Verisure Midholding AB (publ)

Earnings Call Presentation | Q1 2022

May 25th, 2022

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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.

Today´s Presenters

Austin Lally
Chief Executive Officer

Vincent Litrico
Chief Financial Officer

Agenda

- Key Developments
- Financial Review
- Questions & Answers

Performance Highlights

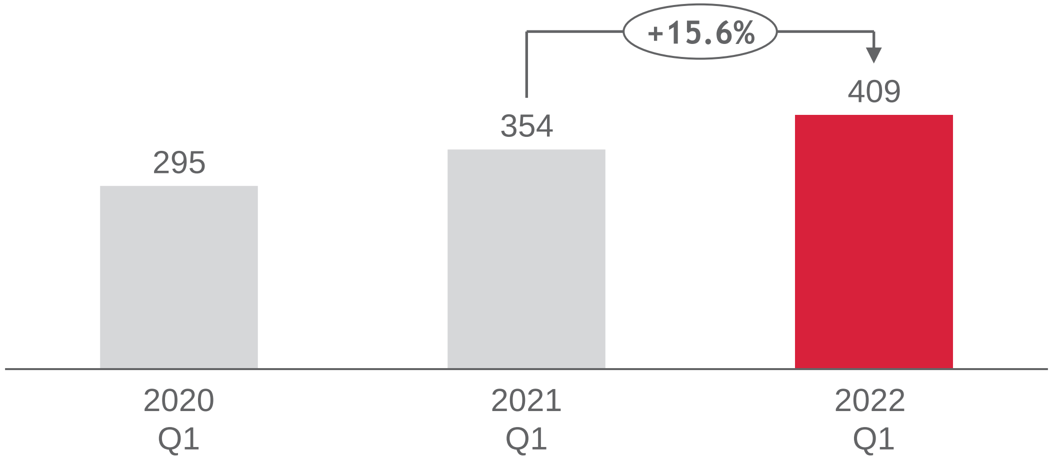
Key Highlights

- Continued strong operational and financial performance in Q1 2022
- Customer Portfolio continued to grow strongly and is now over 4.4 million, which represents a growth of +13.3% vs. Q1 2021 (over 0.5 million customers added in the last 12 months)
- Total Revenue grew +14.4% in the quarter (+13.8% in constant currencies) to €682 million
- Total Adjusted EBITDA increased +6.4% in the quarter (+6.4% in constant currencies) to €273 million
- Portfolio Services Adjusted EBITDA continued to grow strongly, up +15.6% in the quarter (+15.2% in constant currencies) to €409 million. Annualized Portfolio Services Adj. EBITDA is now over €1,635 million

Key Operating and Financial Metrics

	2020 Q1	2021 Q1	2022 Q1
New Installations	+142k	+186k	+203k
Customer Portfolio	3,430k	3,884k	4,402k
YoY Growth	*+402k*	*+454k*	*+518k*

Portfolio Services Adjusted EBITDA (€m)



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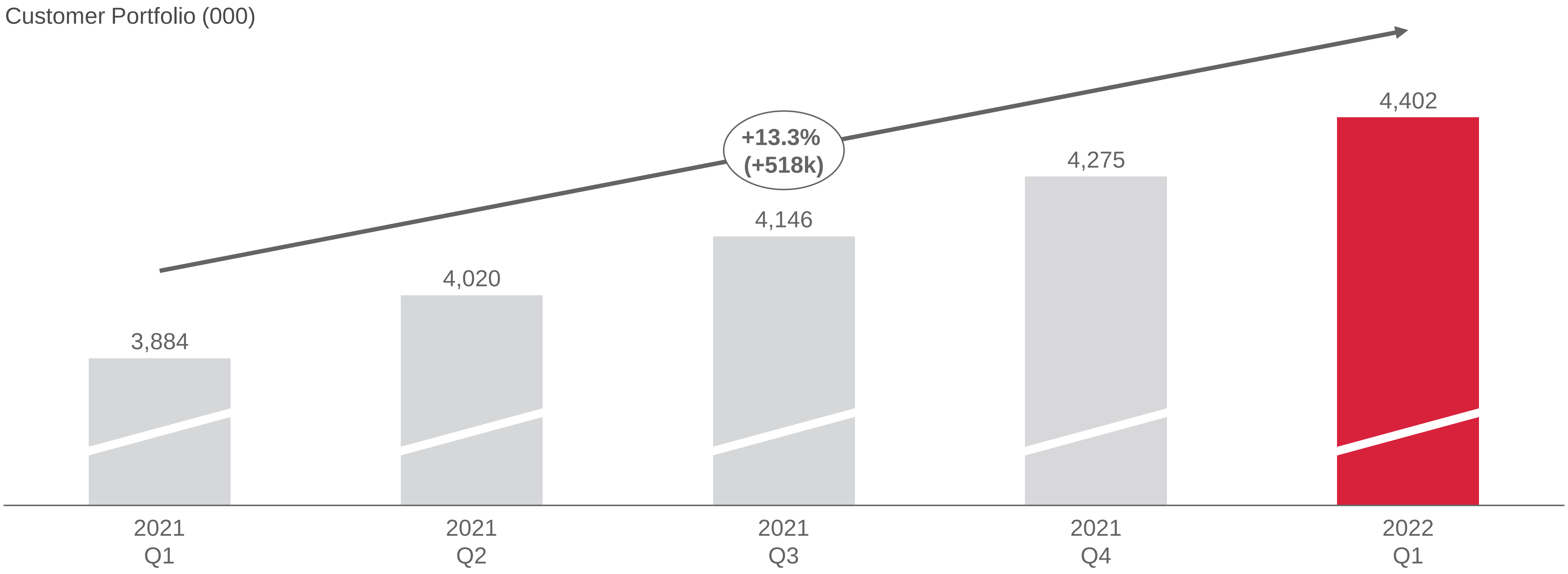
Continuous Strong Customer Portfolio Growth

