

**VERRA
MOBILITY™**
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Earnings Overview

Verra Mobility Q1 2024 Earnings Presentation

For the Quarter Ended March 31, 2024

FORWARD-LOOKING STATEMENTS

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “forecast,” “intend,” “seek,” “target,” “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include projected financial information. Such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Verra Mobility Corporation and its subsidiaries (collectively, “Verra Mobility” or the “Company”) are based on current expectations and judgments of the Company as of the date of this release. The Company disclaims any intent or obligation to update forward-looking statements hereafter. Forward-looking statements involve risks and uncertainties, and a number of factors could cause actual results to differ materially from those currently anticipated. These factors include, but are not limited to: (1) customer concentration in our Commercial Services and Government Solutions segments; (2) our ability to manage our substantial level of indebtedness; (3) risks and uncertainties related to our government contracts, including administrative hurdles, legislative changes, termination rights, delays in payments, audits and investigations; (4) decreases in the prevalence of automated and other similar methods of photo enforcement, parking solutions or the use of tolling; (5) our ability to keep up with technological developments and changing customer preferences; (6) our ability to compete in a highly competitive and rapidly evolving market; (7) decreased interest in outsourcing from our customers; (8) the success of our new products and changes to existing products and services; (9) our ability to successfully implement our acquisition strategy or integrate acquisitions; (10) failure in or breaches of our networks or systems, including as a result of cyber-attacks; (11) our ability to manage the risks, uncertainties and exposures related to our international operations; (12) our ability to acquire necessary intellectual property and adequately protect our existing intellectual property; (13) risks and uncertainties related to our share repurchase program; (14) our reliance on a limited number of third-party vendors and service providers; (15) our ability to maintain an effective system of internal controls; (16) risks and uncertainties related to litigation, disputes and regulatory investigations; (16) our ability to properly perform under our contracts and otherwise satisfy our customers; and (17) other risks and uncertainties indicated from time to time in documents filed or to be filed with the Securities and Exchange Commission (the “SEC”) by Verra Mobility. These risks, uncertainties and other factors are further described under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the documents filed with the SEC from time to time. You are cautioned not to place undue reliance upon any forward-looking statements, including the projections, which speak only as of the date made. Verra Mobility does not undertake any commitment to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

This presentation uses certain non-GAAP financial information, including earnings before interest, taxes, depreciation and amortization (“EBITDA”) and adjusted EBITDA, which further excludes certain non-cash expenses and other transactions that management believes are not indicative of Verra Mobility’s ongoing operating performance.

Verra Mobility believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Verra Mobility’s financial condition and results of operations. These financial measures are not recognized measures under GAAP and they are not intended to be and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EPS, Free Cash Flow and adjusted Free Cash Flow are non-GAAP financial measures as defined by SEC rules. This non-GAAP financial information may be determined or calculated differently by other companies. A reconciliation of Verra Mobility’s non-GAAP financial information to GAAP financial information is provided in the Appendix hereto and in Verra Mobility’s Form 8-K, filed with the SEC, with the earnings press release for the period indicated.

Q1 2024 Financial Highlights

Total Revenue

\$210 million; 9% YoY growth

Adjusted EBITDA¹

\$93 million; 6% YoY growth

Adj. EPS

\$0.27; 4% YoY growth

Adjusted Free Cash Flow

\$42 million; 45% Adj FCF
Conversion ²

¹ Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, see the appendix.

² Adj. FCF Conversion defined as Adjusted Free Cash Flow divided by Adjusted EBITDA



Executive Summary

- **Strong first quarter top-line performance across all business segments**
 - Commercial Services: 12% Y-o-Y growth driven by strong travel demand
 - Government Solutions: 8% Y-o-Y **service revenue** growth driven by core market acceleration
 - Parking Solutions: 5% Y-o-Y **SaaS & Services revenue** growth
- **Increased 24' Financial Guidance due to strong 1Q results and outlook for the remainder of the year**

YTD 24' Strategic Highlights

TSA throughput volume about 106 percent of 1Q 2023

Strong Q1 contract awards in Government Solutions – up to \$10 million of incremental full run-rate ARR potential

Washington State passed legislation for expansion of speed programs, bus lane automated enforcement and other beneficial reforms

