



Q2 2025

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INVESTOR PRESENTATION
JULY 22, 2025



Second quarter highlights

01

Stable growth

- Net sales grew 2% organically – Fourth consecutive quarter with organic growth
- Gross profit grew 6% organically – Supported by all regions and product categories
- Major translational FX effects obscuring the growth momentum

02

Resilient financial performance

- Gross margin 35% (34)
- Adjusted EBITDA margin of 13% (12%)
- Adjusted EBITDA increased 8% organically vs. Q2 2024
- Free cash flow of SEK 523m
- Cash flow conversion of 60% in Q2 and touching target range on R12 basis
- Net debt/Adj EBITDA** at 1.3x vs. 1.7x in Q2 2024
- BoD resolved to activate share repurchase program

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Product and innovation spotlight

- Exclusive direct two-way connectivity to all U.S. Tier-1 carriers for 10DLC
- Artificial Intelligence advancements
 - Model Context Protocol (MCP) implementation
 - Conversational Solutions packaging
 - AI-powered email optimization introduction
 - Contact center translations enhanced

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

** Excluding IFRS16 leases

Advancing holistic AI capabilities

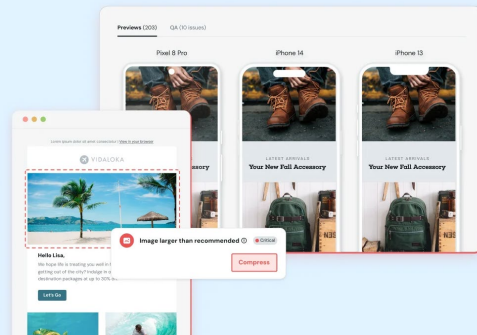
Model Context Protocol (MCP) Implementation

- Enables autonomous AI agent communication across Sinch's global platform
- Live with Claude; expanding to other AI frameworks
- Codifies decades of communications expertise from 900B+ annual interactions



AI Innovation

- [Conversational Solution packages](#), offering pre-configured AI-enhanced bundles
- [Mailgun Inspect](#): AI-powered email quality assurance with automated accessibility compliance
- [Contact Pro AI](#): New cross-channel summarization and auto-translation capabilities



AI Ecosystem Expansion

- Salesforce Agentforce: [Sinch SMS powers autonomous agents](#) with predictive engagement and intelligent lead qualification
- Microsoft Dynamics Customer Insights: [Sinch integration](#) enables AI-orchestrated customer journeys at scale



Market Validation & Recognition

- 97% of businesses adopting AI for customer communications ([Sinch State of Digital Customer Communications Report](#))
- [Sinch named Omdia Leader](#) with 95% innovation score for AI-enabled conversational messaging



PRESS RELEASE

Sinch Recognized as a Leader in the 2025 Omdia Universe



Sinch strategy for value creation

Growth reacceleration

We are focused on profitable and sustainable growth

- Enterprise expansion
- Self-service capabilities
- RCS and email
- Partners and ecosystems

EBITDA margin expansion

We are reshaping our business to expand margins over time

- Product mix shift at high margin
- Commercial discipline
- Operational efficiency

Active capital allocation

We are driving continued strong cash generation

- Reduce debt
- Finance acquisitions
- Return cash to shareholders

Mid-term financial targets

Financial leverage policy

By the end of 2027, Sinch targets to reach:

- Organic growth in net sales and gross profit of 7- 9% year-on-year
- Adjusted EBITDA margin of 12- 14%

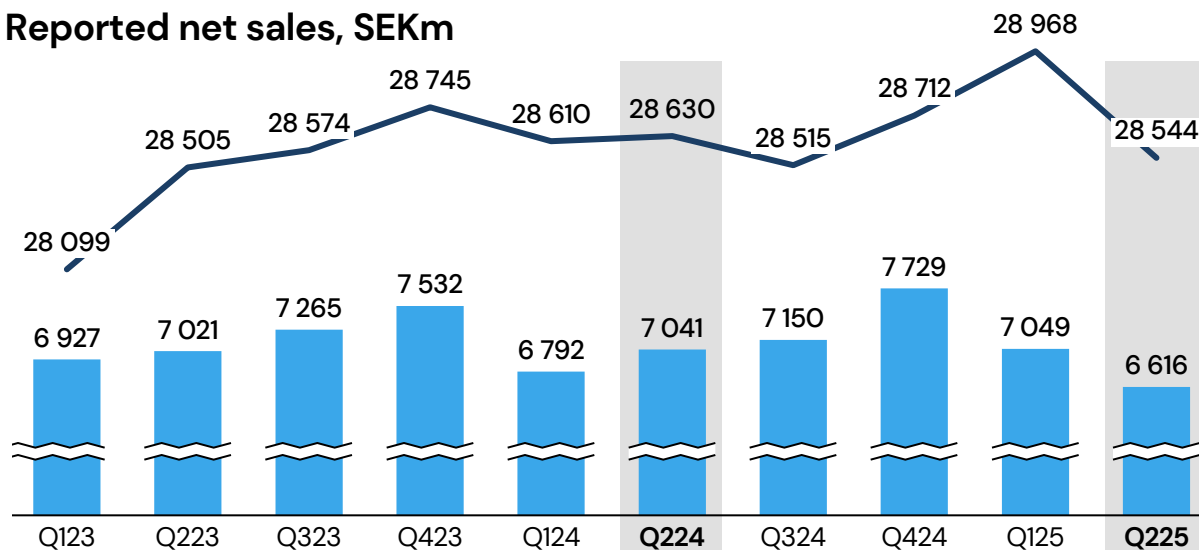
Net debt over time shall be below 2.5 times Adjusted EBITDA (measured LTM)

