

Verisure Midholding AB (publ)

Earnings Call Presentation

January 1 – September 30, 2018

verisure SMART ALARMS

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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.

Agenda

- **Development in KPIs during Q3** – Austin Lally, CEO
- **Financial review of Q3 2018** – Vincent Litrico, CFO
- **Questions & answers**

Austin Lally
Chief Executive Officer

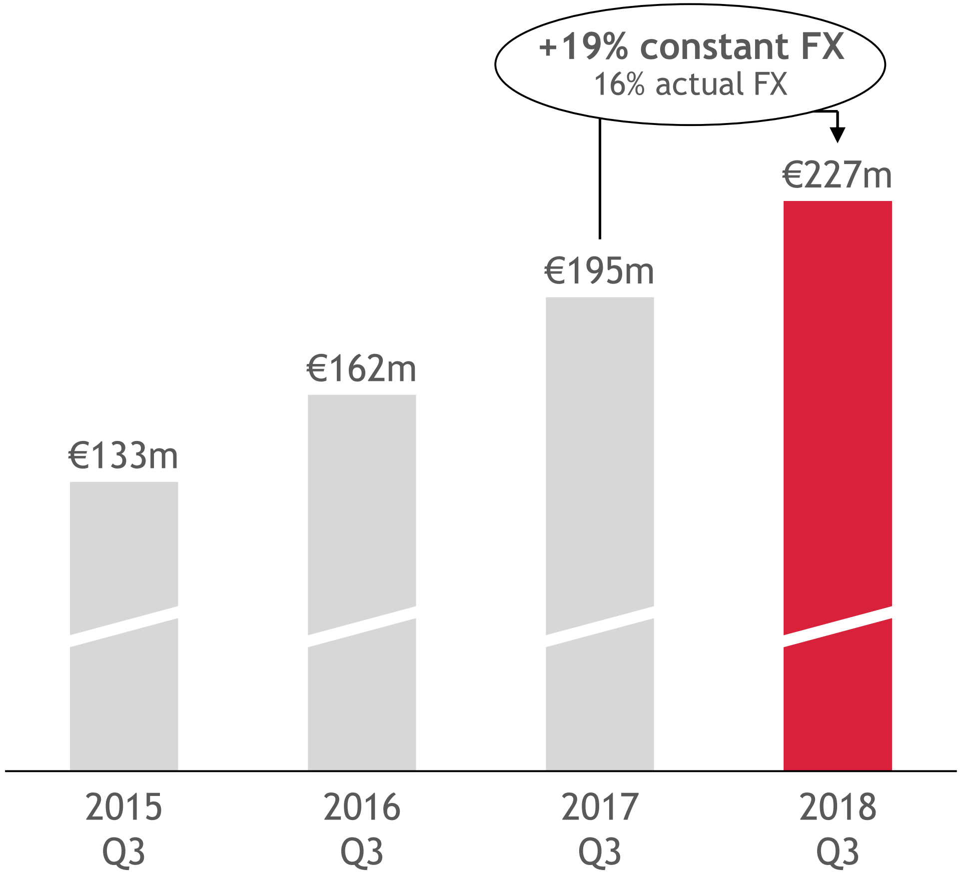
Vincent Litrico
Chief Financial Officer

Q3 2018 Performance Highlights

	Installations	*Portfolio*	*Portfolio EBITDA*
Q3 2018	**+128k**	**2.8m**	**€227m**
Q3 2017	**+109k**	**2.5m**	**€195m**

