

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

Earnings Overview

Verra Mobility Q4 2023 Earnings Presentation

For the Quarter Ended December 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 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.

Q4 2023 Financial Highlights

Total Revenue

\$211 million; 13% YoY growth

Adjusted EBITDA¹

\$91 million; 9% YoY growth

Adj. EPS

\$0.24; down \$.01 YoY due to inventory write-down & an increased share count from the exercise of warrants

Free Cash Flow

\$19 million; 21% 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 FCF Conversion defined as Free Cash Flow divided by Adjusted EBITDA



Executive Summary

- **Strong fourth quarter top-line performance across all business segments**
 - Commercial Services: 16% Y-o-Y growth driven by strong travel demand (TSA at ~103% of 2019 level)
 - Government Solutions: 10% Y-o-Y **service revenue** growth driven by transition from product sales to ARR
 - Parking Solutions: 10% Y-o-Y **SaaS & Services revenue** growth
- **Established 24' Financial Guidance in-line with July 22' Investor Day targets**

FY 23 Strategic Highlights

Reduced net leverage to 2.5x

Paid down \$180M in debt

Repurchased \$100M in shares

Open 18-Mo authorization for \$100M buyback

Fully De-SPAC'd

5-year anniversary as a public company

Secular Tailwinds

Resilient travel demand and solid forward-looking sentiment

9 new U.S. toll roads; Electronic tolling increases to 67%

Favorable automated safety enforcement legislative environment

- 9 states signed new automated enforcement use cases into law in FY 23

- Up to \$150M in TAM expansion

Inaugural Corporate Responsibility Report

- Published in January 2024, report outlines company's environmental, social and governance strategies and initiatives
- Focused on three core responsibility areas:
 - I. **Planet** – creating a positive impact by developing technology solutions to help improve road safety, reduce congestion and idling vehicles.
 - II. **People** – fostering a purpose-driven company culture for our employees and empowering them to serve our customers and our communities.
 - III. **Governance** – conducting business responsibly with strong corporate governance, privacy and security practices to serve our stakeholders

Download by visiting: verramobility.com/corporate-responsibility



PLANET

CHANGING DRIVING BEHAVIORS TO IMPROVE ROAD SAFETY



Customer Highlight:
In Ottawa, Canada, we were challenged to help reduce the speed of vehicles near eight schools in order to reduce the risk of collisions leading to major or fatal injury by employing our speed safety camera systems designed to enforce established speed limits. During our pilot program in 2020-2021, sites reported a 200% increase in compliance with the speed limit and a 72% decrease in the percentage of high-end speeders compared to baseline data. As a result, the program was expanded to 40 sites by the end of 2023.



Customer Highlight:
In New York City, after one full year of installing and operating school zone speed cameras, injuries declined 14% and crashes involving pedestrians dropped 17%, as compared to a previous three-year average. Since the red-light safety program began in New York City, the average daily number of red-light running violations issued at camera locations declined by more than 77%.



Speed and red-light cameras reduced traffic crashes in the U.S. by **39%** and **21%**, respectively, according to studies by the Insurance Institute for Highway Safety.¹



Nearly **99%** of drivers who received and paid an automated camera ticket for illegally passing a school bus during the 2022-2023 school year did not receive a second ticket in the same school year, according to an internal study of 32 programs in the U.S.



Florida has allocated more than **\$25M** from photo-enforced red-light fines to spinal cord injury research in the state.

¹Statistics included in Insurance Institute for Highway Safety studies in 2018 and 2021, respectively.

