Robinhood

Q3 FY2026 | Earnings analysis

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Released: 27 October 2026 | Quarter ended: 30 September 2026
NASDAQ: HOOD | US GAAP unless otherwise indicated

Assessment: Record sales from options and event contracts offset a steep fall in crypto. But GAAP earnings missed the LSEG EPS estimate cited by Reuters, as credit provisions and investment marks weakened profit quality.

1 | Core quantitative scorecard

US$M unless stated	Q3 2026	Q2 2026	Q3 2025
Total net revenue	**1,424**	1,308	1,274
Transaction revenue	867	776	730
Net interest revenue	415	389	456
Other revenue	142	143	88
GAAP net income	476	573	556
GAAP diluted EPS ($)	0.51	0.62	0.61
Adjusted EPS ($), non-GAAP	0.60	0.50	0.62
Adjusted EBITDA	808	741	742
GAAP operating expenses	739	734	639
Funded customers (M)	28.7	28.4	26.8
Gold subscribers (M)	5.18	4.84	3.88

Total revenue | US$M



Revenue +12% YoY / +9% QoQ. GAAP diluted EPS -16% YoY; Reuters cited LSEG EPS consensus of $0.55, but this should not be presumed comparable with Robinhood's newly defined adjusted EPS.

Official results | Analyst context

2 | How Robinhood earns money

Robinhood earns trading-related fees/economics when customers buy or sell assets; it also earns interest from customer balances and lending, and service/subscription fees. These three **non-overlapping reported revenue categories** reconcile to consolidated revenue.

Revenue engine	Q3 2026	Share	Q3 2025	YoY
Transaction-based	**$867M**	60.9%	$730M	+19%
Net interest	$415M	29.1%	$456M	-9%
Other / subscriptions	$142M	10.0%	$88M	+61%
Total	**$1,424M**	**100%**	$1,274M	+12%

Inside transaction revenue | not additional group sales

Activity	Q3 2026	Q3 2025	YoY
Options trading	$399M	$304M	+31%
Event contracts	$173M	$27M	>6×
Stocks / ETFs	$121M	$86M	+41%
Crypto trading	$120M	$268M	-55%
Other transactions	$54M	$45M	+20%
Total transactions	**$867M**	$730M	+19%

What powered the quarter? Options are the largest individual transaction activity. Event contracts scaled rapidly, while crypto's $148M YoY contraction absorbed much of the $95M options increase and $146M event-contract increase. Lower rates and securities lending hurt net interest revenue despite a bigger margin-loan book.

Reported transaction subcomponents are consistent with the presentation; small amounts may be reclassified or excluded in the chart. Product-level margins are NOT reported. Robinhood Chain crypto fees are already partly reflected in transaction revenue.

Official release | Earnings presentation, transaction chart

3 | Profitability and cash quality

Metric	Q3 2026	Q2 2026	Q3 2025
GAAP operating profit (calc., $M)	685	574	635
GAAP operating margin (calc.)	48.1%	43.9%	49.8%
Credit-loss provisions ($M)	71	56	26
Net income margin (GAAP)	33.4%	43.8%	43.6%
Operating cash flow ($M)	1,225	—	-1,576

GAAP operating margin fell 1.7 percentage points YoY; adjusted EBITDA margin was 57%, down from 58%. GAAP net income was $476M, while only $468M was attributable to Robinhood; the difference relates to noncontrolling interests. Q3 cash flow contains material brokerage-related balance movements and should not be annualized mechanically.

4 | Management: growth, spending and durability

Attributed paraphrases of CEO Vlad Tenev and CFO Shiv Verma, including the 27 October call Q&A. Future plans are management expectations; analytical implications below are independent assessments.

FY2026 cost outlook	Previous	Updated
Adjusted operating expenses + SBC	$2.675–2.775B	$2.675–2.750B
Change to top end	—	-$25M
Implied Q4, after $1.912B YTD	—	$765–840M

Non-GAAP cost forecast only. It EXCLUDES credit provisions, some acquisition/regulatory costs and other unpredictable items; no corresponding GAAP operating-expense guidance is provided.

Revenue diversification versus earnings quality. Verma highlighted 14 businesses each exceeding $100M of annualized revenue, including the Rothera event exchange. That is a scale/rate indicator, not 14 separately disclosed quarterly sales segments. Regular share-based compensation remains within the new adjusted EPS measure; unrealized investment changes and other defined adjustments do not.

