



OTC Markets Group Inc. (OTCM)

2026 Outlook: Forecast Growth From The Launch Of OTCID And Product Expansions, Like Overnight Trading; Strong Balance Sheet Supports Shareholder Returns; Maintain \$65 Price 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>\$0.74</u>		<u>\$0.76</u>	
EPS	\$2.26	\$2.57		\$2.81		\$2.90	
P/E		20.8x		19.0x		18.5x	

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	\$124.5	\$130.0	\$134.6
GAAP EPS	\$1.36	\$1.25	\$1.53	\$2.52	\$2.53	\$2.28	\$2.26	\$2.57	\$2.81	\$2.90

COMPANY DESCRIPTION

OTC Markets Group, Inc. (www.otcm Markets.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 subscription-derived revenue, stable capital structure, and progress toward expanding its product suite to drive growth.**
- **Our 2026 forecast calls for 9% growth in EPS to \$2.81, driven by new product rollouts like OTCID, incremental price increases, and the continuation of elevated trading volume.**
- **We expect OTCM to improve monetization trends in the Market Data Licensing segment, and that OTC Link will continue to generate roughly 20% of total revenue. We expect continued momentum in the Corporate Services segment, which experienced the strongest revenue growth in over two years in 3Q:25 after OTCID launched.**
- **OTCM's launch of OTCID is a significant milestone and another step toward improving market quality, in our view. This market tier carries a \$7,500 annual fee (and a smaller application fee) and had 1,077 subscribers at 3Q:25.**
- **In our view, longer term, OTCM will be a leader in new technologies to improve market quality, like tokenization.**
- **The balance sheet remains a key strength, with no debt and ample liquidity for capital allocation priorities. We estimate OTCM will maintain an elevated payout ratio in 2026, including the regular \$0.18 per share quarterly dividend and a special dividend usually payable in the fourth quarter (\$1.75 per share payable in 4Q:25).**
- **Our \$65 price target is based on about 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 look for 9% growth in EPS to \$2.81 in 2026, driven by new product rollouts, like OTCID and overnight trading, as well as trading volume that will likely remain elevated. 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 expect OTCM will

NR

Price Target: \$65

Price: \$53.44

Risk Rating: M

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Key Statistics

Market Cap (Mil)	\$641
Enterprise Value (Mil)	\$592
52-Week Range	61-45
5-Year EPS CAGR.	13%
Avg. Daily Trading Volume	6,000
Shares Out (Mil)	11.975
Float Shares (Mil)	7.753
Insider Ownership	35%
Institutional Holdings	9%
Annualized Dividend	\$0.72
Dividend Yield	1.4%
FCF Per Share (2026E)	\$3.46
FCF Yield (2026E)	6.5%
Net Cash Per Share (2026E)	\$5.12
Price to Book Value	12.0x
Return on Equity (2026E)	57.2%
Total Debt to Capital	N/A
Interest Coverage Ratio	N/A
Short Interest %	NM
Short Interest Days To Cover	NM
Russell 2000	2,575
Russell 2000 - Last 12 Months	14.5%
OTCM - Last 12 Months	2.8%

