

**VERRA
MOBILITY™**
Safe. Smart. Connected.

Earnings Overview

Verra Mobility Q1 2023 Earnings Presentation

For the Quarter Ended March 31, 2023

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 judgements 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 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; (17) the impact of COVID-19 on our business and results of operations; and (18) 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.

Non-GAAP Financial Information

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 and adjusted EBITDA margin 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.

Key Highlights and Strategic Priorities

David Roberts

President and CEO



Outstanding Q1, Highlighted by Strong Revenue, Adj. EBITDA and Free Cash Flow

Q1 Business Highlights

- Strong first quarter top-line performance across all business segments
 - Commercial Services: 17% Y-o-Y growth driven by strong travel demand (TSA at 100% of 2019 level)
 - Government Solutions: 14% Y-o-Y **service revenue** growth due to transition from product sales to ARR
 - Parking Solutions: 12% Y-o-Y total revenue growth driven by growth in SaaS and Services

Financial Guidance

- Reaffirming 2023 Financial Outlook:
 - Revenue growth of ~6% to 8% and Adj. EBITDA growth of 7% to 10% on a constant currency basis (Revenue: ~5% to 7% and Adj. EBITDA 6% to 9% including Fx impact)

Capital Allocation Update

- Debt management: Further reduced net leverage to 3.2x and expected to reduce to ~3x by year-end 2023
 - Re-paid about \$65 million of floating rate debt in 1Q 2023 (\$50 million was pre-announced on 4Q22 earnings call)
 - Re-paid another \$10 million in 2Q 2023

Q1 2023 Financial Highlights

Total Revenue

\$192 million; 13% YoY growth

Adjusted EBITDA¹

\$88 million; 17% YoY growth

Free Cash Flow

\$27 million; 36% YoY growth

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

Summary Update: 2023 Strategic Priorities

Commercial Services	1 Renew Enterprise tolls and violations management services agreement	On track
	2 Continue adjacent expansion opportunities: Fleet Management expansion and European growth	FMC growth of 13% YoY
	3 Lay the foundation to capitalize on next generation connected fleet opportunities	Ongoing initiative
Government Solutions	1 Open new cities and states through enabling legislation	Positive legislative momentum in FL, CO and WA
	2 Invest in software platform to enhance competitive advantages	Ongoing initiative
	3 Pursue emerging opportunities across Urban Mobility through strategic M&A and partnerships	Ongoing initiative
T2 Systems	1 Pursue new logo business while expanding hardware and software offerings to existing customers	Bookings on track with annual plan
	2 Increase core business growth outside of the university segment and into mid- and large-scale municipalities	Expect continued growth in the municipal market in the 2 nd half of 2023
	3 Invest in platforms to drive new revenue streams and further improve customer experience	Ongoing initiative

