



Verisure Midholding AB (publ)

Earnings Call Presentation – Q2 2019

April 1 - June 30, 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 Q2 2019** – Austin Lally, CEO
- **Financial review of Q2 2019** – Vincent Litrico, CFO
- **Questions & answers**



Austin Lally
Chief Executive Officer



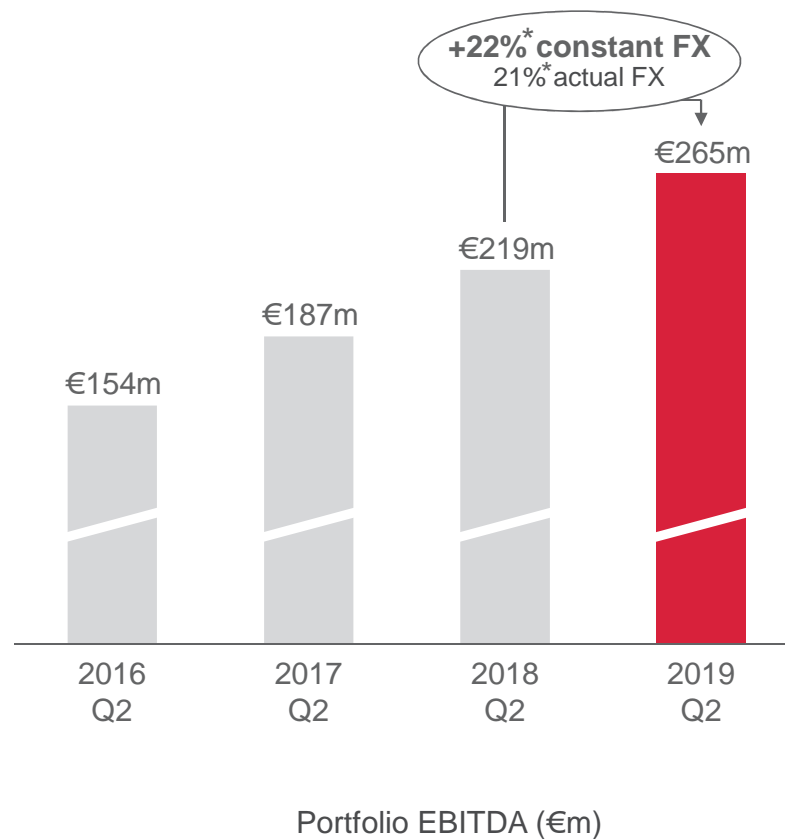
Vincent Litrico
Chief Financial Officer

Q2 2019 Performance Highlights

	<u>Installations</u>	<u>Portfolio</u>	<u>Portfolio EBITDA</u>
Q2 2019	+151k	3.1m	€265m
Q2 2018	+129k	2.8m	€219m

