Verisure Midholding AB (publ)

Earnings Call Presentation | Q3 2022

November 3rd, 2022

Disclaimer

This presentation and the investor conference call in which this presentation is used might contain forward looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts in this presentation including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this quarterly report. Our annual report available on our website contains a list of factors that, among others, may cause our results to differ from those described in our forward-looking statements.

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

Performance Highlights

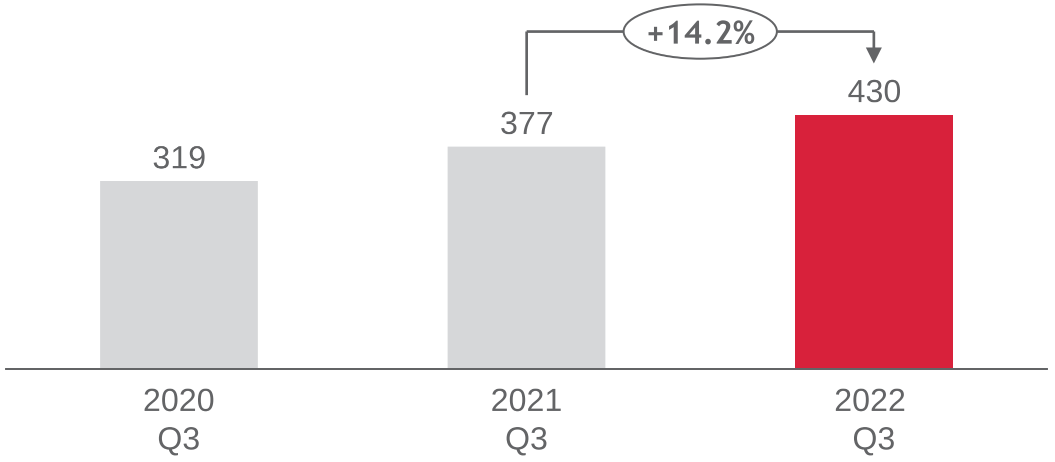
Key Highlights

- Continued strong operational and financial performance in Q3 2022
- Customer Portfolio continued to grow strongly and is now over 4.6 million, which represents a growth of +12.0% vs. Q3 2021 (0.5 million customers added in the last 12 months)
- Total Revenue grew +13.9% in the quarter to €722 million
- Total Adjusted EBITDA increased +31.7% in the quarter to €297 million
- Portfolio Services Adjusted EBITDA continued to grow strongly, up +14.2% in the quarter to €430 million
  - Annualized Portfolio Services Adjusted EBITDA is now over €1,720 million
- As part of ongoing capital structure optimisation, we issued €500m of new SSNs on Sept 28th to refinance existing 2023 Notes
- Launched operations in Ireland. We now have presence in 17 countries in Europe and Latin America

Key Operating and Financial Metrics

	2020 Q3	2021 Q3	2022 Q3
New Installations	+211k	+190k	+198k
Customer Portfolio	3,623k	4,146k	4,645k
YoY Growth	*+387k*	*+523k*	*+499k*

