Q3 2026 eToro Group Ltd. Earnings Call

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PRESENTATION

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

Hi. My name is Daniel Amir, Head of Investor Relations. This webcast is being recorded and will be available for replay in the investors section of eToro's website. Our earnings press release, investor presentation and October monthly spreadsheet is now available on our website at investors.etoro.com. Today, I'm joined by Yoni Assia, our CEO; and by Meron Shani, our CFO.

Following the prepared remarks, we will conduct a Q&A session and answer questions from both institutional research analysts and a selection of the most upvoted question previously submitted by eToro's retail shareholders. But before we begin, I want to note that today's discussion contains forward-looking statements, including statements about goals, business outlook, industry trends, market opportunities, expectations for future financial performance and similar items, all of which are subject to risks, uncertainties and assumptions.

And you can find more information about these risks and uncertainties in the press release that we issued today and in the Risk Factors section of our filings at sec.gov. Actual results may differ, and we take no obligation to revise or update any forward-looking statements. Finally, during today's meeting, we will discuss non-GAAP financial measures.

These non-GAAP financial measures are in addition to and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP. Definitions and reconciliation of GAAP to non-GAAP measures is available in our press release, investor presentation and on the sec.gov website as applicable.

With that, I will pass the call to Yoni.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Thank you, Daniel, and thank you to everyone joining us today. Welcome to eToro's third quarter 2026 earnings call. After Meron and I conclude our prepared remarks, we'll open the call for your questions. Our vision is to enable our customers to access all financial markets across Trading, Investing, Wealth Management and Neo-banking. In Q3, we completed the rollout of the new eToro app, which was written with AI and enabled us to deliver new products at much higher speed.

Funded accounts rose 18% year-over-year to $4.39 million and equity assets under administrations reached a record of $11.5 billion, up 24% year-over-year and more than doubled the $5 billion reported 2 years ago in the third quarter of 2024. Total assets under administrations reached $20.8 billion. Following a strong first half, lower volatility across equities, commodities and crypto created headwinds and softened trading activity in the third quarter. Periods of elevated activity and volatility are typically followed by cooling off as we saw in 2018 and 2022. This reinforces the importance of our diversified business model across regions, product lines and asset classes.

In addition, in the month of November, we've so far seen a pickup in equity activity versus October, driven by higher volatility. We are accelerating product delivery across all product lines as AI reshapes how people access and interact with the markets, and as a new generation of investors seeks greater choice, more connected ways to invest and increasingly use intelligent tools. Now let me walk you through some of the highlights of the quarter. Let's start with Trading. This quarter, we continued to expand access to 24/7 trading, giving users greater flexibility to respond to market events and manage their portfolios whenever opportunities arise.

Always on is an important part of our vision. What we're seeing in capital markets moving on to always-on rails of crypto and users expecting the same flexibility across a broader range of assets. Today, eToro offers 24/7 trading across multiple assets, including crypto, indices, commodities and equities. As 24/5 trading demonstrated with nearly one-fourth of daily volumes occurring outside traditional hours, we believe 24/7 trading can drive meaningful incremental activity as it is fully deployed next year. Furthermore, prediction markets are now live for international users in selected markets, giving them another way to engage with markets through eToro and Zengo.

We are also giving users more buying power. EToro has a large base of crypto holders and long-term equity investors who can now benefit from more buying power. Our new buying power capabilities enables our customers to convert positions into additional margin that can be invested in stocks and crypto. The expansion of buying power in additional margin accounts should increase the asset-based revenues. We also launched eToro Edge, our desktop trading experience designed for more active users with professional-grade charting analytics and dedicated working space for trading across multiple asset classes.

Since the launch, we have seen significant growth with week-over-week record volumes on the new platform. Combined with buying power and the planned acquisition of TradeZero, our new app and Edge strengthens our ability to serve more sophisticated higher-frequency traders who want deeper capabilities, greater flexibility and faster execution. Together, these capabilities significantly expand our opportunity to serve the broader active trader market. We believe agentic trading is the next evolution of trading and eToro is the forefront of this shift. We're building an intelligence and connectivity layer that brings together Tori, external AI connectors and dedicated agentic accounts to enable more of our users to use AI to trade actively in their accounts.

