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Target: Deribit Buyer: coinbase

Coinbase Acquiring Deribit for $2.9B

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Transaction Overview

On May 8th, 2025, Coinbase, a crypto exchange, announced it would acquire Deribit, a crypto derivatives exchange, in a deal valued at $2.9 billion.

Target: Deribit

Deribit, founded in 2016 and headquartered in Dubai, UAE, is the global leader in cryptocurrency derivatives trading, providing institutional-grade infrastructure, technology, and risk management that rivals top traditional-finance exchanges. The platform serves a broad mix of institutional and professional retail clients through a highly liquid marketplace spanning Bitcoin, Ethereum, and other digital assets. Its core offerings include: 1) Options trading with industry-leading liquidity for BTC and ETH contracts, 2) Futures trading that combines high leverage with real-time margining and liquidation engines, 3) Perpetual and spot trading for non-expiring leveraged exposure as well as straightforward asset ownership, 4) Advanced risk-management tools such as real-time portfolio analytics, and 5) Institutional access features including segregated sub-accounts and low-latency API connectivity for algorithmic trading.

The company had raised $40M in capital from one raise, valuing them at $400M in September 2022. Notable active investors included 10T Holdings, QCP Capital, Akuna Capital, and XBTO.

Buyer: Coinbase

Coinbase, founded in 2012 and headquartered in New York, NY, is the largest publicly listed U.S. crypto exchange. It also provides custody services for retail users and institutions, as well as institutional prime brokerage and data analytics services.

Most relevant to this transaction, Coinbase operates a U.S. futures business through Coinbase Financial Markets and Coinbase Derivatives Exchange, and an international spot-and-perpetuals business through Coinbase's International Exchange product.

The U.S. product line resulted from the acquisition of FairX, a CFTC-regulated Designated Contract Market, which instantly provided Coinbase with futures capabilities. Meanwhile, the international product line was established in 2023 in Bermuda to capture international crypto volumes with a ring-fenced venue outside U.S. jurisdiction.

Coinbase is currently valued at a $47B enterprise value, with $7B in trailing twelve months revenue ended March 2025 (6.7x EV / revenue multiple) and $3.2B in trailing twelve months EBITDA (14.7 EV / EBITDA multiple).

Transaction Parameters

Coinbase announced the acquisition for $2.9B, with $700M in cash consideration and the rest being composed of 11M shares of Coinbase Class A Common Stock. Architect partners estimated this transaction occurred at a 13.0x valuation / revenue multiple, based upon ~$1.2T in 2024 transaction volume and an average fee of 0.025%.

Notable similar transactions include Hidden Road | Ripple (M&A Alert), NinjaTrader | Kraken for $1.5B (M&A Alert), and FairX | Coinbase (M&A Alert).

Strategic Rationale

This transaction enables Coinbase to complete its derivatives platform, giving traders access to spot, futures, perpetual-futures, and options markets. In addition, the acquisition expands Coinbase's international footprint and makes it the immediate global leader in crypto derivatives by open interest and options volume. Finally, because Deribit generates positive EBITDA, it offers more stable, less cyclical revenue and immediately improves Coinbase's financial profile.

Architect Partners' Observations

This acquisition follows our thesis that derivatives M&A will continue to be active. This deal is a key marker along with several recent deals - FalconX acquired Arbelos Markets and Kraken acquired Ninja Trader (albeit Ninja Trader focused more on TradFi derivatives). But the difference in this deal is scale - Coinbase acquired one of the largest in a headline deal.

This is a logical progression in the market, and we expect more of these to come due to several factors. More demand and more supply foster more deals.

- **Higher margins:** Derivatives are a higher margin product than spot trading, so firms will look to expand their offering as trading fees are compressed.
- **Supply:** There have been several newly launched crypto derivatives firms like Arbelos, D2X and One Trading so there are more choices to acquire up & down the scale size
- **Institutional demand:** Regulatory changes (e.g., ETF approvals) and (optimistically) upcoming crypto-friendly frameworks have spurred Institutional trading. So, increasing demand means the larger firms are now able to move more aggressively to acquire and be confident that they will not get in the crosshairs of the regulators. Coinbase will look to capture more institutions as clients with this as a wedge
- **Precedents:** Coinbase bought FairX in 2022 (now Coinbase Derivatives) and CBOE acquired ErisX in 2021 (which they wrote down). But timing was a bit early on those deals due to the above-not-yet-seen regulatory clarity. We are now hearing firms say that timing is looking better.
- **Competitive pressures:** Since Coinbase is taking captive one of the largest derivatives firms, their competitors will look to enhance products via acquisitions

So overall, it's a deal that makes sense in the market. It is at a premium valuation in our estimation (considering nearly ⅔ is paid via equity), but not an unreasonable valuation. We expect more to come around derivatives trading and infrastructure.

Sources

PitchBook, Coinbase Press Release