Verisure Midholding AB (publ)

Earnings Call Presentation | Q2 2021

August 25th, 2021

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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

Q2 2021 Performance Highlights

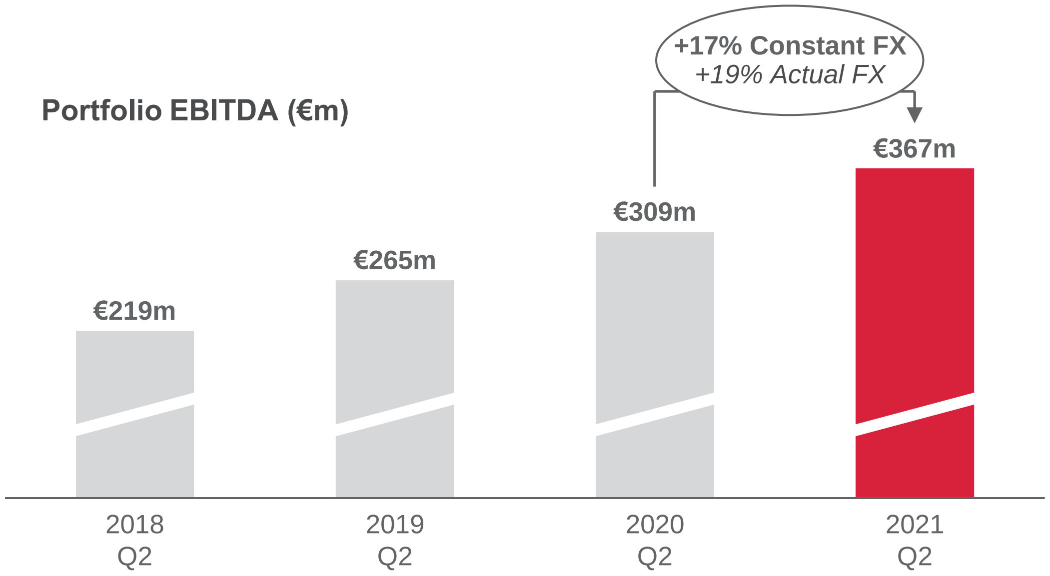
Key Highlights

- **Continued strong operational and financial performance in Q2 2021**
- **Our customer portfolio continued to grow strongly and passed 4.0 million, which represents a growth of +16% vs. Q2 2020**
- **Total revenues grew +28% in the quarter (+27% in constant currencies). For the first six months revenues grew +22%**
- **Total Adjusted EBITDA increased +11% in the quarter (+10% in constant currencies) to €258 million. For the first six months total adjusted EBITDA increased +23% to €515 million**
- **Portfolio EBITDA continued to grow strongly, up +19% in the quarter (+17% in constant currencies) to €367 million. For the first six months portfolio EBITDA increased +19%. Annualized Portfolio EBITDA is now over €1,450 million**
- **Verisure has joined the United Nations Global Compact (UNGC), the world´s largest corporate sustainability initiative**

Key Operating and Financial Metrics

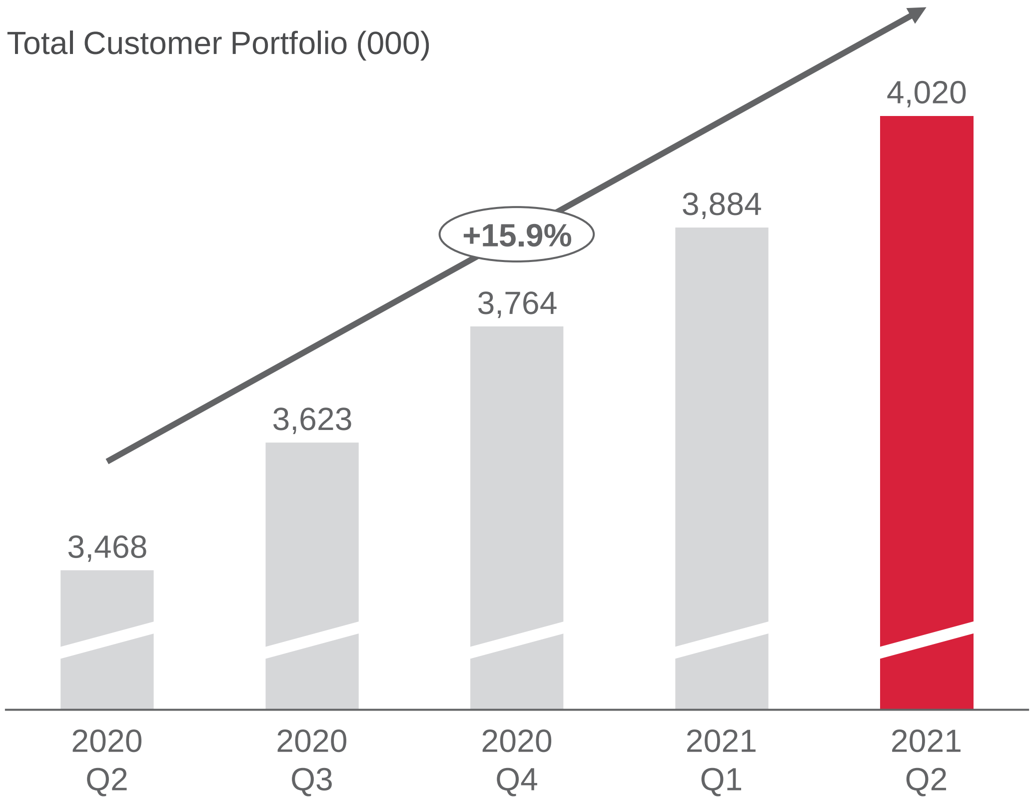
	2019 Q2	2020 Q2	2021 Q2
New Installations	+151k	+95k	+198k
Customer Portfolio	3,131k	3,468k	4,020k

