

Synchronoss Business Update and Refiling Overview

July 2nd, 2018





INTRODUCTION TO SYNCHRONOSS

FINANCIAL REVIEW

SYNCHRONOSS: YESTERDAY AND TODAY

SUMMARY

Synchronoss has been Providing Game Changing Technologies to Leading Companies for Nearly 20 Years

200+
Customers



1500+
Employees



135+
Patents

2000



Synchronoss is Founded

2006



IPO on NASDAQ

2007



The World's First iPhone

2010



Biggest Private Cloud

2013



The First Connected Cars

2018



Unified B2B Portal

Core Businesses & Platforms

Digital Cloud Business



Cloud

- 92+ PB of Cloud Storage
- 95+ Million Devices Using Platform

VERIZON

AT&T



Digital

- 200M+ Activations/year
- 95%+ Task Automation

SPRINT

AT&T

Messaging Business



Mail & Messaging

- 450M+ Provisioned Mailboxes
- 250M+ Active Subscribers
- 5-9's Availability

TIM

TWC

Recent Synchronoss History



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GAAP Revenue 2013 – 2016 as Restated

In \$ 000's		ADJUSTMENTS				
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture		As Restated
2016	\$ 476,750	\$ (39,492)	\$ 9,435	\$ (20,399)		\$ 426,294
2015	\$ 428,117	\$ (26,908)	\$ 1,442	\$ (30,090)		\$ 372,561
2014	\$ 307,301	\$ (14,563)	\$ (53,322)	\$ (6,000)		\$ 233,416
2013	\$ 225,368	\$ (5,544)	\$ (4,508)	\$ -		\$ 215,316

- Cumulative impact from 2013-2016: \$190M
 - \$75M primarily represents permanent changes related to certain M&A transactions
 - \$115M Represents revenue timing differences which has not been recognized as of December 31, 2016
 - We have collected \$83M in cash of the \$115M above, which is reflected as an increment to Deferred Revenue on the Balance Sheet
 - The remaining \$32M was unbilled as of December 31, 2016

GAAP Cost of Sales 2013 – 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ 194,198	\$ -	\$ -	\$ (43)	\$ 529	\$ 194,684	
2015	\$ 155,287	\$ -	\$ -	\$ (17)	\$ (460)	\$ 154,810	
2014	\$ 102,386	\$ -	\$ -	\$ -	\$ 1,622	\$ 104,008	
2013	\$ 78,304	\$ -	\$ -	\$ -	\$ -	\$ 78,304	

- Other Adjustments - are primarily due to timing of recognition of: (i) stock-based compensation arrangements and (ii) accruals and reserves

GAAP R&D Costs 2013 - 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ 106,681	\$ -	\$ -	\$ -	\$ 7,812	\$ 114,493	
2015	\$ 91,430	\$ -	\$ -	\$ -	\$ 1,333	\$ 92,763	
2014	\$ 73,620	\$ -	\$ -	\$ -	\$ 594	\$ 74,214	
2013	\$ 64,845	\$ -	\$ -	\$ -	\$ (77)	\$ 64,768	

- Capitalized Software - these adjustments were primarily due to (i) the recognition of impairment or immediate expensing of certain previously capitalized software development costs and (ii) revisions of amounts capitalized and the timing of when such capitalized costs are amortized

GAAP SG&A Costs 2013 – 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ 131,106	\$ 155	\$ (4,470)	\$ 461	\$ (1,024)	\$ 126,228	
2015	\$ 88,411	\$ -	\$ (3,042)	\$ -	\$ (778)	\$ 84,591	
2014	\$ 77,081	\$ -	\$ -	\$ -	\$ 1,982	\$ 79,063	
2013	\$ 60,550	\$ -	\$ -	\$ -	\$ -	\$ 60,550	

