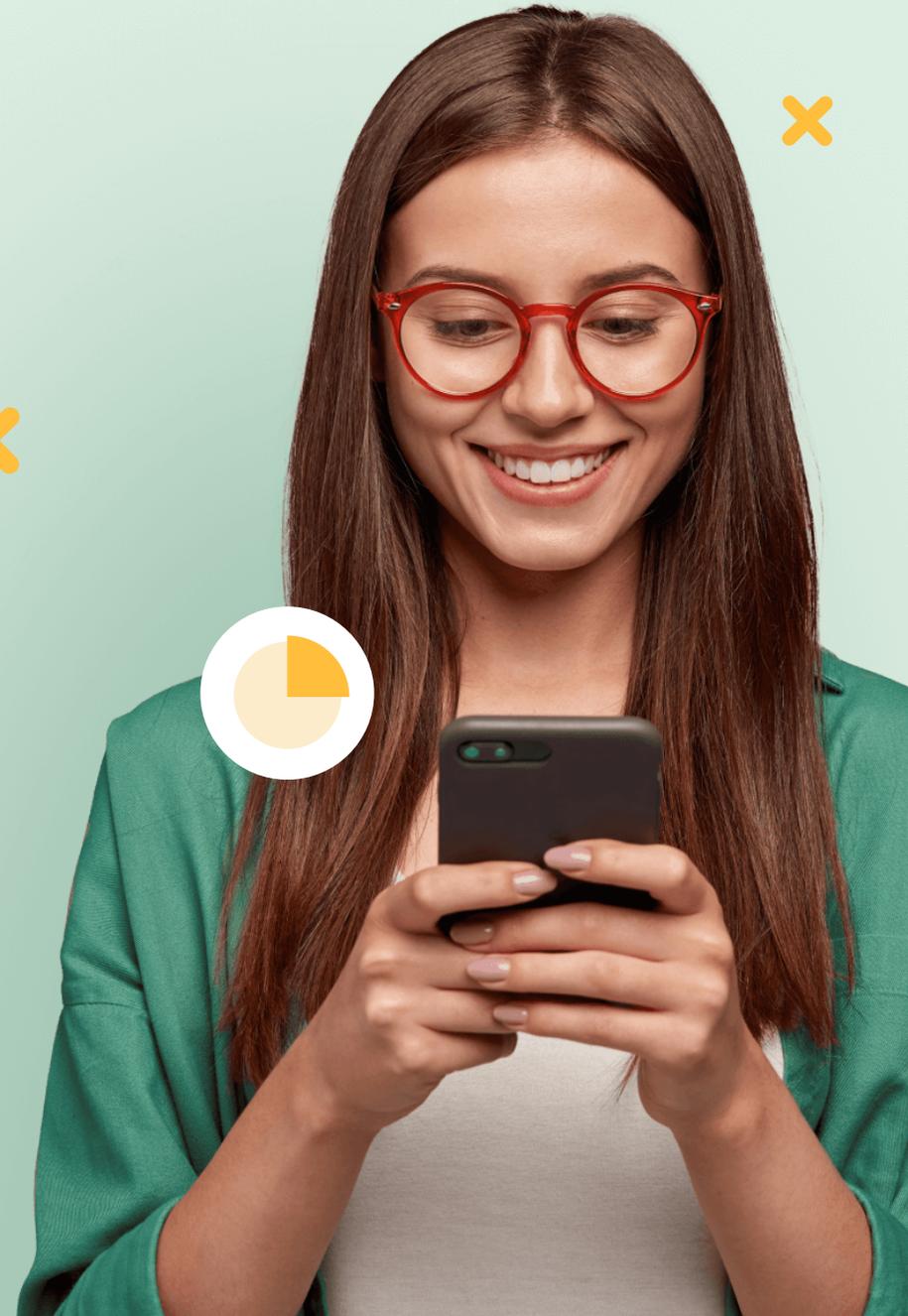




Q1 2024

Laurinda Pang, CEO
Roshan Saldanha, CFO
Sean O'Neal, CPO
Thomas Heath, Chief Strategy Officer

INVESTOR PRESENTATION
MAY 7, 2024



150,000+

business
customers

800bn+

interactions
per year

60+

countries with
local presence

Scalable cloud communications
platform for messaging, voice and email

Pioneering the way the world communicates



SEK 28.6bn

net sales in the
past 12 months

SEK 9.6bn

gross profit in the
past 12 months

SEK 3.6bn

Adj. EBITDA in the
past 12 months

First quarter highlights

01

Rising gross margin

- Gross margin at 34%, up 1.4pp from Q1 2023.
- Adjusted EBITDA margin of 12% and EBITDA margin of 11%
- Net debt/Adjusted EBITDA excl. IFRS16 leases at 2.0x, down from 2.7x in Q1 2023.

02

Strong cash flow

- Operating cash flow of SEK 553 million in Q1.
- Operating cash flow of SEK 2.1 billion over the last 12 months.
- L12M cash conversion* from Adjusted EBITDA at 42% is in line with 40–50% target range.

03

Growth acceleration plan

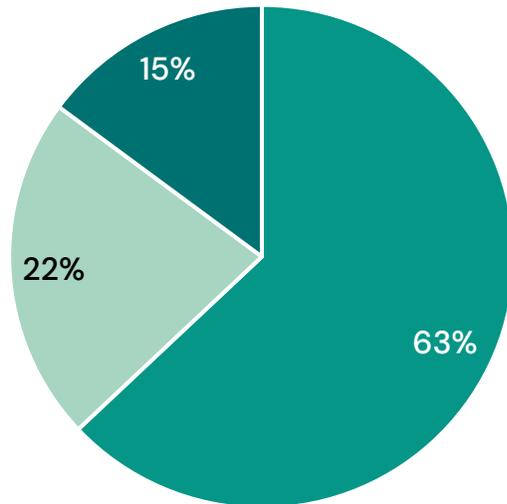
- Launched Growth Acceleration Plan with launch of new organization from 1 January 2024.
- Targeting SEK 300 million gross opex savings run-rate by year-end 2024, which will be redeployed into growth initiatives.
- Total integration and restructuring cost estimated at SEK 300 million in 2024. SEK 67m booked in Q1, out of which SEK 18m was restructuring.

* Cash conversion calculated as Cash flow from operating activities after investments / Adjusted EBITDA.

Overview

Operating segments

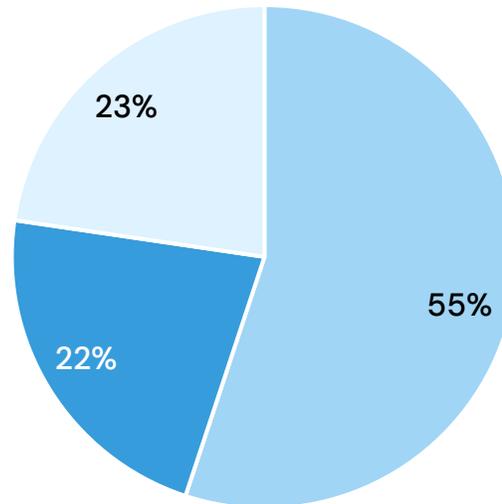
Gross profit by region, 2023



- Americas
- EMEA
- APAC

Product categories

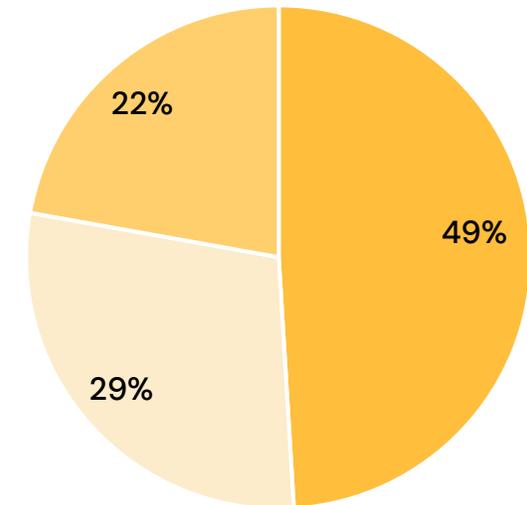
Gross profit by product, 2023



- API Platform
- Applications
- Network Connectivity

Expenditures

Adjusted opex by function, 2023



- R&D
- Sales & marketing
- General & administrative

Performance by segment

Americas



- Gross profit up 4% year-on-year in constant currencies.
- Sinch named the 2024 Adobe Digital Experience ISV Resell Partner of the Year.
- Gross profit growth driven by Applications and verification products, and by improved gross margins for the API-business.
- Increased COGS and 8YY reform impacted growth in Network Connectivity.

