



Press Release

Stockholm October 10, 2019

Sinch expands to Brazil through acquisition of TWW

Stockholm, Sweden – Sinch AB (publ) – XSTO: SINCH

Sinch AB (publ), a global leader in cloud communications for mobile customer engagement, has entered into a definitive agreement to acquire TWW do Brasil S.A. for an enterprise value of BRL 180.750 million. Using today's SEK/BRL exchange rate of 2.43, this corresponds to SEK 439 million.

Founded in 1996, TWW is today the 3rd largest SMS connectivity provider in Brazil. The company serves more than 3,000 businesses, both large and small, including many of Brazil's leading enterprises in the banking, retail and education sectors. Messaging volumes are continuously increasing and in 2018, TWW delivered 3.4 billion messages on behalf of its customers. The company employs 37 people in São Paulo, Brazil.

"Sinch has won the trust of some of the world's largest enterprises through high-quality message delivery and international reach. The acquisition of TWW further strengthens this value proposition and gives us domestic presence in a rapidly expanding, dynamic growth market", comments Oscar Werner, CEO of Sinch.

With a population of 210 million, Brazil is the largest country in Latin America by population, GDP, and geographical size. It is the fifth most populous country in the world and is now seeing a rapid uptake in smartphone penetration and mobile internet usage. Customer engagement through mobile messaging continues to gain popularity, and a rapid uptake of new technologies presents opportunities for Sinch to offer its broader portfolio of next-generation messaging, voice and video to TWW's customers.

In 2018, TWW recorded revenues of BRL 134m, gross profit of BRL 35m, and EBITDA of BRL 17.5m. In Swedish krona, using today's 2.43 SEK/BRL exchange rate, this corresponds to revenues of SEK 326m, gross profit of SEK 85m, and EBITDA of SEK 43m. The total price paid by Sinch implies an EV/EBITDA-multiple of 8.9x based on expected adjusted EBITDA for the full year 2019.

"The success of our business is built on quality delivery and an unflinching focus on customer satisfaction. Together with Sinch, we can continue our growth journey and launch new products in next-generation messaging, voice and video. Our greatest opportunities are still ahead of us", comments Anthony Pain, CEO and Chairman of TWW.

The transaction is expected to close in the second half of October 2019 and will be financed using Sinch's available credit facilities.

Sinch has a financial target to maintain net debt/adjusted EBITDA below 2.5x over time. As of Q2 2019, net debt/adjusted EBITDA was 1.0x when measured on a rolling, twelve-month basis. The acquisition of TWW increases Sinch net debt/adjusted EBITDA by around 0.8x. Together with the recent acquisition of myElefant SAS, this implies that Sinch pro forma net debt/adjusted EBITDA rises to around 2.2x following the two acquisitions.

Handelsbanken Capital Markets is serving as a financial advisor to Sinch for the acquisition.

Conference call and webcast

A conference call for analysts and investors will take place today, October 10, at 14.00 CEST. Please dial in a few minutes before the call to ensure that you are connected.

Access code: 6330618

Sweden: +46 8 5069 2185

UK: +44 203 009 5710

US: +1 191 772 00 178

The live webcast will be available at investors.sinch.com/webcast.
Presentation materials will be available at investors.sinch.com.

**For further information, please contact**

Thomas Heath
Chief Strategy Officer and Head of Investor Relations
Sinch AB (publ)
Mobile: +46-722-45 50 55
E-mail: thomas.heath@sinch.com

About Sinch

Sinch brings businesses and people closer with tools enabling personal engagement. Its leading cloud communications platform lets businesses reach every mobile phone on the planet, in seconds or less, through mobile messaging, voice and video. Sinch is a trusted software provider to mobile operators, and its platform powers business-critical communications for many of the world's largest companies. Sinch has been profitable and fast-growing since its foundation in 2008. It is headquartered in Stockholm, Sweden, and has local presence in more than 30 countries. Shares are traded at NASDAQ Stockholm: XSTO:SINCH. Visit us at sinch.com.

About TWW

In the market since 1996, TWW is a leading provider of business messaging services in Brazil. Latest-generation infrastructure, direct operator connections and an unflinching commitment to customer excellence has won TWW an approval rating of 98 percent among its more than 3,000 business customers. The company serves customers of all sizes, in all industries, and is based in São Paulo, Brazil.

Important information

This communication may contain certain forward-looking statements. Such statements are all statements that do not relate to historical facts and include expressions such as "believe", "estimate", "anticipate", "expect", "assume", "predict", "intend", "may", "presuppose", "should" or similar. The forward-looking statements in this release are based on various estimates and assumptions that in several cases are based on additional assumptions. Although Sinch believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that are difficult or impossible to predict and that are beyond Sinch's control. Such risks, uncertainties and important factors could cause the actual results to differ materially from the results expressly or implicitly indicated in this communication through the forward-looking statements. The information, perceptions and the forward-looking statements in this release apply only as of the date of this release and may change without notice.

This information is information that Sinch AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above, at 07:00 CEST on October 10, 2019.