(67.76)
Receivables from users, net	(2,550.25)	(1,745.68)	(681.10)	(914.71)	(1,918.14)	(2,587.23)	(1,673.95)	(1,664.46)	(1,484.51)	(1,537.69)
Securities borrowed	(600.67)	(504.21)	(618.74)	(524.78)	(698.02)	(722.78)	(621.48)	(661.84)	(639.96)	(603.87)
Deposits with clearing organizations	(388.03)	45.89	(42.52)	(116.85)	(164.61)	(132.93)	(150.03)	(78.43)	(113.71)	(121.33)
User-held fractional shares	(838.80)	(461.90)	(231.57)	(659.23)	(576.79)	(578.82)	(553.92)	(534.43)	(565.96)	(520.34)
Prepaid expenses	(85.26)	12.22	(13.81)	(36.26)	(13.78)	(25.15)	(25.68)	(19.80)	(22.75)	(21.67)
Current and non-current deferred customer match incentives	(44.93)	(78.70)	(27.28)	(73.77)	(62.39)	(72.05)	(66.37)	(68.79)	(66.93)	(66.59)
Other current assets	12.37	(65.27)	(55.10)	(83.46)	(85.66)	(86.76)	(83.70)	(82.41)	(80.41)	(77.78)
Accounts payable and accrued expenses	165.58	79.81	91.88	110.04	120.15	48.26	112.62	104.51	102.73	92.67
Payables to users	2,554.43	1,427.66	1,246.41	1,858.66	1,940.64	2,001.30	1,974.21	1,984.11	1,978.02	1,957.50
Securities loaned	2,509.96	1,367.04	1,174.33	1,763.84	1,826.20	1,866.78	1,821.67	1,812.74	1,788.47	1,750.66
Fractional shares repurchase obligation	860.00	282.68	473.63	556.61	563.37	553.52	589.41	547.00	533.07	517.81
Other current liabilities	(84.17)	(46.51)	(54.16)	(77.77)	(38.75)	(64.28)	(64.11)	(64.38)	(59.03)	(51.45)
<b>Net cash provided by (used in) operating activities</b>	<b>3,096.53</b>	<b>1,984.45</b>	<b>3,398.44</b>	<b>4,551.91</b>	<b>4,342.79</b>	<b>4,338.88</b>	<b>6,211.02</b>	<b>6,823.41</b>	<b>7,346.42</b>	<b>7,696.61</b>
<b>Investing activities:</b>										
Property, software and equipment, net	(168.23)	(7.77)	(49.70)	(43.93)	(15.11)	(51.23)	(72.96)	(39.28)	(46.30)	(39.00)
Current and non-current held-to-maturity investments	(301.07)	4.22	(120.90)	(80.40)	(126.39)	(103.52)	(113.09)	(103.98)	(105.44)	(99.86)
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangible assets, net	18.95	9.50	4.76	2.39	1.20	0.60	0.30	0.15	0.08	0.04
Other non-current assets	108.56	(34.96)	(76.00)	(81.84)	(77.36)	(139.26)	(4.75)	(76.07)	(82.50)	(73.89)
<b>Net cash used in investing activities</b>	<b>(341.78)</b>	<b>(29.02)</b>	<b>(241.84)</b>	<b>(203.79)</b>	<b>(217.67)</b>	<b>(293.41)</b>	<b>(190.50)</b>	<b>(219.18)</b>	<b>(234.16)</b>	<b>(212.71)</b>
<b>Financing activities:</b>										
Fractional shares repurchase obligation	860.00	282.68	473.63	556.61	563.37	553.52	589.41	547.00	533.07	517.81
Other non-current liabilities	58.53	9.87	24.40	23.70	29.99	27.21	27.96	26.58	26.45	25.31
<b>Net cash used in financing activities</b>	<b>918.52</b>	<b>292.55</b>	<b>498.03</b>	<b>580.31</b>	<b>593.37</b>	<b>580.74</b>	<b>617.37</b>	<b>573.58</b>	<b>559.52</b>	<b>543.12</b>
<b>Cash Reconciliation:</b>										
Cash, cash equivalents & securities segregated under federal & other regulations	(1,400.34)	(631.62)	(477.07)	(773.12)	(754.44)	(723.68)	(649.58)	(597.91)	(541.49)	(481.92)
Restricted cash	-	-	-	-	-	-	-	-	-	-
<b>Net cash reconciliation</b>	<b>(1,400.34)</b>	<b>(631.62)</b>	<b>(477.07)</b>	<b>(773.12)</b>	<b>(754.44)</b>	<b>(723.68)</b>	<b>(649.58)</b>	<b>(597.91)</b>	<b>(541.49)</b>	<b>(481.92)</b>
Common stock	12.67	25.24	34.30	34.30	34.30	34.30	34.30	34.30	34.30	34.30
<b>Change in Cash</b>	<b>2,285.60</b>	<b>1,641.61</b>	<b>3,211.86</b>	<b>4,189.61</b>	<b>3,998.34</b>	<b>3,936.83</b>	<b>6,022.61</b>	<b>6,614.21</b>	<b>7,164.59</b>	<b>7,579.40</b>
<b>Ending Cash Balance</b>	<b>6,617.60</b>	<b>8,259.21</b>	<b>11,471.07</b>	<b>15,660.68</b>	<b>19,659.02</b>	<b>23,595.85</b>	<b>29,618.46</b>	<b>36,232.66</b>	<b>43,397.25</b>	<b>50,976.65</b>

