



TOGETHER. YOU WIN.

CSG INTERNATIONAL

NASDAQ: CSGS

Q1 2020



SAFE HARBOR

This presentation may contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially because of factors mentioned in this presentation, in management’s discussion and analysis section of the company’s 2018 Form 10-K or in other reports and filings with the Securities and Exchange Commission. CSG undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, all non-GAAP/pro-forma numbers are reconciled in the appendix as well as in tables under the Investor Relations section of our website at www.csgi.com

CSG AT A GLANCE

CSG OVERVIEW

MISSION

Trusted global technology partner, delivering innovative customer engagement solutions that help businesses **acquire, monetize, engage** and **retain** customers

35+ YEAR TRACK RECORD

A provider of software and services that helps companies around the world monetize and digitally enable the customer experience

LEADING SOLUTIONS

- Revenue Management & Digital Monetization
- Customer Experience
- Payments

STRONG BUSINESS MODEL

- Long-term contracts = visibility
- Recurring revenue = solid cost management
- Strong cash flows = thoughtful capital allocation

▪ **4,300+ EMPLOYEES**

▪ **NASDAQ:CSGS**

Small-cap stock



CSG: KEY INVESTMENT HIGHLIGHTS

PROVEN LEADER

empowering success in today's complex, dynamic and challenging business environment

MULTIPLE DRIVERS

for-long term growth & revenue diversification

STRONG CASH FLOW

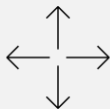
fueling solid investment in business and strong shareholder returns

MARKETS GOING THROUGH DISRUPTION



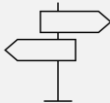
COMPETITION

New entrants competing for consumer brand loyalty



EXPANDING SCOPE

Customers are being pulled in all directions



SERVICE NEEDS

Consumers demand increasingly diverse options



CUSTOMERS FIRST

The customer experience is driving action



PLATFORMS

Digital options are becoming cheaper and more prevalent



TECHNOLOGY

Evolving faster than ever before

PROVEN HISTORY OF EXECUTION AND INNOVATION

CSG SOLUTIONS ENABLE PROVIDERS TO:



Radically reduce costs



Standardize, simplify and optimize operations



Shift investment to new, innovative services



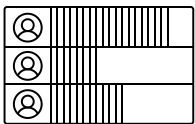
Trial and launch new services quickly



Create a seamless customer experience

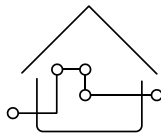
— WE ARE A PROVEN DIGITAL TRANSFORMATION LEADER

CSG IS A LEADER IN GARTNER MAGIC QUADRANT WITH GLOBAL BSS SCALE



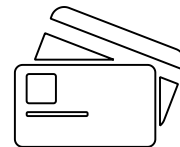
>425M BSS SUBSCRIBERS

Wireless/wireline (>300M), cable (>64M) & OTT (>62M) subs supported



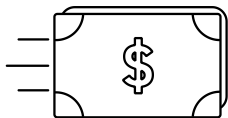
>350 CLIENTS

300+ wireless/wireline, 30+ cable & 20+ OTT global customers



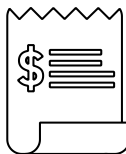
4.3 BILLION PAYMENTS/YEAR

Process 280 million monthly credit card payments & 105 million ACH payments



>219 BILLION REAL-TIME TRANS

Process >600 million daily real-time charging transactions



17.5 TRILLION CDRs/YEAR

Process 48 billion daily charging data records (CDRs) for top 10 clients alone



>180,000 TECHs & CSRs

Use CSG field force management and customer service software daily

CSG: KEY INVESTMENT HIGHLIGHTS

PROVEN LEADER
empowering
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dynamic and
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business
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MULTIPLE DRIVERS
for-long term
growth & revenue
diversification

STRONG CASH FLOW
fueling solid
investment in
business and
strong
shareholder
returns

MULTIPLE GROWTH OPPORTUNITIES

EXPAND & DIVERSIFY LEADERSHIP POSITION

- Increase market share in communications, information and content markets
- Expand footprint in fast growing payments vertical
- Expand footprint in new verticals with CX solutions

CREATE MORE RECURRING RELATIONSHIPS

- Increase adoption of managed services
- Leverage our current client relationships with value-added services and solutions

SCALE AND MONETIZE DIGITAL SERVICES

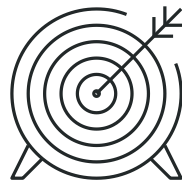
- Increase adoption of next-generation cloud-based platforms
- Pursue new entrants and providers of video, content, wireless and IoT services

— EXPAND LEADERSHIP POSITION & FOOTPRINT



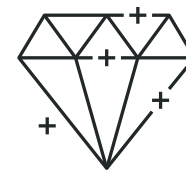
“The ability of our field technicians and dispatchers to make real-time updates and changes will provide a new level of operational efficiency.”

