
# Verisure Midholding AB (publ)

Earnings Call Presentation | Q4 2021

February 23rd, 2022

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# Today´s Presenters

**Austin Lally**
**Chief Executive Officer**

**Vincent Litrico**
**Chief Financial Officer**

# Agenda

- Key Developments
- Financial Review
- Questions & Answers

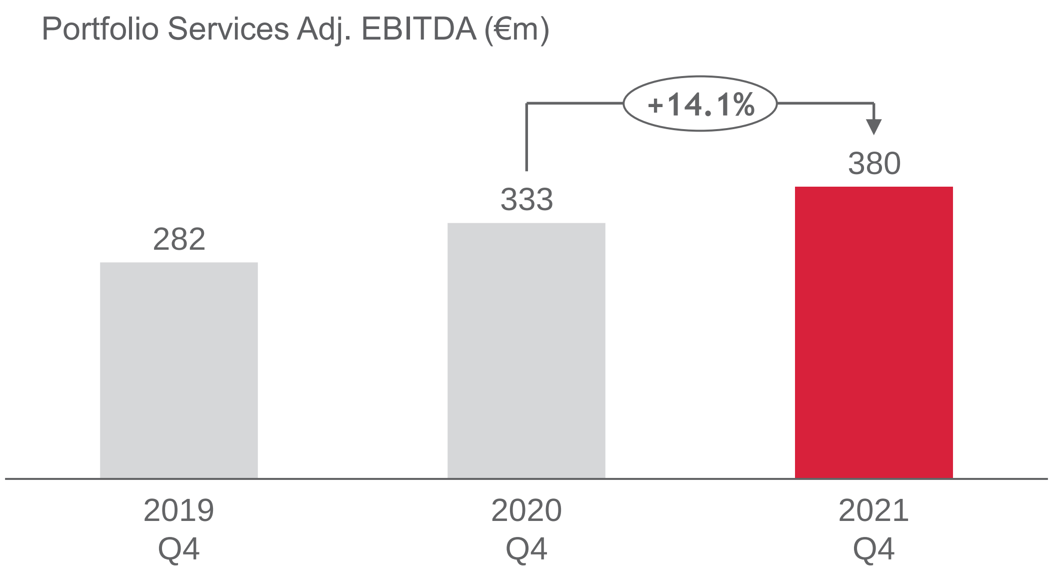
# Performance Highlights

## Key Highlights

- Continued strong operational and financial performance in Q4 2021
- Customer Portfolio continued to grow strongly and is now over 4.2 million, which represents a growth of +13.6% vs. Q4 2020 (over 0.5 million customers added in 2021)
- Total Revenues grew +12.1% in the quarter (+11.7% in constant currencies) to €653 million, and +17.3% in the year (+16.6% in constant currencies)
- Total Adjusted EBITDA increased +7.5% in the quarter (+7.2% in constant currencies) to €244 million, and +15.4% in the year (14.4% in constant currencies)
- Portfolio Services Adj. EBITDA continued to grow strongly, up +14.1% in the quarter (+13.6% in constant currencies) to €380 million, and up +17.7% in the year (16.8% in constant currencies). Annualized Portfolio Services Adj. EBITDA is now over €1,520 million

