



# Investor Presentation

(NASDAQ: SNCR)

November 2021



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In addition to US GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with US GAAP. A reconciliation of historical non-GAAP measures to historical GAAP measures is contained in the Appendix.

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# Synchronoss Leadership



**Jeffrey Miller**  
President, CEO & Director

## PRIOR AFFILIATIONS



**Jeff Miller** serves as President and Chief Executive Officer (CEO) and as a member of the Company's Board of Directors.

Jeff previously served as President for IDEAL Industries Technology Group, focusing on designing and delivering solutions for smart commercial buildings and spaces. Jeff also serves on the Board of 1871, Chicago's largest start-up incubator, and on the non-profit Boards of Aspire Chicago and Junior Achievement.

Before joining IDEAL Industries in 2017, Jeff completed a 16-year career with Motorola, most recently as Corporate Vice President and General Manager of Operations in North America for Motorola Mobility, LLC.

Jeff graduated with a B.S. degree from Miami University and later earned his M.B.A. from The Ohio State University.



**Taylor Greenwald**  
Chief Financial Officer

## PRIOR AFFILIATIONS



**Taylor Greenwald** serves as Chief Financial Officer at Synchronoss. Taylor brings to Synchronoss more than 20 years of public company experience managing all financial functions of large global public organizations. He most recently served as Senior Vice President Finance and Chief Financial Officer, Web Presence for Endurance International Group, an IT services company. Prior to that, he spent 18 years with Convergys Corporation where he held several senior leadership roles, including Senior Vice President Finance, Controller and Chief Accounting Officer.

Taylor is a graduate of the Georgia Institute of Technology with a Bachelor of Industrial Engineering and received his MBA from the MIT Sloan School of Management.



**Lou Ferraro**  
EVP, Finance & Chief Human Resources Officer

## PRIOR AFFILIATIONS



**Lou Ferraro** joined Synchronoss in 2018 and currently serves as EVP, Finance & Chief Human Resources Officer. Prior to joining Synchronoss, Lou worked as a business consultant for the Populus Group supporting Comcast Corporation.

From 2014 to 2016, Lou was the COO/CFO of BrandYourself.com Inc. where he led the finance and operations team during a period of intense growth. From 2010 to 2014, Lou served as CFO of AWI/iMobile as well as CEO of the Magicpins.com (business unit). From 2008 to 2010, Lou served as CFO of Vitaltrax.com.

From 2004 to 2008, Lou was an SVP for IDT where he founded TuYo Mobile, a wireless MVNO. From 1991 to 2004, Lou worked for AT&T Mobility. Prior to AT&T Mobility, Lou held various finance and operations positions at Verizon Wireless.

Lou graduated with a B.S. degree from Montclair State University and earned his CPA in NJ.



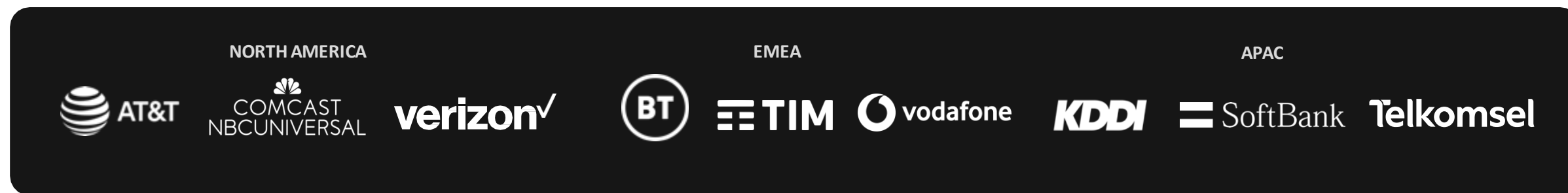
## What we do

Synchronoss delivers software platforms that drive revenue growth and consumer engagement for global network operators and service providers



# Synchronoss Overview

- **NASDAQ:** SNCR
- **HQ:** Bridgewater, NJ | ~1,600 employees | 135+ patents
- **150** network operator and service provider customers