Simon Tadeo
Customer Experience Officer
Cablevisión Argentina



GOAL

Affordably acquire and retain customers by delivering quality service at appointment times that work for customers



SOLUTION

Optimized field technician scheduling and dispatch processes to **reduce service call costs and increase customer satisfaction**

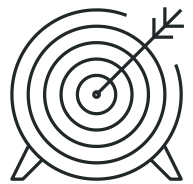
— EXPAND AND DIVERSIFY INTO NEW VERTICALS



Buildium[®]
Property Managed.

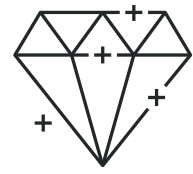
“With some of our other partnerships, there’s a lot of turnover on the partner side. Often, we are the ones who end up having to educate the partners on how the relationship works. That hasn’t happened with Forte. Having the same person on our account from nearly the beginning of the relationship has made a huge impact.”

Dimitris Georgakopoulos
Buildium Co-Founder



GOAL

Buildium were looking for a solution that would increase adoption and provide a comprehensive ACH and card payments solution.



SOLUTION

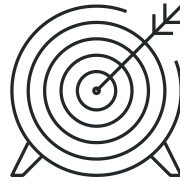
Integration within hours, reduced costs, streamlined customer payment experience, endless scalability and an unparalleled understanding of ACH. As a result, Buildium has had **35% YoY growth in transactions** and a **39% YoY growth in dollars processed**.

— CREATE MORE RECURRING RELATIONSHIPS



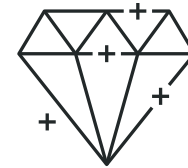
“The extension of the business relationship with CSG will go a long way towards helping MTN to simplify and streamline our operations.”

Benjamin Marais
Chief Information Officer
MTN South Africa



GOAL

Reduce time to market and operating costs by implementing a new billing system



SOLUTION

Replace incumbent billing systems for both retail and wholesale billing, letting them focus on competition and expand their offerings

CSG: KEY INVESTMENT HIGHLIGHTS

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MULTIPLE DRIVERS

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OUR BUSINESS MODEL CREATES VALUE



LONG-TERM CLIENT CONTRACTS
with established providers



CLOUD DELIVERY MODEL
provides leverage and scale



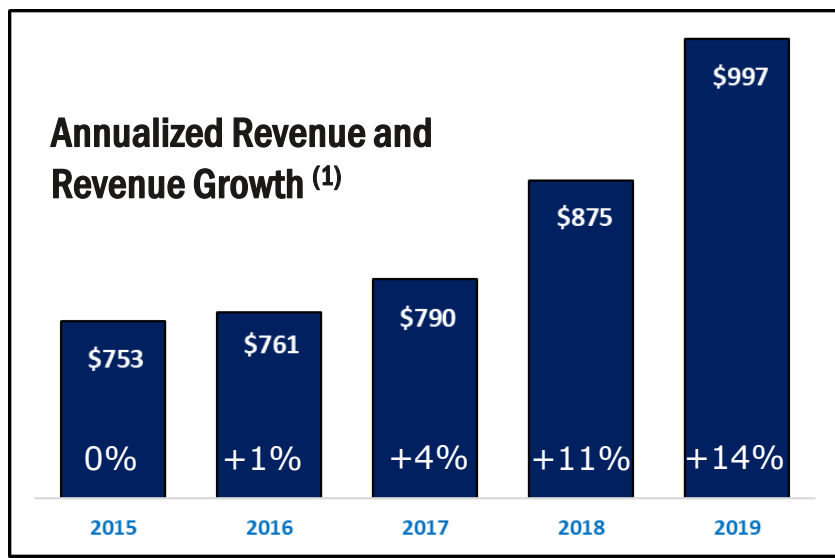
INVESTING CAPITAL BACK INTO BUSINESS
to drive top-line growth



SHAREHOLDER-FRIENDLY
capital allocation policy

— SOLID BUSINESS MODEL

Investing to Drive Revenue Growth



Revenue growth at/above industry levels

- Long-term contracts generates recurring revenues
- High renewal rates
- High-cost of switching/high risk
- Annual revenue visibility of 90+%