08-Jan-2023 to 08-Jan-2026 (Daily) Price



Source: FactSet Prices

continue to benefit from recurring subscription-based revenue sources that typically represent 80%-90% of total revenue and buffer transaction-based revenue from trading volumes. We estimate OTC Link will generate about 20% of total revenue in 2026, roughly in line with the historical norm. Though visibility into transaction-derived revenue is low, we think that elevated retail trading volume in recent quarters, which has driven OTC Link segment revenue up 21% through the first nine months in 2025, may well prove to be sticky. We forecast OTC Link segment revenue of \$25.9 million, in line with 2025. 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. OTCM recently expanded overnight trading capabilities, and the company stated that firms have showed early interest in data feeds connected to OTCM's new MOON ATS. In addition, annual price increases (usually in Q1) support our estimate for 3% year over year growth in Market Data segment revenue to \$51.8 million. In the Corporate Service segment, we believe long-term growth is backed by future international subscribers who 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. We expect sales efforts will be aimed at enticing companies to subscribe to the highest quality available market platform. Yet, subscribers may continue to face economic headwinds, which could affect compliance downgrades and non-renewals. Our 2026 Corporate Services segment revenue estimate is \$52.3 million, up 8% from 2025, with a strong contribution from the new OTCID market tier. Since its July 2025 launch, a substantial number of Pink companies have upgraded to OTCID, which had 1,077 subscribers at 3Q:25, leading to a 48% gain in revenue from DNS subscribers in 3Q:25 (the primary method for companies to access OTCID). Regarding expenses, we expect OTCM to increase headcount to support growth, though we see ample room for operating margin to remain above 30% in 2026. In total, our 2026 EPS estimate of \$2.81 represents 9% growth from 2025.

Longer term, we think the integration of asset tokenization and blockchain technology could be a new growth avenue for OTCM. OTCM will be an early leader in new technologies, like tokenization, in our view. In a recent blog post, OTCM CEO Cromwell Coulson discussed how tokenization of securities could impact the company's market platform and role as an operator of critical market infrastructure. Recording securities transactions on the blockchain could unlock new efficiencies, enable fractional ownership, and open the door to markets that operate 24/7. Over two years ago, OTCM was granted regulatory approval for broker dealers to trade digital asset securities, including security tokens, on OTC Link ATS. However, tokenized securities are not legal to issue or lawful for broker-dealers to trade at this point in the U.S. Theoretically, tokenized securities could benefit OTCM with more product/securities trading on its platforms. However, the development of unregulated trading of tokenized securities would be a key risk. We believe OTCM will focus on matching innovation and regulations to ensure the new technology enhances market quality.

A debt-free balance sheet and strong cash flow generation provide capital allocation flexibility and support an elevated payout ratio. OTCM carries no debt and funds capital allocation priorities and growth initiatives with cash flow from operations. We model a net cash balance of \$5.12 per share in 2026, and the company had access to an untapped \$5 million line of credit at 3Q:25. We doubt the company would utilize debt, outside of a large acquisition. Strong cash flow supports OTCM's shareholder returns program, which includes an annualized dividend of \$0.72 per share. OTCM has increased the dividend sporadically, but we model the annual dividend payment will remain at \$0.72 per share in 2026. Our annual dividend estimates also include a special dividend, equal to \$1.75 per share in 2025, which OTCM typically makes payable in the fourth quarter. All in, the dividend payout ratio has recently hovered around 90% in recent years, while the dividend yield currently sits at around 4.6%. Durable free cash flow also enables the potential for M&A, which we anticipate would be opportunistic in nature.