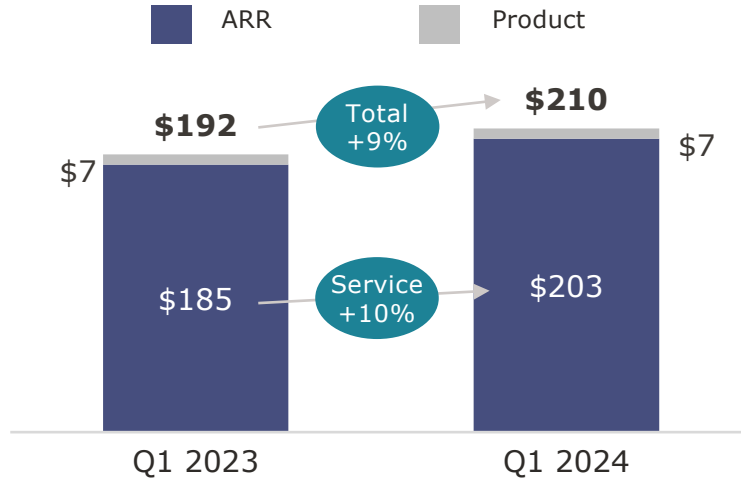
Reduced net leverage to 2.4x in the quarter; revising long-term net leverage target downward to 3.0x

Open authorization for \$100M buyback

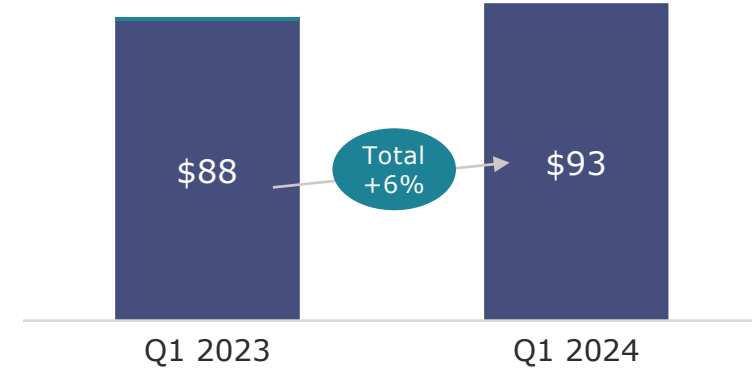
Strong top-line growth driven by travel & speed enforcement trends

Consolidated – Q1 Results

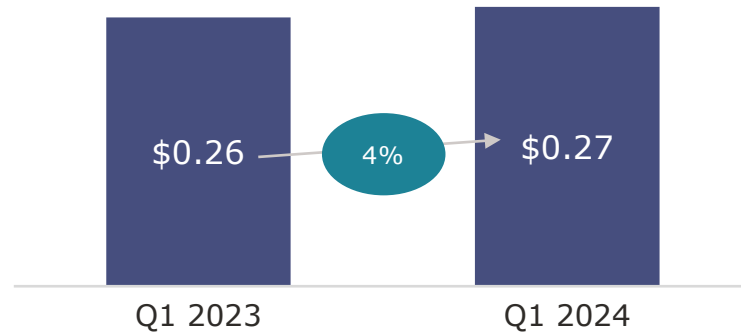
Total Revenue (\$M)



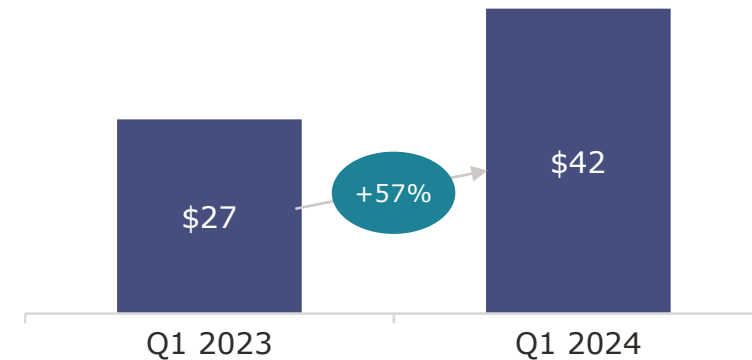
Adjusted EBITDA (\$M)



