WINDSOR DRAKE

Digital Assets & Blockchain Infrastructure Valuations: Q2 2026

JUNE 2026

Windsor Drake · Market Intelligence

Executive Summary: Infrastructure Re-Rated

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An Infrastructure Premium

Windsor Drake's working benchmark for digital-asset infrastructure has settled near **8.0x EV/Revenue**, above the broad fintech core.

- The premium rests on regulatory clarity and institutional adoption, not a return of 2021 speculation.
- Recurring, fee-based infrastructure is repriced like software; token-exposed models trade lower.
- Quarter-to-quarter multiple volatility has compressed sharply versus the 2022 to 2024 repricing.
- Coinbase anchors the public set near **7.2x revenue** and roughly **16x EBITDA** (SEC filings).

The Quality Divergence

Headline averages mask a widening split between infrastructure and trading.

- **Tokenisation and RWA** platforms clear **12x to 18x** revenue on institutional demand.
- **Stablecoin rails and custody** print **8x to 14x** as fee revenue compounds.
- **Exchanges and trading** sit at **5x to 9x**, discounted for transaction-revenue volatility.
- Capital concentrates in fee-based rails over token-correlated balance sheets.

Adoption Fundamentals

Institutional demand has moved from pilot to production across the stack.

- Total stablecoin value exceeds **$250B**, roughly 3x its 2023 level (SSGA).
- On-chain tokenised real-world assets reached about **$24B**, up **380%** in three years.
- BCG projects roughly **$16T** of tokenised assets by 2030; McKinsey about **$2T**.
- Circle reported Q1 2026 revenue of **$694M**, up **20%** year on year (SEC).

Macroeconomic Backdrop

Monetary policy is a cautious but constructive tailwind for long-duration assets.

- The Fed funds range holds at **3.50% to 3.75%** after the April 2026 FOMC (Federal Reserve).
- The March 2026 dot plot signals at most one further 2026 cut, easing the cost of capital.
- Lower discount rates disproportionately lift long-duration, high-growth infrastructure.
- A pro-innovation regulatory posture broadens a structurally constructive risk appetite.

Sources: McKinsey & Company; S&P Global Market Intelligence; Federal Reserve; Windsor Drake analysis. See appendix.

Executive Summary: Capital and Consolidation

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Regulatory Clarity Unlocks Capital

The GENIUS Act has converted regulatory ambiguity into a durable framework for payment stablecoins.

- Signed July 2025; issuers must hold **1:1 cash or short-term Treasury reserves** with monthly disclosure.
- OCC, FDIC and Treasury issued proposed implementing rules in March 2026 (primary filings).
- The Act takes effect by January 2027, pulling regulated balance sheets on-chain.
- Clarity has re-rated compliant rails and custody over offshore, token-correlated models.

Strategic Consolidation

Exchanges, custodians and infrastructure providers are consolidating into multi-product platforms.

- **Bullish / Equiniti** ($4.2B) announced May 2026, building tokenised-securities rails.
- **Mastercard / BVNK** ($1.8B) brought stablecoin infrastructure into a global network.
- 2025 set a record at about **$8.6B** of crypto M&A across 267 deals (industry data).
- 2026 deal value is tracking above **$37B** as platforms acquire capability, not customers.

The Tokenisation Thesis

Tokenisation of real-world assets has become the primary institutional growth vector.

- Banks and asset managers are buying settlement, registry and custody rails outright.
- Standard Chartered frames a path toward roughly **$30T** of tokenised assets by 2034.
- Franklin Templeton acquired **250 Digital** (April 2026) to build a crypto division.
- Proven, regulated infrastructure now reads as core financial plumbing, not an experiment.

Private Capital Pressure

Record private capital competes for a thin supply of institutional-grade assets.

- About **$3.7T** of global PE dry powder is seeking deployment (S&P Global; McKinsey).
- Crypto VC deployed about **$25B** in 2025, up roughly **73%** year on year (Galaxy Research).
- Q1 2026 funding was about **$4B**, with the US taking over **70%** of capital.
- Trading and infrastructure drew the largest share, concentrating capital at the top.

Sources: Congress.gov and US Treasury; S&P Global Market Intelligence; Galaxy Research. See appendix.

Key Founder Takeaways: Q2 2026

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1. Fee Revenue Beats Token Beta

The market now prices recurring, fee-based infrastructure revenue far above token-correlated or trading-volume revenue.

- Custody, tokenisation and stablecoin rails clear **8x to 18x** revenue.
- Demonstrate revenue that is durable across a full crypto cycle, not a single bull leg.

2. Rule of 40 Still Governs

For software-delivered infrastructure, growth plus margin at or above 40% remains the single best predictor of a premium multiple.

- Top-quartile performers earn **50% to 100%** premiums over the median (McKinsey; Bain).
- Track the score monthly with board-level visibility as you approach a process.

3. Tokenisation Is the Growth Vector

Tokenisation of real-world assets is the fastest-growing institutional use case and the highest-multiple subsector.

- On-chain RWA grew about **380%** in three years to roughly **$24B**.
- Position registry, issuance and settlement capability as regulated financial rails.

4. Regulatory Posture Is an Asset

Post-GENIUS Act, a clean licence stack and reserve transparency are direct, underwritable valuation drivers.

- Compliant, audited issuers and custodians command a clear premium to offshore peers.
- Document charters, trust status and reserve attestations ahead of any process.

5. Institutional, Not Retail

Buyers and investors pay for institutional distribution, custody assurance and settlement reliability over consumer reach.

- Institutional custody and prime infrastructure trade above consumer wallets and apps.
- Evidence enterprise contracts, assets under custody and uptime, not download counts.

6. Buyer-Readiness Discipline

With about $3.7T of dry powder and platforms consolidating, the prepared asset captures competitive tension.

- Clean financials, reserve attestations, security audits and a defensible data room.
- Map specific capability gaps for each of your top five strategic acquirers.

Source: Windsor Drake advisory methodology. See appendix.

Founder FAQs: Valuations, Timing & Strategy

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The questions digital-asset founders ask most, answered against the Q2 2026 market.

Q1 Which valuation metric applies to my business?

Use **EV/Revenue** for high-growth, fee-based infrastructure such as tokenisation, custody and stablecoin rails, **EV/EBITDA** for mature, cash-generative exchanges and miners, and a **recurring-revenue lens** (ARR, net retention) for any software-delivered asset. Always reference the correct subsector cohort, never the broad digital-asset average.

Q2 What are the key subsector ranges right now?

Infrastructure leads, with **tokenisation and RWA at 12x to 18x** and **stablecoin rails at 9x to 14x**. Custody and key management trade **8x to 13x**, node and on-chain infrastructure **7x to 12x**, while exchanges and trading platforms sit at **5x to 9x** on transaction-revenue volatility. The gap reflects revenue quality, not the crypto label.

Q3 How did regulation change the picture?

Decisively. The **GENIUS Act**, signed in July 2025, created the first US federal framework for payment stablecoins, requiring 1:1 reserves and monthly disclosure. With OCC, FDIC and Treasury rules proposed in March 2026, compliant issuers and custodians now command a structural premium over offshore, token-correlated models.

Q4 How do public and private valuations compare?

Public anchors are set by **Coinbase near 7.2x revenue** and **Circle near 7x to 8x**. Private infrastructure rounds in tokenisation, custody and stablecoin rails still clear well above those marks, but the historical premium has compressed sharply. Public comparables now cap late-stage private pricing for token-exposed assets.

Q5 When is the optimal time to run a process?

After demonstrating **4 to 6 quarters** of predictable, fee-based performance through a market cycle, while still holding 12 to 18 months of runway. Negotiating from a position of strength, rather than necessity, is what captures the scarcity premium in a consolidating, buyer-rich market.

Q6 Who are the most active buyers today?

Networks and incumbents (Mastercard, Stripe, Franklin Templeton) acquiring stablecoin and tokenisation rails, **scaled exchanges** (Coinbase, Kraken, Ripple) executing capability roll-ups, and **PE platforms** with about $3.7T of dry powder pursuing cash-generative infrastructure and consolidation.

Q7 Is the IPO window a viable alternative to M&A?

It has reopened selectively. **Circle** and **Gemini** listed in 2025, **BitGo** debuted in 2026 at about a **$2.6B** market cap, and **Kraken** is raising near a **$20B** valuation ahead of a planned listing. The window favours scaled, profitable infrastructure; a strategic sale often delivers a superior risk-adjusted outcome through control premiums.

Q8 How do we maximise our multiple, and expect earn-outs?

Clear the **Rule of 40** where software-delivered, evidence reserve transparency and security posture, and frame the asset as regulated financial infrastructure. Expect **earn-outs** to bridge valuation gaps on token-exposed or early-traction revenue; they are now standard structure, typically paid over 12 to 24 months on revenue and integration milestones.

Source: Windsor Drake advisory methodology. See appendix.

