



Verisure Midholding AB (publ)

Earnings Call Presentation | Q1 2023

May 17th, 2023



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.

Today's Presenters



Austin Lally
Chief Executive Officer



Vincent Litrico
Chief Financial Officer

- **Key Developments**
- **Financial Review**
- **Q&A**

Performance Highlights

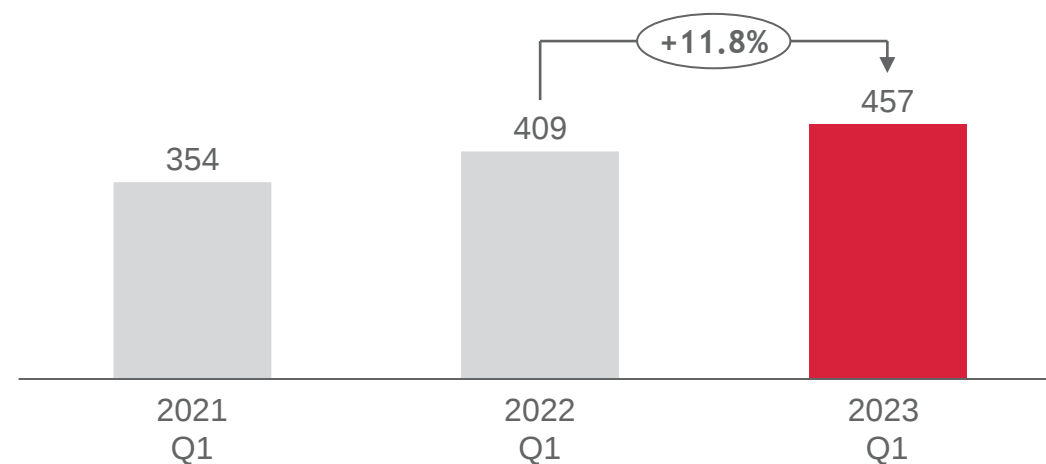
Key Highlights

- Continued strong operational and financial performance in Q1 2023
- Customer Portfolio continued to grow strongly (+10.4% vs. Q1 2022), and is now 4,860 thousand
- Total Revenue grew +11.1% in the quarter to €758 million
- Portfolio Services Adjusted EBITDA continued to grow strongly, up +11.8% in the quarter to €457 million
 - Annualized Portfolio Services Adjusted EBITDA is now over €1,829 million
- Total Adjusted EBITDA increased +18.3% in the quarter to €323 million
- In Jan 2023 we issued a new €450m Bond to fully refinance RCF drawings, and in Apr 2023 we redeemed our €200m FRN due 2025 with RCF drawings
 - All our debt now matures in 2026 or beyond, and is 70% fixed
- In May 2023, S&P and Moody's upgraded Verisure from "B2/B stable outlook" to "B1/B+ stable outlook"

