



Verisure Midholding AB (publ)

Earnings Call Presentation

January 1 - June 30, 2018

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 Q2** – Austin Lally, CEO
- **Financial review of Q2 2018** – Vincent Litrico, CFO
- **Questions & answers**



Austin Lally
Chief Executive Officer



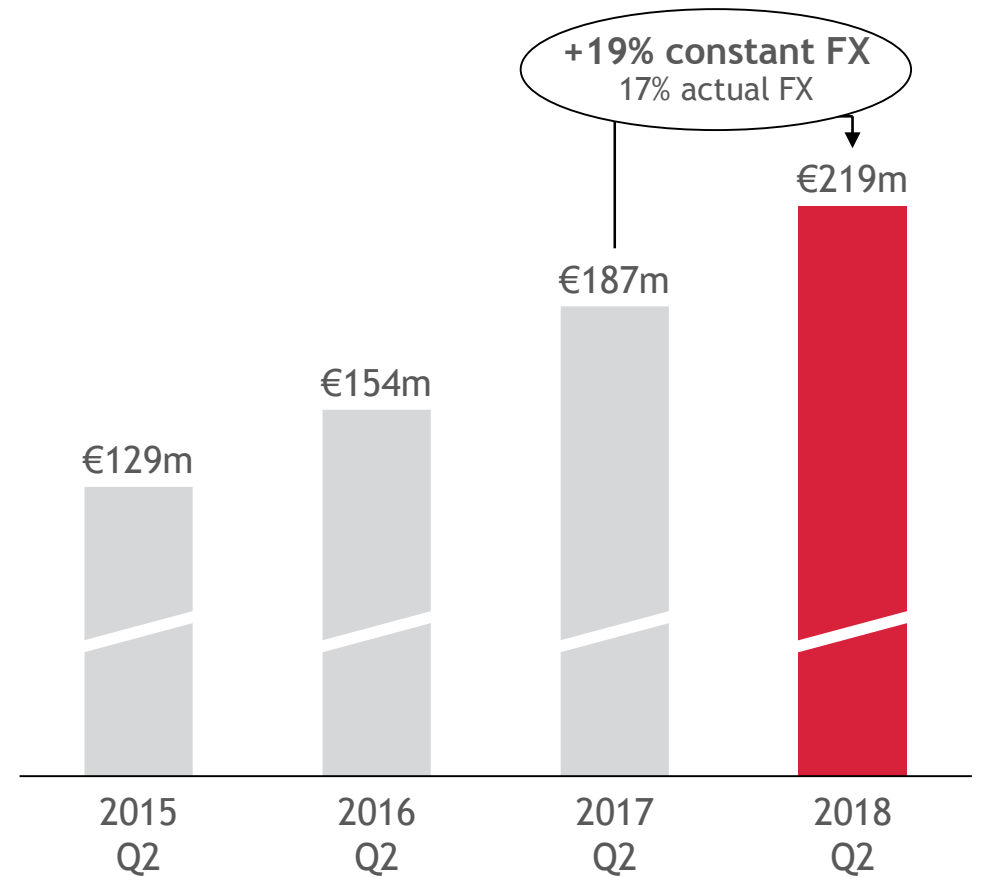
Vincent Litrico
Chief Financial Officer

Q2 2018 Performance Highlights

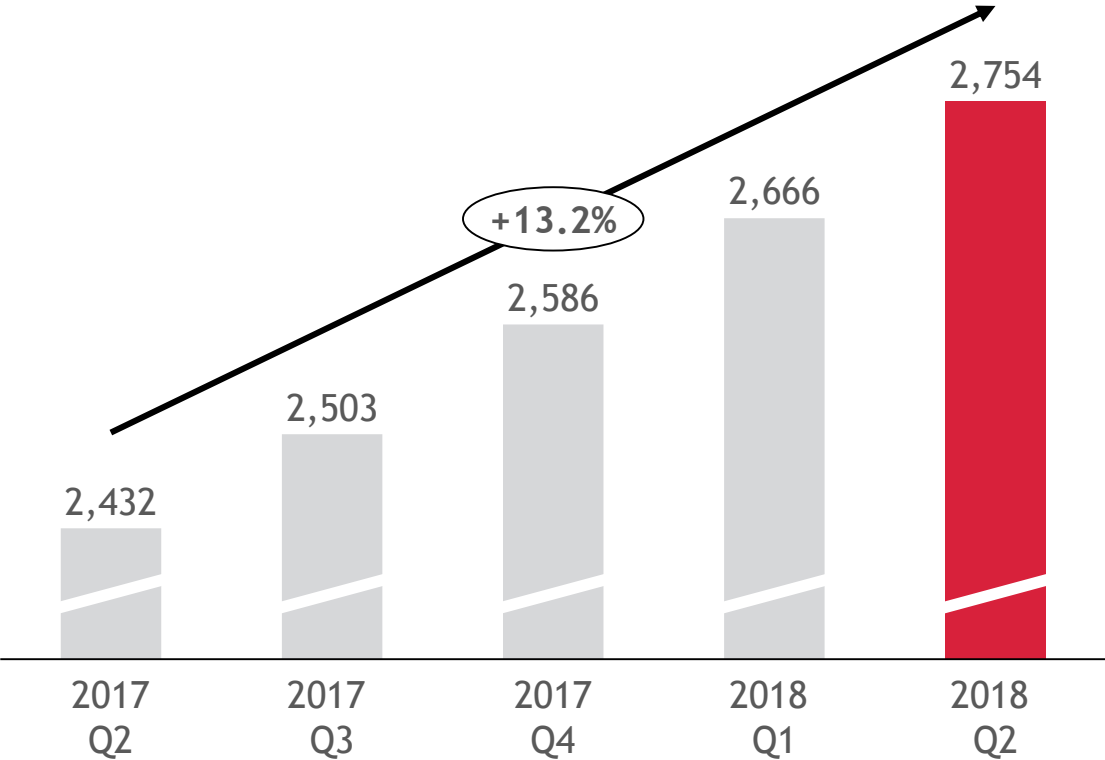
	<u>Installations</u>	<u>Portfolio</u>	<u>Portfolio EBITDA</u>
Q2 2018	+129k	2.8m	€219m
Q2 2017	+112k	2.4m	€187m

