Synchronoss Technologies

NASDAQ: SNCR

Investor Presentation
August 2019

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Synchronoss Technologies at a Glance

- We are a **Software Services Company**, providing transformative **SaaS and PaaS offerings** to the TMT market.
- NASDAQ: SNCR
- 2018 Revenue: $326 million
- Market capitalization: $359 million (7/31/19)
- 200+ Customers, 1,500 Employees, 135+ Patents
- Newly configured leadership team driving significant turnaround and refocus of business model:

NEW MARKETS	NEW FOCUS	NEW CHANNELS	NEW MODELS
EXPANDING From Operators to TMT	**GROWING** From Domestic to Global	**SCALING** Via Partnerships	**TRANSITION** From License to Recurring
Increasing New Customer Opportunities	Increasing Reach and Scale	Increased Sales Velocity, Lower Costs	Increasing Predictability

World-Class Leadership Team

Glenn Lurie

Chief Executive Officer

28+ years of experience

- Previously President and CEO of AT&T's Mobility Operations
- Led Negotiations for 1st iPhone
- Led building of AT&T's IoT, Cricket – Flanker Brand and Digital Life Businesses

Jeff Miller

Chief Commercial Officer

30+ years of experience

- Previously President of Ideal Industries Technology Group
- VPGM Motorola North America

David Clark

Chief Financial Officer

30+ years of experience

- Previously CFO of Nutrisystem (NASDAQ:NTRI)
- Suncom Wireless (NASDAQ:TPCS)
- The Meet Group (NASDAQ: MEET)

Mary Clark

Chief Product, Marketing Officer

25+ years of experience

- Previously CMO and SVP of Roaming for Syniverse
- VP Cibernet

Pat Doran

Chief Technology Officer

20+ years of experience

- Joined Synchronoss in 2002.
- Previously Agility Communications

Ronald Prague

Chief Legal Officer

25+ years of experience

- Joined Synchronoss in 2006.
- Previously Group Counsel, Intel

Kevin Hunsaker

Chief People Officer

25+ years of experience

- Joined Synchronoss in 2016.
- Previously WWVP HR Openwave
- VP HR Deem

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Our Golden Thread: **What We Do**

We help companies **maximize growth, reduce operating costs and improve customer experiences and engagement** in order to be competitive.

CLOUD	MESSAGING	DIGITAL	IoT
50% of revenue	**20% of revenue**	**30% of revenue**	***New Business***

Note: Revenue percentages based on trailing twelve months ended 6/30/19

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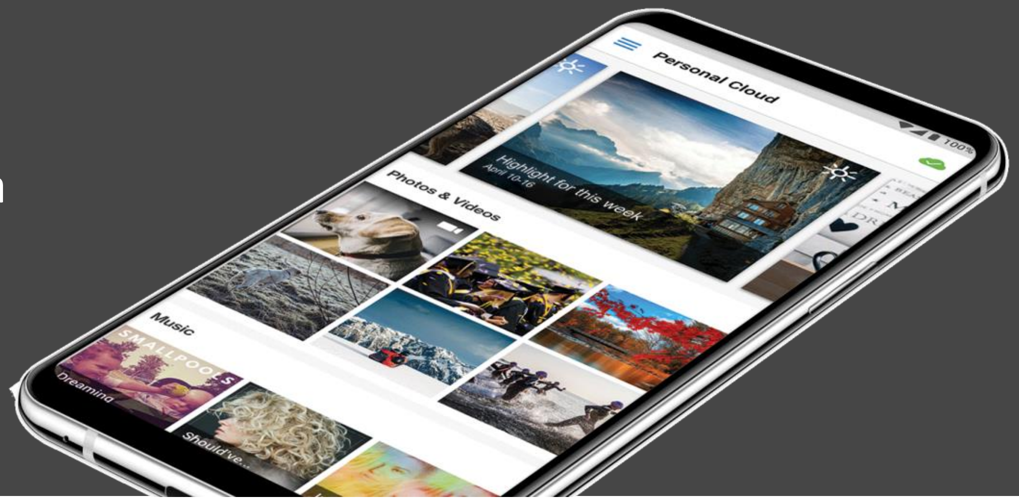
Synchronoss Cloud Platform

A platform that provides new service revenue for personal data storage and transfer, device set up improving customer churn.