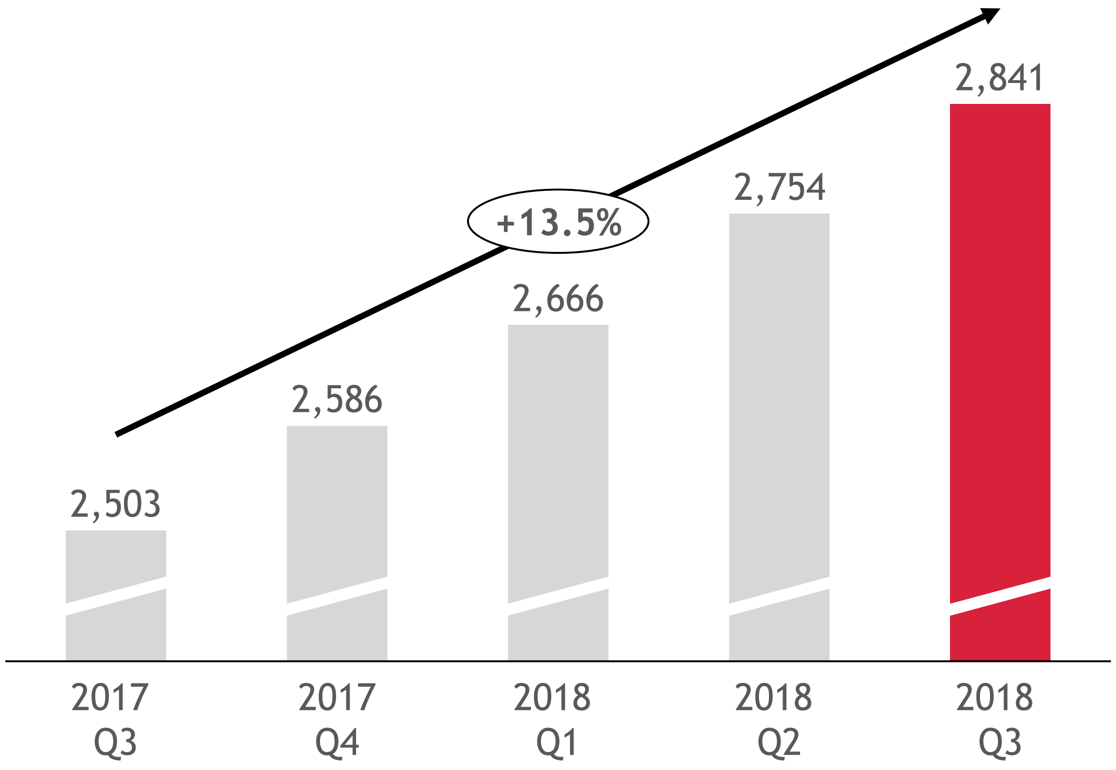
Summary

- 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 900 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 EBITDA (€m)

Portfolio up +338k customers YoY to 2.8 million



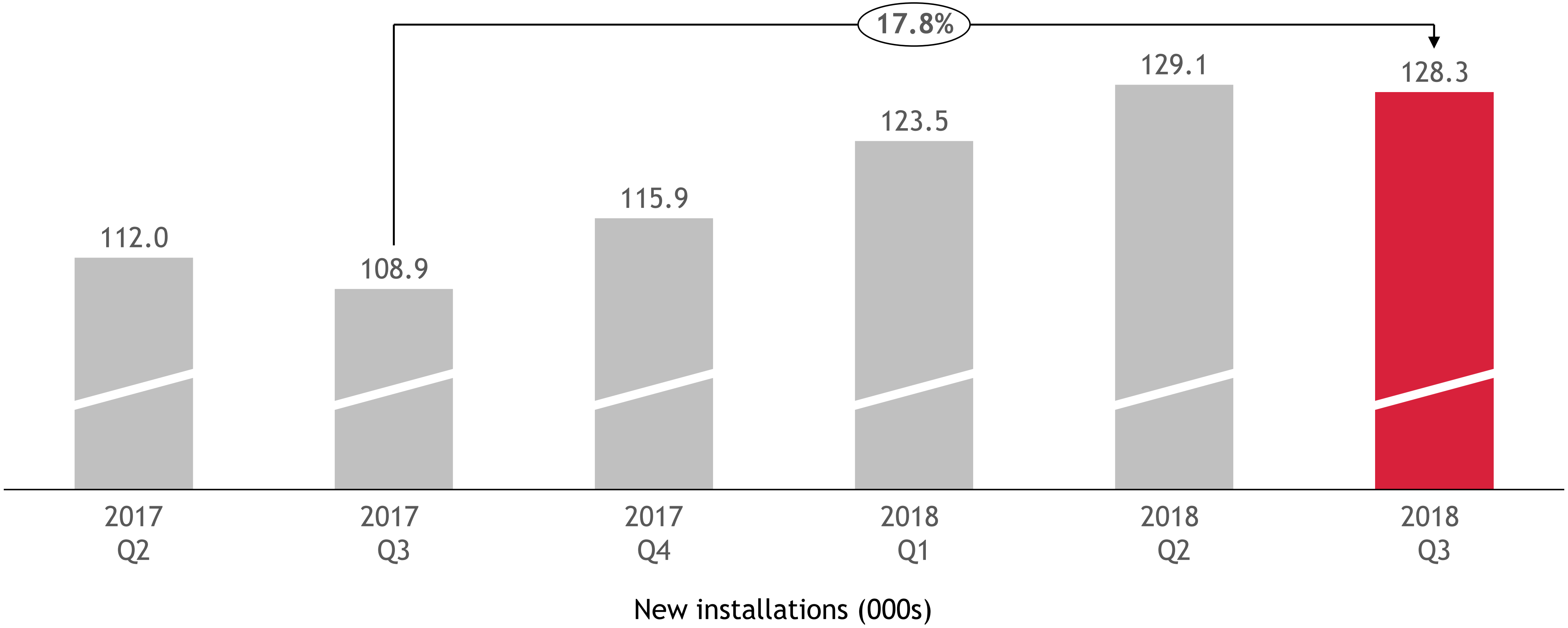
Number of Customers in portfolio (000s)

