



OTC Markets Group Inc. (OTCM)

4Q:25 Results Outperformed Our Forecast On Elevated Volume, Subscriber Growth; Upbeat On MOON ATS Growth Prospects; Highlight 67% Dividend Increase; Maintain Estimates, \$65 Target

EPS ESTIMATES

	2024		2025E		2026E		2027E	
			OLD	NEW	OLD	NEW	OLD	NEW
Mar	\$0.49		\$0.50A		\$0.61		\$0.63	
Jun	\$0.56		\$0.60A		\$0.70		\$0.71	
Sep	\$0.61		\$0.71A		\$0.76		\$0.80	
Dec	<u>\$0.60</u>		<u>\$0.72</u>	<u>\$0.76A</u>	<u>\$0.74</u>		<u>\$0.76</u>	
EPS	\$2.26		\$2.57	\$2.58A	\$2.81		\$2.90	
P/E				20.4x	18.7x		18.1x	

Note: NR = Not Rated. Risk Ratings: H = High; M = Moderate. Sum of quarterly EPS may not equal full-year total due to rounding and/or change in share count. NC=Not covered by Sidoti & Co., LLC.

Year	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Rev.(Mil.)	\$59.3	\$62.8	\$71.2	\$102.9	\$105.1	\$109.9	\$111.1	\$125.3	\$131.1	\$135.7
GAAP EPS	\$1.36	\$1.25	\$1.53	\$2.52	\$2.53	\$2.28	\$2.26	\$2.58	\$2.81	\$2.90

COMPANY DESCRIPTION

OTC Markets Group, Inc. (www.otcm.com), operates three lines of business centered on more than 12,300 U.S. and global securities clients at the end of 2024. The company offers a cost-effective solution to penetrate the U.S. securities market, while providing a host of services that connect brokers and dealers, organize markets, and ultimately monetize OTC's vast database of information. OTC's three lines of business are OTC Link (20% of 2024 revenue), Market Data (39%) and Corporate Services (41%). Headquarters are in New York, NY. OTCM trades on the OTCQX market.

- **Our outlook captures OTCM's role as a provider of critical market infrastructure, subscription derived revenue, stable capital structure, and progress toward expanding its product suite to drive growth.**
- **Key initiatives for OTCM in 2026 include increasing broad activity on OTC Link, including on the MOON ATS, and increasing Corporate Services subscribers.**
- **We anticipate growth from MOON ATS, which offers a unique value proposition for NMS and OTS securities, and the new OTCID market tier that adds value for subscribers and improves market quality, in our view.**
- **Strong subscriber and volume trends and price increases drove the 4Q:25 operating margin to 36%, the highest quarterly measure in four years. EPS rose 27% year over year and outpaced our estimate.**
- **OTCM maintains a healthy and debt free balance sheet. Strong FCF generation continues to support capital allocation priorities that include returning capital to shareholders, opportunistic buybacks, and potential M&A. The company returned \$32.6 million to shareholders in 2025, including about \$29.7 million of dividends.**
- **OTCM's Board authorized a nearly 67% increase in its quarterly dividend to \$0.30 per share (from \$0.18 per share). The increase is geared toward rebalancing the company's annual dividend and special dividend (typically paid in Q4) composition.**
- **Our \$65 price target is based on 23x our 2027 EPS forecast of \$2.90. Our moderate risk rating reflects OTCM's role as a provider of critical market infrastructure and its recurring, subscription based revenue profile.**

We maintain our estimates, reflecting growth from increased activity on OTC Link, including on MOON ATS, and positive trends in Corporate Services subscribers. Our outlook reflects OTCM's status as a provider of critical financial market infrastructure that aims to better organize markets and increase transparency. In 2026, we anticipate OTCM will focus on increasing the number of securities and activity on OTC Link and increasing the number of

NR

Price Target: \$65
Price: \$55.85
Risk Rating: M

Brendan McCarthy, CFA

(212) 453-7057

bmccarthy@sidoti.com

Key Statistics

Market Cap (Mil)	\$629
Enterprise Value (Mil)	\$580
52-Week Range	61-45
5-Year EPS CAGR.	13%
Avg. Daily Trading Volume	6,000
Shares Out (Mil)	11.975
Float Shares (Mil)	7.714
Insider Ownership	34%
Institutional Holdings	9%
Annualized Dividend	\$0.72
Dividend Yield	1.4%
FCF Per Share (2025E)	\$3.43
FCF Yield (2025E)	6.5%
Net Cash Per Share (2025E)	\$4.58
Price to Book Value	11.9x
Return on Equity (2025E)	64.7%
Total Debt to Capital	N/A
Interest Coverage Ratio	N/A
Short Interest %	N/A
Short Interest Days To Cover	N/A
Russell 2000	2,586
Russell 2000 - Last 12 Months	24.3%
OTCM - Last 12 Months	5.8%

