

Robinhood Markets, Inc.
2024 Annual Meeting of
Stockholders Transcript

Vlad Tenev: Good morning. I'm Vlad Tenev, Co-founder, CEO and Chair of Robinhood Markets. Welcome to the 2024 Annual Meeting of Stockholders of Robinhood. This is our third annual meeting following our IPO, and we want to thank you for joining us today and for being part of this journey that we're all on together. We're especially excited that we can continue to deliver on our mission to democratize finance for all, by enabling you to participate in our annual meeting and to ask questions from around the world on the Say platform. It's now 9:30 a.m. - let's get started. I'd like to turn it over to Christina Lai, our Corporate Secretary, Vice President and Deputy General Counsel for introductions, and to take us through the formal portion of the meeting, after which I'll address a selection of the most upvoted questions submitted through the Say Q&A platform.

Christina Lai: Thanks, Vlad. I'd like to introduce the other members of our board of directors. In addition to Vlad - Baiju Bhatt, Co-founder of Robinhood, as well as Jonathan Rubinstein, our lead independent director, and Paula Loop, Micky Malka, Susan Segal, Dara Treseder, and Bob Zoellick. Thank you to the directors who have joined us today. Other than our Co-founders, Vlad Tenev and Baiju Bhatt, each of our directors is an independent director. We are proud of the depth and breadth of experience and diversity, of experience, of expertise represented among our board members, and we are extremely grateful for their service as we continue our journey as a public company. We'd also like to thank the Robinhood employees for all their incredible work and dedication, getting us to where we are today.

I'd also like to introduce the outside representatives who have joined us today. Ryan Bennett from Mediant will serve as the Inspector of Elections for today's meeting and will tabulate the voting results. Mr. Bennett has taken an oath of office to faithfully execute his duties with strict impartiality and, according to the best of his ability. Elliot Offit and Brian Outland, our audit partners at Ernst and Young LLP, Robinhood's independent registered public accounting firm, have also joined us. Thank you, everyone, for being here.

In addition, a list of stockholders entitled to vote at the annual meeting has been available for examination by any stockholder during ordinary business hours at Robinhood's offices for the last ten days.

Lastly, I'd like to remind everyone that only stockholders as of the close of business on April 29th, the record date for this meeting, are entitled to vote today. In addition, in order to vote during the meeting, you need to be attending the meeting as a registered attendee and not through the guest option.

This annual meeting is held pursuant to Delaware law and our bylaws. We have affidavits from Mediant stating that starting on May 8th, 2024, each stockholder of record as of the close of business on April 29th was sent a notice of this meeting, along with instructions on how to access the materials. Mr. Bennett, our inspector of elections, has examined the proxies received and reports that holders of stock representing a majority of the voting power of all shares of stock issued and outstanding and entitled to vote at this meeting, are present at the meeting or represented by proxy. Therefore, a quorum is present and we may proceed with the business portion of our meeting.

Voting is available via the virtual meeting platform for those of you attending the meeting as registered attendees. The polls are currently open and will remain open for the duration of this portion of the meeting. If you already submitted a proxy, either by the company's proxy card or by phone or via the internet, or if you submitted voting instructions to your broker, bank or other nominee and do not intend to change your vote, then you do not need to vote now. If you have not voted yet or wish to revoke your proxy and change your vote, you may return to the meeting portal you used to access this meeting and select the vote button.

There are three items of business to be brought before our stockholders today. I want to let you know that voting is going to close right after we present proposal three. So if you want to vote and have not done so yet, you should start voting while the proposals are being presented. Each proposal is presented in the company's proxy statement that we filed with the Securities and Exchange Commission April 26th, 2024. And I will provide a brief overview of each. The first proposal is the election of eight director nominees to serve until the 2025 Annual Meeting, and until their respective successors are elected and qualified, or until their earlier departure from office.

Our Board of Directors has nominated and recommends that the election of the following nominees Vlad Tenev, Baiju Bhatt, Paula Loop, Mickey Malka, Jonathan Rubinstein, Susan Segal, Dara Treseder, and Robert Zoellick. There were no nominations under our advanced notice bylaw and therefore the nominations are now closed, and this proposal is properly before the meeting.