Portfolio EBITDA (€m)



Portfolio up +552k vs. PY and Now Over 4.0 Million Customers

Continued Strong Customer Portfolio Growth

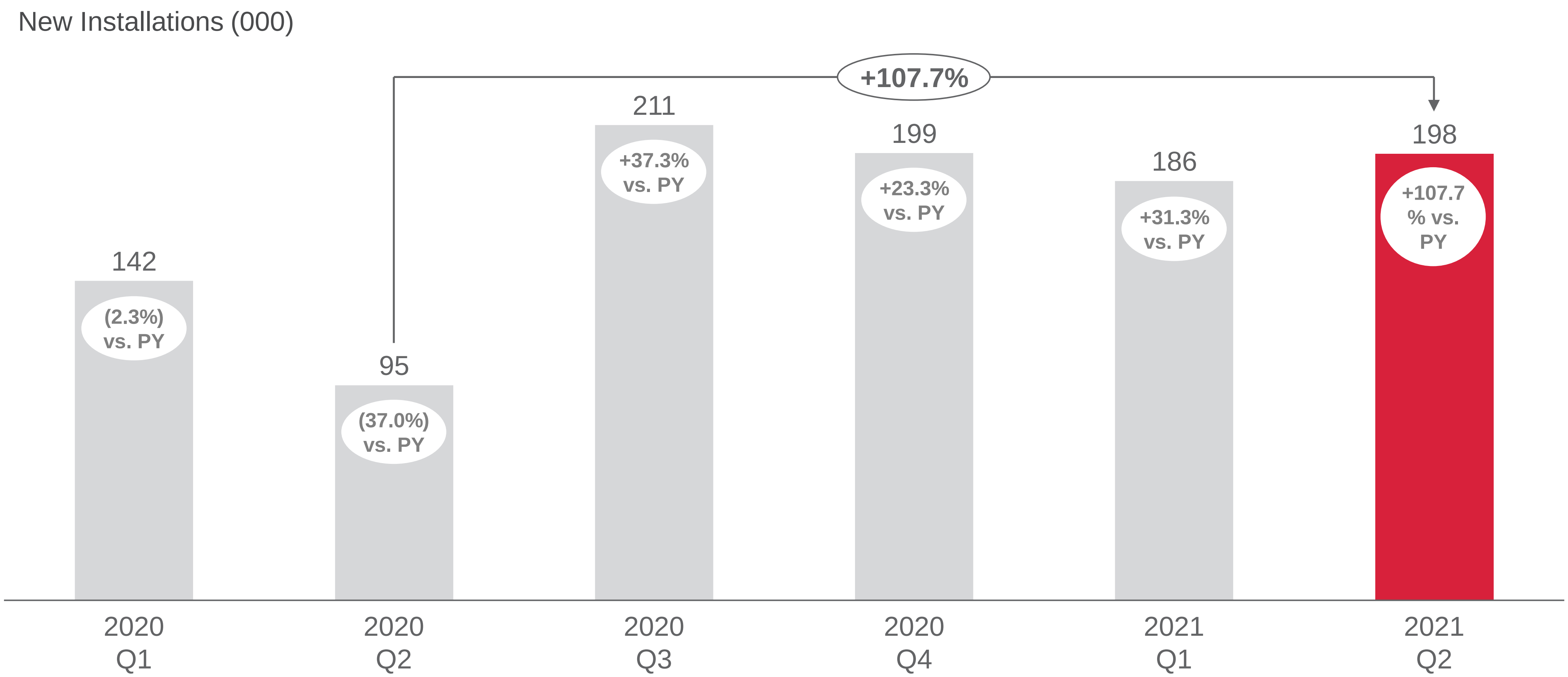


Net Portfolio Growth (NPG)

	vs Q2 2020
NPG (000)	+552
NPG (% of Portfolio)	+15.9%
NPG Acceleration[(1)]	+259.3%

