Verisure Midholding AB (publ)

Earnings Call Presentation – Q1 2020

January 1 – March 31, 2020

Disclaimer

This presentation and the investor conference call in which this presentation is used might contain forward looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts in this presentation including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this quarterly report. Our annual report available on our website contains a list of factors that, among others, may cause our results to differ from those described in our forward-looking statements.

The presentation also contains certain non-GAAP financial information. The Group’s management believes these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses because they provide measures used by the Group to assess performance. Although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for but rather as complementary to, comparable GAAP measures.

Agenda

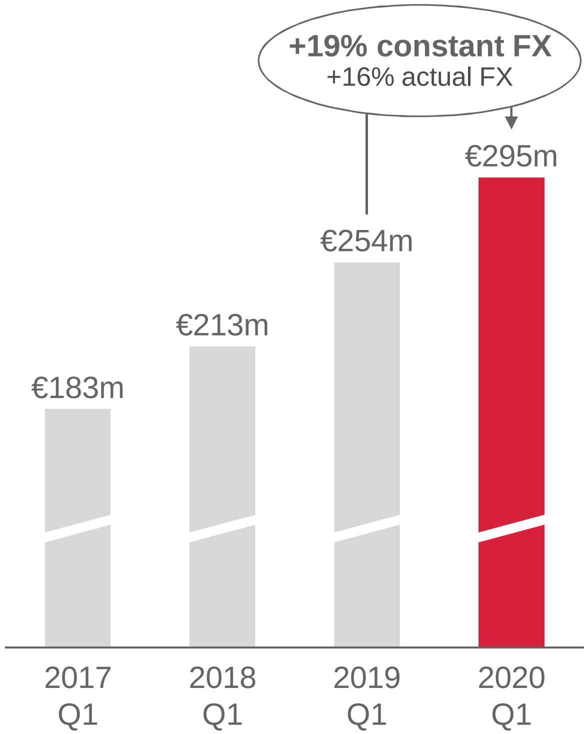
- **Development in KPIs during Q1 2020** – Austin Lally, CEO
- **Financial review of Q1 2020** – Vincent Litrico, CFO
- **Questions & answers**

Austin Lally
Chief Executive Officer

Vincent Litrico
Chief Financial Officer

Q1 2020 Performance Highlights

	Installations	*Portfolio*	*Portfolio EBITDA*
Q1 2020	+142k	3.4m	€295m
Q1 2019	+145k	3.0m	€254m
Q1 2018	+124k	2.7m	€213m



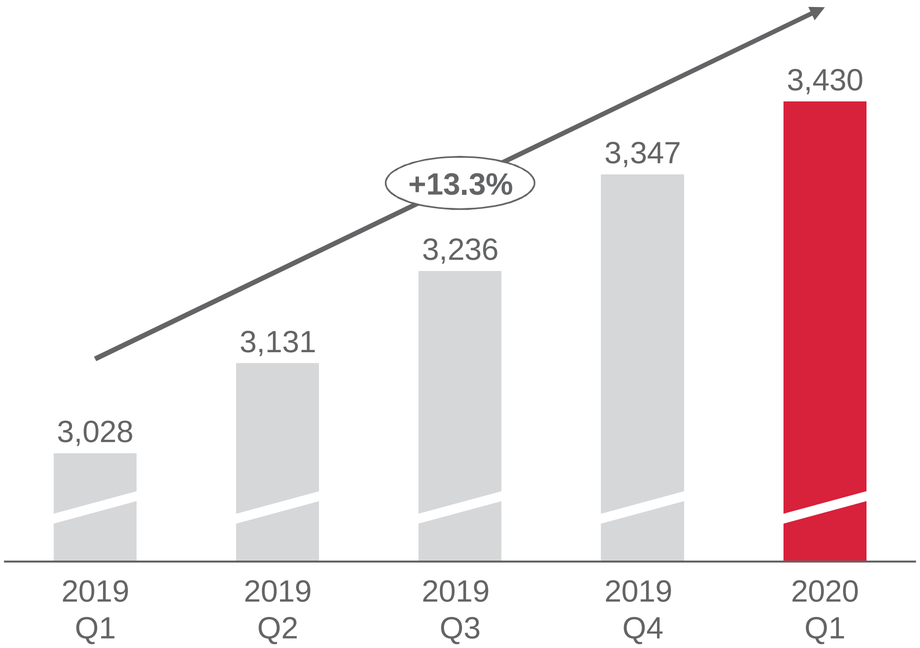
Portfolio EBITDA (€m)