Summary

- Continued strong development across the group
- Broad-based sales growth, increasing +17% YoY (19% in constant currency)
- Very solid financials - Portfolio EBITDA up +19% YoY in constant currency. Portfolio EBITDA exceeding EUR 850 million on an annualized basis
- Solid operating cash flow generation, now more than EUR 500 million annually
- Continue to see attractive growth opportunities due to low penetration across Europe and Latin America



Portfolio up +322k customers YoY to 2.8 million



Number of Customers in portfolio (000s)

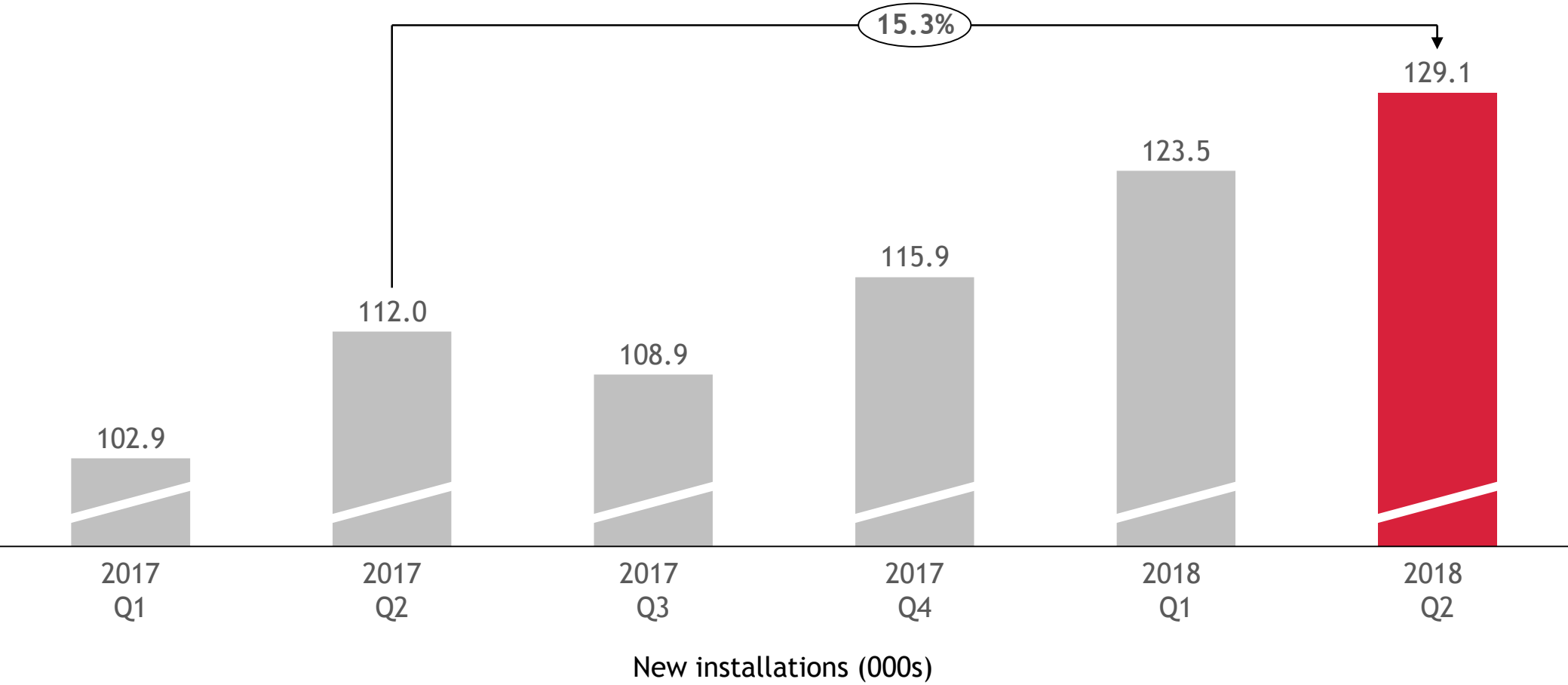
Net Portfolio Growth (NPG)