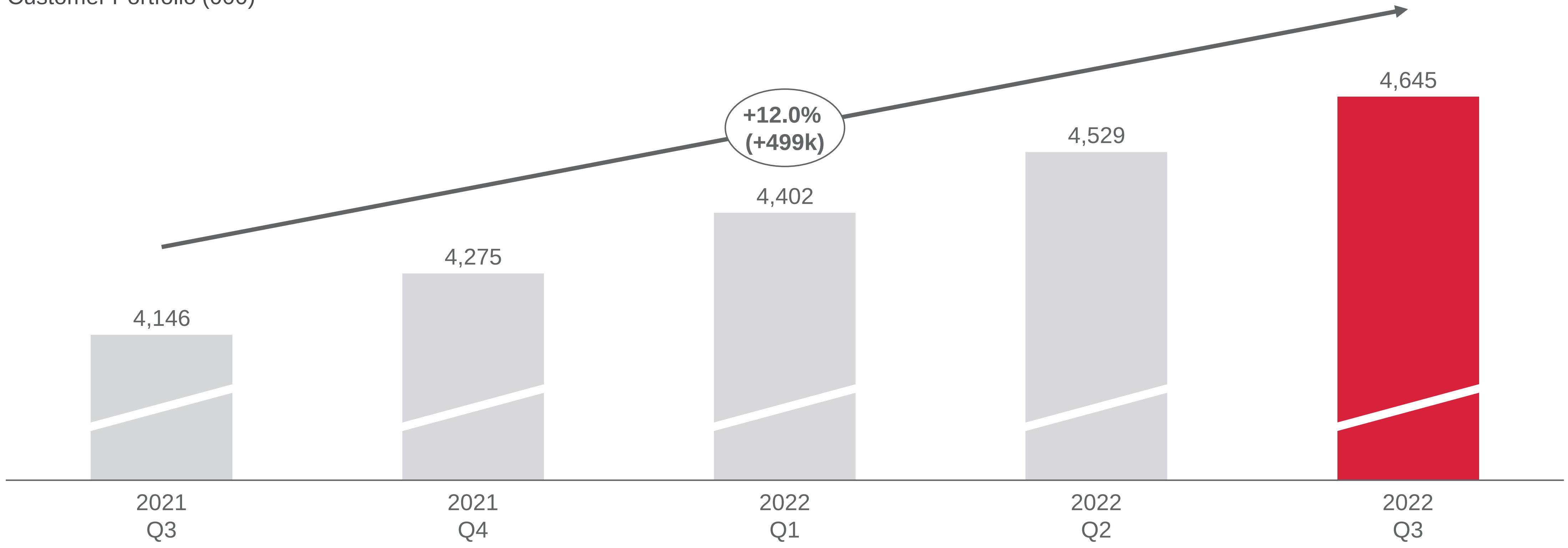
Portfolio Services Adjusted EBITDA (€m)



Continuous Strong Customer Portfolio Growth

Customer Portfolio up +499k vs. Prior Year and Now Over 4.6 Million Customers

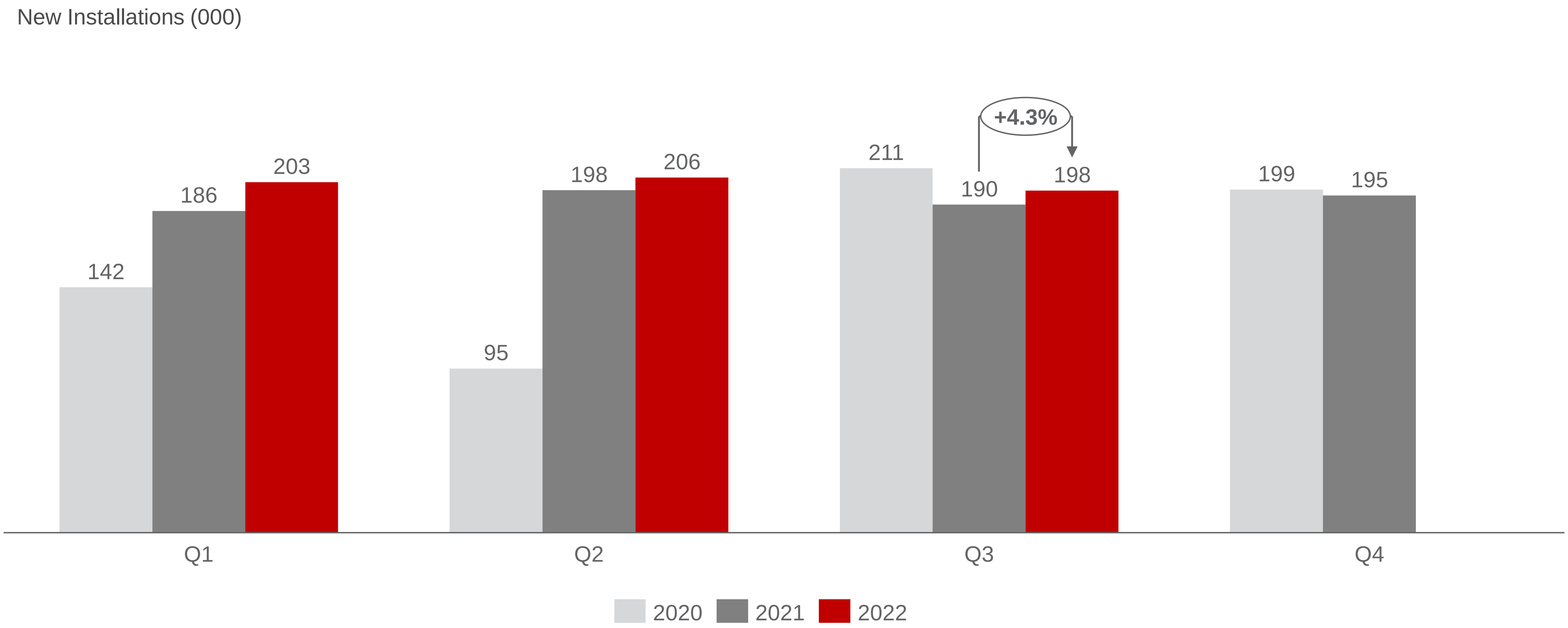
Customer Portfolio (000)