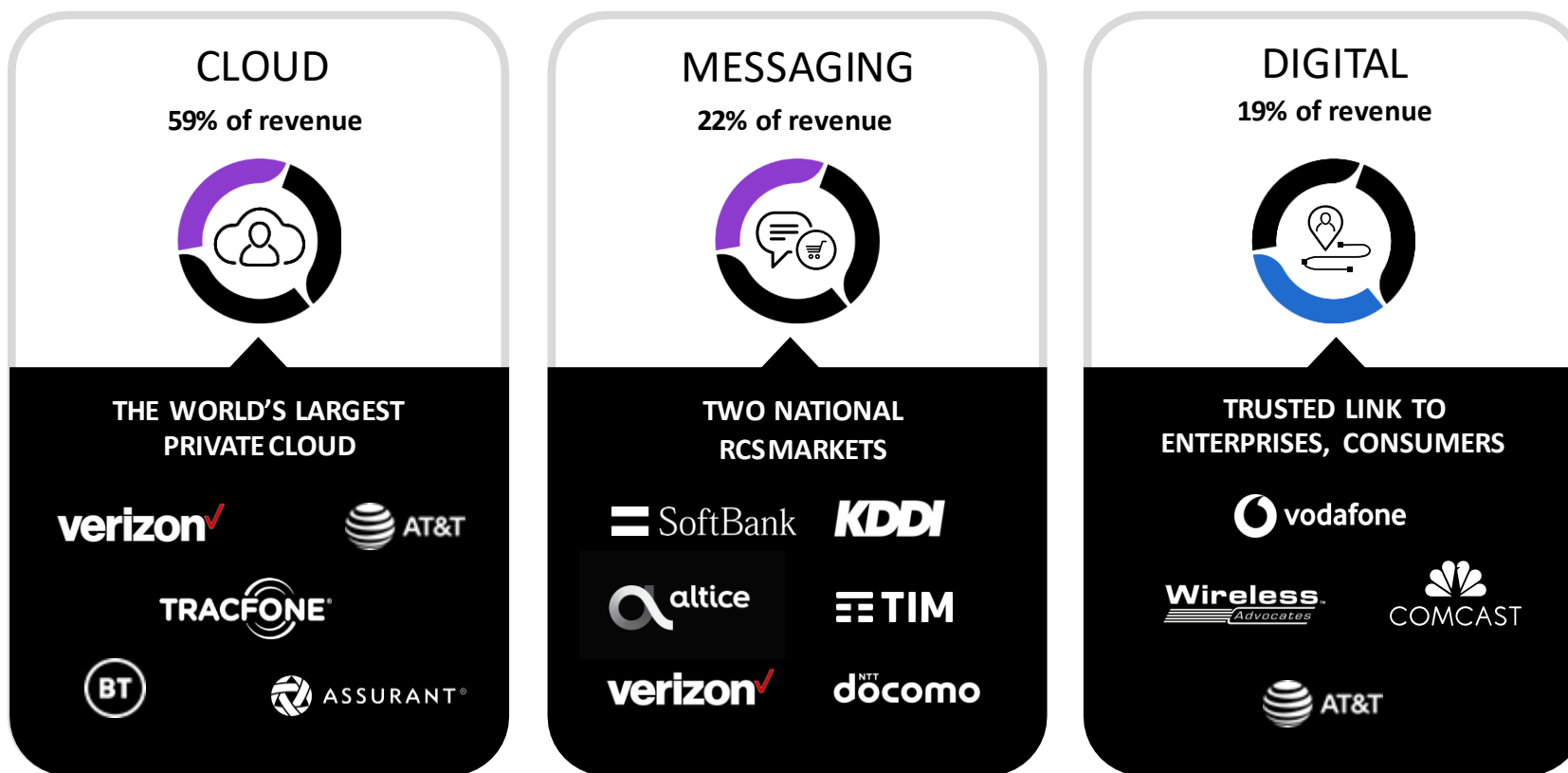


- 16% Cloud Subscriber growth Y/Y, up from 12%
- 85% Recurring Revenue YTD
- 2021 revenue guidance = \$275MM - \$285MM<sup>(1)</sup>

- Cloud TAM of 400MM+ carrier subscribers
- Vast majority of revenue under LT contracts
- 2021 Adj. EBITDA guidance = \$39MM - \$43MM<sup>(1)</sup>

# Synchronoss Platforms

Our software platforms are trusted by global network operators and service providers to lower costs and drive revenue growth by increasing subscriber engagement





# 5G Will Drive New Opportunities for Synchronoss Services

5G is revolutionizing subscriber apps and will enable new use-cases for our global carrier partners and their subscribers



CLOUD

*More powerful 5G enabled mobile devices driving ever increasing need for cloud storage*

**85% OF CONTENT IS MOBILE**

**UNLIMITED CLOUD**

- Mobile
- Home
- IoT



MESSAGING

*RCS – messaging standard for 5G – allows for a richer messaging experience and better monetization opportunities for operators*

**1.7T A2P MESSAGES/YEAR**


**ENHANCED SMS**

- Seamless Experiences
- Brands opportunity
- Operator revenue

# A Critical Growth Window for Operator Cloud


Synchronoss offers the world's leading white-label private cloud platform providing network operators with a profitable revenue stream for their most valuable subscribers


GLOBAL MARKET OPPORTUNITY




**3.5B+**  
Personal Cloud  
Users (2019)  
Statista.com 2019

**\$25B**  
Global opportunity  
by 2025  
Nasdaq






**Personal Cloud:** Store,  
Sync from any device



**Device Setup:** Cloud  
installation




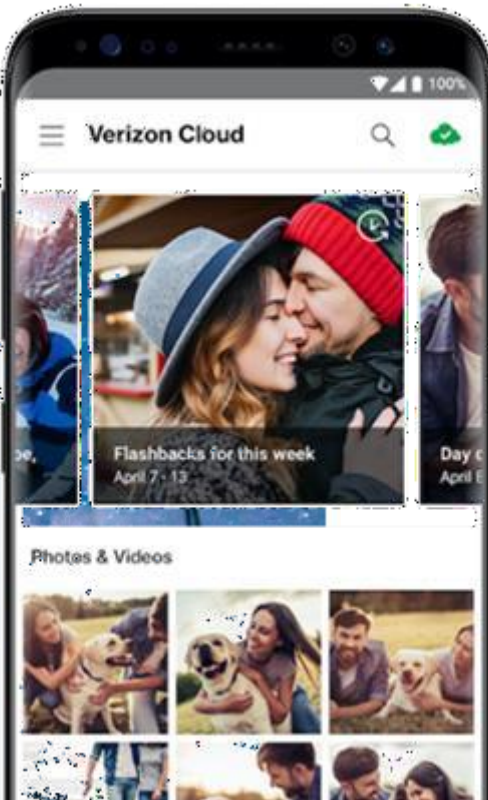
**Transfer:** Content  
between devices

**Unlimited  
Verizon Cloud  
is here**

Safely store photos, videos, and documents  
from your phone and computer to the cloud

