

Coinbase (COIN US)

4Q25 results: navigate short-term headwinds amid soft crypto market sentiment

Coinbase reported 4Q25 results: total revenue was down by 22% YoY and 5% QoQ to US\$1.78bn, largely in line with Bloomberg consensus estimate. Adjusted EBITDA declined by 56% YoY and 29% QoQ to US\$566mn, below consensus estimate of US\$655mn. 1Q26E guidance is also softer than expectation amid recent crypto market corrections: 1) Subscription and Services revenue of US\$550-630mn (down by 10-21% YoY) in 1Q26E, mainly due to lower interest rates and crypto asset prices; and 2) transaction revenue of US\$420mn from year start to Feb 10. In view of the soft market sentiment and lower interest rate environment, we trim FY26-27E total revenue forecast by 5-12%. Given the decline in sector valuation amid market corrections, we lower our SOTP-derived target price to US\$270.0, which translates into 22x adj. EBTIDA (previous: US\$410.0 translates into 29x adj. EBTIDA) That said, we remain upbeat on Coinbase's long-term vision of Everything Exchange, and expect valuation rebound as market sentiment recovers. Maintain BUY.

- **Soft market sentiment impacts short-term growth.** Transaction revenue declined by 37% YoY and 6% QoQ to US\$983mn in 4Q25. Total trading volume was down by 33% YoY but flattish QoQ at US\$296bn in 4Q25, outperforming the global market thanks to the strong derivatives volume growth. Consumer transaction revenue dropped by 46% YoY and 13% QoQ to US\$734mn in 4Q25, as volume mix shift to Advanced and Paid Coinbase One led to the decline in take rate. Institutional transaction revenue grew by 31% YoY and 37% QoQ to US\$185mn in 4Q25, mainly driven by the strong performance of Deribit. Subscription and Services revenue grew by 13% YoY but declined by 3% QoQ to US\$727mn in 4Q25. The QoQ decline was mainly due to the drop in average crypto asset prices. That said, the company continued to see native unity inflows across different products like USDC and financing products in 4Q25.
- **Focusing on three top priorities in FY26E.** For FY26E, Coinbase will focus on three priorities: 1) Everything Exchange: the company will build one platform for all tradable assets and already made positive progress, such as increasing trading volume of derivatives, commodities and equities; 2) stablecoins and payments: the company will further enhance relevant infrastructure with more innovative products and tools; 3) bringing activities onchain: the company will scale Base app and drive various transactions on Base Chain.
- **Regulatory environment remains supportive.** In terms of regulations, management is optimistic that the Administration will make progress on the CLARITY Act in the next few months. Management also believes that the regulation is unlikely to change Coinbase's economic relationship with Circle or restrict them from paying stablecoin rewards. Overall, the regulatory environment for the US crypto market remains supportive, which should continue to support Coinbase's vision to scale Everything Exchange and stablecoin, in our view.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US\$ mn)	6,564	7,181	7,285	8,259	9,033
Net profit (US\$ mn)	2,579.1	1,260.3	1,059.2	1,298.8	1,514.4
Diluted EPS (US\$)	9.43	4.39	3.62	4.22	4.69
Consensus EPS (US\$)	10.43	4.85	5.30	6.61	7.32
P/S (x)	5.6	5.1	5.0	4.4	4.1
P/E (x)	13.5	29.1	34.6	28.3	24.2

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	US\$270.00
(Previous TP	US\$410.00)
Up/Downside	91.4%
Current Price	US\$141.09

China Internet

Saiyi HE, CFA
 (852) 3916 1739
 hesaiyi@cmbi.com.hk

Wentao LU, CFA
 luwentao@cmbi.com.hk

Ye TAO, CFA
 (852) 3850 5226
 franktao@cmbi.com.hk

Stock Data

Mkt Cap (US\$ mn)	36,695.8
Avg 3 mths t/o (US\$ mn)	2,253.0
52w High/Low (US\$)	419.78/141.09
Total Issued Shares (mn)	260.1

Source: FactSet

Shareholding Structure

Brian Armstrong	13.4%
The Vanguard Group	9.5%

Source: Company data

Share Performance

	Absolute	Relative
1-mth	-44.2%	-41.4%
3-mth	-50.2%	-49.6%
6-mth	-56.9%	-58.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Coinbase: forecast revision

US\$ bn	Current			Previous			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	7.3	8.3	9.0	8.2	8.7	NA	-11.6%	-5.3%	NA
Gross profit	6.3	7.1	7.8	7.0	7.4	NA	-10.6%	-4.2%	NA
Operating profit	1.2	1.5	1.8	2.0	2.2	NA	-41.2%	-29.9%	NA
Net profit	1.1	1.3	1.5	1.7	1.9	NA	-38.3%	-29.9%	NA
Diluted EPS (US\$)	3.6	4.2	4.7	5.9	6.2	NA	-38.5%	-32.1%	NA
Gross margin	86.0%	86.0%	86.0%	85.0%	85.0%	NA	1.0 ppt	1.0 ppt	NA
Operating margin	16.3%	18.5%	19.8%	24.5%	25.0%	NA	-8.2 ppt	-6.5 ppt	NA
GAAP net margin	14.5%	15.7%	16.9%	20.8%	21.3%	NA	-6.3 ppt	-5.5 ppt	NA

