



2021 Investor Presentation



Legal Disclaimers

This presentation includes statements concerning Synchronoss and its future expectations, plans and prospects that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “believes,” “potential” or “continue” or other similar expressions are intended to identify forward-looking statements. Synchronoss has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions including, without limitation, risks relating to the Company’s ability to sustain or increase revenue from its larger customers and generate revenue from new customers, the Company’s expectations regarding expenses and revenue, the sufficiency of the Company’s cash resources, the Company’s growth strategies, the anticipated trends and challenges in the business and the market in which the Company operates, the Company’s expectations regarding federal, state and foreign regulatory requirements, the pending lawsuits against the Company described in its most recent SEC filings, the impact of the COVID-19 pandemic on the Company’s business and other risks and factors that are described in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, which are on file with the SEC and available on the SEC’s website at www.sec.gov. The company does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

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 | 1,500 employees | 135+ patents
- 150 network operator and service provider customers

NORTH AMERICA





EMEA



APAC



- 
- 2020 full year revenue = \$292MM
 - 78% in recurring revenue
 - Vast majority of revenue under LT contracts

- 
- Cloud TAM of 270MM+ carrier subscribers
 - 250MM+ active email subscribers
 - Advanced Messaging (RCS) TAM of 370MM+ subscribers

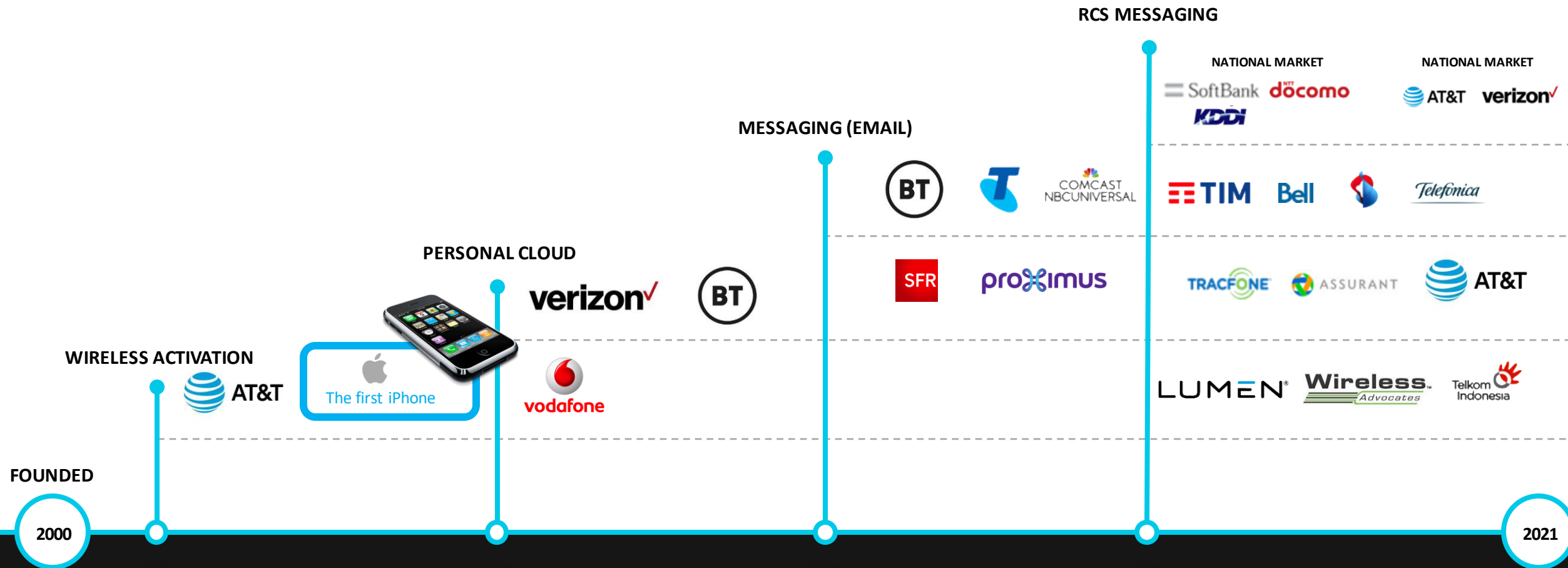
New Management Team

OBJECTIVE

Transform Synchronoss into a highly profitable and growing SaaS Company

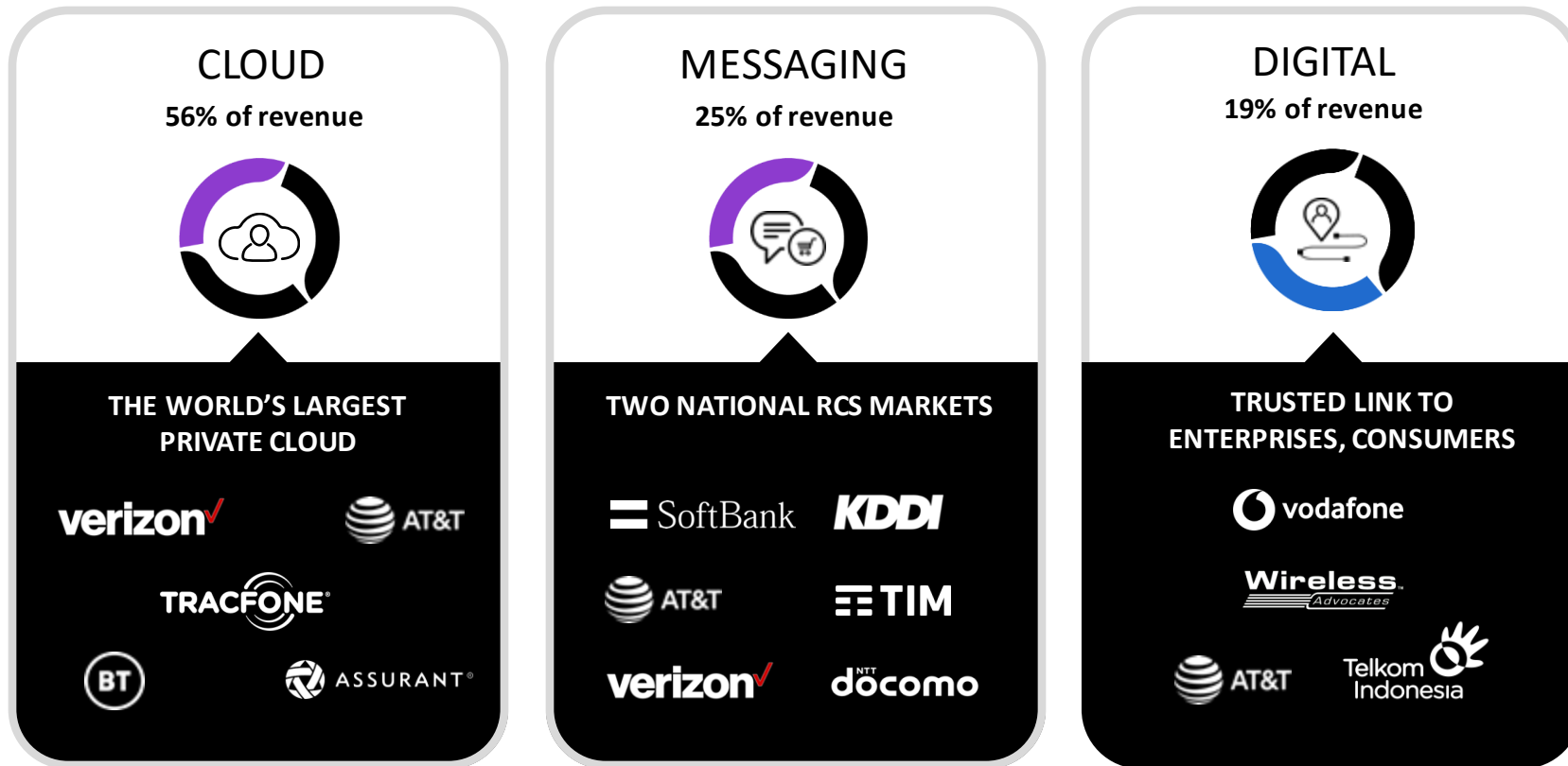
- Focus on profitable business lines with opportunities for high growth
- Improve execution and efficiency to drive EBITDA margin expansion
- Refinance preferred stock and establish a cost-effective and permanent capital structure

Synchronoss Evolution in Providing Carrier-Grade Global Operator Solutions



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 and valuable subscriber experience


GLOBAL MARKET OPPORTUNITY



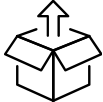
3.5B+
Personal Cloud
Users (2019)
Statista.com 2019

\$25B
Global opportunity
by 2025
Nasdaq







Personal Cloud: Store,
Sync from any device



Device Setup: Cloud
installation



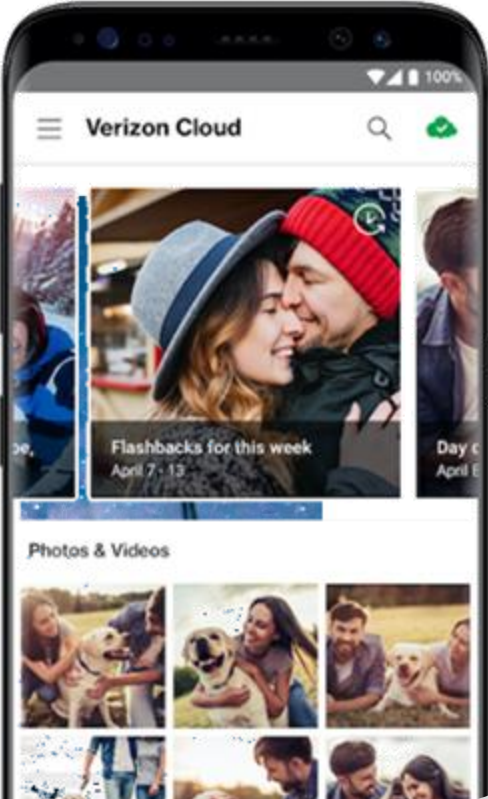
Transfer: Content
between devices



**Unlimited
Verizon Cloud
is here**

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

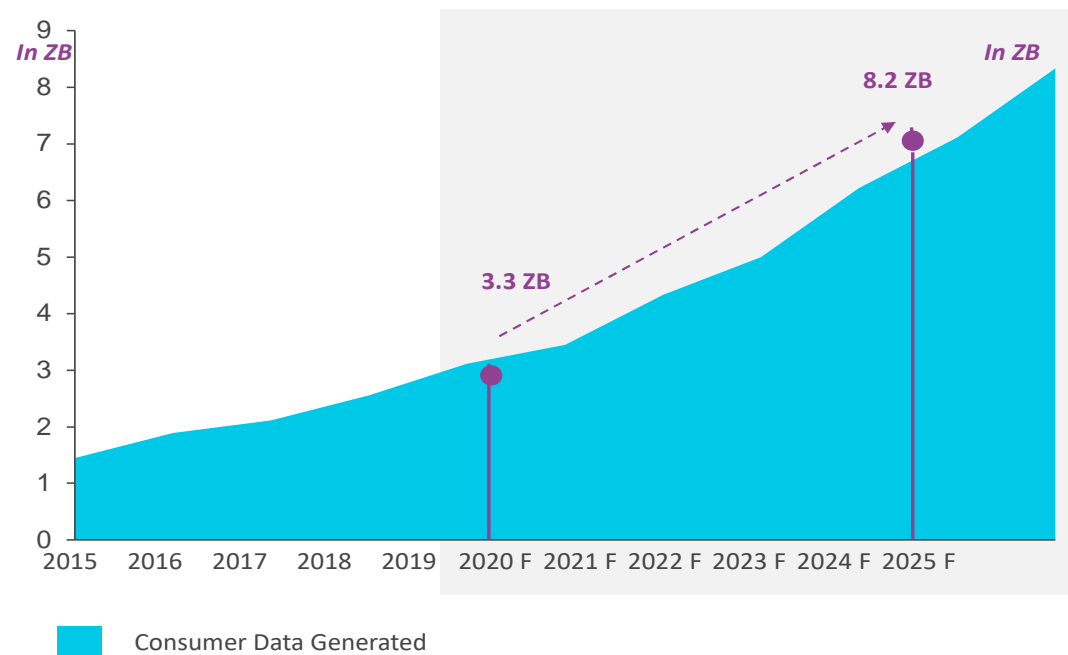
[Get Cloud](#)



