Verisure Midholding AB (publ)

Earnings Call Presentation | Q4 2022

February 22nd, 2023

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Disclaimer

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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
- Q&A

Performance Highlights

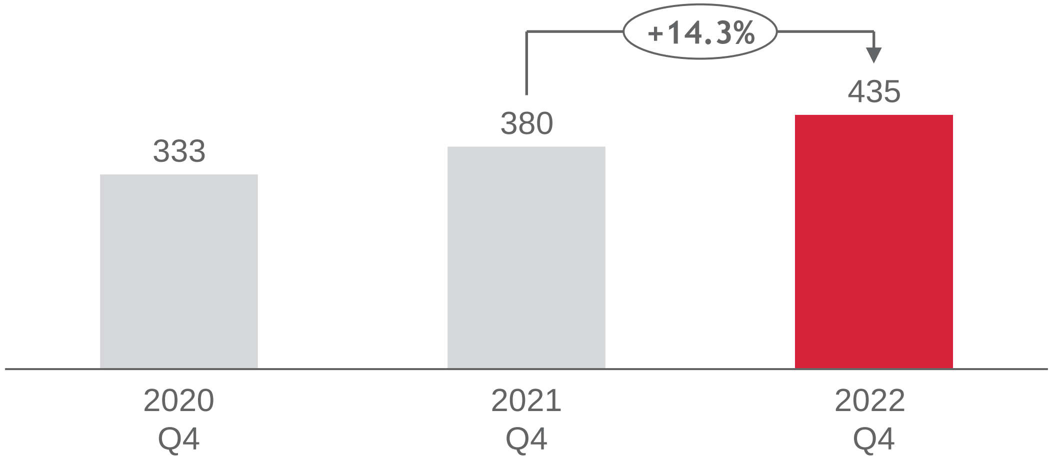
Key Highlights

- Continued strong operational and financial performance in Q4 2022
- Customer Portfolio continued to grow strongly (+11.2% vs. Q4 2021), and is now over 4.7 million
- Total Revenue grew +11.0% in the quarter to €725 million
- Portfolio Services Adjusted EBITDA continued to grow strongly, up +14.3% in the quarter to €435 million
  - Annualized Portfolio Services Adjusted EBITDA is now over €1,738 million
- Total Adjusted EBITDA increased +14.3% in the quarter to €279 million
- In Jan 2023 we issued a new €450m Bond to fully refinance RCF drawings
  - Besides €200m maturing in 2025, all our debt now matures in 2026 or beyond, and is 70% fixed

Key Operating and Financial Metrics

	2020 Q4	2021 Q4	2022 Q4
New Installations	+199k	+195k	+196k
Customer Portfolio	3,764k	4,275k	4,752k
YoY Growth	*+417k*	*+511k*	*+477k*

Portfolio Services Adjusted EBITDA (€m)