Summary

- Continued strong operational and financial performance in Q1 2020.
- Total revenues up +11% in the quarter (+13% in constant currencies). Portfolio services revenues (recurring), representing 82% of total revenues, up +14% vs Q1 2019 (16% in constant FX).
- Portfolio EBITDA continued to grow strongly, up +16% as reported and +19% in constant currencies to 295 million in the quarter, all time high record. Now close to EUR 1.2 billion on an annualized basis.
- Strong operating cash flow, up +11% to EUR 186 million in Q1 2019, from a strong 2019. Annualized operating cash flow now more than EUR 700 million. In addition EUR 200 million bond issued successfully in April to repay drawn RCF.
- Most of the countries in our footprint have been impacted in the course of March by the global spread of COVID-19. The Group has quickly taken actions to protect the health and safety of our people, as well as ensuring business continuity, operational performance and flexibility.
- We remain optimistic for the medium and long term, even if the external sales environment will be challenging for a period. We have a very resilient business model. And the fundamental customer need for security and peace of mind is not expected to reduce.

verisure

Robust growth in the customer portfolio, up +402k vs. PY to now over 3.4 million



Number of Customers in portfolio (000s)

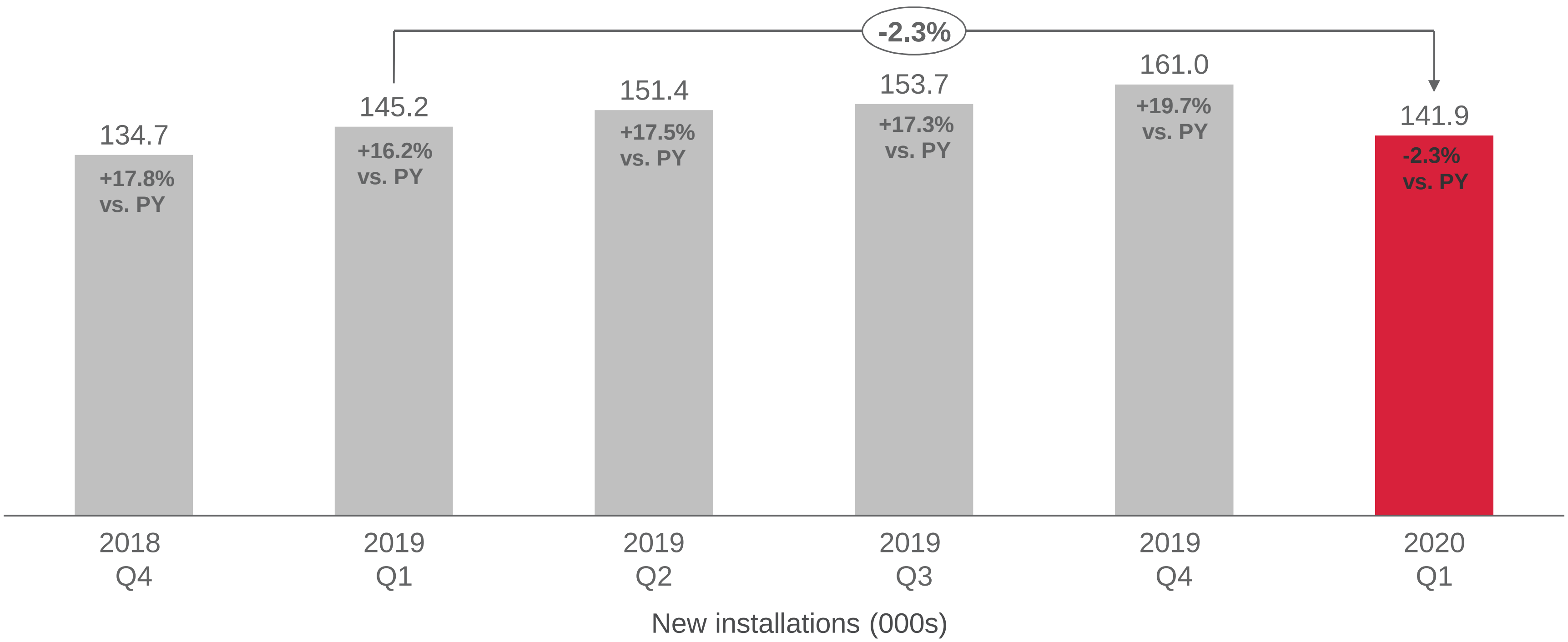
Net Portfolio Growth (NPG)

