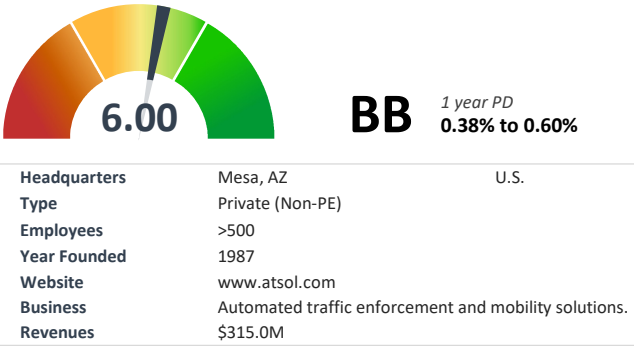


American Traffic Solutions, Inc. ("ATS") sub of Verra Mobility



Company Overview

- Company Overview:** ATS is a US-based provider of automated traffic enforcement and toll violation processing systems. The company operates primarily across state and municipal government markets to deliver traffic safety, mobility management, and compliance solutions.
- Product:** Offers red-light and speed cameras, toll and violation management systems, and school bus stop-arm enforcement technologies for municipalities and fleets.
- Customers:** ATS partners with municipalities, school districts, and commercial fleet operators, including large urban centers like New York City, Washington D.C., and Philadelphia.
- Ownership:** Formerly private, ATS was acquired by Platinum Equity and later integrated into Verra Mobility Corporation, though legacy financial and legal obligations may still exist within ATS's legal structure.
- Debt Structure:** Majority of debt is intercompany debt over \$119mn plus another \$19mn in LT debt. No rates or maturity dates were provided.
- Basis for Assessment:** Company prepared, uncommented, FY-22, FY-23, and FY-24, with the latter being the main basis supporting this rating.
- Other (pros/cons):** ATS maintains solid profitability and low leverage, supported by long-term public contracts and a stable customer base. Liquidity stress and working capital strain, if unaddressed, could pressure credit quality despite otherwise strong fundamentals. Single event risks include the loss of a major municipal contract, a cash strain from receivables or high CAPEX, and/or a significant legal settlement could weaken liquidity and harm reputation.

Financial Snapshot

	Dec-22	Dec-23	Dec-24	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	287,040	298,449	314,988	5.5%
Gross Profit	273,708	295,583	310,600	5.1%
Adjusted EBITDA	120,045	110,699	105,408	-4.8%
Gross Profit Margin	95.4%	99.0%	98.6%	-0.4 ppt
EBITDA Margin	41.8%	37.1%	33.5%	-3.6 ppt
Net Income	80,443	76,872	70,504	-8.3%
Depreciation & Amorti	37,411	31,946	34,188	7.0%

				Weight	Rating Range		
				65%	7.0	to	8.5

# of Benchmarks: 37		Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks 37	
	Revenue	\$222M	\$315M		Company Financials Date	Dec-24
Liquidity	Current Ratio	1.40	1.69	<div><div></div></div>	66%	Industry Benchmarks - Primary: Diversified Support Services Secondary: Data Processing and Outsourced Services
	Quick Ratio	1.16	1.69	<div><div></div></div>	80%	
Leverage	Net Debt / EBITDA	2.56	1.29	<div><div></div></div>	64%	
	Debt to Assets	28.6%	31.3%	<div><div></div></div>	46%	
Profitability	EBITDA Margin	11.1%	33.5%	<div><div></div></div>	95%	
	ROCE %	7.1%	18.1%	<div><div></div></div>	89%	

Business Risk

				35%	5.5	to	8.0
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Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description
Cyclicality	Intermediate risk	<div><div></div></div>	Primary revenues from offering solutions for noncore activities or providing varied business and consumer services, including: services for direct consumer needs; product distribution services; facilities services for maintaining other businesses' premises or staffing; and general and professional services for complex business support.
Competitive Risk	Intermediate risk	<div><div></div></div>	
Global Industry	Intermediate risk	<div><div></div></div>	
Market Segment Outlook	Strong	<div><div></div></div>	

Competitive Position Profile		Business And Consumer Services					
		50%	5.0	to	7.0		

Competitive Position KPIs		KPI Rating	Contribution	Rating Guideline			
Cycle-Tested		< 2000		Navigated multiple economic down-cycles.			
Market Position		Above Average		Moderate market position with some barriers to entry.			
Scale and Scope		Above Average		Good operational scale, participation in multiple target markets.			
Brand Equity and Reputation		Above Average		Good brand with some ability to command a price premium.			
Business Strategy		Above Average		Mostly consistent strategy with minor areas for improvement.			
Customer & End-Market Diversity		Satisfactory		Moderate reliance on a group of customers or end-markets.			
Service Diversity		Above Average		Offers a moderate range of services. Some diversity in customer needs met.			
Geographic Diversity		Above Average		Moderate geographic diversification. Some dependence on specific regions.			

Management, Governance, Sponsorship				30%	4.5	to	6.0
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Anchor Modifiers

Modifiers			
Financial Transparency		Risk Flag	Complete (Unaudited)

Rating Range (Rounded)

	5.5	to	6.0
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