Q2 2026 Valuation Landscape Overview

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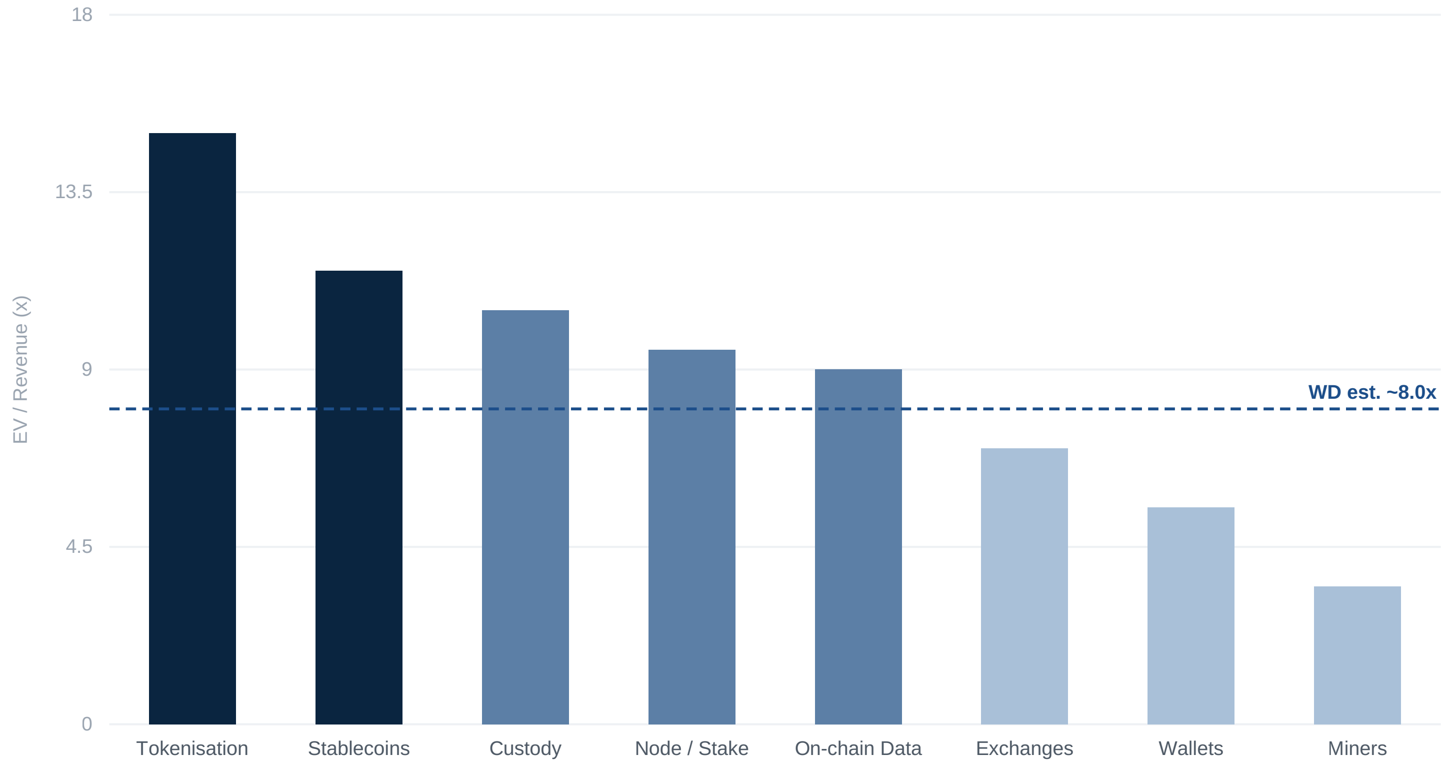
Premium multiples cluster in tokenisation and fee-based rails; token-correlated and trading models stay compressed.

Median EV / Revenue Multiple by Subsector (x)



Deep bifurcation: the gap between tokenisation and fee-based infrastructure (12x to 18x) and trading and token-correlated models (under 7x) is the defining feature of the market, driven by revenue durability and regulatory standing.

INFRASTRUCTURE BENCHMARK

~8.0x

Windsor Drake's working EV/Revenue benchmark for the digital-asset infrastructure cohort.

PUBLIC EXCHANGE ANCHOR

~7.2x

Coinbase trades near 7.2x revenue and roughly 16x EBITDA (SEC filings, Q1 2026).

STABLECOIN MARKET VALUE

>$250B

Total stablecoin value, roughly three times its 2023 level, anchoring the rails thesis.

Key Driver

Disciplined adoption has replaced speculative growth: acquirers reward recurring fee revenue, regulatory standing and settlement reliability, not token beta.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Public vs Private Market Convergence

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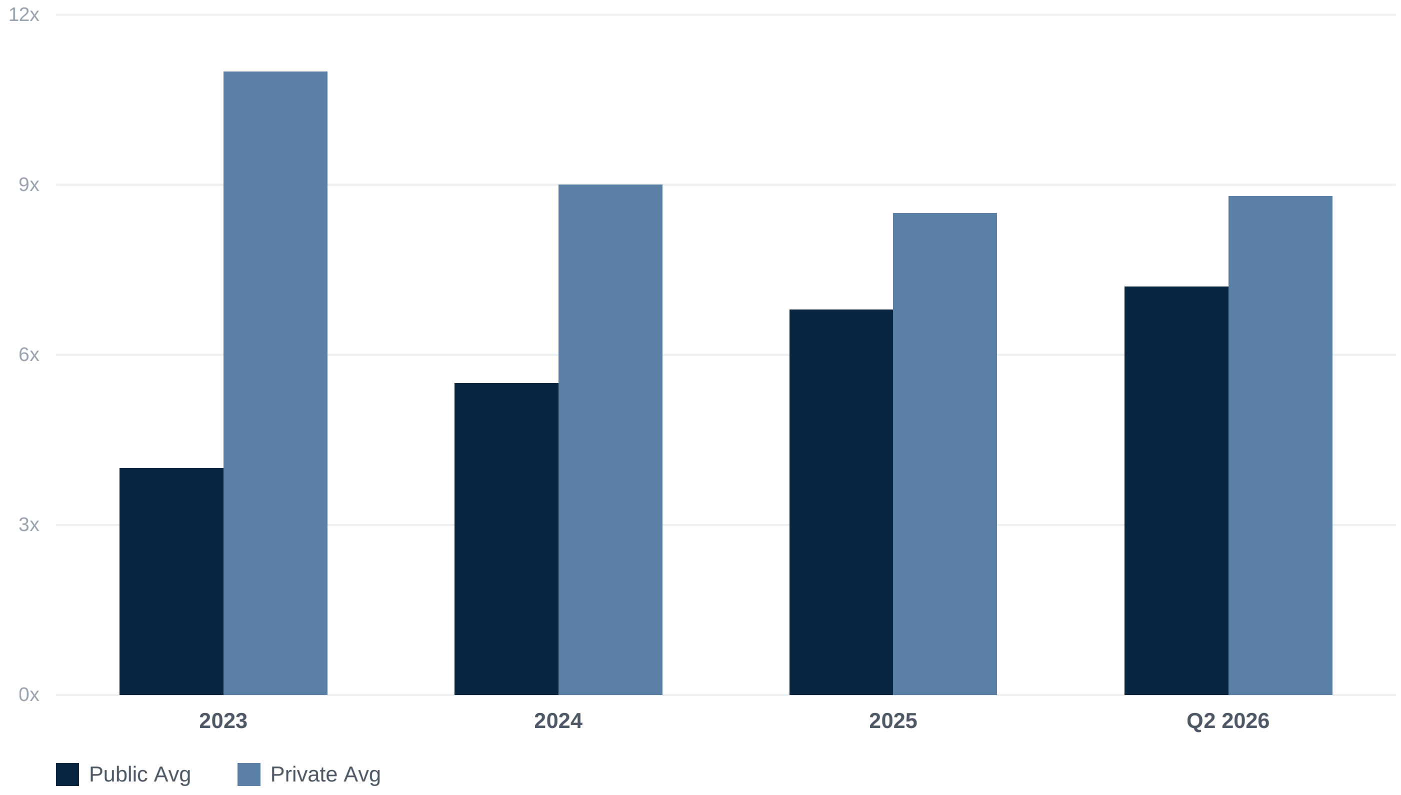
The historical private premium has compressed toward roughly 1.5x as public infrastructure recovers and private marks reset.

Average EV / Revenue Multiple, Public vs Private (x)



PUBLIC / PRIVATE SPREAD

~1.6x

Down from about 7x in 2023, a near-complete convergence of the two markets.

QUALITY PRIVATE TAIL

12x to 18x

Tokenisation, custody and stablecoin rails still clear public marks decisively.

PUBLIC BENCHMARK ANCHOR

~7.2x

Coinbase now caps late-stage private pricing for token-exposed, trading-heavy assets.

> **Convergence with a quality tail:** the public-to-private spread has narrowed from about 7x in 2023 to under 2x, as public infrastructure recovered and 2021-vintage private marks reset. Tokenisation and stablecoin rails still clear well above the private mean.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Exit Valuation Multiples by Subsector