Note: [(1)] Q2 2021 Net Portfolio Growth vs. Q2 2020
PY=Prior Year (2020)

198k New Customers Added in Q2 2021, +108% vs. Q2 2020 and +31% vs. Q2-2019



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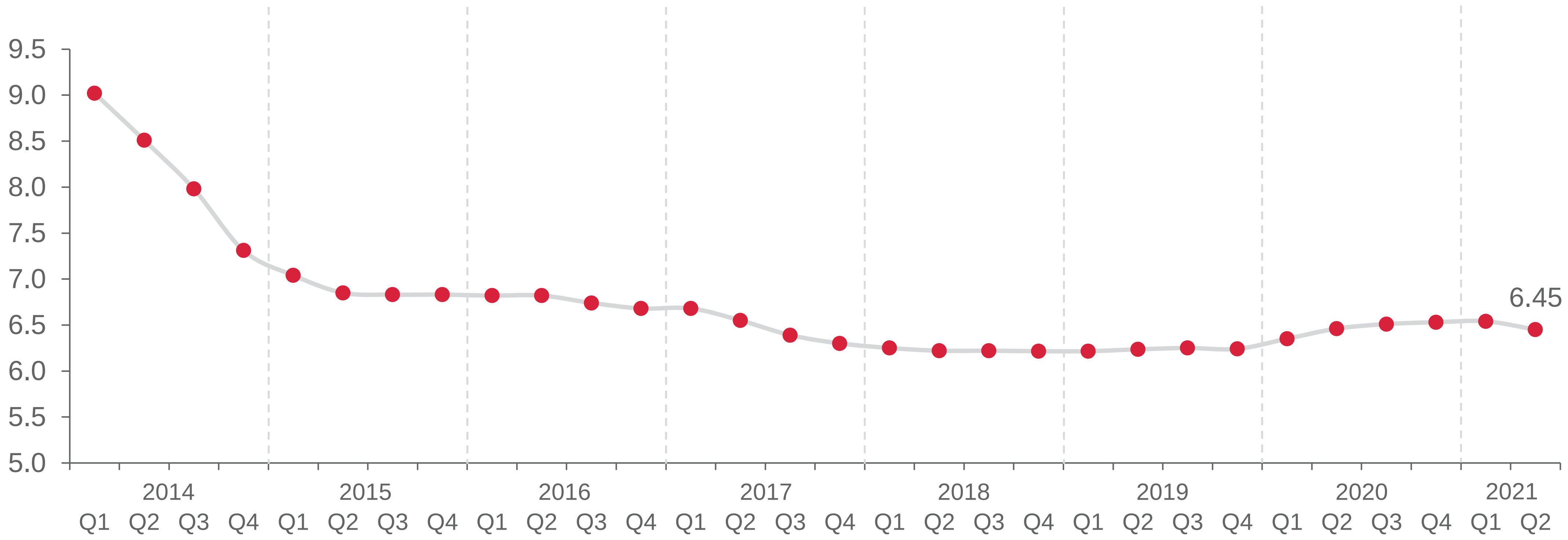
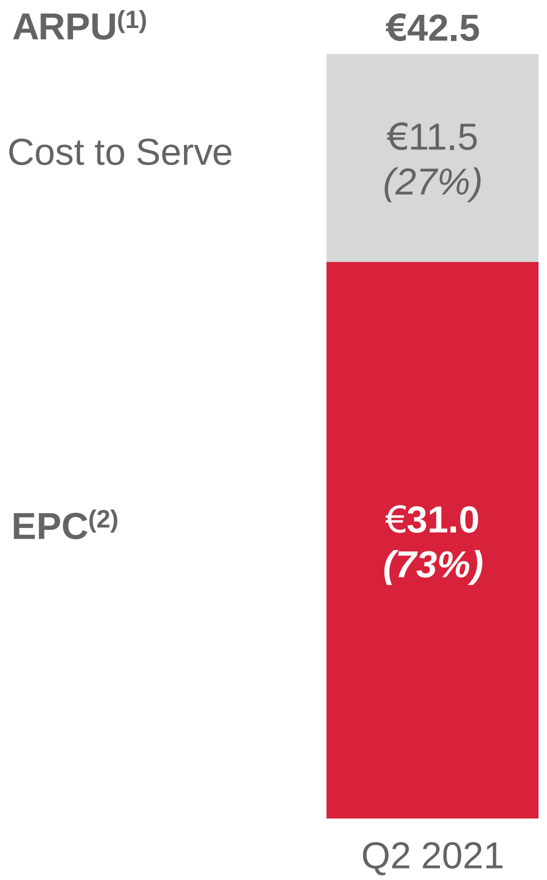
Maintaining Low Attrition