Key Operating and Financial Metrics

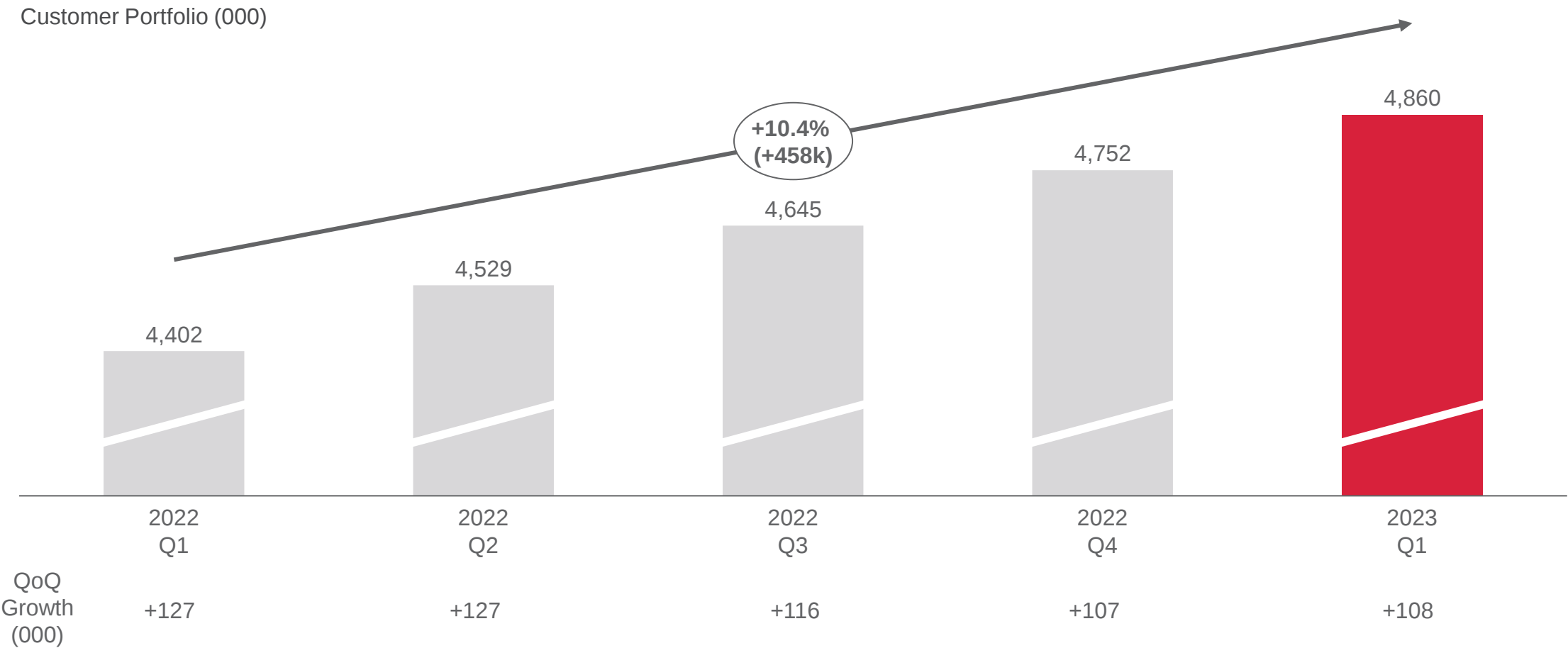
	2021 Q1	2022 Q1	2023 Q1
New Installations	+186k	+203k	+201k
Customer Portfolio	3,884k	4,402k	4,860k
YoY Growth	+454k	+518k	+458k

Portfolio Services Adjusted EBITDA (€m)



Continuous Strong Customer Portfolio Growth

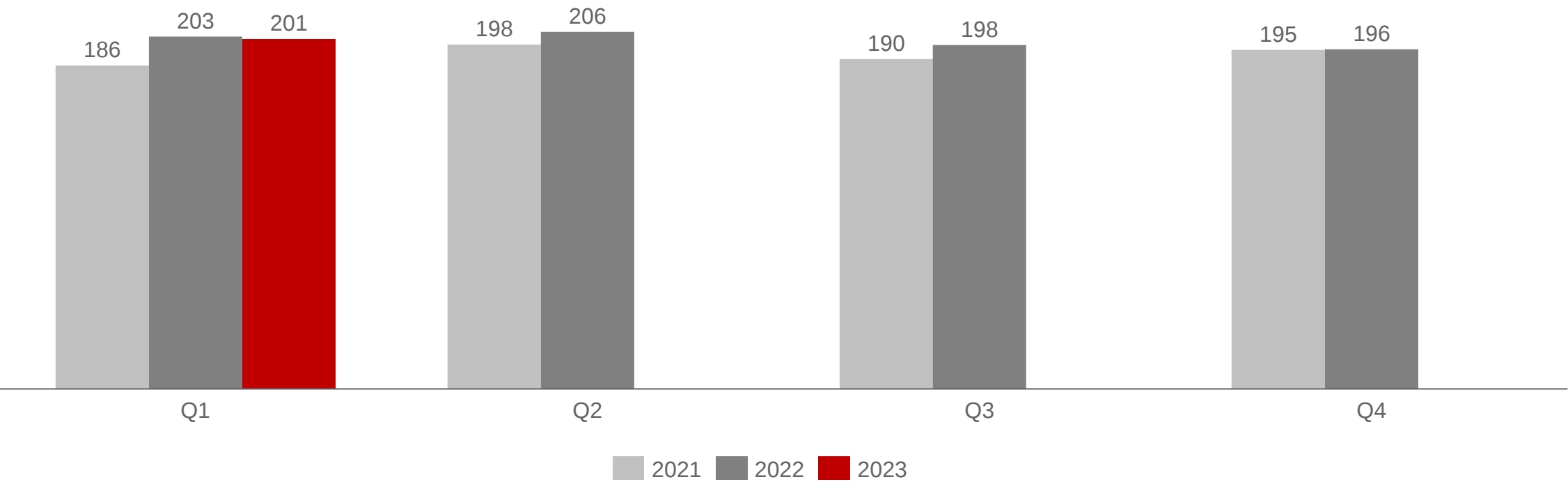
Customer Portfolio up +458k vs. Prior Year and Now Over 4.8 Million Customers