Financial Discussion

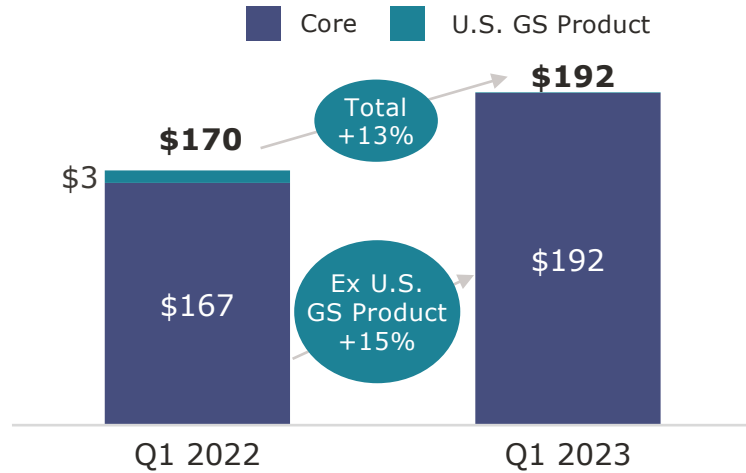
Craig Conti
CFO



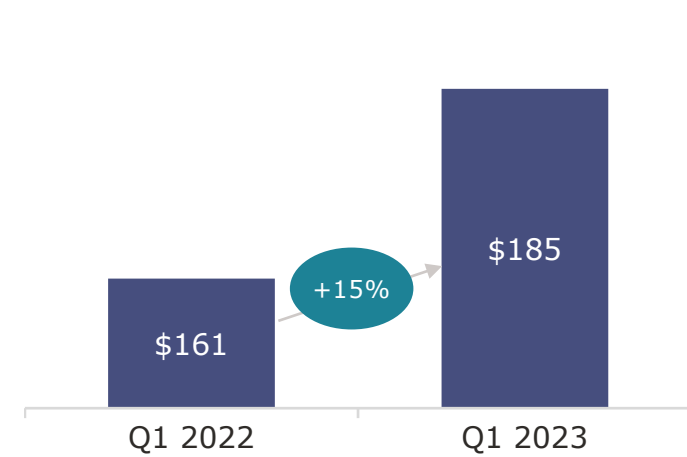
Strong top-line, profitability and Free Cash Flow generation

Consolidated – Q1 Results

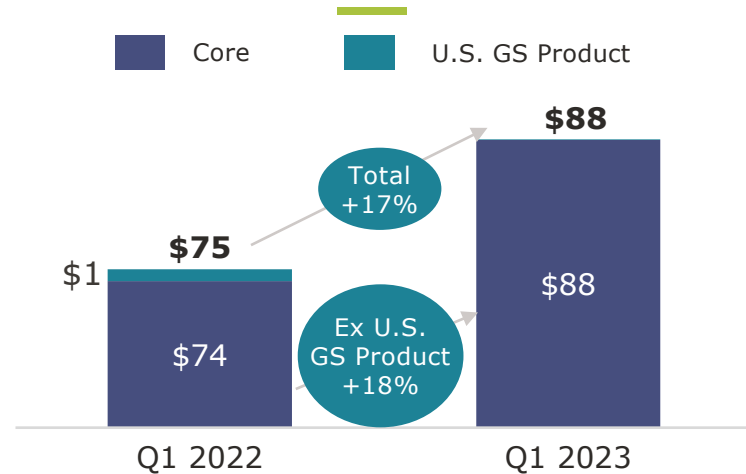
Total Revenue (\$M)



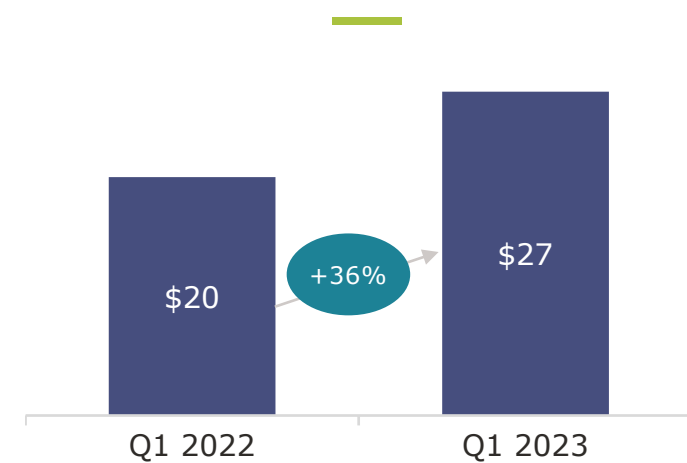
Service Revenue (\$M)