Financials

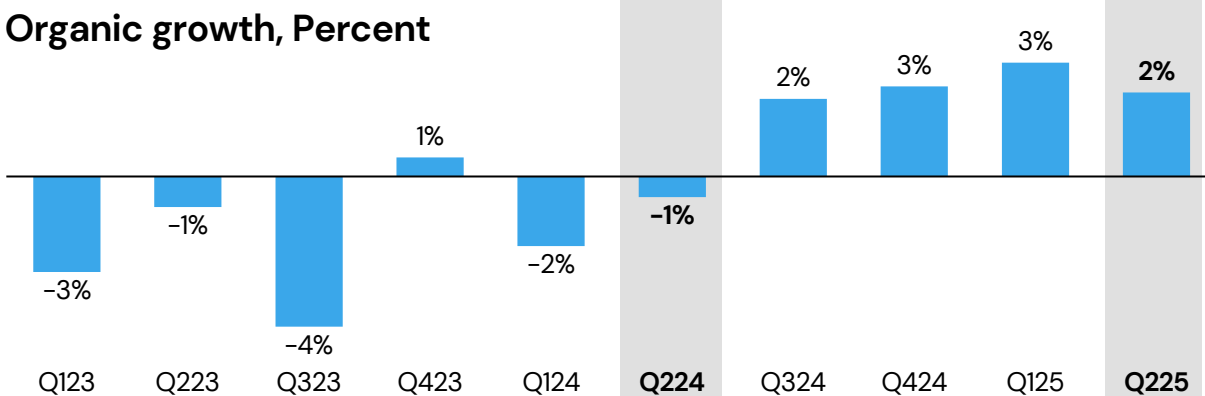
Fourth consecutive quarter of organic net sales growth

— LTM
■ Quarter

Reported net sales, SEKm

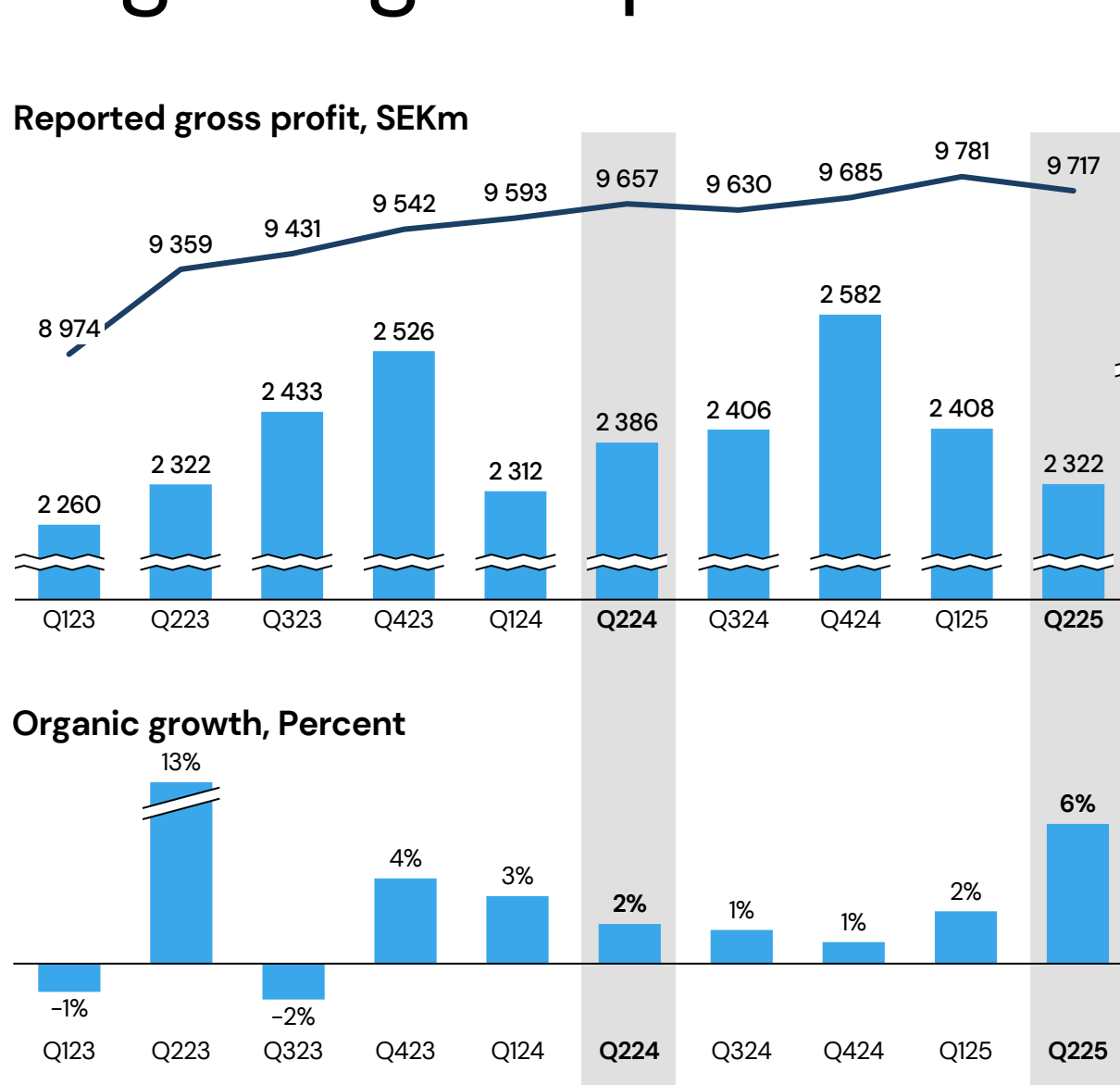


Organic growth, Percent



- 2% organic growth Q2 y/o/y
 - Americas 2%
 - EMEA 3%
 - APAC 2%
- 4th consecutive quarter of organic growth
- Positive mix shift with organic growth in Applications and Network Connectivity
- Net sales growth Q2 -6% y/o/y impacted by FX

