

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

Earnings Overview

Verra Mobility Q2 2024 Earnings Presentation

For the Quarter Ended June 30, 2024



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements which address our expected future business and financial performance, and may contain words such as “goal,” “target,” “future,” “estimate,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “project,” “may,” “should,” “will” or similar expressions. Forward-looking statements include statements regarding the changes and trends in the market for our products and services, expected operating results and metrics, such as revenue growth, expansion plans and opportunities, 2024 full year guidance, including expected total revenue, Adjusted EBITDA, Adjusted EPS, Adjusted Free Cash Flow and Net Leverage, and the underlying assumptions for the 2024 full year guidance, including expected weighted average fully-diluted share count, effective tax rate and cash taxes, expected depreciation and amortization, expected interest expense, net and total net cash interest, expected change in working capital and expected purchases of installation and service parts and property and equipment. 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, customer concentration in our Commercial Services and Government Solutions segments; risks and uncertainties related to our government contracts, including legislative changes, termination rights, delays in payments, audits and investigations; decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, parking solutions or the use of tolling; our ability to successfully implement our acquisition strategy or integrate acquisitions; failure in or breaches of our networks or systems, including as a result of cyber-attacks or other incidents; risks and uncertainties related to our international operations/our ability to develop and successfully market new products and technologies into new markets; our failure to acquire necessary intellectual property or adequately protect our intellectual property; our ability to manage our substantial level of indebtedness; our ability to maintain an effective system of internal controls, including our ability to remedy our material weakness on a timely basis; our ability to properly perform under our contracts and otherwise satisfy our customers; decreased interest in outsourcing from our customers; our ability to keep up with technological developments and changing customer preferences; our ability to compete in a highly competitive and rapidly evolving market; risks and uncertainties related to our share repurchase program; risks and uncertainties related to litigation, disputes and regulatory investigations; our reliance on specialized third-party vendors and service providers; and other risks and uncertainties indicated from time to time in documents we filed or will file with the Securities and Exchange Commission (the “SEC”). In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this release can or will be achieved. This presentation should be read in conjunction with the information included in our other press releases, reports and other filings with the SEC. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the second quarter of 2024. These forward-looking statements speak only as of the date of this release and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise. Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods.

Use of Non-GAAP Financial Measures

This presentation uses certain non-GAAP financial information, including earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted EBITDA, Segment Adjusted EBITDA, Free Cash Flow, Adjusted Free Cash Flow, and Adjusted EPS, 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, Segment Adjusted EBITDA, 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.

Verra Mobility is not providing a quantitative reconciliation of Adjusted EBITDA, Adjusted EPS, or Adjusted Free Cash Flow which are included in our 2024 financial guidance above, in reliance on the “unreasonable efforts” exception for forward-looking non-GAAP measures set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated without unreasonable effort and expense.

Q2 2024 Financial Highlights

Total Revenue

\$222 million; 9% YoY growth

Adjusted EBITDA¹

\$102 million; 8% YoY growth

Adj. EPS¹

\$0.31; 7% YoY growth

Adjusted Free Cash Flow¹

\$26 million in Q2; 35% YTD Adj
FCF Conversion ²

Executive Summary

- **Strong second quarter top-line performance across all business segments**
 - Commercial Services: 10% Y-o-Y growth driven by strong travel demand
 - Government Solutions: 8% Y-o-Y **recurring service revenue** growth driven by core market acceleration
 - Parking Solutions: Flat Y-o-Y **SaaS & Services revenue** growth
- **Reaffirmed 24' Financial Guidance**

Q2 24' Strategic Highlights

TSA throughput volume about 106 percent of 2Q 2023

Strong Q2 contract awards in Government Solutions – up to \$12 million of incremental full run-rate ARR potential bringing the YTD total up to \$22 million

Q2 automated enforcement legislative activity: authorizations/expansions in 4 states (HI, MN, VT and OR)