A Critical Growth Window for Operator Cloud

Recent announcements highlighting the end of free cloud storage offerings and the introduction of unlimited cloud storage will accelerate the growth of the premium cloud market

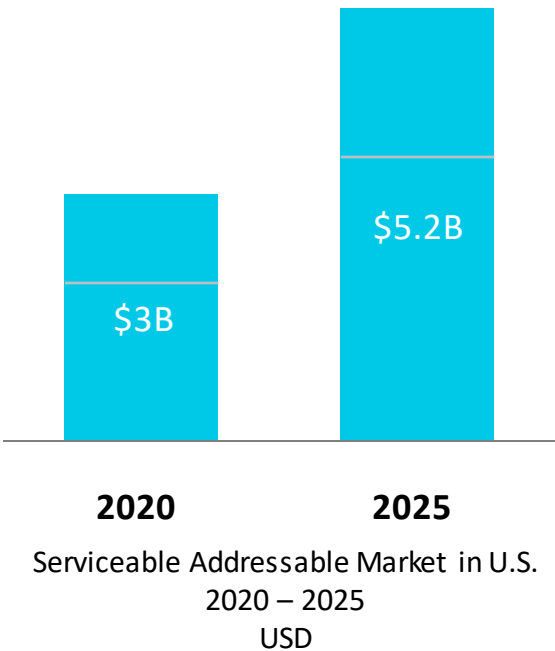
Consumer Data Generated (datasphere)



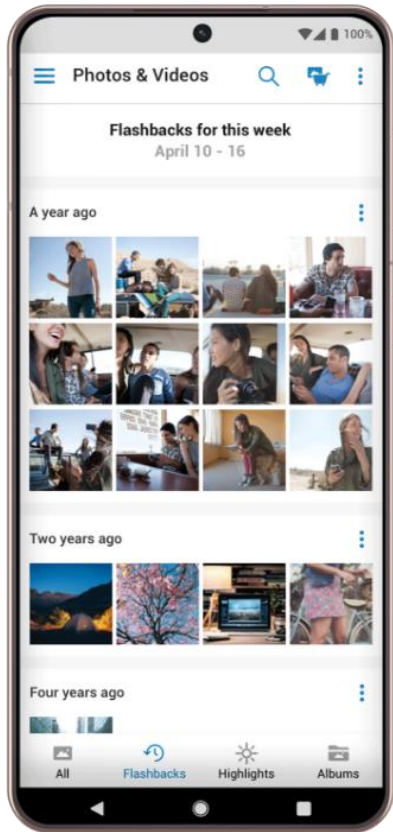
Arthur D Little

Source: IDC, Arthur D. Little Research and Analysis

Premium Cloud SAM



New Customers Added in 2019-2021 Doubled Our Cloud Subscriber TAM



verizon[✓]

