



# Annual General Meeting

15 May 2020

Oscar Werner  
CEO



**sinch**



**SEK 5.6bn**  
revenue in the  
past 12 months

**SEK 646m**  
Adj. EBITDA in the  
past 12 months

**SEK 34bn**  
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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**We were founded in this shop window**



- **Founded on \$10k**
- **Always profitable**
- **No external capital except for M&A**

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# CPaaS relevance throughout the customer journey

STAGE	Revenue generation	Service enablement	Customer care
OBJECTIVE	Add revenues Reduce churn	Use CPaaS functionality in own apps and products Improve efficiency Reduce cost	Handle customer support Improve customer experience Reduce contact center cost
EXAMPLE PRODUCTS	Rich SMS with dynamic mobile landing page Personalized video to prevent bill shock	One Time Passwords (OTP) Verification Number masking Mobile boarding pass	WhatsApp instead of phone Bots and AI to automate conversations



# Creating value for businesses & their customers



**Email**



**SMS**



**Next-gen  
messaging**

Rich content  
Limited reach

Limited content  
100% reach

Rich content  
100% reach\*

35x higher open rate

App like experience

\* Blending multiple channels including RCS, WhatsApp, Messenger and landing page technology

# 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

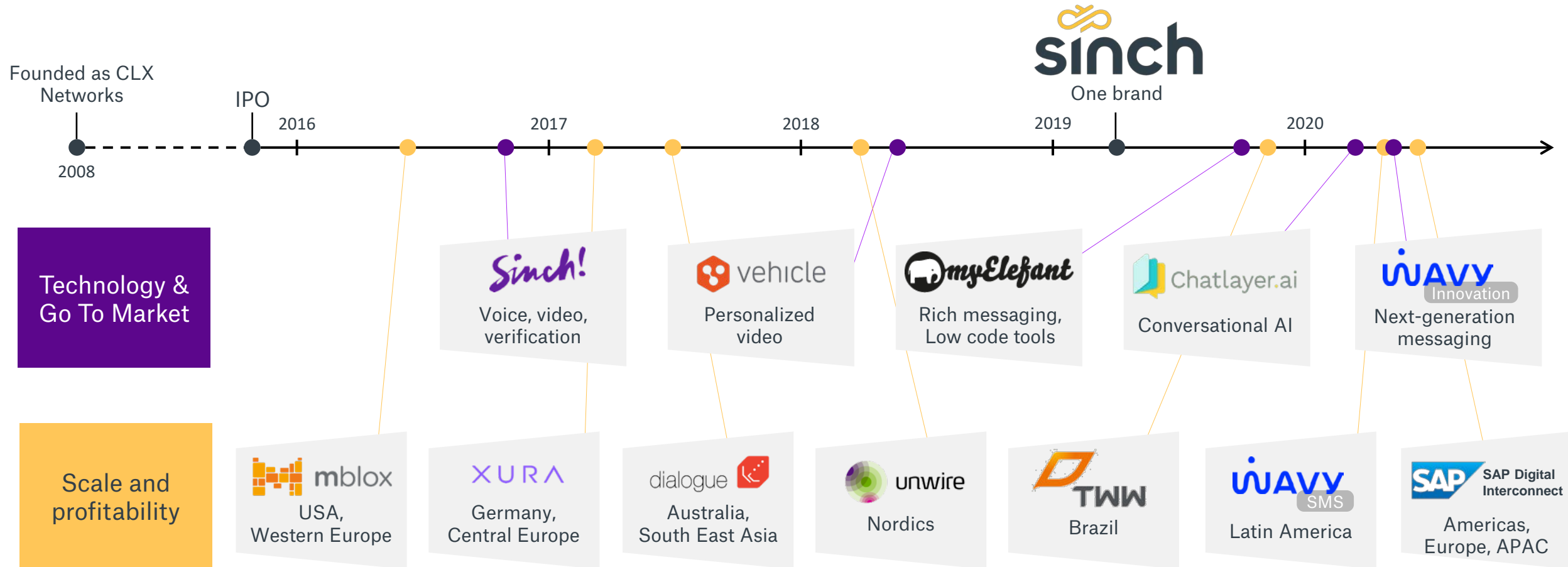
- Complementary technology that fits our strategic product roadmap
- Go To Market-ability in relevant products and geographies
- Increased software value-add with higher gross margin
- Future growth drivers