Adjusted EBITDA (\$M)¹



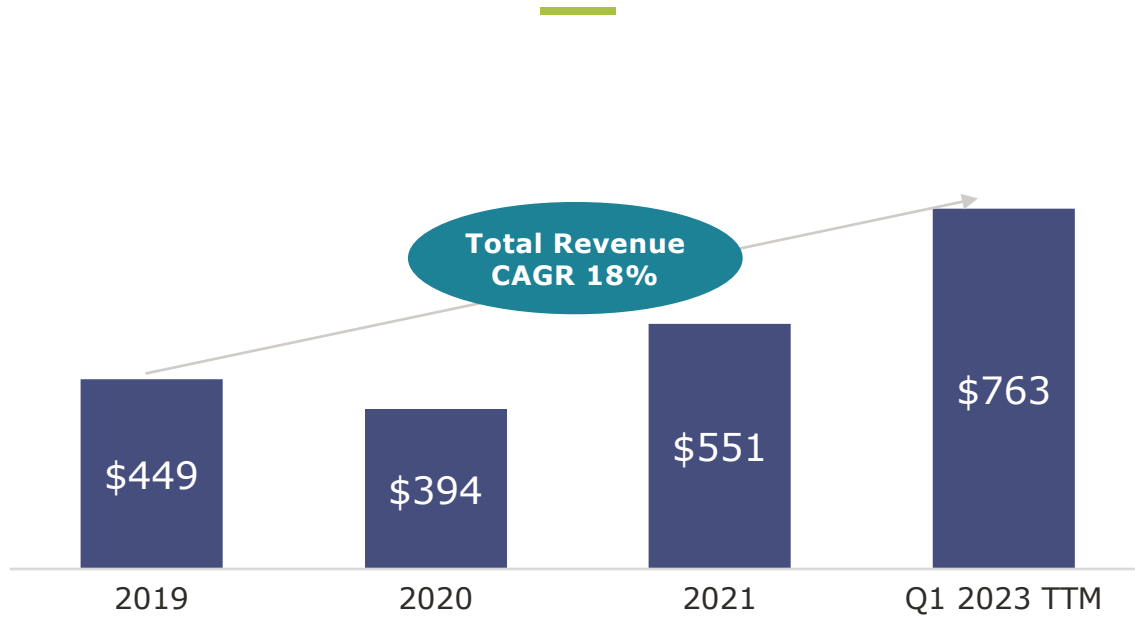
Free Cash Flow (\$M)



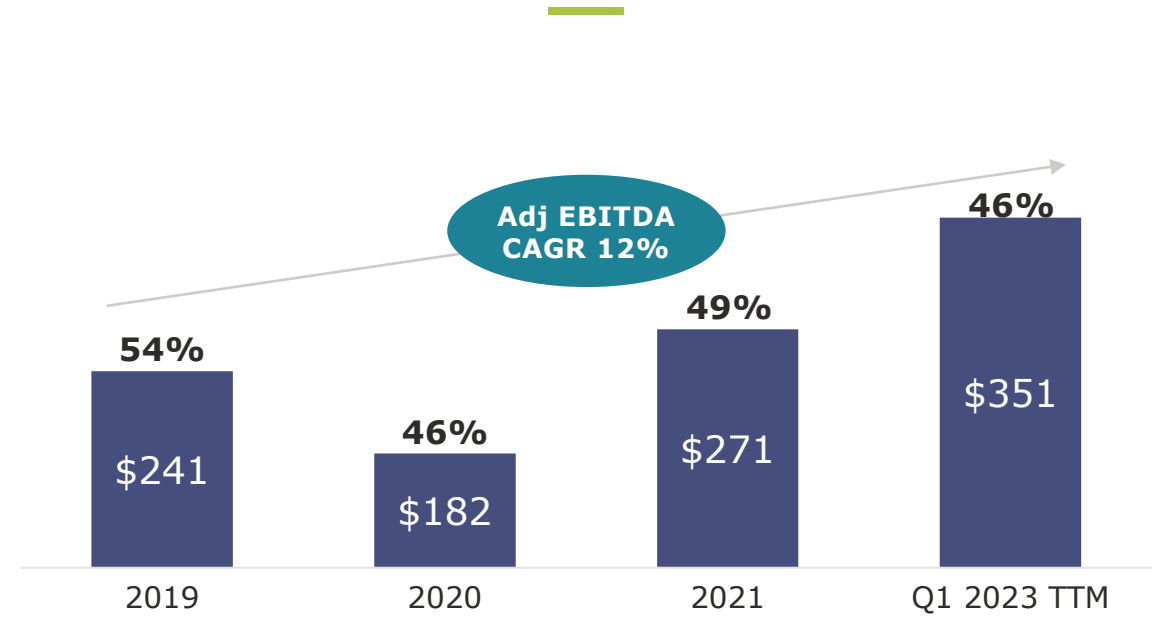
¹ Based on assumption that Adj. EBITDA margins on U.S. product sales are comparable to total GS Adj. EBITDA margins

Core Businesses Drive Strong Free Cash Flow Conversion and Strong Growth

Total Revenue (\$M)



Adjusted EBITDA & Margins (\$M)




