

Synchronoss Technologies, Inc.

Investor Day June 6, 2019



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Agenda

TIME	SPEAKER	TOPIC	PAGES
8:00 – 8:30	Glenn Lurie	Strategic Overview	4 – 14
8:30 – 9:15	Mary Clark, Janice Cmielewski	Cloud	16 – 25
9:15 – 10:00	Chris Hill, Janice Cmielewski	Digital	26 – 34
10:00 – 10:15		BREAK	
10:15 – 11:00	Ciaran McGovern, Janice Cmielewski	Messaging	35 – 44
11:00 – 11:45	Chris Hill, Janice Cmielewski	IoT	45 – 54
11:45 – 12:30		LUNCH	
12:30 – 1:00	Jeff Miller	Global Sales	55 – 67
1:00 – 1:30	Pat Doran	Intellectual Property Service Delivery and Innovation	68 – 84
1:30 – 2:00	David Clark	Financials	85 – 93
2:00 – 3:00		OPEN Q&A WITH LEADERSHIP TEAM	

STRATEGIC OVERVIEW

Glenn Lurie, President & Chief Executive Officer



Investor Day 2019



Synchronoss fulfills an integral role in helping companies provide services to and enhancing interactions with their customers.

200+ Customers

1500 Employees

135+ Patents

2000

2004

2006

2007

2013

2018



Synchronoss is Founded



Supported AT&T
Wireless .COM



IPO on NASDAQ



Supported 1st iPhone Launch



Largest White Label Cloud



honeybee Acquisition

About Synchronoss

Mission

To help the world's leading companies deliver transformative customer experiences that create high value engagement and new monetization opportunities

Vision

With our help, the world's leading companies routinely create game changing interactions with their customers that were previously considered unachievable

World-Class Leadership Team



Glenn Lurie

Chief
Executive
Officer



Jeff Miller

Chief
Commercial
Officer



David Clark

Chief Financial
Officer



Mary Clark

Chief Product,
Marketing
Officer



Pat Doran

Chief
Technology
Officer



Ronald Prague

Chief Legal
Officer



Kevin Hunsaker

Chief People
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

30+ years of experience

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

30+ years of experience

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

25+ years of experience

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

20+ years of experience

- Joined Synchronoss in 2002.
- Previously Agility Communications

25+ years of experience

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

25+ years of experience

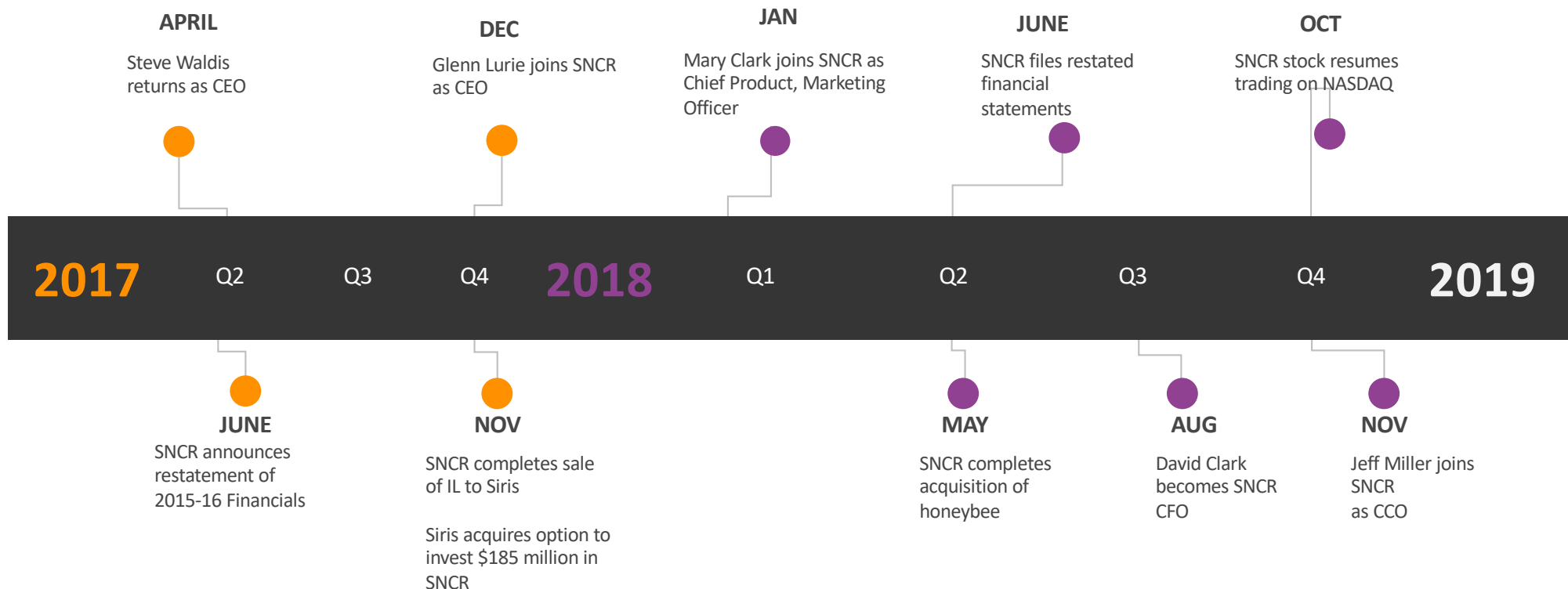
- Joined Synchronoss in 2016.
- Previously WWVP HR Openwave
- VP HR Deem

Synchronoss is Driven By Our Culture

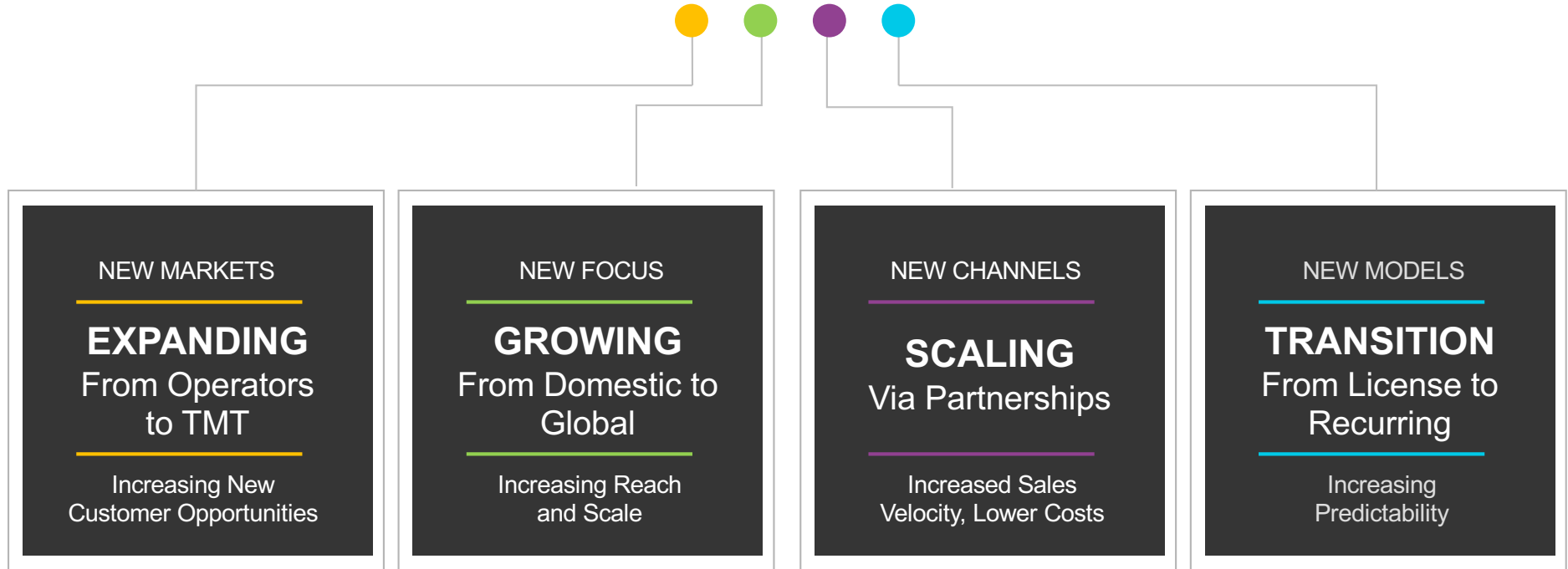


Our goal at Synchronoss is to be the best partner in the world to our customers.

Synchronoss Company Timeline




Synchronoss Strategy Evolution




Synchronoss History & Evolution

THEN




"Synchronoss, founded in 2000, has been a **customized software solutions** company serving **mobile operators** and broadband providers globally. The company went public in 2006 and has approximately 300 customers and 1500 employees.

NOW



We are a **Software Services Company**, Providing Transformative **SaaS and PaaS Offerings** to the TMT Market.

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.

We Have Four Major Product Platforms

CLOUD



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

- ✓ Maximize growth
- ✓ Improve customer experience and engagement

DIGITAL



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

- ✓ Maximize growth
- ✓ Reduce operating costs
- ✓ Improve customer experience and engagement

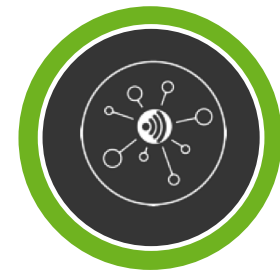
MESSAGING



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

- ✓ Maximize growth
- ✓ Improve customer experience and engagement

IOT



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.**

- ✓ Maximize growth
- ✓ Reduce operating costs
- ✓ Improve customer experience and engagement

We Have Traction in Every Platform

NEW DEALS ANNOUNCED IN 2019:

CLOUD



- **New white-label** cloud customer launching in Q3 2019
- White-label cloud agreement with **Assurant**
- 5 year extension of **BT** white-label cloud agreement

DIGITAL



- New Digital Experience Platform agreement with **Amazon**
- DXP reseller agreement with **Rackspace**

MESSAGING



- Phase II of Japan Advanced Messaging Partnership

IOT

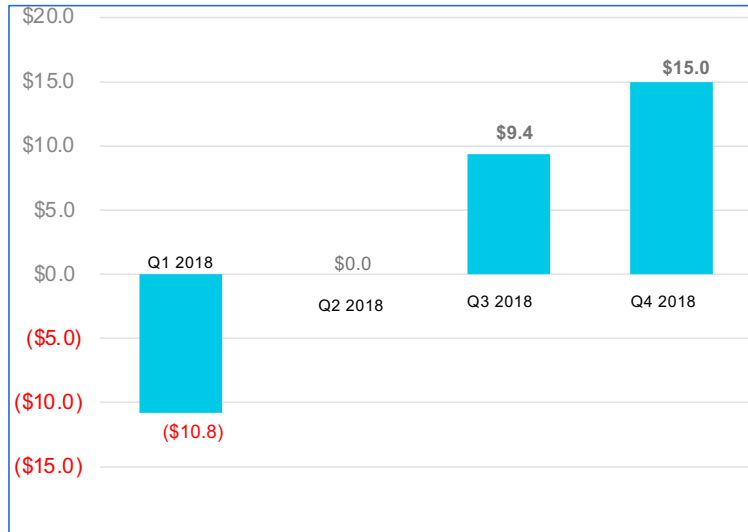


- New IoT partnership with **Microsoft**
- Live IoT/Smart Buildings proof of concept with **Rackspace**
- Commercial launch of **AT&T** IoT Smart Cities initiative – first two customers

