

Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

February 4, 2025

Usio Returning to Double-Digit Growth in 2025 – Reiterate Buy and \$6 Target

Analyst: Barry M. Sine, CFA, CMT

- Last week, Usio issued a press release with 4Q 2024 operating metrics and guidance for 2025. Financial data will be released in March.
- The operating metrics look solid and support our 4Q revenue estimate of \$20.7 million.
- The metric that stood out was prepaid card load, at \$111 million for 4Q and \$500 million for full-year 2024, representing the sixth consecutive quarter above \$100 million. No revenue is recorded when the cards are loaded but when the funds are spent, or “spoil” after going unspent for a certain amount of time, revenue is recognized. Thus this data point is a strong forward-looking data point of future revenue in the card issuing segment.
- The guidance is for revenue growth of 14% to 16% and an EBITDA margin of 5% to 7%. Our model shows that at these levels, the company will be solidly EPS-positive for 2025. Positive EPS is an important metric for quant funds and some institutional investors.
- We also note that volume has surged in 2025 with January volume 50% greater than all of 2024. Again, institutions generally need volume before considering a stock so that they have an exit if the thesis does not pan out. Volume momentum is also important for quant models.
- At these levels, we continue to see Usio as an attractive acquisition target in an industry with significant M&A activity. We view X as the best strategic fit given CEO Elon’s Musk stated desire to add financial services and our opinion that Usio is the most innovative company in payments. It is one of just ten NACHA-certified payments companies and is only one of two payments companies with its own Fed terminal (Paypal being the other) so it brings valuable assets and would be difficult to duplicate.
- We reiterate our Buy rating and \$6 price target.

| | | | | | |
|-------------------------|---------|--|-----------------|---------------|---------------|
| Rating | BUY | Earnings Per Share | | | |
| Target Price | \$6.00 | Normalized to exclude unusual items | | | |
| Ticker Symbol | USIO | FYE - December | 2023 | 2024E | 2025E |
| Market | NASDAQ | 1Q - March | \$0.00 | (\$0.01) A | \$0.04 |
| Stock Price | \$1.75 | 2Q - June | \$0.01 | \$0.00 A | \$0.04 |
| 52 wk High | \$2.92 | 3Q - September | (\$0.04) | \$0.10 A | \$0.04 |
| 52 wk Low | \$1.24 | 4Q - December | \$0.00 | \$0.01 | \$0.04 |
| Shares Outstanding: | 27.1 M | Year | (\$0.02) | \$0.11 | \$0.16 |
| Public Market Float: | 17.3 M | Revenue (\$mm) | \$82.6 | \$83.1 | \$95.1 |
| Avg. Daily Volume | 331,256 | EV/Rev | 0.5X | 0.5X | 0.4X |
| Market Capitalization: | \$47 M | EBITDA (\$mm) | \$2.4 | \$3.2 | \$5.7 |
| Institutional Holdings: | 29.9% | EV/EBITDA | NM | 12.7X | 7.1X |
| Dividend Yield: | 0.0% | | | | 6.4X |

Risks/Valuation

- We see four key risk categories, which we discuss in our initiation report: regulatory changes, cybersecurity risks, errors, and fraud.
- Our valuation implies a 53% premium to larger, slower-growing comps on an EV/EBITDA basis, but a 58% discount on an EV/sales basis.

Company description: Usio is a diversified payments company headquartered in San Antonio, Texas. It has proven highly innovative in new product launches, acquisitions, and customer wins driving 24% revenue growth over the last five years.

Usio, Inc.