05-Mar-2023 to 05-Mar-2026 (Daily) Price



Source: FactSet Prices

company subscribers in the Corporate Services segment. Corporate Services growth will be driven by international companies that meet the listing standards of a qualified non-U.S. stock exchange in their primary market and see more value/cost savings in listing with OTCM over a U.S. exchange. Cross traded international securities dollar volume grew impressively in 2025 and comprised about 88% of total volume. In addition, we expect sales efforts to be aimed at enticing companies to subscribe to the highest quality available market platform (e.g., OTCQX, OTCQB, OTCID). In the OTC Link business, the company is focused on driving subscriber connectivity and trading activity on the MOON ATS and OTC Overnight platforms. MOON ATS volume has risen impressively, with OTCM acting as an early mover in capturing NMS security volume in a competitive space. We believe OTCM's ability to trade OTC equity and exchange listed NMS securities overnight will help grow 2026 revenue. In total, we estimate OTC Link will generate about 20% of total revenue in 2026, roughly in line with the historical norm. In the Market Data Licensing segment, we expect OTCM to continue to make progress on monetizing data while increasing client value by developing new solutions for subscribers. Annual price increases across the business (usually in Q1) — though unlikely to be the same magnitude as the 1Q:25 increases in the Market Data segment (which has a different price schedule) — back our 5% revenue growth estimate for 2026. With a stable 31% operating margin, we forecast 2026 EPS to rise 9% to \$2.81.

OTCM generated strong 4Q:25 results, with 15% year-over-year growth in gross revenue driven by the launch of OTCID and meaningful price increases across the business. OTCM saw broad revenue gains across all business segments, with 4Q:25 gross revenue up 15% to \$32.7 million, ahead of our \$31.9 million estimate. Corporate Services revenue rose 17% year over year to \$13.1 million in 4Q:25, driven by the new OTCID market that launched in 3Q:25 and had 1,052 subscribers at 4Q:25. Subscriber growth drove a 55% increase in revenue from the Disclosure & News Service (DNS) product in the quarter (the primary method for companies to access OTCID). Segment revenue also benefitted from growth in OTCQX (574 subscribers) and OTCQB (1,106 subscribers) in 4Q:25, up 1% and 5%, respectively, from the prior year period. OTCQX (95%) and OTCQB retention rates remained around the historical average. Internationally, OTCM value proposition was evident by the 99 international companies joining OTCQX and 207 joining OTCQB in the year, nearly double the 2024 measures. Market Data Licensing segment revenue rose 17% year over year to \$12.7 million in 4Q:25, largely driven by price increases. OTC Link segment revenue rose 7% year over year to \$6.8 million from higher transaction-based revenue due to the higher volume of shares behind the 23% increase in total dollar volume in the quarter. For the year, gross revenue rose a solid 13% in 2025 to \$125.3 million.

Strong subscriber and volume trends and price increases drove 4Q:25 operating margin to 36%, the highest quarterly measure in four years, and EPS to 27%. Factoring in a stable 6% year-over-year increase in operating expenses, geared toward human capital and IT spending, operating income rose 32% year over year over year in 4Q:25 to \$11.5 million. Operating margin was outsized at 36% in 4Q:25 (compared to 32% in 4Q:24), the highest measure for OTCM since 4Q:22 and well ahead of our 33% estimate. Strong operating results drove 4Q:25 EPS up 27% from 4Q:24 to \$0.76, ahead of our \$0.72 estimate. For the year, broad operating momentum drove EPS up 14% year over year to \$2.58.

Exhibit 1: OTC Markets Group Inc. Variance Table									
\$ in thousands except per share data									
	<u>4Q:24A</u>	<u>4Q:25A</u>	<u>4Q:25E</u>	<u>% Change</u>	<u>\$ Variance</u>	<u>2024A</u>	<u>2025A</u>	<u>YoY % Change</u>	<u>YoY \$ Variance</u>
Total Dollar Volume (bn)	141.6	173.5	173.5	0%	-	492.0	691.5	45%	199.5
OTC Link	6,364	6,830	6,491	5%	338.7	22,409	26,260	17%	3,851
Market Data Licensing	10,893	12,745	12,527	2%	218.0	43,625	50,364	15%	6,739
<u>Corporate Services</u>	<u>11,194</u>	<u>13,147</u>	<u>12,873</u>	<u>2%</u>	<u>273.9</u>	<u>45,030</u>	<u>48,664</u>	<u>8%</u>	<u>3,634</u>
Gross Revenue	28,451	32,722	31,891	3%	830.7	111,064	125,288	13%	14,224
Operating Expenses	16,753	17,788	18,622	(4%)	(834.3)	69,020	73,852	7%	4,832
Operating Income	8,750	11,523	10,080	14%	1,443.1	32,213	38,235	19%	6,022
Operating Margin*	32%	36%	33%			30%	32%		
Net Income	\$7,215	\$9,237	\$8,574	8%	663.2	27,360	31,136	14%	3,776
Profit Margin*	26%	29%	28%			25%	26%		
EPS	\$0.60	\$0.76	\$0.72	5%	\$ 0.04	\$ 2.26	\$ 2.58	14%	\$ 0.32
Consensus EPS		\$0.74							

Sources: Company reports and Sidoti & Company, LLC, estimates.