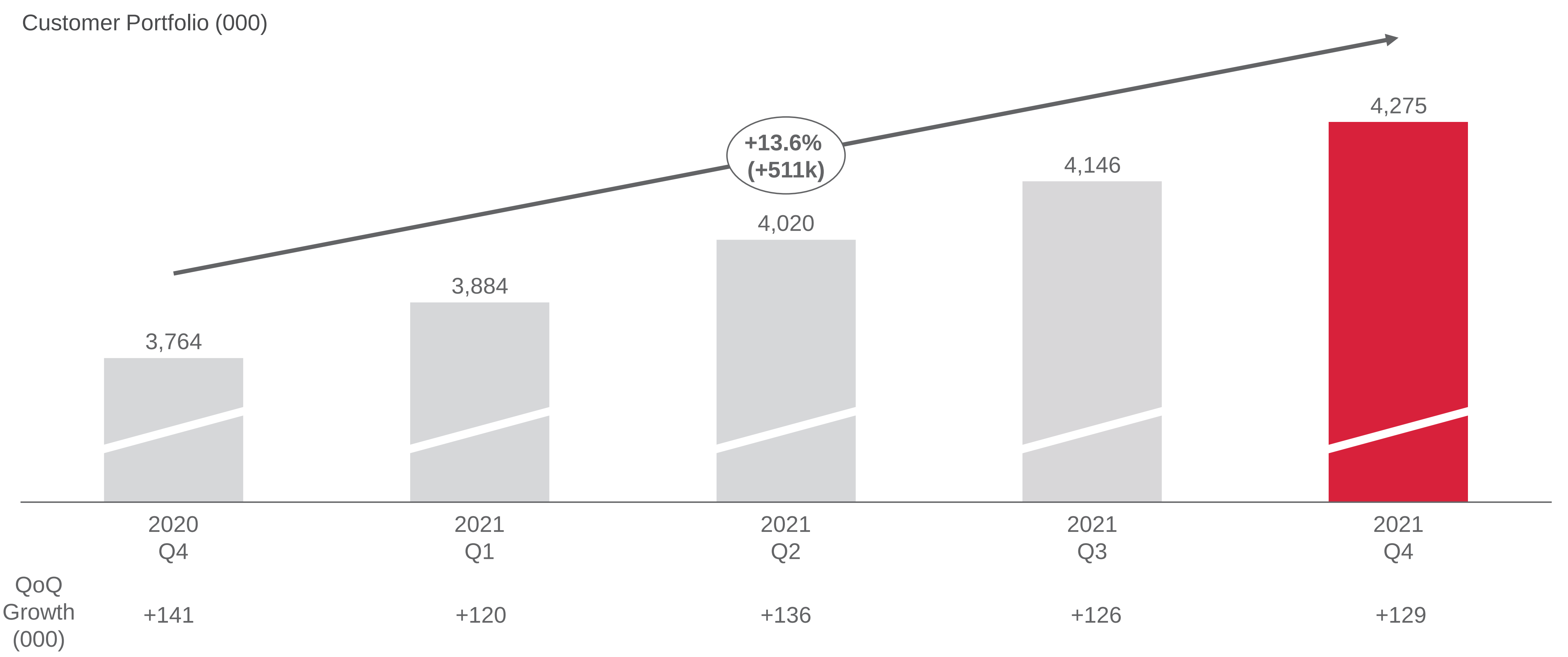
## Key Operating and Financial Metrics

| | 2019 Q4 | 2020 Q4 | 2021 Q4 |
|---|---|---|---|
| **New Installations** | +161k | +199k | +195k |
| **Customer Portfolio** | 3,347k | 3,764k | 4,275k |



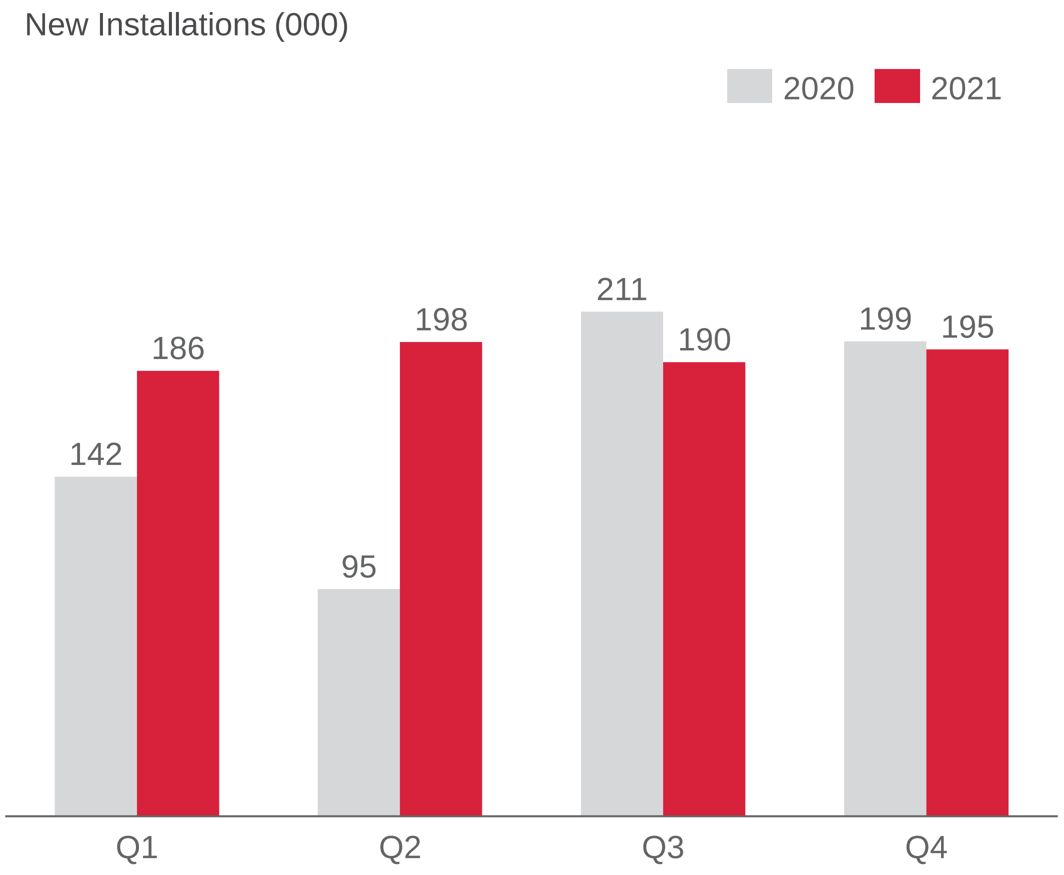
# Customer Portfolio up +511k in 2021 and Now Over 4.2 Million Customers