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	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	DecE	2025E	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	\$6,491	\$25,921	\$6,563	\$6,447	\$6,420	\$6,491	\$25,921	\$26,310
Market Data Licensing	43,368	11,088	10,782	10,862	10,893	43,625	12,783	12,316	12,520	12,527	50,146	12,911	12,809	12,958	13,153	51,831	54,033
Corporate Services	46,928	11,172	11,372	11,292	11,194	45,030	11,080	11,742	12,695	12,873	48,390	12,853	13,034	13,139	13,259	52,285	54,246
Gross Revenue	\$109,896	\$27,567	\$27,567	\$27,394	\$28,451	\$111,064	\$30,426	\$30,505	\$31,635	\$31,891	\$124,457	\$32,327	\$32,289	\$32,518	\$32,904	\$130,037	\$134,589
Redistribution fees and rebates	3,237	840	791	760	791	3,182	994	998	976	957	3,225	970	969	976	987	3,901	4,038
Net Revenue	\$106,659	\$26,817	\$26,771	\$26,634	\$27,660	\$107,882	\$29,432	\$29,507	\$30,659	\$30,935	\$120,533	\$31,357	\$31,321	\$31,542	\$31,917	\$126,136	\$130,551
Redistribution & Transaction fees	5,524	1,548	1,549	1,435	2,157	6,649	2,378	2,292	2,155	2,232	9,054	2,263	1,937	1,951	1,974	8,126	8,411
Revenues less transaction-based expenses	\$101,134	\$25,309	\$25,222	\$25,199	\$25,503	\$101,233	\$27,057	\$27,215	\$28,504	\$28,702	\$111,478	\$29,094	\$29,383	\$29,591	\$29,943	\$118,011	\$122,141
Compensation	42,467	12,522	10,934	10,506	10,160	44,122	12,906	11,573	11,162	11,526	47,167	13,577	12,173	11,706	11,780	49,236	51,201
IT Infrastructure	10,311	2,699	2,545	2,657	2,673	10,574	2,715	2,858	2,896	2,934	11,403	3,039	3,035	3,057	3,093	12,224	12,787
Professional fees	8,048	1,466	1,521	1,525	1,783	6,295	1,956	1,842	1,916	1,913	7,627	2,069	2,034	2,016	2,040	8,159	8,211
Marketing & Advertising	1,194	263	362	320	422	1,367	343	438	368	383	420	452	488	461	1,821	1,884	1,884
Occupancy costs	2,360	585	576	589	619	2,369	638	668	629	638	2,573	647	613	650	658	2,568	2,658
D&A	2,398	653	682	677	668	2,680	660	656	635	749	2,700	763	743	804	823	3,132	3,242
General and administrative	1,762	422	462	301	428	1,613	565	349	291	480	1,685	420	420	423	428	1,690	1,750
Total Operating Costs	\$68,540	\$18,610	\$17,082	\$16,575	\$16,753	\$69,020	\$19,783	\$18,384	\$17,897	\$18,622	\$74,686	\$20,935	\$19,470	\$19,144	\$19,282	\$78,831	\$81,733
Operating Income	\$32,594	\$6,699	\$8,140	\$8,624	\$8,750	\$32,213	\$7,274	\$8,831	\$10,607	\$10,080	\$36,792	\$8,159	\$9,913	\$10,447	\$10,661	\$39,180	\$40,408
Interest Income & Other income	903	175	184	270	300	929	150	216	269	250	885	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	\$10,330	\$37,677	\$8,459	\$10,213	\$10,747	\$10,961	\$40,380	\$41,608
Income Taxes	(5,836)	(890)	(1,591)	(1,466)	(1,835)	(5,782)	(1,384)	(1,747)	(2,318)	(1,756)	(7,205)	(1,269)	(1,900)	(1,677)	(2,148)	(6,993)	(7,200)
Net Income	\$27,661	\$5,984	\$6,733	\$7,428	\$7,215	\$27,360	\$6,040	\$7,300	\$8,558	\$8,574	\$30,472	\$7,190	\$8,313	\$9,071	\$8,813	\$33,387	\$34,408
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	\$8,574	\$30,472	\$7,190	\$8,313	\$9,071	\$8,813	\$33,387	\$34,408
Basic EPS	\$2.32	\$0.50	\$0.56	\$0.62	\$0.61	\$2.29	\$0.50	\$0.61	\$0.71	\$0.73	\$2.59	\$0.61	\$0.71	\$0.77	\$0.75	\$2.83	\$2.92
FD EPS	\$2.28	\$0.49	\$0.56	\$0.61	\$0.60	\$2.26	\$0.50	\$0.60	\$0.71	\$0.72	\$2.57	\$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	11,870	11,851	11,870	11,870	11,870	11,870	11,870	11,870
Dividend	\$2.22	\$0.18	\$0.18	\$0.18	\$1.68	\$2.22	\$0.18	\$0.18	\$0.18	\$1.93	\$2.47	\$0.18	\$0.18	\$0.18	\$1.96	\$2.50	\$2.52
Payout Ratio	96%	36%	32%	29%	278%	97%	36%	29%	25%	265%	95%	29%	26%	23%	262%	88%	86%
EBITDA	\$40,907	\$9,178	\$10,315	\$10,775	\$11,130	\$41,398	\$9,816	\$11,115	\$12,829	\$12,421	\$46,181	\$10,862	\$12,270	\$12,877	\$13,129	\$49,137	\$51,385
Growth Analysis																	
OTC Link	(6.4%)	(0.9%)	12.2%	15.6%	32.5%	14.3%	21.6%	19.2%	22.5%	2.0%	15.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%
Market Data Licensing	19.1%	2.3%	1.3%	(1.3%)	0.1%	0.6%	15.3%	14.2%	15.3%	15.0%	14.9%	1.0%	4.2%	3.5%	5.0%	3.4%	4.2%
Corporate Services	(1.8%)	(4.8%)	(3.3%)	(1.8%)	(6.1%)	(4.0%)	(0.8%)	3.3%	12.4%	15.0%	7.5%	16.0%	11.0%	3.5%	3.0%	8.0%	3.8%
Revenue YOY Growth	4.5%	(1.3%)	1.2%	1.3%	3.1%	1.1%	10.0%	10.7%	15.5%	12.1%	12.1%	6.2%	5.8%	2.8%	3.2%	4.5%	3.5%
Seq. Rev Growth		0.2%	(0.3%)	(0.6%)	3.9%		6.9%	0.3%	3.7%	0.8%		1.4%	(0.1%)	0.7%	1.2%		
Adjusted Net Income YoY Growth	(10.2%)	(5.3%)	(3.3%)	0.6%	3.1%	(1.1%)	0.9%	8.4%	15.2%	18.8%	11.4%	19.0%	13.9%	6.0%	2.8%	9.6%	3.1%
Adjusted FD EPS YoY Growth	(9.8%)	(5.4%)	(1.5%)	(0.7%)	3.3%	(0.9%)	1.2%	6.9%	17.0%	20.7%	13.7%	21.1%	17.3%	7.5%	2.8%	9.4%	3.1%
Adjusted EBITDA	40,909	9,178	10,315	10,775	11,130	41,264	9,816	11,115	12,829	12,421	46,215	10,862	12,270	12,877	13,129	48,948	51,306
EBITDA YOY Growth	(5.4%)	0.3%	(0.9%)	2.2%	3.1%	0.9%	7.0%	7.8%	19.1%	11.6%	12.0%	10.7%	10.4%	0.4%	5.7%	5.9%	4.8%
Margin Analysis																	
Operating Margin	30.6%	25.0%	30.4%	32.4%	31.6%	29.9%	24.7%	29.9%	34.6%	32.6%	30.5%	26.0%	31.6%	33.1%	33.4%	31.1%	31.0%
Adjusted Profit Margin	25.9%	22.3%	25.2%	27.9%	26.1%	25.4%	20.5%	24.7%	27.9%	27.7%	25.3%	22.9%	26.5%	28.8%	27.6%	26.5%	26.4%
Tax Rate	17%	13%	19%	16%	20%	17%	19%	19%	21%	17%	19%	15%	19%	16%	20%	17%	17%

