TON618 Capital

CROSS-ASSET SYNTHESIS · COINBASE (COIN) · ROBINHOOD (HOOD) · BLOCK (XYZ)

Three Machines, One Asset

Coinbase, Robinhood, and Block share a reputation and a sector ETF — and almost nothing else. Separating what each is called from what it earns resolves the bloc into three ordinary equity questions, priced in three opposite directions.

TON618 CAPITAL RESEARCH · COIN $157.37 · HOOD $109.86 · XYZ $78.72 · BTC $62,352 · AS OF 13 JUL 2026 ·

Rich · Full · Fair

COIN ≈−35% · HOOD ≈−21% · XYZ ≈+6% VS FAIR VALUE

One label, three machines, opposite mispricings. The market prices these as one crypto factor; the verified financials show a cyclical exchange coupled to Bitcoin at ≈90% of revenue (Coinbase), a diversifying platform at ≈13% (Robinhood), and a credit-driven neobank-in-costume at ≈4% of gross profit (Block). Separate crypto **identity** from crypto **economics**, use the right denominator for each, and the bloc resolves into three independent questions — none of them really about Bitcoin. Our fair values: COIN ≈$102 (rich), HOOD ≈$87 (full), XYZ ≈$83 (fair).

90 / 13 / 4%

Share of economics tied to crypto — COIN (revenue) / HOOD (revenue) / XYZ (gross profit). One sector, three worlds.

1.25 / 0.88 / 0.41

Rolling 90-day beta to Bitcoin — COIN rising, HOOD decoupling now, XYZ collapsed to the lowest.

−35 / −21 / +6%

Estimated over/undervaluation vs TON618 fair value — the mispricings point in opposite directions.

1 The thesis in one sentence

The market prices Coinbase, Robinhood, and Block as if "crypto exposure" were a single factor they share — but the verified financials show three structurally different machines with three different relationships to Bitcoin, and the mispricings run in *opposite directions*: Coinbase is richly priced, Robinhood is fully priced, and Block is roughly fairly priced. The most useful thing an investor can do with this group is stop treating it as a bloc and separate **crypto identity** — what a stock is associated with — from **crypto economics** — what fraction of its earnings actually moves with the coin. The market has already done that separation for two of the three names; it has not, in our view, for Coinbase.

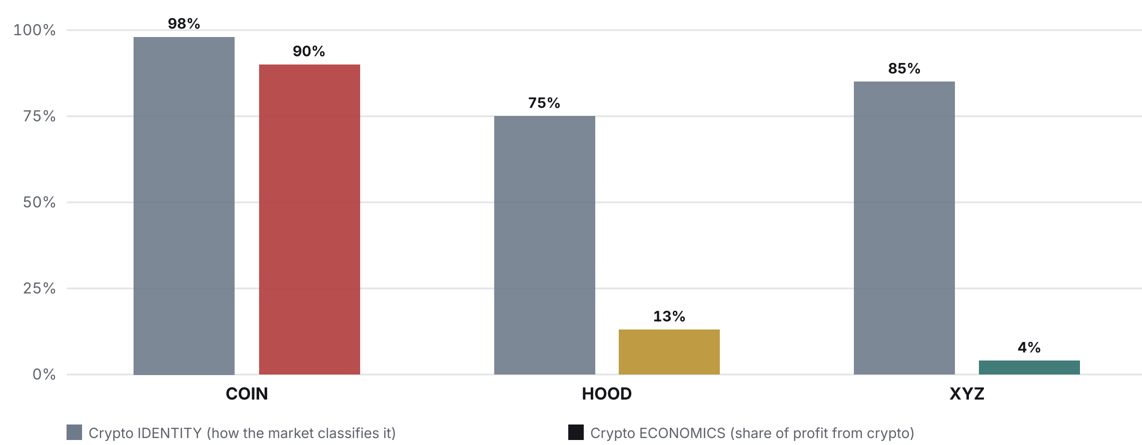
2 Identity versus economics

Every confusion about these three names dissolves once you draw one distinction. *Identity* is what the press, the ticker, and the founder tell you a company is. *Economics* is what share of its profit actually rises and falls with Bitcoin. For one of these companies the two are the same thing; for the other two they have come apart, dramatically.