94% Re-occurring Revenue¹

Free Cash Flow % Adj. EBITDA

2019	2020	2021	Q1 2023 TTM
43%	13%	62%	50%

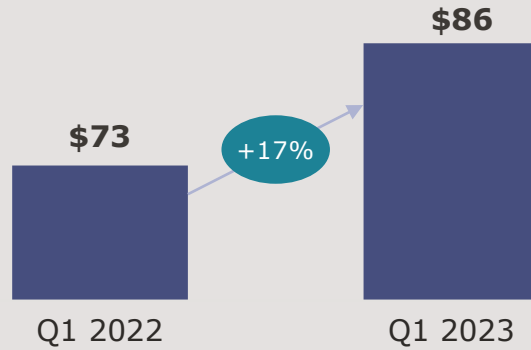
Results in ~\$472 million of free cash flow generated during this period

¹ Based on company estimates and calculated on Q1 2023 TTM results

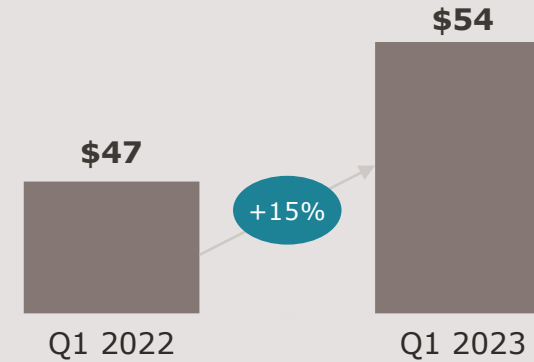
Robust travel demand driving strong performance

Commercial Services – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



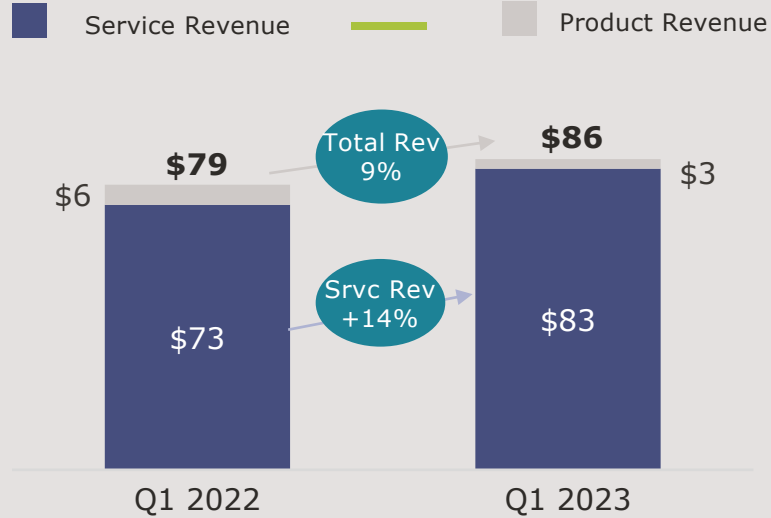
Q1 – Key Highlights

- RAC tolling revenue up 18% over Q1 2022 due to increased travel volume and adoption
- Fleet management revenue up 13% over Q1 2022 due to new vehicle enrollment and toll counts
- First quarter Adjusted EBITDA margins consistent with normal seasonality as well as increased growth investments

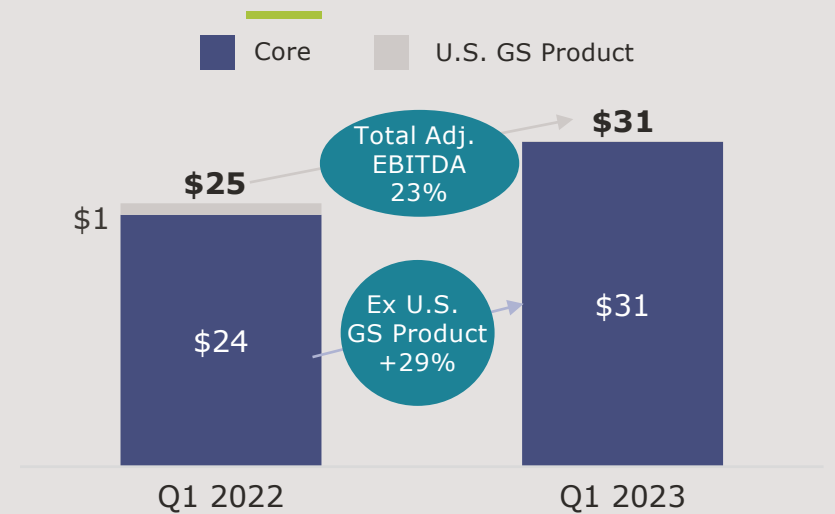
Revenue growth fueled by transition to recurring service revenue