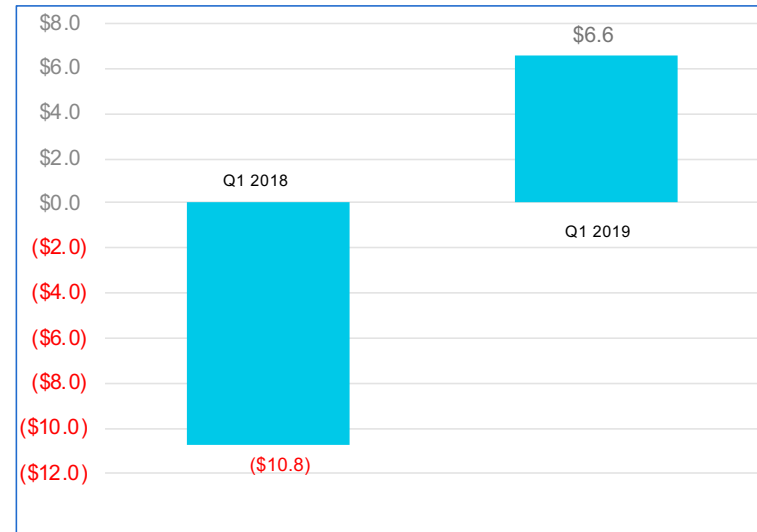
Financials Are Improving

ADJUSTED EBITDA TREND

2018 Quarterly Trend
(\$mil)



Q1 2019 Year-over-Year Trend
(\$mil)



SYNCHRONOSS PRODUCT PORTFOLIO

Mary Clark, Chief Product and Marketing Officer



Investor Day 2019






SYNCHRONOSS CLOUD PLATFORM



Investor Day 2019





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

Synchronoss Cloud Platform

Care Integration

Integration into customer care to facilitate saves and restoration of data to lost, stolen devices.

Cloud Experiences

A scalable server and storage environment built over AWS, data that powers third party services, enables retention.

Retail Applications

Mobile Content Transfer – wireless transfer of content between old and new devices.

Out of Box Experience (OOBE) – Integrated Device Set up.

Switcher – Mobile App to facilitate easier switching service providers.

The Personal Cloud Application

White-Label, premium App that stores and syncs subscriber media across devices & platforms.

Cloud Service Bundles

Ability to integrate into other value-added services (e.g. Mobile Insurance)





CLOUD PLATFORM PRODUCT DEMO

Synchronoss Cloud Applications

Personal App



Personal Cloud

Store, Sync and Engagement in Subscriber Media from any device

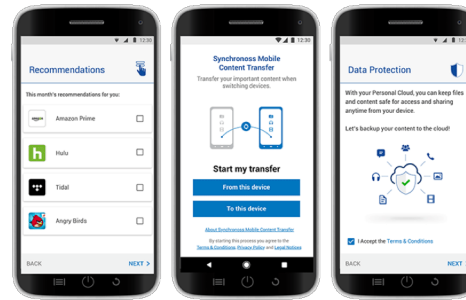
Retail, Online



Content Transfer

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

Device Set Up



O.O.B.E.

Embedded in device setup with service promotion, upgrades and provisioning (Android)

Retail, Online



Switcher

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

The Competitive Landscape

BOTTOM-LINE, WE ARE CONVINCING CARRIERS WHY THEY SHOULD GET INTO THE CLOUD BUSINESS.



iCloud	
Distribution	Embedded
Model	Freemium
Price	5 GB / Free 50 GB / \$0.99 200 GB / \$2.99 2 TB / \$9.99
Branding	Apple
Platform	iOS

- **Apple only**
- **No role for Carriers**
- **All data with Apple**

Google Photos	
Distribution	Embedded, OTT
Model	Freemium
Price	15 GB / Free 100 GB / \$1.99 200 GB / \$2.99 2 TB / \$9.99
Branding	Google
Platform	iOS, Android

- **Google Branded**
- **Data Monetization**
- **Advertising agenda**

Synchronoss Cloud	
Distribution	Embedded, OTT
Model	Premium
Price	Price / bundling controlled by Carrier
Branding	Operator
Platform	iOS, Android

- **Carrier Branded**
- **Carrier Revenue**
- **Carrier Experience**
- **Carrier Data**

Do Nothing

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.

Cloud's Value & Versatility Drive the Metrics That Matter

OFFER	RESULTS			
	REVENUE	SUBSCRIBERS	CHANNEL SAVINGS	RETENTION
FREEMIUM CLOUD	 TENS OF MILLIONS OF \$	 TENS OF MILLIONS	 TENS OF MILLIONS OF \$	 ~0.05%-0.1% reduction in churn
BUNDLED CLOUD	 MILLIONS OF \$	 TENS OF MILLIONS	 MILLIONS OF \$	 ~0.05%-0.1% reduction in churn
PREMIUM CLOUD	 HUNDREDS OF MILLIONS OF \$	 MILLIONS	 MILLIONS OF \$	 ~0.03%-0.05% reduction in churn

Source: Results derived from Synchronoss Cloud deployments



2019 Cloud Investment Priorities



Increase subscriber funnel with operator customers

Family Plan, Group Share, OOB and Email Integration drives acquisition of new users



Open new channels

Cloud SDK and Partnerships enable new verticals and revenue streams (e.g. Assurant)



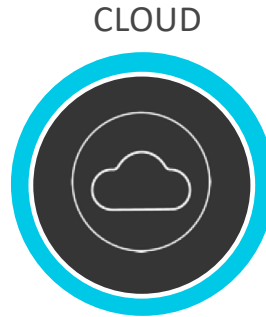
Staying feature competitive with OTT platforms

Highlights, Slideshow, Flashbacks and Tagging drive increased engagement with Cloud

Cloud Summary and Elevator Pitch



Personal Cloud Application



Cloud Platform

Cloud Platform

- New Incremental Revenue Opportunity
- Carrier Branded Service Experiences
- Better Customer Experiences, Lower Churn



SYNCHRONOSS DIGITAL PLATFORM

Chris Hill, SVP Digital



Investor Day 2019



synchronoss



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

Synchronoss Digital Experience Platform

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.

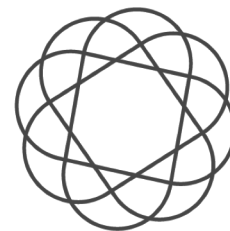
Journey Publisher

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.





DXP PRODUCT DEMO

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.

DXP provides the agility needed to exceed market needs

COMPONENTS	RESULTS		
	IMPACT	SCOPE	METRICS
DXP <ul style="list-style-type: none"> Journey Publisher deploys journey to front-end channels Journey Creator enables drag & drop journey creation Journey Integrator plugs journeys into back-end 	 <p>ROI AND MARGINS</p>	 <p>ALL CHANNELS</p>	<p>↓ Development time and effort; digital sustainment costs</p> <p>↑ Customer acquisition and retention.</p> <p>↑ Better CX, NPS</p>
Journey Advisor <ul style="list-style-type: none"> Enables Guided Journeys Decision Engine presents best offers Optimized behaviors without extensive training 	 <p>REVENUE GROWTH</p>	 <p>ASSISTED CHANNELS</p>	<p>↑ Close rates</p> <p>↑ Up-sell/cross-sell</p> <p>↓ Agent training</p>
Catalogue <ul style="list-style-type: none"> Common, accessible home for products and services Accelerates Product/Bundle/ Offer creation 	 <p>ROI AND MARGINS</p>	 <p>ALL PRODUCTS</p>	<p>↓ Offer Time to Market</p> <p>↑ Portfolio</p> <p>↑ Add-On sales</p>

Source: Results derived from Synchronoss Cloud deployments



The Competitive Landscape



Internal/BAU

Pega	
UI Flexibility	Designated Pega UI
Time to Market	Deploy Code
Development Model	Pega Developers
Pricing	License
CX / UX	Form based or REST API

- Extending into Journey Management
- Orchestration to support core business
- Code based platforms

Vlocity / Salesforce	
UI Flexibility	Designated Salesforce UI
Time to Market	Deploy Code
Development Model	Salesforce Developers
Pricing	PaaS
CX / UX	Form based templates or REST API

- Builds tools on top of Salesforce
- Orchestration to support core business
- Code-based platforms

Synchronoss	
UI Flexibility	Model Driven Execution
Time to Market	No SDLC
Development Model	Citizen and IT Developers
Pricing	PaaS
CX / UX	Drag & drop GUI Reusable templates

- Purpose-built Journey Orchestration/deployment
- Low/no-code
- Superior Handling of Front-end UI

2019 DXP Investment Priorities



Extensibility – expand UI capabilities and broaden user groups

Role-Based Access & client UI extensions (iOS, Android, React, et al)



Usability – launch new modules

Decision Engine & Product Catalog

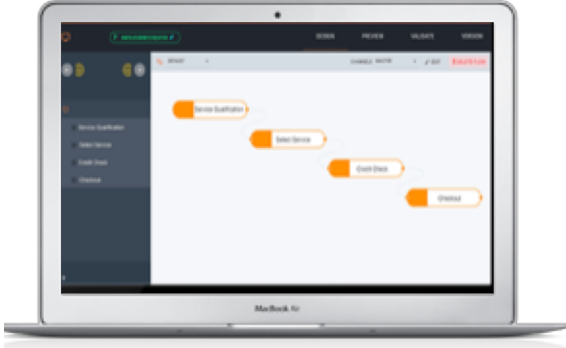


Platform Self Service – launch new distribution channels (SIs, Digital Agencies, et al)

Self Service Monitoring, Diagnostics and Dashboards, Third party and back end connectors

DXP Elevator Pitch

DIGITAL



DXP Elevator Pitch

- Low/No-code Journey Creation
- Total Control of UI/UX
- Legacy Back Office Integration
- Centralized Resource Model
- Low Cost, Fast Time to Market