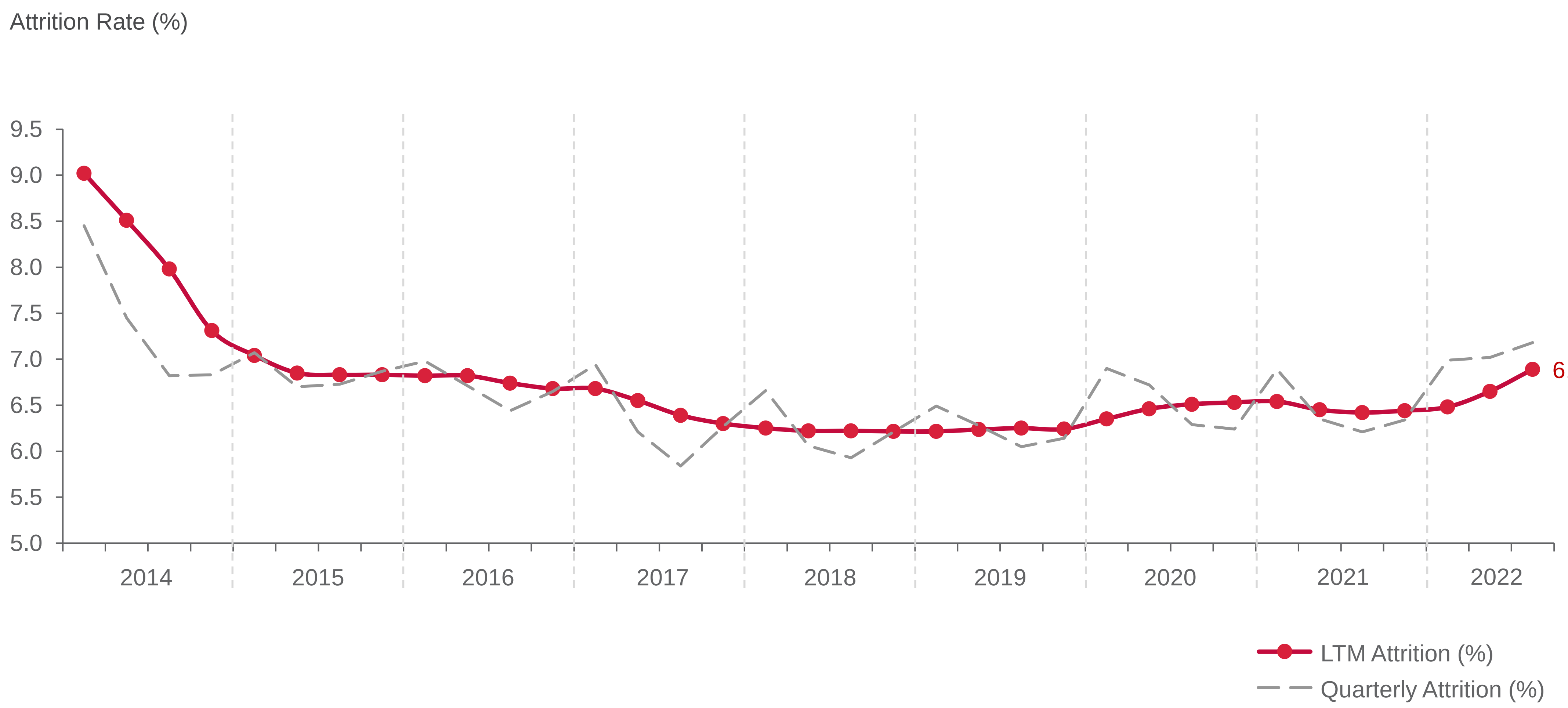
	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
QoQ Growth (000)	+126	+129	+127	+127	+116