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<i>(In millions, except share and per share data)</i>																
<b>Revenues:</b>																
Transaction-based revenues:																
Options	39.87%	45.90%	37.95%	35.94%	27.08%	25.75%	23.47%	22.80%	24.42%	24.92%	25.37%	25.78%	26.24%	26.67%	27.07%	27.44%
Cryptocurrencies	3.42%	2.79%	23.10%	14.87%	7.24%	21.21%	22.30%	22.33%	19.83%	19.72%	19.60%	19.50%	19.40%	19.43%	19.40%	19.38%
Equities	18.26%	26.20%	15.85%	8.62%	5.58%	6.00%	6.09%	5.87%	5.08%	4.84%	4.62%	4.44%	4.39%	4.36%	4.04%	3.94%
Other transaction-based revenues	0.00%	0.22%	0.35%	0.52%	2.20%	2.85%	2.53%	2.65%	2.72%	2.67%	2.62%	2.58%	2.54%	2.52%	2.49%	2.47%
<b>Total transaction-based revenues</b>	<b>61.55%</b>	<b>75.11%</b>	<b>77.26%</b>	<b>59.94%</b>	<b>42.09%</b>	<b>55.81%</b>	<b>54.40%</b>	<b>53.55%</b>	<b>52.05%</b>	<b>52.14%</b>	<b>52.22%</b>	<b>52.29%</b>	<b>52.33%</b>	<b>52.73%</b>	<b>53.01%</b>	<b>53.24%</b>
Net interest revenues:																
Margin interest	6.88%	6.96%	7.26%	13.03%	13.03%	10.81%	11.99%	12.05%	12.35%	12.11%	11.88%	11.68%	11.53%	11.40%	11.29%	11.19%
Interest on segregated cash, cash equivalents, securities, and deposits	13.07%	1.40%	0.22%	4.20%	11.26%	8.84%	7.20%	6.04%	5.28%	4.65%	4.15%	3.73%	3.41%	3.14%	2.91%	2.72%
Interest on corporate cash and investments	0.00%	0.00%	0.00%	7.58%	15.44%	8.68%	7.50%	7.63%	7.64%	7.40%	7.26%	7.19%	6.89%	6.66%	6.49%	6.37%
Cash sweep	0.00%	0.00%	0.00%	1.62%	6.60%	6.07%	5.54%	6.00%	6.59%	6.81%	6.97%	7.07%	7.14%	7.17%	7.17%	7.14%
Securities lending, net	2.30%	10.24%	7.56%	6.55%	4.24%	3.19%	3.04%	3.16%	3.47%	3.58%	3.65%	3.68%	3.68%	3.67%	3.64%	3.59%
Credit card, net	0.00%	0.00%	0.00%	0.00%	0.48%	0.81%	0.66%	0.60%	0.65%	0.65%	0.65%	0.65%	0.64%	0.62%	0.61%	0.59%
Other interest revenue	3.55%	0.41%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest expenses related to credit facilities	-0.36%	-0.51%	-1.11%	-1.77%	-1.23%	-0.81%	-0.59%	-0.52%	-0.45%	-0.46%	-0.35%	-0.32%	-0.29%	-0.27%	-0.25%	-0.23%
<b>Total net interest revenues</b>	<b>25.45%</b>	<b>18.51%</b>	<b>14.16%</b>	<b>31.22%</b>	<b>49.81%</b>	<b>37.58%</b>	<b>35.35%</b>	<b>34.96%</b>	<b>35.51%</b>	<b>34.82%</b>	<b>34.20%</b>	<b>33.67%</b>	<b>32.99%</b>	<b>32.39%</b>	<b>31.85%</b>	<b>31.37%</b>
New product revenues:																
<b>Total new product revenues</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.57%</b>	<b>2.70%</b>	<b>2.88%</b>	<b>2.92%</b>	<b>2.96%</b>	<b>3.00%</b>	<b>3.04%</b>	<b>3.08%</b>	<b>3.11%</b>	<b>3.14%</b>
Other revenues:																
Gold subscription revenues	0.00%	0.00%	0.00%	5.03%	4.02%	3.89%	4.29%	4.74%	5.33%	5.66%	5.94%	6.18%	6.39%	6.59%	6.72%	6.85%
Proxy revenues	0.00%	0.00%	0.00%	3.24%	3.27%	2.03%	2.36%	2.61%	2.94%	3.11%	3.27%	3.40%	3.52%	3.62%	3.70%	3.77%
Other other revenues	12.99%	6.39%	8.59%	0.59%	0.80%	0.88%	1.02%	1.13%	1.27%	1.35%	1.42%	1.47%	1.53%	1.57%	1.60%	1.63%
<b>Total other revenues</b>	<b>12.99%</b>	<b>6.39%</b>	<b>8.59%</b>	<b>8.84%</b>	<b>8.10%</b>	<b>6.61%</b>	<b>7.68%</b>	<b>8.48%</b>	<b>9.54%</b>	<b>10.12%</b>	<b>10.62%</b>	<b>11.05%</b>	<b>11.44%</b>	<b>11.76%</b>	<b>12.03%</b>	<b>12.25%</b>
<b>Total net revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Operating Expenses:</b>																
Brokerage & transaction:																
