



EQUITY RESEARCH

UPDATED

05/28/2025

# Circle

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Circle

[Visit Website](#)

Regulated stablecoin platform powering USDC/EURC payments, cross-border settlements, and developer treasury APIs

#web3 #crypto #b2b #payments

REVENUE

\$1,680,000,000

2024

GROWTH RATE (Y/Y)

16%

2025

FUNDING

\$1,140,000,000

2022

Details

HEADQUARTERS

Boston, MA

CEO

Jeremy Allaire



Revenue

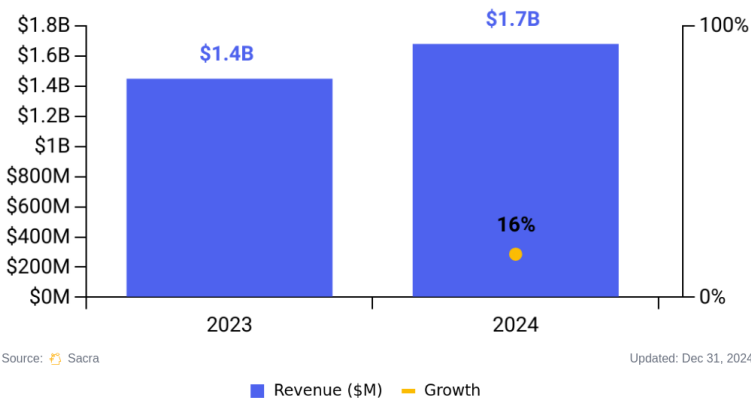


Circle

Revenue & Revenue Growth Rate

\$1.7B

↑ 15.9% YoY



Sacra estimates that Circle generated \$1.68 billion in revenue in 2024, up 16% from \$1.45 billion in 2023. This revenue primarily comes from interest earned on the cash and Treasury bills that back every USDC token in circulation, creating a highly scalable business model that grows with stablecoin adoption. The company achieved net income of \$156 million in 2024, down from \$268 million in 2023.

USDC circulation has fluctuated significantly with crypto market cycles, ranging from over \$50 billion at peaks to around \$25 billion during market downturns, with each billion dollars in circulation generating substantial annual revenue when invested in yielding assets. Circle shares approximately 50% of USDC interest income with Coinbase under a 2023 partnership agreement, with Coinbase driving adoption across its platform and ecosystem in exchange for this revenue split.

Valuation

Circle is targeting a \$6.7 billion valuation in its upcoming NYSE IPO, planning to raise up to \$624 million by selling 24 million shares priced between \$24-26 each. This represents a decrease from the \$9 billion valuation implied in Circle's terminated 2022 SPAC merger with Concord Acquisition Corp.

The company has raised approximately \$1.1 billion in total equity funding across multiple rounds since its 2013 founding. Key investors include BlackRock, Fidelity Investments, General Catalyst, Accel, Goldman Sachs, and Marshall Wace.

Product

Circle is a stablecoin infrastructure company built around USD Coin (USDC), a digital token that maintains a 1:1 peg with the U.S. dollar. Every USDC token is backed by cash or short-term U.S. government bonds held in reserve, with Circle publishing monthly attestations of these reserves from third-party auditors.

USDC functions as programmable digital cash that users can send globally 24/7 without traditional banking intermediaries. A business in Colombia can receive USDC from a customer in the United States instantly, then either hold it as dollar-denominated savings or convert it back to local currency through Circle's platform or partner exchanges.

Circle Mint provides large customers like exchanges and institutions with direct access to create and redeem USDC. Instead of buying USDC on secondary markets, a crypto exchange can wire dollars to Circle and receive newly minted USDC, or redeem excess USDC back to bank deposits. This eliminates trading fees and liquidity constraints for high-volume users.

The company's Web3 Services include Programmable Wallets, which let developers embed crypto wallets in their applications without managing private keys or blockchain infrastructure. A fintech app can offer users USDC storage and payments while Circle handles the cryptographic security and blockchain interactions behind the scenes.