Continuous Strong Customer Intake

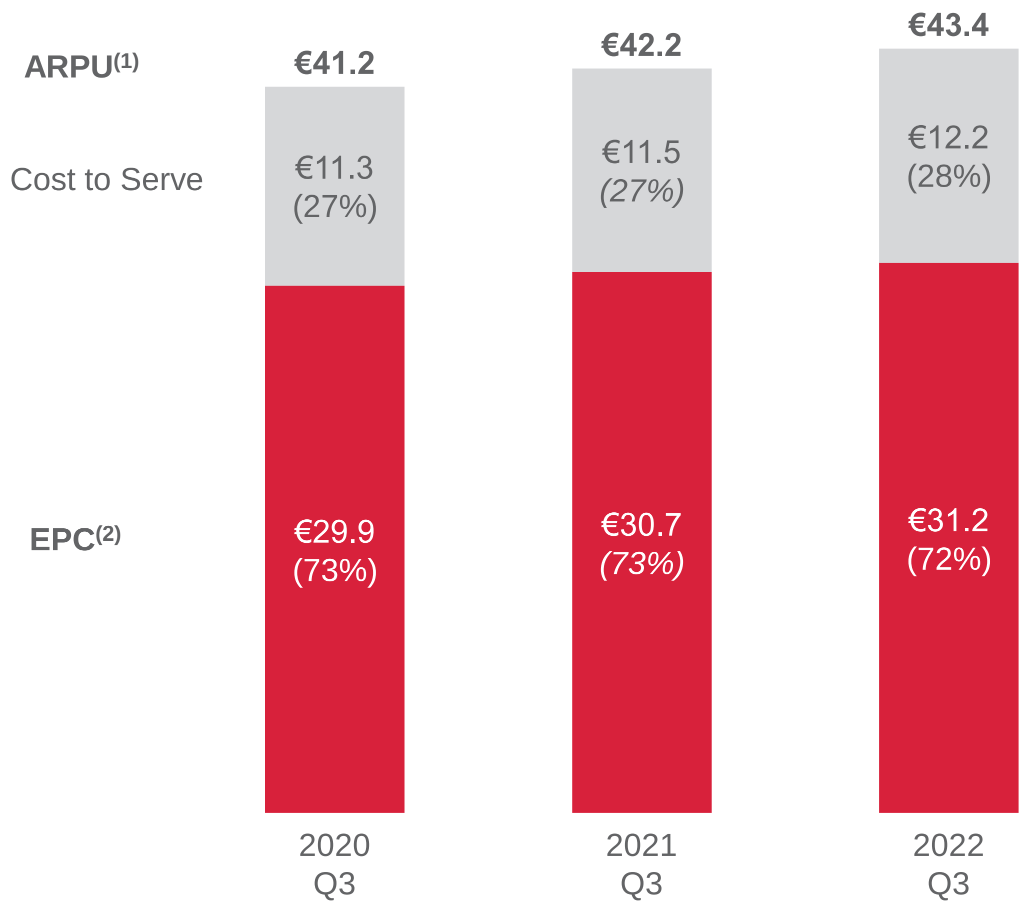
198k New Installations in Q3 2022, up +4.3% vs. Prior Year



