Verisure Midholding AB (publ)

Earnings Call Presentation | Q3 2021

December 2nd, 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

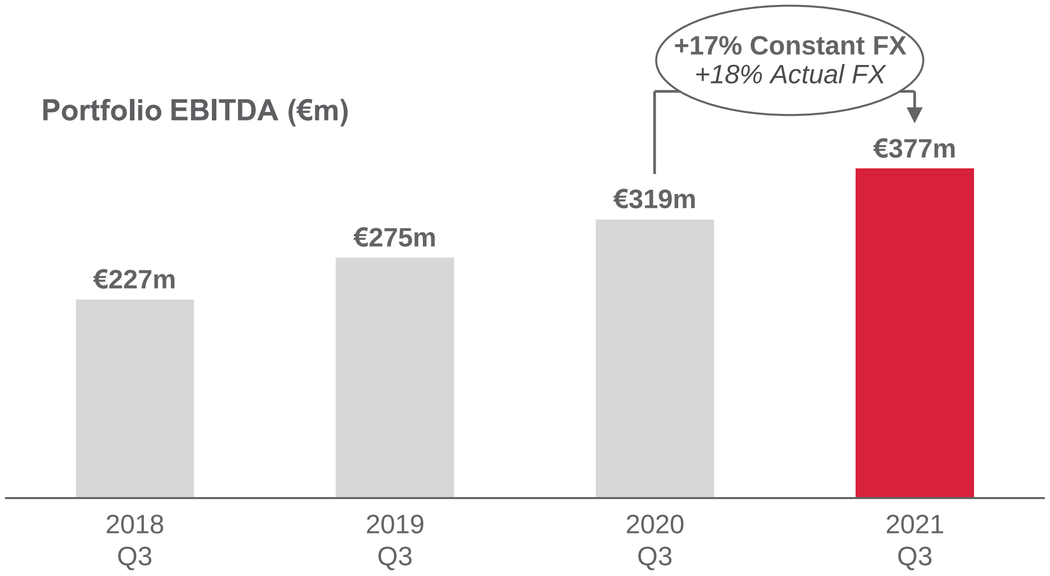
Q3 2021 Performance Highlights

Key Highlights

- Continued strong operational and financial performance in Q3 2021
- Our Customer Portfolio continued to grow strongly and passed 4.1 million, which represents a growth of +14.4% vs. Q3 2020
- Total Revenues grew +13.9% in the quarter (+13.1% in constant currencies) and +19.2% September YTD (+18.4% in constant currencies)
- Total Adjusted EBITDA increased +8.0% in the quarter (+7.3% in constant currencies) to €226 million, and +18.2% September YTD
- Portfolio EBITDA continued to grow strongly, up +18.2% in the quarter (+17.4% in constant currencies) to €377 million, and up +18.9% September YTD. Annualized Portfolio EBITDA is now over €1,500 million

Key Operating and Financial Metrics

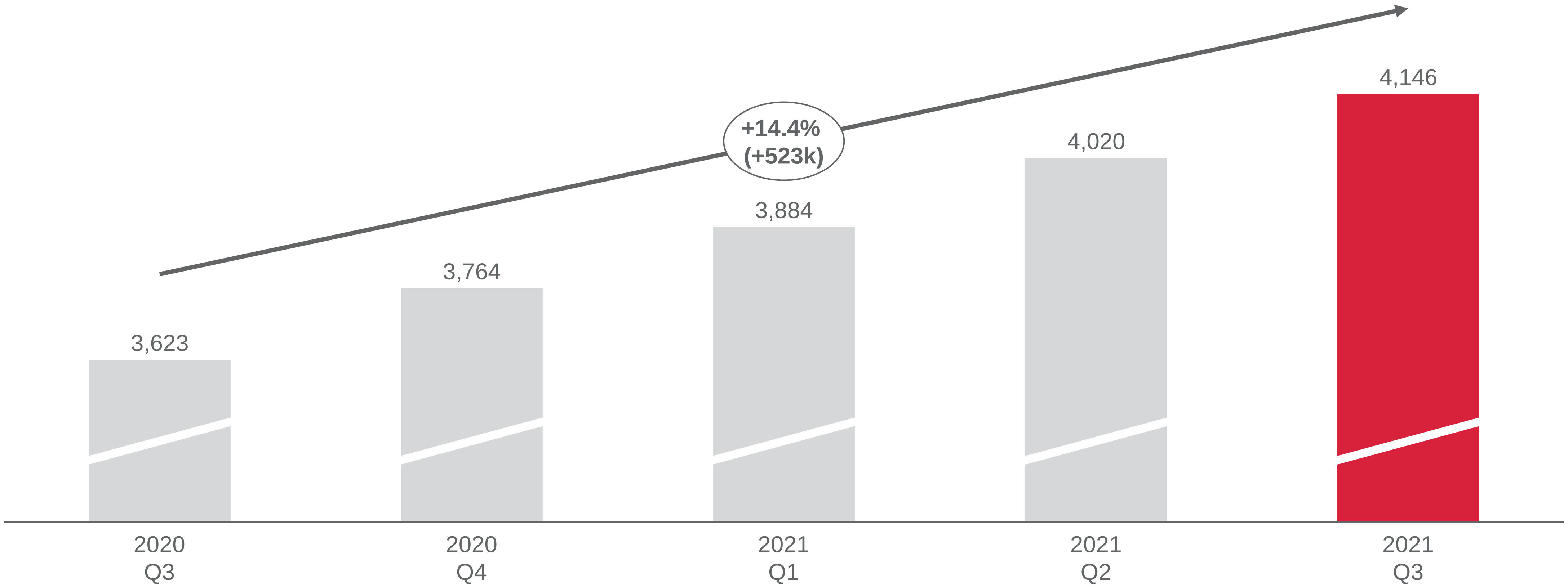
	2019 Q3	2020 Q3	2021 Q3
New Installations	+154k	+211k	+190k
Customer Portfolio	3,236k	3,623k	4,146k