* Based on net revenue consistent with company operating metrics

Valuation	We maintain our \$65 price target on OTCM, based on 23x our 2027 EPS estimate of \$2.90. In the past five years, OTCM shares traded at 16x-29x forward EPS and averaged 23x. Corporate service and exchange peers trade at 21x-59x and average 30x forward earnings. OTCM's lack of trading liquidity could validate a discount to peers. Yet we view the recurring, subscription derived revenue model (85% of 2024 gross revenue), product expansion, strong balance sheet, and key regulatory role as supporting our multiple. We also think OTCM operates with a wide economic moat as an operator of critical market infrastructure for smaller companies. Technology investments to increase the value of Market Data Licensing and grow international Corporate Service subscribers could warrant a higher multiple, in our view. Our Moderate risk rating reflects strengths in OTCM's business model as a provider of critical market infrastructure with diverse end markets and subscription-derived revenue of 80%-90%.		
Key Risks	Volatile trading volumes	Economic sensitivity	Regulatory

OTC Markets Group Inc.

Table 1. OTC Markets Group Inc., Income Statement
(\$ in thousands, except where noted)

	2023	MarA	JuneA	SepA	DecA	2024	MarA	JuneA	SepA	DecA	2025	MarE	JuneE	SepE	DecE	2026E	2027E
Operating Segments																	
OTC Link	\$19,600	\$5,397	\$5,408	\$5,240	\$6,364	\$22,409	\$6,563	\$6,447	\$6,420	\$6,830	\$26,260	\$6,629	\$6,511	\$6,484	\$6,830	\$26,454	\$26,884
Market Data Licensing	43,368	11,088	10,782	10,862	10,893	43,625	12,783	12,316	12,520	12,745	50,364	12,911	12,809	12,958	13,127	51,805	54,006
Corporate Services	46,928	11,172	11,372	11,292	11,194	45,030	11,080	11,742	12,695	13,147	48,664	12,964	13,151	13,203	13,541	52,859	54,842
Gross Revenue	\$109,896	\$27,657	\$27,562	\$27,394	\$28,451	\$111,064	\$30,426	\$30,505	\$31,635	\$32,722	\$125,288	\$32,503	\$32,471	\$32,645	\$33,499	\$131,118	\$135,731
Redistribution fees and rebates	3,237	840	791	760	791	3,182	994	998	926	985	3,953	975	974	979	1,005	3,934	4,022
Net Revenue	\$106,659	\$26,817	\$26,771	\$26,634	\$27,660	\$107,882	\$29,432	\$29,507	\$30,659	\$31,737	\$121,335	\$31,528	\$31,497	\$31,666	\$32,494	\$127,185	\$131,659
Redistribution & Transaction fees	5,524	1,508	1,549	1,435	2,157	6,649	2,375	2,292	2,155	2,426	9,248	2,275	2,273	2,285	2,345	9,178	9,501
Revenues less transaction-based expenses	\$101,134	\$25,309	\$25,222	\$25,199	\$25,503	\$101,233	\$27,057	\$27,215	\$28,504	\$29,311	\$112,086	\$29,253	\$29,224	\$29,381	\$30,149	\$118,006	\$122,158
Compensation	42,467	12,522	10,934	10,506	10,160	44,122	12,906	11,573	11,162	10,795	46,436	13,651	12,112	11,426	11,725	48,913	51,358
IT Infrastructure	10,311	2,699	2,545	2,657	2,673	10,574	2,715	2,858	2,896	2,910	11,379	3,055	3,052	3,069	3,149	12,325	12,828
Professional fees	8,048	1,466	1,521	1,525	1,783	6,295	1,956	1,842	1,916	1,947	7,661	2,080	2,046	2,024	2,077	8,227	8,213
Marketing & Advertising	1,194	263	362	320	422	1,367	343	438	368	488	1,637	423	455	490	469	1,836	1,833
Occupancy costs	2,360	585	576	589	619	2,369	638	668	629	622	2,557	650	617	653	670	2,590	2,681
D&A	2,398	653	682	677	668	2,680	660	656	635	610	2,561	650	649	653	670	2,622	2,715
General and administrative	1,762	422	462	301	428	1,613	565	349	291	416	1,621	423	422	424	435	1,705	1,765