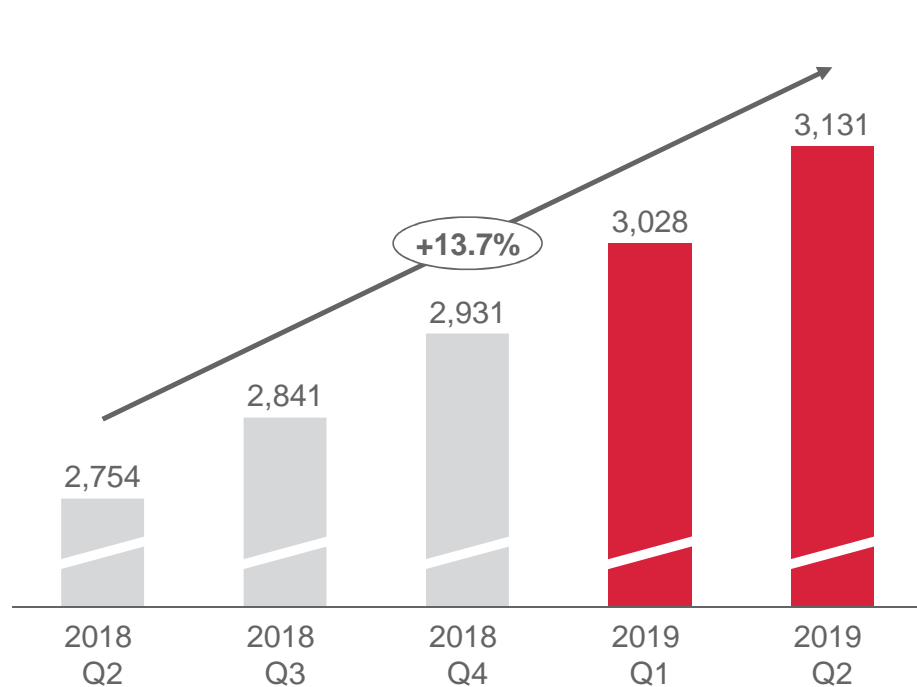
Summary

- Continued strong development across the group
- Broad-based sales growth, revenues increasing 19% YoY (20% in constant currencies)
- Very solid financials – Portfolio EBITDA up +22% YoY in constant currency. Portfolio EBITDA exceeding EUR 1 billion on an annualized basis
- Solid operating cash flow generation, now more than EUR 600 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 20% in constant FX Q2-2019 vs. Q2-2018 (20% actual FX).

Portfolio up +377k customers YoY to 3.1 million



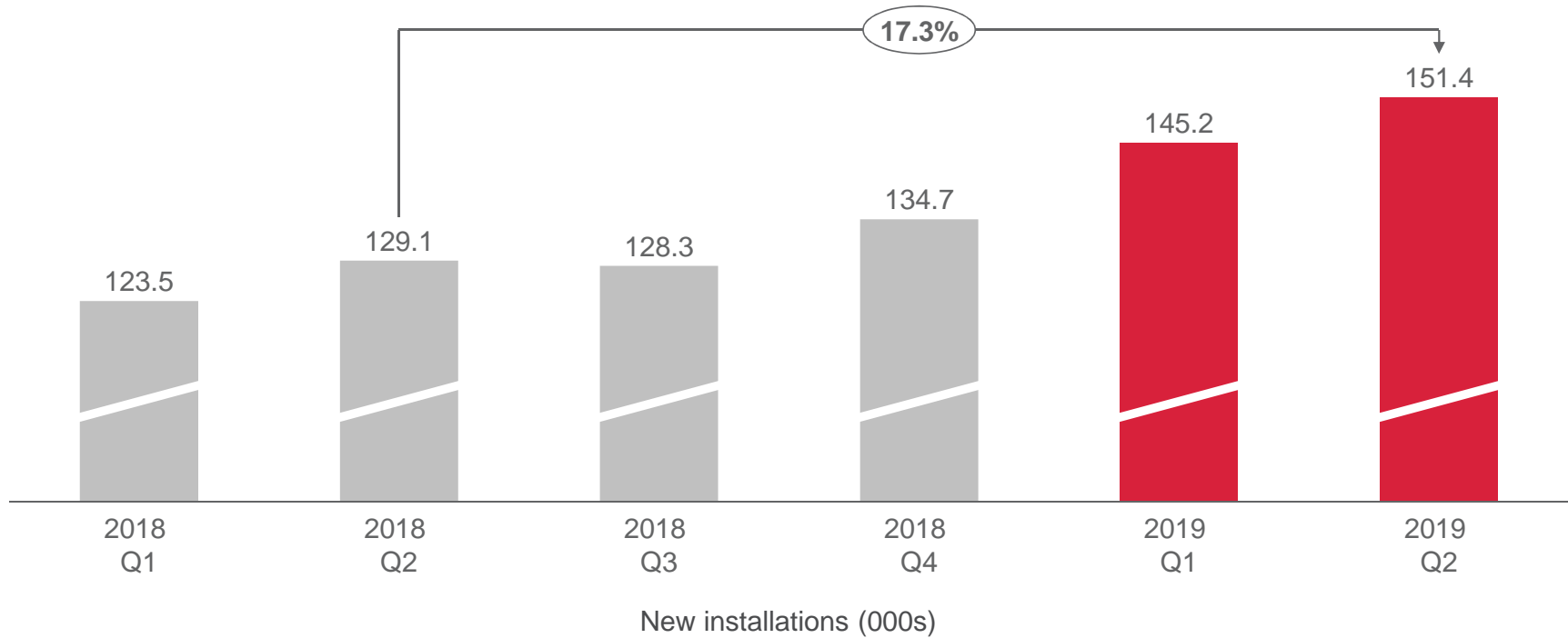
Net Portfolio Growth (NPG)