Portfolio up +523k vs. PY and Now Over 4.1 Million Customers

Continued Strong Customer Portfolio Growth

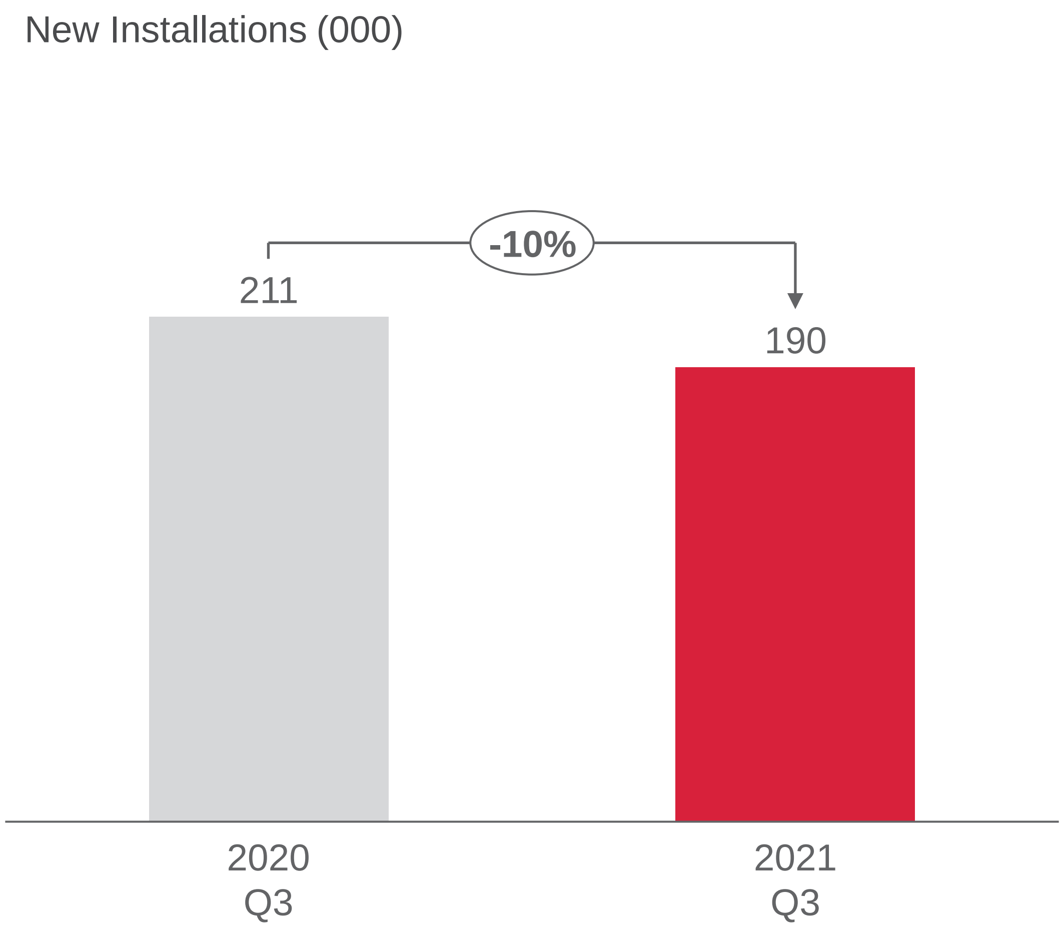
Total Customer Portfolio (000)