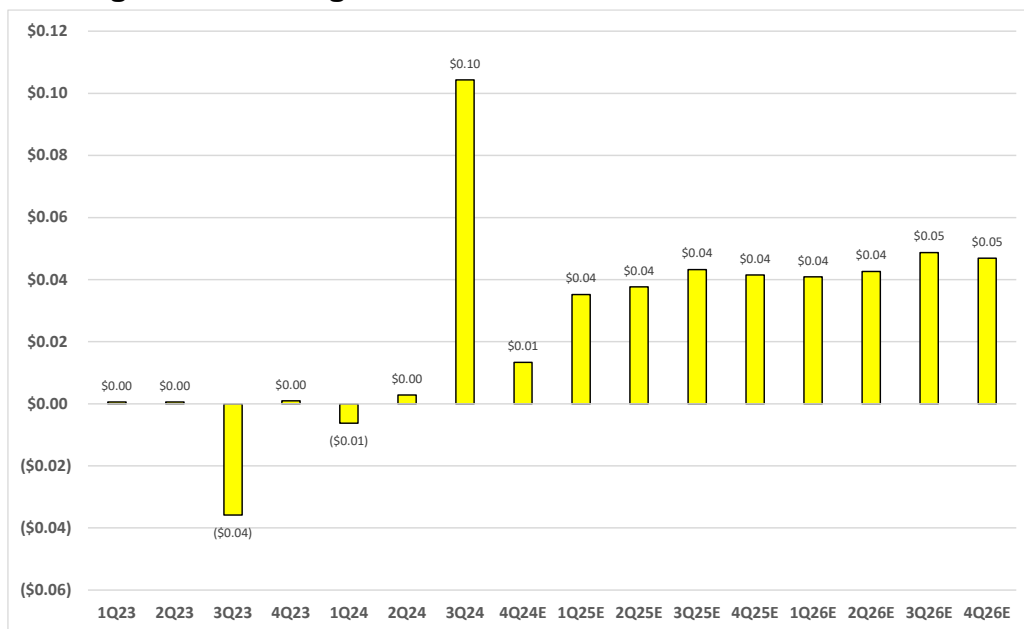
USIO (NASDAQ) - Buy \$6 Price Target

Usio Returning to Double-Digit Growth in 2025

Last week, Usio released 4Q and 2024 operating metrics and provided guidance for 2025. The key takeaways are that prepaid card load volume was up 35% in 2024 with \$500 million loaded onto cards. As this money is either spent or spoiled in 2025, Usio earns revenue. Separately, volume in USIO shares has taken off with January volume 50% higher than all of 2024. So investors are finally noticing the company and taking positions. The company also announced the end of its relationship with an under-performing payfac customer. The company had previously reported that this new customer was slow to ramp up, and it was disclosed that the reason was that they were acquired. Usio has strong momentum with other payfac customers, so should be able to generate double-digit growth without them. Because of these factors, no changes to our model are required.

The big news, in our view, was the newly issued 2025 guidance with revenue growth of 14% to 16%, and EBITDA margins of 5% to 7%. At these levels, we see positive EPS for full year 2025 and at least the last three quarters. The 14%-16% growth would represent significant acceleration from the 0.6% we expect for 2024. However, adjusting for \$12 million in one-time revenue in 2023, organic growth in 2024 was more like 18%, so the guidance just represents a return to trend. Oftentimes, the market is not smart enough to distinguish temporary events, so just as the reported slowdown in revenue in 2024 hurt the stock, the acceleration in 2025 should benefit the shares.

Usio Returning to Double-Digit Growth in 2025



Source: Litchfield Hills Research

The data provided for 4Q and full-year 2024 provides a good look at the underlying growth trends.

- Credit card dollars processed were up 10% in 2024 and volumes were up 24%. A portion of these transactions are from the payfac business. The company ended the year with even stronger momentum in 4Q with dollars processed up 15% and transactions up 34%. This business is about 45% of total revenue. We think this momentum bodes well for 2025 results.

Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

- Prepaid card purchase volume was up 26%, transaction volume was up 45% and load volume was up 35%. Purchases and transaction volumes drive revenue, whereas no revenue is associated with money loaded onto cards, but we view this as a valuable leading indicator to 2025 results. Fourth quarter numbers were slower than the full year with transactions up 36%, purchase volume up 7%, and load volume up 2%, after several quarters of very strong growth. This business is about 18% of revenue.
- ACH check transaction volume was up 18% and dollars processed were up 42%, again representing strong, double-digit, momentum. Returned checks, which are highly lucrative, increased 17%. Again, 4Q growth was even higher in every category, with transaction volume up 34%, dollars processed up 44%, and returned checks up 27%. This business is about 20% of revenue and is the most profitable.
- Output solutions processed and mailed 4% fewer pieces in 2024 than in 2023 but electronic documents were up 115%. In the fourth quarter, it processed 10% more pieces, suggesting the mid-year lull is over, while electronic documents were up 86%. We have visited the Output Solutions printing facility and have seen the enormous machines used for printing, folding, and stuffing paper bills. By contrast, electronic documents require very little hardware or human intervention so the shift from paper to electronic is a strong indicator of rising margins for this business. At the time the business was acquired, there were concerns that paper billing was in decline, which is true. But Usio has been highly successful at retaining customers and converting them to electronic billing, so in retrospect, the transaction looks like a home run. This business is about 24% of revenue.