vs Q2 2017

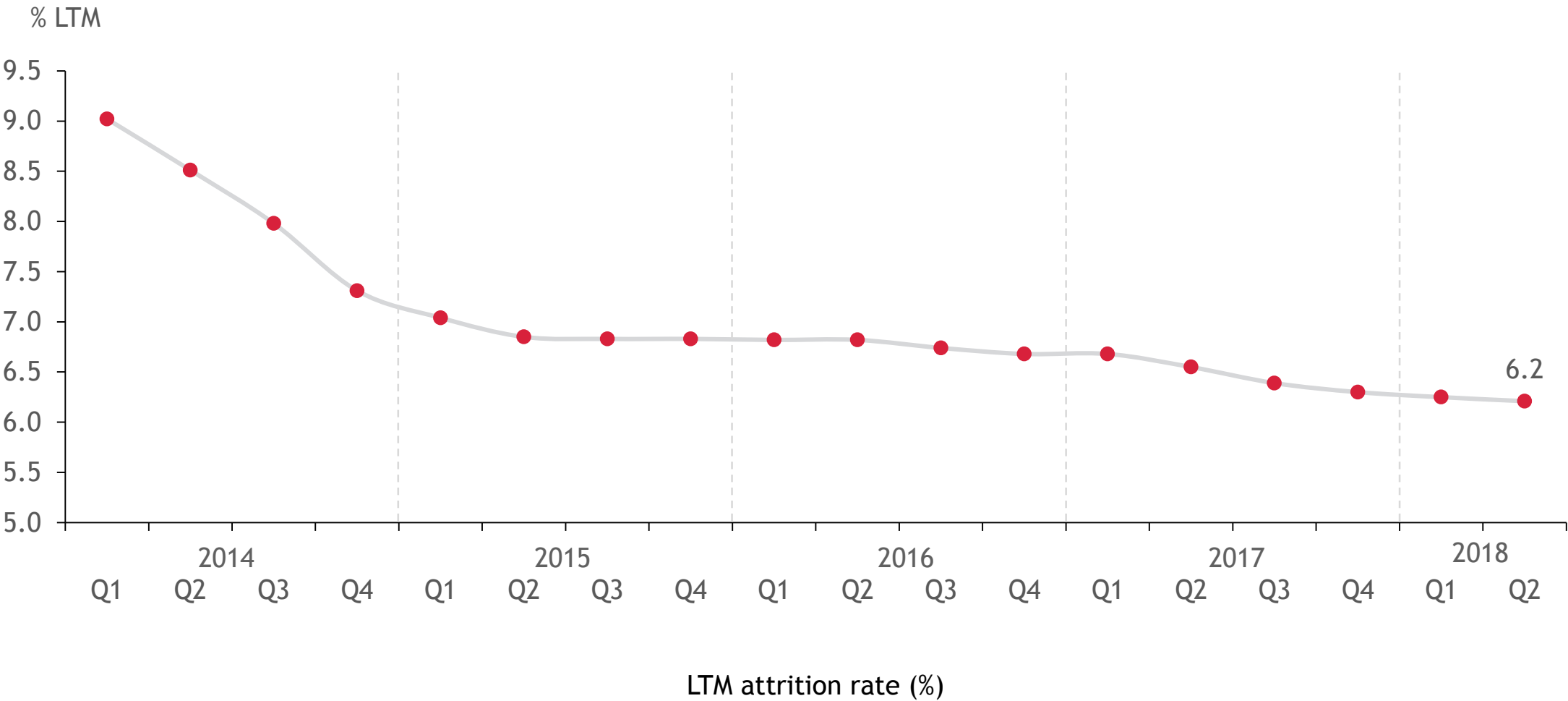
NPG (000s)	+322
NPG (% of portfolio)	+13.2%
NPG Acceleration*	+16%