- **Coinbase — identity equals economics.** It is called a crypto exchange because it is one: roughly 90% of revenue moves with crypto activity. The honest name in the group. When Bitcoin fell 50%, Coinbase's consumer revenue fell 48%, and the stock fell with it (−63% from its high).
- **Robinhood — a widening gap.** It is still spoken of as a crypto-and-meme broker, but crypto is now ≈13% of revenue and falling. In the quarter just reported, crypto revenue *halved* and total revenue *grew 15%*, as options, event contracts, net interest, and subscriptions filled the hole. The market has partly re-rated it out of the crypto bucket — hence a stock near its highs while Coinbase sits near its lows — but the label still lags the economics.
- **Block — an enormous gap.** It renamed itself for a blockchain, its founder is a Bitcoin evangelist, and it builds Bitcoin mining hardware — yet Bitcoin is ≈4% of its gross profit and its treasury is ≈1.2% of market cap. The deepest Bitcoin *identity* in large-cap fintech sits on a P&L that is ≈96% non-Bitcoin. The stock made 52-week highs *during* the Bitcoin winter.

The gap between the two bars — loud identity, quiet economics — is the single most important thing to see about this group, and it is the reason the three stocks have behaved so differently through the same Bitcoin drawdown.

EXHIBIT 1 · IDENTITY VS ECONOMICS: LOUD LABEL, QUIET EARNINGS



The gap between the bars is the story. Aligned for COIN (the honest name); a chasm for XYZ, whose loud Bitcoin identity sits on ~4% Bitcoin economics.

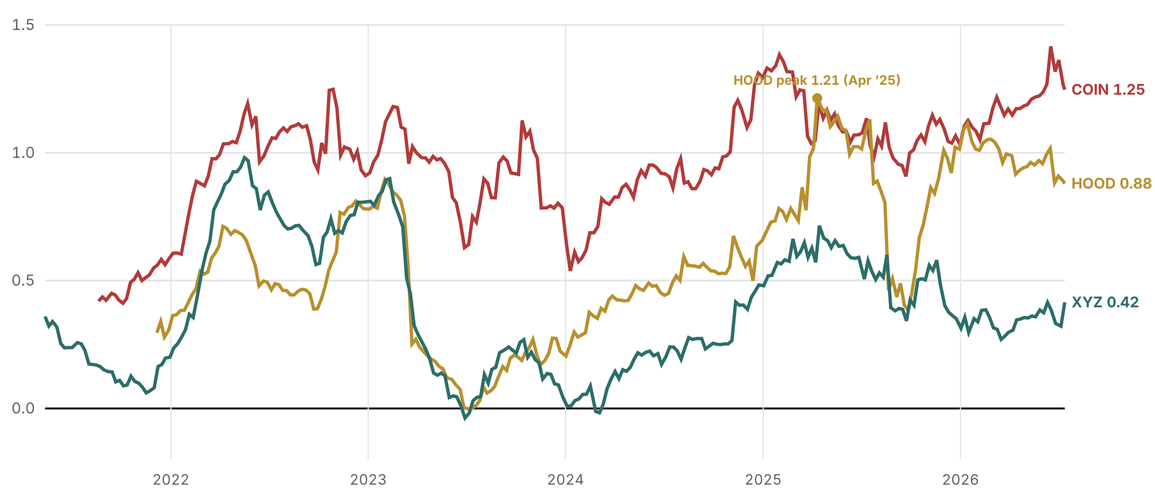
3 The capstone: what the market's own beta says

We can measure the identity-versus-economics gap directly, without any narrative, by asking how each stock's daily returns have actually co-moved with Bitcoin over time. The chart below plots each name's rolling 90-day beta to Bitcoin from 2021 to today (computed from daily closes; see the note at the end). It shows three distinct dynamics — and it corrected our own prior:

- **Coinbase — permanently coupled, if anything rising.** Its beta has been the highest throughout and sits near an all-time high (≈1.25). Crypto is and remains the business.
- **Robinhood — cyclically coupled, decoupling in real time.** This is the finding that surprised us. Robinhood's Bitcoin beta did *not* steadily decay — it *rose* through 2024 and *peaked* at ≈1.22 in April 2025, exactly when crypto hit ≈27% of its revenue, and has fallen to ≈0.88 only as crypto halved to ≈13%. Robinhood's crypto beta is essentially a live readout of its crypto revenue share, and you can watch it fall quarter by quarter as the other engines scale. The decoupling is genuine but *current* — a 2026 event, not a settled multi-year fact.
- **Block — structurally decoupled.** Its beta peaked near 1.0 in 2022, collapsed to roughly zero in 2023, and now sits at ≈0.41 — the lowest of the three — matching Bitcoin's shrinkage to ≈4% of gross profit.

Coinbase on top and rising, Block on the bottom and collapsed, Robinhood crossing *down* through the middle right now: the fan tells the whole story of a group that shares a label and almost nothing else.

EXHIBIT 2 · THE CAPSTONE: ROLLING 90-DAY BETA TO BITCOIN, 2021–2026



Rolling 90-day beta to Bitcoin (daily closes). COIN permanently coupled and rising; XYZ collapsed to the lowest; HOOD peaked in 2025 and is decoupling in real time as crypto falls from ~27% to ~13% of its revenue. Three "crypto stocks," three different couplings to the same asset.

