



Acquisition of MessageMedia

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SEK 9.7bn
revenue in the
past 12 months

SEK 968m
Adj. EBITDA in the
past 12 months

SEK 111BN
Market Cap

2,160
people

47 countries with
local presence

Customer engagement through mobile technology

152 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



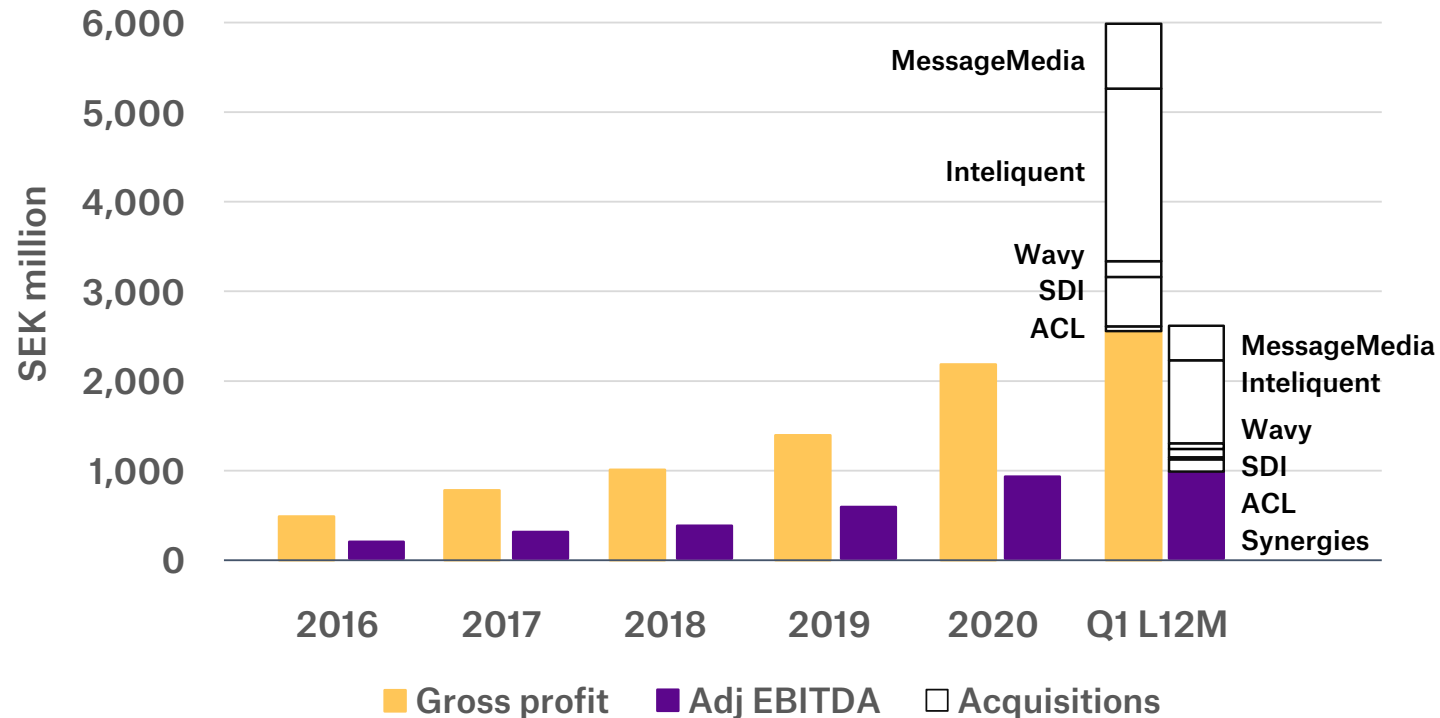
Profitable since our
foundation in 2008



10x growth in gross profit
since IPO in 2015

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Track record of profitable growth



- **Focus on Gross profit since pass-through revenues vary between geographies**
- **Acquisitions adding significantly to our scale and profitability**
- **Investing to increase growth in acquired units**



The acquisitions of Inteliquent and MessageMedia are pending regulatory approval. ACL includes the last 5 months of earnings before the unit was consolidated on 1 September. SDI includes the last 7 months of earnings before the unit was consolidated on 1 November. Wavy includes the last 10 months of earnings before the unit was consolidated on 1 February. Synergies refer to expected synergies for Wavy and SAP Digital Interconnect, estimated mid-point, at full run rate. Exchange rates as of 6 June 2021.