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Corporate Responsibility Report 7

Strategic Priorities Focused on LT Value Creation

Key Objectives



Drive Core Business Outcomes

- Meet or exceed 2024 financial guidance and long-term estimates
- Further enhance Verra Mobility Operating System to drive business execution and strategy deployment



Build the Verra Mobility of the Future

- Leverage recent platform and product investments to capitalize on expanding TAM's and drive operating efficiencies
- Accelerate portfolio company model; pursue accretive M&A opportunities



Create an Engaging and Fulfilling Workplace Experience

- Make Verra Mobility a "Best Place to Work" globally to ensure we have the best people doing their best work

Commercial Services: Strategic Priorities

1

Execute the core business while investing in growth

2

Segment Expansion: capitalize on small and medium sized fleet opportunity in FMC business; European growth enabled by enforcement, tolling expansion and violations

3

Capitalize on next generation Connected Vehicle opportunities through partnerships and M&A

Strong core business positioned for L/T HSD growth

Government Solutions: Strategic Priorities

1

Win our share of new contract awards in FL, CO, WA, CA, Canada and New Zealand

2

Position GS to win NYC renewal; awaiting RFP issuance

3

Leverage 23' and 24' investments in software platform to enhance strategic advantages

Strong core business positioned for L/T MSD growth

T2 Systems: Strategic Priorities

1

Continued focus on growing high margin core permits and enforcement business

2

Successful launch of new products to drive transactional revenue growth in 2024 and beyond

3

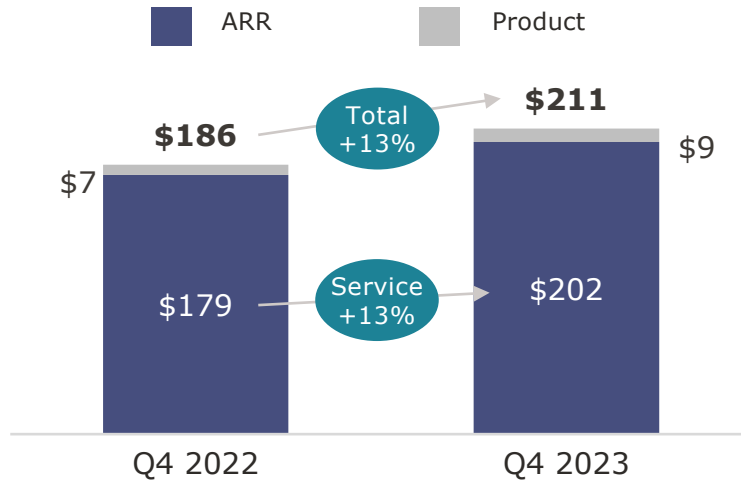
Implementation of new software releases to further enhance our strategic positioning

Strong core business positioned for L/T HSD growth

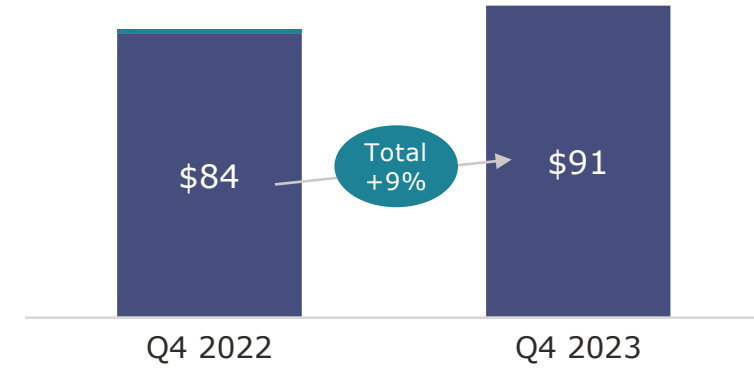
Strong top-line growth driven by travel & speed enforcement trends

Consolidated – Q4 Results

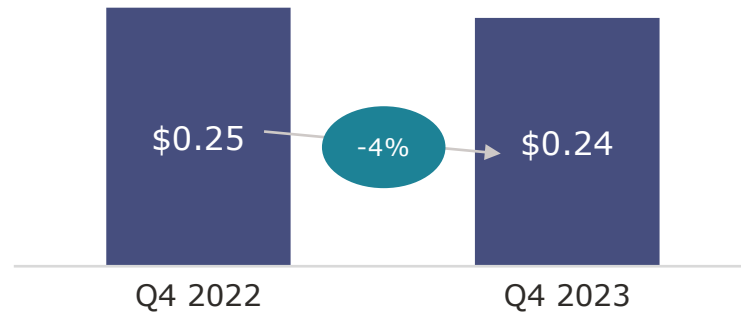
Total Revenue (\$M)