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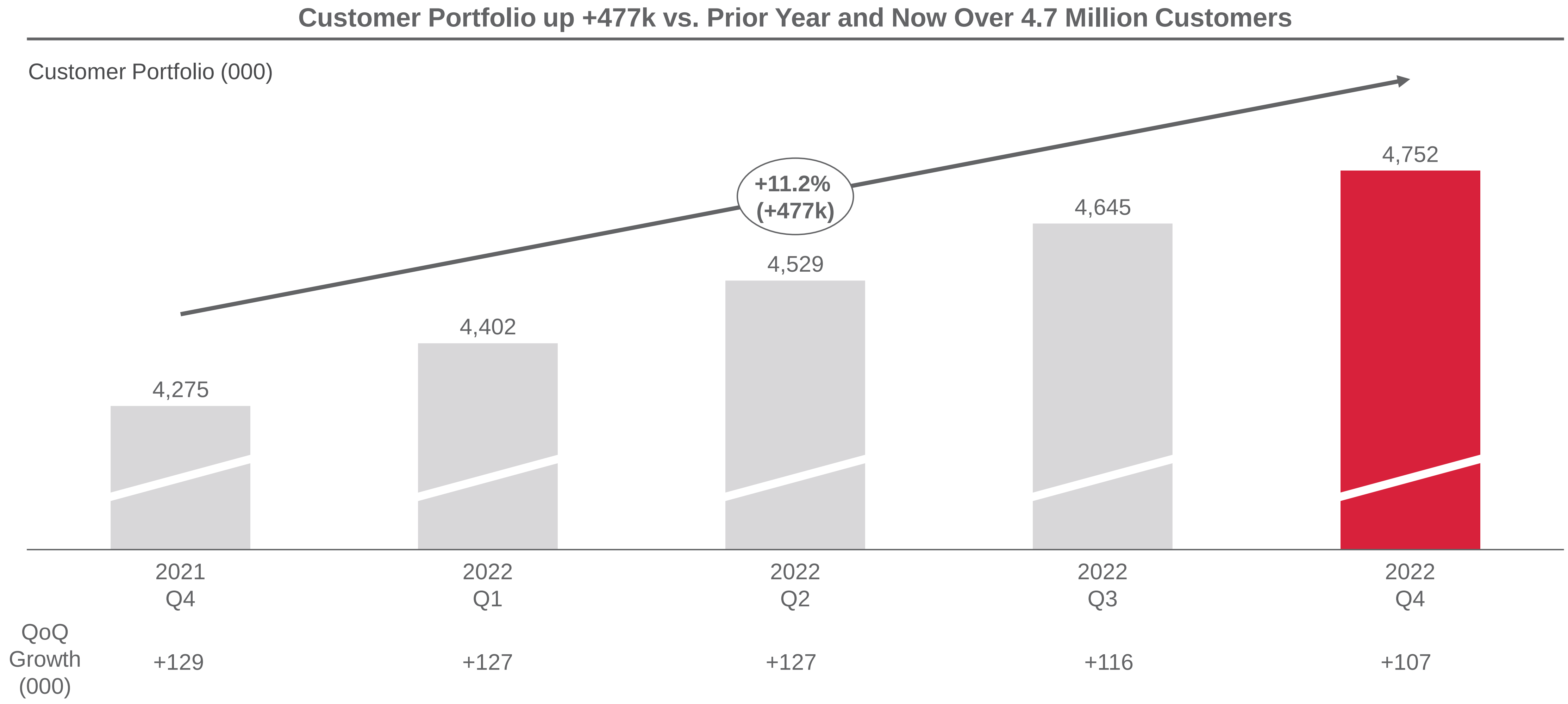