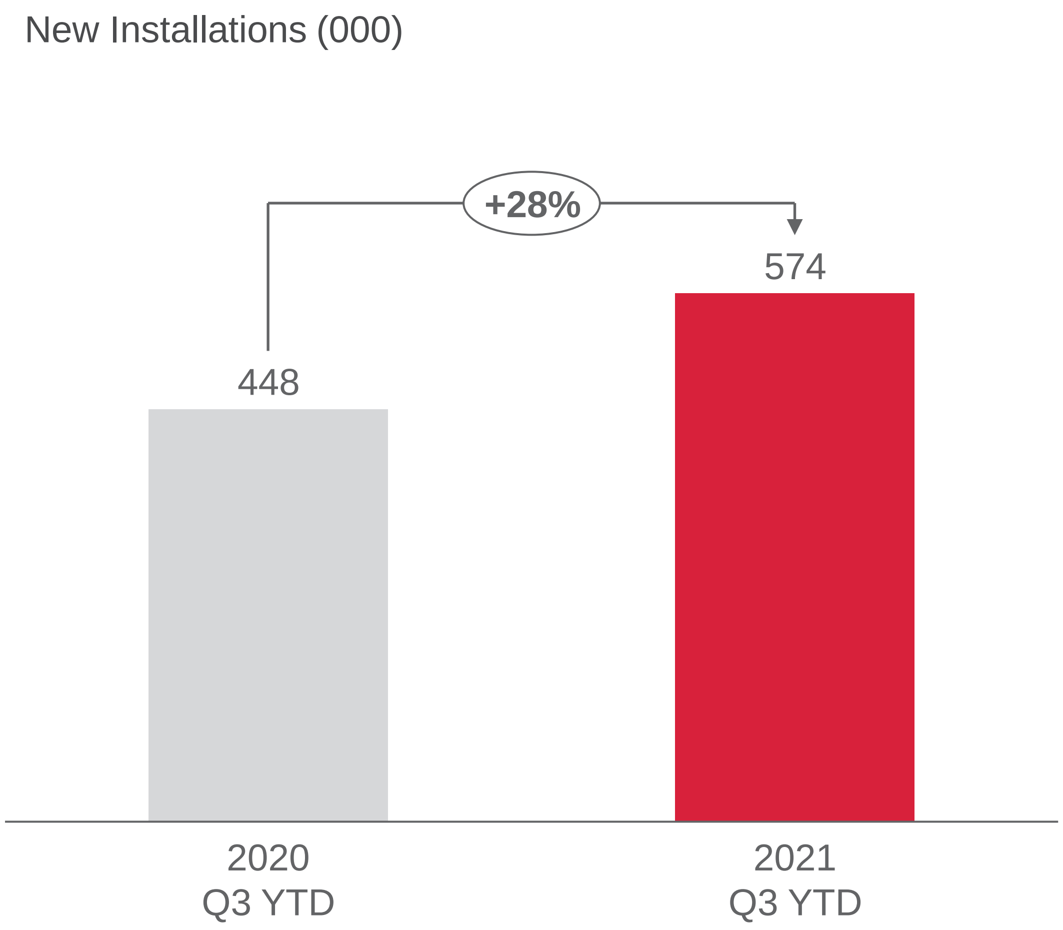
PY = Prior Year (2020)