SYNCHRONOSS MESSAGING PLATFORM

Ciaran McGovern, VP Messaging



Investor Day 2019





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

Synchronoss Advanced Messaging Platform

Messaging as a Platform

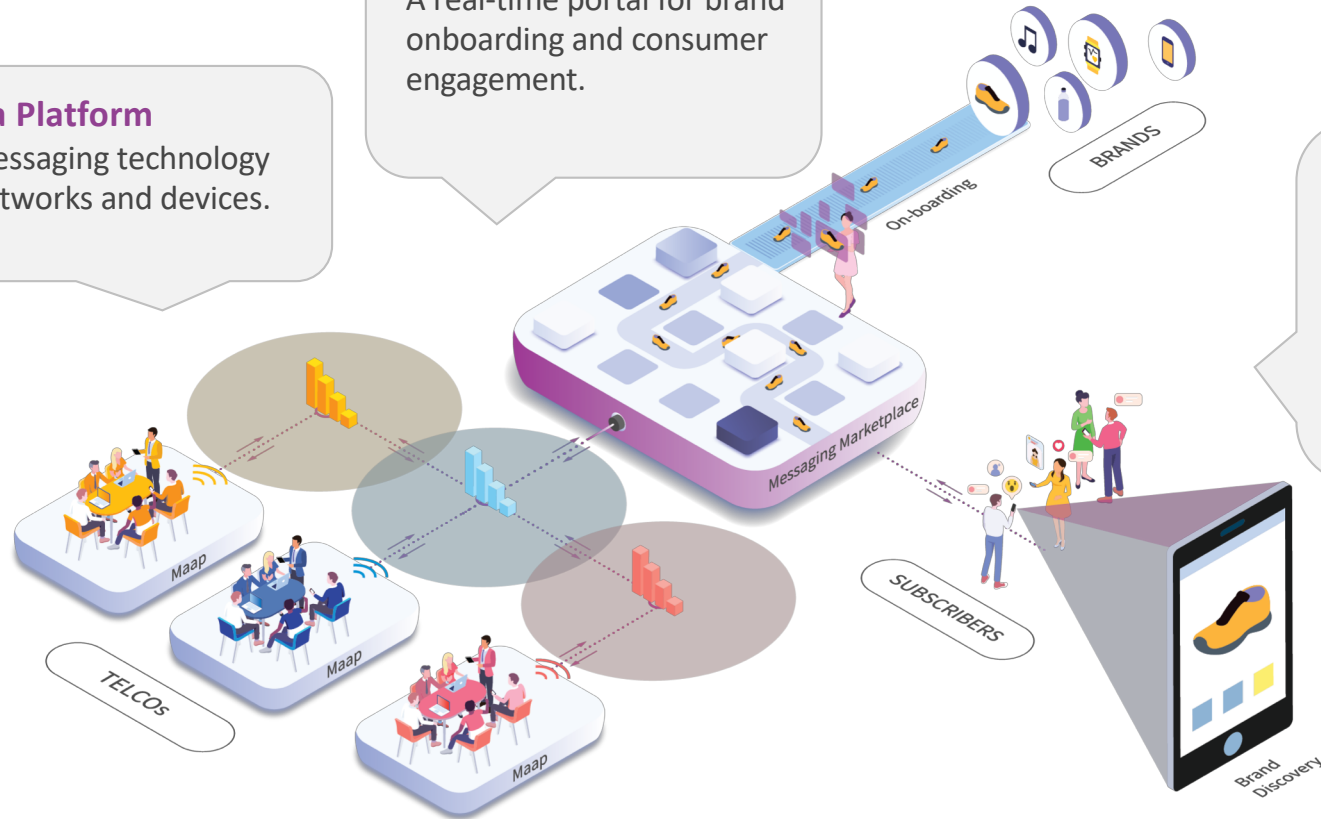
Integration of messaging technology into Operator networks and devices.

Messaging Marketplace

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

Advanced Messaging App

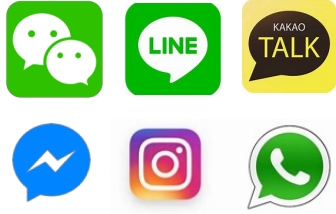
RCS-powered application that delivers P2P and A2P experiences.





MESSAGING PRODUCT DEMO

The Competitive Landscape



OTT	
Distribution	Download
Monetization	Ads/Content
Platform	Agnostic
RCS	NA
Operator Friendly	NA

- No Carrier Role
- Disintermediation – Dumb-pipe
- Advertising Agenda
- Non RCS Compliant

Google	
Distribution	Android
Monetization	Ads/Content
Platform	Android
RCS	Yes
Operator Friendly	TBD

- Android Only
- Advertising and Data Agenda
- Customer Ownership

Apple	
Distribution	Embedded
Monetization	Ads/Content
Platform	iOS
RCS	NA
Operator Friendly	NA

- iOS Only
- Non RCS Compliant

Synchronoss	
Distribution	Embedded, Download
Monetization	Ads/Content
Platform	iOS, Android
RCS	GSMA Compliant
Operator Friendly	Yes

- Carrier Branded
- Carrier Revenue
- Third Party Operations
- Carrier Data
- Make Adv. Rules

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.

Addressable Market Sizing

Business Messaging

Source: MobileSquared Projections 2018

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$6.8 B	\$9.0 B	\$11.2 B

Messaging Advertising Spend

Based on: WeChat, Line, KakaoTalk, Snap Chat Ad Rev

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$9.9 B	\$13.3 B	\$17.9 B

Conversational Commerce

Source: Statista

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$74.2B	\$137B	\$221B

Carrier Addressable Market

100% of A2P RCS Spend, 10% of Messaging Advertising Spend and
0.6% of Conversational Commerce

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$8.3 B	\$11.3 B	\$14.5 B

Markets: Japan, US, China, Europe,
LATAM

Assumes: Revenue Share business model or
equivalent in license revenue

Synchronoss & Medialink Undertaking a Six Month Market Shaping Initiative

APRIL

Conduct Research
with Leading
Brands & Agencies



dentsu
電通公共關係顧問(北京)



JUNE

Generate Research
Paper, Present at
Cannes Lions



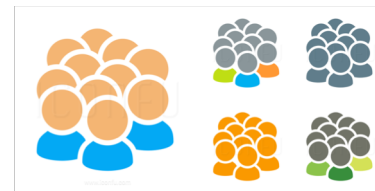
JULY

Establish Pilots,
Innovation Lab with
Brands, Carriers



SEPT-OCT

2nd White Paper,
Expand Innovation
Lab to ASU Focus
Group



2019 Advanced Messaging Investment Priorities



Expand Brand Gateway/MMP development

Supporting the goal of a multi-country operational MMP ecosystem



Continue development of Advanced Messaging capabilities

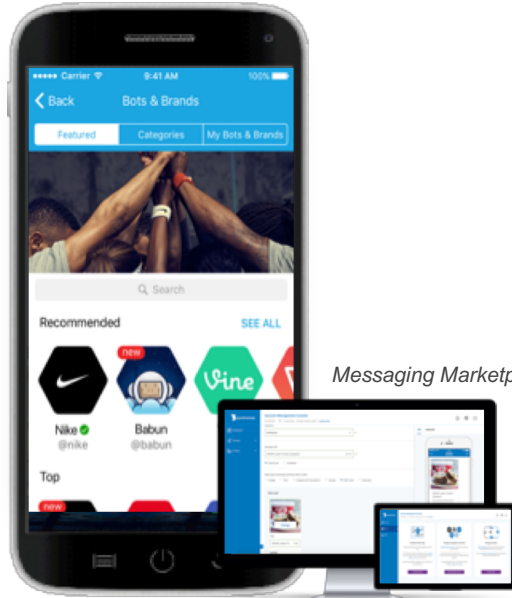
i.e., chatbots, AI, NPL



Brand/Eco-System Development

Project Festivál and other promotional/evangelism activities with brand, advertiser communities

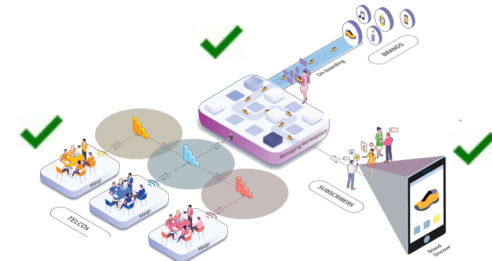
Advanced Messaging Summary and Elevator Pitch



Messaging Marketplace Portal

Advanced Messaging Application

MESSAGING



- RCS-Powered, End-to-End Messaging Solutions for Carriers
- P2P, A2P
- Third Party Ecosystem
- Incremental Revenue Opportunity
- Block OTT's



SYNCHRONOSS IoT/SMART BUILDING PLATFORM

Chris Hill, SVP IoT



Investor Day 2019





Why Channel Distributors Need Smart Buildings Platform



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

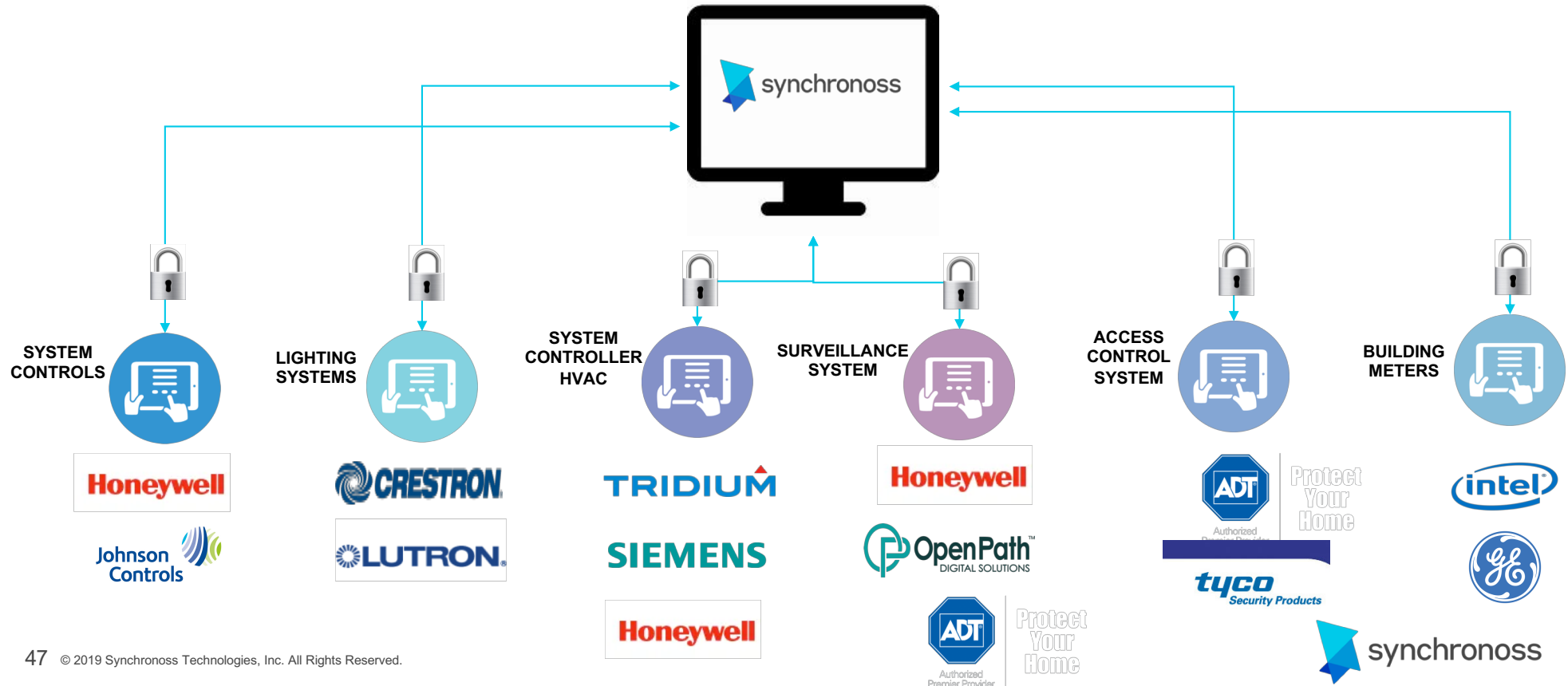


Smart Buildings Are But One Piece in The IoT Puzzle

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

Traditional LOCKED Legacy Building Systems

SYNCHRONOSS SMART BUILDINGS IS A SINGLE PANE OF GLASS TO INTERACT WITH DIFFERENT SYSTEMS AND SENSORS.



