



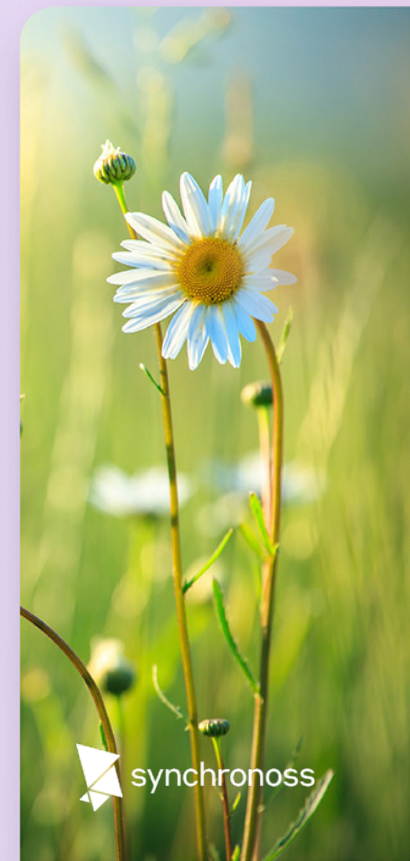
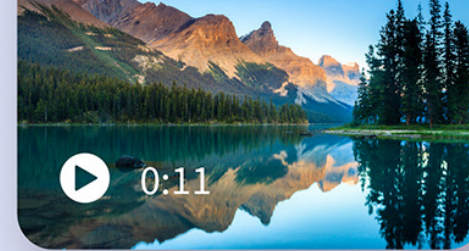
# Investor Presentation

**Nasdaq:** SNCR

May 2024



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# What we do

Synchronoss delivers Personal Cloud-based solutions that drive consumer engagement and revenue growth for global network operators and service providers.

# Legal Disclaimers

This presentation has been prepared by Synchronoss Technologies, Inc. (the “Company”) solely for informational purposes based on its own information, as well as information from public sources. This presentation has been prepared to assist interested parties in making their own evaluation of the Company and does not propose to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in the presentation and any other information provided by or on behalf of the Company.

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This presentation contains forward looking statements within the meaning of the federal securities laws. These forward looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “strive,” “projection,” “goal,” “target,” “outlook,” “aim,” “would,” and “annualized” or the negative version of those words or other comparable words or phrases of a future or forward looking nature. These forward looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, any of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward looking statements. Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations. “A number of important factors could cause our actual results to differ materially from those indicated in these forward looking statements, including the following: risk factors described under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

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

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# Synchronoss Leadership



**Jeffrey Miller**  
*President, CEO & Director*

PRIOR AFFILIATIONS



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

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

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

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



**Lou Ferraro**  
*Chief Financial Officer*

PRIOR AFFILIATIONS



**Lou Ferraro** serves as Chief Financial Officer (CFO) at Synchronoss. Previously Lou served as the company’s EVP of Financial Operations and CHRO.

Prior to joining Synchronoss, Lou worked as a business consultant for the Populus Group supporting Comcast Corporation. From 2014 to 2016, Lou was the COO/CFO of BrandYourself.com Inc. where he led the finance and operations team during a period of intense growth. From 2010 to 2014, Lou served as CFO of AWI/iMobile as well as CEO for the Magicpins.com business unit. From 2008 to 2010, Lou served as CFO of Vitaltrax.com.