LTM Attrition Rate (%)



Continued Strong Growth in Customer Profitability



	Q2 2021	Constant Currency Growth[3]	Reported Currency Growth[3]
ARPU	**€42.5**	**+2.9%**	+4.1%
EPC	**€31.0**	**+2.2%**	+3.3%

Note: [1] ARPU: Average Revenue Per User per month; [2] EPC: Portfolio EBITDA Per Customer per month; [3] Growth vs. Q2 2020

Key Financial Metrics - Q2 2021

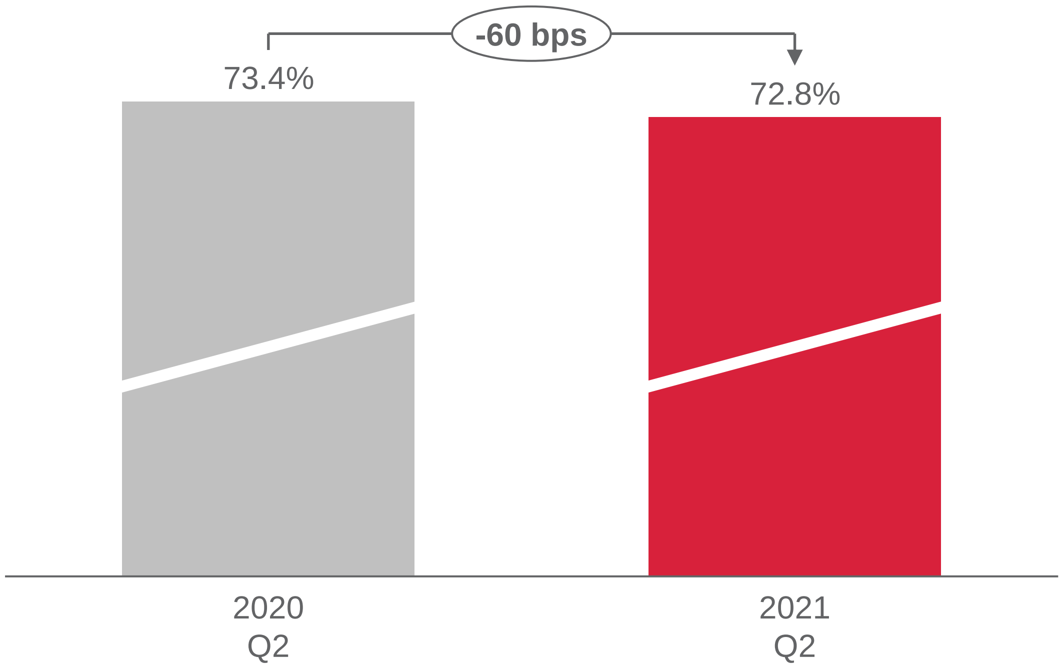
Strong Financial Metrics

€m

	2020 Q2	2021 Q2	% vs. PY
Total Revenues	489	626	+28%
Portfolio Services Adjusted EBITDA[1]	309	367	+19%
Total Adjusted EBITDA[1]	244	263	+8%
CF from Operating Activities	188	187	(1%)
Total Capex	105	185	+76%
Net Debt[2]	5,137	7,029	37%
Cash & Unutilised Credit Facilities	352	627	+78%

Sustained High Portfolio Services Profitability

Portfolio Services Adj. EBITDA Margin (%)



Notes: [1] Excludes Separately Disclosed Items; [2] Net Debt per our Senior Facilities Agreement ("SFA") dated 25 January 2021, which includes IFRS 16 debt (€149m in Q2-2021 and €137m in Q2-2020). Excluding impact of IFRS 16, Net Debt was €6.880m in Q2-2021 and €5.000m in Q2-2020
PY=Prior Year (2020)

