LITCHFIELD HILLS RESEARCH

Usio, Inc.

USIO (NASDAQ) - Buy $6 Price Target

October 21, 2026

New Partnerships and Products Accelerating Growth

Analyst: Barry M. Sine, CFA, CMT

- We reiterate our Buy rating and $6 price target, representing 105% upside from the current share price of $2.92 after meeting with management yesterday at the LD Micro conference.
- Usio's new partnership with Harris Computer, a subsidiary of $68 billion Constellation Software, opens access to more than 70,000 utility providers. We see additional opportunities across Harris's 19 other industry verticals, including government, healthcare and education.
- Harris's acquisition-driven business model also raises the possibility of an eventual acquisition of Usio. Applying the revenue multiple from REPAY's recent KUBRA acquisition to our 2027 estimates implies $6.04 per share, while a 3x revenue multiple implies $11.48.
- School choice programs represent another major growth opportunity, with Usio serving programs across 37 states and onboarding a new state distributing over $1 billion annually. A separate higher education initiative has one university live and 23 more in the pipeline.
- ION, developed from a $500,000 software acquisition, could increase customer funds held within Usio's ecosystem to $300 million. At a 4% yield, an incremental $210 million in balances could generate $8.4 million in annual gross interest income, potentially accelerating EBITDA growth.

Rating	BUY
Target Price	$6.00
Ticker Symbol	USIO
Market	NASDAQ
Stock Price	$2.92
52 wk High	$3.06
52 wk Low	$1.03
Shares Outstanding:	28.5 M
Public Market Float:	17.9 M
Avg. Daily Volume	335,548
Market Capitalization:	$83 M
Institutional Holdings:	22.3%
Dividend Yield:	0.0%

Earnings Per Share	Normalized to exclude unusual items			
FYE - December	**2024**	**2025**	**2026E**	**2027E**
1Q - March	($0.01)	($0.01)	$0.00 A	$0.01
2Q - June	$0.00	($0.01)	$0.01 A	$0.01
3Q - September	$0.10	($0.02)	($0.00)	$0.01
4Q - December	$0.02	($0.00)	($0.00)	$0.01
Year	**$0.12**	**($0.04)**	**$0.01**	**$0.05**
Revenue ($mm)	**$82.9**	**$85.0**	**$97.3**	**$107.4**
EV/Rev	0.9X	0.9X	0.8X	0.7X
EBITDA ($mm)	**$2.9**	**$2.4**	**$3.9**	**$5.4**
EV/EBITDA	27.0X	32.3X	20.2X	14.5X

Risks/Valuation

- We see four key risk categories, which we discussed in our initiation report: regulatory changes, cybersecurity risks, errors, and fraud.
- Our valuation is based on an EV/EBITDA and EV/Revenue methodology.

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.

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Usio, Inc.

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New Partnerships and Products Accelerating Growth

We recently met with the Usio management team at the LD Micro Conference in Los Angeles. Coming off a quarter in which revenue increased 19% YoY to $23.7 million and adjusted EBITDA grew 128% to $1.1 million, we were surprised by the number and potential magnitude of the company's recently announced business wins. We believe these developments could accelerate revenue growth in 2027 and beyond while driving significant margin expansion as the company leverages its existing payment processing infrastructure. The principal developments we discussed were the recently announced Harris Computer partnership, opportunities in school choice voucher payments, and the introduction of its new ION product. We have not fully incorporated the potential contributions from these initiatives into our estimates and consequently see upside to our forecasts. We reiterate our Buy rating and $6 price target.

Harris Computer Partnership Could Be a Game Changer

On September 29, Usio announced that it had been named a preferred payments service provider by Harris Computer Corporation, a subsidiary of Constellation Software (TSX: CSU), which has a market capitalization of roughly $68 billion. Harris is one of the world's most active acquirers of vertical market software businesses, operating more than 250 businesses across more than 20 industries. Its business model is reminiscent of Berkshire Hathaway: acquire established businesses serving specialized markets, retain their operating expertise and customer relationships, allow them to grow within a much larger organization and own them forever.