EMEA



- Gross profit down 5% year-on-year in constant currencies.
- Customer cases this quarter include Micromania, Club Med, Orange and Currys.
- Gross profit decline due to decreased API Platform sales.
- Network Connectivity and Applications have a positive contribution.

APAC



- Gross profit up 9% year-on-year in constant currencies.
- Regional partnership with Aircall resulted in multiple new customer wins.
- Gross profit growth driven by API Platform in India and by Applications in Australia & New Zealand.

Boosting brand visibility for MicroMania-Zing

Increased interactivity with RCS

MicroMania-Zing, part of the gaming retail giant Game Stop, used Sinch RCS to boost brand visibility, trigger customer interactions, simplify transactions, and improve customer experience.

Personalized offers

"RCS was an obvious choice to reinforce our system with a conversational format," said Caroline Pineau Marescal, Data & CRM Manager at MicroMania-Zing. "We were able to boost traffic among an audience looking for good deals."

120% increase in website traffic

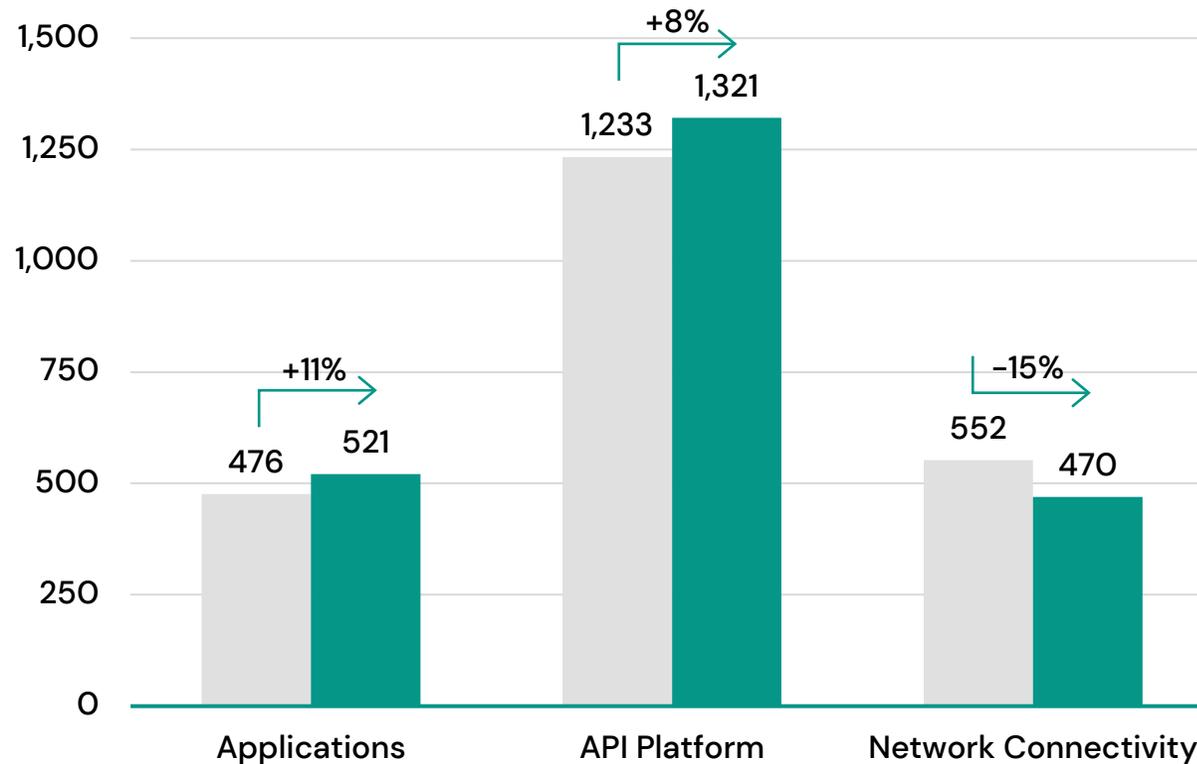
Sinch RCS delivered an 86% higher read rate compared to newsletters and a 120% higher redirection rate to MicroMania's website compared to Rich SMS (SMS with a link to a landing page).



Full customer story at sinch.com.

Investing in growth areas

Gross profit, Q1 24 vs Q1 23, SEKm



- Targeting continued profitable growth in API Platform and Applications
- Focusing on cash generation in Network Connectivity
- API Platform and Applications contribute 80% of gross profit



Sean O'Neal
Chief Product Officer

- 30 years of cloud marketing and communications experience
- Joined Sinch in 2022 to lead the SMB business unit
- Strong track record at Sinch delivering consistently solid results
- Appointed Chief Product Officer from 1 January 2024

Product update

New product categories



Customer Communications Cloud

Applications

- Software applications for customer engagement supporting use cases across marketing, operations and customer care.
- Targets business users.

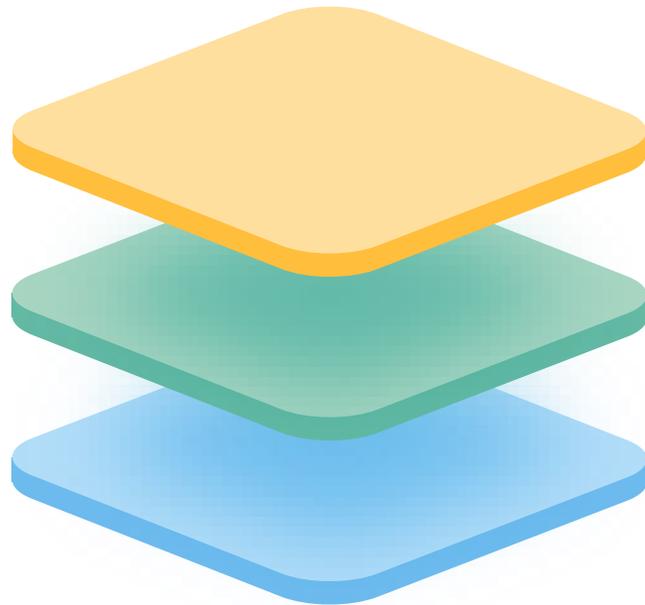
API Platform

- APIs allow businesses to trigger mobile messaging, voice calling, and emails from their own internal or third-party IT systems.
- Targets developers and product managers.

Network Connectivity

- Primarily voice and messaging interconnect services, operator software and services.
- Target telecom operators and wholesale voice buyers.

Customer-facing brands



Product categorization	Audience	Brand
Applications	Marketing, customer care, etc.	Sinch Engage
API Platform	Developers, IT, product managers	Sinch Build
Network Connectivity	Operators, wholesale voice buyers	Sinch Connect

Across the entire technology stack:

Sinch AI 

Complementary product sets...



