



Joint Study by Cantaloupe, Inc. and Michigan State University Finds Digital Payments Are Now the Preferred Payment Method at Vending Machines Powered by Increased Use of Contactless Credit Cards

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Hospitals, Professional and Military Locations Show Greatest Annual Increases in Digital Payments

Low Volume Machines Show Significant Increases in Contactless Payments

MALVERN, Pa.--(BUSINESS WIRE)--Jun. 22, 2021-- [Cantaloupe, Inc.](#) (Nasdaq: CTLP) ("Cantaloupe" or the "Company"), a digital payments and software services company that provides end-to-end technology solutions for the unattended retail market, today announced the findings of a joint study with Michigan State University (MSU). The study found that while usage of cash payments was being outpaced by digital payments (magstripe credit cards, contactless credit cards and mobile payments) in 2019, on average the number of digital payment transactions per machine finally exceeded those made with cash in April of 2020 (137 digital and 135 cash transactions per machine), with the monthly digital sales volume per machine in April of 2020 being 47 percent higher on average than with cash (\$235 versus \$160).

The study found the growth of digital payments increased steadily through 2020. By November of 2020, the average number of payments made in cash that month had decreased from 52 percent in November of 2019 to 40 percent in November 2020. Meanwhile, as a percentage of digital payment transactions, usage of contactless credit cards increased 57 percent from 14 percent in November 2019 to 22 percent that same month in 2020, with a 9 percent dip in magstripe credit cards during that same period (86 percent to 78 percent of total payments). The joint study evaluated sales and transaction data from approximately 122,000 vending machines connected to Cantaloupe's digital payment platform across the United States.

"We have been reporting the growth in digital payments and transactions at vending machines for years. However, our research shows that as consumers sought touch-free payment options during the pandemic, digital payments became the preferred method overall, which is evident by the particular growth in usage of contactless credit cards," said Elyssa Steiner, vice president of Marketing, Cantaloupe, Inc. "Now, we believe vending operators connected to our digital payments platform will benefit even more from not only greater sales and transaction volume, but increased insights from consumer data which can guide better decisions on products and pricing, streamline operations, and ensure operators are better equipped for the future of self-serve and unattended retail."

Additional findings include:

Hospitals and Military Locations Show Largest Annual Increases in Digital and Contactless Payments

Primary locations including businesses and professional, industrial, hospital, education, retail and military locations (averaging 25,000 transactions annually) saw significant increases year over year in digital payments. Military locations in particular showed the greatest percentage of digital payments overall compared to cash, including an increase from 83 percent of all sales in November of 2019 to 90 percent in November 2020. Businesses and professional settings, which ranked second in terms of digital usage overall, also saw a significant increase in percentage of sales, with 60 percent in sales being digital in November of 2019, to about 65 percent in November of 2020. In the midst of the pandemic, hospitals saw the sharpest rise in percentage of digital sales overall, jumping from 42 percent in November of 2019 to 55 percent last November.

Contactless payments took up a growing percentage of these increases, particularly in military and hospital settings. The percentage of contactless sales within military locations was roughly 11 percent in November 2019 but jumped to more than 32 percent in November of 2020. Hospitals increased from 15 percent in November 2019 to 27 percent in November of last year.

Low Volume Machines Show Growth in Contactless Payments

Low volume machines, or those with less than \$2000 in sales per year, showed increases in digital payments also, led by growth in contactless. While 46 percent of sales in 2019 were made with magstripe credit cards and 15 percent were made using contactless cards, in 2020, 57 percent were magstripe credit cards, and 25 percent were contactless cards. Meanwhile, cash sales fell year over year as a percentage of sales, representing 48 percent of sales in November of 2019 and only 36 percent in November of 2020.

Interestingly, transactions per machine for magstripe credit card and contactless payments increased about the same amount (11 percentage points) within low volume machines between November 2019 and November 2020. In November of 2019, 43 percent of transactions were magstripe credit card, with 20 percent coming from a contactless form of payment. By November 2020, 55 percent of transactions were magstripe credit card, while 31 percent of the 55 percent were contactless.

