



Annual General Meeting 2024

Laurinda Pang, CEO
Roshan Saldanha, CFO

MAY 16, 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

Highlights in 2023

01

Strong profitability

- Net sales of SEK 28.8 billion, up 4% from 2022.
- Gross profit of SEK 9.5 billion, up 8% from 2022 and corresponding to a 33% gross margin.
- Adjusted EBITDA margin of 12% and EBITDA margin of 11%

02

Solid cash flow

- Operating cash flow of SEK 1.8 billion in 2023.
- Amortized SEK 2.3 billion of debt in 2023.
- Net debt/Adjusted EBITDA excl. IFRS16 leases at 2.0x, down from 2.7x in Q1 2023.

03

Growth acceleration plan

- Launched Growth Acceleration Plan with launch of new organization from 1 January 2024.
- Initiatives focused around Go-to-market transformation, Product integration and Operational excellence.
- Self-funding transformation plan with efficiency measures. Targeting SEK 300 million gross opex savings run-rate by year-end 2024.

Our next phase

Exceptional M&A and organic growth

- Organic and acquired growth
- Mainly focused on messaging
- Three transformative acquisitions closed end-2021

2015-2021

Protect acquisitions and focus on cash flow

- Business Unit setup to protect value in acquired businesses
- Weakened business cycle
- Focus on cost control and cash flow

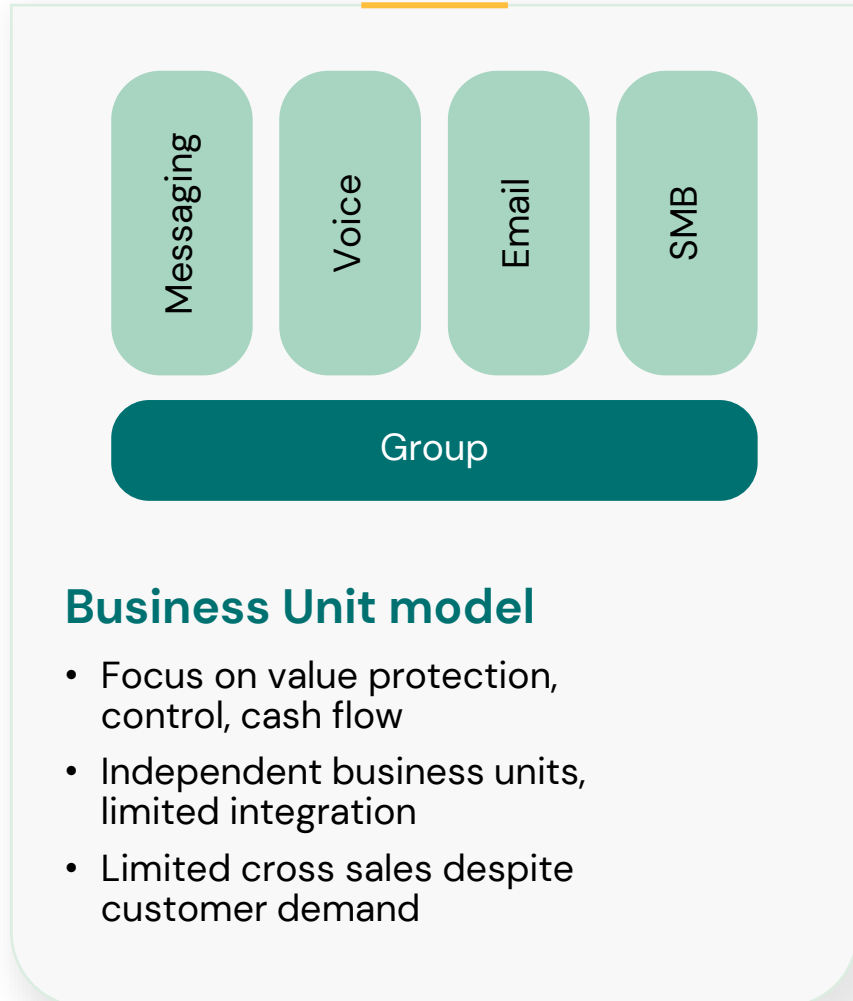
2022-23

Transformation for organic growth

- Maintain strong profitability & cash flow
- Increase focus on growth
- New operating model from January 1, 2024