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

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

# Company Profile



 Nasdaq | SNCR

Headquarters  
Bridgewater, NJ | 750+ employees  
100+ worldwide patents

Customers | 10 Top Tier  
Cloud Deployments

400M+

Addressable Market  
Of Subscribers

10M+

Registered Cloud  
Subscribers

200PB+

Managed across all  
deployments

\$2B+

Cloud Revenue  
Generated for our  
Partners

verizon



SoftBank

Tracfone



SIMPLE Mobile



proximus



# Key Company Metrics

**7%**

Cloud Subscriber growth  
year-over-year in Q1 2024

**91%**

Recurring Revenue  
in Q1 2024

**>75%**

Contracts  
majority of revenue in  
long-term contracts

**\$170MM - \$175MM<sup>1</sup>**

2024 Revenue guidance

**\$42MM - \$45MM<sup>1</sup>**

2024 Adj. EBITDA guidance

# Completed Strategic Divestiture of Non-Core Business Units

## CORE ASSETS



personal  
cloud

**71%\***  
OF REVENUE



## NON-CORE ASSETS



messaging

**~16%\***  
OF REVENUE

**network**<sup>®</sup>  
EXPAND. EXCHANGE. EXPENSE.

**~12%\***  
OF REVENUE

**Sale to Lumine Group for**

UP  
TO **\$41.8M**



synchronoss

## Pure-play Cloud Business

### TIER 1 CUSTOMERS

**verizon**<sup>✓</sup>



**SoftBank**



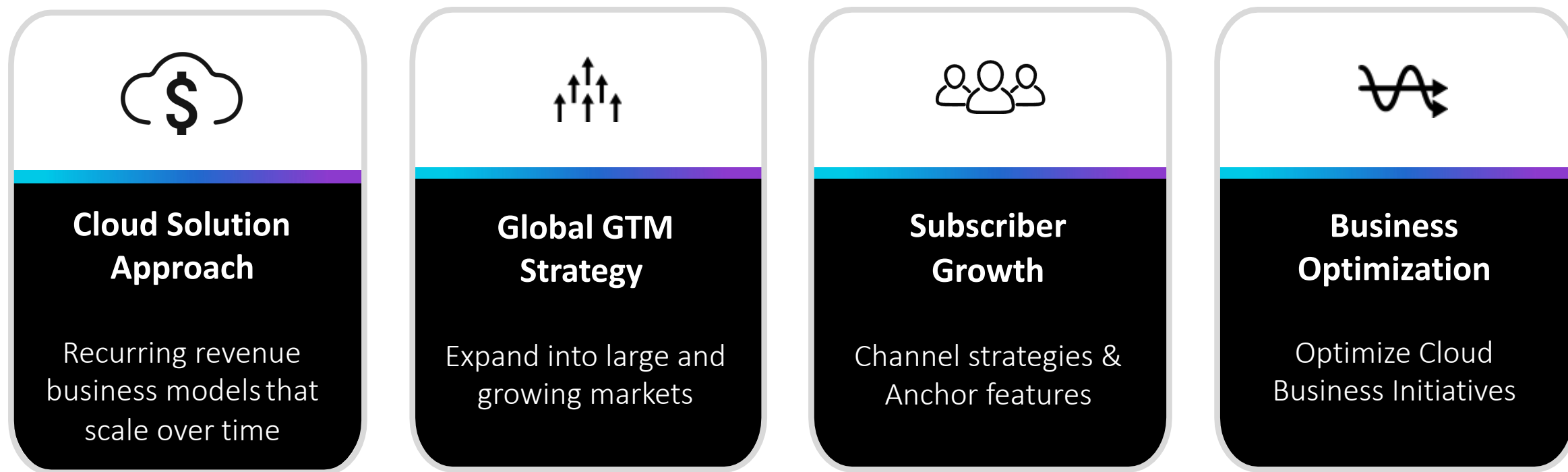
**>75%** of revenues under 4+ year contracts

- Higher subscriber revenues expected to deliver YoY GAAP revenue growth in 2024\*\*
- Projected consistent high-single-digit to low double-digit subscriber growth throughout 2024
- SaaS-driven model and incremental subscriber growth expected to drive 75%+ gross margins and free cash flow
- Commercial foundation anchored by Tier One global customers:
  - Verizon contract extension through 2030
  - 5-year agreement with SoftBank