## 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

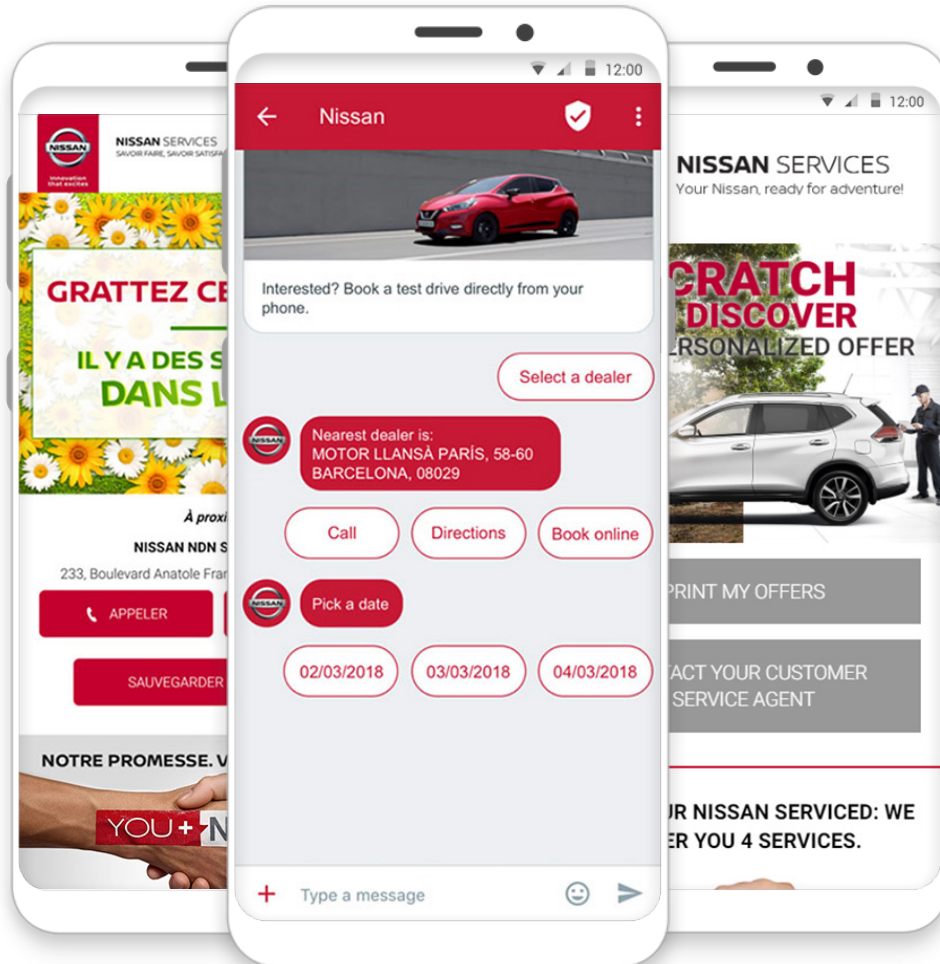


\* Acquisitions of Wavy and SAP Digital Interconnect are pending regulatory approval





# Customer case: Boosting car sales for Nissan



Switching to a mobile-first customer view

- Nissan switches its whole customer lifecycle from email to mobile messaging
- Sales, AfterSales and Dealership are all using the Sinch platform