Net Portfolio Growth (NPG)

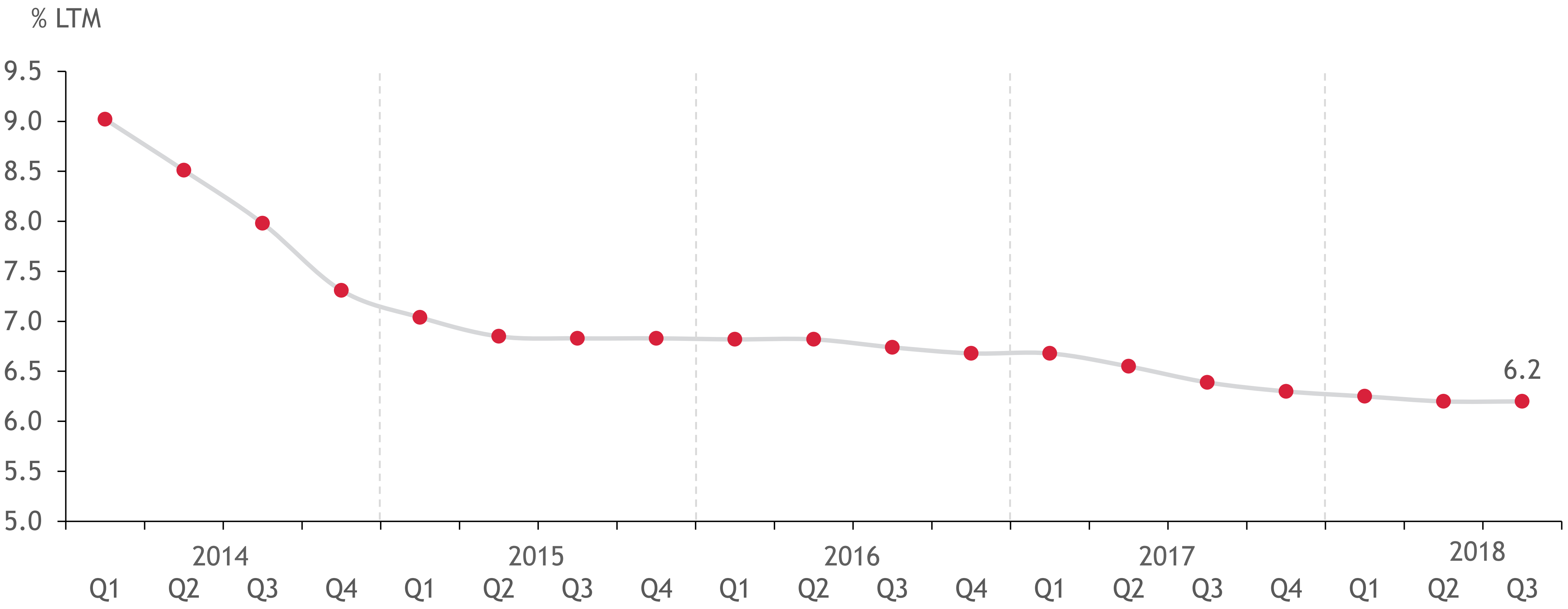
	vs Q3 2017
NPG (000s)	+338
NPG (% of portfolio)	+13.5%
NPG Acceleration*	+23%

(*) Growth vs. Q3 2017 NPG

128k new customers added in Q3 2018

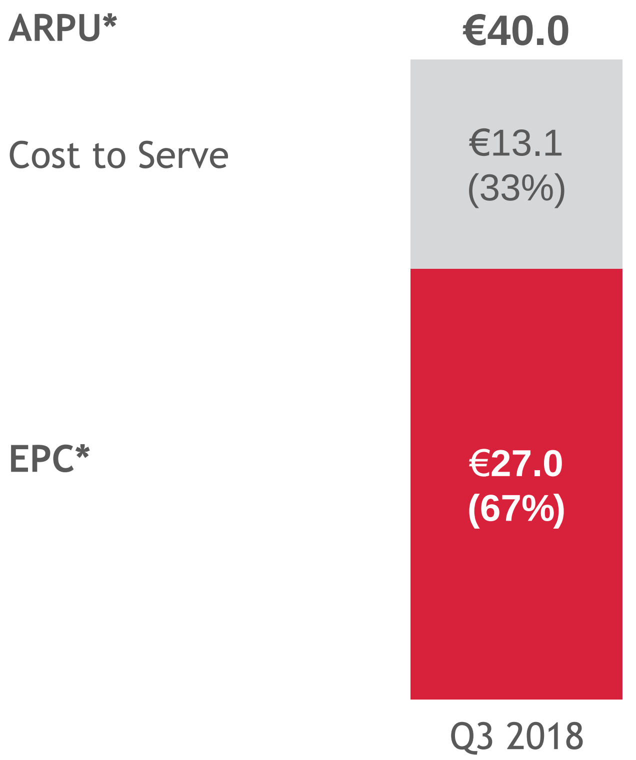


Maintaining excellent customer retention



LTM attrition rate (%)