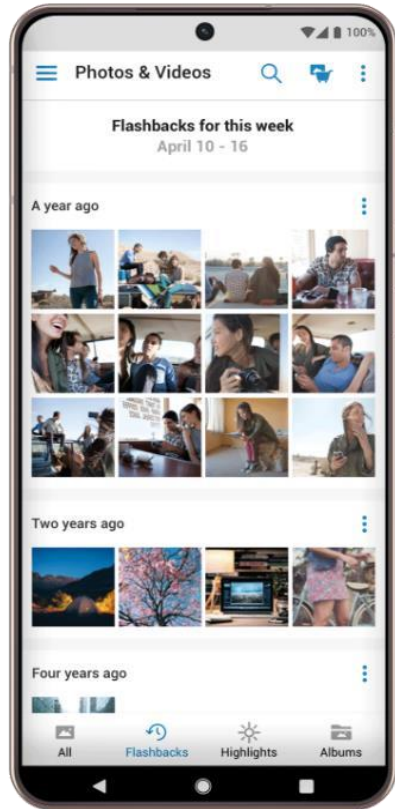
[Get Cloud](#)







# New Customers in 2020 -2021 Quadruples Our Cloud Subscriber TAM



**verizon**

120MM SUBSCRIBERS\*



100MM SUBSCRIBERS



50MM SUBSCRIBERS

**Telkomsel**

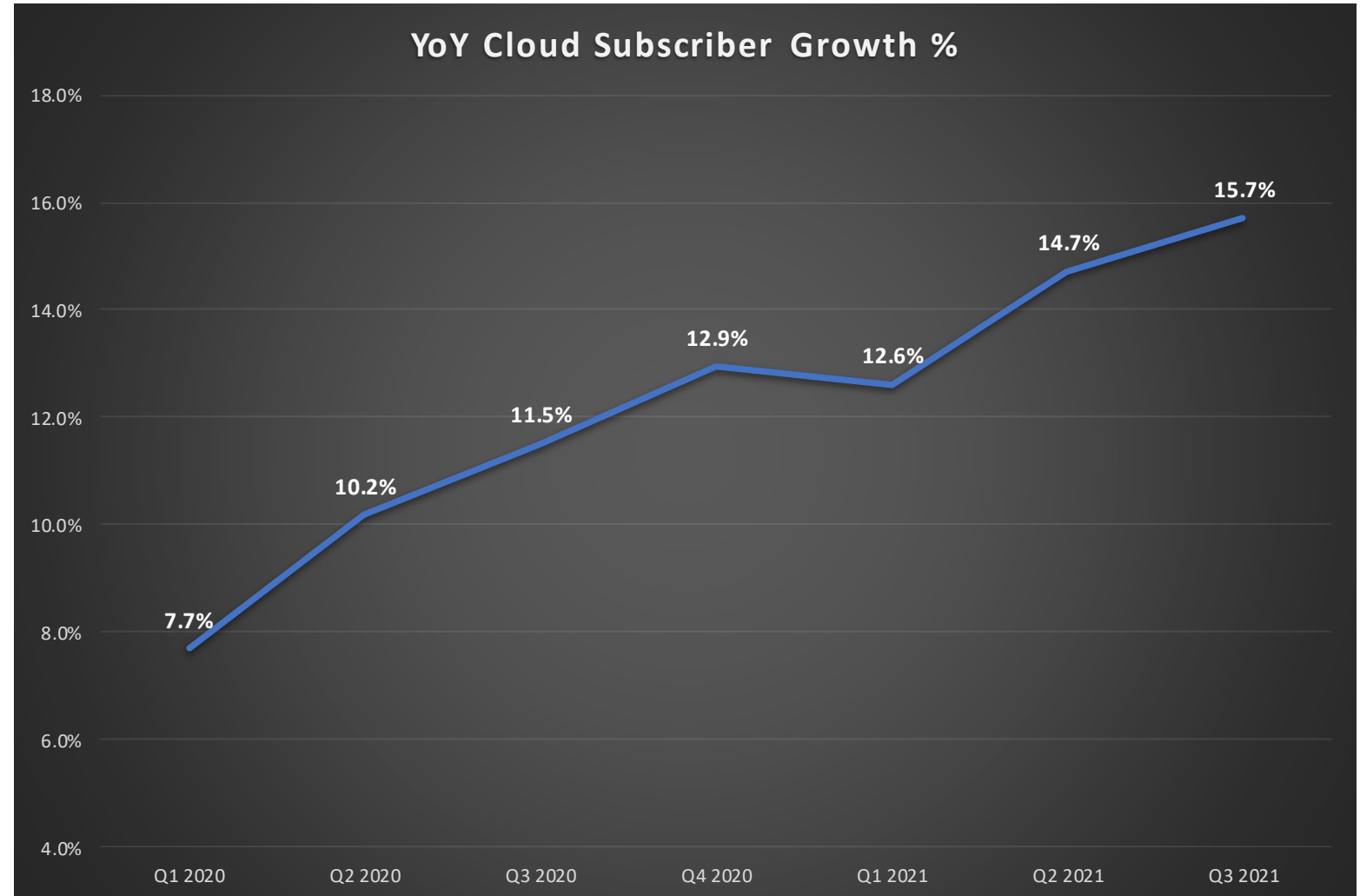
170MM SUBSCRIBERS

## A Proven Success Model

- Eleven operator/service provider customers
- \$160MM in trailing twelve-month revenue
- High contribution margin/  