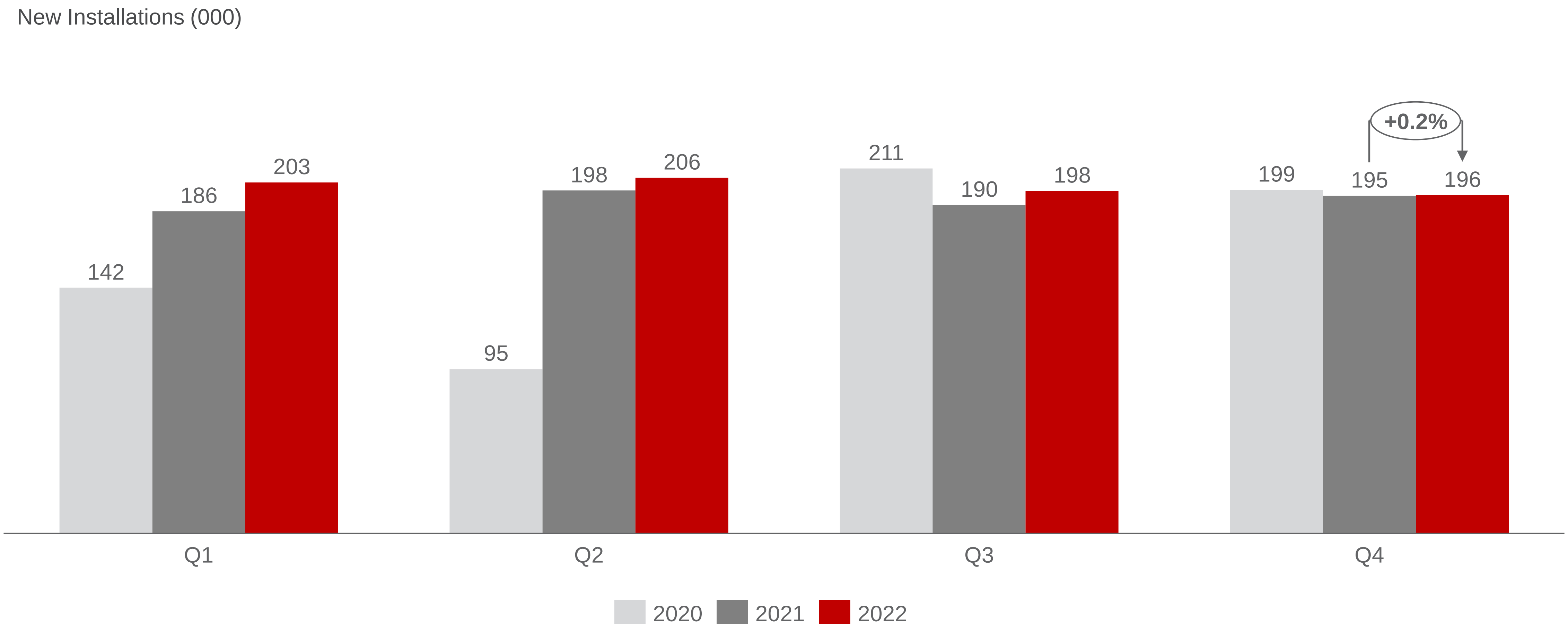
Continuous Strong Customer Portfolio Growth