Total Operating Costs	\$68,540	\$18,610	\$17,082	\$16,575	\$16,753	\$69,020	\$19,783	\$18,384	\$17,897	\$17,788	\$73,852	\$20,932	\$19,353	\$18,738	\$19,195	\$78,218	\$81,392
Operating Income	\$32,594	\$6,699	\$8,140	\$8,624	\$8,750	\$32,213	\$7,274	\$8,831	\$10,607	\$11,523	\$38,235	\$8,321	\$9,871	\$10,642	\$10,954	\$39,788	\$40,766
Interest Income & Other income	903	175	184	270	300	929	150	216	269	317	953	300	300	300	300	1,200	1,200
Pretax Income	\$33,497	\$6,874	\$8,324	\$8,894	\$9,050	\$33,142	\$7,424	\$9,047	\$10,876	\$11,840	\$39,188	\$8,621	\$10,171	\$10,942	\$11,254	\$40,988	\$41,966
Income Taxes	(5,836)	(890)	(1,591)	(1,466)	(1,835)	(5,782)	(1,384)	(1,747)	(2,318)	(2,603)	(8,052)	(1,379)	(1,892)	(1,970)	(2,476)	(7,717)	(7,607)
Net Income	\$27,661	\$5,984	\$6,733	\$7,428	\$7,215	\$27,360	\$6,040	\$7,300	\$8,558	\$9,237	\$31,136	\$7,241	\$8,279	\$8,973	\$8,778	\$33,272	\$34,359
Less restricted stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income To Common	\$27,661	\$5,984	\$6,733	\$7,428	\$7,215	\$27,360	\$6,040	\$7,300	\$8,558	\$9,237	\$31,136	\$7,241	\$8,279	\$8,973	\$8,778	\$33,272	\$34,359
Basic EPS	\$2.32	\$0.50	\$0.56	\$0.62	\$0.61	\$2.29	\$0.50	\$0.61	\$0.71	\$0.77	\$2.59	\$0.61	\$0.70	\$0.76	\$0.75	\$2.82	\$2.92
FD EPS	\$2.28	\$0.49	\$0.56	\$0.61	\$0.60	\$2.26	\$0.50	\$0.60	\$0.71	\$0.76	\$2.58	\$0.61	\$0.70	\$0.76	\$0.74	\$2.81	\$2.90
FD Shares Outstanding	11,863	11,863	11,838	11,833	11,855	11,841	11,834	11,831	11,870	11,878	11,853	11,878	11,878	11,878	11,878	11,878	11,878
Dividend	\$2.22	\$0.18	\$0.18	\$0.18	\$1.68	\$2.22	\$0.18	\$0.18	\$0.18	\$1.93	\$2.47	\$0.30	\$0.30	\$0.30	\$0.30	\$1.20	\$2.88
Payout Ratio	96%	36%	32%	29%	278%	97%	36%	29%	25%	249%	96%	49%	43%	39%	40%	42%	99%
EBITDA	\$40,907	\$9,178	\$10,315	\$10,775	\$11,130	\$41,398	\$9,816	\$11,115	\$12,829	\$13,825	\$47,585	\$10,921	\$12,144	\$12,927	\$13,299	\$49,292	\$51,278
Growth Analysis																	
OTC Link	(6.4%)	(0.9%)	12.2%	15.6%	32.5%	14.3%	21.6%	19.2%	22.5%	7.3%	17.2%	1.0%	1.0%	1.0%	0.0%	0.7%	1.6%
Market Data Licensing	19.1%	2.3%	1.3%	(1.3%)	0.1%	0.6%	15.3%	14.2%	15.3%	17.0%	15.4%	1.0%	4.0%	3.5%	3.0%	2.9%	4.2%
Corporate Services	(1.8%)	(4.8%)	(3.3%)	(1.8%)	(6.1%)	(4.0%)	(0.8%)	3.3%	12.4%	17.4%	8.1%	17.0%	12.0%	4.0%	3.0%	8.6%	3.8%
Revenue YOY Growth	4.5%	(1.3%)	1.2%	1.3%	3.1%	1.1%	10.0%	10.7%	15.5%	15.0%	12.8%	6.8%	6.4%	3.2%	2.4%	4.7%	3.5%
Seq. Rev Growth		0.2%	(0.3%)	(0.6%)	3.9%		6.9%	0.3%	3.7%	3.4%		(0.7%)	(0.1%)	0.5%	2.6%		
Adjusted Net Income YoY Growth	(10.2%)	(5.3%)	(3.3%)	0.6%	3.1%	(1.1%)	0.9%	8.4%	15.2%	28.0%	13.8%	19.9%	13.4%	4.8%	(5.0%)	6.9%	3.3%
Adjusted FD EPS YoY Growth	(9.8%)	(5.4%)	(1.5%)	(0.7%)	3.3%	(0.9%)	1.2%	6.9%	17.0%	26.6%	14.0%	21.8%	16.7%	6.2%	(2.5%)	9.1%	3.3%
Adjusted EBITDA	40,909	9,178	10,315	10,775	11,130	41,264	9,816	11,115	12,829	13,825	47,586	10,921	12,144	12,927	13,299	49,430	51,524
EBITDA YOY Growth	(5.4%)	0.3%	(0.9%)	2.2%	3.1%	0.9%	7.0%	7.8%	19.1%	24.2%	15.3%	11.3%	9.3%	0.8%	(3.8%)	3.9%	4.2%
Margin Analysis																	
Operating Margin	30.6%	25.0%	30.4%	32.4%	31.6%	29.9%	24.7%	29.9%	34.6%	36.3%	31.5%	26.4%	31.3%	33.6%	33.7%	31.3%	31.0%
Adjusted Profit Margin	25.9%	22.3%	25.2%	27.9%	26.1%	25.4%	20.5%	24.7%	27.9%	29.1%	25.7%	23.0%	26.7%	28.3%	27.0%	26.2%	26.1%
Tax Rate	17%	13%	19%	16%	20%	17%	19%	19%	21%	22%	21%	16%	19%	18%	22%	19%	18%