Tori, our AI agent, now delivers our customers proactive insights, helping users better understand their portfolios, identify opportunities and stay informed wherever they are. Rather than waiting for users to search for information, the experience increasingly anticipates what matters to them and delivers relevant insights when they need them. Tori can also help users take action, including managing their portfolios. We've recently added official connectors for

Claude, ChatGPT and Grok. Customers can find us in the official stores and connect their eToro accounts.

Through connectors and dedicated agentic accounts, users can access intelligent portfolio management with clear rules and control, bringing sophisticated investing capabilities to a much broader audience. Usage of APIs and agentic trading users increased 250% quarter-over-quarter. The eToro App Store, which launched last quarter, now offers more than 250 apps, further expanding the tools and capabilities available to our users. Looking ahead, we believe agentic trading and investing can transform how people discover opportunities, make decisions and manage their portfolios. Collective intelligence has always been at the heart of eToro.

We pioneered social investing and we continue to lead it today. That was clear last week at our Pro Investor Summit, where more than 300 Pro investors from 37 countries came together with our top-tier clients and eTorians to share their experience, perspectives and approach to the market. It is my favorite event of the year and I couldn't be prouder of the talent and expertise across the Pro Investor program. We continue to expand the offering of our Alpha portfolios that use quantitative strategies, AI and proprietary data to generate Alpha for our users.

We've recently launched 26 smart portfolios in the US following the receipt of our RIA license. Smart portfolios provide managed diversified portfolios that automatically allocate and rebalance investments based on defined strategies and risk profiles. The US launch marks an important milestone as we prepare to bring more of eToro's product offering to US users following the completion of the TradeZero acquisition.

Last week, we announced an agreement to acquire LB Finanzas, a leading digital investment and neo-banking platform in Argentina with crypto broker-dealer and neo-banking licenses. This acquisition gives us a strong foundation for expanding eToro's platform in Argentina and over time, across Latin America.

Latin America is seeing rapid growth in retail participation, driven by macro shifts and increased digital penetration. Finally, an update on our pending acquisition of TradeZero. We announced the transaction in August for approximately $225 million and continue to expect it to close in the first half of 2027, subject to the required regulatory approvals and other customary closing conditions.

TradeZero is highly complementary to eToro. It strengthens our US active trading capabilities, gives us entry into Canada and adds proprietary technology and infrastructure. It also creates clear product opportunities. EToro users will gain access to TradeZero's futures, prediction markets and option capabilities, while TradeZero users will gain access to eToro's crypto offering and international reach.

We expect the acquisition to be accretive to adjusted EPS in the first full year post completion before synergies. Lastly, alongside today's earnings announcement, we introduced a $250 million share repurchase program, reflecting our confidence in eToro's long-term growth prospects and our commitment to creating shareholder value. We believe our shares are undervalued and our profitable business model and strong cash generation provide the flexibility to repurchase shares while preserving the ability to pursue strategic opportunities. Our 4 M&A transactions this year demonstrate that we remain focused on both disciplined growth and shareholders' returns. The timing and amount of any repurchase will depend on market conditions and other factors.

With the supportive macro trends, financial discipline and continued focus on innovation and execution, we're well positioned to drive long-term value.

With that, I will now pass along the call to Meron to discuss our financial results.

Meron Shani - eToro Group Ltd. - Chief Financial Officer

Thank you, Yoni. Third quarter net contribution was $186 million, down 13% year-over-year and adjusted EBITDA was $34 million, down 56%. Lower net contribution and higher investment in marketing than a year ago reduced profitability. Lower crypto contribution was the main driver for the decline in total net contribution, partly offset by higher capital markets contribution. Total assets under administration was $20.8 billion, unchanged year-over-year and funded accounts increased 18% to $4.39 million, including the impact of acquisitions.

Let's take a closer look at our third quarter financials by business line compared to a year ago. Our net trading contribution from capital markets, equities, commodities and currencies increased 21% year-over-year to $88 million due mainly to a more favorable asset mix, leading to better take rates. The quarter-over-quarter decline was largely associated with softer seasonal trends that led to a lower trading activity in both equities and commodities.

Our net trading contribution from crypto increased 141% quarter-over-quarter to $26 million, reflecting a recovery in crypto trading activity and pricing during August and September, a trend that continued into October. However, contribution declined by 53% year-over-year, primarily due to a lower trading activity in crypto.