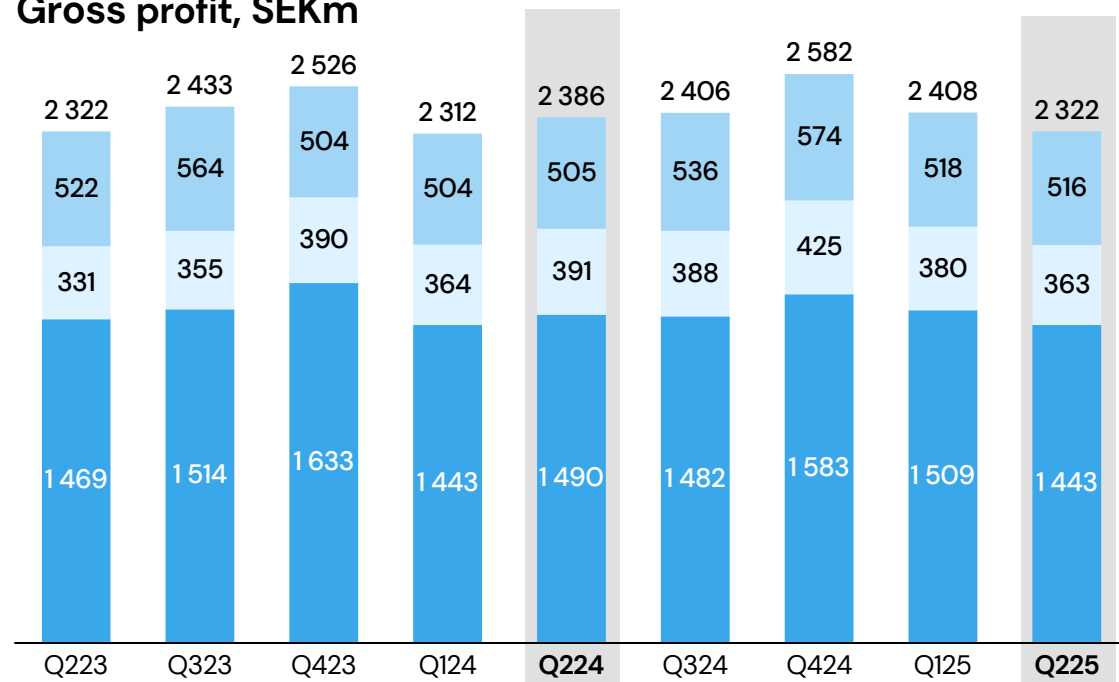
Organic gross profit reacceleration



- 6% organic growth Q2 y/o/y – Net sales growth, mix shift and improved margins contributing to overall growth
- All regions and all product categories contributed to organic GP growth
- -3% growth Q2 y/o/y impacted by FX

All regions and product categories contributing to organic GP growth

Gross profit, SEKm



Organic GP growth Q2 y/o/y:

Americas

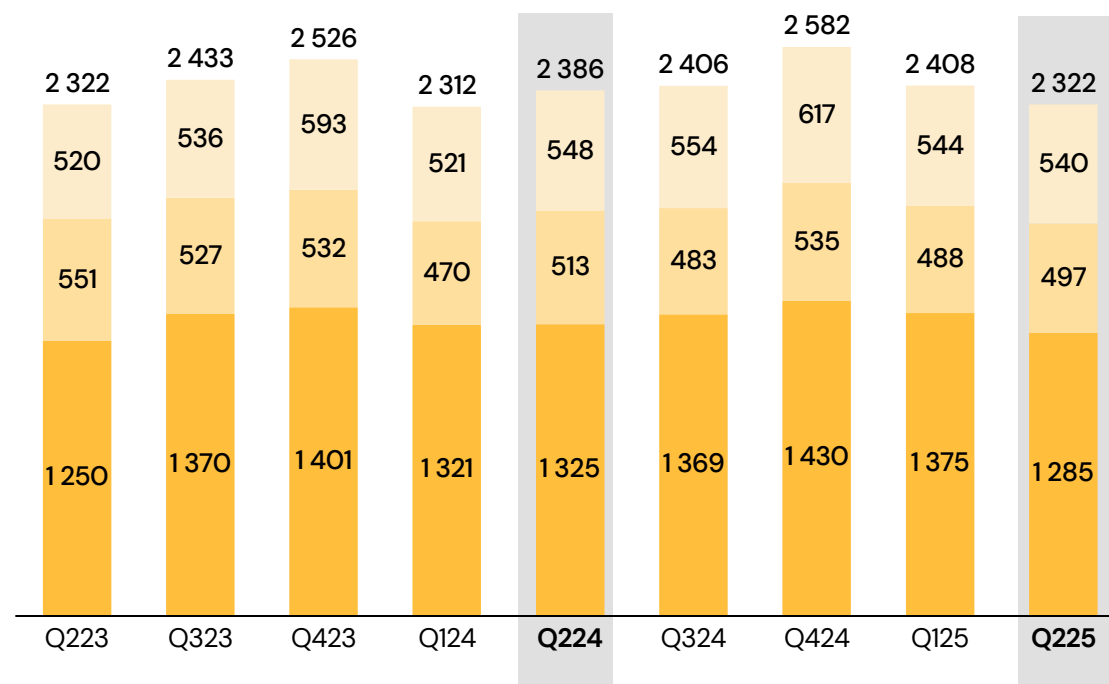
6%

EMEA

7%

APAC

3%



Organic GP growth Q2 y/o/y:

API Platform

6%

Network
Connectivity

5%

Applications

7%

Development by segment

Americas



- 2% year-on-year organic growth in net sales and 6% organic growth in gross profit
- Gross margin increased 2pp to 35%
- Strong organic GP growth in messaging and email in North America, driving solid growth in APIs and Applications
- Price adjustments in Network Connectivity supporting GP margin



EMEA



- 3% year-on-year organic growth in net sales and 7% organic growth in gross profit
- Gross margin increased 2pp to 33%
- Core messaging business driving solid growth in APIs, while risk reduction in fixed fee contracts drag to growth
- >2x growth in RCS volume, but from low base

BUT

APAC

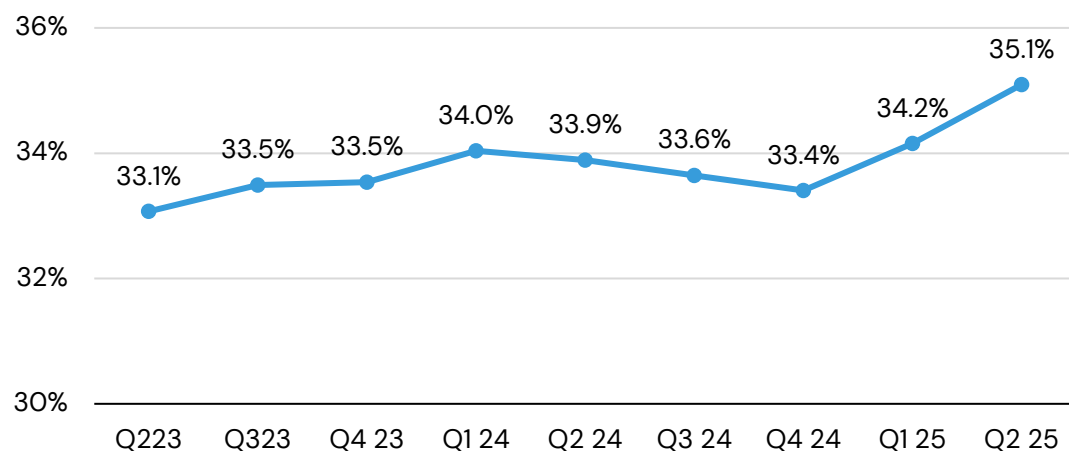


- 2% year-on-year organic growth in net sales and organic gross profit grew 3%
- Gross margin increased 1 pp to 41%
- Challenging comps in the quarter
- APAC on solid trajectory with India stabilized

 IMPACT DATA

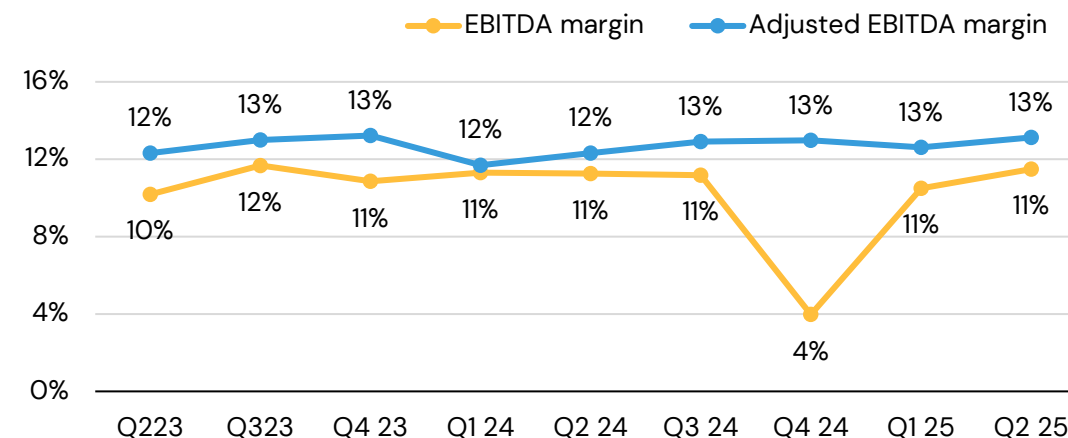
Positive margin development

Gross margin, %



- Positive gross margin development trend
- Favourable impact from change in product and customer mix

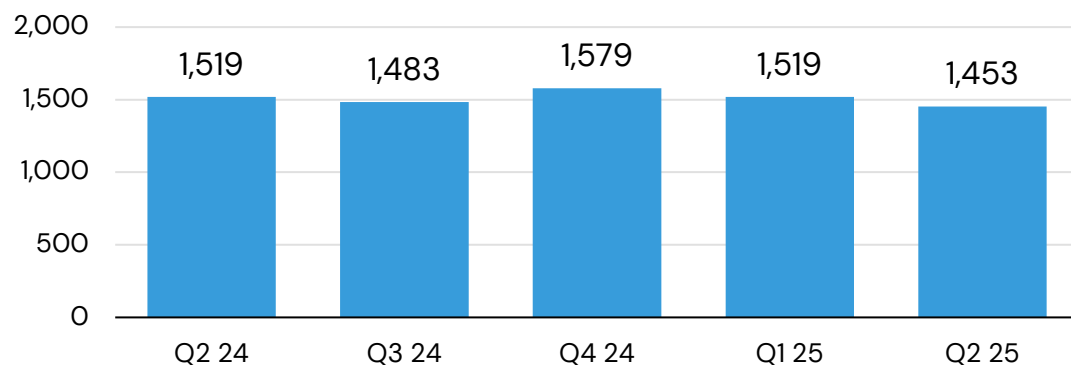
EBITDA margin, %



- EBITDA adjustments primarily relating to integration costs, share-based incentive programs and currency gain/losses
- SEK 700m one-time provision impacted EBITDA in Q4 of 2024 – No change in provision

