

August 14, 2025

VALUATION

Current Price	\$2.14
52 Week Range	\$1.71 – 6.55
Market Cap (\$-Mn)	35.53
Ent. Value (\$-Mn)	68.0
Shares Out. (Mn)	16.6
Float	18.9%
Avg. 3-Month Volume	0.02Mn
P/S (LTM)	0.2x

Source: TIKR

FUNDAMENTALS

Revenue (2022)	\$179 Mn
Revenue (2023)	\$168 Mn
Revenue (2024)	\$169 Mn
Adj. EBITDA (2022)	\$6.3 Mn
Adj. EBITDA (2023)	\$8.4 Mn
Adj. EBITDA (2024)	\$6.3 Mn
Cash and cash equivalents (2Q25)	\$8.2 Mn

Source: Company Filings

STOCK PRICE PERFORMANCE



Source: TIKR

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Binah Capital Group, Inc. (BCG)

Strategic Execution and Advisor-Centric Wealth Management Platform Drives Growth. Attractively Valued.

■ Key Takeaways:

- Growth momentum and effective execution of strategic initiatives drives topline growth and 11% expansion in AUM base.
- Top line growth is backed by improving profitability as gross profit margin reached a multi-quarter high of 21% in 2Q25. EBITDA improved from \$0.6 million in 2Q24 to ~\$1 million in 2Q25.
- Debt levels moderated, and BCG held cash and cash equivalents of \$8.2 million at end of 2Q25.
- Undervalued given potential for topline growth and margin recovery.

■ BCG's topline grew 2% y/y to \$41.5 million, as the company continued to scale its wealth management platform. Growth in revenue was driven by higher revenue from commissions, advisory fees, and an increase in interest and other income.

- **Commissions revenue in 2Q25 totaled \$34.0 million, compared to \$33.7 million a year ago.** Trailing commission revenues – which are preliminarily related to the sales of mutual funds and variable annuities held by clients of the company's advisors – grew 7.4% y/y to \$19.1 million in 2Q25, offset by a 6.2% reduction in sales-based revenue (that are recognized at the point of sale on the trade date) to \$14.9 million.
- **Advisory fees for 2Q25 came in at \$6.6 million, up from \$6.3 million in the prior-year period,** driven by positive returns in the market.
- Interest and other income for the quarter stood at \$0.9 million, up from \$0.7 million in 2Q24.

■ Assets under management (AUM) expanded 11% y/y and reached \$27.8 billion in 2Q25, highlighting the scalability of BCG's model and its ability to capture a greater share of client wallet over time. We believe AUM growth reflects the company's continued success in attracting and retaining client assets through its network of independent financial advisors, supported by its hybrid-friendly platform that offers both commission-based and fee-based solutions.

■ Overall, we believe that the growth in revenue and expansion of asset base in 2Q25 highlights BCG's growth sustained momentum and the effective execution of its growth initiatives that are centered around:

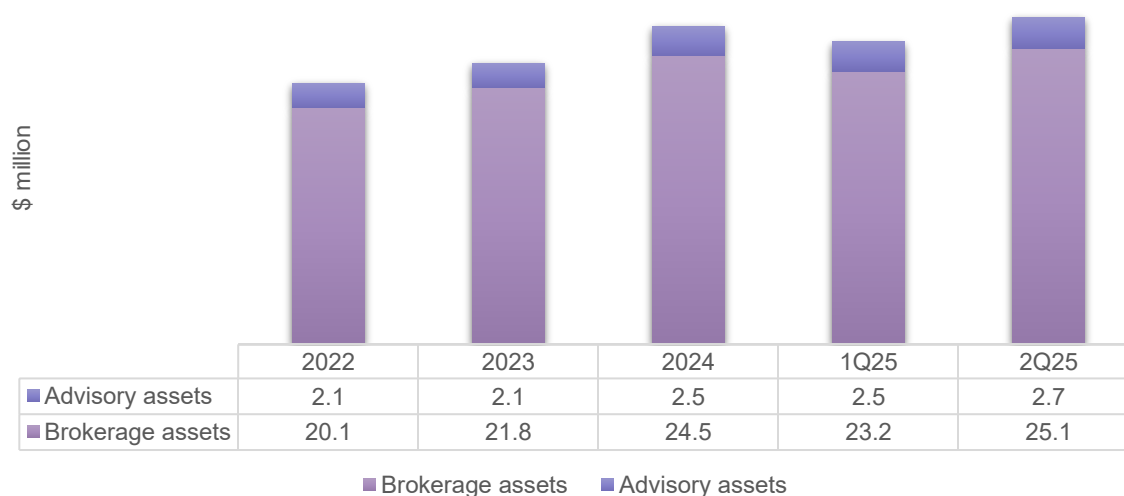
- **Advisor recruitment and revenue growth.** BCG's primary growth driver is the recruitment of high-performing financial advisors from traditional wirehouses, regionals, and IBDs.
- **Strategic custodian relationships and organic pipeline.** BCG maintains strong partnerships with all major custodians, which serve as a reliable channel for advisor referrals.
- **Inorganic expansion and platform synergies.** BCG continues to pursue selective M&A opportunities to supplement organic growth.

Chart 1: BCG – Quarterly Revenue



Source: Exec Edge Research, Company Filings

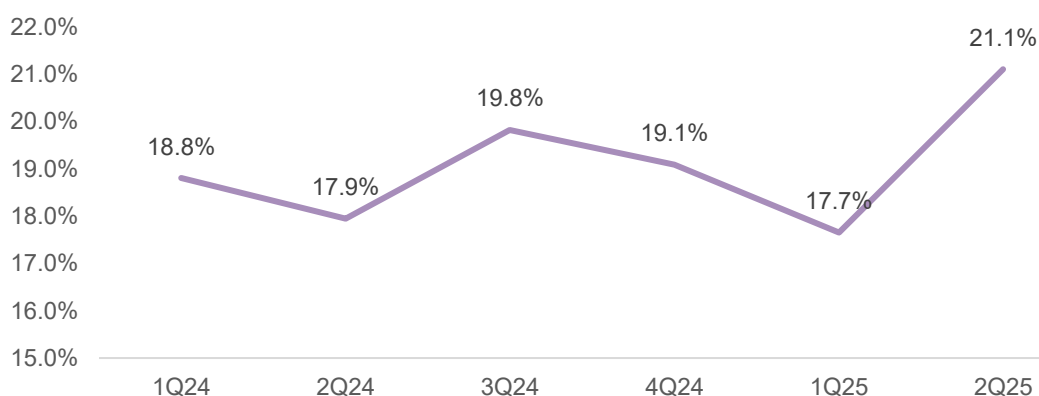
Chart 2: Strong Asset Base Indicates Platform Stickiness



Source: Exec Edge Research, Company Filings

- **Top line growth is backed by improving profitability as gross profit grew by a healthy 21% y/y and gross margin reached a multi-quarter high of 21% in 2Q25.** Driven by a growth in total revenue from \$40.7 million in 2Q24 to \$41.7 million in 2Q25, and a reduction in commission and fee expenses from \$33.4 million to \$32.7 million, BCG's gross profit grew ~21% y/y to \$8.8 million in the second quarter, pushing it gross margin to a multi-quarter high of 21%.
 - **Employee compensation and benefits increased ~\$1.3 million y/y**, driven by additional personnel costs from operating as a public company and the issuance of non-cash compensation awards to officers and directors. Technology fees increased by \$0.2 million due to higher infrastructure and communication costs, while professional fees increased by \$0.1 million, reflecting greater SEC filing activity in the current period.
 - **On other hand, interest expense declined by \$0.2 million, benefiting from the repayment and restructuring of related-party debt obligations of BMS and the refinancing of the senior credit facility.**
 - **Total operating expenses were \$42 million, consistent with the prior year period.**