Complementary Go-To-Market models

Enterprise

- Online lead-generation
- Lead with APIs and SaaS
- Target enterprise customers and indirect channel partners
- Customers may have in-house development resources or use System Integrators
- Customers look for superior service delivery, global reach, end-to-end connectivity, compliance, and competitive pricing at high volumes

Developer

- Online self-signup
- Lead with APIs
- Target developers, who may work for any size business
- Customers have in-house developer resources
- Customers look for intuitive UX, self-signup and self-service, SDKs, tutorials and code examples, strong documentation

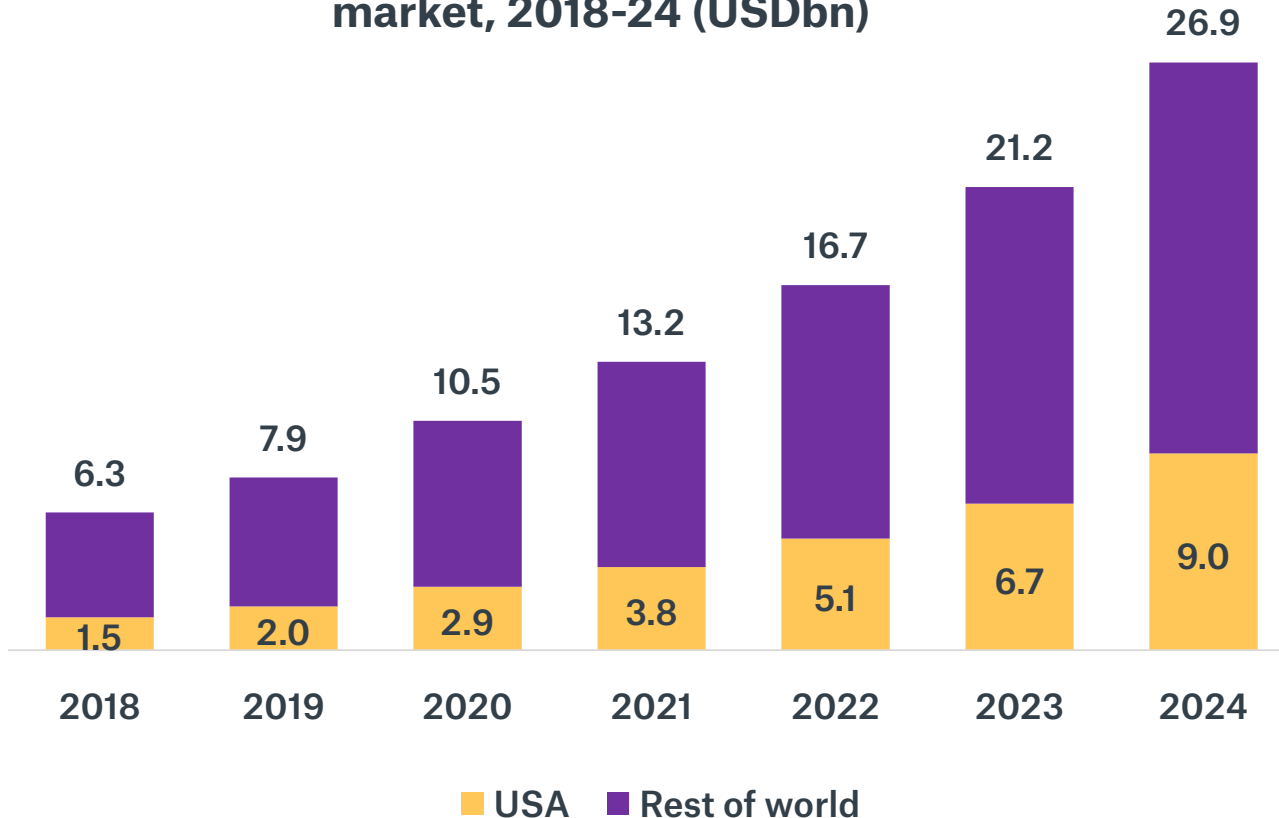
SME

- Online self-signup
- Lead with SaaS & integrations
- Target small and medium sized businesses: local dentists, mechanics, etc.
- Customers have limited development resources
- Customers look for 'out-of-the-box' solution, ease-of-use, quick time-to-value, and ability to reach wanted business objective without coding