(*) Growth vs. Q2 2017 NPG

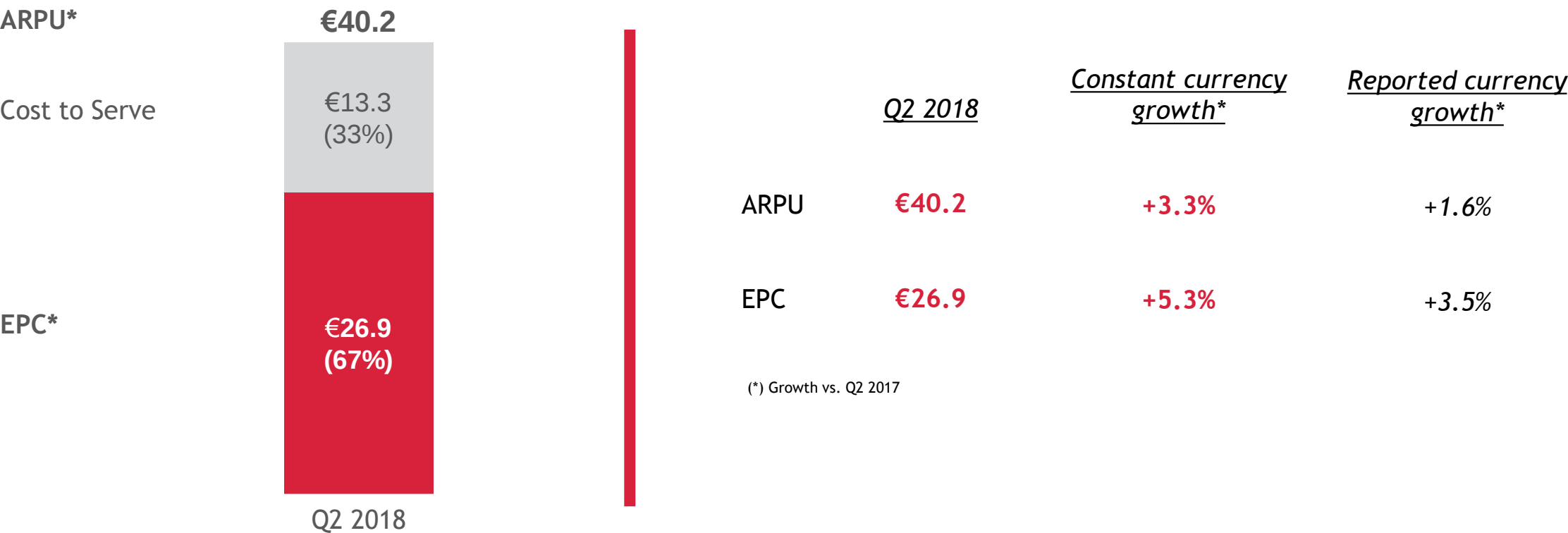
129k new customers added in Q2 2018



Maintaining excellent customer retention



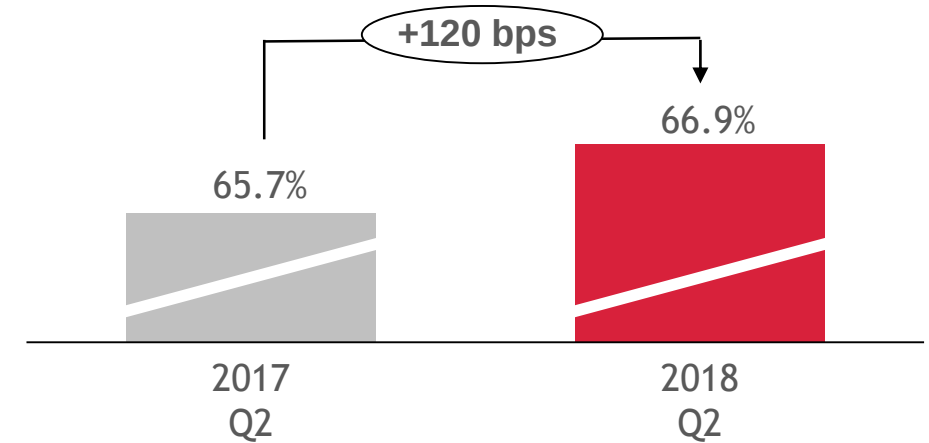
Continued growth in customer profitability



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

Key Financial Metrics - Q2 2018

(€m)	2018 Q2	2017 Q2	% YoY
Revenue*	398	343	+16%
Portfolio Services, Adjusted EBITDA*	219	187	+17%
Total Adjusted EBITDA*	152	136	+12%
Cash Flows from Operating Activities	125	109	+14%
CapEx, total	118	101	+16%
Net debt	4,275	3,049	+40%
Cash and unutilised credit facilities	218	295	(26%)



