



OTC Markets Group Inc. (OTCM)

Estimate OTC Link Drove EPS Improvement In 3Q:25; 2025 YTD Volume Has Surpassed 2024 Total; Upbeat On OTCID Prospects; Strong Balance Sheet Supports Growth; Maintain \$63 Price Target

EPS ESTIMATES

	2023		2024		2025E		2026E	
	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW
Mar	\$0.52		\$0.49		\$0.50A		\$0.55	
Jun	\$0.57		\$0.56		\$0.60A		\$0.66	
Sep	\$0.61		\$0.61		\$0.62		\$0.70	
Dec	<u>\$0.58</u>		<u>\$0.60</u>		<u>\$0.66</u>		<u>\$0.75</u>	
EPS	\$2.28		\$2.26		\$2.44		\$2.65	
P/E					20.9x		19.3x	

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	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Rev.(Mil.)	\$54.7	\$59.3	\$62.8	\$71.2	\$102.9	\$105.1	\$109.9	\$111.1	\$121.2	\$123.9
GAAP EPS	\$1.06	\$1.36	\$1.25	\$1.53	\$2.52	\$2.53	\$2.28	\$2.26	\$2.44	\$2.65

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.

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
Early Nov.	TBD	TBD	TBD	N/A	EPS: \$0.65

- **Our outlook captures OTCM's subscription-derived revenue, stable capital structure, and progress toward expanding its product suite to drive growth.**
- **OTCM's launch of OTCID is a significant milestone and another step toward improving market quality, in our view. We expect OTCM to drive sales by enticing companies to subscribe to the highest quality market platform they qualify for within OTCM's platform suite. With 1,035 subscribers at the start of 3Q:25, we estimate a modest revenue contribution in 3Q:25 and growth over time.**
- **Recent data show total dollar volume traded on OTCM platforms rose 48% year over year in 3Q:25. Year to date, volume of \$518 billion has already surpassed the 2024 total of \$479 billion. Though largely unpredictable, the continuation of heightened market volatility and more retail trading activity should benefit OTC Link results.**
- **We estimate operating income rose 2% year over year in 3Q:25 given volume trends and price increases benefiting Corporate Services and Market Data results.**
- **The balance sheet remains a key strength, with no debt and ample liquidity for capital allocation priorities. OTCM's shareholder returns program includes an annualized dividend of \$0.72 per share along with a special dividend typically payable in the fourth quarter each year.**
- **Our \$63 price target is based on about 23x our 2026 EPS forecast of \$2.65. Our moderate risk rating reflects OTCM's role as a provider of critical market infrastructure and its recurring, subscription-based revenue profile.**

We expect broad revenue gains across OTCM's operating segment, led by OTC Link, as 2025 dollar volume has already surpassed that of 2024. We estimate OTC Link segment revenue rose an impressive 22% year over year in 3Q:25 due to an increase in the volume of

NR

Price Target: \$63

Price: \$51.00

Risk Rating: M

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Key Statistics

Market Cap (Mil)	\$611
Enterprise Value (Mil)	\$573
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	10%
Annualized Dividend	\$0.72
Dividend Yield	1.4%
FCF Per Share (2025E)	\$2.81
FCF Yield (2025E)	5.5%
Net Cash Per Share (2025E)	\$3.71
Price to Book Value	13.6x
Return on Equity (2025E)	61.9%
Total Debt to Capital	N/A
Interest Coverage Ratio	N/A
Short Interest %	N/A
Short Interest Days To Cover	N/A
Russell 2000	2,218
Russell 2000 - Last 12 Months	6.4%
OTCM - Last 12 Months	0.9%