Adjusted EPS



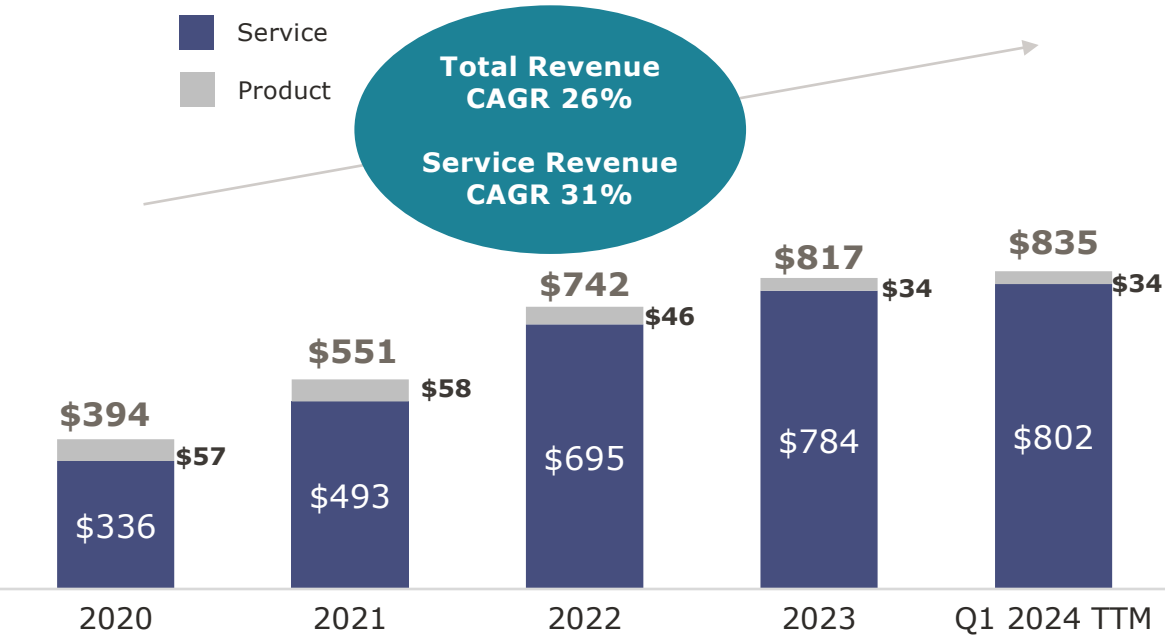
Adjusted Free Cash Flow (\$M) ¹



¹ Adjusted Free Cash Flow represents Cash flows from Operations, excluding the \$22.1 million tax-adjusted PlusPass legal settlement costs, less Capex

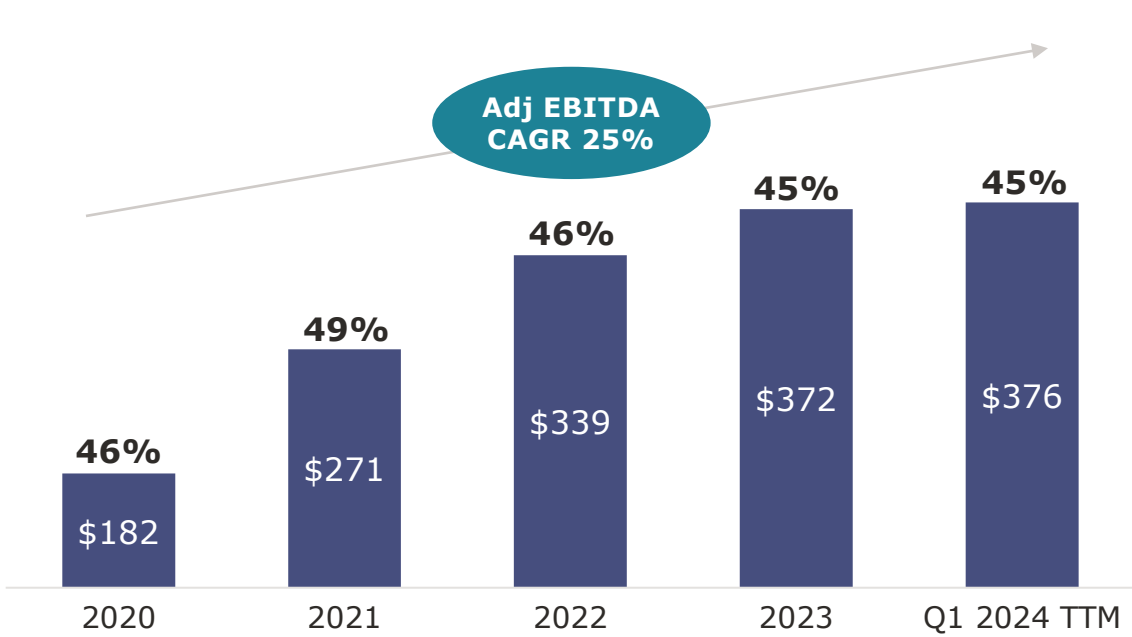
Core Businesses Drive Strong Growth and FCF Conversion