GLOBAL MARKET OPPORTUNITY

3.5B+

Personal Cloud Users (2019)

Statista.com 2019

$80B

Global opportunity by 2020

Nasdaq

PRODUCTS:

Personal Cloud: Store, Sync and Engagement in Subscriber Media from any device

Content Transfer: Wirelessly transfer content from/to a device, all OS's, cloud in retail, online

Out of the Box Experience (OOBE): Wirelessly transfer content from/to a device, all OS's, cloud in retail, online

Switcher: Initiate MNO "switch" to simplify and reduce time at retail, online

NEW DEALS ANNOUNCED IN 2019:

AT&T selects Synchronoss Out-of-the-Box-Experience Solution to Deliver Mobile Offers to its Subscribers

New white-label cloud customer launching in Q3 2019

White-label cloud agreement with **Assurant**

5-year extension of **BT** white-label cloud agreement

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Why Operators are Changing Their Views on Cloud

Revenue growth is slowing or declining

New, incremental profitable services revenue are at a premium

Platform cloud providers are competitors

Operators are handing over valuable customer data to iOS and Android

Provides a better customer experience across touch points

Operators must own the whole customer experiences long-term – device and content

Personal data keeps on growing

The growth in user-generated media and capabilities of 5G place new value on Cloud

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Why Synchronoss Cloud?

Revenue.
Operators have line of sight to a $1B service.

White-label.
Operator Brand is adding value to their subscribers.

Customer Engagement.
Cloud features make media easier to manage, share, enjoy.

Customer Experience.
Cloud improves device experience cross channel.

Integration.
The Cloud service integrates back-office, device, billing.

Retail.
Cloud apps create greater productivity and rep capacity in retail, better online experience.

Care.
Cloud apps allow care reps to restore lost content creating higher NPS.

Trust.
Cloud platform is ultra-secure, Carrier-SLA, keeps data safe, private.

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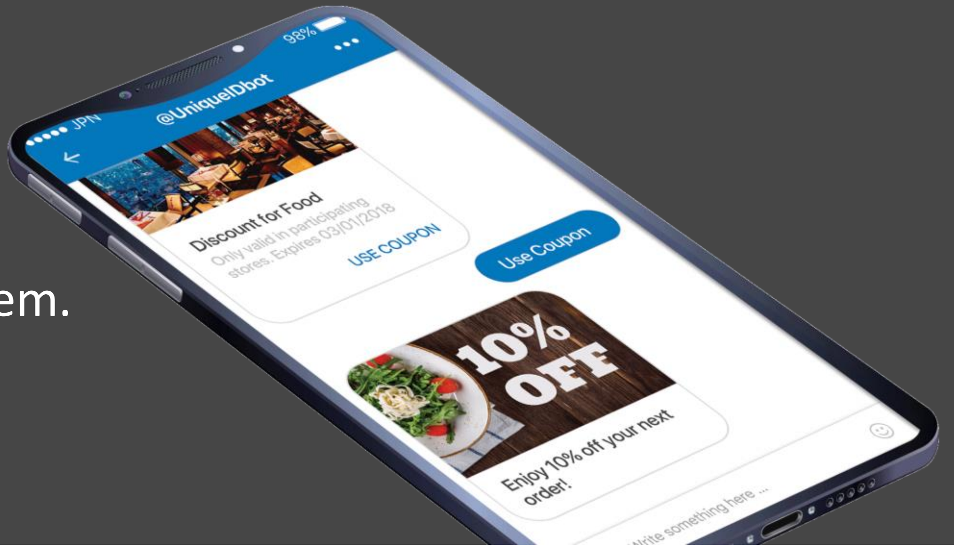
Synchronoss Messaging Platform

An end-to-end platform and client suite that creates an advanced messaging experience that powers a third-party commerce ecosystem.



