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BEEP.OQ - Q2 2026 Mobile Infrastructure Corp Earnings Call

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CORPORATE PARTICIPANTS

Casey Kotary *Mobile Infrastructure Corp - Investor Relations*

Stephanie Hogue *Mobile Infrastructure Corp - President, Chief Executive Officer*

Paul Gohr *Mobile Infrastructure Corp - Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

John Massocca *B. Riley Securities, Inc - Equity Analyst*

Kevin Steinke *Barrington Research Associates Inc - Analyst*

Marc Riddick *Sidoti & Company LLC - Analyst*

Michael Diana *Maxim Group LLC - Analyst*

PRESENTATION

Operator

Good afternoon and welcome to the Mobile Infrastructure Corporation second quarter 2026 earnings conference call. (Operator Instructions) And keep in mind that this call is being recorded.

I would like to turn the call over to Casey Kotary, Investor Relations Representative. Please go ahead.

Casey Kotary - *Mobile Infrastructure Corp - Investor Relations*

Thank you, Operator. Good afternoon, everyone, and thank you for joining us to review Mobile's second quarter 2026 performance. With us today for Mobile are Stephanie Hogue, CEO; and Paul Gohr, CFO. In a moment, we will hear management statements about the company's results of operations for the second quarter of 2026.

Before we begin, we would like to remind everyone that today's discussion includes forward-looking statements, including projections and estimates of future events, business or industry trends, or business or financial results. Actual results may vary significantly from those statements and may be affected by the risks Mobile has identified in today's press release and those identified in its filings with the SEC, including Mobile's most recent annual report on Form 10-K and its most recent quarterly report on Form 10-Q.

Mobile assumes no obligation and does not intend to update or comment on forward-looking statements made on this call. Today's discussion also contains references to non-GAAP financial measures that Mobile believes provide useful information to its investors. These non-GAAP measures should not be considered in isolation from or as a substitute for GAAP results. Mobile's earnings release and the most recent quarterly report on Form 10-Q provide a reconciliation of those measures to the most directly comparable GAAP measures and a list of the reasons why Mobile uses these measures.

I will now turn the call over to Mobile's CEO, Stephanie Hogue, to discuss second quarter 2026 performance. Stephanie?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Thank you, Casey, and good afternoon, everyone. Thank you for joining us today. I would like to begin our call by taking a moment to address the take-private proposal that was recently submitted by Bombe Asset Management. The Special Committee of the Board of Directors is in the process of actively reviewing and evaluating the proposal. This process is underway and ongoing, and the Special

Committee will determine the appropriate steps based on what it believes is in the best interest of the company and all of our shareholders. We will not be commenting further on this topic or speaking to this matter during our call today.

With that update, let me now transition to our second quarter results, which reflect continued execution against the initiatives we laid out for 2026. And, more than that, they reflect a business that is performing. This was our second consecutive quarter of broad-based operating growth, and the momentum is building. We set clear KPIs for ourselves and our operating partners at the start of this year. We measure against them regularly and take appropriate action to course correct when necessary. As a result, we are meeting or exceeding those KPIs.

In the second quarter, same-location NOI grew 12% year-over-year, reaching $5.9 million, up from $5.2 million. And we expect that momentum to continue throughout the year. Same-location revenue grew 5.6%, representing various demand drivers turning on or reactivating across our portfolio, resulting in growth both in transient and monthly parking.

At the same time, we continued tight operating expense management, which reflects both our ongoing conversion to management contracts and the greater visibility and control they give us over operating performance. I am highly encouraged by the underlying operating story. Portfolio utilization on a trailing twelve-month basis was approximately 70%, up five percentage points year-over-year from 65%, and it climbed in every month of the quarter.

Average utilization for the quarter was the highest it has been since we took control of this portfolio in 2021 and started tracking the data. As we have discussed, our focus on utilization through the recovery in our markets allows pricing to follow as demand strengthens.

RevPAS reached approximately $225 in the quarter, the highest second quarter RevPAS in the last three years, and on a trailing twelve-month basis, RevPAS was over $200. Volume and rate are moving together, and that is direct credit to our team and our operating partners.

