

VALUING ETHEREUM: THE AGENTIC UPSIDE

No population ceiling, no attention ceiling, nothing biological limiting it. Three matrices size the upside, each verifiable against the live model.

Visit eth-valuation-analysis.vercel.app for the full model.

Why the agentic economy runs onchain

Full-reserve, programmable money is **not one option among several** — it's the specific answer machine-speed settlement requires.

THE GENERAL CASE

Drawing on Jeremy Allaire's The Agentic Economy, July 2026

Autonomous agents transact without a human in the loop, at machine speed, across counterparties they've never dealt with before. That requires money with no counterparty risk to price on every transaction, and settlement that is final the instant it happens. Not probabilistically final, actually final.

THE ETHEREUM-SPECIFIC CASE

The trust infrastructure this depends on is being built now. ERC-8004, Ethereum's standard for on-chain agent identity, reputation, and validation, went live on mainnet in January 2026, co-developed by the Ethereum Foundation, MetaMask, Google, and Coinbase, and reportedly extending to Base, BNB Chain, and other networks. This is infrastructure other chains build on top of, not a walled garden.

This matters for value accrual, not just adoption: Ethereum's base-layer fee revenue has fallen sharply since execution moved to L2s in 2024. Agent-driven settlement and blob space demand is a direct, if unproven, answer to that decline, not a separate story from it.

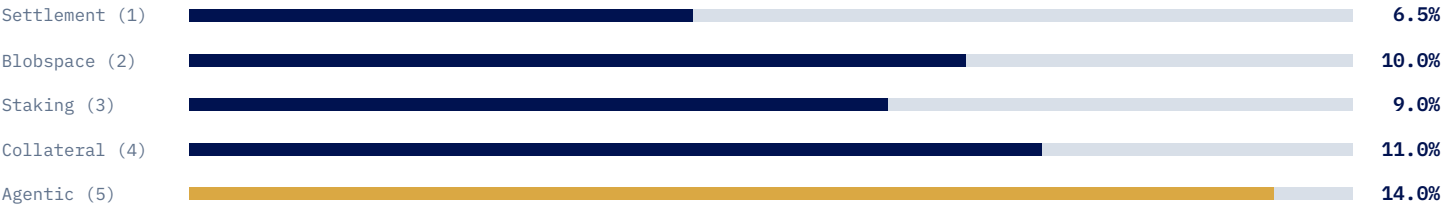
Model methodology & mechanics

SUM-OF-THE-PARTS, SEGMENT-SPECIFIC RISK

Five segments, each valued at its own discount rate, from Settlement's defensible but fee-compressed transaction revenue (6.5% WACC, 1% assumed annual growth) to Agentic's speculative, high-conviction upside (14% WACC).

SEGMENT DISCOUNT RATES (WACC)

Each segment valued at its own WACC, from Settlement's defensible transaction fees to Agentic's speculative, high-conviction upside.



OVERLAP DISCIPLINE

One ETH occupies one primary role at a time. Where capital genuinely does double duty, that overlap is a calibrated multiplier, capped to stay within conceptually possible bounds, not assumed away or double-counted.

HOW THE AGENTIC SEGMENT IS ACTUALLY BUILT

- 01 Start from what's observed: \$73M in actual agent settlement, the baseline the S-curve compounds forward from over nine years to reach 2036.
- 02 Project forward on an S-curve (inflection year and steepness held fixed) to a 2036 terminal value, the assumption every matrix in this deck stress-tests.
- 03 Apply Ethereum's capture %, the share of that settlement Ethereum wins, not the total.
- 04 Discount at Agentic's own 14% WACC, the highest in the model.
- 05 That's Segment 5's present value. It doesn't stop there: 20% of Agentic's own growth rate, split evenly across Settlement, Blobspace, and Overlap/Collateral, adds to each of those segments' growth too, because agents accelerate automated activity network-wide, not just their own settlement.

The starting case

Today's live model. Not a forecast. It's the point every matrix measures distance from.

\$89.2B

SEGMENT 5 PRESENT VALUE

38.9%

SHARE OF TOTAL ENTERPRISE VALUE

\$1,850

VALUE PER ETH

Present value. Today's cash flows, over today's fixed ~124M supply. Deliberately burn-blind. It answers what 1 ETH is worth today.

Matrix 1 (PV): terminal value × Ethereum capture %

Mechanics: the two most externally-facing assumptions: how large agent settlement gets by 2036, and what slice of it Ethereum wins. Capture % is a bet on Ethereum's scaling execution keeping pace with agent demand, not just market share. Range: \$1,850 to \$3,977.