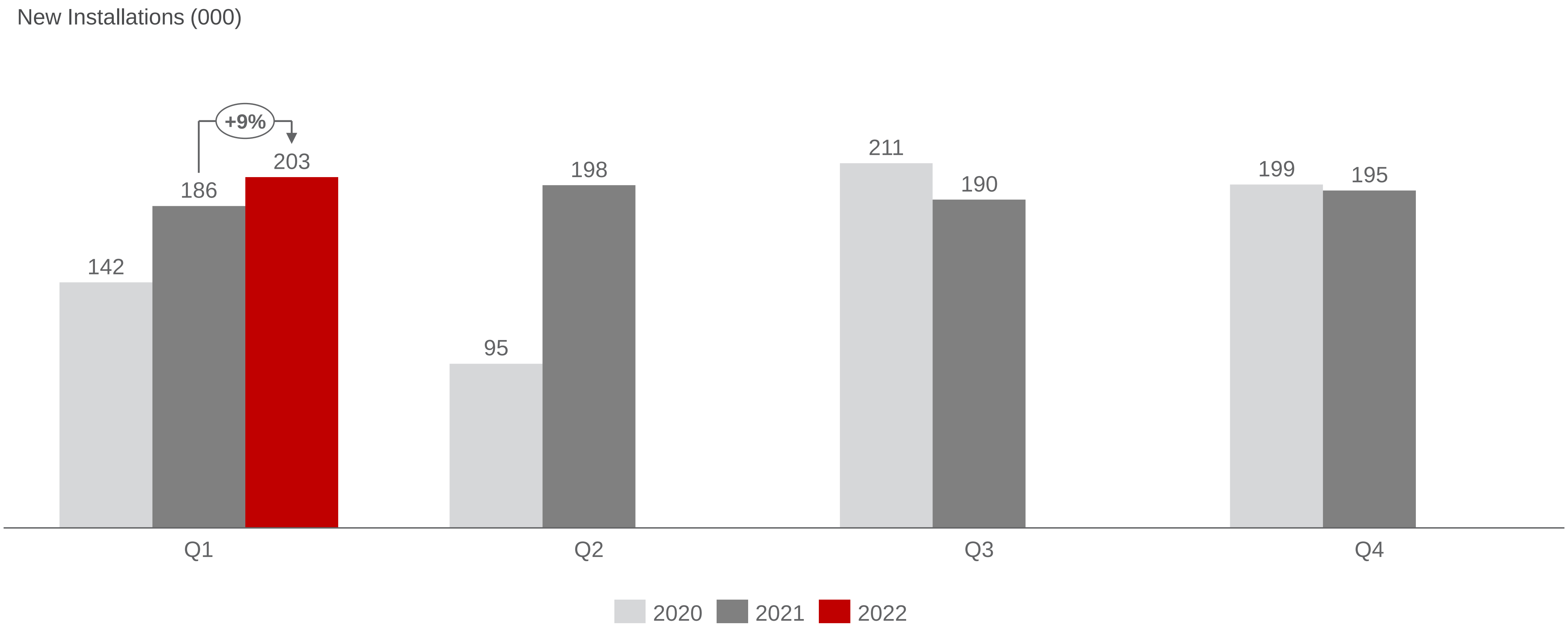
Customer Portfolio up +518k vs. Prior Year and Now Over 4.4 Million Customers