Source: CMBIGM estimates

Figure 2: Coinbase: CMBIGM estimates vs consensus

US\$ bn	CMBIGM			Consensus			FY26E	Diff (%)	
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E		FY27E	FY28E
Revenue	7.3	8.3	9.0	8.0	9.1	10.5	-9.2%	-9.6%	-14.2%
Gross profit	6.3	7.1	7.8	6.9	7.9	9.0	-8.9%	-9.5%	-13.2%
Net profit	1.1	1.3	1.5	1.8	2.1	2.7	-40.9%	-38.2%	-44.3%
Diluted EPS (US\$)	3.6	4.2	4.7	5.3	6.6	7.3	-31.8%	-36.1%	-35.3%
Gross margin	86.0%	86.0%	86.0%	85.7%	85.9%	85.0%	0.3 ppt	0.1 ppt	1.0 ppt
GAAP net margin	14.5%	15.7%	16.9%	22.3%	23.0%	26.1%	-7.8 ppt	-7.3 ppt	-9.1 ppt

Source: Bloomberg, CMBIGM estimates

Valuation

We value Coinbase at US\$270.0 per share based on SOTP valuation, comprising: 1) transaction business of US\$181.3 per share (67% of total valuation) based on 21x FY26E EV/EBITDA (on par with exchange platforms); 2) stablecoin business of US\$46.0 per share (17% of total valuation) based on 24x FY26E EV/EBITDA (on par with Circle); 3) custodial, blockchain rewards and other business of US\$16.7 per share (6% of total valuation) based on 9x FY26E EV/EBITDA (on par with asset management companies); and 4) net cash of US\$26.0 per share (10% of total valuation).

Figure 3: Coinbase: SOTP valuation

	FY26E Rev	FY26E EBITDA	Methodology	Multiple	Valuation	As % of total valuation
Transaction (US\$mn)	4,165	2,270	EV/EBITDA	21.0x	47,670	67%
Stablecoin revenue (US\$mn)	1,438	503	EV/EBITDA	24.0x	12,082	17%
Custodial, blockchain rewards and other revenue (US\$mn)	1,397	489	EV/EBITDA	9.0x	4,400	6%
Enterprise value (US\$mn)					64,153	90%
Net cash (US\$mn)					6,828	10%
Equity value (US\$mn)					70,981	
Target price (US\$)					270.00	

Source: CMBIGM estimates

Figure 4: Coinbase: valuation comparison

Companies	Ticker	Price (LC)	EV/Sales (x)			EV/EBITDA (x)		
			2026E	2027E	2028E	2026E	2027E	2028E
Exchange/broker								
CME Group	CME US	301.6	15.6	14.7	13.8	20.9	19.4	18.0
Interactive Broker	IBKR US	73.1	18.7	16.9	14.8	24.2	21.4	20.1
Robinhood	HOOD US	71.1	12.5	10.6	8.9	21.2	17.4	14.0
NASDAQ	NDAQ US	79.0	9.4	8.7	8.0	15.9	14.5	13.1
Average		14.1	12.7	11.4	20.6	18.2	16.3	
Asset manager								
Blackrock	BLK US	1055.6	6.2	5.6	5.0	14.4	12.7	11.0
T Rowe Price	TROW US	93.2	2.3	2.3	2.3	5.8	6.0	6.4

Artisan	APAM US	43.8	2.9	2.7	NA	7.8	7.5	7.0
Franklin Resource	BEN US	27.1	1.6	1.6	1.6	7.4	6.6	6.5
Invesco	IVZ US	26.2	2.8	2.7	2.5	10.6	9.8	9.0
Apollo Global	APO US	125.4	3.1	2.7	2.4	9.6	8.6	7.3
Average			3.1	2.9	2.7	9.3	8.5	7.9
Stablecoin								
Circle	CRCL US	56.6	4.4	3.4	2.4	23.6	14.9	9.2
Average			4.4	3.4	2.4	23.6	14.9	9.2

