

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

Earnings Overview

Verra Mobility Q4 2022 Earnings Presentation

For the Quarter Ended December 31, 2022

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 that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to (1) customer concentration in our Commercial Services and Government Solutions segments; (2) decreases in the prevalence of automated and other similar methods of photo enforcement, parking solutions or the use of tolling; (3) risks and uncertainties related to our government contracts, including but not limited to administrative hurdles, legislative changes, termination rights, audits and investigations; (4) decreased interest in outsourcing from our customers; (5) our ability to properly perform under our contracts and otherwise satisfy our customers; (6) the disruption to our business and results of operations as a result of the COVID-19 pandemic; (7) our ability to keep up with technological developments and changing customer preferences; (8) the success of our new products and changes to existing products and services; (9) our ability to successfully integrate our recent or future acquisitions; (10) failures in or breaches of our networks or systems, including as a result of cyber-attacks; and (11) 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 Q4, highlighted by strong Revenue, Adj. EBITDA and Free Cash Flow

Q4 Key Highlights

- Strong fourth quarter top-line performance across all business segments
 - Commercial Services: 14% Y-o-Y growth driven by strong travel demand
 - Government Solutions: 19% Y-o-Y service revenue growth due to completion of NYC camera installation program
 - Parking Solutions: \$20 million of total revenue for the quarter

Financial Guidance

- 2022 Financial Results:
 - Fourth quarter and full year 2022 revenue and Adj. EBITDA beat expectations
- 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)
- Investor Day L/T Outlook:
 - No changes to fundamentals or financial outlook

Capital Allocation Initiatives

- Announced new \$100 million authorization during the fourth quarter
- Debt management ... reducing net leverage to ~3x and capping interest rate risk exposure
 - Repaid \$50 million of floating rate debt in 1Q 2023
 - Entered into interest rate swap agreement to hedge approximately 80% of remaining floating rate debt balance at a fixed LIBOR rate of 5.2% plus the 325bp spread
 - Swap is cancelable monthly starting December 2023

Q4 2022 Financial Highlights

Total Revenue

\$186 million; 9% YoY growth

Adjusted EBITDA¹

\$84 million; 5% YoY growth

Free Cash Flow

\$57 million; 21% YoY growth
adjusted for prior period collections

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

Smart Mobility Trends Shaping our Future

Strong and Durable Travel Demand

U.S. airlines remain upbeat about resilient travel demand this year and are enjoying the strongest demand since the start of the COVID-19 pandemic.

Improving Traffic Flow to Address Congestion

We'll see a continued shift to cashless tolling to improve efficiencies, reduce congestion and enhance safety.

Government entities will continue exploring new tolling opportunities, including Road Usage Charging.

Refocus on Vision Zero and Safer Roadways

With traffic fatality trends going in the wrong direction, we expect to see a renewed focus on Vision Zero investments in the U.S.

We expect to see an increase in traffic safety programs and automated enforcement to reverse these trends.

Improving Urban Mobility and Managing the Curb

We expect to see more cities make efforts to improve urban mobility in their communities – from bike lanes to public transit.

City customers are increasingly interested in exploring technology solutions to address the increasing complexity at the curb.

Strategic Priorities Focused on LT Value Creation

Key Objectives



Drive Core Business Outcomes

- Meet or exceed 2023 financial guidance and long-term estimates
- Furthering Verra Mobility's position in core markets



Build the Verra Mobility of the Future

- Pursue adjacent expansion opportunities through new product development and strategic initiatives
- Accelerate portfolio company model



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

Renew Enterprise tolls and violations management agreement

2

Continue adjacent expansion opportunities: Fleet Management expansion and European growth

3

Laying the foundation to capitalize on next generation connected fleet opportunities

Strong core business positioned for L/T HSD growth

Government Solutions: Strategic Priorities

1

Open new cities and states through enabling legislation

2

Investments in software platform to enhance competitive advantages

3

Pursue emerging opportunities across Urban Mobility through strategic M&A and partnerships

Strong core business positioned for L/T MSD growth

T2 Systems: Strategic Priorities

1

Pursue new logo business while expanding hardware and software offerings to existing customers

2

Increase core business growth outside of the university segment and into mid- and large-scale municipalities

