CEO and CFO prepared remarks Sinch AGM 2025

Slide 2: Cover page

Good morning, it is a pleasure to meet with you all today. Before diving into the highlights from 2024 and what we see ahead of us, I want to share a bit of my reflections from my two years at Sinch, and why I remain so excited about our future.

Slide 3: Customer brand

Over the past two years, I've witnessed firsthand the dedication and passion within our teams, and the immense potential of our solutions in a rapidly evolving and exciting market. We have an enviable set of customers who rely on us every day help them grow revenue, keep their customers informed, safe and happy, and to help them deliver differentiated experiences.

When I first arrived, it was clear we had assembled a collection of impressive parts – talented teams and innovative technologies gained through both organic growth and strategic acquisitions. However, what was also clear was that we weren't yet fully organized to make the sum of those parts better together than they were as standalone entities. That realization has driven much of our transformation efforts, and I'm excited to share the progress we've made, and what we see ahead.

Slide 4: Highlights in 2024

Let's start with some highlights from 2024. Our revenue in local currencies remained steady compared to the previous year. Our organic gross profit growth was 2 percent, and we reached an adjusted EBITDA margin of 12 percent. Overall, it was a solid financial result, and I am particularly pleased with our strong cash generation, and net debt to adjusted EBITDA development.

2024 was a year of significant change for Sinch. Our transformation began with the growth acceleration program and the new operating model introduced on January 1, 2024. This transition moved us from product-focused business units to a regional go-to-market approach, where customers benefit from our full suite of capabilities, supported by a global product and technology organization. This restructuring hasn't been easy, and I want to extend a big thank you to all Sinchers for leaning in here. Significant changes to responsibilities, teams, and internal structures, while not easy, was necessary to move us towards making the sum of the parts greater than the standalone entities. We are now seeing clear improvements as teams settle into their new roles. Positive trends are emerging in customer relationships, sales pipelines, deal closures, product development, data quality and operational excellence. We also unlocked efficiencies as demonstrated by the annual run-rate gross savings of 352 million krona - exceeding our initial target of 300 million krona.

We also introduced new financial and sustainability targets.

Slide 5: Market trends

As a global leader in a fragmented and fast-growing market, Sinch is well-positioned to capture substantial opportunities. This market expansion is being driven by three main trends.":

- First, Digital transformation. When done well this creates more customer-centric organizations that moves more quickly and leverages their data well. Larger enterprises have been investing in this area for several years but SMBs have not come that far in their journey. Starting to use cloud-based communication services is an important and relatively easy step in the right direction;
- Second, the rise of advanced messaging which allows for two-way communication and rich experiences. This exists in various Over the top-services such as WhatsApp already but is now becoming available in our standard messing inbox through RCS. Advanced messaging helps enhance security and deliver rich, engaging and more compelling experiences;
- Finally, AI. AI is fundamentally changing the way businesses and their customers interact, accentuated by the rise of Agentic AI. Today, most communication is reactive - prompted by a human, a campaign, or a support ticket. In the agentic world, communication becomes autonomous, highly personalised and increases exponentially. This will drive market growth. Making sure that Sinch's cloud-based communication services are the preference of these AI agents is a large and prioritized opportunity for us.

This moves us on to our strategy for value creation.

Slide 6: Strategy for value creation

At our Capital markets day in November, we introduced our strategy for value creation which is underpinned by three essential components:

- growth reacceleration
- EBITDA margin expansion, and
- active capital allocation resulting from continued strong cash generation.

By the end of 2027, we aim for year-on-year organic growth in net sales and gross profit of 7–9 percent. Supported by the comprehensive market study we conducted ahead of the Capital markets day, these growth rates reflect an ambition to grow faster than the market in each product category, and to do so profitably with an Adjusted EBITDA margin of 12–14 percent. In 2024, our organic sales growth was 1%, organic gross profit growth was 2% and our Adj EBITDA margin was 12%.

Additionally, our financial leverage policy states net debt over time shall be below 2.5x Adjusted EBITDA measured on an LTM basis. In 2024, we made good progress and ended the year at 1.5x. Finally, we also set sustainability goals targeting net zero emissions by 2050 in line with the Science Baset Target initiative. We further aim to achieve short-term emission reductions in accordance with the Paris agreement. In 2024, we reduced our $CO2$ emissions by 7%.

You will hear Jonas cover more on the progress we are making on the EBITDA margin expansion, and active capital allocation in a moment. I will now briefly cover more context behind the growth reacceleration drivers.

Slide 7: Growth reacceleration

Our four drivers of growth reacceleration are Enterprise Expansion, RCS and Email, Self-Serve Capabilities, and Partners & Ecosystems.

Starting with Enterprise Expansion — this segment includes about 500 customers that represent more than 60% of our gross profit. These are high-value relationships that will grow over time through upsell and cross-sell. They also help validate our market position and technology leadership. I see this as a foundation for long-term, sustainable growth.