We continue to hold our operating partners accountable to a specific set of key operating metrics each month, utilization, RevPAS, contract volume, and parker mix. Utilization is our leading indicator. It tells us precisely when an asset is ready for the next lever. As more of the portfolio crosses into stabilized occupancy, our optionality expands. We optimize the mix across contract, residential, and transient demands, and we move rates in the specific bands where the market supports it rather than across the board. As discussed in prior quarters, we are changing operating partners who do not hit our KPIs, and we will continue to do so.

The demand behind this quarter's numbers continues to accelerate. Contract volumes grew approximately 12% year-over-year and 7% sequentially. A clear signal of return-to-office momentum and steady absorption from the newly leased residential units across our markets. Return-to-office and downtown residential absorption are multi-quarter structural tailwinds. While they take time to realize, we are well positioned in the markets where these secular trends are the strongest.

Several of the markets that were dislocated by construction and redevelopment in prior quarters, such as Cincinnati and Nashville, are now firmly back online, and that recovery is reflected in both our contract parking base and our transient volumes.

Recovering markets, a growing contract base, and a full events calendar gives us confidence in our performance for the balance of the year. As utilization driven by monthly consumers continues to grow through the portfolio, rate will become the longer-term focus. Average transient transactions also showed growth for the quarter, up 3% year-over-year, which is the appropriate comparison for transient due to the seasonality of that part of the business.

Our Midwestern markets in particular stood out as strong performers, with Chicago, Cincinnati, and Milwaukee showing meaningful growth, as well as strong metrics in Nashville. Part of Milwaukee's strength came from another asset transitioning from a lease to a management contract, giving us the ability to actively work with our operator, which remains a priority for all of our assets.

We are carrying this momentum into the third quarter, which is seasonally our busiest and highest NOI period for the year. We enter it with utilization where we expected it to be, a contract base that is larger and still growing, and a full calendar of events across our markets.

On capital allocation, we continue to put the balance sheet to work. We paid down $3.7 million of principal and $0.8 million of accrued interest on our line of credit during the quarter, and we ended the quarter with total net debt of $197.1 million. Through our 36-month, $100 million asset rotation program, cumulative proceeds from the assets sold have now exceeded $30 million, at a weighted average implied capitalization rate of approximately 2%.

The value our assets command in the private market continues to underscore the disconnect between that value and where our shares trade today. We are still actively working on the asset rotation program and making progress. We are currently negotiating approximately $25 million of transaction value that we expect to act upon under the right conditions. As always, we will move deliberately, the right transactions at the right terms, not speed for its own sake.

Our playbook for 2026 remains unchanged. Drive utilization, convert it into rate, rotate non-core assets at premium private market valuations, and continue to deleverage and professionalize the operating model. The second quarter is evidence that the playbook is working, and we are reaffirming our full-year 2026 guidance, which Paul will now walk through.

Paul?

Paul Gohr - *Mobile Infrastructure Corp - Chief Financial Officer*

Thank you, Stephanie. Good afternoon, everyone. I am pleased to discuss the financial details of our second quarter 2026 results and provide additional context on the remainder of the year. Total revenue was $8.9 million in the second quarter of 2026, compared to $9 million in the second quarter of 2025. The year-over-year decrease was primarily attributable to assets sold in 2025 and 2026. Excluding those dispositions, same-location revenue was $8.9 million, an increase of 5.6% versus the prior year period. We believe the same-location comparison is the right way to evaluate the organic performance of our continuing portfolio.

Contract parking volumes grew approximately 12% year-over-year and were up 7% quarter-over-quarter sequentially, with broad-based gains across several markets, including Cincinnati, Denver, and Fort Worth. Transient revenue grew 4% portfolio-wide, as several key markets showed momentum following the completion of construction and redevelopment that we discussed last quarter. Cincinnati transactions were up year-over-year, supported by the Convention Center reopening, while markets such as Chicago also posted strong transaction growth on aggressive online marketing initiatives. Consistent with our volume first, rate second playbook previously described, we expect rate to follow as utilization stabilizes across the portfolio.

Turning to expenses, property taxes were $1.4 million in the second quarter of 2026, compared with $1.8 million in the prior year period. On a same-location basis, property taxes are down $0.3 million from the prior year period. The year-over-year reduction in property taxes reflects continued benefits from our active property tax appeal management process. Property operating expenses were $1.6 million, compared with $1.8 million in the second quarter of 2025.