Source: Bloomberg, CMBIGM

Note: data as of 12 Feb 2026

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US\$ mn)						
Revenue	3,108	6,564	7,181	7,285	8,259	9,033
Cost of goods sold	421	898	1,020	1,020	1,156	1,265
Gross profit	2,688	5,666	6,161	6,265	7,103	7,768
Operating expenses	2,849	3,359	4,726	5,077	5,575	5,976
Selling expense	332	654	1,059	1,101	1,198	1,270
Admin expense	1,041	1,300	1,671	1,973	2,189	2,358
R&D expense	1,325	1,468	1,620	1,930	2,106	2,257
Others	151	(64)	377	73	83	90
Operating profit	(162)	2,307	1,435	1,188	1,528	1,792
Other income	168	716	172	146	165	5
Net Interest income/(expense)	(83)	(81)	(85)	(87)	(165)	(13)
Pre-tax profit	(77)	2,943	1,522	1,246	1,528	1,784
Income tax	(172)	364	262	187	229	270
After tax profit	95	2,579	1,260	1,059	1,299	1,514
Net profit	95	2,579	1,260	1,059	1,299	1,514
BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US\$ mn)						
Current assets	203,467	18,113	20,388	22,201	23,732	25,154
Cash & equivalents	5,139	9,308	11,285	12,431	13,447	14,648
Restricted cash	23	347	334	334	334	334
Account receivables	362	265	307	299	326	342
Other current assets	197,942	8,192	8,462	9,137	9,624	9,829
Non-current assets	3,516	4,429	9,283	9,252	9,213	9,329
PP&E	193	200	265	233	194	310
Right-of-use assets	13	0	0	0	0	0
Intangibles	86	47	1,398	1,398	1,398	1,398
Goodwill	1,140	1,140	4,169	4,169	4,169	4,169
Other non-current assets	2,085	3,043	3,452	3,452	3,452	3,452
Total assets	206,983	22,542	29,672	31,452	32,945	34,483
Current liabilities	197,714	7,941	8,701	9,423	9,616	9,624
Account payables	486	690	118	114	125	133
Other current liabilities	197,217	7,251	8,584	9,309	9,491	9,491
Lease liabilities	11	0	0	0	0	0
Non-current liabilities	2,987	4,324	6,177	6,177	6,177	6,177
Long-term borrowings	2,980	4,234	5,937	5,937	5,937	5,937
Obligations under finance leases	4	0	0	0	0	0
Other non-current liabilities	3	90	240	240	240	240
Total liabilities	200,701	12,265	14,879	15,600	15,794	15,801
Share capital	4,492	5,366	8,567	8,567	8,567	8,567
Retained earnings	1,820	4,961	6,221	7,280	8,579	10,109
Other reserves	(30)	(50)	5	5	5	5
Total shareholders equity	6,282	10,277	14,793	15,852	17,151	18,681
Total equity and liabilities	206,983	22,542	29,672	31,452	32,945	34,483

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	(77)	2,943	1,522	1,246	1,528	1,784
Depreciation & amortization	140	128	188	177	204	65
Change in working capital	(191)	69	(31)	54	(321)	(214)
Others	1,051	(35)	747	(187)	(229)	(254)
Net cash from operations	923	3,104	2,426	1,291	1,182	1,381
Investing						
Capital expenditure	(63)	0	0	(146)	(165)	(181)
Acquisition of subsidiaries/ investments	(31)	0	742	0	0	0
Net proceeds from disposal of short-term investments	0	0	0	0	0	0
Others	99	(201)	(2,792)	0	0	0
Net cash from investing	5	(201)	(2,050)	(146)	(165)	(181)
Financing						
Net borrowings	(324)	74	46	0	0	0
Proceeds from share issues	48	126	78	0	0	0
Share repurchases	(278)	0	(790)	0	0	0
Others	(257)	2,703	1,406	0	0	0
Net cash from financing	(811)	2,903	740	0	0	0
Net change in cash						
Cash at the beginning of the year	4,425	5,139	9,308	11,285	12,431	13,447
Exchange difference	9	(48)	93	0	0	0
Cash at the end of the year	5,139	9,308	11,285	12,431	13,447	14,648
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	(2.7%)	111.2%	9.4%	1.4%	13.4%	9.4%
Gross profit	4.8%	110.8%	8.7%	1.7%	13.4%	9.4%
Operating profit	na	na	(37.8%)	(17.2%)	28.6%	17.3%
Net profit	na	2,618.5%	(51.1%)	(16.0%)	22.6%	16.6%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	86.5%	86.3%	85.8%	86.0%	86.0%	86.0%
Operating margin	(5.2%)	35.1%	20.0%	16.3%	18.5%	19.8%
Return on equity (ROE)	1.6%	31.2%	10.1%	6.9%	7.9%	8.5%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	1.0	2.3	2.3	2.4	2.5	2.6
Receivable turnover days	2.7	19.3	17.0	16.8	14.8	13.5
Payable turnover days	421.9	280.6	42.1	40.8	39.6	38.4
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	350.7	13.5	29.1	34.6	28.3	24.2
P/E (diluted)	378.3	15.0	32.2	39.0	33.4	30.1
P/B	5.3	3.4	2.5	2.3	2.1	2.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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