Verisure Midholding AB (publ)

Earnings Call Presentation – Q2 2020

April 1 – June 30, 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 Q2 2020** – Austin Lally, CEO
- **Financial review of Q2 2020** – Vincent Litrico, CFO
- **Questions & answers**

Austin Lally
Chief Executive Officer

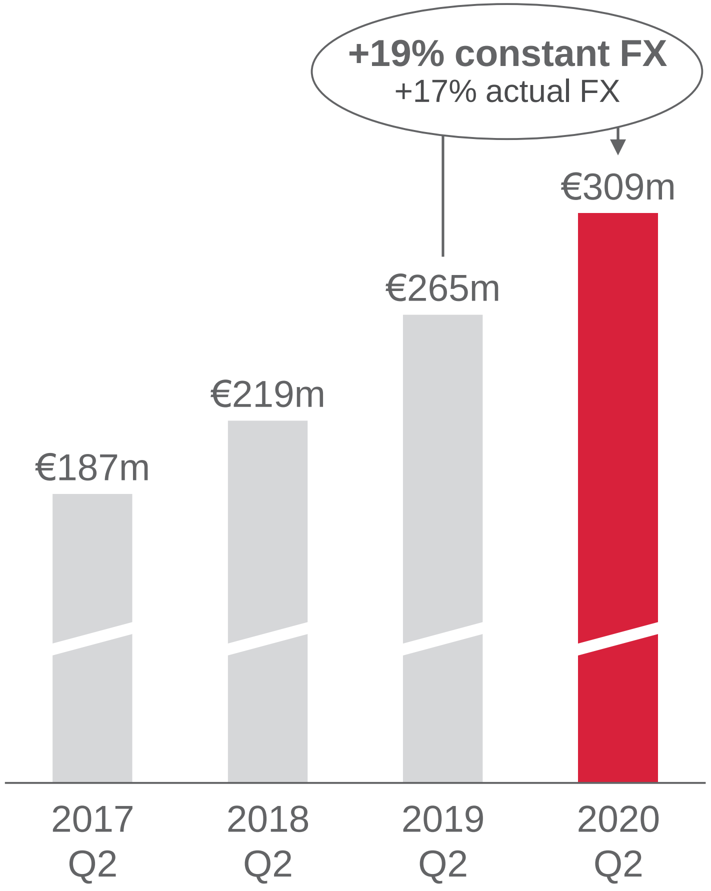
Vincent Litrico
Chief Financial Officer

Q2 2020 Performance Highlights

	Installations	*Portfolio*	*Portfolio EBITDA*
Q2 2020	+95k	3.5m	€309m
Q2 2019	+151k	3.1m	€265m
Q2 2018	+129k	2.8m	€219m