27-Oct-2022 to 27-Oct-2025 (Daily) Price



Source: Factset Prices

shares traded on OTC Link's ATS, OTC Link ECN, and OTC Link NQB. According to data from the company, the total dollar volume traded across OTCM platforms increased 48% year over year in 3Q:25 to about \$165 billion, continuing strong momentum. Through the first nine months of 2025, total dollar volume traded reached \$518 billion, up 51% compared to the prior year period and already surpassing the 2024 total of \$479 billion. OTC Link ECN and OTC Link NQB, which generate transactional revenue based on the volume of shares traded, have seen strong growth driven by retail participation, in our view, which remains difficult to predict. International securities grew to \$141 billion, up from \$100 billion in 3Q:24, underpinning OTCM's critical role as a platform for global investors seeking access to U.S. capital markets. In OTCM's Market Data Licensing segment, we estimate revenue rose 12% year over year in 3Q:25 from higher redistributor based revenue from professional user licenses, primarily due to price increases enacted at the beginning of 2025. In the Corporate Services segment, we estimate 2% year-over-year revenue growth, largely driven by annual price increases. The OTCQX and OTCQB subscriber base continues to face economic headwinds resulting from trade policy and interest rate volatility, as evident in recent quarters (subscriber variability is largely driven by new sales, voluntary non-renewals, and the effect of compliance downgrades). Yet sales trends improved in 2Q:25, including from international companies aiming to access U.S. capital markets. We also expect a revenue contribution from OTCID as sales efforts focus on enticing companies to reexamine which OTCM market tier (OTCQX, OTCQB, OTCID, Pink Current) aligns best with their strategy. Together, we estimate gross revenue rose 10% year over year in 3Q:25, with recurring subscription-derived revenue continuing to constitute around 80% of revenue.

Our 3Q:25 EPS estimate of \$0.62, up from \$0.61 in 3Q:24, is driven by a modest 2% improvement in operating income to \$8.8 million. We forecast a 10% increase in operating expenses to \$18.3 million, in line with 2Q:25, as OTCM continues to invest in talent and infrastructure to manage growth and product expansion, specifically on new product launches such as OTCID. In total, our EPS estimate reflects a modest 2% increase in operating income.

\$ in thousands except per share data				
	3Q:24A	3Q:25E	% Change	\$ Variance
Total Dollar Volume (bn)	112.0	165.0	48%	53.0
OTC Link	5,240	6,393	22%	1,153
Market Data Licensing	10,862	12,165	12%	1,303
Corporate Services	11,292	11,518	2%	226
Gross Revenue	27,394	30,076	10%	2,682
Operating Expenses	16,575	18,277	10%	1,702
Operating Income	8,624	8,791	2%	167
Operating Margin*	32%	30%		
Net Income	\$7,428	\$7,504	1%	76
Profit Margin*	28%	26%		
EPS	\$0.61	\$0.62	3%	\$ 0.02
Consensus EPS		\$0.65		

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

* Based on net revenue consistent with company operating metrics

A debt-free balance sheet and strong cash flow generation provide flexibility and support OTCM's financial strength. OTCM carries no debt and primarily funds capital allocation priorities and growth initiatives with cash flow from operations. We model a net cash balance of \$5.26 per share in 2026, and the company had access to an untapped \$5 million line of credit at 2Q:25. Cash flow generation supports OTCM's shareholder returns program, which includes an annualized dividend of \$0.72 per share. OTCM has increased the dividend sporadically, but we estimate the annual dividend payment to remain at \$0.72 per share through 2026. Our annual dividend estimates also include a special dividend, equal to about \$1.52 per share in 2025, which OTCM typically makes payable in the fourth quarter of each year. Durable free cash flow also funds growth initiatives and opportunistic M&A, in our view.

Valuation	We maintain our \$63 price target on OTCM. Our price target applies an unchanged multiple of 23x to our 2026 EPS forecast of \$2.65. 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 the 2025 EPS consensus. 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 I. OTC Markets Group Inc., Income Statement
(\$ in thousands, except where noted)