The agreement calls for Harris to integrate Usio's payment technology into its utility customer information system (CIS) platform, making Usio a preferred payments provider for customers using the Harris platform. Usio will provide payment processing capabilities covering credit and debit cards, ACH and PINless debit, as well as physical check and statement printing, distribution and other payment services. Integrating these capabilities directly into the software utilities already use to manage customer accounts and billing should simplify the process of adopting Usio's services while creating a potentially attractive source of recurring processing revenue.

The size of the opportunity is substantial. According to the September 29 announcement, Harris serves more than 70,000 utility providers across the United States, compared with the several hundred utilities that management indicates Usio currently serves. The Harris relationship gives Usio access to an established distribution channel reaching an unusually large number of potential customers. We believe winning even one or two sizable new utility accounts could measurably accelerate revenue growth.

Utilities are notoriously conservative buyers of technology, and sales cycles can be lengthy because of procurement procedures, integration requirements and the reluctance to disrupt mission-critical billing systems. Nevertheless, the Harris agreement should remove one potential obstacle by making Usio's technology available through an established software provider. The incremental economics could also be attractive, as transaction volume from additional customers would be processed through infrastructure Usio already operates.

An interesting wrinkle is Harris's existing relationship with KUBRA, a provider of utility billing, customer communications and payment technology. Harris and KUBRA announced a strategic partnership in October 2023 covering utilities, government and telecommunications customers. On June 1, 2026, REPAY (NASDAQ – RPAY) completed its acquisition of KUBRA from Hearst for an announced purchase price of $372 million. The new ownership creates an interesting competitive dynamic, with KUBRA now part of a payments company that competes with Usio. Among KUBRA's customers is CPS Energy, the municipal electric and natural gas utility serving Usio's hometown of San Antonio. CPS Energy's existing relationship with KUBRA illustrates the type of large utility payment account Usio could potentially pursue.

We believe the Harris agreement positions Usio to compete for business that might otherwise have gone to KUBRA or other payments providers. Harris will also likely elect to migrate some existing payment relationships to Usio over time. The competitive picture is especially interesting because KUBRA is now owned by REPAY, whose payment processing business directly competes with Usio. We suspect Harris could increasingly favor its new preferred provider when

introducing integrated payments to customers, potentially positioning Usio to win a portion of KUBRA's existing or prospective business. Our estimates certainly do not assume a wholesale migration of Harris's installed base.

Opportunities in 19 Additional Verticals

As attractive as the utility opportunity is, we believe the relationship could ultimately extend well beyond this initial agreement. Harris operates businesses in more than 20 industries, including local government, healthcare, education and insurance, several of which overlap with markets served by Usio. Its extensive portfolio of specialized software businesses provides potential distribution channels for Usio's payment processing and embedded financial services.

Local government is a particularly interesting area of overlap. Municipal and county governments collect payments for taxes, fees, violations, permits, licensing, utilities and numerous other services, many of which remain dependent on legacy payment systems. Los Angeles County is a major Usio customer, utilizing multiple services across the company's business lines. These include Card Issuing and ACH disbursements, electronic payment processing for fees and fines, and Output Solutions for printing checks, fee notices and violation notices. Separately, Usio provides the payments function for the Mayor's Fund for Los Angeles guaranteed-income program. This broad relationship illustrates Usio's ability to serve government customers across multiple departments and payment functions rather than simply processing one type of transaction. Healthcare presents another opportunity, with providers increasingly looking to integrate patient payments, billing and financial transactions into their existing software. PracticeSuite, which provides practice management, medical billing and related software to 25,000 healthcare providers nationwide, is another marquee Usio partner. Education may offer opportunities involving tuition, fees and disbursements, as well as potential applications for Usio's prepaid and digital payment capabilities, as evidenced by Usio's existing business with universities and state school voucher programs. In our view, the potential revenue synergies for Usio beyond the initial utilities vertical are enormous.