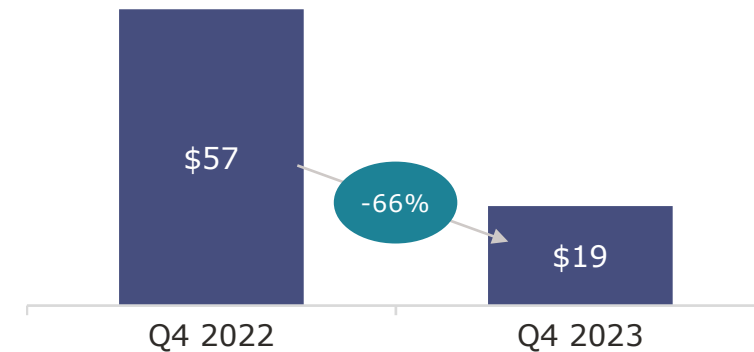
Adjusted EBITDA (\$M) ¹



Adjusted EPS ²



Free Cash Flow (\$M)

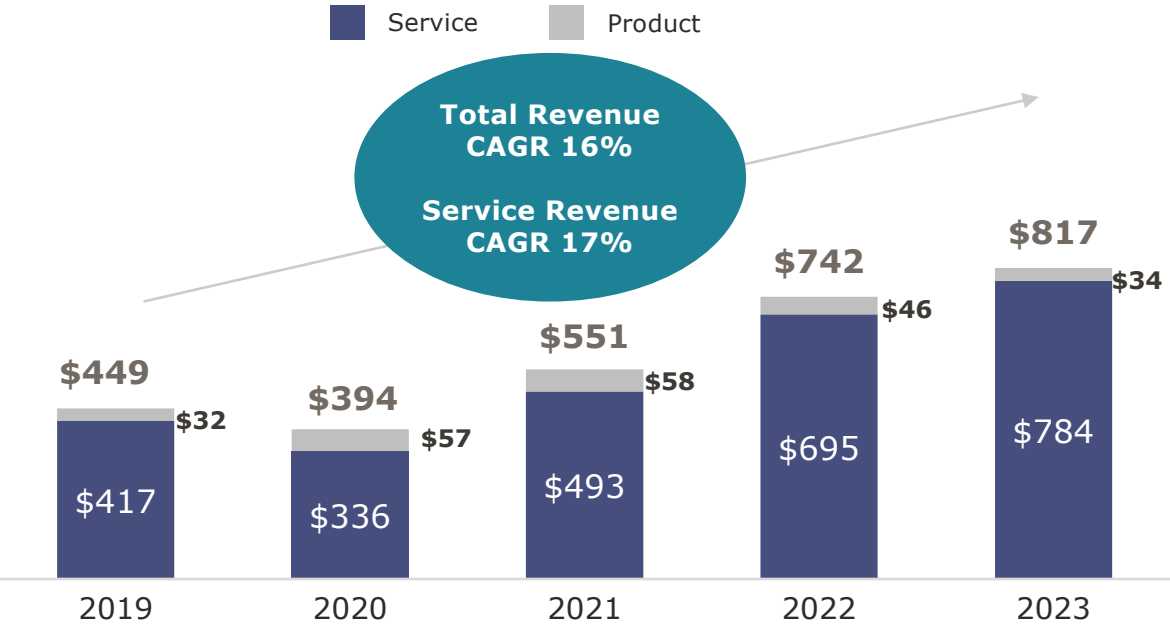


¹ Q4 2023 Adjusted EBITDA results include ~\$4 million write-down of obsolete inventory in GS segment, largely driven by supply chain optimization

² Q4 2023 Adjusted EPS results include the ~4 million inventory write-down (pre-tax) and an increased share count from the exercise of warrants