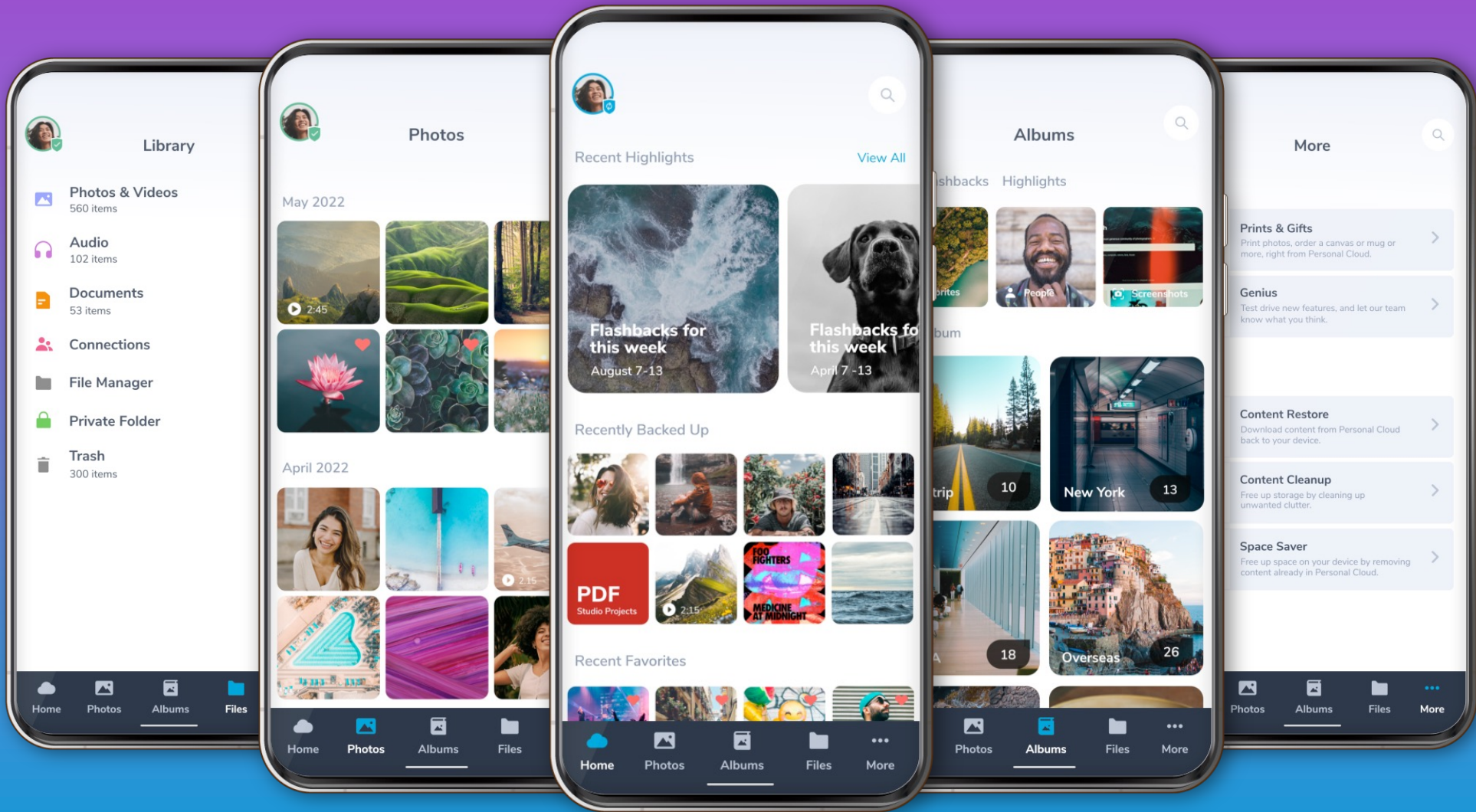
\*Revenue % Q3 2023

\*\*Pro forma Cloud GAAP Revenue Growth

# Our Corporate Strategy is Fueling Long-Term Growth



With our Cloud Solution approach, the strategy is driving subscriber engagement, customer revenue growth, and churn reduction.





# AT&T CLOUD

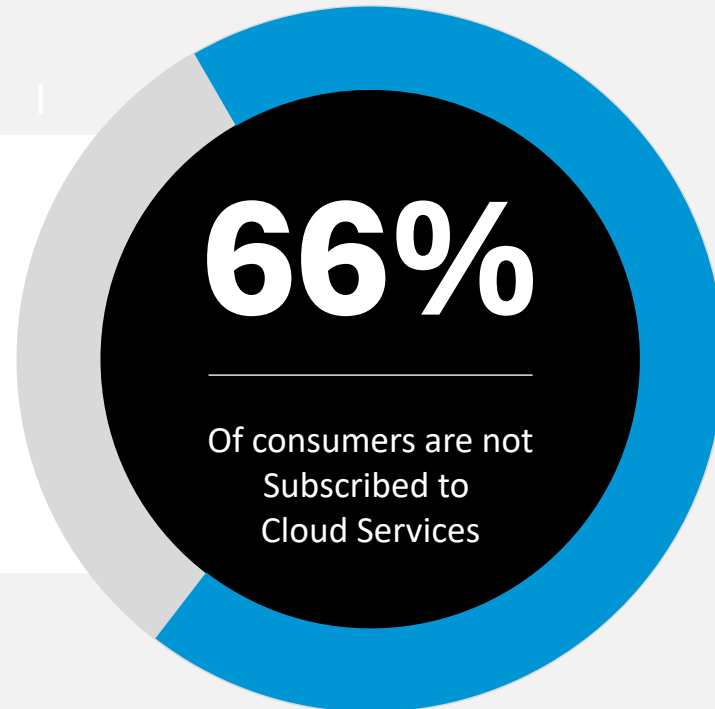
Tier 1 Consumer Experience



# Cloud Storage continues to be a significant opportunity

1. Significant portion of subscribers are not using any cloud storage
2. Consolidation of existing cloud platforms is an opportunity
3. Ability to compete favorably with pricing power & trust

Only **34% of digital subscribers have a Cloud subscription** and 6% are paying for multiple Cloud services



Source: Forbes Research - <https://www.forbes.com/advisor/personal-finance/digital-subscriptions-most-least-likely-to-cut-2023>