Synchronoss Smart Buildings Solution

Differentiated Dashboards

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

System & Sensor Aggregation

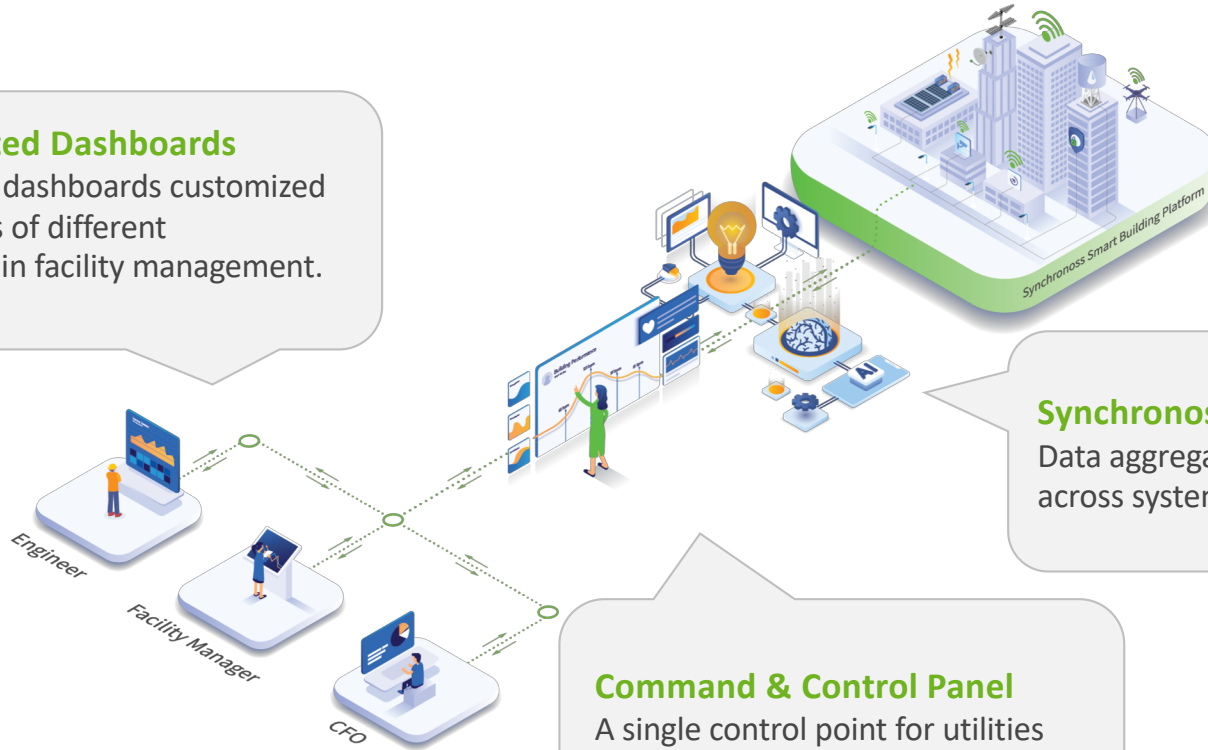
Integration of power, water, HVAC, security and other control points.

Synchronoss Insights Platform (SIP)

Data aggregation and applied insights across systems.

Command & Control Panel

A single control point for utilities and security systems and data.





SMART BUILDINGS PRODUCT DEMO

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.

Smart Buildings Solutions Deliver Insights That Drive Productivity & Efficiency

OFFER		RESULTS			
		REDUCE ENERGY CONSUMPTION	IMPROVE BUILDING EFFICIENCY	RESOURCE OPTIMIZATION	OUTAGE AVOIDANCE
Smart Insights	<ul style="list-style-type: none"> Monthly recurring platform pricing Role based dashboard configuration Added on top of System Integrator solutions 	 <p>TENS OF MILLIONS OF \$</p>	 <p>TENS OF MILLIONS</p>	 <p>TENS OF MILLIONS OF \$</p>	 <p>~ Minimize Operations Down Time via predictive maintenance</p>
SNCR Channel Solution	<ul style="list-style-type: none"> Initial Install and Monthly recurring pricing that varies based on facility size Installation of devices / hardware in addition to Core SIP Smart Insights 	 <p>MILLIONS OF \$</p>	 <p>TENS OF MILLIONS</p>	 <p>MILLIONS OF \$</p>	 <p>~Minimize operations down time via predictive maintenance</p>
Whole Building Solution	<ul style="list-style-type: none"> Initial Install and Monthly recurring pricing that varies based on facility size ETE Program management of whole building solution including Installation of devices, software systems integration across BMS as well as Core SIP Smart Insights 	 <p>HUNDREDS OF MILLIONS OF \$</p>	 <p>MILLIONS</p>	 <p>MILLIONS OF \$</p>	 <p>~Minimize operations down time via predictive maintenance</p>

2019 Smart Building Investment Priorities



Integration into Synchronoss Insights Platform (SIP)

Ability to tap rich analytics insights (AI, predictive, preventative maintenance)



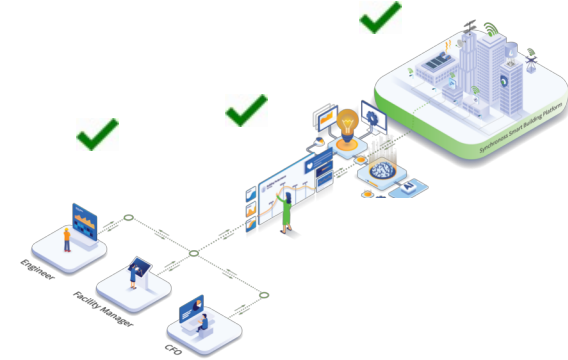
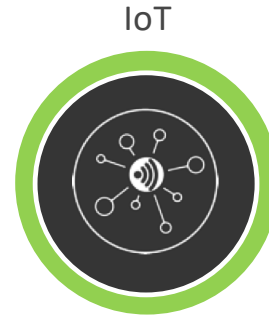
Usability – Launch mobile apps (iOS, Android)

Mobile access to Smart Buildings insights and ability to take action from mobile device



Enhance UI and UX experience

Smart Building Summary and Elevator Pitch



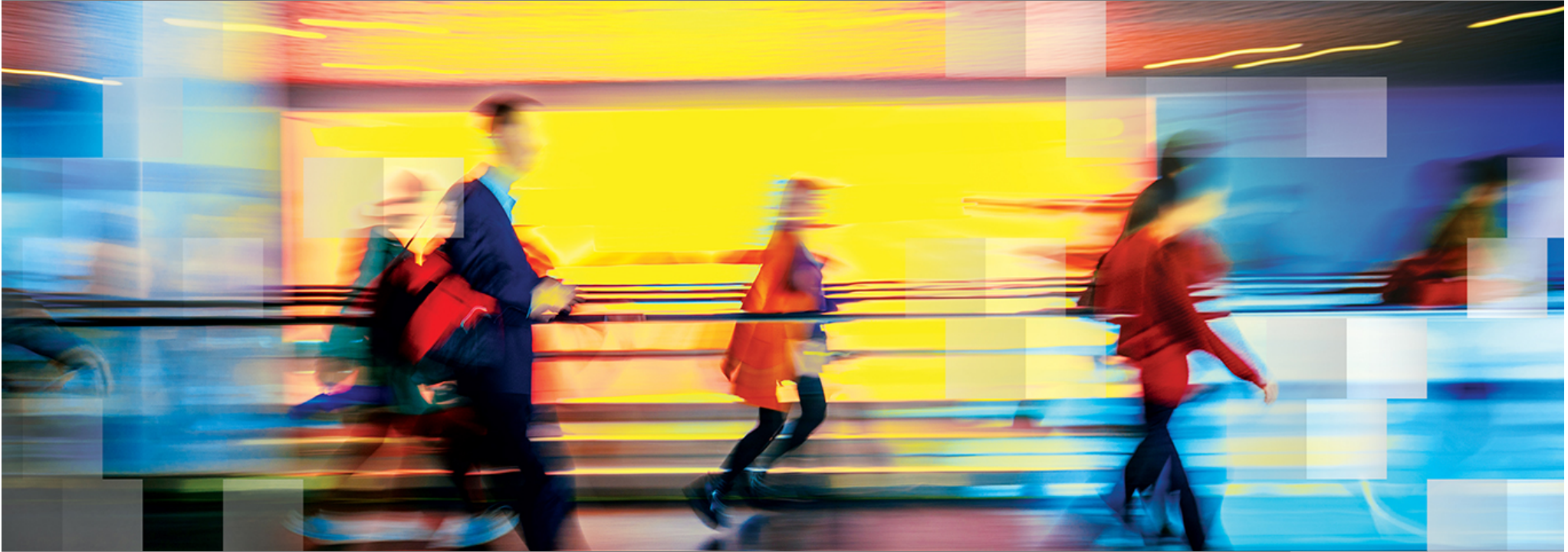
- Single control point for all building utilities, security systems and data
- Smart Insights – Real-time, Predictive Actions
- Configurable , Role-based Dashboard Interfaces
- Smart Cities integration