Cross-Chain Transfer Protocol (CCTP) enables users to move USDC between different blockchains by burning tokens on one network and minting equivalent amounts on another. This eliminates the need for risky third-party bridges and ensures USDC remains native across all supported blockchains rather than existing as wrapped versions.

Circle has expanded beyond USDC with Euro Coin (EURC) for European markets and is developing the Circle Payments Network, which allows banks and financial institutions to settle cross-border payments using stablecoins instead of traditional correspondent banking networks.

Business Model

Circle operates a B2B2C model where it provides stablecoin infrastructure and services to businesses that serve end customers. Rather than marketing directly to consumers, Circle partners with exchanges, fintech apps, and payment processors that integrate USDC into their own customer experiences.

The primary monetization mechanism is interest income on reserves backing USDC circulation. Circle invests customer funds backing USDC tokens in U.S. Treasury bills and bank deposits, earning yield while maintaining full reserves. This creates a highly scalable revenue stream that grows with USDC adoption without requiring proportional cost increases.

Circle charges transaction and conversion fees for certain enterprise services through Circle Account, its business banking interface. Companies can pay fees to convert between fiat currencies and USDC, or to use Circle's payment processing capabilities for customer transactions.

The go-to-market strategy emphasizes partnerships and integrations rather than direct customer acquisition. Circle works with major exchanges like Coinbase and Binance to ensure USDC liquidity, partners with payment processors to enable merchant acceptance, and integrates with fintech platforms to provide stablecoin functionality.

Web3 Services represents an emerging revenue stream through API pricing and developer platform fees. While currently offered largely as freemium services to drive adoption, Circle can implement usage-based pricing as developers scale their applications and transaction volumes.

The cost structure benefits from significant economies of scale, as supporting additional USDC circulation requires minimal incremental operational expenses. Primary costs include compliance and regulatory expenses, technology infrastructure, and revenue sharing with key partners like Coinbase.

## Competition

### Stablecoin issuers

Tether's USDT dominates global stablecoin usage with over \$80 billion in circulation compared to USDC's typically smaller market share. USDT benefits from first-mover advantages and deep liquidity across international exchanges, particularly in Asia and markets where regulatory compliance is less critical.

Tether operates with less transparency around reserves and regulatory oversight, historically holding commercial paper and other assets beyond cash equivalents. This creates differentiation opportunities for Circle through regulatory compliance and reserve transparency, though USDT's network effects and liquidity remain formidable competitive advantages.

Paxos Trust Company issues USD Pax (USDP) and previously powered Binance USD before regulatory intervention ended that partnership. PayPal USD, issued by Paxos, represents potential competition given PayPal's consumer reach, though current adoption remains limited compared to established stablecoins.

### Payment networks and traditional finance

Ripple's XRP Ledger and cross-border payment solutions target similar use cases as Circle's international transfer capabilities. While Ripple focuses on using XRP as a bridge currency, both companies aim to replace traditional correspondent banking with faster, cheaper alternatives.

Traditional payment processors like Wise and Western Union compete in cross-border remittances where Circle sees opportunity through stablecoin-based transfers. Circle's advantage lies in programmable money and 24/7 availability, while incumbents benefit from established regulatory relationships and consumer trust.

Visa and Mastercard have chosen partnership over competition, working with Circle on stablecoin settlement pilots rather than launching competing products. This collaborative approach reduces direct competitive pressure while validating Circle's infrastructure approach.

### Crypto infrastructure providers

Fireblocks, BitGo, and Anchorage provide institutional custody and wallet services that overlap with Circle's Programmable Wallets offering. These competitors focus on secure storage and transfer without issuing stablecoins, creating potential partnership opportunities alongside competitive dynamics.

