



Verisure Midholding AB (publ)

Earnings Call Presentation – Q1 2019

January 1 - March 31, 2019



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.

Agenda

- **Development in KPIs during Q1 2019** – Austin Lally, CEO
- **Financial review of Q1 2019** – Vincent Litrico, CFO
- **Questions & answers**



Austin Lally
Chief Executive Officer



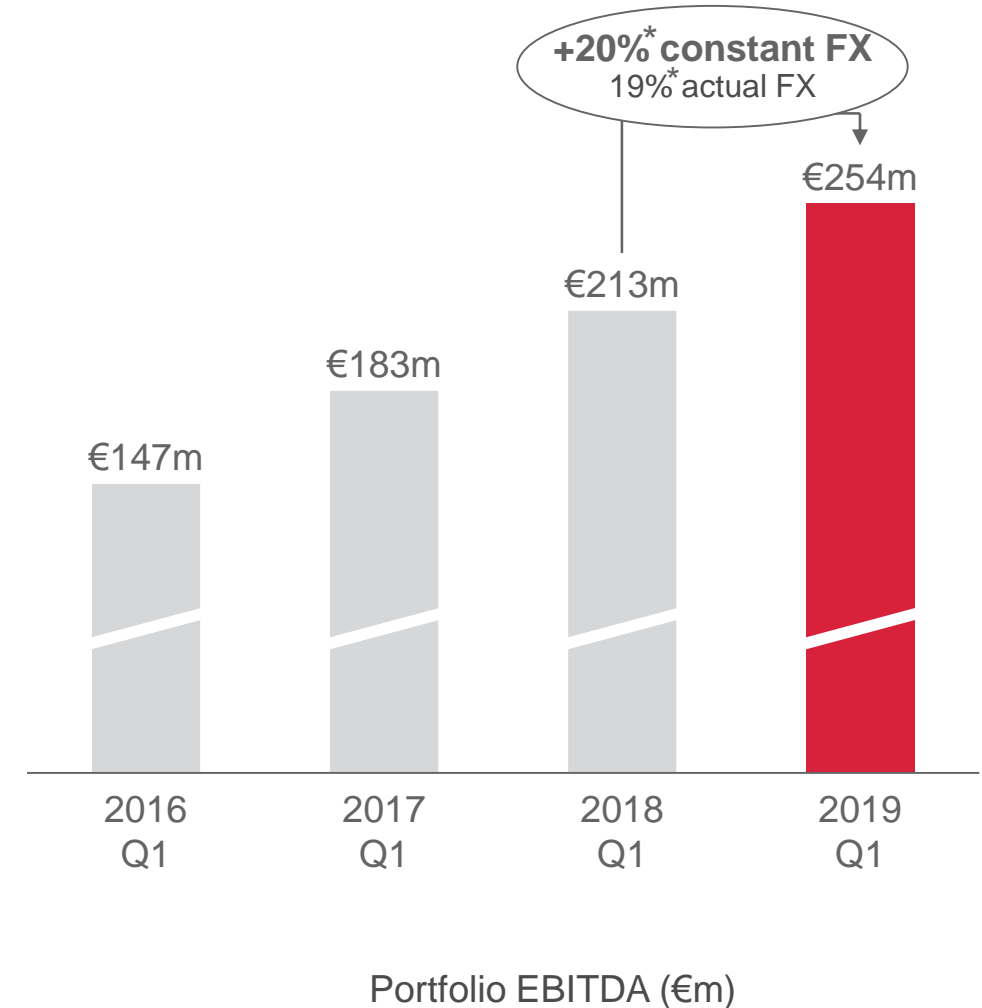
Vincent Litrico
Chief Financial Officer

Q1 2019 Performance Highlights

| | <u>Installations</u> | <u>Portfolio</u> | <u>Portfolio EBITDA</u> |
|---------|----------------------|------------------|-------------------------|
| Q1 2019 | +145k | 3.0m | €254m |
| Q1 2018 | +124k | 2.7m | €213m |