Customer Testimonial



Jeff Miller, Chief Commercial Officer

Global Sales Overview

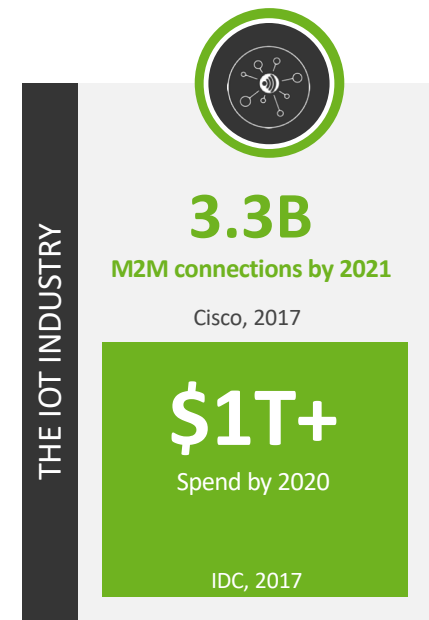
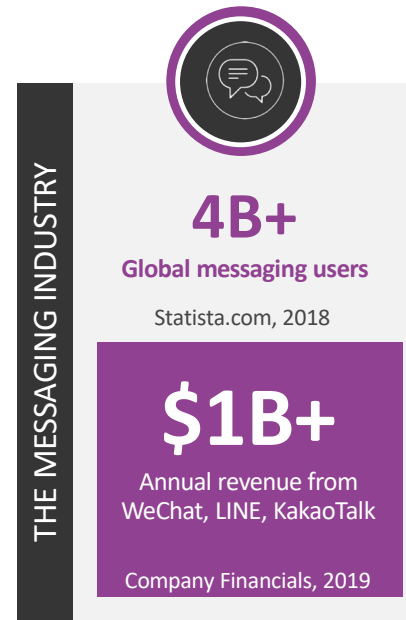
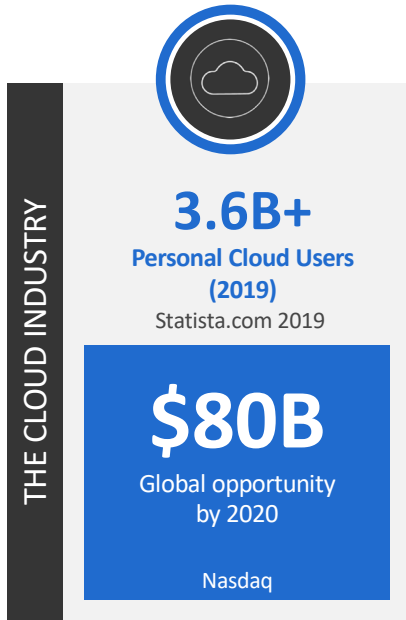


Investor Day 2019

Agenda

- **The Market Opportunity**
- **Global Go To Market strategy**
- **Regional Snapshot**
- **Business Model Examples**

Massive Global Opportunity for our Business



Global Commercial Team



Leverage our deep relationships, global structure and existing customer base to drive significant growth in 2019 and beyond

WIN

Leverage relationships in core verticals to drive new business globally

GROW

Expand products and use cases within existing accounts

BUILD

New core competencies to create and compete in markets of the future

The foundation of our global GTM strategy



AMERICAS Region



ANDY SHIBLEY

President & GM, AMERICAS

- 31 years of leadership experience in sales, marketing and operations at AT&T
- Extensive direct and indirect distribution experience. Responsible for 58,000 points of distribution
- Long, established relationships across North American wireless carriers



TOP CUSTOMERS



120

Total Unique North America Customers



14

Cloud
Deployments



242

Digital
Deployments



33

Messaging
Deployments



4

IoT
Deployments

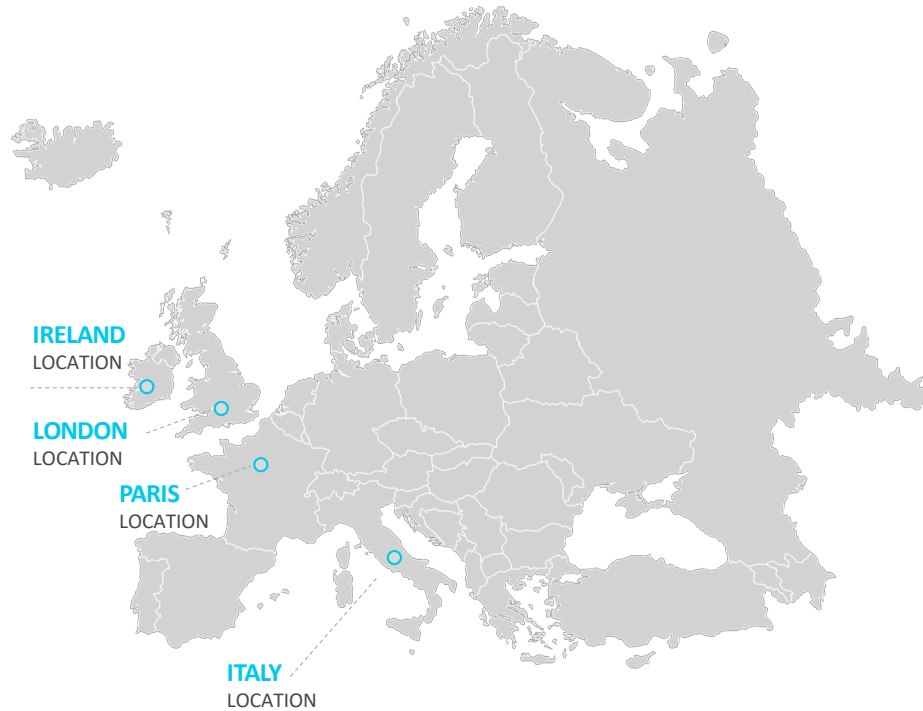
EMEA Region



RUDY AUGSBURGER

President & GM, EMEA

- 30 years helping multi-national companies such as Siemens, Ericsson and Equifax expand their global footprint in Asia, Americas and Europe
- Broad language skills, cultural experience and global empathy, enables Rudy to identify new business opportunities to grow revenue in a wide range of competitive markets

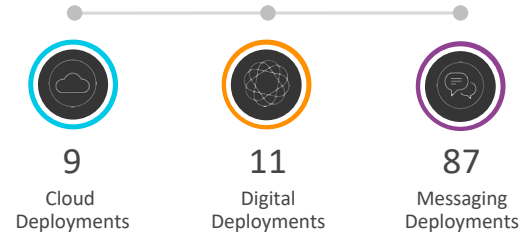


TOP CUSTOMERS



60

Total Unique EMEA Customers



APAC Region



ANTHONY SOCCI

President & GM, APAC

- 18 years of experience delivering software programs, products and services to the TMT industry globally
- Built Synchronoss' Global Operations in the US, Europe and Asia markets over the past 15 years
- Growing track record of success building long term customer relationships and commercial business models that stand the test of time



TOP CUSTOMERS



25

Total Unique APAC Customers



10

Digital
Deployments



78

Messaging
Deployments

Partnerships & business development



Dave Haight

President Partnerships & Business Development

- 30 years of leadership experience within telco and mobile industry
- Built, scaled and managed multiple growth organizations at AT&T Mobility
- Led negotiations, launched and managed the Apple iPhone introduction for AT&T

10

Total Global Partners Onboarded

TOP PARTNERS



BD VERTICAL TARGETS



Telco



Media



Technology

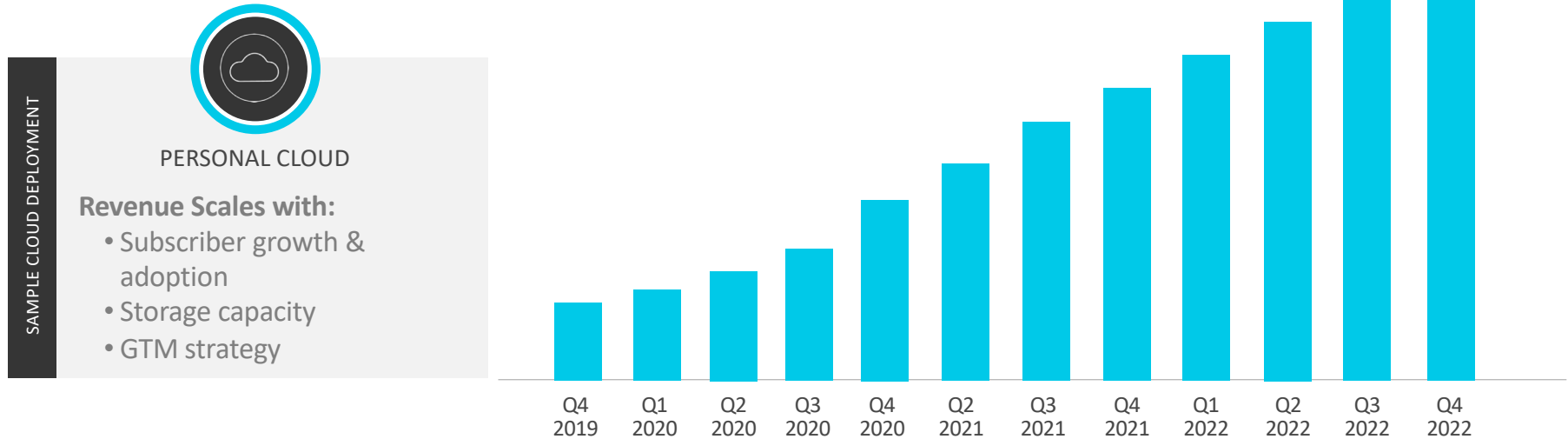


Retail



Utilities

Adding a new cloud customer contributes to our growth over time



- Increases ARPU via Premium consumption of Personal Cloud storage
- Lowers churn rates through Freemium versions of the solution

Connecting Customers to the world of Amazon through Synchronoss DXP

Leveraging our deployments with Amazon to attract new global customers



Digital Experience Platform



amazon music

amazon prime

prime video



Digital Experience Platform



synchronoss

Revenue Share Model

Smart Buildings delivers an ROI that is attracting global customers

SAMPLE SMART BUILDING DEPLOYMENT



SMART BUILDINGS

Revenue Scales with:

- Number of sensors deployed
- Building size and scale

- Discovery of unmanaged electricity consumption
- Deployments yield 20%+ energy saving per site
- Initial deployments include 1M sq. ft. corporate headquarter location



Summary



We're 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're participating in recurring revenue business models that scale with time

SYNCHRONOSS INTELLECTUAL PROPERTY MONETIZATION, SERVICE DELIVERY AND INNOVATION

Pat Doran, Chief Technology Officer



Investor Day 2019

Agenda

Technology Team Objectives

Move to the Cloud Less Capital-Intensive Model

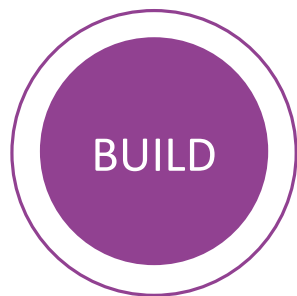
Innovation Patent Portfolio

3-Year Goals and Objectives



Scale Delivery and Deployment Engine

2019 and beyond are a return to growth both revenue and **number of deployments**



Security Posture Improvement

5G, Messaging and IoT adoption will drive countless new use cases and **security needs to underpin everything we build**



World Class Cost Structure

Pivot our scarce resource to delivering our products and services, **leveraging partners for our commodity compute** and storage