The second proposal is the advisory vote to approve the compensation of our Named Executive Officers. Our Board of Directors believes that our compensation philosophy, policies and practices promote a performance-based culture and align our executives interests with those of our stockholders through a strong emphasis on at risk compensation linked to long term performance. The vote is advisory and therefore is not binding on us, our People Committee or our Board of Directors.

Our People Committee and our Board of Directors value the opinion of our stockholders, will carefully review the voting results and will consider them when making future compensation decisions for our named executive officers. Our board recommends that stockholders vote for the advisory vote to approve the compensation of our Named Executive Officers, and this proposal is properly before the meeting.

The third proposal is to ratify the appointment of Ernst and Young LLP as the company's independent registered public accounting firm for our 2024 fiscal year, which is the fiscal year ending December 31st, 2024. Although EY does not wish to make a statement, Mr. Offit and Mr. Outland are available to respond to appropriate questions as further described in the proxy statement. Robinhood's audit committee, which is composed entirely of independent directors within the meaning of applicable SEC rules and Nasdaq listing standards, is directly responsible for appointing the independent registered public accounting firm for the company and has appointed EY to serve in that capacity for 2024.

Our board recommends that stockholders ratify the appointment of Ernst and Young LLP as the company's independent registered public accounting firm for 2024 fiscal year, and this proposal is now properly before the meeting. There being no other proposals or business before the meeting, we will provide a few moments for those attending the meeting to submit

their votes via the virtual meeting platform. If anyone is still voting, please submit your ballots now. The time is 9:37 a.m. and the polls are now closed. Thank you everyone for your participation.

Our inspector of elections has provided the preliminary voting results to share with stockholders at the meeting. The preliminary voting results are as follows. The eight director nominees for election to the company's board of directors have been elected. The compensation of our named executive officers has been approved on an advisory basis, and the appointment of Ernst and Young LLP as the company's independent registered public accounting firm for our 2024 fiscal year has been ratified. We will file a form 8-K with the SEC within four business days to report the final results.

On behalf of the Chair, I now declare the business portion of the 2024 Annual Meeting of Stockholders adjourned.

We will now take some questions submitted and upvoted through the Say platform prior to the meeting. I'd like to remind everyone that today's Q&A may contain forward looking statements about our strategic and operational plans. Actual results could differ materially from our expectations. Potential risk factors that could cause differences are described in our Quarterly Report on Form 10-Q for the quarter ended March 31st, 2024, and in our other SEC filings.

Today's discussion may also include non-GAAP financial measures. Reconciliations to the GAAP results we consider most directly comparable can be found in the first quarter 2024 earnings presentation on our Investor Relations website at investors.robinhood.com. So now I have the privilege of welcoming back our Co-founder, CEO and Chair, Vlad Tenev, to take questions about our company and business.

Vlad Tenev: Thanks, Christina, and it's good to be back.

Christina Lai: We're excited to address what's on our stockholders' minds. So, let's dive right in. The first question comes from John-Henry H., who asks, "When is the Gold Card going to be more generally available? Super excited for it."

Vlad Tenev: Thanks for the question. We're super excited about the Gold Card, too. I should mention we've seen a ton of demand. Over one million people joined the waitlist within the first month, and we've already started rolling the Gold Card out to the initial group of several tens of thousands of customers. And the idea with this group is for it to be a relatively representative sample of what we would expect when we roll it out at scale. The early results, by the way, the early customer feedback, and you can see it when you look at the App Store reviews, are just fantastic.

So I'm really proud of the product that we've built. And it's clear that it's resonating with the customers that are using it thus far. So what we're doing now, we're studying the spending and borrowing activity, and we want to use that information to inform our broader rollout strategy. So we're super excited to get the card into our customers hands. The product, from a product and engineering standpoint, is in good shape. And it's really just about making sure that the spending and borrowing activity looks good and conforms to expectations. And that's why we want to be prudent with this rollout.

Christina Lai: The next question comes from Umut P., who asks, "When will you start to pay dividends?"