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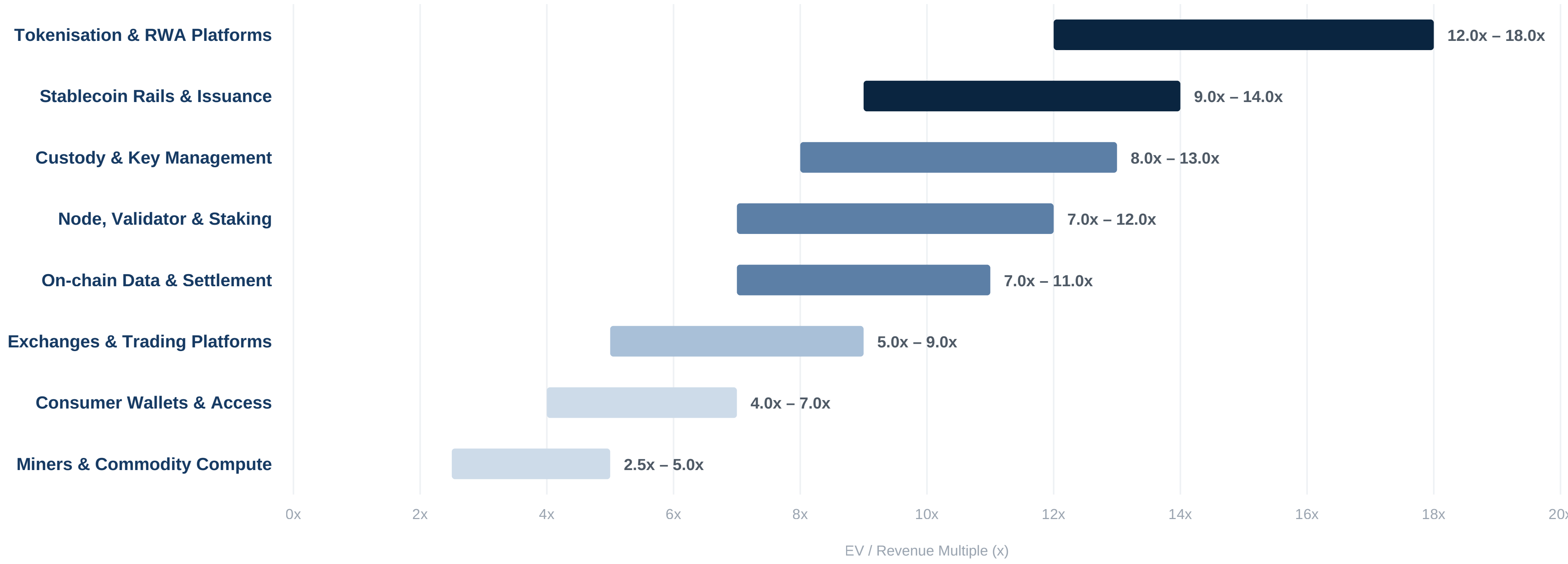
A sharp bifurcation persists between fee-based infrastructure (8x to 18x) and trading and token-correlated models (under 9x).



KEY OBSERVATION

The market is paying for recurring-revenue quality and regulatory standing, not for the crypto label. The multiple gap between tokenisation rails and trading platforms reflects the shift from transaction beta to durable, fee-based infrastructure.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Valuation Multiple Drivers: Expansion vs. Compression

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Net expansion to roughly 8.0x is driven by regulatory clarity, institutional adoption and tokenisation, partly offset by token volatility and take-rate commoditisation.

NET EXPANSION OF +1.5X

Regulatory clarity, institutional adoption and tokenisation demand outweigh a combined 0.5x drag from token-revenue volatility and exchange take-rate commoditisation. The bridge reflects Windsor Drake analysis of the cited institutional data.

Source: Windsor Drake analysis of McKinsey, BCG and Federal Reserve data. See appendix.

Capital Markets: IPO Window & Listing Benchmarks

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The 2025 to 2026 listing class reopened the window: scale, fee revenue and regulatory standing now gate access.

Circle (NYSE: CRCL)

The USDC issuer listed in 2025 and trades near a **$20B** market value (SEC filings; market data).

- Q1 2026 revenue of **$694M**, up **20%** year on year, on USDC of about $78B.
- Reserve-interest economics tie revenue to both float growth and the rate path.
- Confirmed public-market appetite for a regulated, transparent stablecoin issuer.

BitGo (2026 IPO)

The institutional custodian debuted in 2026, closing its first day near a **$2.6B** market cap (PitchBook).

- First major pure-play custody listing of the cycle, reopening the infrastructure window.
- Priced on assets under custody and recurring custody fees, not trading volume.
- Set a public benchmark for regulated custody and key-management businesses.

Gemini & CoinShares

Further 2025 to 2026 listings widened the public comparable set across the stack.

- Gemini completed a 2025 debut, broadening exchange and custody comparables.
- CoinShares moved to list on Nasdaq via a roughly **$1.2B** transaction in 2026.
- Post-listing volatility underlines a selective, discriminating public window.

Kraken & Bullish (Private / Listing)

The strongest assets are setting fresh marks via private rounds and selective listings.

- Kraken parent Payward is raising near a **$20B** valuation ahead of a planned IPO.
- Bullish, public since 2025, is now an acquirer with its **$4.2B** Equiniti deal.
- Tender and secondary markets offer liquidity without an immediate public listing.

Sources: company and SEC filings; PitchBook; financial press (Reuters, Bloomberg, CNBC). See appendix.

Geographic Valuation Variations

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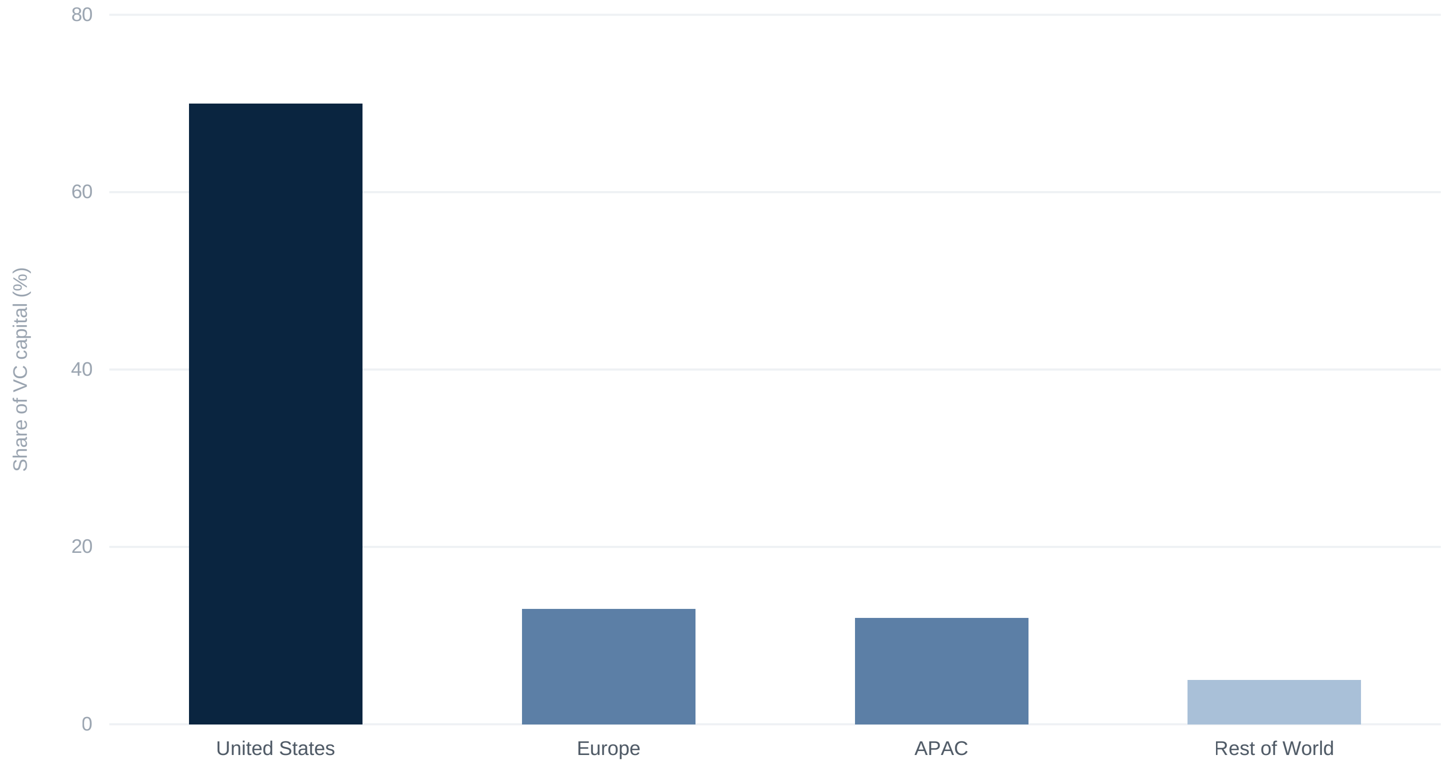
The United States commands a post-GENIUS Act premium; Europe and APAC offer regulatory clarity and value arbitrage.

Share of Global Crypto Venture Capital, Q1 2026 (%)



UNITED STATES

Premium

Over 70% of Q1 2026 crypto VC capital, deepest exit liquidity and the GENIUS Act framework.

EUROPE

Clarity

MiCA provides a harmonised regime; value pricing offset by market fragmentation.

APAC

Growth

Hong Kong, Singapore and Korea drive adoption; Korea's Dunamu anchors regional consolidation.

Valuation gap: the United States took over **70%** of global crypto venture capital in Q1 2026 (Galaxy Research; PitchBook), on the strength of GENIUS Act clarity and deep capital markets. European and APAC shares are a Windsor Drake estimate of the remainder; both offer regulatory clarity that US acquirers are increasingly arbitraging.

Sources: Galaxy Research; PitchBook; Windsor Drake analysis. See appendix.

