Case Study NYSE: CRCL

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Executive Summary

USDC in circulation

$61.3 B

YoY Growth

90%

Total Revenue and Reserve Income

$658 M

↑ **53%** YoY

USDC Onchain Transaction Volume

$5.9T

↑ **5.4x** YoY

Offers more stability than other Stablecoins

Government regulated

Stablecoin TAM - 2028

$2T

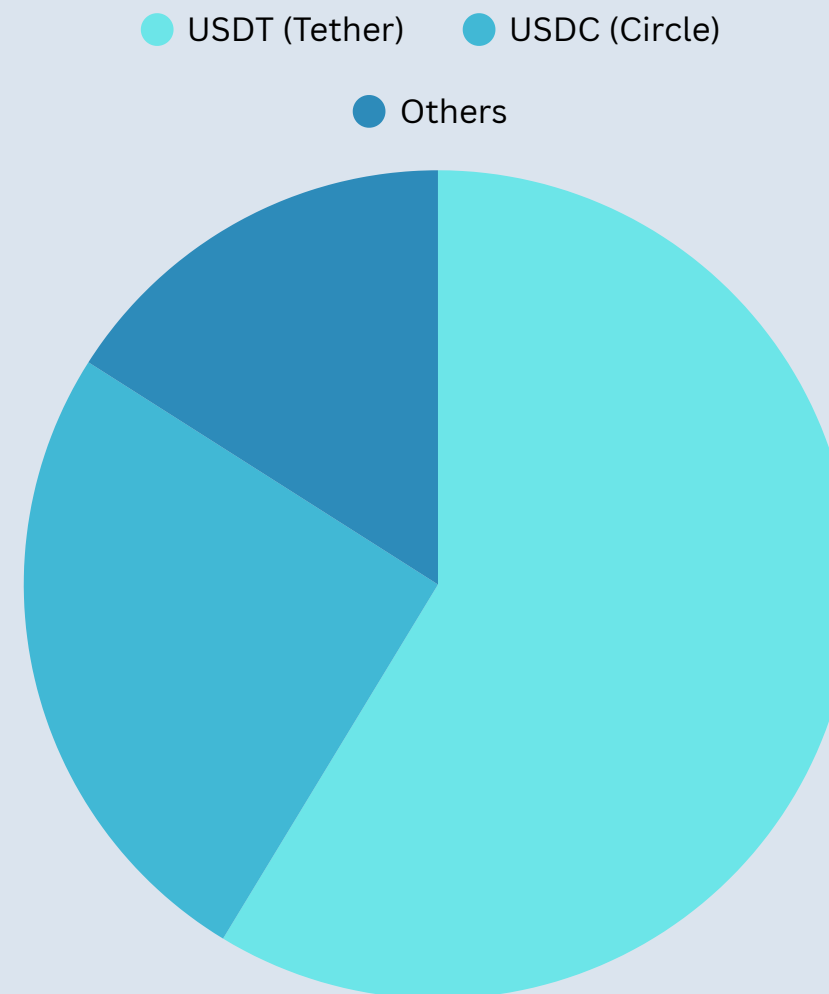# Market Opportunity - Stablecoin

TAM 2025: $291 b	TAM 2025 (year-end): $400 b	TAM 2028: $2T

Drivers

- **On-chain settlement for global payments**
- **High liquidity and speed**
- **Global accessibility to dollar equivalents**
- **Hedge against local currency risks**
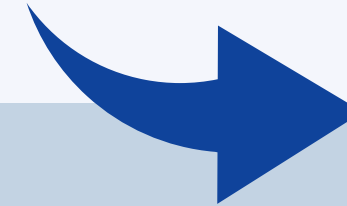- **Lower transaction costs**
- **24/7 access to capital**

Market Landscape

- USDT (Tether)
- USDC (Circle)
- Others

Barriers to Entry

- **Regulatory approvals**
- **Auditing transparency**
- **Trust and reputation**
- **Reserves and capital management**
- **Liquidity**

Circle's Business Model

1

Fiat Money

Money deposited by users/businesses via exchanges, fintech partners, institutions.

2

Circle Mints USDC

USDC is 1:1 backed to he US dollar. USDC is sent to user's wallet.

3

USDC Circulation

Used for payments, trading, DeFi, remittances. Integrated with exchanges, wallets, merchants.

4

Circle Manages Reserves

Holds cash & short-term U.S. Treasuries – earns interest.

Revenue Streams

- Reserve Yield → Largest revenue driver
- Infrastructure Fees → APIs, cross-chain transfer fees, wallet services
- Partnership Revenue → Coinbase, merchant integrations

Valuation Analysis

DCF

Intrinsic Value/Share
$77.92

Current Price/Share
$144.14

Overvalued
1.85x

Comparables

Circle Internet Group (CRCL)

- EPS: –1.74
- Price/Book: 13.71
- Revenue: $2.12 B
- Profit Margin: –16.21%
- Price/Share: $144.14

Bitmine Immersion Technology (BMNR)

- EPS: –3.03
- Price/Book: 3.61k
- Revenue: $5.45M
- Profit Margin: –65.44%
- Price/Share: $61.29

Figure Technology (FIGR)

- EPS: –3.03
- Price/Book: 23.25
- Revenue: $327.24M
- Profit Margin: –18.03%
- Price/Share: $44.96

Key Investment Risks

Risks	Mitigants
Regulation – New laws may raise costs or restrict growth	Proactive engagement, monthly attestations, compliance-first approach
Rate Sensitivity – Revenue tied to reserve yields	Diversifying via APIs & infrastructure fees
Competition – USDT, PYUSD, CBDCs	Deep liquidity, trust, strong partnerships
Reputation / Security – De-peg, hack, custodian failure	1:1 reserves, audits, top-tier custody, strong security
Market Cyclicality – Crypto downturns slow demand	Expanding into payments, remittances, institutional use cases