**20% of consumers**  
Do not backup their phone

Source: ADL Research & Analysis and Assurant & SNCR Research Study

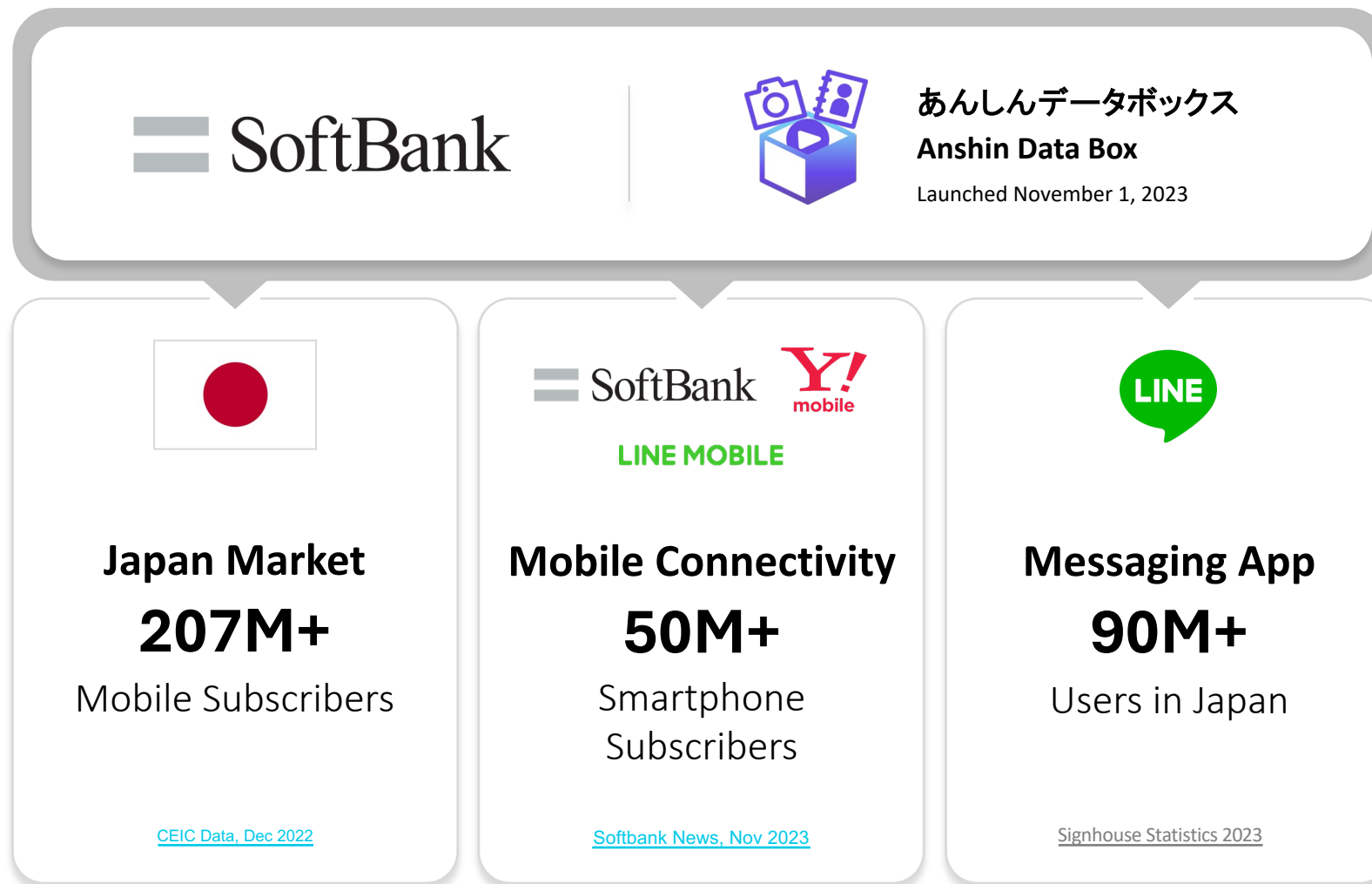
**71% of consumers**  
Leave data unprotected

Source: ADL Research & Analysis and Assurant & SNCR Research Study

**86% of consumers**  
Would pay some amount  
to recover their lost data

\*\*Source: Corus Research

# Significant SoftBank Opportunity Across Brands



# Cloud Sales Channel Landscape

 **RETAIL**

CORE & INDIRECT

Appointment Setting / BOPIS

Signage & Takeaways

Assisted Sales & Setup

 **HOME**

ROUTER

TECHNICIANS

MAIL

OOBE

Upsell

Bill Inserts

5G Home Act.

Survey Coupon

Prints Sample

 **CARE**

SUPPORT

CHATBOT

Save Deals

Upsell

Training

Live Chat

Onboarding

Upsell

 **DIGITAL**

.COM

MY ACCOUNT

SMS/EMAIL

VAS APP

Deals Page

Web Page

Buy Flow

MVA Dashboard

Confirmation Page

Loyalty Promos

Deals Page

Web Page

Buy Flow

MVA Dashboard

Confirmation Page

Loyalty Promos

Push Notifications

Upgrade Promo

Order Conf.