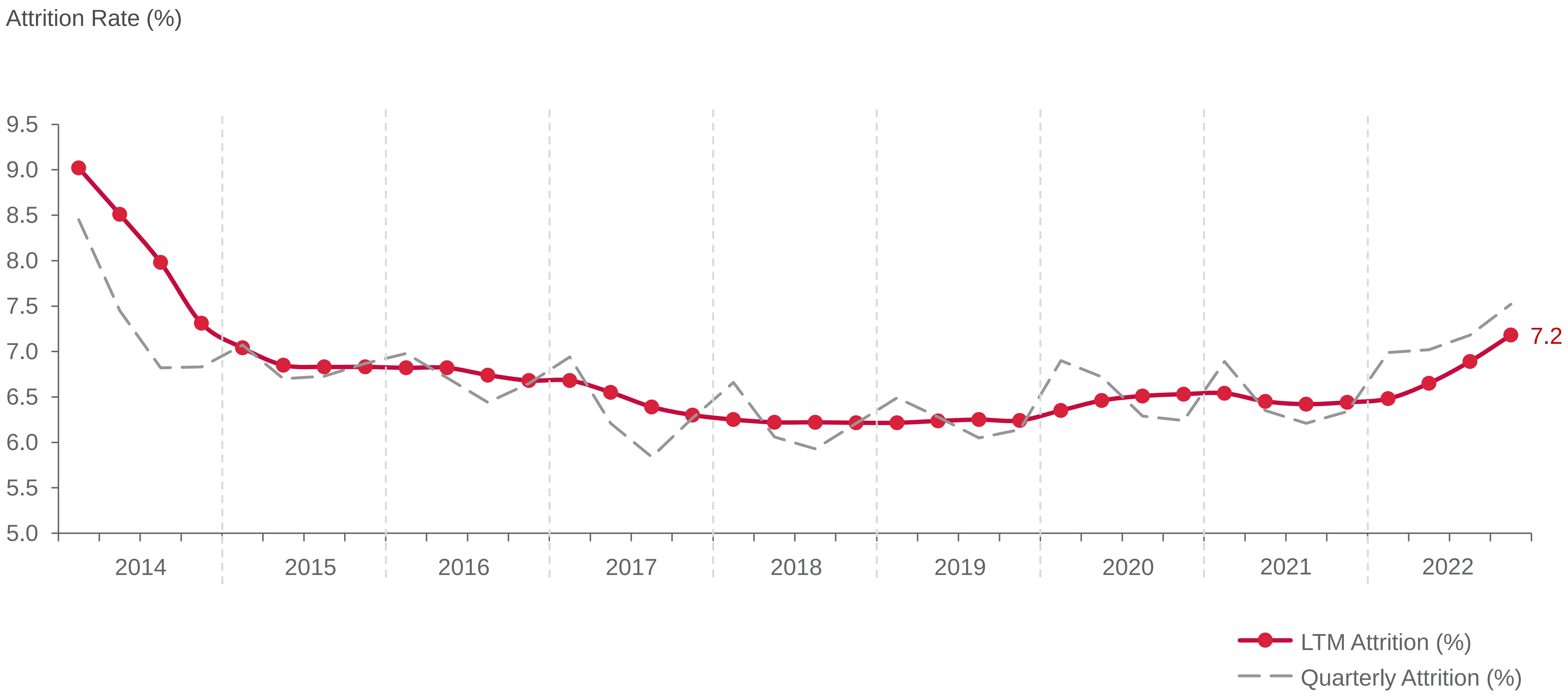


Continuous Strong Customer Intake

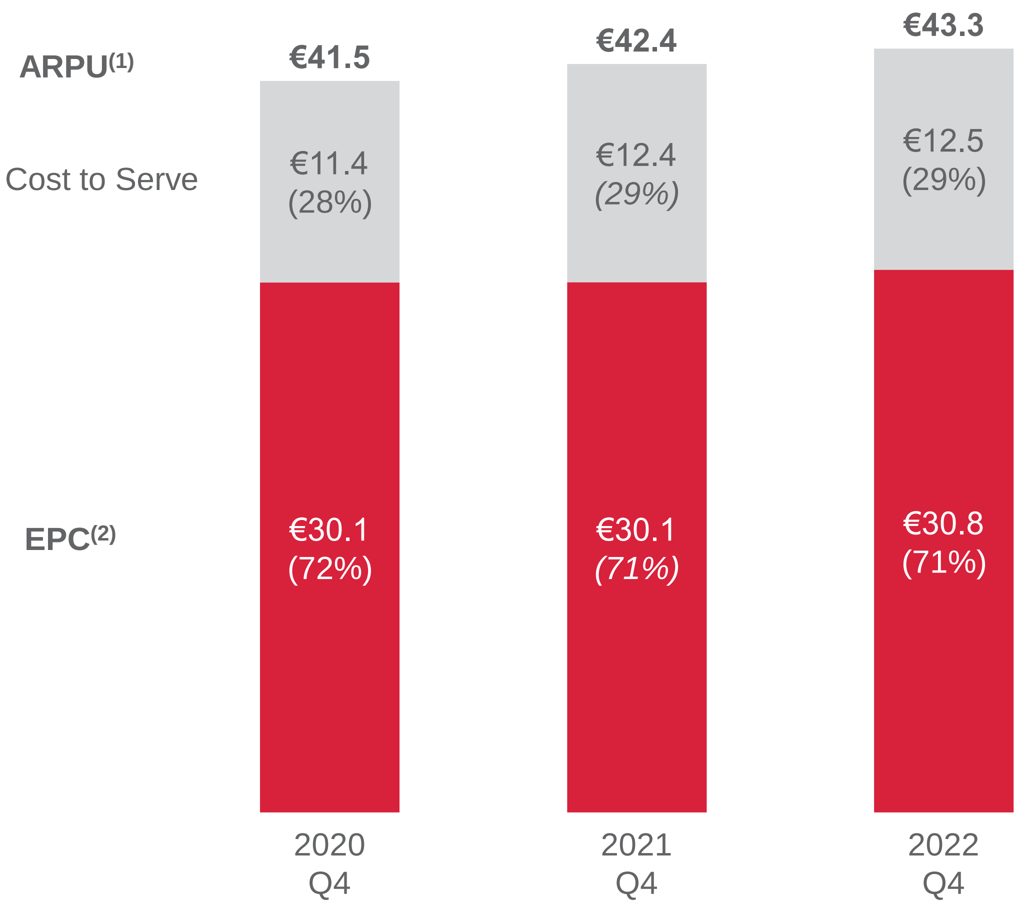
196k New Installations in Q4 2022, in line with Prior Year



