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Crypto Treasury Boom Slows as Giants Emerge

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The rapid rise in companies formed to hold cryptocurrencies as part of their corporate treasuries appears to be tapering off, according to Galaxy Digital Chief Executive Officer Michael Novogratz. Speaking during the firm's second-quarter earnings call, Novogratz indicated that the initial wave of so-called "crypto treasury" firms may have already hit its peak, and the market is now shifting toward consolidation.

"We've probably gone through peak treasury company issuance," said Novogratz, who founded Galaxy Digital (Toronto Stock Exchange: GLXY). *"The question now is which of the*

existing companies will become monsters." His comments reflect a maturing landscape where only the most established firms are likely to thrive, while newcomers may face increasing difficulties entering a now crowded and competitive market.

Ethereum (ETH), the second-largest cryptocurrency by market capitalization after Bitcoin (BTC), has already attracted major treasury holders, including BitMine, led by financial analyst Tom Lee, and SharpLink, founded by Ethereum co-creator Joe Lubin. Novogratz expects both companies to continue expanding their market presence, while cautioning that *"new entrants may have a harder time getting oxygen."*

Galaxy Digital, a diversified financial services firm specializing in digital assets, currently partners with over 20 companies that have adopted the crypto treasury model. These companies raise capital in public markets and allocate a portion of their corporate reserves to cryptocurrencies such as Bitcoin and Ethereum. Galaxy earns management fees by overseeing these holdings, offering security, compliance, and strategic advice.

The firm's growing list of crypto treasury partners has added approximately $2 billion in assets under management to Galaxy's platform. Novogratz described this business line as a source of *"recurring income that will go on and on,"* emphasizing its long-term profitability and strategic importance.

This trend has been bolstered by a regulatory environment in the United States that, while still evolving, has shown increasing openness to digital asset adoption. As oversight becomes more clearly defined, corporations have felt more confident in holding crypto assets, helping fuel the initial wave of treasury-focused firms. However, as the dust settles, it's becoming clear that only firms with strong leadership, deep market knowledge, and robust infrastructure will remain competitive.

The decline in new company formation doesn't necessarily signal the end of crypto's role in corporate finance; it marks the beginning of a more mature phase. With barriers to entry rising and investor expectations climbing, established players like BitMine and SharpLink are poised to shape the next chapter of the digital asset economy.

In short, while the crypto treasury gold rush may be slowing, the companies that got in early and got it right are now in a prime position to lead.