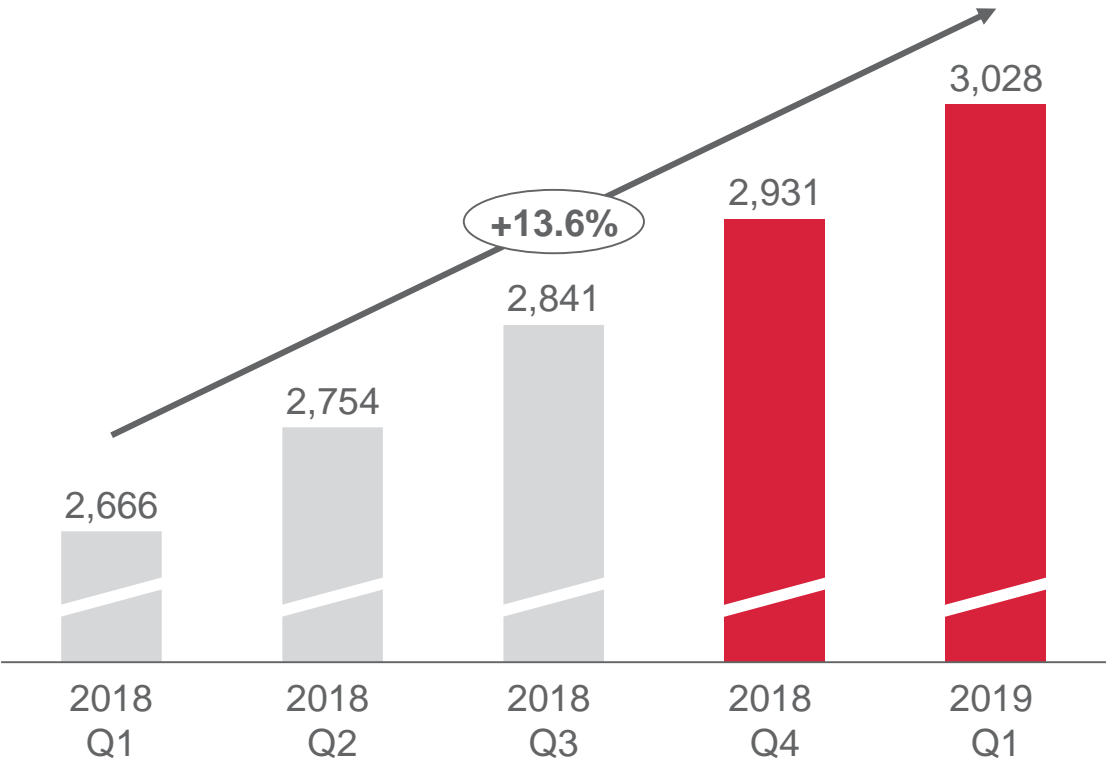
Summary

- Continued strong development across the group
- Broad-based sales growth, revenues increasing 19% YoY (20% in constant currencies)
- Very solid financials – Portfolio EBITDA up +20% YoY in constant currency. Portfolio EBITDA exceeding EUR 1 billion 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



* Excluding impact of IFRS 16, portfolio EBITDA improved 19% in constant FX Q1-2019 vs. Q1-2018 (18% actual FX).

Portfolio up +362k customers YoY to 3.0 million



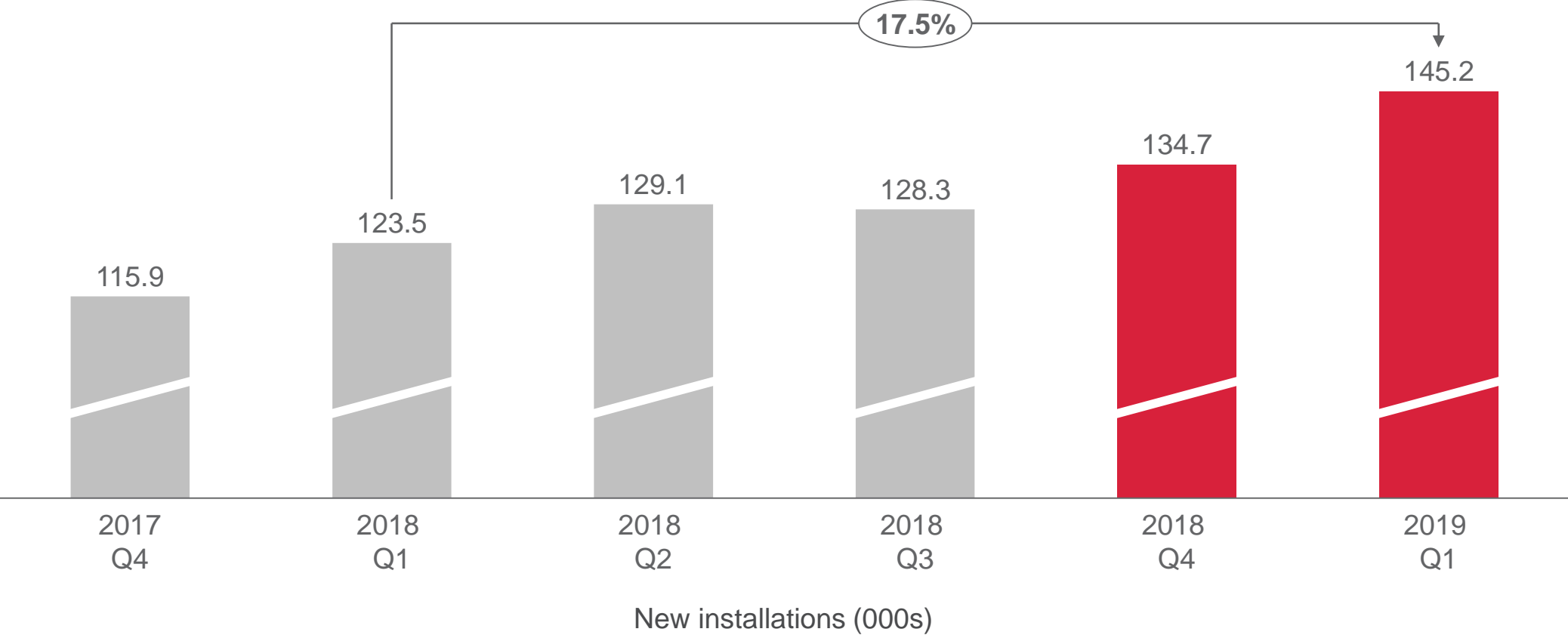
Number of Customers in portfolio (000s)