Incremental subscriber margin
- Recurring, long-term contracted revenue
- Recent 2021 wins
  - Telkomsel/Telkomsigma
  - Allstate Protection Plans
  - Kitamura
  - uscellular

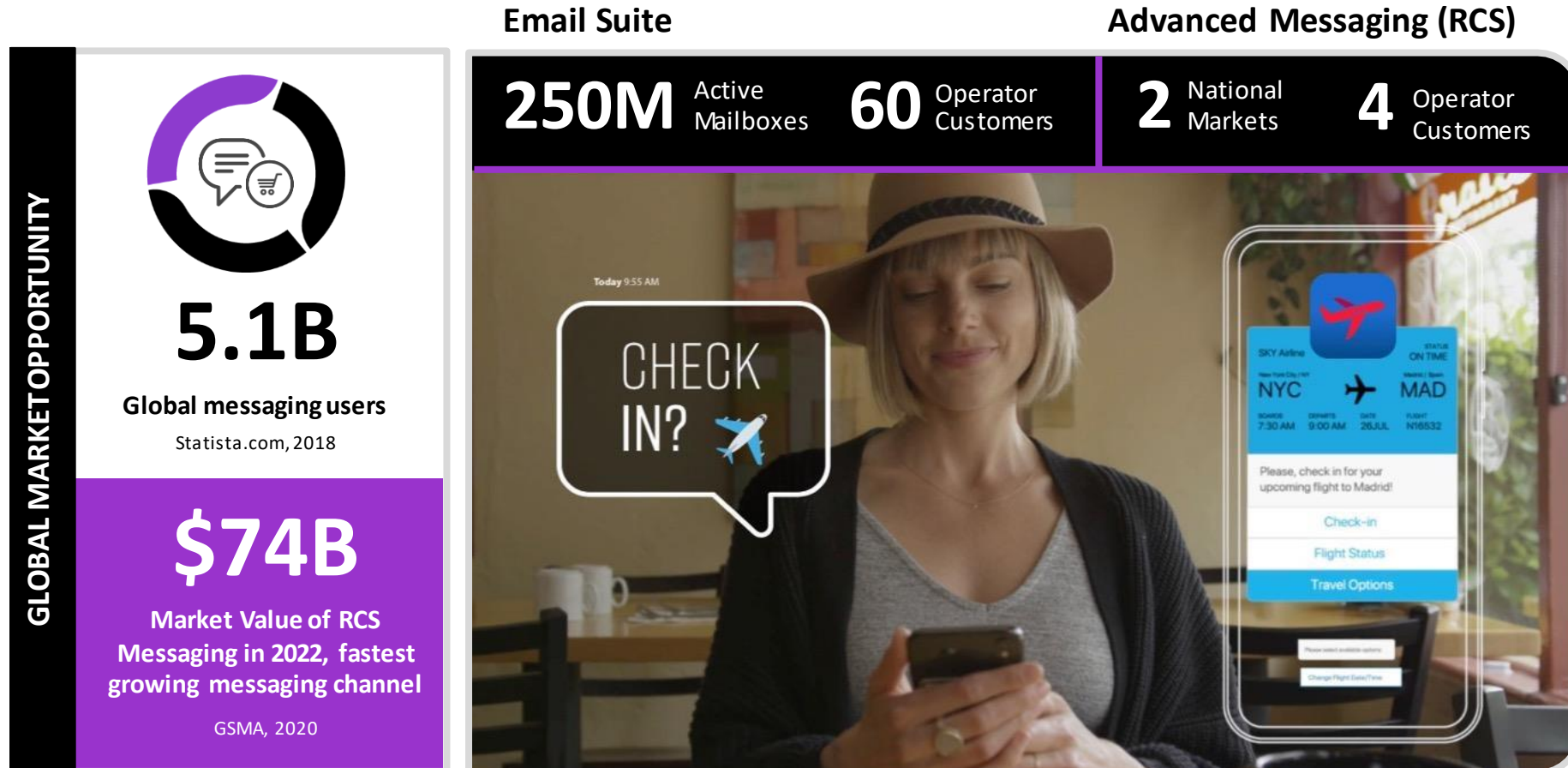
# Sustaining Double-Digit Growth in Cloud Subscribers

- Cloud Subscriber TAM has grown 4x in 24 months
- Telekomcel, Telkomsigma, and Kitamura to begin Q1: 2022
- Verizon and AT&T subscriber growth are outperforming forecasts



