

# Q1 2021 Earnings Presentation

## Forward-Looking Statements + Disclaimers

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “may,” “target,” and similar expressions and variations or negatives of these words. These forward-looking statements may include, among other things, statements with respect to our strategies and priorities, future growth prospects and opportunities, uses of cash, and other measures that may impact our financial performance; expectations regarding our share repurchase program; anticipated impacts of the COVID-19 pandemic; the strength of our balance sheet and tenor of our third-party debt; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include events that are outside of our control, such as general economic, legislative, political and regulatory factors, and the impact of weather conditions, natural disasters, or any epidemic, pandemic or disease outbreak (including COVID-19); other factors detailed from time to time in our filings with the U.S. Securities and Exchange Commission; and management’s response to any of the aforementioned factors. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, please see our filings with the U.S. Securities and Exchange Commission, including our most recently filed Form 10-Q and/or Form 10-K. These forward-looking statements speak only as of the date of this release. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## Use of Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), CSG uses non-GAAP adjusted revenue, non-GAAP operating income, non-GAAP adjusted operating margin percentage, non-GAAP Earnings per Share (EPS), non-GAAP adjusted EBITDA, and non-GAAP free cash flow. CSG believes that these non-GAAP financial measures, when reviewed in conjunction with its GAAP financial measures, provide investors with greater transparency to the information used by CSG’s management in its financial and operational decision making. CSG uses these non-GAAP financial measures for the following purposes: certain internal financial planning, reporting, and analysis; forecasting and budgeting; certain management compensation incentives; and communications with CSG’s Board of Directors, stockholders, financial analysts, and investors.

These non-GAAP financial measures are provided with the intent of providing investors with the following information: more complete understanding of CSG’s underlying operational results, trends, and cash generating capabilities; consistency and comparability with CSG’s historical financial results; and comparability to similar companies, many of which present similar non-GAAP financial measures to investors.

Non-GAAP financial measures are not measures of performance under GAAP, and therefore should not be considered in isolation or as a substitute for GAAP financial information. Limitations with the use of non-GAAP financial measures include the following items: non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles; the way in which CSG calculates non-GAAP financial measures may differ from the way in which other companies calculate similar non-GAAP financial measures; non-GAAP financial measures do not include all items of income and expense that affect CSG’s operations and that are required by GAAP to be included in financial statements; certain adjustments to CSG’s non-GAAP financial measures result in the exclusion of items that are recurring and will be reflected in CSG’s financial statements in future periods; and certain charges excluded from CSG’s non-GAAP financial measures are cash expenses, and therefore do impact CSG’s cash position.

CSG compensates for these limitations by relying primarily on its GAAP results and using non-GAAP financial measures as a supplement only. Additionally, CSG provides specific information regarding the treatment of GAAP amounts considered in preparing the non-GAAP financial measures and reconciles each non-GAAP financial measure to the most directly comparable GAAP measure.

Please refer to the investor relations section of CSG’s website for disclosures related to non-GAAP financial measures and reconciliations.

# Executive Summary

## Financial Results



# First Quarter Highlights

## PEOPLE ARE AT THE CENTER OF CSG

- Focus on unleashing the full potential of our people & culture
- Our people will fuel future wins in the marketplace

## STRATEGIC PILLARS FOR OUR FUTURE

- Being customer obsessed
- Developing cutting-edge technology
- Growing our core and diversifying verticals

## RECONFIRMING OUR GUIDANCE TARGETS

- Strong start to 2021 w/ Q1 organic revenue up 3.1% YoY
- Reconfirming all 2021 financial guidance targets

## LASER FOCUSED ON SUSTAINED GROWTH

- Building a company, leadership team & employee base that is built for the future
- Taking actions to lay the foundation for sustained growth

## STRONG SALES PIPELINE

- Largest pipeline in company history
- Deals are both larger & in more mature stages of sales cycle
- Success turning into closed deals

