



Acquisition of ACL Mobile

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SEK 5.6bn
revenue in the
past 12 months

SEK 646m
Adj. EBITDA in the
past 12 months

SEK 37bn
Market Cap

766
people

33 countries with
local presence

Customer engagement through mobile technology

40 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



Consumer penetration



Growing, global, multi-billion
USD market



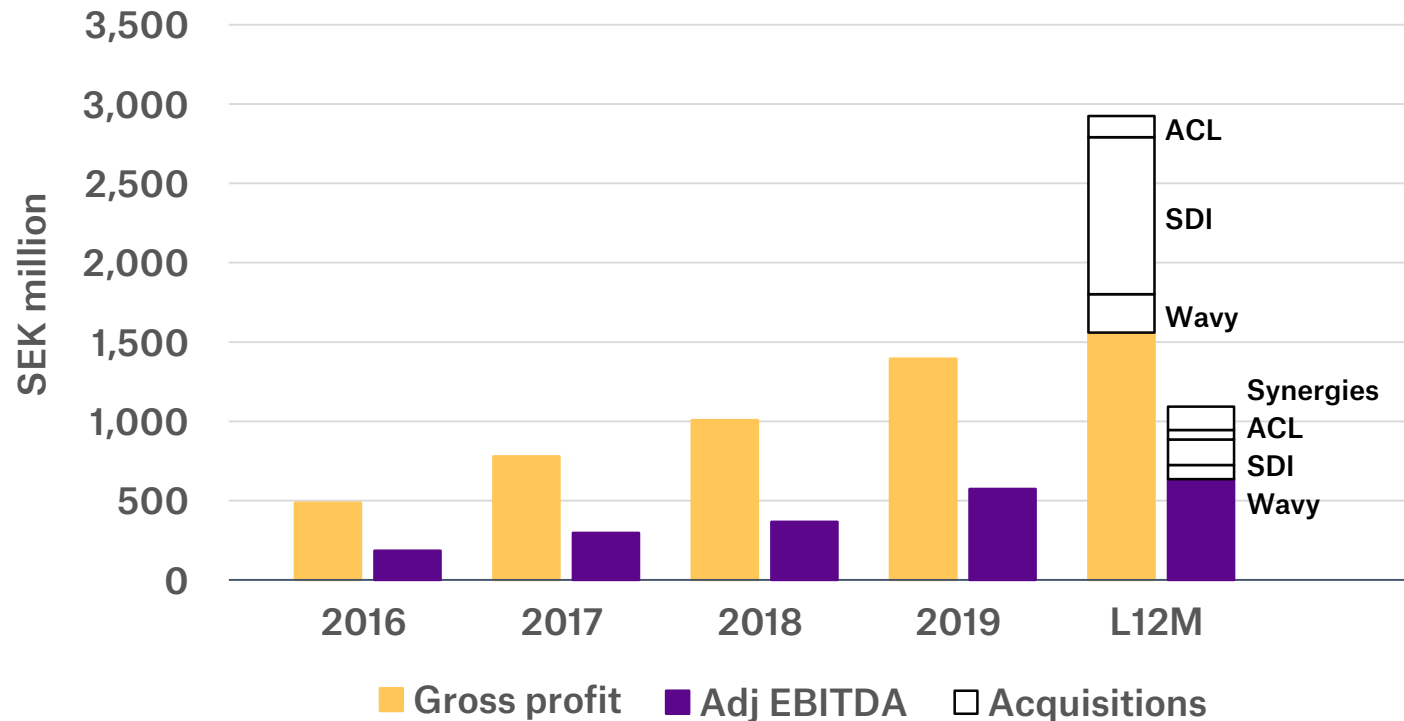
Profitable since our
foundation in 2008



>600% gross profit growth
since IPO in 2015

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Track record of profitable growth



- **Focus on Gross profit since pass-through revenues vary between geographies**
- **54% gross profit growth in Q1 20, of which 36% organic**
- **Acquisitions of Wavy, SDI and ACL Mobile adding significantly to our scale and profitability**



Acquisitions of Wavy and SDI are both pending regulatory approval. Sinch L12M includes Chatlayer. Synergies refer to expected for Wavy and SAP Digital Interconnect, estimated mid-point, at full run rate. Exchange rates as of 12 June 2020.