Stablecoin Rails & Issuance: The Regulated Premium

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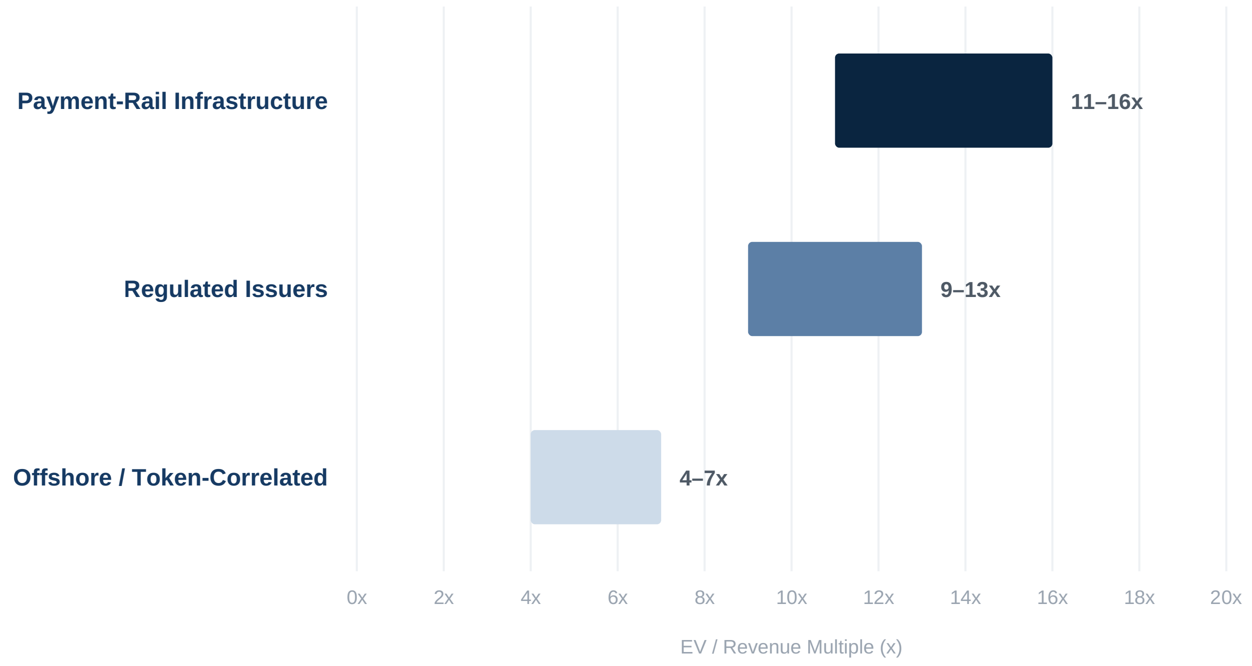
GENIUS Act clarity and reserve transparency underwrite premium multiples for compliant issuers and payment rails.

EV / Revenue Multiple Range (x)



Valuation Drivers

Regulatory Clarity

The GENIUS Act requires 1:1 cash or short-term Treasury reserves and monthly disclosure, re-rating compliant issuers and rails above offshore, token-correlated peers.

Float and Fee Economics

Issuer revenue compounds with float growth and transaction fees. Total stablecoin value exceeds $250B, roughly three times its 2023 level, expanding the addressable base.

Strategic Acquirers

Networks and processors are buying rails outright: Mastercard acquired BVNK for $1.8B and Stripe acquired Bridge for $1.1B to embed dollar-stablecoin settlement.

KEY OBSERVATION

Rails and issuance are priced as regulated payment infrastructure, a toll on dollar settlement, while token-correlated models trade at a steep discount.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Tokenisation & Real-World Assets: The Growth Vector

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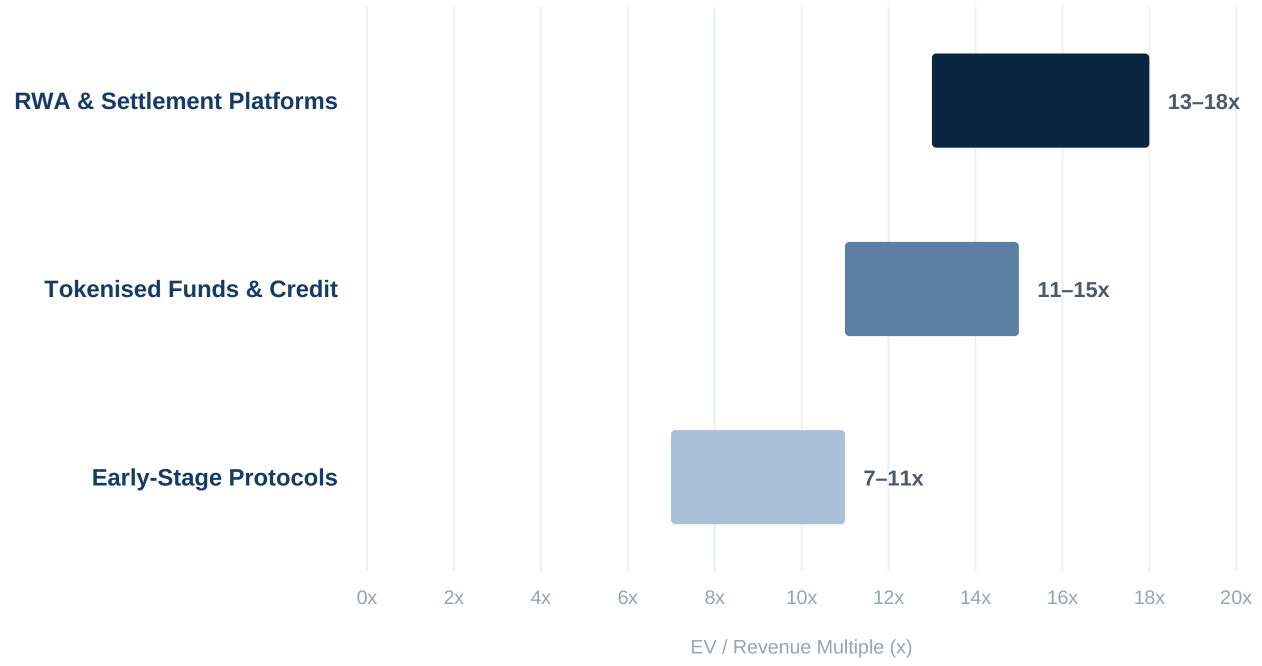
Tokenisation of real-world assets is the highest-multiple subsector, priced on an institutional adoption supercycle.

EV / Revenue Multiple Range (x)



Valuation Drivers

Institutional Adoption

On-chain RWA reached about $24B, up roughly 380% in three years. Banks and asset managers are acquiring issuance, registry and settlement rails to move regulated assets on-chain.

Large Forecast Headroom

BCG projects tokenised assets near $16T by 2030 and Standard Chartered about $30T by 2034; even McKinsey's conservative base case of roughly $2T implies multi-year compounding demand.

Strategic Acquirers

Bullish's $4.2B Equiniti deal and Franklin Templeton's 250 Digital acquisition show incumbents paying up for tokenised-securities and capital-markets infrastructure.

KEY OBSERVATION

Tokenisation rails screen as the highest-multiple subsector, an innovation-supercycle premium on infrastructure that bridges regulated capital markets and on-chain settlement.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Institutional Custody & Key Management

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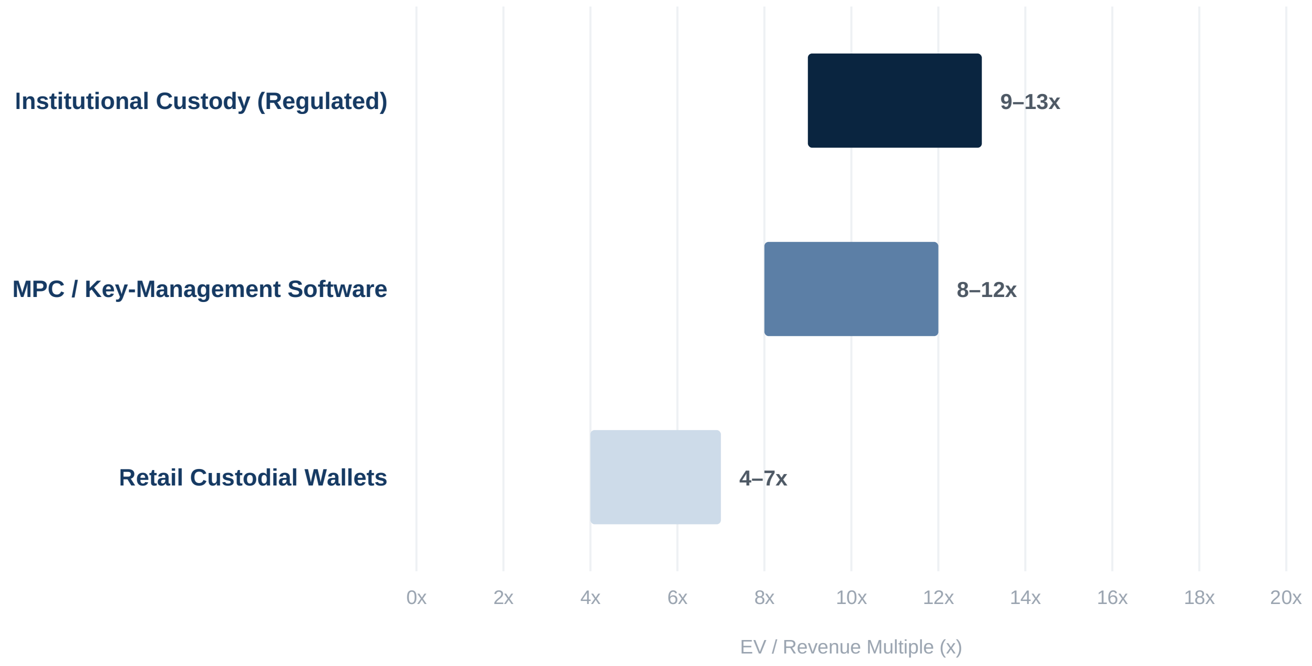
Capital-light custody and MPC key-management software command software-grade multiples on recurring fees and security posture.

EV / Revenue Multiple Range (x)



Valuation Drivers

Recurring Fee Economics

Custody revenue scales with assets under custody at high gross margin and low balance-sheet risk, supporting software-plus multiples for regulated, audited providers.

Security and Compliance Moats

Trust charters, SOC attestations and MPC key-management design are hard, slow and expensive to replicate, functioning as compliance-by-design barriers to entry.