The study was conducted by Michigan State University's Broad College of Business – MS Business Analytics (MSBA) program, which provides an educational experience that combines a number of university resources in addressing the study, research, and application of analytics. MSU analyzed data of 122,000 vending machines to evaluate sales activity.

"Cantaloupe brought our students a great opportunity to employ data analytics skills and tools in the MSBA program," said Julian Guo, Ph.D., assistant professor within the Department of accounting and Information Systems at Michigan State University. "For students, having opportunities to be able to apply their skills and tools in a real-world business context is critical. Based on the question and data provided by Cantaloupe, the student team were able to deliver a deep data analysis and insights which we hope will help drive real-life business decisions and outcomes."

Cantaloupe is a technology and payments company that gives its customers scale and flexibility in their retail value chain. The Company is uniquely placed to be a partner for businesses that don't have the resources to put an employee at every point-of-sale, want to enable a self-service experience and need a solution to manage their procurement-to-cash workflow. From ePort to Seed, our end-to-end solution is designed to enhance what all retailers – from vending operators, to restaurants, and traditional brands – need to operate more efficiently, as well as what they can offer their customers, despite constantly changing trends and market demands.

Useful Links:

- Cantaloupe: <https://cantaloupe.com/>
- Blog: <https://www.cantaloupe.com/blog/>
- Podcast: <https://www.cantaloupe.com/urtechinsiders/>
- LinkedIn: <https://www.linkedin.com/company/cantaloupeinc>
- Resource Center: <https://www.cantaloupe.com/resources/>
- Twitter: <https://twitter.com/cantaloupeinc>
- YouTube: <https://www.youtube.com/channel/UCTGQNcXUydcOHLZiulEPuaw>

About Cantaloupe, Inc.

Cantaloupe, Inc. is a software and payments company that provides end-to-end technology solutions for the unattended retail market. Cantaloupe is transforming the unattended retail community by offering one integrated solution for payments processing, logistics, and back-office management. The Company's enterprise-wide platform is designed to increase consumer engagement and sales revenue through digital payments, digital advertising and customer loyalty programs, while providing retailers with control and visibility over their operations and inventory. As a result, customers ranging from vending machine companies, to operators of micro-markets, gas and car charging stations, laundromats, metered parking terminals, kiosks, amusements and more, can run their businesses more proactively, predictably, and competitively.

Forward-looking Statements:

All statements other than statements of historical fact included in this release, including without limitation Cantaloupe's future prospects and performance, the business strategy and the plans and objectives of Cantaloupe's management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this release, words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "guidance," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions, as they relate to Cantaloupe or its management, may identify forward-looking statements. Such forward-looking statements are based on the reasonable beliefs of Cantaloupe's management, as well as assumptions made by and information currently available to Cantaloupe'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 the incurrence by Cantaloupe of any unanticipated or unusual non-operational expenses which would require us to divert our cash resources from achieving our business plan; the uncertainties associated with COVID-19, including its possible effects on Cantaloupe's operations, financial condition and the demand for Cantaloupe's products and services; the ability of Cantaloupe to predict or estimate its future quarterly or annual revenue and expenses given the developing and unpredictable market for its products; the ability of Cantaloupe to retain key customers from whom a significant portion of its revenues is derived; the ability of Cantaloupe to compete with its competitors to obtain market share; the ability of Cantaloupe to make available and successfully upgrade current customers to new standards and protocols; whether Cantaloupe's existing or anticipated customers purchase, rent or utilize ePort or Seed devices or our other products or services in the future at levels currently anticipated by Cantaloupe; disruptions to our systems, breaches in the security of transactions involving our products or services, or failure of our processing systems; or other risks discussed in Cantaloupe's filings with the U.S. Securities and Exchange Commission, including but not limited to its Annual Report on Form 10-K for the year ended June 30, 2020 and its Quarterly Reports on Form 10-Q for the quarters ended September 30, 2020 and December 31, 2020. 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, Cantaloupe 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. If Cantaloupe updates one or more forward-looking statements, no inference should be drawn that Cantaloupe will make additional updates with respect to those or other forward-looking statements.

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