NYC released automated enforcement RFP; bids due in October 2024

Net leverage remains at 2.4x including ~\$50M in stock buybacks

Remaining open authorization for ~\$50M stock buyback

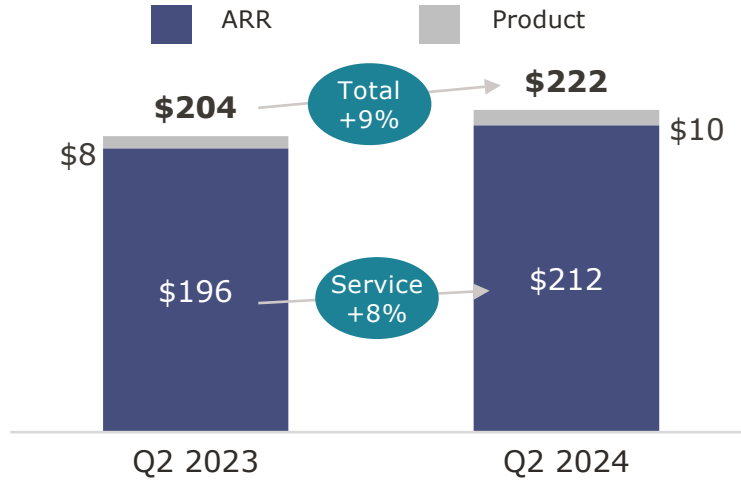
¹ Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow and Adjusted Free Cash Flow are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, see the appendix.

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

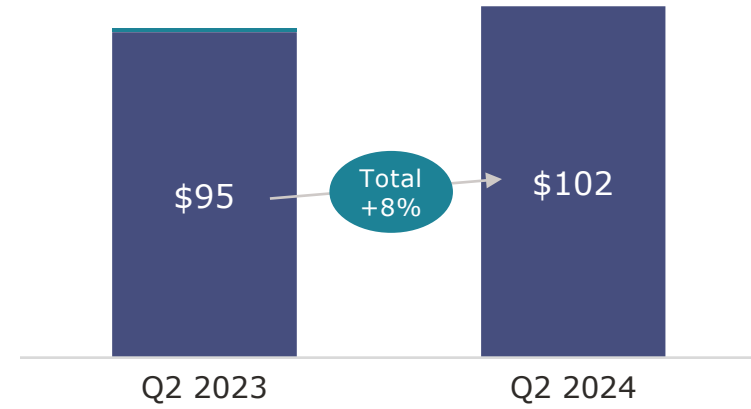
Strong top-line growth driven by travel & speed enforcement trends

Consolidated – Q2 Results

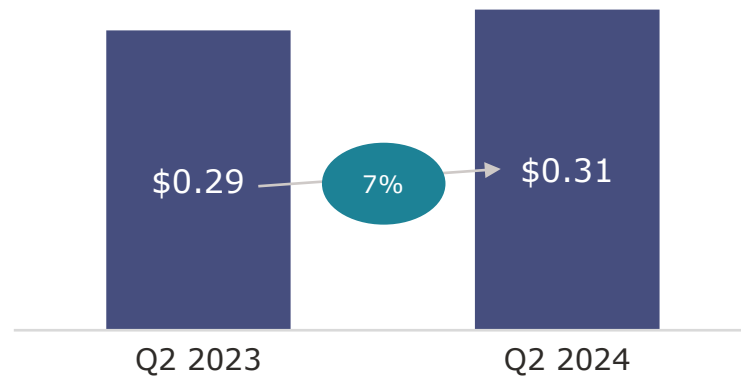
Total Revenue (\$M)



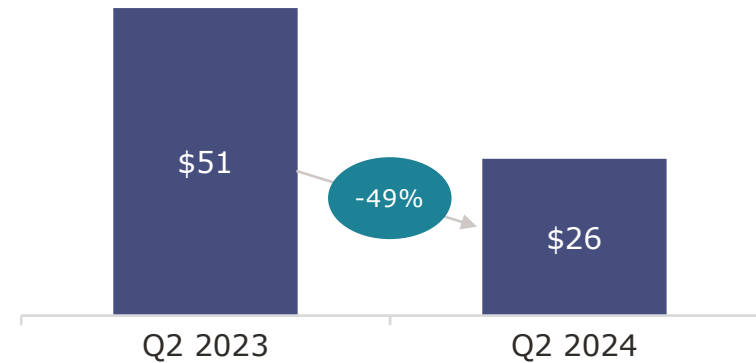
Adjusted EBITDA (\$M)



Adjusted EPS



Adjusted Free Cash Flow (\$M) ¹



Factors impacting FCF:

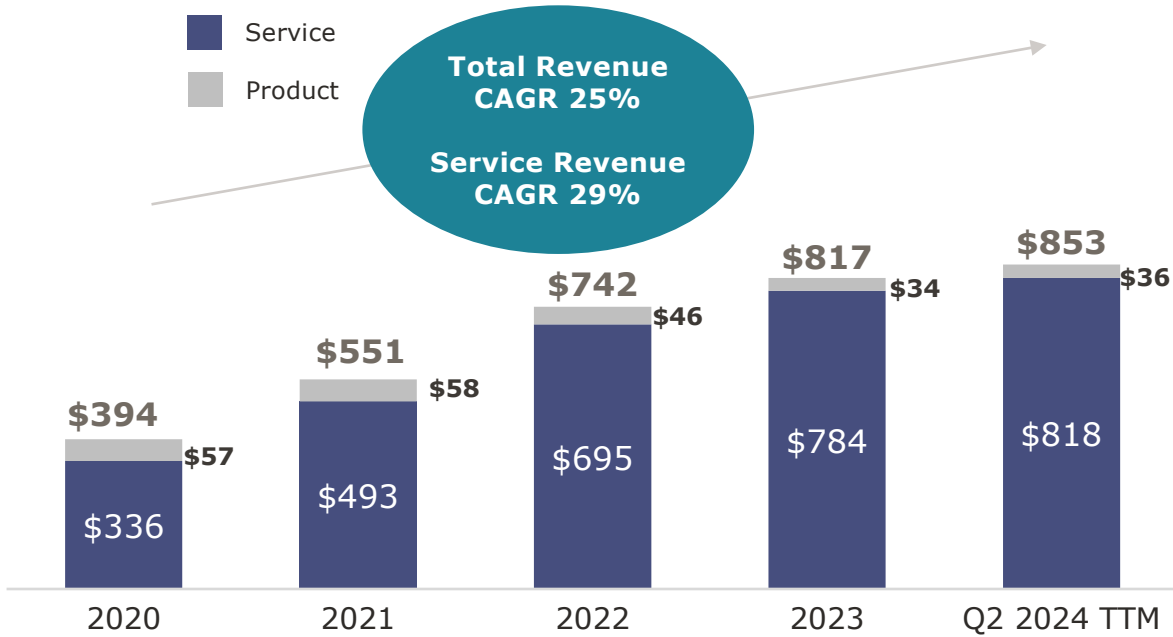
- Timing related to seasonality of cash tax payments
- ~ \$16M of cash collections slipped into first week of July



¹ Adjusted Free Cash Flow equals Free Cash Flow in Q2 2024 and Q2 2023 as there were no one-time adjustments in these periods

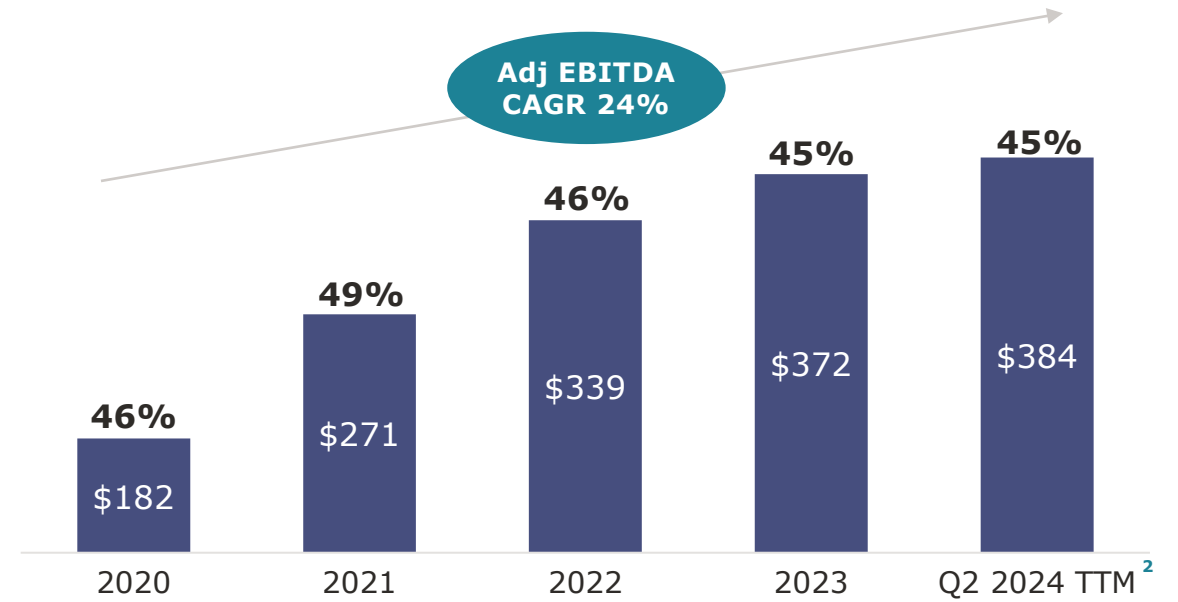
Core Businesses Drive Strong Growth and FCF Conversion