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 35% growth CAGR (USD 1.1 bn in 2016 to 6.7 bn in 2022)**
- **Gartner expects a 50% growth CAGR (USD 618 m in 2016 to 4.63 bn in 2021)**
- **IDC forecasts a 57% growth CAGR (USD 867 m in 2016 to 8.2 bn in 2021)**

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

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Leveraging M&A to meet strategic objectives

Technology & Go To market

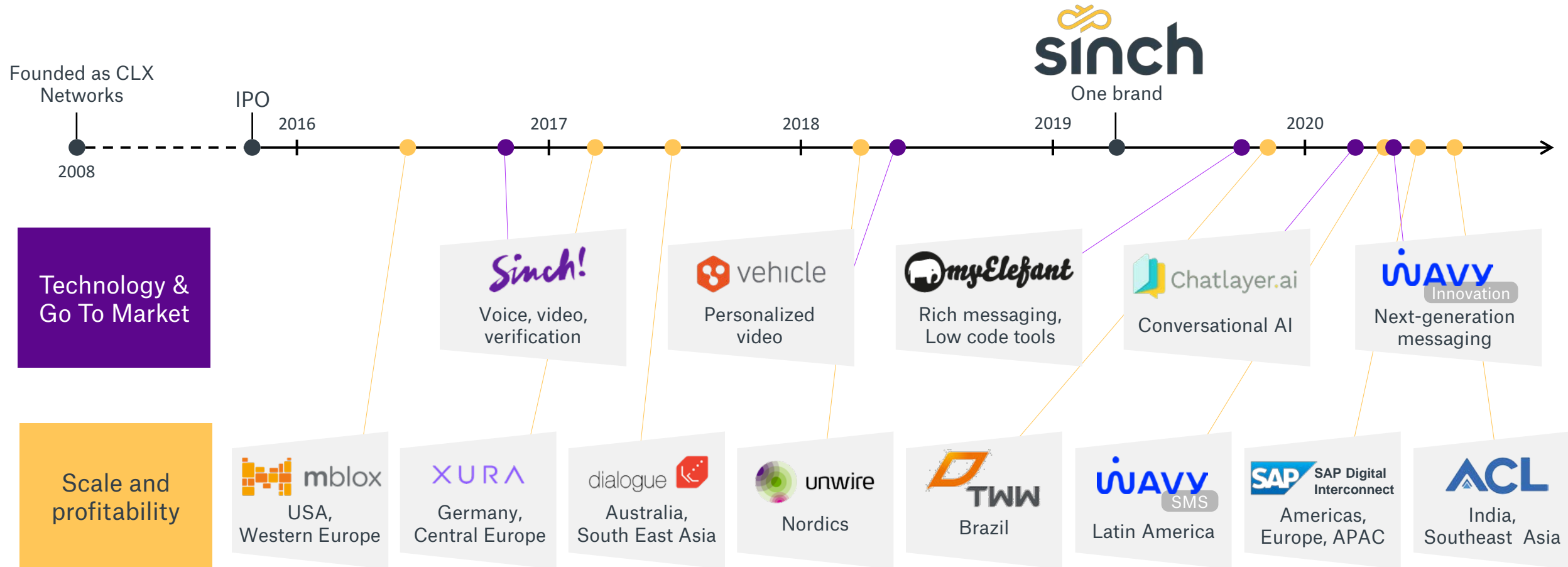
- Complementary technology that fits our strategic product roadmap
- Go To Market-ability in relevant products and geographies
- Increased software value-add with higher gross margin
- Future growth drivers

Scale and profitability

- Acquire sticky customer relationships
- Add direct operator connections in new markets
- Extract synergies by transferring traffic to Sinch's technology platform
- EV/EBITDA-accretive: acquiring profit at a valuation below our own

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Strategic acquisitions



* Acquisitions of Wavy and SAP Digital Interconnect are pending regulatory approval

Deal rationale

ACL Mobile

- Leading cloud communications provider in India and Southeast Asia
- Strong customer base with leading position in Banking & Finance
- Significant scale with 47 billion business messages handled in the past 12 months
- 288 employees in India, UAE and Malaysia

