

Coinbase Global, Inc.
First Quarter 2026 Analyst Call
May 7, 2026

Shan Aggarwal, Chief Business Officer & Head of IR: Good afternoon, this is Shan Aggarwal, Chief Business Officer and Head of Investor Relationship. Good afternoon and welcome to the Coinbase first quarter 2026 analyst Q&A call. Joining me on today's call is Alesia Haas, CFO. Before we get started, I'd like to remind you that during today's call we may make forward looking statements. Actual results may vary materially from today's statements. Information concerning risks, uncertainties and other factors that could cause these results to differ is included in our SEC filings.

Our discussion today will also include references to certain non-GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are provided in the earnings presentation on our investor relations website. Non-GAAP financial measures should be considered in addition to, not as a substitute for GAAP measures. With that, we'll start to get into questions.

I see some folks have already started to raise their hands. We're using Google Meet this quarter to facilitate the Q&A. We just ask that everyone mute themselves to prevent any background noise. We'll call on folks who have raised their hands in the order their hands were raised. When called upon, please unmute yourself and ask your question. We ask that you limit yourself to one question and one follow up before placing yourself back on mute. Those joined by phone only will unfortunately not be able to ask a question directly on this call. Our first question from Owen Lau.

Owen Lau, Clear Street: Great, thank you for taking my question. A quick one. Modeling question. I know you provide, you have provided the full year cost number, but just a quick one. It's a second quarter Tech and Development and G&A expense guide which is \$820-\$870 million a good run rate for the third and fourth quarter? Or there's still room for you to get it down a little bit in the third and fourth because of the workforce reduction.

Alesia Haas, CFO: Okay, so where we are is we are providing Q2 outlook and we are providing full year Adjusted Expense outlook. There's a couple differences between what we're providing for Q2 and the full year adjusted operating expense. Our adjusted operating expense definition includes the combination of Tech & Dev, G&A, Sales & Marketing, but it's excluding intangible amortization that is largely coming by way of acquisitions. The Q2 number includes intangibles. It includes the full what you will see in the financial statement line item of Tech & Dev and G&A and sales and marketing. So there's, there's two different numbers that we're showing and I think it's that you understand that difference. We are not providing quarter by quarter expense outlook. What we wanted to give you was a sense that you shouldn't see significant expense growth this year compared to 2025 absent USDC rewards that grow with variable growth along with USDC on platform balances.

So I hope that provides more color and context to these numbers. We do have some expenses that are seasonal, so we don't necessarily, but they're within kind of bounds. So you're not going to see this wildly fluctuate Q2, Q3, Q4, but there could be some variance quarter to quarter.

Owen Lau, Clear Street: Got it. And then a quick follow up on capital allocation. Could you please talk about your updated philosophy on buyback at current valuation? I know you have 50% remaining capacity. Is there any room to dial this up or do you see more opportunities in other areas for M&A? Thanks a lot.

Alesia Haas, CFO: Thanks for that. So we have about \$2.1 billion of authorization for share repurchases at this time. We do have a 10b5-1 that is in the market that will be opportunistic with share repurchases. That is the full capacity that we believe we need at this point in time and we want to then allocate and retain capacity to be more opportunistic. Should we see both organic or inorganic growth opportunities via product or if we see other investment opportunities.

Shan Aggarwal, CBO & Head of IR: All right, I see Patrick Moley next.

Patrick Moley, Piper Sandler: Yeah, I have just one on the headcount reduction. Could you maybe just talk about how you arrived at, you know, the amount or the 14% that, that you're planning to cut and you know, I think during the last crypto winter you might have cut by a little bit more. So maybe just talk about structurally like what's changed, how you

arrived at, at that figure and whether you maybe think there's room to, to maybe reduce headcount by even more if you need to pull that lever. Thanks.

Alesia Haas, CFO: Thanks. So we manage our expenses by total dollars, not specifically by a headcount. So we were really looking to bring down our OpEx to a more similar run rate to the 2025 level. We got there through a combination of headcount reductions as well as non headcount reductions. We see so many green shoots in our business. We wanted to preserve our product roadmap and preserve the ability to continue to invest behind the growth we see in derivatives and prediction markets and many of these new products that we have put in the market. But we've made a long term commitment to be Adjusted EBITDA positive. We've also made the commitment that we will be thoughtful about our expenses and size them to the revenue opportunities that we see.