Order Status

Offer Eligibility & Entitlement

Offer Promo

Digital Secure

Call Filter

Tech Coach

Smart Family

Travel Pass

Loyalty Promos

Push Notifications

 **APP**

NOTIFICATIONS

MARKETING

MONETIZATION

ONBOARDING

In-App Push

Notifications

Data Permissions

App Page

App Store SEM

Sponsored Ads

Promo Codes GC

Beachfront Prop

Paywalls

Subscriptions

Print Store

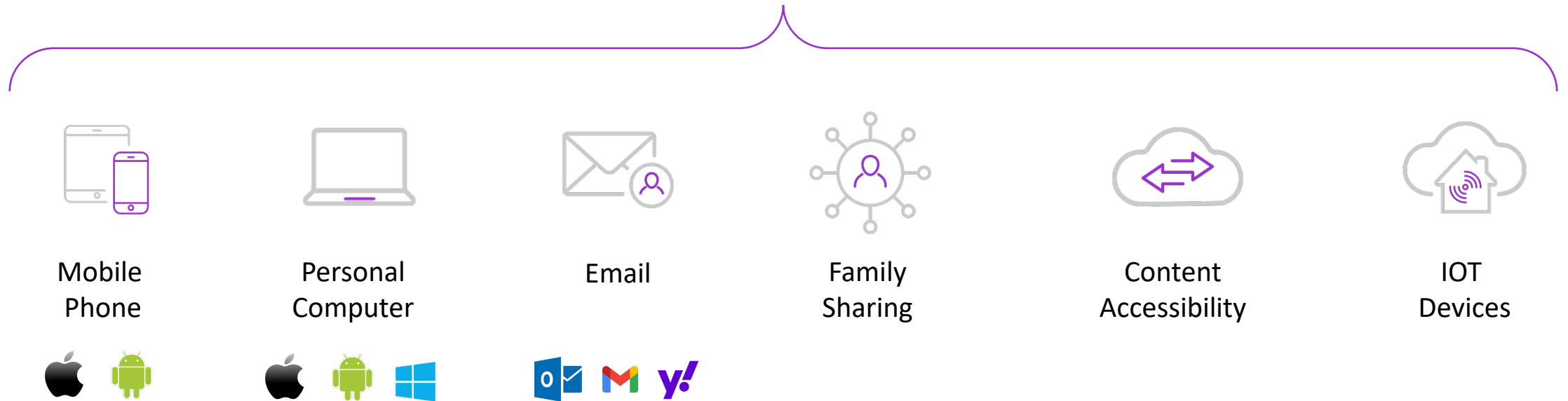
Unlock Premium

OOBE

Browser Exts.

Offers

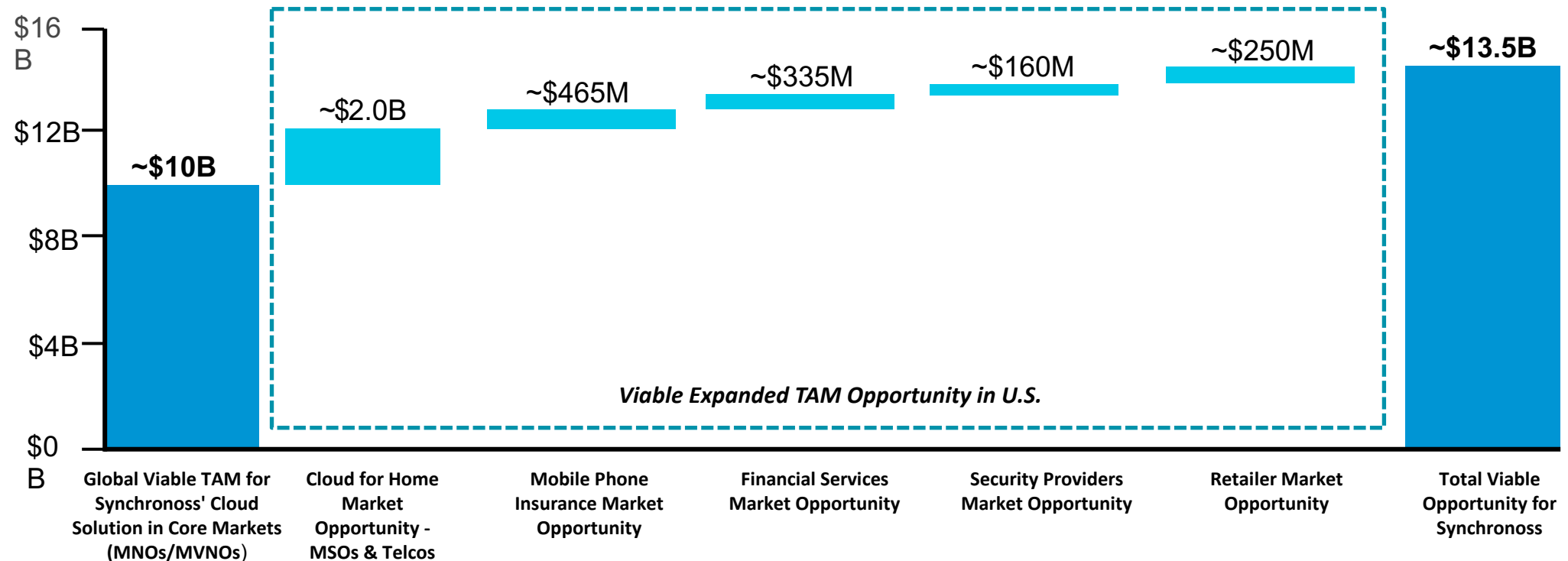
# Choosing Cloud Storage isn't as simple as selecting what your Mobile OS provides...