Employee compensation, benefits, and overhead, excluding Share-based compensation	1.76%	0.73%	0.79%	1.47%	1.66%	1.22%	1.06%	1.02%	0.91%	0.73%	0.58%	0.46%	0.37%	0.30%	0.30%	0.30%
Market data expenses	4.21%	2.22%	1.82%	1.91%	1.23%	0.88%	0.77%	0.74%	0.65%	0.52%	0.42%	0.34%	0.27%	0.21%	0.21%	0.21%
Instant withdrawals	0.00%	0.00%	0.00%	0.07%	0.38%	0.68%	0.59%	0.57%	0.50%	0.40%	0.32%	0.26%	0.21%	0.16%	0.16%	0.16%
Broker-dealer compensation	6.15%	5.68%	2.65%	2.28%	1.72%	0.54%	0.47%	0.45%	0.40%	0.32%	0.26%	0.21%	0.16%	0.13%	0.13%	0.13%
Customer statements	0.29%	0.41%	0.64%	0.59%	0.80%	0.51%	0.44%	0.42%	0.38%	0.30%	0.24%	0.19%	0.15%	0.12%	0.12%	0.12%
Share-based compensation	0.15%	0.02%	0.41%	0.37%	0.38%	0.30%	0.27%	0.25%	0.23%	0.18%	0.15%	0.12%	0.09%	0.07%	0.07%	0.07%
Q4 2022 Processing Error	0.00%	0.00%	0.00%	4.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other brokerage & transaction	3.80%	2.51%	2.08%	2.28%	1.66%	1.42%	1.24%	1.19%	1.06%	0.85%	0.68%	0.54%	0.43%	0.35%	0.35%	0.35%
<b>Total brokerage &amp; transaction</b>	<b>16.38%</b>	<b>11.59%</b>	<b>8.39%</b>	<b>13.18%</b>	<b>7.83%</b>	<b>5.56%</b>	<b>4.85%</b>	<b>4.65%</b>	<b>4.13%</b>	<b>3.30%</b>	<b>2.64%</b>	<b>2.11%</b>	<b>1.69%</b>	<b>1.35%</b>	<b>1.35%</b>	<b>1.35%</b>
Technology & development:																
Employee compensation, benefits, and overhead, excluding Share-based compensation	18.60%	10.85%	15.59%	27.03%	16.51%	9.73%	8.48%	8.13%	7.23%	5.78%	4.62%	3.70%	2.96%	2.37%	2.37%	2.37%
Share-based compensation	3.42%	1.88%	33.57%	15.61%	11.31%	6.51%	5.68%	5.44%	4.83%	3.87%	3.09%	2.47%	1.98%	1.58%	1.58%	1.58%
Cloud infrastructure services	8.49%	7.03%	14.70%	12.89%	7.99%	6.40%	5.59%	5.55%	4.76%	3.81%	3.05%	2.44%	1.95%	1.56%	1.56%	1.56%
Software and tools	3.17%	2.32%	3.42%	7.73%	6.11%	4.17%	3.64%	3.48%	3.10%	2.48%	1.98%	1.59%	1.27%	1.01%	1.01%	1.01%
Other technology & development	0.52%	0.42%	0.64%	1.40%	1.23%	0.91%	0.80%	0.76%	0.68%	0.54%	0.44%	0.35%	0.28%	0.22%	0.22%	0.22%
<b>Total technology &amp; development</b>	<b>34.21%</b>	<b>22.49%</b>	<b>67.92%</b>	<b>64.65%</b>	<b>43.16%</b>	<b>27.72%</b>	<b>24.18%</b>	<b>23.17%</b>	<b>20.59%</b>	<b>16.47%</b>	<b>13.18%</b>	<b>10.54%</b>	<b>8.44%</b>	<b>6.75%</b>	<b>6.75%</b>	<b>6.75%</b>
Operations:																
Employee compensation, benefits, and overhead, excluding Share-based compensation	4.13%	3.69%	6.94%	10.60%	4.02%	2.44%	2.13%	2.04%	1.81%	1.45%	1.16%	0.93%	0.74%	0.59%	0.59%	0.59%
Provision for credit losses and fraud	4.00%	6.39%	5.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Customer experience	2.94%	2.95%	5.35%	5.74%	1.02%	0.61%	0.53%	0.51%	0.45%	0.36%	0.29%	0.23%	0.19%	0.15%	0.15%	0.15%
Share-based compensation	0.05%	0.01%	1.12%	0.59%	0.43%	0.24%	0.21%	0.20%	0.18%	0.14%	0.11%	0.09%	0.07%	0.06%	0.06%	0.06%
Other operations	1.08%	1.34%	1.25%	1.40%	0.75%	0.51%	0.44%	0.42%	0.38%	0.30%	0.24%	0.19%	0.15%	0.12%	0.12%	0.12%
<b>Total operations</b>	<b>12.20%</b>	<b>14.38%</b>	<b>20.56%</b>	<b>18.34%</b>	<b>6.22%</b>	<b>3.80%</b>	<b>3.11%</b>	<b>3.17%</b>	<b>2.82%</b>	<b>2.26%</b>	<b>1.80%</b>	<b>1.44%</b>	<b>1.15%</b>	<b>0.92%</b>	<b>0.92%</b>	<b>0.92%</b>
Provision for credit losses:																
Credit card related	4.00%	6.39%	5.90%	0.00%	1.13%	1.86%	1.63%	1.56%	1.38%	1.11%	0.89%	0.71%	0.57%	0.45%	0.45%	0.45%