Continuous Strong Customer Intake in Line with Prior Record Year

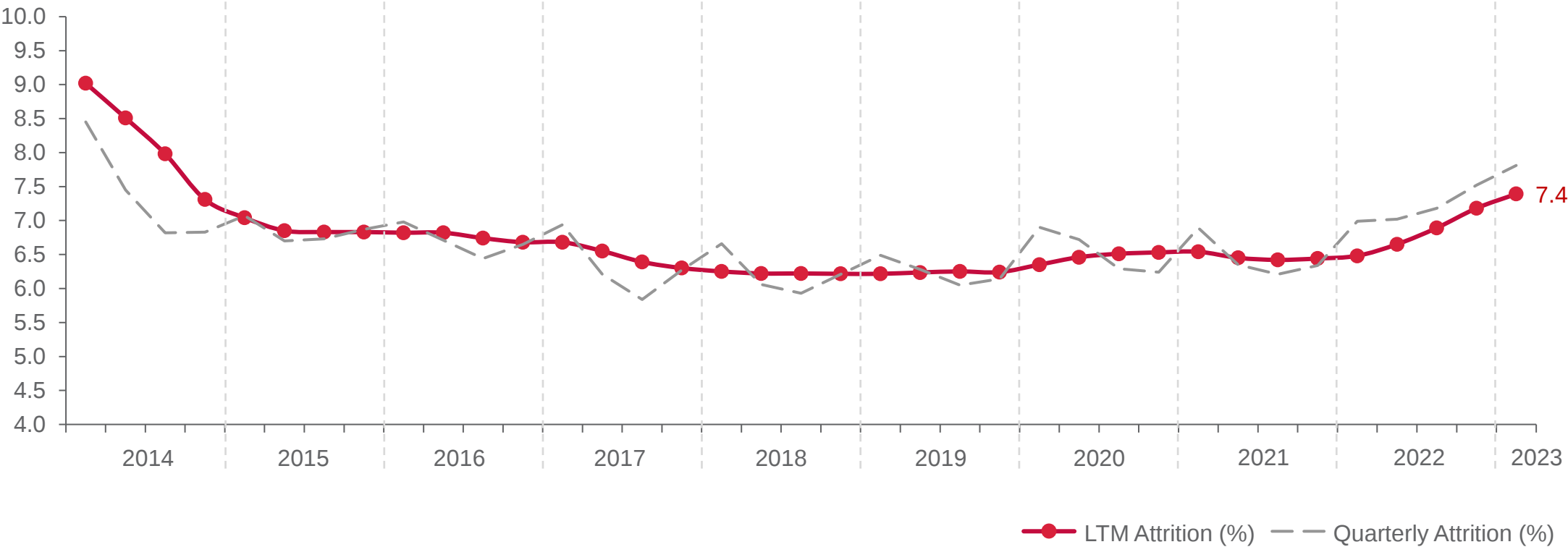
201k New Installations in Q1 2023

New Installations (000)