Total Revenue Breakdown (\$M)



96% Re-occurring Revenue¹

Adjusted EBITDA & Margins (\$M)



Adj. Free Cash Flow % Adj. EBITDA ²

13% 62% 50% 40% 44%

Strong and consistent Free Cash Flow conversion over this period

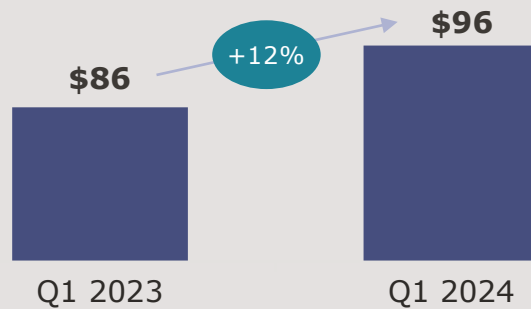


¹ Based on company estimates and calculated on Q1 2024 TTM results
² Adjusted Free Cash Flow represents Cash flows from Operations, excluding the \$22.1 million tax-adjusted PlusPass legal settlement costs, less Capex

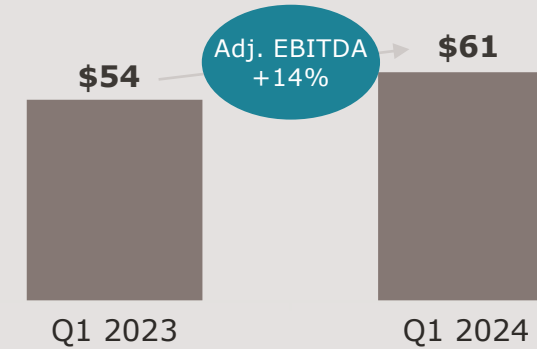
Robust travel demand driving strong performance

Commercial Services – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



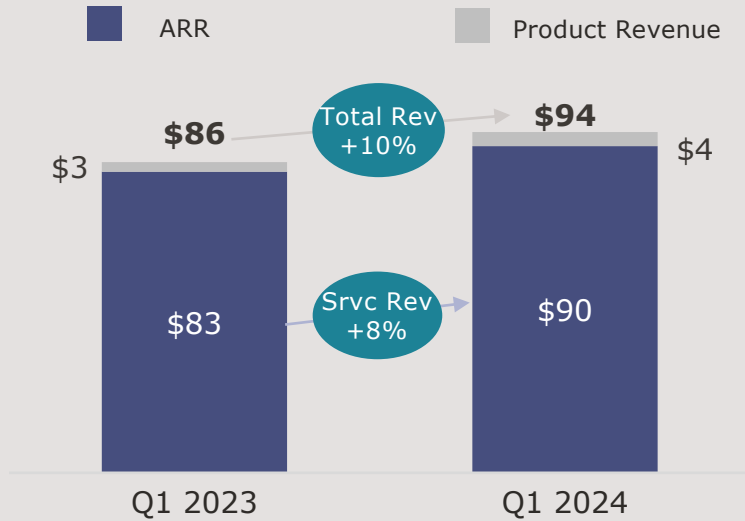
Q1 – Key Highlights

- First quarter Revenue up 12% over Q1 2023 due to strength in RAC tolling and Fleet management
 - RAC tolling revenue up 10% over Q1 2023 due to increased travel volume and adoption
 - Fleet management (FMC) revenue up 25% (\$3 million) over Q1 2023 due to new vehicle enrollment and toll counts
- Adjusted EBITDA margins up 90 bps over Q1 2023 due to the strength in RAC tolling and prior year growth investments