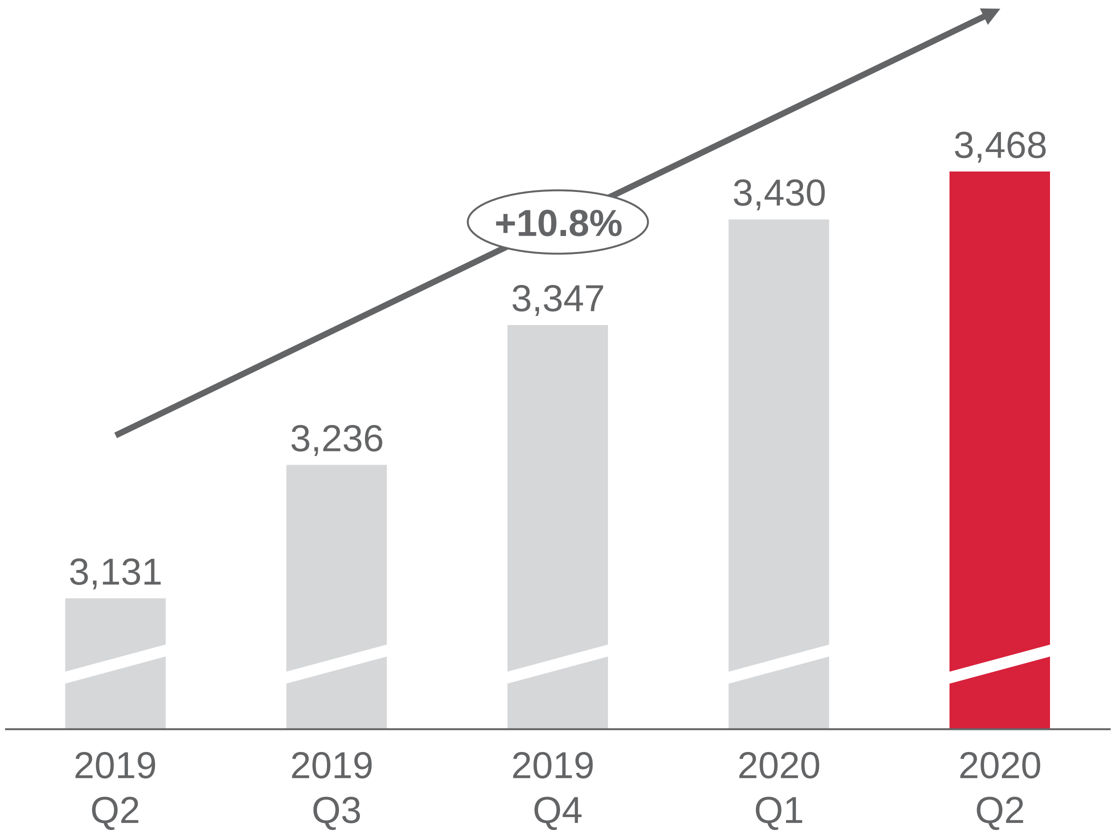
Summary

- **Continued strong operational and financial performance in Q2 2020.**
- **Customer portfolio grew to 3.5 million customers, corresponding to an annual organic growth rate of +10.8%.**
- **Total revenues up +5% in the quarter (+7% in constant currencies). Portfolio services revenues (recurring), representing 86% of total revenues in Q2, up +11% vs Q2 2019 (+13% in constant FX). Accumulated for the first six months total revenues up +8% (+10% in constant currencies).**
- **Total adjusted EBITDA up +30% in the quarter (+32% in constant currencies).**
- **Portfolio EBITDA continued to grow strongly, up +17% as reported and +19% in constant currencies to 309 million in the quarter, all time high record. Now over EUR 1.2 billion on an annualized basis.**
- **Continued strong operating cash flow, up +17% in Q2 2020. Annualized operating cash flow now more than EUR 700 million. In July 2020 we also refinanced EUR 1,600 million of our debt successfully, and in April we issued a EUR 200 million bond to repay our drawn RCF.**



Portfolio EBITDA (€m)

Portfolio up +337k vs. PY and close to 3.5 million customers



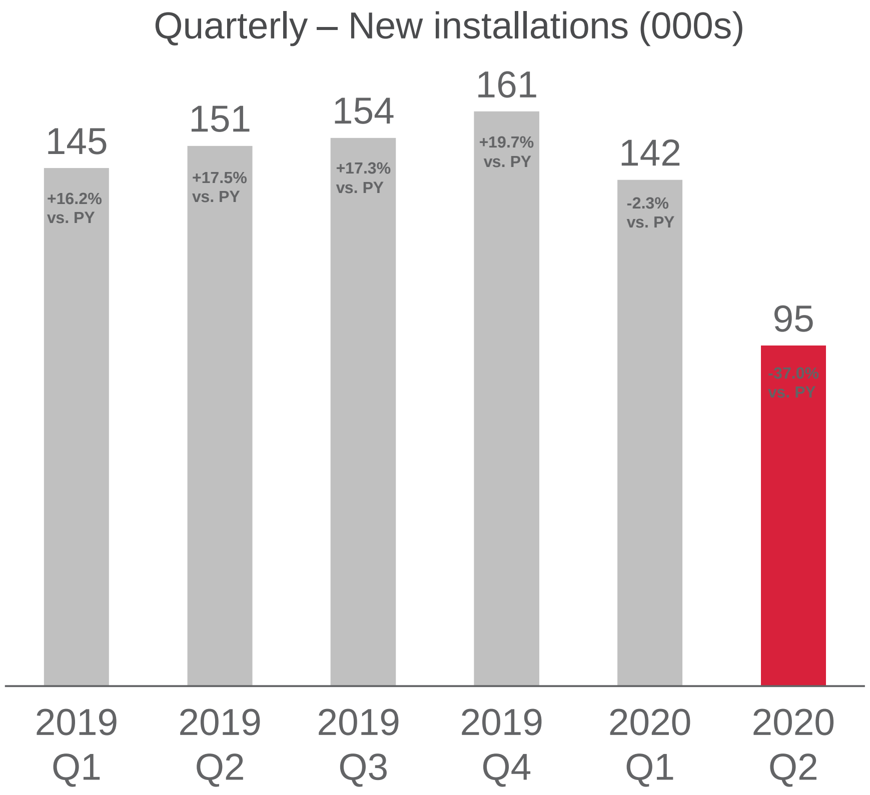
Number of Customers in portfolio (000s)