Continuous Strong Customer Intake

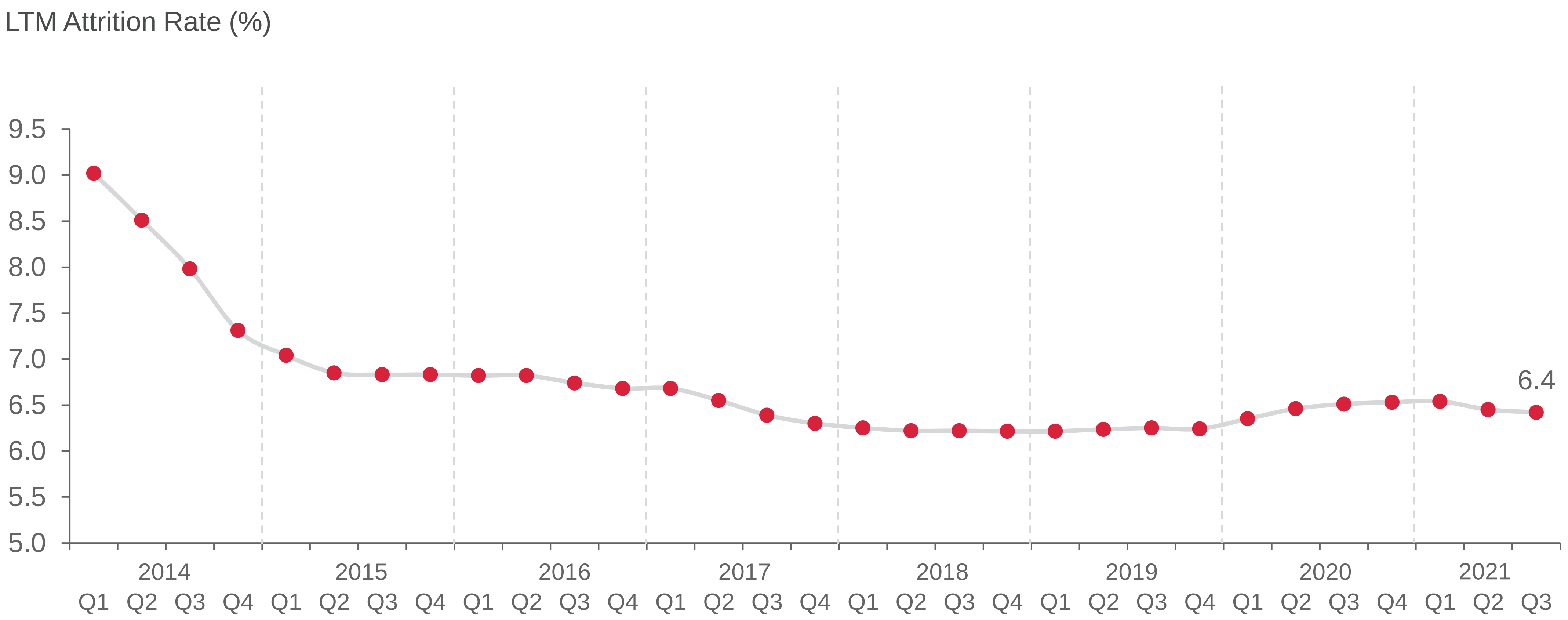
190k New Customers Added in Q3 2021



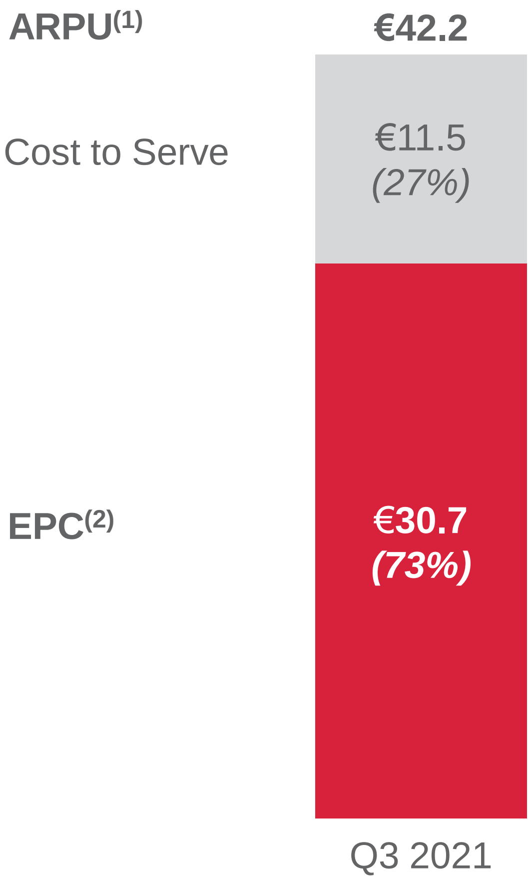
574k New Customers Added in 2021 September YTD



Maintaining Low Attrition



Strong Unit Economics



+€77m incremental revenue during the quarter vs. PY

	Q3 2021	Reported Currency Growth[3]	Constant Currency Growth[3]
ARPU	€42.2	+2.5%	+1.7%
EPC	€30.7	+2.6%	+1.8%

Note: [1] ARPU: Average Revenue Per User per month; [2] EPC: Portfolio EBITDA Per Customer per month; [3] Growth vs. Q3 2020

