

Robinhood Markets, Inc. (HOOD)

NASDAQ: HOOD | Retail brokerage and financial technology | Equity research update | 12 October 2026

Last close (9 October 2026)	\$109.02	Recommendation	WATCHLIST (unchanged), from fundamentals
Previous report (16 Sep)	\$110.45, Watchlist	Investment score	67.0 / 100 (prior 65.6, restated)
Move since then	-1.3%	Weighted fair value	\$110; +0.9%
P/E, 2026E / 2027E	52.2x / 39.1x	Price of interest	\$97 or below; or Q3 evidence on 27 Oct
Market value	\$98.0bn	Technical read (chart only)	Conflicts: uptrend
Average analyst target	\$134.68	Next results	Q3 2026: 27 Oct after the close

A Bigger Product Slate, a Harder Legal Road

Robinhood closed at \$109.02 on 9 October 2026, 1.3% below the \$110.45 of the previous report, after a round trip that took it to a closing high of \$124.25 on 22 September. Three things happened in the month. The September volume update showed the prediction-markets line running ahead of August: 4.4 billion event contracts in the first 24 days, a pace of about 5.5 billion for the month on a calendar-day basis (our calculation). On 29 September the HOOD Summit set out the largest product slate in the company's history: crypto perpetual futures with up to 10x leverage, earnings contracts listed by Cboe, weekend trading in selected stocks, AI trading agents with paid third-party apps, and 4x intraday margin. And the legal ground under sports event contracts moved against the company, with two Ninth Circuit rulings, on 28 August and 16 September, that both name Robinhood.

The results date has also moved. Robinhood will report the third quarter on **27 October** after the close, not in November. That brings the decisive evidence forward by about a week. Volume data now point to third-quarter event-contract revenue well above the second quarter's \$156 million if the take rate holds (our estimate is about \$187 million), which is the result the previous report named as the trigger for an upgrade. It is still an estimate built on contract counts, and the revenue figure arrives in fifteen days.

Verdict: Watchlist, unchanged, from fundamentals. Technical read (chart only): Conflicts. The stock is in an uptrend above a rising 50-day average, so the chart is firmer than the rating; watch closely without changing it. A close below the 50-day near \$107.23 and then the 20-session low of \$101.70 would bring the chart back into line. Weighted fair value rises from \$106 to \$110, 0.9% above the price, so the shares are fairly valued rather than cheap. The name becomes interesting at **\$97 or below**, about 37 times base-case 2027 earnings, or on a third-quarter release that confirms event-contract revenue at or above the second quarter without a material restriction on sports contracts in force.

1. Do the published levels still hold?

Level from the 16 September report	Then	Now	Status
Reference price	\$110.45	\$109.02	-1.3%. High close \$124.25 on 22 Sep, then back.
Entry area: \$95, where the 100-day and 200-day averages met	SMA100 \$95.25; SMA200 \$95.13	SMA100 \$101.81; SMA200 \$94.10	The anchor has come apart: the 100-day rose and the 200-day fell as late-2025 highs left the window. Reset to \$97 on valuation, between the two.
Weighted fair value	\$106	\$110	Raised on September volumes and the product slate; held back by the court rulings.
Upgrade on evidence: Q3 release	4 November (expected)	27 October (announced 1 Oct)	Same test, a week earlier.

Level from the 16 September report	Then	Now	Status
Downgrade trigger	Above about \$140 without Q3 confirmation	Above about \$145	Not reached; the high close was \$124.25. Raised with the bull case.
P/E on annualised clean Q2 EPS of \$1.92	57.5x	56.8x	Effectively unchanged.

Averages recomputed in code on the same daily series as the technical read. Clean EPS is the Q2 diluted figure of \$0.62 less \$0.14 of gains, mainly from deconsolidating Robinhood Ventures Fund I, annualised; it is this report's calculation, not a company measure.

2. Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
HOOD Summit product slate	Announced 29 Sep; most items due Oct 2026 to early 2027	Crypto perpetual futures (8 coins, 10x on BTC and ETH, 1bp fee to year end) via Bitstamp; Cboe earnings contracts, no fees to year end; weekend trading in selected stocks, pending review; AI agents and paid agent apps (\$5-30 a month); 4x intraday margin and longer options hours from October	Company: perps 'in the coming months', weekend equities early next year; our sizing below	High
Court rulings on sports event contracts	Ninth Circuit 28 Aug (Nevada) and 16 Sep (California tribes); New Jersey petition to the Supreme Court 2 Sep	Nevada may apply its gaming law to Kalshi, Crypto.com and Robinhood; tribes likely to win a claim that the contracts are class III gaming on their lands, remanded for injunction factors	Supreme Court may consider the issue this term (law firm commentary)	High
September month-to-date volumes	Published 28 Sep, covering 1-24 Sep	Event contracts about 4.4bn; crypto about \$17bn; options about 234m; equities about \$267bn. Full September data come with Q3 results	Our calculation: September event-contract pace about 5.5bn	Medium
Crypto.com and OG.com routing with equity stakes	Live 8 Sep	Added as event-contract venues alongside Kalshi, ForecastEX and Rothera	-	Medium
SEC exemption for tokenised stock venues	Issued 17 Sep; five years	Venues may trade tokenised NMS stock if tokens carry full shareholder rights and issuers can object	Robinhood's current synthetic tokens do not meet the rights condition (reported)	Medium
Crypto market-structure bill fails in the Senate	15 Sep	Procedural vote failed; crypto shares and Bitcoin fell that day	No new timetable	Medium
Q3 2026 results date	Announced 1 Oct	Release 27 Oct after the close; video call 5pm ET	Consensus EPS \$0.52, revenue \$1.36bn	Low
Ventures funds, Canada office, Bitcoin purchase	16 Sep-7 Oct	RVI invests \$25m in Crusoe; RVII over \$15m in YC S26; Toronto office opens; \$25m of Bitcoin added to the balance sheet (reported)	-	Low

Company newsroom and investor releases, SEC and Nevada Gaming Control Board releases, court commentary and wire reports; consensus as of 12 Oct 2026.

Two items are High. The product slate qualifies because it touches the core trading franchise and its competitive position; the court rulings qualify because sports event contracts sit inside the fastest-growing revenue line and the outcome is binary in each state. The Crypto.com and OG.com routing, rated High last month, is now Medium: it is live, and its effect will show in the third-quarter revenue figure rather than in anything new.

2a. The HOOD Summit slate

What is known. On 29 September Robinhood announced crypto perpetual futures on BTC, ETH, SOL, XRP, DOGE, ADA, LINK and HYPE, offered through Bitstamp, with up to 10x leverage on BTC and ETH and 3x on the rest, at one basis point per trade until year end, due 'in the coming months'. Earnings contracts, binary KPI options listed by Cboe and requiring options approval, roll out ahead of the third-quarter season with no Robinhood or Cboe fees to year end. Weekend trading in a curated list of stocks and ETFs is due early next year, pending regulatory review. Robinhood Agents, Loops and paid agent apps from Nasdaq, Unusual Whales and others (\$5 to \$30 a month, one month free) are 'coming soon'; more than 150,000 customers have opened agentic trading accounts since May. From October, eligible margin customers can opt into 4x intraday buying power, up from 2x, and options trade from 7:30am to 4:15pm.

Why it matters. Transaction revenue was \$776 million of the \$1.31 billion second quarter, and options alone \$342 million. Each launch adds either a new fee line (perps, agent apps) or more turnover on existing ones (earnings contracts within prediction markets, 4x margin, longer hours). **What success and failure look like.** Success is perps live in the United States by the first quarter with volumes disclosed in the monthly data, earnings contracts trading through the October season, and agent-app subscriptions reported. Failure is a delay on regulatory review, or launch-period volumes that vanish once fees start in January. The first hard data are the October volumes, expected in mid-November on the usual monthly pattern, and the fourth-quarter release.

Economics and sizing, our calculation. The company gives no revenue targets. Assuming the slate adds \$100 million to \$250 million of 2027 revenue at a 70% incremental margin, a 22% tax rate and 924 million diluted shares, it adds about \$0.06 to \$0.15 of 2027 EPS, or 2% to 6% of the base case. Fee waivers to year end mean little revenue in 2026. Leverage products carry a risk the earnings line does not show: liquidations and margin calls fall on the most active customers at the worst moments. **Precedent and competitors.** Robinhood's record on launches is strong (prediction markets went from launch to \$156 million a quarter in under two years), and offshore exchanges show the appetite for perpetuals. Coinbase already offers perpetual-style futures to US customers. **What the price assumes.** Broker targets rose after the event, so part is priced. The shares closed down 3.2% on 30 September, the day after the Summit, on 35 million shares. **Still unknown.** Launch dates, take rates and whether weekend equities clear review.