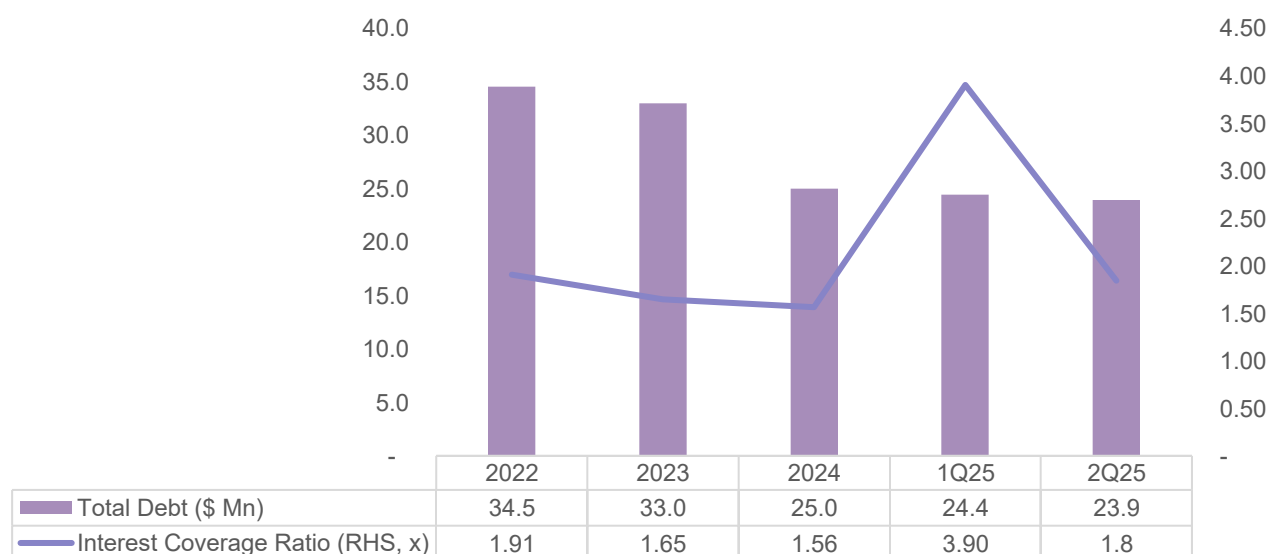
Chart 3: Gross Margin is a Multi-Quarter High



Source: Exec Edge Research, Company Filings

- **EBITDA jumped from \$0.6 million in 2Q24 to ~\$1 million in 2Q25.** The improvement was driven by growing revenue, higher gross profit, and the recognition of \$0.8 million in share-based compensation, partially offset by ongoing operating expenses.
 - **BCG posted a GAAP net loss of \$0.7 million in 2Q25, in line with the prior-year period.** The loss was driven by operating expenses that remained elevated, with higher employee compensation, technology fees, and professional services costs offsetting declines in commission and interest expenses.
- **Debt levels moderated, and BCG held cash and cash equivalents of \$8.2 million at end of 2Q25.** Borrowings totaled \$23.9 million, down from \$24.4 million a quarter ago and \$25.1 million a year ago, and included \$18.6 million in notes payable and \$5.3 million in promissory notes to affiliates. The company's interest coverage ratio stood at 1.84x at the end of 2Q25, up from 0.71x at the end of 2Q24 but down from 3.90x at the end of 1Q25. While leverage remains elevated and is a key monitorable, expected EBITDA growth in FY25—driven by margin recovery and advisor onboarding—positions BCG to improve its debt coverage ratios.

Chart 4: Total Debt Continues to Moderate



Source: Exec Edge Research, Company Filings. Adjusted EBITDA (which excludes merger and refinancing costs) has been used for 2023 and 2024 for like-to-like comparison.

