



# Handelsbanken Nordic Innovation Leaders Seminar

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**SEK 6.0bn**  
revenue in the  
past 12 months

**SEK 708m**  
Adj. EBITDA in the  
past 12 months

**SEK 45bn**  
Market Cap

**1,110**  
people

**37** countries with  
local presence

Customer engagement through mobile technology

**87 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



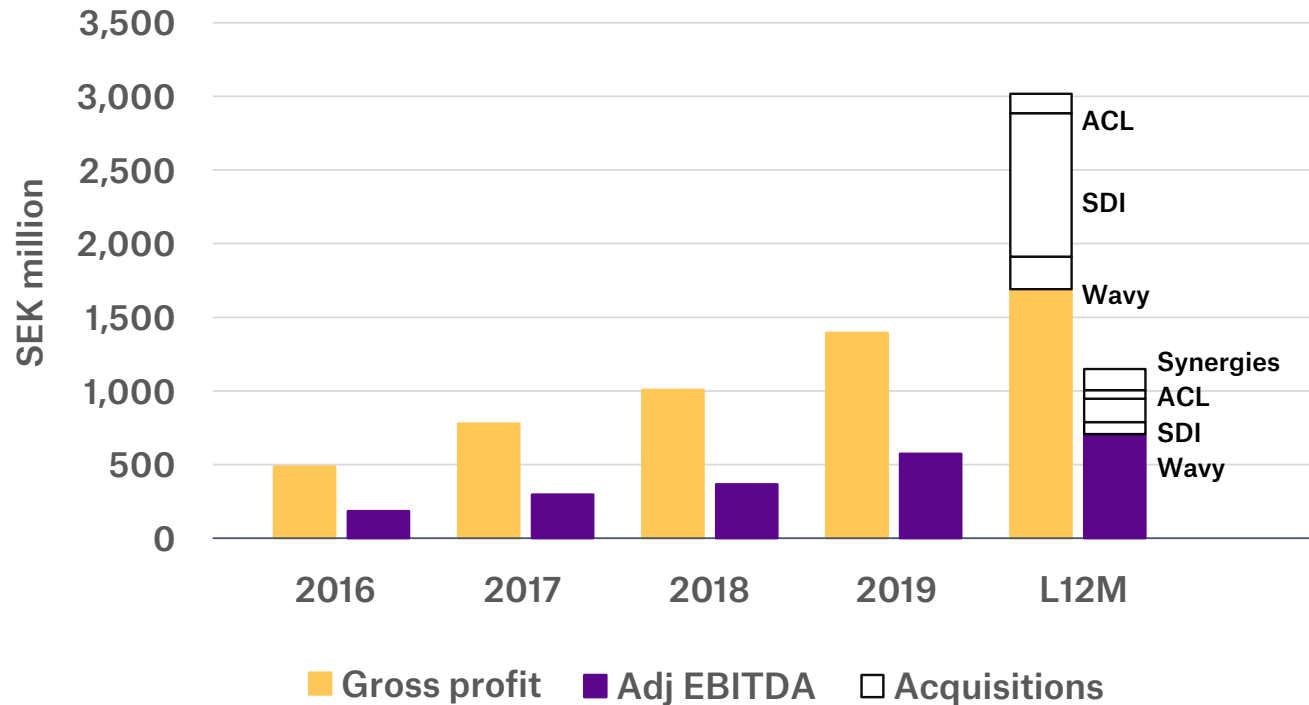
Profitable since our  
foundation in 2008



>600% 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**
- **43% growth in Gross profit and 55% growth in EBITDA in Q2 20**
- **Acquisitions of Wavy, SDI and ACL Mobile adding significantly to our scale and profitability**