2024+

New operating model



Design principles

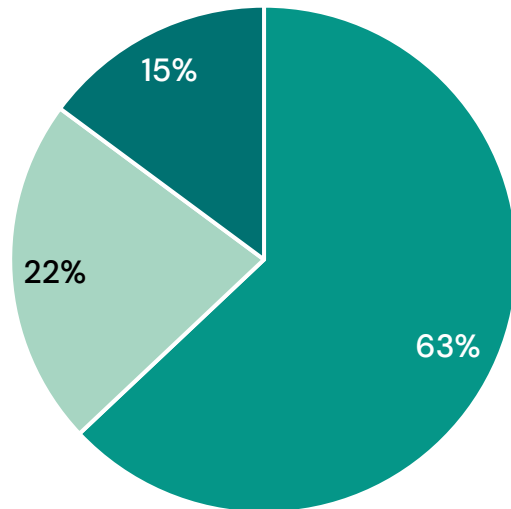
- Customer first
- Distributed decision making
- Leverage scale and efficiency of our global organization
- Distributed P&L ownership



Sinch overview

Operating segments

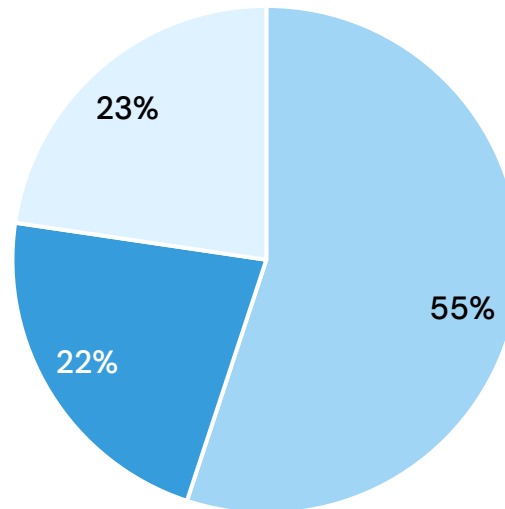
