



## OTC Markets Group Inc. (OTCM)

**Total Dollar Volume Up 45% In 2025 Underpins Strong Momentum; International Securities Posted Strong Growth; Expect EPS Growth In 4Q:25 From OTCID; Maintain Estimates, \$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>	
<b>EPS</b>	\$2.26		\$2.57		\$2.81		\$2.90	
<b>P/E</b>			<b>21.0x</b>		<b>19.2x</b>		<b>18.6x</b>	

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.otcmrket.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 March	TBD	TBD	TBD	N/A	4Q:25 EPS: \$0.74

- **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.**
- **Dollar volume traded on OTC markets jumped by 45% in 2025, with international securities showcasing OTCM's global reach, backing our estimate for continued strength in the OTC Link segment.**
- **We estimate EPS rose 21% year over year in 4Q:25 to \$0.72, driven by new product rollouts like OTCID, incremental price increases, and the continuation of elevated trading volume.**
- **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, including shareholder returns.**
- **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.**

**Dollar volume traded on OTC markets jumped by 45% in 2025, with international securities showcasing OTCM's global reach.** According to data from OTCM, the total dollar volume traded across OTCM platforms increased 23% year over year in 4Q:25 to about \$173.5 billion, continuing strong momentum. For the year, total dollar volume traded rose to about

## NR

Price Target: \$65

Price: \$54.00

Risk Rating: M

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### Key Statistics

Market Cap (Mil)	\$647
Enterprise Value (Mil)	\$597
52-Week Range	61-45
5-Year EPS CAGR.	13%
Avg. Daily Trading Volume	5,000
Shares Out (Mil)	11.975
Float Shares (Mil)	7.753
Insider Ownership	35%
Institutional Holdings	9%
Annualized Dividend	\$0.72
Dividend Yield	1.3%
FCF Per Share (2026E)	\$3.46
FCF Yield (2026E)	6.4%
Net Cash Per Share (2026E)	\$5.12
Price to Book Value	12.3x
Return on Equity (2025E)	57.2%
Total Debt to Capital	N/A
Interest Coverage Ratio	N/A
Short Interest %	N/A
Short Interest Days To Cover	N/A
Russell 2000	2,621
Russell 2000 - Last 12 Months	19.4%
OTCM - Last 12 Months	8.0%

24-Feb-2023 to 24-Feb-2026 (Daily) Price



Source: FactSet Prices

\$691.5 billion, up 45% from \$478.7 billion in 2024. Retail participation has been driving growth, in our view, aided by renewed U.S. investor interest in international equities and the recent roll-out of the OTCID tier. Cross traded international securities dollar volume was \$609.4 billion in 2025, or about 88% of the total, up 47% from \$415.5 billion in 2024. The increase captures OTCM's mission to enable international companies to list local, trade global. In the OTC Link segment, we estimate revenue rose 2% in 4Q:25 to \$6.5 million, driven by OTC Link ECN and OTC Link NQB, which generate transactional revenue based on the volume of shares traded. 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 in 2026.

**We estimate 12% growth in gross revenue in 4Q:25 as OTCID drives the next stage of growth for OTCM.** In the Corporate Services segment, we forecast revenue rose 15% in 4Q:25, driven by the launch of OTCID at the start of 3Q:25 and from broad price increases. 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 Disclosure & News Service (DNS) subscribers in 3Q:25 (the primary method for companies to access OTCID). We also highlight growth in OTCQX (574 subscribers) and OTCQB (1,106 subscribers) in 4Q:25, up 1% and 5%, respectively, from the prior year period. Despite economic headwinds affecting the subscriber base (subscriber variability is largely driven by new sales, voluntary non-renewals, and the effect of compliance downgrades), we estimate OTCQB returned to positive year over year growth for the first time since 1Q:23 as sales trends have improved. In OTCM's Market Data Licensing segment, we estimate revenue rose 15% year over year in 4Q:25 primarily due to price increases enacted at the beginning of 2025. Together, we estimate gross revenue rose 12% year over year in 4Q:25.

**Our 4Q:25 EPS estimate of \$0.72 implies a 21% increase from 4Q:24 and is driven by relatively consistent operating margin of about 30% throughout 2025.** Our outlook on expenses reflects an increase in headcount to support growth, though we expect the company will maintain operating margin of around 30% on a full-year basis. We estimate operating income rose 15% in 4Q:25 to \$10.1 million, which backs our EPS estimate. For the year, we forecast EPS rose 14% to \$2.57.