As we have experienced in prior crypto cycles, volatility in crypto activity is to be expected. And our diversified business model provides resilience across market environments. The quarterly contribution included a $6 million positive valuation impact from our corporate crypto holdings, bringing the underlying contribution from customer activity to $20 million. Net interest income contributed $50 million, down 19% year-over-year, largely due to an 11% decrease in interest-earning assets with lower users' margin book and lower crypto activity. eToro Money's contribution declined 5% year-over-year to $20 million, largely due to lower customer activity.

In the third quarter, adjusted OpEx was $152 million, up 1% quarter-over-quarter and within our guidance. Adjusted selling and marketing expense was $68 million. This was broadly in line with the second quarter despite lower net contribution, reflecting incremental marketing costs associated with the launch of our new app and refreshed brand. We expect these costs to decline in the fourth quarter. At the same time, we are transforming our marketing function to become more AI native across execution, brand building, measurement and channel mix, enabling us to operate more effectively in this new environment.

Adjusted R&D and G&A and operating expenses were $37 million and $48 million, respectively. Our adjusted diluted EPS for the quarter was $0.26 compared to $0.60 in the third quarter of 2025. Our net income for the first 9 months of 2026 was $150 million compared to $147 million in the same period of 2025. Moving to our balance sheet. We ended the quarter with $1.2 billion in cash, cash equivalents and short-term investments and generated $21 million in free cash flow from operations.

We have a strong balance sheet. And our robust cash position and generation allow us to pursue various strategic uses of capital as appropriate. Now let me share a few comments on fourth quarter trends. As part of our quarterly results today, we also released our October monthly KPIs. The month of October has seen similar trends to Q3.

Our capital markets and crypto businesses saw year-over-year decline in both total number of trades and invested amount per trade. Assets under administration was $19.2 billion, down 6% year-over-year and funded accounts were $4.42 million, up 18% year-over-year. We expect our adjusted OpEx for the fourth quarter to be lower than in Q3. In addition, as Yoni mentioned, we also announced a $250 million share repurchase program that reflects our commitment to create shareholder value. To summarize, we are confident in our ability to capture new opportunities, create value through TradeZero and LB Finanzas' acquisitions and further strengthen eToro's leadership in global trading and investing.

With that, Daniel, let's move to Q&A.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Once the acquisition is completed and approved by regulators, we plan to embed all of TradeZero's capabilities, which include margin trading, short futures, prediction markets coming soon, perpetuals into the main core eToro app that will include copy trading as well as crypto.

And our smart portfolios we've just recently launched, which will bring basically the core eToro app, which is now the new app, to be on par with the global offering of eToro. And in parallel, we will continue the TradeZero products as well for the active trader segment.

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

Thank you, Yoni. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Bill Katz, TD Cowen.

Bill Katz - Cowen and Company LLC - Analyst

Great, thank you very much. So maybe a two-part question. I was wondering if you could talk about your plans to accelerate ARPU, average revenue per user. And then could you expand on your comments of using AI to potentially decelerate or how you're going to use AI to enhance the sales and marketing? I think last quarter, you had mentioned that your marketing and sales would be down sequentially and that doesn't seem to be the case. And yet the account growth is relatively tepid.

Just trying to sort of figure out the ROIC and a way to sort of increase the revenue per user. Thank you.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So we've always created new products and then we're looking at the attachment of products sold to those new users and to existing users as the way to expand ARPU. Some of those new products right now include the Edge platform, which is more targeted towards active trader as well as API trading and AI connectors, et cetera. We believe that through both the more advanced users, automated trading and AI, we're going to see an increase in trading activity, which will increase, again, within the active trader segment ARPU over time. And we continuously attach new more products to the existing audience to increase ARPU.

Regarding sales and marketing, we're seeing an amazing shift right now with the ability of AI to create ads and to actually personalize a lot of the marketing activity towards specific audiences. If you look at the different target audiences in eToro, everything from the crypto to now the crypto native together with Zengo to the active trader with Edge and the AI trader, we're able with AI to target those customers with specific ads, both internally and externally. We believe that the use of AI and personalizing the messaging towards those target audience over time will reduce CAC.

Operator

Devin Ryan, Citizens Bank.

Devin Ryan - Citizens JMP Securities LLC - Analyst

Thanks so much. Good morning. A question on agentic trading and just love to get a sense of how you think adoption will play out. Do you have any views around kind of the time line of when we'll see much more material adoption? And then also love to hear about what you think will differentiate the winners in agentic. We all or many of us think it will be pretty materially, but pretty material. But what do you think will differentiate?