2b. The court rulings on sports event contracts

What is known. On 28 August a unanimous Ninth Circuit panel held that the Commodity Exchange Act does not stop Nevada from applying its gaming laws to sports event contracts; the Nevada Gaming Control Board named Kalshi, Crypto.com and Robinhood and treats unlicensed operators as unlawful in the state. On 16 September a second Ninth Circuit panel, in a suit by two California tribes against Kalshi and Robinhood, found the tribes likely to succeed in arguing that the contracts are class III gaming on their lands, and sent the case back for the remaining injunction factors. The Third Circuit ruled the other way for Kalshi in New Jersey, and New Jersey asked the Supreme Court on 2 September to decide who regulates these contracts.

Why it matters. Event contracts earned \$156 million in the second quarter, about 12% of revenue, and are the fastest-growing line. The company does not disclose the sports share. **Sizing, our calculation.** At the second-quarter revenue per contract, third-quarter volumes imply about \$748 million a year. If sports were 50% to 70% of that and were lost nationwide, the hit would be \$374 million to \$524 million of revenue and \$0.22 to \$0.31 of EPS, 8% to 12% of the base case. That is the extreme. The rulings so far bite on one state and on tribal land, which is far smaller. The real risk is direction: a split between circuits invites a national answer, and the two rulings this summer both went against the contracts.

What success and failure look like. Success is a Supreme Court ruling for federal jurisdiction, or a CFTC framework that states accept. Failure is a ruling that state gaming law applies, which would force state licensing or withdrawal. **Still unknown.** Whether the Court takes the case this term, the remand outcome in California, and the sports share of contract revenue. This item does not change the verdict. It is why the Risk score falls from 5 to 4 and why the bear case keeps a 23% weight despite better volumes. Without it, weighted fair value would be about \$112; without the product slate, about \$108. Both sit close to the price, so neither item changes the rating.

3. Framework: what drives returns from here

Robinhood earns transaction fees on options, equities, crypto and event contracts, net interest on margin loans and swept cash, and subscription revenue from Gold. Five variables decide the next two years: whether prediction markets hold their

volume through a full sports calendar and survive the state challenges; retail trading activity in options and crypto, which carries the highest take rates; growth in platform assets and margin balances, which drives net interest; execution on the new derivatives and agent products; and the multiple the market will pay for a business with a beta above 2. The macro drivers follow from these: the policy-rate path and retail risk appetite.

4. Business and industry

Robinhood is the largest US retail broker built on mobile, with 28.6 million funded customers and \$384 billion of platform assets at the end of August. Its edge is product speed and a customer base that trades more than the industry average. The industry is consolidating around a few platforms that combine brokerage, crypto and banking, and prediction markets have turned into a contest between brokers, crypto exchanges and sportsbooks. That contest is now being fought in court as much as in the market.

5. Financials

Measure	Q2 2026	Read
Total net revenues	\$1.31bn, +32%	Q3 consensus \$1.36bn
Transaction revenue	\$776m, +44%	Options \$342m, equities \$129m, event contracts \$156m, crypto \$100m
Net interest revenue	\$389m, +9%	Margin balances \$21.5bn at August, +72% y/y
Net income / diluted EPS	\$573m / \$0.62	Includes \$0.14 of gains, mainly the RVI deconsolidation
Adjusted EBITDA	\$741m, 57% margin	Non-GAAP company measure
2026 adjusted opex and SBC outlook	\$2.675-2.775bn	Lowered and tightened in July
Buybacks / cash	\$414m / \$5.4bn	Includes \$290m tied to the June convertible

Company Q2 2026 results release (29 Jul 2026) and August operating data (10 Sep 2026).