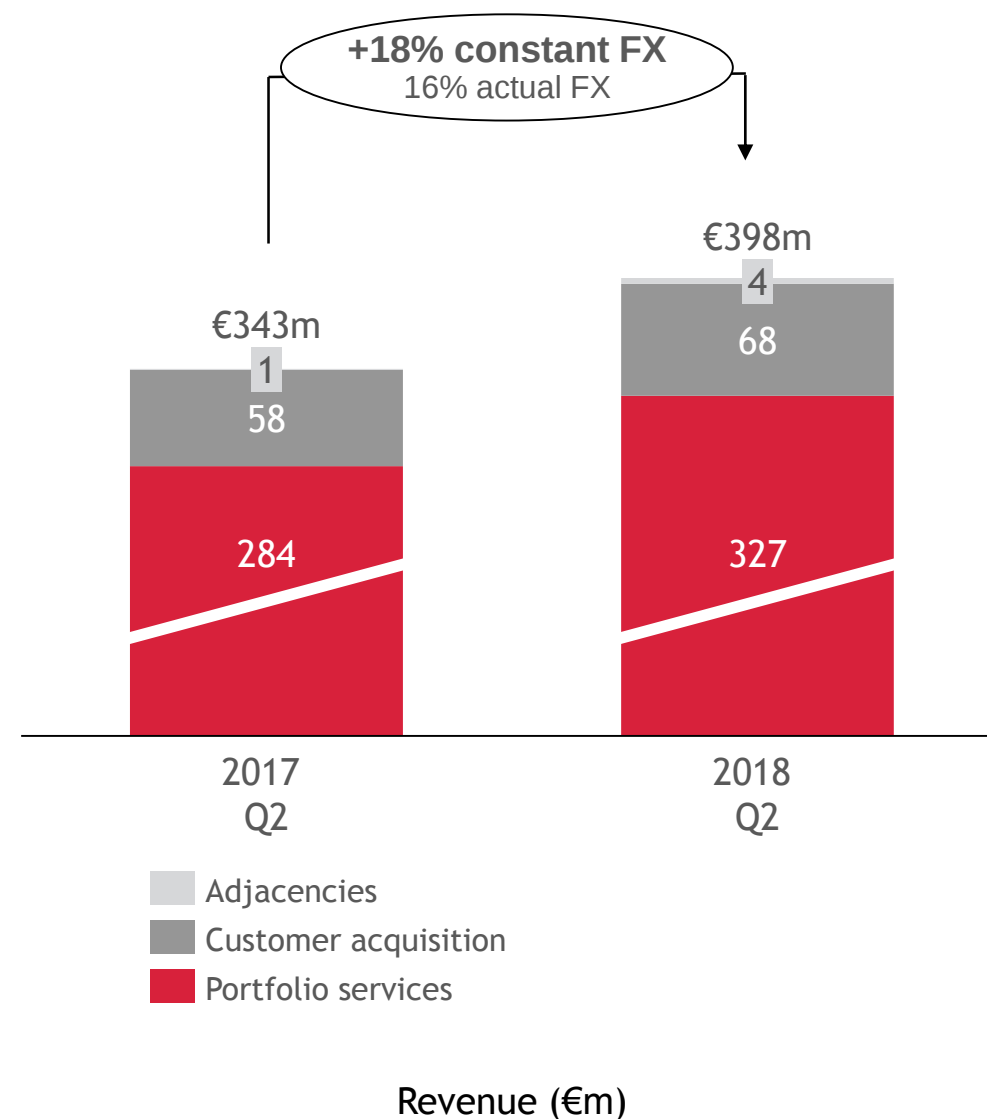
Portfolio Services Adj. EBITDA margin (%)

