

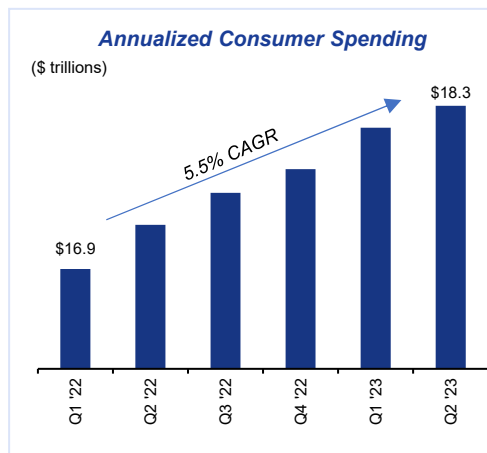
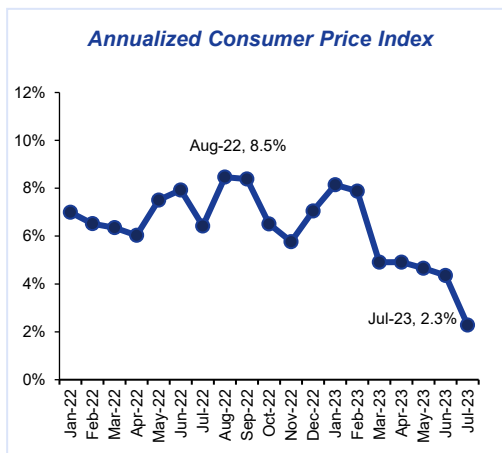
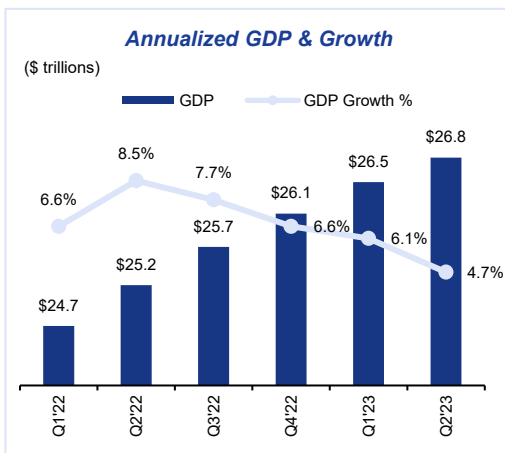
SPARTAN
GROUP

Parking Industry Update

August 2023
Edition

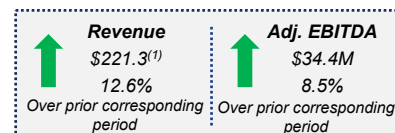
Macroeconomic Indicators

The consumer price index (CPI) has eased over the past few months from a high of 8.5% in August 2022 to 2.3% in July 2023 as a result of the continued increase in interest rates by the Federal Reserve to counter high inflation

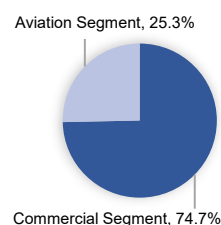


SP Plus Corporation (NasdaqGS:SP) Q2'23 Results (Equity Market Capitalization \$805.8M)

- Q2 2023 brought a trailing twelve-month retention rate of 94%
- Organic Growth: SP Plus added 55 net new locations in the Commercial segment in the second quarter
- The company announced its acquisition of certain technology assets of Roker. This marks the third technology tuck-in in the last twelve months for the company boosting its development capabilities
- Financials:
 - Technology-related growth is working: adjusted gross profit was up 10.8% to \$66.0 million versus \$58.8 million the prior corresponding period, driven by growth at the same locations and net new business wins
 - 2023 adjusted G&A expenses are \$5.1 million higher than the prior corresponding period. SP reasoned that this was due to recent investments in business development and technology deployment
 - Adjusted EBITDA outlook for 2023 is expected to range from \$125 million to \$135 million (~14 - 16% of net revenue) for the full year

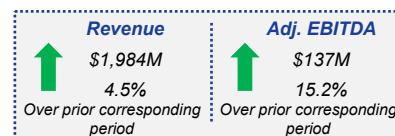


Q2'23 Gross Profit Split

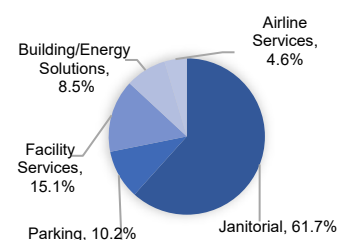


ABM Industries (NYSE:ABM) Q2'23 Results (Equity Market Capitalization \$3.0B)