	2023	MarA	JuneA	SepA	DecA	2024	MarA	JuneA	SepE	DecE	2025E	MarE	JuneE	SepE	DecE	2026E
Operating Segments																
OTC Link	\$19,600	\$5,397	\$5,408	\$5,240	\$6,364	\$22,409	\$6,563	\$6,447	\$6,393	\$6,364	\$25,767	\$6,629	\$6,511	\$6,457	\$6,428	\$26,024
Market Data Licensing	43,368	11,088	10,782	10,862	10,893	43,625	12,783	12,316	12,165	12,418	49,682	12,783	12,562	12,530	12,840	50,716
Corporate Services	46,928	11,172	11,372	11,292	11,194	45,030	11,080	11,742	11,518	11,418	45,758	11,191	12,094	11,979	11,932	47,195
Gross Revenue	\$109,896	\$27,657	\$27,562	\$27,394	\$28,451	\$111,064	\$30,426	\$30,505	\$30,076	\$30,200	\$121,207	\$30,602	\$31,168	\$30,966	\$31,200	\$123,936
Redistribution fees and rebates	3,237	840	791	760	791	3,182	994	998	902	906	3,800	918	935	929	926	3,718
Net Revenue	\$106,659	\$26,817	\$26,771	\$26,634	\$27,660	\$107,882	\$29,432	\$29,507	\$29,174	\$29,294	\$117,407	\$29,684	\$30,233	\$30,037	\$30,264	\$120,218
Redistribution & Transaction fees	5,524	1,508	1,549	1,435	2,157	6,649	2,375	2,292	2,105	2,114	8,886	2,142	1,870	1,858	1,872	7,742
Revenues less transaction-based expenses	\$101,134	\$25,309	\$25,222	\$25,199	\$25,503	\$101,233	\$27,057	\$27,215	\$27,068	\$27,180	\$108,520	\$27,542	\$28,363	\$28,179	\$28,392	\$112,475
Compensation	42,467	12,522	10,934	10,506	10,160	44,122	12,906	11,573	11,489	10,991	46,959	13,679	11,969	11,550	10,920	48,118
IT Infrastructure	10,311	2,699	2,545	2,657	2,673	10,574	2,715	2,858	2,857	2,778	11,209	2,815	2,836	2,880	2,808	11,339
Professional fees	8,048	1,466	1,521	1,525	1,783	6,295	1,956	1,842	1,805	1,812	7,415	1,530	1,777	1,765	1,872	6,944
Marketing & Advertising	1,194	263	362	320	422	1,367	343	438	421	362	1,564	428	343	434	343	1,548
Occupancy costs	2,360	585	576	589	619	2,369	638	668	632	604	2,542	612	592	619	624	2,448
D&A	2,398	653	682	677	668	2,680	660	656	743	709	2,768	723	717	765	780	2,985
General and administrative	1,762	422	462	301	428	1,613	565	349	330	454	1,699	467	468	340	374	1,649
Total Operating Costs	\$68,540	\$18,610	\$17,082	\$16,575	\$16,753	\$69,020	\$19,783	\$18,384	\$18,277	\$17,711	\$74,155	\$20,255	\$18,701	\$18,353	\$17,721	\$75,030
Operating Income	\$32,594	\$6,699	\$8,140	\$8,624	\$8,750	\$32,213	\$7,274	\$8,831	\$8,791	\$9,469	\$34,365	\$7,287	\$9,662	\$9,825	\$10,670	\$37,445
Interest Income & Other income	903	175	184	270	300	929	150	216	250	250	866	300	300	300	300	1,200
Pretax Income	\$33,497	\$6,874	\$8,324	\$8,894	\$9,050	\$33,142	\$7,424	\$9,047	\$9,041	\$9,719	\$35,231	\$7,587	\$9,962	\$10,125	\$10,970	\$38,645
Income Taxes	(5,836)	(890)	(1,591)	(1,466)	(1,835)	(5,782)	(1,384)	(1,747)	(1,537)	(1,944)	(6,612)	(1,032)	(1,853)	(1,580)	(2,150)	(6,615)