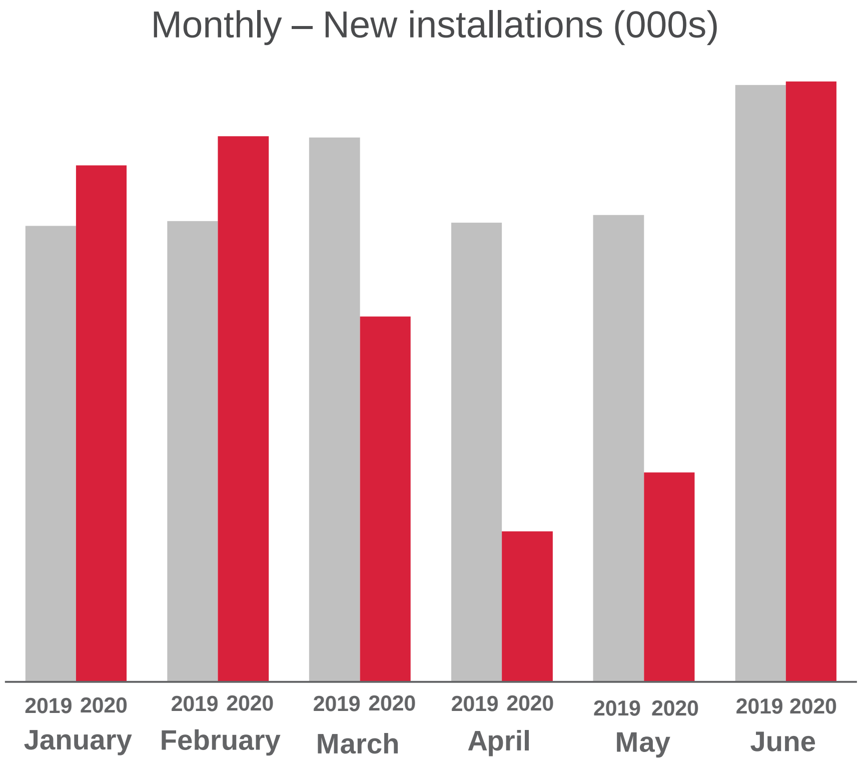
Net Portfolio Growth (NPG)

	vs Q2 2019
NPG (000s)	+337
NPG (% of portfolio)	+10.8%

PY=Prior Year

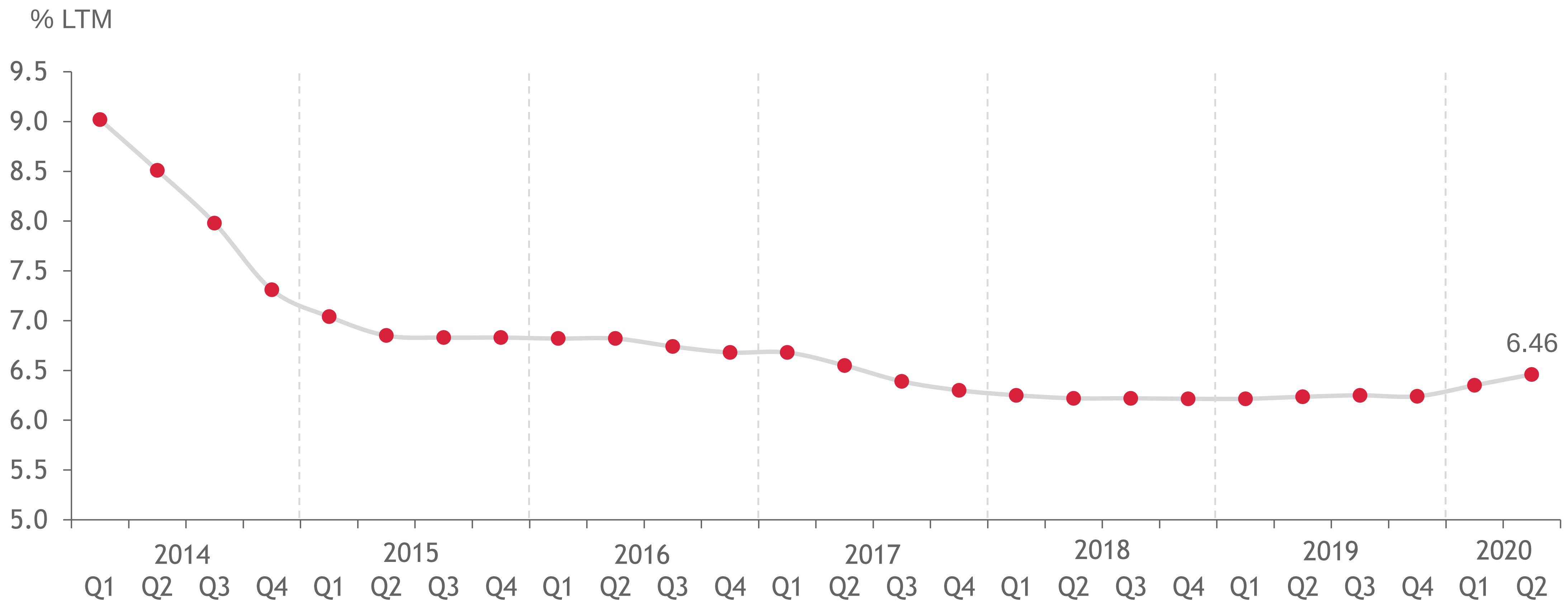
Added 95k new customers in the Q2 2020. June new sales back to 2019 level.