On a same-location basis, property operating expenses increased $0.1 million from the prior year period, primarily on timing of some repairs and maintenance at our facilities. But overall, we have demonstrated continued expense discipline, despite an inflationary cost environment. Consistent with the prior quarter, we are presenting Net Operating Income, or NOI, on a same-location basis. Same-location NOI for the second quarter of 2026 was $5.9 million, compared with $5.2 million for the same period in 2025, an increase of 12%.

The increase reflects several factors working together. Same-location revenue growth, the lease to management agreement conversions we completed over the past year, active property tax appeal management, and expense discipline. We delivered same-location NOI growth of about 2 times our same-location revenue growth through these efforts.

General and administrative expenses were $2.6 million, compared to $2.4 million in the same period of 2025. Current period G&A includes $0.8 million of non-cash, stock-based compensation, consistent with the $0.8 million in the prior year quarter. Adjusted EBITDA was $4.1 million for the second quarter of 2026, compared to $3.8 million in the second quarter of 2025, an increase of 5.5%. This improvement further illustrates operating discipline alongside our same-location revenue growth for the quarter.

Turning to the balance sheet, at June 30, 2026, we had $10.9 million of cash, cash equivalents, and restricted cash. Total net debt outstanding was $197.1 million, down from $200 million at the end of the first quarter. During the second quarter, we paid down $3.7 million of principal and $0.8 million of accrued interest on our line of credit.

As a reminder, this is in addition to the debt paydowns of $8.1 million on our CMBS facility in the first quarter of 2026. In total, we have repaid $22.6 million of debt using proceeds from the asset rotation strategy. As Stephanie mentioned, total proceeds to date from our 36-month, $100 million asset rotation program were above $30 million.

Reducing the cost of capital remains a primary use of disposition proceeds, alongside opportunistic share repurchases and selective acquisitions of higher-quality assets. We are reaffirming our full-year 2026 guidance, as initially provided with our fourth quarter and full-year 2025 results and reiterated last quarter.

For the full year, we continue to expect total revenue in the range of $35 million to $38 million, representing approximately 4% growth at the midpoint over 2025 results and approximately 8% growth on a same-location basis. We expect this to be accompanied by NOI in the range of $21.5 million to $23 million, representing year-on-year growth of 7% at the midpoint and 10% growth on a same-location basis.

Further, adjusted EBITDA is forecasted to range from $15 million to $16.5 million, representing year-on-year growth of 10% at the midpoint and 13% growth on a same-location basis. Consistent with last quarter, this guidance reflects our expectations for continued contract volume growth, benefits of venue reopenings and recoveries across the portfolio, and the positive impact of our technology and pricing optimization initiatives. As a reminder, this guidance does not include any future asset sales or acquisitions under our asset rotation program.

With that, I will turn the call back to Stephanie for closing remarks.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Thank you, Paul. Before we open the line for questions, I want to reiterate the broader perspective that we shared in Q1 on where we believe this business is headed over the longer term. Mobile Infrastructure owns hard assets, well-located land and access points in central business districts across the United States.

We believe the long-term value of these assets is driven by three key characteristics. First, irreplaceability. The land we own sits in dynamic, supply-constrained urban cores where new parking real estate of this character is rarely created. As cities continue to invest in downtown revitalization, mixed-use redevelopment, and urban density, the access points we own become increasingly valuable.

Second, optionality through adaptive reuse. Our portfolio is not simply a collection of parking structures. The land and structures provide platforms for a variety of potential uses: residential, hospitality, retail, EV charging infrastructure, last-mile logistics, and emerging mobility services. Our asset rotation program demonstrates this underlying value and the demand for well-located urban real estate.

Third, the ability to meet future mobility wherever it lands on the adoption curve. The future of mobility will continue to evolve, and there is uncertainty around how that evolution will unfold. What remains consistent is the need for access points where vehicles and people arrive, dwell, and depart. Our portfolio sits at those access points today and can adapt to a range of future mobility trends.

The second quarter is another step forward, and we are encouraged to see both volume and rate contribute to results. We remain confident in our 2026 plan. The underlying value of our portfolio, as reflected in our internal NAV, is significantly above the current trading value of our shares. Our focus remains on executing our strategy, unlocking value for our assets, and maintaining a disciplined, shareholder-first approach to capital allocation.