Sustained Low Attrition



Strong Unit Economics



	Q3 2022	Growth
ARPU	**€43.4**	+2.7%
EPC	**€31.2**	+1.7%

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

Key Financial Metrics

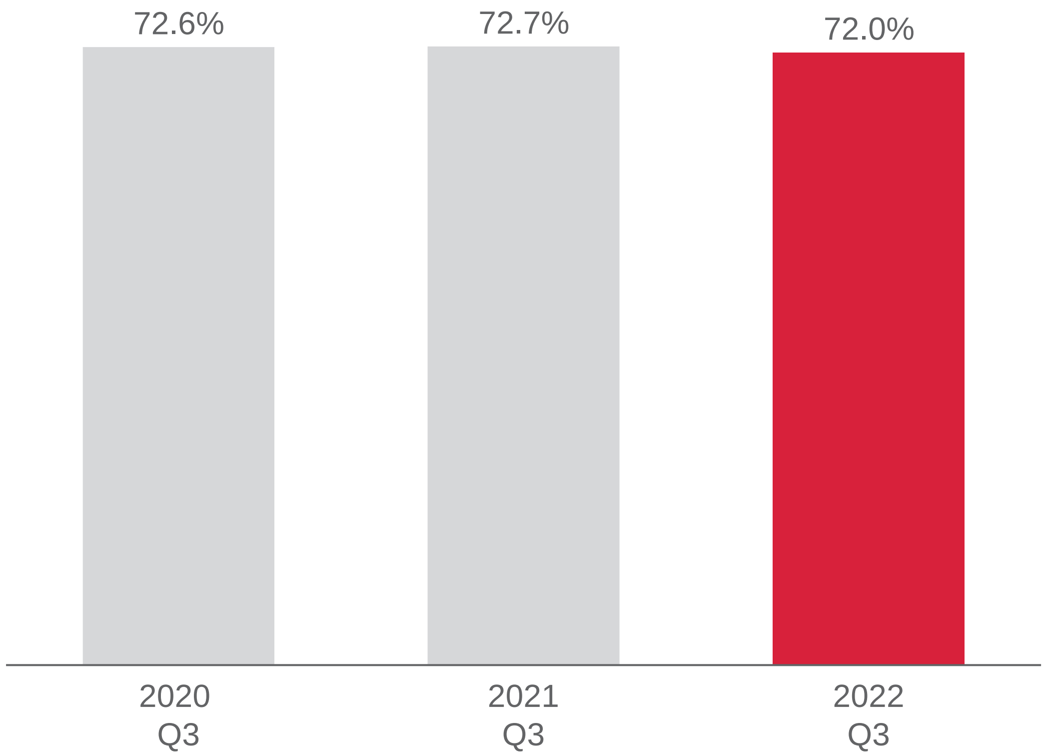
Strong Financial Metrics

€m

	2021 Q3	2022 Q3	% vs. PY
Total Revenue	634	722	+14%
Portfolio Services Adjusted EBITDA (1)	377	430	+14%
Total Adjusted EBITDA (1)	271	302	+12%
CF from Operating Activities	266	251	(5%)
Total Capex	181	207	+14%
Net Debt (2)	7,070	7,345	+4%
Cash & Unutilized Credit Facilities	581	306	(47)%

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 (€157m in Q3-2022 and €144m in Q3-2021)
PY = Prior Year