# Synchronoss Messaging Platform

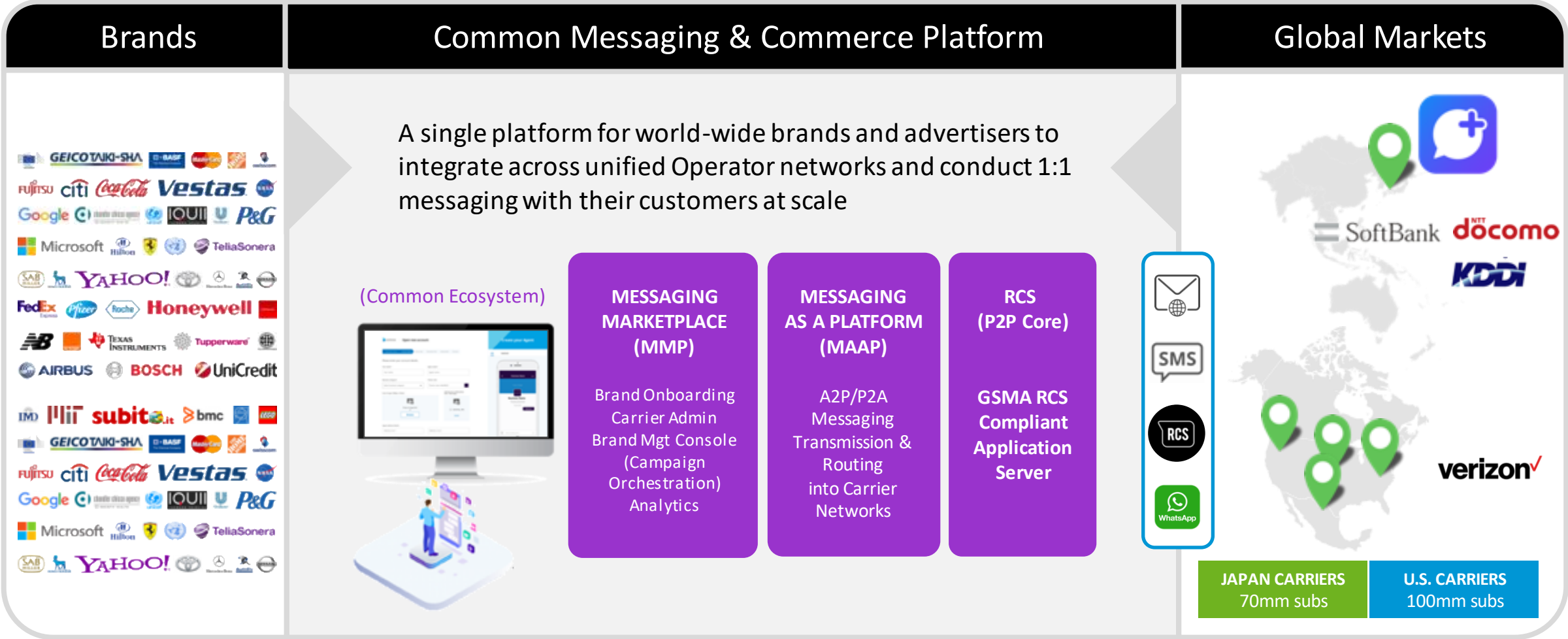
An end-to-end platform that powers the world's leading white-label email and advanced messaging services





# What is Advanced Messaging?

Synchronoss Advanced Messaging focuses on the underlying messaging platform (MaaP) and powering B2C commerce



# Synchronoss Digital Portfolio

Our digital solutions help transform new experiences, customer journeys, delivery timelines and bottom-line savings to network operators

GLOBAL MARKET OPPORTUNITY

**\$14.5B**

Expected spend  
on customer  
experience  
management in  
2024

Statista, 2019



**Activation:**

Digital activation of  
wireless accounts,  
billing integration



**DXP:**

Delivering  
omnichannel  
customer journeys,  
automated customer  
onboarding, slashing  
time-to-market



**Financial  
Analytics/iNOW:**

Integrated order  
lifecycle and network  
expense management  
platform providing end-  
to-end governance



**SpatialSUITE:**

Manages the planning,  
design, construction, and  
delivery of physical  
network assets and  
inventory management

