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CMB International Global Markets | Equity Research | Company Update

招银国际 CMB INTERNATIONAL
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Coinbase (COIN US)

3Q25 results beat on solid transaction business

BUY (Maintain)

Target Price	**US$410.00**
(Previous TP	US$405.00)
Up/Downside	**24.8%**
Current Price	**US$328.51**

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Stock Data

Mkt Cap (US$ mn)	85,883.0
Avg 3 mths t/o (US$ mn)	1,584.5
52w High/Low (US$)	419.78/151.47
Total Issued Shares (mn)	261.4

Source: FactSet

Shareholding Structure

Brian Armstrong	13.4%
The Vanguard Group	9.5%

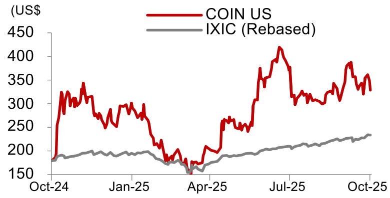
Source: Company data

Share Performance

	Absolute	Relative
1-mth	-2.7%	-6.5%
3-mth	-13.0%	-22.1%
6-mth	61.9%	19.8%

Source: FactSet

12-mth Price Performance



Source: FactSet

Coinbase announced 3Q25 results: net revenue grew by 59% YoY and 26% QoQ to US$1.79bn, 3% ahead of consensus estimate. During the period, adjusted EBITDA was US$801mn, up from US$512mn/449mn in 2Q25/3Q24 and beating consensus estimate of US$704mn, mainly thanks to the outperformance of topline. Looking into 4Q25, management guided 1) Subscription and Services revenue of US$710-790mn (-5%-+6% QoQ) in 4Q25, mainly driven by the growth in USDC mkt cap, but partially offset by the decline in interest rate; 2) transaction revenue of US$385mn in October, maintaining a solid trend. We lift FY25-27E total revenue forecast by 6-10% to reflect the solid transaction business and opportunities such as stablecoin, payment and the Everything Exchange. We roll over our valuation window to FY26E and fine-tune our SOTP-derived target price to US$410.0 (previous: US$405.0). Maintain BUY.

- **Solid transaction business driven by expanding asset offerings.** Transaction revenue grew by 37% QoQ to US$1.05bn in 3Q25. Total trading volume was up by 24% QoQ to US$295bn in 3Q25, underperforming the global/US crypto market trading volume growth (+38%/+29% QoQ), mainly due to the decline in volume from stablecoin pairs. Consumer transaction revenue grew by 30% QoQ to US$844mn in 3Q25, mainly driven by the advanced trading volumes and expanding tradable assets. Institutional transaction revenue was up by 122% QoQ to US$135mn in 3Q25, driven by the close of Deribit acquisition (contributed US$52mn of revenue) and the incentive cut. Subscription and Services revenue grew by 14% QoQ to US$747mn in 3Q25, mainly fuelled by the growth of average USDC market cap (+11% QoQ) and blockchain rewards revenue (+28% QoQ).
- **Emerging new growth opportunities.** Looking ahead, we expect several opportunities with substantial long-term potential: 1) Everything Exchange: Coinbase integrated decentralized exchange to add over 40,000 tradable assets in its consumer app in 3Q25. In the future, the company plans to introduce more asset classes such as equities, commodity and prediction market; 2) Payment: Coinbase began to roll out Payment APIs in 3Q25, a stablecoin payment solution. The company also cooperates with financial institutions like Citi to develop digital assets and stablecoin payment solutions; 3) Crypto as a service/app: Base Chain network activity grew QoQ driven by trading, social and lending apps. Base App, an onchain hub for trading/mini apps/social, entered beta in 3Q25 with strong adoption, which will also create more monetization opportunities in the long term.
- **Margin expansion on operating leverage.** Adjusted EBITDA margin improved by 6ppts YoY to 43% in 3Q25, thanks to the strong revenue growth and operating margin. The company stepped up investment in talent and acquisition to capture new opportunities, with R&D/G&A expenses up by 14/27% in 3Q25. For FY26, the company plans to focus more on execution, and expects the opex growth rate to slow down compared with that in 4Q25.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US$ mn)	3,108	6,564	7,403	8,241	8,720
Net profit (US$ mn)	94.9	2,579.1	2,278.2	1,716.1	1,853.0
EPS (Reported) (US$)	0.40	10.43	8.71	6.56	7.09
Consensus EPS (US$)	0.40	10.43	6.69	6.80	7.66
P/E (x)	816.5	31.5	37.7	50.0	46.3