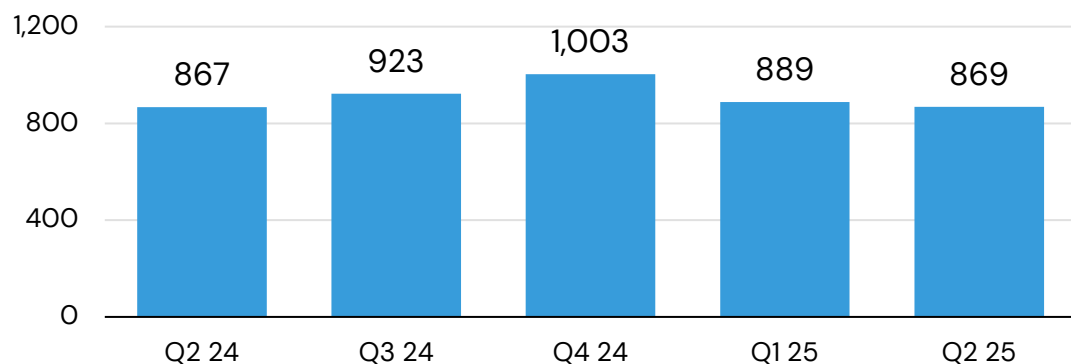
Cost control supporting Adj EBITDA

Adj Opex, SEKm



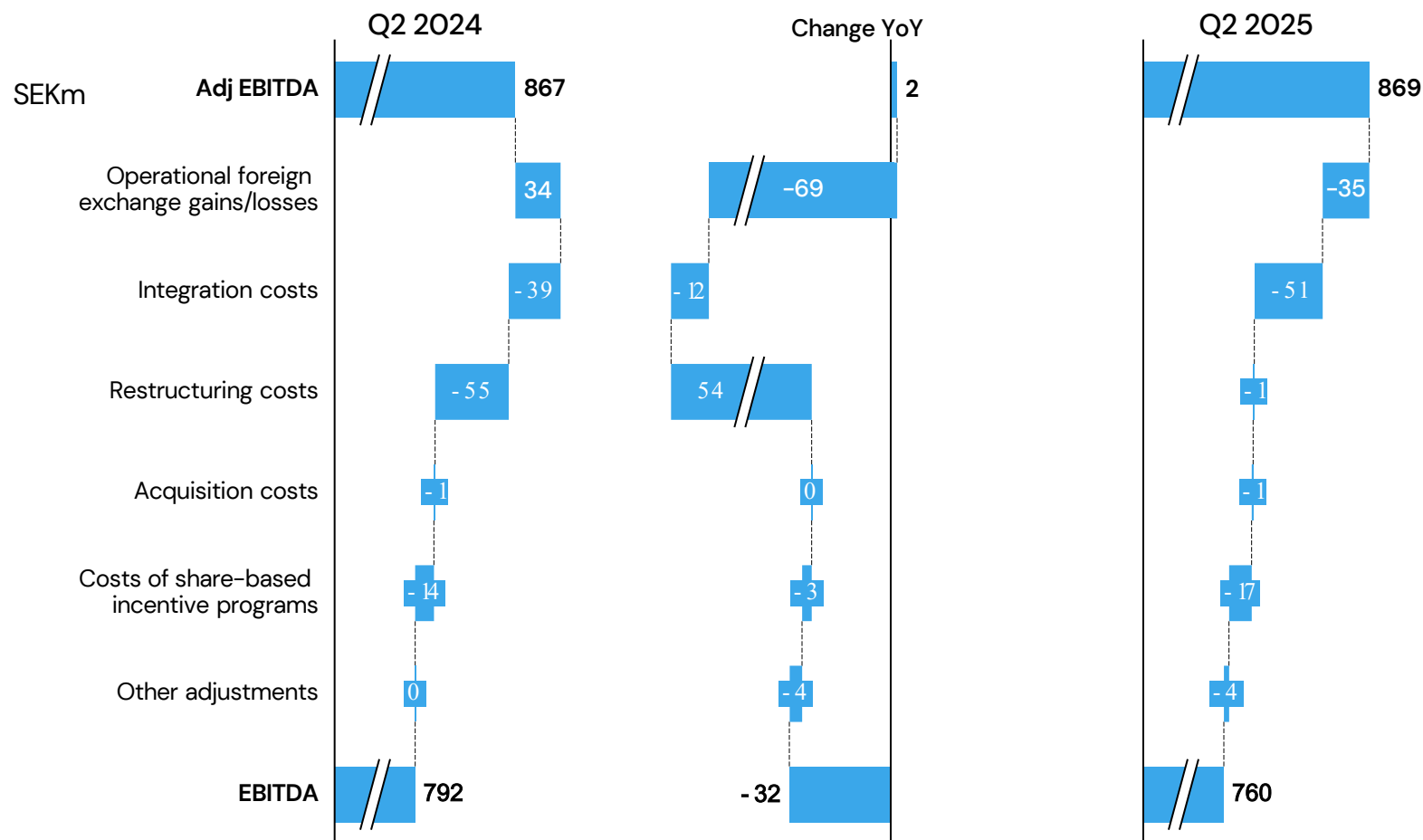
- Q2 organic Adj OPEX +5% y/o/y, -4% reported
- Disciplined cost control and vigilance to potential changes in the market
- Continued integrations to drive synergies and cost efficiency