Expanding our addressable market

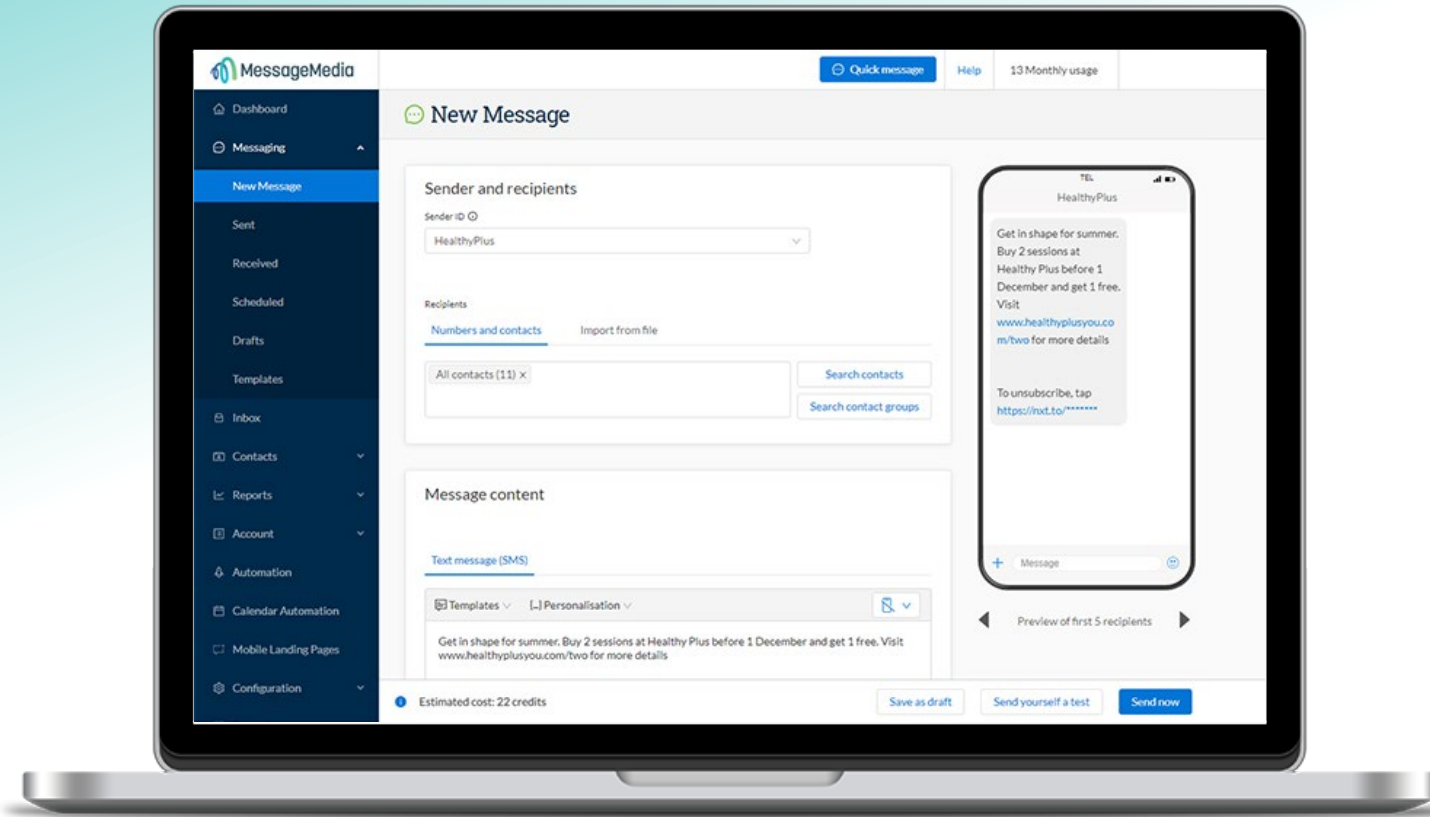
Turnkey Consumer Engagement market, 2018-24 (USDbn)



- Global market for “Turnkey Consumer Engagement” solutions estimated at USD 9-13 billion
- Market expected to grow at 25-30% CAGR, with US growth at 30-35%
- 50-70% of turnkey spend from small and medium sized businesses
- Growth driven by higher adoption among businesses and rising number of use cases



SaaS products focused on ease-of-use



- **Web-based SaaS application suite supporting outbound messaging and conversational use cases**
- **Optimized for ease-of-use and quick time-to-value**
- **Subscriptions-based price model**
- **Single platform supporting multiple brands**
- **Preconfigured integrations to multiple SME-focused cloud platforms**



Integrations including:

HubSpot

shopify

NETSUITE

ZOHO CRM

...and many more!