Strategic Acquirers

Paxos acquired MPC custody firm Fordefi, PayPal earlier bought Curv, and Galaxy acquired GK8; BitGo's 2026 listing near a $2.6B market cap reset the public benchmark.

KEY OBSERVATION

Custody is priced as critical, recurring-fee infrastructure; the gap to retail custodial wallets reflects the premium on institutional assurance and regulated standing.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Exchanges & Trading Platforms

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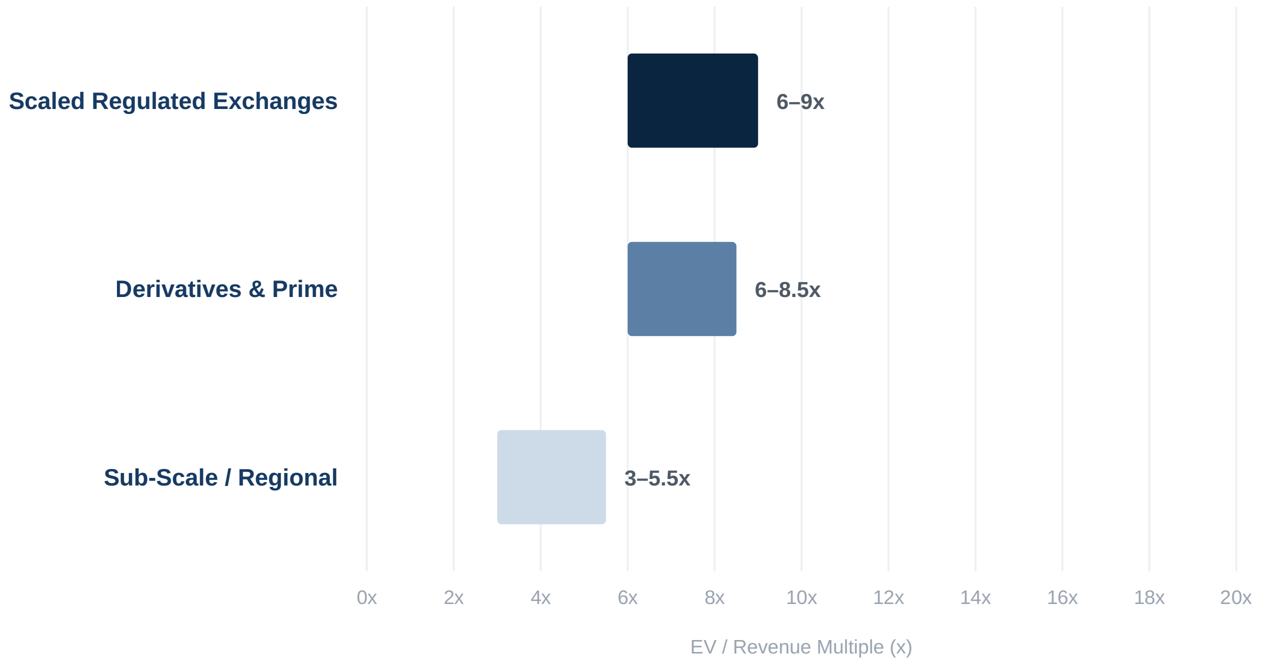
Scaled exchanges trade at a discount to fee-based infrastructure on transaction-revenue volatility, even as they consolidate.

EV / Revenue Multiple Range (x)



Valuation Drivers

Transaction-Revenue Volatility

Trading revenue swings with crypto volumes, so the market applies a discount versus recurring infrastructure. Coinbase anchors the cohort near 7.2x revenue and 16x EBITDA (SEC).

Diversification Premium

Exchanges adding custody, staking, derivatives and stablecoin revenue earn a re-rating toward infrastructure multiples as recurring revenue mix rises.

Consolidation Engine

Coinbase acquired Deribit for $2.9B and Kraken acquired NinjaTrader for $1.5B and Bitnomial for $550M, building multi-product platforms that defend take rate.

KEY OBSERVATION

Exchanges are re-rated upward only as they shift revenue mix from volatile trading toward recurring custody, staking and settlement fees.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Node, Validator & Staking Infrastructure

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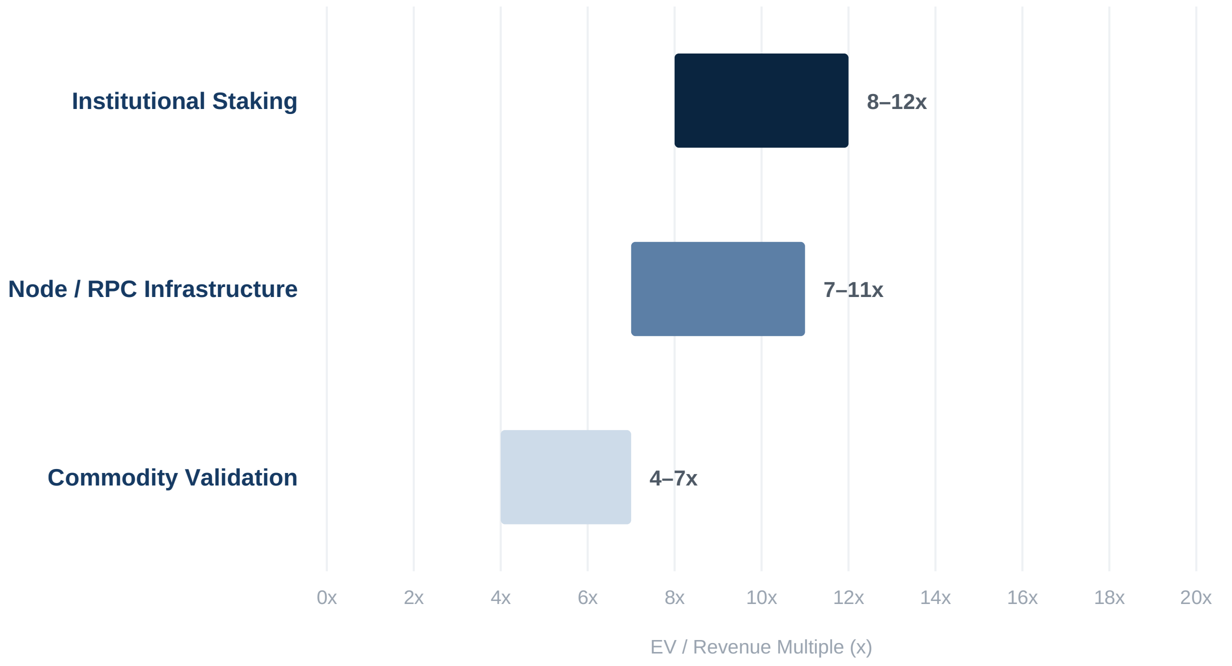
Staking and node infrastructure are priced on recurring, protocol-linked revenue and institutional demand for compliant access.

EV / Revenue Multiple Range (x)



Valuation Drivers

Recurring Protocol Revenue

Staking and node services generate recurring, usage-based revenue that scales with assets staked and on-chain activity, supporting durable infrastructure multiples.

Institutional Access

Asset managers and custodians need compliant, audited staking and validation; capability acquisitions such as Coinbase's earlier Bison Trails deal illustrate the buy-side pull.

Concentration and Slashing Risk

Investors discount providers with validator concentration or slashing exposure, favouring diversified, institutionally governed operators with proven uptime.

VALUATION DRIVER

The spread between institutional staking and commodity validation reflects the premium on compliant, diversified, recurring-revenue operators.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

On-chain Data, Settlement & Compliance Infrastructure

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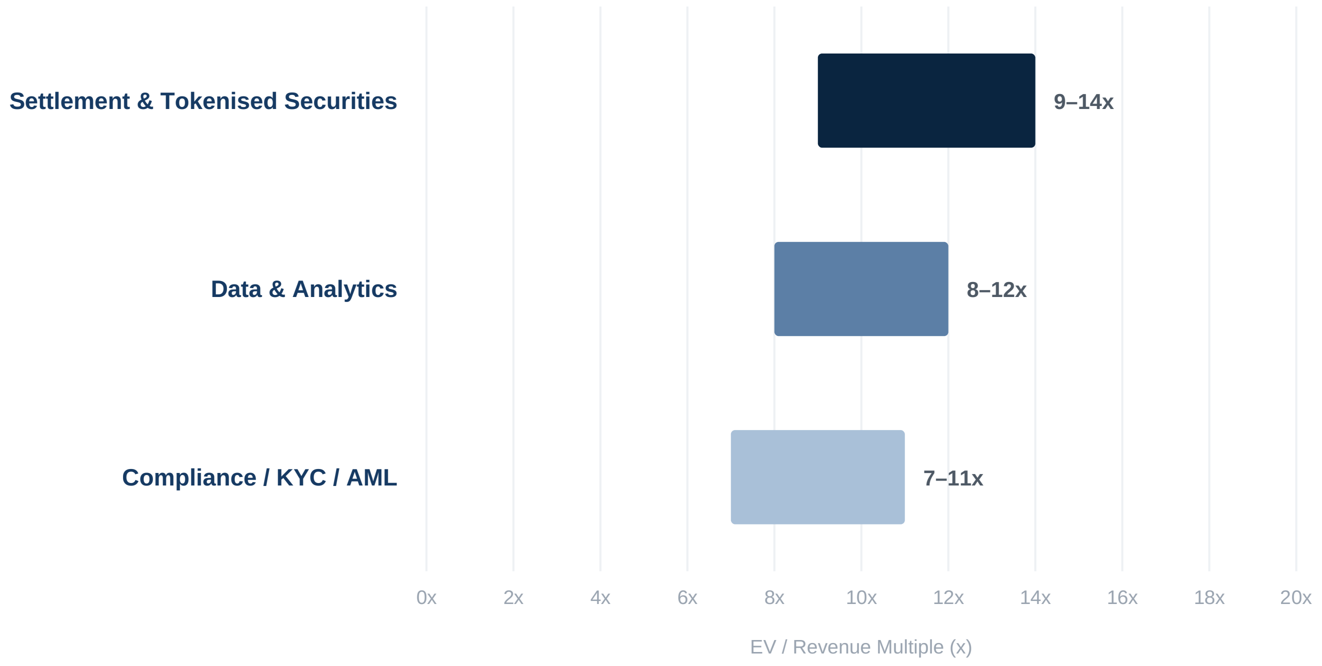
Analytics, settlement and compliance rails are re-rating on regulatory mandates and institutional integration demand.