Net Income	\$27,661	\$5,984	\$6,733	\$7,428	\$7,215	\$27,360	\$6,040	\$7,300	\$7,504	\$7,775	\$28,619	\$6,556	\$8,109	\$8,546	\$8,820	\$32,031
Less restricted stock	\$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	\$7,504	\$7,775	\$28,619	\$6,556	\$8,109	\$8,546	\$8,820	\$32,031
Basic EPS	\$2.32	\$0.50	\$0.56	\$0.62	\$0.61	\$2.29	\$0.50	\$0.61	\$0.63	\$0.66	\$2.45	\$0.55	\$0.66	\$0.70	\$0.75	\$2.66
FD EPS	\$2.28	\$0.49	\$0.56	\$0.61	\$0.60	\$2.26	\$0.50	\$0.60	\$0.62	\$0.66	\$2.44	\$0.55	\$0.66	\$0.70	\$0.75	\$2.65
FD Shares Outstanding	11,863	11,863	11,838	11,833	11,855	11,841	11,834	11,831	11,831	11,831	11,831	11,831	11,831	11,831	11,831	11,831
Dividend	\$2.22	\$0.18	\$0.18	\$0.18	\$1.68	\$2.22	\$0.18	\$0.18	\$0.18	\$1.70	\$2.24	\$0.18	\$0.18	\$0.18	\$1.72	\$2.26
Payout Ratio	96%	36%	32%	29%	278%	97%	36%	29%	29%	257%	91%	33%	27%	26%	230%	85%
EBITDA	\$40,907	\$9,178	\$10,315	\$10,775	\$11,130	\$41,398	\$9,816	\$11,115	\$11,038	\$11,686	\$43,655	\$9,846	\$11,937	\$12,139	\$13,010	\$46,933
Growth Analysis																
OTC Link	(6.4%)	(0.9%)	12.2%	15.6%	32.5%	14.3%	21.6%	19.2%	22.0%	0.0%	15.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Market Data Licensing	19.1%	2.3%	1.3%	(1.3%)	0.1%	0.6%	15.3%	14.2%	12.0%	14.0%	13.9%	0.0%	2.0%	3.0%	3.4%	2.1%
Corporate Services	(1.8%)	(4.8%)	(3.3%)	(1.8%)	(6.1%)	(4.0%)	(0.8%)	3.3%	2.0%	2.0%	1.6%	1.0%	3.0%	4.0%	4.5%	3.1%
Revenue YOY Growth	4.5%	(1.3%)	1.2%	1.3%	3.1%	1.1%	10.0%	10.7%	9.8%	6.1%	9.1%	0.6%	2.2%	3.0%	3.3%	2.3%
Seq. Rev Growth		0.2%	(0.3%)	(0.6%)	3.9%		6.9%	0.3%	(1.4%)	0.4%		1.3%	1.8%	(0.6%)	0.8%	
Adjusted Net Income YoY Growth	(10.2%)	(5.3%)	(3.3%)	0.6%	3.1%	(1.1%)	0.9%	8.4%	1.0%	7.8%	4.6%	8.5%	11.1%	13.9%	13.4%	11.9%
Adjusted FD EPS YoY Growth	(9.8%)	(5.4%)	(1.5%)	(0.7%)	3.3%	(0.9%)	1.2%	6.9%	2.7%	9.8%	7.9%	10.7%	9.8%	12.5%	13.4%	8.5%
Adjusted EBITDA	40,909	9,178	10,315	10,775	11,130	41,264	9,816	11,115	11,038	11,686	43,610	9,846	11,937	12,139	13,010	46,890
EBITDA YOY Growth	(5.4%)	0.3%	(0.9%)	2.2%	3.1%	0.9%	7.0%	7.8%	2.4%	5.0%	5.7%	0.3%	7.4%	10.0%	11.3%	7.5%
Margin Analysis																
Operating Margin	30.6%	25.0%	30.4%	32.4%	31.6%	29.9%	24.7%	29.9%	30.1%	32.3%	29.3%	24.5%	32.0%	32.7%	35.3%	31.1%
Adjusted Profit Margin	25.9%	22.3%	25.2%	27.9%	26.1%	25.4%	20.5%	24.7%	25.7%	26.5%	24.4%	22.1%	26.8%	28.5%	29.1%	26.6%
Tax Rate	17%	13%	19%	16%	20%	17%	19%	19%	17%	20%	19%	14%	19%	16%	20%	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	MarA	JuneA	SepA	DecA	2024	MarA	JuneA	SepE	DecE	2025E	2026E
Operating Activities												
Net Income	\$27,661	\$5,984	\$6,733	\$7,428	\$7,215	\$27,360	\$6,040	\$7,300	\$7,504	\$7,775	\$28,619	\$32,031
Depreciation & amortization	2,398	653	683	677	668	2,681	660	656	624	783	2,723	2,943
