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Target:  **WonderFi**

Buyer: **Robinhood** 

### Robinhood Acquiring WonderFi for C\$250M

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#### Transaction Overview

On May 13<sup>th</sup>, 2025, Robinhood, a leading online brokerage platform, announced a definitive agreement to acquire WonderFi Technologies, a Canada-based owner and operator of several regulated cryptocurrency platforms. The deal is valued at C\$250M (US\$179M) and is expected to close in the second half of 2025.

#### Target: WonderFi Technologies

WonderFi, founded in 2021 and headquartered in Toronto, Canada, is a regulated digital asset platform that owns, operates, develops, and invests in blockchain-based financial products. The firm offers access to cryptocurrency trading, staking, and decentralized finance solutions for both retail and institutional clients. WonderFi's core products include: 1) Bitbuy, a Canadian cryptocurrency trading platform offering trading, staking, and OTC services to advanced traders and corporate clients; 2) Coinsquare, a cryptocurrency trading platform catered more directly to retail investors; 3) SmartPay, a payment solution enabling businesses to accept crypto payments and convert them to fiat currency; and 4) WonderFi Labs, the company's development arm focused on building future applications and expanding offerings, including Wonder, a layer 2 blockchain built on Ethereum, and WonderFiWallet, a non-custodial wallet that will connect to WonderL2.

Since 2021, WonderFi Technologies has raised a total of C\$114.1M through both public offerings and private placements. WonderFi is 78% publicly owned, with Mogo Inc., the largest single active investor, owning 13% of the company.

#### Buyer: Robinhood

Robinhood, founded in 2013, is a publicly listed brokerage platform headquartered in Menlo Park, CA. The platform has grown from allowing individuals to trade stocks and ETFs to stock options, index options, futures contracts, and cryptocurrency. Robinhood also offers cash management services such as direct deposit capabilities and debit cards.

In 2018, Robinhood established Robinhood Crypto, which enabled users to trade various cryptocurrencies on the exchange. Since then, Robinhood has steadily increased the number of cryptocurrencies and stablecoins available for trading on its platform, both in the US and abroad, a goal made evident by its June 2024 acquisition of Bitstamp, a European crypto exchange, for \$200M.

Robinhood currently has a \$46B enterprise value, with \$3.26B in trailing twelve-month revenue ended March 2025 (14.1x EV / Revenue multiple) and \$1.35B in trailing twelve-month EBITDA (34.1x EV / EBITDA multiple).

#### Transaction Parameters

The acquisition will be an all-cash buyout valued at US\$179M. Shareholders will receive C\$0.36 per share, representing a 41% premium on WonderFi's May 12 closing price and a 4.0x valuation/revenue multiple based on ~C\$62.1M in revenue following FY 2024, and a 20.8x EBITDA multiple based on ~C\$12M in FY 2024 Adjusted EBITDA.

Notable similar transactions include Coinbase | Deribit for \$2.9B ([M&A Alert](#)), Hidden Road | Ripple ([M&A Alert](#)), NinjaTrader | Kraken for \$1.5B ([M&A Alert](#)), FairX | Coinbase ([M&A Alert](#)), and Robinhood | Bitstamp for \$200M ([M&A Alert](#)).

#### Strategic Rationale

This transaction offers Robinhood entry into the Canadian cryptocurrency market by leveraging WonderFi's established user base, regulatory licenses, and platforms such as Bitbuy and Coinsquare, which collectively hold C\$2.1B in assets under custody. Additionally, Robinhood's revenue streams will likely be



bolstered and diversified by WonderFi's growth in crypto trading volumes, which increased by 28% in FY 2024. Finally, the acquisition allows Robinhood to enhance its crypto offerings by gaining advanced infrastructure in staking and wallet services, supporting Robinhood's goal of becoming a comprehensive financial services platform.

### Architect Partners' Observations

The move is part of a larger "growth via acquisition" strategy that we're seeing larger players enact, partly due to increased cash generation over the past several quarters and regulatory optimism.

Robinhood has been farther on the risk spectrum for crypto trading and is cementing its lead against TradFi brokerages (several large players do not offer crypto trading yet). While crypto is being treated as just another asset to trade, the volatility and the lighter regulatory best-execution frameworks mean it can be a more profitable segment for trading firms.

For Robinhood, it not only gives access to Canada as a market but can also boost its "share of wallet." They can cross-sell trading in other assets to WonderFi clients, further eroding competitors that are slow to react. The price of the deal is a bit low at 4X; but considering it's an all-cash deal, the premium can quickly decrease. It is at a 71% premium over the 30 VWAP (volume-weighted average).

Firms approach consolidation on an account basis, and Robinhood is paying ~\$105 per account (regardless of activity) or ~\$1,400 per active account. Coinbase, based on 2024 numbers, is roughly \$550 per active account. So, considering lifetime value, this is a reasonable deal for Robinhood.

Stepping back and widening the aperture, we see larger players continuing to look for consolidation opportunities. Even though Coinbase, Kraken, and Robinhood have recently announced acquisitions, we feel there are more consolidation plays to come this year.

### Sources

Robinhood Press Release, WonderFi, WonderFi Investor Deck, WonderFi 2024 Q4 Report, Pitchbook, Factset