vs Q2 2018

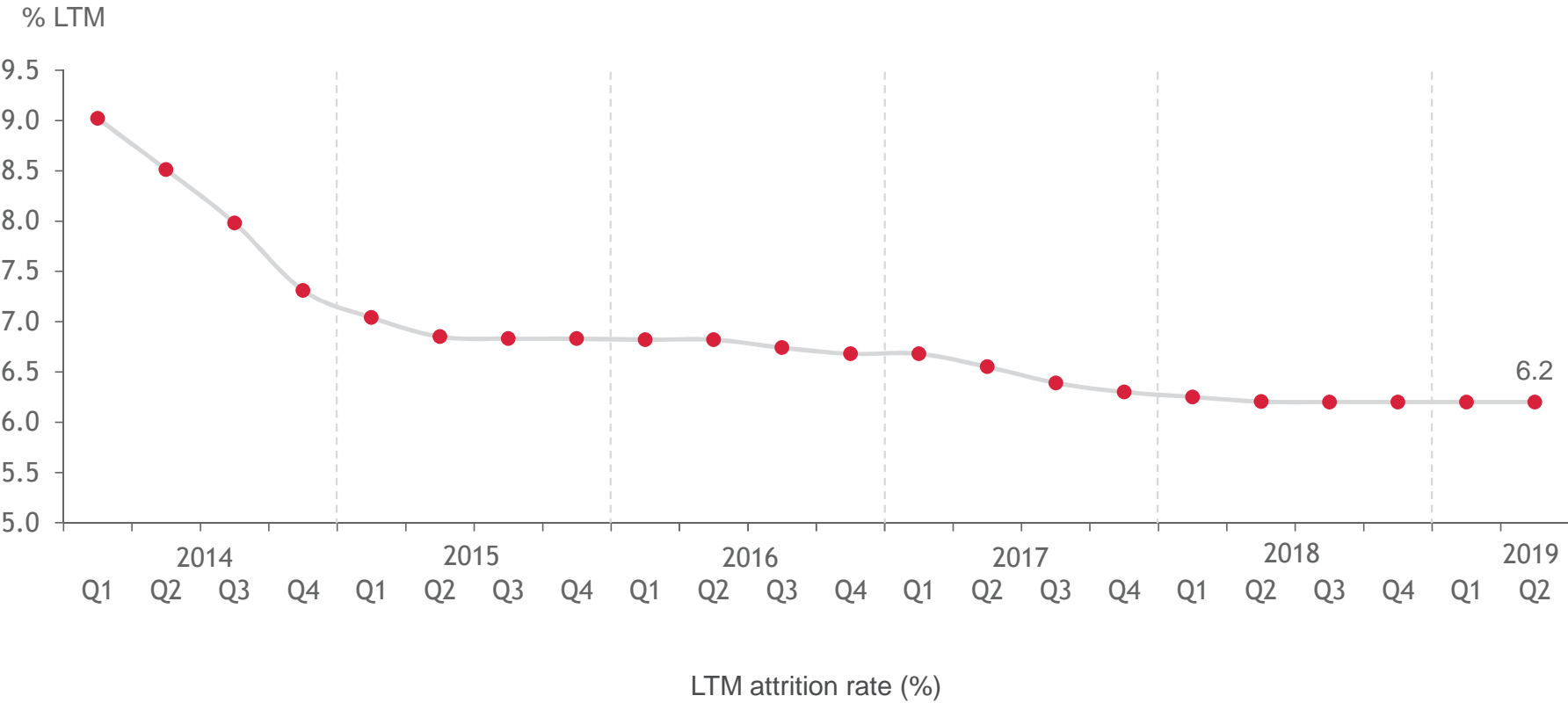
NPG (000s)	+377
NPG (% of portfolio)	+13.7%
NPG Acceleration*	17.0%

(*) Q2 2019 NPG growth vs. Q2 2018.