3

Invest in platforms to drive new revenue streams and further improve customer experience

Strong core business positioned for L/T HSD growth

Financial Discussion

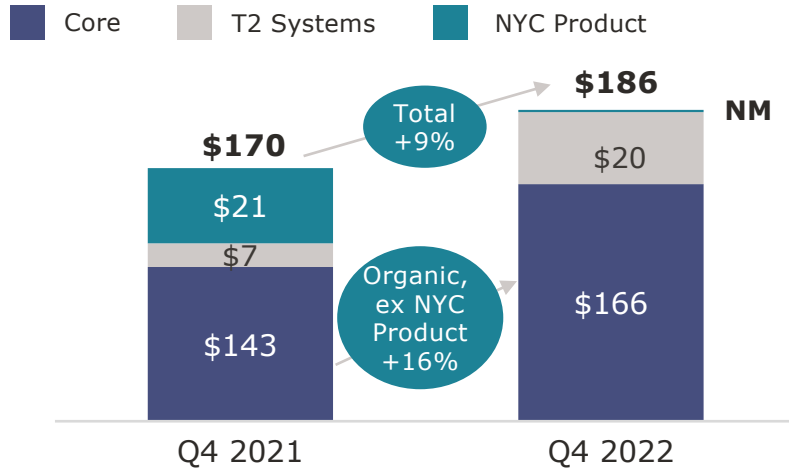
Craig Conti
CFO



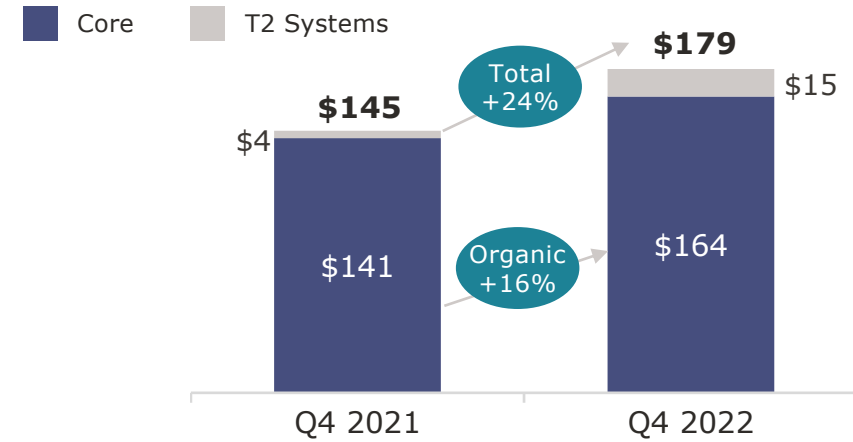
Strong top-line, profitability and Free Cash Flow generation

Consolidated – Q4 Results

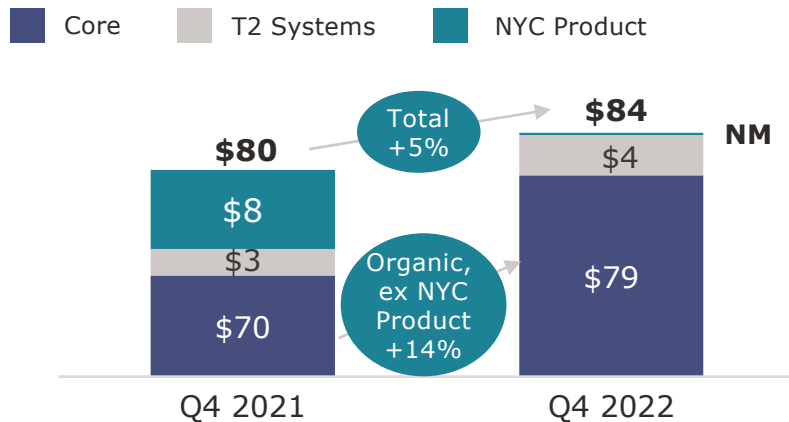
Total Revenue (\$M)