EV / Revenue Multiple Range (x)



Valuation Drivers

Regulatory Tailwinds

GENIUS Act reserve disclosure, Travel Rule enforcement and tokenised-securities frameworks widen the buying centre for on-chain data, analytics and compliance tooling.

Mission-Critical Integration

Settlement, registry and analytics rails embed into institutional workflows with high switching costs, justifying recurring software multiples for category leaders.

Strategic Acquirers

Kaiko acquired DeFi infrastructure firm Cometh and Lukka acquired PEER DATA, while Bullish's Equiniti deal builds an issuance, registry and trading stack.

KEY OBSERVATION

On-chain data and settlement assets compound the infrastructure multiple structure as regulated adjacencies, not as standalone niche tools.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Comparable Transaction Analysis Framework

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A rigorous quality-of-revenue filter rather than the broad crypto label.

1. Select Peer Set

Identify genuinely comparable assets by revenue model (recurring fees versus trading volume), regulatory standing, and token exposure, never by the broad digital-asset label alone.

2. Normalise Metrics

Adjust KPIs to a pro-forma basis: separate fee revenue from token gains, normalise for crypto-cycle volatility, and standardise assets under custody and recurring-revenue definitions.

3. Adjust for Structure

Account for deal-specific terms (earn-outs, token and equity mix, control premiums and regulatory overhang) that pull headline valuation away from underlying economic value.

211
WD INDEX TRANSACTIONS

2020–26
INDEX COVERAGE

Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **211 tracked fintech transactions (2020 to 2026)**, each carrying a confidence grade of verified, reported or estimated, refreshed each quarter and supplemented by current-quarter digital-asset research.

Quality-of-Revenue Filter

Peer selection prioritises recurring fee revenue over trading and token gains, gross-margin profile, and the durability of revenue across a full crypto cycle.

Regulatory Standing Adjustment

A premium layer is applied for clean licence stacks, trust charters and reserve transparency; offsetting discounts apply to offshore or token-correlated revenue.

Control Premium Calibration

Indications include a control-premium layer, typically **25% to 30%**, where platform and capability synergies can be concretely underwritten.

Source: Windsor Drake proprietary transaction database and methodology.

Strategic Acquirer Mapping by Subsector

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Networks and incumbents chase rails; exchanges pursue capability roll-ups; PE concentrates on cash-generative infrastructure.

Subsector	Networks & Incumbents	Scaled Exchanges	Private Equity
Stablecoin Rails	**HIGH** Mastercard / BVNK and Stripe / Bridge embed dollar-stablecoin settlement.	**HIGH** Kraken / Reap adds cross-border stablecoin payments to the platform.	**MODERATE** Sponsors back compliant issuers and processing infrastructure.
Tokenisation / RWA	**HIGH** Franklin Templeton and asset managers build tokenised-securities rails.	**MODERATE** Exchanges add settlement and registry to broaden the stack.	**MODERATE** PE backs registry, transfer-agent and settlement infrastructure.
Custody / Key Mgmt	**HIGH** Networks and banks acquire regulated custody and MPC technology.	**HIGH** Exchanges bolt on custody to anchor institutional offerings.	**MODERATE** PE pursues recurring-fee custody with leverage capacity.
Exchanges / Trading	**MODERATE** Incumbents prefer partnership; selective exchange M&A only.	**HIGH** Coinbase / Deribit and Kraken roll-ups define the consolidation.	**MODERATE** PE pursues take-privates of cash-generative regional venues.
Node / Staking	**MODERATE** Custodians acquire staking to complete institutional access.	**HIGH** Exchanges acquire node and staking capability for recurring revenue.	**LOW** Venture-style bets; protocol risk limits sponsor appetite.
On-chain Data	**HIGH** Incumbents acquire analytics and compliance to ready their stacks.	**MODERATE** Exchanges add data and settlement adjacencies selectively.	**HIGH** PE consolidates compliance and data SaaS for buy-and-build.

Networks & Incumbents as Buyers

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Payment networks, banks and asset managers are acquiring digital-asset rails as defensive modernisation.

Strategic Motives: Buy vs. Build

The internal build cycle for compliant stablecoin, custody and tokenisation rails is too slow to counter crypto-native infrastructure. That gap is compelling networks, banks and asset managers to acquire modern stacks outright, treating M&A as defensive modernisation rather than expansion.

Acquisition Patterns

Mega-deals such as Bullish / Equiniti ($4.2B) and Mastercard / BVNK ($1.8B) sit at the top; capability bolt-ons under $1B dominate by volume, often preceded by a partnership that de-risks the technology.

$4.2B
BULLISH / EQUINITI, MAY 2026

$1.8B
MASTERCARD / BVNK, MAR 2026

Priority: Stablecoin Settlement

Networks and processors are buying stablecoin rails to embed dollar settlement directly into existing payment flows, as Mastercard and Stripe have done.

Priority: Tokenised Securities

Asset managers and exchanges are acquiring registry, transfer-agent and settlement infrastructure to move regulated securities on-chain.

Priority: Institutional Custody

Banks and networks treat regulated custody and MPC key management as core infrastructure, valuing it as recurring-fee plumbing rather than a feature.

Semi-Autonomous Integration

A federated model preserves the target's product cadence and technical talent, while bank-grade compliance and risk controls are overlaid at the backend.

Sources: company press releases; SEC filings; Windsor Drake analysis. See appendix.

Private Equity Acquisition Patterns

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Record dry powder is creating intense deployment pressure on cash-generative, fee-based digital-asset infrastructure.

Deployment Pressure

With roughly **$3.7T** of global dry powder to deploy, sponsors face acute pressure to transact (S&P Global; McKinsey). Crypto venture and infrastructure investment reached about **$25B in 2025**, up roughly **73%**, even as capital concentrated in larger, later-stage rounds (Galaxy Research).

Infrastructure-First Thesis

Sponsors favour recurring-fee custody, settlement and compliance infrastructure over token-correlated trading. Cash generation and regulatory standing, not token beta, support the leverage and underwriting case.

~$3.7T	+73%
GLOBAL DRY POWDER	CRYPTO VC, 2025

Ideal Target Profile

Sponsors prioritise recurring fee revenue above token gains, a clean licence stack, and durable economics through a full crypto cycle, the profile that supports leverage capacity.

Value-Creation Playbook

Pricing optimisation, a mix-shift from trading toward recurring custody and settlement revenue, and buy-and-build consolidation of fragmented infrastructure.

Consolidation Catalyst

Crypto M&A is tracking above $37B in 2026, with exchanges, custodians and infrastructure providers consolidating into multi-product platforms ripe for sponsor participation.

Deal Structure Trends

A resurgence of all-cash transactions for deal certainty, with earn-outs bridging gaps on token-exposed or early-traction revenue.

Sources: S&P Global Market Intelligence; McKinsey & Company; Galaxy Research. See appendix.

Competitive Moats Driving Premium Valuations

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Valuations above 12x revenue are reserved for companies that can demonstrate structural defensibility.

Regulatory Licences

BARRIER VALUE: HIGHEST

Charters, trust status and approvals

- Trust charters and money-transmitter licences are slow, costly and hard to obtain.
- Function as compliance-by-design, a structural barrier to entry post-GENIUS Act.
- Are increasingly central to institutional and cross-border acquisition theses.
- **Action:** build and document a clean, defensible licence and reserve stack.

Recurring Fee Revenue

ASSET VALUE: HIGH

Durable revenue across the cycle

- Custody, settlement and staking fees compound independent of token prices.
- Insulate the multiple from crypto-cycle volatility that discounts trading models.
- Support leverage capacity and a credible path to durable profitability.
- **Action:** shift revenue mix from trading and token gains toward recurring fees.

Settlement Network Effects

GROWTH VALUE: HIGH

Two-sided rails and liquidity

- Each issuer, asset and counterparty adds value across the settlement network.
- Drives structurally lower acquisition cost and higher retention over time.
- Raises switching costs as registry, custody and settlement converge in one stack.
- **Action:** incentivise issuer and counterparty-led growth loops.

Security & Key Management

SCALE VALUE: HIGH

MPC architecture and audited posture

- Proven MPC key management and audited security are existential trust signals.
- A clean security record is a precondition for institutional assets under custody.
- Compounds in value as assets under custody and the institutional base grow.
- **Action:** invest early in audited, institutionally governed key management.