Adj EBITDA, SEKm



- Q2 organic Adj EBITDA +8% organic y/o/y, 0% reported
- No growth in reported Adj EBITDA due to FX translation effects

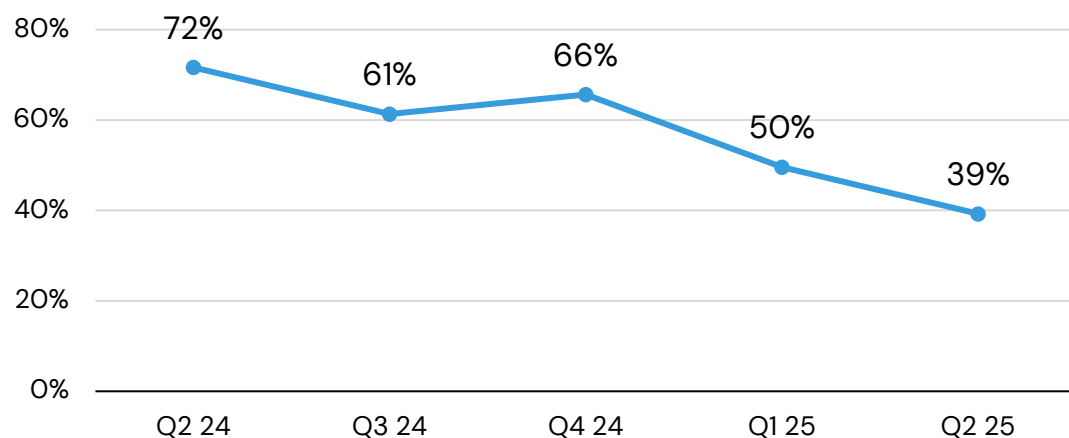
Reduced integration and restructuring costs



- Adj EBITDA +8% organic y/o/y
- FX translational effects impacting Adj EBITDA, nullifying reported growth
- In addition, 35 MSEK unfavorable FX impact on mainly working capital impacting EBITDA (-69 vs LY)
- Combined restructuring and integration cost of 52 MSEK – 42 MSEK lower than LY
- EBITDA +4% organic y/o/y at 11% margin

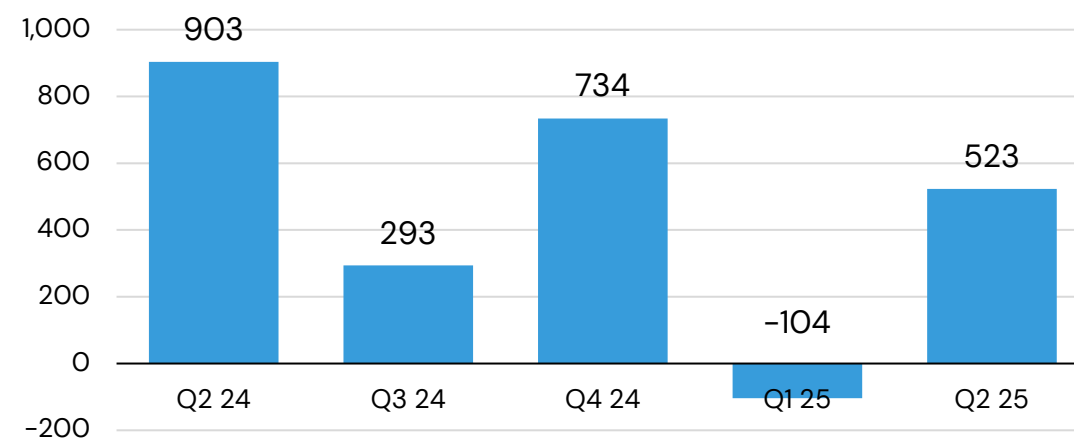
Solid cash flow in the quarter

Cash conversion from Adj EBITDA, LTM



- Cash flow from operating activities after investments was SEK 1,447 million over the past 12 months, corresponding to 39% cash conversion
- LTM cash conversion touching guidance range 40–50% cash conversion over time