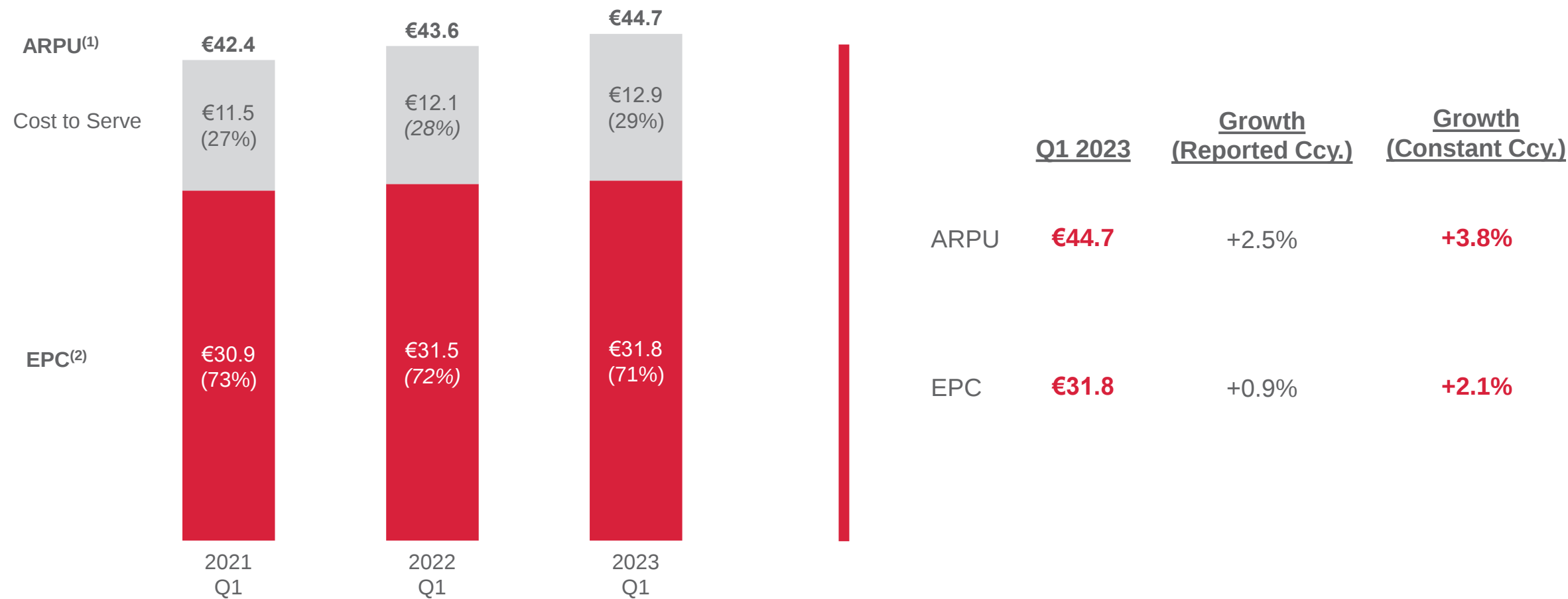


Sustained Low Attrition in Absolute Despite Modest Uptick in 2022

Attrition Rate (%)