Undervalued Given Potential for Topline Growth and Margin Recovery

- **Our analysis based on multiple valuation metrics shows that the BCG stock has upside potential from current levels.** Please note that the following analysis is for illustrative purposes and is not meant to be a stock recommendation/price target or a buy/sell/hold recommendation on the stock. We use multiple approaches, including absolute valuation (time series), comparison with trading peers, and comparable transactions. While we do not have a price target for BCG, our analysis shows that the stock has upside potential. **Please note that the upside shown in the analysis below is not a stock price target and is just an illustration of the valuation analysis conducted by us.**
- **We analyzed BCG's LTM P/S multiple and note that the stock is trading at a discount to its mean multiple on this metric.** Note that we are using LTM multiple instead of NTM due to lack of any official guidance by the company or Street estimates.
 - **P/S multiple analysis.** BCG is trading at a 0.21x LTM P/S multiple, a discount to its mean multiple of 0.33x (since listing). Applying the 0.33x multiple to its LTM revenue results in a price/share of \$3.5, which is 65% higher than current price of \$2.14.

Chart 5: Valuation Analysis Based on LTM P/S Multiple



Source: Exec Edge Research, TIKR. Data as of 8/13 close.

- **Peer analysis (relative valuation).** BCG's LTM P/Sales multiple of 0.2x reflects a discount of 90%+ to the industry average of 2.1x. Given this relative undervaluation, we believe that BCG is a re-rating candidate, driven by 1) a resilient and differentiated platform that leaves BCG well-positioned to navigate the dynamic macro environment, 2) a growing advisor base, and 3) an expanding asset base that should help drive top-line growth. And with expenses tied to business combination closure and transition to a public company out of the way, margins can be expected to improve, thus strengthening the case for re-rating and creating upside potential from current levels.

Chart 6: Trading Comps – BCG vs. Peers

Ticker	Peer Companies	Market Cap (\$Mn)	EV (\$Mn)	LTM P/Sales (x)
BCG	Binah Capital Group, Inc.	36	68	0.2
LPLA	LPL Financial Holdings Inc.	28,456	33,740	2.1
CIXX	CI Financial Corp.	3,334	7,889	1.3
SEIC	SEI Investments Company	10,946	10,197	5.0
Average		10,693	12,973	2.1
BCG's Multiple vs. Peer Average				-91%

Source: Exec Edge Research, TIKR. Data as of 8/13 close.

- **Comparable transaction analysis points to significant upside potential from current levels.** The wealth management industry has seen multiple transactions in the recent past that closely mirror BCG's business.
 - In February 2025, Robinhood (HOOD) acquired TradePMR in a \$300 million deal. Per RIABiz, TradePMR served 350 RIA firms and had \$43 billion in assets as of January 31, implying a valuation multiple of 0.70% of AUM.

- In April 2025, Stifel Financial (SF) acquired 36 B. Riley Financial (RILY) employee advisors, representing total assets under management of approximately \$4 billion. The transaction, which closed at an estimated valuation of \$27 million-to-\$35 million (per InvestmentNews), implies a valuation multiple of 0.78% of AUM at the midpoint of the range.
- In August 2025, LPL Financial (LPLA) acquired Commonwealth Financial Network. The deal adds 3,000 financial advisors and \$305 billion in AUM to LPLA. Valued at \$2.7 billion, the deal implies a valuation multiple of 0.89% of AUM.
- **Overall, the average AUM multiple of these transactions stands at 0.79%. Applying the same multiple to BCG's AUM of \$27.8 billion points to a valuation of \$219 million or \$13.2/share.** This is much higher than the company's current valuation (~\$35 million) and is indicative of BCG's value creation potential, given its expanding advisor- and AUM- base, backed by a best-in-class wealth management platform with recurring revenue streams.