Continued growth in customer profitability



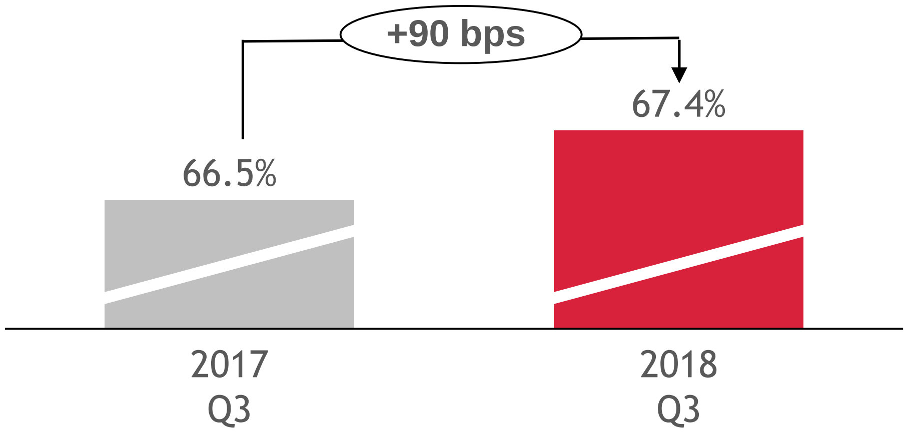
	Q3 2018	*Constant currency growth**	*Reported currency growth**
ARPU	€40.0	+3.4%	+1.3%
EPC	€27.0	+4.9%	+2.7%

(*) Growth vs. Q3 2017

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

Key Financial Metrics – Q3 2018

(€m)	**2018 Q3**	2017 Q3	% YoY
Revenue*	407	350	+16%
Portfolio Services, Adjusted EBITDA*	**227**	**195**	**+16%**
Total Adjusted EBITDA*	161	145	+11%
Cash Flows from Operating Activities	138	129	+7%
CapEx, total	123	101	+21%
Net debt	4,293	3,056	+40%
Cash and unutilised credit facilities	200	281	(29%)