Gross profit by region, 2023



- Americas
- EMEA
- APAC

Product categories

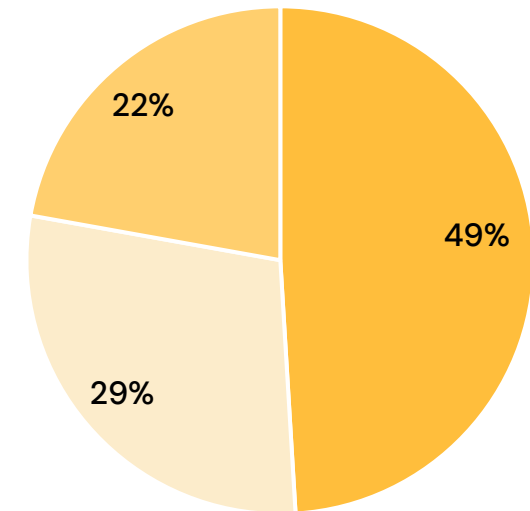
Gross profit by product, 2023



- API Platform
- Applications
- Network Connectivity

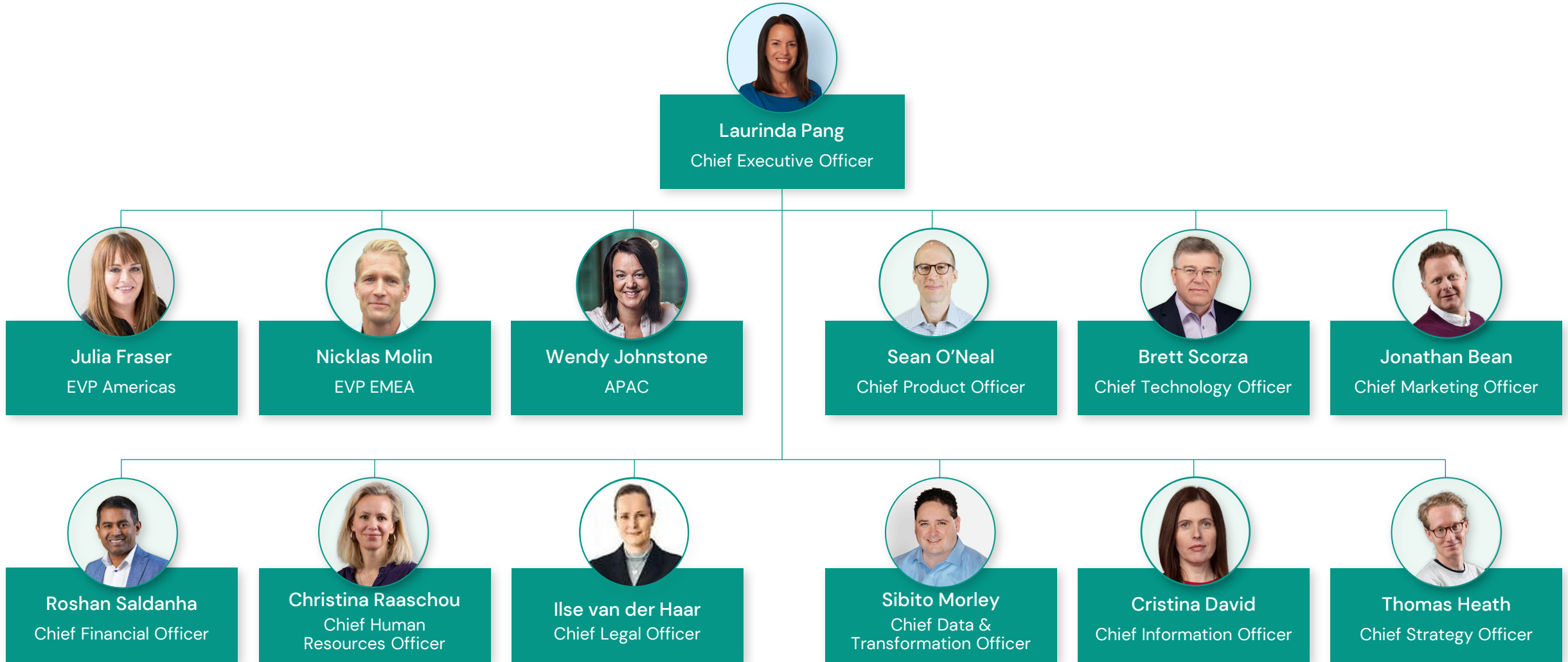
Expenditures

Adjusted opex by function, 2023



