

Webull Corporation

First Quarter 2026 Earnings Conference Call

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CORPORATE PARTICIPANTS

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H. C. Wang--*Chief Financial Officer*

Carlos Questell--*Head, Investor Relations*

PRESENTATION

Operator

Good day, and welcome to the Webull Corporation First Quarter 2026 Earnings Conference Call. [Operator Instructions] Please note, this event is being recorded.

I would now like to turn the conference over to Carlos Questell, Head of Investor Relations for Webull. Please go ahead.

Carlos Questell

Good morning, good afternoon, and good evening, everyone. Welcome to Webull's first quarter 2026 conference call. Earlier today, we issued a press release detailing our first quarter financial results. A copy of the release can be found on our IR website at webullcorp.com under the Investor Relations tab. Please note that this call is being recorded and will be available for replay via our IR website.

During the call, we'll be making forward-looking statements about the company's performance and business outlook. These statements are based on how we see things today and contain elements of uncertainty. For additional information concerning the factors that can cause actual results to differ materially, please refer to the cautionary statement and risk factors contained in our filings with the Securities and Exchange Commission and press release, both of which can be accessed via our website.

Today's presentation will include a discussion on adjusted operating expenses, adjusted operating profit and adjusted net income, all non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to their most directly comparative GAAP measures are included in the press release that we issued today. It is important to note that although we believe that these non-GAAP measures provide useful information about our operating results, this should not be considered in isolation or construed as an alternative to their directly comparative GAAP measures.

Furthermore, other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage our investors and others to review our financial information in its entirety and not rely on a single financial measure.

With me today is our Group President and U.S. CEO, Anthony Denier; and our Group CFO, H. C. Wang. We will begin with prepared remarks and then take questions at the end. With that, I'd like to now turn it over to Anthony.

Anthony Denier

Thank you, Carlos, and hello, everyone. Thanks for joining us today. Before I walk through our first quarter results, I want to step back and share how I think about the moment that our industry finds itself in and the direction it is heading. I believe we are living through a genuine inflection point in financial services. For the past decade, the defining competition in retail brokerage was fought on user interface, who have the cleanest app, the most intuitive UI, the strongest brand. This healthy competition is certainly not over, but a new channel has opened, and we are at its beginning.

Increasingly, the question is not how a human interaction with the trading platform, but how an AI agent does. The interface of the future is not a screen on a smartphone. It is an API and the brokerage platform best positioned for the future is the one with the most complete, multi-liaible

and most developer-friendly execution and custody infrastructure. That is the platform we are deliberately building to position Webull as the industry leader.

This is not a distant aspiration. It is informing decisions we are making today in our API architecture, in our AI product roadmap and in our B2B infrastructure design, and it is why I believe the results we're reporting today not only signal another strong quarter but confirm that Webull is executing on the right long-term strategy.

Webull's first quarter results represent a strong start to 2026, our second year as a public company. Revenue grew 36% year-over-year to 160 million. Customer assets reached 24 billion, up 90% year-over-year. And importantly, order flow from our institutional business, which we highlighted last year as a new area of growth reached 9.5% of total platform equity volumes in the first quarter, a testament to the strength of our institutional product offerings.

Since our listing just over a year ago, we have continued to execute on our ambitious plan to elevate, expand and scale the business across three dimensions: Enhancing the trading experience for active traders, expanding our global reach and extending the platform into B2B and institutional markets. That execution has put us on a path of solid business growth and balance sheet strength, which is why we recently announced a share repurchase program of up to \$100 million of our Class A ordinary shares.

This program reflects our confidence in Webull's long-term value and our commitment to disciplined capital allocation. We are a company that invests for long-term growth and also returns capital to shareholders when appropriate. I am very proud of what the Webull team has achieved and extremely excited from what we plan to deliver to our customers and our shareholders. With that, let me now walk you through the highlights of this past quarter in more detail.

Turning now to Slide 2 to summarize our first quarter highlights. We recorded revenue of \$159.9 million, up 36% year-over-year, driven by high trading volumes across all core asset classes. Customer assets decreased slightly from the beginning of the year to \$24 billion due to market volatility but still represent a 90% increase year-over-year. Equity notional volume increased by 104% year-over-year to \$261 billion, and option volume rose by more than 31% to 159 million contracts.

