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Company:  CIRCLE

Subsector: Payments Infrastructure

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Transaction Overview

On May 27, 2025, Circle, a stablecoin market leader, announced plans to go public through an IPO at an expected pre-IPO enterprise value of \$4.6 - \$5.6B.

Company Description

Circle is the issuer of USD Coin (USDC), a US Dollar-collateralized stablecoin allowing payment and receipt of what many consider a US Dollar equivalent. Today, more than \$60B in USDC have been issued and transaction volume is over \$1 trillion and is used in virtually every country in the world.

Stablecoins initially emerged largely as a crypto trading product, notably as a way to hold value while not invested in crypto assets directly, much like cash in a traditional brokerage account. Overtime stablecoins became the preferred way to settle obligations (i.e. pay) between crypto exchanges, brokers and institutional market participants. More recently, stablecoins have begun to be used in everyday payments of varying forms, both by businesses and consumers, particularly cross border payments. Lastly, stablecoins are seen as a US dollar equivalent to consumers and businesses in developing nations where access to the US dollar is prohibited or difficult to procure.

Stablecoins are attracting use due to their ability to transfer value, virtually instantly, 24/7/365, at a low cost, to anyone, anywhere in the world directly, with no intermediary financial institution.

Circle follows a regulatory-first approach and holds licenses in Bermuda, France, Singapore, the United Kingdom, and all 50 U.S. states. The company maintains nine offices worldwide, with its headquarters in New York City, and employs more than 950 people. Circle was co-founded by Jeremy Allaire and Sean Neville.

Funding

Across ten equity rounds, Circle has raised about \$1.2B with Accel, General Catalyst, Goldman Sachs, IDG Capital, Oak Investment Partners, Pantera Capital, UDHC, and Coinbase among its investors.

Circle's most recent major financing was a Series F in April 2022, when it raised \$400M at a \$7.7B post-money valuation; BlackRock led the round. As part of the round, BlackRock was granted exclusivity for management of the USDC reserves, but this was softened in March 2025 with BlackRock now only being the "preferred partner" and offering a four year non-compete on USD stablecoins.

Circle's planned IPO targets an equity valuation between \$5.65B and \$6.71B or an Enterprise Value (EV) of \$4.6 - \$5.6B according to its S-1 filed on May 27, 2025. The company will offer 24M shares, with 9.6M being issued by Circle and 14.4M being sold by selling stockholders, at \$24 to \$26 each, raising \$213 - \$298M in net proceeds¹.

Valuation

Based upon the company's last twelve months (LTM) revenue through March 2025 of \$1.89B and a maximum enterprise value of \$5.6B, Circle has a 3.0x EV/LTM revenue multiple. Its adjusted EBITDA for the same period was \$331.1M, which implies a 16.9x EV/LTM adjusted EBITDA multiple. These multiples are notably lower than those of most other publicly traded crypto companies:

Company	EV / LTM Revenue	EV / LTM Gross Profit	EV / LTM EBITDA
Robinhood	19.2x	23.0x	46.2x
Coinbase	8.2x	10.9x	32.6x
Exodus Movement	6.2x	10.3x	23.5x
Coincheck	--	6.8x	15.8x
Galaxy Digital	--	24.2x	17.8x
Circle	3.0x	7.7x	16.9x

The key driver of this gap is gross margin. Whereas most of the peer companies operate at gross margins of 80 percent or higher, Circle's margin is only 39 percent. The primary reason for this is because they have to pay yield to incentivize the holding of their stablecoins versus people burning it.

Recent Context

Reportedly, Circle has recently been entertaining acquisition offers from Coinbase and Ripple.

Coinbase has a unique relationship with Circle. The two had previously jointly managed the Centre Consortium, which was the operator of USDC, however, in April 2023, they shut this down and Circle took full control over USDC issuance and governance. As part of this

1. This is based upon an IPO price of \$25 per share deducting underwriting discounts and commissions and estimated offering expenses payable by us. In addition, the \$298M is only achieved if the underwriters exercise their option to purchase additional shares in full.



re-arrangement, Coinbase received 8.4M shares in Circle worth at the time \$210M and began a revenue-sharing deal. The agreement stipulates that Circle and Coinbase have a 50/50 split on residual (non-Circle, non-Coinbase) revenue generated from reserves backing USDC and Coinbase earning 100% of revenue from USDC held on its platform. In addition to this, Coinbase has veto rights over any new USDC-related partnerships. Finally, the partnership's initial term is set to expire in August 2026 and be automatically renewed unless the agreement is deemed illegal or the two parties mutually decide not to renew.

Competition

Tether and Circle are vying for dominance in the stablecoin market. Tether's outstanding value is \$153B vs. Circle at \$61B underscoring Tether's current lead. Others include Ripple's RLUSD, PayPal's PYUSD, and the USDG Consortium.

Company (Stablecoin)	Token Market Cap
Tether (USDT)	\$153B (61%)
Circle (USDC)	\$61B (25%)
PayPal (PYUSD)	\$869M (0.35%)
Ripple (RLUSD)	\$309M (0.12%)
Global Dollar (USDG)	\$286M (0.11%)

Circle differentiates itself by prioritizing regulatory compliance, transparency, and institutional trust: it holds licenses across the U.S. and EU, publishes audited financial statements, and, as a prospective U.S. public company, will operate under SEC oversight.

Architect Partners' Perspective

Circle's pending IPO is another milestone event in the history of the crypto industry. First, it represents the emergence of a new use case for crypto assets, payments. Architect Partners is particularly excited about the use of crypto assets, most notably stablecoins, for a variety of "real-world" payments but both businesses and individuals. Our Architect Insight "Crypto Payments and Infrastructure" research offers a view on this important opportunity.

Second, the acceptance of stablecoins is rapidly being codified by global regulatory bodies, including the EU via MiCa and more recently the efforts of the US Congress to pass stablecoin legislation. This is particularly meaningful given the obvious overlap between the

stablecoin instrument and its structure of being explicitly 100% collateralized by fiat currency instruments such as government securities and cash. The integration of crypto and traditional financial assets continues.

Sources

[Circle S-1 Filing](#), [Coinbase<>Circle Agreement](#), [Circle Press Release](#)
[PitchBook](#), [CoinMarketCap](#)