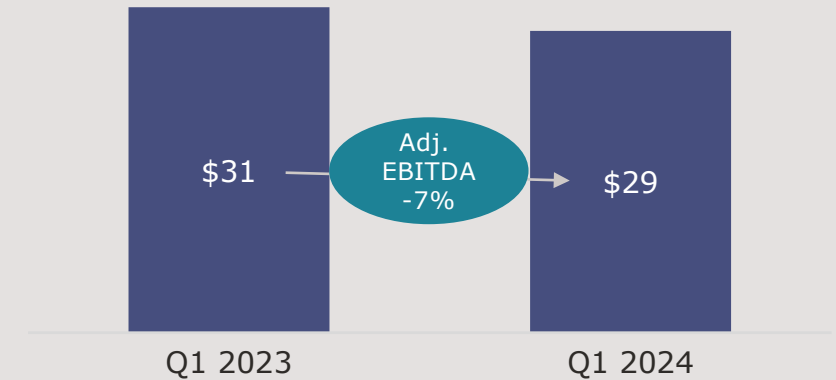
Revenue fueled by core market acceleration

Government Services – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



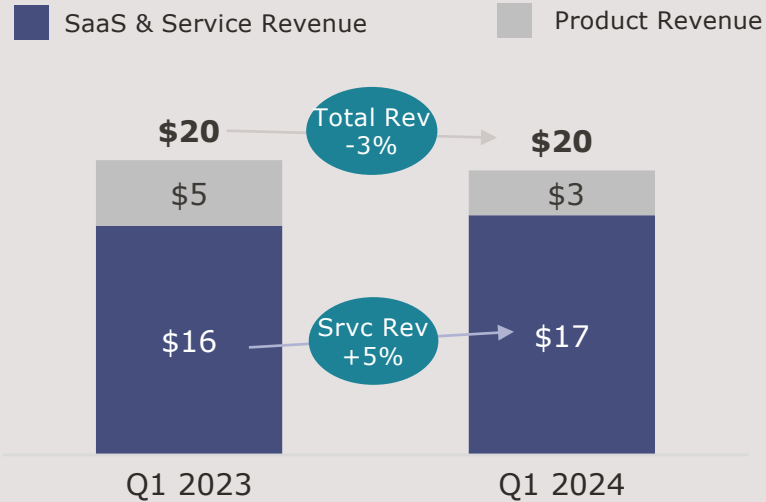
Q1 – Key Highlights

- Service Revenue growth of 8% driven by growth outside of New York City (new awards & expansion of existing programs)
- Q1 adjusted EBITDA margins down versus the prior year due to platform investments in engineering staffing and technology development

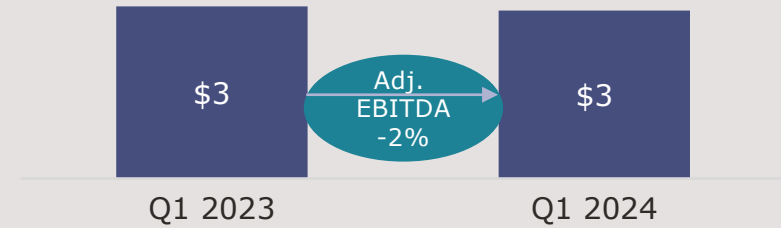
Revenue driven by Recurring SaaS and Services Growth

T2 Systems – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



Q1 – Key Highlights

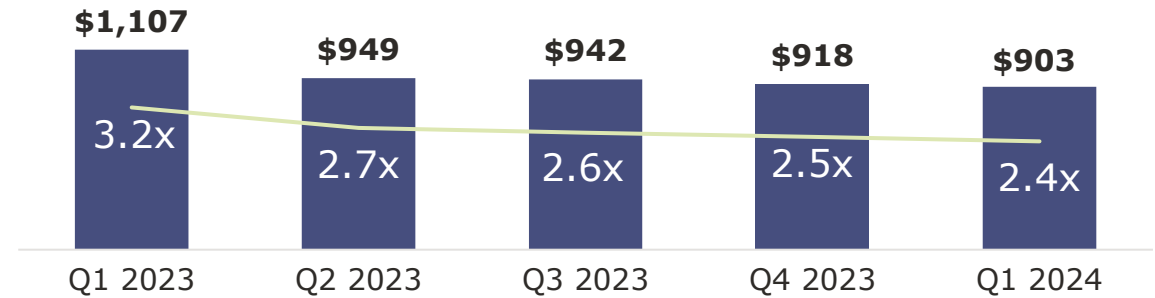
- Recurring SaaS & Services Revenue growth of 5% driven by focus on growing core permits and enforcement business
- Adjusted EBITDA margin effectively flat with the prior year