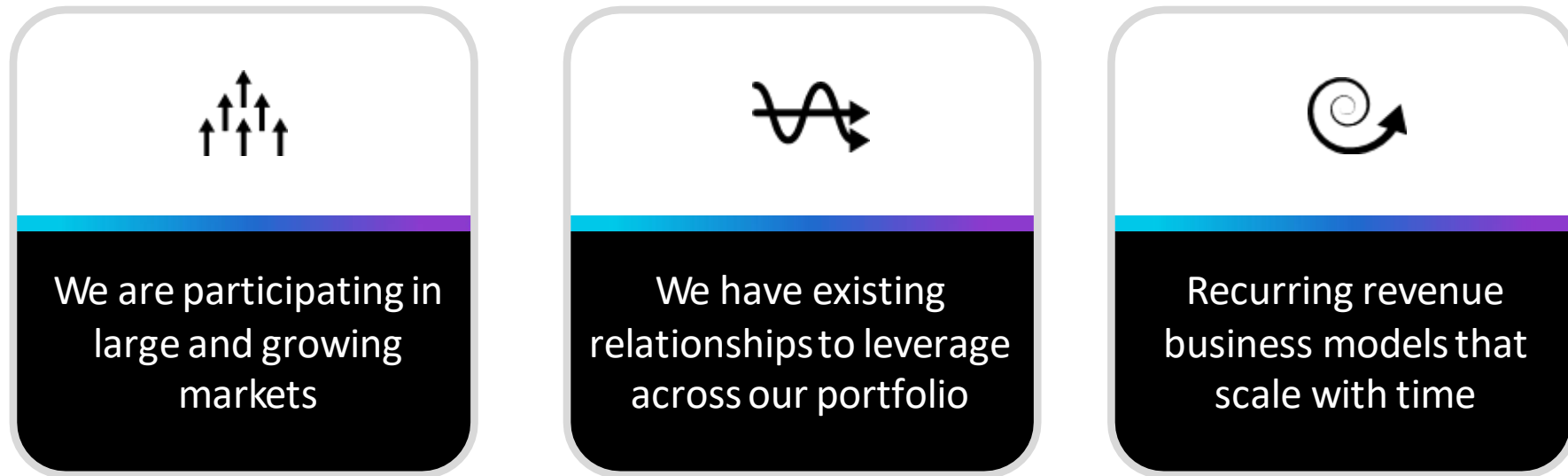


Globe



LUMEN

# Synchronoss is focused on its lines of business with the most potential for future growth and profitability



Now, More than Ever, Our Platforms are Vital to Helping our Customers Grow New Revenue, Lower Costs and Provide their Subscribers with Essential Services



# Financial Section

# Q3 2021 Financial Results

\$(millions)	2020	2021	% Change	
<b>GAAP Revenue</b>	\$68.6	\$69.8	Up 2%	The increase in revenue was a result of growth in Cloud and Digital revenue which was up 9% and 14% year-over-year respectively, offset by a Y/Y decrease of 26% in our messaging business, largely a result of the dissolution of CCMI. Growth in Cloud is being driven by subscriber growth of 16% Y/Y versus 12% Y/Y in the prior year.
<b>Adjusted Gross Profit</b>	\$40.8	\$43.3	Up 6%	The increase in AGP is a result of leverage in COGS from subscriber growth, and efficiency gains in our hosting operations.
<b>Adjusted Gross Margin</b>	59.4%	62.1%	+270 bps	Adjusted Gross margin improved due to leverage from subscriber growth and continued efficiency gains in our hosting operations.
<b>Total Costs and Expenses</b>	\$85.6	\$80.3	Down 6%	Total Costs and Expenses were down \$5.4 million from the prior year due to decreases in operating costs resulting from cost cutting initiatives that resulted in savings of \$45 million in F2020. However, the company also saw higher one-time expenses relating to existing legal matters in Q3.
<b>Net loss attributable to Synchronoss</b>	(\$15.4)	(\$9.8)	36%	Net loss attributable to Synchronoss declined as a result of the recapitalization of the company which resulted in a lower preferred dividend payment in-quarter.
<b>Adjusted EBITDA*</b>	<b>\$8.1</b>	<b>\$12.3</b>	<b>52%</b>	<b>Twelve consecutive quarters of positive adjusted EBITDA</b>