Provision for bad debts	367	29	5	(75)	28	(13)	137	(63)	0	0	74	0
Share based compensation	5,858	1,826	1,496	1,474	1,574	6,370	1,881	1,627	1,504	1,510	6,522	6,503
Excess tax benefit	(815)	(486)	(55)	1	123	(417)	(128)	(115)	0	0	(243)	0
Deferred rent & other	31	0	0	0	0	0	0	0	0	0	0	0
Deferred income taxes	(2,838)	(690)	(668)	(176)	(895)	(2,429)	(453)	(458)	0	0	(911)	0
Loss on fixed assets	0	0	0	0	13	13	0	0	0	0	0	0
Change in Operating Assets & Liabilities	\$32,662	\$7,316	\$8,194	\$9,329	\$8,726	\$33,565	\$8,137	\$8,947	\$9,632	\$10,068	\$36,784	\$41,476
Net Change in Working Capital	374	(8,025)	(2,019)	(3,458)	13,613	(692)	(8,955)	2,274	6,068	4,458	5,382	6,633
Net Cash Provided by Operations	\$33,036	(\$709)	\$6,175	\$5,871	\$22,339	\$32,873	(\$818)	\$11,221	\$15,700	\$14,526	\$42,166	\$48,109
Investing Activities												
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	(1,567)	(522)	(661)	(60)	(58)	(1,301)	(116)	(42)	(361)	(362)	(881)	(1,857)
Net proceeds/purchase of short term investments	(3,622)	(14)	(769)	(103)	(5)	(891)	642	(989)	0	0	(347)	0
Net Cash Provided by Investing Activities	(\$5,189)	(\$536)	(\$1,430)	(\$163)	(\$63)	(\$2,192)	\$526	(\$1,031)	(\$361)	(\$362)	(\$1,228)	(\$1,857)
Financing Activities												
Dividends	(26,482)	(2,154)	(2,155)	(2,155)	(20,121)	(26,585)	(2,162)	(2,164)	(2,145)	(20,463)	(26,934)	(28,216)
Proceeds from stock options	0	0	428	456	0	86	11	5	0	0	16	0
Restricted stock issuance	1	(406)	(478)	0	0	(825)	1	0	0	0	1	0
Withholding taxes paid	(1,236)	0	0	(480)	0	(797)	(130)	(251)	0	0	(381)	0
Excess tax benefits	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of treasury stock	(3,379)	(2,944)	0	0	0	(2,944)	(2,934)	0	0	0	(2,934)	0
Net Cash Provided by Financing	(\$31,096)	(\$5,504)	(\$2,205)	(\$2,179)	(\$20,121)	(\$31,065)	(\$5,214)	(\$2,410)	(\$2,145)	(\$20,463)	(\$30,232)	(\$28,216)
Net Cash Increase (decrease) in cash	(\$3,249)	(\$6,749)	\$2,540	\$3,529	\$2,155	(\$384)	(\$5,506)	\$7,780	\$13,340	(\$6,299)	\$10,706	\$18,036
Beginning cash balance	38,936	35,687	27,346	29,886	33,415	35,687	36,128	30,622	38,402	51,742	35,303	46,009
Ending Cash Balance	\$35,687	\$28,938	\$29,886	\$33,415	\$35,570	\$35,303	\$30,622	\$38,402	\$51,742	\$45,443	\$46,009	\$64,045
CFFO	\$33,036	(\$709)	\$6,175	\$5,871	\$22,339	\$32,873	(\$818)	\$11,221	\$15,700	\$14,526	\$42,166	\$48,109
CapEx	(1,567)	(522)	(661)	(60)	(58)	(1,301)	(116)	(42)	(361)	(362)	(881)	(1,857)
Free Cash Flow (excluding SBC)	\$25,611	(\$3,057)	\$4,018	\$4,337	\$20,707	\$26,005	(\$2,815)	\$9,552	\$13,835	\$12,654	\$33,226	\$39,749
FCF / Share	\$2.16	(\$0.26)	\$0.34	\$0.37	\$1.75	\$2.20	(\$0.24)	\$0.81	\$1.17	\$1.07	\$2.81	\$3.36