Households have, on average, 21 digital devices\*  
across OS and Family Members.

# Additional Growth Possible by Further Penetration of \$13.5B Market Opportunity

Estimated Expanded Market Opportunity for Synchronoss Personal Cloud  
(in U.S.D. | 2021)



Source: Stax interviews, web survey, and analysis, May-June 2022; Synchronoss Internal Data; Wireless Provider 10Ks and Investor Publications; FED; Pew Research Center.

Note: Total market opportunity assumes maximum adoption, which was determined from Stax's web survey. Maximum adoption represents current adoption and subscribers that are interested in purchasing/using a cloud solution from each segment.

# Financials

# Consistent Cloud Revenue Performance

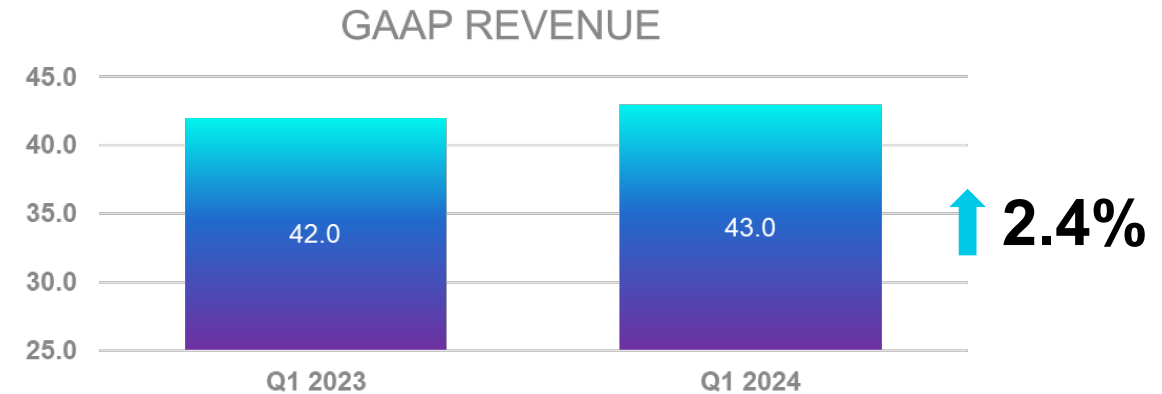
91%

Recurring revenue  
profile Q1 2024

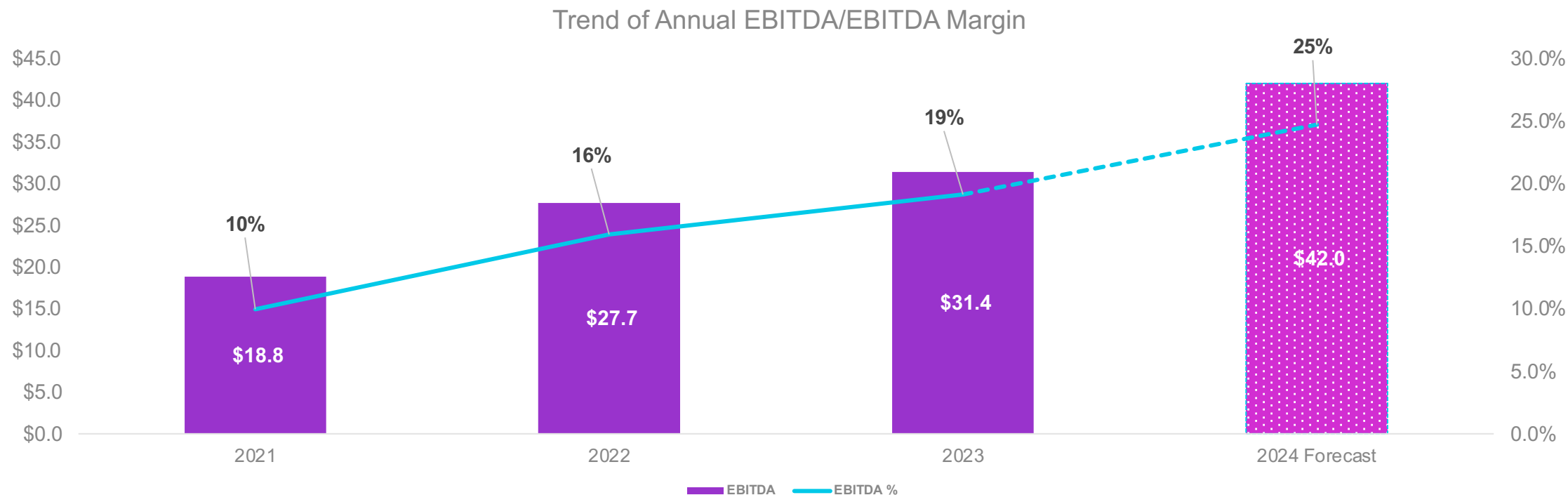
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Quarters of 7% or  
higher Cloud  
subscriber growth