Total Revenue Breakdown (\$M)



 **96%** Re-occurring Revenue¹

Adjusted EBITDA & Margins (\$M)



Adj. Free Cash Flow % Adj. EBITDA³

13% 62% 50% 40% 36%

Strong and consistent Free Cash Flow conversion over this period



¹ Based on company estimates and calculated on Q2 2024 trailing twelve months ("TTM") results

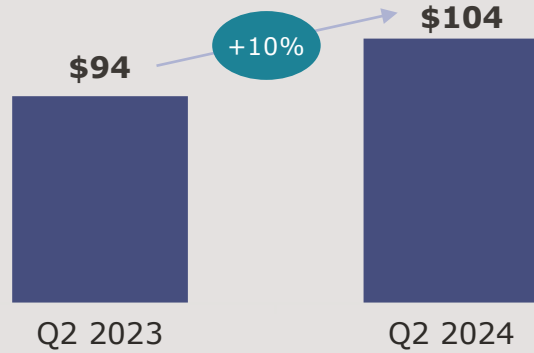
² TTM refers to Trailing Twelve Months Adjusted EBITDA and is calculated by adding the sum of the current quarter's and the prior three quarters' Adjusted EBITDA

³ Adjusted Free Cash Flow represents Net Cash Provided by Operating Activities, excluding the one-time \$22.1 million tax-adjusted PlusPass legal settlement costs, less Capex

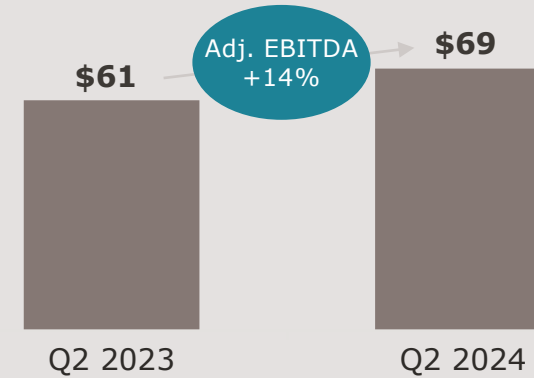
Robust travel demand driving strong performance

Commercial Services – Q2 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



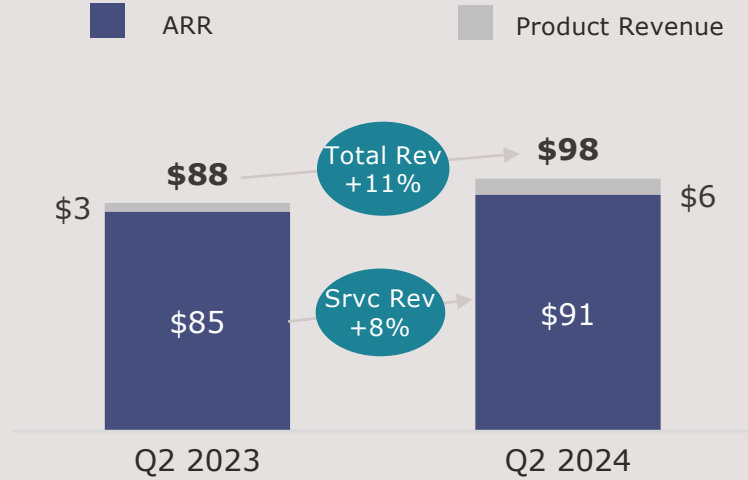
Q2 – Key Highlights

- Second quarter Revenue up 10% over Q2 2023 due to strength in RAC tolling and Fleet management
 - RAC tolling revenue up 8% over Q2 2023 due to increased travel volume and adoption
 - Fleet management (FMC) revenue up 18% (\$3 million) over Q2 2023 due to new vehicle enrollment and toll counts
- Adjusted EBITDA margins up 210 bps over Q2 2023 due to the strength in RAC tolling and prior year growth investments