Sources: Company reports, Sidoti & Company, LLC estimates

OTC Markets Group Inc.

Table 3. OTC Markets Group Inc., Balance Sheet

(\$ in thousands except where noted)

	2023	MarA	JuneA	SepA	DecA	2024	MarA	JuneA	SepE	DecE	2025E	2026E
ASSETS												
Current Assets												
Cash and cash equivalents	34,101	\$27,346	\$29,881	\$33,405	\$34,522	34,522	\$29,016	\$36,796	\$50,136	\$43,837	43,837	62,241
Short-term investments	3,622	3,636	4,405	4,508	4,513	4,513	3,871	4,860	4,860	4,860	4,860	4,860
Receivables	7,680	7,535	7,443	7,950	8,097	8,097	9,268	8,515	8,150	8,297	8,297	8,497
Prepaid income taxes	1,324	942	699	1,369	244	244	430	750	750	750	750	750
Prepaid expenses	1,865	2,584	2,789	2,184	2,237	2,237	2,771	2,808	2,808	2,808	2,808	2,808
Total Current Assets	\$48,592	\$42,043	\$45,217	\$49,416	\$49,613	\$49,613	\$45,356	\$53,729	\$66,704	\$60,552	\$60,552	\$79,156
PP&E	8,429	8,538	8,105	7,573	7,096	7,096	6,697	6,229	5,820	5,400	5,400	3,946
Operating lease right-of-use assets	12,324	11,987	11,646	11,301	10,951	10,951	10,597	10,239	10,239	10,239	10,239	10,239
Non-current deferred tax asset	7,691	8,381	9,049	9,225	10,120	10,120	10,573	11,031	11,031	11,031	11,031	11,031
Goodwill	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984	3,984
Intangible assets	7,411	7,265	7,120	6,975	6,829	6,829	6,684	6,538	6,538	6,538	6,538	6,538
Other Assets	2,094	2,543	2,418	2,295	2,149	2,149	2,159	2,066	2,066	2,066	2,066	2,066
Total Assets	\$90,525	\$84,741	\$87,539	\$90,769	\$90,742	\$90,742	\$86,050	\$93,816	\$106,382	\$99,810	\$99,810	\$116,960
Liabilities												
Accounts payable	2,152	1,684	1,510	634	1,175	1,175	854	1,102	1,433	1,454	1,454	1,487
Income tax payable	141	1,316	12	3	54	54	1,457	3	3	3	3	3
Accrued expenses	14,065	8,503	10,442	11,841	13,425	13,425	7,388	10,269	12,641	14,225	14,225	15,025
Deferred revenue	29,267	26,378	23,031	19,379	29,084	29,084	27,001	26,930	29,930	32,930	32,930	38,930
Current Liabilities	\$45,625	\$37,881	\$34,995	\$31,857	\$43,738	\$43,738	\$36,700	\$38,304	\$44,007	\$48,612	\$48,612	\$55,445
Operating Lease Liabilities	11,895	11,518	11,137	10,751	10,360	10,360	9,964	9,564	9,564	9,564	9,564	9,564
Income tax reserve	778	809	850	880	927	927	962	1,007	1,007	1,007	1,007	1,007
Total Liabilities	\$58,298	\$50,208	\$46,982	\$43,488	\$55,025	\$55,025	\$47,626	\$48,875	\$54,578	\$59,183	\$59,183	\$66,016
Shareholders' Equity												
Class A	127	128	128	128	128	128	129	129	129	129	129	129
Additional paid-in capital	29,469	30,888	32,334	33,784	35,127	35,127	36,889	38,270	39,774	41,284	41,284	47,787
Retained earnings	22,425	26,255	30,833	36,107	23,200	23,200	27,078	32,214	37,573	24,886	24,886	28,700
Treasury shares	(19,794)	(22,738)	(22,738)	(22,738)	(22,738)	(22,738)	(25,672)	(25,672)	(25,672)	(25,672)	(25,672)	(25,672)
Total Stockholders' Equity	\$32,227	\$34,533	\$40,557	\$47,281	\$35,717	\$35,717	\$38,424	\$44,941	\$51,804	\$40,626	\$40,626	\$50,944
Total Liabilities & Stockholders' Equity	\$90,525	\$84,741	\$87,539	\$90,769	\$90,742	\$90,742	\$86,050	\$93,816	\$106,382	\$99,810	\$99,810	\$116,960
Key Metrics												
ROA	30.4%	31.2%	31.5%	30.4%	30.1%	30.1%	31.0%	31.1%	28.0%	27.8%	27.8%	26.6%
ROE	72.6%	81.9%	72.2%	61.8%	65.9%	65.9%	74.0%	67.1%	58.0%	61.9%	61.9%	56.5%
ROIC	54.3%	59.6%	54.5%	48.7%	51.7%	51.7%	56.9%	53.4%	47.6%	50.4%	50.4%	47.7%
Cash per share	\$2.87	\$2.31	\$2.52	\$2.82	\$2.91	\$2.92	\$2.45	\$3.11	\$4.24	\$3.71	\$3.71	\$5.26