Thank you for your support, your questions, and your engagement with mobile infrastructure. Operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

John Massocca, B. Riley Securities.

John Massocca - *B. Riley Securities, Inc - Equity Analyst*

Maybe starting off with the capital recycling plan, you mentioned you have $25 million of transactions that you're kind of working on. I guess what's the kind of stage of those? Is that something that's expected to close here over the remainder of the year? Could it take longer than that? I know you've laid out a specific guideline over a three-year period, but just to kind of color on the $25 million number you cited.

And I guess I know you're not commenting on the kind of take-private offer that was mentioned earlier, but would that impact that capital recycling program at all?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

So, to the first question, all of those are under active negotiation. They -- we've commented in the prepared remarks, we don't sell for the sake of selling. So, right buyer, right price point, we're targeting that sub three cap. And we're staying really fixated on that. So, could they close by the end of the year? Yes, that's what we're working towards and continuing to look at non-core assets within that framework. But timing can always slide a bit.

To your second question, you know, can't comment at all on that matter until we have an update. But no, I mean, right now it's business as usual and focus on the sale of non-core assets.

John Massocca - *B. Riley Securities, Inc - Equity Analyst*

Okay. And then in terms of the in-place portfolio, you kind of mentioned an occupancy first, kind of, rate second strategy. It's starting to be seen some of that flowing through, within your assets. Can you kind of call out any specific examples where you're seeing that? I'm assuming at this point some of the properties are kind of at a run rate occupancy that would make sense to push rate. I'm just kind of curious any kind of color you can provide on how that's flowing through the portfolio today.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Yeah, it's asset specific and market specific. We're targeting utilizations that are towards stabilized levels and that varies by garage. We have seen some markets - I think we've mentioned Cleveland in the past, Cincinnati is getting towards a stabilized utilization where rate tends to follow. The nice thing and one of the important things about how we evaluate this portfolio is we break down every type of user.

And so right now getting monthly contracts is the most important, but it still gives you an option to update rates in things like transient or overnight and hotel. And so within specific rate bands, we're seeing some level of expansion, but it is not even across the board.

John Massocca - *B. Riley Securities, Inc - Equity Analyst*

And then on the operating expense side of things, you continue kind of downward pressure there. Maybe it's compared to 2025. Is that something that can continue to trend down or would you consider kind of like 2Q a good run rate when adjusting for seasonality?

Paul Gohr - *Mobile Infrastructure Corp - Chief Financial Officer*

Yeah, I think there is a trend line to go down. Q2 is a little bit higher than we had anticipated, but we expect it to moderate down a little bit into Q3 and Q4.

John Massocca - *B. Riley Securities, Inc - Equity Analyst*

I'll hop back in the queue. Thank you very much.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Thanks, John.

Operator

Kevin Steinke, Barrington Research Associates.

Kevin Steinke - *Barrington Research Associates Inc - Analyst*

Great. Thank you. I just wanted to ask about the contract parking volume growth, 12%. It's a nice number. Acceleration from 6% in the first quarter. So is there anything meaningful you'd want to highlight there in terms of the faster growth? I know you talked about both return-to-office as well as residential, but I don't know if there's any more color you could provide.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Yeah, I think the nice thing about that is it builds on itself through the year. So we've been very focused on it. First quarter is always our seasonally slowest quarter. Second quarter is that return - we're seeing that return-to-office trend really pick up, anticipating that remaining in third quarter. And same thing with new leasing coming online and actually being leased up. So not a surprise that it happened finally. We've been talking about it for a year. But nice to see that it's really coming to fruition.

Kevin Steinke - *Barrington Research Associates Inc - Analyst*

Okay, good. And you mentioned, I believe you mentioned that rate contributed to your same-location revenue growth in the quarter. I don't know if you're able to parse that out on a consolidated basis in terms of -- percentage point contribution or if you only look at it on kind of an asset by asset basis.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

We look at it internally, asset by asset. Predominantly, the revenue expansion came from utilization growth, and that is really focused on volume first, rate second. Once you have a full garage, you have pricing power. And so we are staying extraordinarily disciplined on that to make sure that, parkers are in the door, they are happy with the product, and then they are very sticky consumers.