Strong, Flexible Balance Sheet + Robust Cash Flow

Capital Summary & Financial Highlights (\$M)

| March 31, 2024 | |
|--|--------------|
| Cash & Cash Equivalents | \$150 |
| Debt | \$1,052 |
| Shareholder's Equity | \$449 |
| Available Credit (Revolving Credit Facility) | \$75 |
| Cash & Cash Equivalents | \$150 |
| Total Available Liquidity | \$225 |

Net Leverage Improvement (\$M)



Weighted Avg. Debt Maturity of ~5 Years¹ (\$M)



Consistent cash generation enables rapid de-levering & no debt maturities until 2028



¹ Term Loan Debt has a 2028 Maturity; priced at Term SOFR + 275 bps; interest rate swap fixed Term SOFR at 5.2% thru Dec-25 (cancellable monthly beginning Dec-23). Fixed Rate debt priced at 5.500% and due 2029.

Increasing 2024 Financial Guidance

In millions, except per share data & net leverage

1 Total Revenue growth of ~8%
 CS driven by strong travel demand plus increased adoption
 GS driven by strong backlog and sales pipeline
 T2 driven by higher mix of SaaS & services partially offset by slowing product revenue

2 Adj. EPS, Adj. FCF and Net Debt exclude all capital allocation investments

| | <u>Previous Guidance</u> | <u>Updated Guidance</u> |
|----------------------------|--------------------------|-------------------------|
| Total Revenue | \$865 - \$880 | Upper end of range |
| Adj. EBITDA | \$395 - \$405 | Upper end of range |
| Adj. EPS | \$1.15 - \$1.20 | Upper end of range |
| Adj. Free Cash Flow | \$155 - \$165 | No change |
| Net Leverage | ~2.0 x | No change |

Additional 2024 Guidance Assumptions



2024 fully diluted share count of approximately 169 million shares (weighted average for the year)



Effective tax rate of 30% including State taxes; approximately \$55 million in 2024 total **cash** taxes



2024 depreciation and amortization expected to be approximately \$110 million



2024 total interest expense expected to be about \$80 million; ~\$75 million in **net cash interest**



2024 Change in Working Capital expected to be a use of approximately \$20 million



2024 Capex expected to be about \$90 million – incremental investments for revenue generating cameras and platform investments in GS