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

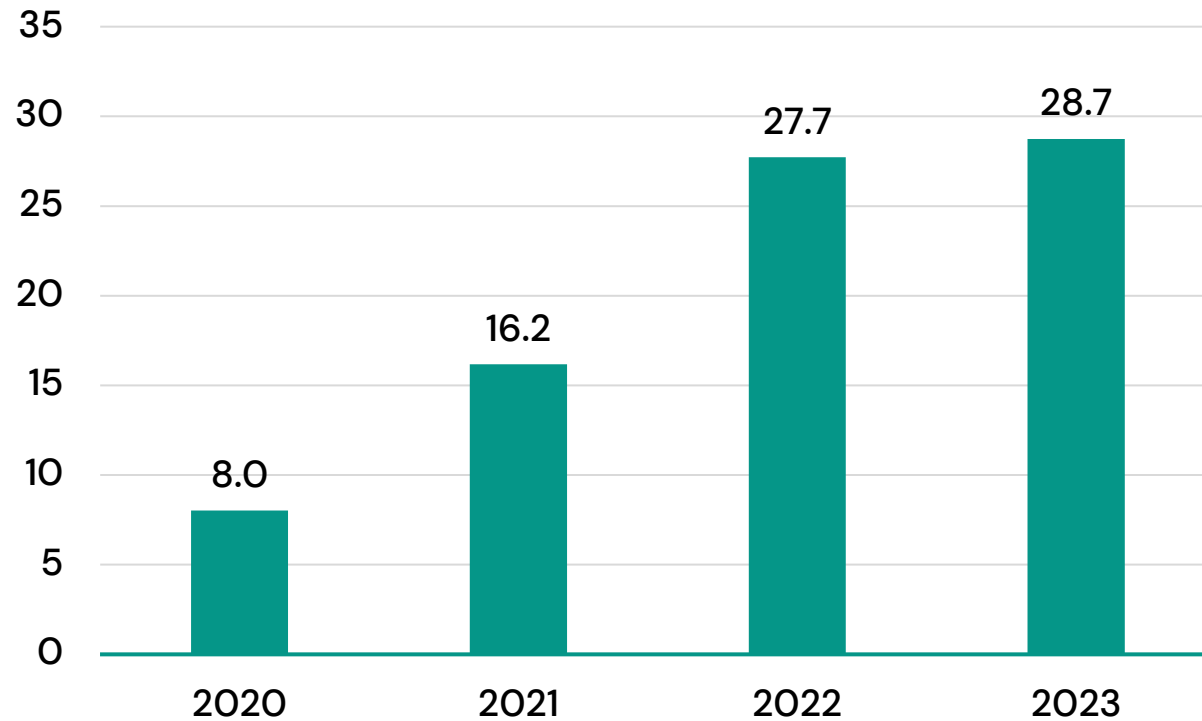
Global Leadership Team



Financials

Net sales

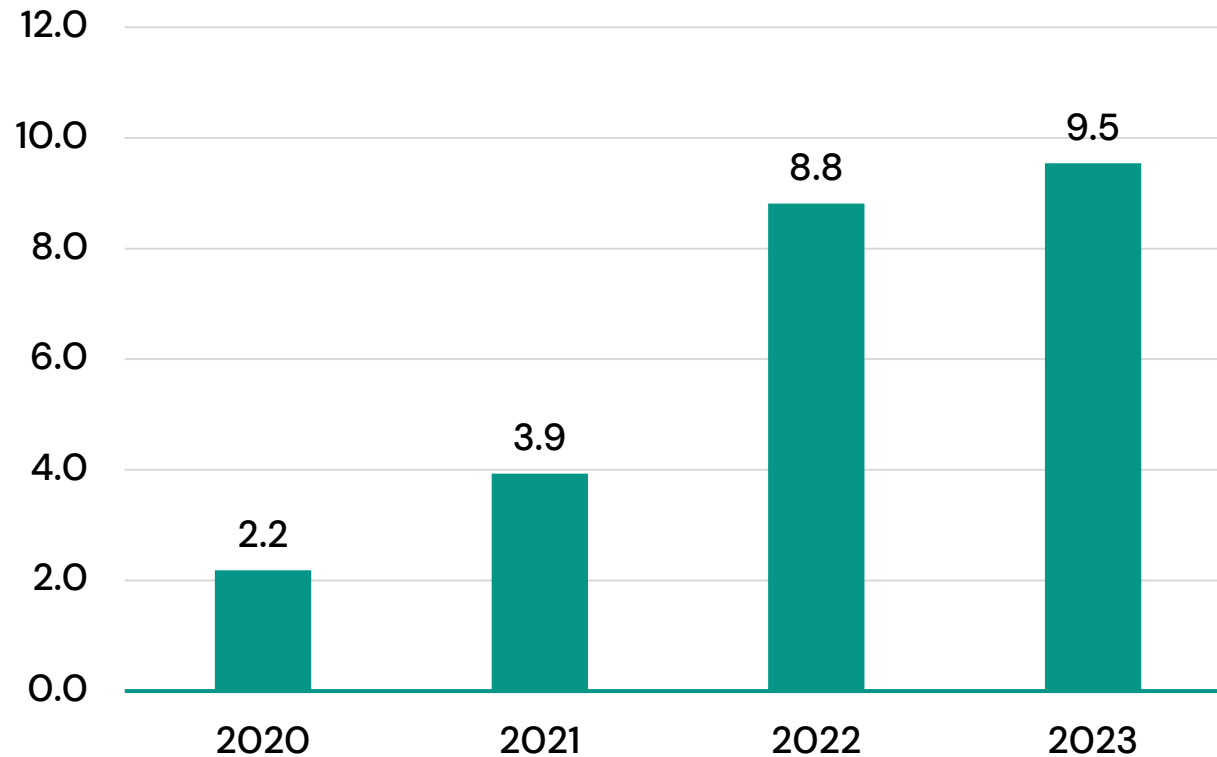
Net sales, SEKbn



- Net sales increased by 4% year-on-year
- Organic growth in constant currencies was -2%