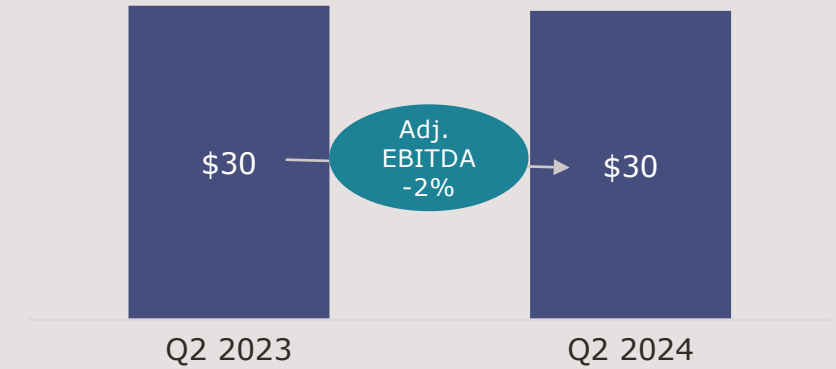
Revenue fueled by core market acceleration

Government Services – Q2 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



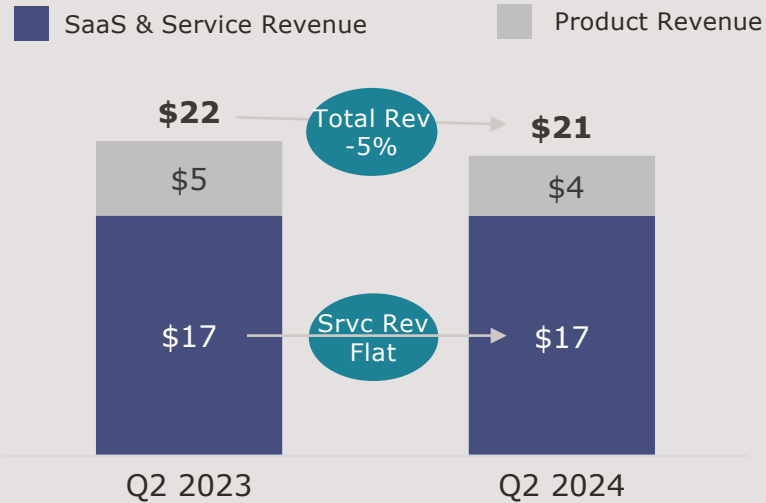
Q2 – Key Highlights

- Service Revenue growth of 8% driven by 14% growth outside of New York City (new awards & expansion of existing programs)
- Q2 adjusted EBITDA margins down versus the prior year due to increased spending on business development and platform investments as well as revenue mix

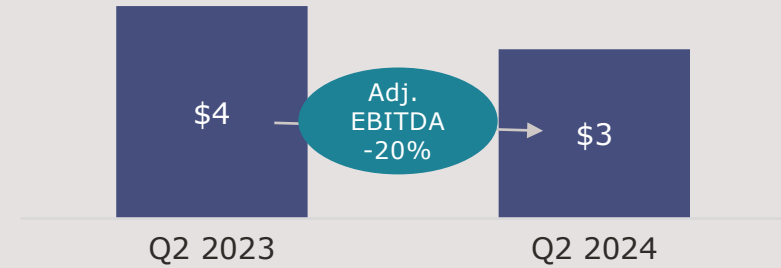
Revenue driven by Recurring SaaS and Services Growth

