

# eToro shares strong YoY user growth ahead of further expansion

Article

**The news:** The global trading platform shared its Q1 2021 interim financial results after [filing](#) to go public via a **\$10.4 billion** SPAC earlier this month, [per](#) Finextra.

**Let's look at the figures:** eToro reported significant user growth—but net income took a blow.

It added **3.1 million** users in Q1, which is not only up **214%** compared with Q1 2020 but also more than half the **5 million** users it added during all of 2020. But increasing its marketing spend to expand its global footprint caused adjusted EBITDA to drop **57%** to **\$30 million**, and net income fell **91%** to **\$5 million** year-on-year.

**Looking ahead:** Retail investor demand and US expansion will drive more quarters of bumper user acquisition.

eToro's platform, which is available in more than **140** countries, is well placed to capitalize on retail investors' rising share of trading volume, which hit **25%** globally in Jan 2021—up from **10%** in 2019, **per Capgemini World Wealth Report 2021**— and shows **no** signs of slowing down. It's also adapting quickly to new demand: In May, eToro **added** the **headline-grabbing Dogecoin** to its existing **list** of cryptos, which should provide a further user acquisition boost for Q2.

eToro is also **expanding** its stock trading service to the US in H2 this year. This could further cut into net income in the short term as the company spends funds to launch new operations but will most likely bring in more users: Making money by investing is one of the **top** financial priorities for US adults.

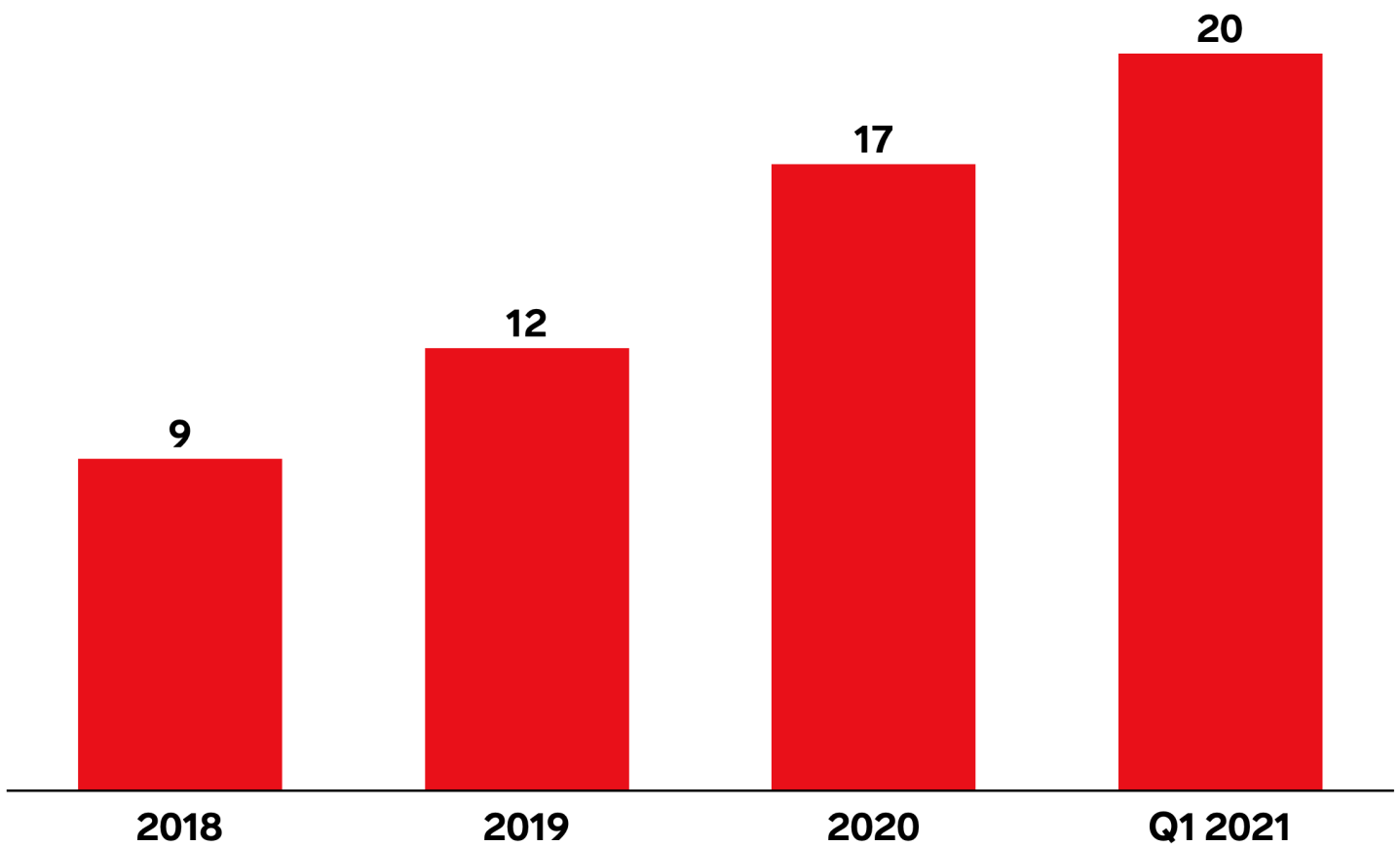
**The bigger picture:** Expect similar user growth figures from other trading platforms in the US.

**Coinbase** went public this year, and **Robinhood** plans to as well—like eToro, they can rely on the increased retail investing in both stocks and cryptos to boost user acquisitions this year: Coinbase added more than **10 million** users globally in Q1, and Robinhood scored **6 million** more crypto traders in the first two months of the year.

Going forward, the US remains a very large addressable market for these fintechs to grow: Before the 2008 financial crisis, as many as **65%** of US consumers owned stocks. But as of April 2020, that share was still floundering at **55%**.

# eToro Global Users

millions



Source: eToro website, Business Insider, December 2020

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