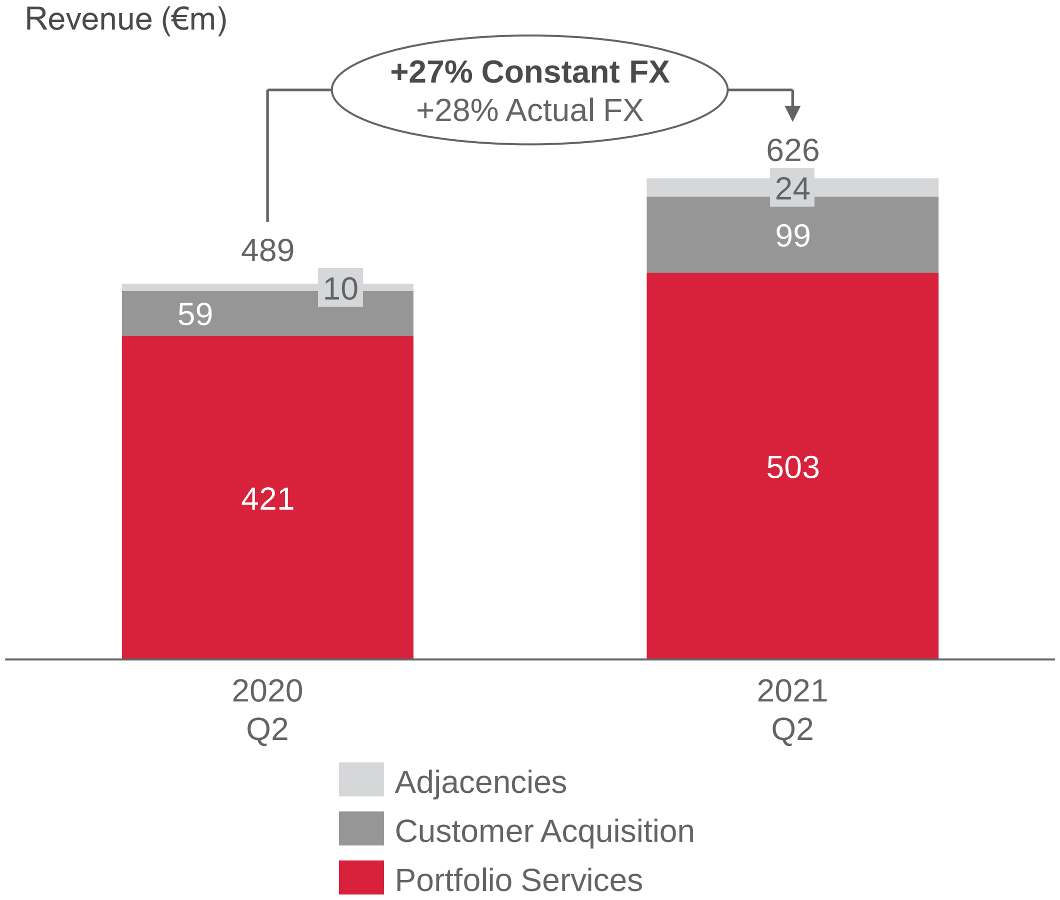
Income Statement - Q2 2021

Income Statement Summary - Q2 2021

€m

	Reported excl. SDI[1]	SDI[1]	Reported
Revenue	626		626
Net Operating Expenses	(363)	(5)	(368)
Adjusted EBITDA	**263**	**(5)**	**258**
D&A	(84)	(40)	(124)
Retirement of Assets	(35)	-	(35)
Operating Profit	**144**	**(44)**	**99**
Interest Income & Cost	(76)	-	(76)
Other Financial Items	(2)	(6)	(8)
Result Before Tax	**66**	**(50)**	**16**
Income Tax			(14)
Result for the Period			**2**