GLOBAL MARKET OPPORTUNITY

4B+

Global messaging users

Statista.com, 2018

$1B+

Annual revenue from WeChat, LINE, KakaoTalk

Company Financials, 2019

PRODUCTS:

Messaging as a Platform: Integration of messaging technology into Operator networks and devices.

Messaging Marketplace: A real-time portal for brand onboarding and consumer engagement.

Advanced Messaging App: RCS-powered application that delivers P2P and A2P experiences.

NEW DEALS ANNOUNCED IN 2019:

Phase II **of Japan Advanced Messaging Partnership**

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Why Operators Need Advanced Messaging

Operator messaging businesses have no revenue

Effective rate of messaging is zero and now included in rate structure

Operator Revenue Growth is Slowing or Down

Operators must find new incremental areas of net/new revenue growth

OTT Messaging Providers are Growing or Preferred

OTT Messaging applications have become more relevant - Facebook is beginning to harness the future of A2P

There are New Revenue Models Carriers Don’t Have

Advanced messaging features are attracting advertising, commerce, etc. revenue

Why Synchronoss Advanced Messaging?

White Label.
Operators are able to brand their RCS experience.

Neutrality.
No conflict of interest.

Differentiated Customer Experience.
Enable rich, trust-based B2C experience.

P2P
Interoperable, powerful communications features.

App-to-Person.
Advanced commerce, chat bots, high engagement.

Cross Platform.
RCS-powered client works across platform driving virality.

Ecosystem.
One-stop-shop for brands to do business with Operators.

Experience.
Only provider with global experience in Operator messaging partnership.

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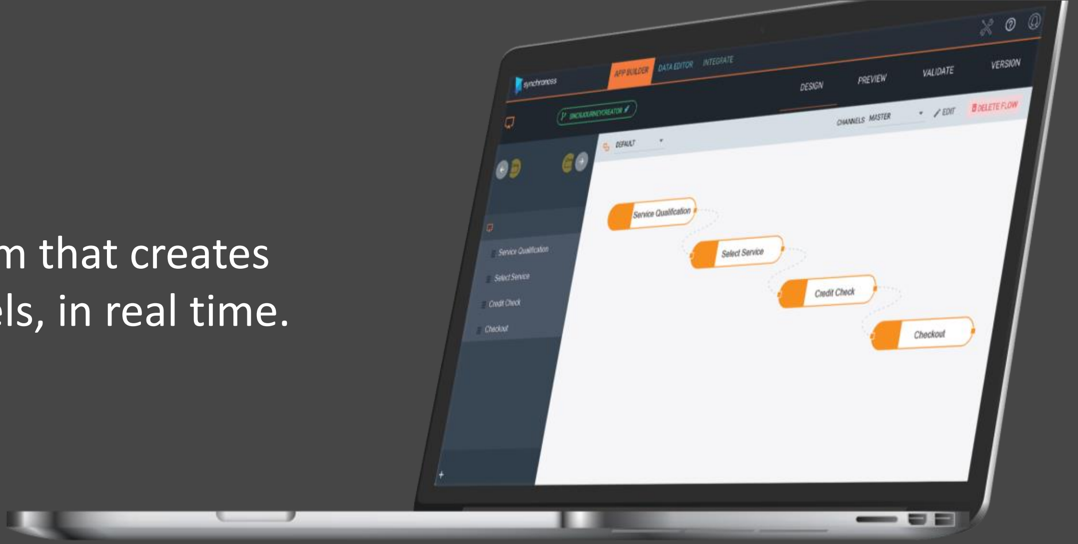
Synchronoss Digital Platform

A next gen platform layered over existing legacy systems platform that creates and manages digital experiences and journeys, across all channels, in real time.