Deal rationale

- Significant scale in the world's second-largest mobile market with a 1.3 billion population
- More than 500 large enterprise customers, including the majority of India's privately-owned banks
- Highly accretive deal, fits Scale and Profitability category
- Direct operator connections in India & competitive cost structure for further expansion in Asia

Integration

- Maintained leadership with ACL founder & CEO Sanjay K Goyal joining Sinch
- Utilisation of ACL's direct operator connections in India, UAE and Malaysia for all Sinch customers
- Further synergy assessment after ACL and SDI transactions have closed

Financials

- Sinch pays a total enterprise value of INR 5,350m (SEK 655m)
- Revenues of INR 4,959m, gross profit of INR 1,091m and Adj EBITDA of INR 480m in the last 12 months - this corresponds to revenues of SEK 607m, gross profit of SEK 134m, and EBITDA of SEK 59m
- Like-for-like gross profit growth of 13 percent in the 12 months ending March 2020
- Transaction expected to close in Q3 2020 with 82% acquired upfront and 18% on or after Dec 1, 2020



India

- **2nd largest mobile market in the world with a population exceeding 1.3 billion¹**
- **1.2 billion mobile subscribers² and ~50% smartphone penetration**
- **World's highest data usage per smartphone³ at 9.8 GB/month**
- **Rapidly digitalizing economy; second only to Indonesia⁴**
- **World's largest WhatsApp market⁵ with 400 million users in July 2019**

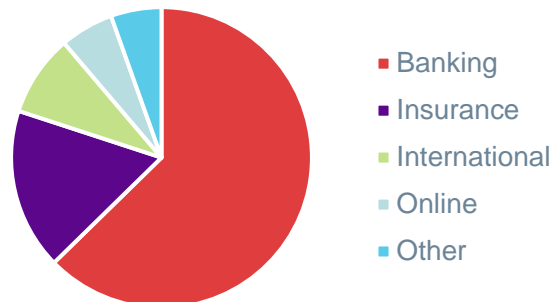
Sources:

(1) [World Bank](#) (2) Telecom Regulatory Authority of India ([TRAI](#)), January 2020 (3) [Ericsson Mobility Report](#), June 2019 (4) McKinsey "[Digital India](#)", March 2019 (5) [Techcrunch](#)

ACL Mobile

- Founded in 2000
- Cloud communications platform for real-time communications over SMS, WhatsApp, IP Messaging and voice
- More than 500 enterprise customers, including the majority of India's privately-owned banks
- 47 billion messages sent on behalf of businesses in the 12 months ending March 2020
- 288 employees with 5 offices in India plus Dubai (UAE) and Kuala Lumpur (Malaysia)

Customer segments



Axiom

- Enterprise communications platform to intelligently orchestrate real-time communications with customers across multiple channels
- Used by over 30 banks and financial institutions
- Meets Reserve Bank of India requirement to confirm electronic banking transactions by SMS.
- Generates ~ 40% of total ACL messaging volumes
- Flexible deployment options
 - On premise
 - Cloud
- Secure, flexible and reliable
 - Role-based access controls
 - End-to-end encryption
 - Sensitive information masking
 - Database agnostic
 - 99.999% uptime