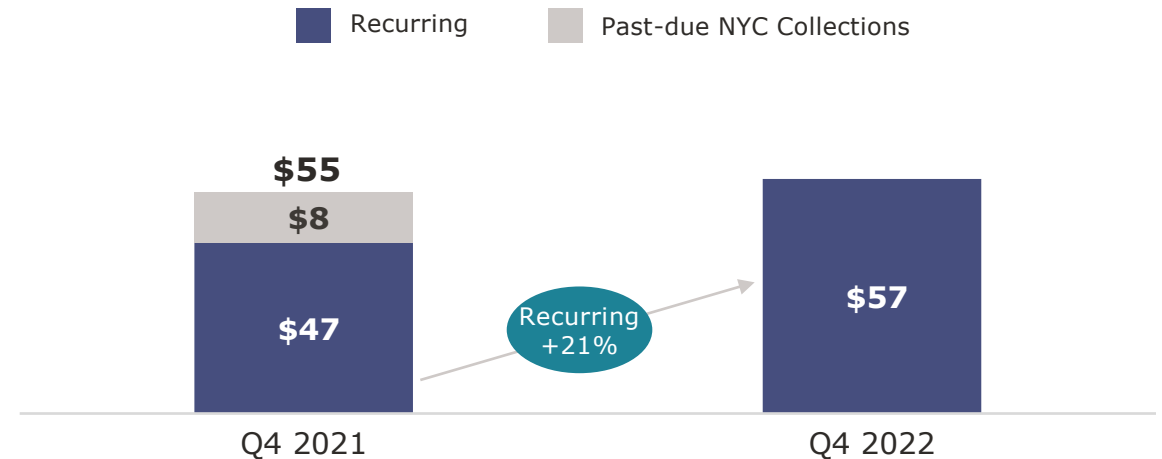
Service Revenue (\$M)



Adjusted EBITDA (\$M)¹



Free Cash Flow (\$M)

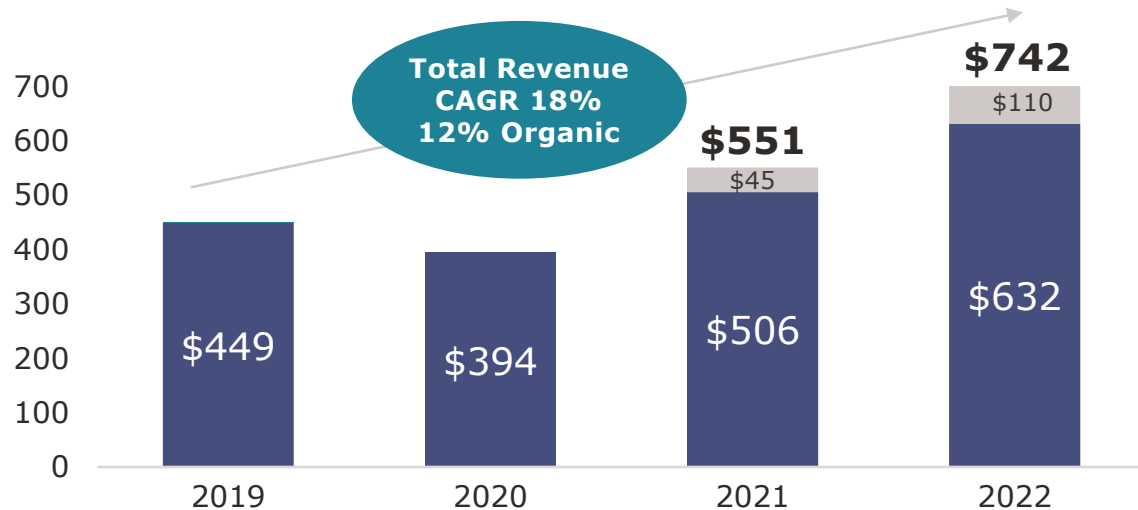


¹ Based on assumption that Adj. EBITDA margins on New York City product sales are comparable to total GS Adj. EBITDA margins