Excellent Unit Economics



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

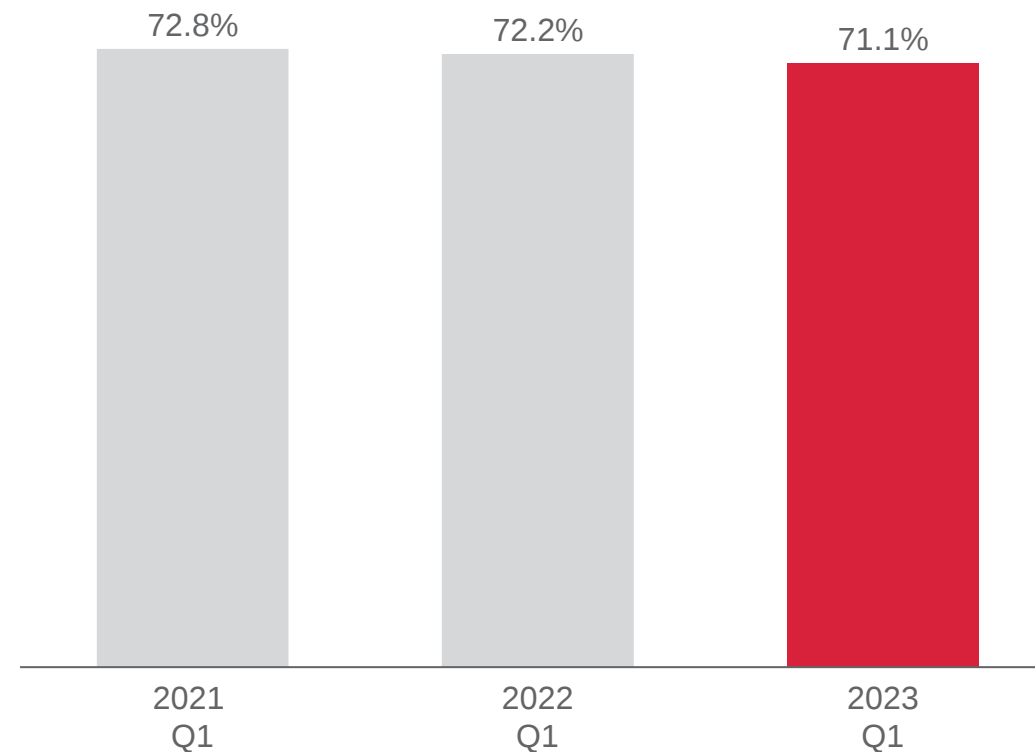
Key Financial Metrics

Strong Financial Metrics

€m	2022 Q1	2023 Q1	% vs. PY
Total Revenue	682	758	+11%
Portfolio Services Adjusted EBITDA ⁽¹⁾	409	457	+12%
Total Adjusted EBITDA ⁽¹⁾	276	328	+19%
CF from Operating Activities	249	328	+32%
Total Capex	186	205	+10%
Net Debt ⁽²⁾	7,216	7,423	+3%
Cash & Unutilized Credit Facilities	439	694	+58%

Sustained High Portfolio Services Profitability

Portfolio Services Adjusted EBITDA Margin (%)



Notes: ⁽¹⁾ Excludes Separately Disclosed Items (SDIs); ⁽²⁾ Net Debt per our Senior Facilities Agreement ("SFA") dated 25 January 2021, which includes IFRS 16 debt (€169m in Q1-2023 and €155m in Q1-2022)
PY = Prior Year

Income Statement

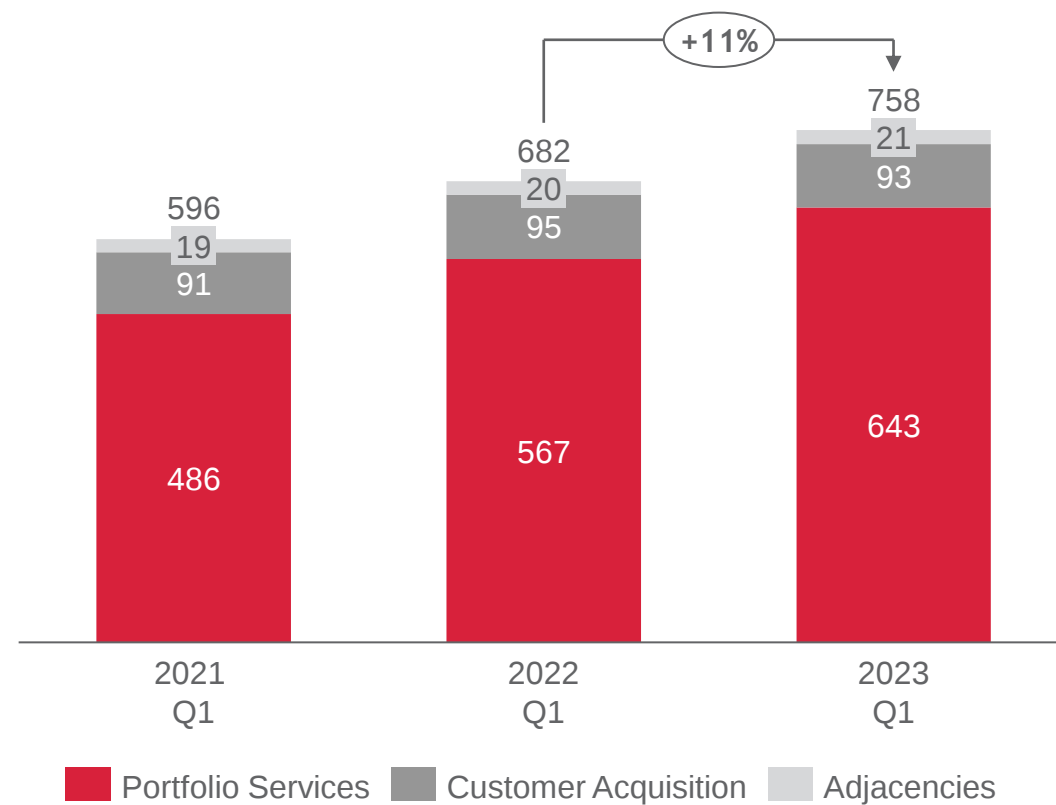
Income Statement - Q1 2023

€m

	Reported excl. SDIs ⁽¹⁾	SDIs ⁽¹⁾	Reported
Total Revenue	758		758
Net Operating Expenses	(430)	(5)	(435)
Total Adjusted EBITDA	328	(5)	323
D&A	(129)	(14)	(142)
Retirement of Assets	(29)	-	(29)
Operating Profit	171	(19)	152
Net Interest Expense	(104)	-	(104)
Other Financial Items	(7)	(21)	(28)
Result Before Tax	59	(39)	20
Income Tax			(11)
Result for the Period			9