Could Harris Ultimately Acquire Usio?

We find the strategic implications of the partnership perhaps even more interesting than the potential revenue contribution. Harris's business model is built around acquiring relatively small software companies with established customer relationships and recurring revenue. Its parent, Constellation Software, has spent decades acquiring and operating specialized technology businesses, making acquisitions a central component of its growth strategy.

Usio would give Harris ownership of payment processing technology that could be deployed across numerous businesses within its portfolio. Rather than relying exclusively on outside vendors, Harris could potentially capture a larger share of the economics associated with payments generated by its software customers. Owning a payment processing platform would also provide greater control over product development, integration and pricing, while potentially creating additional revenue opportunities within its existing customer base.

The recently announced partnership provides an opportunity for Harris to become familiar with Usio's technology, management, operating capabilities and customer service before considering any broader strategic relationship. From Usio's perspective, a successful integration could demonstrate the value of its platform to a potential strategic buyer with both the financial resources and an established history of acquiring businesses.

The recent KUBRA acquisition provides a useful valuation benchmark. REPAY announced a $372 million purchase price for KUBRA, which generated $239 million in revenue and $49 million in adjusted EBITDA during 2025. The transaction was therefore valued at 1.56 times annual revenue and 7.6 times adjusted EBITDA. Applying the revenue multiple to our 2027 revenue estimate of $107.4 million yields an implied enterprise value of $167.2 million. After adding $5.1 million of net cash, based on the June 30 balance sheet, and dividing by 28.5 million shares outstanding, the illustrative acquisition value is $6.04 per share, roughly in line with our existing price target.

There are several reasons a strategic buyer could assign a higher valuation to Usio. KUBRA was a much larger and more mature business, while Usio has the potential to deliver higher revenue growth as its new programs ramp. More

significantly, an owner with Harris's distribution capabilities could create value by deploying Usio's payments technology across multiple existing software businesses. A three-times multiple of our 2027 revenue estimate would imply an acquisition value of $11.48 per share, recognizing potential synergies and growth opportunities beyond those reflected in the KUBRA transaction.

Education Payments Offer Two New Growth Opportunities

Usio management also discussed its growing presence in the education market, where it sees opportunities in both higher education disbursements and K–12 school choice programs. Although the two markets involve different payment flows, both require the secure distribution of funds to large numbers of individual recipients, a capability that aligns closely with Usio's existing payments infrastructure.

In higher education, management indicated that Usio has secured a contract with an independent software vendor (ISV) specializing in student refunds. Colleges and universities frequently receive student loan disbursements, scholarships and other financial aid payments that exceed the amounts owed for tuition, housing and other institutional charges. The excess funds must then be returned to the student, often to cover books, transportation, living expenses and other educational costs.

Under the new arrangement, Usio provides the payment infrastructure that allows students to choose how they receive these refunds, including paper checks, ACH deposits to existing bank accounts, virtual debit cards and physical prepaid cards. Offering multiple disbursement methods through a single provider should simplify the process for universities while giving students greater flexibility and faster access to their money.

According to management, the program currently has one university live, with another 23 in the pipeline. As with other ISV relationships, the initial integration can provide access to numerous downstream customers without requiring Usio to negotiate directly with each institution. The opportunity will depend on the pace at which the remaining universities launch, the number of students receiving refunds and the payment methods they select. While the number of universities is still relatively small, the economics could become attractive as additional institutions are activated through the existing integration.

An even larger opportunity is developing in K–12 school choice and education savings programs. These programs give parents greater flexibility in selecting the schools their children attend by directing eligible funds for tuition, tutoring, instructional materials and other qualifying expenses. While school choice has traditionally attracted stronger political support in Republican-controlled states, federal legislation is creating an additional avenue for participation in Democratic-controlled states.