151k new customers added in Q2 2019



Maintaining excellent customer retention



Continued growth in customer profitability

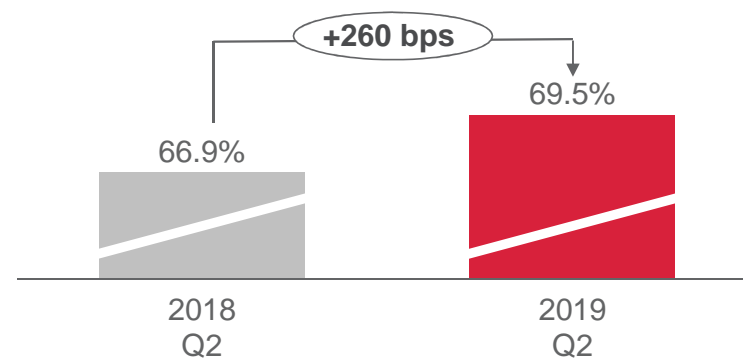


(*) ARPU: Average Revenue Per User per month
 (*) EPC: Portfolio EBITDA Per Customer per month

EPC: Excluding impact of IFRS 16, EPC improved 5.9% in constant FX (5.3% in actual FX).

Key Financial Metrics – Q2 2019

(€m)	2019 Q2	2018 Q2	% YoY
Revenue	467	392	+19%
Portfolio Services, Adjusted EBITDA*	265	219	+21%
Total Adjusted EBITDA*	188	146	+29%
Cash Flows from Operating Activities	160	125	+29%
CapEx, total	142	118	+21%
Net debt	4,988	4,275	+17%
Cash and unutilised credit facilities	310	218	43%



Portfolio Services Adj. EBITDA margin (%)

(*) Figures excl. Separately Disclosed Items

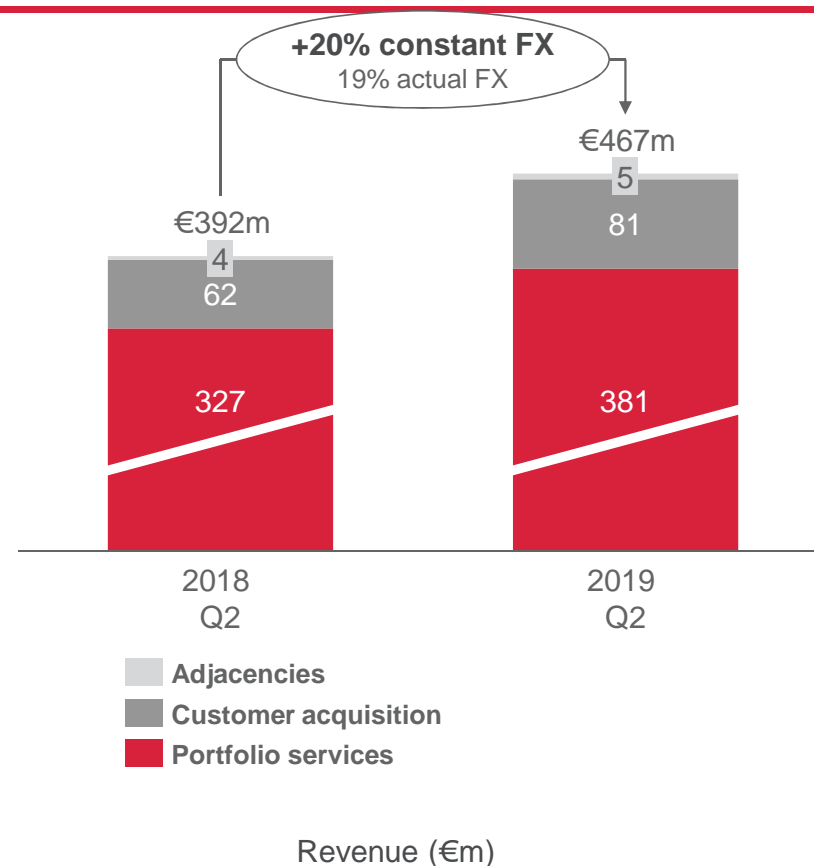
Portfolio EBITDA impacted by EUR 3.1 million related to IFRS 16 in Q2-2019
 Total EBITDA impacted by EUR 10.6 million related to IFRS 16 in Q2-2019
 Portfolio EBITDA margin: Excluding impact of IFRS 16, Q2-2019 would have been 68.7%
 Net debt: Q2-2019 includes impact of IFRS 16 (lease liability) of EUR 131 million