- Evidence of Arrangement – these adjustments are primarily due to the reversal of bad debt associated with the write-off of licenses
- Other Adjustments - are primarily due to timing of recognition of: (i) stock-based compensation arrangements and (ii) accruals and reserves

GAAP Net Change in Contingent Consideration Obligation 2013 - 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ 10,930	\$ -	\$ -	\$ (9,736)	\$ -	\$ 1,194	
2015	\$ 760	\$ -	\$ -	\$ 755	\$ -	\$ 1,515	
2014	\$ 1,799	\$ -	\$ -	\$ -	\$ -	\$ 1,799	
2013	\$ (5,324)	\$ -	\$ -	\$ -	\$ -	\$ (5,324)	

- Acquisitions & Divestiture – these adjustments are due to the reduction in contingent consideration with respect to the earn-out calculation payable to the shareholders of Razorsight Corporation

GAAP Depreciation & Amortization 2013 – 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ 99,311	\$ -	\$ -	\$ (4,452)	\$ 11,107	\$ 105,966	
2015	\$ 72,152	\$ -	\$ -	\$ (136)	\$ (967)	\$ 71,049	
2014	\$ 55,956	\$ -	\$ -	\$ (40)	\$ (134)	\$ 55,782	
2013	\$ 41,126	\$ -	\$ -	\$ -	\$ -	\$ 41,126	

- Acquisitions & Divestiture – this adjustment is primarily due to purchase price allocation adjustments
- Other - this adjustment is primarily due to the impairment related to the wind down of the SNCR, LLC joint venture

GAAP Income (Loss) from Continuing Operations 2013 - 2016 as Restated

In \$ 000's		ADJUSTMENTS					
Fiscal Year	As Previously Reported	Hosting Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	As Restated	
2016	\$ (71,809)	\$ (39,647)	\$ 13,905	\$ (6,629)	\$ (18,424)	\$ (122,604)	
2015	\$ 15,131	\$ (26,908)	\$ 4,484	\$ (30,692)	\$ 872	\$ (37,113)	
2014	\$ (3,541)	\$ (14,563)	\$ (53,322)	\$ (5,960)	\$ (4,064)	\$ (81,450)	
2013	\$ (19,305)	\$ (5,544)	\$ (4,508)	\$ -	\$ 77	\$ (29,280)	

- Cumulative Revenue net impact for 2013 – 2016 is (\$190M)
- Cumulative Operating Expense net impact for 2013 – 2016 is \$1M

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FINANCIAL REVIEW



SYNCHRONOSS: YESTERDAY AND TODAY

SUMMARY

Key Priorities & Core Values

INNOVATION
COLLABORATION
EXCELLENCE
ACCOUNTABILITY
INTEGRITY
SYNCHRONOSS

Grow

Grow Revenue through Differentiated Products

- Align our growth strategy to our customers' growth strategy
- Prioritize investment
- Scale for future growth
- Drive global product penetration

Build

Build Trusted Customer Relationships

- Be the best partner in the industry
- Keep our promises and commitments
- Balance short-term and long-term priorities

Deliver

Deliver Superior Cost Structure

- Transform all aspects of cost to optimize financial performance
- Create a best in class cost structure
- Focus on quality and efficiency

Win

Win Together

- Develop our people for the future
- Drive employee engagement
- Consistently communicate timely and relevant information
- Recognize and reward employees

PEOPLE

PURPOSE

PASSION

World-Class Leadership Team



Glenn Lurie

President and
Chief Executive
Officer

27+ years of
experience

Previously
President and
CEO of AT&T's
Mobility and
Consumer
Operations



Bob Garcia

Chief
Commercial
Officer

20+ years of
experience

Joined
Synchronoss in
2000 alongside
founder, Steve
Waldis



Larry Irving

Chief Financial
Officer

25+ years of
experience

Was CFO of
Synchronoss
from 2001 –
2014 before re-
joining
in 2017



Mary Clark

Chief
Marketing
Officer

25+ years of
experience

Previously
CMO and SVP
of Roaming for
Syniverse



Pat Doran

Chief
Technology
Officer

15+ years of
experience

Joined
Synchronoss in
2002



Ronald Prague

Chief Legal
Officer

25+ years of
experience

Joined
Synchronoss in
2006



Kevin Hunsaker

Chief People
Officer

25+ years of
experience

Joined
Synchronoss in
2016

Our Key Priorities

- Stabilize the 2018 Business
- Reset Focus of The Business
- Lay the Foundation for Growth in 2019