Key Financial Metrics - Q3 2021

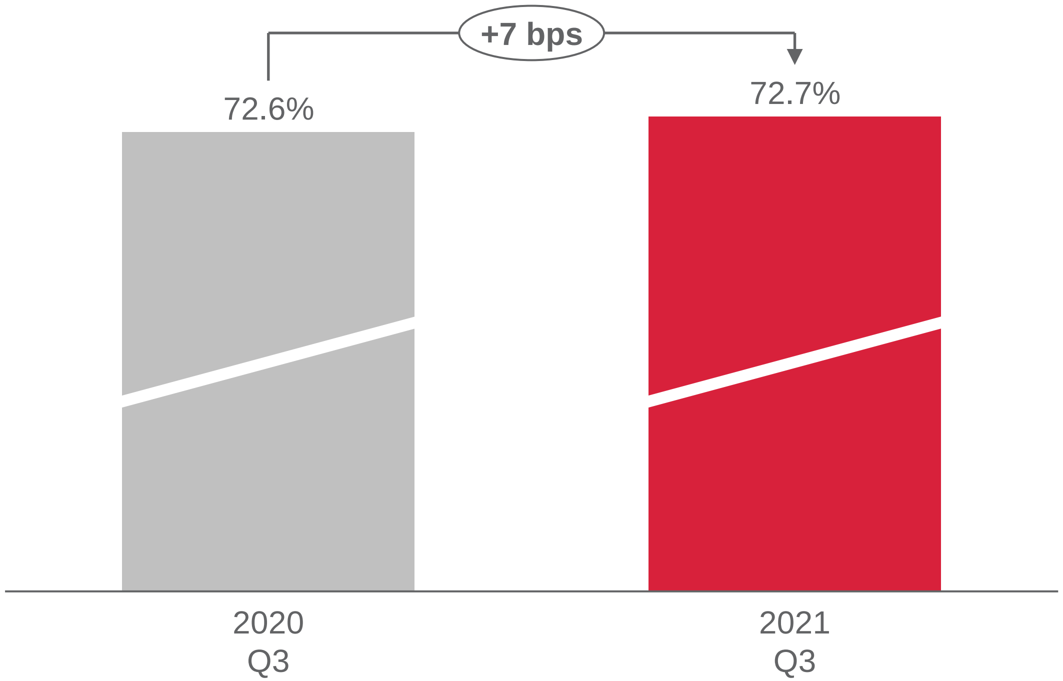
Strong Financial Metrics

€m

	2020 Q3	2021 Q3	% vs. PY
Total Revenues	557	634	+14%
Portfolio Services Adjusted EBITDA(1)	319	377	+18%
Total Adjusted EBITDA(1)	225	271	+20%
CF from Operating Activities	311	266	(15%)
Total Capex	178	181	+2%
Net Debt(2)	5,046	7,070	+40%
Cash & Unutilised Credit Facilities	446	581	+30%

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 (€144m in Q3-2021 and €139m in Q3-2020)
PY = Prior Year (2020)

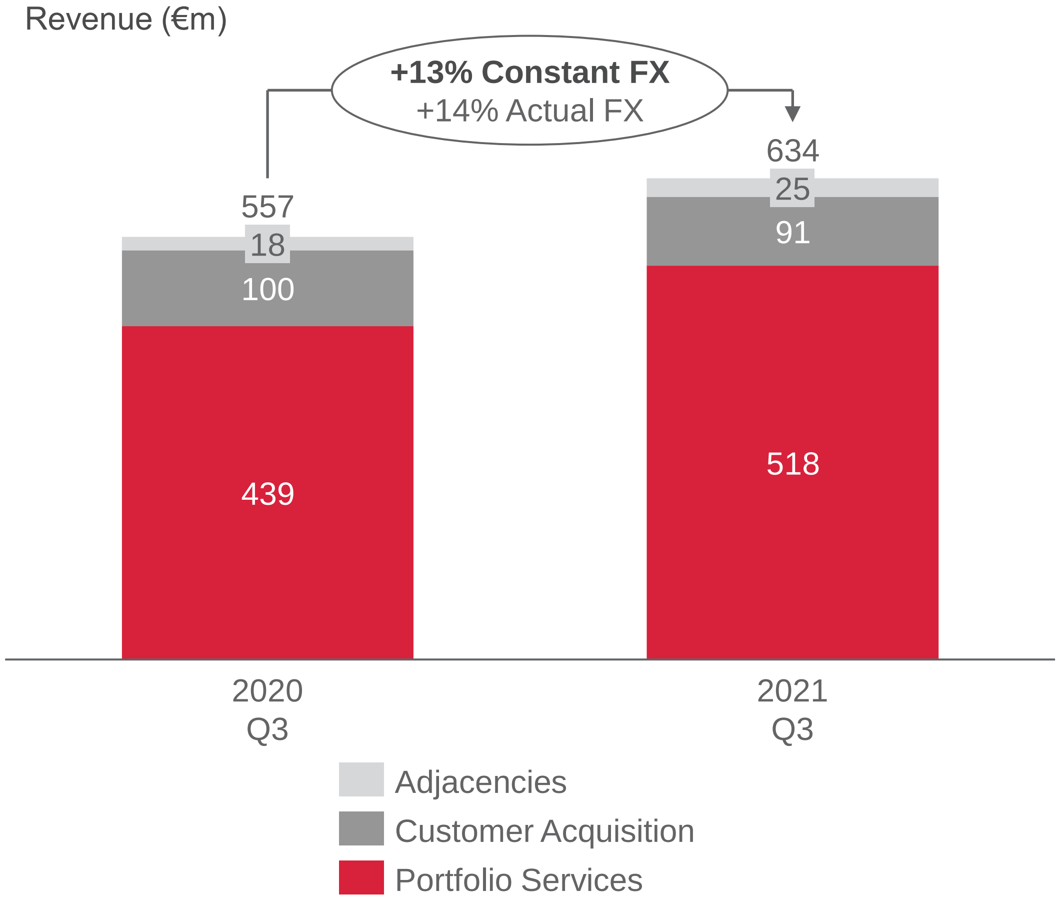
Income Statement - Q3 2021

Income Statement Summary - Q3 2021

€m

	Reported excl. SDI[1]	SDI[1]	Reported
Total Revenues	634		634
Net Operating Expenses	(363)	(45)	(409)
Total Adjusted EBITDA	**271**	**(45)**	**226**
D&A	(87)	(32)	(120)
Retirement of Assets	(30)	-	(30)
Operating Profit	**154**	**(77)**	**76**
Interest Income & Cost	(76)	-	(76)
Other Financial Items	(2)	(7)	(8)
Result Before Tax	**77**	**(84)**	**(7)**
Income Tax			3
Result for the Period			**(5)**