Leveraging Adobe partnership

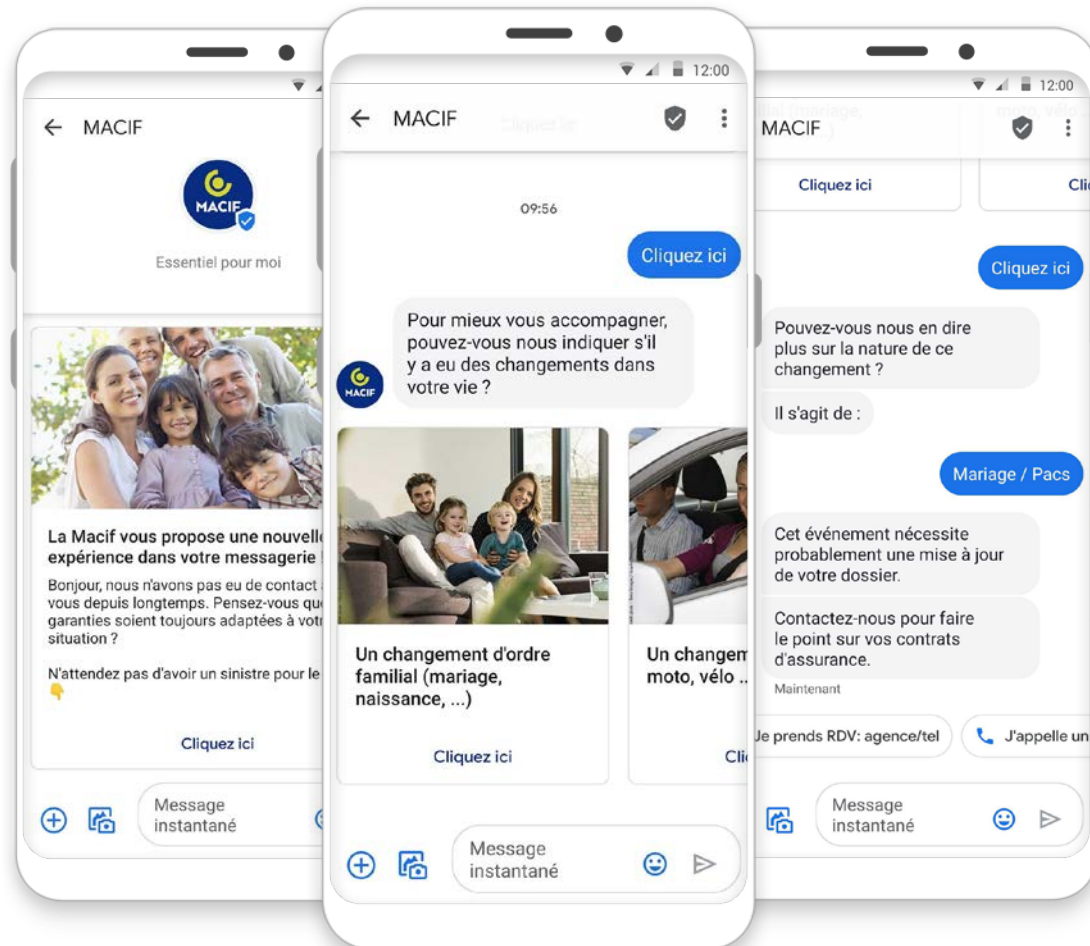
- Automated campaigns triggered through Adobe Campaign

Key performance indicators

- Hyper-personalized mobile campaigns reaching 11% in conversion-to-car sales



# Customer case: Reengaging customers for Macif



## Driving engagement

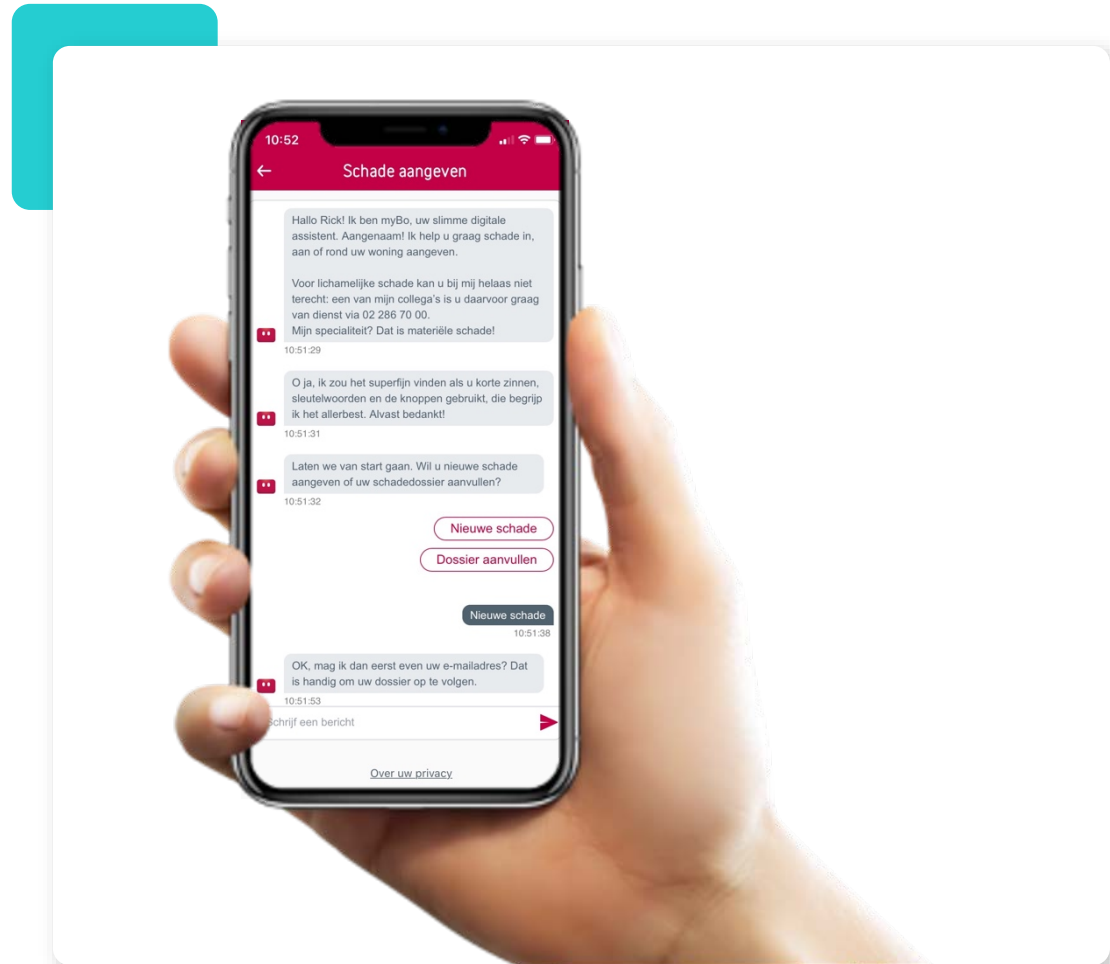
- Macif uses RCS to reconnect with its inactive customers
- The agent's objective is to update the client's situation