Brokerage related	0.00%	0.00%	0.00%	2.65%	1.18%	0.71%	0.62%	0.59%	0.53%	0.42%	0.34%	0.27%	0.22%	0.17%	0.17%	0.17%
<b>Total provision for credit losses</b>	<b>4.00%</b>	<b>6.39%</b>	<b>5.90%</b>	<b>2.65%</b>	<b>2.31%</b>	<b>2.58%</b>	<b>2.25%</b>	<b>2.15%</b>	<b>1.91%</b>	<b>1.53%</b>	<b>1.22%</b>	<b>0.98%</b>	<b>0.78%</b>	<b>0.63%</b>	<b>0.63%</b>	<b>0.63%</b>
Marketing:																
Digital Marketing	20.09%	3.69%	2.79%	1.55%	2.09%	4.03%	3.52%	3.37%	3.00%	2.40%	1.92%	1.53%	1.23%	0.98%	0.98%	0.98%
Brand Marketing	7.46%	3.02%	1.33%	1.03%	1.13%	1.52%	1.33%	1.27%	1.13%	0.91%	0.73%	0.58%	0.46%	0.37%	0.37%	0.37%
Employee compensation, benefits, and overhead, excluding Share-based compensation	0.96%	0.87%	2.09%	1.91%	1.18%	1.12%	0.98%	0.93%	0.83%	0.66%	0.53%	0.43%	0.34%	0.27%	0.27%	0.27%
Marketing incentives	10.52%	8.43%	6.65%	0.81%	0.38%	0.54%	0.47%	0.45%	0.40%	0.32%	0.26%	0.21%	0.16%	0.13%	0.13%	0.13%
Creative services	4.90%	1.26%	1.23%	1.03%	0.54%	0.41%	0.35%	0.34%	0.30%	0.24%	0.19%	0.15%	0.12%	0.10%	0.10%	0.10%
Share-based compensation	0.03%	0.06%	2.74%	0.29%	0.27%	0.07%	0.24%	0.23%	0.20%	0.16%	0.13%	0.10%	0.08%	0.07%	0.07%	0.07%
Other marketing	0.97%	2.03%	1.20%	0.96%	0.97%	1.32%	1.15%	1.10%	0.98%	0.79%	0.63%	0.50%	0.40%	0.32%	0.32%	0.32%
<b>Total marketing</b>	<b>44.93%</b>	<b>19.37%</b>	<b>18.04%</b>	<b>7.58%</b>	<b>6.54%</b>	<b>9.22%</b>	<b>8.04%</b>	<b>7.70%</b>	<b>6.85%</b>	<b>5.48%</b>	<b>4.38%</b>	<b>3.51%</b>	<b>2.80%</b>	<b>2.24%</b>	<b>2.24%</b>	<b>2.24%</b>
General & administrative:																
Employee compensation, benefits, and overhead, excluding Share-based compensation	12.27%	8.26%	10.80%	17.60%	11.58%	7.96%	6.95%	6.66%	5.92%	4.73%	3.79%	3.03%	2.42%	1.94%	1.94%	1.94%
Share-based compensation excluding 2021 Founders Award Cancellation	5.95%	0.56%	48.78%	31.30%	8.31%	2.98%	2.60%	2.49%	2.22%	1.77%	1.42%	1.13%	0.91%	0.73%	0.73%	0.73%
Legal expenses	3.89%	5.86%	5.58%	5.60%	5.15%	2.41%	2.10%	2.01%	1.79%	1.43%	1.14%	0.92%	0.73%	0.59%	0.59%	0.59%
Other professional fees	3.61%	3.08%	2.96%	3.90%	2.20%	1.59%	1.39%	1.33%	1.18%	0.95%	0.76%	0.61%	0.48%	0.39%	0.39%	0.39%
Real estate related charges	0.00%	0.00%	0.00%	3.31%	0.27%	0.07%	0.06%	0.06%	0.05%	0.04%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%
Share-based compensation related to 2021 Founders Award Cancellation	0.00%	0.00%	0.00%	26.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Settlements and penalties	0.51%	11.00%	3.88%	1.77%	6.76%	-0.98%	-0.86%	-0.82%	-0.73%	-0.58%	-0.47%	-0.37%	-0.30%	-0.24%	-0.24%	-0.24%
Business insurance	0.71%	0.45%	1.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other general & administrative	3.87%	1.51%	2.12%	4.57%	2.41%	1.39%	1.21%	1.16%	1.03%	0.83%	0.66%	0.53%	0.42%	0.34%	0.34%	0.34%
<b>Total general &amp; administrative</b>	<b>30.81%</b>	<b>30.73%</b>	<b>75.50%</b>	<b>68.04%</b>	<b>62.68%</b>	<b>15.42%</b>	<b>13.45%</b>	<b>12.89%</b>	<b>11.45%</b>	<b>9.16%</b>	<b>7.33%</b>	<b>5.86%</b>	<b>4.69%</b>	<b>3.75%</b>	<b>3.75%</b>	<b>3.75%</b>
<b>Total operating expenses</b>	<b>138.51%</b>	<b>98.56%</b>	<b>190.41%</b>	<b>174.45%</b>	<b>128.74%</b>	<b>64.28%</b>	<b>56.08%</b>	<b>53.73%</b>	<b>47.76%</b>	<b>38.21%</b>	<b>30.56%</b>	<b>24.45%</b>	<b>19.56%</b>	<b>15.65%</b>		