GLOBAL MARKET OPPORTUNITY

94%

Customers frustrated by poor experiences

Thunderhead, 2019

$14.5B

Expected spend on customer experience management in 2024

Statista, 2019

PRODUCTS:

Journey Creator: A low/no-code, drag and drop tool set for customer journey creation and management.

Journey Integrator: Seamlessly integrates into any legacy IT system, extracting data, work flows and enterprise services.

Journey Publisher: Ability for Journey Creator to instruct and populate existing UI in any existing channel – dramatically reduces need for software releases.

Data Analytics: Insights and AI to track and fine-tune the effectiveness of customer journeys.

NEW DEALS ANNOUNCED IN 2019:

New Digital Experience Platform agreement with **Amazon**

DXP reseller agreement with **Rackspace**

Digital Journeys agreements with **Wireless Advocates** and **Telkom Indonesia**

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DXP Solves a Critical Problem in Experience Management

Today…
There is a hole in the IT Stack

- All channels must be integrated to back end
- Each channel requires its own work flow
- Each customer experience is hand coded

Now, Digital Journeys creates…
"An Omni-Channel Experience"

- Coordinated pause and resume customer experiences
- Agile teams of IT and marketing working closely together
- Increased NPS from seamless, insightful experiences

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Why TMT Companies Need DXP to Compete

No one can afford to have a bad customer experience
FAANG-quality digital experiences are what consumers expect from companies

Acquisition & integration is expensive & time consuming
TMT companies struggling legacy systems - time and costs of convergence

Incremental new revenue must be profitable
New revenue growth, reduced cost and better customer experiences hallmark of successful digital players

Innovation can’t happen slowly
Innovation to customer experiences must happen within the window of opportunity

Why Synchronoss Digital Experience Platform?

Journey Creation.
Centralized, Low/no-code, drag and drop journey creation, management.

Omni-Channel.
Creates seamless experiences across channels – single journey state maintained cross channel.

Front-End UI Control.
Informs and populates any existing UI creating total control of the desired customer experience.

Secure.
Single ingress point to platform provides an inherently more secure platform than today's systems.

Any-2-Any Integration.
Integrates to any system in the legacy IT back-office with speed and flexibility.

No Rip and Replace.
Existing systems are capable to powering advanced customer experiences.

Time.
Real-time environment allows for infinitely faster time to market for new experiences, offers and services.

Cost.
Centralized control allows a smaller amount of resources to create more with an order of magnitude less cost.

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Synchronoss IoT Platform

A platform that unifies utility and security systems and data into a cloud-based, single dashboard that provides near real-time controls and insights on building management.

GLOBAL MARKET OPPORTUNITY

3.3B+

M2M connections by 2021

Cisco, 2017

$1T+

Spend by 2020

IDC, 2017

PRODUCTS:

Differentiated Dashboards: Configurable dashboards customized for the needs of different stakeholders in facility management.

System and Sensor Integration: Integration of power, water, HVAC, security and other control points.

Synchronoss Insights Platform (SIP): Data aggregation and applied insights across systems.

Command and Control Panel: A single control point for utilities and security systems and data.

NEW DEALS ANNOUNCED IN 2019:

New IoT partnerships with **Microsoft, Arrow Electronics**

Live IoT/Smart Buildings proof of concept with **Rackspace**

Commercial launch of **AT&T** IoT Smart Cities initiative – first two customers

New Smart Buildings Solutions partnership with **Tridium**

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Traditional **LOCKED** Legacy Building Systems

SYNCHRONOSS SMART BUILDINGS

is a single pane of glass to interact with different systems and sensors.