Gross profit

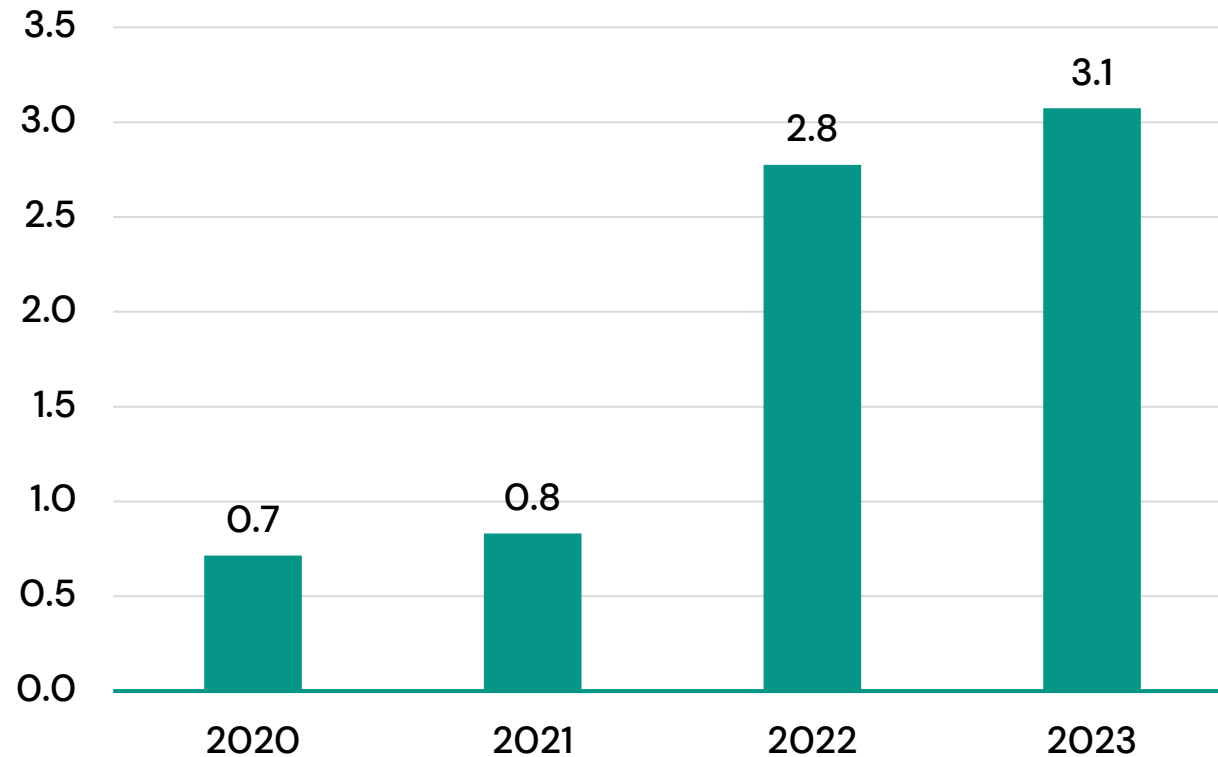
Gross profit, SEKbn



- Gross profit up 8% year-on-year
- Organic growth in constant currencies was 3%

EBITDA