Appendix

Verra Mobility Quarterly Results

2021 - 2024

| Unaudited (\$ in millions) | Full Year 2021 | Full Year 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Full Year 2023 | Q1 2024 |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|
| Service revenue | \$492.8 | \$695.2 | \$184.7 | \$196.0 | \$201.0 | \$201.8 | \$783.6 | \$202.7 |
| Product sales | 57.7 | 46.4 | 7.2 | \$8.4 | 8.9 | 9.2 | 33.7 | 7.0 |
| Total revenue | \$550.6 | \$741.6 | \$191.9 | \$204.5 | \$209.9 | \$211.0 | \$817.3 | \$209.7 |
| Cost of service revenue | 5.3 | 16.3 | 4.2 | 4.3 | 5.2 | 4.5 | 18.2 | 4.3 |
| Cost of product sales | 29.8 | 30.9 | 5.4 | 6.0 | 6.9 | 7.0 | 25.2 | 5.3 |
| Operating expenses | 163.4 | 226.3 | 61.8 | 65.7 | 68.9 | 76.9 | 273.3 | 70.6 |
| Selling, general and administrative expenses | 123.4 | 163.1 | 40.0 | 43.2 | 42.3 | 73.1 | 198.5 | 48.2 |
| Depreciation, amort, and (gain) loss on disposal of assets, net | 116.8 | 140.2 | 30.3 | 29.1 | 27.6 | 26.2 | 113.2 | 27.0 |
| Total costs and expenses | \$438.7 | \$576.9 | \$141.8 | \$148.3 | \$150.8 | \$187.7 | \$628.5 | \$155.4 |
| Income (loss) from operations | 111.9 | 164.7 | 50.1 | 56.2 | 59.2 | 23.3 | 188.8 | 54.4 |
| Interest expense, net | 44.9 | 69.4 | 22.7 | 22.8 | 20.4 | 20.9 | 86.7 | 19.6 |
| Change in fair value of private placement warrants | 7.6 | (14.4) | 14.6 | 10.9 | (0.6) | - | 25.0 | - |
| Tax receivable agreement adj | (1.0) | (0.7) | - | - | - | (3.1) | (3.1) | - |
| Loss on interest rate swap | - | (1.0) | 2.8 | (4.8) | 0.1 | 2.8 | 0.8 | (0.4) |
| Loss on extinguishment of debt | 5.3 | (3.0) | 1.3 | 0.2 | 2.0 | - | 3.5 | 0.6 |
| Other (income) expense, net | (12.9) | (12.7) | (3.8) | (4.5) | (4.5) | 1.6 | (11.1) | (4.5) |
| Total other expense | \$44.0 | \$37.6 | \$37.7 | \$24.6 | \$17.4 | \$22.2 | \$101.8 | \$15.4 |
| Income (loss) before income taxes | 67.9 | 127.1 | 12.4 | 31.6 | 41.8 | 1.1 | 87.0 | 39.0 |
| Income tax provision (benefit) | 26.5 | 34.6 | 7.8 | 12.5 | 11.5 | (1.9) | 30.0 | 9.8 |
| Net (loss) income | \$41.4 | \$92.5 | \$4.6 | \$19.1 | \$30.3 | \$3.0 | \$57.0 | \$29.1 |
| Bridge to adj. EBITDA | | | | | | | | |
| Net (loss) income | \$41.4 | \$92.5 | \$4.6 | \$19.1 | \$30.3 | \$3.0 | \$57.0 | \$29.1 |
| Interest expense, net | 44.9 | 69.4 | 22.7 | 22.8 | 20.4 | 20.9 | 86.7 | 19.6 |
| Income tax provision (benefit) | 26.5 | 34.6 | 7.8 | 12.5 | 11.5 | (1.9) | 30.0 | 9.8 |
| Depreciation and amortization | 116.8 | 138.7 | 30.3 | 29.0 | 27.5 | 26.2 | 113.1 | 26.9 |
| EBITDA | \$229.6 | \$335.2 | \$65.4 | \$83.4 | \$89.7 | \$48.2 | \$286.8 | \$85.5 |
| Transaction and other related | 14.0 | 3.4 | 0.3 | 0.1 | 0.2 | 5.8 | 6.3 | 1.5 |
| Transformation expense | 1.7 | 1.1 | 0.0 | 0.7 | 1.6 | 0.9 | 3.2 | (0.0) |
| Legal settlement | - | - | - | - | - | 31.5 | 31.5 | - |
| Loss on extinguishment of debt | 5.3 | (3.0) | 1.3 | 0.2 | 2.0 | - | 3.5 | 0.6 |
| Impairment of long-lived assets | - | 1.3 | - | - | - | - | - | - |
| Loss on interest rate swap | - | (1.0) | 2.8 | (4.8) | 0.1 | 2.8 | 0.8 | (0.4) |
| TRA adjustment | (1.0) | (0.7) | - | - | - | (3.1) | (3.1) | - |
| Change in fair value of private placement warrants | 7.6 | (14.4) | 14.6 | 10.9 | (0.6) | - | 25.0 | - |
| Stock-based compensation | 13.8 | 16.7 | 3.4 | 4.5 | 4.4 | 5.1 | 17.5 | 5.6 |
| Adjusted EBITDA | \$270.9 | \$338.5 | \$87.9 | \$95.0 | \$97.4 | \$91.3 | \$371.5 | \$92.8 |