Government Services – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth ¹



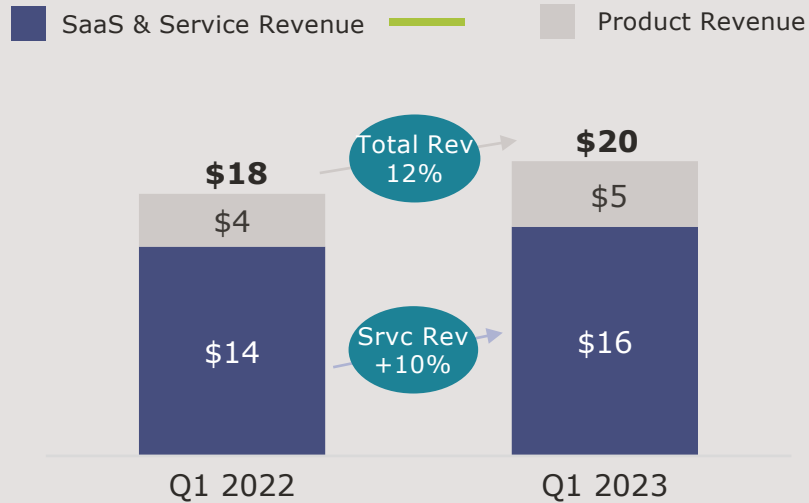
Q1 – Key Highlights

- Service Revenue growth of 14% driven by completion of school zone speed installs
- Q1 product revenue of \$2.7M is indicative of expected 2023 Government Solutions product sales (\$2.5M to \$3M per quarter)
- Q1 adj. EBITDA margins up about 430bps with the prior year driven by the transition to recurring service revenue and a reduction in bad debt expense due to improved cash collections

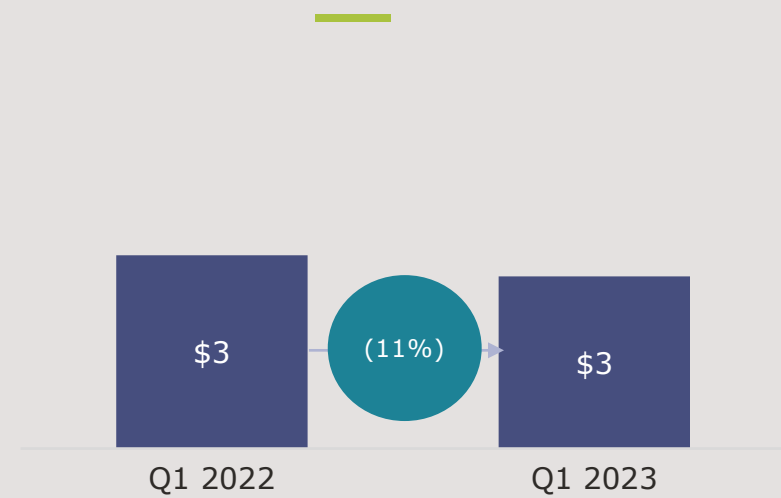
Revenue growth driven by acceleration of SaaS and Services