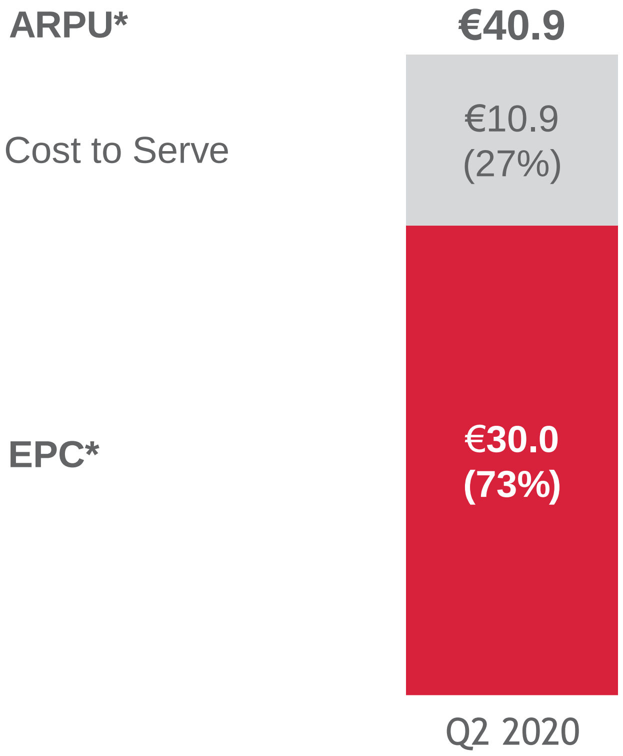
PY=Prior Year

Maintaining low attrition



LTM attrition rate (%)

Continued strong growth in customer profitability



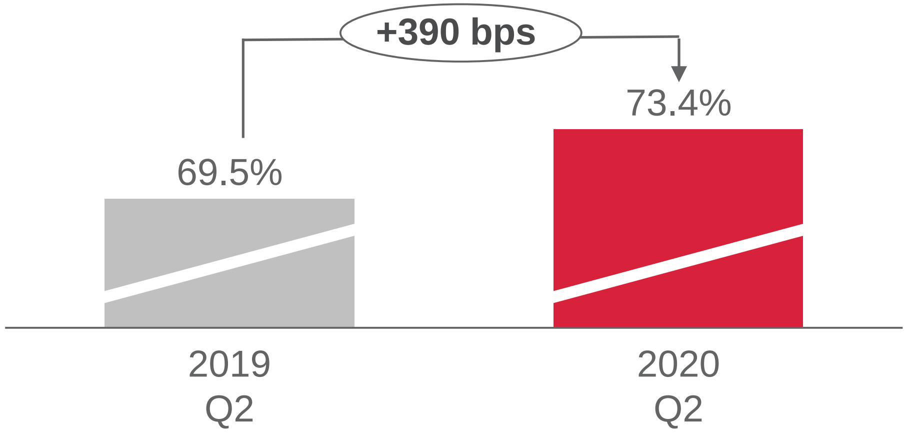
	Q2 2020	*Constant currency growth**	*Reported currency growth**
ARPU	**€40.9**	**+1.0%**	*-1.0%*
EPC	**€30.0**	**+6.5%**	*+4.5%*

(*) Growth vs. Q2 2019

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

Key Financial Metrics – Q2 2020

(€m)	2019 Q2	**2020 Q2**	% vs. PY
Revenue	467	489	+5%
Portfolio Services, Adjusted EBITDA*	**265**	**309**	**+17%**
Total Adjusted EBITDA*	188	244	+30%
Cash Flows from Operating Activities	160	188	+17%
CapEx, total	142	105	-26%
Net debt	4,988	5,137	+3%
Cash and unutilised credit facilities	310	352	+13%



Portfolio Services Adj. EBITDA margin (%)