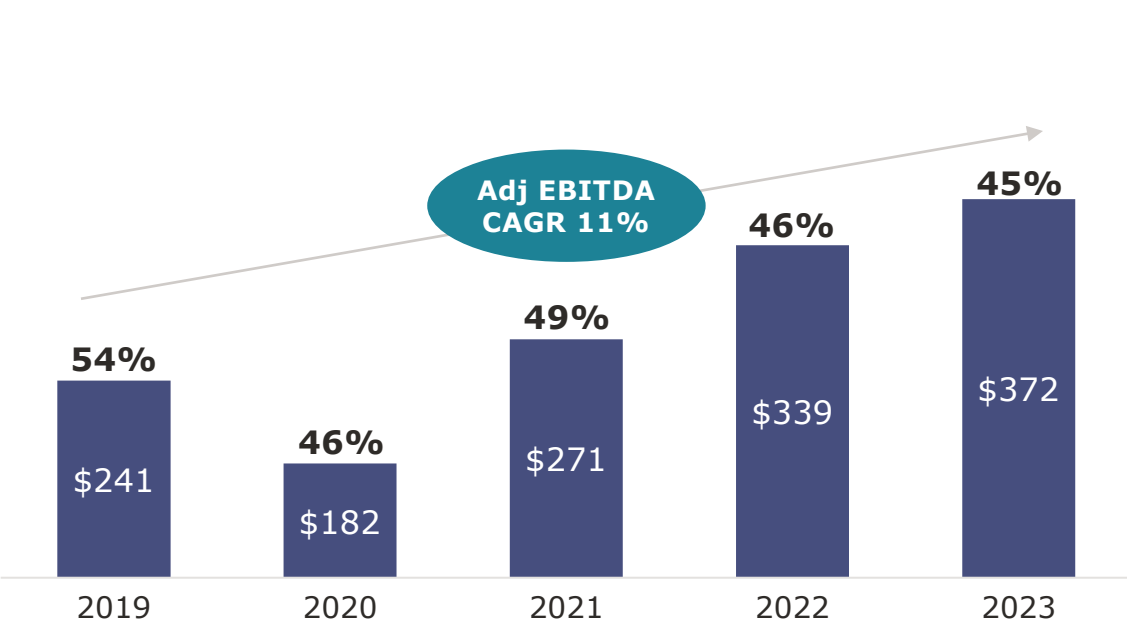
Core Businesses Drive Strong Growth and Free Cash Flow Conversion

Total Revenue Breakdown (\$M)



96% Re-occurring Revenue¹

Adjusted EBITDA & Margins (\$M)



Free Cash Flow % Adj. EBITDA

43% 13% 62% 50% 40%

Strong and consistent Free Cash Flow conversion over this period

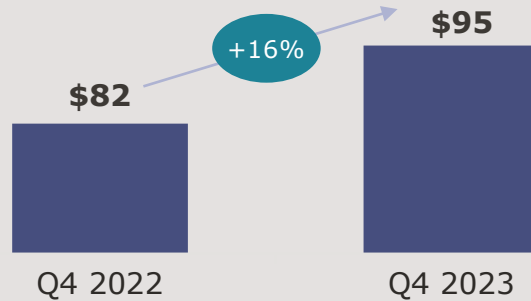


¹ Based on company estimates and calculated on FY 2023 results

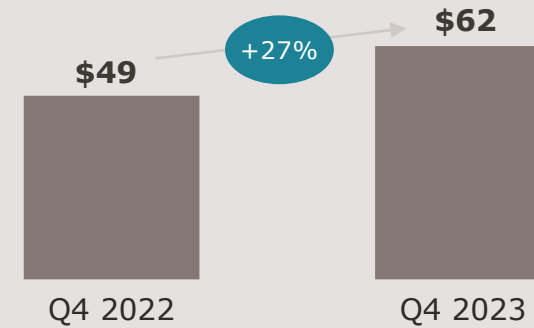
Robust travel demand driving strong performance