Management indicated that Usio's education payment programs currently span 37 states, giving the company an established position in a market that is expanding geographically and financially. Of these, five states use prepaid cards, with roughly $1.3 billion in disbursements over the last 12 months. Management indicated that Usio generally generates revenue equivalent to roughly 2% of qualifying payment volume in this business. Applying that rate to $1.3 billion produces an illustrative annual revenue opportunity of $26 million. Actual revenue will depend on how much of the disbursement volume generates qualifying transactions and the economics of individual programs, and some of this revenue is already reflected in reported results. Nevertheless, the calculation demonstrates the substantial revenue potential associated with a relatively small number of large state programs.

The company is also onboarding another large state program that management indicates distributes more than $1 billion annually in school choice funding. The new program could meaningfully increase Usio's existing payment volume if implemented successfully. Applying the same illustrative 2% revenue rate to the entire $1 billion would suggest another $20 million annual revenue opportunity, if done by cards, although neither the portion of funds that will flow through Usio nor the applicable revenue rate has been established. Even capturing a fraction of the available volume could represent a meaningful addition to Usio's existing Card Issuing business.

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Federal policy could provide another catalyst. The federal scholarship tax credit enacted in 2025 is scheduled to begin January 1, 2027, allowing taxpayers to receive a federal tax credit of up to $1,700 for qualifying contributions to scholarship-granting organizations in participating states. Unlike traditional state-funded vouchers, this program is financed through private contributions supported by federal tax credits, allowing states to participate without establishing a comparable direct state expenditure program. New York Governor Kathy Hochul recently announced that New York would participate, illustrating how the new structure could expand school choice programs into states that have historically resisted traditional voucher legislation.

The federal scholarship program is separate from Usio's existing state-funded payment programs, and additional state participation does not automatically produce payment processing contracts for Usio. However, the growth of these programs creates demand for technology capable of distributing funds, restricting payments to eligible expenditures, maintaining transaction records and reconciling spending across numerous recipients and vendors. Usio's prepaid card technology is well suited to these requirements, allowing program administrators to control where and how funds are spent while giving parents flexibility to purchase approved educational services.

We believe the company is particularly well positioned because it has already established relationships and operating experience in this market. School choice programs require more than the issuance of a conventional prepaid debit card, as administrators must ensure funds are used for eligible purposes and maintain detailed accounting records. These requirements create barriers to entry for new competitors and make established processing relationships valuable. As more states adopt or expand education savings programs, Usio should have opportunities to increase revenue both from existing customers and new programs. With school choice remaining a politically popular initiative in many states and federal policy providing another catalyst, we believe education payments could become one of Usio's more significant growth drivers during 2027 and beyond.

ION Could Be a Major New Profit Driver

Management also highlighted ION, a new digital wallet and expense-management product that could become a substantial driver of revenue and profitability. The technology originated with Usio's November 2025 acquisition of substantially all the assets of PostCredit, a Los Angeles-based fintech company, for just $500,000 in stock. PostCredit developed software for managing budgets, expenses and payments associated with film and entertainment productions, where numerous vendors, contractors and employees must be paid while spending is tracked against individual production budgets.

The acquisition is a good example of Usio using a relatively small investment to accelerate product development. Management previously indicated that building comparable technology internally would have required 18 to 24 months, while acquiring PostCredit allowed the company to move toward commercialization in roughly six months. Rather than simply continue serving the entertainment industry, Usio has adapted the underlying software into a broader digital wallet and disbursement platform that can be deployed across its existing customer base and multiple payment processing businesses.

The central feature of ION is that customers can maintain funds in a Usio-managed wallet instead of automatically transferring payments and disbursements to an outside bank account. Customers can still withdraw money or transfer it to their own banks, but they can also retain balances for future payments, card loads and expenses. Management believes this functionality will encourage customers to leave substantially more money within the Usio payment ecosystem, generating interest income while also creating opportunities for additional payment processing transactions.