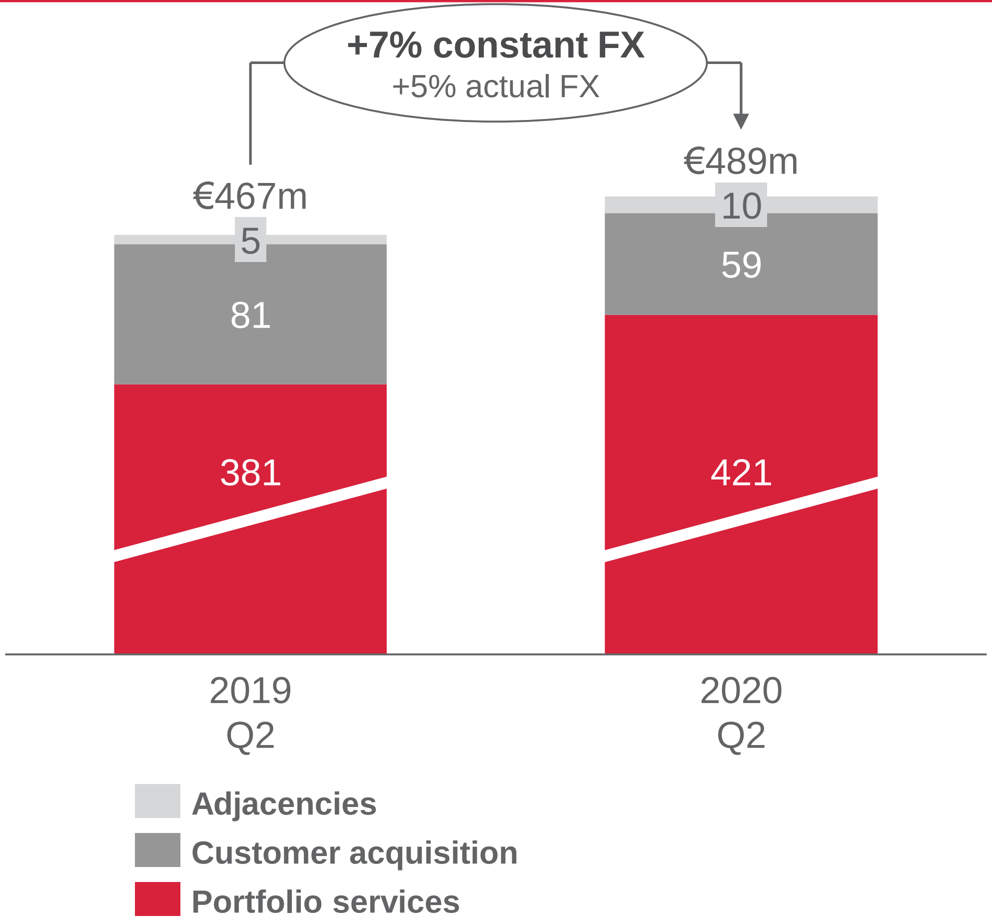
(*) Figures excl. Separately Disclosed Items

Net debt: Q2-2020 includes impact of IFRS 16 (lease liability) of EUR 137 million (EUR 131 million in Q2-2019).
PY=Prior Year (2019)

Income Statement – Q2 2020

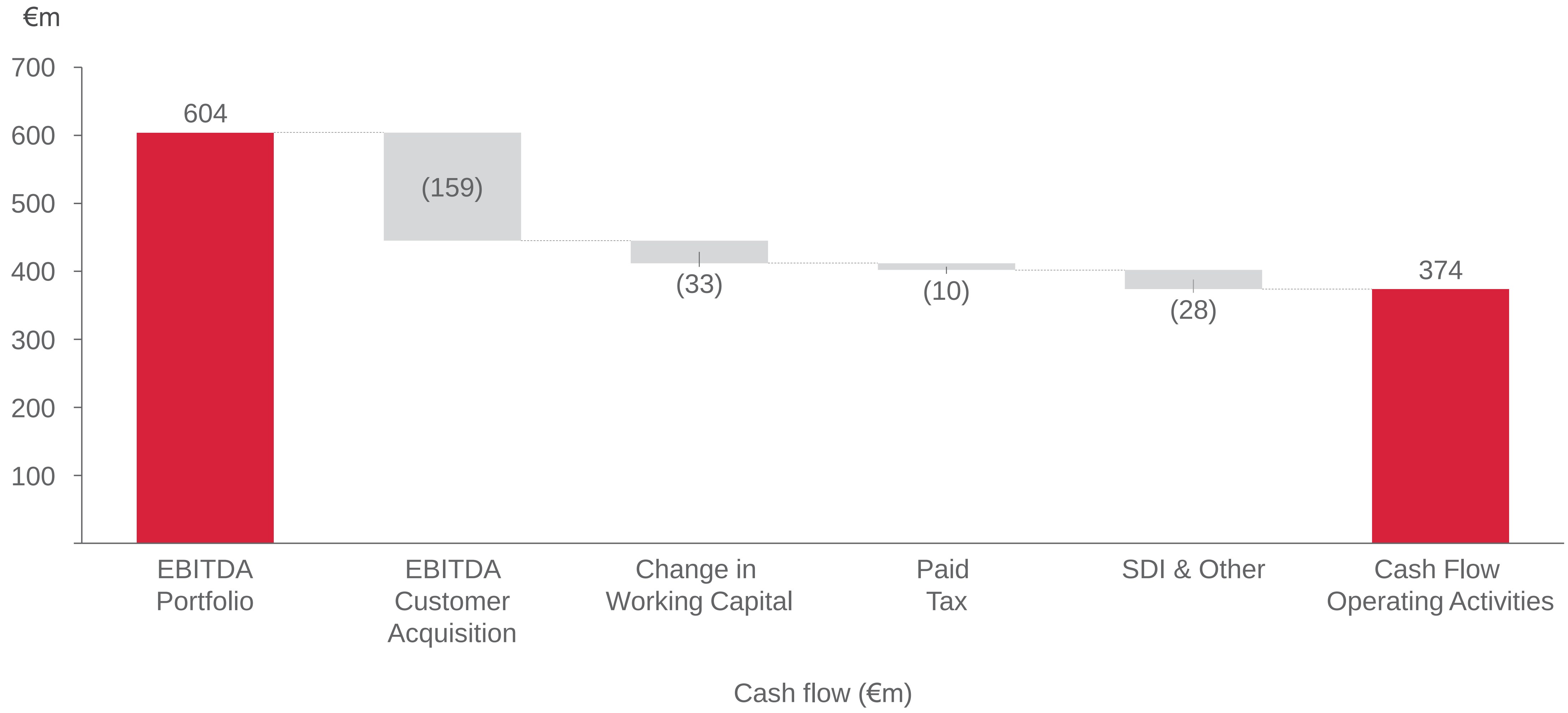
(€m)	**Reported excl. SDI**	SDI*	Reported
Revenue	489		489
Net operating expenses	(245)	(13)	(257)
Adjusted EBITDA	244	(13)	232
Depreciation and amortisation	(68)	(40)	(107)
Retirement of assets	(24)	-	(24)
Operating profit	153	(52)	101
Interest income & cost	(56)		(56)
Other financial items	(0)	(11)	(11)
Result before tax	97	(63)	33
Income tax			(17)
Result for the period			17