Source: Company data, Bloomberg, CMBIGM estimates

Figure 1: Coinbase: forecast revision

	Current			Previous			Change (%)		
US$ bn	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	7.4	8.3	8.7	7.0	7.5	8.0	5.6%	9.8%	9.8%
Gross profit	6.3	7.0	7.4	5.9	6.4	6.8	7.2%	9.8%	9.8%
Operating profit	1.6	2.0	2.2	1.3	2.1	2.2	20.7%	-2.9%	-1.9%
Net profit	2.3	1.7	1.9	1.9	1.7	1.9	18.6%	0.8%	-1.9%
EPS (US$)	8.7	6.4	6.8	7.5	6.5	7.1	16.9%	-0.7%	-3.4%
Gross margin	85.2%	85.0%	85.0%	83.9%	85.0%	85.0%	1.3 ppt	0.0 ppt	0.0 ppt
Operating margin	21.8%	24.5%	25.0%	19.1%	27.7%	28.0%	2.7 ppt	-3.2 ppt	-3.0 ppt
GAAP net margin	30.8%	20.8%	21.3%	27.4%	22.7%	23.8%	3.4 ppt	-1.9 ppt	-2.6 ppt

Source: CMBIGM estimates

Figure 2: Coinbase: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
US$ bn	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	7.4	8.3	8.7	7.3	8.6	9.1	0.7%	-4.0%	-3.5%
Gross profit	6.3	7.0	7.4	6.2	7.2	7.6	2.5%	-3.1%	-2.7%
EPS (US$)	8.7	6.4	6.8	6.7	6.8	7.7	30.3%	-5.2%	-10.9%

Source: Bloomberg, CMBIGM estimates

Figure 3: Coinbase: quarterly results

(US$ mn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	Consensus	Diff%
Consumer Trading Volume	**56,000**	**37,000**	**34,000**	**94,000**	**78,000**	**43,000**	**59,000**	**57,000**	**3.5%**
YoY %	*167%*	*164%*	*209%*	*224%*	*39%*	*16%*	*74%*	*68%*	
QoQ%	*93%*	*-34%*	*-8%*	*176%*	*-17%*	*-45%*	*37%*		
Institutional Trading Volume	**256,000**	**189,000**	**151,000**	**345,000**	**315,000**	**194,000**	**236,000**	**248,000**	**-4.8%**
YoY %	*106%*	*142%*	*132%*	*176%*	*23%*	*3%*	*56%*	*64%*	
QoQ%	*105%*	*-26%*	*-20%*	*128%*	*-9%*	*-38%*	*22%*		
Transaction revenue	**1,077**	**781**	**573**	**1,556**	**1,262**	**764**	**1,046**	**989**	**5.8%**
YoY %	*187%*	*139%*	*98%*	*194%*	*17%*	*-2%*	*83%*	*73%*	
QoQ%	*103%*	*-27%*	*-27%*	*172%*	*-19%*	*-39%*	*37%*		
Consumer transaction revenue	935	665	483	1,347	1,096	650	844	831	**1.5%**
YoY %	*165%*	*114%*	*76%*	*173%*	*17%*	*-2%*	*75%*	*72%*	
QoQ %	*90%*	*-29%*	*-27%*	*179%*	*-19%*	*-41%*	*30%*		
Institutional transaction revenue	85	64	55	141	99	61	135	86	**57.0%**
YoY %	*283%*	*272%*	*293%*	*285%*	*16%*	*-4%*	*144%*	*56%*	
QoQ %	*133%*	*-25%*	*-13%*	*156%*	*-30%*	*-38%*	*122%*		
Other transaction revenue	56	53	34	68	68	54	68	67	**1.1%**
YoY %	*0%*	*0%*	*0%*	*0%*	*21%*	*2%*	*99%*	*97%*	
QoQ %		*-6%*	*-35%*	*99%*	*0%*	*-21%*	*26%*		
Subscription and services revenue	**511**	**599**	**556**	**641**	**698**	**656**	**747**	**747**	**0.0%**
YoY %	*41%*	*79%*	*66%*	*71%*	*37%*	*9%*	*34%*	*34%*	
QoQ%	*36%*	*17%*	*-7%*	*15%*	*9%*	*-6%*	*14%*		
Stablecoin revenue	197	240	247	226	298	332	355	352	**0.8%**
YoY %	*-1%*	*59%*	*43%*	*32%*	*51%*	*38%*	*44%*	*43%*	
QoQ %	*15%*	*22%*	*3%*	*-9%*	*32%*	*12%*	*7%*		
Blockchain rewards	151	185	155	215	197	145	185	189	**-2.3%**
YoY %	*105%*	*111%*	*108%*	*126%*	*30%*	*-22%*	*19%*	*22%*	
QoQ %	*59%*	*23%*	*-16%*	*39%*	*-9%*	*-26%*	*28%*		

