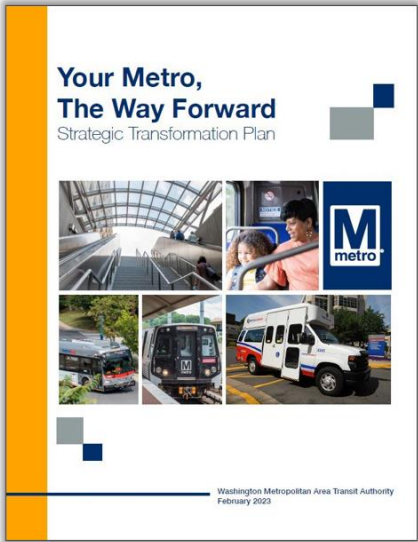


FY2025 Q3 Results and End-of-Year Forecast

Finance and Capital Committee



Strategic Transformation Plan: Guides long term strategy and day-to-day decision making of Metro over the next five + years



Guiding



Day-to-day decisions

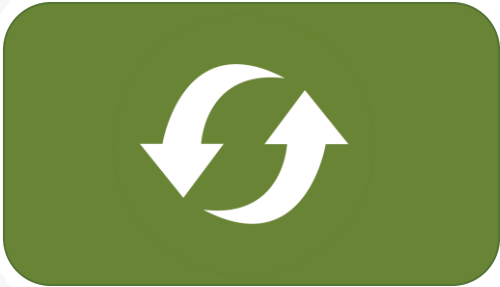
- Customer interactions
- Service schedules
- Communications



Long-term strategy

- Budget allocation
- Capital improvements
- Priority projects

Goals — Our priorities to achieve the vision



FY2025 Q3 Financials

FY2025 Q3 Year-to-Date Results – Ridership and Revenue Favorable to Budget and Prior Year

FY2025 Q3 Financials

FY2025 Q3 YTD Metrorail

vs. Budget

↑ \$42.4M
Revenue

↑ 14.3M
Ridership



vs. FY2024 Q3

↑ 32%
Revenue

↑ 9%
Ridership

FY2025 Q3 YTD Metrobus

vs. Budget

↑ \$2.1M
Revenue

↑ 9.3M
Ridership



vs. FY2024 Q3

↑ 14%
Revenue

↑ 8%
Ridership

FY2025 Q3 YTD MetroAccess

vs. Budget

↓ -\$0.7M
Revenue

↓ -0.3M
Ridership



vs. FY2024 Q3

↓ -16%
Revenue

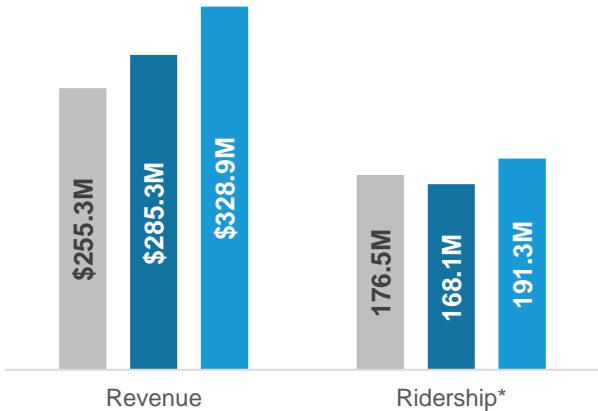
↓ -26%
Ridership

FY2025 Q3 YTD Total

vs. Budget

↑ \$43.6M
Revenue

↑ 23.2M
Ridership



vs. FY2024 Q3

↑ 29%
Revenue

↑ 8%
Ridership

■ FY2024 Q3 Actuals ■ FY2025 Q3 Budget ■ FY2025 Q3 Actuals

Amounts may not sum due to independent rounding

FY2025 Q3 Year-to-Date Operating Financial Update

FY2025 Q3 Financials

(\$ in millions)	Budget	Actual	Var \$*	Var %
Passenger Revenue	\$285.3	\$328.9	\$43.6	15.3%
Non-Passenger Revenue	\$74.4	\$91.7	\$17.3	23.3%
Total Revenue	\$359.7	\$420.7	\$61.0	17.0%
Personnel	\$1,233.0	\$1,302.5	-\$69.5	-5.6%
Non-Personnel	\$536.1	\$527.9	\$8.1	1.5%
Total Expenses	\$1,769.1	\$1,830.5	-\$61.4	-3.5%
Net Subsidy	\$1,409.4	\$1,409.8	\$0.4	0.0%