Income Statement – Q2 2019

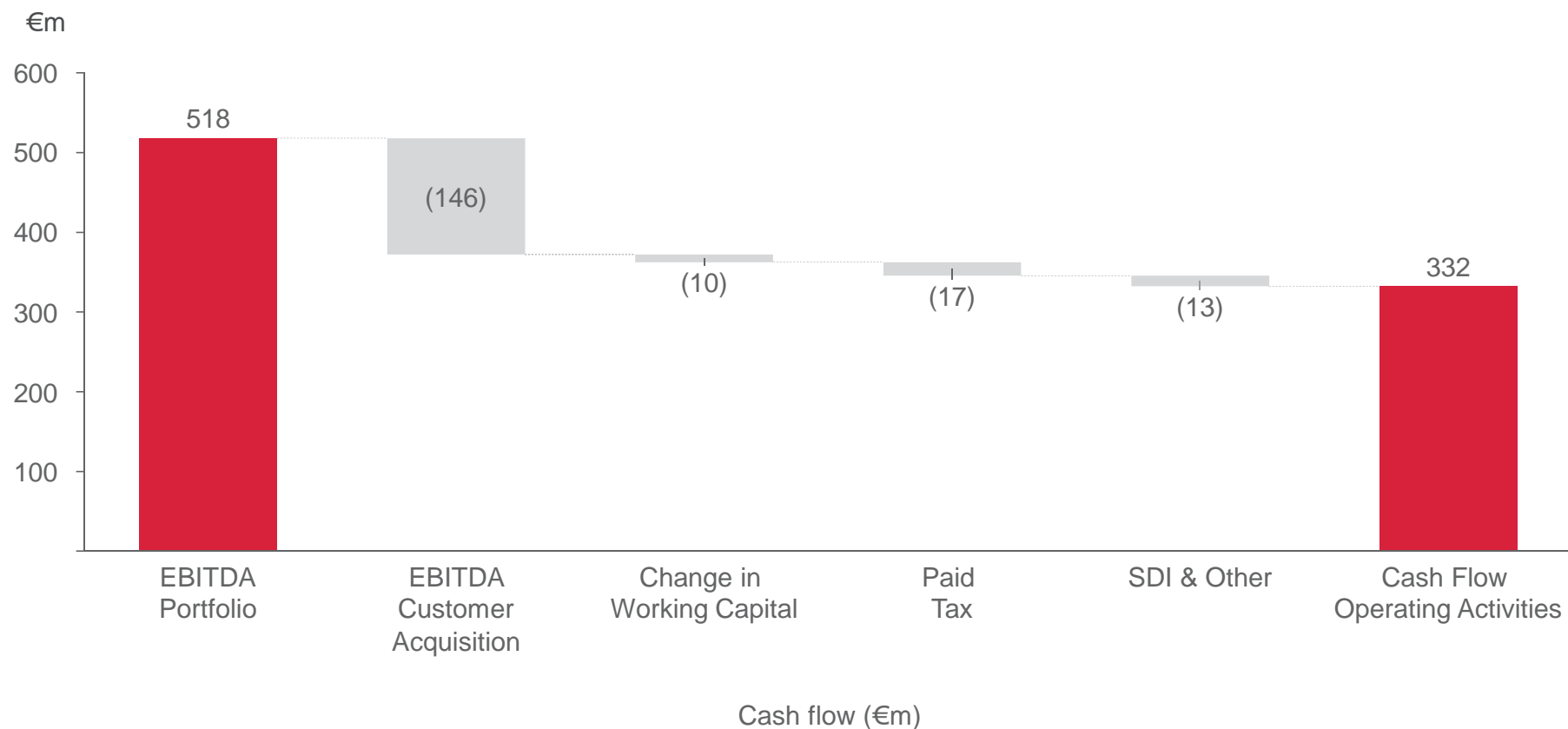
(€m)	Reported excl. SDI	SDI*	Reported
Revenue	467		467
Net operating expenses	(279)	(9)	(288)
Adjusted EBITDA	188	(9)	179
Depreciation and amortisation	(57)	(38)	(95)
Retirement of assets	(20)	-	(20)
Operating profit	111	(48)	64
Interest income & cost	(52)		(52)
Other financial items	0	(16)	(16)
Result before tax	59	(64)	(5)
Income tax			(13)
Result for the period			(18)