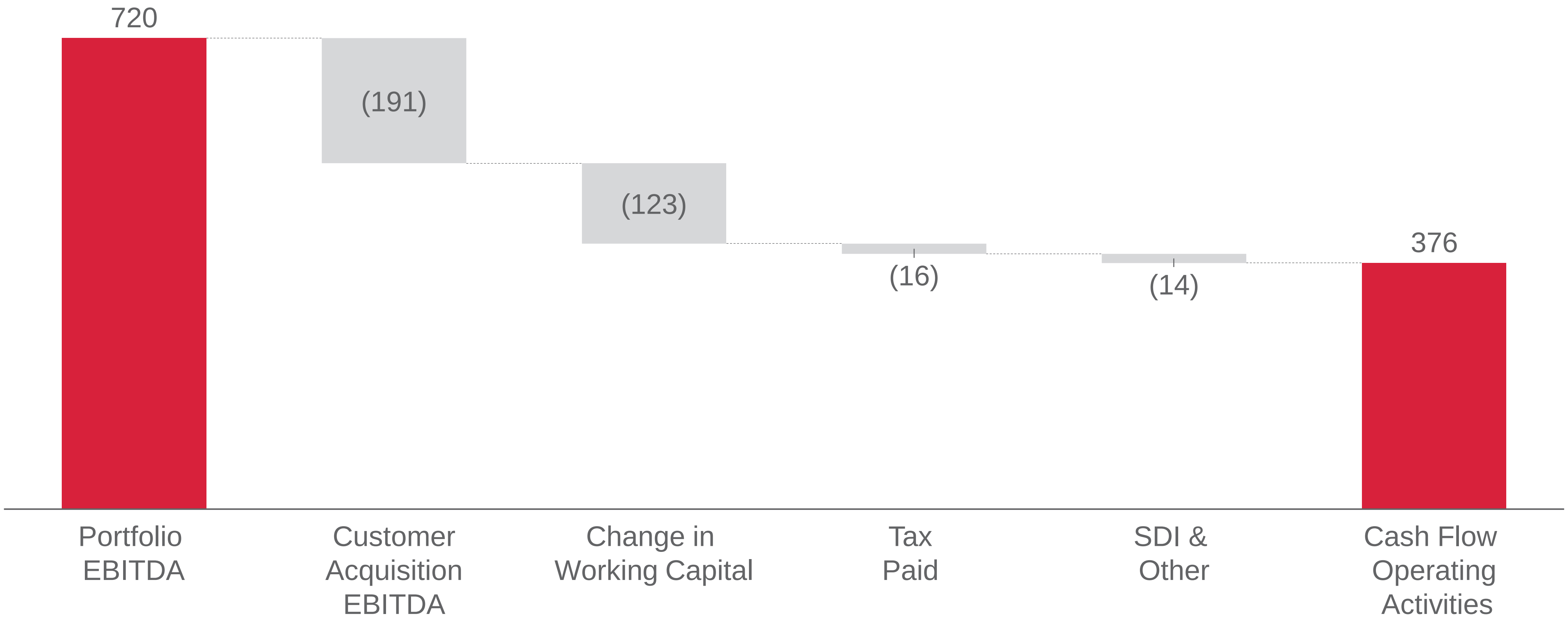
Strong Revenue Growth



Note: [1] Separately Disclosed Items

Strong Operating Cash Flow Generation of €376m in H1 2021

Cash Flow from Operating Activities, H1 2021, €m



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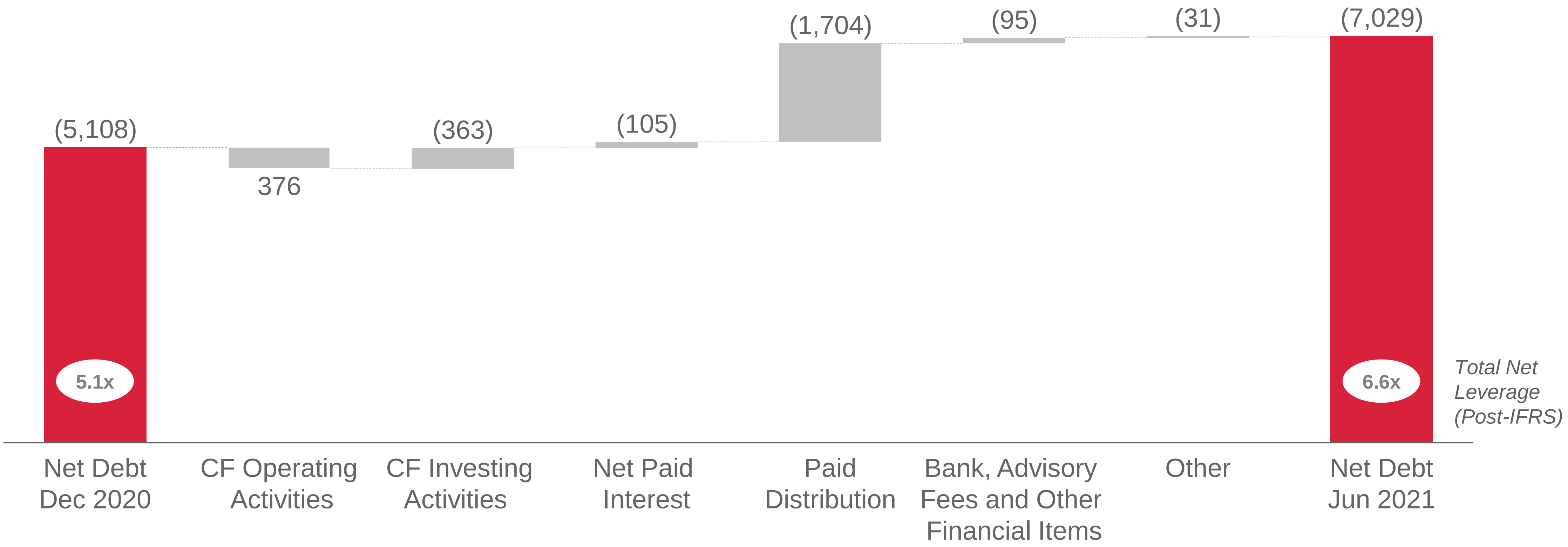
Increase in Net Debt Following Jan-21 Refinancing