Playbook for profitable growth

Software-as-a-Service

- Empower businesses to leverage rich and conversational messaging
- Increase 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

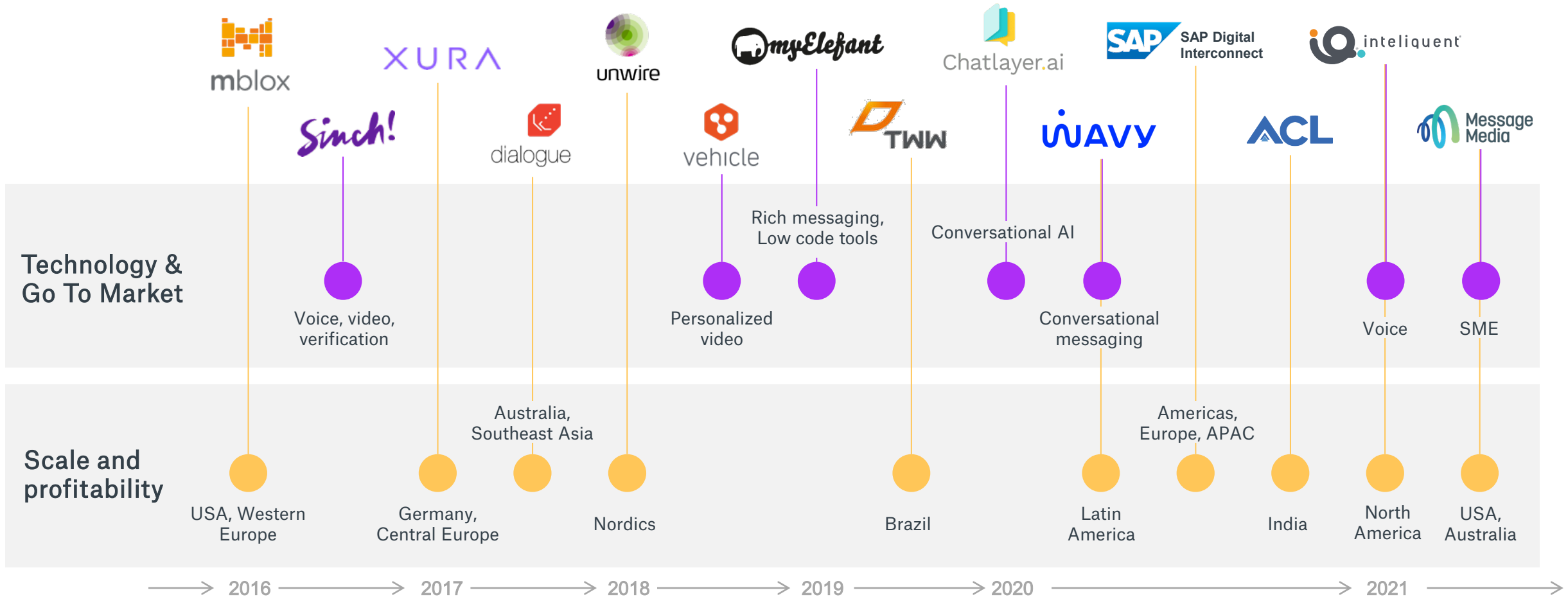
Scale and profitability

- Acquire sticky customer relationships
- Add direct operator connections
- Leverage shared platform assets and extract synergies
- EV/EBITDA-accretive: acquiring profit at a valuation below our own

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Strategic acquisitions



Deal rationale

Message Media

- Leading provider of software-as-a-service for mobile customer engagement to small and medium sized businesses with strong organic growth in the United States, Australia, New Zealand and beyond
- More than 60,000 customers, sending over 5 billion mobile messages per year
- 9 successful acquisitions with focus on integration to leverage shared technology platform
- Over 350 employees with headquarters in Melbourne, Australia