QoQ Growth (000)	+120	+136	+126	+129	+127

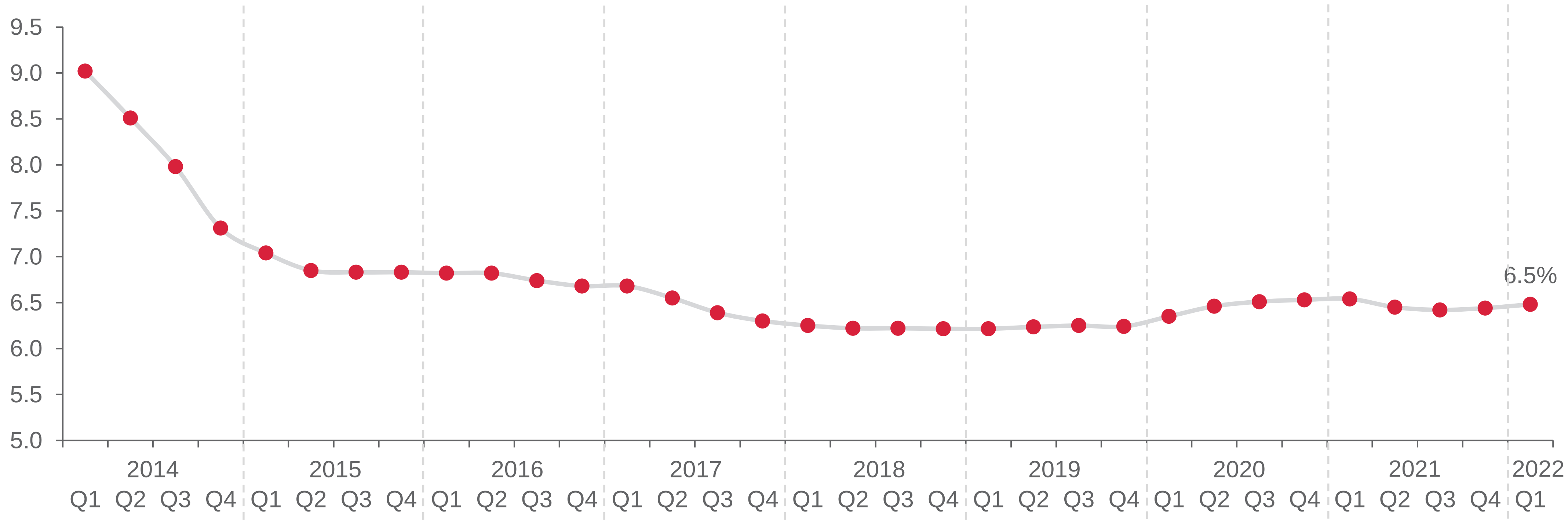
Continuous Strong Customer Intake

203k New Installations in Q1 2022, up +9% vs. Prior Year

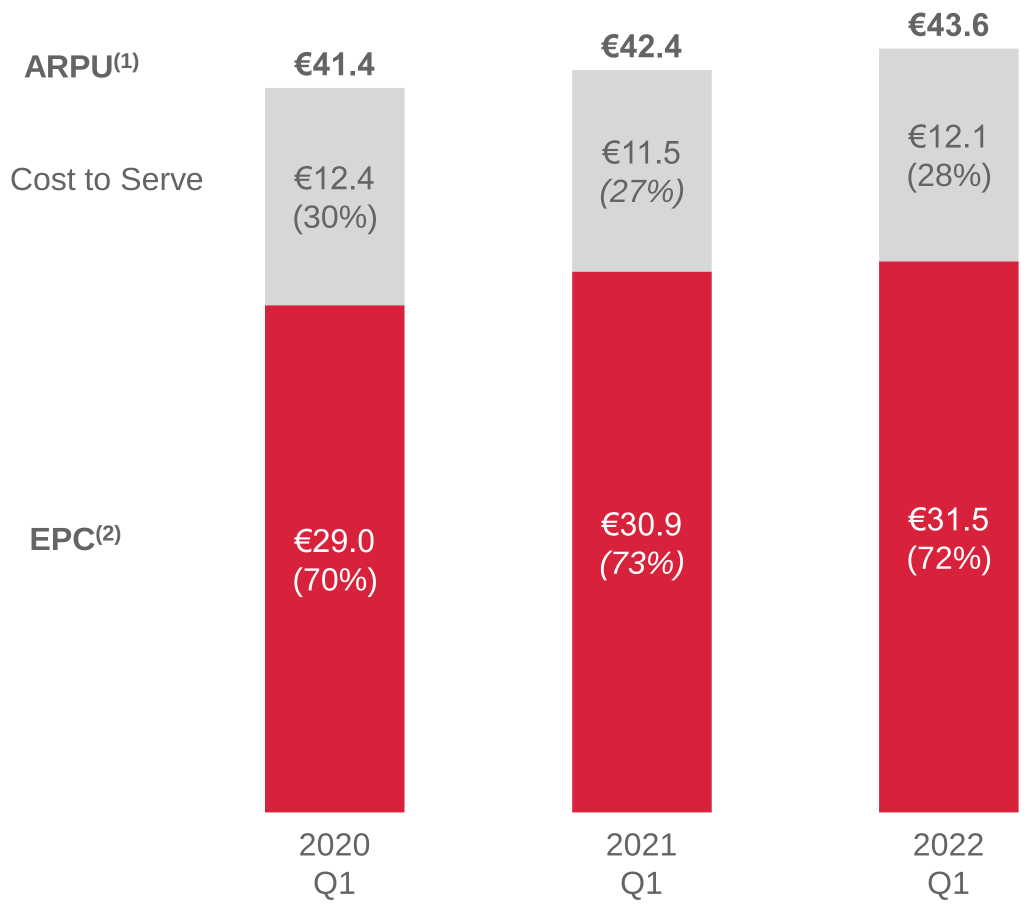


Sustained Low Attrition

LTM Attrition Rate (%)



Strong Unit Economics



	Q1 2022	Growth
ARPU	**€43.6**	+2.9%
EPC	**€31.5**	+1.9%

Note: (1) ARPU: Average Revenue Per User per month; (2) EPC: Portfolio EBITDA Per Customer per month

Key Financial Metrics

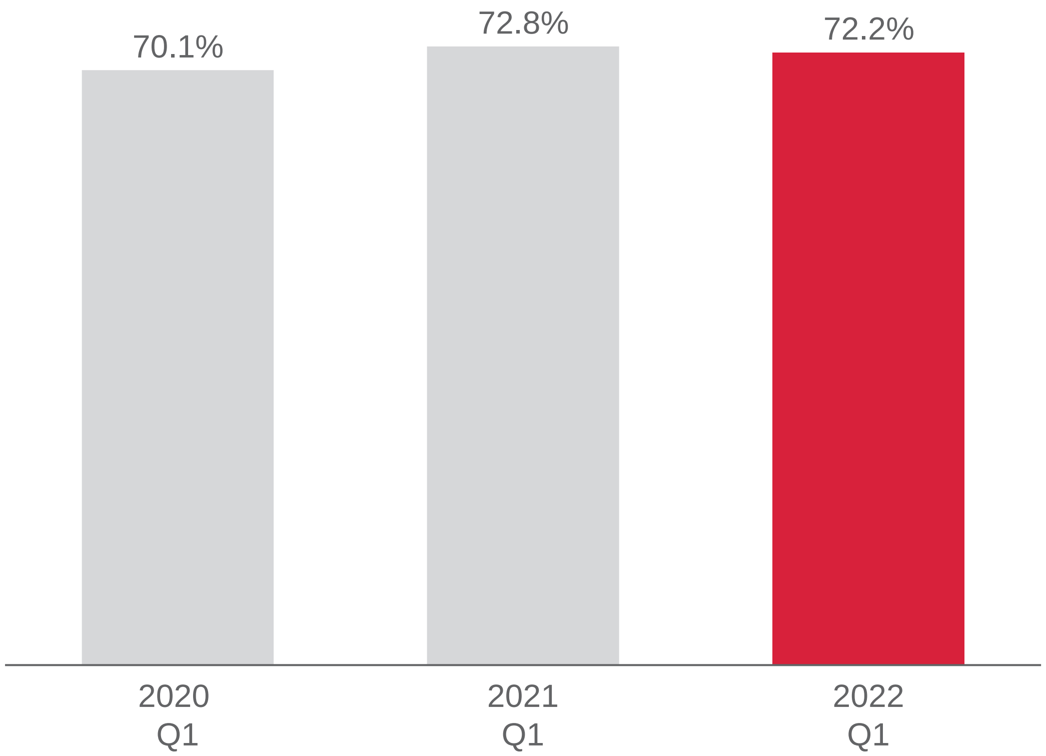
Strong Financial Metrics

€m

	2021 Q1	2022 Q1	% vs. PY
Total Revenue	596	682	+14%
Portfolio Services Adjusted EBITDA (1)	354	409	+16%
Total Adjusted EBITDA (1)	263	276	+5%
CF from Operating Activities	190	249	31%
Total Capex	176	186	+6%
Net Debt (2)	6,929	7,216	+4%
Cash & Unutilized Credit Facilities	700	439	(37)%

Sustained High Portfolio Services Profitability

Portfolio Services Adjusted EBITDA Margin (%)



Notes: (1) Excludes Separately Disclosed Items (SDI); (2) Net Debt per our Senior Facilities Agreement ("SFA") dated 25 January 2021, which includes IFRS 16 debt (€154m in Q1-2022 and €130m in Q1-2021)
PY = Prior Year

