SEK 8.0bn revenue in the past 12 months
SEK 912m Adj. EBITDA in the past 12 months
SEK 106bn Market Cap
2,083 people
47 countries with local presence

Customer engagement through mobile technology

145 billion engagements per year
Publicly listed on NASDAQ in Stockholm

Scalable cloud communications platform for messaging, voice and video
Serving 8 of the 10 largest U.S. tech companies

100% Consumer penetration
Growing, global, multi-billion USD market

Profitable since our foundation in 2008
10x growth in gross profit since IPO in 2015
Track record of profitable growth

- Focus on Gross profit since pass-through revenues vary between geographies
- 81% growth in Gross profit and 63% growth in EBITDA in Q4 20
- Acquisitions of Wavy, SDI, ACL and Inteliquent adding significantly to our scale and profitability

The acquisition of Inteliquent is pending regulatory approval. ACL includes the last 8 months of earnings before the unit was consolidated on 1 September. SDI includes the last 10 months of earnings before the unit was consolidated on 1 November. Synergies refer to expected synergies for Wavy and SAP Digital Interconnect, estimated mid-point, at full run rate. Exchange rates as of 17 February 2021.
Growth markets

Messaging

Application-to-Person (A2P) messaging is used across the world for ever-more use cases

- **USD 17 bn** market size for A2P SMS (MobileSquared), other estimates vary between USD 15-50 bn
- Business usage of SMS continues to grow
- >100% growth rates expected in business messaging through next-generation messaging channels like WhatsApp & RCS

CPaaS

Communications Platform as a Service (CPaaS) allows businesses to easily integrate messaging, voice and video services into their own applications

- Juniper Research sees a **30%** growth CAGR
- Gartner expects a **33%** growth CAGR
- IDC forecasts a **33%** growth CAGR
- “By 2023, 90% of global enterprises will leverage API-enabled CPaaS offerings, up from 20% in 2020” – Gartner
Creating value for businesses & their customers

Email
- Rich content
- Limited reach

SMS
- Limited content
- 100% reach

Next-gen messaging
- Rich content
- 100% reach*

35x higher open rate

App-like experience

* Blending multiple channels including RCS, WhatsApp, Messenger and SMS with landing page technology
The Sinch Conversation API

- Send and receive messages on multiple conversational channels through a single API
- Leverage the expanded feature set of next-generation messaging channels
- WhatsApp, RCS, Viber, SMS and more
- Support for bots with seamless handover to a human when needed
Rich rendering across channels
WhatsApp messaging with Salesforce

- Next-generation messaging for Salesforce customers using Marketing Cloud
- Joint product development with Salesforce, starting with WhatsApp
- Native integration into the Salesforce Marketing Cloud Journey Builder
- Available from 16 February

Watch more: product demo
Raising NPS scores with iFood

Challenge
- Human agents stretched too thin and struggling to service delivery drivers on time

Solution
- iFood chatbot to register new drivers, onboard restaurants and measure NPS

Results
- 70% reductions in delivery service costs
- 1.4m conversations per year
- 44.6% requests handled by the bot
Playbook for profitable growth

Software-as-a-Service
• Empower businesses to leverage rich and conversational messaging
• Increase our software value-add (CPaaS) in addition to our connectivity offering
• Increase stickiness with maintained scalability

Connectivity
• Ensure leading direct global connectivity without middlemen
• Differentiate through superior quality, scale and reach
• Benefit from market growth and continue to win market share
Deal rationale: Inteliquent

**Inteliquent**
- Largest independent voice communications provider in the United States
- 300+ billion voice minutes per year and 100+ million active phone numbers
- Around 600 employees including contractors with headquarters in Chicago, Illinois

**Deal rationale**
- Establish Sinch as a leader in voice communications selling to the largest US voice customers
- Super network for voice reaching 94% of the US population without middlemen
- Accretive deal that fits Scale and Profitability category