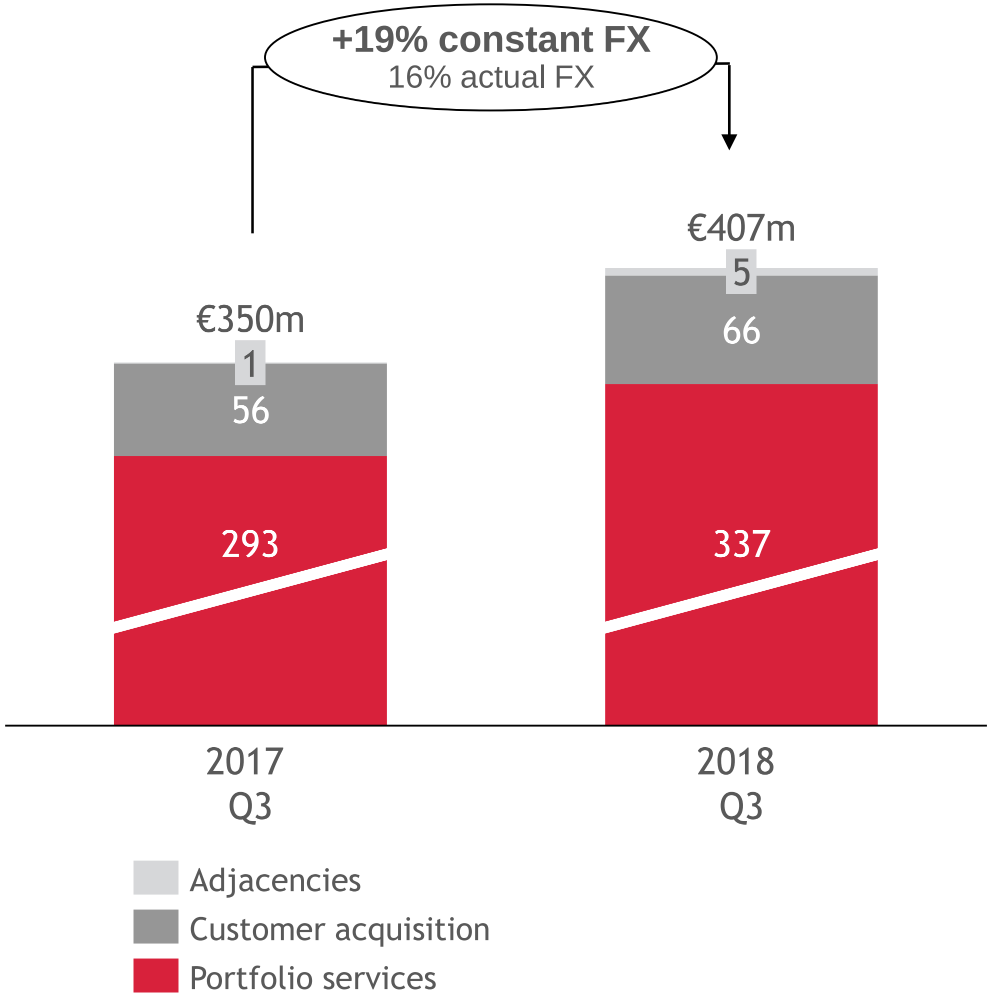


Portfolio Services Adj. EBITDA margin (%)

(*) Figures excl. Separately Disclosed Items

Income Statement – Q3 2018

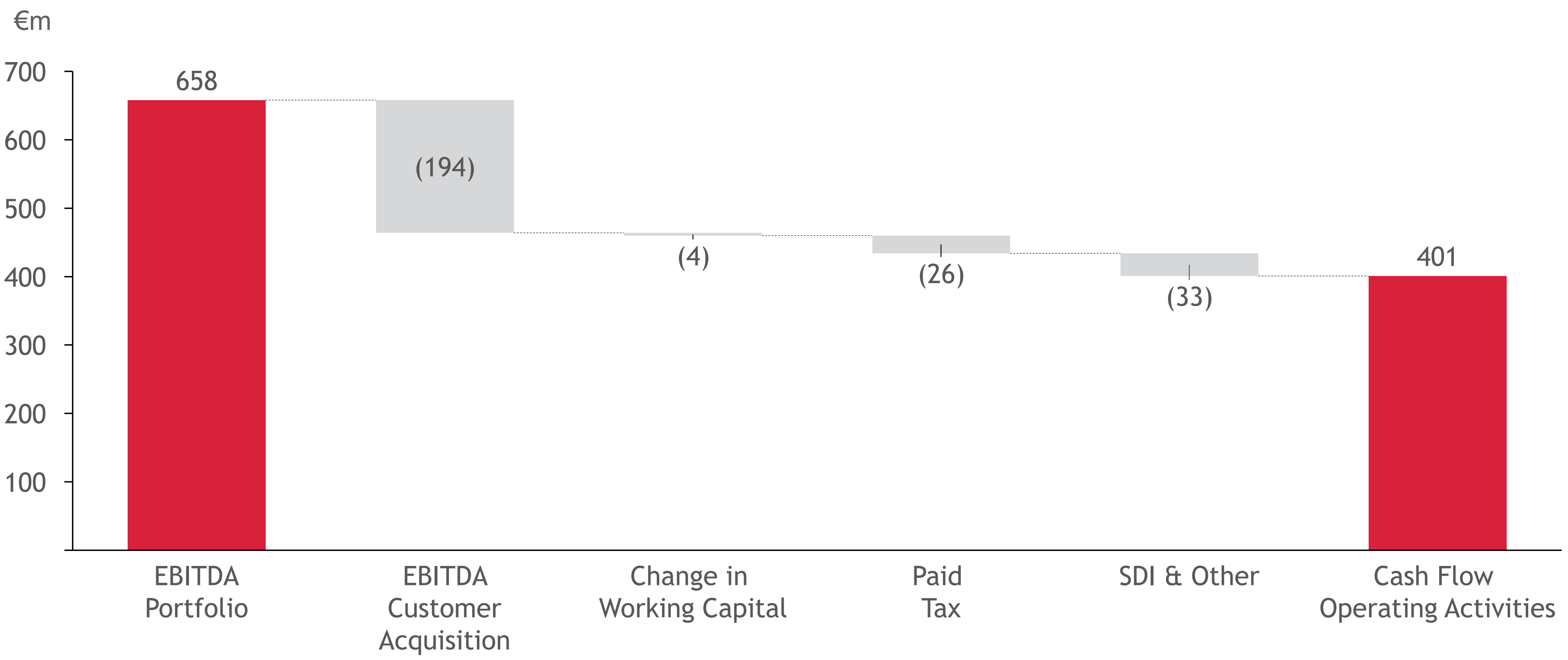
(€m)	Reported excl. SDI	SDI*	Reported
Revenue	407	(3)	404
Net operating expenses	(246)	(5)	(251)
Adjusted EBITDA	161	(8)	153
Depreciation and amortisation	(46)	(38)	(85)
Retirement of assets	(15)	-	(15)
Operating profit	99	(46)	53
Interest income & cost	(46)		(46)
Other financial items	(1)	(18)	(19)
Result before tax	52	(64)	(12)
Income tax			(9)
Result for the period			(21)