Sources: Company reports, Sidoti & Company, LLC estimates

OTC Markets Group Inc.

Table 2. OTC Markets Group Inc., Statement of Cash Flows

(\$ in thousands except where noted)

	2023	2024	MarA	JuneA	SepA	DecE	2025E	2026E	2027E
Operating Activities									
Net Income	\$27,661	\$27,360	\$6,040	\$7,300	\$8,558	\$9,237	\$31,135	\$33,272	\$34,359
Depreciation & amortization	2,398	2,681	660	656	635	610	2,561	2,761	2,961
Provision for bad debts	367	(13)	137	(63)	(98)	0	(24)	0	0
Share based compensation	5,858	6,370	1,881	1,627	1,587	1,693	6,788	6,881	7,797
Excess tax benefit	(815)	(417)	(128)	(115)	(78)	0	(321)	0	0
Deferred rent & other	31	0	0	0	0	0	0	0	0
Deferred income taxes	(2,838)	(2,429)	(453)	(458)	3,697	0	2,786	0	0
Loss on fixed assets	0	13	0	0	0	0	0	0	0
Change in Operating Assets & Liabilities	\$32,662	\$33,565	\$8,137	\$8,947	\$14,301	\$11,540	\$42,925	\$42,914	\$45,117
Net Change in Working Capital	374	(692)	(8,955)	2,274	(967)	5,107	(37)	6,670	6,655
Net Cash Provided by Operations	\$33,036	\$32,873	(\$818)	\$11,221	\$13,334	\$16,647	\$42,888	\$49,584	\$51,773
Investing Activities									
Acquisitions	0	0	0	0	0	0	0	0	0
Capital expenditures	(1,567)	(1,301)	(116)	(42)	0	(393)	(551)	(1,963)	(2,032)
Net proceeds/purchase of short term investments	(3,622)	(891)	642	(989)	0	0	(347)	0	0
Net Cash Provided by Investing Activities	(\$5,189)	(\$2,192)	\$526	(\$1,031)	\$0	(\$393)	(\$898)	(\$1,963)	(\$2,032)
Financing Activities									
Dividends	(26,482)	(26,585)	(2,162)	(2,164)	(2,164)	(22,884)	(29,374)	(31,761)	(32,446)
Proceeds from stock options	0	86	11	5	0	0	16	0	0
Restricted stock issuance	1	(825)	1	0	0	0	1	0	0
Withholding taxes paid	(1,236)	(797)	(130)	(251)	(160)	0	(541)	0	0
Excess tax benefits	0	0	0	0	0	0	0	0	0
Purchase of treasury stock	(3,379)	(2,944)	(2,934)	0	0	0	(2,934)	(3,000)	(3,000)
Net Cash Provided by Financing	(\$31,096)	(\$31,065)	(\$5,214)	(\$2,410)	(\$2,324)	(\$22,884)	(\$32,832)	(\$34,761)	(\$35,446)
Net Cash Increase (decrease) in cash	(\$3,249)	(\$384)	(\$5,506)	\$7,780	\$11,010	(\$6,629)	\$9,159	\$12,859	\$14,294
Beginning cash balance	38,936	35,687	36,128	30,622	38,402	49,412	35,303	44,462	57,321
Ending Cash Balance	\$35,687	\$35,303	\$30,622	\$38,402	\$49,412	\$42,783	\$44,462	\$57,321	\$71,615
CFFO	\$33,036	\$32,873	(\$818)	\$11,221	\$13,334	\$16,647	\$42,888	\$49,584	\$51,773
CapEx	(1,567)	(1,301)	(116)	(42)	0	(393)	(551)	(1,963)	(2,032)
Free Cash Flow (excluding SBC)	\$25,611	\$26,005	(\$2,815)	\$9,552	\$11,747	\$14,562	\$33,046	\$40,739	\$41,943
FCF / Share	\$2.16	\$2.20	(\$0.24)	\$0.81	\$0.99	\$1.23	\$2.79	\$3.43	\$3.53