Exhibit 1: OTC Markets Group Inc. Variance Table								
S in thousands except per share data								
	4Q:24A	4Q:25E	% Change	\$ Variance	2024A	2025E	YoY % Change	YoY \$ Variance
Total Dollar Volume (bn)	141.6	173.5	23%	31.9	492.0	691.5	45%	199.5
OTC Link	6,364	6,491	2%	127	22,409	25,921	16%	3,512
Market Data Licensing	10,893	12,527	15%	1,634	43,625	50,146	15%	6,521
Corporate Services	11,194	12,873	15%	1,679	45,030	48,390	7%	3,360
Gross Revenue	28,451	31,891	12%	3,440	111,064	124,457	12%	13,393
Operating Expenses	16,753	18,622	11%	1,869	69,020	74,686	8%	5,666
Operating Income	8,750	10,080	15%	1,330	32,213	36,792	14%	4,579
Operating Margin*	32%	33%			30%	31%		
Net Income	\$7,215	\$8,574	19%	1,359	27,360	30,472	11%	3,112
Profit Margin*	26%	28%			25%	25%		
EPS	\$0.60	\$0.72	21%	\$ 0.12	\$ 2.26	\$ 2.57	14%	\$ 0.31
Consensus EPS		\$0.74				\$ 2.57		

Sources: Company reports and Sidoti & Company, LLC, estimates.  
\* Based on net revenue consistent with company operating metrics

**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, such as tokenization, in our view. In a recent blog post, OTCM CEO Cromwell Coulson discussed how tokenization of securities could affect 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, regulatory framework around tokenized securities in the U.S. remains unclear. In early 1Q:26, the New York Stock Exchange, part of Intercontinental Exchange, Inc. (NYSE: ICE, NC), announced its development of a platform for trading and on-chain settlement of tokenized securities, for which it will seek regulatory approvals. For OTCM, tokenized securities could benefit operations 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.

<b>Valuation</b>	<b>We maintain our \$65 price target on OTCM, based on 23x our 2027 EPS estimate of \$2.90.</b> 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%.			
<b>Key Risks</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 33%;">Volatile trading volumes</td> <td style="width: 33%;">Regulatory</td> <td style="width: 33%;">Economic sensitivity</td> </tr> </table>	Volatile trading volumes	Regulatory	Economic sensitivity
Volatile trading volumes	Regulatory	Economic sensitivity		