Commercial Services – Q4 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



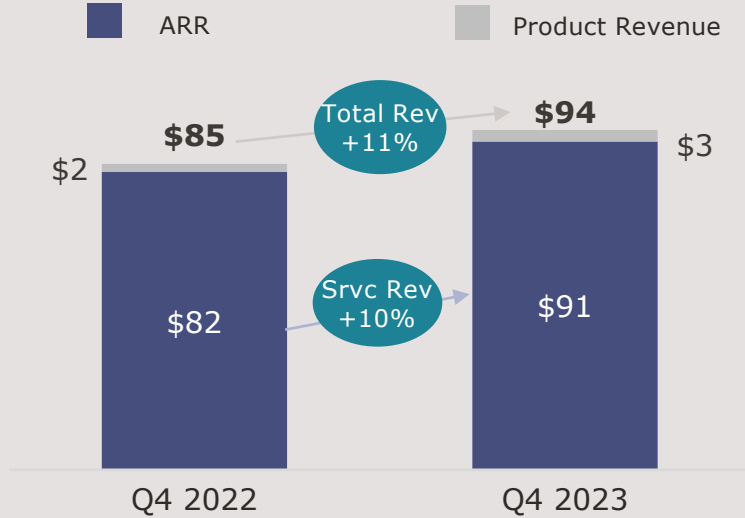
Q4 – Key Highlights

- Fourth quarter Revenue up 16% over Q4 2022 due to strength in RAC tolling and Fleet management
 - RAC tolling revenue up 23% over Q4 2022 due to increased travel volume and adoption
 - Fleet management (FMC) revenue up 24% (\$3 million) over Q4 2022 due to new vehicle enrollment and toll counts
- Adjusted EBITDA margins up 570 bps over Q4 2022 due to the strength in RAC tolling and prior year FMC growth investments

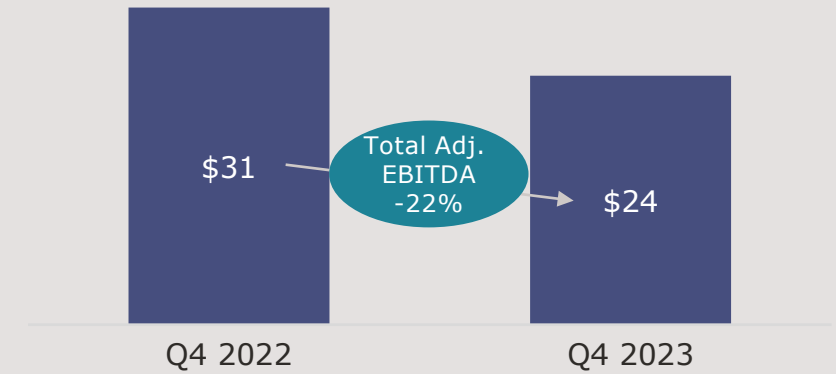
Revenue fueled by transition to ARR model

Government Services – Q4 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



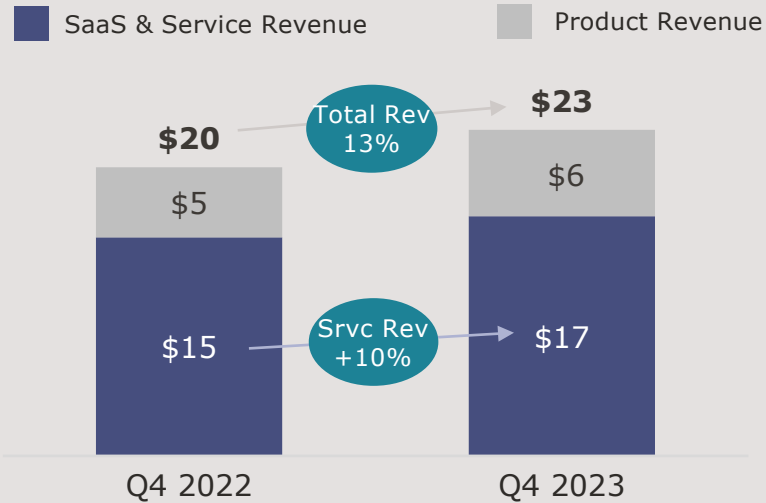
Q4 – Key Highlights

- Service Revenue growth of 10% driven by growth outside of New York City (new awards & expansion of existing programs)
- Q4 adjusted EBITDA margins down versus the prior year due to ~\$4 million non-cash inventory write-down and platform investments in engineering staffing and technology development