# Accelerating Cloud Subscriber Growth Driving Improving Results

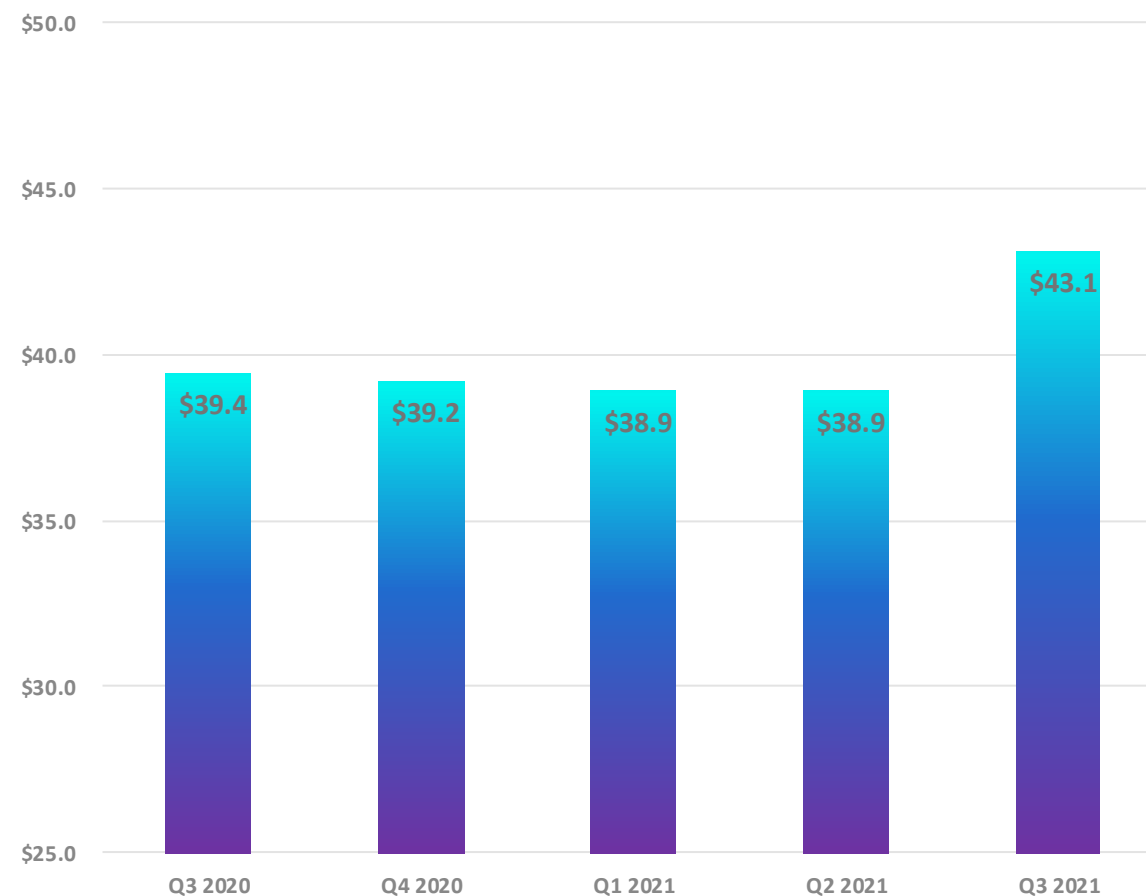


- Reported Q3 Cloud revenue of \$43 million, up 9% Y/Y and 11% Q/Q
- Cloud Subscribers grew 16% on a TTM basis, versus 12% in the prior year – believe we can sustain momentum in 2022
- Increased our Verizon revenue recognition model to reflect higher-than-projected subscriber growth
- Signed significant contract with Telkomsel, Indonesia's largest wireless carrier with 170 million subs
- Have signed 4 new customers for Cloud in 2021. Potential subscriber base represented by our Global footprint now stands at 400 million

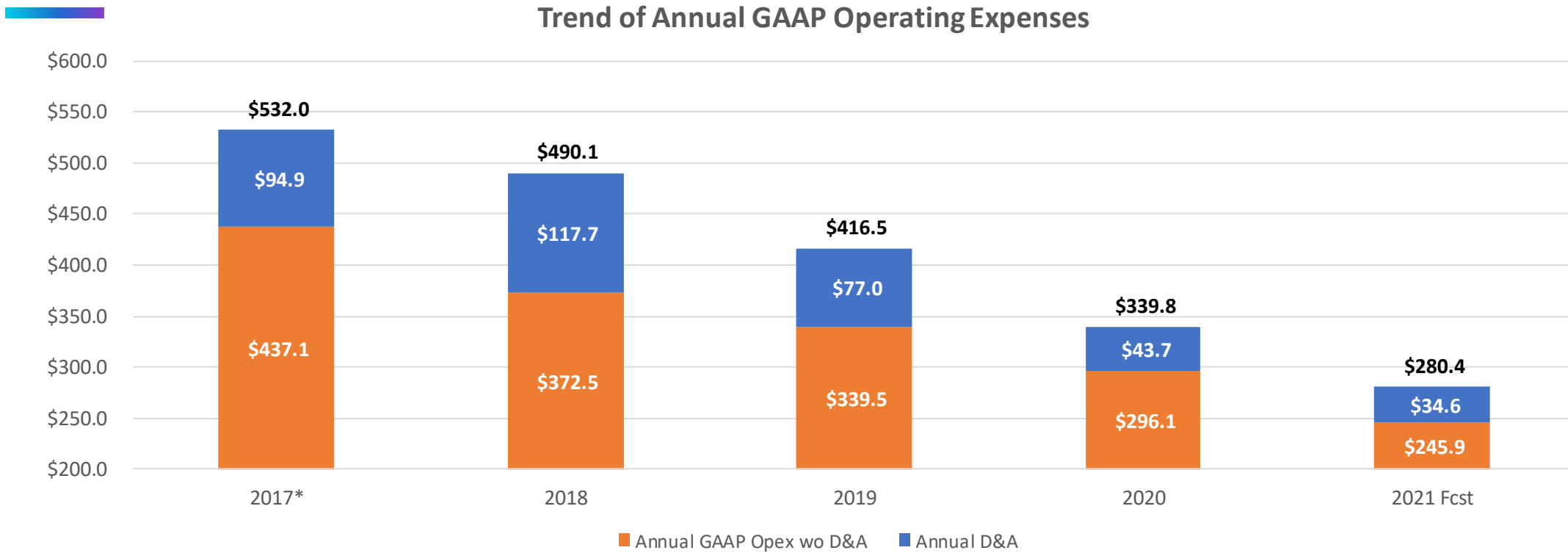


# Consistent Cloud Revenue Performance

- Cloud subscribers have grown consistently over the past 2+ years
- Seven new cloud customers signed during the same period
  - AT&T
  - Telkomsigma
  - Telkomsel
  - TracFone
  - Assurant
  - Allstate Protection Plans
  - Kitamura
- All new Customers will have launched by Q1: F2022
- Four renewals of long-term cloud customers in the last 18-months:
  - Verizon
  - British Telecom
  - Proximus
  - SFR