(*) Figures excl. Separately Disclosed Items and IFRS 15 impact

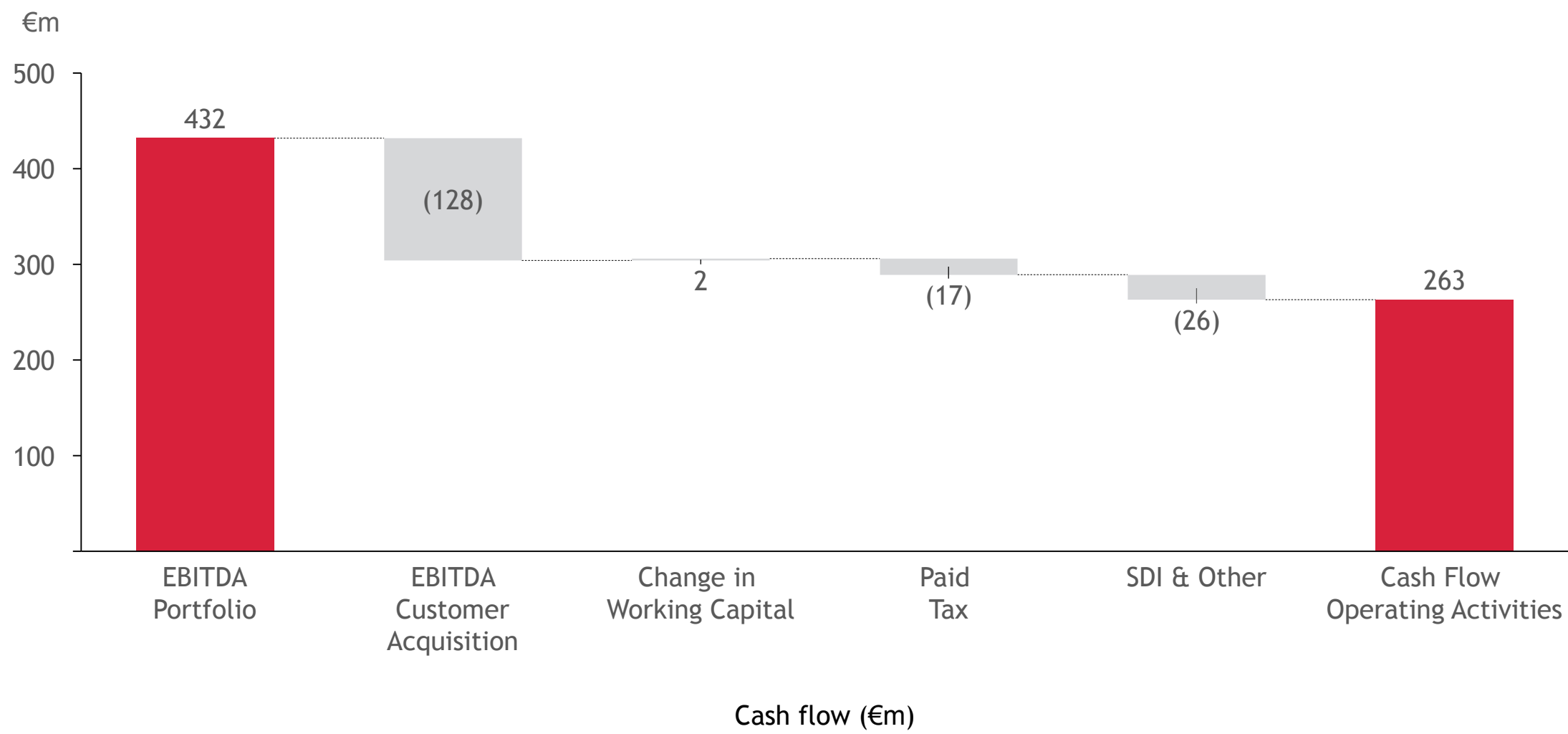
Income Statement - Q2 2018

(€m)	Reported excl. SDI	SDI & IFRS*	Reported
Revenue	398	(6)	392
Net operating expenses	(246)	(5)	(251)
Adjusted EBITDA	152	(11)	141
Depreciation and amortisation	(43)	(38)	(81)
Retirement of assets	(14)	-	(14)
Operating profit	95	(49)	45
Interest income & cost	(45)	6	(39)
Other financial items	(1)	(62)	(63)
Result before tax	49	(105)	(56)
Income tax			(3)
Result for the period			(59)

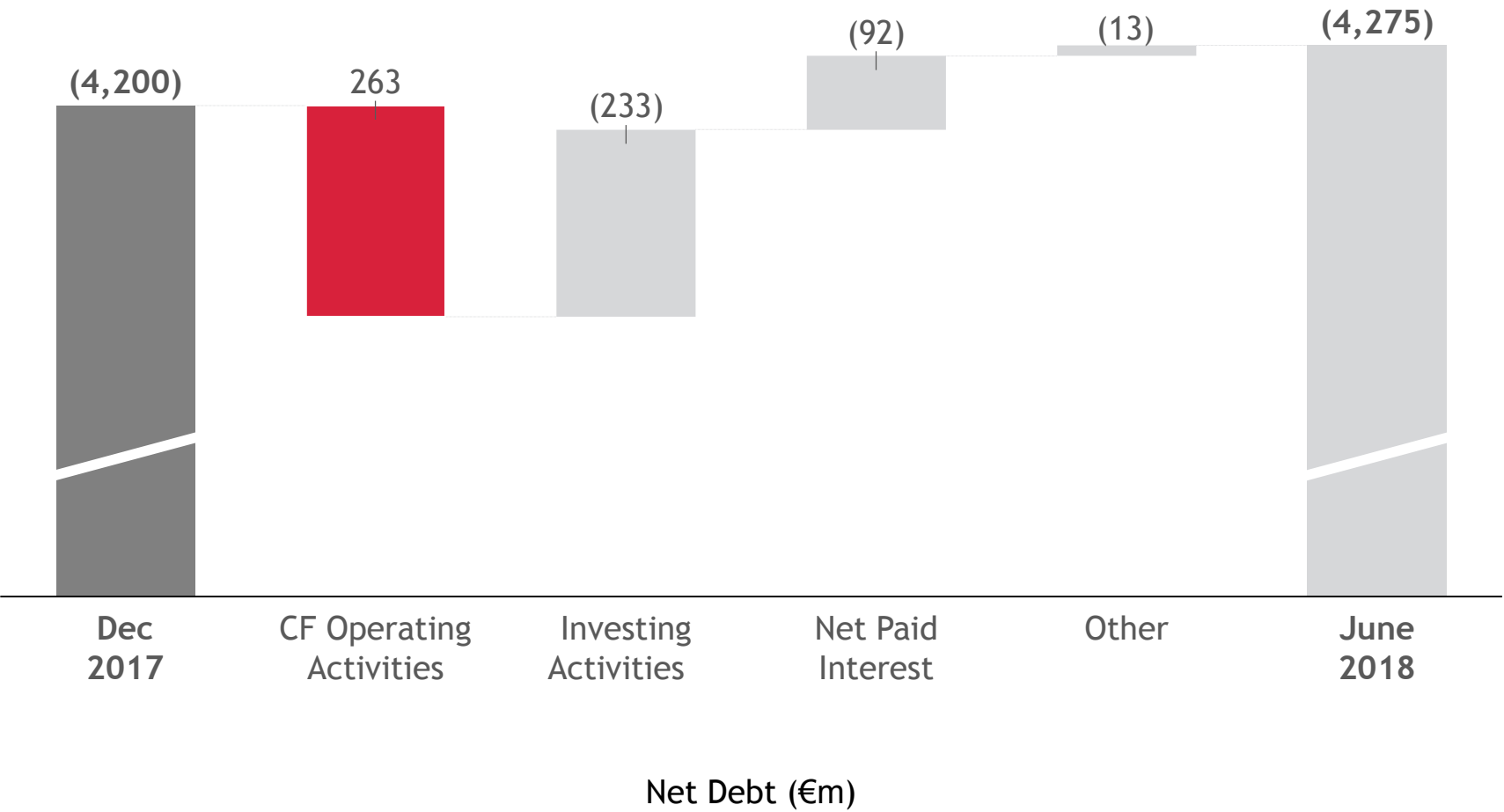
(*) SDI – Separately Disclosed Items and IFRS 15 impact