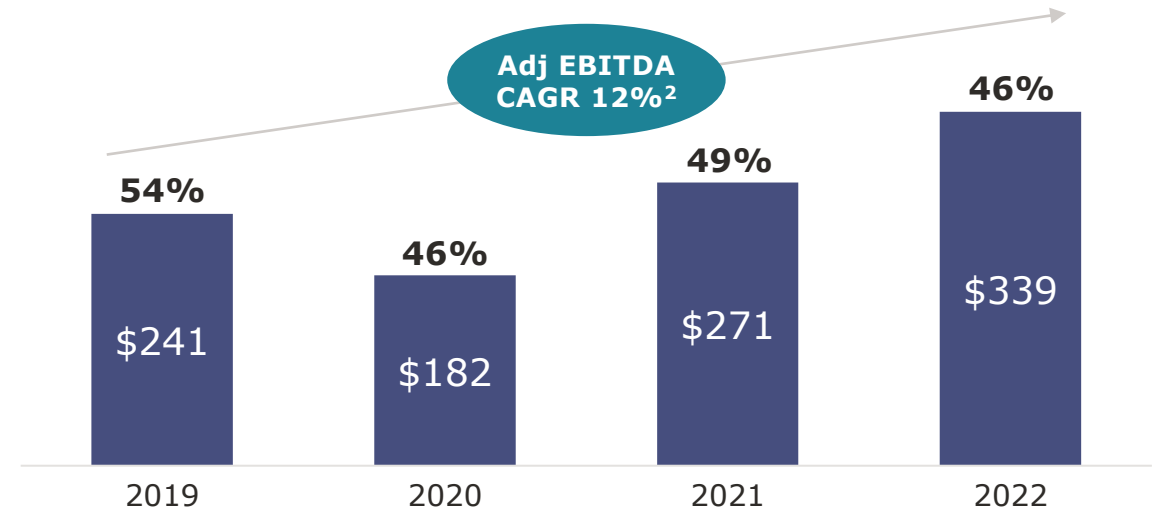
Record levels of FY22 Revenue, Adj. EBITDA & Free Cash Flow

Total Revenue (\$M)

Core Redflex & T2 Systems



Adjusted EBITDA & Margins (\$M)



Free Cash Flow % Adj. EBITDA

43% 13% 62% 50%

94% Re-occurring Revenue¹

Results in ~\$465 million of free cash flow generated during this period

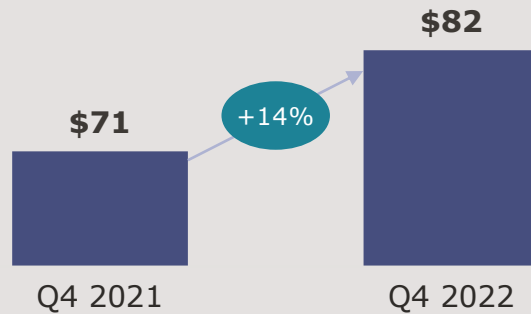
¹ Based on company estimates and calculated on 2022 results

² Adjusted EBITDA CAGR includes the impact of Redflex and T2 Systems acquisitions

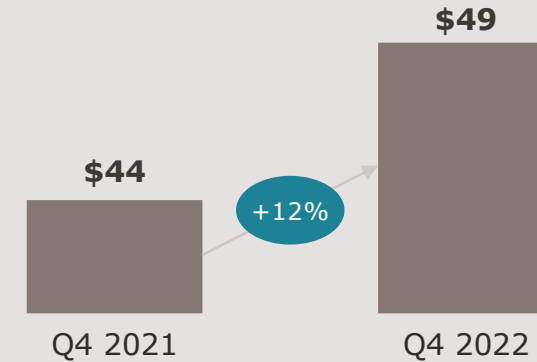
Robust travel demand driving strong performance