- SMS focus
- Large ecosystem footprint
- 40k customers
- USA, Australia, NZ, UK



- Email marketing
- 40k customers
- Primarily Europe and USA

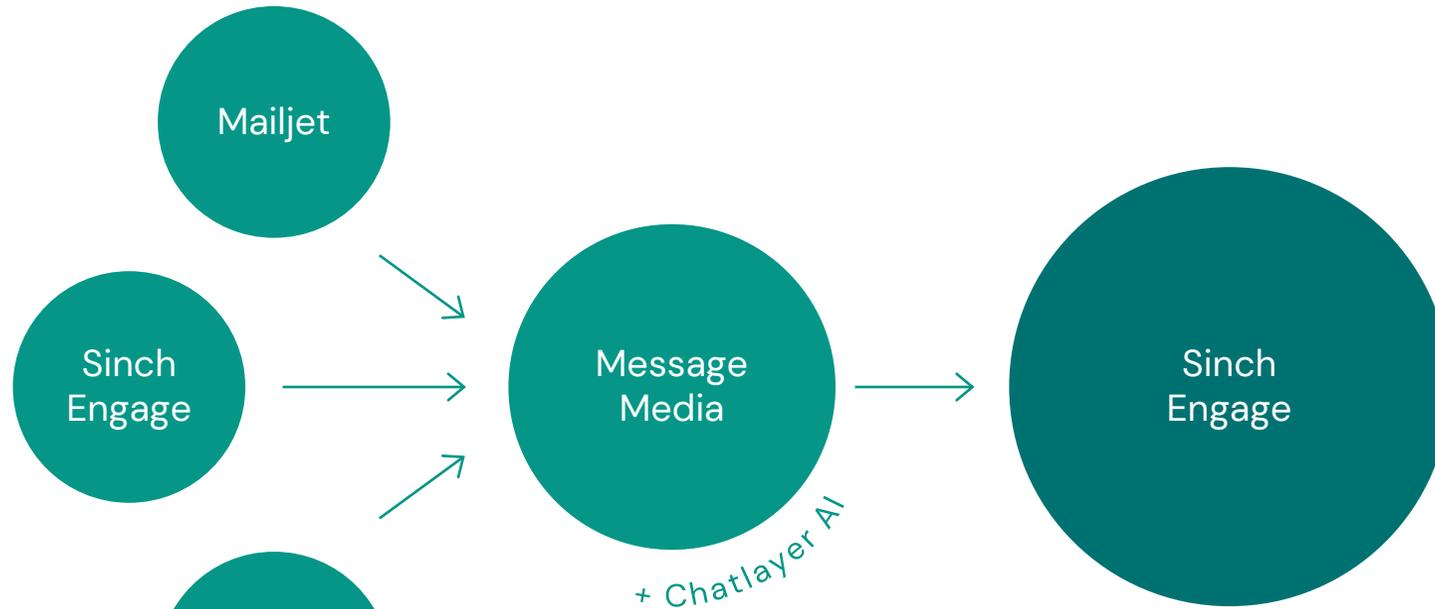


- SMS focus
- Frictionless onboarding
- 20k customers
- USA only

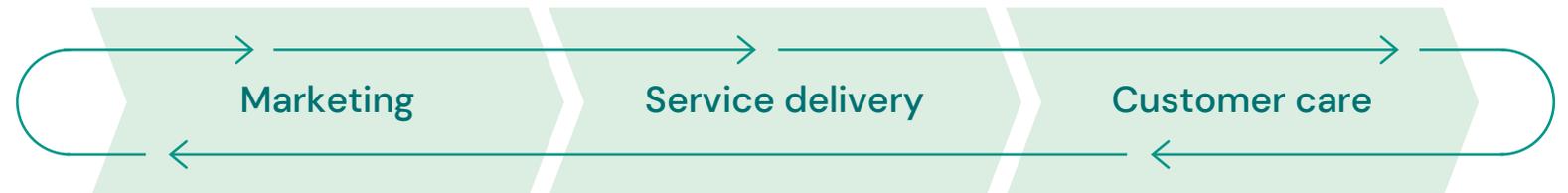


- WhatsApp, Telegram, Instagram, etc.
- 1k customers
- Europe, Latin America, India

...combined for scale and differentiation



- One unified application with support for all communications channels.
- Leverages AI to deliver personalized communications at scale.
- Bringing together the key capabilities from multiple best-of-breed software applications.



Financials

Changes to our reporting

01

Reporting changes from Q1

- Sinch announced changes to its operating model on 26 October 2023.
- New organization implemented from 1 January 2024.
- Updated external reporting matches changed internal governance and accelerated product integration.
- Proforma figures for 2023 are available at investors.sinch.com.

02

Three operating segments

- Integrated sales force now tasked to sell the full Sinch portfolio.
- Regional structure with three operating segments:
 - Americas
 - EMEA
 - APAC
- Replaces earlier segments Messaging, Voice, Email, SMB.
- Will disclose Net sales and Gross profit by segment.

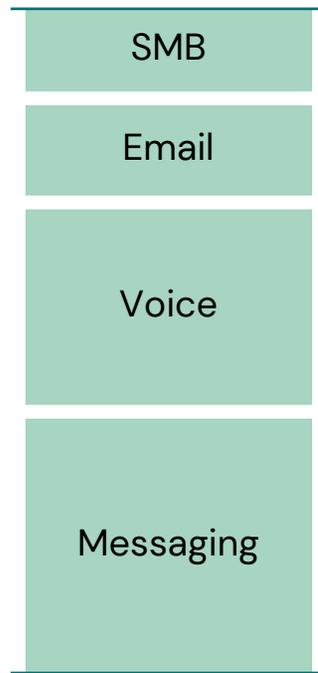
03

New product categories

- Financial performance by product supplements regional segment reporting.
- Updated product categories reflect accelerated product integration and focus on cross- and upselling:
 - Applications
 - API Platform
 - Network Connectivity

