

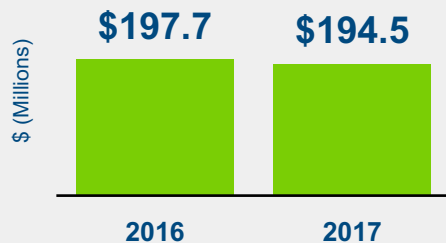
Second Quarter 2017 Conference Call

Bob Reich
Chief Financial Officer

Note: Numerical figures included in this presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals or percentages in various tables may not be arithmetic aggregations of the figures that precede them resulting in immaterial differences in calculated fields.

Q2 2017 Results Highlights

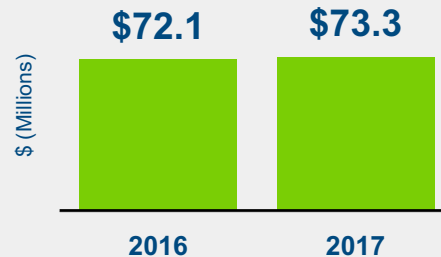
Revenues QTD



Revenues lower by 1.6%

- CDMA clearing and settlement and signaling declines
- Small declines in certain lower margin non-strategic services
- Mostly offset by continued growth in our LTE portfolio, policy and charging solutions and EIS portfolio

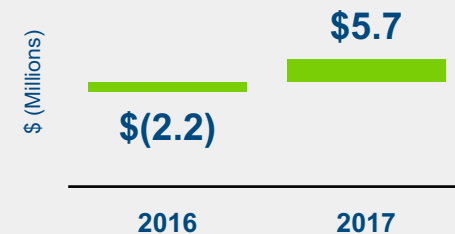
Adjusted EBITDA QTD



Adjusted EBITDA higher by \$1.2 million

- Lower SG&A, partially offset by higher cost of operations
- Revenue mix
- Adjusted EBITDA margin expansion from 36.5% to 37.7%

Free Cash Flow YTD

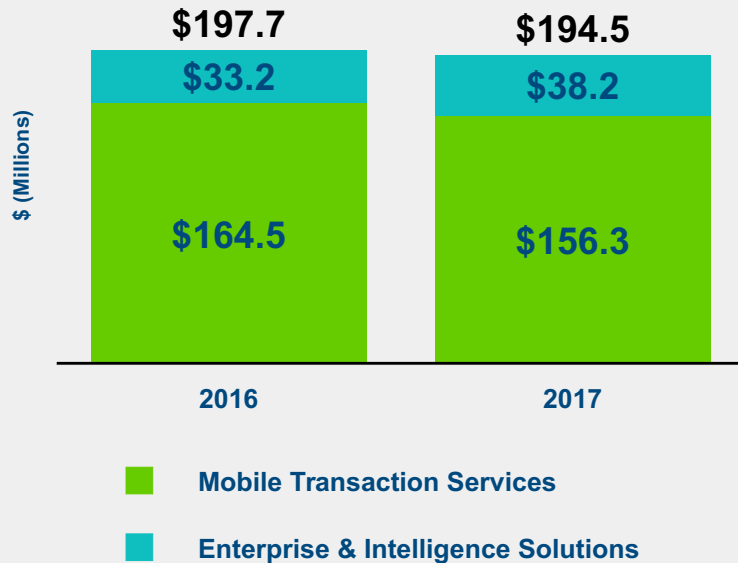


Free Cash Flow higher by \$7.9 million

- Higher Adjusted EBITDA
- Lower tax payments
- Partially offset by higher capital expenditures