- Announced 7% year-over-year Cloud subscriber growth for the first quarter of 2024
- In 2023, secured a contract extension with Verizon through 2030, building upon the 10-year partnership
- Launched with SoftBank in Q4, one of the largest Tier 1 global operators in Japan



# EBITDA Growth Set to Continue



- **Key drivers:** the shift to high-margin Cloud; a hosting transfer from physical data centers to 3rd party hosting; and expense savings of ~\$40 million achieved in 2022 and 2023
- **Future EBITDA growth:** expected to be driven by incremental subscriber growth; the Q4 2023 SoftBank launch; cost optimization efforts completed in Q4 2023

# 2024 Financial Guidance<sup>(1)</sup>

(\$MM)	Low	High	Management Commentary
<b>GAAP Revenue<sup>(2)</sup></b>	\$170.0	\$175.0	<ul style="list-style-type: none"> <li>Cloud business is expected to produce strong revenue growth, <b>gross margins of greater than 75%</b>, and adjusted <b>EBITDA margins greater than 25%</b> in 2024.</li> <li>Firmly positioned to achieve <b>Rule of 30</b> status in 2024 and on the path to <b>Rule of 40</b> in the coming years.</li> <li>Targeting material cash flows, net of preferred stock dividends, to enable further improvement to capital structure over time.</li> </ul>
<b>Adjusted EBITDA</b>	\$42.0	\$45.0	

➤ We expect Global Cloud Subscriber growth to moderate slightly to high-single-digit/low-double-digit levels in 2024

Projecting Free Cash Flow to improve significantly in 2024

# Pure-Play Cloud Business with Attractive Projected Financial and Operating Metrics

	2020 - 2023 <sup>1</sup>	2024 Target <sup>2</sup>	2-3 Year Targets <sup>2</sup>
GAAP Revenue Growth	Declining	5-8% growth	Double digit growth
Recurring revenue %	80-85%	85-90%	90%+
Adjusted Gross Margin % <sup>3</sup>	59-65%	70-75%	75%+
Adjusted EBITDA Margin % <sup>4</sup>	9-19%	25%+	30%+
Free Cash Flow	Negative	Positive	Positive

Note: Adjusted Gross Margin and Adjusted EBITDA Margin are Non-GAAP measures.

<sup>1</sup> 2020 – 2023 metrics based on reported Synchronoss results.

<sup>2</sup> Growth projections based on Pro Forma Cloud business.

<sup>3</sup> Refer to Appendix 1 for Adjusted Gross Margin calculations.

<sup>4</sup> Refer to Appendix 2 for Adjusted EBITDA Margin calculations.



# Key Areas of Focus to Achieve Operating Model

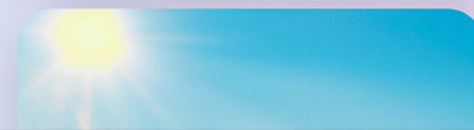
## SHORT TERM:

- **Improve capital structure** through redemption of outstanding preferred stock
- **Restructured** organization to improve go-forward margin profile and Free Cash Flow
- **Enhance growth** with new Cloud customer, SoftBank

## LONG TERM:

- **Continue subscriber growth** and penetration of existing accounts
- Selectively **expand global customer base**
- **Restructure** outstanding Senior Notes