New reporting vs earlier disclosure

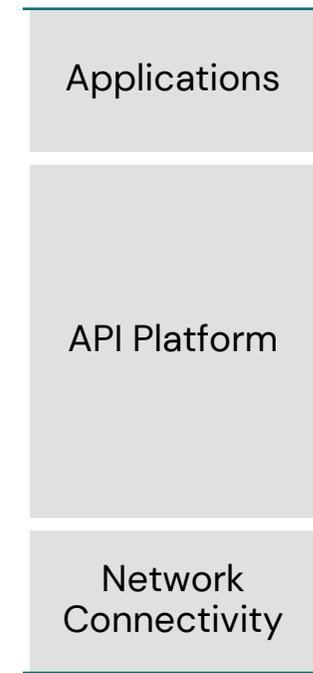
Previous operating segments



New operating segments

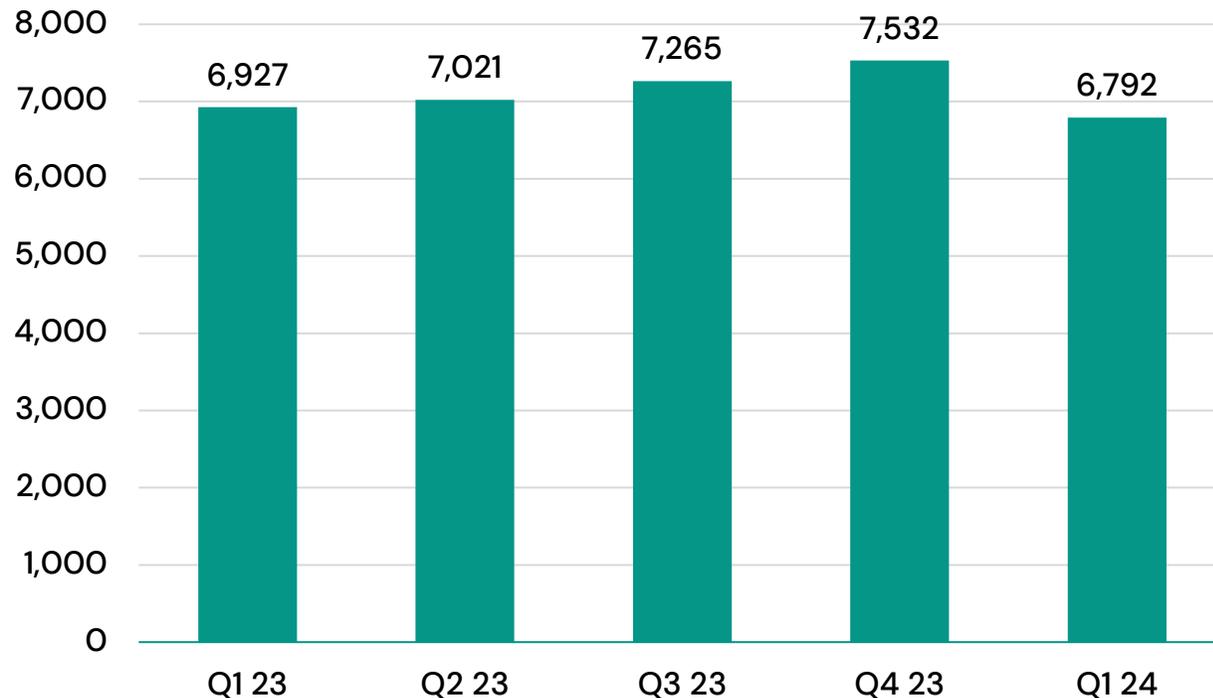


Complementary product view



Net sales

Net sales, SEKm

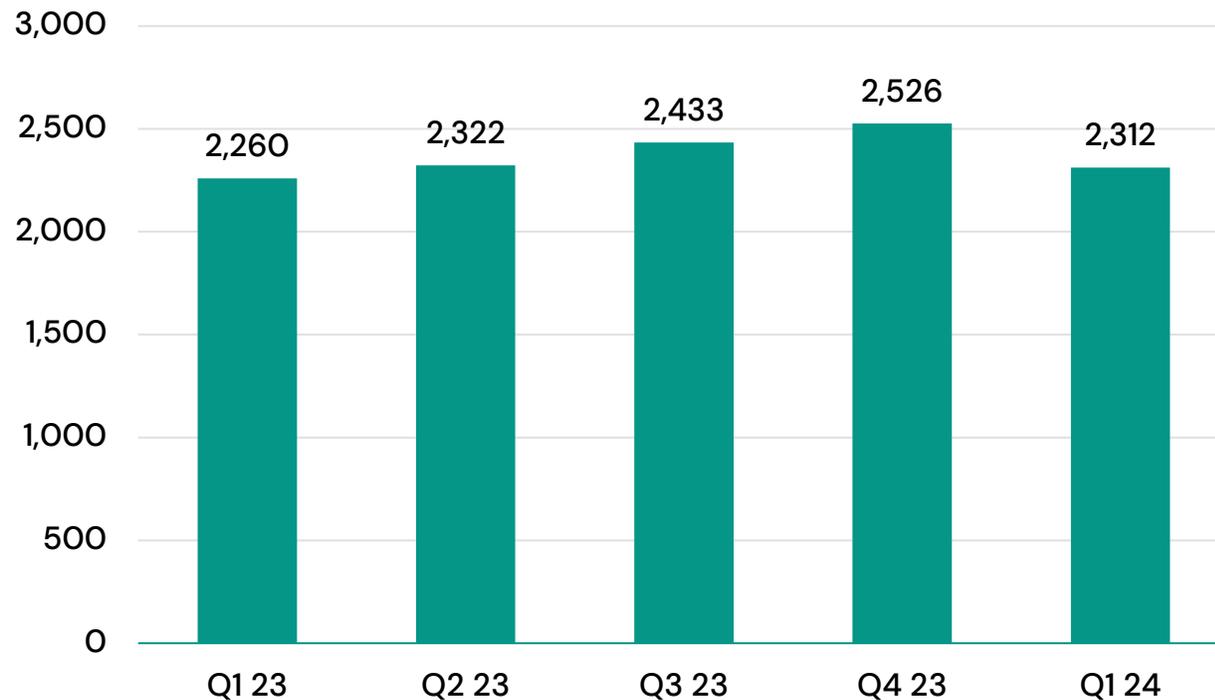


- Net sales decreased by 2% year-on-year
- Organic growth in constant currencies decreased by 2%
- Seasonal decrease from Q4 to Q1

- Americas down 2% year-on-year, and EMEA down 9%, in constant currencies
- APAC growing 13%

Gross profit

Gross profit, SEKm

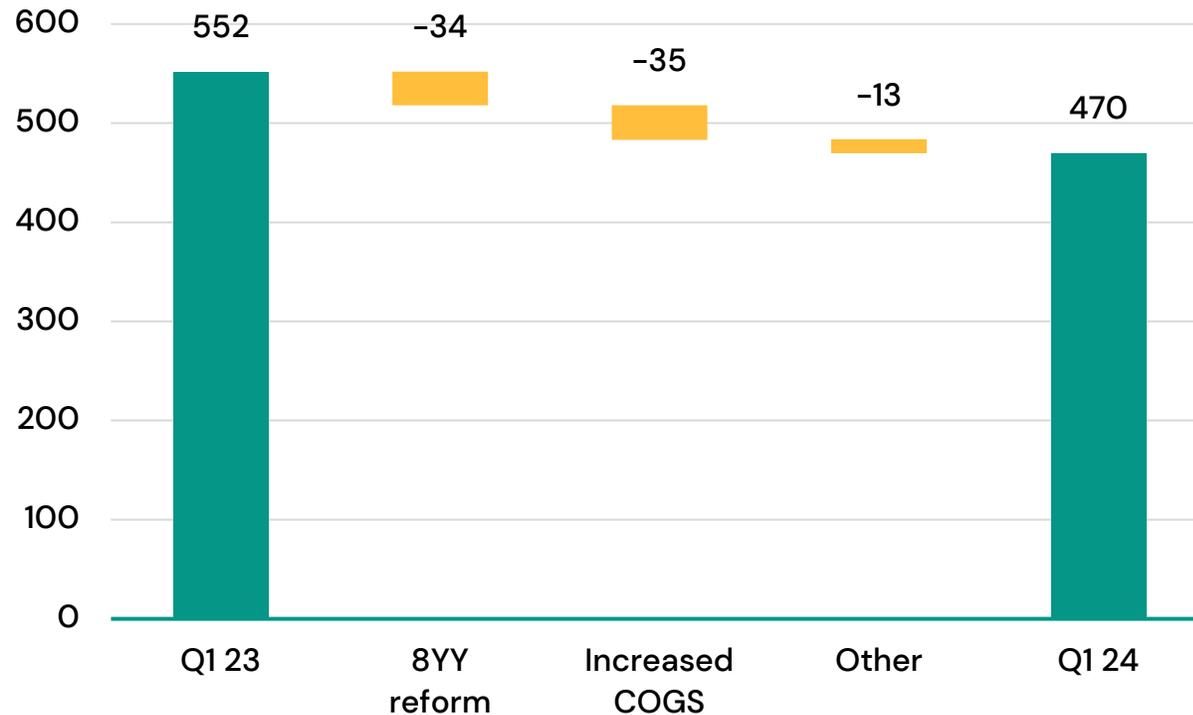


- Gross profit up 2% year-on-year, with a negative currency effect of 1%
- Organic growth in constant currencies at 3%