Metric	July	August	September (1-24)	September pace
Event contracts	6.1bn	4.7bn	4.4bn	5.5bn
Crypto notional	\$10.9bn	\$17.5bn	\$17bn	\$21bn
Options contracts	324m	293m	234m	289m
Equity notional	\$333bn	\$335bn	\$267bn	-

Company monthly releases. The September pace is this report's calculation: event contracts and crypto scaled by calendar days (30/24), options by trading days (21/17). Full September data will come with the Q3 release.

The arithmetic on the central question is now favourable. Second-quarter event contracts were 13.6 billion. July, August and the September pace sum to about 16.3 billion, 20% more, without a World Cup in two of the three months. At the second-quarter revenue per contract that is about \$187 million of revenue. The caveat is the take rate, which moves with contract mix and the fee terms on new venues, and the company does not disclose it in advance.

6. Competitors

Competitor	Where it competes	Position against Robinhood
Charles Schwab, Interactive Brokers	Equities, options, active traders	Larger asset bases; Robinhood is faster on product and cheaper for small accounts
Coinbase	Crypto spot and derivatives	Deeper crypto liquidity; already offers perpetual-style futures in the US
Kalshi, Polymarket, Crypto.com	Prediction markets	Venues and rivals at once; Robinhood routes to several and owns stakes in two
Sportsbooks (DraftKings, FanDuel)	Sports outcomes	State-licensed; the court rulings favour their model over federal contracts

Qualitative positioning from company disclosures.

7. Management

Execution has been strong: costs were guided lower in July, the product cadence is the fastest in the industry, and the routing deals of 8 September were in place for the football season. The chief executive sold 375,000 shares on 5 October at about \$113.7 on average, about \$42.6 million (our calculation from the filing), under a trading plan adopted on 5 September 2025. He still holds 47.4 million Class B shares, so the sale is routine diversification rather than a signal. The headline EPS presentation still leans on investment gains, which is why this report uses a clean figure.

8. Growth drivers and catalysts

Driver or catalyst	Status and date	Likelihood	Impact
Q3 2026 results	27 Oct after the close	Certain	First revenue read on event contracts without a full World Cup quarter
Earnings contracts	Rolling out in October	High	Extends prediction markets beyond sports, onto a regulated options exchange
4x intraday margin, longer options hours	From October	High	More turnover from the most active customers
Crypto perpetual futures	'Coming months'	Medium	New fee line; free of fees only to year end
Weekend equities trading	Early 2027, pending review	Medium	Extends the 24-hour market to seven days
Agents and agent apps	'Coming soon'	Medium	Subscription revenue; size unknown
Tokenised stocks in the US	SEC exemption from 17 Sep	Low to medium	Needs a structure with full shareholder rights

Status from company announcements; likelihood and impact are this report's assessments.

9. Risks

Risk	Probability	Severity	Comment
Valuation	High	High	39x 2027 consensus with a beta above 2 and a 5% daily range
State action on sports contracts	High	High	Two Ninth Circuit rulings went against the contracts; Supreme Court petition pending
Retail risk appetite	Medium	High	Consumer confidence at its lowest since 2014; margin balances +72% y/y
Crypto reversal	Medium	Medium	Crypto volume recovered; the market-structure bill failed
Leverage products	Medium	Medium	10x perps and 4x intraday margin raise customer-loss and reputational risk
Rate path	Medium	Medium	A second hike would lift net interest but weigh on trading
Event contracts normalising	Low	Medium	September ran ahead of August; revenue still unconfirmed
Earnings quality	Medium	Medium	Headline EPS includes investment gains
Venue and counterparty exposure	Low	Medium	Equity stakes in two private venues

Probability and severity are this report's assessments.

10. Valuation

At \$109.02 the market value is \$98.0 billion on 899.1 million shares. The shares trade at 52.2 times 2026 and 39.1 times 2027 consensus EPS, and 56.8 times annualised clean second-quarter earnings. Consensus for 2027 has risen from \$2.50 to \$2.79 over ninety days and third-quarter EPS from \$0.46 to \$0.52, so the estimates are moving the right way. The average analyst target is \$134.68 and the median \$140. The base case here uses \$2.65 for 2027, below consensus, because it excludes investment gains and assumes no rise in the event-contract take rate. On 43 times that figure the base value is \$114; weighted across the scenarios it is \$110, against a price of \$109.02. That is fair value, not a discount.