	vs Q1 2019
NPG (000s)	+402
NPG (% of portfolio)	+13.3%
NPG Acceleration*	-14.0%

(*) Q1 2020 NPG growth vs. Q1 2019.

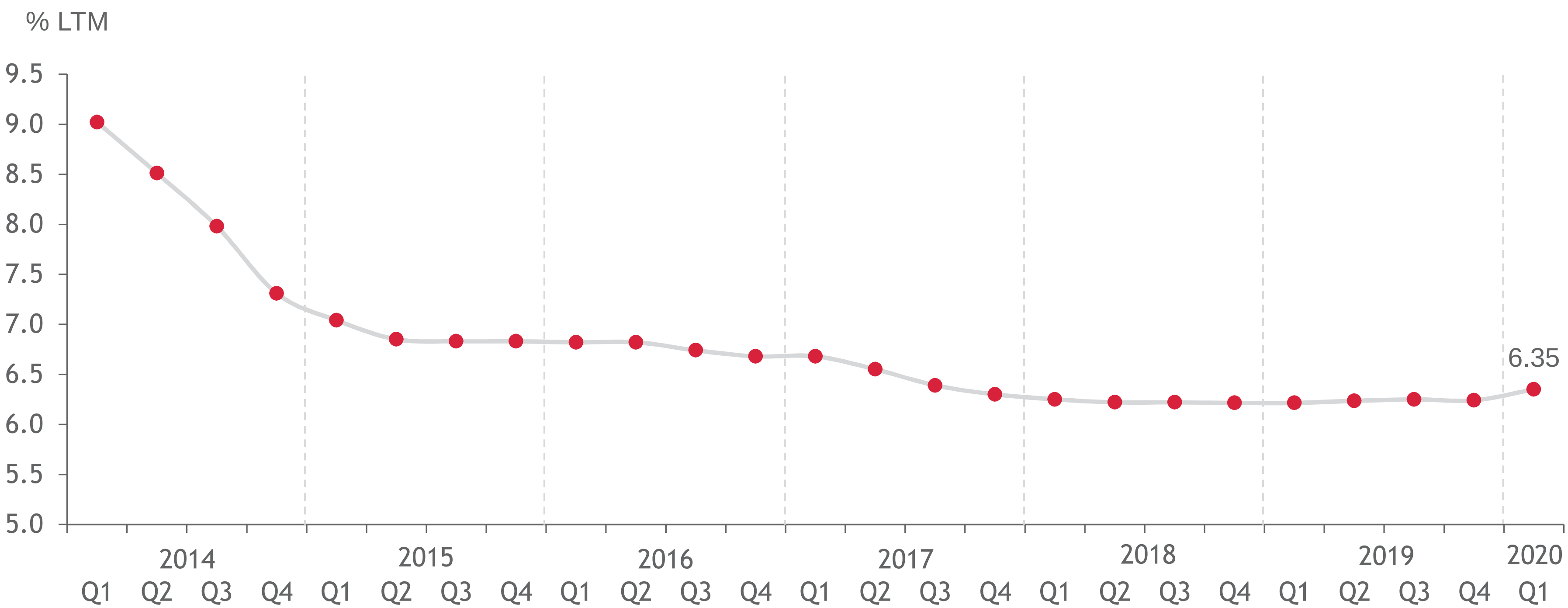
PY=Prior Year

Added 142k new customers in the quarter. Impacted by COVID-19 in March



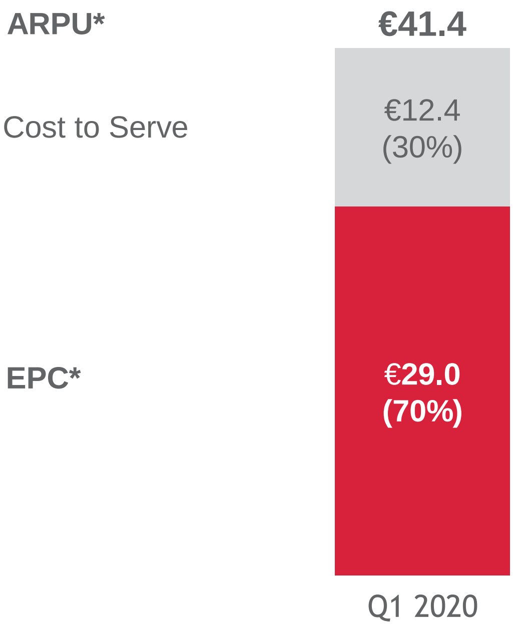
PY=Prior Year

Maintaining strong customer retention



LTM attrition rate (%)

Continued growth in customer profitability



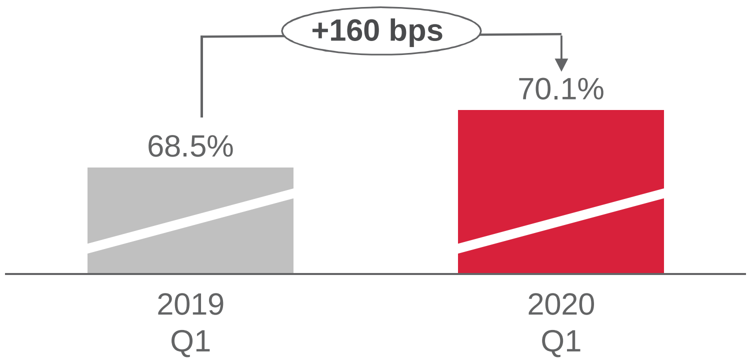
	Q1 2020	*Constant currency growth**	*Reported currency growth**
ARPU	**€41.4**	**+1.9%**	*-0.2%*
EPC	**€29.0**	**+4.2%**	*+2.0%*