Our additional offerings, including futures, prediction markets and crypto, all contributed to our growth this quarter. Futures, in particular, is seeing excellent growth, 84% on a year-over-year basis and 27% growth sequentially, that growth was driven by huge interest in commodities futures, especially oil futures, showcasing the breadth of our offerings and the variety of instruments we offer investors in times of geopolitical and market uncertainty.

While we have now been public for over a year, we're still in an early and high conviction phase of our growth journey, and we will continue to aggressively invest in targeted opportunities that will power long-term growth. That investment is reflected in our adjusted operating expenses of \$141.1 million, representing an increase of 64% on a year-over-year basis. We are not managing this business to increase short-term margins. We are building for long-term category leadership.

Now turning to Slide 3 and on our 2026 priorities. AI sits at the center of everything we are building. Our product roadmap this year reflects three distinct, but reinforcing priorities, deepening the experience for self-directed active traders, expanding our global footprint, and

building the infrastructure that powers our institutional and B2B platform. For active traders, we are rolling out three initiatives that materially expand the self-directed investment experience at Webull.

First is Vega Analyst, which builds upon our industry-leading AI capabilities to revolutionize the research experience for self-directed active traders. For the first time, in near minutes, retail investors will have access to comprehensive nuanced and personalized research akin to sell-side research available to institutions. Subscribers to Vega Analysts can request research reports on any company at any time, enhancing their ability to make informed real-time decisions. We're currently beta testing this new feature with a select group of customers but look forward to rolling it out across the U.S. and globally in 2026.

The second initiative is Portfolio Blueprint, which enables one click portfolio construction and execution, including copy trading. Portfolio Blueprint will give active traders the ability to act on conviction with the speed and sophistication our platform is known for. Lastly, later this year, we plan to add AI portfolio, enabling agentic portfolio construction and trading for our customers, bringing the power of AI-driven decision-making directly into the hands of active investors.

The SEC's elimination of the Pattern Day Trader rule is a structural tailwind for everything we are building for our active traders. When the rule becomes effective on June 4th, Webull will be ready to support our customers on day one. Our engineering team moved quickly to update our systems and implement the rule change ahead of the effective date demonstrating the agility and technical capability that distinguishes Webull from legacy brokers.

Every Webull customer that qualifies for intraday margin will be able to place unlimited day trades from the moment the rule change takes effect with the full benefit of our zero commission model and product depth behind them.

On international expansion, expanding global access remains a key pillar of our growth strategy, and we've taken some truly exciting steps in the first quarter. We received permission to operate in 22 additional markets in the European economic area during Q1 and are now approved to expand across all of Europe. Currently, we operate in 15 total markets and have expanded our zero-commission offerings to seven markets beyond the United States, namely Hong Kong, Singapore, Canada, the U.K., Australia, Brazil and Mexico. We recently launched operations in Germany and will continue our rollout into additional European markets through the year.

In APAC, our customer assets have grown to \$4 billion, and we now have over 790,000 funded accounts outside the U.S. Our ability to export the U.S. retail trading experience at scale, thanks to our global infrastructure, compliance capabilities and product depth remains a genuine competitive differentiator.

For our institutional and B2B platform, this quarter, we received approval for our U.S. self-clearing license, a significant status for our B2B business and the evolution of our platform. This gives us the ability to clear trades and custody securities entirely in-house, strengthening the operational backbone of our B2B business and creating meaningful synergies and operating leverage as the institutional business scales.

On the technology front, we recently released our MCP server, enabling AI agents to interact with Webull's platform natively, positioning Webull as a preferred execution and custody layer in the emerging agentic stack. As AI-driven investing becomes mainstream, we believe broker infrastructure quality will be as important a competitive differentiator as user experience is

today, and we are investing accordingly. Institutional flow accounted for 9.5% of our equity notional volume during Q1, reflecting meaningful traction in a business we are in the early stages of scaling.

In Australia, we launched Webull Connect, a tech-enabled portfolio management and execution platform purpose-built for financial advisers. In Hong Kong, we launched TrustLink, a system designed specifically for trustees, enabling them to manage segregated investment portfolios for individual trust clients. Together, these launches reflect our commitment to building B2B infrastructure that serves the full spectrum of professional and institutional clients across our key markets.