Sinch Tier 1
Super Network

350+ direct mobile
operator connections

ACL adds direct connections to all mobile operators in India, UAE and Malaysia

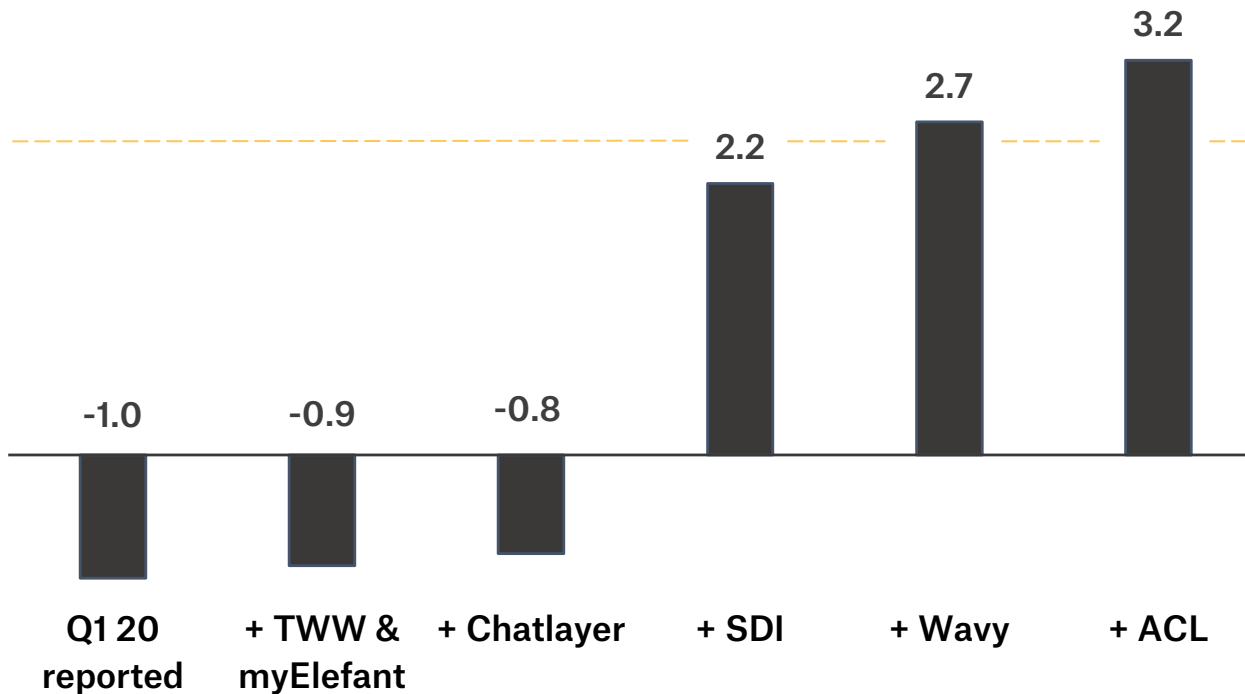
Tier 1 Connectivity for:

- End-to-end control
- Enhanced security
- Speed and throughput
- Improved redundancy
- Broader feature support