**Integration**
- Integration costs estimated to reach USD 25 million over 18 months
- Cross- and upsell combined Sinch+Inteliquent product portfolio
- Reinvest USD 15-20 million of EBITDA to accelerate joint roadmap in CPaaS voice, strengthen enterprise go to market and expand voice offering internationally

**Financials**
- Enterprise value of USD 1,140m. Closing is subject to regulatory approval, closing expected in H2 2021
- Reported revenues of USD 533m, gross profit of USD 256m, and EBITDA of USD 135m in 2020
- Revenues of USD 499m, GP of USD 233m and Adj EBITDA of USD 112m excl. temporary Covid uplift
- Underlying year-on-year revenue growth around 11% over the past 2 years driven by growth in CPaaS
October – December 2020

• Gross profit rising 81% to SEK 795.7 million (439.9)
• Adjusted EBITDA rising 63% to SEK 325.7 million (199.5)
• Adjusted EBIT excl. acquisition-related amortization of SEK 303.7 million (185.7)
• Profit after tax of SEK 212.6 million (94.7)

• Organic Gross profit growth of 37% in local currency
• COVID-19 causing reduced voice traffic and lengthened sales cycles
• Continued opex investments to handle greater business volumes, strengthen our go to market and develop new products
Key growth drivers

1. Volume growth & new use cases with US big tech companies
2. Businesses increasing their use of SMS in addition to email
3. Acquisition of SDI, TWW, Wavy and ACL Mobile

Growing both with new and existing customers
Four investment areas

**Organic growth**
- Continuous investment in platform scalability
- Supporting growth with existing customers
- Greater focus on lead gen and new sales

**Operational efficiency**
- COGS efficiency
- Internal automation for improved scalability
- Client self-service tools

**New technology**
- Unified cross-channel Conversation API
- New channels like WhatsApp and RCS
- Software for advanced, interactive messaging
- RCS-as-a-Service and 5G Messaging for mobile operators

**Integration**
- TWW & Wavy
- ACL
- SDI
- Inteliquent (planning)
Strong growth in Messaging

- Total Gross profit growth of 84% with organic growth at 47%
- SDI contributing from 1 November 2020 & Wavy from 1 February 2021
- US tech companies continue to fuel growth
- Strong performance in December
- Tougher comparable figures heading in to 2021
Rising message volumes

- Very large increase in September 2020 due to the acquisition of ACL Mobile in India
- 354% year-on-year growth in transactions in Q4 with 44% growth in comparable units
- Wavy to add further volume from 1 February
- Growth from existing customers, new customers, new use cases
Gross profit per transaction

- Gross profit is the primary bottom line driver
- Per-transaction measures relevant to track profitability and economies of scale
- ACL Mobile has significantly lower GP and OPEX per transaction, skews overall measures from September 2020
Rising margin in Messaging

- Revenue and gross margin depend on mix of terminating markets
- EBITDA/Gross profit shows margin excluding mobile operator charges
- Adding traffic volume increases gross profit more than it increases opex
Modest improvement Voice and Video

- Sharp decrease in demand for Number masking from ride hailing customers as Covid-19 reduces travelling
- Positive underlying trends in Number verification
Recovery in Operators

- High margins in Operator Software business
- SDI person-to-person (P2P) messaging hub operating at lower gross margin
- Promising demand for new 5G Messaging products sold together with Ericsson
### Income statement