Macro drivers. Two variables matter. The first is the policy rate, which cuts both ways. The Federal Reserve raised its target range to 3.75-4.00% on 16 September, and its September minutes say most members see another rise as likely by year end. The next meeting, on 27 and 28 October, overlaps with Robinhood's results. A higher rate widens the spread on \$21.5 billion of margin loans and \$31.2 billion of swept cash, but it also lifts the discount rate on a high-multiple stock, and the ten-year yield has risen from 4.96% in mid-September to 5.22% on 8 October. The second is retail risk appetite. The Conference Board's confidence index fell to 81.9 in September, its lowest since 2014; September payrolls rose only 29,000 and unemployment reached 4.2%. Robinhood's revenue depends on how willing its customers are to trade, and margin balances growing at 72% against customer growth of 7% make that dependence larger.

11. Sentiment and positioning

Measure	Reading	Interpretation
Consensus rating	Buy, 30 analysts (24 Buy or better, 4 Hold, 2 Sell or worse)	Broad support; Wells Fargo initiated at Equal-weight
Average / median target	\$134.68 / \$140	24% above the price, up from \$129.34 a month ago
Recent actions	Morgan Stanley \$150 to \$160 (9 Oct); Barclays \$105 to \$132 (7 Oct); BofA \$140 to \$156 (5 Oct); Piper Sandler \$145 held (2 Oct); Wells Fargo initiate \$125 (1 Oct); Evercore ISI initiate Outperform (12 Oct)	Targets rose after the Summit; the price did not
Insider activity	CEO sold 375,000 shares on 5 Oct under a 10b5-1 plan; smaller sale by the chief legal officer	Planned sales, no signal
Short interest	5.1% of float	Moderate
Reported holdings (active managers)	Mixed, moderate confidence	See below

Ratings, targets and short interest as of 9-12 Oct 2026; insider data from Form 4 filings.

Reported holdings by active managers read **Mixed**, with moderate confidence, as of 30 June 2026, filings through 19 August 2026. Three quarters of net reduction gave way to a net addition of about 4.6% of reported shares in the June quarter, leaving a net addition of about 1.0% over four quarters and 0.2% year on year, with 33 managers adding and 17 cutting. The June quarter looks like a turning point, but one quarter does not make a trend. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure. This positioning predates the September events and is not a scored input.

12. Investment scorecard

Criterion	Score	Weight	Basis
Business Quality		7/10 16%	Unchanged. Thirteen revenue lines above \$100m annualised, a 57% adjusted EBITDA margin in Q2 and platform assets of \$384bn at August.
Financial Strength		8/10 16%	Unchanged. \$5.4bn of corporate cash at 30 June after the \$2.0bn convertible, an active buyback and a lowered 2026 cost outlook.
Competitive Advantage		8/10 16%	Unchanged. The HOOD Summit slate widens the lead in retail derivatives, offset by a tokenisation framework its current stock tokens do not meet.
Management		7/10 10%	Unchanged. Fast product cadence and firm cost control; the CEO's October sale ran under a plan adopted a year earlier.
Growth Potential		8/10 16%	Unchanged and already high. September volumes ran ahead of August; perpetual futures, earnings contracts and weekend trading are announced, not shipped.
Valuation		4/10 16%	Unchanged. 39x 2027 consensus and 57x annualised clean Q2 earnings; the price sits about 1% below weighted fair value.
Risk (10 = lowest risk)		4/10 10%	Lowered. Two federal appeals rulings naming Robinhood went against sports event contracts, and the crypto market-structure bill failed in the Senate.

Overall Investment Score: 67.0 / 100 (previous 65.6, restated)

Scored 1-10, where 10 is always best, including Risk. Weighted sum computed in code with default weights summing to 100. The prior score is restated without the Technical Setup factor for comparability.

Only Risk moved, from 5 to 4, on the court rulings. The composite still reads higher than the restated 65.6 because that figure carries the previous report's weights, which put more on Valuation and Risk; at today's weights the previous scores would total 68.0, so the like-for-like change is a fall of 1.0 points. Risk at 4 out of 10 means elevated risk, and the Risks section describes a high-beta business facing a binary legal question on its fastest-growing line; the two agree. The product slate moved no score: the items are announced, not shipped, and Growth Potential was already 8.