MULTIPLE PORTALS

SYSTEM CONTROLS	LIGHTING SYSTEMS	SYSTEM CONTROLLER HVAC	SURVEILLANCE SYSTEM	ACCESS CONTROL SYSTEM	BUILDING METERS
Honeywell	CRESTRON	TRIDIUM	Honeywell	ADT	intel
Johnson Controls	LUTRON	SIEMENS	OpenPath DIGITAL SOLUTIONS	tyco	GE
		Honeywell	ADT		

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Why Operators are Changing Their Views on Cloud

None of the Existing Vertical players work together

Management of multiple systems, OS’s, devices, data sources and sensors is a challenge

Data Integration Doesn’t Really Exist

There is no single place to combine data from all the systems and sensors

It’s Hard to Drive Efficiencies Promised in The Technology

There isn’t a single lens to reduce costs, create efficiencies in building management systems

Smart Buildings Are But One Piece in The IoT Puzzle

Smart City Platforms need a vertical to start, integrate and then add - Telematics

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Why Synchronoss Smart Buildings?

Unification.
Single experience for disparate data, devices, systems.

Control.
Single dashboard gives access to data across the building.

Smart Insights.
Data normalization and analytics provide next best action and other insights.

Custom.
Readouts can be custom-tailored for a variety of different stakeholders.

Increased ROI.
Better efficiency, fewer resources maximize cost savings.

Smart City.
Extensibility to Smart City environments: multi-buildings, connected car, smart parking, etc.

Synchronoss Financial Overview

David Clark, Chief Financial Officer

INVESTOR DAY 2019

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Financial Priorities

- Continued cost reduction / drive continued improvement in operating leverage
- Optimize capital structure
- STI, Inc. resolution
- Continue to improve investor understanding of Synchronoss value proposition
- Complete Control Remediation

Second Quarter 2019 Results

CONTINUED IMPROVEMENT IN PROFITABILITY

	Q2 2019	Q2 2018	% Change		6 mos 2019	6 mos 2018	% Change
Revenue	$77,846	$76,842	1.3%		$165,951	$160,451	3.4%
Adjusted Gross Profit	44,443	37,217	19.4%		95,395	76,377	24.9%
Adjusted Gross Margin	57.9%	50.2%	15.3%		57.2%	49.1%	16.5%
Adjusted EBITDA	8,669	12	72,141.7%		15,299	(10,773)	NM
Operating Expenses	62,731	80,317	(21.9%)		132,222	163,711	(19.2%)
GAAP Net Loss	(25,030)	(47,265)	(47.1%)		(52,617)	(87,310)	(39.7%)
Non-GAAP Net Loss from Continuing Operations	(4,477)	(14,993)	(70.1%)		(11,861)	(41,548)	(71.5%)

Revenue, gross profit, gross margins, and adjusted EBITDA all up meaningfully year-over-year…

..while operating expenses are down significantly, driving reduction in operating and net losses

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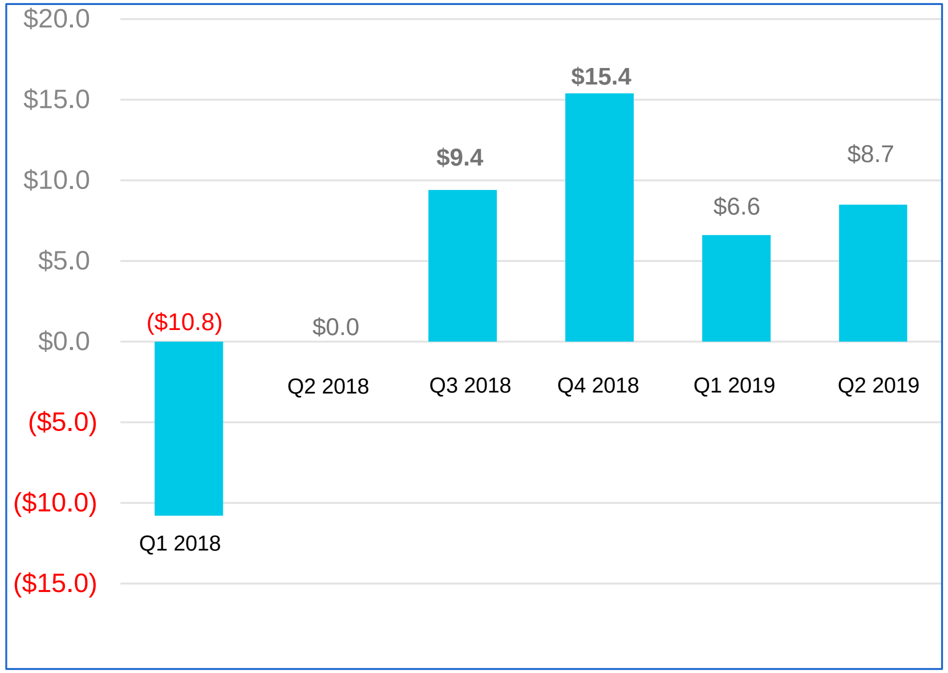
Financials Are Improving