T2 Systems – Q1 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth

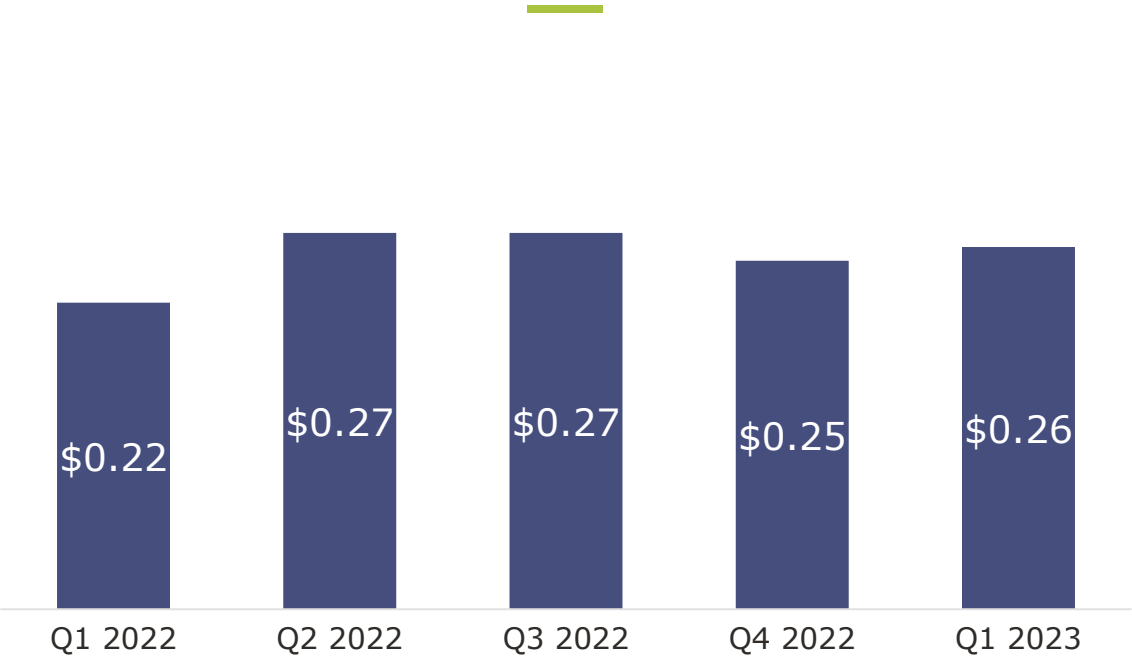


Q1 – Key Highlights

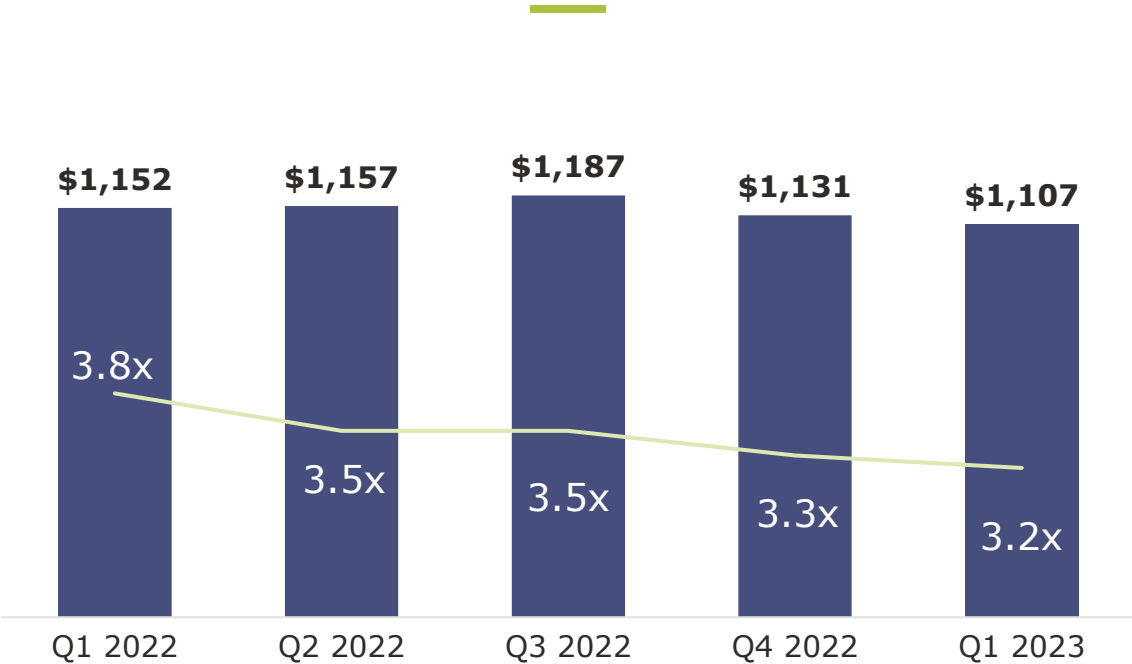
- SaaS & Service Revenue growth of 10% driven by “Land and Expand” business model
- Product revenue is expected to increase sequentially throughout the year (\$20 to \$23 million for FY23)
- Adj. EBITDA margins impacted by revenue mix (Adj. EBITDA down \$350K versus Q1 2022)