Sustained Low Attrition



Strong Unit Economics



	Q4 2022	Growth
ARPU	€43.3	+2.1%
EPC	€30.8	+2.4%

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

Key Financial Metrics

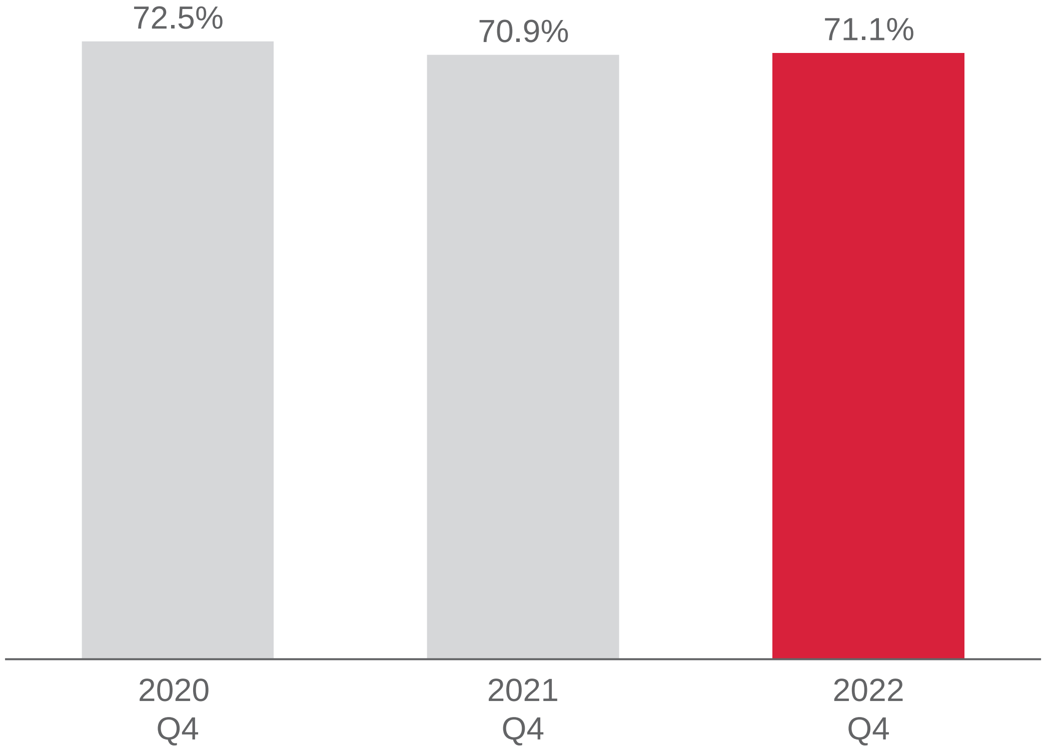
Strong Financial Metrics

€m

	2021 Q4	2022 Q4	% vs. PY
Total Revenue	653	725	+11%
Portfolio Services Adjusted EBITDA (1)	380	435	+14%
Total Adjusted EBITDA (1)	251	297	+18%
CF from Operating Activities	175	284	+62%
Total Capex	220	235	+7%
Net Debt (2)	7,172	7,383	+3%
Cash & Unutilized Credit Facilities (3)	480	279	(42)%

Sustained High Portfolio Services Profitability

Portfolio Services Adjusted EBITDA Margin (%)



Notes: (1) Excludes Separately Disclosed Items (SDIs); (2) Net Debt per our Senior Facilities Agreement ("SFA") dated 25 January 2021, which includes IFRS 16 debt (€161m in Q4-2022 and €150m in Q4-2021); (3) Proforma for our Jan 2023 refinancing, our €700m RCF remains fully undrawn