Strong Revenue Growth

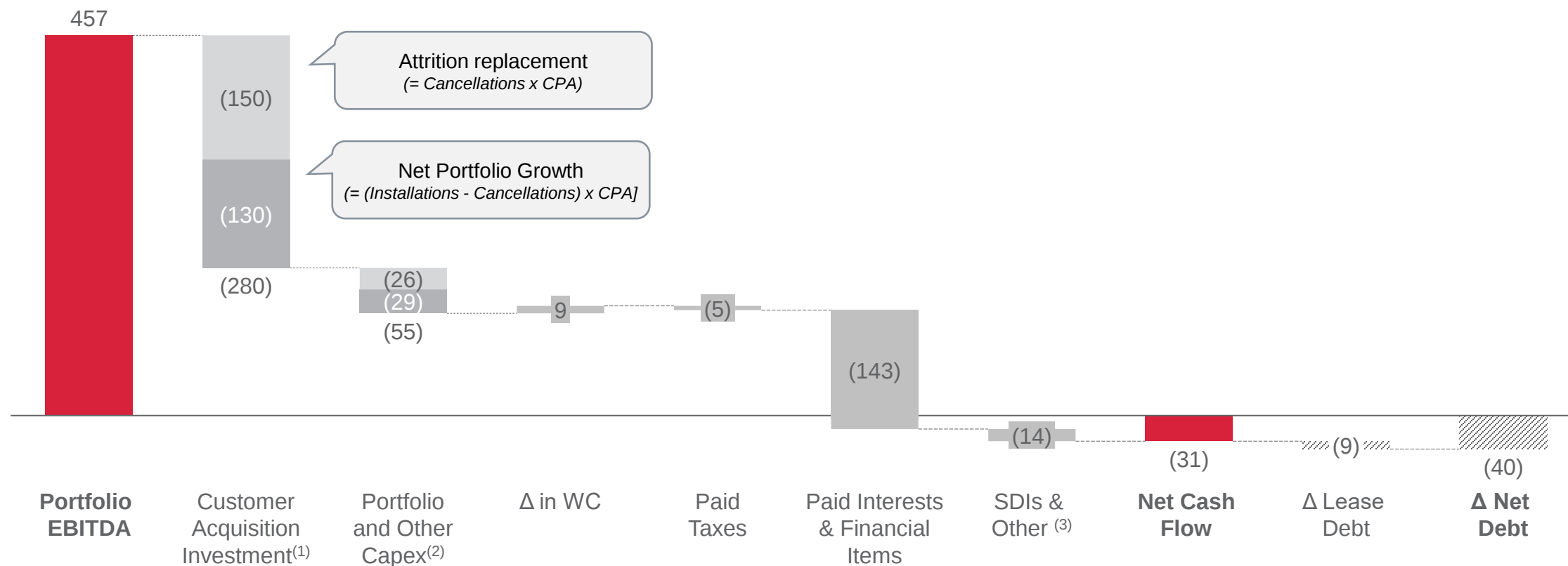
Total Revenue (€m)