Net Portfolio Growth (NPG)

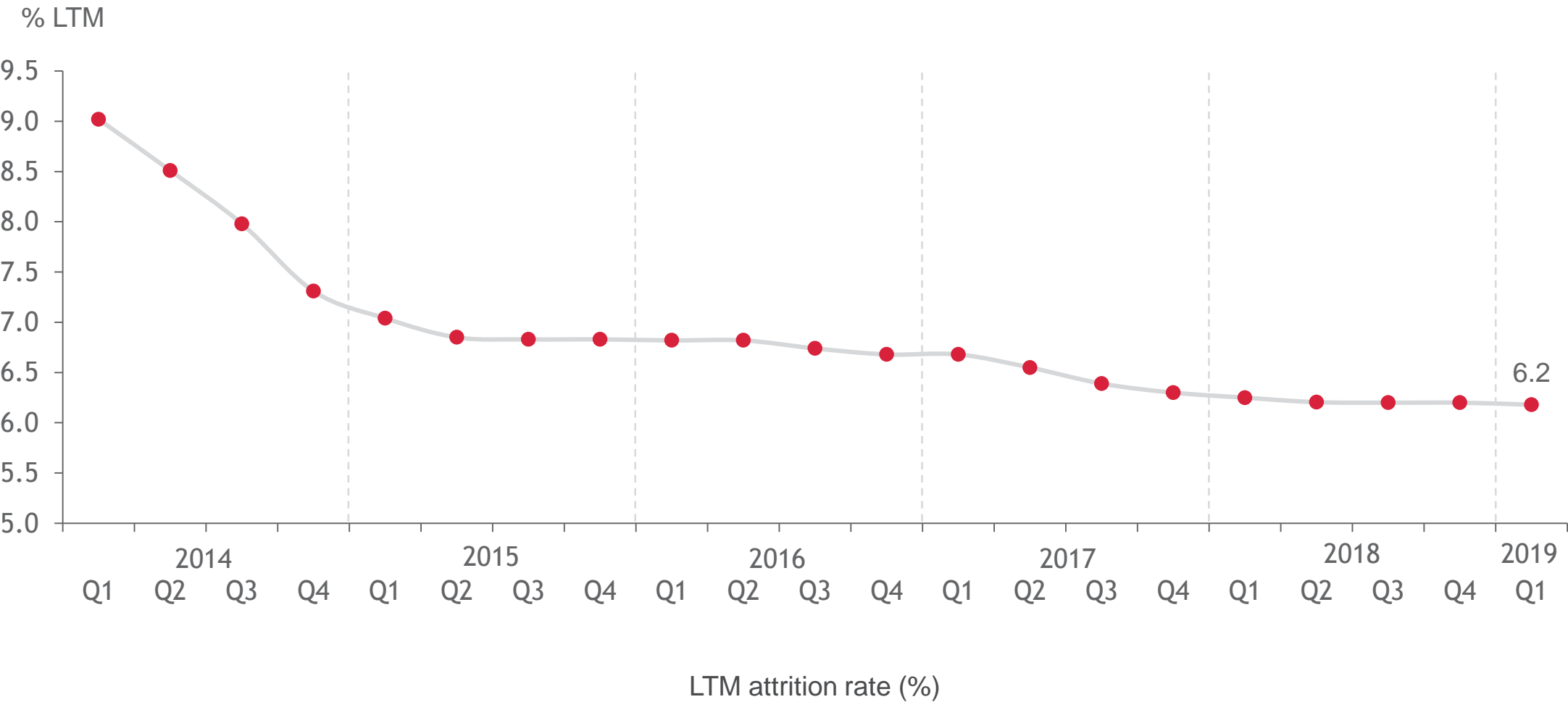
| | vs Q1 2018 |
|----------------------|------------|
| NPG (000s) | +362 |
| NPG (% of portfolio) | +13.6% |
| NPG Acceleration* | +21.4% |

(*) Q1 2019 NPG growth vs. Q1 2018.