* All figures are unaudited and exclude reimbursables

** Positive numbers denote favorable variance to budget; negative numbers denote unfavorable variance to budget

*** Subsidy refers to operating expense less operating revenues and does not reflect/equal actual jurisdictional subsidy payments and federal relief

Note: Amounts may not sum due to independent rounding

Passenger Revenue

- Passenger Revenue was favorable to budget due to higher paid ridership on Rail (up 32%) and Bus (up 14%) but offset by lower revenue on MetroAccess (-16%).

Non-Passenger Revenue

- Non-Passenger revenue was favorable to budget due mainly to higher-than-expected parking revenue and investment income.

Personnel Expenses

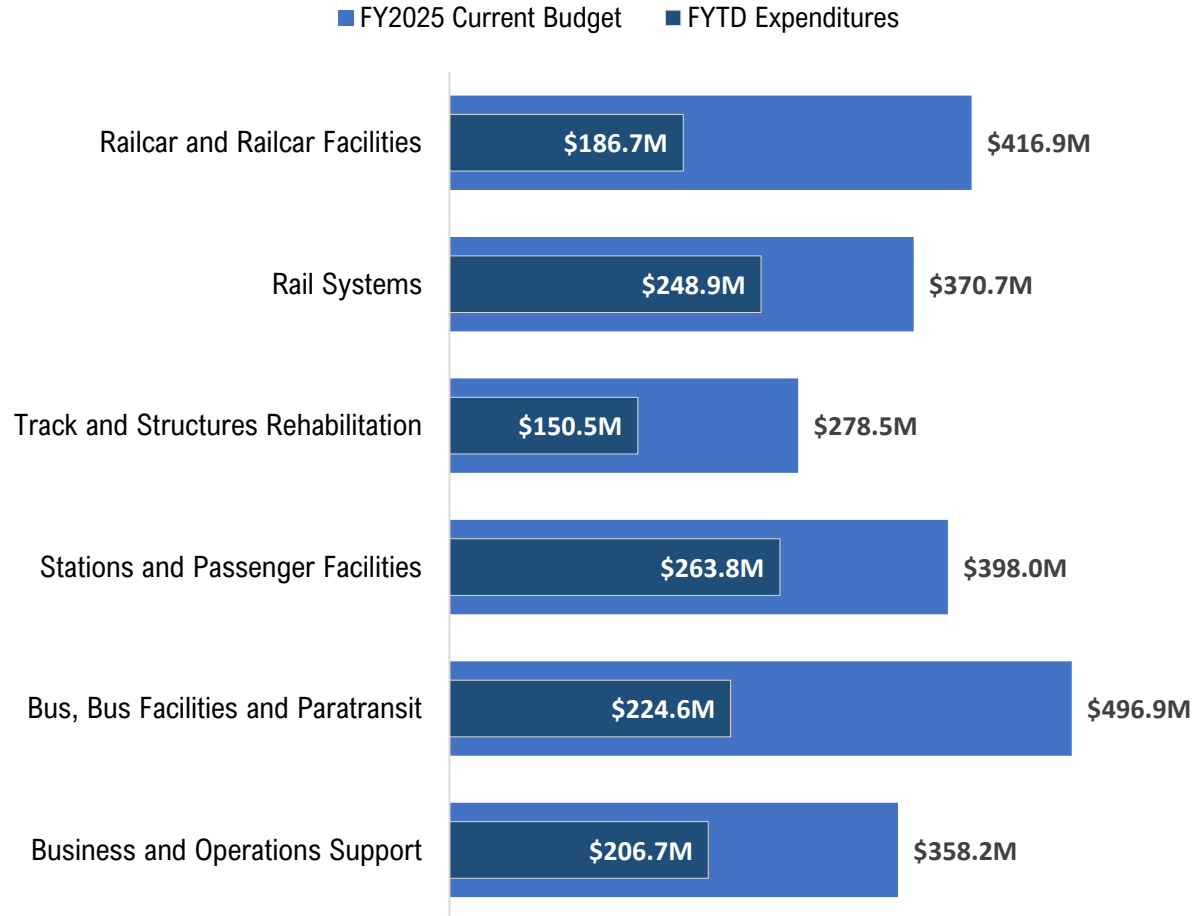
- Personnel labor and related fringe benefits were unfavorable due to the timing of the preventive maintenance (PM) transfer to capital.