(*) SDI – Separately Disclosed Items

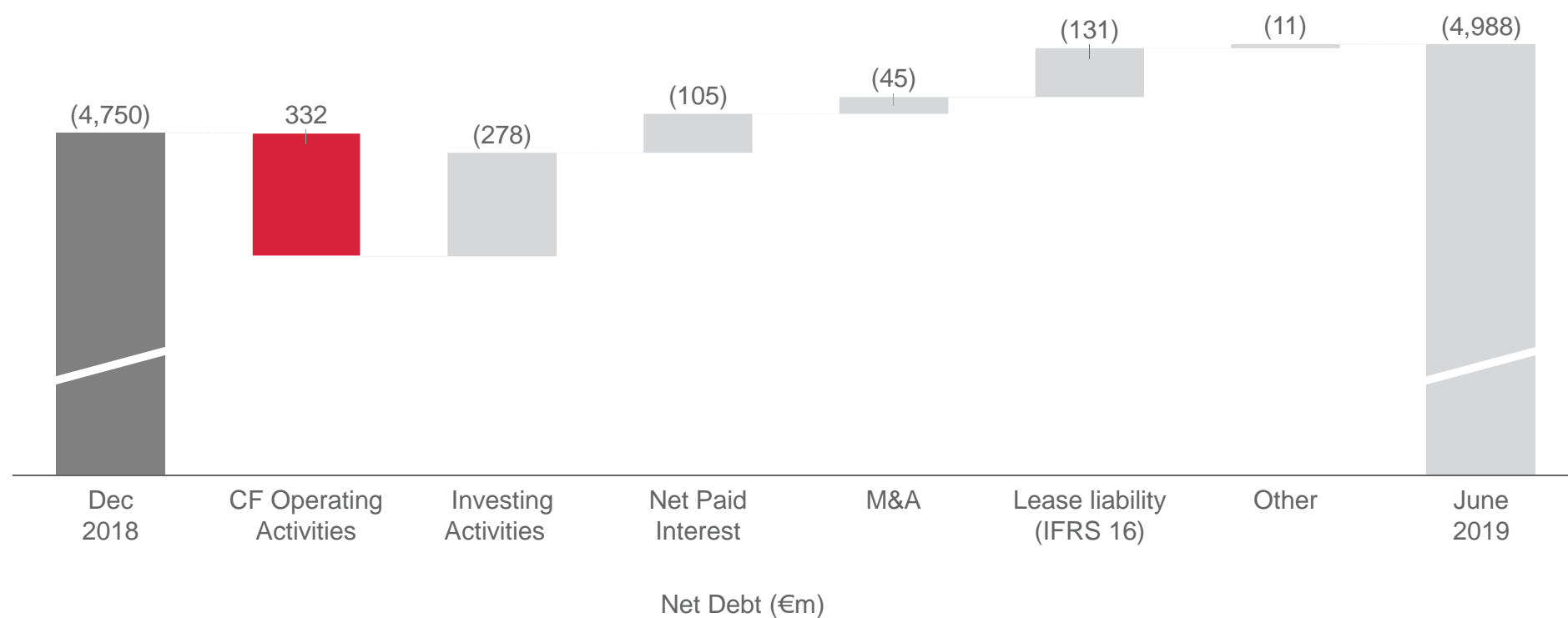
Total EBITDA impacted by EUR 10.6 million related to IFRS 16 in Q2-2019
 Operating profit impacted by EUR 0.7 million related to IFRS 16 in Q2-2019
 Interest income & cost impacted by EUR -1.1 million related to IFRS 16 in Q2-2019
 Result before tax impacted by EUR -0.5 million related to IFRS 16 in Q2-2019