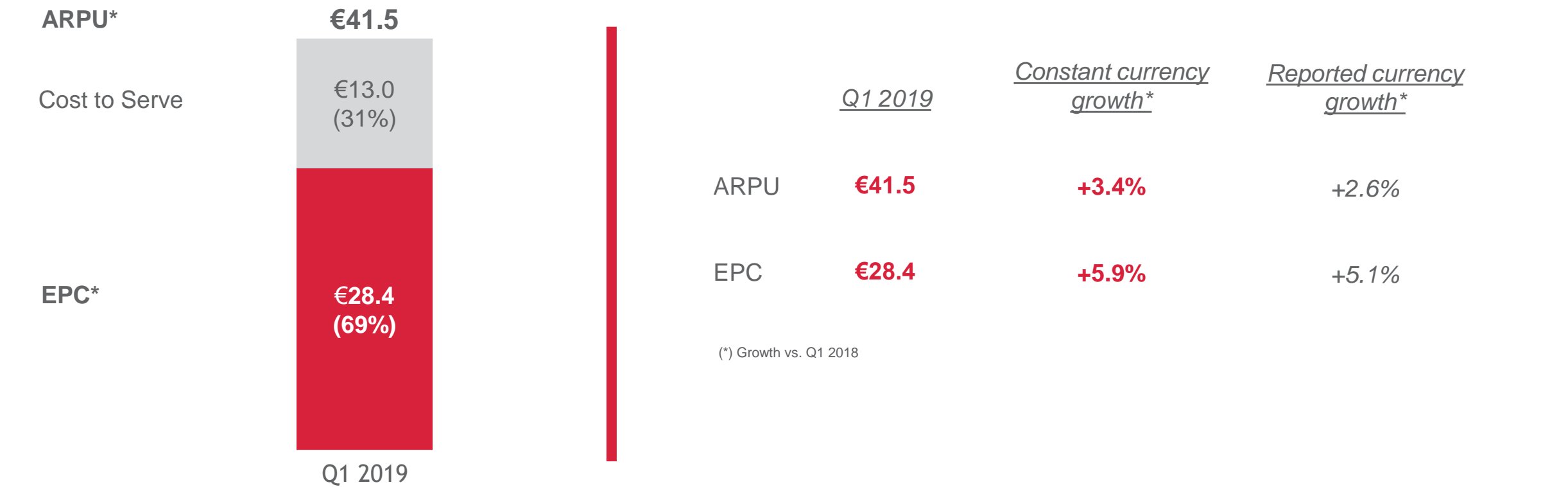
145k new customers added in Q1 2019



Maintaining excellent customer retention



Continued growth in customer profitability



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

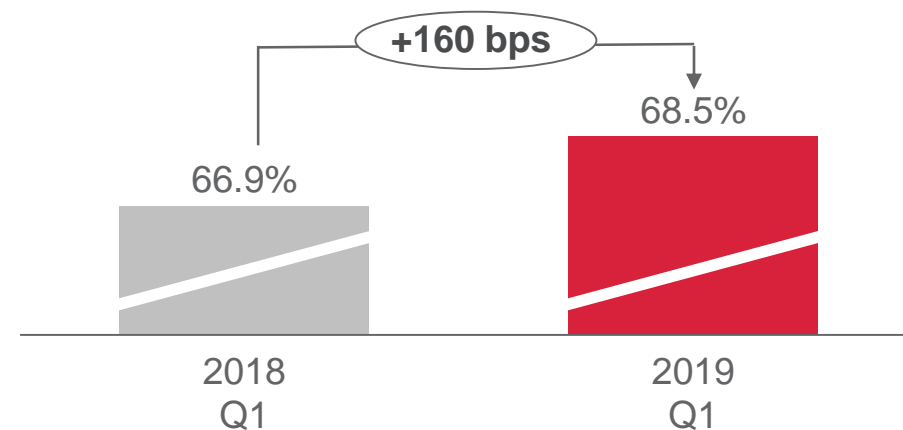
EPC: Excluding impact of IFRS 16, EPC improved 4.7% in constant FX (3.9% in actual FX).

