

SIKULI CAPITAL

Conviction through contrarian research

Circle Internet Group (CRCL)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | USDC stablecoin issuer

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
\$113	~\$130	\$70 - \$185
May 2026	Bull 25% / Base 50% / Bear 25%	~15% upside; PT \$146

Verdict: CRCL delivered Q1 2026 EPS of \$0.21 (beat \$0.18) with revenue of \$694M (small miss). Adj EBITDA grew 24% YoY to \$151M (53% margin). USDC accounts for ~80% of dollar stablecoin transactions. As of May 20, market cap is \$27.6B at \$113/share^[1]. Average analyst PT is \$146. The thesis is essentially a play on stablecoin TAM expansion and regulatory clarity post-GENIUS Act. Revenue is interest-income-driven (rate-sensitive) plus growing platform fees. Bull case requires stablecoin payment use cases to scale; bear case reflects rate cuts or regulatory headwinds.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	\$113.00	5/20/26 range \$108-115 ^[1]
Market cap	\$27.61B	^[1]
Q1 2026 EPS	\$0.21	Beat \$0.18 ^[2]
Q1 2026 revenue	\$694M	Miss \$715M cons ^[2]
Q1 2026 Adj EBITDA	\$151M (53% mgn)	+24% YoY ^[2]
USDC share of stablecoin tx	~80%	Dollar-denominated ^[1]
Avg analyst PT	\$146	13 buys, 2 sells ^[3]

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
Bull (25%)	USDC supply doubles, payments use case scales, multiple expands on Tether-comp basis	\$185
Base (50%)	Modest USDC growth, rate environment neutral, multiple holds	\$130

Scenario (weight)	Assumptions	Fair Value
Bear (25%)	Fed cuts 200bp+, regulatory tightening, USDC share contests	\$70
Probability-weighted	<i>Stablecoin rails leader; rate-sensitive interest income drives revenue.</i>	~\$130

Key Risks

- **Interest rate cycle:** Revenue largely USDC reserve interest; lower rates compress directly.
- **Tether competition:** USDT dominates emerging markets; offshore competition persists.
- **Regulation:** Stablecoin legislation evolving; favorable so far but not finalized.
- **Counterparty risk:** Reserve banking partners; SVB-style event would damage trust.

What Would Change Our View

- **Upside:** USDC supply expansion, GENIUS Act final passage, large payments deal.
- **Downside:** Fed rate cuts, USDC supply contraction, banking partner issue.

Sources

[1] <https://finance.yahoo.com/quote/CRCL/>

[2] <https://stockanalysis.com/stocks/crcl/>

[3] <https://seekingalpha.com/symbol/CRCL>

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