120MM SUBSCRIBERS



100MM SUBSCRIBERS



50MM SUBSCRIBERS



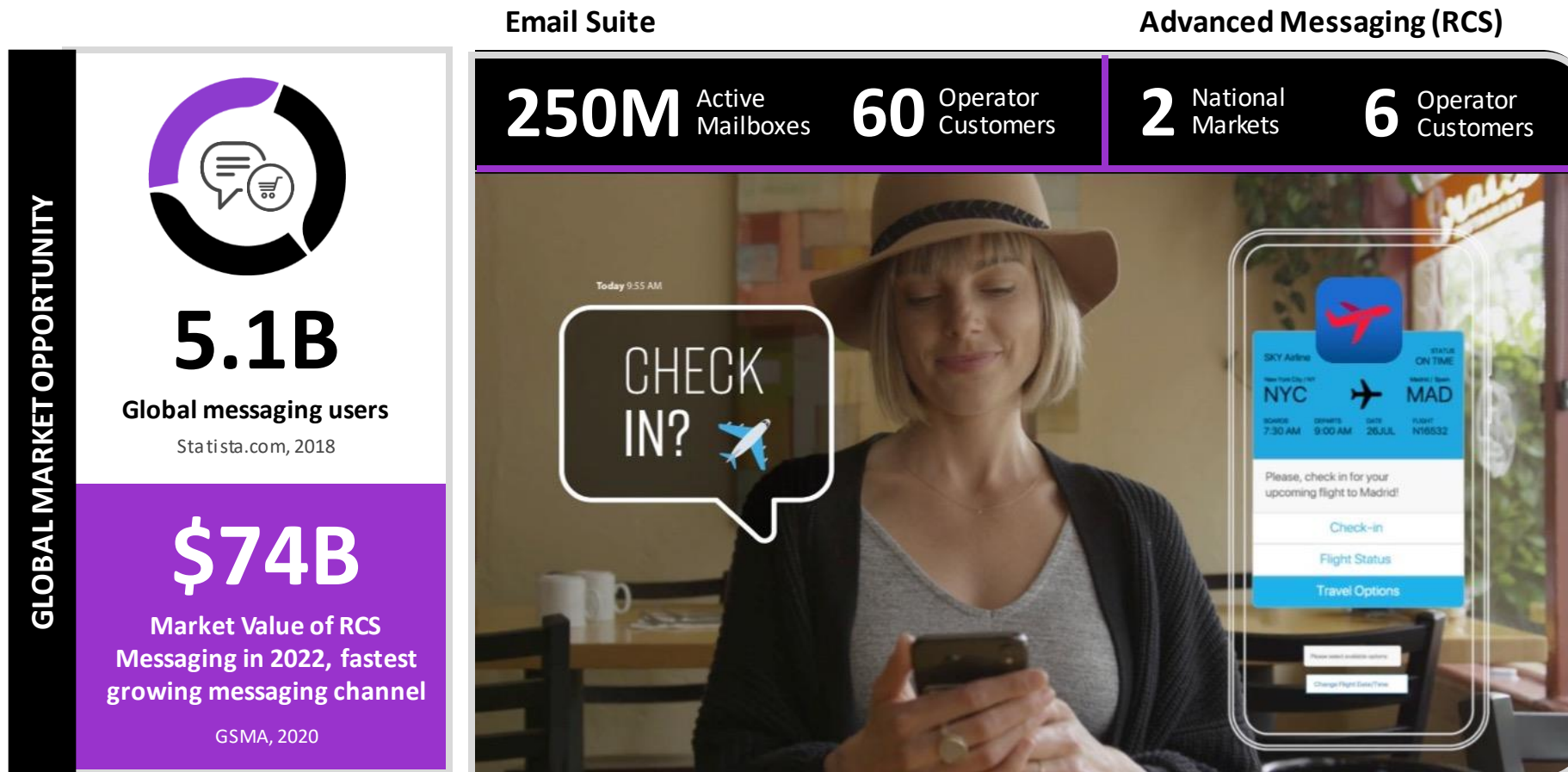
20MM SUBSCRIBERS

A Proven Success Model

- Eleven operator/service provider customers
- \$163MM in annual revenue
- High contribution margin
- Recurring, long-term contracted revenue
- Recent wins
 - Telkomsigma
 - Allstate Protection Plans

Synchronoss Messaging Platform

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

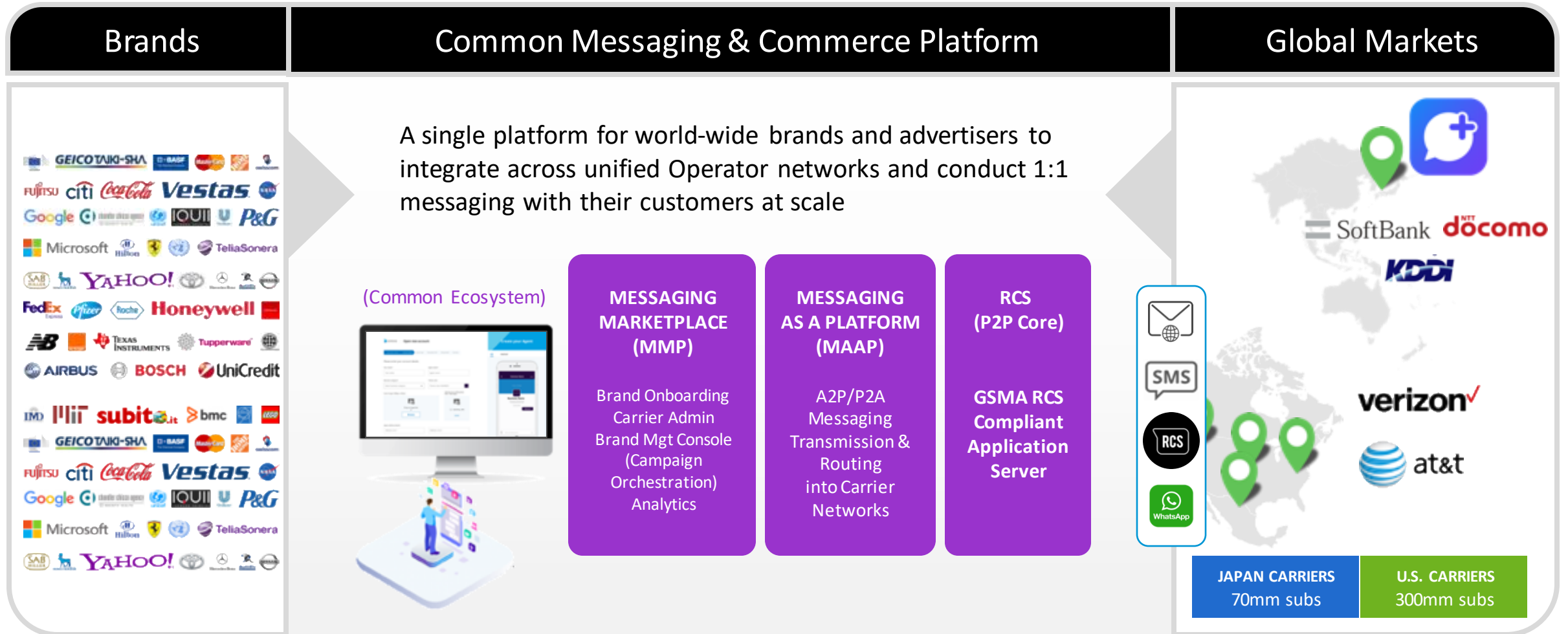




synchronoss

What is Advanced Messaging?

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

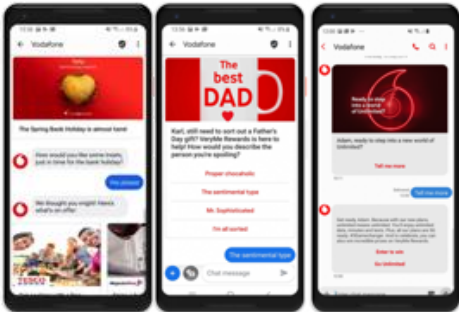


Synchronoss Has Multiple Ways to Make Money on RCS

- Integration and Hosting
- Subscriber Volume
- Messaging Volume
- Advertising Revenue (A2P)

SNCR Powers B2C Commerce

The RCS experience will make A2P more profitable with an order of magnitude better conversion rate per message



Vodafone UK trials

	RCS	SMS
OPEN RATE	80%	1%
RESPONSE	25%	>1%



Per/message rate

Creates increased revenue in what Operators can charge brands vs SMS



Engagement

Creates more transactions and revenue share opportunities

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



LUMEN



Total Network Management

Industry's only platform combining the physical network asset management, procurement of third-party network capacity, comprehensive inter-carrier expense management, encompassed by a synchronized view of contracts, rates, inventory & expense.