Commercial Services – Q4 Results

Total Revenue & YoY Growth



Adjusted EBITDA & YoY Growth

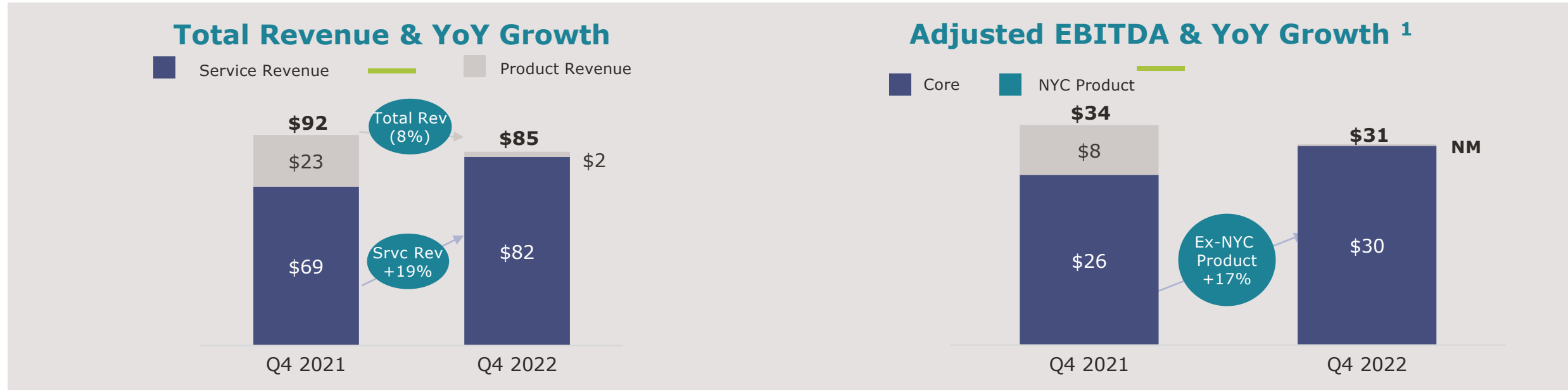


Q4 – Key Highlights

- RAC tolling revenue up 9% over Q4 2021 due to increased travel volume and adoption
- Fleet management revenue up 18% over Q4 2021 due to new vehicle enrollment and toll counts
- Fourth quarter Adjusted EBITDA margins consistent with normal seasonality as well as increased growth investments

Revenue growth fueled by NYC School Zone Speed expansion

Government Services – Q4 Results

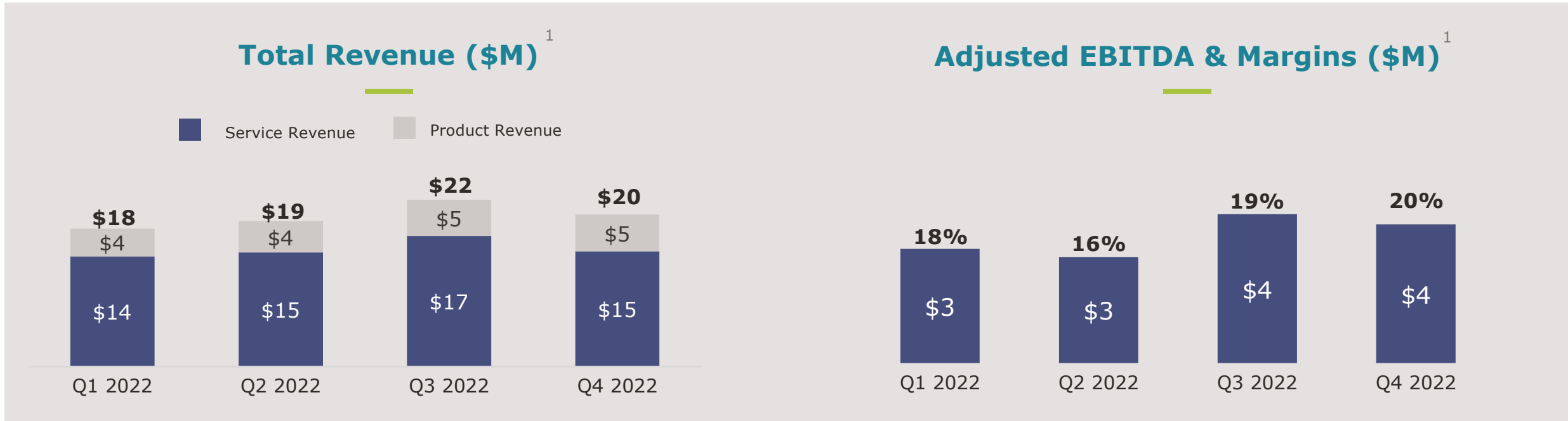


Q4 – Key Highlights

- Service Revenue growth of 19% driven by completion of NYC school zone speed installs
- Q4 product revenue is indicative of expected 2023 Government Solutions product sales (\$2.5M to \$3M per quarter)
- Q4 adj. EBITDA margins flat with the prior year; adjusting for NYC product sales, Adj. EBITDA grew 17% YoY