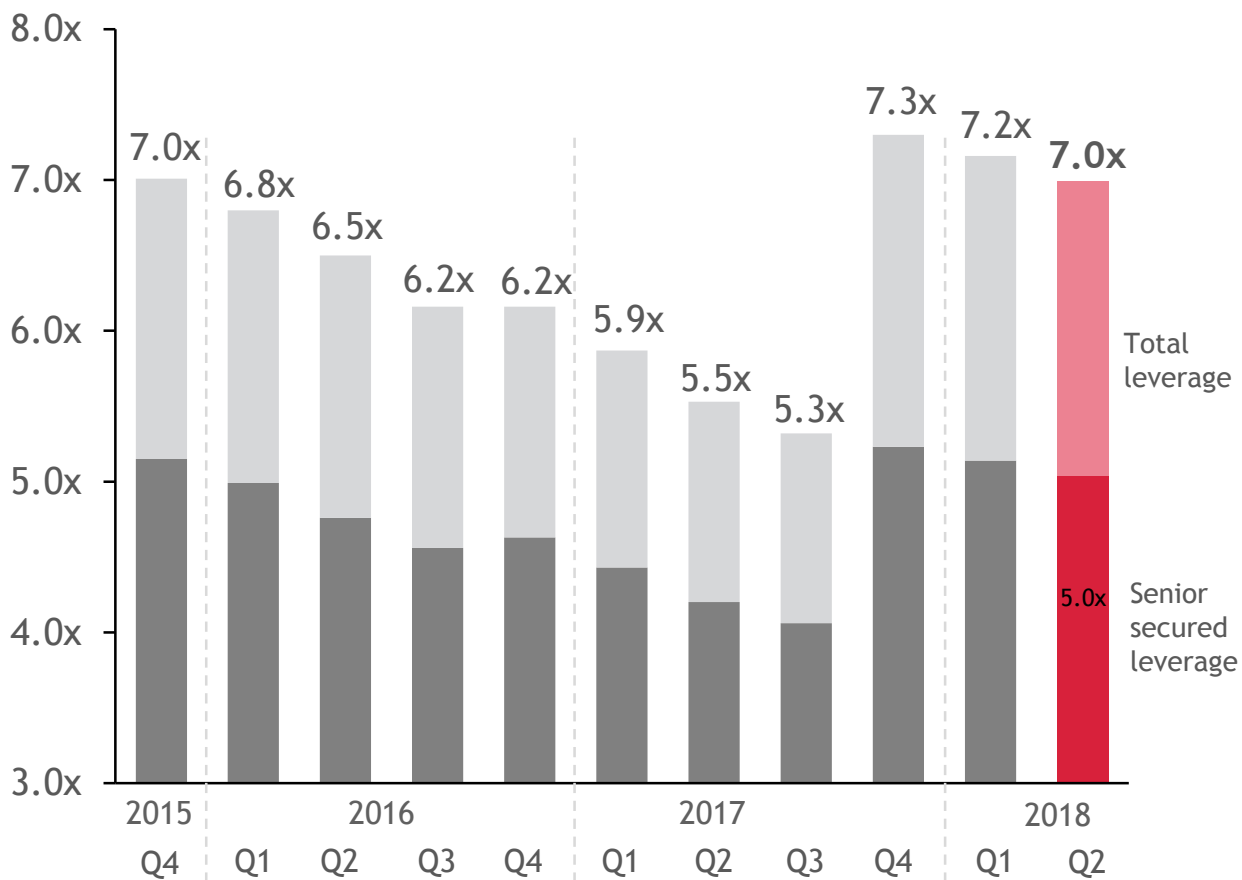
Cash flow from operating activities - YTD June 2018



Net debt bridge - YTD June 2018



Leverage



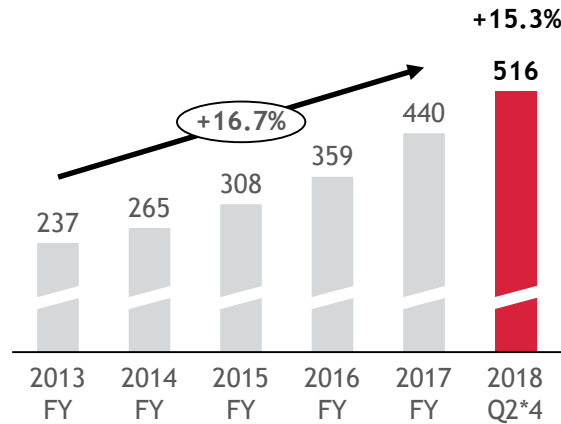
Evolution of L2QA* Leverage

	2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2
Net debt (€m)*	3,019	3,050	3,057	4,200	4,195	4,275
Adjusted EBITDA annualized (€m)*	515	552	574	575	586	612
Leverage (Total)*	5.9x	5.5x	5.3x	7.3x	7.2x	7.0x