# Creating value for businesses & their customers



**Email**



**SMS**



**Next-gen  
messaging**

Rich content  
Limited reach

Limited content  
100% reach

Rich content  
100% reach\*

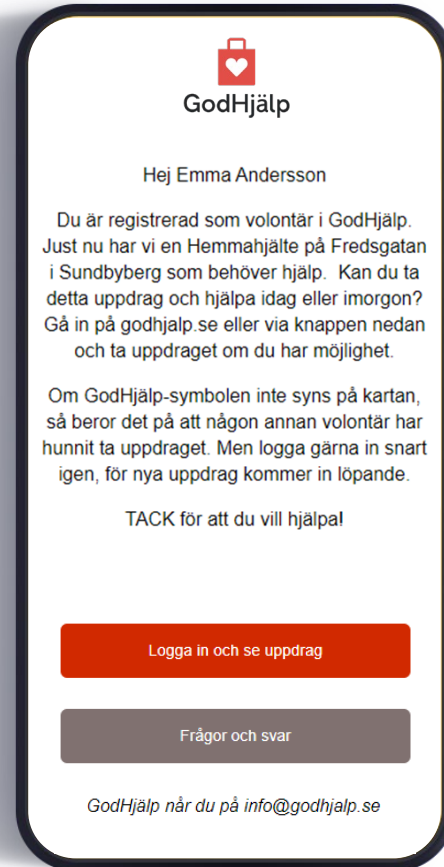
**35x higher open rate**

**App-like experience**

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



# Customer case: Home Heroes for GodHjälp



## The GodHjälp initiative

- Non-profit initiative to support Home Heroes in Sweden – people with heightened risk of serious Covid-19 infection who support society by staying at home
- Volunteers sign up to deliver food and pharmacy goods to Home Heroes in their neighborhood
- Home Heroes and volunteers coordinated through the GodHjälp platform

## Sinch contribution

- Notifications via Rich SMS let volunteers know when their help is needed
- Dynamic landing page delivering an app-like experience without any downloads
- Sinch involvement fully pro bono

# The Sinch Conversation API



- **Send and receive messages on multiple conversational channels through a single API**
- **Leverage the expanded feature set of next-generation messaging channels**
- **WhatsApp, RCS, Viber, SMS and more**
- **Support for bots with seamless handover to a human when needed**

# Playbook for profitable growth

## Software-as-a-Service

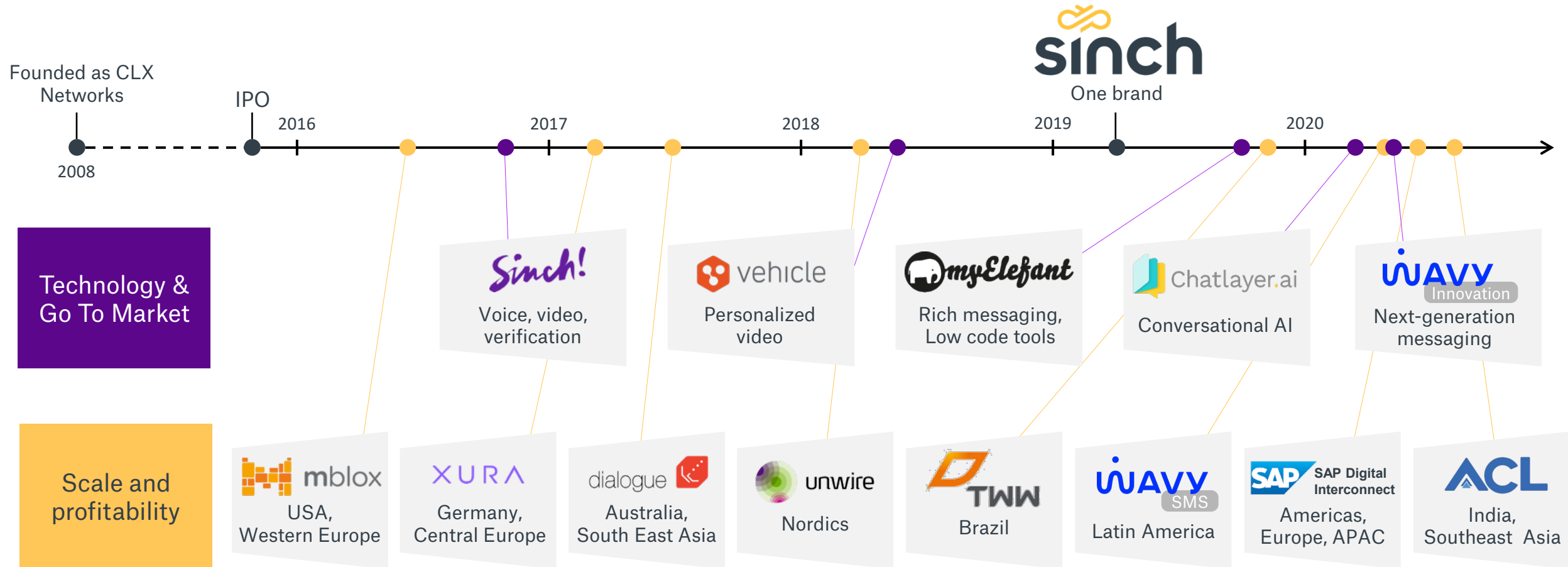
- Empower businesses to leverage rich and conversational messaging
- Increase our software value-add (CPaaS) in addition to our connectivity offering
- Increase stickiness with maintained scalability