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Income Statement

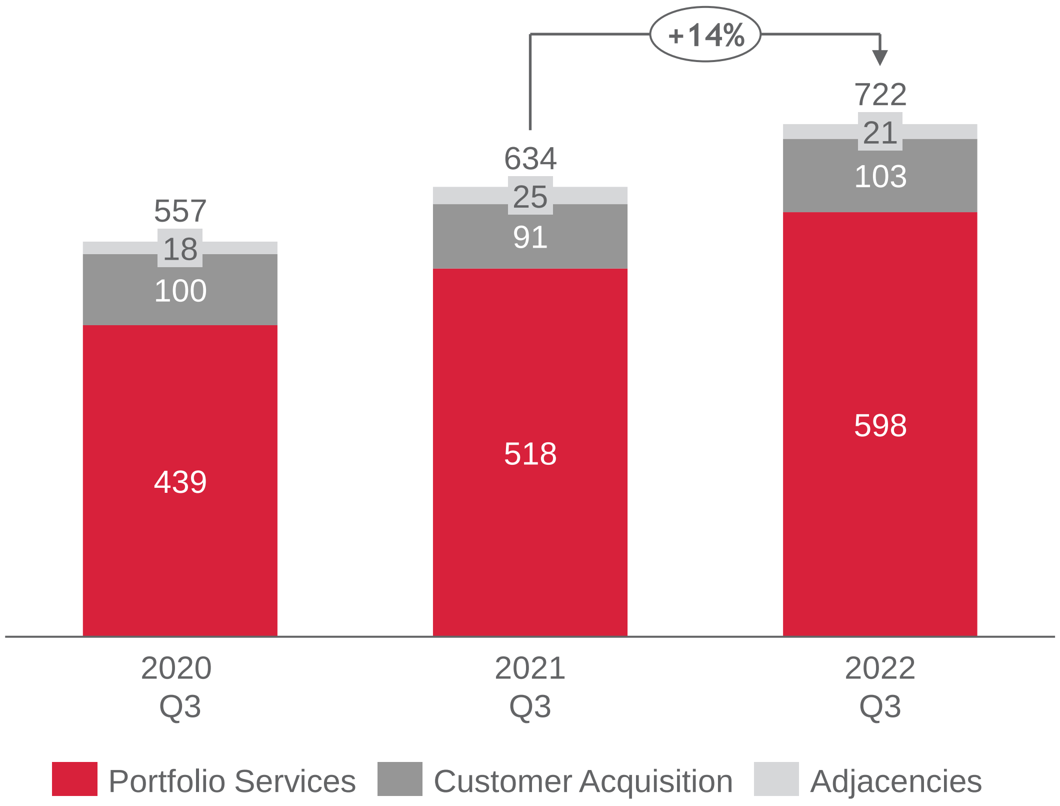
Income Statement - Q3 2022

€m

	Reported excl. SDIs[1]	SDIs[1]	Reported
Total Revenue	722		722
Net Operating Expenses	(420)	(5)	(425)
Total Adjusted EBITDA	**302**	**(5)**	**297**
D&A	(120)	(17)	(138)
Retirement of Assets	(23)	-	(23)
Operating Profit	**159**	**(22)**	**137**
Net Interest Expense	(76)	-	(76)
Other Financial Items	(1)	(5)	(6)
Result Before Tax	**81**	**(28)**	**54**
Income Tax			(8)
Result for the Period			**45**

Strong Revenue Growth

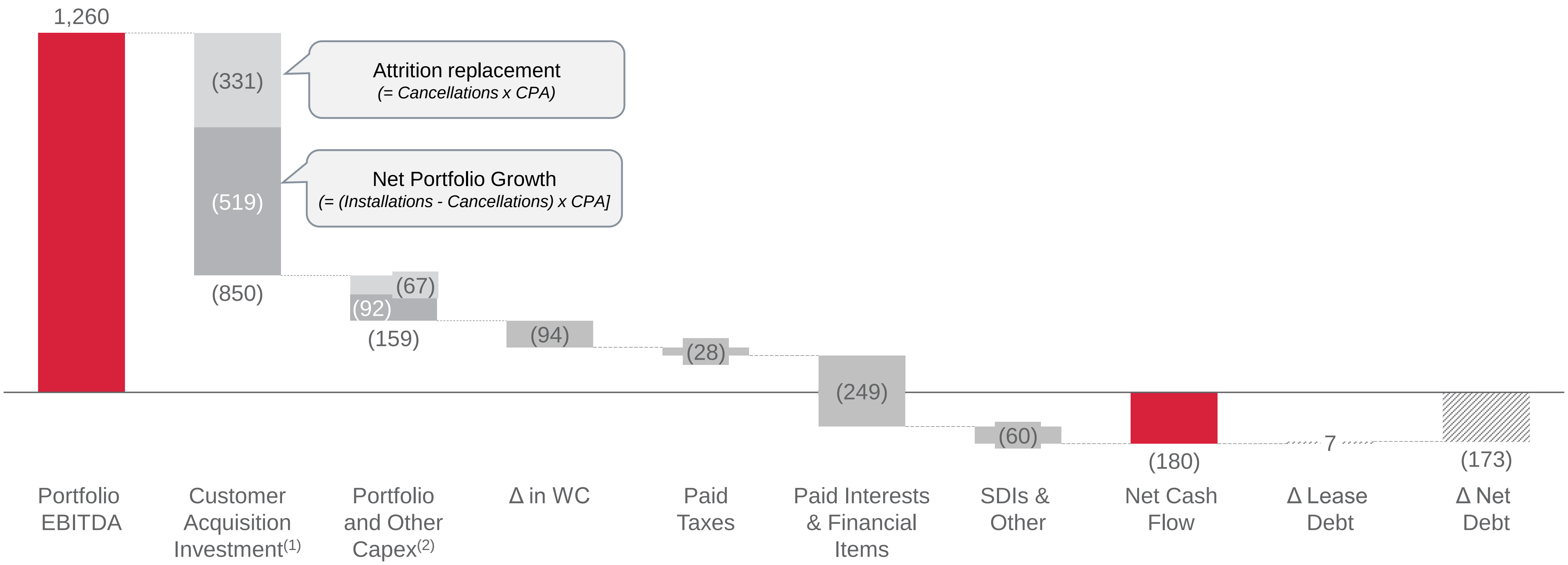
Total Revenue (€m)