Lastly, Usio noted that its relationship with a new payfac customer has ended as the customer was acquired. This particular customer never really ramped up after being signed in 2024, so expectations for it were already low. Thus we see little impact on our model. Other payfac customers continue to grow, so the loss of this whale should be more than made up for with growth from minnows.

The reported loss of this customer has caused somewhat of a sell-off in the shares. As the chart on the following page shows, the shares gapped up on January 6 creating a “window” pattern. There is a technical adage that says “An open window is always closed” meaning that the stock will likely trade down to cover this gap, before finding support again. But since we are already at or near this level, we view this as an ideal entry point.



Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

Volume Taking off in 2025



Source: Factset Research



Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

Usio, Inc. – Revenue Forecast

Dollars in thousands, except per share data
Fiscal years ended December 31

| | 2024E | | | | | 2025E | | | | | 2026E | | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | 1QA | 2QA | 3QA | 4Q | YEAR | 1Q | 2Q | 3Q | 4Q | YEAR | 1Q | 2Q | 3Q | 4Q | YEAR |
| | March | June | September | December | | March | June | September | December | | March | June | September | December | |
| ACH | 3,881,734 | 3,894,330 | 4,302,510 | 4,532,105 | 16,610,679 | 4,269,907 | 4,673,196 | 5,163,012 | 5,438,526 | 19,544,642 | 4,910,394 | 5,374,175 | 5,937,464 | 6,254,305 | 22,476,338 |
| YoY growth | 16.2% | -4.5% | 21.9% | 15.0% | 11.6% | 10.0% | 20.0% | 20.0% | 20.0% | 17.7% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Sequential growth | -1.5% | 0.3% | 10.5% | 5.3% | | -5.8% | 9.4% | 10.5% | 5.3% | | -9.7% | 9.4% | 10.5% | 5.3% | |
| Percent of total revenue | 18.5% | 19.4% | 20.2% | 21.9% | 20.0% | 19.7% | 20.4% | 20.2% | 21.9% | 20.6% | 20.0% | 21.2% | 21.0% | 22.8% | 21.3% |
| ACH interest | 211,640 | 190,233 | 201,545 | 200,000 | 803,418 | 200,000 | 200,000 | 200,000 | 200,000 | 800,000 | 200,000 | 200,000 | 200,000 | 200,000 | 800,000 |
| Electronic check transaction | 4.0% | 10.0% | 25.0% | 34.0% | | | | | | | | | | | |
| Returned check transactions | 9.0% | 13.0% | 18.0% | 27.0% | | | | | | | | | | | |
| Electronic check dollars processed | 22.0% | 36.0% | 61.0% | 44.0% | | | | | | | | | | | |
| Credit card | 7,560,734 | 7,261,268 | 7,197,362 | 7,194,330 | 29,213,694 | 8,316,807 | 8,350,458 | 8,276,966 | 8,273,480 | 33,217,712 | 9,314,824 | 9,352,513 | 9,270,202 | 9,266,297 | 37,203,837 |
| YoY growth | 3.0% | 2.0% | 0.4% | 5.0% | 2.6% | 10.0% | 15.0% | 15.0% | 15.0% | 13.7% | 12.0% | 12.0% | 12.0% | 12.0% | 12.0% |
| Sequential growth | 10.3% | -4.0% | -0.9% | 25.0% | | 15.6% | 0.4% | -0.9% | 0.0% | | 12.6% | 0.4% | -0.9% | 0.0% | |
| Percent of total revenue | 36.1% | 36.2% | 33.8% | 34.7% | 35.2% | 38.3% | 36.4% | 32.3% | 33.4% | 34.9% | 38.0% | 36.9% | 32.8% | 33.8% | 35.2% |