(*) Growth vs. Q1 2019

(*) ARPU: Average Revenue Per User per month
(*) EPC: Portfolio EBITDA Per Customer per month

Key Financial Metrics – Q1 2020

(€m)	2019 Q1	**2020 Q1**	% vs. PY
Revenue	459	511	+11%
Portfolio Services, Adjusted EBITDA*	**254**	**295**	**+16%**
Total Adjusted EBITDA*	186	193	+4%
Cash Flows from Operating Activities	168	186	+11%
CapEx, total	136	144	+6%
Net debt	4,935	5,110	+4%
Cash and unutilised credit facilities	167	180	+8%



Portfolio Services Adj. EBITDA margin (%)

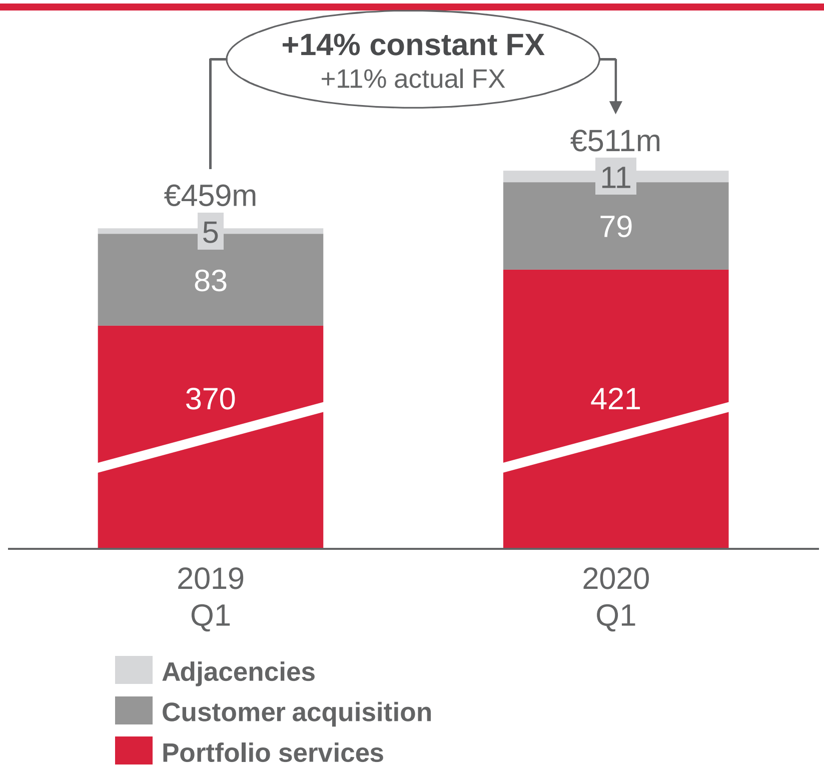
(*) Figures excl. Separately Disclosed Items