Key Financial Metrics - Q1 2019

| (€m) | 2019 Q1 | 2018 Q1 | % YoY |
|-------------------------------------------------|------------|------------|-------------|
| Revenue | 459 | 384 | +19% |
| Portfolio Services, Adjusted EBITDA* | 254 | 213 | +19% |
| Total Adjusted EBITDA* | 186 | 142 | +30% |
| Cash Flows from Operating Activities | 168 | 138 | +21% |
| CapEx, total | 136 | 114 | +19% |
| Net debt | 4,935 | 4,195 | +18% |
| Cash and unutilised credit facilities | 167 | 288 | (42%) |

(*) Figures excl. Separately Disclosed Items

Portfolio EBITDA impacted by EUR 2.8 million related to IFRS 16 in Q1-2019
 Total EBITDA impacted by EUR 9.3 million related to IFRS 16 in Q1-2019
 Portfolio EBITDA margin: Excluding impact of IFRS 16, Q1-2019 would have been 67.8%
 Net debt: Q1-2019 includes impact of IFRS 16 (leases) of EUR 129 million



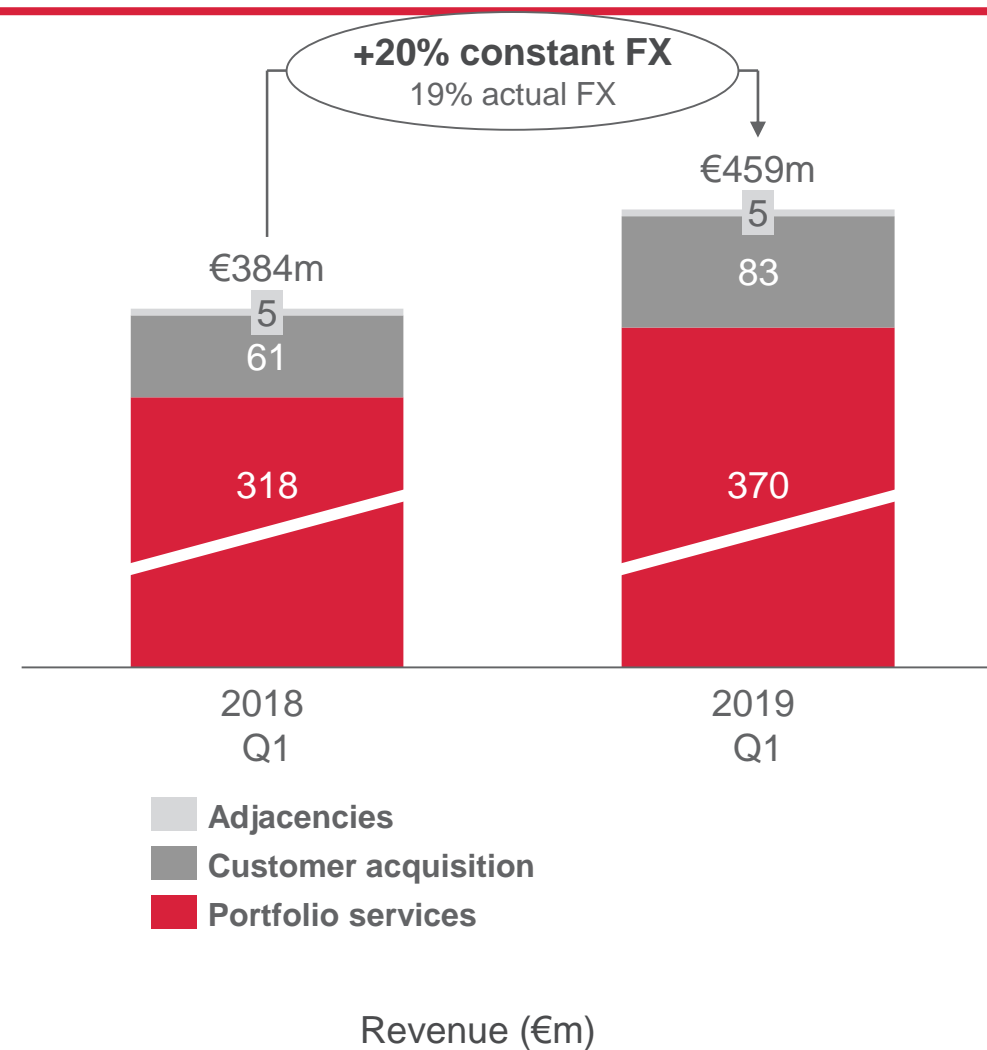
Portfolio Services Adj. EBITDA margin (%)

Income Statement - Q1 2019

| (€m) | Reported excl. SDI | SDI* | Reported |
|-------------------------------|-----------------------|------|----------|
| Revenue | 459 | | 459 |
| Net operating expenses | (273) | (6) | (279) |
| Adjusted EBITDA | 186 | (6) | 180 |
| Depreciation and amortisation | (53) | (38) | (91) |
| Retirement of assets | (18) | - | (18) |
| Operating profit | 115 | (44) | 70 |
| Interest income & cost | (52) | | (52) |
| Other financial items | (1) | 1 | 0 |
| Result before tax | 62 | (43) | 19 |
| Income tax | | | (16) |
| Result for the period | | | 3 |