## 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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# Strategic acquisitions



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



# India

- **2<sup>nd</sup> largest mobile market in the world with a population exceeding 1.3 billion<sup>1</sup>**
- **1.2 billion mobile subscribers<sup>2</sup> and ~50% smartphone penetration**
- **World's highest data usage per smartphone<sup>3</sup> at 9.8 GB/month**
- **World's largest WhatsApp market<sup>4</sup> with 400 million users in July 2019**



# ACL Mobile

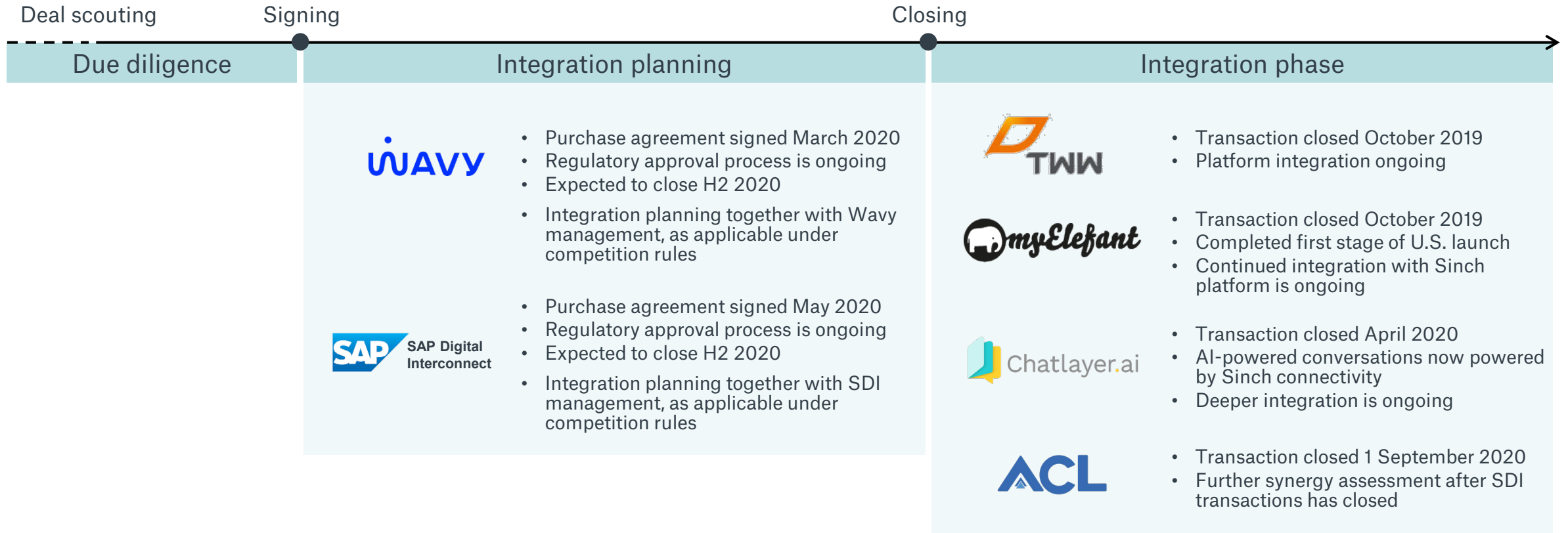
- **Fully consolidated from 1 September**
- **Traffic volumes now recovering from negative Covid-19 impact in spring 2020**
- **Strong underlying performance with customers in banking and finance**
- **First cross-sell of Chatlayer technology to ACL customer within 11 days of closing**

Sources:

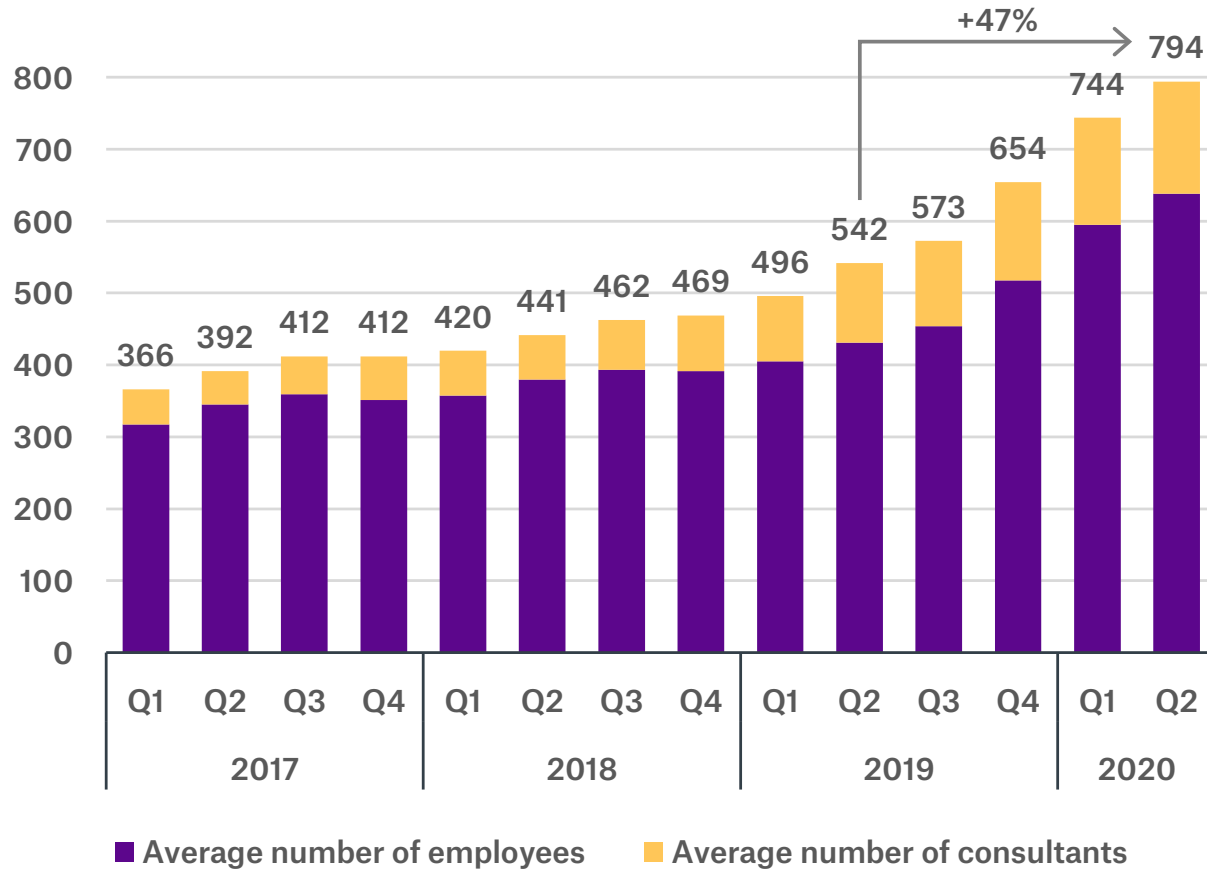
(1) [World Bank](#) (2) Telecom Regulatory Authority of India ([TRAI](#)), January 2020  
(3) [Ericsson Mobility Report](#), June 2019 (4) [Techcrunch](#)