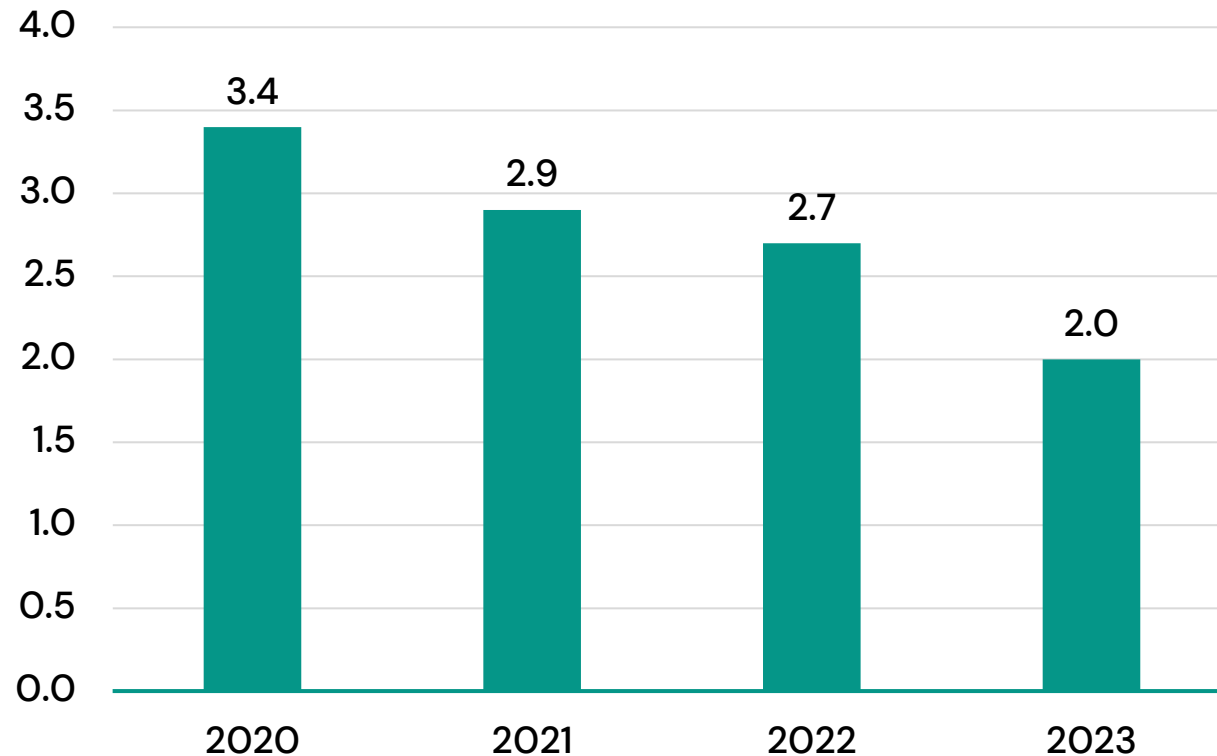
EBITDA, SEKbn



- EBITDA increased by 11% year-on-year
- Adjusted EBITDA increased by 16% over 2022, helped in part by favourable currency movements.