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<i>(in millions, except share and per share data)</i>																
<b>Assets:</b>																
Current Assets:																
Cash and cash equivalents	232.06%	146.29%	344.52%	466.79%	259.25%	146.80%	168.65%	186.04%	235.31%	282.97%	316.51%	342.14%	391.89%	441.37%	490.68%	538.93%
Cash, cash equivalents & securities segregated under federal & other regulations	872.10%	512.57%	219.95%	220.54%	238.50%	160.08%	156.08%	152.18%	148.37%	144.66%	141.05%	137.52%	134.08%	130.73%	127.46%	124.28%
Receivables from brokers, dealers, & clearing organizations	7.46%	12.98%	4.87%	5.60%	4.77%	15.96%	8.61%	8.80%	8.10%	8.64%	9.15%	9.88%	8.86%	8.90%	8.92%	9.06%
Receivables from users, net	230.66%	349.82%	365.75%	236.97%	187.40%	279.19%	274.96%	282.35%	271.10%	255.33%	258.39%	270.22%	268.73%	267.69%	265.24%	264.27%
Securities borrowed	0.00%	0.00%	0.00%	38.07%	85.90%	109.66%	97.78%	97.78%	101.74%	99.10%	99.54%	100.12%	99.59%	99.75%	99.82%	99.72%
Deposits with clearing organizations	44.13%	23.52%	18.07%	13.70%	18.12%	16.57%	22.35%	18.72%	17.92%	17.90%	18.60%	18.68%	19.03%	18.47%	18.43%	18.52%
Asset related to user cryptocurrencies safeguarding obligation	0.00%	0.00%	0.00%	620.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
User-held fractional shares	0.00%	83.69%	101.07%	73.42%	85.36%	85.73%	85.83%	86.29%	83.33%	85.31%	85.30%	85.22%	85.09%	84.85%	85.16%	85.12%
Held-to-maturity investments	0.00%	0.00%	1.50%	0.00%	22.14%	13.49%	17.82%	15.65%	16.73%	16.19%	16.46%	16.33%	16.40%	16.36%	16.38%	16.37%
Prepaid expenses	0.00%	0.00%	0.00%	6.33%	3.38%	2.54%	4.08%	3.33%	3.32%	3.58%	3.41%	3.44%	3.48%	3.44%	3.45%	3.46%
Deferred customer match incentives	0.00%	0.00%	0.00%	0.00%	0.59%	3.39%	1.99%	2.69%	2.34%	2.51%	2.43%	2.47%	2.45%	2.46%	2.45%	2.46%
Other current assets	10.21%	5.07%	6.66%	5.30%	10.51%	17.25%	12.66%	12.66%	12.66%	12.66%	12.66%	12.66%	12.66%	12.66%	12.66%	12.66%
<b>Total current assets</b>	<b>1396.63%</b>	<b>1133.94%</b>	<b>1062.37%</b>	<b>1687.56%</b>	<b>915.92%</b>	<b>850.66%</b>	<b>850.83%</b>	<b>866.48%</b>	<b>900.93%</b>	<b>928.86%</b>	<b>963.49%</b>	<b>998.67%</b>	<b>1042.24%</b>	<b>1086.69%</b>	<b>1130.65%</b>	<b>1174.83%</b>
Property, software and equipment, net	9.12%	4.78%	8.07%	10.75%	6.43%	4.71%	7.83%	7.10%	7.48%	7.38%	6.82%	6.89%	7.25%	7.15%	7.16%	7.11%
Goodwill	0.00%	0.00%	5.54%	7.36%	9.38%	6.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Intangible assets, net	0.00%	0.00%	1.88%	1.84%	2.57%	1.29%	1.67%	2.03%	1.96%	1.64%	1.78%	1.92%	1.84%	1.75%	1.82%	1.86%
Non-current held-to-maturity investments	0.00%	0.00%	0.00%	0.00%	3.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-current deferred customer match incentives	0.00%	0.00%	0.00%	0.00%	1.02%	6.61%	6.67%	6.74%	6.81%	6.88%	6.95%	7.01%	7.08%	7.16%	7.23%	7.30%
Restricted cash	1.86%	0.77%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-current assets, including non-current prepaid expenses	13.63%	6.54%	9.96%	10.97%	5.74%	18.06%	10.82%	10.35%	10.98%	11.15%	11.18%	12.09%	11.10%	11.14%	11.27%	11.32%
<b>Total assets</b>	<b>1421.24%</b>	<b>1146.03%</b>	<b>1089.13%</b>	<b>1718.48%</b>	<b>944.99%</b>	<b>887.39%</b>	<b>877.82%</b>	<b>892.69%</b>	<b>928.16%</b>	<b>955.91%</b>	<b>990.22%</b>	<b>1026.58%</b>	<b>1069.51%</b>	<b>1113.89%</b>	<b>1158.14%</b>	<b>1202.42%</b>
<b>Liabilities and stockholder's equity:</b>																
Current Liabilities:																
Accounts payable & accrued expenses	13.54%	10.91%	13.90%	13.62%	20.59%	13.45%	14.34%	14.47%	15.06%	15.26%	15.53%	14.68%	14.89%	14.98%	15.07%	15.07%
Payables to users	852.21%	615.04%	356.76%	346.17%	273.30%	252.39%	254.91%	257.46%	260.04%	262.64%	265.26%	267.92%	270.60%	273.30%	276.03%	278.79%
Securities loaned	242.86%	200.36%	201.14%	135.05%	190.19%	252.90%	254.16%	255.43%	256.71%	257.99%	259.28%	260.58%	261.88%	263.19%	264.51%	265.83%
User cryptocurrencies safeguarding obligation	0.00%	0.00%	0.00%	620.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fractional shares repurchase obligation	0.00%	0.00%	101.07%	73.42%	85.36%	85.73%	86.39%	82.73%	85.05%	84.98%	84.79%	84.39%	84.80%	84.74%	84.68%	84.65%
Other current liabilities	8.87%	93.14%	7.37%	7.73%	11.64%	9.01%	8.92%	8.94%	9.25%	9.55%	9.13%	9.16%	9.21%	9.26%	9.26%	9.20%
<b>Total current liabilities</b>	<b>1117.48%</b>	<b>919.46%</b>	<b>680.24%</b>	<b>1196.83%</b>	<b>581.07%</b>	<b>613.49%</b>	<b>618.73%</b>	<b>619.03%</b>	<b>626.11%</b>	<b>630.41%</b>	<b>634.00%</b>	<b>636.73%</b>	<b>641.73%</b>	<b>645.47%</b>	<b>649.55%</b>	<b>653.55%</b>
Other non-current liabilities	9.97%	5.01%	7.09%	9.43%	4.88%	3.76%	4.32%	4.04%	4.18%	4.11%	4.15%	4.13%	4.14%	4.13%	4.13%	4.13%
<b>Total liabilities</b>	<b>1127.45%</b>	<b>924.46%</b>	<b>687.33%</b>	<b>1206.26%</b>	<b>585.95%</b>	<b>617.25%</b>	<b>623.05%</b>	<b>623.07%</b>	<b>630.29%</b>	<b>634.53%</b>	<b>638.14%</b>	<b>640.85%</b>	<b>645.51%</b>	<b>649.61%</b>	<b>653.68%</b>	<b>657.68%</b>
Mezzanine equity:																
Redeemable convertible preferred stock	328.76%	227.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stockholders' equity:																
Common stock	0.00%	0.00%	4.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Additional paid-in capital	35.83%	14.01%	615.33%	873.42%	651.21%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%	406.91%
Accumulated other comprehensive income (loss)	0.07%	0.05%	0.02%	0.00%	-0.16%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings (accumulated deficit)	-70.87%	-19.83%	-213.57%	-361.19%	-292.01%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%	-136.73%
<b>Total stockholders' equity (deficit)</b>	<b>293.79%</b>	<b>221.56%</b>	<b>406.52%</b>	<b>512.22%</b>	<b>359.04%</b>	<b>270.15%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>	<b>270.18%</b>
<b>Total liabilities and stockholders' equity</b>	<b>1421.24%</b>	<b>1146.03%</b>	<b>1093.86%</b>	<b>1718.48%</b>	<b>944.99%</b>	<b>887.40%</b>	<b>893.23%</b>	<b>893.25%</b>	<b>900.47%</b>	<b>904.71%</b>	<b>908.32%</b>	<b>911.03%</b>	<b>915.69%</b>	<b>919.78%</b>	<b>923.86%</b>	<b>927.86%</b>





Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
<b>NOPLAT:</b>													
<b>EBITA:</b>													
Transaction-based revenues	814.00	785.00	1,647.00	2,134.52	2,390.71	2,537.60	2,885.67	3,243.21	3,606.06	3,970.22	4,332.00	4,688.09	5,035.63
Net interest revenues	424.00	929.00	1,109.00	1,387.07	1,552.22	1,731.88	1,926.78	2,124.21	2,322.06	2,493.68	2,658.85	2,816.94	2,967.34
Other revenues	120.00	151.00	195.00	301.28	376.59	465.09	560.18	659.82	761.93	864.51	965.77	1,064.18	1,158.52
Brokerage & transaction expenses	(179.00)	(146.00)	(164.00)	(190.24)	(206.22)	(201.27)	(182.80)	(164.12)	(145.79)	(127.81)	(111.06)	(119.66)	(127.97)
Technology & development expenses	(878.00)	(805.00)	(818.00)	(948.88)	(1,028.59)	(1,003.90)	(911.76)	(818.61)	(727.16)	(637.51)	(553.95)	(596.82)	(638.29)
Operations expenses	(249.00)	(116.00)	(112.00)	(129.92)	(140.83)	(137.45)	(124.84)	(112.08)	(99.56)	(87.29)	(75.85)	(81.72)	(87.39)
Provision for credit losses	(36.00)	(43.00)	(76.00)	(88.16)	(95.57)	(93.27)	(84.71)	(76.06)	(67.56)	(59.23)	(51.47)	(55.45)	(59.30)
Marketing expenses	(103.00)	(122.00)	(272.00)	(315.52)	(342.02)	(333.82)	(303.18)	(272.20)	(241.79)	(211.98)	(184.20)	(198.45)	(212.24)
General & Administrative expenses	(924.00)	(1,169.00)	(455.00)	(527.80)	(572.14)	(558.40)	(507.15)	(455.34)	(404.47)	(354.60)	(308.12)	(331.97)	(355.04)
Depreciation and amortization	(61.00)	(71.00)	(77.00)	(87.00)	(96.00)	(122.00)	(122.00)	(122.00)	(122.00)	(122.00)	(122.00)	(122.00)	(122.00)
EBITA	(1,072.00)	(607.00)	977.00	1,535.34	1,838.16	2,284.47	3,136.20	4,006.84	4,881.71	5,727.97	6,549.97	7,063.15	7,559.26
<b>Less: Adjusted Taxes:</b>													
Income tax expense	1.00	8.00	(347.00)	357.31	425.90	528.03	709.06	894.17	1,080.26	1,260.48	1,435.66	1,546.77	1,654.25
- Tax on net interest revenues	87.91	192.61	229.93	287.59	321.83	359.08	399.48	440.42	481.44	517.02	551.27	584.05	615.23
- Tax on segregated cash, cash equivalents, securities, deposits	11.82	43.54	54.11	58.55	55.62	53.40	53.40	53.40	53.40	53.40	53.40	53.40	53.40
+ Tax on Interest expenses related to credit facilities	-	4.35	11.40	13.23	14.34	13.99	12.71	11.41	10.14	8.89	7.72	8.32	8.90
Adjusted Taxes	(98.73)	(223.80)	(619.64)	24.40	62.78	129.55	268.88	411.76	555.56	698.94	838.72	917.64	994.52
<b>Plus: Δ Deferred Taxes:</b>													
Deferred income taxes	-	-	(369.00)	-	-	-	-	-	-	-	-	-	-
Δ Deferred Taxes	-	-	(369.00)	-	-	-	-	-	-	-	-	-	-
<b>NOPLAT</b>	<b>(973.27)</b>	<b>(383.20)</b>	<b>1,227.64</b>	<b>1,510.95</b>	<b>1,775.38</b>	<b>2,154.91</b>	<b>2,867.31</b>	<b>3,595.08</b>	<b>4,326.15</b>	<b>5,029.03</b>	<b>5,711.25</b>	<b>6,145.50</b>	<b>6,564.74</b>
<b>Invested Capital (IC):</b>													
<b>Operating Current Assets:</b>													
Normal cash	6,339.00	4,835.00	4,332.00	5,760.14	6,517.12	7,156.23	8,124.25	9,117.77	10,124.05	11,094.82	12,050.69	12,983.31	13,885.48
Receivables from brokers, dealers, & clearing organizations	76.00	89.00	471.00	337.74	390.58	394.87	478.11	568.08	681.05	669.70	730.87	788.99	856.75
Receivables from users, net	3,218.00	3,495.00	8,239.00	10,789.25	12,534.93	13,216.02	14,130.74	16,048.88	18,636.11	20,310.07	21,974.52	23,459.03	24,996.72
Deposits from clearing organizations	186.00	338.00	489.00	877.03	831.13	873.65	990.50	1,155.11	1,288.05	1,438.08	1,516.51	1,630.22	1,751.55
Assets related to user cryptocurrencies safeguarding obligation	8,431.00	-	-	-	-	-	-	-	-	-	-	-	-
User-held fractional shares	997.00	1,592.00	2,530.00	3,368.80	3,830.71	4,062.28	4,721.51	5,298.30	5,877.12	6,431.04	6,965.47	7,531.43	8,051.77
Prepaid expenses	86.00	63.00	75.00	160.26	148.04	161.85	198.11	211.89	237.04	262.71	282.51	305.26	326.93