(*) SDI – Separately Disclosed Items

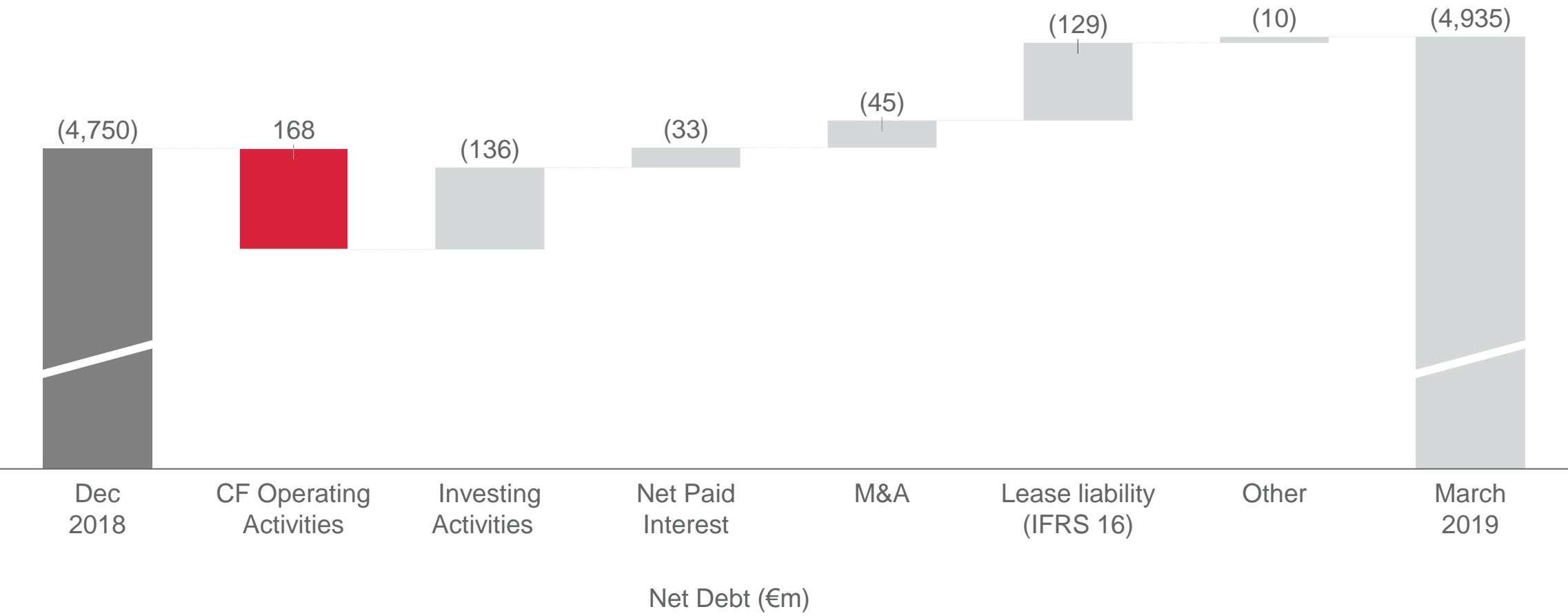
Total EBITDA impacted by EUR 9.3 million related to IFRS 16 in Q1-2019
 Operating profit impacted by EUR 0.8 million related to IFRS 16 in Q1-2019
 Interest income & cost impacted by EUR -1.1 million related to IFRS 16 in Q1-2019
 Result before tax impacted by EUR -0.3 million related to IFRS 16 in Q1-2019