<table>
<thead>
<tr>
<th>Sinch Group, SEK million</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,999.5</td>
<td>1,540.7</td>
<td>8,023.3</td>
<td>5,035.6</td>
</tr>
<tr>
<td>Cost of goods sold and services</td>
<td>-2,203.8</td>
<td>-1,100.7</td>
<td>-5,840.0</td>
<td>-3,641.4</td>
</tr>
<tr>
<td>Gross profit</td>
<td>795.7</td>
<td>439.9</td>
<td>2,183.3</td>
<td>1,394.1</td>
</tr>
<tr>
<td>Other operating income</td>
<td>34.1</td>
<td>26.6</td>
<td>197.8</td>
<td>103.1</td>
</tr>
<tr>
<td>Work performed by the entity and capitalized</td>
<td>19.8</td>
<td>15.3</td>
<td>69.4</td>
<td>38.6</td>
</tr>
<tr>
<td>Other external costs</td>
<td>-293.0</td>
<td>-90.0</td>
<td>-694.3</td>
<td>-328.7</td>
</tr>
<tr>
<td>Employee benefits expenses</td>
<td>-311.5</td>
<td>-160.6</td>
<td>-869.4</td>
<td>-537.6</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-66.0</td>
<td>-36.7</td>
<td>-171.9</td>
<td>-113.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>179.1</td>
<td>194.3</td>
<td>714.9</td>
<td>555.5</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment</td>
<td>-88.1</td>
<td>-51.4</td>
<td>-262.0</td>
<td>-183.9</td>
</tr>
<tr>
<td>EBIT</td>
<td>91.0</td>
<td>142.9</td>
<td>452.9</td>
<td>371.6</td>
</tr>
<tr>
<td>Finance income</td>
<td>11.9</td>
<td>-299.7</td>
<td>5.7</td>
<td>18.6</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>-45.3</td>
<td>279.4</td>
<td>-79.2</td>
<td>-35.2</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>57.6</td>
<td>122.6</td>
<td>379.4</td>
<td>355.0</td>
</tr>
<tr>
<td>Current tax</td>
<td>-27.5</td>
<td>-25.8</td>
<td>-145.3</td>
<td>-83.8</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>182.5</td>
<td>-2.2</td>
<td>208.4</td>
<td>3.3</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>212.6</td>
<td>94.7</td>
<td>442.5</td>
<td>274.5</td>
</tr>
</tbody>
</table>

- Non-recurring items in EBITDA reflect recent M&A activity
- SEK 75 million integration cost related primarily to SDI
- Adjusted EBIT excludes non-recurring items as well as amortization of acquisition-related assets
- Adjusted EBIT of SEK 303.7 million (185.7) in Q4 2020
Gross profit growth

- Gross profit growth of 81% compared to Q4 2019
- 37% organic Gross profit growth helped by record December
- Strengthened SEK causing currency headwind
- Big US tech companies and acquisitions fuelling growth
• Headcount rises with recruitment and acquisitions
• 1,778 people in Sinch at end of Q4
• 305 people joining from Wavy on 1 February 2021
• 159 SDI consultants now recognised in headcount
Reconciling Cash flow with EBITDA

- Acquisition and integration costs are visible in cash flow
- Non-recurring items in EBITDA matches “Other” items in the Cash flow bridge
## Cash flow

<table>
<thead>
<tr>
<th>Sinch Group, SEK million</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>2020</th>
<th>R12M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before changes in working capital</td>
<td>154.9</td>
<td>149.7</td>
<td>602.1</td>
<td>453.5</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-206.7</td>
<td>-13.7</td>
<td>-148.2</td>
<td>-126.2</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-51.8</td>
<td>135.9</td>
<td>453.9</td>
<td>327.3</td>
</tr>
<tr>
<td>Net investments in tangible and intangible assets</td>
<td>-19.5</td>
<td>-22.7</td>
<td>-85.6</td>
<td>-56.0</td>
</tr>
<tr>
<td>Change in financial receivables</td>
<td>-8.3</td>
<td>11.4</td>
<td>-2.2</td>
<td>12.1</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>-2,189.9</td>
<td>-580.6</td>
<td>-2,884.6</td>
<td>-668.5</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-2,217.7</td>
<td>-591.9</td>
<td>-2,972.4</td>
<td>-712.4</td>
</tr>
<tr>
<td>New borrowing/loan arrangement fees</td>
<td>-</td>
<td>1,453.4</td>
<td>-</td>
<td>1,453.4</td>
</tr>
<tr>
<td>Amortization of bank loan</td>
<td>-28.9</td>
<td>-683.8</td>
<td>-267.2</td>
<td>-756.7</td>
</tr>
<tr>
<td>Amortization lease liability</td>
<td>-8.4</td>
<td>-6.9</td>
<td>-30.4</td>
<td>-25.8</td>
</tr>
<tr>
<td>New share issue/warrants</td>
<td>3,317.6</td>
<td>1.4</td>
<td>5,529.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>3,280.3</td>
<td>764.1</td>
<td>5,231.4</td>
<td>673.1</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>1,010.8</td>
<td>308.1</td>
<td>2,712.9</td>
<td>288.0</td>
</tr>
</tbody>
</table>