And then why do you think eToro will be well positioned to win business in this front?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So as an example, last week, we had our Pro Investor conference with about 500 people in the crowd. I've asked how many people are using right now AI in their portfolio and about 95%, 98% raised their hands. I then asked how many people are actually using AI to trade actively in their account and it was about 5%. I believe that gap will eventually close within the next 6 to 12 months.

As I mentioned in the past, I believe by the end of next year, we're going to see more agentic trades happening on eToro than actual clicks in the platform. What differentiates the different players is the ability to create skills, tools, expose the right data sets through the APIs. We've built a lot of these tools and back-end systems for our own quant

team.

The quant team that have been building in eToro, both the data sets, but also the skills of how do we look at the data, how do we create the guardrails around trading and how do we build basically the quantitative trading systems internally in eToro, those are all being exposed to our customers. I think another significant moat over time is going to be the regulatory side.

I think that you'll need to access platforms that have the right regulatory right licenses to be able to trade and for the trading to be automatic in their accounts. So I think this is a process where people are using already AI. We're seeing our customers attaching both external connectors and their AI agents. But I think the process is more gradual for them to actually connect subaccounts and trade gradually and trust more AI to actively trade in their accounts.

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

Question about smart portfolios and the rollout and adoption of smart portfolios.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

I understand there's a question about smart portfolios.

We have recently launched the Smart portfolios in the US under our RIA license. We have brought in 26 new smart portfolios to the US. With the completion of the acquisition of TradeZero, we also plan to bring the more active and leveraged smart portfolios into the US, which include our quantitative trading strategies and our Alpha portfolios. A lot of the focus globally has been on the quantitative portfolios and how we use AI to create actively managed portfolios that are also market-neutral and long/short portfolios.

We're very excited also and looking forward towards the Anthropic IPO this quarter that we're happy to see that is starting with the roadshow. We've had a very successful SpaceX IPO, as we all remember, from when we launched the SpaceX IPO when we were a retail distributor. And I'm very proud that it was announced that we'll be a retail distributor for the Anthropic IPO as well.

We can speak a bit about what we've also seen last week at the Pro Investor Conference. We've had reps from SpaceX introducing Grok Bot to our Pro investors. And as part of the process, we actually have been teaching our clients how to use external AI to trade in their accounts.

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

How do you make smart portfolios, how do you make?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

We've just recently launched smart portfolios in the US. The way we introduce smart portfolios is through the product. A lot of the automation in the product and product marketing is about how do you attach the right products to the right customers at the right time. People who came to eToro to trade crypto would be more interested in smart portfolios related more to the crypto world. People who came more to equities will be interested more in equities.

And we basically adapt the right smart portfolios through our discovery to the right audience based on their trading preferences.

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

Dan Dolev, can you ask your question, please?

Dan Fannin - Jefferies - Analyst

Really nice growth on the user front, very impressive. I do have a question about IPO access. And the question is following the success of SpaceX earlier this year, there is a new big AI IPO coming. How do you it looks like you guys are doing a lot of work on distributing it in Europe and the UK. And can you maybe, Yoni, discuss how big this trend is of giving retail access European retail access to these mega IPOs is?

Congrats again.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Thank you very much. So this actually has been a shift in the IPO market where we see large public the large IPOs actually looking for retail distribution. So it's a significant shift that happened over the last 12 months with, I think, SpaceX representing a significant shift there. There's also been a change in regulation that enables that. And we're seeing basically companies throughout their IPO process filing for European prospectuses.

So that's what enables basically IPOs to be able to distribute both Europe, UK. And we're seeing now that expanding from basically US to Europe, UK and now potentially Australia, Canada and other regions as well. We see two opportunities.

One is the acquisition of new customers through IPOs. We're actually -- we've seen that as a significant channel in the SpaceX IPO. And we believe that that will continue. The second part is those IPOs, we expect them to start trading 24/7 on derivatives on the eToro platform as well as they start trading.

Operator

Craig Siegenthaler, Bank of America.