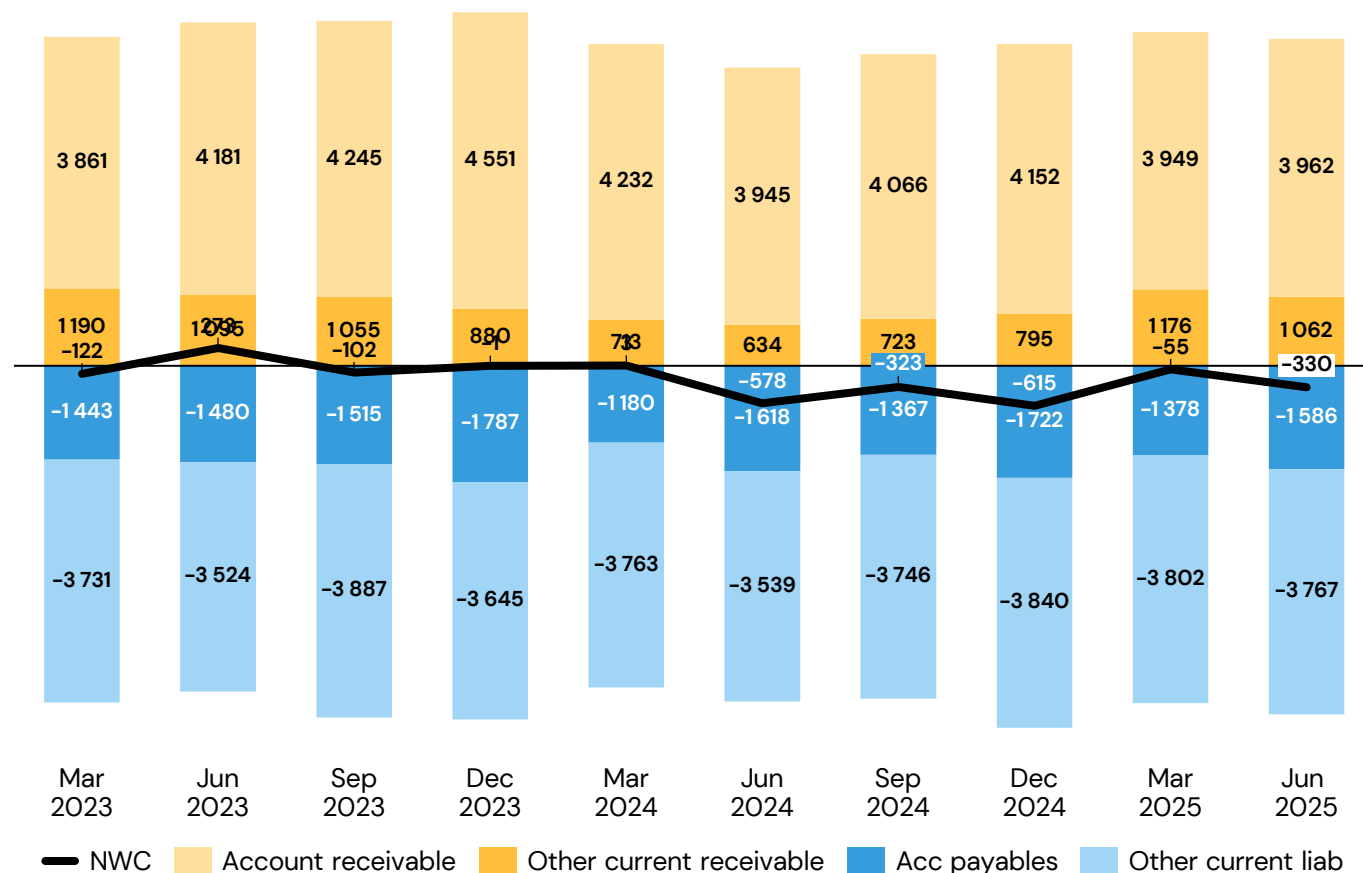
Cash flow after investments (FCF), SEKm



- Strong cash flow in the quarter with 60% cash conversion
- Net working capital causes variation in FCF between individual quarters
- Temporarily elevated working capital from Q1 2025 due to cost mitigation agreement with a large supplier, expected to normalize within next quarters