Deal rationale

- Expand addressable market and position Sinch for growth with small and medium sized businesses
- Add digital customer acquisition engine winning >1,500 new customers per month
- Expand scope of future M&A with experienced team leveraging modern multi-brand platform
- Accretive deal that fits both Scale and Profitability & Technology and Go To Market criteria

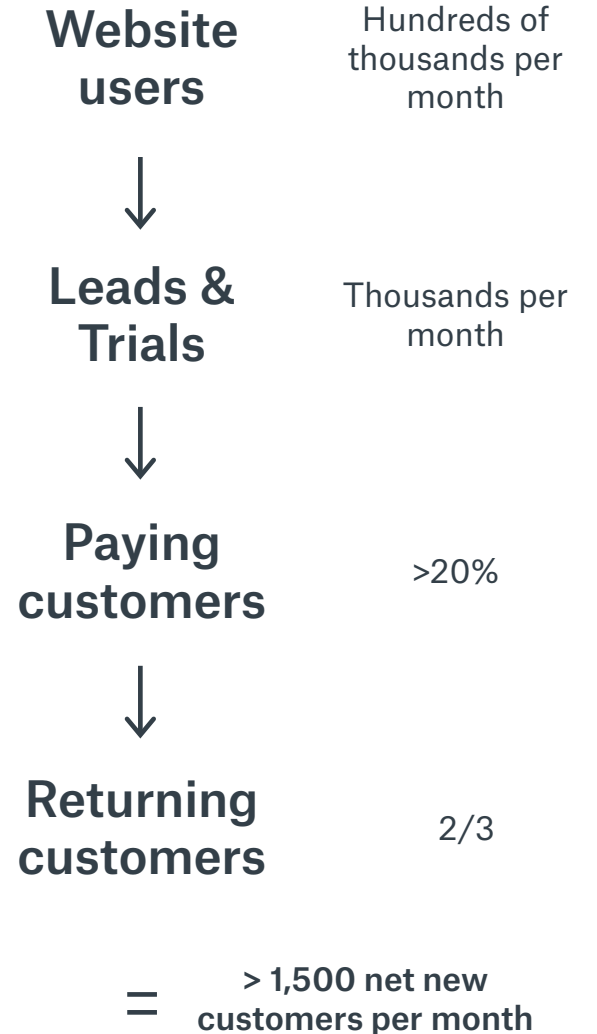
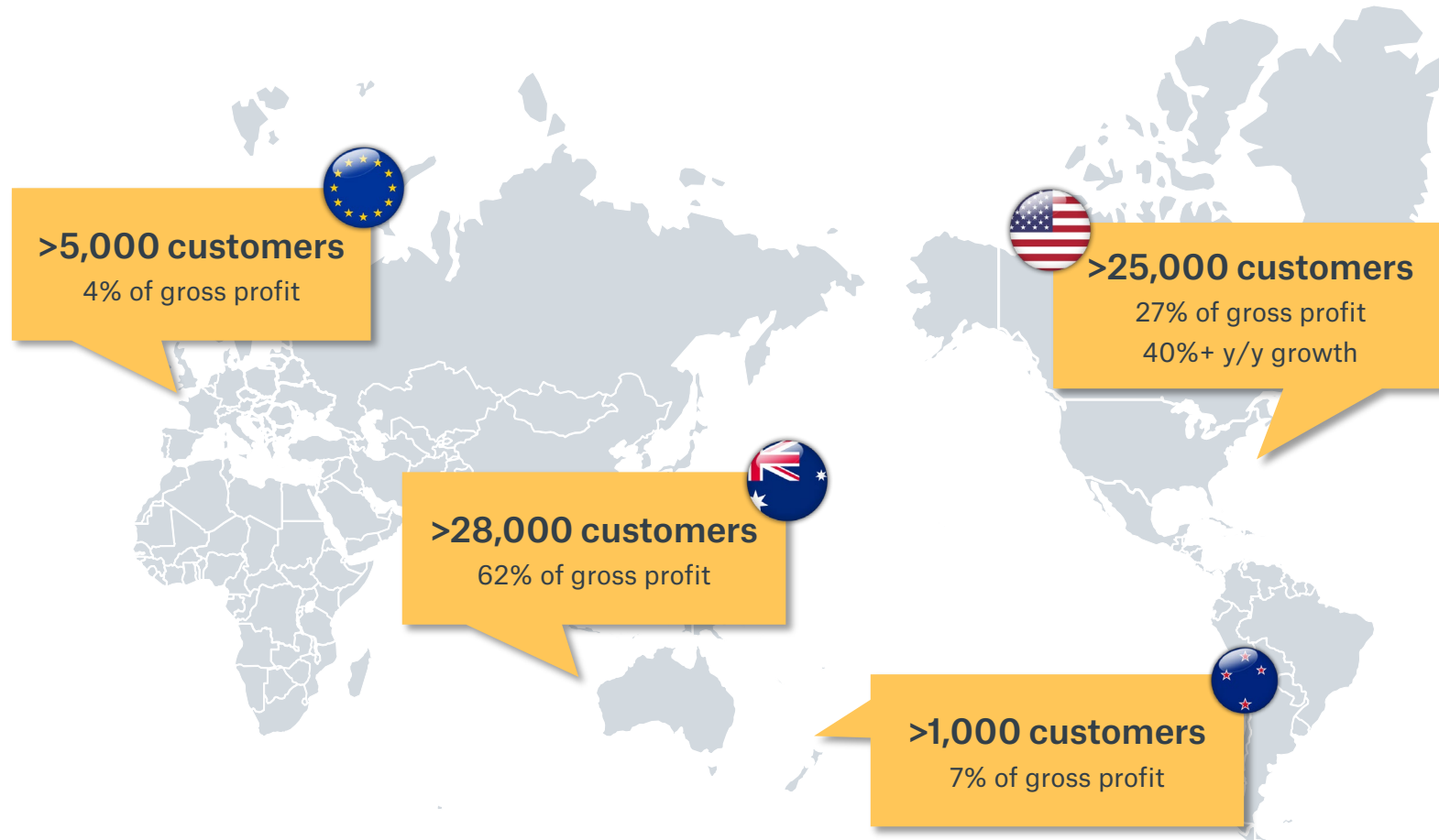
Integration