Other current assets	72.00	196.00	509.00	496.63	561.89	617.00	700.46	786.12	872.88	956.58	1,038.99	1,119.40	1,197.18
Operating Current Assets	19,405.00	10,608.00	16,645.00	21,789.83	24,814.41	26,481.90	29,343.67	33,186.14	37,716.31	41,163.00	44,559.56	47,817.64	51,066.38
<b>Non Interest-Bearing Current Liabilities:</b>													
Accounts payable & accrued expenses	185.00	384.00	397.00	562.58	642.38	734.27	844.31	964.46	1,012.72	1,125.34	1,229.85	1,332.57	1,425.24
Payables to users	4,701.00	5,097.00	7,448.00	10,002.43	11,430.10	12,676.51	14,535.17	16,475.80	18,477.11	20,451.31	22,435.42	24,413.45	26,370.95
User cryptocurrencies safeguarding obligation	8,431.00	-	-	-	-	-	-	-	-	-	-	-	-
Fractional shares repurchase obligation	997.00	1,592.00	2,530.00	3,390.00	3,672.67	4,146.30	4,702.91	5,266.28	5,819.81	6,409.21	6,956.21	7,489.28	8,007.10
Other current liabilities	105.00	217.00	266.00	350.17	396.68	450.83	528.60	567.35	631.63	695.75	760.13	819.16	870.60
Non Interest-Bearing Current Liabilities	14,419.00	7,290.00	10,641.00	14,305.17	16,141.83	18,007.91	20,610.98	23,273.90	25,941.27	28,681.61	31,381.61	34,054.46	36,673.89
<b>Plus: Net PPE:</b>													
Property, software, and equipment, net	146.00	120.00	139.00	307.23	315.00	364.70	408.64	423.75	474.98	547.94	587.22	633.52	672.52
<b>Plus: Net Other Operating Assets (net of depreciation or amortization):</b>													
Non-current deferred customer match incentives	-	19.00	195.00	261.88	299.26	331.89	380.55	431.36	483.76	535.45	587.39	639.18	690.43
Other non-current assets, including non-current prepaid expenses	149.00	107.00	533.00	424.44	459.40	535.40	617.25	694.61	833.86	838.61	914.68	997.18	1,071.07
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Less: Other Operating Liabilities:</b>													
Other non-current liabilities	128.00	91.00	111.00	169.53	179.40	203.80	227.50	257.50	284.71	312.67	339.25	365.70	391.00
<b>Invested Capital (IC)</b>	<b>5,153.00</b>	<b>3,473.00</b>	<b>6,760.00</b>	<b>8,308.68</b>	<b>9,566.83</b>	<b>9,502.18</b>	<b>9,911.62</b>	<b>11,204.47</b>	<b>13,282.93</b>	<b>14,090.72</b>	<b>14,927.99</b>	<b>15,667.36</b>	<b>16,435.51</b>
<b>Free Cash Flow (FCF):</b>													
NOPLAT	(973.27)	(383.20)	1,227.64	1,510.95	1,775.38	2,154.91	2,867.31	3,595.08	4,326.15	5,029.03	5,711.25	6,145.50	6,564.74
Change in IC	(1,636.89)	(1,680.00)	3,287.00	1,548.68	1,258.16	(64.65)	409.44	1,292.84	2,078.46	807.79	837.27	739.37	768.14
<b>FCF</b>	<b>663.62</b>	<b>1,296.80</b>	<b>(2,059.36)</b>	<b>(37.73)</b>	<b>517.23</b>	<b>2,219.57</b>	<b>2,457.87</b>	<b>2,302.24</b>	<b>2,247.69</b>	<b>4,221.24</b>	<b>4,873.98</b>	<b>5,406.13</b>	<b>5,796.60</b>
<b>Return on Invested Capital (ROIC):</b>													
NOPLAT	(973.27)	(383.20)	1,227.64	1,510.95	1,775.38	2,154.91	2,867.31	3,595.08	4,326.15	5,029.03	5,711.25	6,145.50	6,564.74
Beginning IC	6,789.89	5,153.00	3,473.00	6,760.00	8,308.68	9,566.83	9,502.18	9,911.62	11,204.47	13,282.93	14,090.72	14,927.99	15,667.36
<b>ROIC</b>	<b>-14.33%</b>	<b>-7.44%</b>	<b>35.35%</b>	<b>22.35%</b>	<b>21.37%</b>	<b>22.52%</b>	<b>30.18%</b>	<b>36.27%</b>	<b>38.61%</b>	<b>37.86%</b>	<b>40.53%</b>	<b>41.17%</b>	<b>41.90%</b>
<b>Economic Profit (EP):</b>													
Beginning IC	6,789.89	5,153.00	3,473.00	6,760.00	8,308.68	9,566.83	9,502.18	9,911.62	11,204.47	13,282.93	14,090.72	14,927.99	15,667.36
x (ROIC - WACC)	25.01%	18.11%	24.67%	11.67%	10.69%	11.85%	19.50%	25.59%	27.93%	27.18%	29.85%	30.49%	31.22%
<b>EP</b>	<b>(1,698.27)</b>	<b>(933.42)</b>	<b>856.81</b>	<b>789.14</b>	<b>888.22</b>	<b>1,133.41</b>	<b>1,852.71</b>	<b>2,536.76</b>	<b>3,129.79</b>	<b>3,610.74</b>	<b>4,206.71</b>	<b>4,551.56</b>	<b>4,891.85</b>