Non-Personnel Expenses

- Non-personnel expenses were primarily favorable due to lower fuel and miscellaneous expenses, but offset by slightly higher paratransit services, materials and supplies, and propulsion power expenses.

FY2025 Q3 Year-to-Date Capital Expense Update

FY2025 Q3 Financials



- Preliminary design review for the 8000-series railcar project was successfully completed in Q3
- Metro completed design and installation of almost 8,000 temporary bus flags, as well as updated and installed bus system maps and bus bay maps as part of the launch of the Better Bus Redesign. We are continuing quality checks and fixing errors as they are identified.
- Metro began Enterprise Video System Phase 1 and 6000-series Video installs on 182 railcars (completion by summer 2025), completed Train Operator Platform Monitor pilot at 6 sites

FY2025 End-of-Year Forecast

Managing Operating Costs and Growing Revenue

Strategic Management and Efficiencies

- ✓ Negotiated new cost-effective Collective Bargaining Agreements with Local 689, Local 922, and transit police (FOP)
- ✓ Implemented Operating Budget efficiencies totaling \$88 million
- ✓ Streamlined procurement processes to provide better service and transparency

Passenger Revenue Modernization and Growth

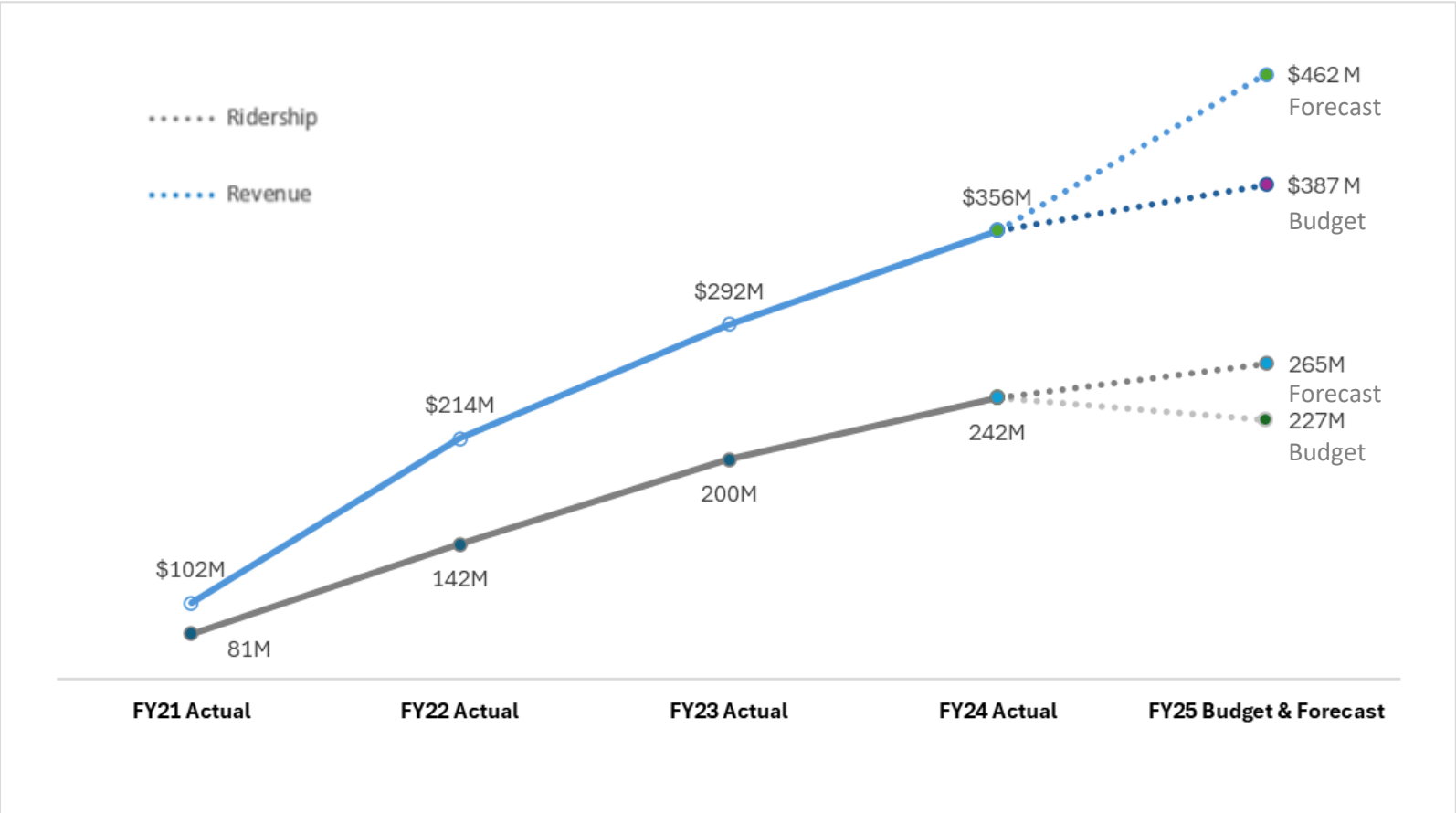
- ✓ Optimized fares and service to grow ridership and revenue
- ✓ Ridership grew by 9.5% and Passenger Revenue grew by 30%
- ✓ Exceeded MetroLift enrollment goal: 12,000 activated vs. 11,200 target
- ✓ Surpassed Kids Ride Free Apple Wallet goal by more than 50%