- Americas growing 4%, EMEA down 5%, and APAC up 9% in constant currencies.
- Continued gross margin improvement in API Platform
- COGS impacting margin in Network Connectivity

Network Connectivity

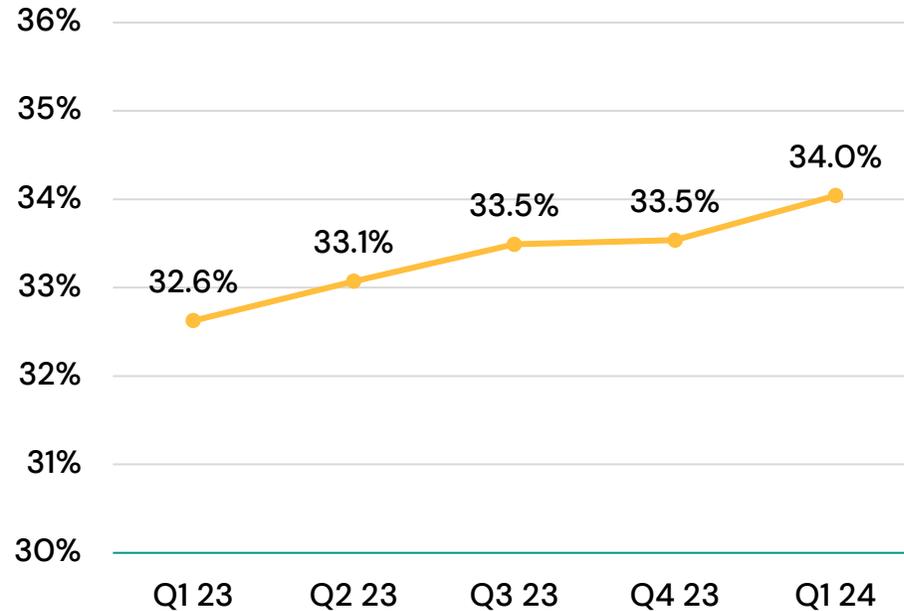
Gross profit, Q1 24 vs Q1 23, SEKm



- Network Connectivity impacted by a negative development in our U.S. voice interconnect business towards carriers
- 8YY reform is completed but causes year-on-year headwind due to a higher base
- Cost pressures on legacy connectivity outpaces transition to IP and affects margin

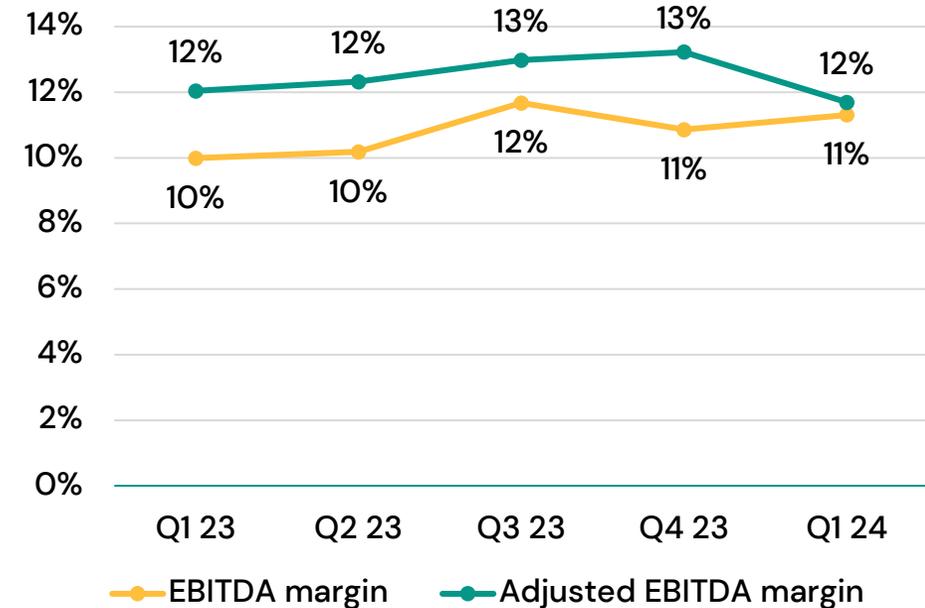
Rising gross margins

Gross margin, %



- Continued improvement in gross margin
- Mix shift within API Platform.
- High revenue growth of Applications products where gross margin is 67%.

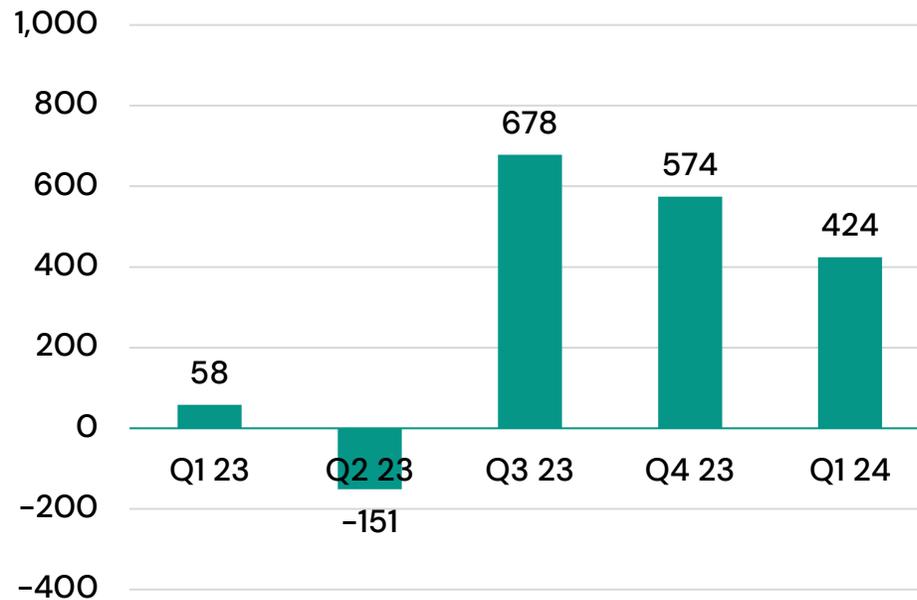
EBITDA margin, %



- Low net adjustment items due to currency gains and share-based incentive programs
- Internal time previously classified as integration work is no longer reported as integration.

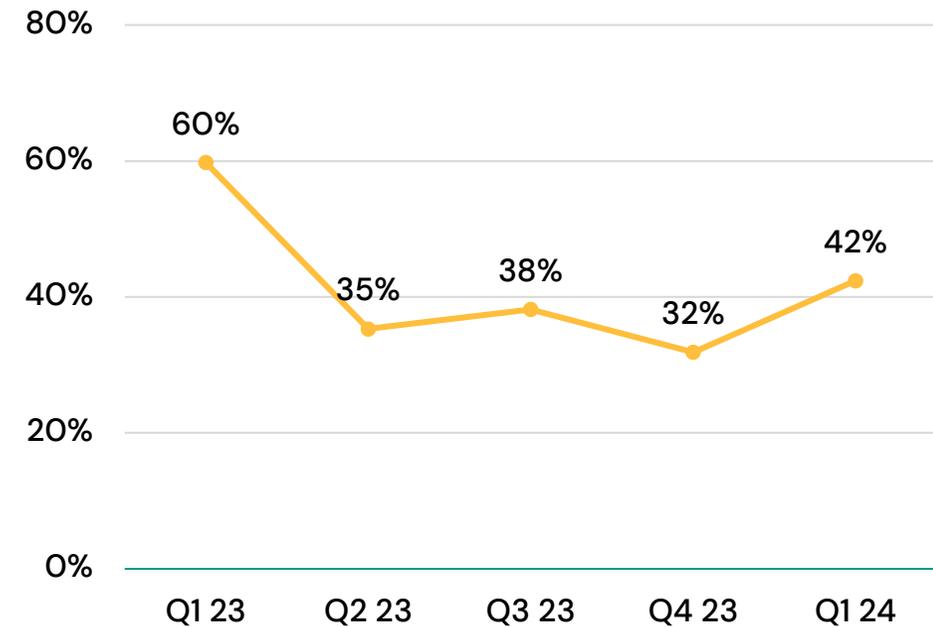
Strong cash conversion

Cash flow after investments, SEKm



- Chart illustrates cash flow from operating activities after investments
- NWC causes variation between individual quarters