13. Recommendation

Watchlist, reaffirmed from 16 September, from fundamentals. The reasoning has shifted. A month ago the rating rested on an open question about prediction-markets volume; that question is now close to answered, in the company's favour, by contract counts. In its place sits a legal question that the September evidence cannot answer and that the third-quarter release will not settle either. The weighted fair value of \$110 sits 0.9% above the price. A fairly valued share with a binary regulatory risk on its fastest-growing line is not a purchase.

Item	Level	Reasoning
Price of interest	\$97 or below	About 15% below the base value of \$114; 37x base-case and 35x consensus 2027 EPS; between the 100-day (\$101.81) and the 200-day (\$94.10)
Upgrade on evidence	Q3 release, 27 October	Event-contract revenue at or above \$156m with no material restriction on sports contracts in force would justify paying close to the current price
Downgrade trigger	Above about \$145 without that evidence	The price would have reached the bull case on volume data alone
Weighted fair value	\$110; base \$114	Fairly valued
Suggested size on trigger	1.5% to 2.5% of a portfolio	ATR of 5.1% of price and a beta near 2.35; allow for a gap through any stop on results night
Holding horizon	1 to 2 years	Long enough for the court question to resolve

No cut-loss or take-profit levels are published for a non-Buy rating. Levels are this report's calculations. The price of interest applies before or after 27 October; the upgrade route applies only after it.

14. What would change the view

Condition	Direction	Consequence
Q3 event-contract revenue at or above \$156m, with no material restriction on sports contracts in force	Toward Buy	Confirms the line is structural; supports paying near the current price
Price at \$97 or below with the operating case intact	Toward Buy	Restores a margin of safety of about 15% to the base case
Perps and earnings contracts launch on schedule with material early volumes	Toward Buy	Lifts the bull case toward the base
Supreme Court takes the New Jersey case, or more states enforce gaming law on the contracts	Toward Avoid	Puts part of the fastest-growing line at risk
Crypto volume resumes its year-on-year decline	Toward Avoid	Removes one leg of the recovery
A second rate rise followed by a sustained fall in retail trading and margin balances	Toward Avoid	Volume falls faster than net interest rises
Price above about \$145 without Q3 confirmation	Toward Avoid	Price ahead of the bull case

Macro rows are directional. Price levels come from the report's own valuation.

15. Technical read

Chart as of the 9 October 2026 close.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Conflicts.** The stock is in an uptrend: it holds above a rising 50-day average and has not closed below the 200-day in the last ten sessions. The chart is firmer than the rating, so watch closely without changing it. A close below the 50-day near \$107.23 and then below the 20-session low of \$101.70 would bring the chart back into line with waiting. Momentum has cooled: the price is below its 20-day average, the MACD histogram is negative and RSI is 46. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides timing.

Indicator	Value	Reading
Price of record (9 October 2026)	\$109.02	-1.3% since the previous report
SMA 20 / EMA 20	\$114.50 / \$112.59	Price -4.8% and -3.2%
SMA 50 / EMA 50	\$107.23 / \$109.03	Price +1.7% above the 50-day, level with the EMA; 50-day rising
SMA 100 / EMA 100	\$101.81 / \$103.74	Price +7.1% and +5.1%
SMA 200 / EMA 200	\$94.10 / \$104.56	Price +15.9% and +4.3%
RSI (14)	45.8	Neutral
MACD (12,26,9)	0.01, signal 1.57, hist. -1.56	Below its signal line
ATR (14)	\$5.53, 5.1% of price	High volatility
Volume, 20-day vs 50-day	21.8m vs 20.8m	Participation slightly higher
Support / resistance	\$107.23, \$101.70, \$86.56 / \$114.50, \$126.74	50-day, 20-session low, 60-session closing low / 20-day average, 20-session high
52-week range	\$63.52 - \$153.56	Close 29.0% below the high

Computed in code from a 300-session Twelve Data daily series ending 9 October 2026, all averages from that one series; distances against the price of record. Chart state classified by fixed rules.

The averages the last report used have moved apart. The 100-day rose from \$95.25 to \$101.81 and the 200-day fell from \$95.13 to \$94.10 as the high prices of late 2025 left its window. The 50-day, at \$103.32 a month ago, is now \$107.23.