Non-Passenger Revenue Growth

- ✓ Approved Joint Development Agreement with Hines for 437 residential units at Twinbrook
- ✓ Executed MOU with Montgomery County outlining \$37M in support for North Bethesda station
- ✓ Opened retail at L'Enfant HQ and began installing ATMs at stations to generate non-passenger revenue

Strong Year-Over-Year Ridership and Passenger Revenue Performance

FY2025 End of Year Forecast



FY2025 End of Year Forecast

- FY2025 year-end revenue forecast is \$75M above budget
- FY2025 year-end ridership forecast is 38M above budget
- Higher federal employee ridership during Q3 due to return-to-office policy in 2025
- Seasonal special events (e.g., Cherry Blossom festival) further increased ridership and revenue during Q3

FY2025 Year-End Operating Forecast

FY2025 End of Year Forecast

(\$ in millions)	FY2025 Budget	FY2025 Forecast	Variance
Total Revenue	\$488	\$580	\$92
Gross Expenses	\$2,457	\$2,464	-\$7
Gross Subsidy	\$1,969	\$1,884	\$84
Federal Relief	-\$95	-\$123	\$28
PM needed above Base \$60M	-\$121	-\$37	-\$84
Net Subsidy*	\$1,753	\$1,753	\$0
Surplus/(Deficit)	\$0	\$28	\$28

Note: Amounts may not sum due to independent rounding

Revenue

- Strong passenger revenue recovery driven by Metrorail expected to be \$92M favorable

Expense

- Total expense near original budgeted amount

Federal Relief

- ARPA funds fully expended in FY2025

Preventive Maintenance (PM)

- FY2025 forecast includes an additional \$37 million in transfers from Operating to Capital, totaling an estimated \$97 million in PM support to the Operating budget