# 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
<b>Operating Segments</b>																	
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
<b>Gross Revenue</b>	<b>\$109,896</b>	<b>\$27,657</b>	<b>\$27,562</b>	<b>\$27,394</b>	<b>\$28,451</b>	<b>\$111,064</b>	<b>\$30,426</b>	<b>\$30,505</b>	<b>\$31,635</b>	<b>\$31,891</b>	<b>\$124,457</b>	<b>\$32,327</b>	<b>\$32,289</b>	<b>\$32,518</b>	<b>\$32,904</b>	<b>\$130,337</b>	<b>\$134,589</b>
Redistribution fees and rebates	3,237	840	791	760	791	3,182	924	998	976	957	3,925	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	\$120,532	\$31,357	\$31,321	\$31,542	\$31,917	\$126,136	\$130,551
Redistribution & Transaction fees	5,524	1,508	1,549	1,435	2,157	6,649	2,375	2,292	2,155	2,232	9,054	2,263	1,937	1,951	1,974	8,126	8,411
<b>Revenues less transaction-based expenses</b>	<b>\$101,134</b>	<b>\$25,309</b>	<b>\$25,222</b>	<b>\$25,199</b>	<b>\$25,503</b>	<b>\$101,233</b>	<b>\$27,057</b>	<b>\$27,215</b>	<b>\$28,504</b>	<b>\$28,702</b>	<b>\$111,478</b>	<b>\$29,094</b>	<b>\$29,383</b>	<b>\$29,591</b>	<b>\$29,943</b>	<b>\$118,011</b>	<b>\$122,141</b>
Compensation	42,467	12,522	12,522	10,934	10,506	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	1,532	420	452	488	461	1,821	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
<b>Total Operating Costs</b>	<b>\$68,540</b>	<b>\$18,610</b>	<b>\$17,082</b>	<b>\$16,575</b>	<b>\$16,753</b>	<b>\$69,020</b>	<b>\$19,783</b>	<b>\$18,384</b>	<b>\$17,897</b>	<b>\$18,622</b>	<b>\$74,686</b>	<b>\$20,935</b>	<b>\$19,470</b>	<b>\$19,144</b>	<b>\$19,282</b>	<b>\$78,831</b>	<b>\$81,733</b>
<b>Operating Income</b>	<b>\$32,594</b>	<b>\$6,699</b>	<b>\$8,140</b>	<b>\$8,624</b>	<b>\$8,750</b>	<b>\$32,213</b>	<b>\$7,274</b>	<b>\$8,831</b>	<b>\$10,607</b>	<b>\$10,080</b>	<b>\$36,792</b>	<b>\$8,159</b>	<b>\$9,913</b>	<b>\$10,447</b>	<b>\$10,661</b>	<b>\$39,180</b>	<b>\$40,408</b>
Interest Income & Other income	903	175	184	270	300	929	150	216	269	250	885	300	300	300	300	1,200	1,200
<b>Pretax Income</b>	<b>\$33,497</b>	<b>\$6,874</b>	<b>\$8,324</b>	<b>\$8,894</b>	<b>\$9,050</b>	<b>\$33,142</b>	<b>\$7,424</b>	<b>\$9,047</b>	<b>\$10,876</b>	<b>\$10,330</b>	<b>\$37,677</b>	<b>\$8,459</b>	<b>\$10,213</b>	<b>\$10,747</b>	<b>\$10,961</b>	<b>\$40,380</b>	<b>\$41,608</b>
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)
<b>Net Income</b>	<b>\$27,661</b>	<b>\$5,984</b>	<b>\$6,733</b>	<b>\$7,428</b>	<b>\$7,215</b>	<b>\$27,360</b>	<b>\$6,040</b>	<b>\$7,300</b>	<b>\$8,558</b>	<b>\$8,574</b>	<b>\$30,472</b>	<b>\$7,190</b>	<b>\$8,313</b>	<b>\$9,071</b>	<b>\$8,813</b>	<b>\$33,387</b>	<b>\$34,408</b>
Less restricted stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income To Common</b>	<b>\$27,661</b>	<b>\$5,984</b>	<b>\$6,733</b>	<b>\$7,428</b>	<b>\$7,215</b>	<b>\$27,360</b>	<b>\$6,040</b>	<b>\$7,300</b>	<b>\$8,558</b>	<b>\$8,574</b>	<b>\$30,472</b>	<b>\$7,190</b>	<b>\$8,313</b>	<b>\$9,071</b>	<b>\$8,813</b>	<b>\$33,387</b>	<b>\$34,408</b>
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
<b>FD EPS</b>	<b>\$2.28</b>	<b>\$0.49</b>	<b>\$0.56</b>	<b>\$0.61</b>	<b>\$0.60</b>	<b>\$2.26</b>	<b>\$0.50</b>	<b>\$0.60</b>	<b>\$0.71</b>	<b>\$0.72</b>	<b>\$2.57</b>	<b>\$0.61</b>	<b>\$0.70</b>	<b>\$0.76</b>	<b>\$0.74</b>	<b>\$2.81</b>	<b>\$2.90</b>
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
<b>Growth Analysis</b>																	
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%	4.0%	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%)	(0.6%)	3.9%	0.8%	6.9%	0.3%	3.7%	0.8%	1.4%	(0.1%)	0.7%	1.2%	0.7%	1.2%	0.8%
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%
<b>Margin Analysis</b>																	
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
<b>Operating Activities</b>									
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
<b>Change in Operating Assets &amp; Liabilities</b>	<b>\$32,662</b>	<b>\$33,565</b>	<b>\$8,137</b>	<b>\$8,947</b>	<b>\$14,301</b>	<b>\$10,951</b>	<b>\$42,336</b>	<b>\$43,154</b>	<b>\$45,305</b>
Net Change in Working Capital	374	(692)	(8,955)	2,274	(967)	5,097	(47)	6,667	6,655
<b>Net Cash Provided by Operations</b>	<b>\$33,036</b>	<b>\$32,873</b>	<b>(\$818)</b>	<b>\$11,221</b>	<b>\$13,334</b>	<b>\$16,049</b>	<b>\$42,290</b>	<b>\$49,821</b>	<b>\$51,960</b>
<b>Investing Activities</b>									
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
<b>Net Cash Provided by Investing Activities</b>	<b>(\$5,189)</b>	<b>(\$2,192)</b>	<b>\$526</b>	<b>(\$1,031)</b>	<b>\$0</b>	<b>(\$383)</b>	<b>(\$888)</b>	<b>(\$1,948)</b>	<b>(\$2,016)</b>
<b>Financing Activities</b>									
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
<b>Net Cash Provided by Financing</b>	<b>(\$31,096)</b>	<b>(\$31,065)</b>	<b>(\$5,214)</b>	<b>(\$2,410)</b>	<b>(\$2,324)</b>	<b>(\$21,787)</b>	<b>(\$31,735)</b>	<b>(\$29,138)</b>	<b>(\$29,832)</b>
<b>Net Cash Increase (decrease) in cash</b>	<b>(\$3,249)</b>	<b>(\$384)</b>	<b>(\$5,506)</b>	<b>\$7,780</b>	<b>\$11,010</b>	<b>(\$6,121)</b>	<b>\$9,667</b>	<b>\$18,735</b>	<b>\$20,111</b>
Beginning cash balance	38,936	35,687	36,128	30,622	38,402	49,412	35,303	44,970	63,705
<b>Ending Cash Balance</b>	<b>\$35,687</b>	<b>\$35,303</b>	<b>\$30,622</b>	<b>\$38,402</b>	<b>\$49,412</b>	<b>\$43,291</b>	<b>\$44,970</b>	<b>\$63,705</b>	<b>\$83,816</b>
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
<b>FCF / Share</b>	<b>\$2.16</b>	<b>\$2.20</b>	<b>(\$0.24)</b>	<b>\$0.81</b>	<b>\$0.99</b>	<b>\$1.19</b>	<b>\$2.75</b>	<b>\$3.46</b>	<b>\$3.56</b>