Transport Assurance Tools And Systems

Telecom Carriers

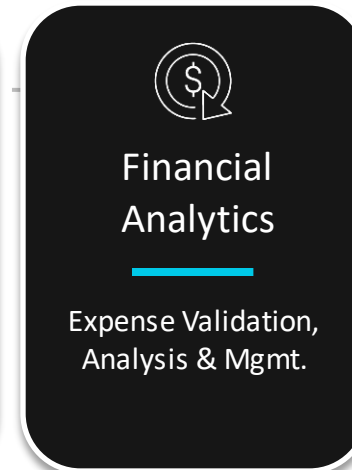
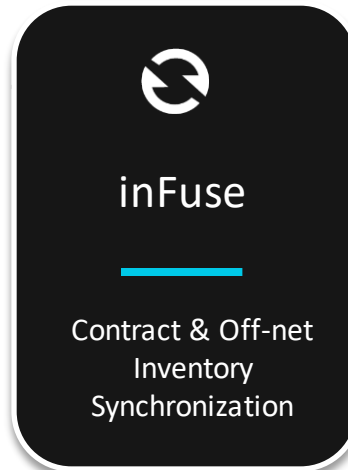
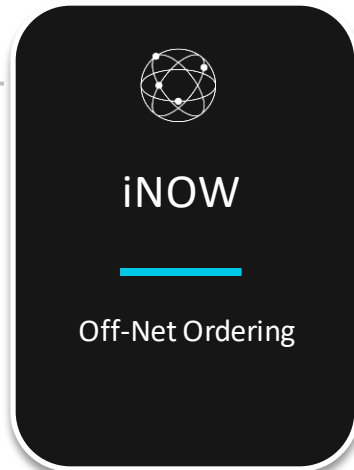
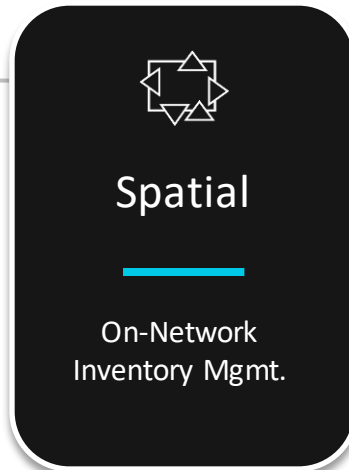
Network Capacity
Trading Partners



Carrier 1

Carrier 2

Carrier 3



Telecom Carriers

Network Expense



Carrier 1

Carrier 2

Carrier 3

Rated Order Lifecycle Content

Dispute Management

Invoice Management

Synchronoss is Well Positioned for 2021

In the world of 5G, our software platforms are vital to helping network operators and service providers grow new revenue, lower costs and provide their subscribers with essential services

Synchronoss is well positioned to weather the near-term economy and drive growth as 5G adoption accelerates

78%

RECURRING REVENUE

Our revenue provides predictable results

82%

TIER 1 REVENUE

Our business is rooted in large, well-established customers

85%

REVENUE UNDER CONTRACT

Majority of customers are signed to multi-year contracts

Synchronoss Financial Overview

David Clark, Chief Financial Officer



Full Year 2020 Financial Results

(000s)	2019	2020	
GAAP Revenue	\$308,749	\$291,670	Decrease in revenue is primarily due a \$10M deferred revenue adjustment as a result of the Verizon contract extension for an additional 5 years
Adjusted Gross Profit	187,719	172,634	Decrease in AGP due to the aforementioned revenue decrease, offset by cost management
Adjusted Gross Margin	60.8%	59.2%	AGM and AGP decrease due to aforementioned revenue decrease
Total Costs and Expenses	\$416,537	\$339,792	Effectiveness of 2020 cost actions positively impacting financial results
Adjusted EBITDA	27,584	27,848	Ten consecutive quarters of positive adjusted EBITDA, and continued double digit margin
GAAP Net Loss	(136,727)	(48,683)	GAAP Net Loss narrowing significantly due to effectiveness of ongoing cost actions
Non-GAAP Net Income (Loss) from Continuing Operations attributable to Synchronoss	(53,777)	(199)	Return to essentially non-GAAP breakeven due to aforementioned cost actions

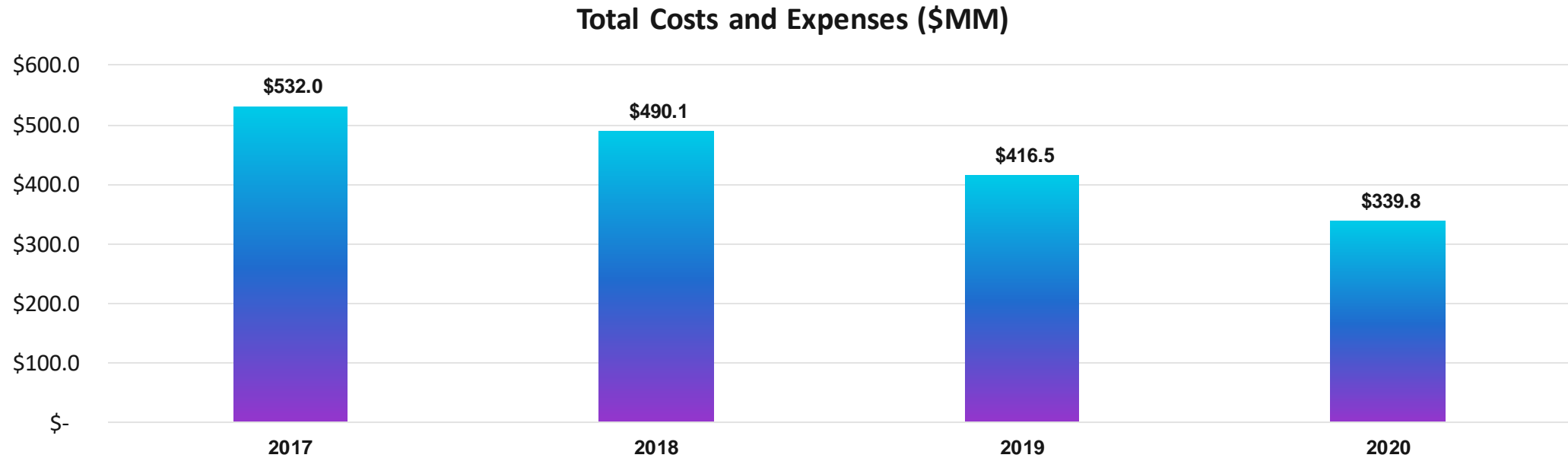
- Cost cuts drive improvement in profitability on lower revenue