PY = Prior Year

Income Statement

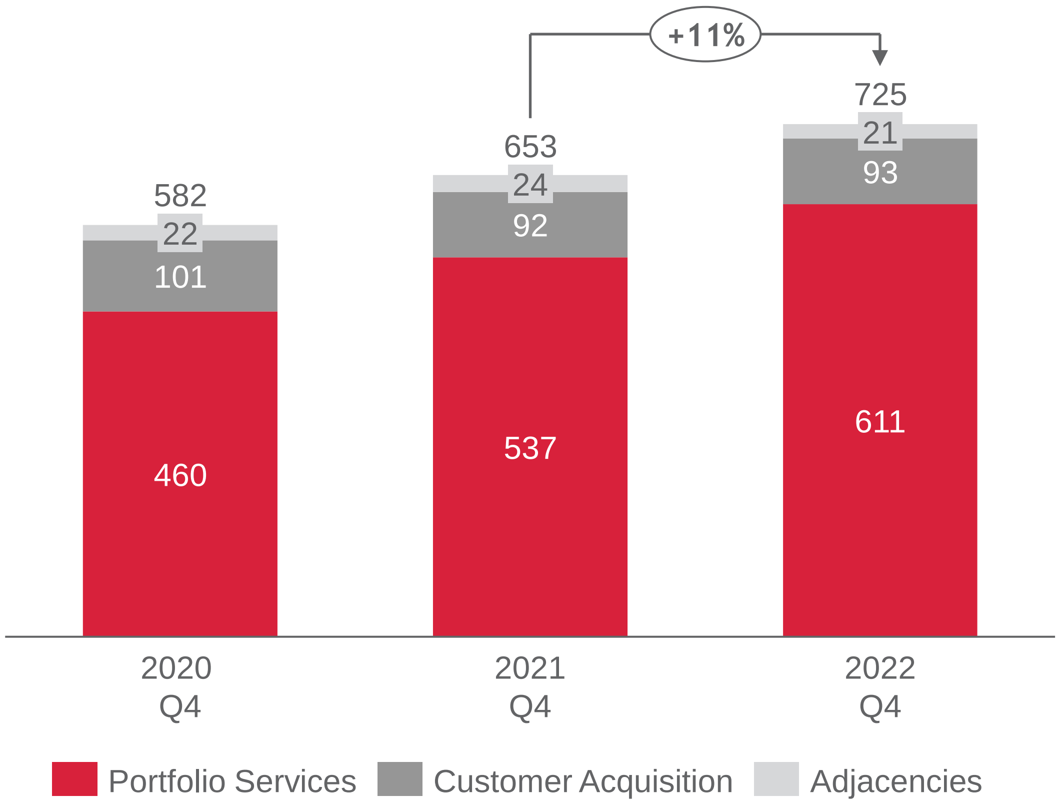
Income Statement - Q4 2022

€m

	Reported excl. SDIs[1]	SDIs[1]	Reported
Total Revenue	725		725
Net Operating Expenses	(427)	(19)	(446)
Total Adjusted EBITDA	**297**	**(19)**	**279**
D&A	(124)	(16)	(140)
Retirement of Assets	(26)	-	(26)
Operating Profit	**146**	**(35)**	**112**
Net Interest Expense	(91)	-	(91)
Other Financial Items	(1)	(15)	(17)
Result Before Tax	**54**	**(50)**	**4**
Income Tax			(36)
Result for the Period			**(32)**

Strong Revenue Growth

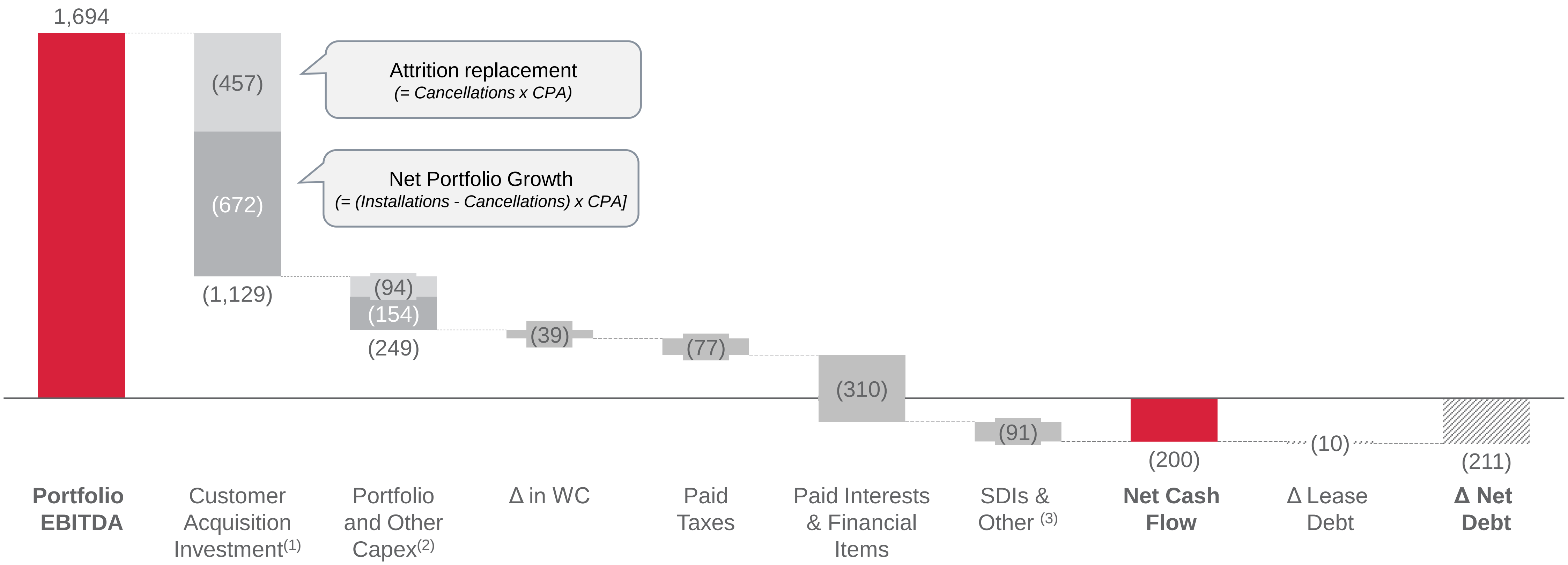
Total Revenue (€m)