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Income Statement

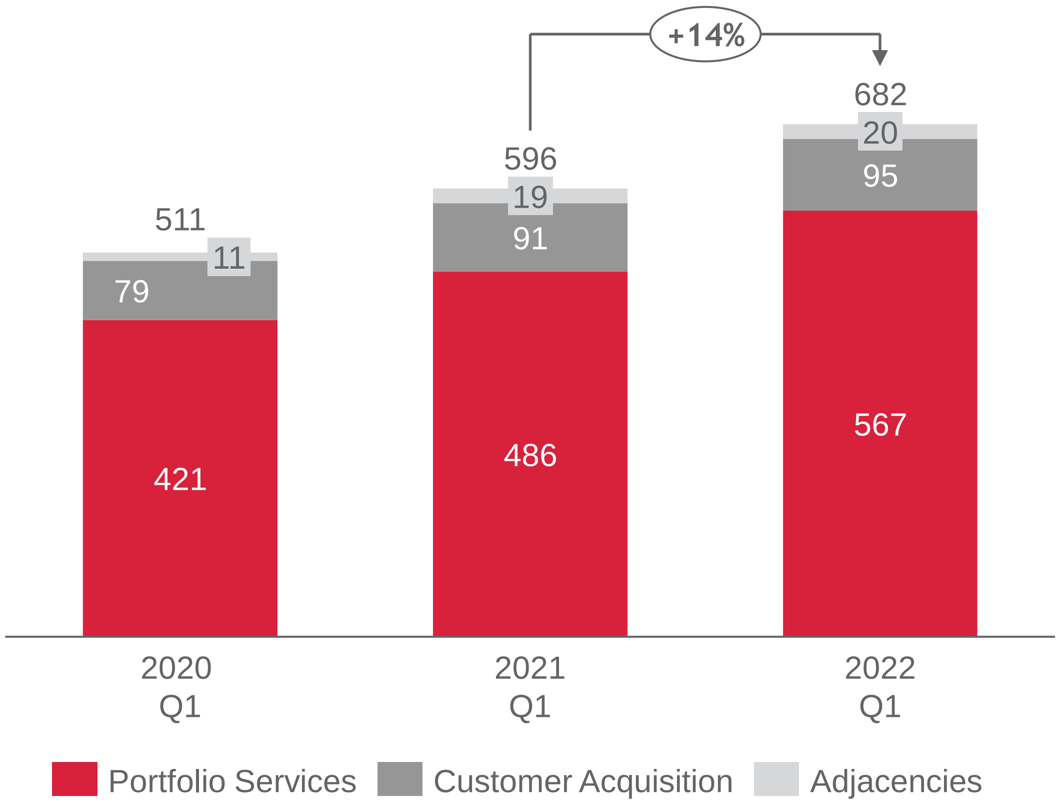
Income Statement - Q1 2022

€m

	Reported excl. SDI[1]	SDI[1]	Reported
Total Revenue	682		682
Net Operating Expenses	(406)	(3)	(410)
Total Adjusted EBITDA	**276**	**(3)**	**273**
D&A	(124)	(18)	(142)
Retirement of Assets	(18)	-	(18)
Operating Profit	**135**	**(22)**	**113**
Net Interest Expense	(75)	-	(75)
Other Financial Items	(2)	23	21
Result Before Tax	**58**	**1**	**59**
Income Tax			(27)
Result for the Period			**32**

Strong Revenue Growth

Total Revenue (€m)