Cash flow from operating activities - Q1 2019

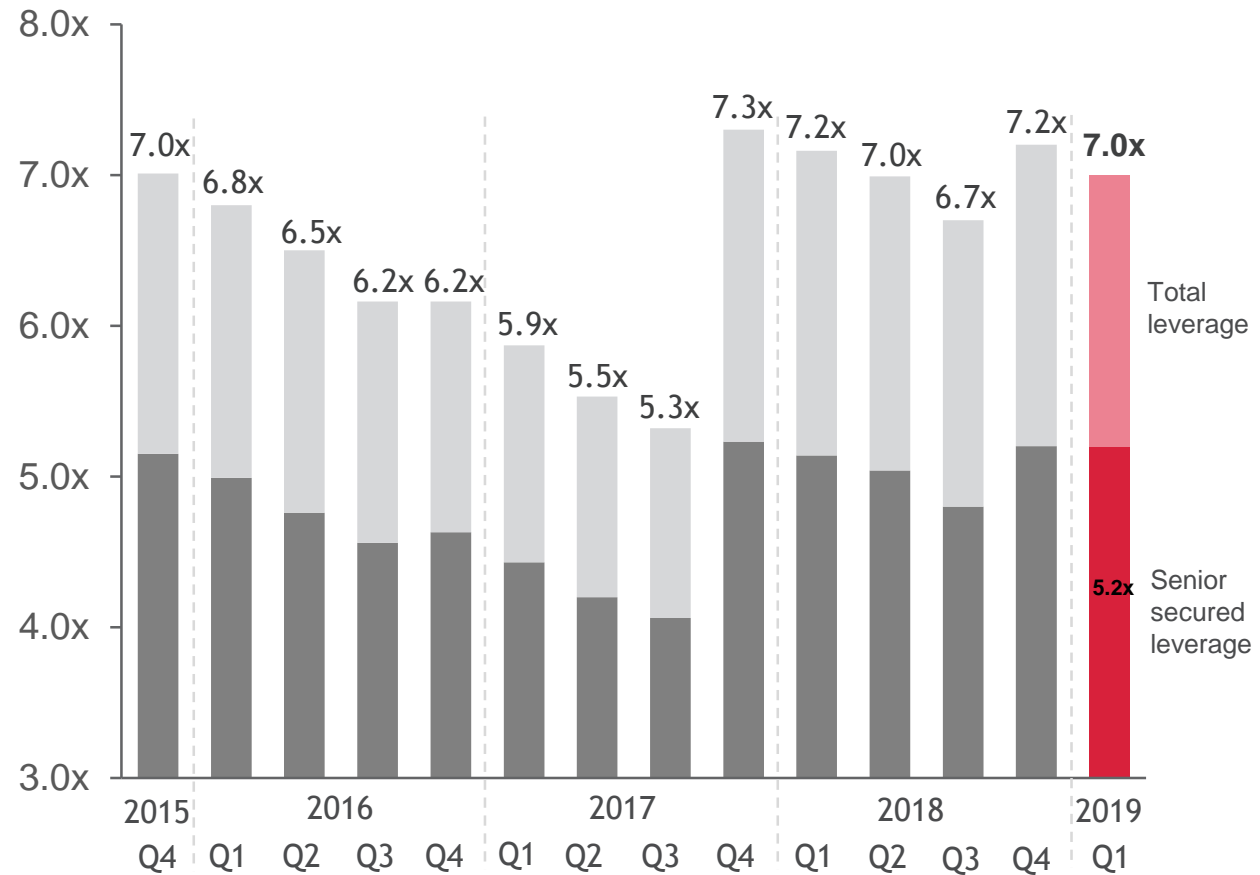


Net debt bridge - Q1 2019



Net debt: Q1-2019 includes impact of IFRS 16 (leases) of EUR 129 million. Excluding impact of IFRS 16, net debt is EUR 4.807 million per Q1-2019.

