



## USA Technologies Marks Rapid Growth in Industry-Leading ePort Connect Service by Highlighting Customers, J&J Vending and Tomdra Vending and Coffee Service

February 24, 2014

**6,075 Customers, 224,000 Connections to ePort Connect Service as of December 31, 2013**

MALVERN, Pa.--(BUSINESS WIRE)-- [USA Technologies, Inc.](#) (NASDAQ: USAT), ("USAT"), a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, marked 48 percent growth in its ePort Connect® customer base, to over 6,075 customers as of December 31, 2013 compared to one year prior, by highlighting customers, [J&J Vending](#) and [Tomdra Vending and Coffee Service](#) ("Tomdra"), for their recognition of cashless as a strategic platform for improving financial performance and customer satisfaction.

"J&J Vending and Tomdra are great examples of how USAT is bringing valuable data and deployment strategies to its customers through a comprehensive cashless payment program that helps them transition to cashless payment effectively," said Stephen P. Herbert, USAT's chairman and chief executive officer. "In a cashless environment, consumers come to these machines every day and provide us with valuable information about their buying and purchasing preferences—advantageous information that we believe can be used to drive improved customer satisfaction and new sales. One of our goals is to ensure our customers participate in that knowledge and enjoy the multiple benefits that a cashless payment platform can provide their business."

**J&J Vending**, a full-line vending and office coffee operator serving the San Francisco Bay area, has indicated that they are moving forward to install cashless on one-third of their approximately 1,200 machine base.

"USAT has been educating us on the benefits for quite a while now, but the data from our initial cashless installation really enlightened us," said Joel Skidmore, president and CEO of J&J Vending. "Both cash and cashless sales increased and profitability of our machines increased. I had to ask myself why I hadn't been doing this before."

"From a customer perspective, they love it," continued Skidmore. "We realized that by not having credit card options, we were losing a whole set of customers. I was recently visiting a coffee customer and noticed an employee going from person to person in the break room asking for change—I realized I had just lost a sale. Now we are sold on cashless, and I love the fact that we can enhance our bottom-line even further by utilizing other service options USAT offers. Going cashless is definitely a priority for us now."

**Tomdra**, an award-winning, full-service vending company and USConnect member located in Tucson, Arizona, believes cashless is the future—whether consumers are using a magnetic card, mobile phone or another contactless option.

"The business case for cashless is really about convenience—that's what drives sales," said Todd Elliott, vice president of Tomdra.

"Similar to a purchase at a convenience store, consumers are not as sensitive to price when there's no restriction on the purchase. We see proof of that in our data, accessed through ePort Connect's web portal, whereby our average cashless transaction is 40% higher than a cash transaction, and almost every other person buys multiple products. That incremental revenue adds up. In addition to the revenue benefits, with costs going up, you have to be in a position to adjust prices. Without a cashless platform, that's much more difficult."

"We have been a longstanding customer of USAT—ePort Connect is an essential tool for us and we leverage many of their expanded services. From a planning perspective, what we've noticed in the last few years is that cashless usage and sales levels are increasing as consumers become more accustomed to cashless options on vending machines. Overall, our average ratio of cashless usage is over 40%—that's more than double what it was four years ago."

"In addition, the data indicates that it's not just about the younger generation—cashless usage is prevalent across all age groups and businesses we serve," continued Elliott. "That tells me that, as an industry, it's more important than ever that vending keep pace with other retail channels to stay relevant to consumers. For Tomdra, that dictates a move from approximately 50% cashless deployment today to around 80% deployment overall. For the industry at large, I'd say it means that if you're not taking steps to offer cashless (and there is a cost to it), you are probably on your way out of any meaningful vending business over the next five years."

"We believe the remarkable growth in our customer base is indicative of a growing awareness of cashless payment in self-serve retail," said Herbert. "In addition, we estimate our ePort Connect customer base manages a population of over 2 million self-serve retail locations that have yet to transition to cashless payment, providing USAT with considerable opportunity to drive more connections to our service."

As of December 31, 2013, connections to USAT's comprehensive cashless payment and telemetry service, ePort Connect, had grown by 20% from the same period in the prior year, to 224,000 connections.

To speak with a USAT sales representative, contact USAT at 1-800-633-0340.

### **About J & J Vending:**

Founded in 1978, J&J Vending is a family owned, full-line office coffee and vending operator servicing the serving the San Francisco Bay area. To learn more, visit their website at [www.jandjvendinginc.com](http://www.jandjvendinginc.com).

### **About Tomdra:**

Tomdra, Inc. is an independently owned and operated vending company providing vending machine, coffee, and micro-market services to Tucson, Arizona and the surrounding areas since 1966. Tomdra has three generations involved in the company. They have been awarded Operator of the Year

for the Arizona Automatic Merchandising Council and were the 2013 Vending Operator of the Year for the National Automatic Merchandising Association. Visit the website at [www.tomdra.com](http://www.tomdra.com).

**About USA Technologies:**

USA Technologies is a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries. ePort Connect® is the company's flagship service platform, a PCI-compliant, end-to-end suite of cashless payment and telemetry services specially tailored to fit the needs of small ticket, self-service retailing industries. USA Technologies also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G-series, ePort Mobile™ for customers on the go, and QuickConnect, an API Web service for developers. USA Technologies has been granted 87 patents; and has agreements with Verizon, Visa, Elavon and customers such as Compass, Crane, AMI Entertainment and others. Visit the website at [www.usatech.com](http://www.usatech.com).

**Forward-looking Statements:**

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, including without limitation the anticipated connections to our network, business strategy and the plans and objectives of USAT's management for future operations, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to USAT or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of USAT's management, as well as assumptions made by and information currently available to the USAT's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, business, financial market and economic conditions; the ability of the Company to compete with its competitors to obtain market share; whether the Company's customers continue to utilize the Company's transaction processing and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days' notice; the ability of USAT to accurately predict future market conditions and consumer behavior; the ability of USAT to predict any level of cashless usage for any particular channel or customer; the possibility that all of the expected benefits from adoption of cashless payment, including incremental revenue and customer satisfaction, will not be realized by all vending operators, or will not be realized within the expected time period; and whether, and to what extent, a customer will increase its purchase of USAT's products and services in the future. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release speaks only as of the date of this release. Unless required by law, USAT does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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Source: USA Technologies, Inc.

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