Next, RCS and Email. RCS is still early but expanding quickly and unlocking new use cases by bringing rich, branded conversations directly into users' messaging apps. It's a step-change from traditional SMS. At the same time, our email business remains a high-margin, high-growth engine for us, with industry-leading deliverability and innovation. This is a great example of the strength of our multi-channel approach.

On to Self-Serve. This is a fast-growing, high-margin segment, with low acquisition costs and global scalability. While it's often associated with smaller customers, self-serve tools are increasingly important for enterprises also. Buyers today expect to test and explore on their own before talking to sales — and our capabilities here put us in a strong position. We believe that Agentic AI will make self-serve capabilities even more critical - this will drive market growth. Making sure that Sinch's cloud-based communication services are the preference of these AI agents is a great and prioritized opportunity for us.

Finally, Partners and Ecosystems. This is all about reach. By embedding Sinch into partner tech stacks, we're unlocking new customer segments and driving indirect sales. It's been great to see how our partner strategy is not just working — it's accelerating. In the era of agentic AI, partners will be even more essential to extend capabilities, speed up integration, and deliver tailored solutions. You recently saw this in action with our partnership with OneReach.ai - and this is just the beginning.

These four areas give us a strong platform for profitable and sustainable growth. With that, I'll hand it over to Jonas to walk through the financials.

Slide 8: Financials cover page

Thank you, Erik and Laurinda. Good morning, everybody. I joined Sinch on April 1 and haven't been part of the journey, but it is my privilege to cover the financials briefly.

Slide 9: Net sales growth

Over the last four years, Sinch has grown very fast. On average, the revenue grew 29%, following very strong organic growth and several transformative acquisitions. Over the last couple of years, both acquired and organic growth has slowed down. Partly, this is a consequence of a changed market. During the pandemic, we saw very strong growth across use cases, as consumers interacted with brands at a distance, and as digital business models. At the same time, the underlying market has delivered healthy growth. But as pandemic volumes have faded away, the total market growth has been low. While our applications and email products, which came through our acquisitions, the slowdown was mainly visible in our API-platform product category, and specifically our traditional SMS products.

Moreover, as we have focused on consolidating and integrating the company post our major acquisitions, we have no contribution from acquired growth. In combination, this means we delivered a 1% currency adjusted revenue growth for 2024.

APAC and Americas contributed positively to revenue growth yoy while EMEA declined.

Slide 10: Reduced leverage

Following our acquisitions, we have focused on strengthening our balance sheet and the company has throughout this period continued to deliver strong cash flow. As a consequence, we have steadily reduced our leverage. In 2024, we delivered free cash flow, that is the operating cash flow after investments, of 2.4 billion kronor. This corresponds to an impressive 103% increase yoy and a 66 % cash conversion from Adjusted ABITDA, above our guidance interval of 40-50 %. This also represents a free cash flow of 2,79 kronor per share. Our strong cash flow has made it possible to continue to amortize our debt which was reduced by 2.1 billion kronor in 2024. Our financial leverage ended up at a healthy 1.5x, reduced from 2.0x in the end of 2023.

Slide 11: Gross profit

Now, moving from an annual view to a quarterly view, and also moving to gross profit. Even if revenue growth was slow during 2024, we've had a steady growth in gross profit. This is driven by faster growth of our most profitable products, predominately in Applications, coming from our acquisitions. Moreover, we have increased our commercial to focus on more profitable business. So, although revenue was essentially flat during 2024, you can see that we have a steady, although modest growth on gross profit on 12 months basis, after taking out seasonal effects, throughout 2024. And this growth also continued in 2024.

If we look at the near-term development, we have seen steady growth on a rolling 12 months basis. In Q1 we reported a 4% growth year-on-year, out of which 2% was organic. We are very pleased to see organic growth in all regions and in all product categories.

Slide 12: Cost control supporting Adjusted EBITDA

What's also encouraging to see is that our cost discipline is paying off. The synergies coming from our integrations are becoming visible. Turning to Adjusted EBITDA, you can see that we managed to keep Adjusted OpEx relatively flat last year, in spite of inflationary pressure. In fact, if you look at a currency adjusted basis, adjusted OpEx is down 1 percentage point year-over-year in the first quarter.

This is a result of the cost savings program we had last year, as well as integration efforts paying off with higher scalability in the business as we take out synergies from our integrations.

The positive effect here is the GP improvement we had in the quarter essentially dropped down to adjusted EBITDA. So, 4% GP growth translates into 12% adjusted EBITDA growth and 8% of that is organic.

As of now, we don't see any visible market weakness following the US tariffs or macro uncertainty. But we stay very vigilant when it comes to cost, and we will manage this very carefully as we continue to monitor the development in the marketplace.

Thank you. Time for questions.

Slide 15 Pioneering the way the world communicates

Questions from the audience

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Note: This script was prepared in advance in English and translated to Swedish. Minor deviations may exist.