## Continuous Strong Customer Portfolio Growth

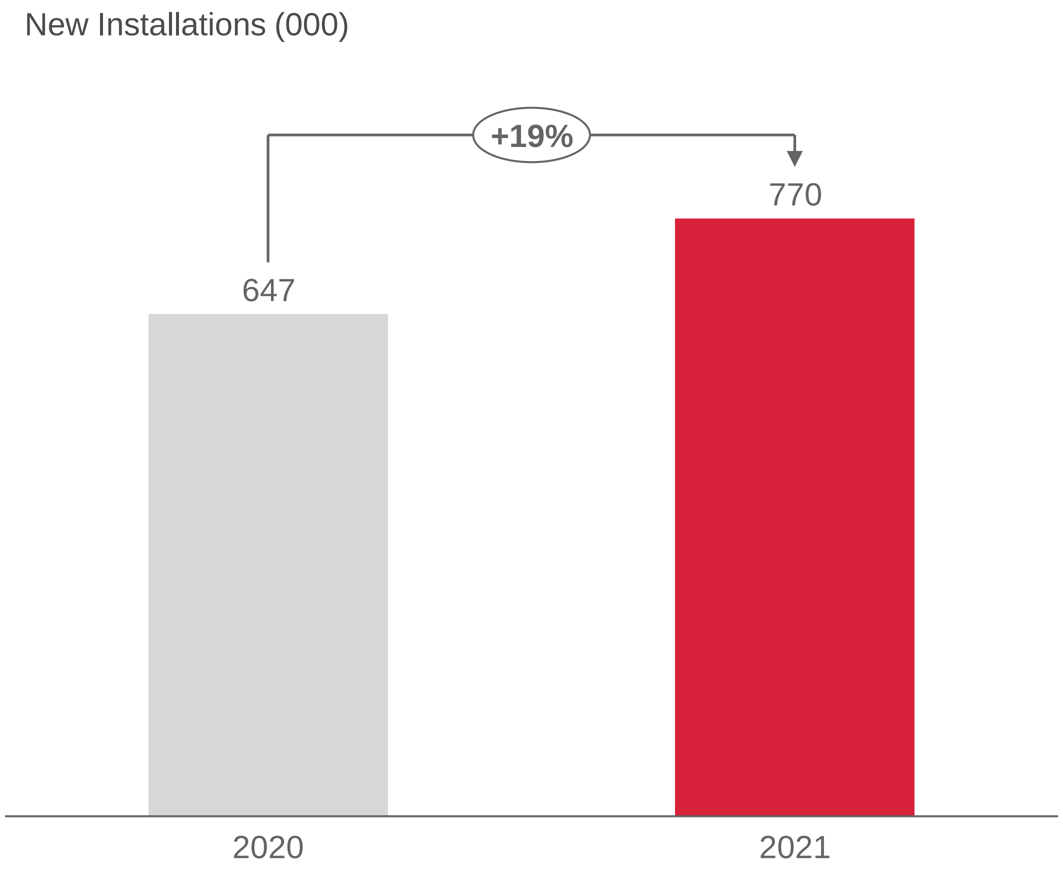


# Continuous Strong Customer Intake

## 195k New Customers Added in Q4 2021

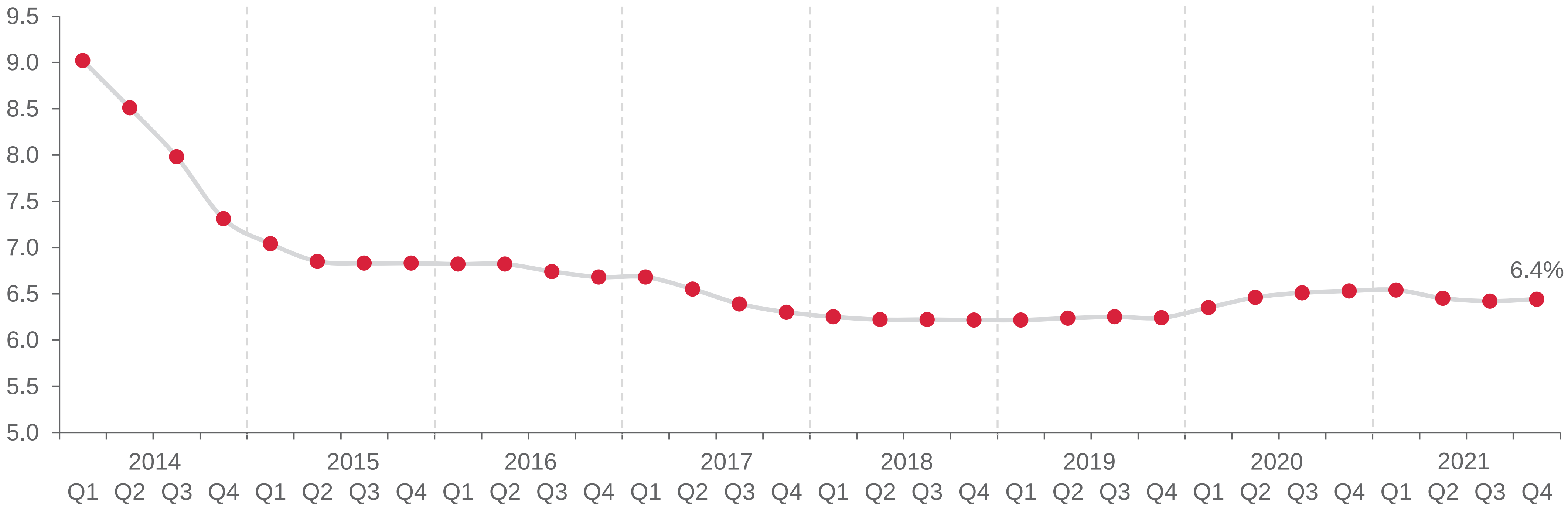



## 770k New Customers Added in 2021

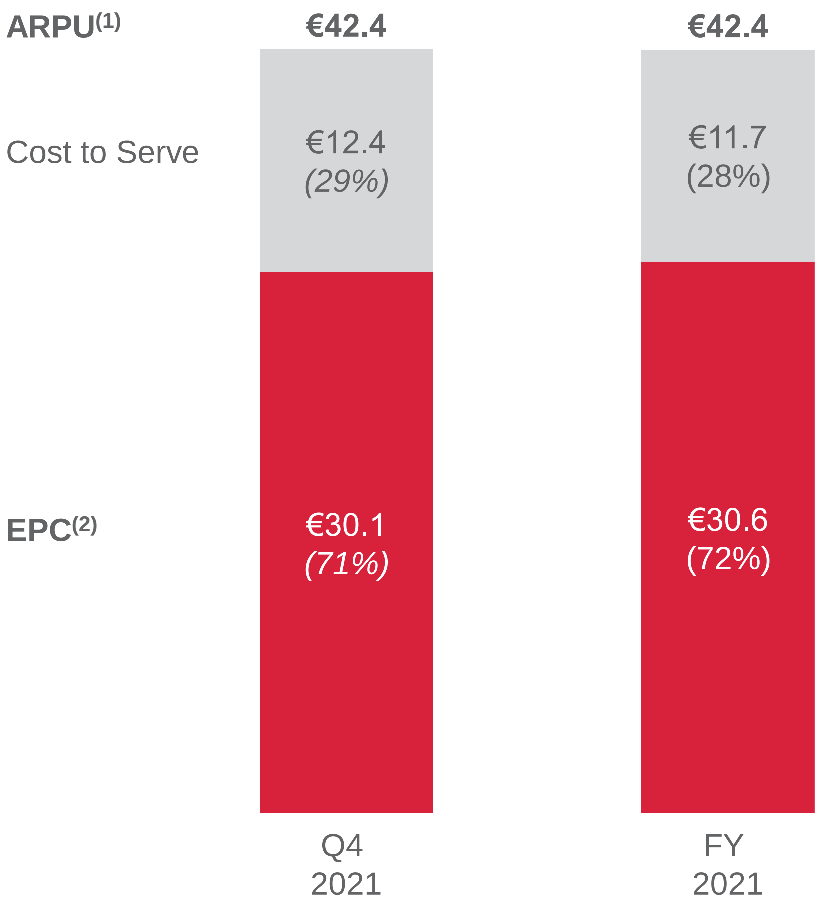


# Maintaining Low Attrition

LTM Attrition Rate (%)



# Strong Unit Economics




| | Q4 2021 | Growth[3] | FY 2021 | Growth[3] |
|---|---|---|---|---|
| ARPU | **€42.4** | *+2.3%* | **€42.4** | *+2.8%* |
| EPC | **€30.1** | *+0.1%* | **€30.6** | *+3.0%* |

Note: [1] ARPU: Average Revenue Per User per month; [2] EPC: Portfolio EBITDA Per Customer per month; [3] Reported currency growth