Note: [1] Separately Disclosed Items

Cash Flow Generation and Change in Net Debt

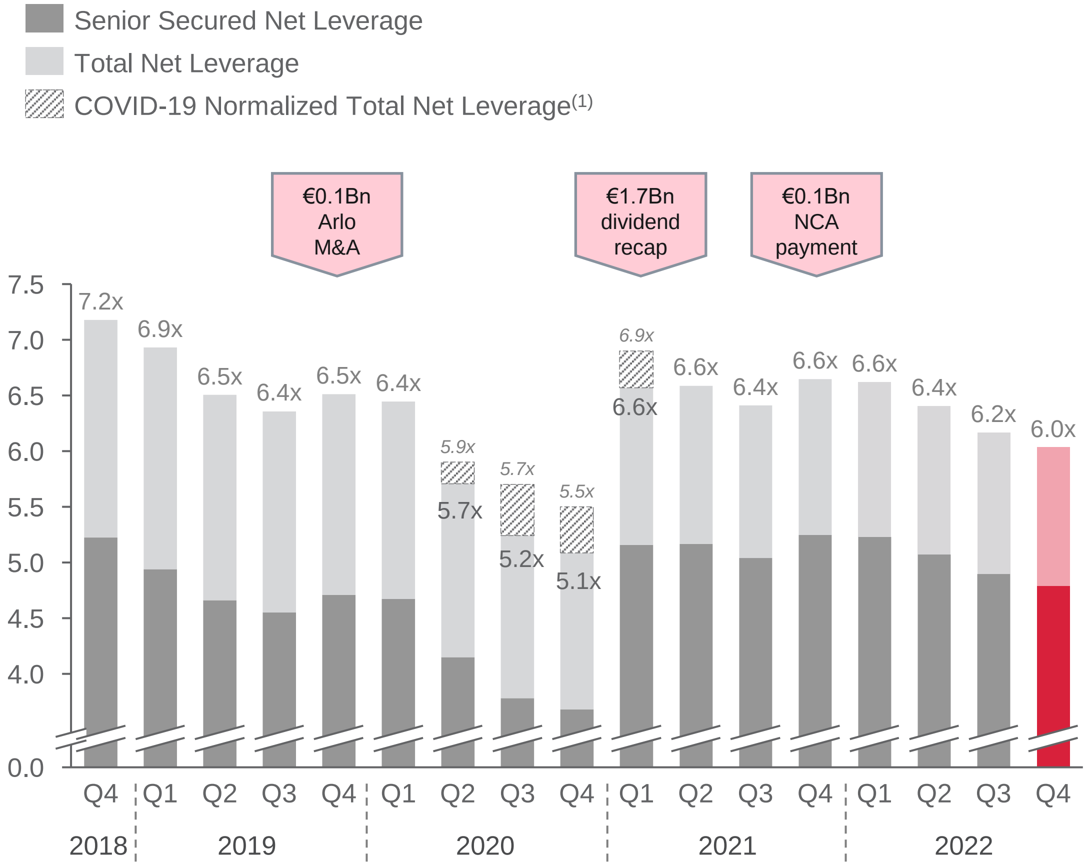
2022 Cash Flow Generation and Change in Net Debt, €m



Notes: [1] Customer Acquisition Investment = Customer Acquisition EBITDA + Customer Acquisition Capex; [2] Portfolio capex (€94m) relates to new equipment for existing customers and Other Capex (€154m) includes capex related to R&D, IT and premises; [3] Includes IFRS15/16