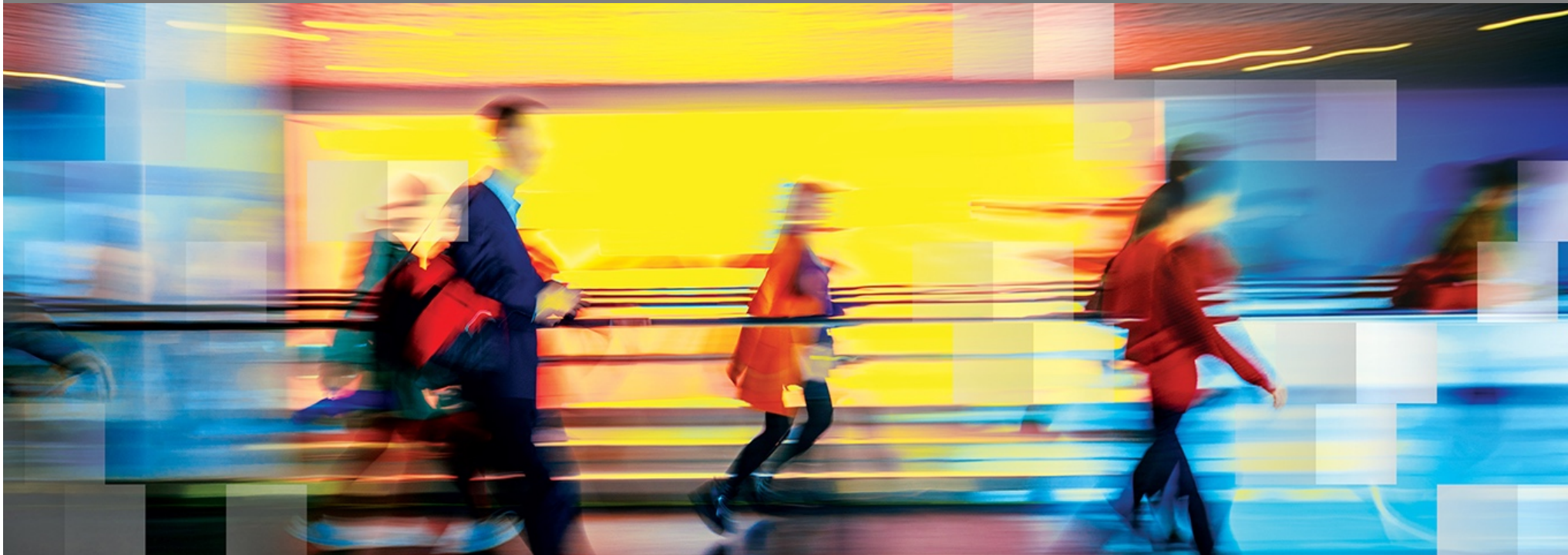


Innovation Acceleration

We need our **products to do more** and we need **more products**

 Synchronoss Agile Transformation 

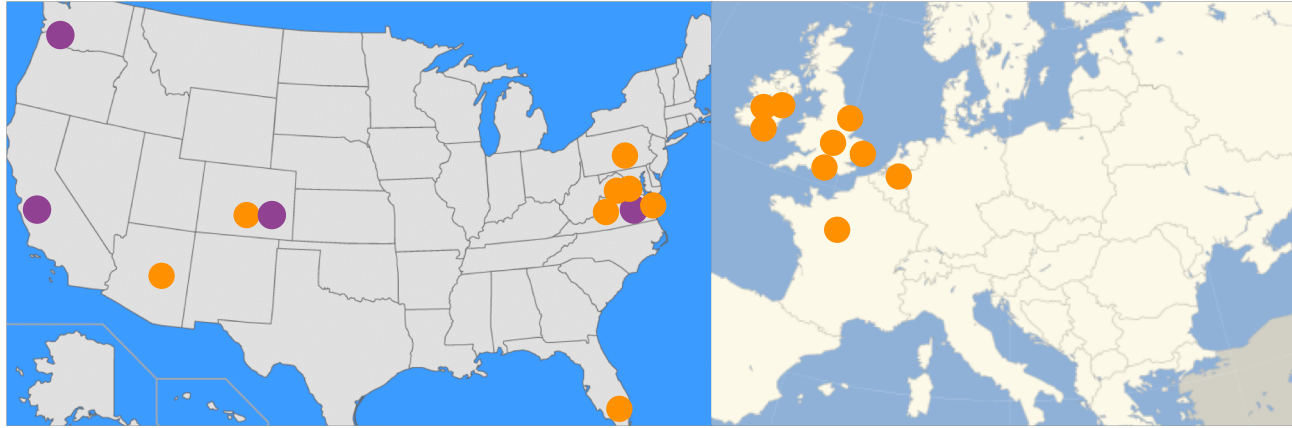
Move to the Cloud



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Infrastructure Footprint

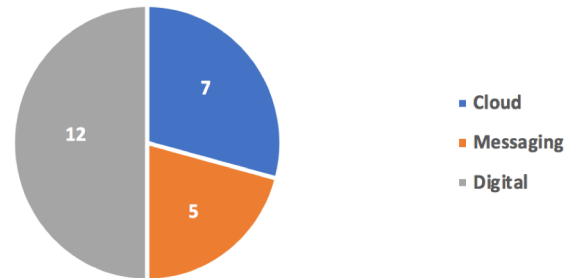


2018 RESULTS

- Closed three largest data centers
- Represent ~35% of co-location sq. ft capacity closed
- Approximately ~30% of the hosting OPEX eliminated



Data center count by Product

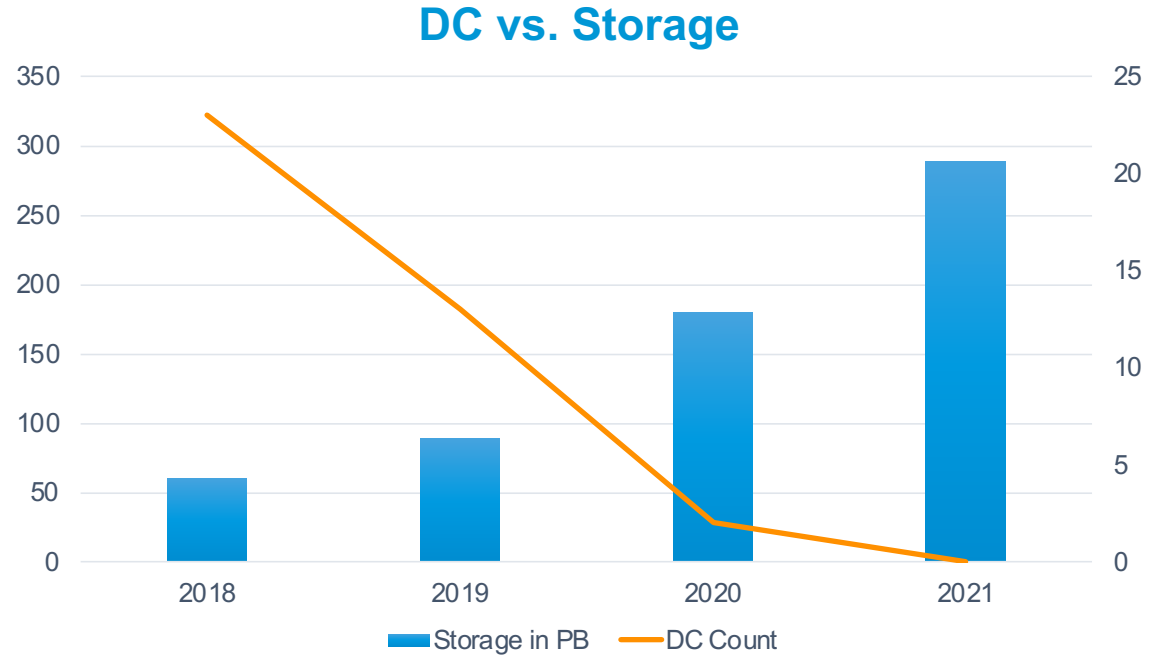


2019 STATUS

- 24 Locations
- 90 PB of Storage
- Leverage Amazon AWS partnership

Data Centers and Storage

BY THE YEAR		
Year	DC Count	Storage in PB
2018	24	60
2019	13	89
2020	2	180
2021	0	290



COTS Software Reduction

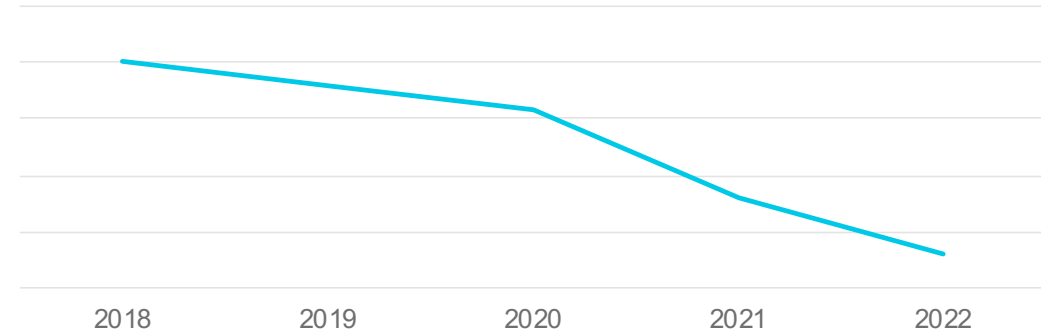
SUPPORTED COSTS BY YEAR

Year	Support Cost
2018	\$ 8M
2019	\$ 7M
2020	\$ 6.5M
2021	\$ 3.2M
2022	\$1.2M

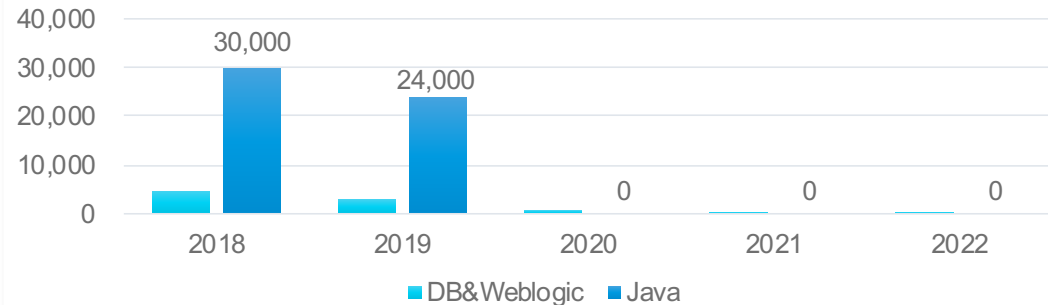
CORES BY YEAR

Year	DB	Java
2018	4,900	30,000
2019	3,100	24,000
2020	800	0
2021	400	0
2022	400	0