The potential financial contribution is substantial. Management previously indicated that Usio generally maintained $80 million to $100 million in customer funds at any given time and discussed the possibility of increasing that figure to $300 million through ION. Using $90 million as the starting point, reaching $300 million would increase average customer balances by $210 million. At an illustrative 4% annual yield, the additional balances would generate $8.4 million in annual gross interest income before any associated banking, servicing or other costs. Even a more modest increase of $100 million in average balances would generate $4 million in annual gross interest income at the same yield. The

eventual contribution will depend on balances actually retained, prevailing interest rates and Usio's agreements with its banking partners.

The attraction is the potential margin contribution. Management characterized the interest income associated with retained customer balances as carrying a 100% gross margin. Interest income requires no processing activity, potentially allowing a substantial portion of additional revenue to flow through to profitability. While overall incremental margins will depend on banking arrangements and operating expenses, ION could create a new source of earnings that is less directly dependent on the number of transactions processed.

ION should also provide benefits beyond the interest earned on customer balances. Maintaining funds within Usio's ecosystem can improve visibility into customer transactions and facilitate faster disbursements, while also potentially reducing the friction associated with moving money among financial institutions. The product could support fee-based accelerated settlements, expense-management services and additional debit card transactions as customers use their wallets to make payments. These capabilities would give Usio several opportunities to monetize the same customer relationship rather than relying exclusively on the interest earned on balances.

Another attractive feature is that ION can be deployed across multiple Usio business lines. Output Solutions customers could maintain prepaid funds for future statement printing and mailing expenses, Card Issuing customers could use wallets to fund future prepaid card loads, and payment processing customers could manage settlements and outgoing payments. This creates opportunities to offer ION to existing customers rather than depending entirely on new customer acquisition. It could also increase customer retention by making Usio's technology more deeply integrated into everyday financial operations.

Management indicated at our meeting that ION has now launched, following the beta testing discussed on the August earnings call. We expect adoption to increase as the company integrates the platform with existing customer applications and encourages users to maintain balances within the Usio ecosystem. The relatively modest $500,000 acquisition cost and potential to generate millions of dollars in high-margin interest income make ION one of the more interesting developments discussed during our meeting. If management comes close to achieving its $300 million balance objective, the earnings impact could be substantial relative to Usio's current profitability.

Usio Approaching Double Digit EBITDA Margins

For much of its recent history, Usio has operated near breakeven as it invested in payment processing infrastructure, technology development, compliance systems and operating personnel. However, revenue is now growing faster than its largely fixed operating expense base, allowing incremental gross profit to flow through to EBITDA at an increasing rate. We believe the company is approaching an inflection point at which even modest acceleration in revenue growth could translate into considerably faster earnings growth.

Second-quarter results provide evidence of this operating leverage, with revenue increasing 19% YoY while adjusted EBITDA grew 128%. The improvement reflects both higher processing volumes and the company's ability to leverage existing operating infrastructure. As Usio adds customers, many of the expenses associated with maintaining its processing systems, regulatory compliance capabilities and corporate operations do not need to increase proportionately. The result is a business that could eventually produce SaaS-like operating margins, even though its revenue remains predominantly transaction-based rather than subscription-based.

The company's business mix is also shifting toward activities that can generate higher incremental margins. ACH processing carries relatively modest direct transaction costs, while newer payment methods and additional services can generate incremental revenue from existing customer relationships. ION could add interest income associated with larger customer balances, providing another source of gross profit without requiring a proportional increase in payment volume. These developments should allow the company to increase EBITDA margins as revenue expands.