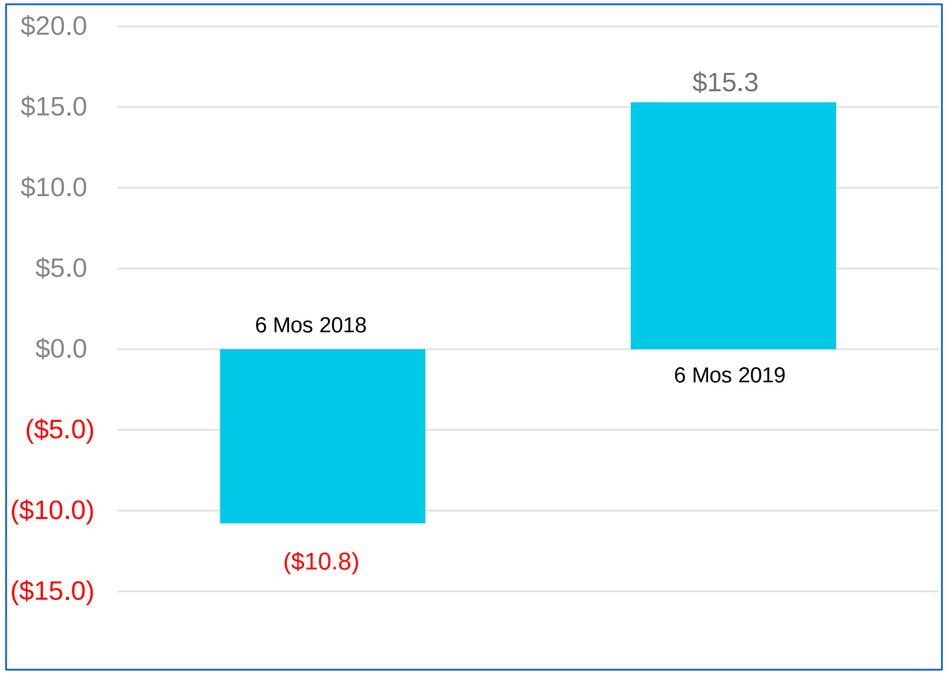
ADJUSTED EBITDA TREND

Quarterly EBITDA Trend ($mil)