# Key Financial Metrics

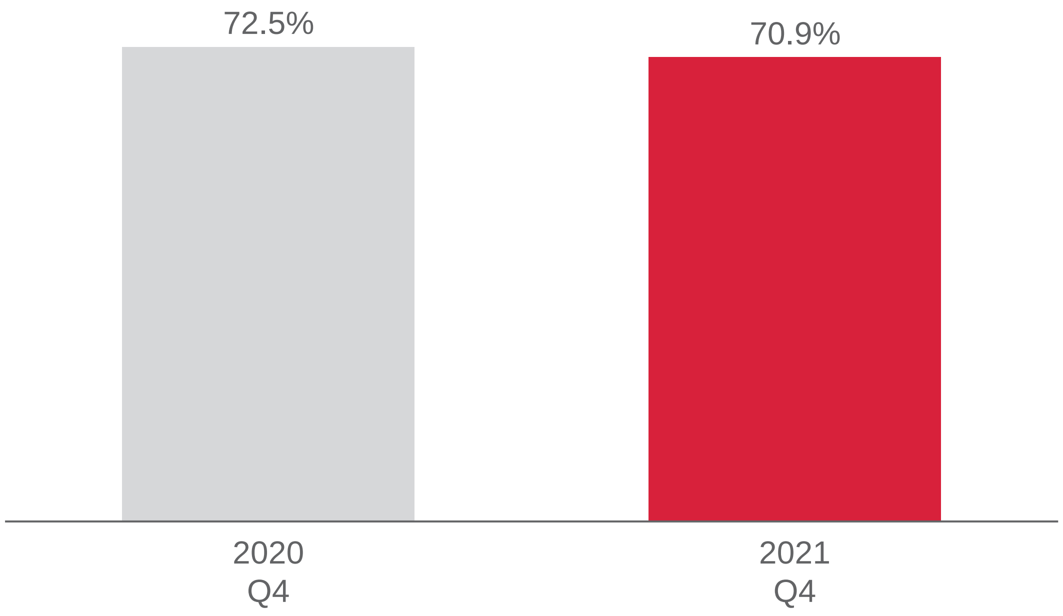
## Strong Financial Metrics

€m

| | 2020 Q4 | 2021 Q4 | % vs. PY |
|---|---|---|---|
| Total Revenues | 582 | 653 | +12% |
| Portfolio Services Adjusted EBITDA (1) | 333 | 380 | +14% |
| Total Adjusted EBITDA (1) | 257 | 251 | (2%) |
| CF from Operating Activities | 256 | 175 | (32%) |
| Total Capex | 208 | 220 | +6% |
| Net Debt (2) | 5,108 | 7,172 | +40% |
| Cash & Unutilized Credit Facilities | 391 | 480 | +23% |

## Sustained High Portfolio Services Profitability

Portfolio Services Adj. EBITDA Margin (%)




Notes: (1) Excludes Separately Disclosed Items (SDI); (2) Net Debt per our Senior Facilities Agreement ("SFA") dated 25 January 2021, which includes IFRS 16 debt (€150m in Q4-2021 and €132m in Q4-2020)
PY = Prior Year (2020)

# Income Statement

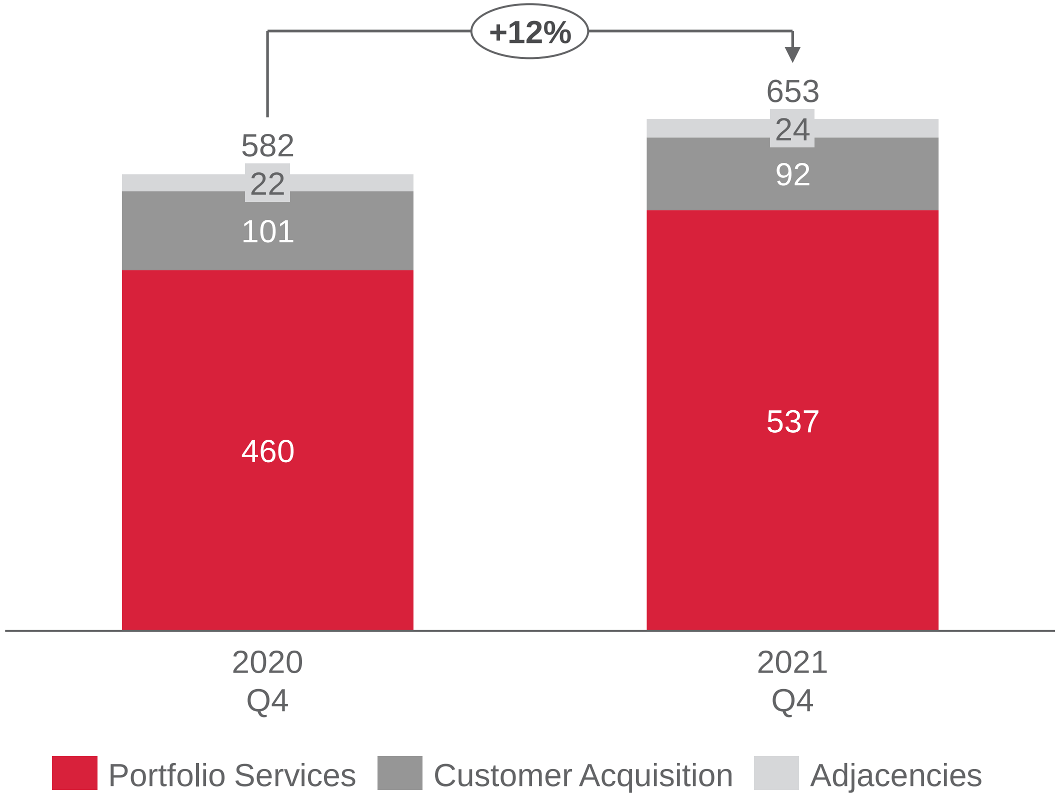
## Income Statement Summary - Q4 2021

€m

| | Reported excl. SDI[1] | SDI[1] | Reported |
|---|---|---|---|
| Total Revenues | 653 | | 653 |
| Net Operating Expenses | (401) | (7) | (409) |
| **Total Adjusted EBITDA** | **251** | **(7)** | **244** |
| D&A | (103) | (18) | (121) |
| Retirement of Assets | (32) | - | (32) |
| **Operating Profit** | **117** | **(25)** | **91** |
| Net Interest Expense | (75) | - | (75) |
| Other Financial Items | (1) | 10 | 9 |
| **Result Before Tax** | **41** | **(15)** | **25** |
| Income Tax | | | (23) |
| **Result for the Period** | | | **2** |