What this shows: size dominates. Moving from the low end to the high end of assumed settlement value moves Value per ETH more than moving Ethereum's capture share across its full range.

TERMINAL VALUE / ETH CAPTURE %	30.0%	35.0%	40.0%	45.0%	50.0%
\$75,000	\$1,850	\$1,970	\$2,090	\$2,209	\$2,329
\$100,000	\$2,106	\$2,265	\$2,425	\$2,585	\$2,745
\$125,000	\$2,358	\$2,558	\$2,758	\$2,958	\$3,158
\$150,000	\$2,609	\$2,849	\$3,089	\$3,328	\$3,568
\$175,000	\$2,859	\$3,138	\$3,418	\$3,698	\$3,977

Matrix 2 (PV): terminal value × risk-premium spread

Mechanics: isolates one lever. WACC compressing as Agentic technology de-risks. Terminal growth held fixed at 3% throughout. The 7.0% floor is the app's actual WACC floor (10%), not an arbitrary stopping point. Range: \$1,850 to \$4,293.

What this shows: isolates the spread as a single financial lever, separate from terminal value. At the matrix's extremes, terminal value and WACC compression together move Value per ETH from \$1,850 to \$4,293, more than doubling it.

TERMINAL VALUE / SPREAD	11.0%	10.0%	9.0%	8.0%	7.0%
\$75,000	\$1,850	\$1,954	\$2,084	\$2,249	\$2,465
\$100,000	\$2,106	\$2,245	\$2,418	\$2,638	\$2,925
\$125,000	\$2,358	\$2,533	\$2,749	\$3,024	\$3,383
\$150,000	\$2,609	\$2,818	\$3,078	\$3,408	\$3,839
\$175,000	\$2,859	\$3,103	\$3,406	\$3,791	\$4,293

Matrix 3 (FV): issuance × burn, on the bull case

Mechanics: future value. Undiscounted 2036 terminal values, over projected 2036 supply, which does reflect burn. Take the \$4,293 scenario. Switch to 2036 methodology. Flex issuance rate and burn share, both real sliders in the app.

What this shows: switches methodology entirely. These are 2036 undiscounted targets, not present values, so they are not directly comparable to Matrices 1 and 2.

BURN SHARE / ISSUANCE RATE	5.0%	4.0%	3.0%	2.0%	1.0%
20%	\$6,644	\$6,820	\$7,006	\$7,202	\$7,410
40%	\$6,956	\$7,149	\$7,354	\$7,570	\$7,800
60%	\$7,299	\$7,512	\$7,738	\$7,978	\$8,234
80%	\$7,677	\$7,913	\$8,164	\$8,432	\$8,718
100%	\$8,097	\$8,360	\$8,641	\$8,941	\$9,264

\$4,293

Present value, bull case

\$7,995

Same case, 2036 target, default supply

\$9,264

Same case, 2036 target, supply mechanics at the model's bounds

\$7,995 reflects the model's actual default inputs (2.8% issuance, 70% burn), between the rounded grid points shown above.

Conditions & constraints

- 01 Ethereum's scaling roadmap keeps pace with agent demand. Capture % is a bet on execution, not just market share.
- 02 Composability overlap saturates near its 95% cap in every bull scenario tested. This is a modeled limit, not an oversight.
- 03 \$9,264 stacks three distinct effects: bull-case sizing, removing the discount, supply compression. It is not a probability-weighted forecast.
- 04 Every bound used here (WACC, terminal growth, capture %, issuance, burn share) is the live app's actual input range. Every matrix cell in this deck is independently verifiable by moving the app's own sliders.
- 05 Every matrix in this deck holds the S-curve's inflection year (2032) and steepness (0.8) at their base-case values. Only terminal value, capture %, and WACC/spread vary.
- 06 Settlement's fee assumptions (1% annual growth, 50% economic rent flow-through) are a bet against the current trend, not a continuation of it. Ethereum's L1 fee revenue remains down sharply from 2021 highs, and the network is net inflationary today, roughly 0.2% to 0.8% annually, as burn has fallen below issuance since the 2024 Dencun upgrade shifted activity to L2s. This model assumes gradual fee recovery. The Agentic segment's growth is one proposed source of that recovery: increased settlement and blobspace demand from agents is a direct answer to the same value accrual question fee compression has raised.

Give the model a spin

Visit eth-valuation-analysis.vercel.app to test your own assumptions and draw your own conclusions.