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Usio recently announced preliminary third-quarter ACH operating metrics indicating accelerating activity in one of its highest-margin processing channels. ACH transaction growth has already been strong, with the company reporting a 34% increase in transaction counts during the second quarter and a 21% increase in ACH and complementary services revenue. On its August earnings call, management also reported that July had established a new monthly ACH transaction record. Continued momentum in the third quarter provides an encouraging indication of underlying business activity heading into the earnings announcement.

We believe the recent announcements also improve visibility into 2027. The Harris relationship provides access to a large base of potential utility customers and possibly additional verticals. Higher education refunds and school choice programs offer opportunities for increased disbursement and prepaid card revenue. ION could substantially expand interest income and increase the profitability of existing customer relationships. Each opportunity has different economics and implementation timelines, but together they provide several independent avenues for growth.

We currently estimate revenue of $107.4 million in 2027, and the full contribution from these new initiatives has not been incorporated into our estimates. While utilities may have lengthy sales cycles, education payment programs could begin contributing as new universities and states are activated, while ION offers an opportunity to improve profitability through increased customer balances. This combination provides the potential for revenue growth and margin expansion to continue well beyond the current quarter.

We believe Usio is moving from a period dominated by technology investment and customer acquisition into one in which the benefits of that investment increasingly appear in reported earnings. With revenue already accelerating, several newly announced business opportunities, and the potential for higher-margin interest income, we see considerable upside to our forecasts. We reiterate our Buy rating and $6 price target.

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Usio, Inc. – Income Forecast