(*) SDI – Separately Disclosed Items



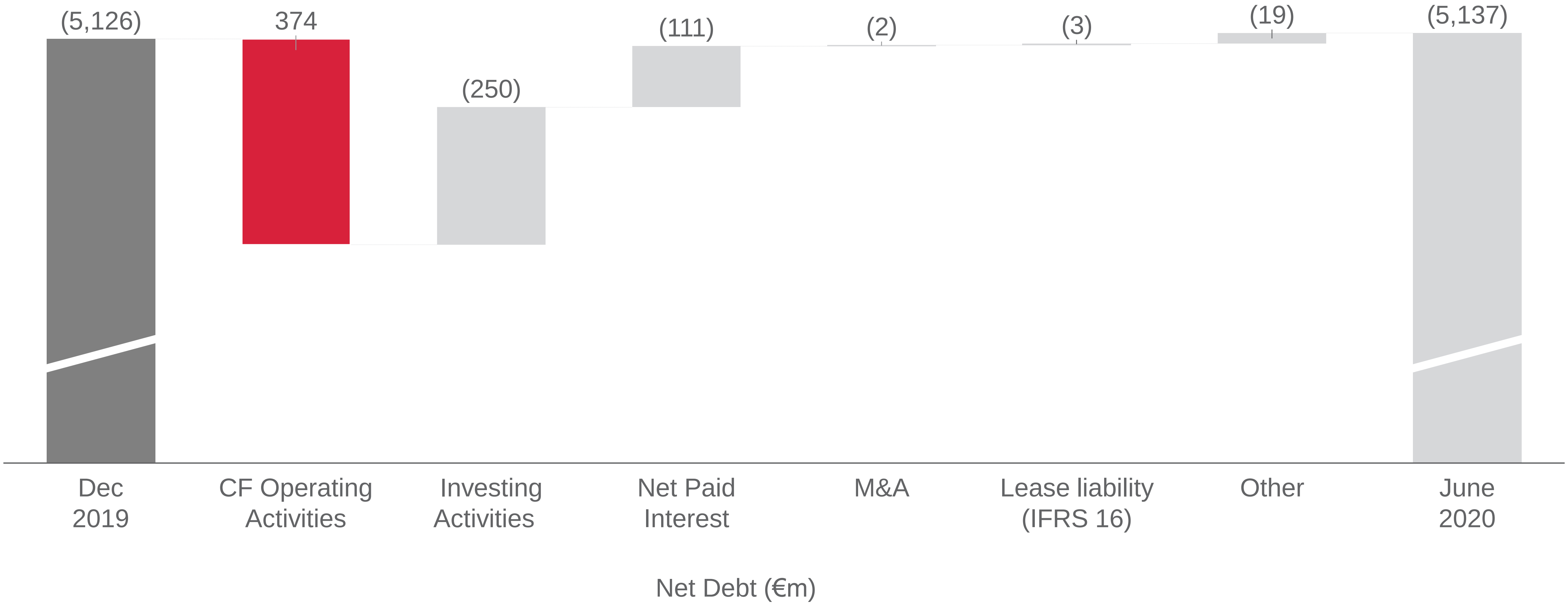
Revenue (€m)