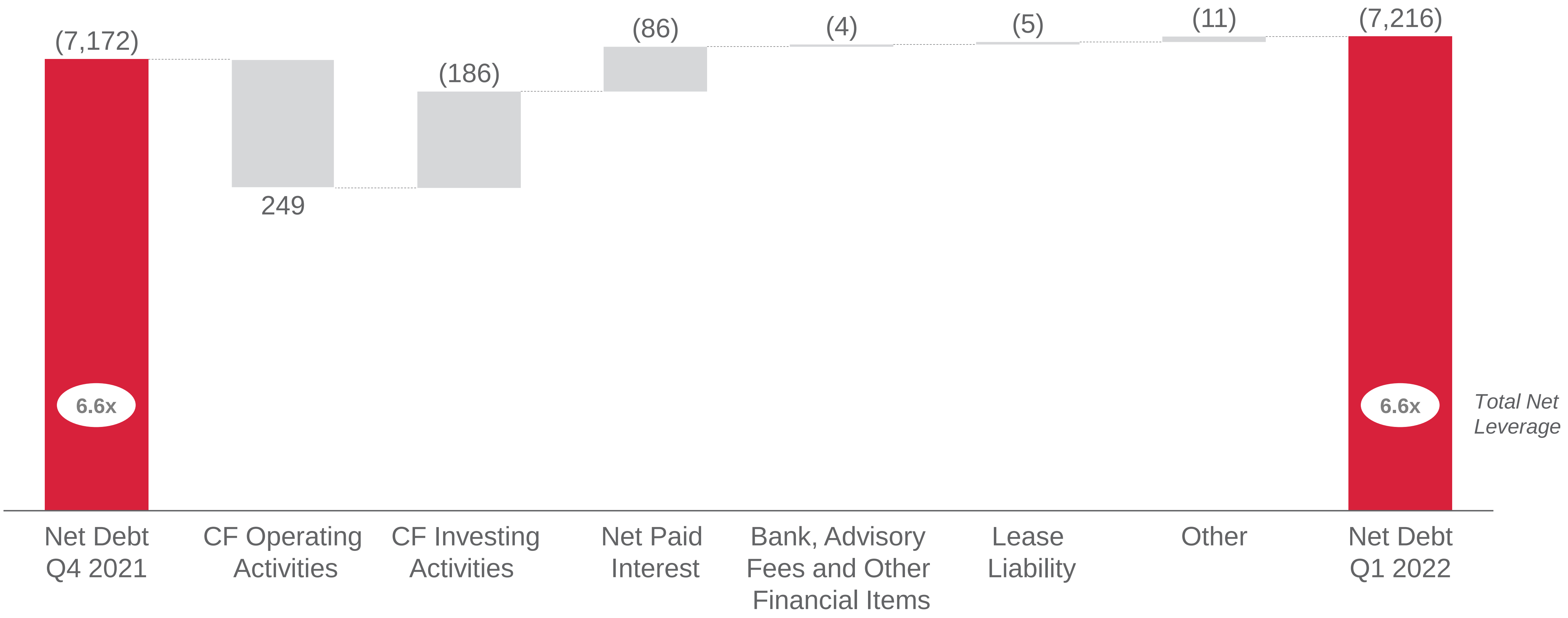
Note: [1] Separately Disclosed Items

Strong Operating Cash Flow Generation of €249m in Q1 2022

Cash Flow from Operating Activities, Q1 2022, €m

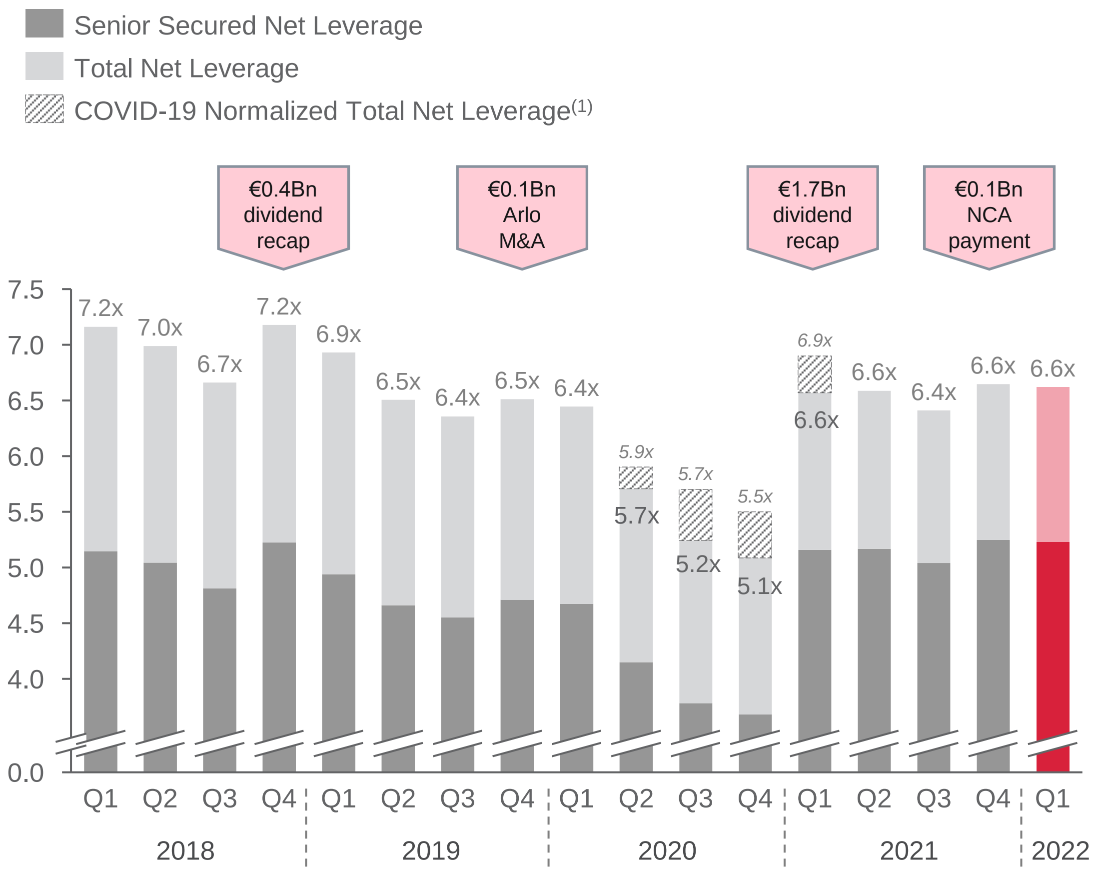
Net Debt Bridge

Net Debt Bridge, Q1 2022, €m



Leverage Overview

Evolution of L2QA Net Leverage



2021 - Q1 2022 L2QA Net Leverage

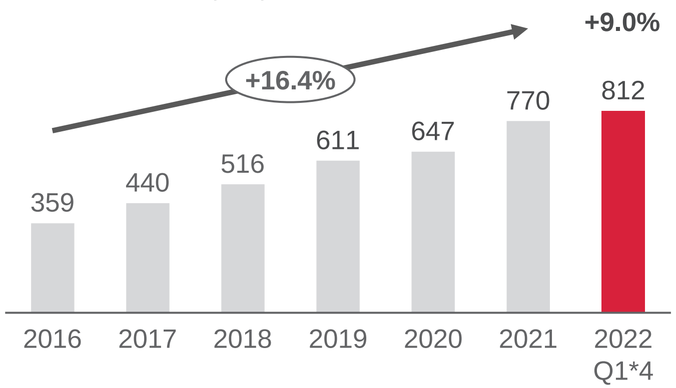
	2021				2022
	Q1	Q2	Q3	Q4	Q1
Net Debt (€m)	6,929	7,029	7,070	7,172	7,216
Adjusted EBITDA L2QA (€m)	1,054	1,067	1,102	1,079	1,090