Impact of Verizon Renewal on 2020 Adjusted EBITDA

(\$MM)		
2020 Adjusted EBITDA	\$27.8MM	flat
2020 Adjusted EBITDA (adjusting for ASC 606)	\$37.8MM	up 37%

- Verizon renewal removed approximately \$10MM of non-cash deferred revenue from 2H 2020
- Under 606 Accounting, this remaining \$10MM of deferred revenue will amortize over the new contract term

Delivering on Cust Cutting to Improve Earnings Leverage and Cash Flow



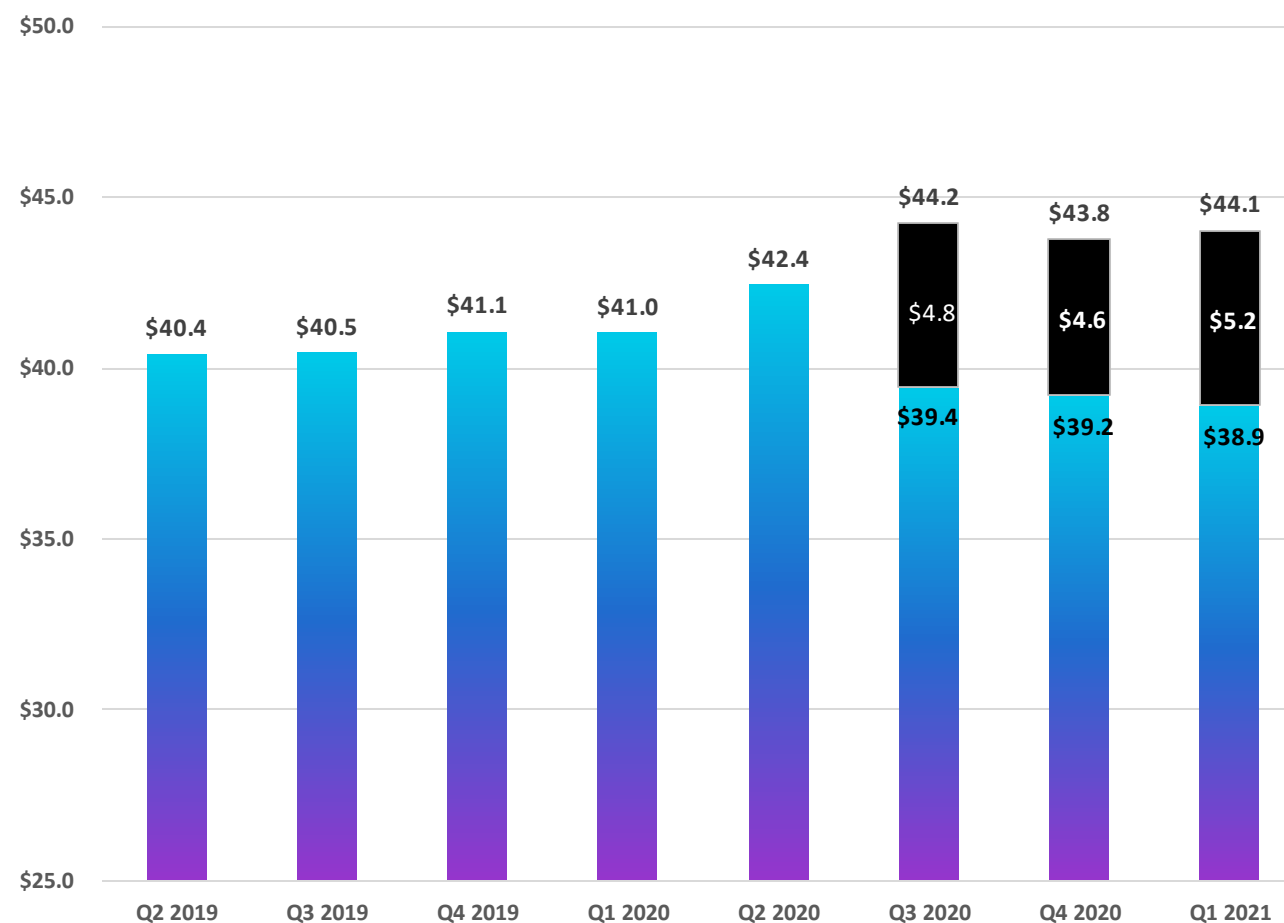
- Key driver for CoS decline due to hosting transfer from physical data centers to 3rd party hosting
- In-year expense savings expected to be approximately \$45 million

Q1 2021 Financial Results

(000s)	2020	2021	
GAAP Revenue	\$77,122	\$65,499	Decrease in revenue due to deferred revenue adjustment resulting from Verizon contract extension, license and professional services revenue from CCMI deal and block license purchases from Japanese carriers in 2020
Adjusted Gross Profit	\$42,403	\$37,367	Decrease in AGP due to the aforementioned revenue decrease, partially offset by lower cost of sales from company-wide cost savings initiatives and 3rd party technology costs related to CCMI license sale
Adjusted Gross Margin	55%	57%	AGM increase due to company-wide cost savings and lower 3rd party technology costs
Total Costs and Expenses	\$94,409	\$74,542	Effectiveness of cost actions positively impacting financial results
Adjusted EBITDA	\$1,758	\$5,537	Eleven consecutive quarters of positive adjusted EBITDA
GAAP Net Loss	(\$11,990)	(\$22,560)	Larger loss in 2021 due to 2020 benefit from recognition of expected tax refund
Loss from Continuing Operations, Before Taxes	(\$15,782)	(\$12,529)	Narrowing loss despite lower revenues due to cost actions