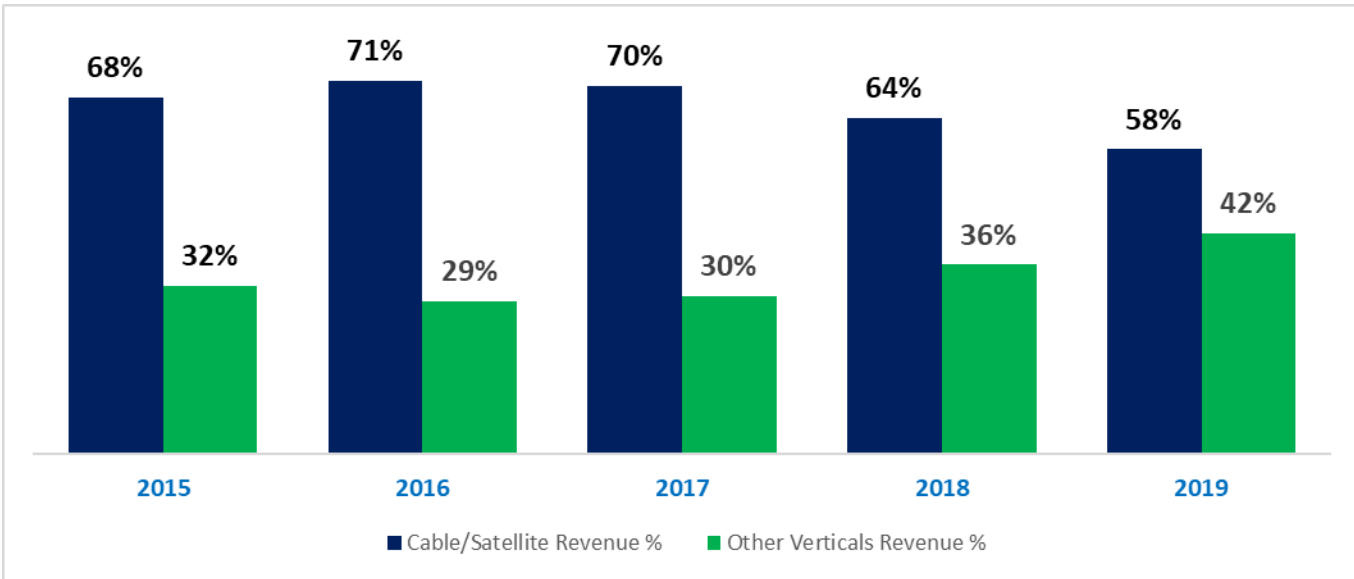
Profitable business model

- SaaS, cloud-based solutions built upon scalable, cost-effective delivery model
- Strategic investments to drive top-line revenue growth and long-term business value
- Profitable, industry-leading operating margins

(1) \$ in millions.

— VALUE CREATING BUSINESS MODEL

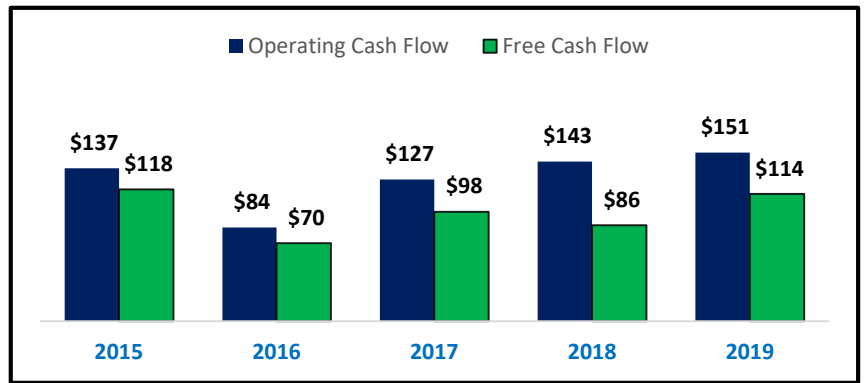
Diversifying revenues
into faster growing markets