# Integration process



# Headcount increase

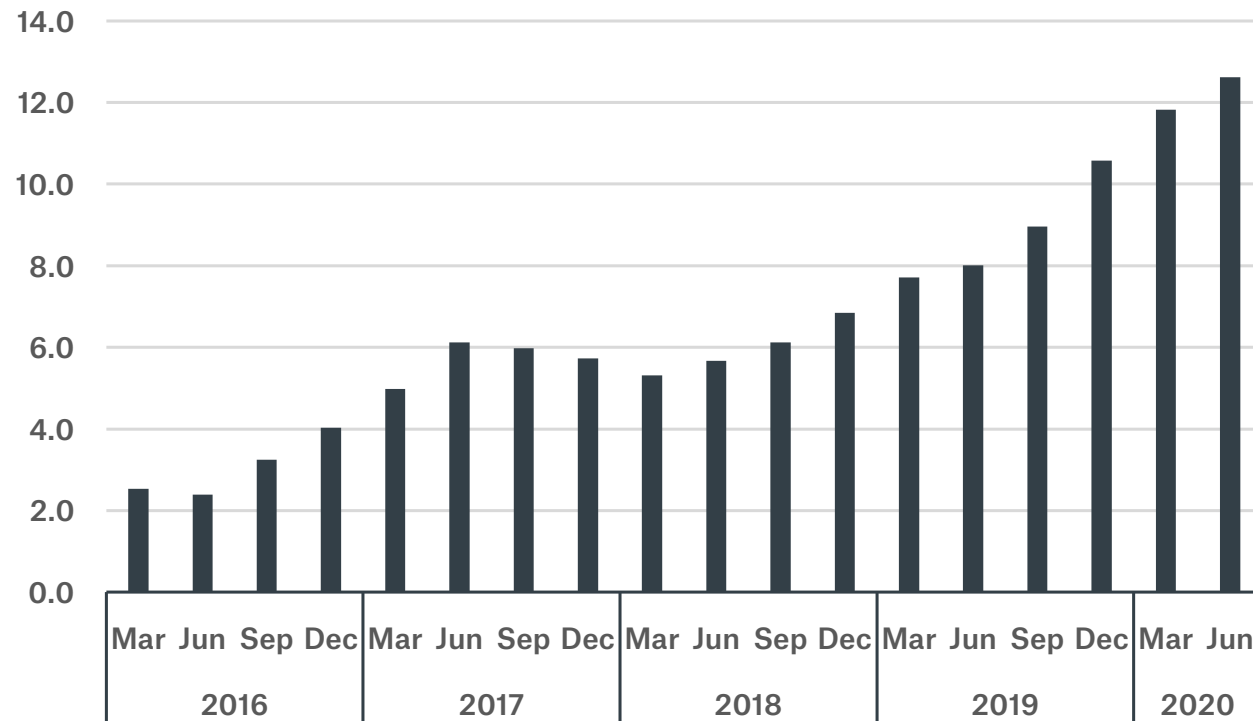


- Headcount rises with recruitment and acquisitions
- Employee cost is the largest contributor to group Opex
- Headcount at 822 at end of Q2
- Headcount increase in line with recent quarters excluding acquisitions



# 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

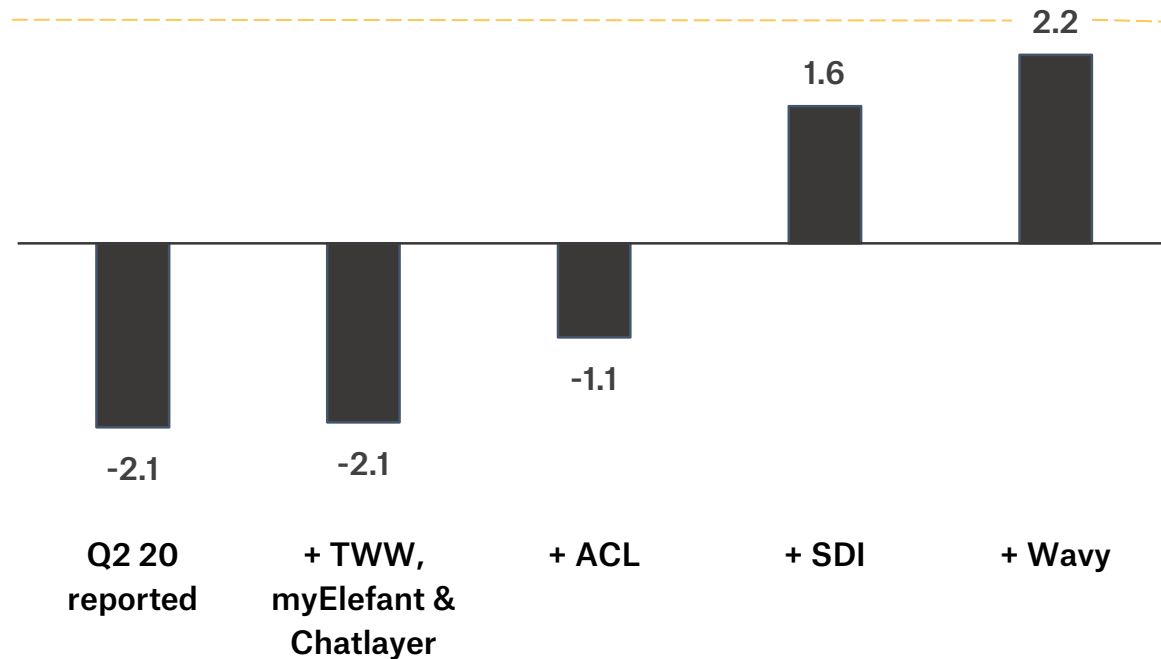
## Performance:

- Adjusted EBITDA per share grew 57% in Q2 20, measured on a rolling 12 month basis
- Net debt/EBITDA of -2.1x, measured on a rolling 12 month basis



# Financial leverage

Pro forma net debt/Adjusted EBITDA



- Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
- Financial target is to maintain Net debt < 2.5x adjusted EBITDA over time
- Leverage expected to decline in coming periods as EBITDA grows and cash is generated



# Key priorities ahead



**Continued growth with US-based, global tech companies**

**Initiatives for broadened growth across the base**

**Closing of pending transactions**

**Integration planning for SDI and Wavy**

**Continued strengthening of our connectivity offering**

**Investment in SaaS products for advanced, next-generation messaging**

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**Thanks!**