| Credit card transaction volume | 18.0% | 19.0% | 22.0% | 15.0% | 10.0% | | | | | | | | | | |
| Credit card dollars | 8.0% | 10.0% | 7.0% | 34.0% | 24.0% | | | | | | | | | | |
| Prepaid card | 3,341,224 | 3,673,418 | 4,017,153 | 3,617,339 | 14,649,134 | 3,007,102 | 4,408,102 | 5,021,441 | 4,521,674 | 16,958,319 | 3,608,522 | 4,628,507 | 5,272,513 | 4,747,758 | 18,257,300 |
| YoY growth | -30.5% | -29.6% | -14.3% | -10.0% | -21.8% | -10.0% | 20.0% | 25.0% | 25.0% | 15.8% | 20.0% | 5.0% | 5.0% | 5.0% | 7.7% |
| Sequential growth | -16.9% | 9.9% | 9.4% | -10.0% | | -16.9% | 46.6% | 13.9% | -10.0% | | -20.2% | 28.3% | 13.9% | -10.0% | |
| Percent of total revenue | 15.9% | 18.3% | 18.8% | 17.5% | 17.6% | 13.8% | 19.2% | 19.6% | 18.2% | 17.8% | 14.7% | 18.3% | 18.6% | 17.3% | 17.3% |
| Prepaid interest | 402,741 | 334,624 | 309,131 | 350,000 | 1,396,496 | 350,000 | 350,000 | 350,000 | 350,000 | 1,400,000 | 350,000 | 350,000 | 350,000 | 350,000 | 1,400,000 |
| Load volume | 108.0% | 55.0% | 21.0% | -2.0% | 35.0% | | | | | | | | | | |
| Transaction volume | 26.0% | 58.0% | 56.0% | 36.0% | 45.0% | | | | | | | | | | |
| Purchase dollars | 42.0% | 39.0% | 23.0% | 7.0% | 26.0% | | | | | | | | | | |
| Output solutions | 5,537,923 | 4,686,869 | 5,253,388 | 4,778,285 | 20,256,465 | 5,537,923 | 4,921,212 | 6,566,735 | 5,972,857 | 22,998,727 | 6,091,715 | 5,413,334 | 7,223,409 | 6,570,142 | 25,298,600 |
| YoY growth | -7.1% | -3.3% | 2.2% | 5.0% | -1.2% | 0.0% | 5.0% | 25.0% | 25.0% | 13.5% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Sequential growth | 21.7% | -15.4% | 12.1% | -9.0% | | 15.9% | -11.1% | 33.4% | -9.0% | | 2.0% | -11.1% | 33.4% | -9.0% | |
| Percent of total revenue | 26.4% | 23.3% | 24.6% | 23.1% | 24.4% | 25.5% | 21.5% | 25.6% | 24.1% | 24.2% | 24.9% | 21.4% | 25.5% | 24.0% | 24.0% |
| Output interest | 34,390 | 39,146 | 40,389 | 35,000 | 148,925 | 35,000 | 35,000 | 35,000 | 35,000 | 140,000 | 35,000 | 35,000 | 35,000 | 35,000 | 140,000 |
| Transactions/pieces mailed | | | | 10.0% | -4.0% | | | | | | | | | | |
| Electronic dollars processed | | | | 86.0% | 115.0% | | | | | | | | | | |
| Total | 20,970,396 | 20,079,888 | 21,321,478 | 20,707,060 | 83,078,812 | 21,716,739 | 22,937,968 | 25,613,155 | 24,791,537 | 95,059,399 | 24,510,455 | 25,353,529 | 28,288,588 | 27,423,503 | 105,576,075 |
| YoY growth | -2.2% | -5.6% | 3.9% | 6.9% | 0.6% | 3.6% | 14.2% | 20.1% | 19.7% | 14.4% | 12.9% | 10.5% | 10.4% | 10.6% | 11.1% |
| Sequential growth | 8.3% | -4.2% | 6.2% | -2.9% | | 4.9% | 5.6% | 11.7% | -3.2% | | -1.1% | 3.4% | 11.6% | -3.1% | |
| Total dollars | \$1,500,000 | \$1,736,000 | \$2,000,000 | 1,864,000 | \$7,100,000 | | | | | | | | | | |
| YoY growth | 22.0% | 33.5% | 42.9% | 36.1% | 34.0% | | | | | | | | | | |
| Revenue per transaction dollar | 0.0140 | 0.0116 | 0.0107 | 0.0111 | 0.0117 | | | | | | | | | | |
| Total transactions (millions) | 9,800 | 11,100 | 12,700 | 13,200 | 46,800 | | | | | | | | | | |
| | -18.0% | 23.3% | 30.9% | 33.3% | 25.8% | | | | | | | | | | |