T2 Systems – Q2 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth



Q2 – Key Highlights

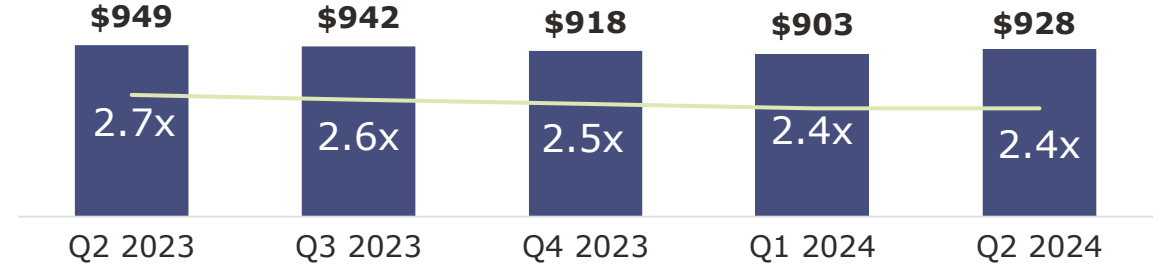
- MSD recurring SaaS & Services revenue growth driven by focus on growing core permits and enforcement business
- Adjusted EBITDA dollars and margins at their low point for the year; expecting sequential increases in third and fourth quarters

Strong, Flexible Balance Sheet + Robust Cash Flow

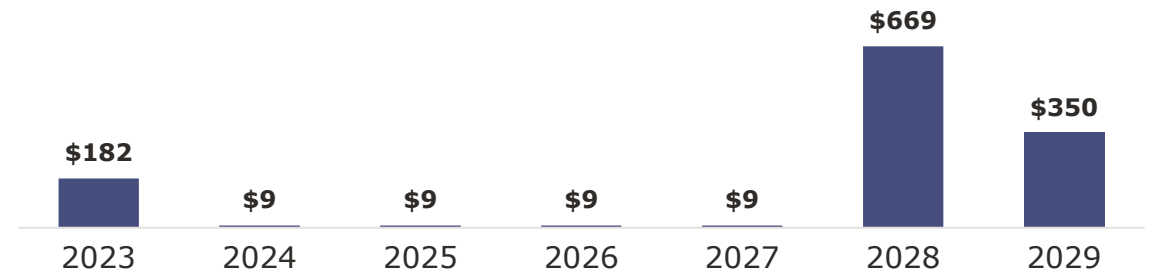
Capital Summary & Financial Highlights (\$M)

June 30, 2024	
Cash & Cash Equivalents	\$122
Debt	\$1,050
Shareholder's Equity	\$439
Available Credit (Revolving Credit Facility)	\$75
Cash & Cash Equivalents	\$122
Total Available Liquidity	\$197

Net Leverage Improvement (\$M)



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



Consistent cash generation enabled 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.

Reaffirming 2024 Financial Guidance

In millions, except per share data & net leverage

1 Total Revenue growth of ~8% for the full year

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 and related installation services revenue

2 Adj. EPS, Adj. FCF and Net Debt exclude all incremental capital allocation investments ¹



	Original Guidance <i>As of February 29, 2024</i>	Current Guidance <i>As of August 8, 2024</i>
Total Revenue	\$865 - \$880	Upper end of range No change to 1Q raise
Adj. EBITDA	\$395 - \$405	Upper end of range No change to 1Q raise
Adj. EPS	\$1.15 - \$1.20	Upper end of range No change to 1Q raise
Adj. Free Cash Flow	\$155 - \$165	No change
Net Leverage	~2.0 x	No change

Well positioned to deliver attractive returns for investors



¹ Adj. EPS, Adj. FCF and Net Debt guidance take into account all capital allocation investments made through 2Q 2024; any additional capital allocation investments are not contemplated in these guidance measures

Additional 2024 Guidance Assumptions



2024 fully diluted share count of approximately 168 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, excluding the one-time \$31.5 million PlusPass legal settlement costs



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

Appendix

KEY DEFINITIONS

EBITDA and Adjusted EBITDA

We define "EBITDA" as net income adjusted to exclude interest expense, net, income taxes, depreciation and amortization. "Adjusted EBITDA" further excludes certain non-cash expenses and other transactions that management believes are not indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA, as defined, exclude some but not all items that affect our cash flow from operating activities.

Free Cash Flow

We define "Free Cash Flow" as cash flow from operations less capital expenditures.

Adjusted Free Cash Flow

We define "Adjusted Free Cash Flow" as Free Cash Flow which further excludes certain one-time and non-recurring items.

Adjusted Net Income

We define "Adjusted Net Income" as net income adjusted to exclude amortization of intangibles and certain non-cash or non-recurring expenses.

Adjusted EPS

We define "Adjusted EPS" as Adjusted Net Income divided by the diluted weighted average shares for the period.

Adjusted EBITDA Margin

We define "Adjusted EBITDA Margin" as Adjusted EBITDA as a percentage of total revenue.