On Slide 4, I'll discuss our continued user and funded account growth. Our investments in marketing continue to drive adoption. And during the first quarter, we added approximately 800,000 registered users. Over the past year, we added more than 3 million registered users, a 15% increase compared to the first quarter of 2025. And bringing the platform to a total of 27.6 million registered users. You may know Webull originated as a global market data platform before evolving to become the leading digital investment platform we are today.

As a result, we have a considerable number of registered users that still take advantage of our data offerings in countries where our trading platform is not yet available. We are committed to providing access to best-in-class market data and information to all users irrespective of geography and their ability to invest on the platform.

On the right side of the slide, you can see funded account metrics. Funded accounts defined as accounts where customers have made an initial deposit, and the balance has remained above zero for 45 consecutive calendar days as of the record date showed steady growth. We added approximately 80,000 new funded accounts this quarter, bringing the total number to 5.11 million, an 8% year-over-year increase. As we continue to innovate and enhance our offerings, we're also happy to report that our quarterly retention rate was at a record high at 98.4%.

Turning now to Slide 5. Customer assets increased by over 90% on a year-over-year basis to \$24 billion and customer net deposits in the quarter were \$2.1 billion, also up over 90% year-over-year. Sequentially, both metrics declined, reflecting a challenging macro backdrop in Q1 as a software sector selloff and escalating geopolitical tensions drove equity market volatility, while rising energy prices and inflation concerns weighed on investor sentiment. This was an industry-wide dynamic, what the numbers demonstrate, however, is that our customers remain engaged and continue to make meaningful deposits into the Webull platform during the quarter, a testament to the trust they place in us.

On Slide 6, you will find trading volumes for the quarter. We continue to see growth in prediction markets and crypto, but equities and options trading remain at the heart of our business and equity, and option volumes continue to increase. In the first quarter, equity notional volumes surpassed \$261 billion, up 104% year-over-year and up 9.2% sequentially. Options contract volume totaled 159 million contracts for this quarter, up 31% year-over-year and up 3.2% sequentially.

These results reflect an all-time high for Webull and highlight our commitment to providing the first choice platform for active traders, both here in the U.S. and increasingly globally. Our user base trades consistently across all assets, reflecting a grounded approach fueled by disciplined and forward-looking commitment rather than a short-term gain and momentum chasing behavior.

With that, I'll pass the call over to H.C. for a closer look at our financial results for the quarter.

H. C. Wang

Thank you, Anthony, and thanks to everyone for joining us today. In the first quarter, Webull generated total revenue of 159.9 million, representing a 36% increase on a year-over-year basis. This strong performance reflects continued strength across both trading and interest-related income streams, which I will walk through in more detail shortly. On the expense side, adjusted operating expenses were 145.1 million, up 64% year-over-year, primarily driven by increased marketing and branding investments.

In the quarter, we continued our successful asset matching programs in a number of our global markets, driving 2.1 billion of net deposits in the quarter despite a very challenging market environment. We also launched awareness campaigns to promote our zero commission offerings in international markets such as Hong Kong, Canada and Australia.

On the branding side, we became the first official jersey patch sponsor of the Tampa Bay Rays and remain their official online brokerage. This has deepened our presence in the Tampa Bay area, giving us a marquee platform to engage sports fans and create a meaningful brand visibility in a priority market. We are pleased with the returns we're seeing on these investments, and marketing will remain a priority for us as we continue to invest in customer acquisition and AUM growth. I will now walk through profitability and then the key components of revenues and expenses in more detail.

Turning now to Slide 8. Q1 marks our sixth consecutive quarter of operating profitability. Adjusted operating profit was 14.8 million, representing a 9.3% operating profit margin and adjusted net income came in at 9.2 million, or 5.8% of revenue. Both are lower compared to prior quarters, primarily reflecting the step-up in marketing investments I just discussed. We remain confident that as revenue scales, marketing as a percentage of revenue will continue to come down and margins will improve accordingly.