Cash flow from operating activities – YTD June 2019

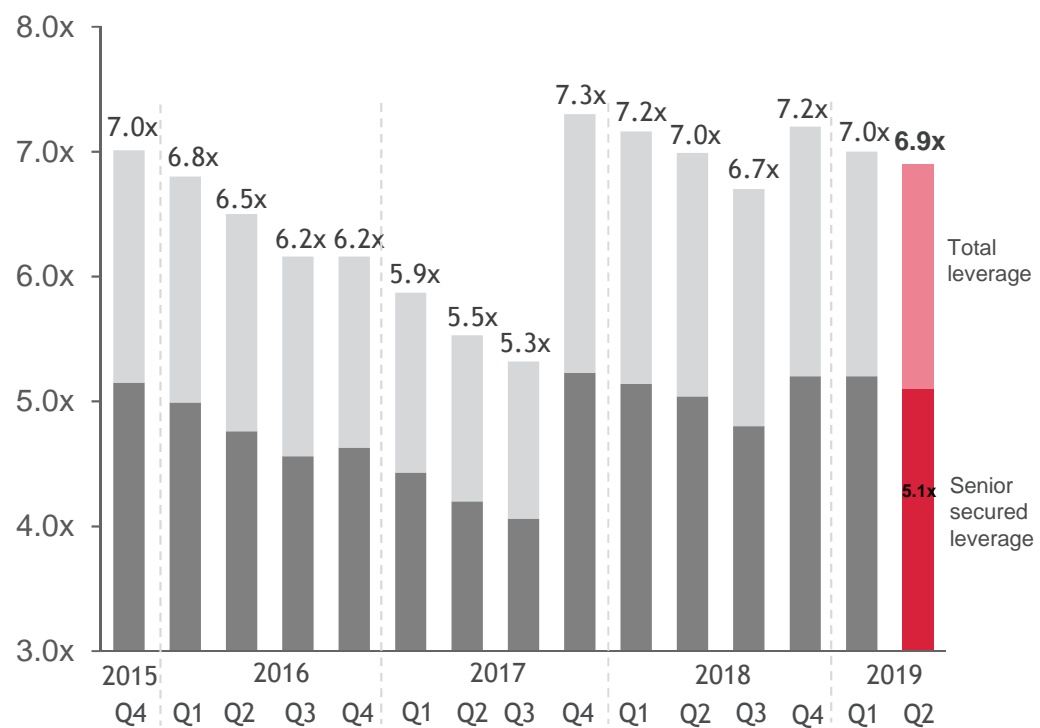


Net debt bridge – Q2 2019



Net debt: Q2-2019 includes impact of IFRS 16 (lease liability) of EUR 131 million. Excluding impact of IFRS 16, net debt is EUR 4.858 million per Q2-2019.