Craig Siegenthaler - Bank of America - Analyst

My question is on agentic AI and its ability to reduce the need for copy trading. Do you see agentic AI replacing copy trading over time or potentially cannibalizing some of that business?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

I think that our experience with AI is that you always need a talent to actually steer AI and to drive AI. I think AI enables our Pro investors now almost 6,000 to actually become a one-person hedge fund. So we've been actually training a lot of the Pro investors to build in their chief risk officer, their chief investment officer as agents that work for them 24/7. I believe over time, that actually accelerates both Alpha generation of our Pro investors and trading activity as they learn to use AI to actually create more sophisticated strategies. So I think it actually compounds copy trading over time and creates more trading activity.

At the same time, I think also customers will start using agentic trading on their own in parallel to copying the top investors. Those who will be good at that will eventually become Pro investors on eToro. So I think agentic trading generally means we're going to see more talented people that with AI are able to generate consistent results on eToro. Means, we're going to have more people that are qualified to copy and generate sustainable, consistent results over time.

Operator

Chris Allen, KBW.

Chris Allen - Blackrock Special Opportunities Fund LP - Analyst

I wanted to -- I think it was Yoni. You mentioned that November, you've seen a pickup in activity on higher volatility. Just wondering your thoughts on whether that's good for your customer base, whether you're just seeing that in the equity piece? And is that concentrated in some of the stocks which have been under the most pressure?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

First of all, I think generally, volatility is good for trading and for traders. It's where they find a lot of the opportunities. And over, I'd say, the last five years, we've seen, in many cases, retail investors that are able to capture the deep to buy the deep. Of course, post volatility, sometimes if customers lose money, that sort of creates a cooling off period. So that's why we always see heightened volatility and then lower volatility continue with heightened volatility.

I think last week's significant shift in the markets means more trading activity and also more opportunities for customers to find stocks that were at significantly higher valuations before and enter it into the market. So again, generally, I think volatility creates opportunity in the trading markets. And of course, it means some customers need to manage their risk and manage their portfolios more actively.

Operator

Dan Fannon, Jefferies.

Dan Fannin - Jefferies - Analyst

I wanted to ask about expenses. You mentioned AI helping potentially marketing spend being more efficient. So if you could talk a bit more specifically about 4Q expense trends. And then as we think about next year, what is a reasonable kind of level of growth for overall expenses as you think about investments and priorities into next year?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. I'll touch a bit about marketing and then Meron can continue on OpEx. I think what we're seeing within the marketing landscape within channels is a shift in channels. We are seeing cost per clicks, for example, in Google Search specifically actually becoming higher and a shift towards actually other channels in parallel to Google. So a lot more influencer social media, helping our Pro investors actually get tools to promote themselves.

I believe that using AI enables both us to create significantly more content and more tailored content, both regionally and on the different product lines of eToro and to provide tools to our Pro investors to also tell their stories externally and actually promote their stories externally on social media. So I think we are seeing both shift in channels and AI, enabling us to focus on channels that require more content and more tailored content over time.

With that to the expenses side, I'll move to Meron.

Meron Shani - eToro Group Ltd. - Chief Financial Officer

Sure. So thanks for the question with regards to the OpEx side. So first on Q4, as we noted, Q4 is going to be lower compared to Q3 by 5% and plus. And in general, about AI and how it's becoming effective on the cost base. So a few layers on this.

One, AI will certainly enable us to scale the business without growth in any cost base. So that's on that front. It helps us really automate a lot of processes. It helps us really reduce a lot of manual work. So that's very healthy also for the organization.

Second, it helps us really automate and really build on white coding or any of the new tools. It really helps us build a lot of systems that we had to buy from externally. So that really is getting us a very good position in the overall cost base.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

I'll add an additional point on Tori, our AI agent and its road map. We're in the process of now launching a new version, which we call Tori Reloaded, which actually goes through the entire database of all of the dialogues with customer service and is able to actually capture significantly a wider range of questions, again, with the new models of Grok plus training it on all of the questions and the dialogues, both with account managers as well with customer service. We're seeing the agent actually advancing its capabilities to basically answer all of the customers' questions and on the road map also to help them on their portfolio management as well.

Operator

James Yaro, Goldman Sachs.

James Yaro - The Goldman Sachs Group, Inc. - Analyst

I was hoping you might be able to speak to the TAM for prediction markets outside of the US today. In other words, which geographies permit that and where you're operating in that business? And then where you think you could expand your prediction markets offering over time?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So we've launched prediction markets on Zengo, the noncustodial wallet on DeFi together with Polymarket earlier this year. We generally see I'd say -- I'd break down prediction markets into four. There's DeFi US, there's DeFi globally, and then there's TradFi or the regulated activity in the US that is the CFTC DCMDCO.