Momentum in the Last 6 Months



Verizon Contract
Renewal



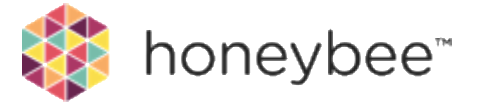
AT&T/IoT
Partnership



Sprint Contract
Win



Siris Capital
Investment



Honeybee
Acquisition

Evolving The Synchronoss Strategy for a Changing TMT Landscape:

NEW MARKETS

Expanding from Wireless focus to TMT

Increasing new customer opportunities

NEW CHANNELS

Scaling Via Partnerships

Increasing product and sales velocity at lower costs

NEW BUSINESS MODELS

License to Recurring

Increasing the predictability of the business

GEOGRAPHIC FOCUS

Domestic focus to Global

Increasing the reach and scale of the business

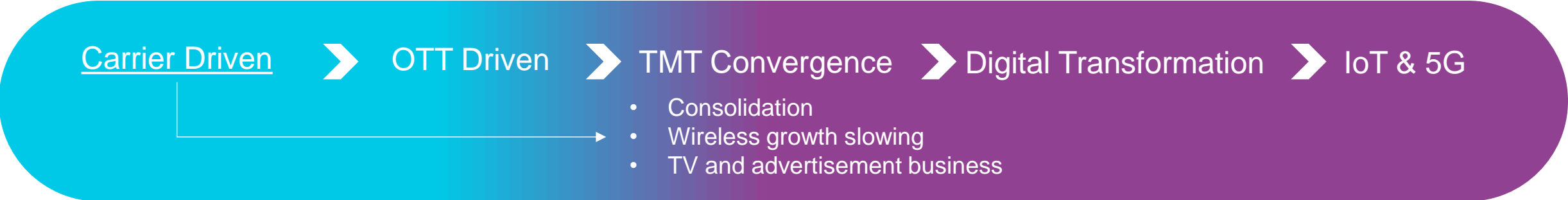
Synchronoss' Evolving Strategy Compliments Industry Shift

“Operator Solution Provider”

“Software and Services Provider”

YESTERDAY

TODAY



Predominantly Carrier-based distribution

Partner/Channel-based distribution



CLOUD



ACTIVATION



“+”



MESSAGING



DIGITAL



IoT

Synchronoss has Businesses in Strategic Areas of the Industry



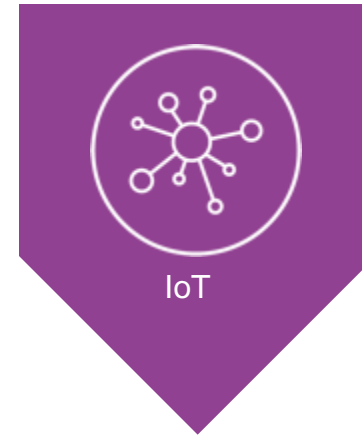
2B+

**Personal Cloud
Users (2019)**



85%

**Digital Brand
Interface (2020)**



\$1T

**Spending for IoT
(2020)**



80%

**Companies using
Bots by (2020)**



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THE INDUSTRY: YESTERDAY AND TODAY

SYNCHRONOSS: YESTERDAY AND TODAY



SUMMARY

Summary

- Stabilize the 2018 Business
- Reset Focus of The Business
- Lay the Foundation for Growth in 2019
- Next update will be in Q2 Earning - August this year