Revenue (€m)

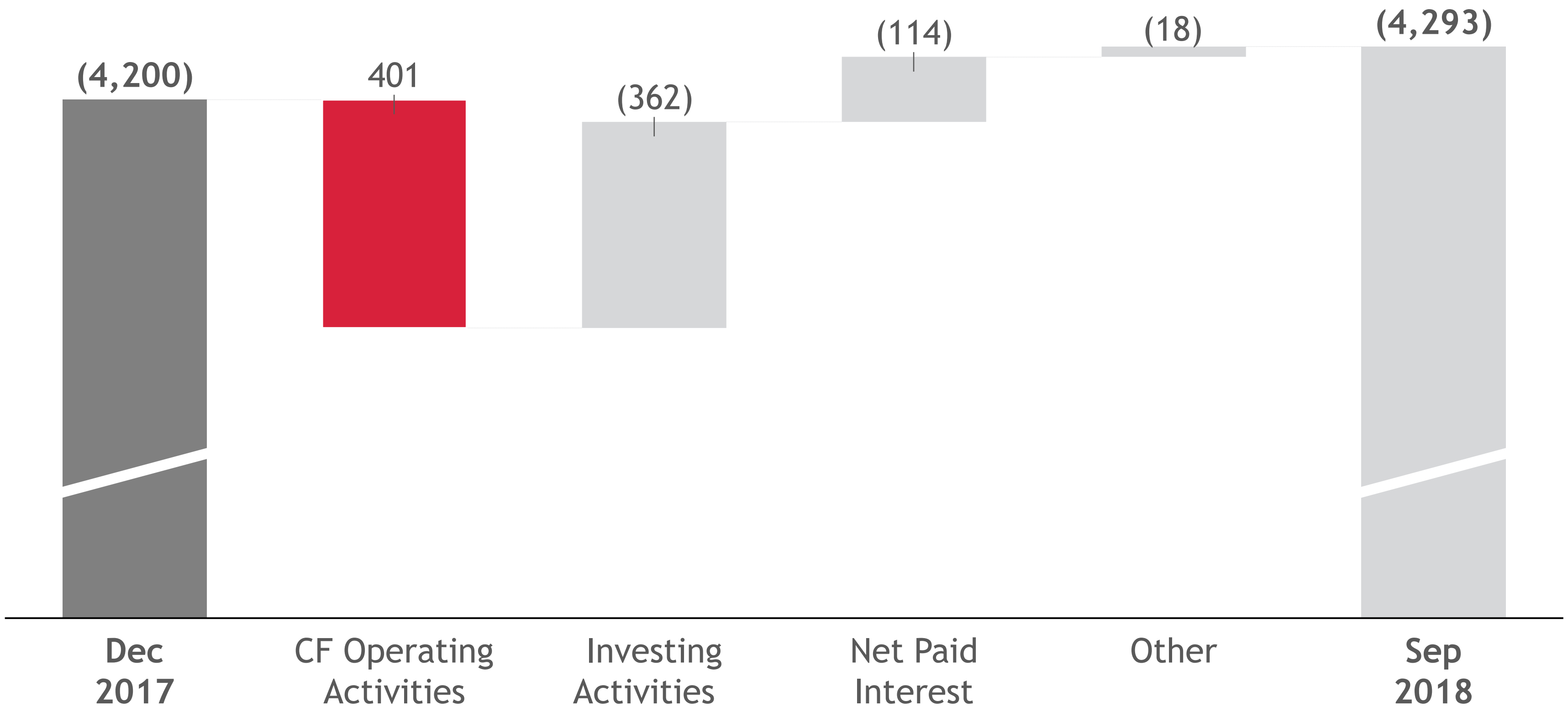
(*) SDI – Separately Disclosed Items

Cash flow from operating activities – YTD September 2018



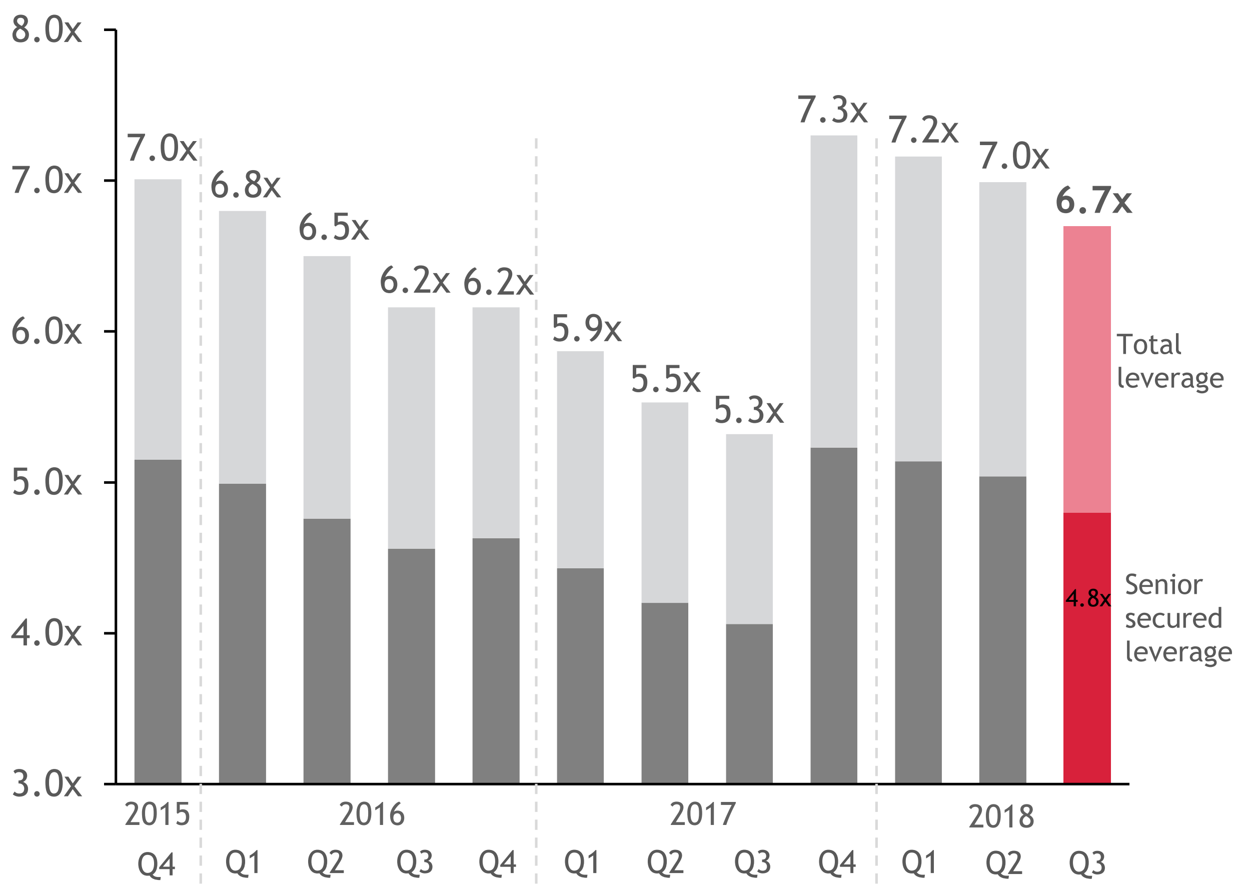
Cash flow (€m)

Net debt bridge – YTD September 2018



Net Debt (€m)

Leverage



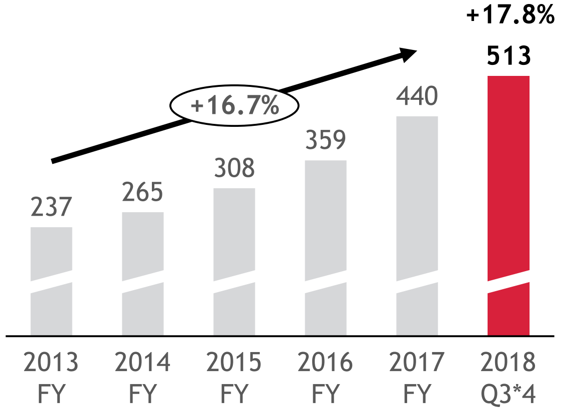
Evolution of L2QA* Leverage

	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net debt (€m)*	3,019	3,050	3,057	4,200	4,195	4,275	4,293
Adjusted EBITDA annualized (€m)*	515	552	574	575	586	612	645
Leverage (Total)*	5.9x	5.5x	5.3x	7.3x	7.2x	7.0x	6.7x