Net debt: Q1-2020 includes impact of IFRS 16 (lease liability) of EUR 137 million
PY=Prior Year (2019)

Income Statement – Q1 2020

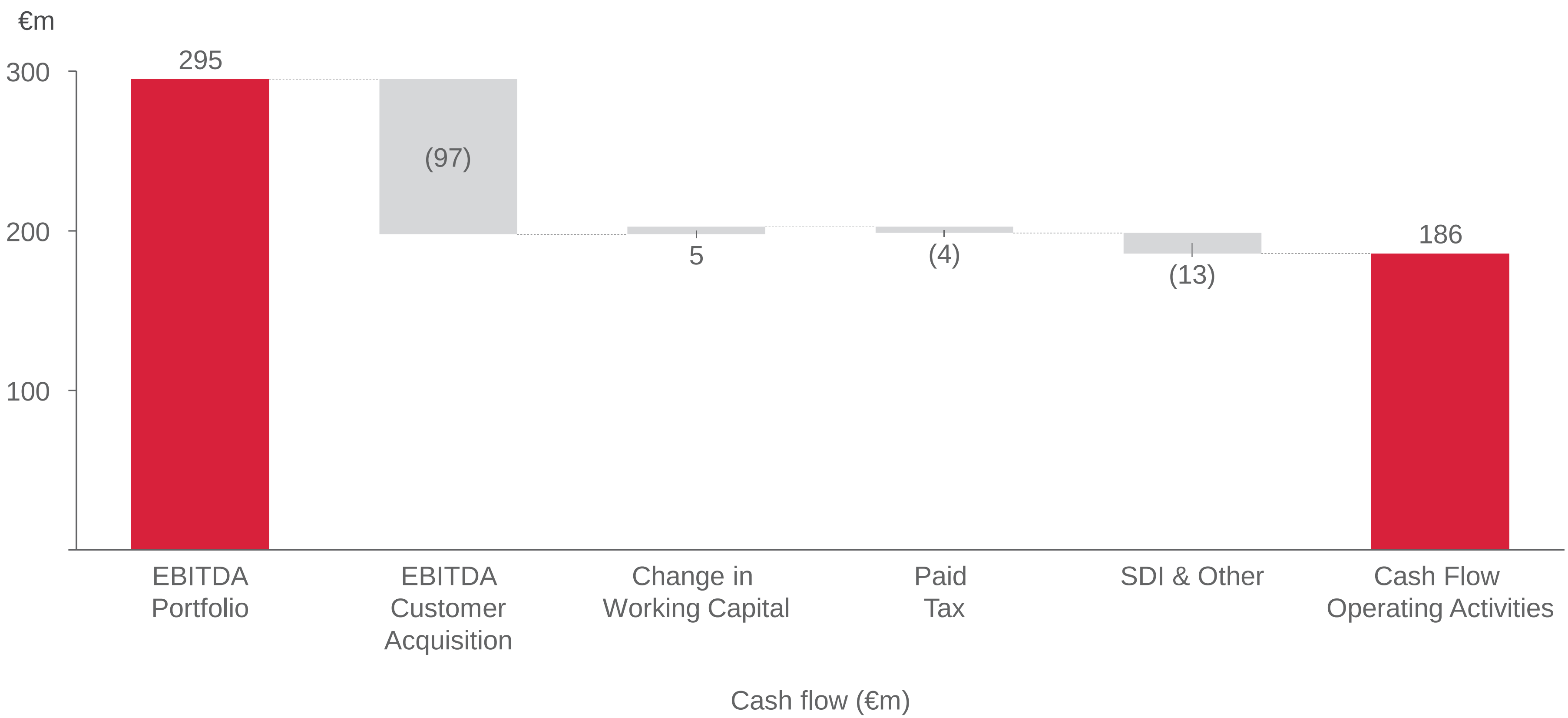
(€m)	Reported excl. SDI	SDI*	Reported
Revenue	511		511
Net operating expenses	(318)	(8)	(326)
Adjusted EBITDA	193	(8)	185
Depreciation and amortisation	(67)	(40)	(107)
Retirement of assets	(20)	-	(20)
Operating profit	106	(48)	58
Interest income & cost	(55)		(55)
Other financial items	(1)	(82)	(83)
Result before tax	50	(130)	(79)
Income tax			(7)
Result for the period			(86)