Q2 2017 Service Offering Revenues

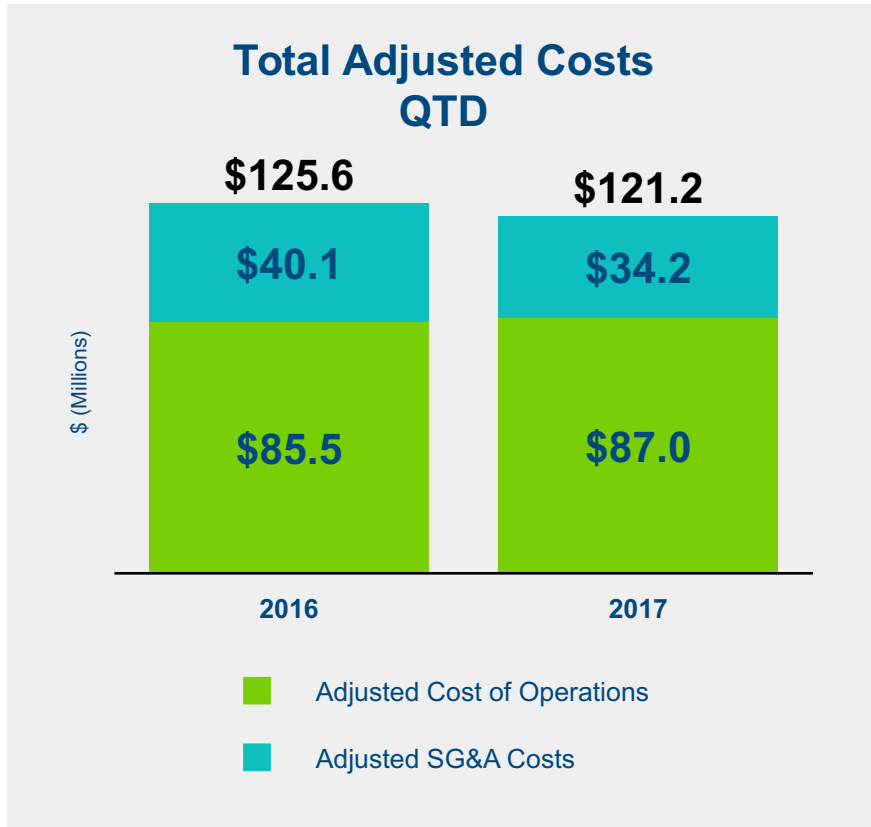
Revenues by Service Offerings QTD



Revenues decreased 1.6%

- MTS revenue decreased 5.0%
 - CDMA clearing and settlement and signaling declines largest contributors
 - Partially offset by growth in LTE portfolio and policy and charging solutions
- EIS revenue increased 15.2%
 - Volume growth in Enterprise A2P messaging, as well as growth in mobile engagement
- Regional revenues:
 - North America - 59%
 - EMEA - 18%
 - Asia Pacific - 15%
 - CALA - 8%

Q2 2017 Total Adjusted Costs



Total Adjusted Costs decreased \$4.4 million or 3.5%

- Adjusted Cost of Operations increased \$1.5 million
 - Higher variable costs associated with messaging growth, partially offset by lower data center and headcount related costs
 - Adjusted gross margin of 55.3% versus 56.8% in prior-year period
- Adjusted SG&A decreased \$5.9 million
 - Lower headcount related costs
 - Favorable outcome of a tax examination

YTD 2017 Free Cash Flow & Net Leverage Summary

\$ (Millions)

Reconciliation to Free Cash Flow

Net cash provided by operating activities
Capital expenditures
Free Cash Flow

Six Months Ended June 30,		
		2017 vs.
2017	2016	2016
\$ 40.1	\$ 28.9	\$ 11.2
(34.4)	(31.1)	(3.3)
<u>\$ 5.7</u>	<u>\$ (2.2)</u>	<u>\$ 7.9</u>

Supplemental Information:

Cash interest paid
Cash taxes paid, net
Principal payments on debt

\$ 54.0	\$ 54.6	\$ (0.6)
\$ 2.1	\$ 4.8	\$ (2.7)
\$ 17.3	\$ 36.2	\$ (18.9)

Senior Secured Credit Facility
Senior Notes Due 2019
SFHC Notes Due 2022
Total Debt
Cash on Hand
Total Net Debt

	Jun 30, 2017	Dec 31, 2016	Change
\$ 1,552.4	\$ 1,554.3	\$ (1.9)	
89.5	475.0	(385.5)	
369.5	—	369.5	
<u>2,011.4</u>	<u>2,029.3</u>	<u>(17.9)</u>	
102.9	136.2	(33.3)	
<u>\$ 1,908.5</u>	<u>\$ 1,893.1</u>	<u>\$ 15.4</u>	

Net Senior Secured Leverage Ratio*

5.32x

5.12x

* - net senior secured leverage ratio definition amended effective April 14, 2017.

Q2 2017 Reconciliation of Net Loss to Adjusted EBITDA

\$ (Millions)

Reconciliation to Adjusted EBITDA

Net loss
Other expense, net
Benefit from income taxes
Depreciation and amortization
Employee termination benefits
Restructuring
Non-cash stock-based compensation
Business development, integration and other expenses
Consulting fee and related expenses
Adjusted EBITDA

Three Months Ended June 30,

	2017		2016
\$	(15.7)	\$	(14.6)
	31.5		28.9
	(0.5)		(6.0)
	48.0		52.5
	0.1		1.0
	2.9		(0.1)
	4.5		5.3
	1.7		4.4
	0.8		0.7
<u>\$</u>	<u>73.3</u>	<u>\$</u>	<u>72.1</u>

Q2 2017 Reconciliation to Total Adjusted Costs

\$ (Millions)

Reconciliation to Total Adjusted Costs

	<u>Three Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
Cost of Operations	\$ 88.5	\$ 89.5
Non-cash stock-based compensation	(0.2)	(0.2)
Business development, integration and other expenses	(1.3)	(3.8)
Adjusted cost of operations	<u>87.0</u>	<u>85.5</u>
Sales and Marketing expense	18.3	16.7
General and Administrative expense	21.5	29.8
Non-cash stock-based compensation	(4.4)	(5.1)
Business development, integration and other expenses	(0.4)	(0.6)
Consulting fee and related expenses	(0.8)	(0.7)
Adjusted SG&A costs	<u>34.2</u>	<u>40.1</u>
Total Adjusted Costs	<u>\$ 121.2</u>	<u>\$ 125.6</u>



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