Outside the US, I'd say it's still very much an evolving regulatory landscape. We are talking to the European regulators about prediction markets as well as starting first in Latin America and Asian selected markets. We do believe that, again, on financials, prediction markets will fall under financial regulation. I think in countries where you have more specific regulation around sports betting, I think that probably is going to be more challenging in regions like UK, Europe and others. So again, our view is sort of splitting prediction markets, both to DeFi, TradFi, and then sports versus financials, which have a different regulatory analysis.

Operator

Ed Engel, Compass Point.

Ed Engel - Compass Point Research and Trading LLC - Analyst

Are you able to provide any details regarding the size and structure of the recent LB acquisition? And then I guess, how do you think about M&A moving forward? Are you still looking for new deals today? Or could the M&A focusing slow down a little bit as you digest some of the recent activity?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So first of all, I do believe we have right now after announcing 4 acquisitions this year, we are going to slow down a bit to adjust and integrate all of the different companies we've acquired. We've always looked at integrating teams. Again, we're looking at the deal in Argentina as becoming our base for Latin America. We believe we can grow the Latin America to $100 million revenues within the next 2 to 3 years together with the LB team with us.

The core that we've bought is actually the licenses, the team, a certain amount of customers and revenues, but that's a relatively small amount versus the size of eToro. Do you want to add anything regarding the size of the LB?

Meron Shani - eToro Group Ltd. - Chief Financial Officer

Yes, it's not something that's going to be material on the balance sheet. It's going to be less than $20 million.

Operator

Craig Maurer, FT Partners.

Craig Maurer - FT Partners - Analyst

What direction did crypto invested amount per trade go in September? And if you could also discuss the drivers of the higher crypto take rate?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. I'll let Meron answer that.

Meron Shani - eToro Group Ltd. - Chief Financial Officer

Sure. So in terms of the take rate, when we see lower, call it, activities of customers, it really depends on the direction. When the direction is positive and crypto pricing is higher, we see better take rates that's in general. Specifically, we also had the crypto Nostro that provided us another almost 0.5% of an increase to the overall yield.

Craig Maurer - FT Partners - Analyst

Okay. And the question on amount per trade in September on crypto?

Meron Shani - eToro Group Ltd. - Chief Financial Officer

I think September, like as we saw between different months, it might be impacted by the amount of copy trading that goes into each of those trades. So that will probably differentiate between different periods. If there is any increased activity in copy, we will see a reduced invested amount per trade. The way that we are looking at is, obviously, we look at the entire invested amount. This is really what drives the business.

Operator

Brian Bedell, Deutsche Bank.

Brian Bedell - Deutsche Bank AG - Analyst

Maybe just back to the -- I think you mentioned, Yoni, earlier the receipt of the RIA license, obviously, the smart portfolio rollout. But can you talk about how you're using that RIA license in the U.S. for copy trading? To what extent are the Pro investors in the US getting who are able to get compensated?

And then if you can update us on the number of Pro investors out of that 6,000 are now US-based?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So smart the RIA license was used right now to launch the smart portfolios first. So the smart portfolios are managed by us and by our partners. CopyTrader is still limited in the US to club members.

We are in dialogues with regulators to see how potentially we can either use their RIA or structure incentives to the Pro investors in the US. It's still a small number versus the 6,000. We are looking to actually expand some of the Pro investors outside the US to help them create smart portfolios in the US as well using the RIA license.

So the RIA license enables us to actually manage investments on the platform and will enable us to actually launch also more products for managed investments using Tori, our AI agent.

Brian Bedell - Deutsche Bank AG - Analyst

Interesting. Great. And then maybe just, Meron, on the sales and marketing spending plans. I guess as you think about the expansion in the US next year with TradeZero, is there a ratio of sales and marketing to net contribution that we should be thinking?

I know it spiked in the last couple of quarters on the lower net contribution. But are you still trying to manage this down to like 25%? Or is that run rate should we be expecting a higher run rate in 2027 as you try to expand in the US?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So strategically, we've looked at the band of 20% to 25% as we said earlier this year. We've actually accelerated with a very successful first half. Right now we're adjusting it back towards the range of 25%. And strategically, next year, we'll look at roughly the same area of 25% out of net contribution.

Operator

Alex Markgraff, KBCM.