(*) SDI – Separately Disclosed Items

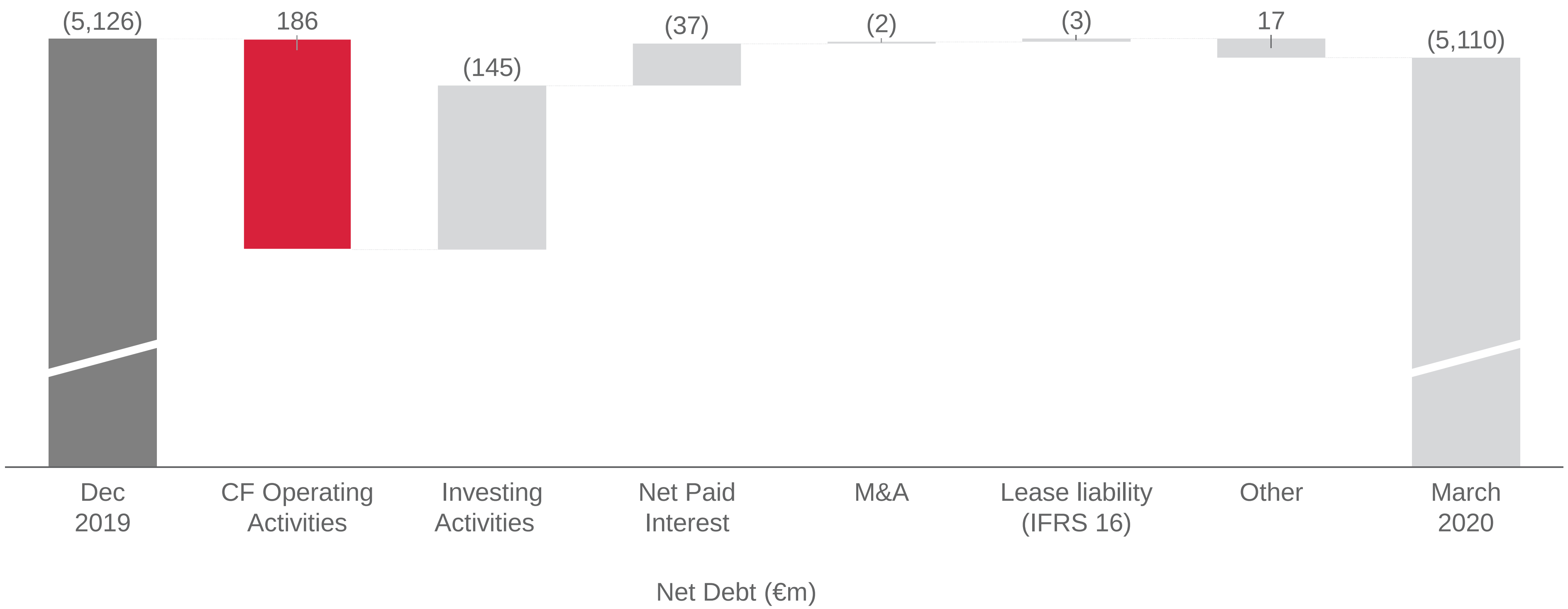


Revenue (€m)