Turning to Slide 9. Our trading-related revenues continue to grow as we witnessed another quarter of record trading volume across asset classes. Trading-related revenues increased 36% year-over-year to 110.9 million and DARTS increased to 1.31 million in the first quarter. We are seeing broad-based activity across our core equities and options products as well as newer products such as futures, crypto and prediction markets.

Once again, our results demonstrate that our active traders remained engaged and traded through what was a fairly choppy macro environment in Q1. We're seeing a strong rebound in trading activities in April and May as the market recovers and reaches all-time highs. This positions us well for sustainable growth in trading revenues over time.

Turning to Slide 10. In the first quarter, interest-related income grew 29% year-over-year to 40.1 million, mainly driven by growth in our margin loan and client cash balances. This line item has been relatively stable in the last few quarters. The sequential decline was primarily attributable to a decrease in fully paid stock lending revenue, which was an industry-wide dynamic tied to market conditions, which we expect to normalize as the market activities pick back up.

Finally, let's turn to Slide 11 for a closer look at operating expenses. Adjusted operating expenses increased 64% year-over-year, again, mostly driven by marketing and branding investments. Excluding those expenses, our cost base remains well managed. As our operating

profit margin ex marketing has remained at 40% or higher every quarter since Q3 of 2024. As revenue continues to grow, we are confident that we will be able to scale expenses at a lower rate over time.

Lastly, many of you have asked, and I am excited to share that starting this month, we will be publishing monthly operating metrics. You will find them under the Investor Relations tab of webullcorp.com. We believe more frequent data points will give investors and analysts a better view of our business performance between quarters.

With that, I'll turn the call back to Anthony before we open the line for questions.

Anthony Denier

Thanks, H.C. Q1 was a strong start to our second year as a public company. We delivered record trading volumes and solid growth in revenue and AUM, while making real progress across all three of our priorities, deepening the experience for active traders, expanding globally and growing our B2B and institutional business. I am energized to continue the hard work of this quarter alongside our global team as we are committed to enhancing, expanding and extending our business to cement Webull as a leader in an increasingly popular and evolving industry. We look forward to engaging with you at our forthcoming investor events this quarter.

And on that note, we welcome any questions you may have, either here on the call or one-on-one. Thank you.

QUESTION AND ANSWER

Operator

We will now begin the question-and-answer session. [Operator Instructions]. The first question comes from Kareem Seif with Bank of America. Please go ahead.

Kareem Seif

Good evening and good morning Anthony, H.C. and team. I hope everyone is doing well. I Appreciate the update and congrats on a strong quarter, strong results. My first question is on the Pattern Day Trader rule. How do you think about the impact of that change on your client base, both in terms of trading activity and cohort expansion? And how meaningful could this be for Webull as a structural driver of engagement and monetization in the future?

Anthony Denier

Hi, Kareem, thanks for the question. So we've been preparing for PDT, it seems like now for almost a year, happy to make it very clear, like we just announced, we will be ready on day 1, which is now June 4. I think there will only be several of our peers that maybe will be ready on June 4, but the legacy brokers, in my opinion will not -- not only because they have a much bigger ship to turn, especially with the legacy systems that they've had in place.

Combining with acquisitions and older systems, a lot of Band-Aids to kind of remove. Also, it's not their top priority, right? And if you look at kind of the AUM of customers on neo brokers and fintechs significantly lower than on kind of legacy web-based platforms, the Schwabs of the world, and eTrades of the world.

So their customer AUM PDT was not as big of an issue for their active trader client base. The average account size at Webull as of our end-of-quarter AUM sits just below \$5,000 per account. So our -- the biggest cohort of clients that we have on the Webull platform are directly

impacted by this rule change. And we have several different models that we put together, whether you want to call them kind of a bear a neutral and a bull case, my expectations and, of course, this is speculation, but my expectations on the low end is an increase of 20% on the low end in terms of transaction increase we're going to see with the removal of PDT.

This is not going to happen on day 1 on June 4, but I believe this will happen over time. Also, the removal of PDT presents a very unique opportunity for account consolidation across the industry. You may be aware, you may not be aware, but it is quite common for active smaller AUM clients to have multiple brokerage accounts. And because of that PDT rule, they'll trade three times on one platform.