Interest and finance fee income	67	69	64	66	63	59	65	63	2.8%
YoY %	*59%*	*39%*	*62%*	*55%*	*-5%*	*-15%*	*1%*	*-2%*	
QoQ %	*57%*	*4%*	*-8%*	*3%*	*-4%*	*-6%*	*9%*		
Other subscription and services	96	104	90	135	141	119	143	128	**11.5%**
YoY %	*104%*	*124%*	*88%*	*103%*	*47%*	*15%*	*58%*	*42%*	
QoQ %	*45%*	*8%*	*-13%*	*49%*	*5%*	*-15%*	*19%*		
Total net revenue	**1,588**	**1,380**	**1,129**	**2,197**	**1,960**	**1,420**	**1,793**	**1,737**	**3.2%**
YoY %	*106%*	*95%*	*67%*	*130%*	*23%*	*3%*	*59%*	*54%*	
QoQ%	*66%*	*-13%*	*-18%*	*95%*	*-11%*	*-28%*	*26%*		
R&D expenses	**358**	**364**	**377**	**369**	**355**	**387**	**431**	**420**	**2.5%**
YoY %	*0%*	*14%*	*17%*	*14%*	*-1%*	*6%*	*14%*	*11%*	
S&M expenses	**99**	**165**	**165**	**226**	**247**	**236**	**260**	**253**	**2.9%**
YoY %	*54.1%*	*97.1%*	*110.8%*	*112.4%*	*150.8%*	*43.0%*	*58.0%*	*54%*	
G&A expenses	**287**	**320**	**330**	**363**	**394**	**354**	**418**	**396**	**5.7%**
YoY %	*15.5%*	*23.6%*	*30.8%*	*29.0%*	*37.3%*	*10.5%*	*26.7%*	*20%*	
Operating income	**760**	**343**	**170**	**1,034**	**706**	**-25**	**481**	**461**	**4.2%**
OPM	*46.4%*	*23.7%*	*14.1%*	*45.5%*	*34.7%*	*-1.6%*	*25.7%*	*24.7%*	
Net Income	**1,176**	**36**	**75**	**1,291**	**66**	**1,429**	**433**	**360**	**20.2%**
NPM	*71.8%*	*2.5%*	*6.3%*	*56.8%*	*3.2%*	*95.4%*	*23.1%*	*19.3%*	

Source: Company data, CMBIGM

Valuation

We value Coinbase at US$410.0 per share based on SOTP valuation, comprising: 1) transaction business of US$259.5 per share (63% of total valuation) based on 27x FY26E EV/EBITDA (on par with exchange platforms); 2) stablecoin business of US$99.9 per share (24% of total valuation) based on 46x FY26E EV/EBITDA (on par with Circle); 3) custodial, blockchain rewards and other business of US$21.9 per share (5% of total valuation) based on 10x FY26E EV/EBITDA (on par with asset management companies); and 4) net cash of US$28.8 per share (7% of total valuation).