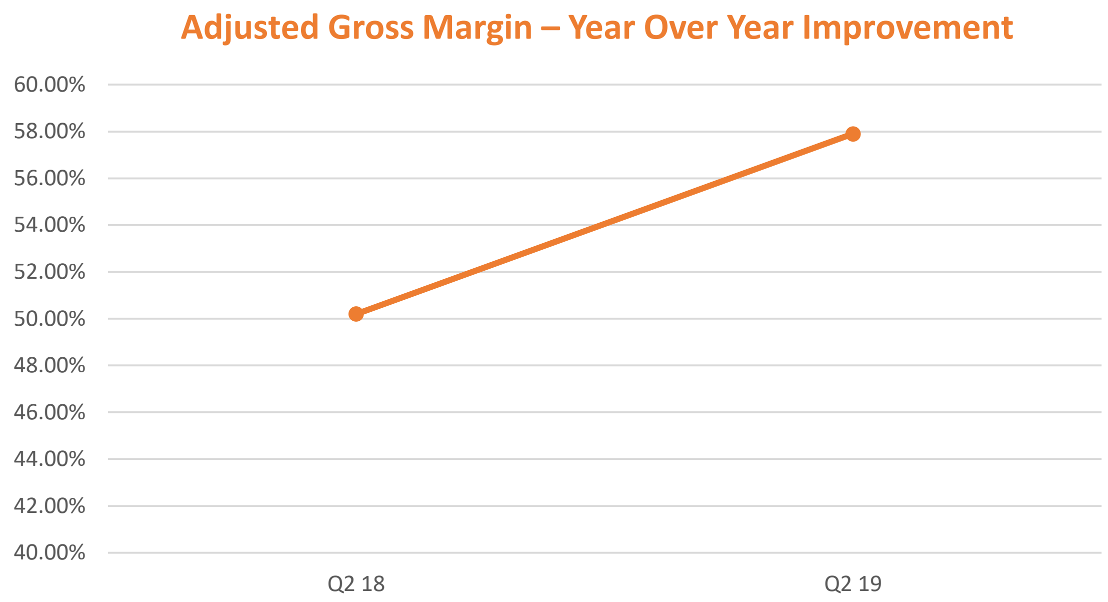
- Consistent improvement in Adjusted EBITDA
- Q2 2019 Adjusted EBITDA improves to $8.5 million from $0 in Q2 2018
- Q1 2019 Adjusted EBTIDA improves to $6.6 million from an Adjusted EBITDA loss of $10.8 million in Q1 2018

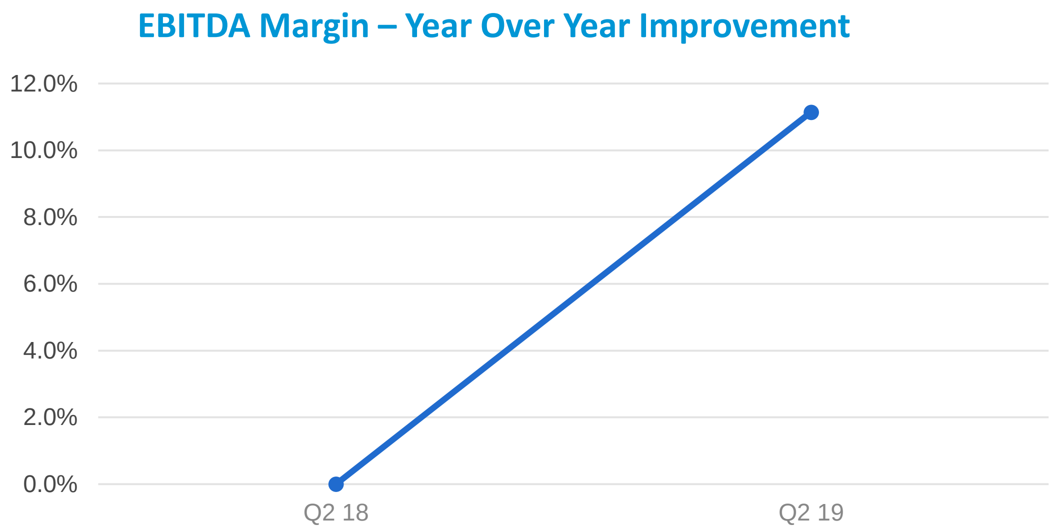
6 Mos 2019 vs. 6 Mos 2018 ($mil)



- Year over year improvement in adjusted EBITDA demonstrates effectiveness of 2018 cost reduction efforts

Improving Earnings Leverage Due to Cost Reduction Efforts





- ✓ Significant improvement in gross margin and EBITDA margin throughout 2018 and 2019
- ✓ Earnings leverage driven by cost reduction efforts – transition from data centers to cloud for storage, office consolidation, headcount reductions, etc.

