



## **CLX Communications AB (publ): Sinch Year-End Report January - December 2018**

February 22, 2019

### **October - December 2018**

- Net sales increased by 27 percent to SEK 1,151.3 million (909.3). Organic growth in local currency was 13 percent.
- Gross profit increased with 55 percent to SEK 309.9 million (199.8).
- EBITDA excluding items affecting comparability (adjusted EBITDA) increased with 56 percent to SEK 109.4 million (70.1).
- Adjusted EBITDA amounted to SEK 2.04 (1.31) per share.
- EBITDA amounted to SEK 140.4 million (76.0).
- Operational foreign exchange gains and losses affected operating profit for the period by SEK -9.3 million (3.8).
- EBIT amounted to SEK 107.7 million (31.1).
- Profit after tax for the quarter was SEK 103.5 million (90.3).
- Basic and diluted earnings per share were SEK 1.93 (1.69).

### **January - December 2018**

- Net sales increased by 30 percent to SEK 3,986.6 million (3,058.1). Organic growth in local currency was 15 percent.
- Gross profit increased with 29 percent to SEK 1,008.4 million (780.0).
- EBITDA excluding items affecting comparability<sup>1</sup> (adjusted EBITDA) increased with 24 percent to SEK 367.1 million (296.7).
- Adjusted EBITDA amounted to SEK 6.85 (5.73) per share.
- EBITDA amounted to SEK 373.3 million (263.2).
- Operational foreign exchange gains and losses affected operating profit for the year by SEK -13.4 million (-1.2).
- EBIT amounted to SEK 217.8 million (124.9).
- Profit after tax for the year was SEK 179.5 million (134.4).
- Basic and diluted earnings per share were SEK 3.35 (2.58).

### **Significant events during the quarter**

- Sinch announced on 8 October its decision to redirect the investments previously made within Core Network as a Service and Internet of Things to advanced messaging services, RCS, voice services and Personalized Video. The company will meet its customer commitments but will not be further developing the business within Core Network as a Service and Internet of Things. The change will affect only a very small proportion of the company's customers but led to an impairment of non-current assets linked to IoT of SEK 9.2 million in the third quarter.
- Eva Lessing was appointed Chief Human Resources Officer of Sinch on 2 November. She is a member of the Sinch management team and reports to CEO Oscar Werner. Eva Lessing brings welcome experience from Snow Software and took up her role in January 2019. Lena Oldberg, Sinch's current Chief Human Resources Officer, will continue in the HR organization and report to Eva Lessing.
- Roshan Saldanha was appointed the new Chief Financial Officer of Sinch on 12 December. Most recently before joining the company, Saldanha was CFO of Tele2 Sverige AB. He begins his position with Sinch on 5 March 2019.
- Sinch announced on 20 December that it had successfully renegotiated and extended the company's credit facilities. The expanded credit facility gives Sinch access to debt financing of SEK 1,500 million, provided that the company meets a number of predetermined contractual conditions. This means that the scope of debt funding for M&A has been expanded by SEK 900 million compared to the company's earlier bank agreement. In addition to the credit facility of SEK 1,500

million, the company has access to an overdraft facility of SEK 200 million.

#### **Significant events after the end of the quarter**

- Jonathan Bean was appointed the new Chief Marketing Officer of Sinch on 8 February. Prior to joining Sinch, Bean served as Chief Marketing Officer of Mynewsdesk, a rapidly growing cloud platform for marketing and PR. Jonathan will begin his position with Sinch on 23 April.
- CLX Communications launched a new corporate brand identity for all business areas on 13 February. Products previously marketed under the CLX, Symsoft, Sinch and Vehicle brands will now be integrated into a single, cohesive offering: Sinch.

#### **Invitation to phone conference**

Sinch will present the year-end report in a phone conference on 22 February at 9:00 CET. To participate in the presentation by phone, please call and state the code 5475538.

Sweden: +46 (0) 8 506 921 85

United Kingdom: +44 (0) 203 009 5710

United States: +1 917 720 0178

Register here to watch the presentation via webcast: [investors.sinch.com/webcast](https://investors.sinch.com/webcast).

#### **For additional information, please contact:**

Thomas Heath, Chief Strategy Officer and Head of Investor Relations

Tel +46 72 245 50 55

[thomas.heath@sinch.com](mailto:thomas.heath@sinch.com)

Odd Bolin, CFO

Tel +46 70 428 31 73

*Note: The information in this interim report is such that CLX Communications AB (publ) (name change to Sinch AB (publ) in progress) is required to publish pursuant to the EU market abuse regulation. The information was submitted for publication on 22 February 2019 at 07.30 CET.*

*This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply. This report has not been subject to review by the company's independent auditor.*