Net Working Capital within normal variations

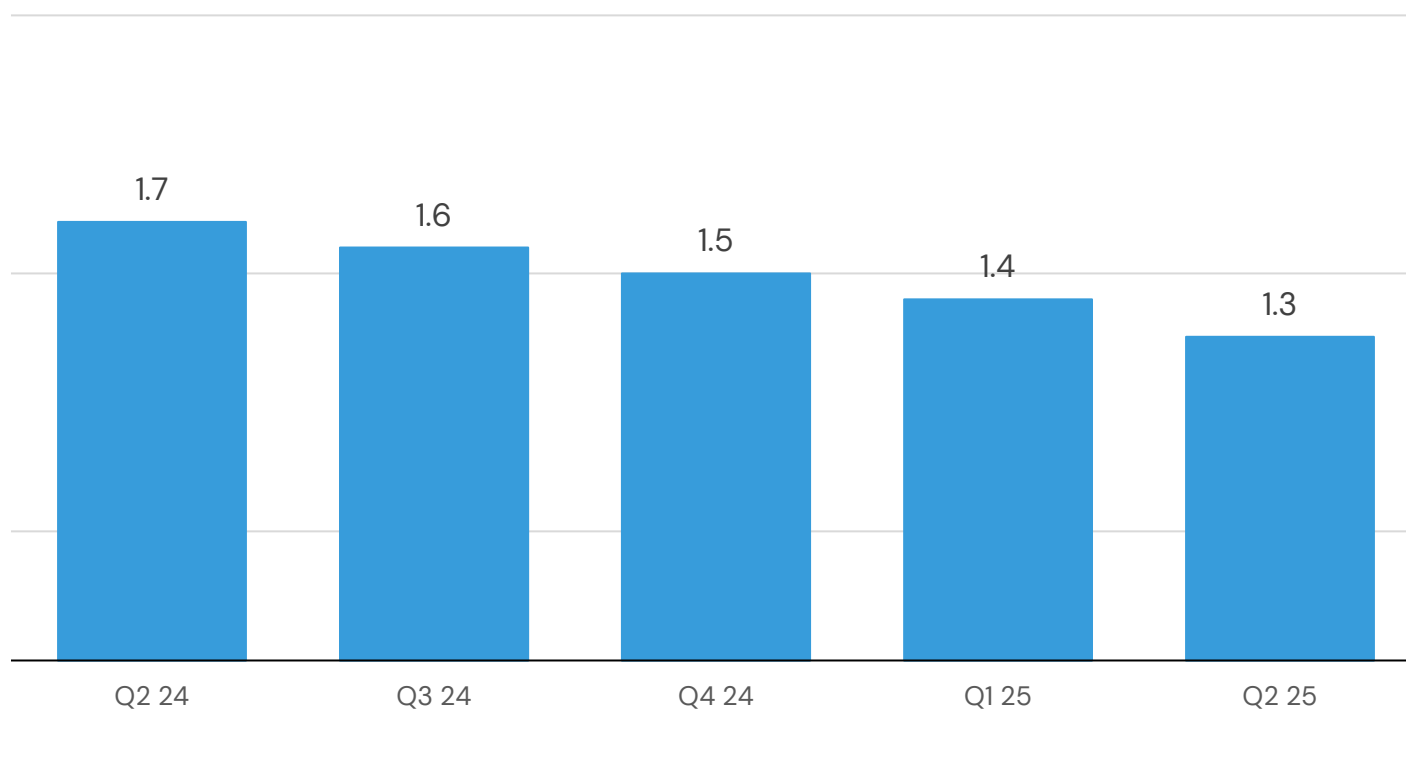
Net working capital, SEKm*



- Net Working Capital within normal variations
- NWC somewhat elevated due to cost savings agreement with large supplier in Q1 – Expected to normalize in the coming quarters

Continued strengthening of the balance sheet

Net debt/Adjusted EBITDA R12m*



- Continued strengthening of balance sheet with Net debt/Adj EBITDA now at 1.3x
- Reduced leverage in quarter mainly driven by FCF and translation of debt in foreign currency
- BoD resolved to activate share repurchase program authorized by the AGM – Up to 10% of outstanding shares

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

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Thanks!

For more information, contact:

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175,000+
business
customers

900bn+
interactions
per year

60+
countries with
local presence

Scalable cloud communications
platform for messaging,
voice and email

Pioneering the way the world communicates

SEK 28.5bn
net sales in the
past 12 months

SEK 9.7bn
gross profit in the
past 12 months

SEK 3.7bn
Adj. EBITDA in the
past 12 months



Income statement

SEKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	2024	R12M
Net sales	6,792	7,041	7,150	7,729	7,049	6,616	28,712	28,544
Cost of services sold	-4,480	-4,655	-4,744	-5,147	-4,641	-4,294	-19,026	-18,827
Gross profit	2,312	2,386	2,406	2,582	2,408	2,322	9,685	9,717
Operating expenses	-1,544	-1,594	-1,607	-2,275	-1,667	-1,562	-7,020	-7,112
EBITDA	768	792	799	307	740	760	2,665	2,605
Depreciation and amortization	-617	-622	-6,623	-611	-616	-552	-8,473	-8,401
EBIT	151	170	-5,824	-304	124	208	-5,807	-5,796
Financial income	353	732	937	266	449	924	2,288	2,576
Financial expenses	-464	-881	-1,076	-295	-581	-1,053	-2,715	-3,004
Profit or loss before tax	40	21	-5,963	-333	-8	80	-6,235	-6,224
Current tax	-136	-28	-193	-139	-172	-249	-497	-754
Deferred tax	7	102	61	148	133	194	319	537
Profit or loss for the period	-90	95	-6,095	-324	-47	25	-6,413	-6,441
Adjusted EBITDA	794	867	923	1,003	889	869	3,586	3,683
Adjusted EBIT	658	738	795	875	749	746	3,066	3,166

Cash flow

SEKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	2024	R12M
Profit or loss before tax	40	21	-5,963	-333	-8	80	-6,235	-6,224
Adjustment for non-cash items	574	594	6,754	991	738	740	8,914	9,224
Income tax paid	-57	-147	-99	-45	-111	-334	-348	-589
Cash flow before changes in working capital	557	468	692	613	619	486	2,330	2,410
Change in working capital	-4	581	-255	292	-560	209	614	-313
Cash flow from (-used in) operating activities	553	1,049	437	905	60	695	2,944	2,097
Net investments in property, plant and equipment and intangible assets	-129	-146	-143	-171	-164	-172	-589	-650
Change in financial receivables	-2	-3	2	-12	1	-1	-16	-11
Acquisition of Group companies	0	0	0	0	0	0	0	0
Cash flow from (-used in) investing activities	-131	-149	-141	-183	-163	-173	-604	-661
Change in borrowings	-615	-881	108	-745	-183	-481	-2,133	-1,301
Amortization lease liability	-34	-33	-31	-29	-32	-25	-126	-117
New issue/warrants	5	4	10	5	-1	1	25	16
Cash flow from (-used in) financing activities	-645	-909	87	-768	-216	-504	-2,234	-1,402
Cash flow for the period	-223	-9	382	-46	-319	18	105	34
Opening cash and cash equivalents	1,012	756	734	1,108	1,083	719	1,012	734
Exchange rate differences	-33	-13	-9	21	-44	-20	-34	-51
Closing cash and cash equivalents	756	734	1,108	1,083	719	717	1,083	717

Cash conversion

SEKm	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	2024	R12M
Adjusted EBITDA	794	867	923	1,003	889	869	3,587	3,683
Net interest paid	-131	-130	-117	-103	-76	-73	-480	-369
Paid taxes	-57	-147	-99	-45	-111	-334	-348	-589
Other items	-49	-122	-15	-242	-83	24	-428	-315
Cash flow before changes in working capital	557	468	692	613	619	486	2,330	2,410
Change in working capital	-4	581	-255	292	-560	209	614	-313
Cash flow from operating activities	553	1,049	437	905	60	695	2,944	2,097
Net investments in property, plant and equipment and intangible assets	-129	-146	-143	-171	-164	-172	-589	-650
Cash flow from operating activities after investments	424	903	293	734	-104	523	2,355	1,447