Financial leverage

Pro forma net debt/Adjusted EBITDA

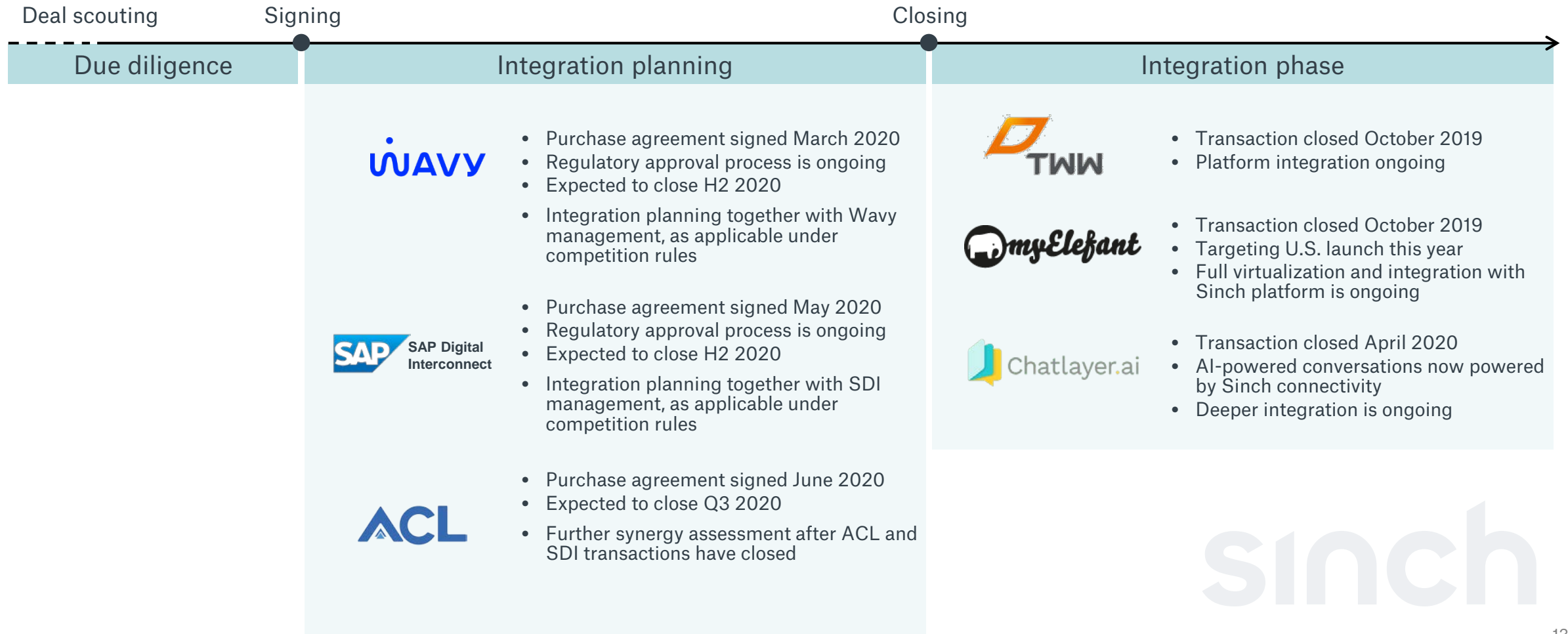


- Pro forma calculation include last 12 months of Adj EBITDA for acquired entities
- Financial target is to maintain Net debt < 2.5x adjusted EBITDA over time
- Pro forma Net debt/Adj EBITDA of 3.2x is within the constraints set by bank and corporate bond covenants
- Leverage expected to decline in coming periods as EBITDA grows and cash is generated