Source: Company reports and Litchfield Hills Research LLC



Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

Usio, Inc. – Income Forecast

Dollars in thousands, except per share data
Fiscal years ended December 31

| | 2024E | | | | | 2025E | | | | | 2026E | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | 1QA | 2QA | 3QA | 4Q | YEAR | 1Q | 2Q | 3Q | 4Q | YEAR | 1Q | 2Q | 3Q | 4Q | YEAR |
| | March | June | September | December | | March | June | September | December | | March | June | September | December | |
| Revenue | 20,970,386 | 20,079,888 | 21,321,478 | 20,707,060 | 83,078,812 | 21,716,739 | 22,937,968 | 25,613,155 | 24,791,537 | 95,059,399 | 24,510,455 | 25,353,529 | 28,288,588 | 27,423,503 | 105,576,075 |
| YoY growth | -2.2% | -5.6% | 3.9% | 6.9% | 0.6% | 3.6% | 14.2% | 20.1% | 19.7% | 14.4% | 12.9% | 10.5% | 10.4% | 10.6% | 11.1% |
| Seq growth | 8.3% | -4.2% | 6.2% | -2.9% | | 4.9% | 5.6% | 11.7% | -3.2% | | -1.1% | 3.4% | 11.6% | -3.1% | |
| Cost of services | 16,116,691 | 15,280,074 | 16,425,321 | 15,944,436 | 63,766,522 | 16,504,722 | 17,432,856 | 19,465,997 | 18,841,568 | 72,245,143 | 18,627,946 | 19,268,682 | 21,499,327 | 20,841,862 | 80,237,817 |
| As a percent of revenue | 76.9% | 76.1% | 77.0% | 77.0% | 76.8% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% | 76.0% |
| Gross margin | 23.1% | 23.9% | 23.0% | 23.0% | 23.2% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% | 24.0% |
| S,G&A - cash | 4,060,225 | 4,000,845 | 4,119,317 | 3,934,341 | 16,114,728 | 3,909,013 | 4,128,834 | 4,610,368 | 4,462,477 | 17,110,692 | 4,411,862 | 4,563,635 | 5,091,946 | 4,936,230 | 19,003,693 |
| As a percent of revenue | 19.4% | 19.9% | 19.3% | 19.0% | 19.4% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% | 18.0% |
| Stock-based comp. | 499,273 | 460,061 | 569,772 | 600,000 | 2,129,106 | 550,000 | 550,000 | 550,000 | 550,000 | 2,200,000 | 550,000 | 550,000 | 550,000 | 550,000 | 2,200,000 |
| Cancellation of stock-based comp. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation and amortization | 576,154 | 547,849 | 583,718 | 600,000 | 2,307,721 | 525,000 | 525,000 | 525,000 | 525,000 | 2,100,000 | 525,000 | 525,000 | 525,000 | 525,000 | 2,100,000 |
| Operating income | (281,957) | (208,941) | (376,650) | (371,718) | (1,239,266) | 228,004 | 301,278 | 461,789 | 412,492 | 1,403,564 | 395,627 | 446,212 | 622,315 | 570,410 | 2,034,564 |
| Operating margin | -1.3% | -1.0% | -1.8% | -1.8% | -1.5% | 1.0% | 1.3% | 1.8% | 1.7% | 1.5% | 1.6% | 1.8% | 2.2% | 2.1% | 1.9% |
| Interest income | 115,354 | 107,270 | 125,564 | 800,000 | 1,148,188 | 800,000 | 800,000 | 800,000 | 800,000 | 3,200,000 | 800,000 | 800,000 | 800,000 | 800,000 | 3,200,000 |