Bridge protocols like LayerZero and Wormhole compete with Circle's Cross-Chain Transfer Protocol for moving assets between blockchains. CCTP's advantage lies in native USDC transfers rather than wrapped tokens, though general interoperability protocols could reduce this differentiation over time.

Central Bank Digital Currencies represent long-term competitive threats if governments issue widely adopted digital currencies. Circle positions USDC as complementary to CBDCs rather than competitive, though retail CBDCs could reduce stablecoin demand in certain use cases.

## TAM Expansion

### Geographic and regulatory expansion

Circle's international growth focuses on regions with currency instability and limited access to dollar-denominated savings. Latin America, Africa, and parts of Asia represent significant opportunities where individuals and businesses prefer holding value in USDC over volatile local currencies.

Regulatory licenses in key financial hubs expand Circle's addressable market and enable compliant operations. The Singapore payment institution license and anticipated European Union registration under MiCA regulations provide access to major economic regions with clear regulatory frameworks.

Additional currency-pegged stablecoins beyond USD and EUR could capture demand in specific regions. British Pound, Japanese Yen, or other major currency tokens would serve international trade and regional financial markets where dollar exposure isn't preferred.

### New financial products and services

Tokenized financial instruments represent significant TAM expansion beyond simple currency tokens. Circle's partnership with BlackRock on USYC (a tokenized Treasury fund) demonstrates the potential for bringing traditional assets onto blockchain infrastructure with Circle providing issuance and transfer capabilities.

The Circle Payments Network targets the multi-trillion dollar cross-border payment market currently dominated by SWIFT messaging and correspondent banking. Success in capturing even small percentages of international wire transfers would dramatically expand Circle's transaction volume and revenue.

Merchant payment services could position USDC as an alternative to traditional payment processing. By offering lower fees and faster settlement compared to credit card networks, Circle could capture market share in e-commerce and point-of-sale transactions.

### Developer ecosystem monetization

Circle's Web3 Services platform can monetize the growing developer ecosystem building applications with stablecoin functionality. As more businesses integrate crypto capabilities, demand for wallet infrastructure, gas abstraction, and cross-chain functionality creates multiple revenue opportunities.

Platform revenue sharing arrangements with successful applications built on Circle's infrastructure could generate ongoing income streams. Similar to app store models, Circle could take percentage cuts of transactions or revenue generated by applications using its developer tools.

Data and analytics services leveraging Circle's visibility into stablecoin flows could serve institutional clients requiring compliance monitoring, risk assessment, or market intelligence. This represents incremental revenue from existing infrastructure without significant additional costs.

**Risks**

**Regulatory capture:** Stablecoin regulation could force Circle to operate as a bank or under restrictive capital requirements that eliminate the profitable float model. New rules requiring interest payments to users or mandatory deposit insurance would fundamentally alter Circle's economics and competitive positioning.

**Banking counterparty risk:** Circle's reliance on traditional banks for reserve custody creates systemic exposure, as demonstrated by the Silicon Valley Bank collapse that temporarily trapped \$3.3 billion in USDC reserves. Concentration among a small number of banking partners amplifies the potential impact of individual bank failures.

**Competitive displacement:** Tether's market dominance and network effects could prove insurmountable, particularly if regulatory advantages fail to translate into user preference. Central bank digital currencies or stablecoins from tech giants like Meta could also capture market share through superior distribution and user experience.

Funding Rounds

Series F		
Share Name Series F	Issue Price \$42.14	Issued At May 2022
Series E		
Share Name Series E	Issue Price \$16.23	Issued At May 2021
Series D		
Share Name Series D	Issue Price \$2.76	Issued At Jun 2016
Series C		
Share Name Series C	Issue Price \$2.17	Issued At Apr 2015
Series C-1	\$2.17	Apr 2015
Series B		
Share Name Series B	Issue Price \$0.97	Issued At Mar 2014
Series A		
Share Name Series A	Issue Price \$0.27	Issued At Oct 2013
Figures sourced from the latest Certificate of Incorporation we have available.		

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