Net Debt Bridge, H1 2021, €m

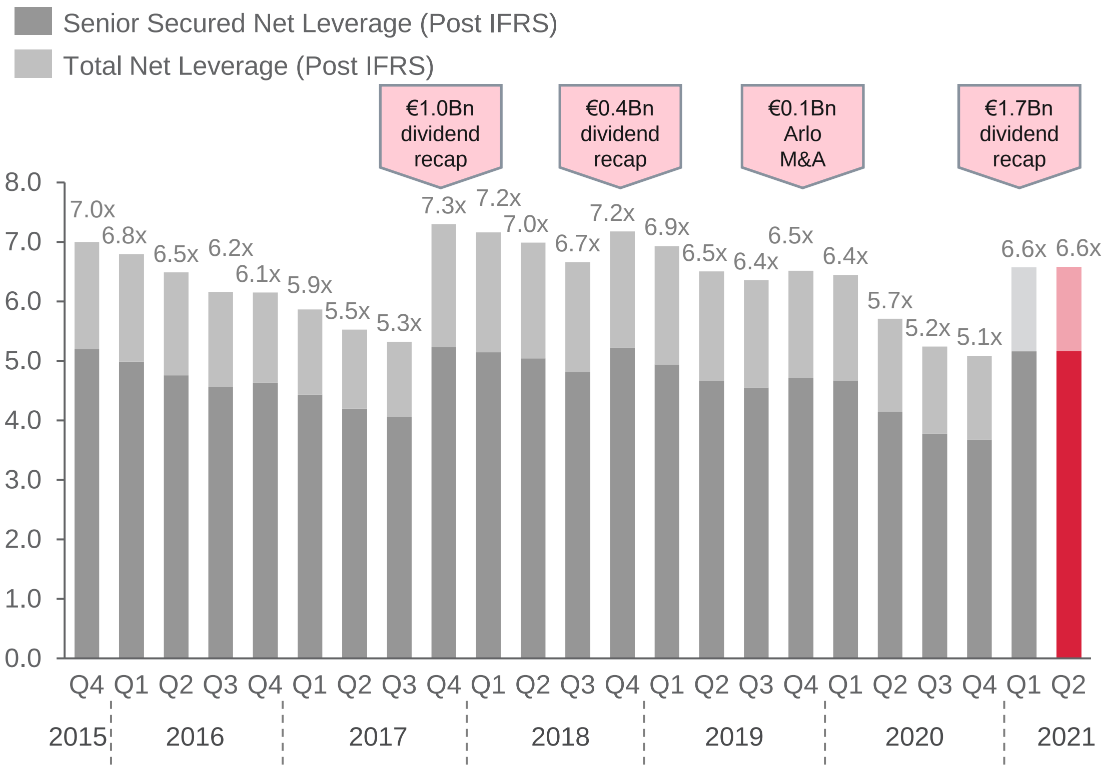


Moody's[1]	*B2*	***Unchanged***	*B2*
S&P[1]	*B*		*B*

Note: [1] Corporate Family Rating; [2] Jun-21 Net Debt of 6,872m if we include €7.9m of financial receivables (not part of SFA Net Debt)

Leverage Overview

Evolution of L2QA Net Leverage[1]



Starting in Q1-21 we report on a post-IFRS basis

2020 - Q2 2021 L2QA Net Leverage[1]

	2020				2021	
Post IFRS	Q1	Q2	Q3	Q4	Q1	Q2
SFA Net Debt (€m)	5,110	5,137	5,046	5,108	6,929	7,029
Adjusted EBITDA L2QA (€m)	793	900	963	1,004	1,054[2]	1,067
Senior Secured Net Leverage (x)	*4.7x*	*4.1x*	*3.8x*	*3.7x*	*5.2x*	*5.2x*
Total Net Leverage (x)	*6.4x*	*5.7x*	*5.2x*	*5.1x*	*6.6x*	*6.6x*

Note: [1] We have historically reported net leverage on a pre-IFRS basis in compliance with our 2015 Senior Facility Agreement. Starting in Q1 2021, we report net leverage on a post-IFRS basis, in compliance with our 2020 and 2021 Senior Facility Agreements; [2] Q1 Adjusted EBITDA L2QA re-stated to reflect updated estimate as of Q1 on incremental cost savings under our FOG program after having normalized our L2Q low levels of workload