Reduced leverage

Net debt/Adjusted EBITDA R12m*

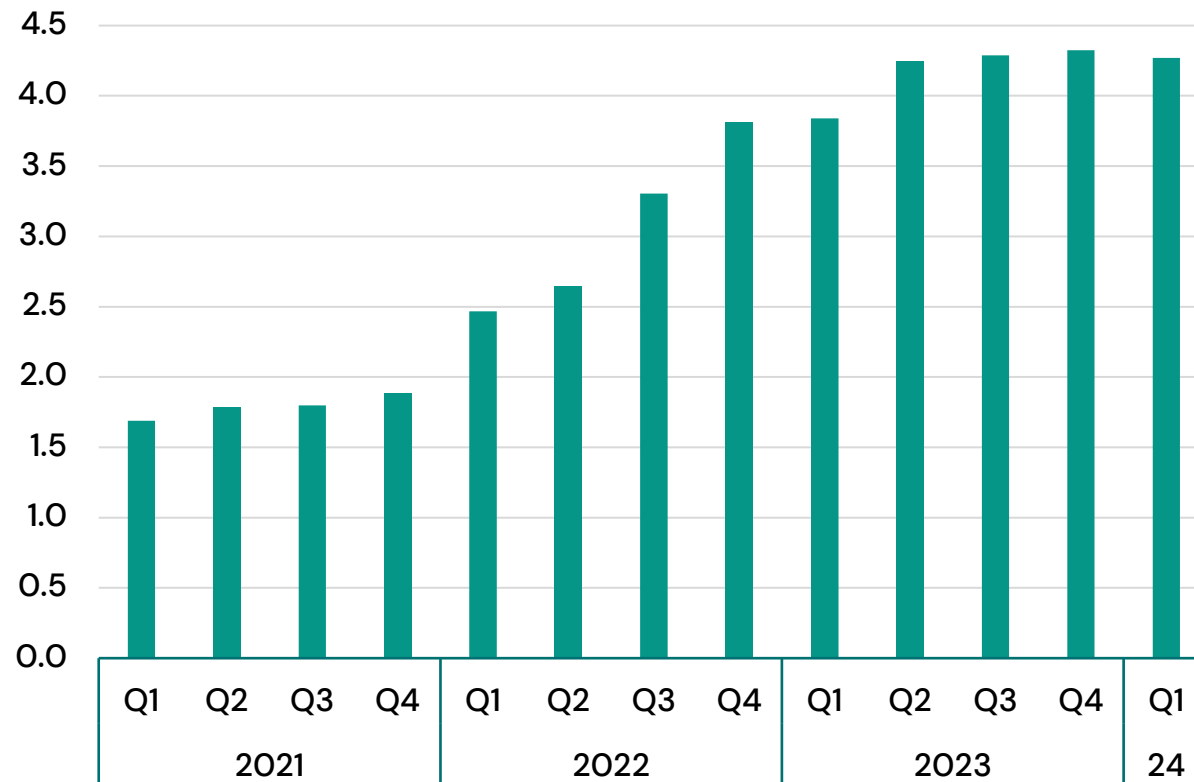


- Continued deleveraging with Net debt/EBITDA at 2.0x by year-end 2023
- Three components affecting Net debt/EBITDA:
 - EBITDA growth
 - Cash generation
 - Immediate currency impact on debt, but trailing impact on earnings

* For 2020 and 2021, Net debt/Adjusted EBITDA is calculated on a pro forma basis to capture the full impact of recent acquisitions. As of 2021, Net debt/Adjusted EBITDA is measured excluding IFRS16-related leases.

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 14% in 2023.
- Net debt/adjusted EBITDA of 2.0x, excl. IFRS 16-related leases, at year-end 2023.



Thanks!

For more information, contact:

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