Patrick Moley, Piper Sandler: Okay, great. And then just a modeling follow up on the adjusted expenses. You referenced that it was it excluded the amortization of acquired intangibles. Could you tell me what you expect that number to be for this year and next? I was having some trouble finding it in the filing. Thanks.

Alesia Haas, CFO: You'll be able to see the historical run rate in our 10Q and also in the appendix of our earnings presentation. We have a reconciliation to adjusted expenses and that's the best data that you can use to put forth into a forecast.

Shan Aggarwal, CBO & Head of IR: Next, Alex Markgraff from KeyBank Capital Markets.

Alex Markgraf, KeyBanc Capital Markets: Hey, thanks, Shan. Alesia, I'm curious. On the public call there was a comment on sort of rethinking about the platform with respect to activity based rewards. I think all of us can probably conceptualize a few of those, but I'd love to just kind of get your perspective as to what might fall under that activity based definition as you guys are starting to sort of scope that out. And then just on a related note, I think one of the narratives out there that I don't know if it's correct or not, but one of the narratives is just around idle USDC balances and sort of risk of flight of those. Just given the draft text of CLARITY Act. Can you just comment on the first part, activity based rewards thinking and then any comment on USDC balances that you consider more idle in nature?

Alesia Haas, CFO: Sure. I need to refer back to Paul's comments that we still need to go through rulemaking and so it's a little premature to be very specific in my comments with regards to activity based rewards. The real important point here is that we will not be able to pay rewards on passive idle balances. Activity, though, can come in many forms. We have, as we've shared with you, 12 products and services that generate more than \$100 million of revenue. That means we have active customers on each of those products. Because of our diverse product offering, we do believe that we can drive programs and product experiences to engage our customers and permit them to continue to earn rewards on their balances and we will just adapt and learn as the text gets finalized and the rules get finalized and then adapt our products as needed to hopefully address and ensure that our customers meet the activity standards to continue to benefit by their rewards.

Shan Aggarwal, CBO & Head of IR: Yeah Alex, I would just add to that is one of the benefits that we see particularly with our CB1 subscription is that those users tend to engage with multiple products driving higher trading volume, trading revenue and are engaged across our platform. So you know, we believe that those activities will qualify. But as Alesia mentioned, all subjects are rulemaking.

Alex Markgraf, KeyBanc Capital Markets: Okay, that's helpful. And then maybe just a quick follow up on just observations around the prediction markets launch earlier in the year and equities I suppose as well. Like is there any way to think about sort of money into the platform associated with that launch? Just thinking about how you've been able to maybe attract more share of wallet with customers as you've added asset classes. Thanks.

Alesia Haas, CFO: So as we shared on the call, I'll start with prediction markets as of March that was an annualized at \$100 million run rate revenue business and that's the second month of true meaningful operations. So that's the best information that we have to share with you on its recent trajectory and the traction that it's receiving. We shared previously but we are not monetizing our equity product at this time. So think about that as client engagement and share of wallet and building a deeper relationship with our clients but not a key monetization driver for us.

Shan Aggarwal, CBO & Head of IR: All right, next from Chris Brendler at Rosenblatt.

Chris Brendler, Rosenblatt: Good afternoon. My question is on the retail side, you know, I think in prior quarters you've shared some data sort of like beneath the surface on, on trends such as inflows. I think last quarter in particular there was some positive trends on inflows and I just wanted to see if you had any color you could provide and how you're thinking about the retail trading business. Just given the, the length and the, and I guess the, the depth of the downturn of, of consumers interest in creating trading crypto assets. You know, anything that you would give us some color on how you're thinking about that business over the medium term and you know, prospects for a rebound in that activity.

Alesia Haas, CFO: Well, we've seen a lot of volatility month to month, quarter over quarter with retail trading on our platform going back since we went public and even before that. It really will depend on broader crypto market volatility, trading volumes and other factors. What we're really focused on is engaging customers in new and different ways with new products and services, with using stablecoins, with using their Coinbase One card, etc. So we continue to see our retail holders hold their balances. They don't exit the platform when we see price declines. And so our opportunity is to really then engage in a different way.

Chris Brendler, Rosenblatt: Okay, my follow up question would be the movement we've seen recently in the tokenization of real world assets. I was kind of surprised to see Bullish make this acquisition a couple days ago. You know, how are you approaching that opportunity? Do you want to be part of the underlying infrastructure or are you more interested in engaging in the trading of real world assets?