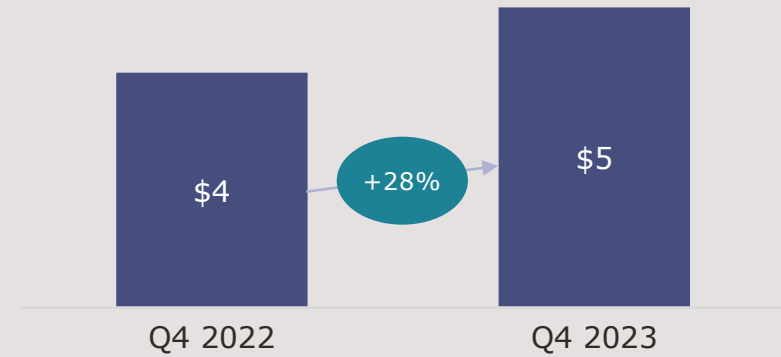
Revenue driven by acceleration of SaaS and Services

T2 Systems – Q4 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



Q4 – Key Highlights

- SaaS & Services Revenue growth of 10% driven by “Land and Expand” business model
- Adjusted EBITDA margin expansion reflects year-over-year SaaS and Services revenue growth

Strong, Flexible Balance Sheet + Robust Cash Flow

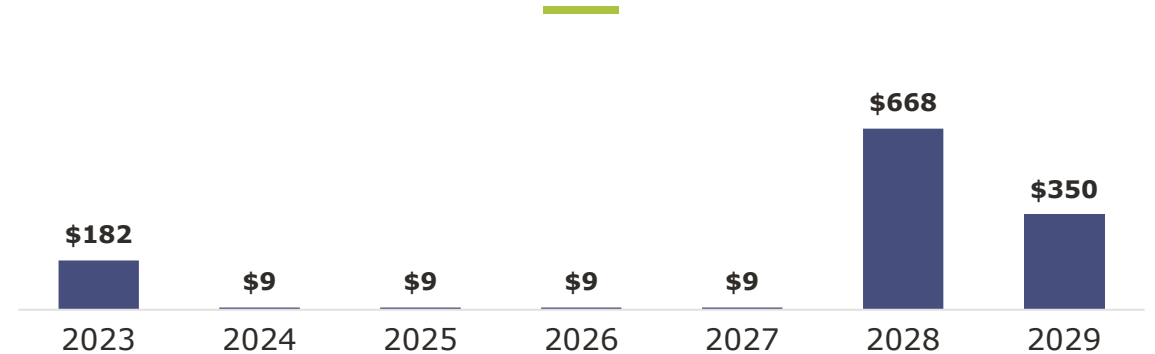
Capital Summary & Financial Highlights (\$M)

December 31, 2023	
Cash & Cash Equivalents	\$136
Debt	\$1,055
Shareholder's Equity	\$421
Available Credit (Revolving Credit Facility)	\$75
Cash & Cash Equivalents	\$136
Total Available Liquidity	\$211

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). \$2.3 million quarterly mandatory debt amortization plus \$73 million voluntarily paid through Q2 2023 plus \$100 million paid in 3Q 2023. Fixed Rate debt priced at 5.500% and due 2029.

2024 Financial Outlook delivers strong revenue growth, margin expansion and FCF conversion

1 Total Revenue growth of 6% to 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



	2024 Guidance <i>In millions, except per share data & net leverage</i>	Commentary
1 Total Revenue	\$865 - \$880	CS ... HSD growth GS ... MSD growth T2 ... MSD growth
1 Adj. EBITDA	\$395 - \$405	Consolidated margin expansion of ~50 bps
2 Adj. EPS	\$1.15 - \$1.20	~9% YoY growth at the mid-point
2 Adj. Free Cash Flow	\$155 - \$165	FCF conversion of ~40%; impacted by growth Capex investments in 24' & excludes legal settlement costs
2 Net Leverage	~2.0 x	Excludes all capital allocation investments

Additional 2024 Guidance Assumptions



2024 fully diluted share count of approximately 168 million shares (weighted average for the year)



Effective tax rate of 30% to 32% 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 - 2023