- Negative change in working capital primarily related to the acquisition of SDI
- Acquisition of subsidiary relates to the acquisition of SDI
- New share issue in November 2020
## Integration

<table>
<thead>
<tr>
<th>Integration Planning</th>
<th>Integration</th>
<th>Integration</th>
<th>Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deal signed in February 2021</strong></td>
<td><strong>Deal closed October 2019</strong></td>
<td><strong>Deal closed September 2020</strong></td>
<td><strong>Deal closed November 2020</strong></td>
</tr>
<tr>
<td><strong>Deal closed September 2020</strong></td>
<td><strong>TWW closed October 2019</strong></td>
<td><strong>Team onboarding</strong></td>
<td><strong>Onboarding 280+ employees across 19 countries</strong></td>
</tr>
<tr>
<td><strong>Wavy closed February 2020</strong></td>
<td><strong>Wavy closed October 2019</strong></td>
<td><strong>Traffic pooling outside India</strong></td>
<td><strong>Transfer of shared functions</strong></td>
</tr>
<tr>
<td><strong>Regulatory approval process is ongoing</strong></td>
<td><strong>Onboarding and consolidation of joint teams</strong></td>
<td><strong>Technology assessment</strong></td>
<td><strong>Separation of business and P2P messaging</strong></td>
</tr>
<tr>
<td><strong>Expected to close H2 2021</strong></td>
<td><strong>Sales goals alignment</strong></td>
<td><strong>Team onboarding</strong></td>
<td><strong>Product portfolio review</strong></td>
</tr>
<tr>
<td><strong>Integration planning together with Inteliquent management, as applicable under competition rules</strong></td>
<td><strong>Platform assessment</strong></td>
<td><strong>Team onboarding</strong></td>
<td><strong>Onboarding 280+ employees across 19 countries</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Initiatives to scale Wavy’s Conversational Messaging business</strong></td>
<td><strong>Traffic pooling outside India</strong></td>
<td><strong>Transfer of shared functions</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Technology assessment</strong></td>
<td><strong>Separation of business and P2P messaging</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Product portfolio review</strong></td>
</tr>
</tbody>
</table>
Financial targets

Targets:
• Adjusted EBITDA per share to grow 20% per year
• Net debt < 2.5x adjusted EBITDA over time

Performance:
• Adjusted EBITDA per share grew 43% in Q4 20, measured on a rolling 12 month basis
• Net debt/EBITDA of -2.2x, measured on a rolling 12 month basis
Financial leverage

Pro forma net debt/Adjusted EBITDA

-2.2
-1.8
-1.3
3.4

- Q4 20 reported
- Q4 20 pro forma
- + Wavy
- + Inteliquent

- Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
- Financial target is to maintain Net debt < 2.5x adjusted EBITDA over time

The acquisition of Inteliquent is pending regulatory approval.
Key priorities ahead

- Continued growth with US-based, global tech companies
- Initiatives for broadened growth across the base
- New customer wins in next-gen messaging through Sinch Conversation API
- Integration of Wavy & TWW, ACL and SDI
- Continued strengthening of our connectivity offering
- Investment in SaaS products for advanced, next-generation messaging
Thanks!