16. Scenario analysis

Case	Prob.	Outlook and item outcomes	2027 EPS	Multiple	Fair value
Bull	32%	Event contracts hold above the Q2 run rate through the football season; perps and earnings contracts launch on time; courts or the CFTC settle jurisdiction federally. Slate: success. Courts: favourable.	\$3.10	46x	\$143
Base	45%	Q3 event-contract revenue near the volume-implied level, then flat; slate adds modestly in 2027; litigation continues without a national ruling. Slate: base. Courts: unresolved.	\$2.65	43x	\$114
Bear	23%	States restrict sports contracts after an adverse national ruling, crypto rolls over and leverage products bring losses or scrutiny. Slate: failure. Courts: adverse.	\$1.85	31x	\$57
Weighted	100%	Probability-weighted			\$110

Weighted fair value computed in code: \$110.17, rounded to \$110. EPS is on a clean basis excluding investment gains; all EPS figures and multiples are this report's assumptions.

Against the previous \$138, \$108 and \$57, the bull case rises to \$143 on the product slate and the base to \$114 on the September volumes. The bear value is unchanged. Probabilities stay at 32%, 45% and 23%: better volume evidence would have argued for a lower bear weight, and the court rulings argue for a higher one. The weighted value moves from \$106 to \$110.

17. Final verdict

Would an investor put new money into Robinhood at \$109.02? Not yet. The business has done almost everything asked of it: event-contract volume ran ahead of August in September, the product slate is the broadest in retail brokerage, and estimates keep rising. But the shares already price most of that, at about 39 times 2027 earnings, and the month brought the first clear legal reverses for the sports contracts that drive the fastest-growing line. The single biggest concern is no longer whether prediction markets last beyond a World Cup; it is whether states can regulate them. What would change the answer: a price of \$97 or below, or a 27 October release that confirms event-contract revenue at or above the second quarter with no material restriction in force. The court rulings drove the one score change; neither High item changes the rating.

Sources

- Robinhood Markets, Inc., Reports Second Quarter 2026 Results (29 Jul 2026); Reports August 2026 Operating Data (10 Sep 2026); Shares Selected September 2026 Month-To-Date Trading Volumes (28 Sep 2026); to Announce Third Quarter 2026 Results on October 27, 2026 (1 Oct 2026). investors.robinhood.com
- Robinhood newsroom: Robinhood Puts the Power of Hedge Funds in Every Trader's Pocket (HOOD Summit, 29 Sep 2026); Robinhood Teams Up With Crypto.com and OG.com (8 Sep 2026); RVI invests \$25M in Crusoe (17 Sep 2026); RVII invests in YC S26 (1 Oct 2026); Robinhood Canada Toronto office (16 Sep 2026). robinhood.com/newsroom
- SEC Form 4, Vladimir Tenev, transactions of 5 Oct 2026; SEC press release 2026-90, Innovation Exemption for trading tokenized NMS stock (17 Sep 2026). sec.gov
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- The Block: New Jersey asks Supreme Court to decide who regulates sports betting on prediction markets (2 Sep 2026); Robinhood to launch perps, weekend stock trading (29 Sep 2026). theblock.co
- Bloomberg Tax, Crypto's push into Wall Street suffers setback after bill fails (15 Sep 2026); Cryptobriefing and Insider Monkey on the SEC exemption and Robinhood's stock tokens (Sep-Oct 2026)
- Consensus estimates, targets, ratings, short interest and share count: StockAnalysis.com and Yahoo Finance (9-12 Oct 2026)
- Rating actions and notices: momoo news, notice and research channels, to 12 Oct 2026. Institutional positioning: Beating The Bull quarterly read of reported holdings, Q2 2026
- Price of record: Alpha Vantage global quote, 9 October 2026 close. Technicals: Twelve Data daily series of 300 completed sessions to 9 October 2026, computed in code
- Macro: Beating The Bull economic data posts of 17, 29 and 30 September and 2, 5, 7, 8 and 9 October 2026

This report is informational only and is not financial advice, nor a recommendation to buy or sell any security. It reflects the author's assessment as at 12 October 2026 and may change without notice. No earnings call has taken place since the second-quarter call of 29 July 2026. Clean EPS, volume paces, sizing, scenario values and fair values are this report's calculations and are not company measures.