# Delivering on Cost Cutting to Improve Earnings and Cash Flow Leverage



- Key driver for CoS decline due to hosting transfer from physical data centers to 3<sup>rd</sup> party hosting
- Realized expense savings in 2020 of ~ \$45 million and projected additional savings in 2021

# 2021E Financial Guidance<sup>(1)</sup>

(\$MM)	Low	High	
Revenue	\$275.0MM	\$285.0MM	Reiterating
Adjusted EBITDA	\$39.0MM	\$43.0MM	Representing adjusted EBITDA growth of 40% to 55% year over year, respectively

- Reiterated full year revenue guidance, and raised full year Adj. EBITDA guidance to \$39-\$43 million from \$32-\$37 million
- We expect to maintain double-digit momentum in Global Cloud Subscriber growth
- Focused investments and continued cost actions to drive further profitability and free cash flow

(1) Guidance as of November 8, 2021





# Thank You



# Appendix



# Reconciliation of GAAP to non-GAAP Financial Measures

## – Financial Measures (\$'000s, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net revenues	\$ 69,753	\$ 68,636	\$ 206,784	\$ 222,293
Costs and expenses:				
Cost of revenues <sup>1</sup>	27,245	28,452	83,024	93,403
Research and development	15,368	20,885	49,962	59,769
Selling, general and administrative	27,953	23,265	67,790	74,249
Restructuring charges	1,485	820	3,075	6,763
Depreciation and amortization	8,215	12,212	26,567	33,852
Total costs and expenses	80,266	85,634	230,418	268,036
Loss from continuing operations	(10,513)	(16,998)	(23,634)	(45,743)
Interest income	24	20	54	1,587
Interest expense	(2,933)	(72)	(3,172)	(401)
Other Income (expense)	(1,669)	2,684	(3,489)	5,743
Loss from continuing operations, before taxes	(15,091)	(14,366)	(30,241)	(38,814)
Benefit for income taxes	6,982	8,744	7,346	29,148
Net loss from continuing operations	(8,109)	(5,622)	(22,895)	(9,666)
Net income (loss) attributable to redeemable noncontrolling interests	—	(60)	286	(242)
Preferred stock dividend	(1,722)	(9,685)	(33,728)	(27,882)
Net loss attributable to Synchronoss	\$ (9,831)	\$ (15,367)	\$ (56,337)	\$ (37,790)
Earnings (loss) per share				
Basic	\$ (0.11)	\$ (0.36)	\$ (0.98)	\$ (0.90)
Diluted	\$ (0.11)	\$ (0.36)	\$ (0.98)	\$ (0.90)
Weighted-average common shares outstanding:				
Basic	85,646	42,360	57,662	41,777
Diluted	85,646	42,360	57,662	41,777

# Reconciliation of GAAP to non-GAAP Financial Measures

— Adjusted EBITDA (\$000s, unaudited)

	Three Months Ended					Nine Months Ended	
	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
Net loss attributable to Synchronoss	\$ (9,831)	\$ (23,946)	\$ (22,560)	\$ (10,892)	\$ (15,367)	\$ (56,337)	\$ (37,790)
Add / (Less):							
Stock-based compensation expense	2,289	2,345	2,721	(3,410)	4,391	7,355	14,547
Restructuring, transition and cease-use lease expense	2,981	2,918	2,057	1,222	6,580	7,956	15,279
Litigation and remediation costs, net	9,316	3,607	(65)	1,145	1,943	12,858	3,500
Depreciation and amortization	8,215	8,485	9,867	9,834	12,212	26,567	33,852
Interest income	(24)	(25)	(5)	(9)	(20)	(54)	(1,587)
Interest Expense	2,933	144	95	75	72	3,172	401
Other Income, net	1,669	(1,576)	3,396	(3,793)	(2,684)	3,489	(5,743)
Provision (benefit) for income taxes	(6,982)	(201)	(163)	2,039	(8,744)	(7,346)	(29,148)
Net loss attributable to noncontrolling interests	—	50	(336)	101	60	(286)	242
Preferred dividend <sup>1</sup>	1,722	21,476	10,530	10,099	9,685	33,728	27,882
Adjusted EBITDA (non-GAAP)	\$ 12,288	\$ 13,277	\$ 5,537	\$ 6,411	\$ 8,128	\$ 31,102	\$ 21,435

<sup>1</sup> Includes \$10.4 million preferred stock amortization costs accelerated due to Series A Preferred stock redemption in the second quarter of 2021.



# Reconciliation of GAAP to non-GAAP Financial Measures

– Financial Measures (\$000s, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Non-GAAP financial measures and reconciliation:				
GAAP Revenue	\$ 69,753	\$ 68,636	\$ 206,784	\$ 222,293
Less: Cost of revenues	27,245	28,452	83,024	93,403
Gross Profit	42,508	40,184	123,760	128,890
Add / (Less):				
Stock-based compensation expense	432	505	1,289	1,899
Restructuring, transition and cease-use lease expense	405	89	432	372
Adjusted Gross Profit	43,345	40,778	125,481	131,161
Adjusted Gross Margin	62.1%	59.4%	60.7%	59.0%