## Key performance indicators

- 18% of inactive contacts reactivated
- 2x click-through compared to Rich SMS
- 3x clicks compared to email

Sinch

# Customer case: Automating claims for Belfius



## Conversational AI for Belfius

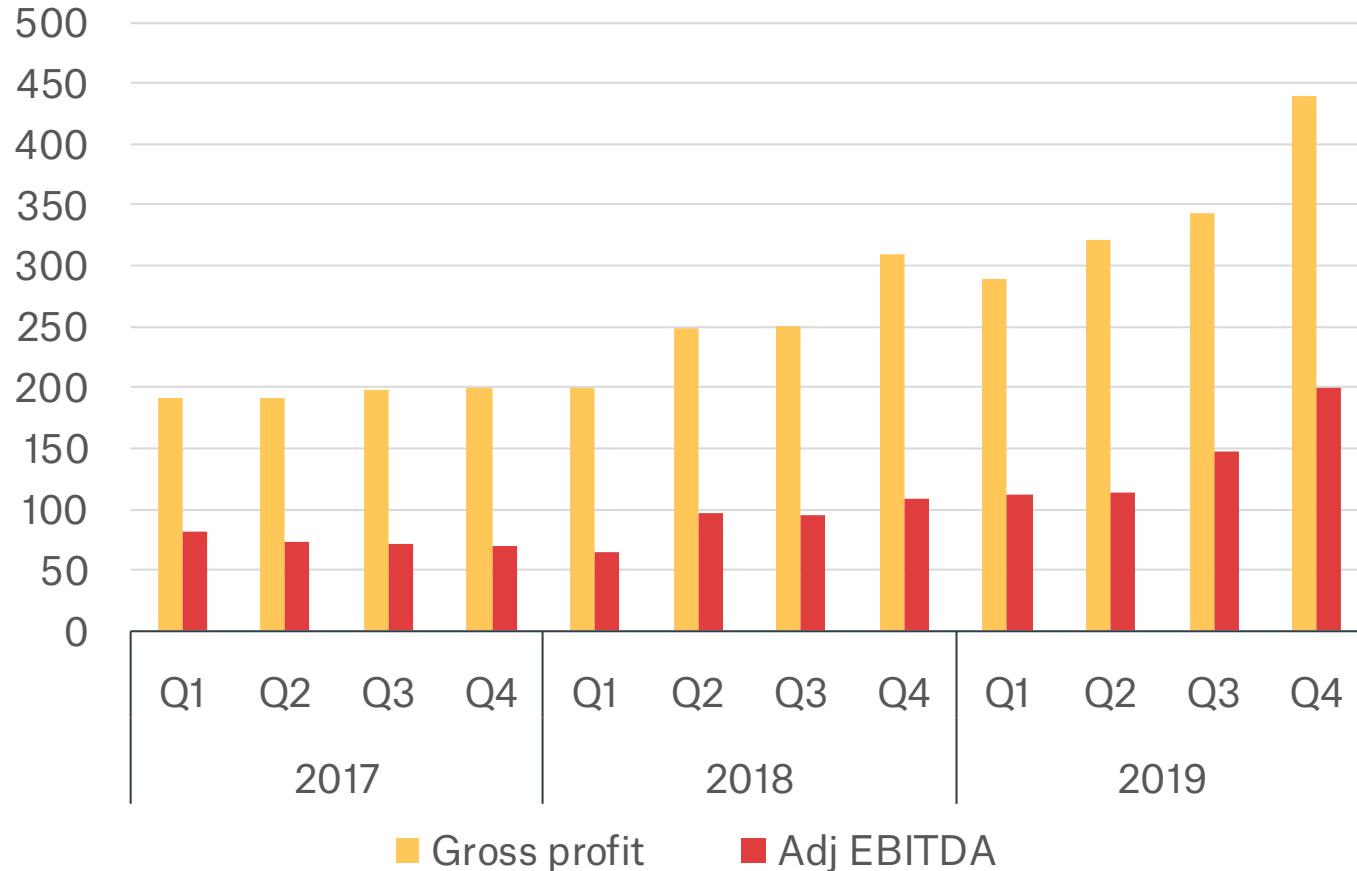
- Belfius is a tier 1 bank in Belgium servicing 3.5 million customers.
- Its mobile app is the most used banking app in Belgium and has won numerous awards for its convenience.
- Sinch's Chatlayer team helped the bank become even more conversational with the Chatlayer.ai platform.