Leverage

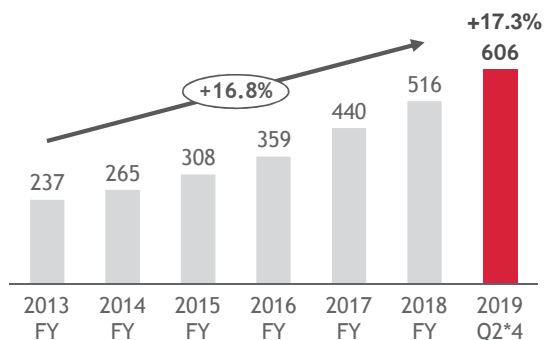


Evolution of L2QA* Leverage

	2017		2018		2019	
	Q1	Q4	Q1	Q4	Q1	Q2
Net debt (€m)*	3,019	4,200	4,195	4,750	4,807	4,858
Adjusted EBITDA annualized (€m)*	515	575	586	662	682	707
Leverage (Total)*	5.9x	7.3x	7.2x	7.2x	7.0x	6.9x

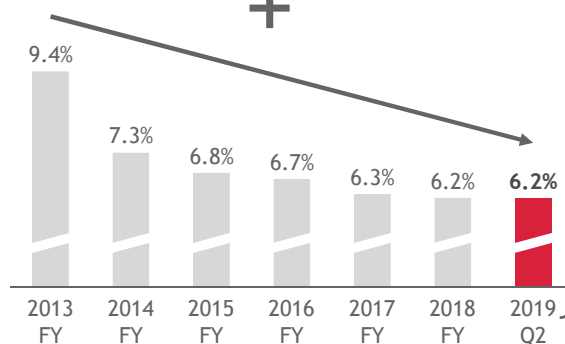
(*) Leverage, net debt and adjusted EBITDA per lender documentation

Resilient Quality Growth

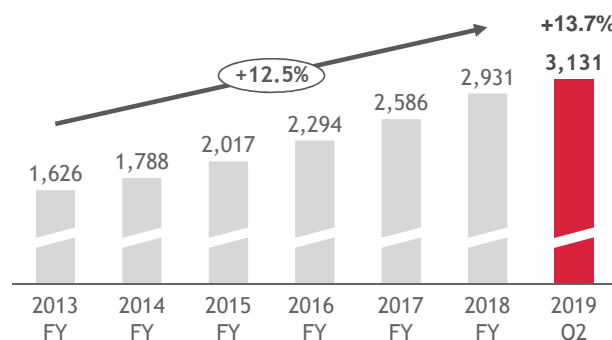


Strong growth in new subscribers
(New installations 000s)

+

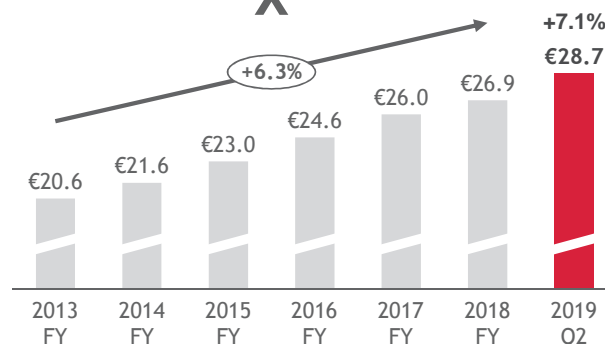


Excellent customer stickiness
(Attrition %, LTM)

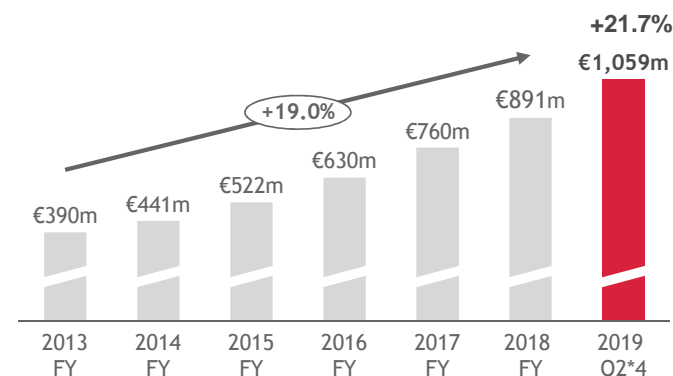


Resilient portfolio growth
(Total customer portfolio 000s)

X



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 Q2-2019 vs LY) are in constant currencies.
Q2*4=2019 annualized.

Q&A



Thank you