- MessageMedia to form SME-focused part of Sinch with current management in place
- Integration costs estimated to reach USD 8 million over 18 months
- MessageMedia to benefit from Sinch's global super network and investments in new conversational messaging channels. Savings to be reinvested in expansion, leveraging Sinch's presence in 47 countries

Financials

- Enterprise value of USD 1,300m, of which USD 1,100m is paid in cash and 200m is paid in equity
- Closing is subject to regulatory approval, closing expected in H2 2021
- Revenues of USD 151m, gross profit of USD 94m, and EBITDA of USD 51m expected in L12M to June 2021
- Underlying year-on-year revenue growth around 22% over the past 2 years with higher growth in the US

Global, digital, go-to-market model





Multi-brand strategy



Mid-market

- Small and medium sized businesses, mid-market accounts, and channel partners
- Established position in Australia and New Zealand, some presence in US and Europe



Tech-capable

- Targets “tech capable” small and medium sized businesses
- Feature-rich offering
- Strong partner ecosystem with integrations to other SaaS applications that are popular with SMEs
- Global focus



Non-technical

- Targets non-technical small and medium sized businesses
- Focus on easy-of-use, quick setup and pre-programmed use cases
- US focus

Legacy brands

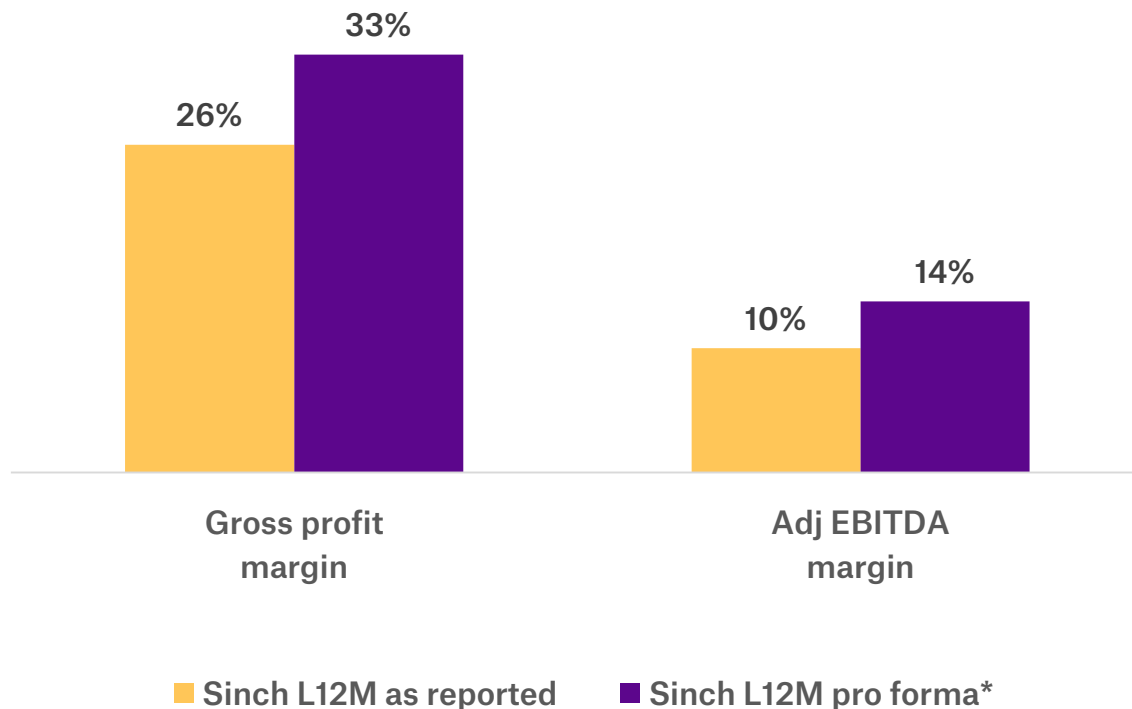
Existing customers

- Legacy brands and website maintained as is
- Customers migrated to shared technology platform once feature gaps are closed
- Limited outbound marketing, but digital footprint kept in place for inbound leads

Track record of successful M&A with 9 acquisitions since 2014.

Migration to capable multi-brand platform creates economies of scale and improves product experience for acquired customers.

Improved margin profile



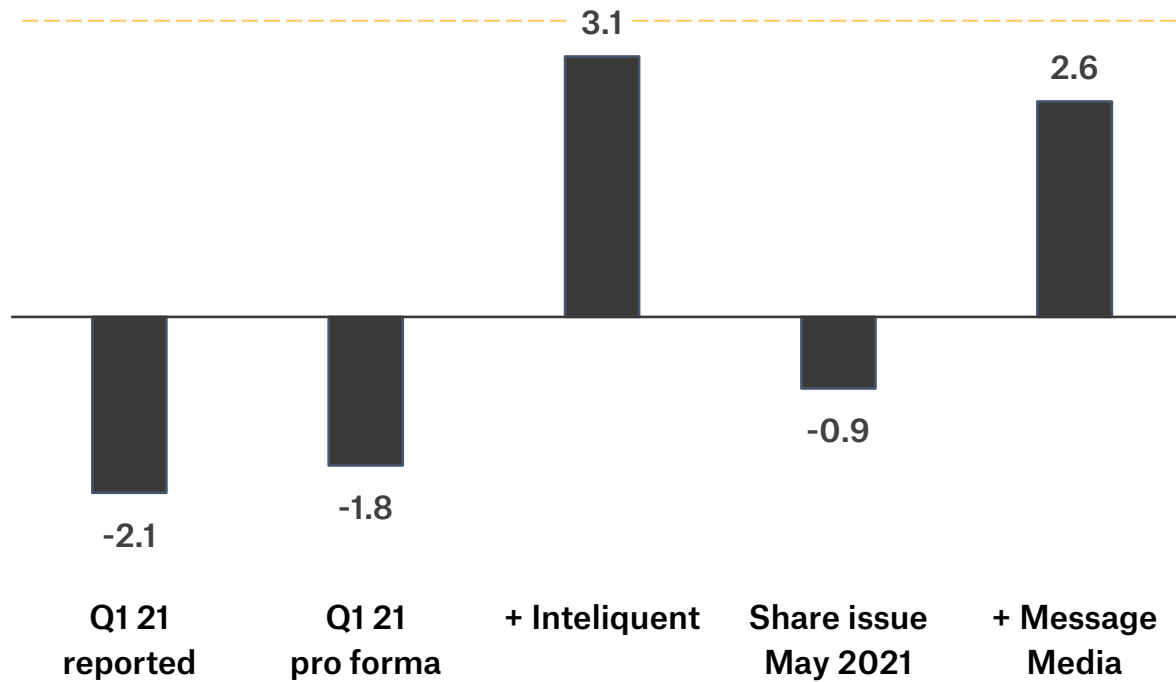
- **Multiple acquisitions over past year**
- **ACL, SDI, Wavy consolidated less than 12 months**
- **Inteliquent and MessageMedia transactions not yet closed**
- **Pro forma* calculation implies SEK 17.9 bn revenue, SEK 6.0 bn gross profit, and SEK 2.4 bn Adj EBITDA**
- **Significantly strengthened margin profile**