Vlad Tenev: Yeah. So, I think the broader question of driving value to stockholders, we think about it in a couple of ways. So number one, using our capital to make organic investments in the business. Two, layering in M&A activity. So mergers and acquisitions so that we can accelerate our roadmap. And the third is returning capital to stockholders through things like buybacks. So, you're seeing us do all three. In terms of returning capital to shareholders, our preference right now is for buybacks. And last year you might remember we bought back over 55 million shares. And we recently announced a \$1 billion share repurchase authorization, which we plan to start executing in Q3 of this year.

Christina Lai: The next question comes from Richard M., who asks, "What types of companies do you plan to absorb into Robinhood to further your growth?"

Vlad Tenev: Yeah. Thanks for the question. I think it's a really good one. When we think about M&A activity, we really like to see a significant acceleration to our roadmap. And so, there's three things that we're focused on strategically; winning in the active trader market is number one, growing wallet share with customers, helping them build wealth and expanding internationally. So even though we've generally preferred to grow our technology platform organically, we have built up a great M&A function that accelerates the organic growth that we've been building.

So you saw us do that with X1 last year, which became the Robinhood Gold Card, the credit card product that I was speaking about earlier, and more recently with the pending acquisition of Bitstamp, which would allow us to expand internationally and accelerate that while also entering the crypto institutional business. So, we're going to continue to evaluate deals where we feel like there is significant product roadmap acceleration - we can bring in great leadership teams and great talent into the company to help us execute on our mission.

Christina Lai: Thanks, Vlad. We have a couple of questions on features from Gregory V., Sahil V. and Dwight D. They ask if there are plans for a dividend tracker, more market data and tools, futures and currency trading.

Vlad Tenev: In short, yes, we plan to build many and probably all of those things given enough time. Product velocity has been really solid. The team has shipped a lot of great products over the last year or so. 24 Hour Market, which has rapidly become the industry standard for overnight trading in equities markets. Of course, the Robinhood Gold Card. We've recently released a crypto trading API. Recently also for our Gold customers, we have our unlimited deposit boost on all deposits for Gold members. And in the past couple of months, we've been expanding internationally as well.

So, there's a mixture of things like 24 Hour Market, which are differentiated and unique in our space. Things that maybe customers have experienced at other brokerages and over time will plan to continue to roll those out and catch up. So, tax lot selection I know has been a huge request, and we've been hard at work delivering things like that. And then things you mentioned - dividend tracking - futures we've announced and we're really excited to continue polishing that product and getting it ready for launch, and there's many, many more things. We're not slowing down by any means.

Christina Lai: The next question comes from Vishal A., who asks,, "Any plans to launch the Robinhood platform in other countries?"

Vlad Tenev: Yes, we have big plans. One of our three key priorities as a business is to expand internationally and make Robinhood available to basically everyone in the world. Everyone with a smartphone should be able to access low cost and accessible and really delightful financial services. And we've already started doing this. We've started executing on international expansion, and we intend to accelerate and deepen over time.

So at the end of last year, we launched Robinhood Crypto in the EU, as well as Robinhood brokerage in the UK. So far, feedback from customers has been positive. The main focus in those markets is to round out the UK offering and the EU crypto offering. Customers largely have been asking us to make available products and features that we already have in the US. And that's been really good to see. And a big focus has just been on making the things that that we have built globally available and working with the regulators and stakeholders in these geos to facilitate that.

Bitstamp also would augment that and accelerate it by getting us a regulated international crypto exchange to augment the international business. And we're not stopping from there. We're looking at further geos, more product expansion, and extending our global unified platform that we've been organically building. So international expansion, very, very important. We've started executing on it. You should expect that that continues and even accelerates over the long run.

Christina Lai: Thanks, Vlad. Richard M. asks, "You have a household name and have significantly expanded since your inception, what are future services or products Robinhood plans to capitalize on?"