Fiscal years ended December 31	2025					2026E					2027E				
	1Q	2Q	3Q	4Q	YEAR	1QA	2QA	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
	March	June	September	December		March	June	September	December		March	June	September	December	
Revenue	**22,009,050**	**19,960,990**	**21,180,333**	**21,889,629**	**85,040,002**	**25,465,774**	**23,678,636**	**23,630,745**	**24,487,817**	**97,262,972**	**28,148,756**	**26,913,748**	**25,694,372**	**26,606,717**	**107,363,592**
YoY growth	5.0%	-0.6%	-0.7%	6.5%	2.5%	15.7%	18.6%	11.6%	11.9%	14.4%	10.5%	13.7%	8.7%	8.7%	10.4%
Seq growth	7.0%	-9.3%	6.1%	3.3%		16.3%	-7.0%	-0.2%	3.6%		15.0%	-4.4%	-4.5%	3.6%	
Cost of services	17,199,907	14,820,921	16,310,314	17,073,910	65,405,052	20,328,891	17,952,649	18,195,673	18,855,619	75,332,833	21,393,054	20,454,449	19,527,723	20,221,105	81,596,330
As a percent of revenue	78.1%	74.2%	77.0%	78.0%	76.9%	79.8%	75.8%	77.0%	77.0%	77.5%	76.0%	76.0%	76.0%	76.0%	76.0%
Gross margin	21.9%	25.8%	23.0%	22.0%	23.1%	20.2%	24.2%	23.0%	23.0%	22.5%	24.0%	24.0%	24.0%	24.0%	24.0%
S,G&A - cash	4,142,895	4,638,185	4,501,762	3,940,133	17,222,975	4,356,142	4,580,548	4,489,841	4,652,685	18,079,217	5,348,264	5,113,612	4,881,931	5,055,276	20,399,083
As a percent of revenue	18.8%	23.2%	21.3%	18.0%	20.3%	17.1%	19.3%	19.0%	19.0%	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%
Stock-based comp.	410,062	434,255	399,582	435,000	1,678,899	329,284	482,508	500,000	500,000	1,811,792	500,000	500,000	500,000	500,000	2,000,000
Cancellation of stock-based comp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	495,770	464,599	432,846	500,000	1,893,215	225,745	286,018	525,000	525,000	1,561,763	525,000	525,000	525,000	525,000	2,100,000
Operating income	**(239,584)**	**(396,970)**	**(464,171)**	**(59,415)**	**(1,160,140)**	**225,712**	**376,913**	**(79,770)**	**(45,487)**	**477,367**	**382,438**	**320,687**	**259,719**	**305,336**	**1,268,180**
Operating margin	-1.1%	-2.0%	-2.2%	-0.3%	-1.4%	0.9%	1.6%	-0.3%	-0.2%	0.5%	1.4%	1.2%	1.0%	1.1%	1.2%
Interest income	79,011	110,908	124,449	125,000	439,368	91,491	96,198	125,000	125,000	437,689	125,000	125,000	125,000	125,000	500,000
Other			5,000		5,000										
Interest expense	(11,843)	(11,735)	(11,328)	(10,000)	(44,906)	(22,826)	(22,934)	(10,000)	(10,000)	(65,760)	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)
Pretax Income	(172,416)	(297,797)	(346,050)	55,585	(760,678)	294,377	450,177	35,230	69,513	849,296	497,438	435,687	374,719	420,336	1,728,180
Taxes	62,554	68,857	68,857	71,163	271,431	171,874	170,097	169,753	175,910	687,634	84,446	80,741	77,083	79,820	322,091
As a percent of revenue	0.3%	0.3%	0.3%	0.3%	0.3%	0.7%	0.7%	0.7%	0.7%	0.7%	0.3%	0.3%	0.3%	0.3%	0.3%
Net income to common	**(234,970)**	**(366,654)**	**(414,907)**	**(15,578)**	**(1,032,109)**	**122,503**	**280,080**	**(134,523)**	**(106,397)**	**161,663**	**412,992**	**354,946**	**297,635**	**340,516**	**1,406,089**
Net income margin	-1.1%	-1.8%	-2.0%	-0.1%	-1.2%	0.5%	1.2%	-0.6%	-0.4%	0.2%	1.5%	1.3%	1.2%	1.3%	1.3%
Diluted shares outstanding	26,615,947	26,456,411	26,892,925	26,907,925	26,718,302	27,748,037	27,819,834	27,834,834	27,849,834	27,813,135	27,864,834	27,879,834	27,894,834	27,909,834	27,887,334
Seq change	(546,728)	(159,536)	436,514	15,000		840,112	71,797	15,000	15,000		15,000	15,000	15,000	15,000	
EPS diluted - continuing	**($0.01)**	**($0.01)**	**($0.02)**	**($0.00)**	**($0.04)**	**$0.00**	**$0.01**	**($0.00)**	**($0.00)**	**$0.01**	**$0.01**	**$0.01**	**$0.01**	**$0.01**	**$0.05**
EBITDA															
Operating income	(239,584)	(396,970)	(464,171)	(59,415)	(1,160,140)	225,712	376,913	(79,770)	(45,487)	477,367	382,438	320,687	259,719	305,336	1,268,180
Addback															
Depreciation and amortization	495,770	464,599	432,846	500,000	1,893,215	225,745	286,018	525,000	525,000	1,561,763	525,000	525,000	525,000	525,000	2,100,000
Stock comp. expense	410,062	434,255	399,582	435,000	1,678,899	329,284	482,508	500,000	500,000	1,811,792	500,000	500,000	500,000	500,000	2,000,000
EBITDA	**666,248**	**501,884**	**368,257**	**875,585**	**2,411,974**	**780,741**	**1,145,439**	**945,230**	**979,513**	**3,850,922**	**1,407,438**	**1,345,687**	**1,284,719**	**1,330,336**	**5,368,180**
YoY growth	-16.0%	-37.2%	-52.6%	69.3%	-16.4%	17.2%	128.2%	156.7%	11.9%	59.7%	80.3%	17.5%	35.9%	35.8%	39.4%
EBITDA margin	3.0%	2.5%	1.7%	4.0%	2.8%	3.1%	4.8%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Source: Company reports and Litchfield Hills Research LLC

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Usio, Inc.

USIO (NASDAQ) - Buy $6 Price Target

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