* Pro forma as of Q1 2021, including last 12 months earnings in Sinch, ACL, SDI, Wavy, Inteliquent and MessageMedia. Inteliquent contribution excludes covid uplift considered to be temporary.

Financial leverage

Pro forma net debt/Adjusted EBITDA

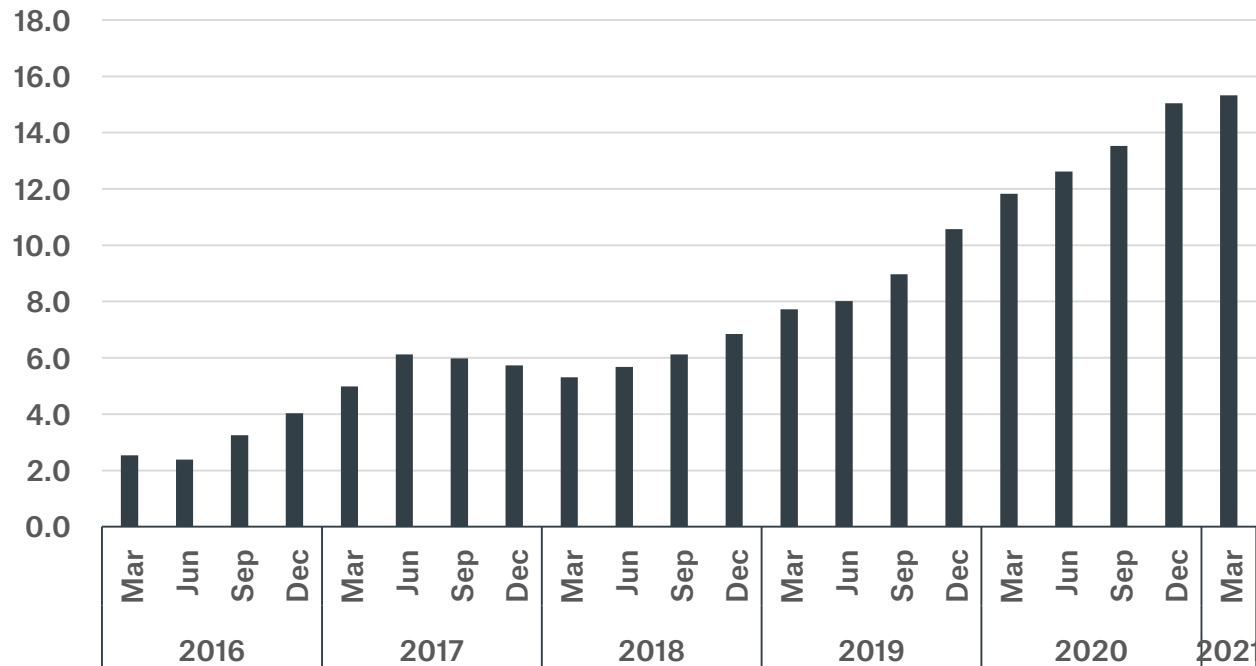


- Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
- Updated financial target is to maintain Net debt < 3.5x adjusted EBITDA over time
- Pro forma Net debt/Adj EBITDA of 2.6x to after recent share issue and payment for Inteliquent and MessageMedia



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 30% in Q1 21, measured on a rolling 12 month basis
- Net debt/EBITDA of -2.1x, measured on a rolling 12 month basis



Thanks!