Senior Secured Net Leverage (x)	***5.2x***	***5.2x***	***5.0x***	***5.2x***	***5.2x***
Total Net Leverage (x)	6.6x	6.6x	6.4x	6.6x	6.6x
COVID-19 Normalized Total Net Leverage (x)	***6.9x***	***6.6x***	***6.4x***	***6.6x***	***6.6x***

Note: (1) Total Net Leverage Normalized by COVID-19 related tailwinds

Resilient High-quality Growth

Strong Customer Intake

New Installations (000)



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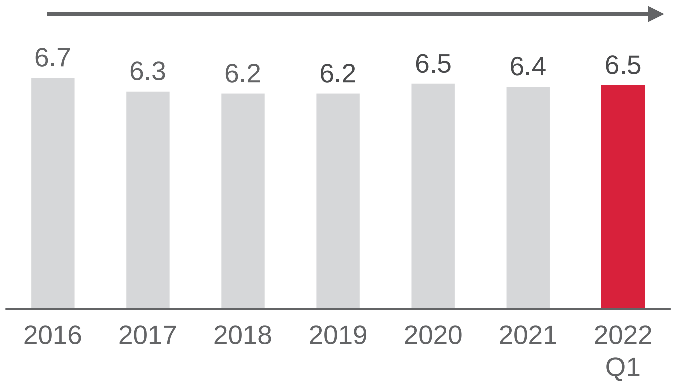
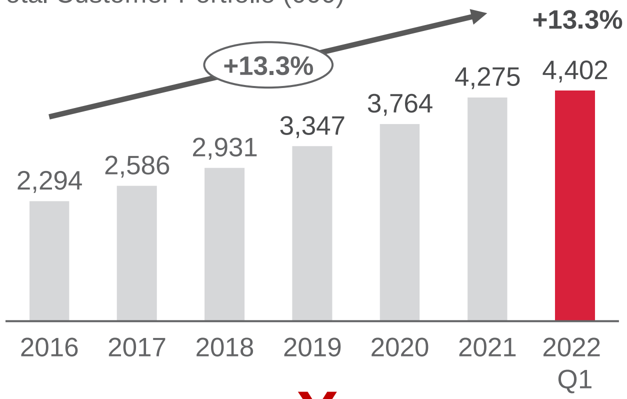
Low Attrition

(%, LTM)



Strong Portfolio Growth

Total Customer Portfolio (000)