Sources: Company reports, Sidoti & Company, LLC estimates

Table 3. OTC Markets Group Inc., Balance Sheet

(\$ in thousands except where noted)

	2023	2024	MarA	JuneA	SepA	DecE	2025E	2026E	2027E
ASSETS									
Current Assets									
Cash and cash equivalents	34,101	34,522	\$29,016	\$36,796	\$47,806	\$41,177	41,177	54,404	68,698
Short-term investments	3,622	4,513	3,871	4,860	4,860	4,860	4,860	4,860	4,860
Receivables	7,680	8,097	9,268	8,515	8,651	8,297	8,297	8,497	8,697
Prepaid income taxes	1,324	244	430	750	2,445	2,445	2,445	2,445	2,445
Prepaid expenses	1,865	2,237	2,771	2,808	2,113	2,113	2,113	2,113	2,113
Total Current Assets	\$48,592	\$49,613	\$45,356	\$53,729	\$65,875	\$58,892	\$58,892	\$72,319	\$86,813
PP&E	8,429	7,096	6,697	6,229	5,739	5,231	5,231	4,065	3,136
Operating lease right-of-use assets	12,324	10,951	10,597	10,239	9,876	9,876	9,876	9,876	9,876
Non-current deferred tax asset	7,691	10,120	10,573	11,031	7,334	7,334	7,334	7,334	7,334
Goodwill	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984
Intangible assets	7,411	6,829	6,684	6,538	6,393	6,393	6,393	6,393	6,393
Other Assets	2,094	2,149	2,159	2,066	1,968	2,259	2,259	2,259	2,259
Total Assets	\$90,525	\$90,742	\$86,050	\$93,816	\$101,169	\$93,968	\$93,968	\$106,230	\$119,795
Liabilities									
Accounts payable	2,152	1,175	854	1,102	1,155	1,503	1,503	1,573	1,629
Income tax payable	141	54	1,457	3	382	382	382	382	382
Accrued expenses	14,065	13,425	7,388	10,269	12,820	14,225	14,225	15,025	15,825
Deferred revenue	29,267	29,084	27,001	26,930	23,843	26,843	26,843	32,843	38,843
Current Liabilities	\$45,625	\$43,738	\$36,700	\$38,304	\$38,200	\$42,953	\$42,953	\$49,823	\$56,679
Operating Lease Liabilities	11,895	10,360	9,964	9,564	9,159	9,159	9,159	9,159	9,159
Income tax reserve	778	927	962	1,007	1,048	1,048	1,048	1,048	1,048
Total Liabilities	\$58,298	\$55,025	\$47,626	\$48,875	\$48,407	\$53,160	\$53,160	\$60,030	\$66,886
Shareholders' Equity									
Class A	127	128	129	129	129	129	129	129	129
Additional paid-in capital	29,469	35,127	36,889	38,270	39,697	41,390	41,390	45,271	50,068
Retained earnings	22,425	23,200	27,078	32,214	38,608	24,961	24,961	26,471	28,384
Treasury shares	(19,794)	(22,738)	(25,672)	(25,672)	(25,672)	(25,672)	(25,672)	(25,672)	(25,672)
Total Stockholders' Equity	\$32,227	\$35,717	\$38,424	\$44,941	\$52,762	\$40,808	\$40,808	\$46,199	\$52,909
Total Liabilities & Stockholders' Equity	\$90,525	\$90,742	\$86,050	\$93,816	\$101,169	\$93,968	\$93,968	\$106,230	\$119,795
Key Metrics									
ROA	30.4%	30.1%	31.0%	31.1%	29.9%	31.9%	31.9%	30.4%	27.9%
ROE	72.6%	65.9%	74.0%	67.1%	59.6%	66.5%	66.5%	64.7%	58.9%
ROIC	54.3%	51.7%	56.9%	53.4%	49.1%	54.6%	54.6%	54.0%	50.1%
Cash per share	\$2.87	\$2.92	\$2.45	\$3.11	\$4.03	\$3.47	\$3.47	\$4.58	\$5.78

Sources: Company reports, Sidoti & Company, LLC estimates

Required Disclosures

OTC Markets Group Inc. (OTCM-\$52.50) NR Price Target: \$65 Risk Rating: M

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Risk Rating	03/08/2024	11.1			M
PT	08/08/2024	48.0		63	
PT	11/14/2025	54.3		65	