## Two intelligent chatbots for targeted use cases

- Bbot answers questions about daily banking and is an expert on questions on fees or how to transfer money abroad.
- myBo is used to report insurance claims, guiding the user step-by-step to ensure that all relevant information is collected.
- Service rated 4.5 out of 5 by end users.

# Organic and acquired growth

Sinch Gross profit and Adj EBITDA (SEKm)

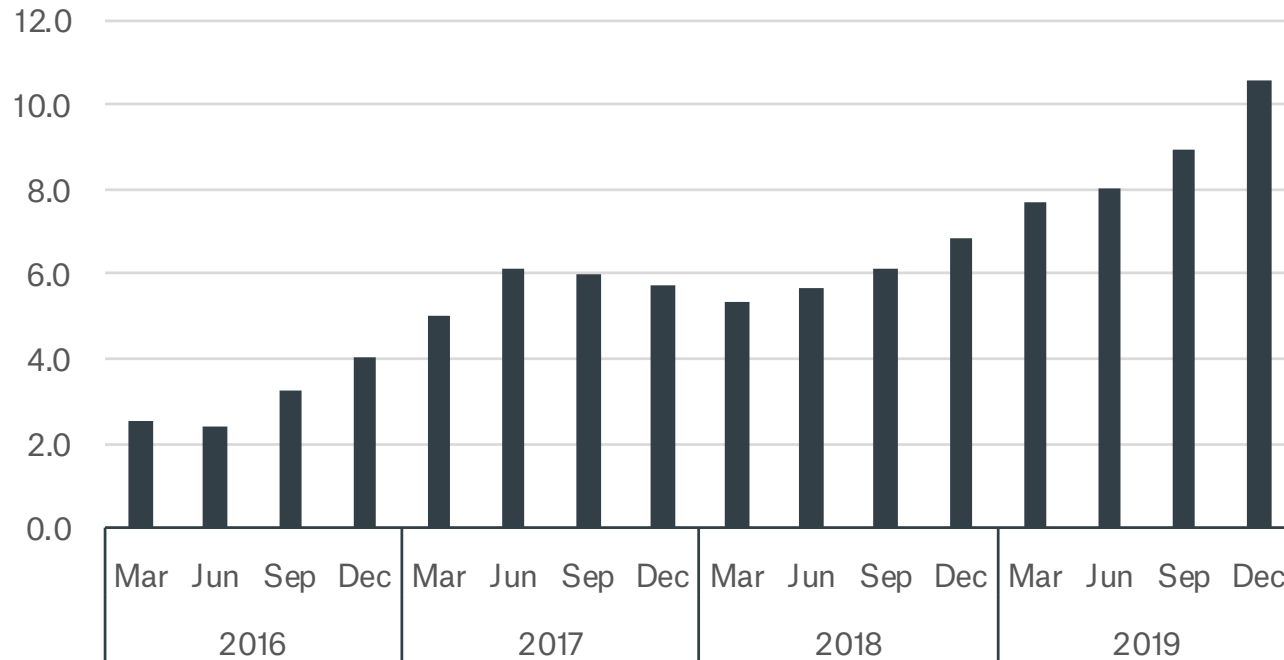


- **Focus on Gross profit and EBITDA since pass-through revenues vary between geographies**
- **Track record of profitable growth**
- **38% growth in gross profit and 56% growth in EBITDA in 2019**



# 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 54% in Q4 19, measured on a rolling 12 month basis
- Net debt/EBITDA of 1.7x, measured on a rolling 12 month basis





# Key highlights

1. **Attractive, large and growing addressable market**
2. **Market leading position in CPaaS and mobile customer engagement with global scale**
3. **Large potential for further growth with both existing and new customers**
4. **Proven M&A strategy with strong acquisition track record and maintained low leverage**
5. **Strong financial performance**



**Thanks!**