Verra Mobility Quarterly Results

Segment Results of Operations

Commercial Services

| Unaudited (\$ in millions) | Full Year 2021 | Full Year 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Full Year 2023 | Q1 2024 |
|----------------------------|----------------|----------------|---------|---------|---------|---------|----------------|---------|
| Total Revenue | | | | | | | | |
| Commercial Services | \$260.9 | \$326.0 | \$85.6 | \$94.5 | \$98.1 | \$94.5 | \$372.8 | \$95.9 |
| Segment Adj EBITDA | | | | | | | | |
| Commercial Services | \$160.4 | \$208.5 | \$53.6 | \$61.1 | \$65.3 | \$62.2 | \$242.2 | \$60.8 |

Government Solutions

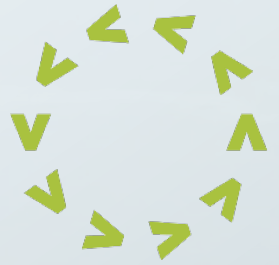
| Unaudited (\$ in millions) | Full Year 2021 | Full Year 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Full Year 2023 | Q1 2024 |
|----------------------------|----------------|----------------|---------|---------|---------|---------|----------------|---------|
| Total Revenue | | | | | | | | |
| Government Solutions | \$283.2 | \$336.7 | \$85.9 | \$88.3 | \$90.3 | \$94.0 | \$358.4 | \$94.2 |
| Segment Adj EBITDA | | | | | | | | |
| Government Solutions | \$107.9 | \$115.8 | \$31.5 | \$30.4 | \$28.6 | \$24.1 | \$114.5 | \$29.2 |

Parking Solutions

| Unaudited (\$ in millions) | Full Year 2021 | Full Year 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Full Year 2023 | Q1 2024 |
|----------------------------|----------------|----------------|---------|---------|---------|---------|----------------|---------|
| Total Revenue | | | | | | | | |
| Parking Solutions | \$6.5 | \$79.0 | \$20.3 | \$21.8 | \$21.5 | \$22.5 | \$86.1 | \$19.7 |
| Segment Adj EBITDA | | | | | | | | |
| Parking Solutions | \$2.6 | \$14.2 | \$2.9 | \$3.5 | \$3.5 | \$5.0 | \$14.9 | \$2.8 |

Verra Mobility Adj. Net Income and Adj. Diluted EPS Reconciliations

| (in \$MM, except <i>per share</i> data) | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 |
|---|---------------|----------------|---------------|---------------|---------------|
| Net Income | \$4.6 | \$19.1 | \$30.3 | \$3.0 | \$29.1 |
| Amortization of intangibles | 22.0 | 20.0 | 18.9 | 16.7 | 16.7 |
| Transaction and other related expenses | 0.3 | 0.1 | 0.2 | 0.1 | 1.5 |
| Transformation expenses | 0.1 | 0.7 | 1.6 | 0.9 | - |
| Change in fair value of private placement warrants | 14.6 | 10.9 | (0.6) | - | - |
| Legal settlement | - | - | - | 31.5 | - |
| Tax settlement payment related to a prior acquisition | - | - | - | 5.7 | - |
| Tax receivable agreement liability adjustment | - | - | - | (3.1) | - |
| Tax receivable agreement imputed interest | - | - | - | (3.6) | - |
| Loss on extinguishment of debt | 1.3 | 0.2 | 2.0 | - | 0.6 |
| Change in fair value of interest rate swap | 1.6 | (5.1) | 0.2 | 3.0 | (0.1) |
| Stock-based compensation | 3.4 | 4.5 | 4.4 | 5.1 | 5.6 |
| Total adjustments before income tax effect | 43.2 | \$31.3 | \$26.7 | \$56.4 | \$24.3 |
| Income tax effects on adjustments ¹ | (8.0) | (6.3) | (7.8) | (19.6) | (7.1) |
| Total adjustments after income tax effect | 35.2 | 25.0 | 18.9 | 36.8 | 17.2 |
| Adjusted Net Income | \$39.8 | \$44.2 | \$49.2 | \$39.9 | \$46.4 |
| Adjusted EPS | \$0.26 | \$ 0.29 | \$0.29 | \$0.24 | \$0.27 |
| Diluted weighted average shares outstanding | 153,129 | 152,590 | 169,497 | 168,585 | 168,726 |
| Annual estimated effective income tax rate | 31% | 31% | 31% | 31% | 30% |



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