Net Debt

We define "Net Debt" as total long-term debt (including current portion of long-term debt) excluding original issue discounts and unamortized deferred financing costs, less cash and cash equivalents.

Net Leverage

We define "Net Leverage" as Net Debt divided by the trailing twelve months Adjusted EBITDA as of the current quarter-end.

ARR

Annual recurring revenue (ARR) is a key metric that enables measurement of progress in growing our recurring revenue business. ARR represents the annual contract value of all new logo contracts and expansion for existing clients

TSA Throughput Volume

TSA throughput volume represents the number of airline passengers passing through Transportation Security Administration checkpoints.

Verra Mobility Quarterly Results

2021 – Q2 2024

Unaudited (\$ in millions)	Full Year 2021	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023	Q1 2024	Q2 2024
Service revenue	\$492.8	\$695.2	\$184.7	\$196.0	\$201.0	\$201.8	\$783.6	\$202.7	\$212.0
Product sales	57.7	46.4	7.2	\$8.4	8.9	9.2	33.7	7.0	10.4
Total revenue	\$550.6	\$741.6	\$191.9	\$204.5	\$209.9	\$211.0	\$817.3	\$209.7	\$222.4
Cost of service revenue	5.3	16.3	4.2	4.3	5.2	4.5	18.2	4.3	4.6
Cost of product sales	29.8	30.9	5.4	6.0	6.9	7.0	25.2	5.3	7.8
Operating expenses	163.4	226.3	61.8	65.7	68.9	76.9	273.3	70.6	74.9
Selling, general and administrative expenses	123.4	163.1	40.0	43.2	42.3	73.1	198.5	48.2	46.3
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	27.5
Total costs and expenses	\$438.7	\$576.9	\$141.8	\$148.3	\$150.8	\$187.7	\$628.5	\$155.4	\$161.3
Income (loss) from operations	111.9	164.7	50.1	56.2	59.2	23.3	188.8	54.4	\$61.2
Interest expense, net	44.9	69.4	22.7	22.8	20.4	20.9	86.7	19.6	18.8
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)	(5.2)
Total other expense	\$44.0	\$37.6	\$37.7	\$24.6	\$17.4	\$22.2	\$101.8	\$15.4	\$13.6
Income (loss) before income taxes	67.9	127.1	12.4	31.6	41.8	1.1	87.0	39.0	47.6
Income tax provision (benefit)	26.5	34.6	7.8	12.5	11.5	(1.9)	30.0	9.8	13.4
Net (loss) income	\$41.4	\$92.5	\$4.6	\$19.1	\$30.3	\$3.0	\$57.0	\$29.1	\$34.2
Bridge to adj. EBITDA									
Net (loss) income	\$41.4	\$92.5	\$4.6	\$19.1	\$30.3	\$3.0	\$57.0	\$29.1	\$34.2
Interest expense, net	44.9	69.4	22.7	22.8	20.4	20.9	86.7	19.6	18.8
Income tax provision (benefit)	26.5	34.6	7.8	12.5	11.5	(1.9)	30.0	9.8	13.4
Depreciation and amortization	116.8	138.7	30.3	29.0	27.5	26.2	113.1	26.9	27.5
EBITDA	\$229.6	\$335.2	\$65.4	\$83.4	\$89.7	\$48.2	\$286.8	\$85.5	\$93.9
Transaction and other related	14.0	3.4	0.3	0.1	0.2	5.8	6.3	1.5	0.1
Transformation expense	1.7	1.1	0.0	0.7	1.6	0.9	3.2	(0.0)	1.6
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)	(0.0)
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	6.6
Adjusted EBITDA	\$270.9	\$338.5	\$87.9	\$95.0	\$97.4	\$91.3	\$371.5	\$92.8	\$102.2

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	Q2 2024
Total Revenue									
Commercial Services	\$260.9	\$326.0	\$85.6	\$94.5	\$98.1	\$94.5	\$372.8	\$95.9	\$104.0
Segment Adj EBITDA									
Commercial Services	\$160.4	\$208.5	\$53.6	\$61.1	\$65.3	\$62.2	\$242.2	\$60.8	\$69.5