And then they have to wait 5 whole calendar days to day trade again and you'll see them go to a different platform, engage max out their PDT there, so on, so on and so on. So the removal of the PDT and being a first mover is, I think, really significant for us to do a consolidation of a lot of those client assets into their Webull account.

And we have a marketing plan already laid out and we are going to start going live as we get closer to the date to make sure that there's one education of the rule change, what it exactly means obviously, awareness that we are ready to not limit the amount of day trades and also possibly offer incentives to consolidate those accounts over to Webull. So it's -- this is a very big event for us and we're making sure that we're taking full advantage of it.

Kareem Seif

Got it. That was very comprehensive. Thank you, Anthony. My second question is on volumes, and you guys touched on that a little bit in your prepared remarks. We've kind of -- I think, in 1Q versus 4Q, we've kind of seen a broad sequential decline in equity and options volume at some of your peers, but yours were very strong and accelerated quarter-over-quarter.

I appreciate that part of the increase in the equity volumes in 1Q was driven by the institutional opportunity or the institutional volumes. So could you may be like speak about that a little bit, how meaningful or how big of a contributor do you see that institutional opportunity for Webull over time, especially in periods when there is like a pullback from the retail cohort of clients?

Anthony Denier

Well, first off, I appreciate you very much pointing out the fact that our volumes increased in Q1 versus a lot of our competitors decreasing in Q1. So thank you for that. I would attribute our continued acceleration in volumes across equities and options, having to do with multiple factors.

I think one is the core client base that we that we concentrate on and that's obviously the active client base. Times of volatility when you see a rising VIX, there's a lot of momentum and a lot of opportunity where a casual retail trader will often kind of sit on the sidelines and wait for things to kind of normalize and calm down.

We see often the opposite effect, especially with our cohort of active traders where it's actually a moment to be more engaged in the market and take advantage of those big swings. I think the second factor in our increase in volume has been our international growth. We've seen huge increases in equities and options volume trading coming from our broker dealers that are outside of the U.S.

In fact, Hong Kong, in particular, now is doing is doing I belief we have a Hong Kong broker-dealers equity flow is now a very close second to all 13 of the others combined. Meaning that one broker dealer, then I'll tell you why it's getting so high. But that one broker-dealer internationally is contributing so much order flow because of its concentration on institutional and B2B accounts outside of the U.S.

And so that's the third factor. We did separate institutional order flow in this quarter's earnings because we've been talking about the buildup and the energy we're putting behind building our B2B infrastructure and we wanted to put some context behind it in Q1 on this earnings call so we can actually display exactly how much how much positive reinforcement that institutional and B2B business is bringing to our order flow represented almost 10% now of our order flow is coming from non-retail. And we only expect that number to go up and accelerate very, very, very quickly and very aggressively.

Kareem Seif

Thank you very much. That was very comprehensive Anthony. I will hop back in the queue. Thank you.

Operator

The next question comes from Chris Brendler with Rosenblatt. Please go ahead.

Chris Brendler

Hi, thanks for taking my questions and congratulations on the results. I want to dig a little deeper into the PDT rules and just how we should think about the opportunities to consolidate customers who have multiple brokerage accounts. It seems to us that this would be a significant part of the opportunity for Webull, just given your platform and the advanced training tools that you offer. Any early color on how you guys are thinking about that opportunity as more customers can concentrate their trades at -- just a couple of venues instead of spreading it around?

Anthony Denier

Hi, Chris, for a moment, you dropped off, I don't know if I heard the whole question. So I am going to apologize. So I heard are there any tools or differentiation in the platform that will help us in PDT? Was that the question?

Chris Brendler

Just as you think about the competitive landscape and Webull's competitive positioning among active traders, I would think this would be a pretty significant opportunity for Webull to consolidate when clients start consolidating their trades at fewer venues because they don't need to spread trades around, I would think it would be a pretty significant opportunity for Webull just given your competitive positioning. And your focus on active traders, but I was not sure how to think about that yet. I'm just wondering if you had any early thoughts.

Anthony Denier

Yes. No. I mean, hit it right on the head. Webull from day one has been built for the active retail trader, right? It's -- we didn't bolt this on if they're operating for five, six, seven years. We've always been focused on active traders. So this represents a great opportunity, I think, specifically for the customer that we've always catered to, the one that I think we speak their language in terms of the way that we offer and the way we prioritize execution quality, the way we prioritize the ability to navigate the app and quickly be able to make decisions.