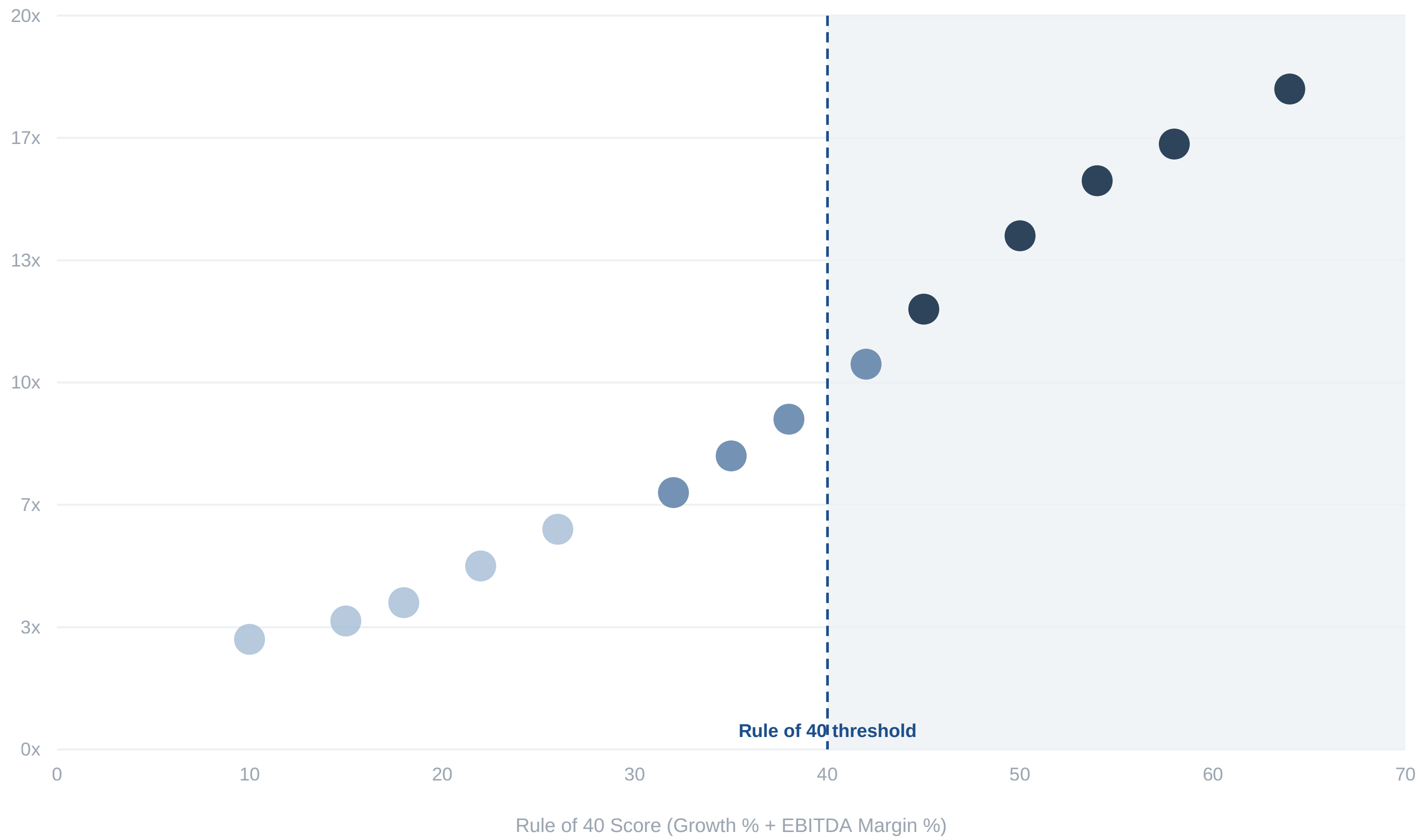
Source: Windsor Drake analysis. See appendix.

Rule of 40 Performance Distribution

WINDSOR DRAKE

For software-delivered infrastructure, clearing the Rule of 40 unlocks a 50 to 100% valuation premium.

EV / Revenue Multiple vs Rule of 40 Score



TOP QUARTILE (SCORE >50)

14x to 18x+

Scaled tokenisation and custody winners; the primary targets for premium strategic M&A.

RULE OF 40 MET (40 TO 50)

10x to 14x

A healthy growth and profit balance; credible IPO-ready infrastructure candidates.

BELOW THRESHOLD (<40)

4x to 9x

Transition and value-trap zones; trading-heavy and token-correlated models cluster here.

The Rule of 40 remains the single best predictor of a premium multiple for software-delivered infrastructure such as custody, tokenisation and compliance. Top performers command 50 to 100% premiums; the market prices the metric more aggressively each quarter (McKinsey; Bain).

Sources: McKinsey & Company; Bain & Company; Windsor Drake analysis. See appendix.

Cross-Border M&A Considerations

WINDSOR DRAKE

Jurisdictional divergence is the primary deal risk, and the primary arbitrage, in digital assets in 2026.

Regulatory Regimes

Divergence between the US GENIUS Act, the EU MiCA regime and APAC frameworks materially complicates integration and lengthens approval timelines. Heightened scrutiny of payment rails and data infrastructure (CFIUS and FDI review) adds further friction to cross-border deals.

Currency & WACC Impact

US acquirers are leveraging a strong dollar and premium domestic multiples to buy clarity-discounted assets abroad; managing divergent regional rate environments is central to any debt-financed deal.

12–18mo	+30–50%
CROSS-BORDER CYCLE	LONGER CLEARANCE

Extended Timelines

Regulatory clearance for cross-border digital-asset deals now runs 30 to 50% longer than domestic transactions; ensure runway to withstand delay without losing leverage.

Licence-Tied Earn-Outs

Regulatory earn-outs unlock tranches of consideration on specific licence transfers, charter approvals or reserve-attestation milestones, rather than on revenue alone.

Tax & Structure Efficiency

Establish efficient holding structures early; optimise repatriation and IP transfer pricing well before LOI discussions begin, particularly for offshore-domiciled IP.

Dual-Track & Local Partners

Run listing readiness alongside the M&A process for competitive tension, and retain local management to navigate post-close regulatory nuance.

Sources: EY; McKinsey & Company; Windsor Drake analysis. See appendix.

Exit Valuation Optimisation Strategies

WINDSOR DRAKE

Four levers that systematically de-risk the asset while amplifying its scarcity value.

1. Revenue Quality

PREDICTABILITY

Engineer durability into the model

- Shift revenue mix from trading and token gains toward **recurring fees**.
- Demonstrate revenue durability across a full crypto cycle, not one bull leg.
- Grow assets under custody and on-chain volume with low concentration.
- Lengthen institutional contract duration to extend revenue visibility.

2. Regulatory Posture

6 TO 12 MONTHS PRE-EXIT

Make compliance a valuation asset

- Secure and document **charters, licences and trust status** ahead of diligence.
- Publish reserve attestations and audited security reports.
- Align to GENIUS Act, MiCA and Travel Rule requirements proactively.
- Pre-empt CFIUS and FDI questions for any cross-border process.

3. Rule of 40 Efficiency

PREMIUM TIER

Prove scalable profitability

- Reallocate operating expense from low-ROI channels into core infrastructure.
- Decouple cost to serve from revenue growth through automation.
- Achieve **above 40%** on growth plus margin for software-delivered lines.
- Track the score monthly with board-level visibility.

4. Strategic Narrative

COMPETITIVE TENSION

Frame the asset as regulated rails

- Position as regulated financial infrastructure, not a crypto application.
- Present quantified synergy cases covering settlement and distribution.
- Map specific capability gaps for the top five strategic acquirers.
- Run a structured process to manufacture competitive tension.

Source: Windsor Drake advisory methodology. See appendix.

Positioning for Strategic Acquisition

WINDSOR DRAKE

Strategic value is driven by capability fit, integration ease and synergy density.

Capability Fit

Demonstrate unique rails, licences or key-management technology that fill a specific, declared buyer gap, making the buy-versus-build decision self-evident for the acquirer.

Integration Ease

Acquirers pay clear premiums for plug-and-play infrastructure. Minimise critical dependencies, document APIs and settlement flows, and present clean, audited financials and reserve reports.

Synergy Density

Quantify the revenue lift from embedding your rails into the acquirer's distribution, and model the cost synergies from shared infrastructure, to support a higher multiple.

Strategic Buyer Mapping

Run a structured gap analysis of potential acquirers and map your capabilities directly to each buyer's declared strategic deficits.

Proof-of-Integration

Develop technical materials that demonstrate speed-to-value within the acquirer's ecosystem, pre-empting the technical diligence phase.

Synergy Quantification

Explicitly model top-line and bottom-line impact in the management presentation to anchor the valuation conversation on hard numbers.

Comprehensive VDR Readiness

Build a defensive data room addressing regulatory, licence, security and reserve risk before the first buyer engagement.

Source: Windsor Drake advisory methodology. See appendix.

Timing the Exit: 12-18 Month Roadmap

WINDSOR DRAKE

A full process runs 12 to 18 months end to end. Founders who prepare in the current cycle meet the market while today's alignment of regulatory clarity, institutional demand and stable pricing still holds.