Parking Solutions financial results in-line with deal thesis

T2 Systems – Full Year 2022 Results



Q4 – Key Highlights

- SaaS and services revenue directly in-line with expectations
- Product revenue slightly below expectations due to customer requested installation timing...Adj. EBITDA margin up sequentially, consistent with historical trends

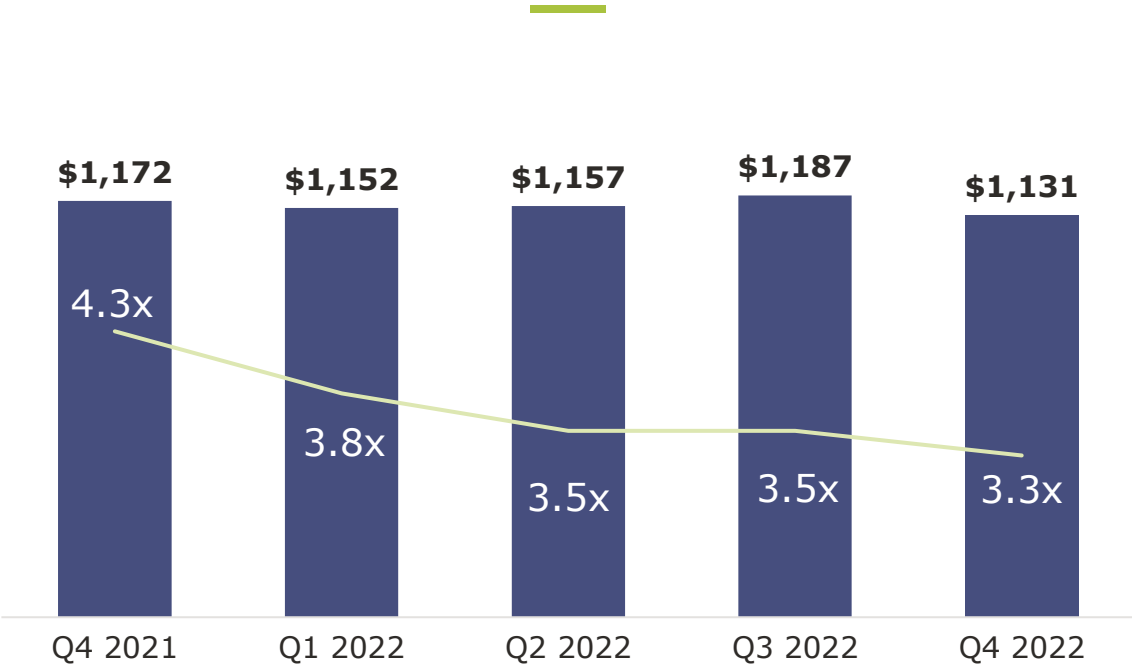
¹ Closed T2 Systems acquisition on December 7, 2021

Strong Adjusted EPS and De-levering performance

Adjusted EPS



Net Debt & Leverage



Consistent earnings power and continued de-levering

2023 Financial Outlook delivers strong revenue growth, margin expansion and FCF conversion

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 \$50 million made during 1Q 2023

	2023 Guidance <i>In millions, except per share data & net leverage</i>	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


Additional 2023 Guidance Assumptions

 2023 product revenue expected to be about \$30 - \$35 million (GS: \$10 - \$12 million; T2: \$20 - \$23 million)

 2023 fully diluted share count of approximately 156 million shares (average for the year)

 Effective tax rate of approximately 29% to 33% including State taxes; approximately \$65 – \$70 million in 2023 total **cash** taxes

 2023 depreciation and amortization expected to be approximately \$110 million

 2023 total interest expense expected to be about \$96 million; ~\$90 million in **cash interest payments** (reflects \$50 million in debt re-payments made in 1Q23)

 2023 Change in Working Capital expected to be a use of approximately \$15 million

 2023 Capex expected to be about \$50 million – largest portion is for revenue generating cameras in GS

Investor Day L/T Outlook

Exceeded 22' Guidance and On-Track for 26'