— STRONG CASH GENERATION

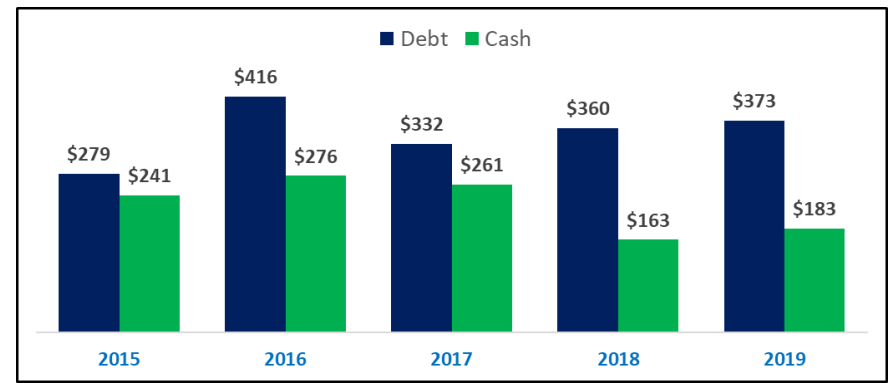
Consistent Cash Flow (1)

- Profitable earnings conversion to strong cash flows
- Modest capital expenditures



Solid Balance Sheet (1)

- Cashflow generation maintains healthy balance sheet
- Leverage available to utilize as needed to optimize our balance sheet for long-term shareholder value



Note: \$ in millions. (1) See Appendix for reconciliation.

— OUR CAPITAL ALLOCATION

BALANCED APPROACH TO CAPITAL ALLOCATION

- Create long-term sustainable shareholder value
 - Investing in business to drive above-industry growth
 - Return cash to shareholders

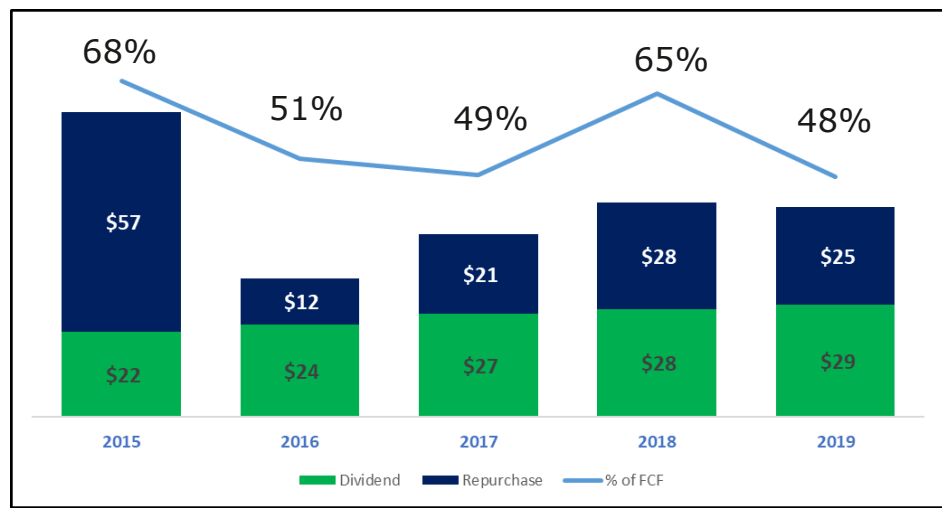
OPTIMIZING SHAREHOLDER RETURN

- Dividend initiated in 2013
 - Yield of 2%
 - Increased annually by mid-single digit rate (6% in Feb-2019)
- Share repurchases
 - 3-year \$150m share repurchase plan announced Sep-2018

INVESTING IN BUSINESS

- Consistent R&D investment of 13-15% of revenues
- Capital expenditures for technology and equipment to run large-scale operations (approx. \$30-40 million annually)
- M&A to expand/accelerate solutions or expand into new markets

Returning Cash to Shareholders (1)



Note: \$ in millions. (1) See Appendix for reconciliation.

CSG: KEY INVESTMENT HIGHLIGHTS

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empowering
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MULTIPLE DRIVERS