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

(*) L2QA = last two quarters annualized

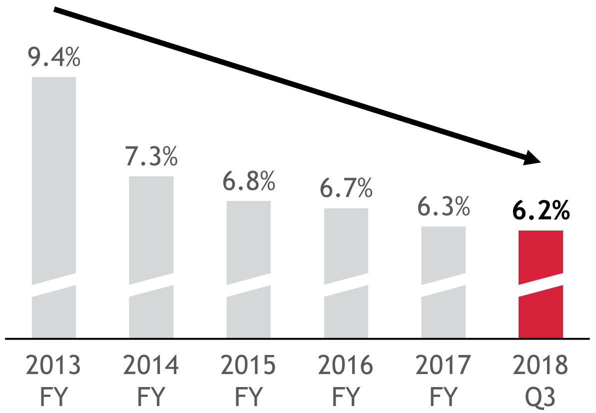
Resilient Quality Growth



Strong growth in new subscribers

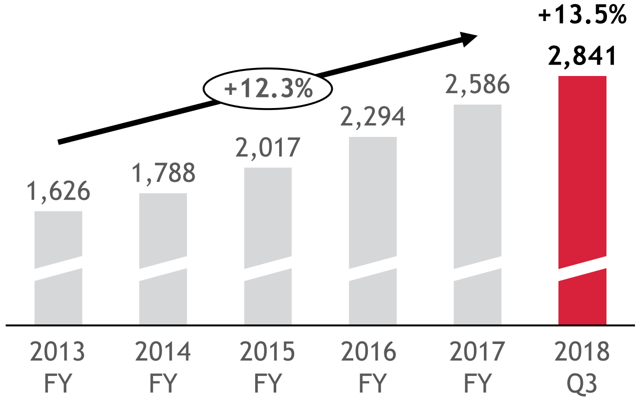
(New installations 000s)

+



Excellent customer stickiness

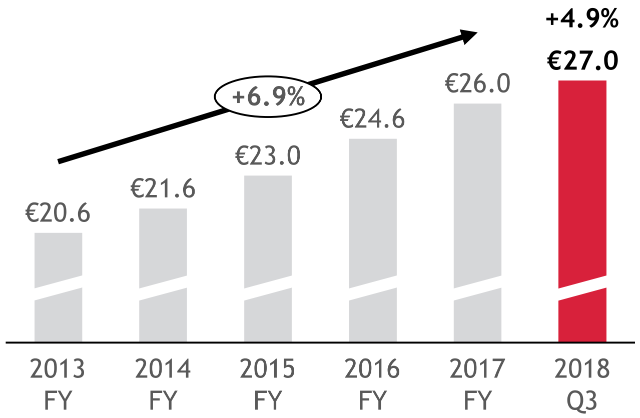
(Attrition %, LTM)



Resilient portfolio growth

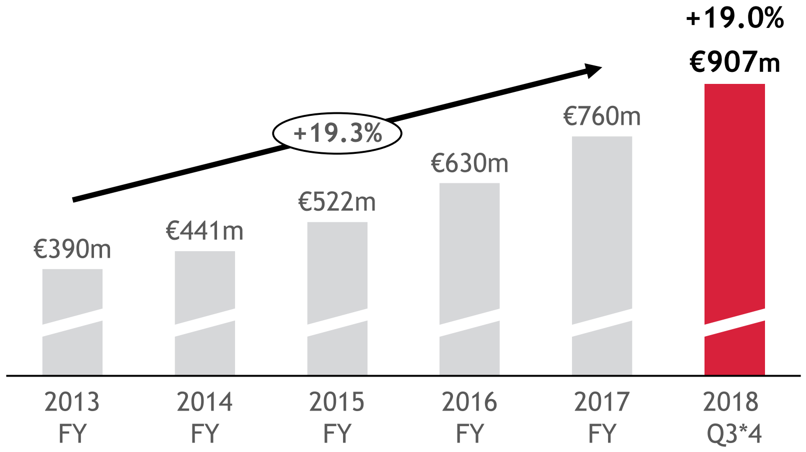
(Total customer portfolio 000s)

X



Improving unit economics

(EPC €)



Quality Portfolio EBITDA growth

Notes:
Growth rates vs. prior year and 4 year CAGRs in constant currencies.
Q3*4= Q3 2018 annualized.

Q&A

IFRS 15 Restatement – Impact on Q3 2017

Appendix

2017 – Q3

(€m)	Previously reported	Restated results	*Change*
Adjusted EBITDA	**145.0**	**145.0**	**-**
SDI – IFRS15 Adjustment	-	(3.9)	*(3.9)*
SDI – Other	(8.2)	(8.2)	-
Reported EBITDA	**136.7**	**132.8**	***(3.9)***

2017 – Q3

(€)	Previously reported	Restated KPI's	*Change*
ARPU	39.6	39.5	*(0.1)*
EPC	26.3	26.3	-
CPA	1,162	1,162	-