Figure 4: Coinbase: SOTP valuation

	FY26E Rev	FY26E EBITDA	Methodology	Multiple	Valuation	As % of total valuation
Transaction	4,635	2,526	EV/EBITDA	27.0x	68,210	63%
Stablecoin revenue	1,631	571	EV/EBITDA	46.0x	26,265	24%
Custodial, blockchain rewards and other revenue	1,642	575	EV/EBITDA	10.0x	5,746	5%
Enterprise value (US$mn)					**100,221**	93%
Net cash (US$mn)					7,559	7%
Equity value (US$mn)					**107,780**	
Target price (US$)					**410.00**	

Source: CMBIGM estimates

Figure 5: Coinbase: valuation comparison

Companies	Ticker	Price (LC)	EV/Sales (x) 2025E	EV/Sales (x) 2026E	EV/Sales (x) 2027E	EV/EBITDA (x) 2025E	EV/EBITDA (x) 2026E	EV/EBITDA (x) 2027E
Exchange/broker								
CME Group	CME US	262.9	14.7	14.1	13.4	20.1	19.0	17.8
Interactive Broker	IBKR US	68.5	20.3	19.1	17.5	27.5	25.8	23.8
Robinhood	HOOD US	138.1	30.7	25.8	23.2	57.1	45.6	40.7
NASDAQ	NDAQ US	85.7	11.1	10.4	9.6	19.2	17.7	16.3
Average			***19.2***	***17.3***	***15.9***	***31.0***	***27.1***	***24.7***
Asset manager								
Blackrock	BLK US	1098.1	7.7	6.8	6.2	18.8	15.9	14.0
T Rowe Price	TROW US	102.1	2.8	2.7	2.6	7.5	7.3	7.1
Artisan	APAM US	43.4	3.0	2.8	NA	8.6	7.9	7.4
Franklin Resource	BEN US	22.8	1.4	1.4	1.4	7.3	6.7	5.9
Invesco	IVZ US	23.5	3.0	2.7	2.6	11.7	9.9	9.6
Apollo Global	APO US	123.5	3.7	3.3	2.7	11.6	9.8	8.8
Average			***3.6***	***3.3***	***3.1***	***10.9***	***9.6***	***8.8***
Stablecoin								
Circle	CRCL US	122.7	11.1	8.9	6.3	59.2	46.3	27.8
Average			***11.1***	***8.9***	***6.3***	***59.2***	***46.3***	***27.8***

Source: Bloomberg, CMBIGM
Note: data as of 30 Oct 2025

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US$ mn)						
Revenue	**3,194**	**3,108**	**6,564**	**7,403**	**8,241**	**8,720**
Cost of goods sold	630	421	898	1,092	1,236	1,308
Gross profit	**2,564**	**2,688**	**5,666**	**6,311**	**7,005**	**7,412**
Operating expenses	**5,275**	**2,849**	**3,359**	**4,696**	**4,986**	**5,232**
Selling expense	510	332	654	1,034	1,154	1,221
Admin expense	1,601	1,041	1,300	1,627	1,895	2,006
R&D expense	2,326	1,325	1,468	1,654	1,854	1,918
Others	838	151	(64)	381	82	87
Operating profit	**(2,710)**	**(162)**	**2,307**	**1,615**	**2,019**	**2,180**
Other income	(265)	168	716	1,289	165	174
Net Interest income/(expense)	**(89)**	**(83)**	**(81)**	**(83)**	**(165)**	**(174)**
Pre-tax profit	**(3,065)**	**(77)**	**2,943**	**2,822**	**2,019**	**2,180**
Income tax	(440)	(172)	364	543	303	327
After tax profit	**(2,625)**	**95**	**2,579**	**2,278**	**1,716**	**1,853**
Net profit	**(2,625)**	**95**	**2,579**	**2,278**	**1,716**	**1,853**