Note: ⁽¹⁾ Separately Disclosed Items

Cash Flow Generation and Change in Net Debt

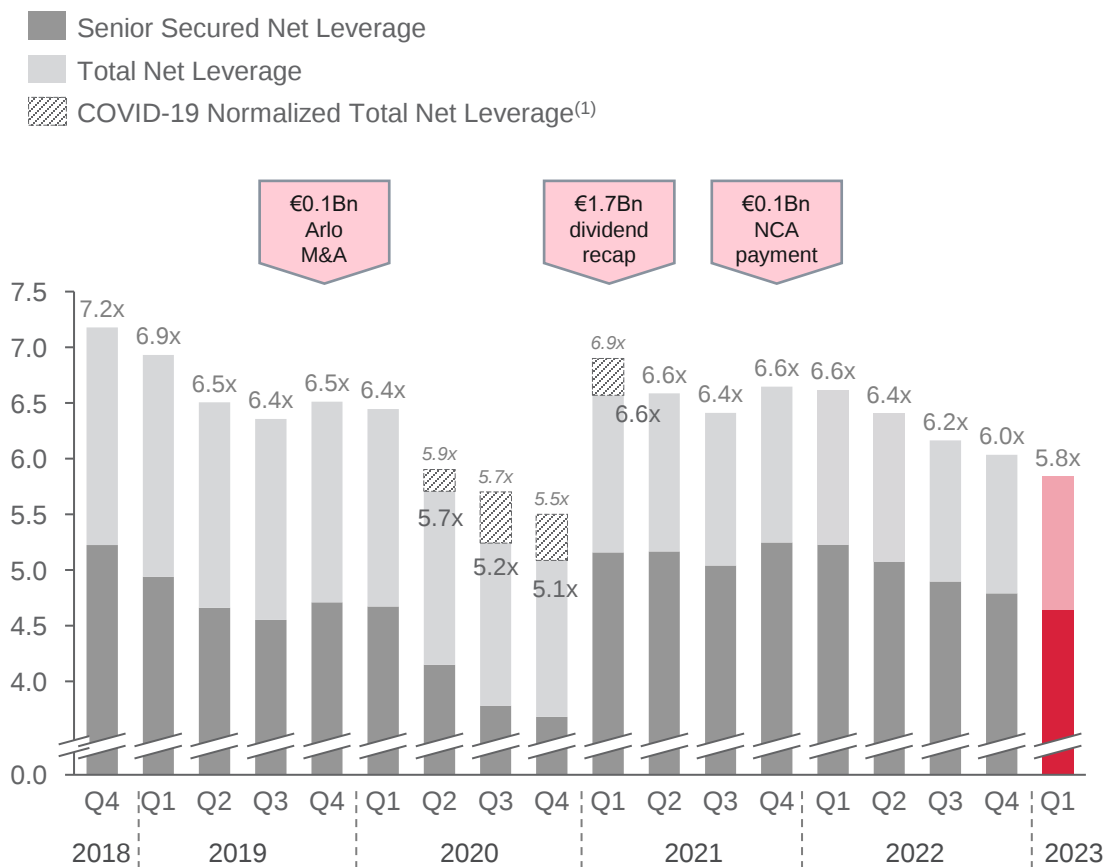
Q1 2023 Cash Flow Generation and Change in Net Debt, €m



Notes: ⁽¹⁾ Customer Acquisition Investment = Customer Acquisition EBITDA + Customer Acquisition Capex; ⁽²⁾ Portfolio capex (€29m) relates to new equipment for existing customers and Other Capex (€26m) includes capex related to R&D, IT and premises; ⁽³⁾ Mainly IFRS 16 lease cost

Leverage Overview

Evolution of L2QA Net Leverage



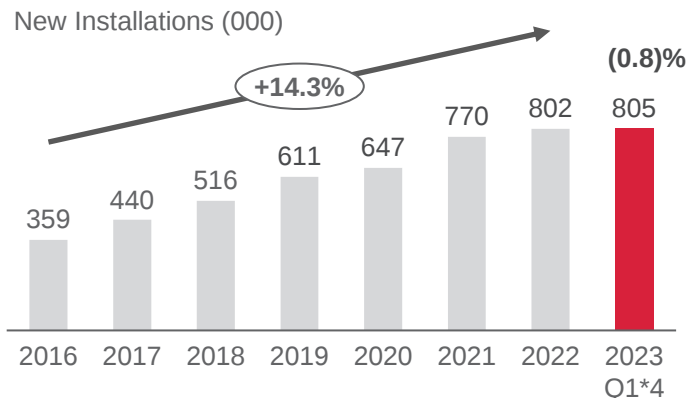
2022-23 L2QA Net Leverage

	2022				2023
	Q1	Q2	Q3	Q4	Q1
Net Debt (€m)	7,216	7,287	7,345	7,383	7,423
Adjusted EBITDA L2QA (€m)	1,090	1,140	1,192	1,224	1,270
Senior Secured Net Leverage (x)	5.2x	5.1x	4.9x	4.8x	4.6x
Total Net Leverage (x)	6.6x	6.4x	6.2x	6.0x	5.8x