| Other | - | 261,413 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest expense | (13,585) | (14,250) | (13,700) | (1,000) | (42,535) | (1,000) | (1,000) | (1,000) | (1,000) | (4,000) | (1,000) | (1,000) | (1,000) | (1,000) | (4,000) |
| Pretax Income | (180,188) | 145,492 | (264,786) | 427,282 | (133,613) | 1,027,004 | 1,100,278 | 1,260,789 | 1,211,492 | 4,599,564 | 1,194,627 | 1,245,212 | 1,421,315 | 1,369,410 | 5,230,564 |
| Taxes | (13,858) | 70,000 | (3,116,053) | 62,121 | (2,997,790) | 65,150 | 68,814 | 76,839 | 74,375 | 285,178 | 73,531 | 76,061 | 84,866 | 82,271 | 316,728 |
| As a percent of revenue | -0.1% | 0.3% | -14.6% | 0.3% | -3.6% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% |
| Net income to common | (166,330) | 75,492 | 2,851,267 | 365,161 | 2,864,177 | 961,854 | 1,031,464 | 1,183,950 | 1,137,118 | 4,314,386 | 1,121,096 | 1,169,151 | 1,336,450 | 1,287,140 | 4,913,836 |
| Net income margin | -0.8% | 0.4% | 13.4% | 1.8% | 3.4% | 4.4% | 4.5% | 4.6% | 4.6% | 4.5% | 4.6% | 4.6% | 4.7% | 4.7% | 4.7% |
| Diluted shares outstanding | 26,508,872 | 26,534,407 | 27,322,497 | 27,337,497 | 26,925,818 | 27,352,497 | 27,367,497 | 27,382,497 | 27,397,497 | 27,374,997 | 27,412,497 | 27,427,497 | 27,442,497 | 27,457,497 | 27,434,997 |
| Seq change | 5,621 | 25,535 | 788,090 | 15,000 | | 15,000 | 15,000 | 15,000 | 15,000 | | 15,000 | 15,000 | 15,000 | 15,000 | |
| EPS diluted - continuing | (\$0.01) | \$0.00 | \$0.10 | \$0.01 | \$0.11 | \$0.04 | \$0.04 | \$0.04 | \$0.04 | \$0.16 | \$0.04 | \$0.04 | \$0.05 | \$0.05 | \$0.18 |
| EBITDA | | | | | | | | | | | | | | | |
| Operating income | (281,957) | (208,941) | (376,650) | (371,718) | (1,239,266) | 228,004 | 301,278 | 461,789 | 412,492 | 1,403,564 | 395,627 | 446,212 | 622,315 | 570,410 | 2,034,564 |
| Addback | | | | | | | | | | | | | | | |
| Depreciation and amortization | 576,154 | 547,849 | 583,718 | 600,000 | 2,307,721 | 525,000 | 525,000 | 525,000 | 525,000 | 2,100,000 | 525,000 | 525,000 | 525,000 | 525,000 | 2,100,000 |
| Stock comp. expense | 499,273 | 460,061 | 569,772 | 600,000 | 2,129,106 | 550,000 | 550,000 | 550,000 | 550,000 | 2,200,000 | 550,000 | 550,000 | 550,000 | 550,000 | 2,200,000 |
| EBITDA | 793,470 | 798,969 | 776,840 | 828,282 | 3,197,561 | 1,303,004 | 1,376,278 | 1,536,789 | 1,487,492 | 5,703,564 | 1,470,627 | 1,521,212 | 1,697,315 | 1,645,410 | 6,334,564 |
| YoY growth | -22.9% | -30.9% | -88.2% | 179.9% | 34.2% | 64.2% | 6.0% | 6.0% | 79.6% | 78.4% | 12.9% | 10.5% | 10.4% | 10.6% | 11.1% |
| EBITDA margin | 3.8% | 4.0% | 3.6% | 4.0% | 3.8% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |

Source: Company reports and Litchfield Hills Research LLC



Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

Usio Trades at a Significant Discount to Comps – Our \$6 Target Implies Slight Premium on Ev/EBITDA

| Company Name | Fiscal Period | Price | Shares Outstanding | Market Value | Enterprise Value | Sales | EBITDA | Enterprise Value/Sales | Enterprise Value/EBITDA |
|------------------------------------|---------------|----------|--------------------|--------------|------------------|----------|---------|------------------------|-------------------------|
| USIO | 09/30/2024 | \$1.69 | 27.1 | 48.3 | 43.8 | 81.1 | 2.1 | 0.5x | 20.4x |
| USIO @ 2025E | 12/31/25 | \$1.69 | 27.1 | 48.3 | 43.8 | 95.1 | 5.7 | 0.5x | 7.7x |
| USIO @ target on 2025E | 12/31/25 | \$6.00 | 27.1 | 162.8 | 158.3 | 95.1 | 5.7 | 1.7x | 27.7x |
| USIO @ target on 2026E | 12/31/26 | \$6.00 | 27.1 | 162.8 | 158.3 | 105.6 | 6.3 | 1.5x | 25.0x |
| ACI Worldwide, Inc. | 09/30/2024 | \$53.89 | 104.9 | 5,602.1 | 6,459.2 | 1,452.6 | 357.0 | 4.4x | 18.1x |
| Bread Financial Holdings, Inc. | 09/30/2024 | \$63.01 | 49.7 | 3,138.5 | 4,251.5 | 4,938.0 | - | 0.9x | |
| Euronet Worldwide, Inc. | 09/30/2024 | \$98.45 | 43.9 | 4,290.8 | 4,366.4 | 3,688.0 | 565.5 | 1.2x | 7.7x |
| EVERTEC, Inc. | 09/30/2024 | \$32.59 | 63.6 | 2,048.4 | 2,732.8 | 694.7 | 236.0 | 3.9x | 11.6x |
| Fidelity National Information Serv | 09/30/2024 | \$81.82 | 538.4 | 44,080.5 | 53,760.5 | 9,821.0 | 3,592.0 | 5.5x | 15.0x |
| Fiserv, Inc. | 09/30/2024 | \$214.83 | 568.9 | 123,239.2 | 148,057.2 | 19,093.0 | 7,777.0 | 7.8x | 19.0x |
| Jack Henry & Associates, Inc. | 09/30/2024 | \$174.17 | 73.0 | 12,751.8 | 12,906.5 | 2,215.5 | 705.4 | 5.8x | 18.3x |
| Shift4 Payments, Inc. Class A | 09/30/2024 | \$117.95 | 68.7 | 10,741.9 | 12,423.6 | 2,564.8 | 399.4 | 4.8x | 31.1x |
| PayPal Holdings, Inc. | 09/30/2024 | \$79.16 | 1,002.5 | 89,737.3 | 91,076.3 | 29,681.0 | 5,926.0 | 3.1x | 15.4x |
| Block, Inc. Class A | 09/30/2024 | \$86.88 | 559.7 | 55,907.2 | 52,903.3 | 21,915.6 | 1,188.0 | 2.4x | 44.5x |
| WEX Inc. | 09/30/2024 | \$182.31 | 39.8 | 7,243.0 | 6,787.3 | 2,548.0 | 929.9 | 2.7x | 7.3x |
| Corpay, Inc. | 09/30/2024 | \$379.86 | 69.7 | 26,463.0 | 30,097.6 | 3,757.7 | 2,027.5 | 8.0x | 14.8x |
| Average | | | | | | | | 3.9x | 18.8x |

Source: FactSet Research Systems, Company reports, and Litchfield Hills Research LLC



Usio, Inc.

USIO (NASDAQ) - Buy \$6 Price Target

Disclosures:

Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

FINRA Compliant Research Report

We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110.

MiFID II Compliant Research Report

Our research is classified as minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website, and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv, and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website, and financial platforms.

Litchfield Hills Research LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Other Disclosures

Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of the Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied, or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks, and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools, and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

Ownership and Material Conflicts of Interest

The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report.

Investment Banking and Fees for Services

Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services.

Market Making

Litchfield Hills Research, LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.