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US$ mn)						
Current assets	**86,448**	**203,467**	**18,113**	**22,554**	**25,220**	**27,715**
Cash & equivalents	4,425	5,139	8,544	13,105	14,712	16,540
Restricted cash	26	23	39	39	39	39
Account receivables	404	362	265	287	307	312
Other current assets	81,593	197,942	9,265	9,123	10,162	10,825
Non-current assets	**3,277**	**3,516**	**4,429**	**5,031**	**5,037**	**5,023**
PP&E	172	193	200	202	208	194
Right-of-use assets	69	13	0	0	0	0
Intangibles	135	86	47	47	47	47
Goodwill	1,074	1,140	1,140	1,140	1,140	1,140
Other non-current assets	1,826	2,085	3,043	3,643	3,643	3,643
Total assets	**89,725**	**206,983**	**22,542**	**27,585**	**30,257**	**32,738**
Current liabilities	**80,815**	**197,714**	**7,941**	**7,749**	**8,705**	**9,333**
Account payables	387	486	690	814	894	918
Other current liabilities	80,394	197,217	7,251	6,934	7,811	8,415
Lease liabilities	34	11	0	0	0	0
Non-current liabilities	**3,455**	**2,987**	**4,324**	**7,281**	**7,281**	**7,281**
Long-term borrowings	3,393	2,980	4,234	7,191	7,191	7,191
Obligations under finance leases	42	4	0	0	0	0
Other non-current liabilities	20	3	90	90	90	90
Total liabilities	**84,270**	**200,701**	**12,265**	**15,030**	**15,986**	**16,614**
Share capital	3,768	4,492	5,366	5,366	5,366	5,366
Retained earnings	1,725	1,820	4,961	7,239	8,955	10,808
Other reserves	(39)	(30)	(50)	(50)	(50)	(50)
Total shareholders equity	**5,455**	**6,282**	**10,277**	**12,555**	**14,271**	**16,124**
Total equity and liabilities	**89,725**	**206,983**	**22,542**	**27,585**	**30,257**	**32,738**

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US$ mn)						
Operating						
Profit before taxation	**(3,065)**	**(77)**	**2,943**	**2,822**	**2,019**	**2,180**
Depreciation & amortization	154	140	128	147	159	188
Change in working capital	(1,153)	(191)	(478)	(73)	(103)	(39)
Others	2,478	1,051	(35)	(543)	(303)	(327)
Net cash from operations	**(1,585)**	**923**	**2,557**	**2,352**	**1,772**	**2,002**
Investing						
Capital expenditure	(64)	(63)	0	(148)	(165)	(174)
Acquisition of subsidiaries/ investments	(186)	(31)	0	(600)	0	0
Net proceeds from disposal of short-term investments	2	0	0	0	0	0
Others	(415)	99	(282)	0	0	0
Net cash from investing	**(664)**	**5**	**(282)**	**(748)**	**(165)**	**(174)**
Financing						
Net borrowings	(0)	(324)	1,270	0	0	0
Proceeds from share issues	51	48	126	0	0	0
Share repurchases	(352)	(278)	0	0	0	0
Others	(5,538)	(257)	1,433	2,957	0	0
Net cash from financing	**(5,839)**	**(811)**	**2,829**	**2,957**	**0**	**0**
Net change in cash						
Cash at the beginning of the year	7,123	4,425	5,139	8,544	13,105	14,712
Exchange difference	(163)	9	(48)	0	0	0
Cash at the end of the year	**4,425**	**5,139**	**8,544**	**13,105**	**14,712**	**16,540**

GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	(59.3%)	(2.7%)	111.2%	12.8%	11.3%	5.8%
Gross profit	(61.0%)	4.8%	110.8%	11.4%	11.0%	5.8%
Operating profit	na	na	na	(30.0%)	25.0%	8.0%
Net profit	na	na	2,618.5%	(11.7%)	(24.7%)	8.0%

PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	80.3%	86.5%	86.3%	85.2%	85.0%	85.0%
Operating margin	(84.8%)	(5.2%)	35.1%	21.8%	24.5%	25.0%
Return on equity (ROE)	(44.4%)	1.6%	31.2%	20.0%	12.8%	12.2%

GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	1.1	1.0	2.3	2.9	2.9	3.0
Receivable turnover days	3.0	2.7	2.1	1.9	1.7	1.6
Payable turnover days	224.4	421.9	280.6	272.2	264.0	256.1

VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	ns	816.5	31.5	37.7	50.0	46.3
P/E (diluted)	ns	880.9	34.8	41.3	55.9	52.8
P/B	13.4	12.3	7.9	6.8	6.0	5.3

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

Disclosures & Disclaimers

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CMBIGM Ratings

BUY	: Stock with potential return of over 15% over next 12 months
HOLD	: Stock with potential return of +15% to -10% over next 12 months
SELL	: Stock with potential loss of over 10% over next 12 months
NOT RATED	: Stock is not rated by CMBIGM
OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM	: Industry expected to underperform the relevant broad market benchmark over next 12 months

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