Chart 7: Transaction Comps

Acquirer	Target	Status	Close Date	AUM (\$Mn)	Valuation (\$Mn)	Multiple (Valuation/AUM)
Stifel Financial	B. Riley Financial	Closed	7-Apr-25	4,000	31	0.78%
Robinhood	TradePMR	Closed	26-Feb-25	43,000	300	0.70%
LPL Financial	Commonwealth Financial Network	Closed	1-Aug-25	305,000	2,700	0.89%
Average						0.79%
-	Binah Capital Group, Inc. (BCG)	-	-	27,800	219	0.79%
				S/O (Mn)	16.6	
				Price/share	\$ 13.2	

Source: Exec Edge Research, InvestmentNews, RIABiz, Wealth Solutions Report, Company Press Releases.

Chart 8: BCG – Financial Snapshot

Income Statement (\$ thousands except EPS data)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2022	2023	2024	LTM
Revenue from Contracts with Customers:										
Commissions	34,395	33,663	34,780	36,614	41,141	33,998	149,297	138,191	139,452	146,533
Advisory fees	5,685	6,320	6,247	6,687	6,916	6,627	23,107	21,668	24,939	26,477
Total Revenue from Contracts with Customers	40,080	39,983	41,026	43,302	48,057	40,625	172,404	159,859	164,391	173,010
Interest and other income	1,369	665	1,170	1,308	879	872	6,446	8,096	4,512	4,229
Total revenues	41,449	40,648	42,197	44,609	48,936	41,497	178,850	167,955	168,903	177,239
Revenue Growth		0.5%	-1.5%	8.1%	18.1%	2.1%		-6.1%	0.6%	
Commissions and fees	33,655	33,352	33,832	36,093	40,298	32,740	145,651	136,169	136,932	142,963
Gross Profit	7,794	7,296	8,365	8,516	8,638	8,757	33,199	31,786	31,971	34,276
Gross Margin	18.8%	17.9%	19.8%	19.1%	17.7%	21.1%	18.6%	18.9%	18.9%	
Gross Profit Growth (y/y)		-3.0%	19.8%	-5.1%	10.8%	20.0%		-4.3%	0.6%	
OTHER EXPENSES:										
Employee compensation and benefits	3,457	3,594	3,937	4,556	4,351	4,926	14,227	13,385	15,544	17,770
Rent and occupancy	295	290	285	280	285	286	950	1,189	1,150	1,136
Professional fees	4,337	602	1,120	912	536	713	6,077	4,709	6,971	3,281
Technology fees	362	480	386	64	753	690	1,892	2,457	1,292	1,893
Interest	1,062	795	775	1,394	566	543	3,318	5,119	4,026	3,278
Depreciation and amortization	301	293	268	157	187	183	1,523	1,216	1,019	795
Other	(578)	1,765	2,207	1,722	503	1,977	3,721	3,225	5,116	6,409
Other Expenses	9,236	7,819	8,978	9,085	7,181	9,318	31,708	31,300	35,118	34,562
(Loss) income before provision for income taxes	(1,442)	(523)	(613)	(569)	1,456	(561)	1,491	486	(3,147)	(287)
Provision (benefit) for income taxes	139	214	537	525	423	93	580	(85)	1,415	1,578
NET INCOME	(1,581)	(736)	(1,150)	(1,095)	1,033	(654)	911	571	(4,562)	(1,866)
Net Income Margin	-3.8%	-1.8%	-2.7%	-2.5%	2.1%	-1.6%	0.5%	0.3%	-2.7%	(0)
Net income attributable to Legacy BMS Management Services	730	-	-	-	-	-	-	-	730	-
NET INCOME ATTRIBUTABLE TO BCG	(2,311)	(736)	(1,150)	(1,095)	1,033	(654)	911	571	(5,292)	(1,866)
EARNINGS PER SHARE	(0.14)	(0.04)	(0.07)	(0.07)	0.06	(0.04)	-	-	(0.32)	(0.12)
SHARES OUTSTANDING (000s)	16,566	16,573	16,602	16,582	16,602	16,602				
Balance Sheet (\$ thousands)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2022	2023	2024	2Q25
ASSETS										
Cash, cash equivalents and restricted cash	6,180	7,025	7,253	8,486	8,821	8,170	7,849	7,621	8,486	8,170