Alesia Haas, CFO: So we have not announced a product roadmap here specifically. Other than that we are very interested in tokenizing real world assets and making those available as part of our Everything Exchange for both our retail and our institutional users over time. So more to come in future calls on these efforts, but we are making good progress towards a long term roadmap.

Shan Aggarwal, CBO & Head of IR: Okay, thanks Alesia. All right, next, from James Yaro at Goldman Sachs.

James Yaro, Goldman Sachs: Thanks for taking the questions, Alesia. I just want to ask one more follow up on stablecoins and specifically what might constitute active rewards. Do you believe that just having a Coinbase One subscription would qualify as activity? I recognize it's early days, but is that sufficient or does it require someone to actually be using one of the other products?

Alesia Haas, CFO: I wish I could give you more details at this point, James, but it's. We need to have more clarity on rulemaking to be able to be specific here.

James Yaro, Goldman Sachs: Okay, no worries. Just quickly on the retail take rate which obviously ticked up in the quarter, I was hoping you might be able to unpack a little bit of what that was. Was it related to retail derivatives volumes or other factors around the mix of traders perhaps?

Alesia Haas, CFO: Yeah, as I shared on the call, the biggest driver is we're starting to see traction of our newest products driving revenue. Yet when you're looking at the underlying reported trading volume, it is crypto spot only. So we're seeing revenue from both derivatives and prediction markets that you're not seeing the corresponding volume in the denominator. And so that is what's driving the mathematical fee rate.

Shan Aggarwal, CBO & Head of IR: Next, Peter Christensen from Citi.

Pete Christiansen, Citi: Thank you for doing this call. Just two questions, Alesia. On Coinbase One user subscriptions, are you seeing that still highly correlated to market trends, market moves? Are you seeing more of a normalized transition from a non subscriber to a subscriber independent of what the market's doing.

Alesia Haas, CFO: It's such a great question. We are seeing growth in Coinbase One and we saw growth in Q1 and post Q1. So we do believe that that product is attracting customers independent of overall market conditions and we're really

pleased to see that. And I think it's because of the value proposition that we provide the opportunity to have a Coinbase One credit card, the rewards that we can offer on USDC, etc. That we are seeing the ability to attract customers into that product and program who may not trade in that period. But as I shared, it's so important to note that the Coinbase One subscribers trade more on average than other customers, they generate more revenue than other customers and so they're highly gauged customer set.

Pete Christiansen, Citi: Just to follow up on that, I'd love to hear like what are you seeing early traction on the card sign ups to eventual usage? Are things kind of going as you expected?

Alesia Haas, CFO: Things are going as we expected. We don't break it out because it's not a material driver of our overall revenue, but it is a really material engagement driver.

Pete Christiansen, Citi: Thank you. And then just last one for me, just curious if you're getting a sense that you're seeing rising agentic activity on Base and any noticeable trends there. I know I recognize it's early but just curious if that's something you can speak to.

Alesia Haas, CFO: Absolutely. And I encourage you to look at our presentation as we saw great growth in total stablecoin circulation of which an increasing part is on USDC and partner stablecoins and then when you look at stablecoin transaction volume, it is happening on Base and when you look at then stablecoin transaction volume by asset it's happening on USDC. So stablecoins and payments we are seeing that Coinbase is the driver of the on chain economy. We are the settlement, distribution and commerce layer for agents. 99% of onchain agentic commerce completed using USDC in the first quarter, 90% of Agentic stablecoin transaction volumes on Base in the first quarter and x402 reached over 100 million of payments processed in the first quarter. So we are seeing incredible adoption of agents through our stack of products.

Pete Christiansen, Citi: What do you think is the next big milestone now that x402 is being run by the Linux Foundation? Tons of really noticeable partners in that. What should we think of as like the next catalyst for x402?

Alesia Haas, CFO: Well it's just the early days. We're just getting started here Pete. So I think that this is something that we incubated. So you can see obviously there's been a lot of growth on our own platform here. But as you noted, we have many notable partners who are now starting to begin their own development and growth with x402. So early days, but I think that you're seeing a lot of companies start to engage with the opportunity with stablecoins because they're faster, cheaper, global, and as you think about agents and agents outnumbering humans, that's just going to be another catalyst for growth for us for sure.

Shan Aggarwal, Chief Business Officer & Head of IR: Next question from Michael Colonnese at HC Wainwright.

Michael Colonnese, HC Wainwright: First one for me, I started on main call, but it'd be helpful to get a better understanding as to what the revenue economic model is for your prediction market business to really get you get a sense of how you guys are monetizing that segment.