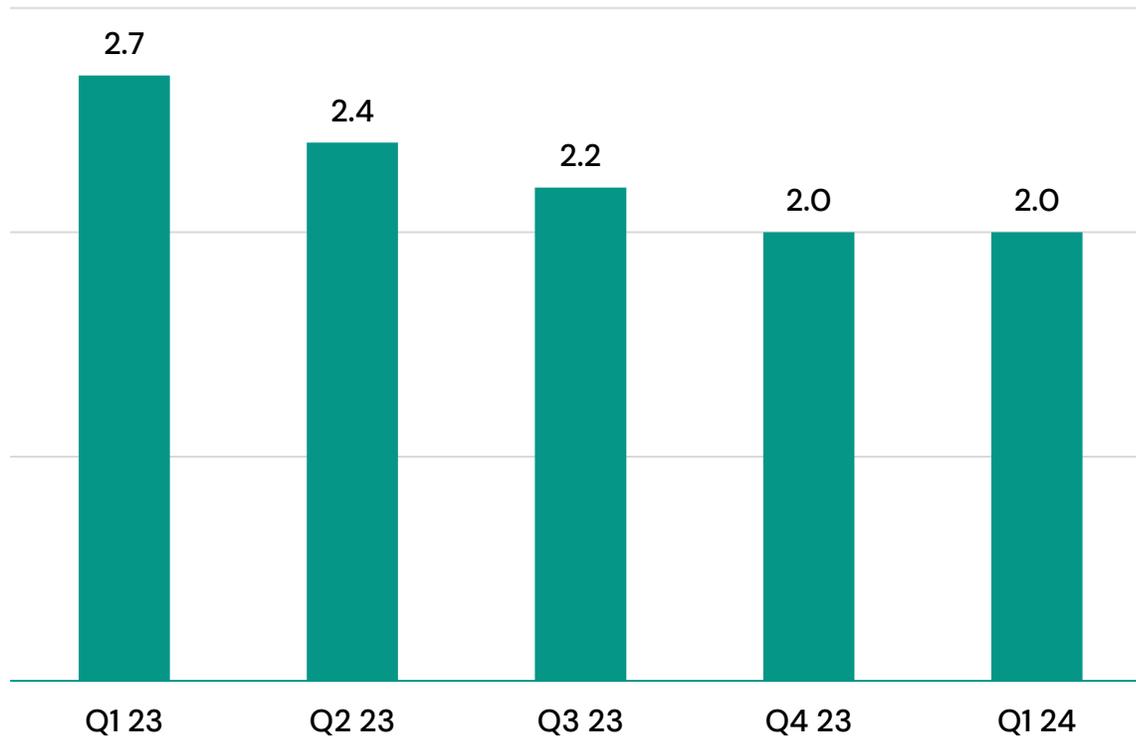
Cash conversion from Adj EBITDA, R12M



- Cash flow from operating activities after investments was SEK 1,525 million over the past 12 months
- Targeting 40-50% cash conversion over time

Reduced leverage

Net debt/Adjusted EBITDA R12m*

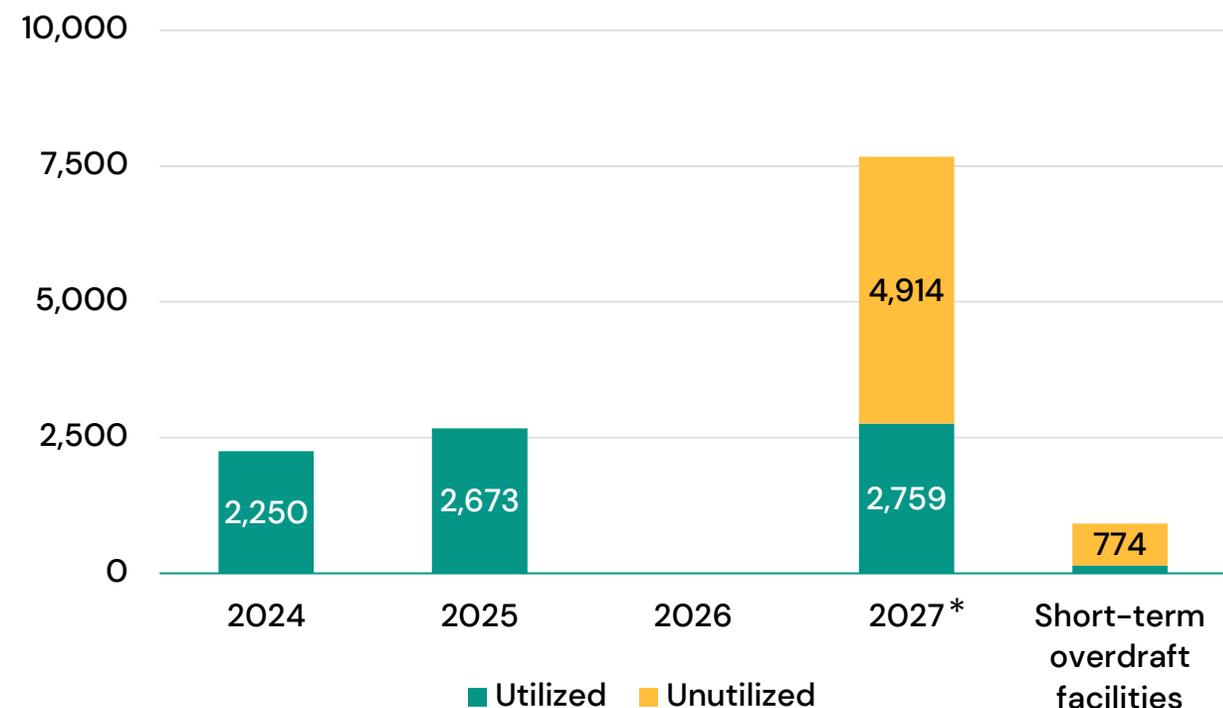


- Continued deleveraging with Net debt/EBITDA now at 2.0x
- Three components affecting Net debt/EBITDA:
 - EBITDA growth
 - Cash generation
 - Immediate currency impact on debt, but trailing impact on earnings

* Net debt/Adjusted EBITDA is measured excluding IFRS16-related leases.