Note: [1] Separately Disclosed Items

Cash Flow Generation and Change in Net Debt - Sept 2022 YTD

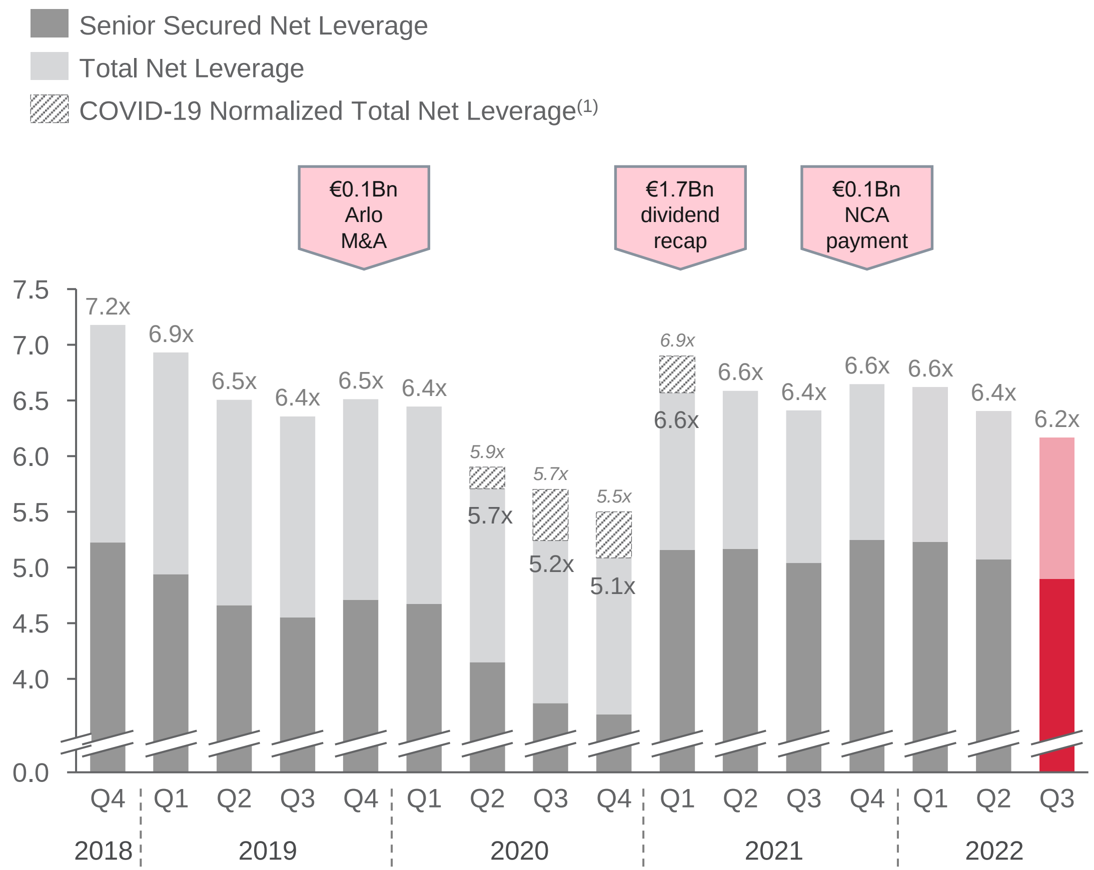
Cash Flow Generation and Change in Net Debt, Sept 2022 YTD, €m



Notes: [1] Customer Acquisition Investment = Customer Acquisition EBITDA + Customer Acquisition Capex; [2] Portfolio capex (€67m) relates to new equipment for existing customers (mostly upselling) and Other Capex (€92m) includes capex related to R&D, IT and premises

Leverage Overview

Evolution of L2QA Net Leverage



2022 L2QA Net Leverage

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

Note: [1] Total Net Leverage Normalized by COVID-19 related tailwinds

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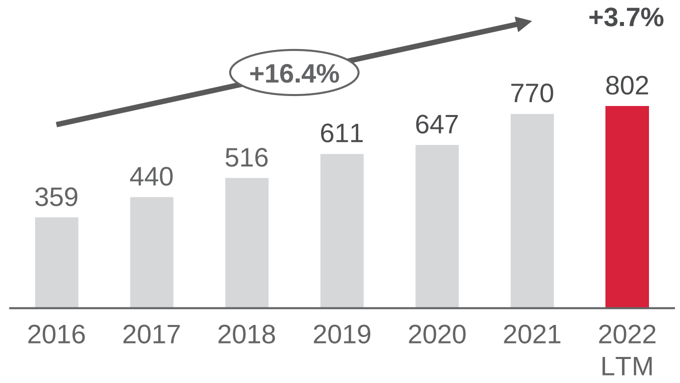
Resilient High-quality Growth