## Strong Revenue Growth

Total Revenues (€m)




Note: [1] Separately Disclosed Items

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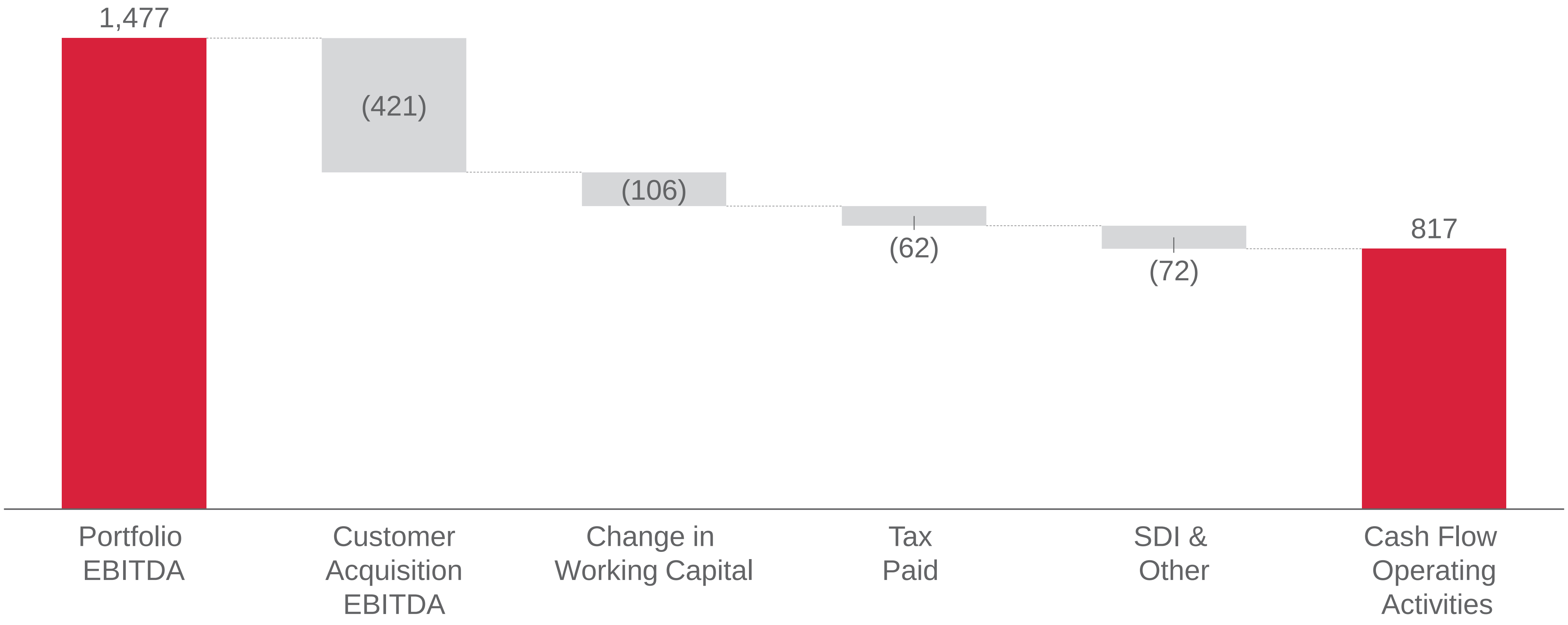
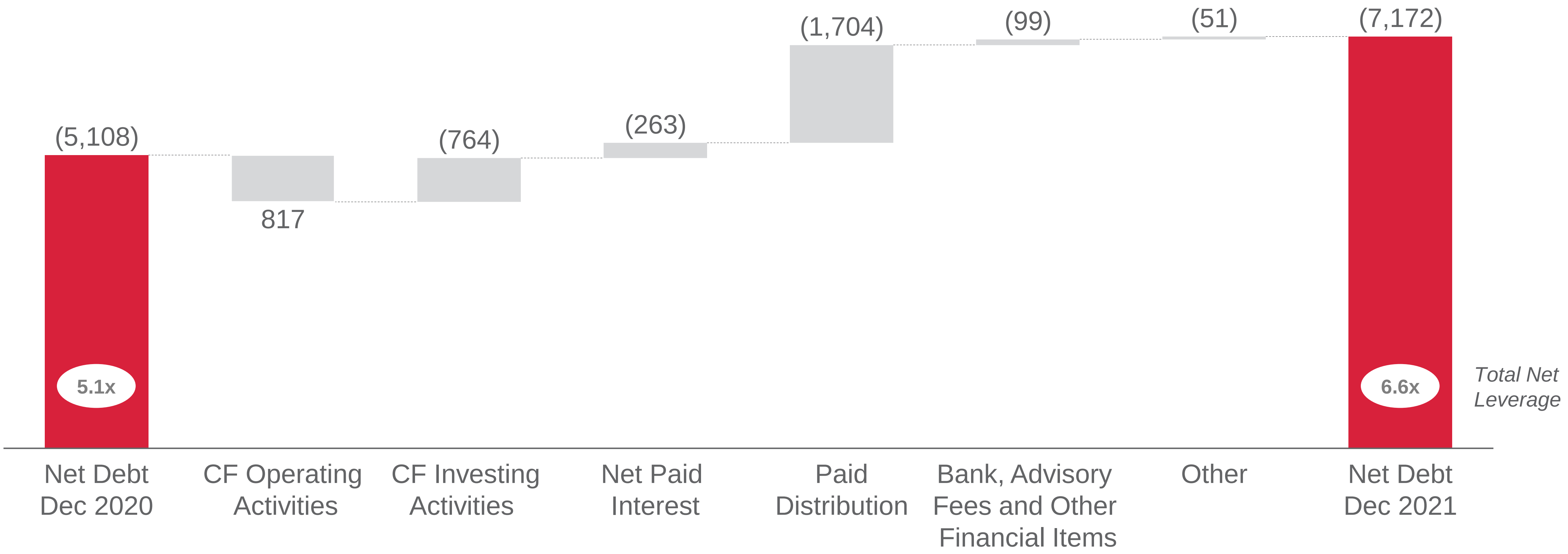
# Strong Operating Cash Flow Generation of €817m in 2021