Strong Adjusted EPS and De-levering performance

Adjusted EPS



Net Debt & Leverage



Consistent earnings power and continued de-levering

Reaffirming 2023 Financial Outlook

1

Total Revenue growth of 5% to 7% as reported; **~6% to 8% in constant Fx**

CS driven by strong travel demand (FY23 TSA volume forecasted at ~2019 levels) + increased adoption

GS driven by strong backlog generating HSD Service revenue growth

T2 driven by higher mix of SaaS & services revenue

2

Adj. EPS and FCF assume balanced approach to debt paydown and share repurchases

Debt paydown of \$65 million made in 1Q 23 and \$10 million paid in 2Q 23

2023 Guidance

In millions, except per share data & net leverage

Commentary

	2023 Guidance	Commentary
① Total Revenue	\$780 - \$800	CS ... HSD growth T2 ... HSD growth GS ... LSD growth <i>(GS ... MSD growth @ constant FX)</i>
① Adj. EBITDA	\$360 - \$370	Consolidated margin expansion of ~50 bps
② Adj. EPS	\$1.00 - \$1.10	3% YoY growth at the mid-point; ~18% growth adjusted for interest expense
② Free Cash Flow	\$135 - \$155	FCF conversion of ~40%; negatively impacted by higher interest payments in 23'
② Net Leverage	~3.0 x	Reduction driven by Adj. EBITDA growth & debt paydown

Appendix

Verra Mobility Quarterly Results

2020 - 2023

Unaudited (\$ in millions)	Full Year 2020	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023
Service revenue	\$336.3	\$492.8	\$161.1	\$174.5	\$180.6	\$179.0	\$695.2	\$184.7
Product sales	57.3	57.7	9.3	13.0	17.0	7.1	46.4	7.2
Total revenue	\$393.6	\$550.6	\$170.4	\$187.5	\$197.7	\$186.1	\$741.6	\$191.9
Cost of service revenue	4.0	5.3	3.8	3.7	4.1	4.7	16.3	4.2
Cost of product sales	29.6	29.8	6.0	8.3	11.3	5.3	30.9	5.4
Operating expenses	115.7	163.4	51.1	55.2	60.5	59.5	226.3	61.8
Selling, general and administrative expenses	89.7	123.4	41.6	40.2	41.1	40.2	163.1	40.0
Depreciation, amort, and (gain) loss on disposal of assets, net	116.8	116.8	35.9	34.9	35.0	34.3	140.2	30.3
Total costs and expenses	\$355.8	\$438.7	\$138.4	\$142.3	\$152.2	\$144.0	\$576.9	\$141.8
Income (loss) from operations	37.8	111.9	32.0	45.2	45.5	42.0	164.7	50.1
Interest expense, net	40.9	44.9	14.3	14.5	20.3	20.3	69.4	22.7
Change in fair value of private placement warrants	1.1	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)	14.6
Tax receivable agreement adj	6.9	(1.0)	-	(1.0)	-	0.2	(0.7)	-
Loss on interest rate swap	-	-	-	-	-	(1.0)	(1.0)	2.8
Loss on extinguishment of debt	-	5.3	-	-	(3.0)	-	(3.0)	1.3
Other (income) expense, net	(11.9)	(12.9)	(2.9)	(4.0)	(2.5)	(3.3)	(12.7)	(3.8)
Total other expense	\$37.0	\$44.0	\$15.1	\$2.9	\$12.5	\$7.0	\$37.6	\$37.7
Income (loss) before income taxes	0.9	67.9	16.9	42.3	33.0	35.0	127.1	12.4
Income tax provision (benefit)	5.4	26.5	6.8	12.6	8.4	6.8	34.6	7.8
Net (loss) income	(\$4.6)	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5	\$4.6
Bridge to adj. EBITDA								
Net (loss) income	(\$4.6)	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5	\$4.6
Interest expense, net	40.9	44.9	14.3	14.5	20.3	20.3	69.4	22.7
Income tax provision (benefit)	5.4	26.5	6.8	12.6	8.4	6.8	34.6	7.8
Depreciation and amortization	116.6	116.8	35.7	34.5	35.1	33.4	138.7	30.3
EBITDA	\$158.3	\$229.6	\$66.8	\$91.3	\$88.3	\$88.7	\$335.2	\$65.4
Transaction and other related	1.9	14.0	0.2	0.3	3.0	(0.1)	3.4	0.3
Transformation expense	1.1	1.7	0.1	0.2	0.3	0.6	1.1	0.0
Loss on extinguishment of debt	-	5.3	-	-	(3.0)	-	(3.0)	1.3
Impairment of long-lived assets	-	-	-	-	-	1.3	1.3	-
Loss on interest rate swap	-	-	-	-	-	(1.0)	(1.0)	2.8
TRA adjustment	6.9	(1.0)	-	(1.0)	-	0.2	(0.7)	-
Change in fair value of private placement warrants	1.1	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)	14.6
Stock-based compensation	12.6	13.8	4.4	4.6	4.6	3.0	16.7	3.4
Adjusted EBITDA	\$181.8	\$270.9	\$75.3	\$88.8	\$90.9	\$83.6	\$338.5	\$87.9