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

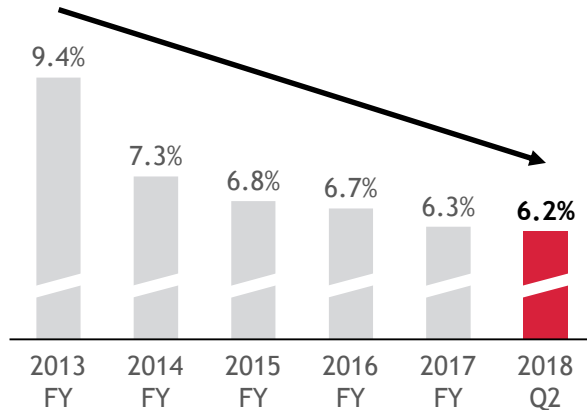
(*) L2QA = last two quarters annualized

Resilient Quality Growth

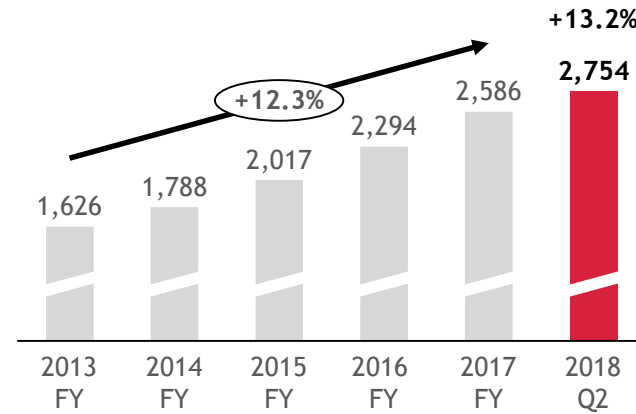


Strong growth in new subscribers
(New installations 000s)

+

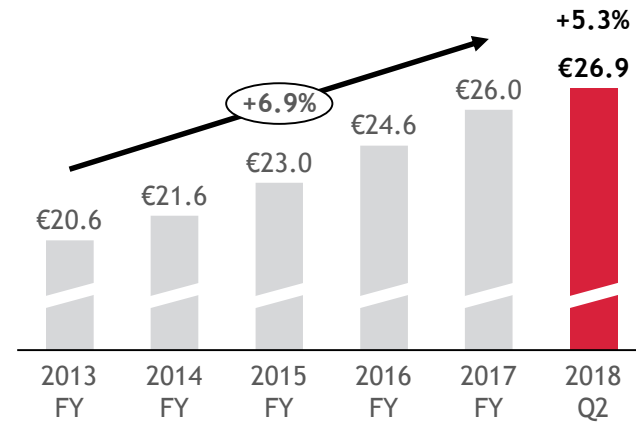


Excellent customer stickiness
(Attrition %, LTM)

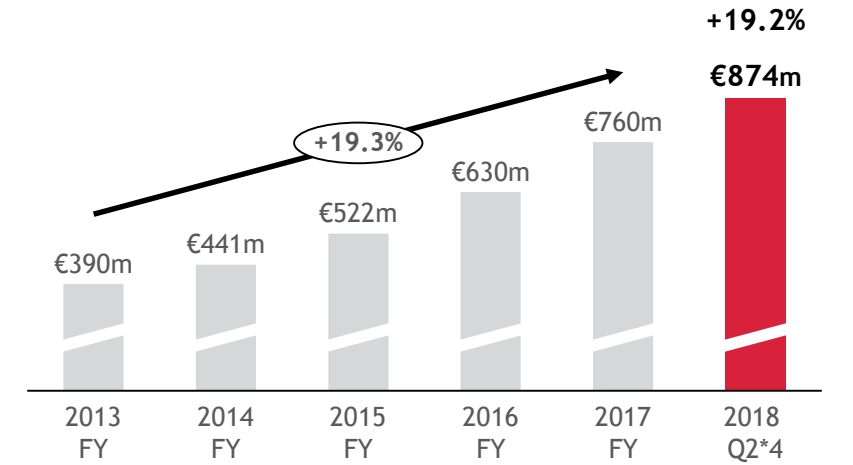


Resilient portfolio growth
(Total customer portfolio 000s)

X



Improving unit economics
(EPC €)



Quality Portfolio EBITDA growth

Notes:

Growth rates vs. prior year and 4 year CAGRs, in constant currencies.
Q2*4= Q2 2018 annualized.

Q&A

IFRS 15 Restatement - Impact on Q2 2017

Appendix

2017 - Q2

(€m)	Previously reported	Restated results	Change
Adjusted EBITDA	136.3	136.3	-
SDI	(10.9)	(10.9)	-
IFRS Adjustment	-	(6.5)	(6.5)
Reported EBITDA	125.4	118.9	(6.5)

2017 - Q2

(€)	Previously reported	Restated KPI's	Change
ARPU	39.7	39.6	(0.1)
EPC	26.0	26.0	-
CPA	1,147	1,147	-