Strong operating cash flow, €374 million YTD June 2020, up + 13% vs. PY



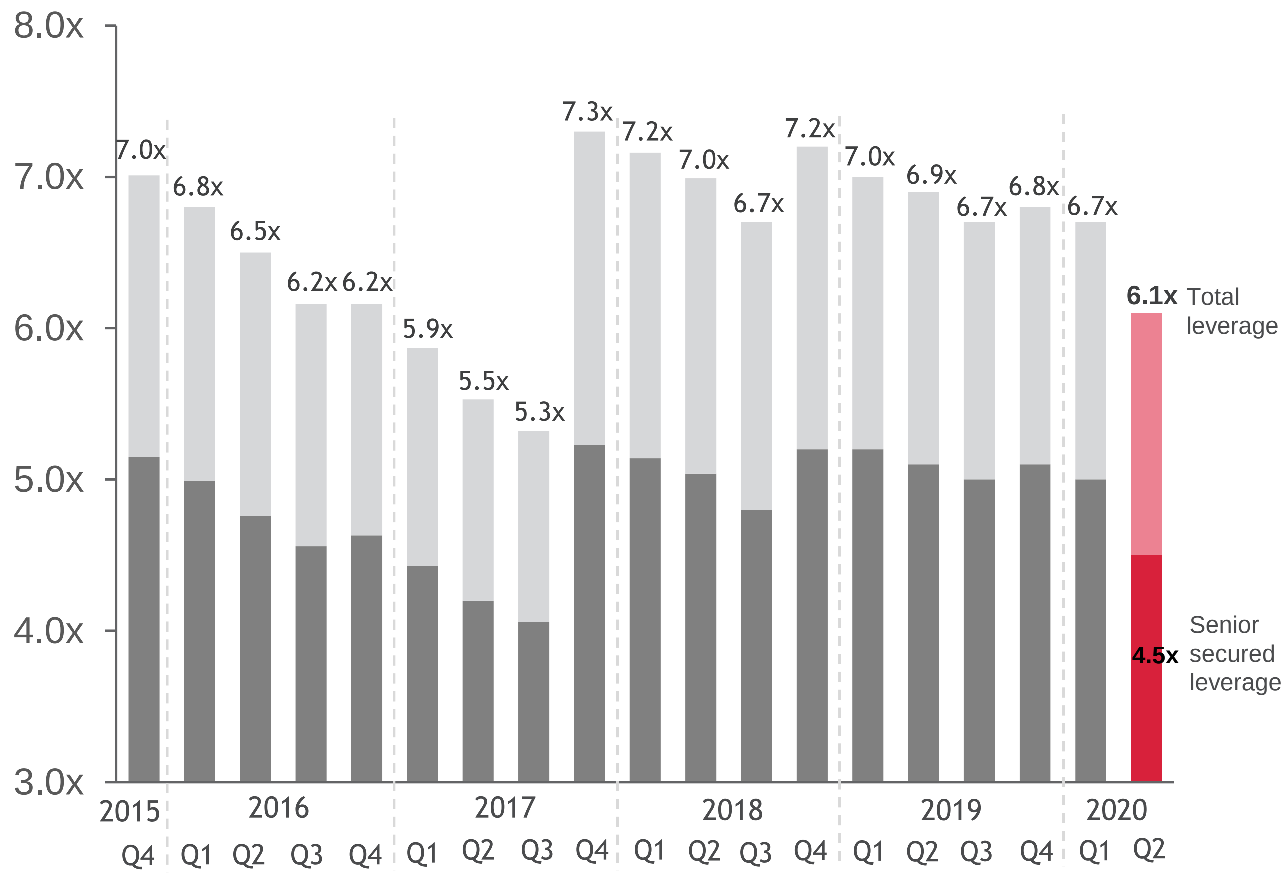
PY=Prior Year

Net debt bridge – YTD June 2020



Net debt: Q2-2020 includes impact of IFRS 16 (lease liability) of EUR 137 million. Excluding impact of IFRS 16, net debt is EUR 5.000 million per Q2-2020.
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

Leverage

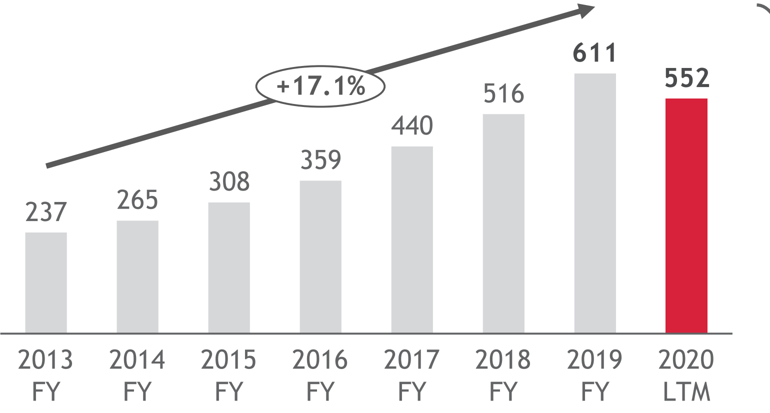


Evolution of L2QA* Leverage

	2017	2018	2019		2020	
	Q4	Q4	Q2	Q4	Q1	Q2
SFA Net debt (€m)*	4,200	4,750	4,858	4,992	4,973	5,002
SFA Adjusted EBITDA annualized (€m)*	575	662	707	734	741	824
Leverage (Total)*	**7.3x**	**7.2x**	**6.9x**	**6.8x**	**6.7x**	**6.1x**