Alex Markgraff - Keybanc Capital Markets Inc - Equity Analyst

I wanted to ask about one of the four pillars as you've laid them out, Neo-banking. Just sort of curious, when you look across the globe and across operating markets, I would love to hear more on just sort of why eToro wins in Neo-banking. I mean, I think it's a competitive product, a lot of relevant competitors across certain geos. So just maybe expand on the product set and maybe what you need to build there to remain competitive. And then would be curious just to hear a bit more on the acquisition strategy with respect to Neo-bank products.

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So first and foremost, Neo-banking for us started both through an acquisition, but also to cater to the local needs of our customers in different regions. We have now over 2.5 million local currency accounts, which is basically a virtual bank account, a virtual, which enables our customers to deposit and withdraw basically with no fees in real time right now in Europe, UK, in euro and pounds, in Australia right now, in Denmark and we're adding more and more currency. So first and foremost, this significantly improves the economics of customers in the deposit and withdraw process versus, for example, a credit card, debit card or a PayPal that, in many cases, is used as customers open and fund their account initially. Second part is the card.

The card, the Visa debit card right now is offered to customers in the club of eToro that are also now launching through the paid subscription of eToro. So we do believe that the Neo-banking and the capabilities of Neo-banking increase the subscription model in eToro as well. And we're planning to expand the card right now with Europe and the UK, both to have a global offering to our global audience and also extend the card program to more of the customers in eToro. Right now it was for the 15%, 20%, which are the club member. We are planning to expand that to more customers.

I'll give an example of, again, the synergies between the card and the Neo-banking to the trading platform. Right now we've launched buying power on both crypto and stocks in selected markets, which means you can actually move your portfolio, let's say, $20,000 of Facebook and $20,000 of Bitcoin into the eToro platform, then you can basically ask for buying power. So on those $40,000, you can actually get an additional $20,000 in cash and then you can spend that cash directly from your debit card in store. So that basically creates a unified approach for an investment super app. We were still very focused on our core business, which is trading and investing.

But we believe there is significant synergies in actually capturing the entire universe of both savings or more of the passive wealth management part as well as the Neo-banking part. We're not yet looking at Neo-banking as a customer acquisition channel. We're looking at Neo-banking as a product that increased attachment rates and increases ARPU and retention of customers over time.

Operator

Charles Bendit, Rothschild & Company.

Charles Bennett - Rothschild & Co - Analyst

I just wanted to ask about the US road map post the TradeZero acquisition. First, could you remind us whether your double-digit US share ambition refers to customers' assets or volumes and whether your thinking there has changed in any way? And second, just curious whether you plan to separate out any US specific KPIs going forward?

And third, it sounded like US marketing spend fits within your group S&M guidance at 25% of net contribution. Does that imply a moderation in spend for the existing ex-US business?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. Can you reiterate just the first question on the double-digit percent?

Charles Bennett - Rothschild & Co - Analyst

Sure. So could you remind us whether your double-digit US share ambition refers to customers, assets or volumes and whether your thinking there has changed in any way?

Jonathan Assia - eToro Group Ltd. - Co-founder, Chairman, and CEO

Sure. So again, we're looking at always all three parameters when we're looking at all of the different regions. Right now, with the TradeZero acquisition, as we complete the acquisition and integrate, we're looking at how to basically look at the combined KPIs and how to split from the US. So that is not something that we've yet published and we'll probably talk to the analysts as we're looking forward.

Regarding the 25% net contribution, as we've said in the past, we're always looking at how some of the more profitable regions are financing less profitable regions or how growth markets or more mature markets are actually financing new markets in eToro, and we'll continue to do that, including looking at the US.

With, of course, the TradeZero acquisition, that means that we already are starting from a position of having a significant US business focused more on the active trader segment right now. But post integration, we plan to have both the product suites for the retail mass consumer as well as the active trader. And we believe that means basically, we have a significant stepping stone on which we can continue scaling up the US business.

Anything to add there, Meron?

Meron Shani - eToro Group Ltd. - Chief Financial Officer

No, I think the question was also about the ambition. So I think you noted in the past that we want to be double-digit on US on number of customers as a starting point and that's going to be the driver also for the future KPIs to follow.

Operator

Thank you. This does conclude the question-and-answer session. I'd like to hand the program back to Daniel for any further remarks.

Daniel Amir - eToro Group Ltd. - Head of Investor Relation

Thank you very much, everyone, from Miami.