Vlad Tenev: Yeah. So if we think about what we want Robinhood to be over the long run, we think we have a place in the world where we can hold and custody and safeguard all of our customers' assets and facilitate all of their financial transactions. And the way we're thinking about executing on that is really in three parts. Number one, the core business is the active trading space. And we intend to win the active trader market. And we've made a lot of progress there. We've been growing our market share and improving our product and continuing to roll out new assets and new product innovations like 24 Hour Market. We also want to gain and build wallet share with our customers, help them build their long-term wealth.

And you've seen the advancements we've made in Robinhood Gold, all the depositing tools, the Robinhood Gold Card, the high APY on high yield that we offer customers. And that's been going very well. And expanding internationally, which I was just getting into. So, in each of these things, we've got unique products that complement the strategy, such as a premium product for pro traders on web who can really make use of the large real estate. We're very excited about that.

We're continuing to double down on Gold. And by the way, last quarter, we announced that we had more Gold subscribers than we've ever had in in company history. And we see a huge potential to deepen the relationships and the wallet share with customers there. And over the long run, we think that these things will compound and will continue feeding the flywheel of

Robinhood Gold and the company overall. And we'll get to a place where we're actually serving all of our customers financial needs all over the world.

Christina Lai: The next question comes from Carroll Y., who asks, "Are there plans to join the S&P 500 this year?"

Vlad Tenev: I think we're focused on the right things. So, we've been working to deliver consistent profitability in the business. And of course, consistent profitability is one of the one of the requirements there. And we've also been enhancing our offering, diversifying the business over time to drive revenue growth. Of course, there are only 500 spots in the in the S&P 500. And ultimately, it's the decision of the committee. So, this isn't completely in our control. But as we stay focused on our business and keep building the company the way we intend to keep building it, over time, it would be great to be part of that index.

Christina Lai: The next question is from Serdar M., who asks, "Are there any plans to introduce new AI-driven analytical tools for investors?"

Vlad Tenev: Yeah, thanks for the question. So there are two, I believe, there are two big technological shifts that are going on right now that have the potential to change the financial industry, and they're AI and cryptocurrency. And actually, we intend for Robinhood to be the leader in financial services in both. We think that there's relatively few opportunities where the financial system and kind of the world can be reorganized by these platform shifts, and we have the technology and the people and the wherewithal to actually be leaders. So we see a lot of opportunity.

I think, from very early on, when it comes to AI, we've built the data science and machine learning capabilities at Robinhood. That's of course, accelerated with new people and new teams as these generative technologies and LLMs have kind of continued to develop. We've got lots of lots of areas where we're using those internally from engineering to operations. And then you're starting to see them be reflected in products too. So we don't want to get ahead of ourselves and announce exactly what that's going to look like. But I think in the in the coming months and years I think it'll start to become more clear exactly how we intend to lead the space.

Christina Lai: Thanks, Vlad. For the final question, we received questions from Christina Y. and Gilbert T. on custodial accounts, namely if and when Robinhood will offer them.

Vlad Tenev: Yes. Thanks for those questions. Robinhood, over time, will offer all assets that our customers want to hold or trade and all account types for our customers as well. So we've been hearing a lot about all kinds of account types. We hear from customers that they want to be able to teach their children about investing through custodial accounts. We also hear a lot of requests for joint accounts to allow folks to manage their finances with a partner.

Last year, we really built a lot of the plumbing and infrastructure to have multiple accounts per customer with the launch of Retirement - we've been seeing great adoption there. And you're going to see more account types. You're going to see more account types. And we're going to continue to add account types and assets until we have the broadest possible coverage of our customers' investing needs. So, stay tuned, and you'll see that soon.

Christina Lai: Great. Thanks, Vlad. And thank you to all our stockholders that submitted questions. We're really excited about the future ahead. Any last words, Vlad?

Vlad Tenev: Yeah. I just wanted to thank you all for participating and listening to the Annual Meeting and for being Robinhood stockholders. As hopefully you can tell, we're very excited about the year ahead. We think we're just getting started. We're going to roll out amazing products and experiences that we think will change people's relationship with money, change how they invest and spend and save. And we think we can do all of that while building a great company that offers great returns to shareholders. So, we're continuing to demonstrate that. And we look forward to sharing more updates with you. Have a great rest of your day. Thank you.

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