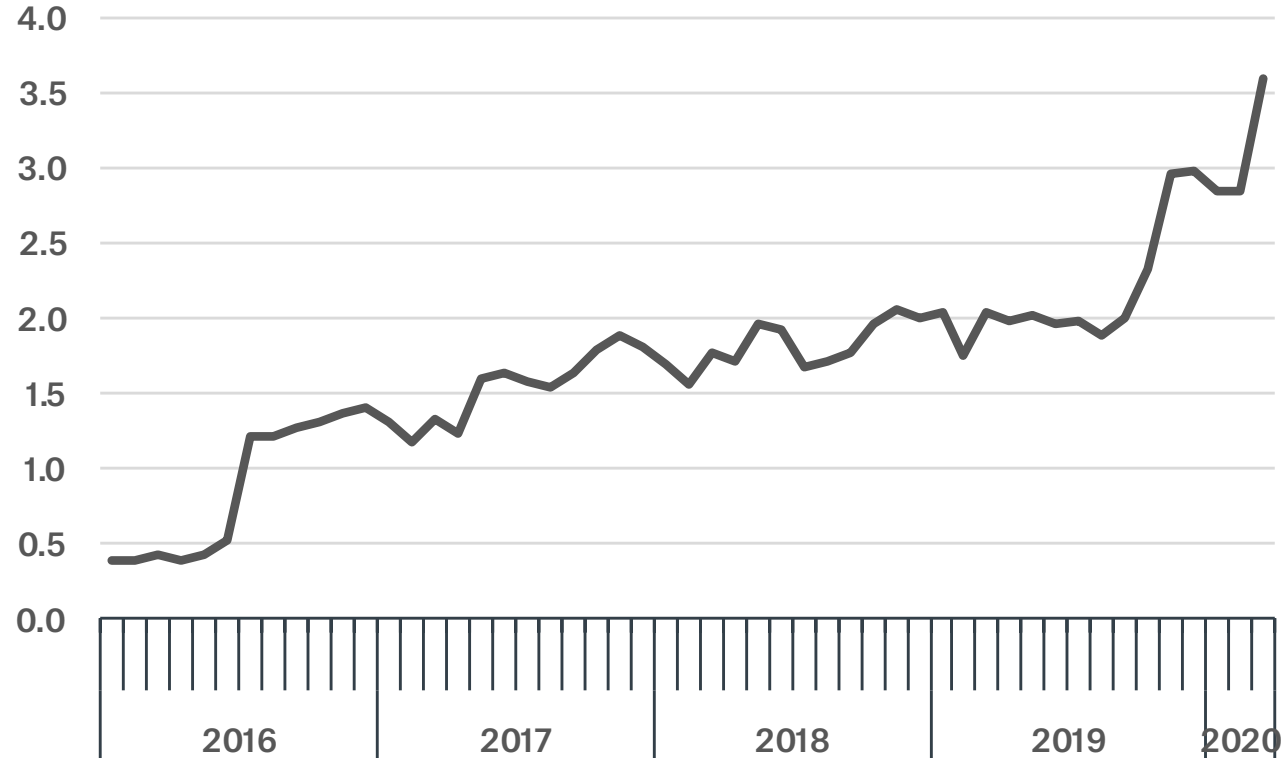


Integration process



Rising message volumes

Number of transactions per month (billions)

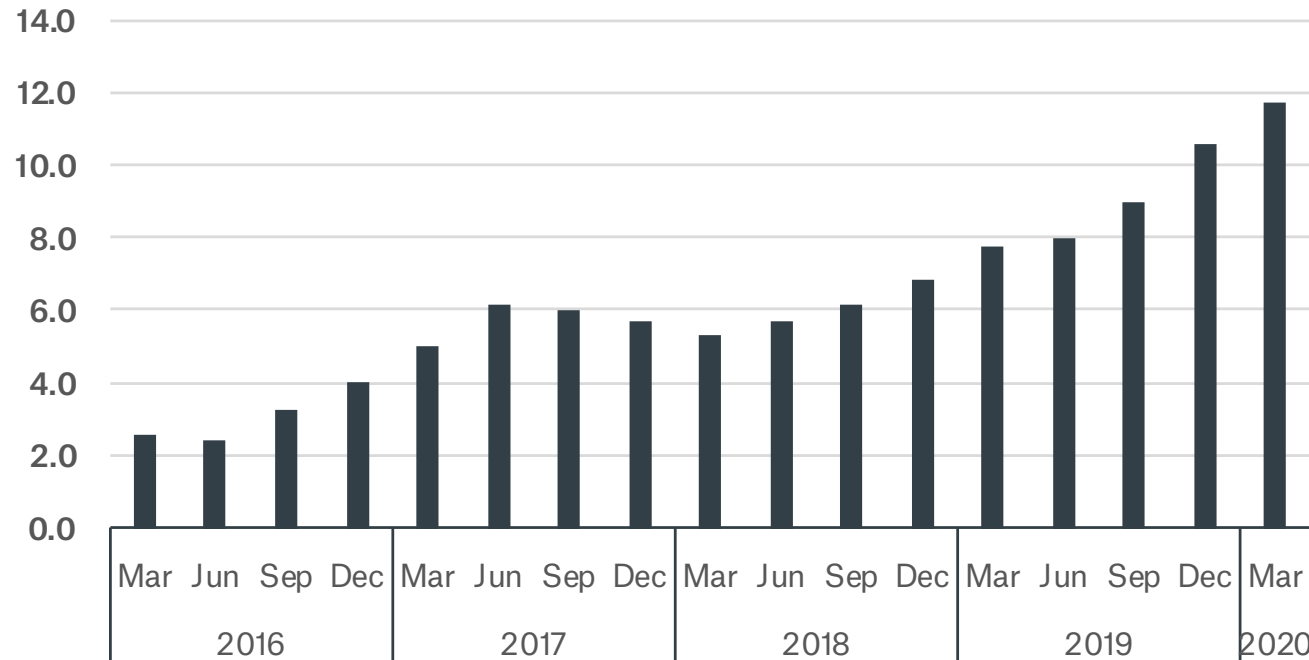


- **Acquisition of TWW and myElefant adding significant volumes in October-November 2019**
- **Significant volume increase in March 2020 partly related to Covid-19**
- **Growth from existing customers, new customers, new use cases**



Financial targets

Adjusted EBITDA per share, rolling 12 months



Targets:

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

Performance:

- Adjusted EBITDA per share grew 52% in Q1 20, measured on a rolling 12 month basis
- Net debt/EBITDA of -1.0x, measured on a rolling 12 month basis at the end of Q1 20
- Pro forma Net debt/Adj EBITDA of 3.2x with acquisitions of Wavy, SAP Digital Interconnect and ACL



Thanks!