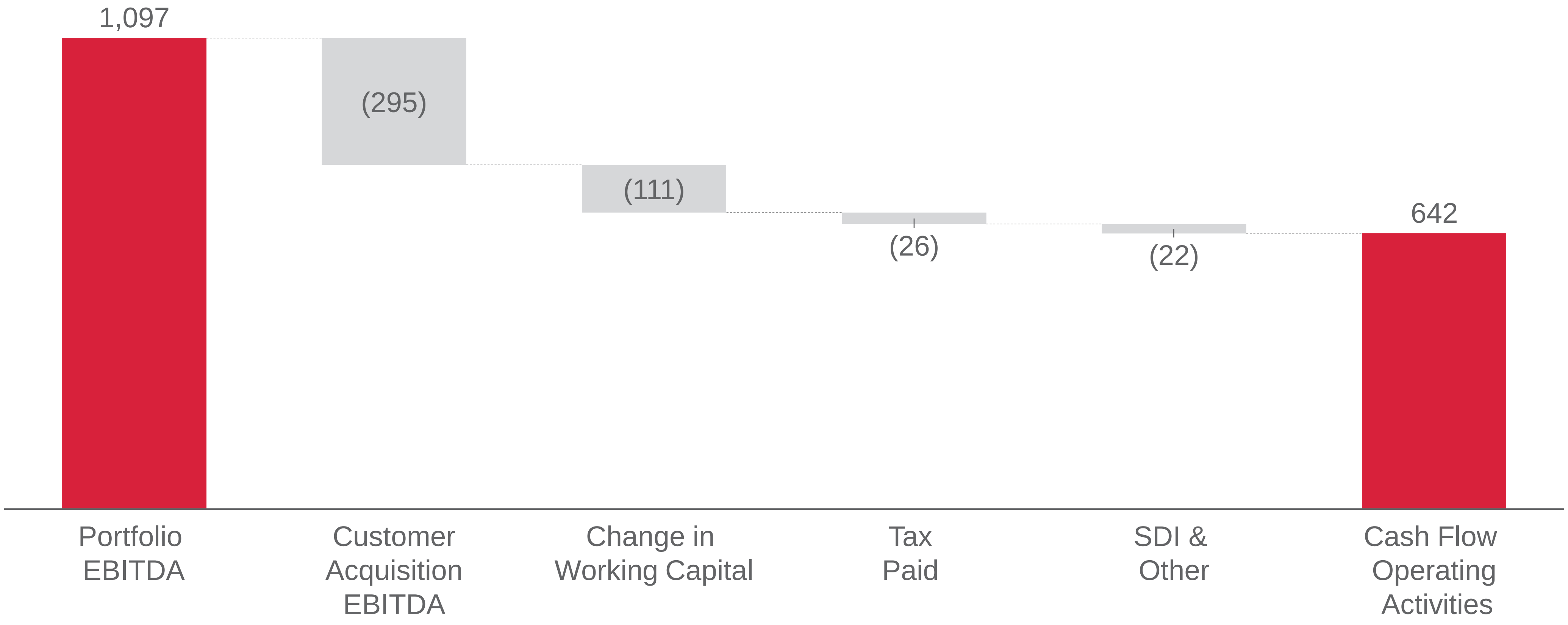
Strong Revenue Growth



Note: [1] Separately Disclosed Items

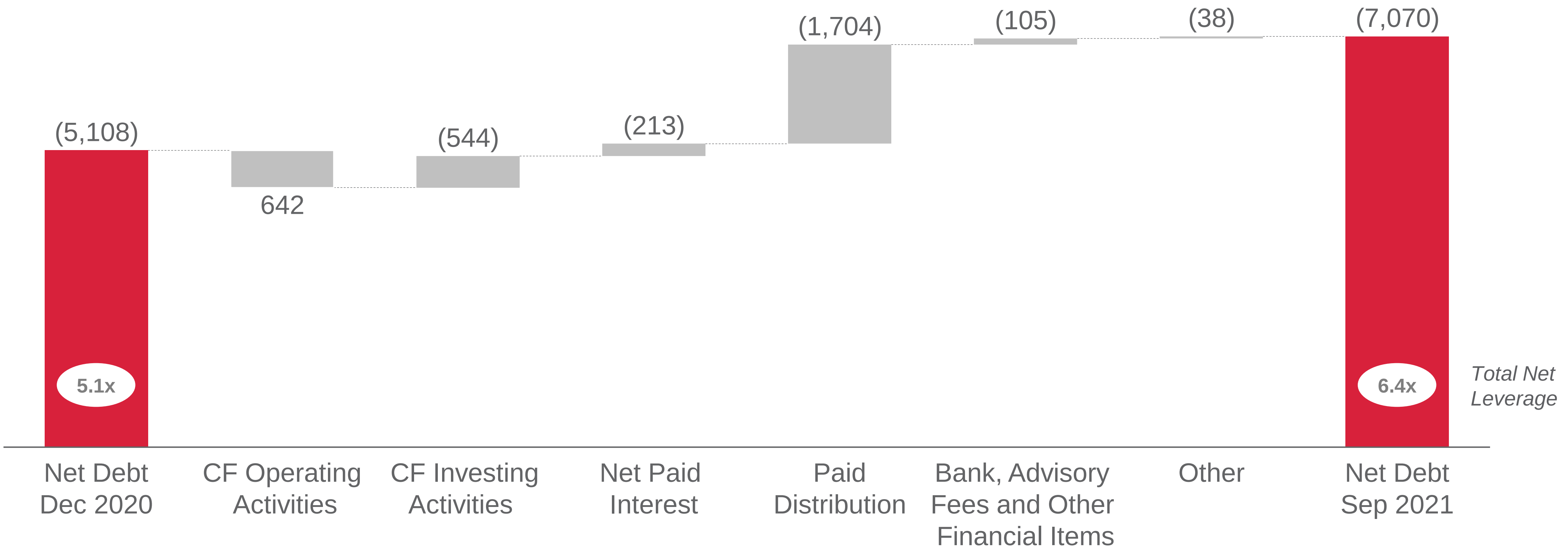
Strong Operating Cash Flow Generation of €642m Sept 2021 YTD