**Robinhood Markets, Inc.**  
*Weighted Average Cost of Capital (WACC) Estimation*

**Cost of Equity:**

Risk-Free Rate	4.20%
Beta	1.62
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>12.30%</b>

**ASSUMPTIONS:**

[U.S. 10 Year Treasury](#)  
Factset (3Y Adj.)  
Henry Fund Estimate

**Cost of Debt:**

Risk-Free Rate	4.20%
Implied Default Premium	1.30%
Pre-Tax Cost of Debt	5.50%
Marginal Tax Rate	20.73%
<b>After-Tax Cost of Debt</b>	<b>4.36%</b>

[U.S. 10 Year Treasury](#)  
  
Bloomberg

**Market Value of Common Equity:**

Total Shares Outstanding	881,113,156.00
Current Stock Price	\$44.66
<b>MV of Equity</b>	<b>39,350.51</b>
	<i>(in millions)</i>

**MV Weights**

79.54%

**Market Value of Debt:**

Securities loaned	7,463.00
Fractional shares repurchase obligation	2,530.00
PV of Operating Leases	131
<b>MV of Total Debt</b>	<b>10,124.00</b>
	<i>(in millions)</i>

HOOD 10-k

20.46%

**Market Value of the Firm**

**49,474.51**

100.00%

**Estimated WACC**

**10.68%**

## Key Inputs:

CV Growth of NOPLAT	5.00%
CV Year ROIC	41.90%
WACC	10.68%
Cost of Equity	12.30%

<b>Fiscal Years Ending Dec. 31</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>2034E</b>
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**DCF Model:**

Free Cash Flow (FCF)	-37.7	517.2	2219.6	2457.9	2302.2	2247.7	4221.2	4874.0	5406.1	5796.6
Continuing Value (CV)										101,828.61
PV of FCF	-34.1	422.2	1637.2	1638.0	1386.3	1222.9	2075.0	2164.7	2169.5	40863.3

Value of Operating Assets:	53545.1
Non-Operating Adjustments	(7,463.00)
	(2,530.00)
	-131

Value of Equity	43421.1
Shares Outstanding	889.7
Intrinsic Value of Last FYE	\$ 48.81
<b>Implied Price as of Today</b>	<b>\$ 50.59</b>

**EP Model:**

Economic Profit (EP)	789.1	888.2	1133.4	1852.7	2536.8	3129.8	3610.7	4206.7	4551.6	4891.8
Continuing Value (CV)										86161.2
PV of EP	713.0	725.1	836.0	1234.7	1527.5	1702.8	1774.9	1868.4	1826.5	34576.1

Total PV of EP	46785.1
Invested Capital (last FYE)	6760.0
Value of Operating Assets:	53545.1
Non-Operating Adjustments	(7,463.00)
	(2,530.00)
	-131

Value of Equity	43421.1
Shares Outstanding	889.7
Intrinsic Value of Last FYE	\$ 48.81
<b>Implied Price as of Today</b>	<b>\$ 50.59</b>



Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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EPS	\$ 1.54	\$ 1.81	\$ 2.23	\$ 3.00	\$ 3.78	\$ 4.57	\$ 5.33	\$ 6.07	\$ 6.54	\$ 6.99
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Key Assumptions

CV growth of EPS	5.00%
CV Year ROE	12.27%
Cost of Equity	12.30%

Future Cash Flows

P/E Multiple (CV Year)											811.47%
EPS (CV Year)										\$	6.99
Future Stock Price										\$	56.76
Dividends Per Share	0	0	0	0	0	0	0	0	0		
Discounted Cash Flows	-	-	-	-	-	-	-	-	-		19.98

Intrinsic Value as of Last FYE	\$ 19.98
Implied Price as of Today	\$ 20.71



P/E (EPS25)	\$ 38.81
P/E (EPS26)	\$ 32.24

[illegible]





*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Current Average Strike Price:	\$ 4.49
Cost of Equity:	12.30%
Current Stock Price:	\$44.66

[illegible]



**Robinhood Markets, Inc.**  
*Valuation of Options Granted under ESOP*

Current Stock Price	\$44.66
Risk Free Rate	4.20%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	121.11%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Options exercisable at December 31, 2024	7,843,554	4.49	2.80	\$ 41.77	\$ 327.61
					(in millions)

Total	7,843,554	\$ 4.49	2.80	\$ 41.77	<b>\$ 327.61</b>
					(in millions)



**Robinhood Markets, Inc.**  
*Sensitivity Tables*

Risk-Free Rate	DCF	Equity Risk Premium						
	50.59	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%
	3.90%	96.40	77.75	64.16	53.84	45.74	39.22	33.87
	4.00%	93.73	75.85	62.74	52.74	44.86	38.50	33.27
	4.10%	91.18	74.01	61.36	51.66	44.00	37.80	32.69
	4.20%	88.74	72.25	60.03	50.62	43.17	37.12	32.12
	4.30%	86.40	70.54	58.74	49.61	42.35	36.45	31.56
	4.40%	84.15	68.90	57.48	48.62	41.56	35.80	31.02
	4.50%	82.00	67.32	56.27	47.67	40.79	35.16	30.49

CV Growth NOPLAT	DCF	WACC						
	50.59	9.18%	9.68%	10.18%	10.68%	11.18%	11.68%	12.18%
	4.70%	73.04	63.19	55.18	48.54	42.95	38.19	34.08
	4.80%	74.42	64.25	56.00	49.19	43.47	38.61	34.43
	4.90%	75.87	65.35	56.85	49.86	44.01	39.05	34.79
	5.00%	77.38	66.49	57.74	50.56	44.57	39.50	35.16
	5.10%	78.97	67.69	58.66	51.28	45.14	39.96	35.54
	5.20%	80.64	68.93	59.62	52.03	45.74	40.44	35.93
	5.30%	82.39	70.24	60.61	52.80	46.35	40.94	36.33

CV Growth EPS	DCF	Cost of Equity						
	50.59	10.80%	11.30%	11.80%	12.30%	12.80%	13.30%	13.80%
	4.70%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	4.80%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	4.90%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	5.00%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	5.10%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	5.20%	50.38	50.45	50.52	50.59	50.66	50.73	50.80
	5.30%	50.38	50.45	50.52	50.59	50.66	50.73	50.80

CV Growth NOPLAT	DCF	Beta						
	50.59	1.32	1.42	1.52	1.62	1.72	1.82	1.92
	4.70%	66.52	59.60	53.68	48.57	44.11	40.18	36.70
	4.80%	67.68	60.55	54.46	49.22	44.65	40.64	37.10
	4.90%	68.89	61.53	55.27	49.89	45.22	41.12	37.50
	5.00%	70.16	62.56	56.12	50.59	45.80	41.61	37.92
	5.10%	71.49	63.63	56.99	51.31	46.41	42.12	38.35
	5.20%	72.88	64.74	57.90	52.06	47.03	42.65	38.80
	5.30%	74.33	65.91	58.84	52.84	47.67	43.19	39.25