Receivables, net:										
Commissions receivable	8,554	8,836	9,652	9,198	9,603	9,607	7,944	8,220	9,198	9,607
Due from clearing broker	515	471	941	873	565	938	642	631	873	938
Other	1,532	1,132	1,341	938	1,672	1,101	1,878	1,587	938	1,101
Property and equipment, net	854	745	672	599	511	454	1,461	974	599	454
Right of use assets	4,184	4,034	3,883	3,730	3,574	3,417	4,523	4,332	3,730	3,417
Intangible assets, net	1,436	1,291	1,146	1,021	933	846	2,159	1,580	1,021	846
Goodwill	39,839	39,839	39,839	39,839	39,839	39,839	39,839	39,839	39,839	39,839
Other assets	2,741	2,689	2,236	1,993	2,359	3,419	2,389	2,626	1,993	3,419
TOTAL ASSETS	65,835	66,063	66,963	66,677	67,877	67,791	68,684	67,410	66,677	67,791
LIABILITIES										
Accounts payable, accrued expenses and other liabilities	8,452	8,844	10,242	10,208	11,332	12,234	8,905	9,082	10,208	12,234
Commissions payable	9,718	10,642	10,816	11,468	11,460	11,709	11,095	10,676	11,468	11,709
Operating lease liabilities	4,243	4,104	3,963	3,820	3,675	3,528	4,527	4,381	3,820	3,528
Notes payable, net of unamortized debt issuance costs	20,266	19,705	19,142	19,561	19,091	18,620	22,929	20,822	19,561	18,620
Promissory notes-affiliates	5,335	5,463	5,313	5,442	5,313	5,313	11,606	12,177	5,442	5,313
Due to members	-	-	-	-	-	-	4,725	5,169	-	-
TOTAL LIABILITIES	48,014	48,758	49,476	50,499	50,870	51,404	63,787	62,307	50,499	51,404
MEZZANINE AND STOCKHOLDERS EQUITY										
Mezzanine Equity:										
Redeemable Series A Convertible Preferred Stock,	14,400	14,595	14,764	14,947	15,121	15,300	-	-	14,947	15,300
Stockholders' Equity and Members' Equity:										
Series B Convertible Preferred Stock	-	-	1,500	1,500	1,500	1,500	-	-	1,500	1,500
Common stock	-	-	-	-	-	-	-	-	-	-
Additional paid-in-capital	23,693	23,719	23,381	22,984	22,606	22,613	-	-	22,984	22,613
Accumulated deficit	(20,272)	(21,008)	(22,158)	(23,253)	(22,220)	(22,874)	4,897	5,103	(23,253)	(22,874)
Members' Equity attributed to Legacy BMS Management Serv	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	(152)	-	-	-	(152)
TOTAL MEZZANINE AND STOCKHOLDERS EQUITY	17,821	17,306	17,487	16,178	17,007	16,387	4,897	5,103	16,178	16,387
TOTAL LIABILITIES AND EQUITY	65,835	66,063	66,963	66,677	67,877	67,791	68,684	67,410	66,677	67,791
Cash Flows - Key Items (\$ thousands)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2022	2023	2024	LTM
Depreciation and amortization	275	261	218	265	185	143	1,523	1,104	1,019	811
Net cash provided by operating activities	(3,136)	1,021	(296)	1,794	1,054	63	5,361	2,553	(617)	2,615
Purchases of property and equipment	(11)	(7)	-	(67)	(8)	-	(327)	(80)	(85)	(75)
Net cash used in investing activities	(11)	(7)	-	(67)	(8)	-	(327)	(80)	(85)	(75)
Net cash used in financing activities	1,706	(171)	526	(494)	(711)	(714)	(4,511)	(2,701)	1,567	(1,393)
Net Change in Cash, Cash Equivalents & Restricted Cash	(1,441)	843	230	1,233	335	7,835	526	(228)	865	9,633

Source: Exec Edge Research, Company Filings

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