Cash Flow from Operating Activities, Sept 2021 YTD, €m



Increase in Net Debt Following Jan-21 Refinancing

Net Debt Bridge, Sept 2021 YTD, €m

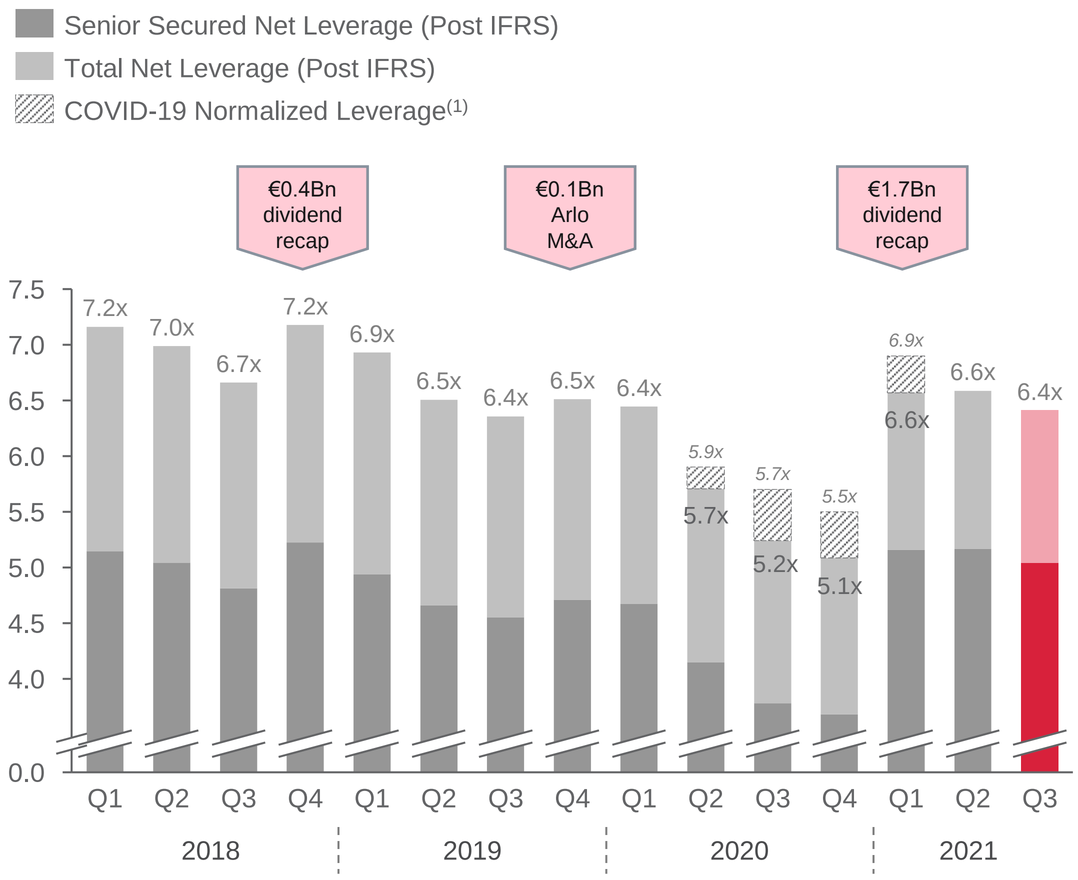


Moody's [1]	*B2*	***Unchanged***	*B2*
S&P [1]	*B*		*B*

Note: [1] Corporate Family Rating

Leverage Overview

Evolution of L2QA Net Leverage



2020 - Q3 2021 L2QA Net Leverage

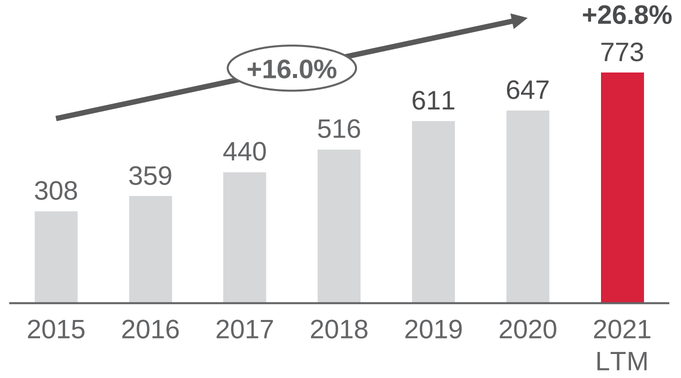
	2020				2021		
Post IFRS	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Debt (€m)	5,110	5,137	5,046	5,108	6,929	7,029	7,070
Adjusted EBITDA L2QA (€m)	793	900	963	1,004	1,054	1,067	1,102
Senior Secured Net Leverage (x)	***4.7x***	***4.1x***	***3.8x***	***3.7x***	***5.2x***	***5.2x***	***5.0x***