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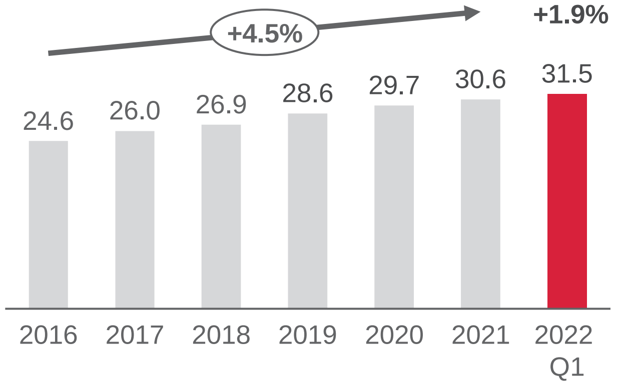
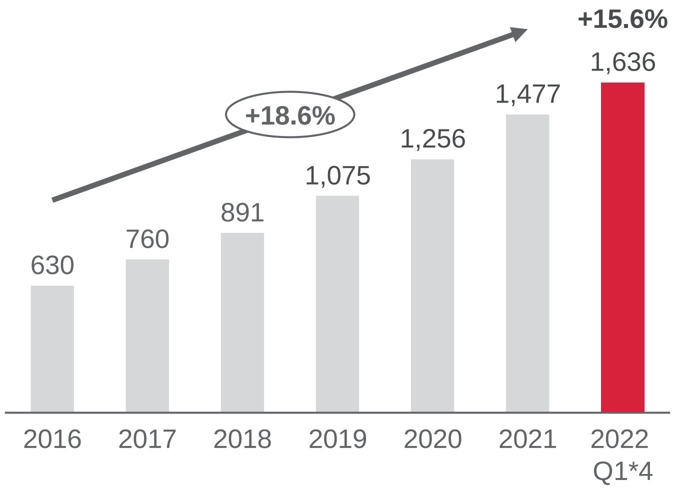
Improving Unit Economics

EPC (€)



Quality Portfolio EBITDA Growth

(€m)



Comments:

% = CAGR 2016 - 2021

Growth rates above the 2022 Q1 bars are vs. 2021 Q1

Note: Absolute numbers above the bars are in actual reported currency, where applicable

Solid Track Record of Pricing Ahead of Inflation

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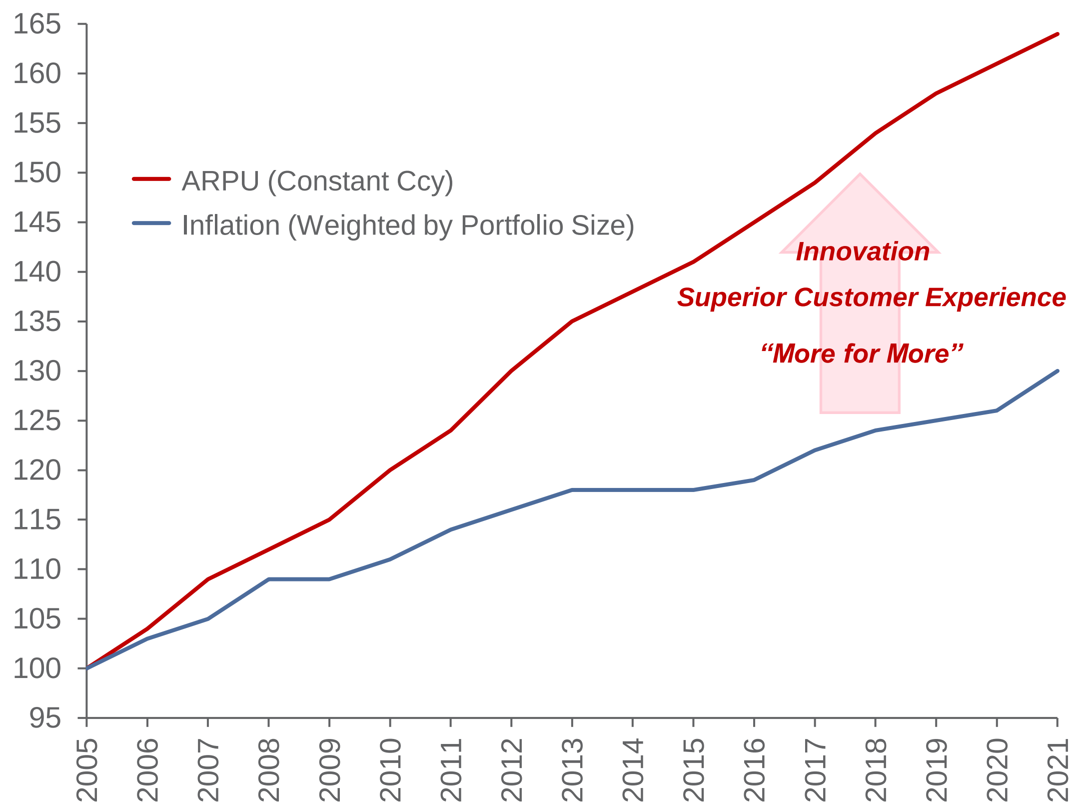
YoY Growth, Indexed to 100



Ongoing Investments in Innovation Delivering Award-winning, World Class Innovations

Source: World Bank Inflation Database (Average of Year Inflation); Verisure Analysis

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Q&A

Thank you

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