Strong Customer Intake

New Installations (000)



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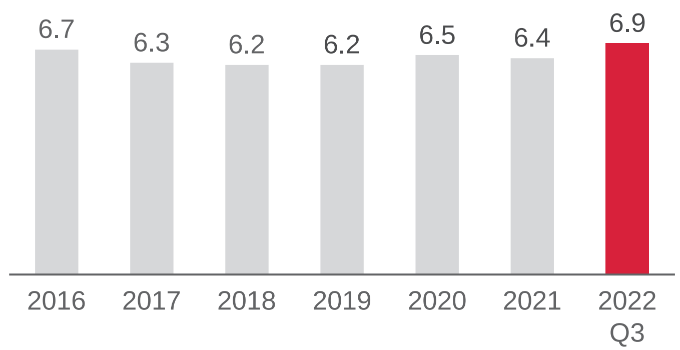
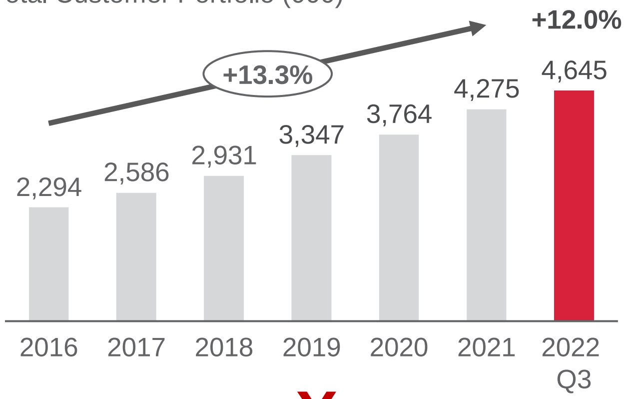
Low Attrition

(%, LTM)



Strong Portfolio Growth

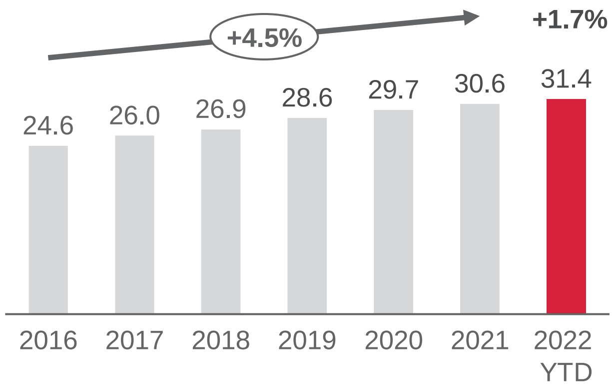
Total Customer Portfolio (000)



X

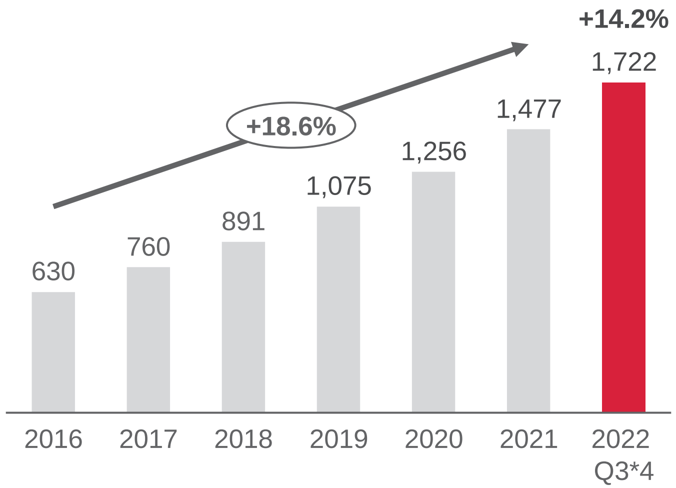
Improving Unit Economics

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

Q&A

Thank you

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