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



# Increase in Net Debt Following Jan-21 Refinancing

Net Debt Bridge, Dec 2021, €m

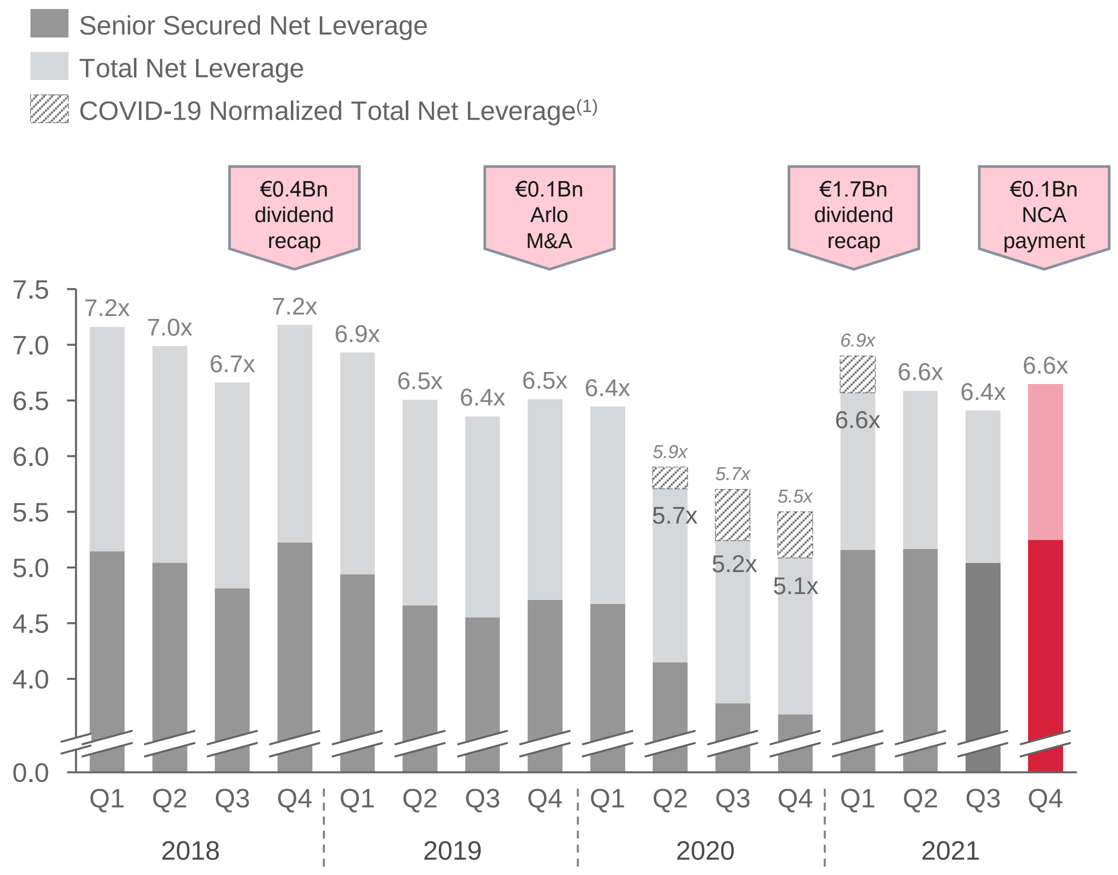



| | | | |
|---|---|---|---|
| *Moody's* [1] | *B2* | ***Unchanged*** → | *B2* |
| *S&P* [1] | *B* | | *B* |