Alesia Haas, CFO: Okay. If there's a price per contract, we then are reliant on Kalshi as a core vendor and so they are a transaction expense that we pay out to them. And that's really the key economic model that we have right now. Our pricing on the front end contracts is really in line with overall market pricing.

Michael Colonnese, HC Wainwright: That's helpful. And then as it relates to the operating expense space, you know, obviously we turned it down quite a bit here. But looking out, as you know, the crypto markets tend to move quickly and if we were to see an equal shift in investor sentiment and usage on our platform still quite materially, you know, let's say over the coming quarters. Is there a framework you should think about in terms of platform usage volumes, any sort of benchmarks that we should consider where you may think about adding that to the expense base?

Alesia Haas, CFO: Great question. That's why we gave you an outlook for the full year. We really see very muted expense growth now coming in terms of fixed expenses absent USDC rewards for the remainder of the year because we believe that we can generate such efficiency and growth through AI across all of our teams. So if we see the market come

back meaningfully, what you will see is probably growth mostly in sales and marketing through the format of USDC rewards and or growth marketing and other partnership payments. But you will not likely see significant increase in fixed expenses.

Shan Aggarwal, Chief Business Officer & Head of IR: Great. If any other questions, please use the raise hand button on the toolbar. In the meantime, we received this question from Brian Bedell at Deutsche Bank by email. Can you go into detail on the wide range on the 2Q guide for subscription and services revenue at \$565 to \$645 million. Would extreme events be needed to get to either end of that range? Or if crypto prices are generally stable as our USDC balances, would a tighter band around the middle be appropriate?

Alesia Haas, CFO: Good question. We've historically provided the same width of band for subscription and services because it takes into account overall crypto prices, which can move significantly period over period. This quarter we saw significant decreases in both Ethereum and Solana's price. They changed our blockchain rewards revenue materially quarter over quarter. So that's what's really driving the range. If prices were fixed, yes, we would be able to provide a much tighter range. But because of the impact of crypto prices, that is what causes the range to be wide.

Shan Aggarwal, Chief Business Officer & Head of IR: Right, Alex?

Alex Markgraff, KeyBanc Capital Markets: Yeah, thanks. I'll ask one more just on the parallel that Brian drew to partnerships around the GENIUS Act timing on the call earlier, I'm curious, like just from a pipeline standpoint, I mean presumably legislation is, is a barrier for a lot of folks, but just for from the Coinbase perspective, I mean help us think about how quickly partnerships could materialize post signing of CLARITY and then just how rulemaking timelines kind of fit into the scaling of partnerships.

Alesia Haas, CFO: You are so lucky that our new head of IR also happens to be our Chief Business Officer. So Shan, I'm going to let you take this one.

Shan Aggarwal, Chief Business Officer & Head of IR: Yeah, it's a good question, Alex. What we are seeing is particularly with traditional financial institutions, there are many partners who are effectively lining up and at the one yard line and waiting for regulatory clarity before diving in full force. So you know what we saw post-GENIUS Act was a significant increase in demand from corporations and enterprises that are now coming to us looking for our stablecoin payment services that we offer through the Coinbase Developer Platform. And we anticipate that should CLARITY move forward and be ratified as of the summer, we'll see a similar effect with capital markets participants that take the clear rules of the road as an opening to come into the space. And you know, we've, we feel good about the investments that we've made in building out our full stack infrastructure to be able to serve those clients and partners as they look to expand their crypto capabilities.

Alex Markgraff, KBCM: From that perspective, less so technical but more so, you know, supporting the scaling of such partnerships, like is that a muscle that you feel is a sufficient spot to capture the demand that's sort of waiting on the sidelines right now or at the one yard line I suppose, as you put it.

Shan Aggarwal, Chief Business Officer & Head of IR: Absolutely. We feel very good. We have invested heavily in what we call our Crypto-as-a-Service platform that's offered through CDP and the technology, the onboarding, everything is there, ready for scale. So we feel very prepared to handle an influx of demand that could come off the back of regulatory clarity.

Alesia Haas, CFO: I think, I mean just I want to point out today, like while we were on the call, we announced a partnership with Amazon as an example that's going to be using our platform powered by x402 and Coinbase. So we believe that we've built infrastructure, APIs, products, the security, the SOX controls, everything that really meets the standards of Fortune 100 companies. And you've seen this time and time again, whether it was our role supporting the ETFs and partnering and to support BlackRock as a custodian, for example, with their Bitcoin ETF now in payments. We really do believe that we have built an infrastructure company that can support the growth of this ecosystem.