for-long term
growth & revenue
diversification

STRONG CASH FLOW

supporting
investments and
shareholder
returns

APPENDIX

GAAP INCOME STATEMENT

<i>\$ In Millions except per share amounts</i>	Year Ended December 31,				
	2015	2016	2017	2018	2019
Revenue	\$ 752.5	\$ 761.0	\$ 789.6	\$ 875.1	\$ 996.8
Cost of Revenue	\$ 379.7	\$ 375.1	\$ 394.8	\$ 448.9	\$ 525.1
Other Operating Expenses					
Research and Development	\$ 102.0	\$ 98.7	\$ 113.2	\$ 124.0	\$ 128.0
Selling, General and Administrative	\$ 139.8	\$ 140.5	\$ 153.7	\$ 169.3	\$ 191.3
Depreciation	\$ 14.8	\$ 13.6	\$ 13.4	\$ 18.3	\$ 19.4
Restructuring and Reorganization Charges	\$ 3.1	\$ 0.4	\$ 8.8	\$ 8.7	\$ 4.8
Total Operating Expenses	\$ 639.4	\$ 628.3	\$ 683.9	\$ 769.2	\$ 868.6
Operating Income	\$ 113.1	\$ 132.6	\$ 105.7	\$ 104.9	\$ 126.1
Other income (expense)	\$ (16.8)	\$ (32.6)	\$ (18.0)	\$ (17.9)	\$ (13.4)
Income before income taxes	\$ 96.3	\$ 100.0	\$ 87.7	\$ 87.0	\$ 112.7
Income tax provision	\$ (33.8)	\$ (37.1)	\$ (26.3)	\$ (20.9)	\$ (23.0)
Net Income	\$ 62.6	\$ 62.9	\$ 61.4	\$ 66.1	\$ 82.8
Weighted-average shares outstanding					
Basic (MM)	31.1	31	32.4	32.5	32.1
Diluted (MM)	33.4	33	32.9	32.9	32.5
Earnings per common share					
Basic	\$ 2.01	\$ 2.03	\$ 1.89	\$ 2.04	\$ 1.88
Diluted	\$ 1.87	\$ 1.90	\$ 1.87	\$ 2.01	\$ 1.85

NON-GAAP RECONCILIATION

	Year Ended December 31,				
	2015	2016	2017	2018	2019
<i>\$ In Millions</i>					
Revenue	\$ 752.5	\$ 761.0	\$ 789.6	\$ 875.1	\$ 996.8
Transaction Fees			\$ -	\$ (15.6)	\$ (69.1)
Non-GAAP Adjusted Revenue	\$ 752.5	\$ 761.0	\$ 789.6	\$ 859.5	\$ 927.7
GAAP Operating Income	\$ 113.1	\$ 132.6	\$ 105.7	\$ 104.9	\$ 126.1
Restructuring and Reorganization Charges	\$ 3.1	\$ 0.4	\$ 8.8	\$ 8.7	\$ 4.8
Acquisition-related costs	\$ -	\$ -	\$ -	\$ 4.9	\$ 1.3
Stock-based compensation	\$ 21.4	\$ 22.8	\$ 20.8	\$ 19.7	\$ 20.9
Amortization of acquired intangible assets	\$ 12.0	\$ 8.5	\$ 6.9	\$ 9.7	\$ 12.6
Non-GAAP Adjusted Operating Income	\$ 149.6	\$ 164.3	\$ 142.2	\$ 147.9	\$ 165.7
Non-GAAP Adjusted Operating Income Margin	19.9%	21.6%	18.0%	17.2%	17.9%
GAAP Operating Income	\$ 113.1	\$ 132.6	\$ 105.7	\$ 104.9	\$ 126.1
Depreciation	\$ 14.8	\$ 13.6	\$ 13.4	\$ 18.3	\$ 21.4
Restructuring and Reorganization Charges	\$ 3.1	\$ 0.4	\$ 8.8	\$ 8.7	\$ 4.8
Acquisition-related costs	\$ -	\$ -	\$ -	\$ 4.9	\$ 1.3
Stock-based compensation	\$ 21.4	\$ 22.8	\$ 20.8	\$ 19.7	\$ 20.9
Amortization of acquired intangible assets	\$ 12.0	\$ 8.5	\$ 6.9	\$ 9.7	\$ 12.6
Amortization of other intangible assets	\$ 14.5	\$ 16.9	\$ 20.4	\$ 9.5	\$ 10.6
Amortization of client contract costs	\$ -	\$ -	\$ -	\$ 23.4	\$ 20.8
Non-GAAP Adjusted EBITDA	\$ 178.9	\$ 194.8	\$ 175.9	\$ 199.1	\$ 218.5
Non-GAAP Adjusted EBITDA Margin	23.8%	25.6%	22.3%	23.2%	23.6%
Cash Flow from Operating Activities	\$ 137.0	\$ 84.2	\$ 127.2	\$ 143.3	\$ 151.1
Non-GAAP Operating Cash Flow Margin	18.2%	11.1%	16.1%	16.4%	15.2%
Purchases of PP&E	\$ 18.8	\$ 14.3	\$ 28.9	\$ 57.1	\$ 37.3
Non-GAAP Free Cash Flow	\$ 118.1	\$ 69.9	\$ 98.3	\$ 86.2	\$ 113.8
Non-GAAP Free Cash Flow Margin	15.7%	9.2%	12.4%	10.0%	12.3%

QUESTIONS?

CORPORATE HEADQUARTERS

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CSG

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