Unaudited (\$ in millions)	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023
Service revenue	\$492.8	\$161.1	\$174.5	\$180.6	\$179.0	\$695.2	\$184.7	\$196.0	\$201.0	\$201.8	\$783.6
Product sales	57.7	9.3	13.0	17.0	7.1	46.4	7.2	\$8.4	8.9	9.2	33.7
Total revenue	\$550.6	\$170.4	\$187.5	\$197.7	\$186.1	\$741.6	\$191.9	\$204.5	\$209.9	\$211.0	\$817.3
Cost of service revenue	5.3	3.8	3.7	4.1	4.7	16.3	4.2	4.3	5.2	4.5	18.2
Cost of product sales	29.8	6.0	8.3	11.3	5.3	30.9	5.4	6.0	6.9	7.0	25.2
Operating expenses	163.4	51.1	55.2	60.5	59.5	226.3	61.8	65.7	68.9	76.9	273.3
Selling, general and administrative expenses	123.4	41.6	40.2	41.1	40.2	163.1	40.0	43.2	42.3	73.1	198.5
Depreciation, amort, and (gain) loss on disposal of assets, net	116.8	35.9	34.9	35.0	34.3	140.2	30.3	29.1	27.6	26.2	113.2
Total costs and expenses	\$438.7	\$138.4	\$142.3	\$152.2	\$144.0	\$576.9	\$141.8	\$148.3	\$150.8	\$187.7	\$628.5
Income (loss) from operations	111.9	32.0	45.2	45.5	42.0	164.7	50.1	56.2	59.2	23.3	188.8
Interest expense, net	44.9	14.3	14.5	20.3	20.3	69.4	22.7	22.8	20.4	20.9	86.7
Change in fair value of private placement warrants	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)	14.6	10.9	(0.6)	-	25.0
Tax receivable agreement adj	(1.0)	-	(1.0)	-	0.2	(0.7)	-	-	-	(3.1)	(3.1)
Loss on interest rate swap	-	-	-	-	(1.0)	(1.0)	2.8	(4.8)	0.1	2.8	0.8
Loss on extinguishment of debt	5.3	-	-	(3.0)	-	(3.0)	1.3	0.2	2.0	-	3.5
Other (income) expense, net	(12.9)	(2.9)	(4.0)	(2.5)	(3.3)	(12.7)	(3.8)	(4.5)	(4.5)	1.6	(11.1)
Total other expense	\$44.0	\$15.1	\$2.9	\$12.5	\$7.0	\$37.6	\$37.7	\$24.6	\$17.4	\$22.2	\$101.8
Income (loss) before income taxes	67.9	16.9	42.3	33.0	35.0	127.1	12.4	31.6	41.8	1.1	87.0
Income tax provision (benefit)	26.5	6.8	12.6	8.4	6.8	34.6	7.8	12.5	11.5	(1.9)	30.0
Net (loss) income	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5	\$4.6	\$19.1	\$30.3	\$3.0	\$57.0
Bridge to adj. EBITDA											
Net (loss) income	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5	\$4.6	\$19.1	\$30.3	\$3.0	\$57.0
Interest expense, net	44.9	14.3	14.5	20.3	20.3	69.4	22.7	22.8	20.4	20.9	86.7
Income tax provision (benefit)	26.5	6.8	12.6	8.4	6.8	34.6	7.8	12.5	11.5	(1.9)	30.0
Depreciation and amortization	116.8	35.7	34.5	35.1	33.4	138.7	30.3	29.0	27.5	26.2	113.1
EBITDA	\$229.6	\$66.8	\$91.3	\$88.3	\$88.7	\$335.2	\$65.4	\$83.4	\$89.7	\$48.2	\$286.8
Transaction and other related	14.0	0.2	0.3	3.0	(0.1)	3.4	0.3	0.1	0.2	5.8	6.3
Transformation expense	1.7	0.1	0.2	0.3	0.6	1.1	0.0	0.7	1.6	0.9	3.2
Legal settlement	-	-	-	-	-	-	-	-	-	31.5	31.5
Loss on extinguishment of debt	5.3	-	-	(3.0)	-	(3.0)	1.3	0.2	2.0	-	3.5
Impairment of long-lived assets	-	-	-	-	1.3	1.3	-	-	-	-	-
Loss on interest rate swap	-	-	-	-	(1.0)	(1.0)	2.8	(4.8)	0.1	2.8	0.8
TRA adjustment	(1.0)	-	(1.0)	-	0.2	(0.7)	-	-	-	(3.1)	(3.1)
Change in fair value of private placement warrants	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)	14.6	10.9	(0.6)	-	25.0
Stock-based compensation	13.8	4.4	4.6	4.6	3.0	16.7	3.4	4.5	4.4	5.1	17.5
Adjusted EBITDA	\$270.9	\$75.3	\$88.8	\$90.9	\$83.6	\$338.5	\$87.9	\$95.0	\$97.4	\$91.3	\$371.5