05-Mar-2023 to 05-Mar-2026 (Daily) Price



Source: FactSet Prices

Valuation	We maintain our \$65 price target on OTCM, based on 23x our 2027 EPS estimate of \$2.90. In the past five years, OTCM shares traded at 16x-29x forward EPS and averaged 23x. Corporate service and exchange peers trade at 21x-59x and average 30x forward earnings. OTCM's lack of trading liquidity could validate a discount to peers. Yet we view the recurring, subscription derived revenue model (85% of 2024 gross revenue), product expansion, strong balance sheet, and key regulatory role as supporting our multiple. We also think OTCM operates with a wide economic moat as an operator of critical market infrastructure for smaller companies. Technology investments to increase the value of Market Data Licensing and grow international Corporate Service subscribers could warrant a higher multiple, in our view. Our Moderate risk rating reflects strengths in OTCM's business model as a provider of critical market infrastructure with diverse end markets and subscription-derived revenue of 80%-90%.		
Key Risks	Volatile trading volumes	Economic sensitivity	Regulatory

(IF A COMPANY SPONSORED RESEARCH ("CSR") REPORT, ALSO REFER TO ADDITIONAL CSR-SPECIFIC DISCLOSURES PROVIDED BELOW)

Rating System

Sidoti's Equity Research rating system consists of BUY and NEUTRAL recommendations, as well as a NOT RATED classification. We do not assign these BUY or NEUTRAL ratings for companies covered under our Company Sponsored Research program. Companies (or equity securities) covered by our CSR program are classified as NOT RATED (NR) and are only assigned a HIGH (H) or MODERATE (M) risk rating. Unless otherwise noted in a report, Sidoti ratings should be interpreted as follows:

Rating	Industry	Interpretation
BUY	All, except Utilities	Capital appreciation of at least 25% over the next 12 months
NEUTRAL	All, except Utilities	Capital appreciation of less than 25% over the next 12 months
BUY	Utilities(a)	Capital appreciation of at least 15% over the next 12 months
NEUTRAL	Utilities(a)	Capital appreciation of less than 15% over the next 12 months
HIGH (RISK)	All in CSR program	Companies/equities with among others, one or more of the following characteristics:

		<ul style="list-style-type: none"> • significant potential for loss of principal; • significant share price volatility; • limited revenue or cash flow and/or high unpredictability associated with revenue and cash flow; • short and/or unprofitable operating history; • potentially significant issues regarding operational and/or financial success; • problematic financial, liquidity, legal, regulatory or political issues; • upcoming need for additional capital when availability is questionable; • significant related party transactions which could lead to a conflict of interest; • any other factor that the analyst believes could materially and adversely impact the subject company and/or the value of its securities.
MODERATE (RISK)	All in CSR program	<p>Companies which have many of the same risks as described under the HIGH risk rating, but which risks are mitigated (on a relative basis and in the opinion of the analyst) due to, among others, one or more of the following:</p> <ul style="list-style-type: none"> • more stable and predictable revenue, profits and cash flow; • more established operating history; • more favorable operating or business environment • lower potential for financial, liquidity, regulatory or political issues; or • less onerous upcoming capital needs.

(a) those with at least 75% of operations derived from regulated state and federal businesses

Percentage of Covered Companies with Each Rating and Realization of Investment Banking Income from Covered Companies Over the Past 12 Months:

With reference to the information described in the header immediately above please refer to the table below, which is as of 3-5-2026 , and reflects information immediately prior to, the publication of this report:

Rating	# of Companies	% (b)	Realized Investment Banking Income (# of companies with rating)	Realized Investment Banking Income (% of companies with rating)
BUY	21	16.9%	0	0.0%
NEUTRAL(a)	4	3.2%	0	0.0%
NOT RATED	0	0.0%	0	0.0%
NR - CSRs Moderate Risk (c)	87	70.2%	0	0.0%
NR - CSRs High Risk (c)	11	8.9%	0	0.0%
TOTAL	124	100%	0	0.0%
(a) Of the NEUTRALS 4 trade above our price target.				
(b) Numbers may not add due to rounding or because of a pending drop of coverage.				
(c) 88.8% of our CSRs are moderate risk, while 11.2% are high risk.				

Certain Risks

A universal risk to all our price targets is that the analyst's estimates or forecasts may not be met. Past performance should not be construed as indicative of future performance. This report contains forward-looking statements, which involve risks and uncertainties. Actual results may differ significantly from such forward-looking statements. Factors that may cause such a

difference include, but are not limited to, those discussed in the “Risk Factors” section in the subject company’s SEC filings available in electronic format through SEC Edgar filings at www.sec.gov.

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Sidoti employees, including research analysts, receive compensation that is based in part upon the overall performance of the firm, including revenues generated by Sidoti’s investment banking activities, brokerage activities, from issuers participating in Sidoti’s Company Sponsored Research program, from covered (and non-covered) companies paying to attend our affiliate’s conferences or compensating Sidoti for arranging Non-Deal Road Show (NDR) meetings, but compensation is not directly related to any of these revenue streams. As noted below such factors present a potential conflict of interest.

