

PERSPECTIVES by Ryan McCulloch

Let's compare the digital exchange leader, Coinbase, with the physical exchange leader in crypto, Bitcoin Depot.

Coinbase is a household name, but as a reminder, Bitcoin Depot operates an 8,000-machine Bitcoin ATM network across North America. This network allows customers to buy and sell Bitcoin at convenient locations, essentially offering a similar service to Coinbase but primarily through hardware. Bitcoin Depot went public on July 1, 2023, via a SPAC merger ([M&A Alert](#)).

	Coinbase	Bitcoin Depot
Enterprise Value	\$82,221M	\$118M
EV / LTM Revenue	15.7x	0.2x
EV / LTM EBITDA	34.3x	3.3x
Median Quarterly Revenue Growth (2022 - 2024)	-7.1%	-1.6%
Stock Performance YTD	120.8%	-41.4%

The takeaway from these numbers is clear: the market values software significantly more than hardware. This trend has been evident over the past couple of decades with the rise of the software business model. Coinbase is trading at a revenue multiple 79 times higher than Bitcoin Depot, despite Bitcoin Depot's revenue being much less volatile since 2022.

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Company Name	Ticker Symbol	Price		Enterprise Value (\$M)	Valuation Multiples		Exp. Rev Growth Rate 2023 - 2024E	Price Change				
		Current Price	% Within 52 Week Range		EV / LTM Revenue	EV / 2024E Revenue		1 Week	1 Month	Jan 1, 2024	Since Coinbase Direct Listing	Since Inception
Architect Crypto Public Company Index (a)												
Price		\$65.38										
% Change								12.9%	39.2%	87.5%	-3.3%	
Traditional Indices												
S&P 500		\$6,090						1%	3%	28%		
NASDAQ		19,860						3%	5%	34%		
Dow Jones		44,643						-1%	2%	18%		
Marquee Crypto Assets												
Bitcoin	BTCUSD	\$97,421	96%	\$1,927,872	--	--	--	-2%	35%	129%	55%	--
Ethereum	ETHUSD	3,591	76%	432,555	--	--	--	9%	35%	57%	47%	--
DeFi Index (b)	DPI	122.62	62%	69	--	--	--	22%	41%	18%	-75%	--
Crypto Investment Platforms												
Coinbase	COIN	\$343.62	97%	\$82,221	15.7	14.8	79%	16%	35%	119%	-47%	-47%
Galaxy Digital	GLXY	21.87	65%	7,581	11.3	9.8	26%	21%	50%	189%	-38%	2356%
Exodus Movement	EXOD	29.90	80%	624	7.6	6.1	81%	106%	4%	607%	--	--
Coinshares	CNSRF	7.97	84%	491	5.6	4.0	130%	5%	45%	113%	-31%	-21%
Bakkt	BKKT	25.67	32%	324	5.8	4.3	23%	-8%	143%	-52%	--	-90%
Bitcoin Depot	BTM	1.86	84%	118	0.2	0.2	-11%	-7%	9%	-40%	--	-81%
Bitcoin Network Operators												
Marathon	MARA	\$26.43	63%	\$8,576	15.2	12.2	82%	-4%	37%	15%	-38%	-50%
Core Scientific	CORZ	16.99	90%	5,181	9.0	11.5	-11%	-5%	19%	394%	--%	70%
CleanSpark	CLSK	14.97	47%	4,258	12.4	10.0	-11%	-4%	-3%	38%	-21%	--%
Riot	RIOT	12.95	53%	3,829	13.7	9.8	39%	2%	6%	-16%	-74%	380%
TeraWulf	WULF	8.12	85%	3,029	25.2	5.2	--	3%	6%	253%	-16%	-19%
Cipher Mining	CIFR	7.11	85%	2,373	15.0	15.4	22%	6%	2%	72%	-32%	-29%
Hut 8	HUT	12.65	43%	1,345	7.8	15.5	108%	-55%	-32%	0%	-61%	407%
Bitfarms	BITF	2.29	32%	1,321	5.7	5.2	73%	7%	8%	-19%	-47%	155%
Bitdeer	BTDR	21.01	94%	2,836	6.7	6.5	--	47%	-16%	137%	--%	95%
Hive	HIVE	4.35	61%	580	4.7	4.8	--	7%	-4%	-1%	-75%	224%
Canaan	CAN	3.04	84%	872	4.6	3.9	7%	43%	105%	41%	-78%	-66%
Argo	ARBK	0.69	2%	80	1.9	1.4	0%	-38%	-49%	-79%	--%	-56%
Crypto Influenced												
PayPal	PYPL	\$89.88	99%	\$89,428	2.9	2.8	7%	4%	10%	46%	-66%	
MicroStrategy	MSTR	395.01	70%	89,673	186.6	176.2	2%	2%	53%	476%	437%	278%
Block	SQ	98.25	98%	58,948	2.5	2.4	14%	11%	27%	36%	-62%	665%
Robinhood	HOOD	41.67	97%	32,404	14.5	13.4	29%	11%	40%	237%	--%	10%

(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)