Sources: Company reports, Sidoti & Company, LLC estimates

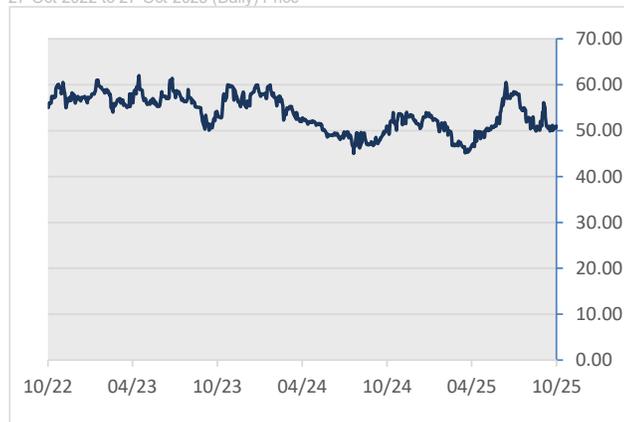
Required Disclosures

OTC Markets Group Inc. (OTCM-\$51.00) NR Price Target: \$63 Risk Rating: H

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	

27-Oct-2022 to 27-Oct-2025 (Daily) Price



Source: Factset Prices

Valuation	We maintain our \$63 price target on OTCM. Our price target applies an unchanged multiple of 23x to our 2026 EPS forecast of \$2.65. 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 the 2025 EPS consensus. 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 10-27-2025 , 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	28	20.4%	1	3.6%
NEUTRAL(a)	8	5.8%	0	0.0%
NOT RATED	0	0.0%	0	0.0%
NR - CSRs Moderate Risk (c)	88	64.2%	0	0.0%
NR - CSRs High Risk (c)	12	8.8%	0	0.0%
TOTAL	137	100%	1	0.7%
(a) Of the NEUTRALS 3 trade above our price target.				
(b) Numbers may not add due to rounding or because of a pending drop of coverage.				
(c) 88.0% of our CSRs are moderate risk, while 12.0% 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.

Factors that May Influence Continuation of Coverage and Related Potential Conflicts of Interest

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.

Sidoti and Analyst Ownership of Securities Described Herein and Other Analyst Restrictions

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

Companies that are part of Sidoti's CSR program pay a fee of \$50,000 for one year of coverage unless they are clients of Lighthouse Equity Research, in which case the fee is \$60,000. The fee is for the production and dissemination of an Initiation Report (if the initial year of the contract) and quarterly update reports during the one-year term of a CSR contract. (Sidoti does not accept stock or warrant compensation). Such contractually required reports coincide with initiation of coverage and the subject companies' quarterly earnings releases. Sidoti may also publish reports on its CSR companies between each earnings report for which it has a contractual obligation to publish. The purpose of the CSR fee is to subsidize the high costs of providing securities research coverage. Sidoti's receipt of a fee from the issuer described herein for producing this report could present potential conflicts of interest. To mitigate the potential for conflicts, Sidoti:

- assures its contracts with the issuer described herein allows for Sidoti's full editorial control of all research and, within reason, the timing of its release;
- requires the term of a contract extend for one full year, which contract the issuer cannot unilaterally terminate;
- provides Sidoti the ability to terminate the contract under certain circumstances;
- 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.

Notwithstanding the measures set forth above to mitigate the risk of potential conflicts of interest, Sidoti makes no representations and does not warrant that such measures can or will fully eradicate potential conflicts.

Certain Additional CSR (including Lighthouse Equity Research) Risk Considerations

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