Note: [1] Corporate Family Rating

# Leverage Overview

## Evolution of L2QA Net Leverage




## 2020 - 2021 L2QA Net Leverage

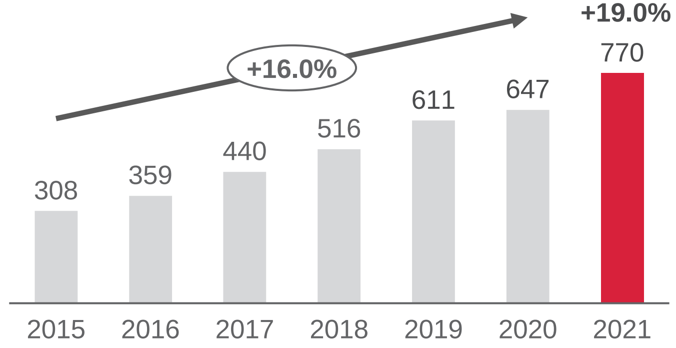
| | 2020 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| ***Post IFRS*** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |
| Net Debt (€m) | 5,110 | 5,137 | 5,046 | 5,108 | 6,929 | 7,029 | 7,070 | 7,172 |
| Adjusted EBITDA L2QA (€m) | 793 | 900 | 963 | 1,004 | 1,054 | 1,067 | 1,102 | 1,079 |
| ***Senior Secured Net Leverage (x)*** | *4.7x* | *4.1x* | *3.8x* | *3.7x* | *5.2x* | *5.2x* | *5.0x* | *5.2x* |
| ***Total Net Leverage (x)*** | *6.4x* | *5.7x* | *5.2x* | *5.1x* | *6.6x* | *6.6x* | *6.4x* | *6.6x* |
| ***COVID-19 Normalized Total Net Leverage (x)*** | *6.4x* | *5.9x* | *5.7x* | *5.5x* | *6.9x* | *6.6x* | *6.4x* | *6.6x* |

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

# Resilient High-quality Growth

## Strong Customer Intake

New Installations (000)

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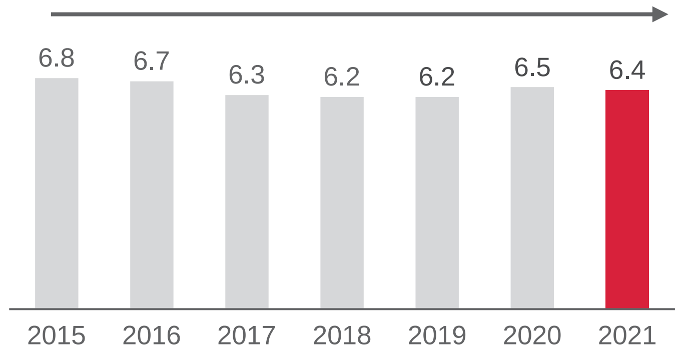
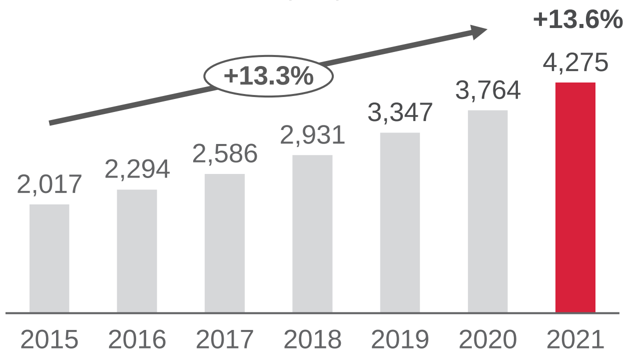
## Low Attrition

(%, LTM)




## Strong Portfolio Growth

Total Customer Portfolio (000)

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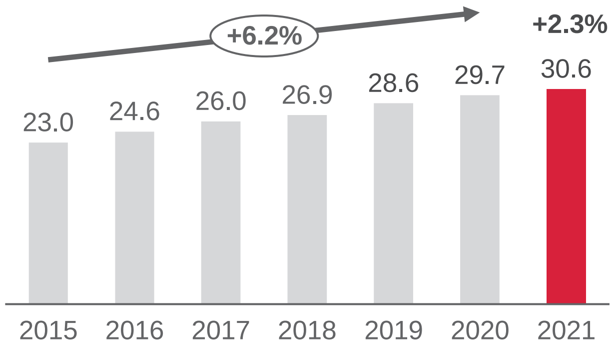
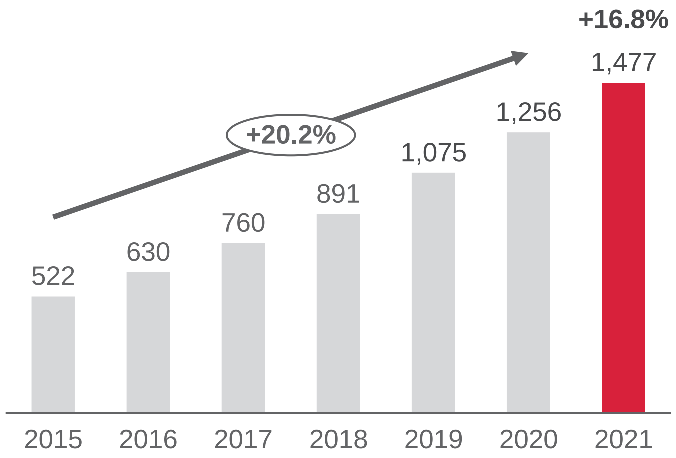
## Improving Unit Economics

EPC (€)




## Quality Portfolio EBITDA Growth

(€m)




Comments:

% = CAGR 2015 - 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