# Thank You



# Appendix



# Reconciliation of GAAP to non-GAAP Financial Measures

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

	Three Months Ended March 31,	
	2024	2023
Net revenues	\$ 42,965	\$ 41,985
Costs and expenses:		
Cost of revenues <sup>1</sup>	10,223	10,960
Research and development	10,331	12,744
Selling, general and administrative	13,257	15,966
Restructuring charges	219	342
Depreciation and amortization	4,359	3,932
Total costs and expenses	38,389	43,944
Income (loss) from operations	4,576	(1,959)
Interest income	208	94
Interest expense	(3,517)	(3,454)
Other income (expense), net	3,811	(2,975)
Income (loss) from continuing operations, before taxes	5,078	(8,294)
Provision for income taxes	(603)	(295)
Net income (loss) from continuing operations	4,475	(8,589)
Discontinued operations:		
Loss from discontinued operations, before taxes	—	(1,578)
Provision for income taxes	—	(764)
Net loss from discontinued operations	—	(2,342)
Net income (loss)	4,475	(10,931)
Net (loss) income attributable to redeemable noncontrolling interests	(5)	14
Preferred stock dividend	(2,129)	(2,474)
Net income (loss) attributable to Synchronoss	\$ 2,341	\$ (13,391)
Earnings (loss) per share:		
Basic:		
Net income (loss) from continuing operations	\$ 0.24	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Basic	\$ 0.24	\$ (1.39)
Diluted:		
Net income (loss) from continuing operations	\$ 0.23	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Diluted	\$ 0.23	\$ (1.39)
Weighted-average common shares outstanding:		
Basic	9,842	9,653
Diluted	10,277	9,653

<sup>1</sup> Cost of revenues excludes depreciation and amortization which are shown separately. |

# Reconciliation of GAAP to non-GAAP Financial Measures

— Adjusted EBITDA (\$000s, unaudited)

	Three Months Ended				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net income (loss) attributable to Synchronoss	\$ 2,341	\$ (35,001)	\$ (5,171)	\$ (10,979)	\$ (13,391)
Add / (Less):					
Stock-based compensation expense	1,110	501	1,037	1,392	1,459
Restructuring, transition and cease-use lease expense	467	4,140	203	2,642	716
STIN Note receivable impairment	—	—	4,834	—	—
Change in contingent consideration	—	—	824	659	—
Litigation, remediation and refiling costs, net	381	807	1,654	2,384	1,959
Net loss (income) from discontinued operations	—	2,501	(8)	(700)	2,342
Loss on sale of discontinued operations	—	16,382	—	—	—
Depreciation and amortization	4,359	4,352	4,482	4,064	3,932
Interest income	(208)	(56)	(149)	(127)	(94)
Interest expense	3,517	3,566	3,482	3,461	3,454
Other expense (income), net	(3,811)	6,341	(4,456)	268	2,975
Provision (benefit) for income taxes	603	3,893	23	532	295
Net (income) loss attributable to noncontrolling interests	5	(26)	18	(14)	(14)
Preferred dividend	2,129	2,584	2,474	2,475	2,474
Adjusted EBITDA (non-GAAP)	\$ 10,893	\$ 9,984	\$ 9,247	\$ 6,057	\$ 6,107

# APPENDIX 1

## Adjusted Gross Margin (as reported)

	Three Months Ended March 31,	
	2024	2023
<u>Non-GAAP financial measures and reconciliation:</u>		
GAAP Revenue	\$ 42,965	\$ 41,985
Less: Cost of revenues	10,223	10,960
Less: Restructuring <sup>1</sup>	—	92
Less: Depreciation and Amortization <sup>2</sup>	4,001	3,592
Gross Profit	28,741	27,341
Add / (Less):		
Stock-based compensation expense	23	79
Restructuring, transition and cease-use lease expense	24	183
Depreciation and Amortization <sup>2</sup>	4,001	3,592
Adjusted Gross Profit	\$ 32,789	\$ 31,195
Adjusted Gross Margin	76.3 %	74.3 %

<sup>1</sup> Amounts associated with cost of revenues.

<sup>2</sup> Depreciation and Amortization contains a reasonable allocation for expenses associated with cost of revenues.

*Presented for purpose of reconciling GAAP to Non-GAAP financial metrics previously reported in the Company's 8-K filings.*

# Synchronoss Board of Directors



**Stephen Waldis**  
Founder and Executive  
Chairman of the Board



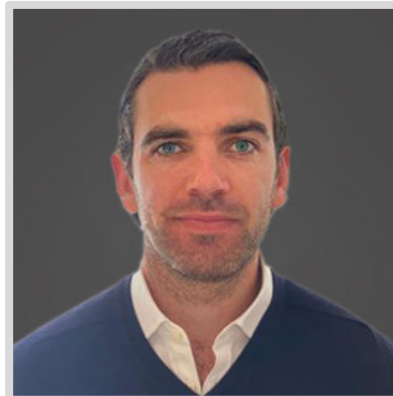
**Kris Rinne**  
Former Senior Vice  
President, AT&T



**Mohan Gyani**  
Private Investor, Advisor, Former  
President and Chief Executive Officer of  
AT&T Wireless Mobility Services



**Laurie Harris**  
Former PwC Partner



**Martin Bernstein**  
Private Equity Investor



**Kevin Rendino**  
Portfolio Manager and CEO, 180  
Degree Capital Corp.