Readiness & Hygiene

Q3 2026

- Audit completion to PCAOB standard
- Reserve attestation and security review
- Licence and charter documentation
- Clean up the cap table and token structure

KEY MILESTONE

Clean reserve and security audit

Strategic Positioning

Q4 2026

- Launch dual-track process preparation
- Build the strategic buyer-targeting list
- Draft the CIM and management presentation
- Lock key-employee retention packages

KEY MILESTONE

Retention packages locked

Market Engagement

Q1 2027

- Fireside chats with priority strategics
- Solicit initial indications of interest
- Deliver management presentations
- Open the virtual data room

KEY MILESTONE

Competitive bid tension

Execution & Closing

Q2 2027

- Definitive agreement negotiation
- Regulatory filings (HSR, CFIUS, FDI)
- Confirmatory diligence support
- Closing and integration kickoff

KEY MILESTONE

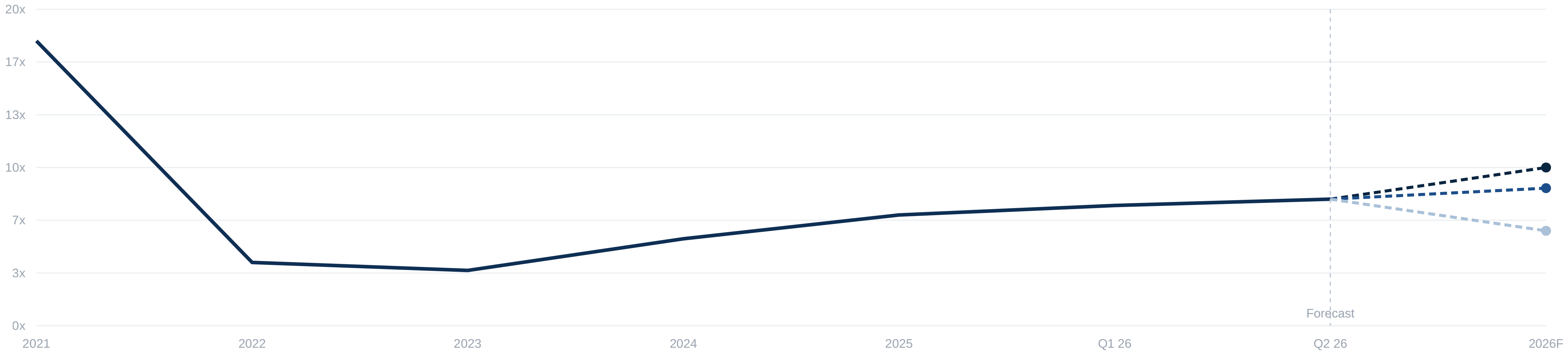
No-MAC event verification

Source: Windsor Drake advisory methodology. See appendix.

2026 Valuation Forecast Scenarios

WINDSOR DRAKE

With the infrastructure benchmark near 8.0x, forward trajectories diverge sharply on rates, regulatory execution and the pace of tokenisation.



BULL CASE 10.0x

Key Drivers

- Aggressive Fed cuts beyond 100bps
- Tokenisation adoption accelerates sharply
- Final GENIUS Act rules unlock issuers

STRATEGY: ACCELERATE GROWTH

BASE CASE 8.7x

Key Drivers

- Steady rate normalisation, one cut
- Institutional adoption compounds steadily
- Consolidation continues across rails

STRATEGY: BALANCE GROWTH & PROFIT

BEAR CASE 6.0x

Key Drivers

- Inflation resurgence or rate holds
- Token volatility resets trading multiples
- A regulatory or market shock freezes M&A

STRATEGY: CASH PRESERVATION

Source: Windsor Drake analysis; EY M&A Outlook; Federal Reserve projections. See appendix.

Emerging Opportunities & Buyer Trends

WINDSOR DRAKE

Capital is flowing into the connective infrastructure of a regulated, on-chain financial system.

Tokenised Securities & Funds

Tokenisation of treasuries, credit and funds is moving from pilot to production, with banks and asset managers acquiring issuance, registry and settlement rails to bring regulated assets on-chain.

Stablecoin Payment Rails

Post-GENIUS Act, networks and processors are embedding dollar-stablecoin settlement into mainstream payment flows, a large and rapidly expanding cross-border workflow.

Institutional Custody & Compliance

Demand for regulated custody, MPC key management and on-chain compliance tooling is compounding as institutional assets move on-chain.

Capability Acquisitions

Networks and incumbents are prioritising rails, licences and settlement capability over customer reach, buying technology to modernise legacy infrastructure.

PE Platform Roll-Ups

Sponsors are consolidating fragmented custody, compliance and infrastructure providers to build scale and drive multiple expansion.

Regional Champions Go Global

European and APAC leaders are pursuing North American assets to capture premium valuations and GENIUS Act clarity, while US acquirers arbitrage clarity-discounted assets abroad.

Market Intelligence

Top-tier forecasts point to crypto M&A above $37B in 2026. Record dry powder and capability-driven demand are chasing a supply of institutional-grade infrastructure that has not kept pace.

Sources: McKinsey & Company; CB Insights; EY; Windsor Drake analysis. See appendix.

M&A Case Study: Bullish & Equiniti

WINDSOR DRAKE

The defining consolidation event of the cycle, and the playbook it sets for founders.

The Convergence Playbook

Bullish's acquisition of **Equiniti**, valued at **$4.2B** and announced in **May 2026**, is the defining digital-asset consolidation event of the cycle. Comprising about $1.85B of assumed debt and roughly $2.35B in Bullish stock, it pairs a crypto-native platform with a regulated transfer agent to build blockchain-enabled tokenised-securities rails.

Strategic Rationale

- **Tokenised-securities rails:** combining issuance, registry and trading into one regulated, blockchain-enabled platform.
- **Distribution at scale:** Equiniti serves about 2,500 companies and 20 million shareholders.
- **Convergence:** traditional capital-markets infrastructure meeting on-chain settlement, the cycle's primary growth vector.

Implications for Founders

Infrastructure Commands Record Prices

Category-defining tokenisation and settlement rails clear record prices; at $4.2B the deal surpassed Coinbase's $2.9B Deribit acquisition. The window for follow-on category-defining assets in tokenisation, custody and settlement is open, but narrowing as platforms consolidate.

Quantify Regulated-Rail Synergies Pre-LOI

Headline multiples rest on **identifiable, underwritable settlement and distribution synergies**. Vague strategic fit no longer moves valuation; rigorous synergy math, presented before the LOI, does.

Platform vs. Point Solution

Assets framed as broad **platforms** spanning issuance, registry and trading trade at clear premiums to narrow point tools. Integration readiness, clean APIs and a regulated posture is itself a valuation lever.

Sources: Bullish and Equiniti announcements; financial press. See appendix.

Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

The right metric depends on business model, revenue durability and token exposure.

EV / Revenue

8–18X+

High-growth, fee-based infrastructure

- Applied where profitability is suppressed by deliberate growth reinvestment.
- Recurring fee revenue is valued far above trading and token-gain revenue.
- The Rule of 40 score dictates where in the range an asset sits.
- Best suited to tokenisation, custody, stablecoin rails and on-chain data.

EV / EBITDA

12–20X

Mature & cash-generative

- Essential for scaled exchanges, miners and PE-owned infrastructure.
- Coinbase anchors the public set near 16x EBITDA (SEC filings).
- Margin expansion and operating leverage are the key value drivers.
- Captures the cash-flow reality of consolidating, cyclical segments.

Recurring-Revenue Lens

FEE FOCUS

Software-delivered assets

- Focus on ARR, net retention and assets under custody as primary drivers.
- Premium for fee durability across a full crypto cycle.
- Discount for revenue concentrated in volatile trading or token gains.
- Most relevant for custody, compliance and settlement software.

Strategic Premium

+25–30%

Licence & capability fit

- Applied on top of underlying revenue or EBITDA multiples.
- Premiums accrue to clean licence stacks and category-defining rails.
- Settlement-network integration potential can lift the premium materially.
- Synergy math should be modelled explicitly before LOI.

Source: Windsor Drake valuation methodology. See appendix.

Appendix: Sources & Methodology (Part 1)

WINDSOR DRAKE

Institution	Report / Source	Date
McKinsey & Company	*Global Private Markets Report 2026*	Mar 2026
McKinsey & Company	*From Ripples to Waves: The Transformational Power of Tokenizing Assets*	2024
Boston Consulting Group	*Relevance of On-Chain Asset Tokenization (with Ripple)*	2025
Standard Chartered	*Tokenised Real-World Assets Market Outlook to 2034*	2025
Galaxy Research	*Crypto & Blockchain Venture Capital, Q1 2026*	Apr 2026
S&P Global Market Intelligence	*Private Equity Dry Powder and Deal Activity*	2026
State Street Global Advisors	*The GENIUS Act Explained: Stablecoins and Digital Assets*	2026
PitchBook	*Digital Assets Public Comp Sheet; BitGo IPO coverage*	2026
CB Insights	*State of Blockchain and Digital Assets 2025*	2026
Coinbase Global, Inc.	*SEC Form 10-Q and 8-K, Q1 2026 results*	May 2026

Appendix: Sources & Methodology (Part 2)

WINDSOR DRAKE

Institution	Report / Source	Date
Circle Internet Group	*SEC filings and Q1 2026 results (USDC)*	2026
US Congress / Congress.gov	*S.1582, GENIUS Act (119th Congress)*	2025
Office of the Comptroller of the Currency	*Bulletin 2026-3, GENIUS Act Proposed Rulemaking*	Mar 2026
US Department of the Treasury	*GENIUS Act Illicit-Finance Implementation Rule*	Mar 2026
Federal Reserve	*FOMC Statement (Apr 2026); Summary of Economic Projections (Mar 2026)*	2026
EY	*M&A Outlook 2026 (Deal Barometer)*	Jan 2026
Bain & Company	*Software value-creation research on the Rule of 40*	2025

VALUATION METHODOLOGY NOTES

Source Standard

Inputs are restricted to top-tier institutions: bulge-bracket banks, the major consultancies, elite data houses, and primary regulatory and filing sources. Boutique and market-report vendors are excluded.

Peer Set & Normalisation

Peers are filtered on revenue model (recurring fees versus trading volume), regulatory standing and token exposure. Financials are adjusted to a pro-forma basis that separates fee revenue from token gains and excludes one-time items.

Structural Adjustments

Private-market valuations are adjusted for earn-outs, token and equity mix, and lack-of-marketability discounts, typically in the 25 to 30% range for control.

Synthesis & Attribution

Figures labelled as firm analysis or house estimate, including the roughly 8.0x infrastructure benchmark and the subsector ranges, are the firm's own synthesis of the cited institutional data, presented as a house view rather than third-party consensus.