4 Three machines, in one paragraph each

Coinbase is a hyper-cyclical retail trading franchise stapled to a growing crypto-infrastructure annuity (stablecoin, custody, derivatives). It is the highest-quality franchise in crypto and the most exposed to the cycle — which is why our deep note values it by *normalizing* that cycle and finds the current price banks a full recovery.

Robinhood is an attention-and-balance-sheet platform that monetizes a young, active base three ways at once — flow (options, crypto, event contracts), balance-sheet spread (net interest), and subscription (Gold) — and that keeps *inventing* new high-margin verticals. Its earnings variance comes from growth durability, not the coin, so we value it as a platform and test what the price already assumes.

Block is two businesses in a Bitcoin costume: a scaling consumer neobank (Cash App) and a mature merchant acquirer (Square), with a philosophically deep but economically small Bitcoin sleeve. Its earnings variance comes from the *consumer credit cycle* — because its fastest-growing product is lending — so we value its gross profit and hinge the whole call on whether a tripled loss provision is accounting timing or credit trouble.

5 Three methods, one framework — why the lenses differ

A skeptical reader is entitled to ask why the same analyst valued three superficially similar companies three different ways. The answer is that each company hands you its own correct lens by revealing where its uncertainty lives:

	COINBASE	ROBINHOOD	BLOCK
Where earnings variance comes from	the crypto price cycle	growth durability of new engines	the consumer credit cycle
So the state variable is	the BTC price path	EPS-CAGR sustainability	vintage loss rates
So the model is	cyclical normalization	reverse-DCF vs a platform build	credit-charged gross-profit scenarios
The one question	is the good year the normal year?	can it compound 20% uninterrupted?	is the loss surge CECL or credit?
Our verdict	**rich** (FV ≈$102 vs $157)	**full** (FV ≈$87 vs $110)	**fair** (FV ≈$83 vs $79)

We did not pick three methods for variety; we picked the method each business's own risk structure dictates. That the framework is principled rather than fitted is, we think, part of what makes the three verdicts — which point in three different directions — credible.

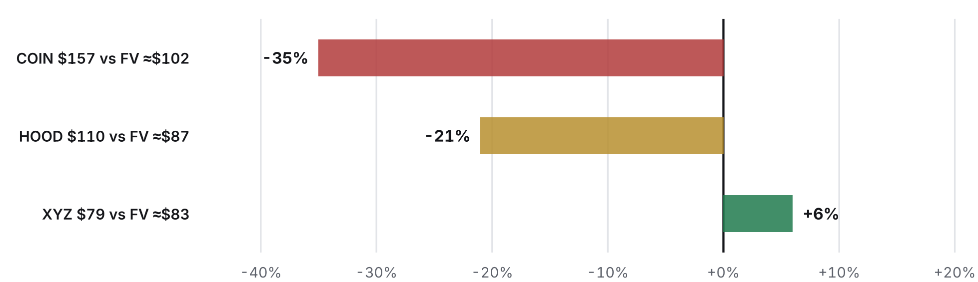
6 The comparative valuation snapshot

The single most common error with this group is putting all three on the same multiple — usually price-to-revenue — which flatters no one and actively misleads on Block.

	COINBASE (COIN)	ROBINHOOD (HOOD)	BLOCK (XYZ)
Price / market cap	$157 / ≈$41B	$110 / ≈$99B	$79 / ≈$47B
The right top-line metric	net revenue	net revenue	**gross profit** (revenue is ⅓ bitcoin pass-through)
TTM value of that metric	≈$5.7B rev	≈$4.6B rev	≈$11.0B gross profit
Headline multiple	≈60× TTM earnings	≈53× (≈62× normalized-tax)	≈28× normalized earnings
Crypto share of *economics*	≈90% of revenue	≈13% of revenue	≈4% of gross profit
Bitcoin on balance sheet	16,492 BTC	0 BTC	≈9,000 BTC
Rolling 90-day BTC beta	≈1.25	≈0.88	≈0.41
Our fair value	**≈$102**	**≈$87**	**≈$83**
Implied over/under	≈−35% (rich)	≈−21% (full)	≈+6% (fair)

Note what the right denominator does: on *revenue* Block looks expensive and Coinbase cheap; on the metric each business is actually run for — normalized earnings, and gross profit for Block — the ranking inverts, and Coinbase becomes the expensive one. Use the right metric per machine, not one metric across all three.

EXHIBIT 3 · SAME SECTOR, OPPOSITE DIRECTIONS



Estimated over/undervaluation vs TON618 fair value. Same sector, opposite directions: Coinbase rich, Robinhood full, Block roughly fair.