July 22' Investor Day Outlook

	2022 E		Future State (2026)
Organic Revenue	(A) \$730	(A)	6-8% CAGR to ~\$1B
Organic Adj EBITDA	(B) \$330	(B)	8-10% CAGR to ~\$0.5B
Net Leverage	(C) 3.5 x	(C)	3.5 x average over term
Free Cash Flow	(D) \$165	(D)	~50% annual Adj EBITDA \$1.7B¹ cumulative through '26
Free Cash Flow/Share²	(E) \$1.02	(E)	\$2.05+/share ... 2x '22 levels

2022 Actual

	Result	Status
(A)	\$742MM	● Exceeded Target
(B)	\$339MM	● Exceeded Target
(C)	3.3 x	● Exceeded Target
(D)	\$170MM	● Exceeded Target
(E)	\$1.07/Sh	● Exceeded Target

2026 Current Fcst

	Outlook	Status
(A)	6-8% CAGR	● On Track
(B)	8-10% CAGR	● On Track
(C)	3.5 x	● On Track
(D)	50% Conv	● '23/'24 Pressure
(E)	\$2/Sh +	● On Track

¹ Includes cumulative free cash flow and incremental cash from re-levering

² Assumes 1Q '22 FDSO of 161MM shares

Appendix

Verra Mobility Quarterly Results

2020 - 2022

Unaudited (\$ in millions)	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022
Service revenue	\$336.3	\$89.8	\$116.4	\$141.8	\$144.8	\$492.8	\$161.1	\$174.5	\$180.6	\$179.0	\$695.2
Product sales	57.3	0.1	12.2	20.3	25.1	57.7	9.3	13.0	17.0	7.1	46.4
Total revenue	\$393.6	\$89.9	\$128.7	\$162.1	\$170.0	\$550.6	\$170.4	\$187.5	\$197.7	\$186.1	\$741.6
Cost of service revenue	4.0	0.9	1.3	1.4	1.7	5.3	3.8	3.7	4.1	4.7	16.3
Cost of product sales	29.6	0.0	6.1	9.4	14.2	29.8	6.0	8.3	11.3	5.3	30.9
Operating expenses	115.7	30.5	36.4	48.3	48.1	163.4	51.1	55.2	60.5	59.5	226.3
Selling, general and administrative expenses	89.7	28.4	26.2	31.6	37.2	123.4	41.6	40.2	41.1	40.2	163.1
Depreciation, amort, and (gain) loss on disposal of assets, net	116.8	28.3	27.0	29.5	32.0	116.8	35.9	34.9	35.0	34.3	140.2
Total costs and expenses	\$355.8	\$88.1	\$97.2	\$120.2	\$133.2	\$438.7	\$138.4	\$142.3	\$152.2	\$144.0	\$576.9
Income (loss) from operations	37.8	1.8	31.5	41.9	36.7	111.9	32.0	45.2	45.5	42.0	164.7
Interest expense, net	40.9	9.2	11.7	11.6	12.5	44.9	14.3	14.5	20.3	20.3	69.4
Change in fair value of private placement warrants	1.1	2.1	8.1	(5.1)	2.5	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)
Tax receivable agreement adj	6.9	-	1.7	-	(2.7)	(1.0)	-	(1.0)	-	0.2	(0.7)
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	1.3	1.3
Loss on extinguishment of debt	-	5.3	-	-	-	5.3	-	-	(3.0)	-	(3.0)
Other (income) expense, net	(11.9)	(3.0)	(2.8)	(3.5)	(3.6)	(12.9)	(2.9)	(4.0)	(2.5)	(3.3)	(12.7)
Total other expense	\$37.0	\$13.6	\$18.6	\$3.1	\$8.7	\$44.0	\$15.1	\$2.9	\$12.5	\$7.0	\$37.6
Income (loss) before income taxes	0.9	(11.8)	12.9	38.8	28.0	67.9	16.9	42.3	33.0	35.0	127.1
Income tax provision (benefit)	5.4	(2.9)	8.9	11.5	8.9	26.5	6.8	12.6	8.4	6.8	34.6
Net (loss) income	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5
Bridge to adj. EBITDA											
Net (loss) income	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4	\$10.0	\$29.6	\$24.6	\$28.2	\$92.5
Interest expense, net	40.9	9.2	11.7	11.6	12.5	44.9	14.3	14.5	20.3	20.3	69.4
Income tax provision (benefit)	5.4	(2.9)	8.9	11.5	8.9	26.5	6.8	12.6	8.4	6.8	34.6
Depreciation and amortization	116.6	28.2	27.0	29.5	32.0	116.8	35.7	34.5	35.1	33.4	138.7
EBITDA	\$158.3	\$25.6	\$51.6	\$80.0	\$72.5	\$229.6	\$66.8	\$91.3	\$88.3	\$88.7	\$335.2
Transaction and other related	1.9	4.1	3.3	2.7	3.8	14.0	0.2	0.3	3.0	(0.1)	3.4
Transformation expense	1.1	0.3	0.4	0.8	0.2	1.7	0.1	0.2	0.3	0.6	1.1
Loss on extinguishment of debt	-	5.3	-	-	-	5.3	-	-	(3.0)	-	(3.0)
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	1.3	1.3
Gain/loss on interest rate swap	-	-	-	-	-	-	-	-	-	(1.0)	(1.0)
TRA adjustment	6.9	-	1.7	-	(2.7)	(1.0)	-	(1.0)	-	0.2	(0.7)
Change in fair value of private placement warrants	1.1	2.1	8.1	(5.1)	2.5	7.6	3.7	(6.6)	(2.3)	(9.3)	(14.4)
Stock-based compensation	12.6	2.9	3.6	3.7	3.6	13.8	4.4	4.6	4.6	3.0	16.7
Adjusted EBITDA	\$181.8	\$40.3	\$68.6	\$82.1	\$80.0	\$270.9	\$75.3	\$88.8	\$90.9	\$83.6	\$338.5