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Sidoti research analysts generally do not cover (or continue to cover) those companies where Sidoti does not deem coverage to be profitable. In determining whether coverage is profitable, Sidoti considers among other things, (a) an estimate of invoice payments received from its institutional investor clients as it relates to a covered company; (b) whether management of a covered company participates in a Sidoti affiliate’s-sponsored conferences and/or non-deal roadshows (Sidoti’s affiliate receives a fee from the issuer if the issuer presents at a conference and may receive a fee from the issuer if it schedules an NDR; The affiliate thereafter covers a portion of Sidoti’s expenses pursuant to an expense sharing agreement, which amount is determined based on affiliate revenue versus Sidoti revenue); and (c) whether a covered company has in the past or is inclined to include Sidoti in an investment banking transaction as a co-manager or otherwise. A possible effect of factors (b) and (c) above may be that continued coverage decisions are based, in part, on the willingness of management of covered companies to participate in, and compensate Sidoti’s affiliate for, such conferences and NDR meetings, as well as Sidoti’s inclusion in investment banking transactions. This approach could be viewed as presenting potential conflicts of interest. There are additional conflicts of interest, described below, regarding companies that are part of Sidoti’s CSR program.

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Sidoti does NOT own securities of the issues described herein. Sidoti policy does not allow an analyst or a member of their household or any account in which they otherwise hold a beneficial interest to own shares in any company that he/she covers. Sidoti policy does not allow employees or household members to serve as an officer or director of a covered company. Sidoti does not make a market in any securities.

Sidoti Investment Banking Revenue Realized from the Subject Company in the Last 12 Month

Sidoti has non-research employees that will seek compensation for investment banking services from the company covered hereunder. As of the date hereof, Sidoti may expect to receive or may intend to seek investment banking compensation from any of its covered companies, including the subject company covered herein, within the next 3 months (additional detail, if any, is provided in a special disclosure below). Investment banking services, as defined under FINRA Rule 2241, includes, among other things, acting as an underwriter in or as a member of the selling group in a securities underwriting. Sidoti’s role in most investment banking transactions can be viewed on this company’s filings at www.sec.gov. The table below sets forth instances where Sidoti has received investment banking revenue from the company covered hereunder in the last twelve months, if any:

Date	Role	Transaction	Security

Sidoti Non-Investment Revenue Realized from the Subject Company in the Last 12 Months

Prior to December 31, 2022, Sidoti held multiple conferences a year and charged a fee of up to \$6,000 per conference to presenting companies. Beginning January 2023, Sidoti Events, LLC (“Sidoti Events”), an affiliate of Sidoti by common ownership, began to hold these conferences. Sidoti or Sidoti Events may also receive a fee of up to \$8,000 for scheduling a Non-Deal Roadshow (“NDR”) day. Sidoti Events reimburses Sidoti for certain services provided by Sidoti to Sidoti Events in respect of these conferences (or NDR days) pursuant to an Expense Sharing Arrangement. The table below sets forth instances where Sidoti or Sidoti Events received non-investment revenue from the company covered hereunder, if any, over the past 12 months:

Conferences	NDR Days

Additional Disclosures Specific to the Subject Company of this Report Including the Pursuit or Expectation of Investment Banking Revenue in the Next Three Months

None

Analyst Certification

The research analyst that authors this report, Brendan McCarthy, certifies that this report accurately reflects his/her personal views about the subject securities and issuers and that none of the research analysts compensation was, is or will be directly or indirectly related to the analysts specific recommendations or views contained in this research report.

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- utilizes analysts who must abide by the CFA Institute Code of Ethics and Standards of Professional Conduct;
- provide analysts with full discretion on the price target and over other coverage points based on their own due diligence;
- maintains and enforces written policies and procedures reasonably designed to prevent any controlling persons, officers (or persons performing similar functions), or employees of Sidoti from influencing the activities of research analysts and the content of research reports prepared by the research analyst;
- does not directly tie analyst compensation to their willingness to cover a company on a commissioned basis, provided however that the provision of CSR coverage is one of several overall considerations that is factored into Sidoti's determination of analyst compensation; and
- does not directly or indirectly tie analyst compensation to the specific recommendations or views expressed in any research report.

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Many companies covered under Sidoti's CSR program can be classified as microcap stocks, which equities typically bear certain risks that are not as prevalent in the "Blue Chip", large capitalization, mid capitalization or even the small capitalization segment of the market. Microcap stocks are more prone to trade at discounts. They generally have smaller trading volume and smaller public floats than companies with larger market capitalization, which can lead to an inability to buy or sell shares (liquidity risk) in quantity without moving the market (or at all), large bid-ask spreads, and increased stock price volatility (which can result) even if a trade involves a very small number of shares. In addition, microcaps tend to have significant company specific risks that contribute to lower valuations and may limit stock price appreciation. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market. Given the foregoing, readers of this report are urged to pay special attention to the risk rating and risk factors set forth in this report, as well as to seek more detailed information regarding risks by reviewing the company's public filings at www.sec.gov.

Source(s)

Key Statistics data is sourced from FactSet Research Systems