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

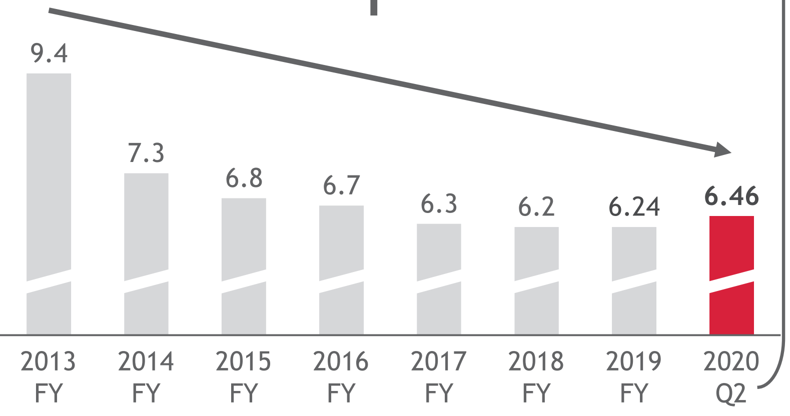
Resilient high quality growth



New subscribers

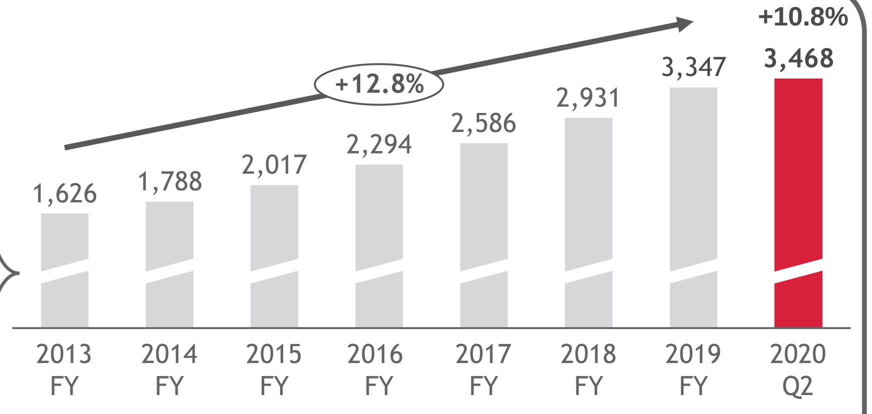
(New installations 000s)

+



Low attrition

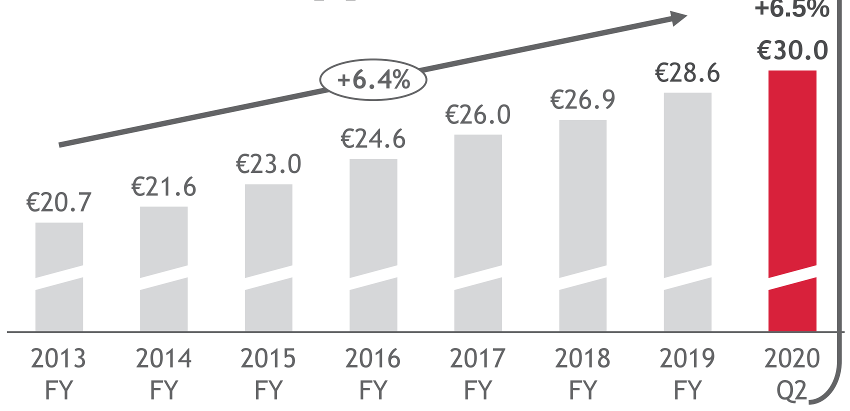
(Attrition %, LTM)



Strong portfolio growth

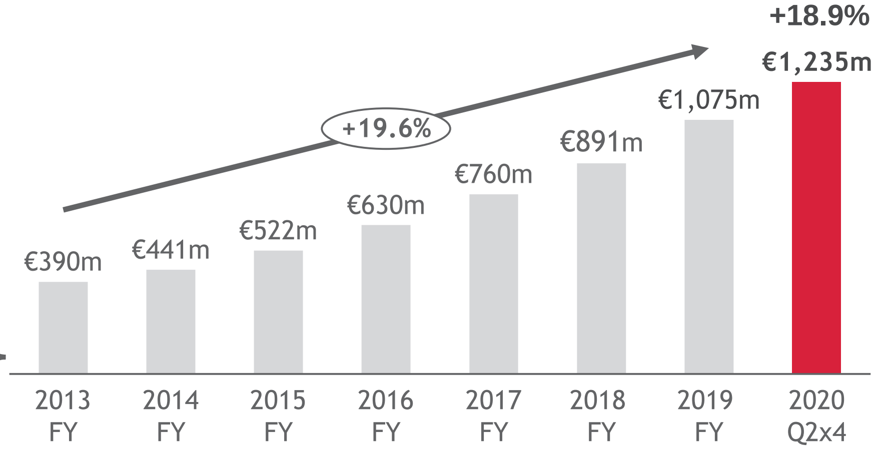
(Total customer portfolio 000s)

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.
Q2x4=2020 annualized. Growth rate for Q2 2020 is vs. Q2 2019 (constant currency).

Q&A

Thank you

verisure