Also, I want to counter with our AI integration into the platform is also going to be specifically focused on making active traders better at taking advantage of opportunities as they come up in real time. And so as we've rolled out the AI Vega product, we have seen that our active traders, so we kind of drop them into three distinct cohorts. We have our active traders, our kind of investor class of traders and then we have the beginners.

And the active traders are using our Vega platform on average about 16x to 17x per month. And 20% of those [inaudible] are at their making a trade after they engage with Vega. And the majority of those inquiries are on an in-depth stock analysis and then they're making a trade. So all the tools that we're building are leading towards this removal of PDT to take the restrictions off of our customer base on how often they can generate an idea and an opportunity in real time.

Chris Brendler

Great. A quick follow-up there. Do you think from an education standpoint, how quickly will we see this play out? Will it take a couple of quarters, a year? Would we see an inflection in June? How should we think about the implementation on June 4th?

Anthony Denier

So we're trying to maximize on the immediate impact with a lot of our marketing plans that we have put together. Like I mentioned earlier, we're going to be using incentives to bring a lot of our consolidating our active trader base, so they're moving their balances from our competitors over to Web specifically. One, we're built for them. Number two, we're ready to go on day one. And number three, we're going to continue to bring out products that cater to active traders.

And we are, again, positioned perfectly in my opinion, to take advantage of this immediately. Now that being said, at the end of -- on our Q2 call in several months, I'll have at least almost one month of data to share with you, but expectations that this is probably going to be a bigger Q3 impact rather than the one month that's going to exist in Q2, but we are primed and prepared to take advantage.

Chris Brendler

Okay. Great. Last question for me would be on the prediction markets. A lot of momentum in the fourth quarter. Can you give us a little more color on how prediction markets trended in the first quarter? Because I think it's like blended with the futures business. Obviously, a nice bump up in the revenues there, but just would love to see or to hear how production markets trended in the first quarter? If you can give us any color there? Thanks.

Anthony Denier

Prediction markets through Q1 kind of stayed on the same trajectory path as we saw in Q4. To be fair, I don't think we have not fully tapped the opportunity that exists in prediction markets. You guys have heard me talk about this before, but prediction markets, I think, is the greatest tool for new customer acquisition and reengagement of dormant customers. It's a very easy product to market. It expands our addressable market, I think by magnitude of multiples. So that's where the value is and continues to be for us.

In terms of volume and prediction markets, we're kind of averaging around 100 million contracts a month to put a number on it. But from an overall revenue percentage, prediction market revenue still represents a small amount of quarterly revenues, I would say, an approximation where around 2% of our total revenue is coming from prediction markets, and we are still very focused on equities and options at that core.

Chris Brendler

Okay, great. Thanks a lot for the color. And congrats again. Thanks.

Operator

The next question comes from Steven Chubak with Wolfe Research. Please go ahead.

Steven Chubak

Hey good afternoon. Thanks for taking my questions. So maybe to start, Anthony, you outlined the future of trading with more customers leveraging agentic tools the expectation among most investors that we've engaged with on this topic is that this could spur a meaningful uptick in trading activity, but there's also concerns around the risk of third-party agentic tools gaining access to the platform. And I wanted to get your perspective on how you might protect against things like rogue behavior or the potential risk of hallucinations in a world where these agentic tools are leveraged more readily.

Anthony Denier

So like I mentioned on the call in the beginning, I believe that access and being the infrastructure for these new AI agentic platforms that seem like they're popping up. I mean, every day, I'm hearing of several new ones. There's a lot of safety measures that we need to be aware of. I readily agree with that. I think one of the priorities that we always have this platform is security is safety and is, of course, compliance. We are a very heavily regulated business. We're here for customer protection if the customers do not succeed, Webull does not succeed.

So although we are fully embracing our investment in our new MCP server, investments in the different API infrastructures there also is a lot of concentration on building out new risk controls and products. And making sure that, one, education, disclaimer as well as notification and making sure that customers understand what this AI agent is doing for them and within their accounts. That's going to be a top priority.