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	\$8,574	\$30,472	\$33,387	\$34,408
Depreciation & amortization	2,398	2,681	660	656	635	783	2,734	2,943	3,163
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	1,595	6,690	6,825	7,735
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	\$10,951	\$42,336	\$43,154	\$45,305
Net Change in Working Capital	374	(692)	(8,955)	2,274	(967)	5,097	(47)	6,667	6,655
Net Cash Provided by Operations	\$33,036	\$32,873	(\$818)	\$11,221	\$13,334	\$16,049	\$42,290	\$49,821	\$51,960
Investing Activities									
Acquisitions	0	0	0	0	0	0	0	0	0
Capital expenditures	(1,567)	(1,301)	(116)	(42)	0	(383)	(541)	(1,948)	(2,016)
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	(\$383)	(\$888)	(\$1,948)	(\$2,016)
Financing Activities									
Dividends	(26,482)	(26,585)	(2,162)	(2,164)	(2,164)	(21,787)	(28,277)	(29,138)	(29,832)
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)	0	0
Net Cash Provided by Financing	(\$31,096)	(\$31,065)	(\$5,214)	(\$2,410)	(\$2,324)	(\$21,787)	(\$31,735)	(\$29,138)	(\$29,832)
Net Cash Increase (decrease) in cash	(\$3,249)	(\$384)	(\$5,506)	\$7,780	\$11,010	(\$6,121)	\$9,667	\$18,735	\$20,111
Beginning cash balance	38,936	35,687	36,128	30,622	38,402	49,412	35,303	44,970	63,705
Ending Cash Balance	\$35,687	\$35,303	\$30,622	\$38,402	\$49,412	\$43,291	\$44,970	\$63,705	\$83,816
CFFO	\$33,036	\$32,873	(\$818)	\$11,221	\$13,334	\$16,049	\$42,290	\$49,821	\$51,960
CapEx	(1,567)	(1,301)	(116)	(42)	0	(383)	(541)	(1,948)	(2,016)
Free Cash Flow (excluding SBC)	\$25,611	\$26,005	(\$2,815)	\$9,552	\$11,747	\$14,072	\$32,556	\$41,048	\$42,209
FCF / Share	\$2.16	\$2.20	(\$0.24)	\$0.81	\$0.99	\$1.19	\$2.75	\$3.46	\$3.56