Leverage

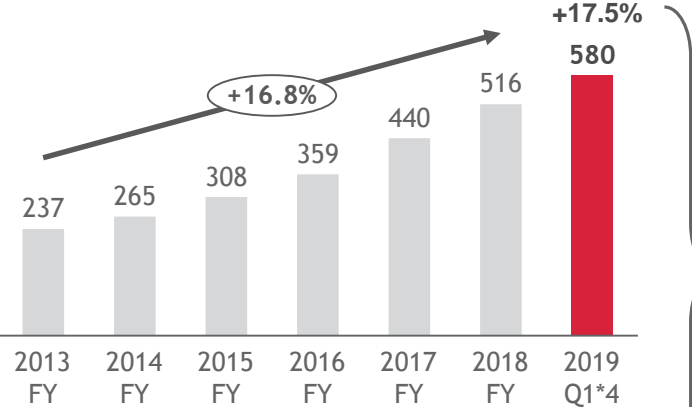


Evolution of L2QA* Leverage

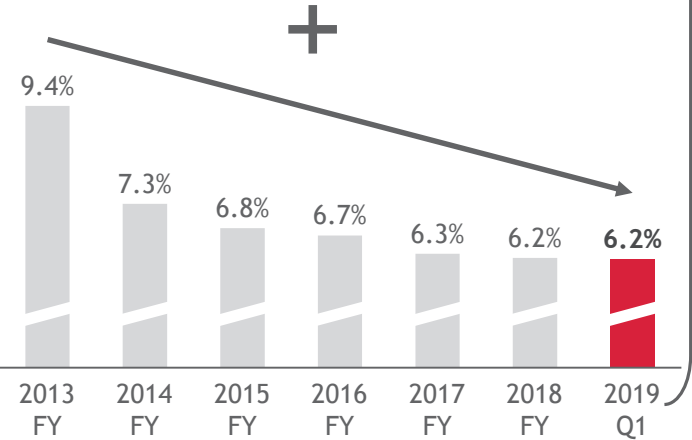
| | 2017 | | 2018 | | 2019 |
|----------------------------------|-------|-------|-------|-------|-------|
| | Q1 | Q4 | Q1 | Q4 | Q1 |
| Net debt (€m)* | 3,019 | 4,200 | 4,195 | 4,750 | 4,807 |
| Adjusted EBITDA annualized (€m)* | 515 | 575 | 586 | 662 | 682 |
| Leverage (Total)* | 5.9x | 7.3x | 7.2x | 7.2x | 7.0x |

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

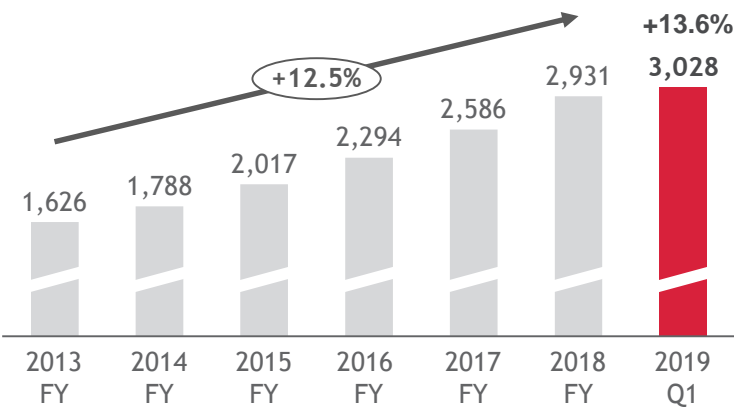
Resilient Quality Growth



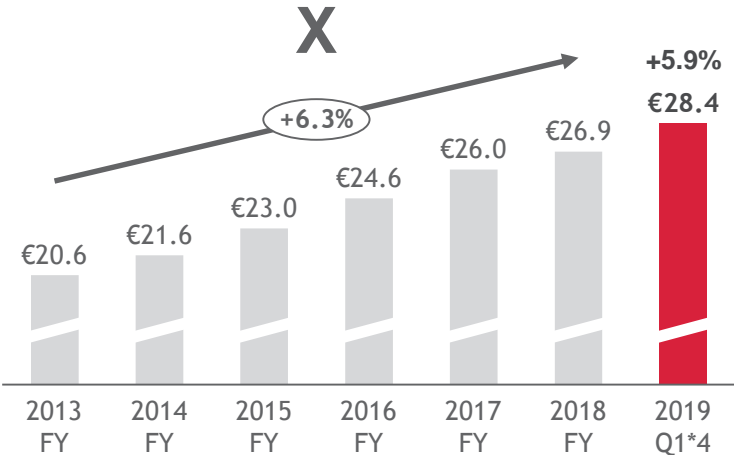
Strong growth in new subscribers
(New installations 000s)



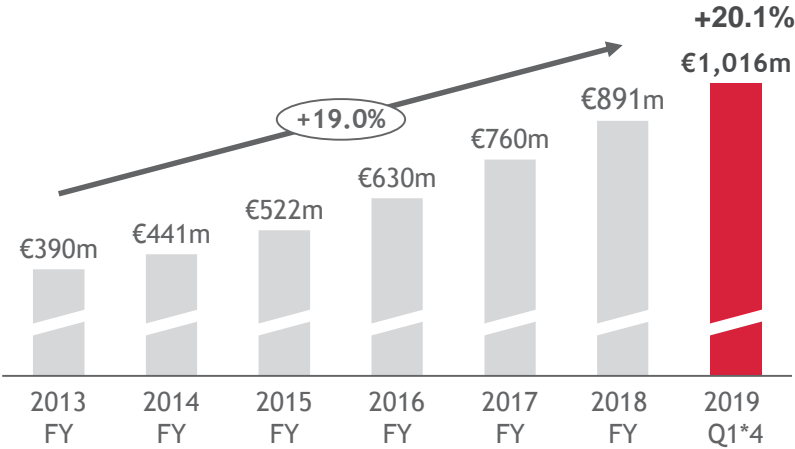
Excellent customer stickiness
(Attrition %, LTM)



Resilient portfolio growth
(Total customer portfolio 000s)



Improving unit economics
(EPC €)



Quality Portfolio EBITDA growth

Notes:
Absolute numbers over the bars are in actual reported currency.
Growth rates (5 year CAGR's 2013-2018, and Q1-2019 vs LY) are in constant currencies.
Q1*4= Q1 2019 annualized.

Q&A



Thank you