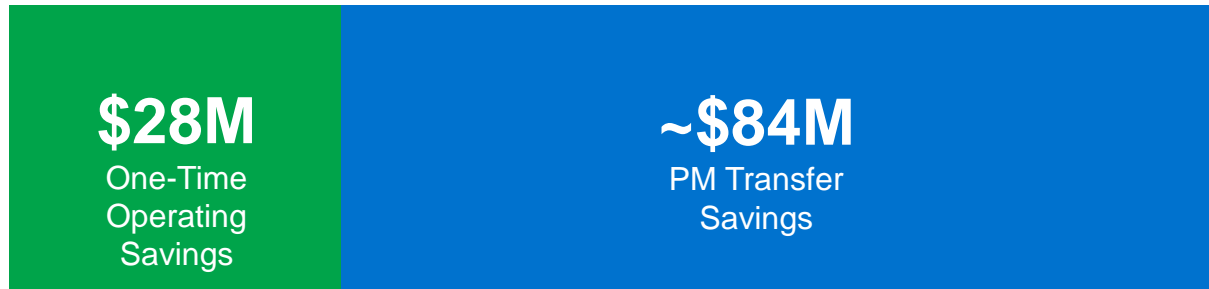
End-of-Year Savings Forecast

- FY2025 year-end forecast of \$112 million including \$84 million in preventive maintenance savings and \$28 million in one-time operating savings

FY2025 Year-End Forecasted Savings: Efficiency in Action

FY2025 End of Year Forecast

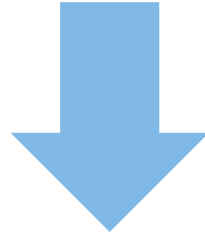
FY2025 Forecasted Savings (~\$112M*)



*Estimated savings



Savings carried into
FY2026 **Operating
Budget**



Reinvestment in the
Capital Program

- FY2025 Year-End Forecast estimates \$112 million in budget savings made up of:
 - \$28 million in one-time operating savings
 - Up to \$97 million in Preventive Maintenance (PM) transfers will be needed representing an \$84 million savings
- Savings highlight Metro's continued operational efficiency and strengthening ridership and revenue trends

Metro Continues Delivery of High-Impact Capital Investments

Improving Customer Facilities

- ✓ Opened new parking garage at New Carrollton
- ✓ Tap. Ride. Go. – Fare payment options launched
- ✓ 33 escalators replaced
- ✓ Two elevators renovated at Archives and Benning Road

Improving Operations of Bus, Rail & Paratransit

- ✓ Return to Automatic Train Operations
- ✓ 80 buses rehabilitated
- ✓ Roll out of Better Bus 2025 Network
- ✓ Installation of new bus shelters to replace aging bus shelters throughout the system

Improving Infrastructure

- ✓ Major track work completed on Red Line summer 2024
- ✓ Major track work in system core during December shutdown
- ✓ Completed Branch Ave Aerial rehab; substantial completion of Grosvenor aerial work
- ✓ Completed 3 traction power substations and 1 tie breaker station

Significant Work Continues to Address Critical Assets

- Capital investments support critical system operations, safety, and customer experience
- Despite the challenging fiscal environment and current market conditions, Metro continues to move forward in addressing our most critical needs through ongoing programs and activities, including:
 - Bladensburg Bus Garage
 - Northern Bus Garage
 - Cinder Bed Bus Garage
 - Track Rehabilitation
 - Traction Power
 - Train Control Rooms



EXAMPLE: FARE COLLECTION

Significant investments in Metro's fare program have improved and modernized the customer experience

- Installation of new faregates and fareboxes
- Tap. Ride. Go. allows customers to pay for Metrorail by directly tapping contactless credit or debit cards

FY2025 Capital Program Status

Metro continues to focus on identifying efficiencies and reducing costs despite external market conditions that impact delivery of capital investments

REVISED STRATEGIES TO IDENTIFY EFFICIENCIES



Fare Collection

- Revised **fare collection strategy** to meet new customer demand, increase efficiency, and reduce costs
- Slowed start of fare vending machine replacement; led to reduced number of vending machines and **significant cost savings**



Safety Barriers on the Right of Way

- Permanently adopted the use of safety barriers to perform work adjacent to the track to **increase execution efficiency**
- Achieved savings through efficient resource utilization, **reducing track access dependencies**