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Capital/Financing Strategy

	ACTION	TIMING
STEP 1	Pay off balance of convertible notes Current balance: $47.1 million	Final maturity August 15, 2019 Current cash/marketable securities balance $78.9 million
STEP 2	Explore working capital financing for additional capital flexibility • Bank line of credit • Supply chain financing • Factoring	Expected close: Q3 2019
STEP 3	Evaluate long term capital needs	Preferred stock PIPE can be repaid without penalty in August 2020

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STI, Inc. Update

1. Assisting with evaluation of go-forward strategy
2. Continuing to monitor A/R balance and clean up past due balances
3. DXP reseller agreement

Summary

We are participating in large markets with growth potential

We have existing relationships to leverage across our portfolio

We are penetrating new vertical markets through direct and partner channels

We are participating in recurring revenue business models that scale with time

Thank You

Appendix

Reconciliation of GAAP to non-GAAP Financial Measures – Adjusted EBITDA
($000s, unaudited)

	Three Months Ended				
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019
Net (loss) income attributable to Synchronoss	$ (40,045)	$ (47,265)	$ (54,529)	$ (101,909)	$ (27,587)
Add / (Less):					
Restructuring	1,108	2,778	4,539	3,950	740
Depreciation and amortization	23,271	23,401	23,658	47,324	20,143
Interest income	(3,552)	(3,763)	(203)	(252)	(189)
Interest Expense	1,247	1,318	1,370	976	585
Gain on Extinguishment of debt	—	—	—	(1,760)	(387)
Other Income (expense), net	(4,282)	23	13,439	65,737	(463)
Equity method investment income (loss), net	205	7	(283)	28,671	1,243
Benefit for income taxes	125	579	(2,308)	(16,290)	(1,391)
Net (loss) income attributable to noncontrolling interests	(1,285)	(1,259)	422	(6,715)	313
Preferred dividend	3,353	7,260	7,463	7,517	7,537
Stock-based compensation expense	7,184	7,638	7,216	5,566	5,554
Acquisition costs	121	(10)	38	109	(188)
One-Time Expenses due to Restatement, etc.	6,665	9,305	3,638	800	720
Net income from discontinued operations, net of taxes	—	—	—	(18,288)	—
Reclassification of expenses	(4,900)	—	4,900	—	—
Adjusted EBITDA (non-GAAP)	$ (10,785)	$ 12	$ 9,360	$ 15,436	$ 6,630

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

	Three Months Ended March 31,	
	2019	2018
Non-GAAP financial measures and reconciliation:		
GAAP Revenue	$ 88,105	$ 83,709
Less: Cost of revenues	38,953	44,549
Gross Profit	**49,152**	**39,160**
Add / (Less):		
Stock-based compensation expense	686	1,112
Adjusted Gross Profit	**$ 49,838**	**$ 40,272**
Adjusted Gross Margin	**56.6%**	**48.1%**
GAAP Net loss from continuing operations	**(20,339)**	**(44,234)**
Add / (Less):		
Stock-based compensation expense	5,554	7,184
Acquisition costs	(188)	121
Restructuring	740	1,108
Amortization expense	6,129	8,254
One-Time Expenses due to Restatement, etc.	720	6,665
Non-GAAP Net (loss) income from continuing operations	**$ (7,384)**	**$ (20,902)**
GAAP Net (loss) income attributable to Synchronoss	**$ (27,587)**	**$ (40,045)**
Add / (Less):		
Stock-based compensation expense	5,554	7,184
Acquisition costs	(188)	121
Restructuring	740	1,108
Amortization expense	6,129	8,254
Non-GAAP Expenses attributable to Non-Controlling Interest	(37)	(373)
One-Time Expenses due to Restatement, etc.	720	6,665
Income Tax Effect at Statutory Tax Rates	—	(5,510)
Non-GAAP Net loss from continuing operations attributable to Synchronoss	**$ (14,669)**	**$ (22,596)**