Strong operating cash flow for the year, €186 million for Q1 2020



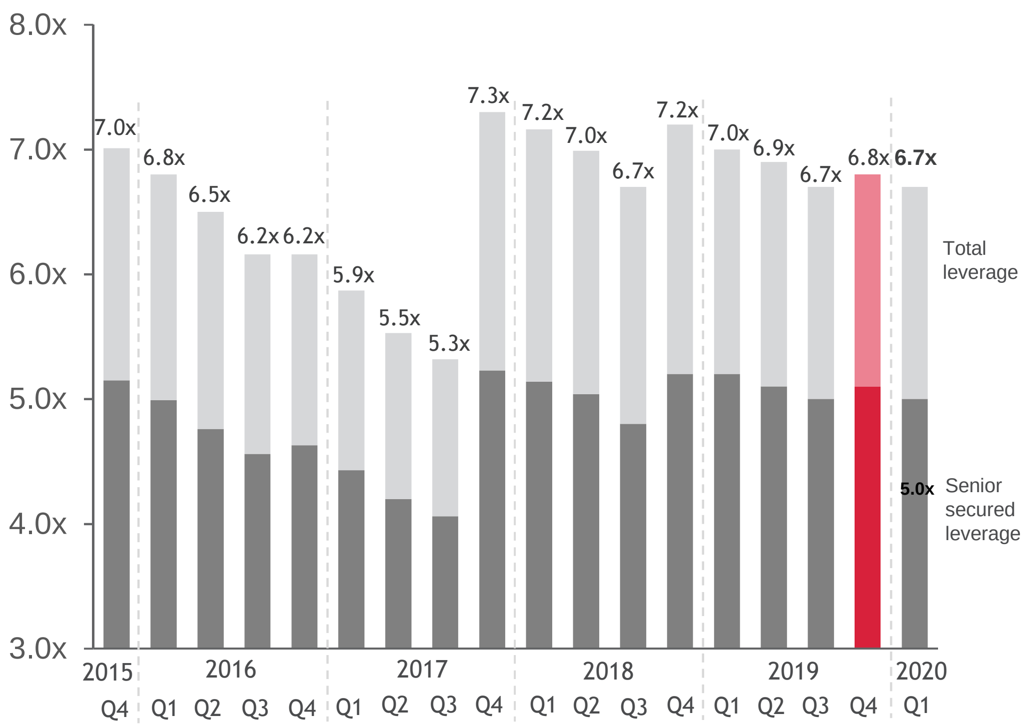
Net debt bridge – Q1 2020



Net debt: Q1-2020 includes impact of IFRS 16 (lease liability) of EUR 137 million. Excluding impact of IFRS 16, net debt is EUR 4.973 million per Q1-2020.
Q4-2019 net debt includes impact of IFRS 16 (lease liability) of EUR 134 million. Excluding impact of IFRS 16, net debt was EUR 4.992 million per Q4-2019

verisure

Leverage

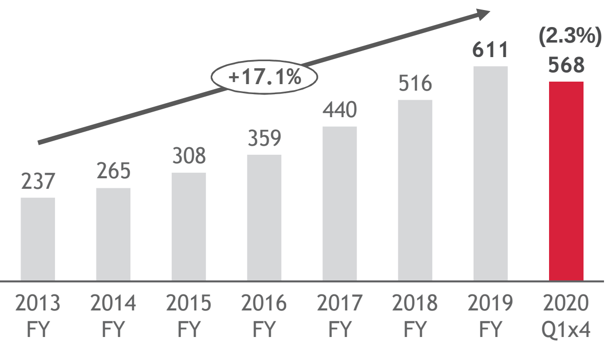


Evolution of L2QA* Leverage

	2017	2018	2019			2020
	Q4	Q4	Q1	Q2	Q4	Q1
SFA Net debt (€m)*	4,200	4,750	4,807	4,858	4,992	4,973
SFA Adjusted EBITDA annualized (€m)*	575	662	682	707	734	741
Leverage (Total)*	**7.3x**	**7.2x**	**7.0x**	**6.9x**	**6.8x**	**6.7x**