Q4 mixed start; exceptional deposits matter. October net deposits topped $13B, but approximately $6B came from the Dell family's Trump Account funding. Average daily equity, options and crypto trading volumes were about 5% below the Q3 average, while event-contract volumes were about 10% higher. The revenue effect depends on trading mix and fees, not volumes alone.

Events: scale with pricing discipline. The CFO said non-sport events grew from around 15% to 30% of event activity between Q2 and Q3; Rothera's annualized revenue passed $100M in its first full quarter. Pricing now changes with contract characteristics and Gold status. Because Robinhood does not fully operate Rothera, venue economics and regulatory permissions warrant separate scrutiny.

Deposit quality and the super-app strategy. Responding to analyst questions, Verma argued deposits should be assessed over annual periods, not one volatile quarter. Existing customers increasingly bring more assets; banking, Gold and card products should also acquire and retain clients. Gold adoption reached 18% overall and roughly 40% among new customers, but banking is not yet fully released.

Credit, margins and rate sensitivity. Management expects growing banking and card usage to diversify interest economics. However, $71M of provisions versus $26M a year ago reflects a real cost of the expanding card book. Strong $808M adjusted EBITDA does not erase lower GAAP EPS or potential future defaults.

Banking and card milestones are not the same as earnings. Banking reached nearly $5B in deposits from over 350,000 funded customers; Gold Card had 1.3M customers with over $19B in annualized purchase volume. Management sees banking as a recurring counterweight to trading cycles, but spending, interest spread, credit losses and direct-deposit conversion will determine realized profit.

Official guidance | Call Q&A (Quartr via Stock Analysis)

5 | New products, execution and limitations

Robinhood Chain and tokenization. The mainnet generated more than $80B in decentralized trading volume and over $50M in chain fees. In analyst Q&A Verma indicated approximately $25M of net chain economics after fee sharing; $26M was included in reported crypto transaction revenue. Double-counting the gross chain fees would exaggerate results. Tenev prefers developer adoption and real-world asset usage to maximizing initial chain fee rates.

Trading and geography. About 200,000 customers opened agentic trading accounts, accounting for more than $1.6B in notional trades; customers transferred more than $250M into those accounts. Planned products include broader perpetual futures, earnings contracts and 24/7 selected equity trading. A Dubai authorization supports a planned 2027 rollout, but product announcements and approvals are not assured revenue. US private-stock token access remains subject to regulatory limits.

Prediction-market monetization and regulation. Event contracts traded reached 16.4B, up more than seven times YoY, versus revenue growing just over sixfold. Management described dynamic fees and better Gold pricing; rapid volume growth therefore should not be extrapolated into proportional revenue. Rothera is a joint venture and event products face material legal and state-level policy risk.

Balance-sheet and capital context. Robinhood held $5.83B cash and equivalents at quarter-end; platform assets were $396B, up 19% YoY, supported by flows and securities prices. Net deposits were $15.7B in Q3 (17% annualized on Q2 assets) and $71B over 12 months (21%). Operating cash flow was $1.225B versus -$1.576B a year earlier, driven partly by brokerage receivables, client payables and securities lending. Share buybacks were $25M during Q3.

6 | Opportunities, risks and investor checks

Opportunities

• Options and prediction events can offset crypto softness if pricing and market share remain favorable.

• Gold, deposits, cards and retirement products may create steadier customer relationships.

• Chain, tokenization and derivatives widen possible markets, pending adoption and regulation.

Risks

• Crypto revenue -55%, interest revenue -9%; both are sensitive to market conditions.

• Credit provisions +173%; GAAP operating margin fell despite record sales.

• Event-contract regulation, fee pressure, one-time deposits and investment marks distort easy extrapolation.

Next-quarter investor watchlist

> Q4 **event, options and crypto revenues against trading volumes and take rates**; organic net deposits excluding exceptional gifts; Gold and banking conversion; credit-loss provisions; adjusted expense spending versus GAAP profitability and sustainable cash generation.

> **Balanced conclusion:** Robinhood’s customer ecosystem is broadening, but margins, trading cyclicality and lending risk still determine whether the growth earns an attractive shareholder return.

Financials | Slides | Call Q&A | Reuters/LSEG estimate

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