And in fact, I mean, since this is such a kind of new area, we're working hand in hand with regulators kind of as we speak on building out what proper framework what the proper control should be for this new way of trading.

But regardless of however those conversations come out, this is going to be a structural change of this business over the next 2 to 3 years, where the idea of competing simply on a user interface on a smartphone is no longer going to be a battleground. It's going to be on access to products, pricing, execution, quality and having the best integration with these AI agentic platforms.

Steven Chubak

I appreciate that perspective, Anthony. And for my follow-up, just a question on the margin outlook. And I was hoping you can offer some perspective on how you're balancing investment spend and revenue growth you noted that you're not going to sacrifice near-term margin for the long-term upside, but it might be helpful if you can outline how you expect OpEx to trajectory based on your current investment plans as well as your marketing budget? And how that informs incremental margins as some of these investments begin to bear fruit.

H. C. Wang

Sure. I think I'll take this question. So as you can see that we've -- since we've been a public company, we have been profitable every single quarter on an adjusted non-GAAP basis. And also, we have been kind of managing towards around a 40% profit margin, excluding marketing. While the 40% margin, excluding marketing is not a hard and fast rule, but I think it demonstrates our commitment to really be a profitable company and be disciplined around our operating expenses.

Of course, marketing has been and will likely continue to be for a period of time, a significant portion of our revenue. It's been around 30% in the last two quarters. I think Anthony had mentioned that we have prepared marketing plans around the PDT rule. There's also going to be we have been doing marketing promotions around our zero-commission offerings outside the U.S. There's also a number of events coming up later this year around new products.

So we'll continue to invest in these strategic initiatives and opportunities for customer acquisition, AUM growth. But over the course of the next year or 2, I think we fully expect revenue to really pick up, especially with these tailwinds that we're seeing. And we should expect to see a narrowing of the marketing spend as a percentage of revenue even if the absolute amount does not decrease, and then we'll see expansion in operating margins over time.

Steven Chubak

A full perspective, H.C. Thanks so much for taking my questions.

Operator

The next question comes from Mike Grondahl with Northland Securities. Please go ahead.

Mike Grondahl

Hey, guys. Thank you. Anthony, could you talk a little bit about how Meritz is ramping, how many stocks now are traded on your platform? And just give us a flavor for that?

Anthony Denier

Hi, there, Mike. So yes, I mean, Meritz is progressing very, very well. In fact, part of that, almost 10% institutional flow, a big part of that is them -- I'm a little apprehensive to disclose exactly the amount of flow that they're sending us because that is private for them. But we've expanded the amount of symbols that they're sending us. A lot of the order flow is not just the overnight order flow, but it's a regular session order flow, which is much more profitable for us in a take rate scenario.

So very healthy growth there. But outside of Meritz, which I definitely want to highlight, I know I mentioned on previous calls, that it takes a long time to onboard these institutional clients, these B2B clients. We're nearing 200 institutional clients now that are onboarded on our platform. And yes, Meritz is the one that we press released because it's the largest in the first that we've onboarded in South Korea.

But like I've mentioned before, the pipeline is extremely strong, and it's only getting stronger. And all the investment that we put into building out this B2B infrastructure through 2025, is now starting to bear fruit. And this is only Q1, which to be fair, was a very difficult market for trading volumes. And I think the proof is in the results, and we're going to continue to see that international allocation expand in terms of our total trade volume.

Mike Grondahl

That's great. 200 is a big number. Maybe second for H.C. Can you state what you said about April and May, again, especially maybe in relation to March, February and January, how were April and May?

H. C. Wang

Sure. Actually, thanks for asking. In fact, we -- starting this quarter, we have started to release monthly metrics. So, this is actually on our presentation in the appendix section, first slide in the appendix section, actually. So, you can see our trading volumes are at all-time high in April. Our market share is an all-time high.

And we see that trend continuing and actually accelerating into May. So, we -- and we will be releasing these monthly metrics, probably just a couple of weeks after the end of the month. So now you guys would not need to wait until the next earnings call to find out how we're trending.

Mike Grondahl

Got it. And maybe just lastly for Anthony. Crypto are you kind of said prediction markets was maybe 2% of revenue. Is crypto anywhere on that scale?