Well-covered debt maturities

Maturity schedule, SEKm



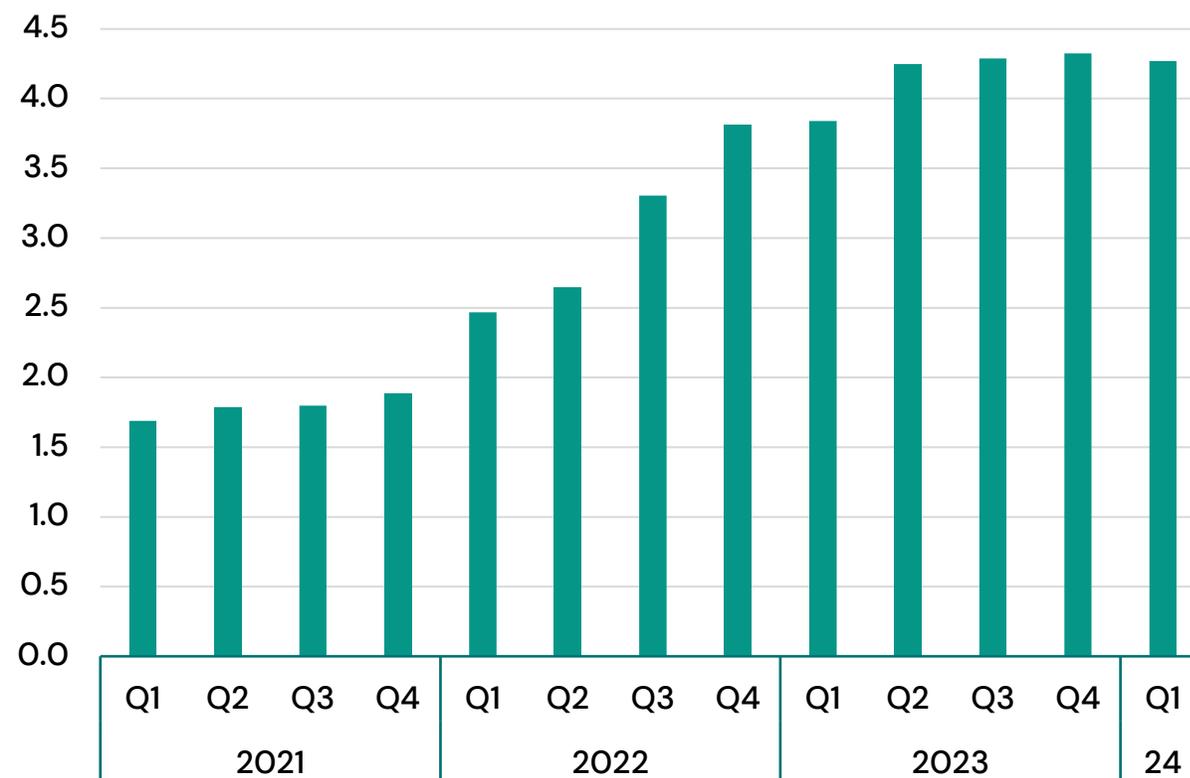
- Available cash and committed credit facilities more than exceed loans maturing in 2024 and 2025

- Last 12 months:
 - Generated SEK 1.5 billion in Cash flow from operating activities after investments
 - Amortized SEK 2.6 billion of debt

*The maturity date of these facilities were extended by one year to February 2027 in January 2024.

Financial targets

Adjusted EBITDA per share, rolling 12 months



Targets:

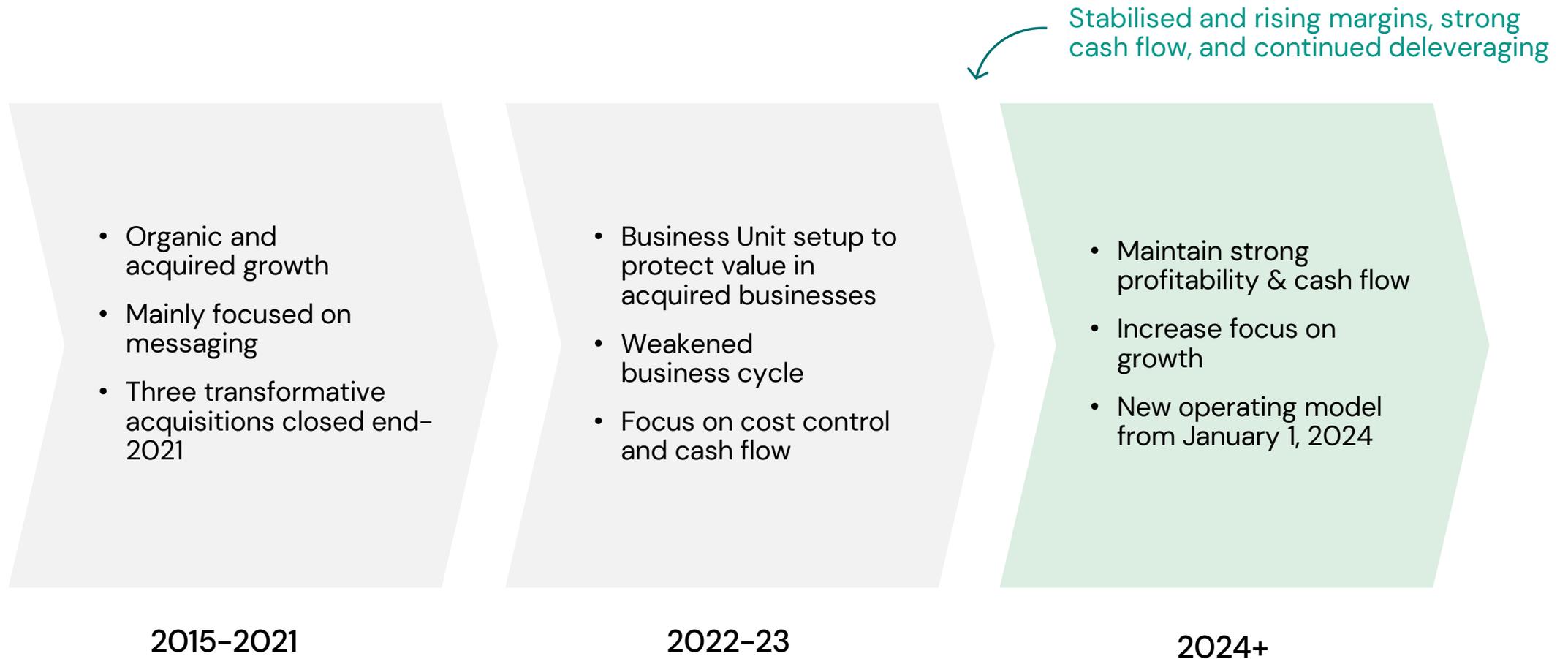
- Adjusted EBITDA per share to grow 20% per year
- Net debt < 3.5x adjusted EBITDA over time

Performance:

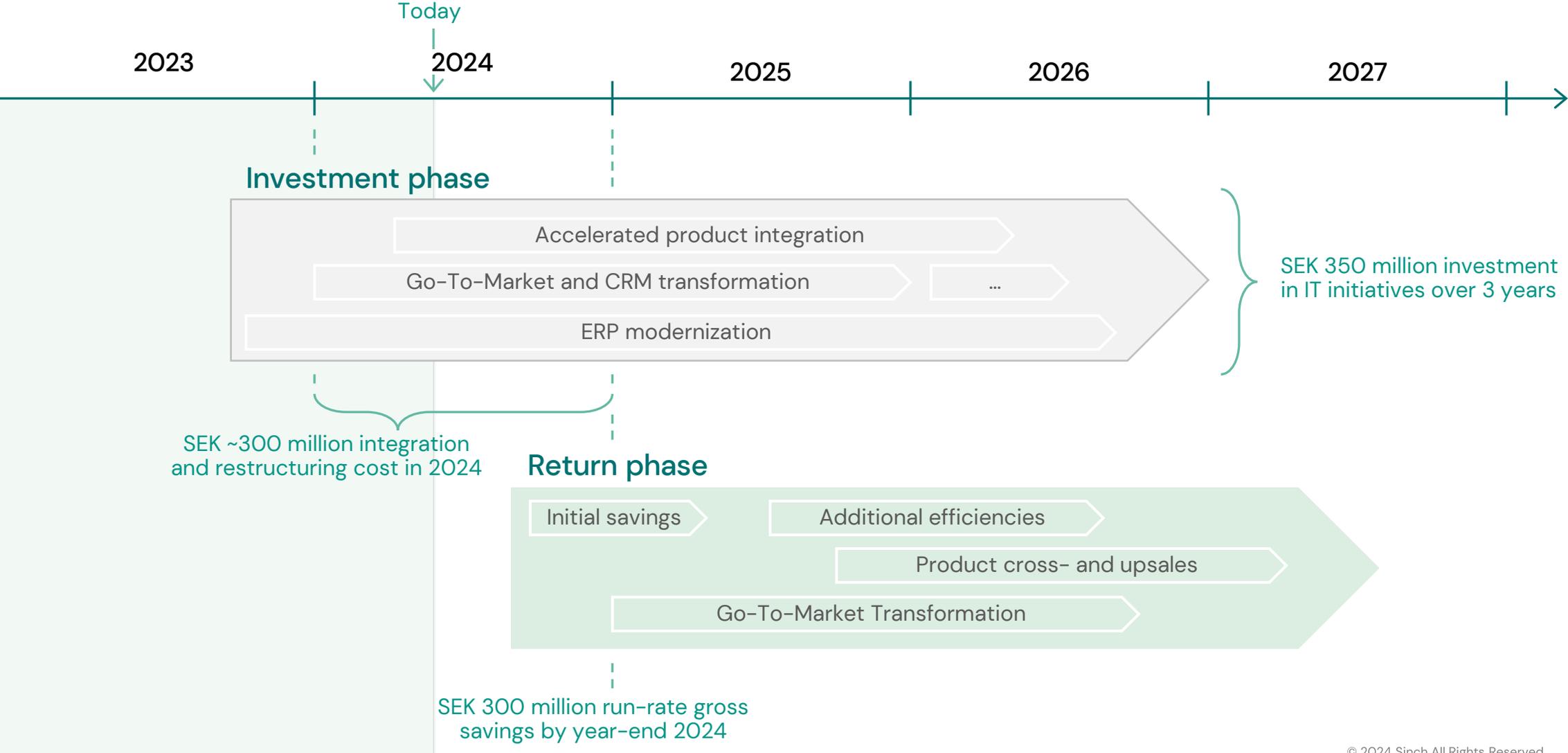
- Adjusted EBITDA per share grew 12% in Q1 2024, measured on a rolling 12-month basis
- Net debt/adjusted EBITDA of 2.0x excl. IFRS 16-related leases

Growth acceleration plan

Our next phase



Growth acceleration plan



Tracking our progress



Go-To-Market transformation

- Americas, EMEA and APAC reported as financial segments.
- Integrated account coverage design.
- Customer visibility dashboards.
- Joint account planning framework.
- CRM target architecture definition and integration roadmap.
- Sales compensation model.



Product integration

- Unified cross-Sinch product strategy.
- Financial reporting matching new product taxonomy.
- Common design system across products.
- Single Sinch ID for API Platform products.
- MessageMedia rebrand and EU deployment.
- API and Application migrations to global platform.



Operational excellence

- Target operating model for business support functions.
- Set science-based target for emission reduction.
- Cost reduction from reduced duplication.
- Comprehensive cloud governance.
- Implementation planning for global HR support model.
- Roles & responsibilities alignment for global customer support



Thanks!

For more information, contact:

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Investor Relations Director
investors@sinch.com

Income statement

SEKm	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	2023	R12M
Net sales	7,361	6,927	7,021	7,265	7,532	6,792	28,745	28,610
Cost of services sold	-4,945	-4,667	-4,699	-4,832	-5,006	-4,480	-19,204	-19,017
Gross profit	2,416	2,260	2,322	2,433	2,526	2,312	9,542	9,593
Operating expenses	-1,625	-1,568	-1,606	-1,585	-1,708	-1,544	-6,468	-6,443
EBITDA	791	692	715	848	818	768	3,074	3,150
Depreciation and amortization	-724	-605	-624	-665	-687	-617	-2,580	-2,592
EBIT	66	88	92	184	131	151	494	557
Financial income	866	437	775	854	1,214	353	3,280	3,196
Financial expenses	-1,098	-599	-892	-1,064	-1,371	-464	-3,926	-3,791
Profit or loss before tax	-166	-75	-25	-26	-26	40	-152	-37
Current tax	50	-145	-201	-114	141	-136	-319	-311
Deferred tax	-111	141	156	186	30	7	513	379
Profit or loss for the period	-226	-78	-70	46	145	-90	42	31
Adjusted EBITDA	960	834	865	943	996	794	3,637	3,597
Adjusted EBIT	919	725	747	806	844	658	3,122	3,055

Cash flow

SEKm	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	2023	R12M
Profit or loss before tax	-166	-75	-25	-26	-26	40	-152	-37
Adjustment for non-cash items	988	684	633	640	903	574	2,859	2,749
Income tax paid	-161	-199	-226	-127	-48	-57	-600	-458
Cash flow before changes in working capital	661	410	382	487	828	557	2,107	2,254
Change in working capital	312	-198	-395	375	-101	-4	-319	-125
Cash flow from (-used in) operating activities	973	212	-13	862	727	553	1,788	2,129
Net investments in property, plant and equipment and intangible assets	-183	-154	-138	-184	-153	-129	-629	-604
Change in financial receivables	3	-5	1	2	6	-2	4	7
Acquisition of Group companies	0	-24	0	0	0	0	-24	0
Cash flow from (-used in) investing activities	-180	-184	-137	-182	-147	-131	-649	-596
Change in borrowings	-600	-307	-300	-540	-1,106	-615	-2,254	-2,562
Amortization lease liability	-18	-25	-38	-42	-32	-34	-136	-145
New issue/warrants	8	-2	46	1	3	5	48	55
Cash flow from (-used in) financing activities	-610	-333	-292	-581	-1,135	-645	-2,342	-2,654
Cash flow for the period	183	-305	-442	99	-555	-223	-1,203	-1,121
Opening cash and cash equivalents	2,012	2,173	1,902	1,545	1,620	1,012	2,173	1,902
Exchange rate differences	-22	34	85	-24	-53	-33	42	-25
Closing cash and cash equivalents	2,173	1,902	1,545	1,620	1,012	756	1,012	756

Cash conversion

SEKm	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	2023	R12M
Adjusted EBITDA	960	834	865	943	996	794	3,637	3,597
Paid interest	-119	-127	-145	-159	-156	-131	-588	-591
Paid taxes	-161	-199	-226	-127	-48	-57	-600	-458
Other items	-18	-97	-111	-170	36	-49	-342	-294
Cash flow before changes in working capital	661	410	382	487	828	557	2,107	2,254
Change in working capital	312	-198	-395	375	-101	-4	-319	-125
Cash flow from operating activities	973	212	-13	862	727	553	1,788	2,129
Net investments in property, plant and equipment and intangible assets	-183	-154	-138	-184	-153	-129	-629	-604
Cash flow from operating activities after investments	790	58	-151	678	574	424	1,159	1,525

Previous segments vs new products

Share of total	Messaging	Voice	Email	SMB
Net sales				
Applications	3%	1%	24%	100%
API Platform	92%	26%	76%	–
Network Connectivity	5%	73%	–	–
	100%	100%	100%	100%
Gross profit				
Applications	11%	2%	23%	100%
API Platform	81%	36%	77%	–
Network Connectivity	8%	62%	–	–
	100%	100%	100%	100%