Total Net Leverage (x)	***6.4x***	***5.7x***	***5.2x***	***5.1x***	***6.6x***	***6.6x***	***6.4x***

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

Resilient High-quality Growth

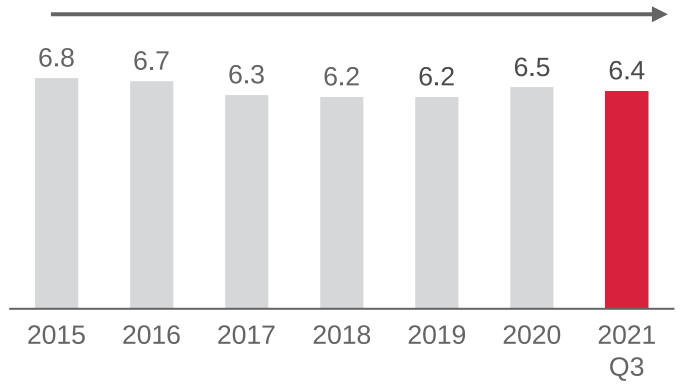
Strong Customer Intake

New Installations (000)



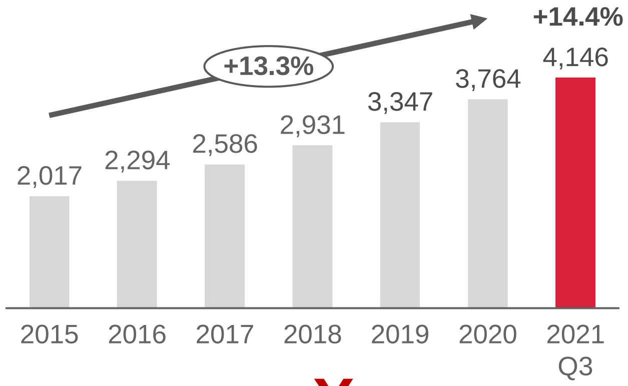
Low Attrition

(%, LTM)



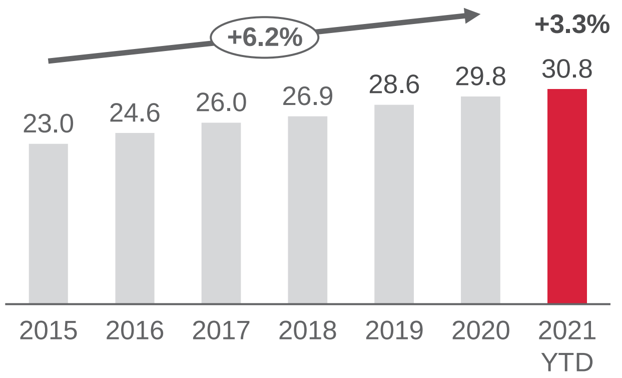
Strong Portfolio Growth

Total Customer Portfolio (000)



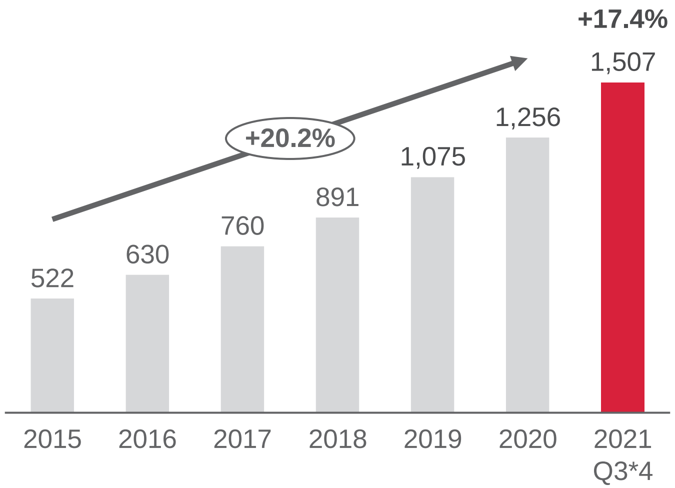
Improving Unit Economics

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

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Q&A

Thank you