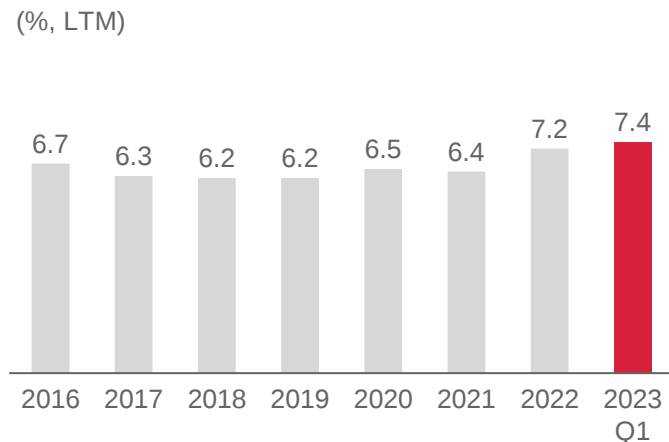
Note: ⁽¹⁾ Total Net Leverage Normalized by COVID-19 related tailwinds

Resilient High-quality Growth

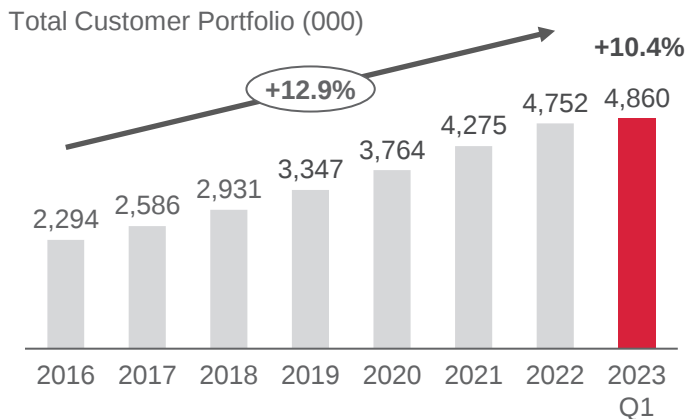
Strong Customer Intake



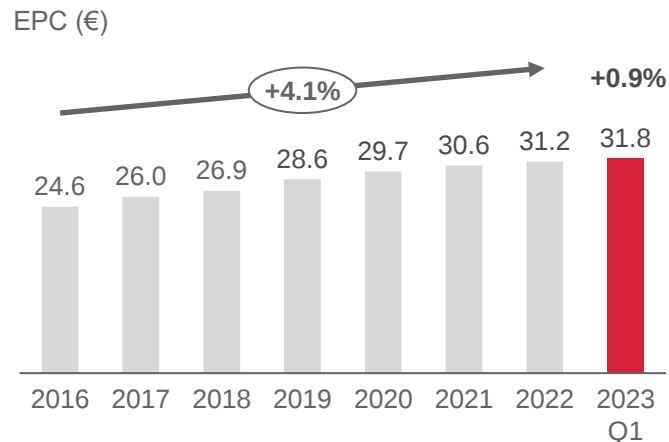
Low Attrition



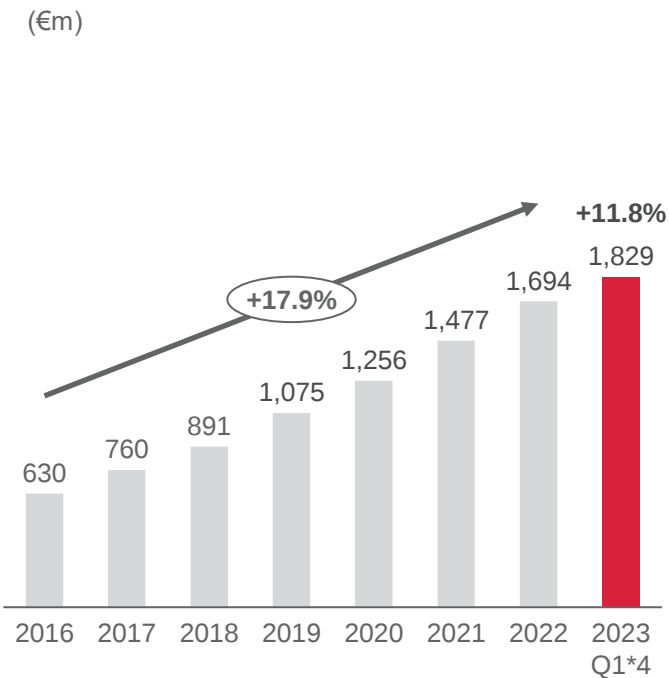
Strong Portfolio Growth



Improving Unit Economics



Quality Portfolio EBITDA Growth



Comments:

% = CAGR 2016 - 2022

Growth rates above the 2023 bars are vs. 2022

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





Thank you