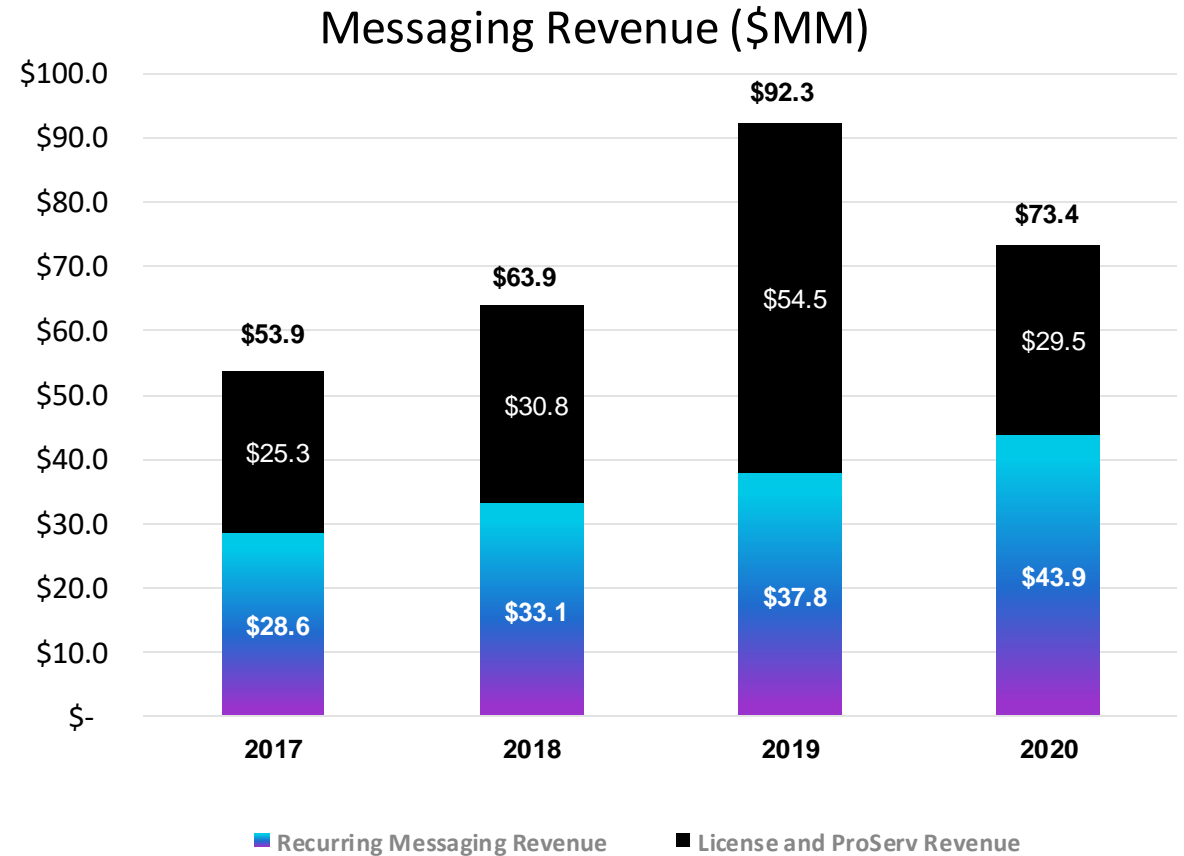
Consistent Cloud Revenue Growth

- Cloud revenue for 2020 was \$172.2 million (adjusting for ASC 606), representing a 6% increase year over year
- Cloud subscribers have grown consistently over the past 2+ years
- Five new cloud customers launched in the last 18 months and expected to drive continued revenue growth:
 - AT&T
 - TracFone
 - Assurant
 - Telkomsigma
 - Allstate Protection Plans
- Four renewals of long-term cloud customers in the last 18-months:
 - Verizon
 - British Telecom
 - Proximus
 - SFR
- Under ASC 606, Verizon cloud revenue is averaged over the life of the contract, which tends to obscure revenue growth
 - When Verizon cloud subscriber growth outpaces forecast, revenue is “trued up” to a new run rate – see Q3 2018
 - Q4 2018 included one-time professional services fee