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	\$41,685	41,685	60,788	80,899
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	\$59,400	\$59,400	\$78,703	\$99,014
PP&E	8,429	7,096	6,697	6,229	5,739	5,048	5,048	3,685	2,539
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	\$94,294	\$94,294	\$112,234	\$131,399
Liabilities									
Accounts payable	2,152	1,175	854	1,102	1,155	1,493	1,493	1,560	1,615
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	\$42,943	\$42,943	\$49,810	\$56,665
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	\$53,150	\$53,150	\$60,017	\$66,872
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	41,292	41,292	48,117	55,851
Retained earnings	22,425	23,200	27,078	32,214	38,608	25,394	25,394	29,643	34,219
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	\$41,143	\$41,143	\$52,217	\$64,527
Total Liabilities & Stockholders' Equity	\$90,525	\$90,742	\$86,050	\$93,816	\$101,169	\$94,294	\$94,294	\$112,234	\$131,399
Key Metrics									
ROA	30.4%	30.1%	31.0%	31.1%	29.9%	31.2%	31.2%	28.7%	25.4%
ROE	72.6%	65.9%	74.0%	67.1%	59.6%	64.9%	64.9%	57.2%	48.6%
ROIC	54.3%	51.7%	56.9%	53.4%	49.1%	53.3%	53.3%	48.7%	42.5%
Cash per share	\$2.87	\$2.92	\$2.45	\$3.11	\$4.03	\$3.51	\$3.52	\$5.12	\$6.82

Sources: Company reports, Sidoti & Company, LLC estimates

Required Disclosures

OTC Markets Group Inc. (OTCM-\$53.50) 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	

08-Jan-2023 to 08-Jan-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	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 1-8-2026 , 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	25	19.1%	0	0.0%
NEUTRAL(a)	4	3.1%	0	0.0%
NOT RATED	0	0.0%	0	0.0%
NR - CSRs Moderate Risk (c)	89	67.9%	0	0.0%
NR - CSRs High Risk (c)	13	9.9%	0	0.0%
TOTAL	131	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) 87.3% of our CSRs are moderate risk, while 12.7% 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, CFA, 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.

Other Disclosures

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CSR Fees and Related Potential Conflicts of Interest

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- insists that, at a minimum, pro-rata payment of the annual fee is received prior to the publication or release of a research report;
- 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