Leverage Overview

Evolution of L2QA Net Leverage



2022 L2QA Net Leverage

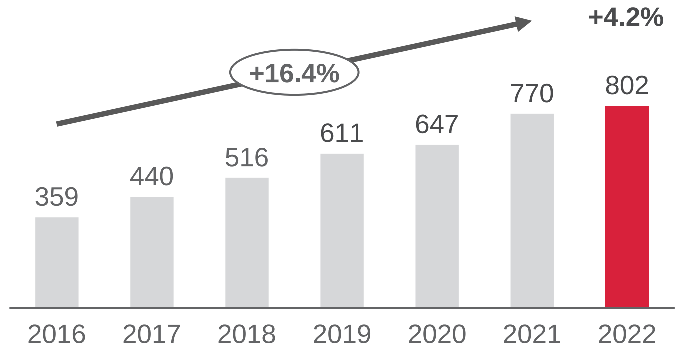
	Q1	Q2	Q3	Q4
Net Debt (€m)	7,216	7,287	7,345	7,383
Adjusted EBITDA L2QA (€m)	1,090	1,140	1,192	1,224
Senior Secured Net Leverage (x)	5.2x	5.1x	4.9x	4.8x
Total Net Leverage (x)	6.6x	6.4x	6.2x	6.0x

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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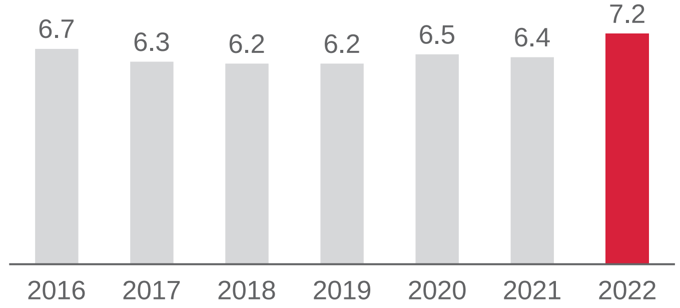
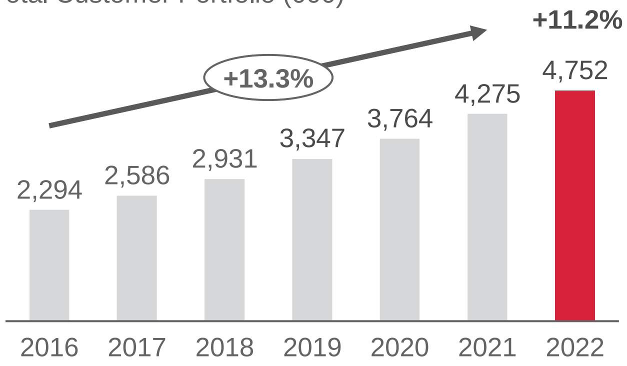
Low Attrition

(%, LTM)



Strong Portfolio Growth

Total Customer Portfolio (000)



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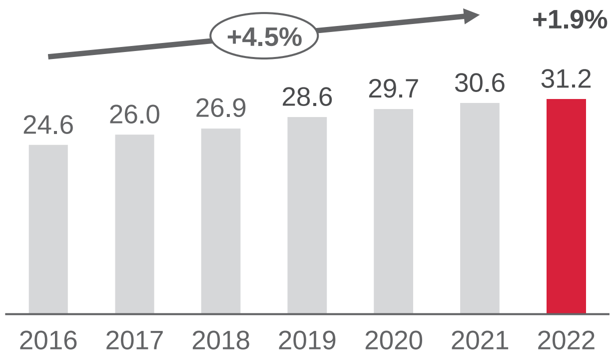
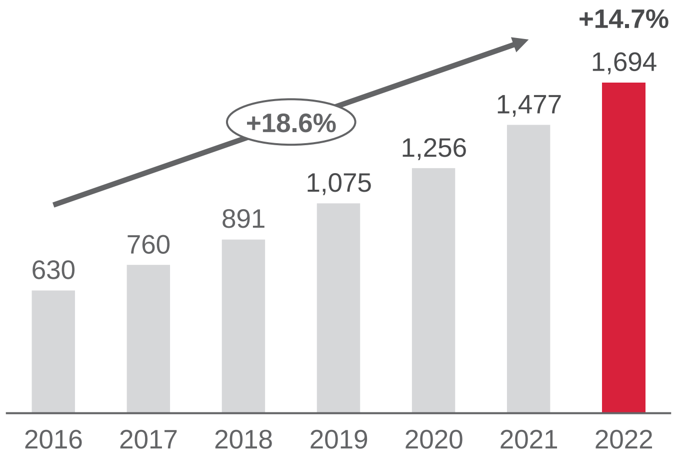
Improving Unit Economics

EPC (€)



Quality Portfolio EBITDA Growth

(€m)



Comments:

% = CAGR 2016 - 2021

Growth rates above the 2022 bars are vs. 2021

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

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Q&A

Thank you