Anthony Denier

So, in the past, I've laid out very clearly that crypto is a huge opportunity for us. If you look across our peers, crypto represents anywhere from 15% to 25% of revenue contribution in terms of products. Crypto for us as of Q1 was, call it, almost 2%. So again, very similar in terms of revenue attribution. But again, that is the opportunity there. I had plans to have a March rollout of two different important products that will level us on the playing field in Crypto.

And that's simply coin in, coin out capabilities, so Webull -- customers can have their own wallet. It's not a fiat in, fiat out scenario, which it currently is. And secondly is staking. Those actual products were pushed back on a time line. We have not released them yet, specifically because we diverted resources to make sure that we put in place our agentic MCP server to take advantage of this new evolution of agentic AI trading platforms.

So, it was pushed back a little bit on time line, but in retrospect, it's still a very difficult time for crypto. So, I think it was the right time to focus on prioritizing product rollout. We are still expected in Q2 to roll out the point in point out and the staking products for crypto which will then give us, again, that opportunity to squeeze the street in terms of margin -- in terms of margin compression, in terms of pricing crypto product, serving an active crypto trading clientele.

And I think one anecdote that's really important to understand is all the new accounts that we've opened year-to-date, about 20% of those, the first trade that they made after funding was an actual trade in crypto, which tells me that our customer base is still very much engaged.

If 20% of my new accounts are trading crypto as their first engagement on the platform, that is a huge opportunity to take our representative of approximately 2% of revenue currently to take that up closer to 20% and in a short amount of time, the customer is there, we just got to have to get the product there. So, I am very optimistic still on crypto even though it is a relatively small product in terms of revenue.

Mike Grondahl

Got it. That framework helps us. Thank you.

Operator

[Operator Instructions]. The next question comes from Jose Valcourt with Compass Point Research & Trading. Please go ahead.

Jose Valcourt

Hey everyone. This is Jose on for Ed Engel. Thanks for taking our questions. You guys were approved for self-clearing. And so now that you are approved, how would self-clearing help improve competitiveness for the B2B2C business? And how long will it take to start seeing benefits from those cost savings?

Anthony Denier

Yes. Thank you for the question. First off, becoming a, or being granted a self-clearing license in the United States is, one, no easy feat. It actually has taken us multiple years to finally get over the line and get approval from our regulator. But the journey is not over. There are still 2 different institutions that we need to get, I am using hand quotes to get approved from and on-board with. And that is DTCC for the equities settlement as well as the OCC for the option settlement.

So I do not expect the self-clearing business to be operational until the end of the year, meaning clearing our own equity trades and clearing our own options trades probably until Q4 of this year. But having said that, having the ability to self-clear our own trades now for U.S. products is a huge game changer for our business.

Not only does it streamline the ability of being able to manage our own cost better. Think about every single trade, the millions and millions of trades we do every day, we have to pay fee to our clearing firm to clear those trades and to custody those trades. So it not only will decrease our costs, our transaction costs significantly, but we can also pass those reduced transaction costs to our customers, making us much more competitive on the pricing side to win more business, especially on the B2B side.

Jose Valcourt

Got it. No, that is very helpful. Thank you and then as a, just another quick question to ask. You guys highlighted your international expansion opportunity very well in the 2026 road map slide. How should we think about the rollout in Europe? Are you seeing similar B2B2C opportunities here like you are in Asia?

Anthony Denier

I think it is still early to tell. We only launched our first European broker-dealer, which was our Dutch broker dealer back in September of '25. So it is still a relatively new operation. It is not well staffed yet, to be honest, and we are just starting to roll out into Greater Europe.

So the focus now for B2B is clearly on the APAC region, where we use Hong Kong as our hub for that business. And here in the U.S., where we have our St. Pete office for the hub for that business.

Those are the two core B2B on-boarding, one for the Western Hemisphere, one for the Eastern Hemisphere. I think most of the on-boarding from European potential partnerships are actually going to come through the U.S. So again, still a very new business. I will have more updates as we get a bit more mature.

Jose Valcourt

Understood. Thank you so much for the time.

Conclusion**Operator**

This concludes our question-and-answer session and today's conference call. Thank you for attending today's presentation. You may now disconnect.