Shan Aggarwal, Chief Business Officer & Head of IR: Yeah, and I'll just expand on that a little bit. Pete, you had asked a question about x402 and Milestones. Just to unpack a little bit how we think about the growth strategy. There's we open source the x402 protocol now under the Linux foundation and we think about it as a marketplace. So there's both supply side and demand side. Supply side in this context is merchants and platforms that accept x402 payments. So they need to configure effectively to be able to accept payments via x402. The other side of that marketplace is effectively the demand side and that's where individuals are creating and configuring their agents. And Alesia mentioned the Amazon Bedrock platform and Agent Core. That's a very significant platform for where individuals are actually creating these agents and now they have the capability of giving their agents natively are agentic wallets that are configured with USDC and Base. So both side of those marketplaces, as we see that increase, we expect you'll start to see an increase in transaction throughput where more agents are created and there's more places where individuals can use stablecoins and agentic payments. I think about it as a similar arc to the growth of credit card networks where you really need both merchants to accept credit cards and then you need consumers to have credit cards and show a preference for using them.

All right, I see Patrick Moley's hand up.

Patrick Moley, Piper Sandler: Thanks for taking the follow up. So I just had one on pricing. Alesia, you said on the call that you weren't seeing any pressure on pricing in the near term, but you know, you've stressed the importance of, you know, expanding and diversifying the revenue base because you did believe, you know, one day when it becomes commoditized enough, you might start to see pricing pressure. So maybe what are some of the things you would think would have to occur in order for us to see pricing pressure? You know, we're getting all these platforms offering crypto trading now. You're going to get CLARITY act, and it seems like competition is really ramping up on the retail trading side. So I'm just curious, you know, what you think is going to happen before we see pricing pressure and if we don't see it, what levers are there for you to pull, maybe to raise pricing? Would you ever think to, you know, in a crypto winner, maybe take pricing up as a way to some kind of offset some of the top line pressure? Thanks.

Alesia Haas, CFO: Yeah. So again, we're constantly running pricing experiments and we're making sure that our customers are in the right product for them. So, and Brian shared on the call earlier, we have products that are very low fee, whether it's the advanced trading product. Coinbase One has no fee trading. So we think that we're well positioned against many of these players in the market. One thing that we've always seen is that we have the platform that has the widest breadth of crypto assets. And so as many people come into crypto, they don't have the ability to start with the same breadth that we have. And so there's a possibility that we also see commoditization by asset and that this kind of goes to different pricing by assets, different pricing by country. So we have a lot of different tools that we can explore as the market continues to evolve and mature. And with regards to our longer term strategy, our longer term strategy is to continue to just engage our customers deeply across a broader set of assets and products on our platform. So we have multiple monetization levers that we can look at as the markets evolve and grow.

Patrick Moley, Piper Sandler: And from an industry perspective, given the breadth of your offering, you don't feel like if Morgan Stanley and Schwab and all these other brokerages are significantly undercutting you on a price that, you know, you feel comfortable that you can maintain market share?

Alesia Haas, CFO: We were really pleased to be able to grow market share this quarter. There's always been a player in the market that has had lower fees than we have. And we will continue to observe the market adjust where we need to to continue to gain share and to meet our customers where they are.

Shan Aggarwal, Chief Business Officer & Head of IR: All right. Feel free to raise your hand if you have any other questions. In the meantime, just one more in via email from Ben Budish at Barclays. What is going on with other revenue both in transaction and subscription and services? Why isn't other transaction revenue going up despite the massive pickup in stablecoin activity on Base?

Alesia Haas, CFO: Yeah, so we monetize at very low rates on Base and our goal has been to continue to scale. You should see more of the growth right now happening within USDC and that's what is really driving the USDC market cap, the balances that we have on our platform. But we're going to have to see significant volume in order to really move the other revenue line item. Also important within that other revenue line item there's a lot of different pieces of products. It is

not just a pure Base item. And so you have a lot of puts and takes in there. And it's hard to see a true trend line within that financial statement line item.

Shan Aggarwal, Chief Business Officer & Head of IR: All right, I'll give it another minute in case anybody has any other questions. Otherwise, that is the conclusion of the questions that we've received thus far. So speak now or forever hold your peace. All right, well, if no other questions, thank you all for joining us. That concludes today's analyst call and we appreciate your time and engagement. Look forward to seeing you all again next quarter.