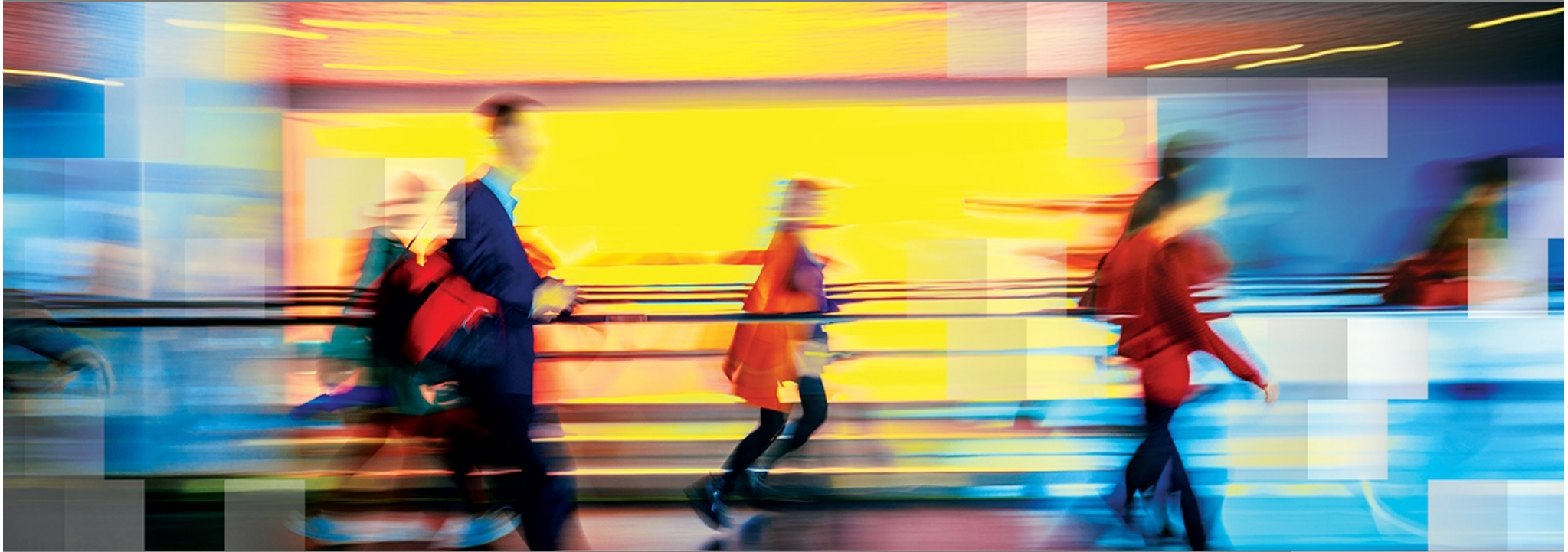
Oracle License Cost Per Year



DB & Java Cores Per Year



Innovation



Investor Day 2019

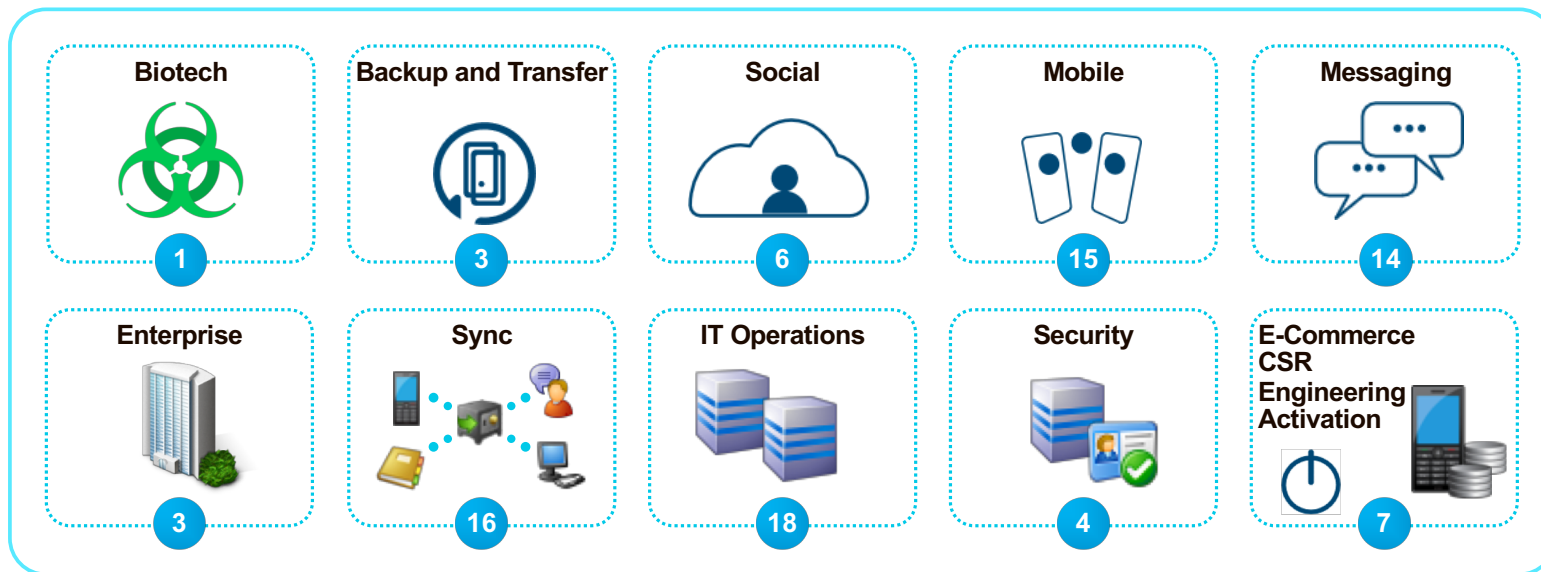
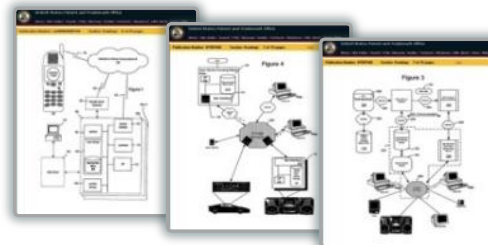
U.S. Industry IP Coverage

Issued:

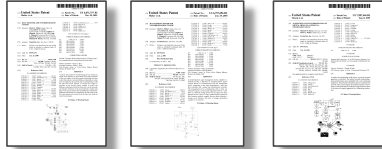
87 U.S.; 48 Foreign

Pending:

64 U.S.; 62 Foreign



Infringement and Licensing



Patents used in litigation:

Sync: **6671757, 6757696, 7587446** Messaging: 7505762, 7643824, 8181111, 8645471, 9143475, 7487212, 8140631, 8156075, 8990401, 8990402, 9021060

PAST INFRINGEMENT -> LICENSING



CURRENT INFRINGEMENT PURSUITS



DIRECT LICENSING



2019 DXP Intellectual Property Focus



1

DXP Architecture / Self Describing API method

Enabling configurable dynamic rich user interfaces across multiple client-side technologies and channels with model-driven hypermedia.

2

Security

Enabling security by design in a low-code application framework via a metadata enriched data model using a graphically driven user-interface and publication paradigm.

3

Domain Driven Catalog

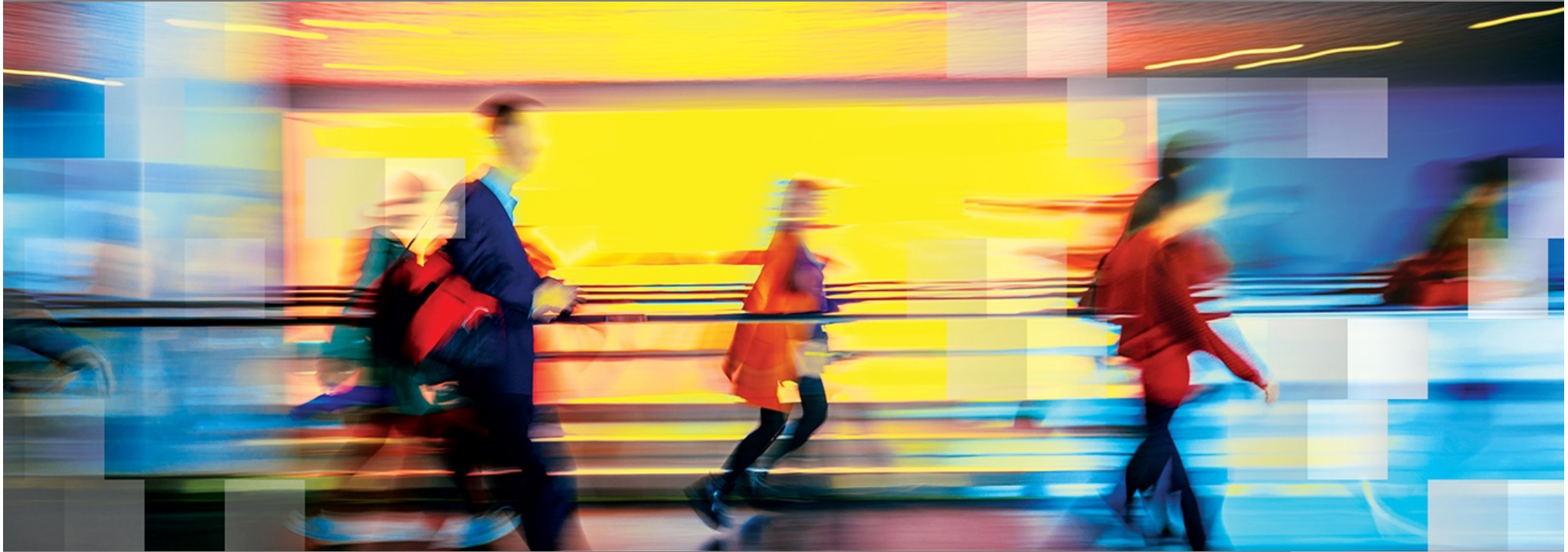
Multilevel Catalog and Validation System Supporting Enforceable Rules, Domains, Definitions for Automated Graphical User Interface Generation, Vocabulary Specific Validation and Decision System Entity Specification.

4

Domain Driven Journey and Decision Engine

Additional patent candidate around use of the domain-model to drive both data creation in Journey Creator and the configuration of the Recommendation Engine

SYNCHRONOSS DELIVERY EXCELLENCE



Investor Day 2019



Synchronoss History & Evolution

THEN



“Synchronoss, founded in 2000, has been a **customized software solutions** company serving **mobile operators** and broadband providers globally. The company went public in 2006 and has approximately 300 customers and 1500 employees.”

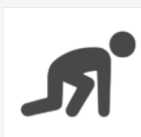
NOW



“In the last year we have pivoted to a **software services** company, productizing the valuable assets we have created to serve our existing customers, but also to expand more broadly into the **telecommunications, media and technology (TMT)** industry.”