- Results: ABM's financial results showed both revenue growth and outsized adjusted EBITDA growth over the prior corresponding period
 - The company attributes the adjusted EBITDA growth to the improved margins resulting from reduced operating expenses and price increases
- Last quarter, ending April 30, 2023, parking revenues were \$202.1 million which was 10.2% of their total revenues
- Challenges: A challenging labor market, continued supply chain constraints, lower work orders, and the slow recovery of office occupancy for commercial real estate
- Travel: "Activity in the leisure and business travel markets, including related parking and transportation, has essentially returned to pre-pandemic levels,"
 - Scott Salmirs, President, CEO, and Director of ABM
- ABMVantage: Management expects continued growth in the ABMVantage parking solution, which enhances revenue for clients and improves the travel experience, mainly helping aviation. This coincides with the signing of two major U.K. airports



Q2'23 Revenue Split



Outlook

- “All parking segments expect to grow between 5% and 15% in 2023 relative to 2022”
 - *Parking News*
- Tailwinds:
 - Increased adoption of parking technology, such as eExit ticket readers, decentralized payment collection systems, and increased dynamic pricing assisted by inflation have driven revenue and made the industry more profitable for operators. These innovations can also improve the efficiency and convenience of the parking experience for the customer
 - Enforcement is bringing operators greater returns with the implementation of boots on the ground, and technology with data collection tools driving citations
- Headwinds:
 - Rising costs of land and construction are leading to development on land where parking lots exist, creating scarcity
 - Growing regulations towards EVs, may lead to higher capital expenditures if charging stations become an industry standard for lots. Charging stations are becoming increasingly common in parking garage lots with many government and private initiatives pushing EV infrastructure accessibility to auto operators

3 Significant Acquisitions in Last 6M Demonstrate Post-Pandemic Industry Health

Towne Park

- Greenbriar Equity Group, a private equity firm, has acquired Towne Park, a leading valet and hospitality solutions provider, from TA Associates. The financial terms of the transaction were not disclosed
- Towne Park was founded in 1988 with valet parking roots. It now has a suite of parking, mobility, and hospitality solutions. Towne Park serves numerous verticals with over 11,000 employees
- *“Our values and approach are very much aligned, and we have a collective commitment to enhancing the company's capabilities and client solutions to accelerate our growth and provide greater opportunities for our team members”*
 - *Andrew Kerin, CEO of Towne Park*
- Greenbriar plans to help the senior management team expand the company's presence and broaden its service offerings through both organic growth and strategic acquisitions



GREENBRIAR



- April 2023: Icon Parking announced a management buyout, led by its President and CEO John D. Smith and Arkview Capital, a leading minority-certified private equity fund focused on investing in minority business enterprises
- Icon is the largest minority-owned parking management and mobility services provider in the New York City metro and one of the largest in the nation with almost 200 locations
- *“John and his team have transformed Icon, disrupting the parking industry with an unsurpassed customer experience, and unique digital and analytics capabilities, creating the perfect platform to scale nationally,” said Joon Chang, a Co-founder of Arkview Capital. “Under John's stewardship, we are excited to invest in Icon's growth, as they are poised to capitalize on new revenue opportunities nationwide”*

Icon Parking

ProPark

- February 2023: Abry Partners, a Boston-based private equity firm that invests across a variety of sectors including media, telecommunications, and business services, announced their acquisition of ProPark Mobility
- ProPark Mobility aims to offer parking and transportation services including parking management, shuttle services, and technological implementation
 - ProPark's proprietary technology, known as Cloudpark, streamlines processes making it easier for customers to reserve and pay for their parking spots
 - ProPark is headquartered in Hartford, CT but serves customers across the United States, with presences in major markets including Boston, Houston, Los Angeles, and New York City
 - Dave Schmid was elevated to CEO of the Propark organization



SPARTAN GROUP

The Spartan Group LLC
16 N. Marengo Ave, Suite 307
Pasadena, CA 91101
(626) 204-6376

John Johnson
Managing Director
(626) 204-6380
johnson@thespartangroup.com

Cory Holmes
Analyst
(626) 204-6373
cholmes@thespartangroup.com

Christian Bolton
Senior Associate
(626) 204-6371
cbolton@thespartangroup.com

Jared Ellis
Analyst
(626) 204-6372
jellis@thespartangroup.com