Kevin Steinke - *Barrington Research Associates Inc - Analyst*

Okay, great. It sounded like you had an optimistic view of the second half of the year. You mentioned a strong event calendar and just the internal momentum. But any more color on kind of the visibility you see into the second half? And how do you think that's going to kind of line up for the rest of the year?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Sure. The second half of the year is always our stronger half of the year. I think what we're seeing is a higher baseline for, contract parking, for transient parking. And so we're optimistic for the back half of the year.

Kevin Steinke - *Barrington Research Associates Inc - Analyst*

Okay, and with the transient parking, I believe that grew in the quarter, the transient revenue. Would you just attribute that mainly to some of these -- the disrupted assets coming back to utilization? When we're talking about construction, Cincinnati, Nashville, et cetera? Or any more insight on the transient side?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Yeah, it's substantially related to things coming back online, construction ending, convention center you referenced. And there was a small, very modest rate expansion as well.

Kevin Steinke - *Barrington Research Associates Inc - Analyst*

Okay. Thanks for taking the questions. I will turn it back over.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Thanks, Kevin.

Operator

Marc Riddick, Sidoti.

Marc Riddick - *Sidoti & Company LLC - Analyst*

So I wonder if you could talk a little bit about the - you've mentioned a couple of times - events. And maybe to talk a little bit about, because I guess there's some visibility there, maybe talk a little bit about what the calendar looks like, whether it's third quarter, fourth quarter weighted, and maybe the comparisons that they had there. Is that sort of more of a consumer driven kind of area? Or what is it that's giving you confidence on the event side?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Sure. I mean, third quarter is historically always the busiest. You've got a number of sports, concerts, downtown events. We've had a number of demand drivers reopen. And so that contributes to more events and more people downtown, more hotel stays, et cetera.

Marc Riddick - *Sidoti & Company LLC - Analyst*

Great. I was wondering, going back to the questions around rate and utilization, I was sort of wondering, you mentioned as far as it varies by location, and I certainly understand. Is there sort of a general range we should be thinking about that sort of makes the switch kind of turn to the rate side of the equation? There's sort of a ballpark range that we should be thinking about as far as your comfort levels.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

It really depends on the asset itself. And I'll give you a little bit of color. In a garage, you have a much larger asset, and it takes much more to fill it. So you might hit that stabilized point somewhere between 80% and 100% where you're starting to push on rate. In a parking lot where you're turning it more frequently and you have people in and out several times a day, utilization there could be 300% or 400%.

And yet that may not still be stabilized. So it really depends on the type of asset and then the market dynamics itself.

Marc Riddick - *Sidoti & Company LLC - Analyst*

Okay. And then maybe we could switch over on the sort of views and thoughts as to the labor side of the equation, comfort levels as far as ability, any needs to add there given the utilization. How should we be thinking about the labor side of the equation?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

It shouldn't change. The great thing about parking assets, they are very fixed cost.

Marc Riddick - *Sidoti & Company LLC - Analyst*

Great. Thank you.

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Thanks, Marc.

Operator

Michael Diana, Maximum Group.

Michael Diana - *Maxim Group LLC - Analyst*

Thank you. Transient. I assume there's some seasonality there, like third quarter is probably big. Could you comment on any seasonality? And then also if the transient really started picking up the way you hoped it will, how significant is that? And what percentage of revenue would that be?

Stephanie Hogue - *Mobile Infrastructure Corp - President, Chief Executive Officer*

Sure. Third quarter is always the largest quarter. It's the busiest quarter. And it's really the most dynamic from demand drivers. You've got all kinds of sports, events, conventions, hotel stays, vacations, all these things feed into utilization. We anticipate that continued activity because, as we said earlier, we have a number of demand drivers that have reopened, specifically in Cincinnati, Denver, and Nashville, the construction ending there.

Michael Diana - *Maxim Group LLC - Analyst*

Right. And how big could that be, the transient category?

Paul Gohr - *Mobile Infrastructure Corp - Chief Financial Officer*

About two-thirds of our revenue. So it's a two-third, one-third split between transient and contract.

Michael Diana - *Maxim Group LLC - Analyst*

Okay. Great. Thank you.

Operator

There are no more questions in the queue. And that concludes today's programming. Thank you all for joining. You may now disconnect.