MARKET CONDITIONS IMPACTING DELIVERY



Bus Replacement

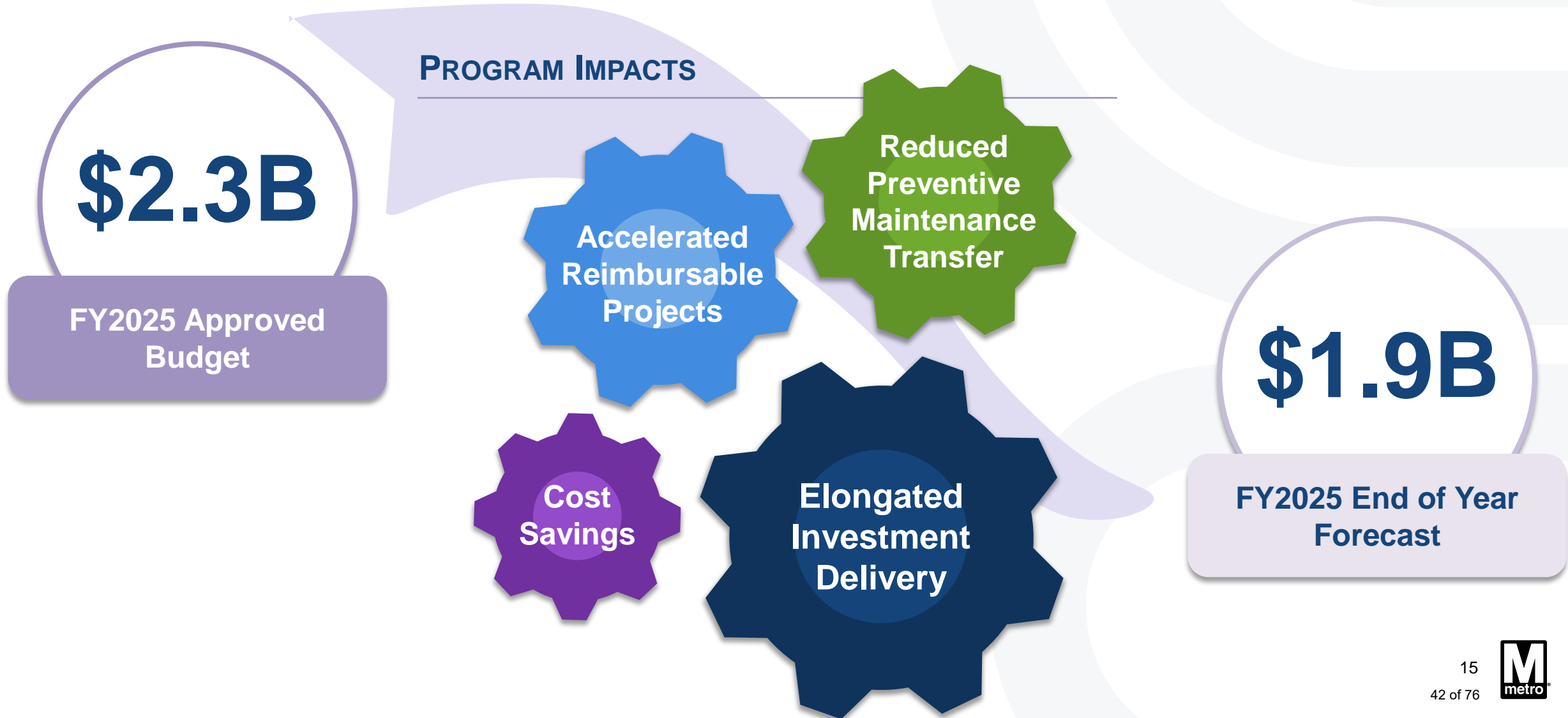
- External **market conditions contributed** to delays, impacting ability to receive buses
- Contract awarded November 2024 with delivery of **new buses in FY2026**