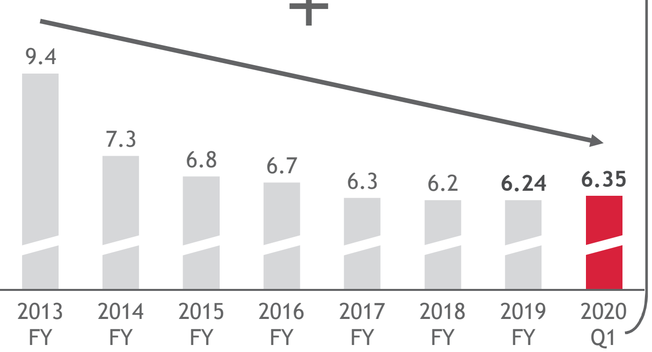
(*) Leverage, net debt and adjusted EBITDA per lender documentation

Resilient Quality Growth

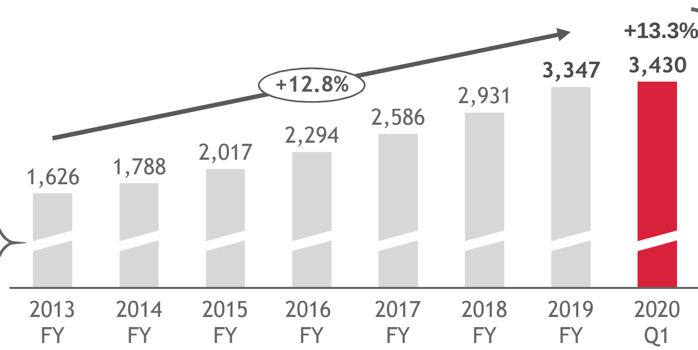


New subscribers
(New installations 000s)

+

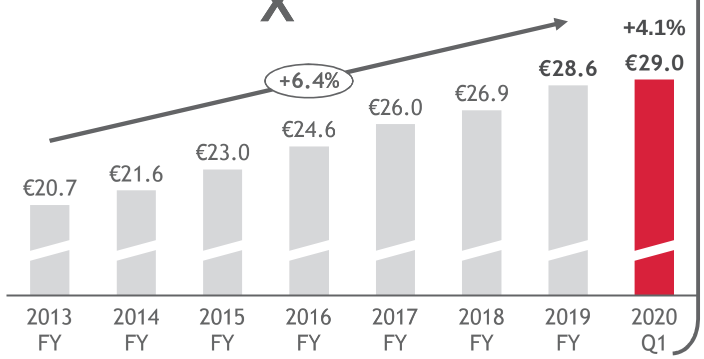


Low attrition
(Attrition %, LTM)

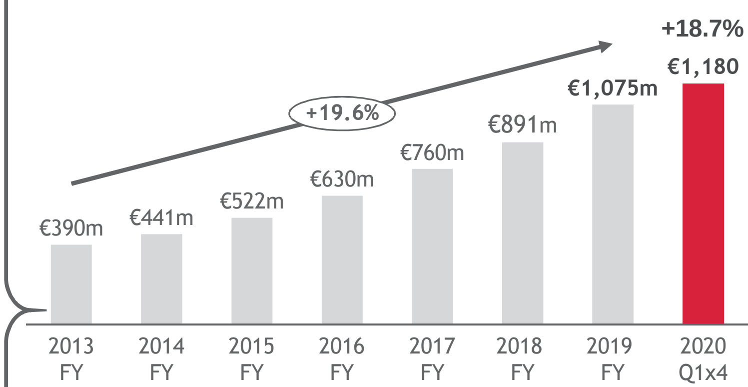


Strong portfolio growth
(Total customer portfolio 000s)

X



Improving unit economics
(EPC €)



Quality Portfolio EBITDA growth

Notes:
Absolute numbers over the bars are in actual reported currency.
Growth rates (CAGR's 2013-2019) are in constant currencies.
Q1x4=2020 annualized. Growth rate for Q1 2020 is vs. Q1 2019

verisure

Q&A

Thank you

verisure