7 The allocator's decision framework

Translating the analysis into "if you believe X, own Y":

- **"I want levered exposure to a crypto bull market."** None of these three is the answer. Our Coinbase note shows the equity underperforms spot Bitcoin in *every* modeled scenario (its valuation premium consumes its torque); Robinhood and Block simply have too little crypto left to give you the exposure. The honest answer is to **own the coin (or a spot ETF)**, not the equities.
- **"I want a fintech growth compounder, and if crypto rides along, fine."** Robinhood or Block, bought on their *non-crypto* merits and priced accordingly — Robinhood for the serial-vertical platform (paying up for proven engines, not yet-unbuilt ones), Block for the Cash App neobank (if you underwrite the credit book).
- **"I want the crypto-infrastructure annuity without the trading cycle."** That is Coinbase's stablecoin/custody/derivatives layer — but you cannot buy it separately, and at today's price the hyper-cyclical trading franchise is stapled to it.
- **"I fear crypto and want to avoid the exposure."** Then the labels are lying to you in a useful direction: Block (≈4% of gross profit, and its Bitcoin beta is the lowest of the three) and Robinhood (zero Bitcoin on the balance sheet) are *not* the crypto-risk vector their reputations imply. Coinbase is.

8 Risks and honesty

- **Correlation-in-a-crisis caveat.** The beta chart measures *normal-times* sensitivity. In a genuine crypto-and-risk-asset panic, all three may re-correlate regardless of fundamentals — crypto-adjacent equities have historically sold off as a bloc. The decoupling we document is *fundamental* (where the earnings come from), not a promise of *tape-level* independence in a tail.
- **Re-coupling vectors.** A violent new Bitcoin bull could re-attach a crypto multiple to Robinhood and Block irrespective of their economics; a decision by Block's founder to lever the balance sheet into Bitcoin would re-couple its beta overnight; Robinhood's Bitstamp acquisition re-crypto-fies it at the margin.
- **This note ranks and frames; it does not set absolute value.** The three deep notes carry the fair-value estimates with their full assumption sets, scenario weights, and the specific evidence that would change each verdict. This synthesis is the map, not the territory.
- **We corrected ourselves here.** Our working hypothesis was that all three names had *decayed* their Bitcoin beta over several years. The data refuted that for Robinhood — whose beta *rose* into 2025 before falling — and we have rebuilt the narrative around what the series actually shows. We flag it because a synthesis note that hid its own corrected error would not deserve the reader's trust on the harder calls.

9 Conclusion

"Crypto stocks" is a category the market still trades and, increasingly, a category that does not exist. Coinbase, Robinhood, and Block share a reputation and a sector ETF, but they are a cyclical exchange, a diversifying platform, and a credit-driven neobank-in-costume — coupled to Bitcoin at ≈90%, ≈13%, and ≈4% of their economics respectively, and priced by us at roughly −35%, −21%, and +6% to fair value. The group's real lesson is a discipline: separate what a company is *called* from what it *earns*, use the right denominator for each, and let the beta series tell you which labels have gone stale. Do that, and the bloc resolves into three ordinary equity questions — is the good year normal (Coinbase), can it keep inventing engines (Robinhood), and is the loss line timing or trouble (Block) — none of which is really a question about Bitcoin at all.

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DATA, METHODS & LIMITATIONS

Data as of 2026-07-13. This synthesis draws its per-company figures and fair-value estimates from the three underlying TON618 deep notes (Coinbase, published 2026-07-05; Robinhood and Block, 2026-07-13), each built from SEC EDGAR primary filings and subjected to an adversarial claim-verification pass. The rolling 90-day beta capstone was computed from daily closing prices — Coinbase, Robinhood, and Block from Charles Schwab market data (Block's series is continuous through the SQ→XYZ ticker rename), Bitcoin from the CoinMetrics community API reference rate — as simple daily returns, with beta = Cov(stock, BTC)/Var(BTC) over a trailing 90-trading-day window; Coinbase and Robinhood series begin at their 2021 IPOs. Betas measure normal-times return sensitivity and may understate co-movement in a tail; see §8. Fair values, crypto-economics shares, and over/undervaluation figures are analyst estimates carried from the deep notes, where the full assumption sets and scenario weights appear.

THE THREE DEEP NOTES

- Coinbase Global (COIN): "The Right Company at the Wrong Price" — TON618 Capital, 2026-07-05.
- Robinhood Markets (HOOD): "The Price Is a Growth Commitment" — TON618 Capital, 2026-07-13.
- Block, Inc. (XYZ): "The Revenue Mirage and the Credit Question" — TON618 Capital, 2026-07-13.