Messaging – Meaningful Revenue Source with Improving Profitability

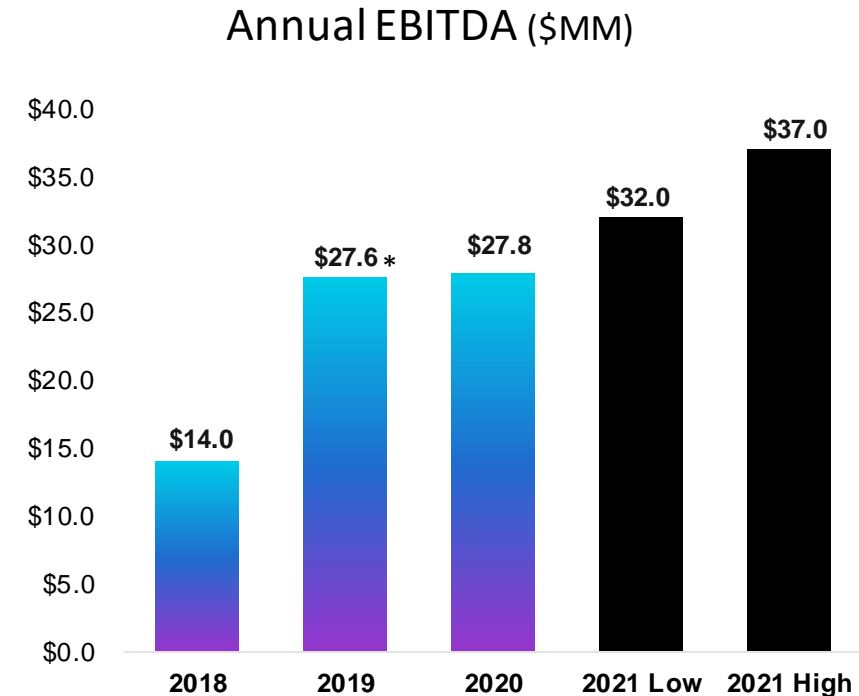
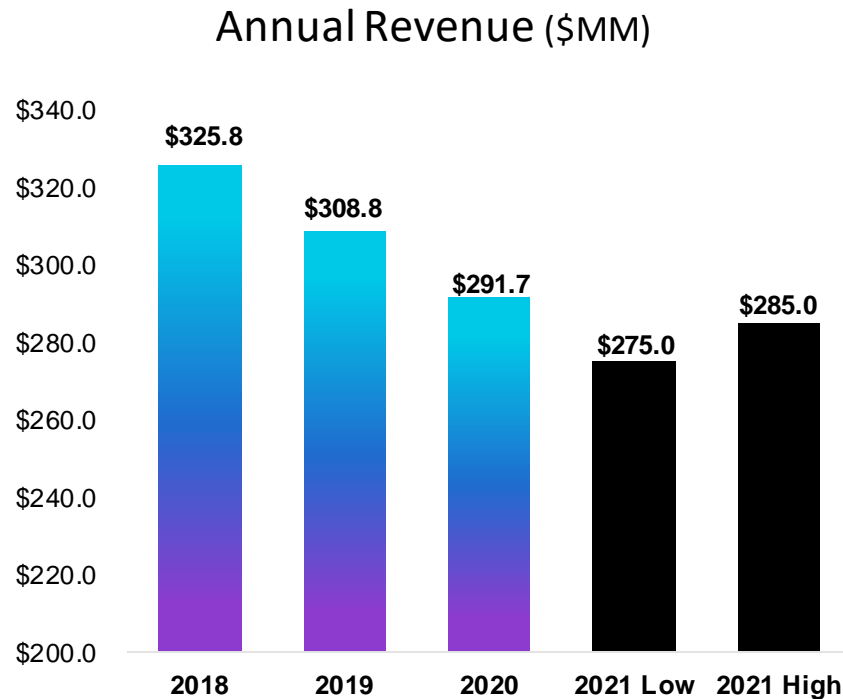
- Messaging revenue for 2020 was down year over year due to a large initial license purchase by CCMI in Q419
- Japanese carrier customers announced plus messaging users exceeded 20 million in Q420
- White-label email business provides strong recurring foundation
- Advanced Messaging expected to be a significant growth driver



Cash and Liquidity

Liquidity:	At 3/31/2021:
Cash and Equivalents	\$29.8MM
Citizens Bank Note (included in total)	\$10.0MM
Total Liquidity	\$29.8MM

Guidance for 2021



- YOY improvement in adjusted EBITDA demonstrates effectiveness of ongoing cost reduction efforts
- 2021 Adjusted EBITDA guidance of \$32-\$37MM, representing growth of 15-33% growth YOY
- Focused on growing adjusted EBITDA in 2021

* Excludes a \$26MM write-down of STI's accounts receivable balance.

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



We are participating in large markets with growth potential



We have existing relationships to leverage across our portfolio



Recurring revenue business models that scale with time

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





Thank You



2021

Appendix



Series A Convertible Participating Perpetual Preferred Stock

Holder:	Siris Capital
Original Issue Amount:	\$185 million
Dividend:	14.5% per annum, payable in kind or in cash at Company's sole discretion
Issue Date:	February 15, 2018
Maturity:	February 15, 2023 At maturity, company has the option to issue a senior unsecured note with principal equal to the Redemption Price and interest rate equal to the Dividend Rate with an additional term to maturity of one year
Prepayment:	SNCR has the option to prepay without penalty
Redemption Value:	\$272.1 million through April 30, 2021

Reconciliation of GAAP to non-GAAP Financial Measures

– Adjusted EBITDA (\$000s, unaudited)

	Three Months Ended				
	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021
Net loss attributable to Synchronoss	\$ (12,275)	\$ (10,148)	\$ (15,367)	\$ (10,892)	\$ (22,560)
Add / (Less):					
Stock-based compensation expense	5,169	4,987	4,391	(3,410)	2,721
Restructuring, transition and cease-use lease expense	1,696	7,003	6,580	1,222	2,057
Litigation, remediation and refiling costs, net	824	733	1,943	1,145	(65)
Depreciation and amortization	11,356	10,284	12,212	9,834	9,867
Interest income	(58)	(1,509)	(20)	(9)	(5)
Interest Expense	245	84	72	75	95
Other Income, net	(1,692)	(1,367)	(2,684)	(3,793)	3,396
Provision (benefit) for income taxes	(12,432)	(7,972)	(8,744)	2,039	(163)
Net loss attributable to noncontrolling interests	17	165	60	101	(336)
Preferred dividend	8,908	9,289	9,685	10,099	10,530
Adjusted EBITDA (non-GAAP)	<u>\$ 1,758</u>	<u>\$ 11,549</u>	<u>\$ 8,128</u>	<u>\$ 6,411</u>	<u>\$ 5,537</u>

Reconciliation of GAAP to non-GAAP Financial Measures (\$000s, unaudited)

	Three Months Ended March 31,	
	2021	2020
<u>Non-GAAP financial measures and reconciliation:</u>		
GAAP Revenue	\$ 65,499	\$ 77,122
Less: Cost of revenues	28,637	35,471
Gross Profit	36,862	41,651
Add / (Less):		
Stock-based compensation expense	478	752
Restructuring, transition and cease-use lease expense	27	—
Adjusted Gross Profit	37,367	42,403
Adjusted Gross Margin	57.0 %	55.0 %

	Three Months Ended March 31,	
	2021	2020
GAAP Net loss attributable to Synchronoss	\$ (22,560)	\$ (11,990)
Add / (Less):		
Stock-based compensation expense	2,721	5,169
Restructuring, transition and cease-use lease expense	2,057	1,449
Amortization expense	3,609	6,915
Litigation, remediation and refiling costs	(65)	1,071
Non-GAAP Net (loss) income attributable to Synchronoss	\$ (14,238)	\$ 2,614
Diluted Non-GAAP Net (loss) income per share	\$ (0.33)	\$ 0.06
Weighted shares outstanding – Dilutive	42,737	41,483