Truly transformational changes required for 2020 targets

COLOCATION AND TEAM CONSOLIDATION



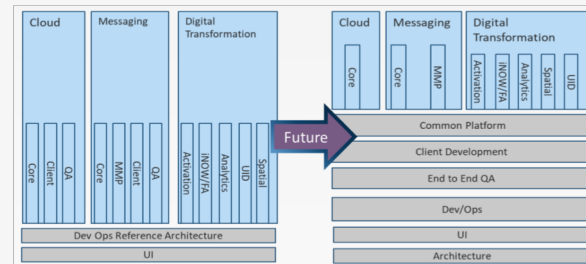
ONE SYNCHRONOSS MODEL

Future State

- ONE Synchronoss Development Model across the Product Line & Global Development Centers
- Key Attributes:
 - Systematic alignment from Product Strategy to Delivery
 - Based on Scale Agile Framework (SAFe)
 - Quarterly Planning and Delivery Cadence (Rhythm of the Business)
 - Consistent Metrics and Reporting across Product Lines / Development Centers
 - Quarterly cross-project alignment as a part of planning sessions
 - Architectural and Operational Features included in Product Roadmap



UNIFIED PLATFORM / TECH STACK



Agile Transformation Imperatives



**CONSISTENCY
AND VELOCITY**



DELIVERING VALUE



**OPTIMIZED
TEAMS**



**BROAD
ORGANIZATIONAL
COMMITTMENT**



**ORGANIZATIONAL
INVESTMENT**



**CULTURAL
CHANGE**

2019 Efficiencies Summary

2019 INITIATIVES

Data Center Optimization

Span of Control

Scaled Agile Adoption

Contractor Conversions

Commercial Software Reduction

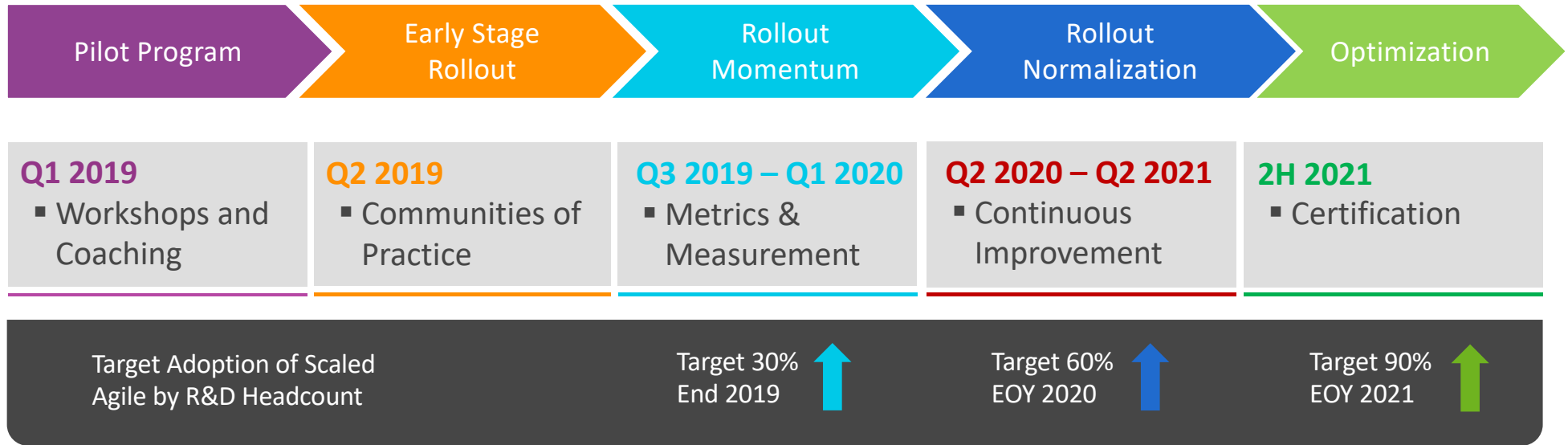
Up to **59 distinct initiatives** impacting all functions over 2-3 years

Requiring approximately **\$10M - \$15M of investment**

Potential of **\$65M in savings and / or productivity enhancements** over 3yrs
(~\$10M Net Savings in 2019)

RESULTING IN A LEANER, MORE AGILE, MORE PROGRESSIVE, PRODUCT-DRIVEN ORGANIZATION

Scaled Agile Framework Rollout : 3 Year Overview



SYNCHRONOSS FINANCIAL OVERVIEW

David Clark, Chief Financial Officer



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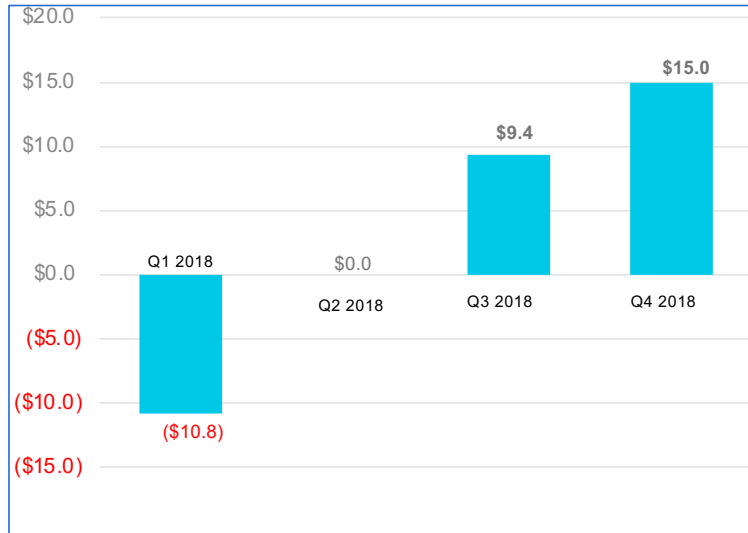
Agenda

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

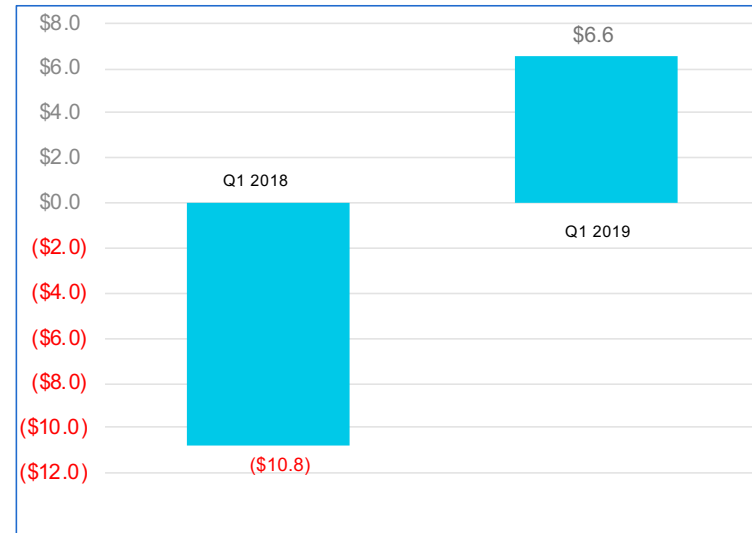
Financials Are Improving

ADJUSTED EBITDA TREND

2018 Quarterly Trend
(\$mil)



Q1 2019 Year-over-Year Trend
(\$mil)

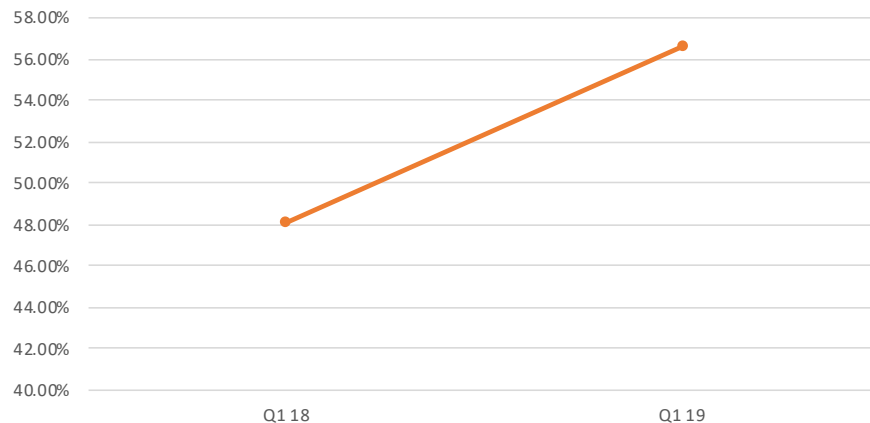


- Consistent improvement in Adjusted EBITDA throughout the year
- \$14 million of full-year Adjusted EBITDA, meeting guidance for the year
- Generated \$24.8 million of Adjusted EBITDA in the second half
- 18.8% Adjusted EBITDA margin in Q4, exceeding end-of-year target of 15%.

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

Improving Earnings Leverage Due to Cost Reduction Efforts

Adjusted Gross Margin – Year Over Year Improvement



EBITDA Margin – Year Over Year Improvement



- ✓ 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.

G&A Savings Initiatives Action Plan

2019 & 2020

- Continued revenue growth to better align G&A operational cost structure to industry standards
- Right size G&A spending against industry benchmarks
 - Focus on renegotiating accounting, legal and other professional fees
 - Targeted office closures to align with global strategic footprint
 - Continue to review G&A expenses to identify further opportunities for savings
- Cost efficiency related to implementing Workday ERP for 2020 and beyond

2021

- Ongoing review of G&A expenses to identify further opportunities for savings

Capital/Financing Strategy

	ACTION	TIMING
STEP 1	Pay off balance of convertible notes (Current balance: \$47 million)	Final maturity August 15, 2019
STEP 2	Explore working capital financing for additional capital flexibility <ul style="list-style-type: none">• 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

STI 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

Investor Relations Priorities

- Improve Wall Street's understanding of the SNCR value proposition
- Attract additional sell-side coverage
- Continue to reintroduce the “new SNCR” to institutional investors
- Increase trading volume
- Drive toward SaaS-company valuation levels

	PRE-2017	CURRENT
Institutional Ownership	Over 90%	Under 40%
Research Coverage	9 (at peak)	2
Average Trading Volume	429,000 (2016)	289,000 (YTD 2019)
Market Capitalization	Over \$2 billion	\$268 million

2019 Guidance

ADJUSTED EBITDA GUIDANCE RECONCILIATION:

Metric	Expected Range
Revenue	\$340-\$355 million
EBITDA	\$30-\$40 million after \$20-\$25 million investment in future growth opportunities

000's	2H 2018	4Q 2018
Adjusted EBITDA	\$24.4	\$15.0
Annualized	48.8	60.0
Less: Investment	20.0	25.0
Run rate after investment	28.8	35.0

Adjusted EBITDA guidance range	\$30.0	\$40.0
--------------------------------	--------	--------

NOTE: As noted on Q2 conference call, revenue and EBITDA expected to be down sequentially in Q2 due to eight-figure messaging license revenue recognized in Q1

Open Q&A

Investor Day June 6, 2019



Thank You

Investor Day June 6, 2019



Appendix

Investor Day June 6, 2019



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

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

	Three Months Ended March 31,	
	2019	2018
<u>Non-GAAP financial measures and reconciliation:</u>		
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)