Government Solutions

Unaudited (\$ in millions)	Full Year 2021	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023	Q1 2024	Q2 2024
Total Revenue									
Government Solutions	\$283.2	\$336.7	\$85.9	\$88.3	\$90.3	\$94.0	\$358.4	\$94.2	\$97.7
Segment Adj EBITDA									
Government Solutions	\$107.9	\$115.8	\$31.5	\$30.4	\$28.6	\$24.1	\$114.5	\$29.2	\$29.9

Parking Solutions

Unaudited (\$ in millions)	Full Year 2021	Full Year 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full Year 2023	Q1 2024	Q2 2024
Total Revenue									
Parking Solutions	\$6.5	\$79.0	\$20.3	\$21.8	\$21.5	\$22.5	\$86.1	\$19.7	\$20.7
Segment Adj EBITDA									
Parking Solutions	\$2.6	\$14.2	\$2.9	\$3.5	\$3.5	\$5.0	\$14.9	\$2.8	\$2.8

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

(in \$MM, except <i>per share</i> data)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Net Income	\$19.1	\$30.3	\$3.0	\$29.1	\$34.2
Amortization of intangibles	20.0	18.9	16.7	16.7	16.7
Transaction and other related expenses	0.1	0.2	0.1	1.5	0.1
Transformation expenses	0.7	1.6	0.9	-	1.6
Change in fair value of private placement warrants	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	0.2	2.0	-	0.6	-
Change in fair value of interest rate swap	(5.1)	0.2	3.0	(0.1)	0.2
Stock-based compensation	4.5	4.4	5.1	5.6	6.6
Total adjustments before income tax effect	\$31.3	\$26.7	\$56.4	\$24.3	\$25.3
Income tax effects on adjustments ¹	(6.3)	(7.8)	(19.6)	(7.1)	(7.6)
Total adjustments after income tax effect	25.0	18.9	36.8	17.2	17.7
Adjusted Net Income	\$44.2	\$49.2	\$39.9	\$46.4	\$51.9
Adjusted EPS	\$ 0.29	\$0.29	\$0.24	\$0.27	\$0.31
Diluted weighted average shares outstanding	152,590	169,497	168,585	168,726	168,615
Annual estimated effective income tax rate	31%	31%	31%	30%	30%

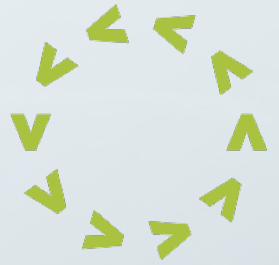
Verra Mobility Free Cash Flow Reconciliation, incl. % of Adj. EBITDA

(\$MM)	2019	2020	2021	2022	2023	Q2 2024 TTM
Adjusted EBITDA	\$ 241	\$ 182	\$ 271	\$ 339	\$372	\$384
Net cash provided by operating activities	\$ 134	\$ 47	\$ 193	\$ 218	\$206	\$173
Purchases of installation and service parts and property and equipment	(30)	(24)	(25)	(48)	(57)	(55)
Free Cash Flow	\$ 104	\$ 23	\$ 168	\$ 170	\$149	\$117
Legal settlement	-	-	-	-	-	32
Income tax effect on adjustment ¹	-	-	-	-	-	(9)
Adjusted Free Cash Flow	\$104	\$23	\$168	\$170	\$149	\$139
Adjusted Free Cash Flow Conversion %	43%	13%	62%	50%	40%	36%

¹ The annual estimated effective income tax rate to calculate the income tax effect on the legal settlement adjustment is 30.0%.

Verra Mobility Net Debt and Net Leverage Reconciliation

(\$MM)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
2021 Term Loan, due 2028	\$ 809	\$ 707	\$ 705	\$ 702	\$ 700
Plus: Senior Notes, due 2029	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Long-term Debt, excluding original issue discounts and unamortized deferred financing costs	\$ 1,159	\$ 1,057	\$ 1,055	\$1,052	\$1,050
Less: Cash and Cash Equivalents	\$ 210	\$ 114	\$ 136	\$ 150	\$ 122
Net Debt	\$ 949	\$ 942	\$ 918	\$ 903	\$ 928
Divided by: Trailing Twelve Months Adjusted EBITDA	\$ 357	\$ 364	\$ 372	\$ 376	\$ 384
Net Leverage	2.7x	2.6x	2.5x	2.4x	2.4x



**VERRA
MOBILITY™**
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Thank You

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