Power

- Long **lead times** for sophisticated electronic switch gears

Metro's Expected End of Year FY2025 Capital Outlook

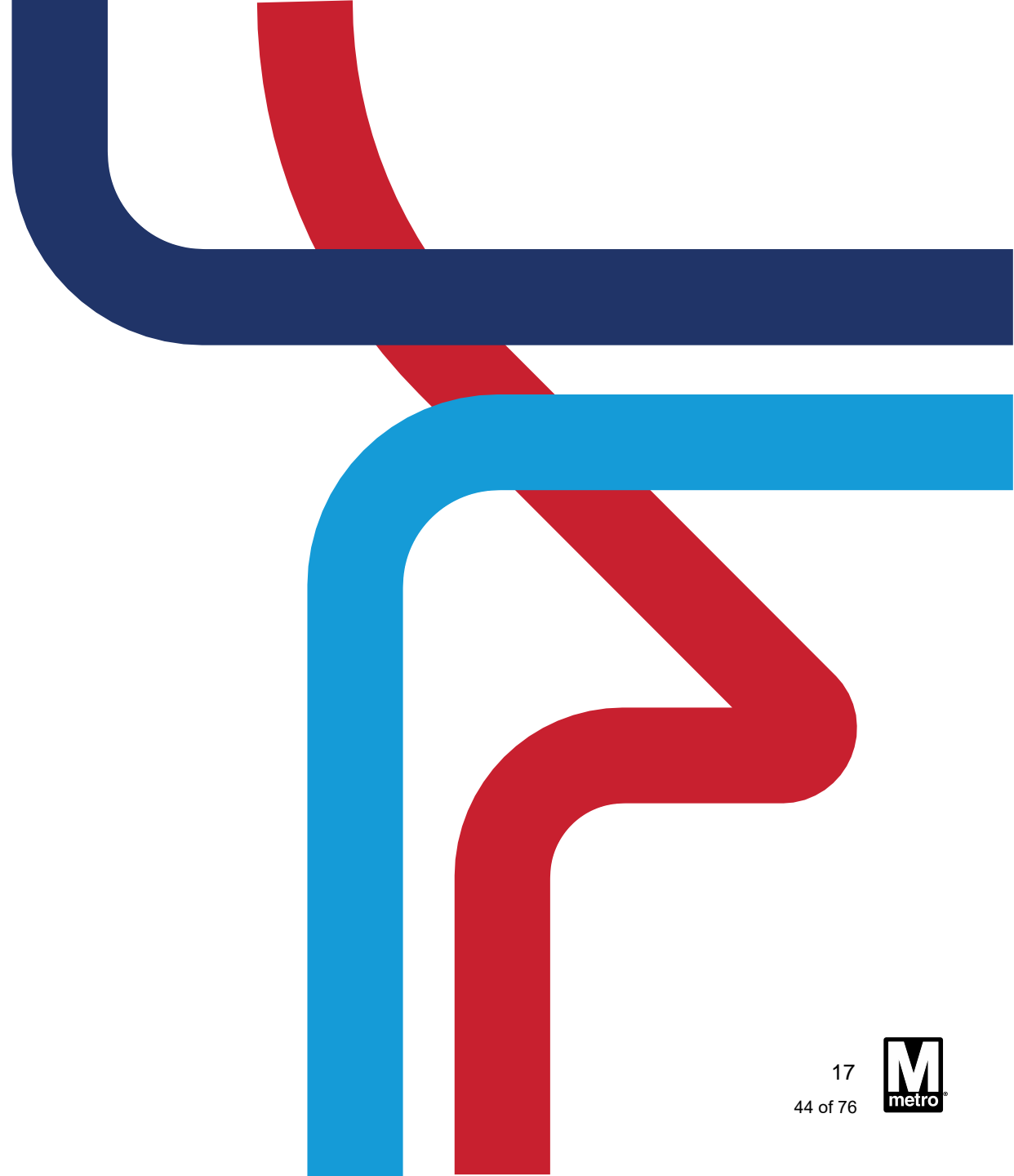


Next Steps

Q3 FY2025 Results and
End of Year Forecast

- End-of-Year actual (unaudited) revenue and expenses will be reported to the Board in October

Appendix



Excluding Preventive Maintenance, Capital Budget Variance Narrows from \$414M to \$330M

FY2025 End of Year Forecast