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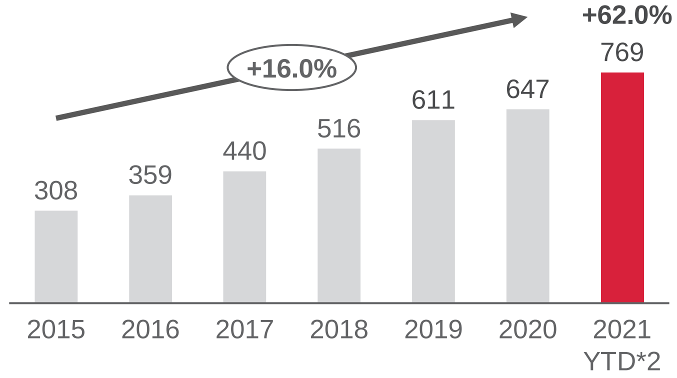
Resilient High-quality Growth

Strong Customer Intake

New Installations (000)



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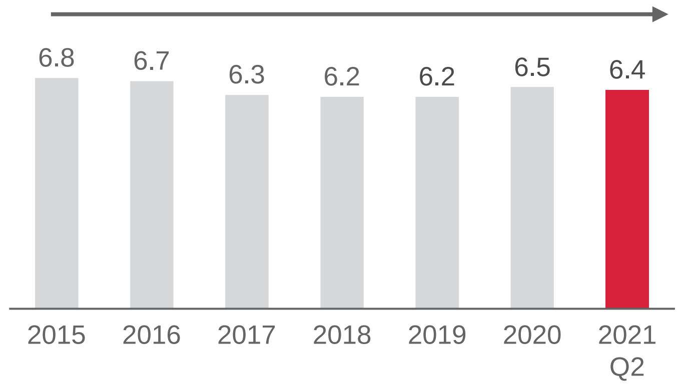
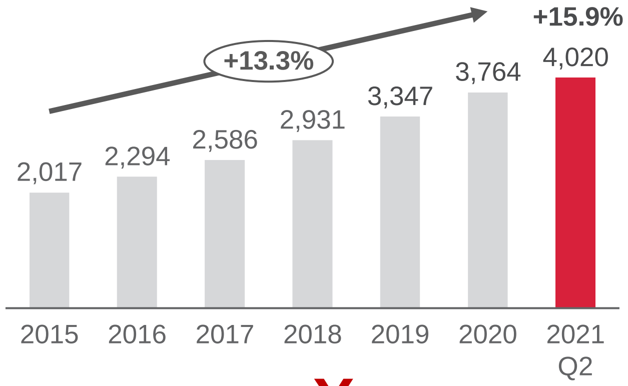
Low Attrition

(%, LTM)



Strong Portfolio Growth

Total Customer Portfolio (000)



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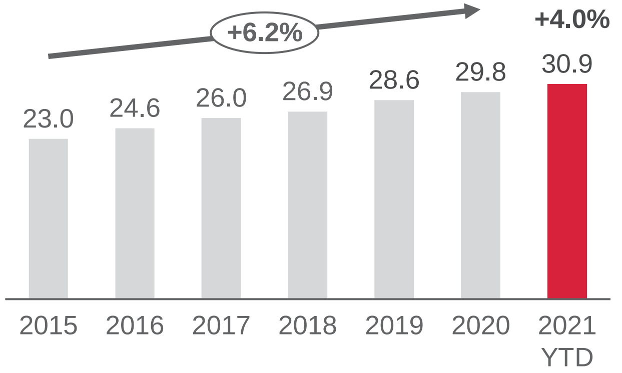
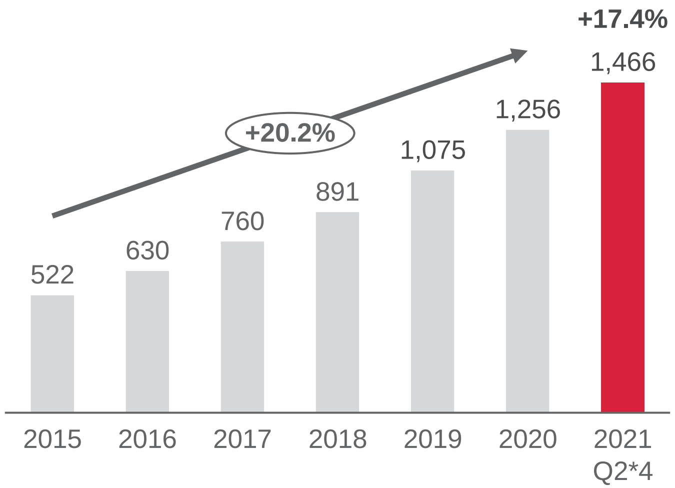
Improving Unit Economics

EPC (€)



Quality Portfolio EBITDA Growth

(€m)



Comments:

% = CAGR 2013 - 2020 (Constant Currencies)

Growth rates above the 2021 bars are vs. 2020 (Constant Currencies)

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

Q&A

Thank you

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