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
<b>ASSETS</b>									
<b>Current Assets</b>									
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
<b>Total Current Assets</b>	<b>\$48,592</b>	<b>\$49,613</b>	<b>\$45,356</b>	<b>\$53,729</b>	<b>\$65,875</b>	<b>\$59,400</b>	<b>\$59,400</b>	<b>\$78,703</b>	<b>\$99,014</b>
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
<b>Total Assets</b>	<b>\$90,525</b>	<b>\$90,742</b>	<b>\$86,050</b>	<b>\$93,816</b>	<b>\$101,169</b>	<b>\$94,294</b>	<b>\$94,294</b>	<b>\$112,234</b>	<b>\$131,399</b>
<b>Liabilities</b>									
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
<b>Current Liabilities</b>	<b>\$45,625</b>	<b>\$43,738</b>	<b>\$36,700</b>	<b>\$38,304</b>	<b>\$38,200</b>	<b>\$42,943</b>	<b>\$42,943</b>	<b>\$49,810</b>	<b>\$56,665</b>
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
<b>Total Liabilities</b>	<b>\$58,298</b>	<b>\$55,025</b>	<b>\$47,626</b>	<b>\$48,875</b>	<b>\$48,407</b>	<b>\$53,150</b>	<b>\$53,150</b>	<b>\$60,017</b>	<b>\$66,872</b>
<b>Shareholders' Equity</b>									
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)
<b>Total Stockholders' Equity</b>	<b>\$32,227</b>	<b>\$35,717</b>	<b>\$38,424</b>	<b>\$44,941</b>	<b>\$52,762</b>	<b>\$41,143</b>	<b>\$41,143</b>	<b>\$52,217</b>	<b>\$64,527</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$90,525</b>	<b>\$90,742</b>	<b>\$86,050</b>	<b>\$93,816</b>	<b>\$101,169</b>	<b>\$94,294</b>	<b>\$94,294</b>	<b>\$112,234</b>	<b>\$131,399</b>
<b>Key Metrics</b>									
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-\$54.00) 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	

24-Feb-2023 to 24-Feb-2026 (Daily) Price



Source: FactSet Prices

<b>Valuation</b>	<b>We maintain our \$65 price target on OTCM, based on 23x our 2027 EPS estimate of \$2.90.</b> 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%.		
<b>Key Risks</b>	Volatile trading volumes	Regulatory	Economic sensitivity

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

		<ul style="list-style-type: none"> <li>• significant potential for loss of principal;</li> <li>• significant share price volatility;</li> <li>• limited revenue or cash flow and/or high unpredictability associated with revenue and cash flow;</li> <li>• short and/or unprofitable operating history;</li> <li>• potentially significant issues regarding operational and/or financial success;</li> <li>• problematic financial, liquidity, legal, regulatory or political issues;</li> <li>• upcoming need for additional capital when availability is questionable;</li> <li>• significant related party transactions which could lead to a conflict of interest;</li> <li>• any other factor that the analyst believes could materially and adversely impact the subject company and/or the value of its securities.</li> </ul>
<b>MODERATE (RISK)</b>	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"> <li>• more stable and predictable revenue, profits and cash flow;</li> <li>• more established operating history;</li> <li>• more favorable operating or business environment</li> <li>• lower potential for financial, liquidity, regulatory or political issues; or</li> <li>• less onerous upcoming capital needs.</li> </ul>

(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 2-24-2026 , 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	16.8%	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	69.6%	0	0.0%
NR - CSRs High Risk (c)	12	9.6%	0	0.0%
TOTAL	125	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) 87.9% of our CSRs are moderate risk, while 12.1% 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](http://www.sec.gov).

**Certain information Regarding Analyst Compensation**

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 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](http://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**

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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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- 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.

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### **Source(s)**

Key Statistics data is sourced from FactSet Research Systems