Verra Mobility Quarterly Results

Segment Results of Operations

Commercial Services

Unaudited (\$ in millions)	Full Year 2020	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023
Total Revenue								
Commercial Services	\$180.9	\$260.9	\$73.5	\$84.9	\$86.1	\$81.6	\$326.0	\$85.6
Segment Adj EBITDA								
Commercial Services	\$97.2	\$160.4	\$46.6	\$56.5	\$56.4	\$49.0	\$208.5	\$53.6

Government Solutions

Unaudited (\$ in millions)	Full Year 2020	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023
Total Revenue								
Government Solutions	\$212.7	\$283.2	\$78.8	\$83.5	\$89.7	\$84.6	\$336.7	\$85.9
Segment Adj EBITDA								
Government Solutions	\$84.7	\$107.9	\$25.5	\$29.2	\$30.4	\$30.7	\$115.8	\$31.5

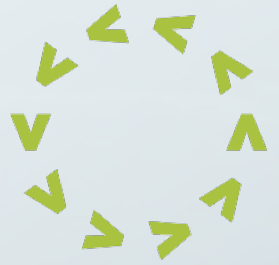
Parking Solutions

Unaudited (\$ in millions)	Full Year 2020	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023
Total Revenue								
Parking Solutions	\$0.0	\$6.5	\$18.1	\$19.1	\$21.9	\$19.9	\$79.0	\$20.3
Segment Adj EBITDA								
Parking Solutions	\$0.0	\$2.6	\$3.2	\$3.0	\$4.2	\$3.9	\$14.2	\$2.9

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

(in \$MM, except <i>per share</i> data)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net Income	\$ 10.0	\$ 29.6	\$ 24.6	\$ 28.2	\$4.6
Amortization of intangibles	27.3	27.2	26.6	25.1	22.0
Transaction and other related expenses	0.2	0.3	3.0	(0.1)	0.3
Transformation expenses	0.1	0.2	0.3	0.6	0.1
Change in fair value of private placement warrants	3.7	(6.6)	(2.3)	(9.3)	14.6
Tax receivable agreement liability adjustment	-	(1.0)	-	0.2	-
Loss on extinguishment of debt	-	-	(3.0)	-	1.3
Change in fair value of interest rate swap	-	-	-	(1.0)	1.6
Stock-based compensation	4.4	4.6	4.6	3.0	3.4
Impairment on privately-held equity investment	-	-	-	1.3	
Total adjustments before income tax effect	35.8	24.6	29.2	20.0	43.2
Income tax effects on adjustments ¹	(10.3)	(10.3)	(11.0)	(8.9)	(8.0)
Total adjustments after income tax effect	25.5	14.3	18.2	11.1	35.2
Adjusted Net Income	\$ 35.6	\$ 44.0	\$ 42.7	\$39.4	39.8
Adjusted EPS	\$0.22	\$ 0.27	\$ 0.27	\$ 0.25	\$0.26
Diluted weighted average shares outstanding	160,749	160,344	158,304	154,825	153,129

¹ Beginning in the third quarter of 2022, we removed the (i) change in fair value of private placement warrants and (ii) gain on extinguishment of debt from total adjustments before income tax effect prior to applying our annual estimated effective income tax rate to calculate the income tax effect on adjustments. These discrete items are being removed because they do not impact taxable income. In addition, we began using our annual estimated effective tax rate in lieu of the period-to-date effective tax rate from our consolidated statements of operations, in calculating the income tax effect on total adjustments to net income. We believe that our annual estimated effective income tax rate provides investors a more meaningful effective tax rate than our period-to-date effective tax rate, which included the discrete items named above.



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