Verra Mobility Quarterly Results

Segment Results of Operations

Commercial Services

Unaudited (\$ in millions)	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023
Total Revenue											
Commercial Services	\$260.9	\$73.5	\$84.9	\$86.1	\$81.6	\$326.0	\$85.6	\$94.5	\$98.1	\$94.5	\$372.8
Segment Adj EBITDA											
Commercial Services	\$160.4	\$46.6	\$56.5	\$56.4	\$49.0	\$208.5	\$53.6	\$61.1	\$65.3	\$62.2	\$242.2

Government Solutions

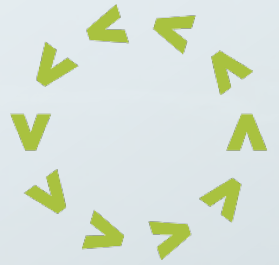
Unaudited (\$ in millions)	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023
Total Revenue											
Government Solutions	\$283.2	\$78.8	\$83.5	\$89.7	\$84.6	\$336.7	\$85.9	\$88.3	\$90.3	\$94.0	\$358.4
Segment Adj EBITDA											
Government Solutions	\$107.9	\$25.5	\$29.2	\$30.4	\$30.7	\$115.8	\$31.5	\$30.4	\$28.6	\$24.1	\$114.5

Parking Solutions

Unaudited (\$ in millions)	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023
Total Revenue											
Parking Solutions	\$6.5	\$18.1	\$19.1	\$21.9	\$19.9	\$79.0	\$20.3	\$21.8	\$21.5	\$22.5	\$86.1
Segment Adj EBITDA											
Parking Solutions	\$2.6	\$3.2	\$3.0	\$4.2	\$3.9	\$14.2	\$2.9	\$3.5	\$3.5	\$5.0	\$14.9

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

(in \$MM, except <i>per share</i> data)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net Income	\$ 28.2	\$4.6	\$19.1	\$30.3	3.0
Amortization of intangibles	25.1	22.0	20.0	18.9	16.7
Transaction and other related expenses	(0.1)	0.3	0.1	0.2	0.1
Transformation expenses	0.6	0.1	0.7	1.6	0.9
Change in fair value of private placement warrants	(9.3)	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	0.2	-	-	-	(3.1)
Tax receivable agreement imputed interest	-	-	-	-	(3.6)
Loss on extinguishment of debt	-	1.3	0.2	2.0	-
Change in fair value of interest rate swap	(1.0)	1.6	(5.1)	0.2	3.0
Stock-based compensation	3.0	3.4	4.5	4.4	5.1
Impairment on privately-held equity investment	1.3	-	-	-	-
Total adjustments before income tax effect	20.0	43.2	\$31.3	\$26.7	\$56.4
Income tax effects on adjustments ¹	(8.9)	(8.0)	(6.3)	(7.8)	(19.6)
Total adjustments after income tax effect	11.1	35.2	25.0	18.9	36.8
Adjusted Net Income	\$39.4	\$39.8	\$44.2	\$49.2	\$39.9
Adjusted EPS	\$ 0.25	\$0.26	\$ 0.29	\$0.29	\$0.24
Diluted weighted average shares outstanding	154,825	153,129	152,590	169,497	168,585



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

Thank You

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