

PERSPECTIVES by Ryan McCulloch

This week marks the first of the new quarter. If you haven't already seen it, Architect Partner's has published its Q3 Crypto M&A and Financing Report linked [here](#).

At this point, it's become abundantly clear that the market is not moving consistently based on Bitcoin price alone.

We're seeing a massive delta between companies in the same space, particularly the mining companies whose revenue is directly tied to and impacted by the price of Bitcoin. Historically we've looked at the correlation to Bitcoin and our Bitcoin Network Operator group and have found a relatively strong correlation demonstrating that for about every 1% Bitcoin moves, the Bitcoin Network Operator group moved about 2%, indicating a beta (amount the stock moves with the market, in this case being Bitcoin) of 2.

So what's happened to these stock today and why are some down by over 50% when Bitcoin price for the year is up 41%?

There are several factors at play here:

- Bitcoin offers significantly more liquidity than most public crypto companies except for some larger ones like Coinbase.
- Investors are becoming distinctly aware of the operational risk and capital expenditures required to run a crypto mining business.
- April's Bitcoin Halving hurt Bitcoin mining rewards, resulting in lower revenue for miners.

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Company Name	Ticker Symbol	Price		Enterprise Value (\$M)	Valuation Multiples		Exp. Rev Growth Rate 2023 - 2024E	Price Change				Since Coinbase Listing	Since Inception
		Current Price (as of 10/04)	% Within 52 Week Range		EV / LTM Revenue	EV / 2024E Revenue		1 Week	1 Month	Since July 1st	YTD		
Architect Crypto Public Company Index (a)													
Price		\$36.43	43%					\$38.64	\$34.37	\$43.49	\$36.39	\$99.66	\$52.19
% Change								-5.7%	6.0%	-16.2%	0.1%	-63.4%	-30.2%
Traditional Indices													
S&P 500		\$5,751	96%					-1%	3%	4%	20%	39%	--
NASDAQ		\$18,138	88%					-1%	5%	0%	21%	31%	--
Dow Jones		\$42,353	94%					-1%	3%	7%	11%	26%	--
Marquee Crypto Assets													
Bitcoin	BTCUSD	\$62,191	76%	\$1,305,815	--	--	--	-5%	5%	-2%	41%	-1%	--
Ethereum	ETHUSD	2,423	35%	291,612	--	--	--	-8%	-4%	-31%	3%	-1%	--
DeFi Index (b)	DPI	75.70	16%	43	--	--	--	-13%	7%	-30%	-29%	-85%	--
Crypto Investment Platforms													
Coinbase	COIN	\$170.91	47%	\$39,389	8.8	6.9	84%	-11%	1%	-27%	9%	-29%	-50%
Galaxy Digital	GLXY	17.16	87%	5,976	8.9	6.3	54%	25%	65%	1%	66%	-34%	1321%
Coinshares	CNSRF	5.50	47%	271	3.1	2.2	130%	-7%	-4%	33%	43%	-49%	-35%
Exodus Movement	EXOD	15.00	37%	216	2.6	2.1	81%	-1%	4%	197%	199%	--	-3%
Bakkt	BKKT	9.86	7%	111	2.0	1.7	7%	0%	-24%	-48%	-81%	-97%	3%
Bitcoin Depot	BTM	1.50	17%	95	0.2	0.1	15%	-6%	-5%	--%	--	--	-60%
Bitcoin Network Operators													
Marathon	MARA	\$16.31	34%	\$4,873	8.6	7.3	73%	-6%	7%	-28%	-29%	-62%	-69%
Core Scientific	CORZ	12.19	93%	3,579	6.2	6.5	9%	0%	30%	-47%	254%	--%	23%
CleanSpark	CLSK	9.58	29%	2,300	6.7	5.7	9%	-5%	6%	24%	-12%	-55%	--%
Riot	RIOT	7.85	12%	1,902	6.8	4.9	38%	0%	16%	-21%	-49%	-84%	191%
TeraWulf	WULF	4.40	63%	1,579	13.1	s	--	-11%	15%	-25%	91%	-54%	-56%
Cipher Mining	CIFR	4.10	33%	1,249	7.9	7.8	26%	0%	28%	-16%	-1%	-61%	-59%
Bitfarms	BITF	2.02	37%	1,101	4.7	3.4	119%	-10%	3%	-13%	-29%	-53%	122%
Bitdeer	BTDR	7.30	39%	928	2.2	2.3	--	-14%	15%	-31%	-18%	--%	-15%
Hut 8	HUT	12.01	39%	1,287	7.5	14.8	165%	-8%	32%	-21%	-3%	-63%	15%
Hive	HIVE	3.17	28%	356	2.9	2.9	--	-5%	13%	-2%	-28%	-82%	0%
Canaan	CAN	1.03	11%	249	1.3	0.9	25%	-3%	13%	0%	-52%	-92%	-89%
Argo	ARBK	1.20	7%	110	2.7	1.9	-12%	-11%	6%	-2%	-64%	--%	-24%
Crypto Influenced													
PayPal	PYPL	\$79.36	96%	\$80,472	2.6	2.5	7%	10%	-9%	37%	29%	-70%	510%
Block	SQ	67.02	58%	39,291	1.7	1.6	13%	4%	-4%	5%	-7%	-74%	422%
Microstrategy	MSTR	176.51	86%	32,777	68.2	69.0	-5%	44%	-15%	29%	158%	140%	69%
Robinhood	HOOD	22.89	88%	15,819	7.1	6.0	41%	18%	-31%	0%	85%	--%	-40%

(a) Architect Crypto Public Company Index is a price weighted average across the three sector subsectors in the crypto public companies snapshot. A discount to Microstrategy's share price of 85% has been added to dilute effect on index. There is a 45% weight to Crypto Investment Platforms, 45% to Bitcoin Network Operators, and 10% to Crypto Influenced groups.
(b) DeFi Pulse Index (includes top 14 DeFi tokens)