Verra Mobility Quarterly Results

Segment Results of Operations

Commercial Services

Unaudited (\$ in millions)	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022
Total Revenue											
Commercial Services	\$180.9	\$45.7	\$66.5	\$77.3	\$71.5	\$260.9	\$73.5	\$84.9	\$86.1	\$81.6	\$326.0
Segment Adj EBITDA											
Commercial Services	\$97.2	\$22.6	\$42.8	\$51.3	\$43.8	\$160.4	\$46.6	\$56.5	\$56.4	\$49.0	\$208.5

Government Solutions

Unaudited (\$ in millions)	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022
Total Revenue											
Government Solutions	\$212.7	\$44.2	\$62.2	\$84.8	\$92.0	\$283.2	\$78.8	\$83.5	\$89.7	\$84.6	\$336.7
Segment Adj EBITDA											
Government Solutions	\$84.7	\$17.8	\$25.8	\$30.7	\$33.6	\$107.9	\$25.5	\$29.2	\$30.4	\$30.7	\$115.8

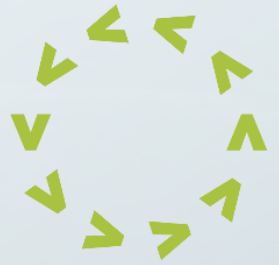
Parking Solutions

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

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
Net Income	\$ 10.0	\$ 29.6	\$ 24.6	\$ 28.2
Amortization of intangibles	27.3	27.2	26.6	25.1
Transaction and other related expenses	0.2	0.3	3.0	(0.1)
Transformation expenses	0.1	0.2	0.3	0.6
Change in fair value of private placement warrants	3.7	(6.6)	(2.3)	(9.3)
Tax receivable agreement liability adjustment	-	(1.0)	-	0.2
Loss on extinguishment of debt	-	-	(3.0)	-
Gain on interest rate swap	-	-	-	(1.0)
Stock-based compensation	4.4	4.6	4.6	3.0
Impairment on privately-held equity investment	-	-	-	1.3
Total adjustments before income tax effect	35.8	24.6	29.2	20.0
Income tax effects on adjustments ¹	(10.3)	(10.3)	(11.0)	(8.9)
Total adjustments after income tax effect	25.5	14.3	18.2	11.1
Adjusted Net Income	\$ 35.6	\$ 44.0	\$ 42.7	\$ 39.4
Adjusted EPS	\$0.22	\$ 0.27	\$ 0.27	\$ 0.25
Diluted weighted average shares outstanding	160,749	160,344	158,304	154,825

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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Thank You

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