# Winning with Customers

New Wins & Deepened Customer Relationships Across Many Verticals



COMCAST

Charter  
COMMUNICATIONS

CBTS  
TECHNOLOGY SOLUTIONS FOR BUSINESS

AXIATA  
DIGITAL  
LABS

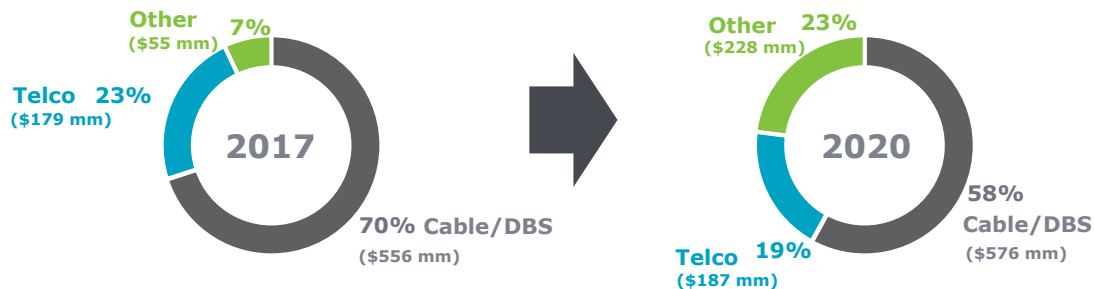
maxis



# Increased Revenue Diversification.....

...Across Increasingly Diversified Industry Verticals

% of Full Year Revenue & \$USD mm of Full Year Revenue



...Across an Increasingly Diversified Customer Base

% of Full Year Revenue & \$USD mm of Full Year Revenue





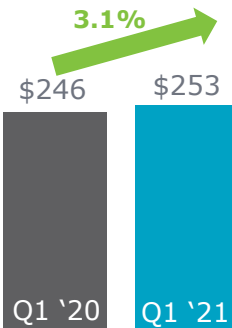
# Executive Summary

## Financial Results

# Q1 2021 Financial Summary

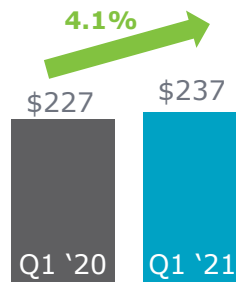
## REVENUE

\$USD millions



## NON-GAAP ADJUSTED REVENUE

\$USD millions

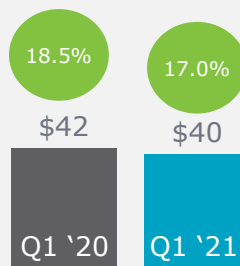


## Key Takeaways

- Reaffirming all 2021 financial guidance targets
- Q1 Revenue and Adjusted Revenue growth represents strongest quarterly performance since Q3 2019

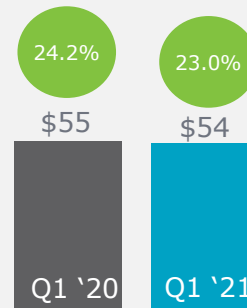
## NON-GAAP ADJUSTED OPERATING INCOME

\$USD millions & as a % of Adjusted Revenue



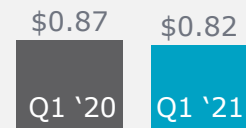
## NON-GAAP ADJUSTED EBITDA

\$USD millions & as a % of Adjusted Revenue



## NON-GAAP EPS

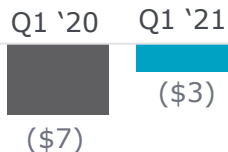
\$USD per share



# Robust Cash Flow & Strong Balance Sheet

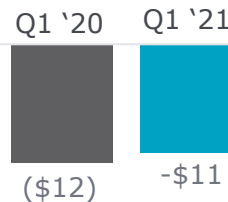
## CASH FLOW FROM OPERATIONS

\$USD millions



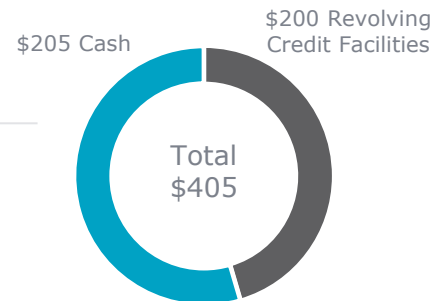
## NON-GAAP FREE CASH FLOW

\$USD millions



## MARCH 31, 2021 LIQUIDITY

\$USD millions

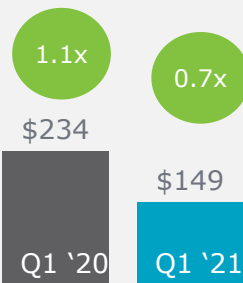


## Key Takeaways

- Reviewing options to optimize balance sheet; convertible debt's first put/call date in March 2022
- Continue to return capital to shareholders through dividends and share repurchases

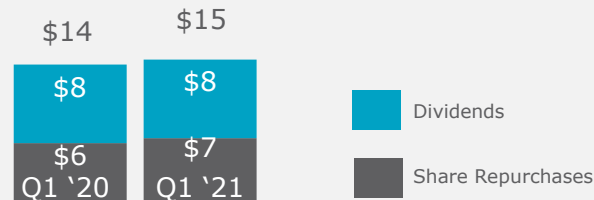
## NET LEVERAGE

\$USD millions & net leverage ratio



## SHAREHOLDER REMUNERATION

\$USD millions





# Conclusions & Reaffirming 2021 Guidance



- Strong Q1 operating results in a challenging environment



- Continued focus on accelerating our growth and diversifying our revenue



- Strong sales pipeline provides foundation for future growth



- Committed to distributing capital to shareholders, while investing in future

GAAP MEASURES	GUIDANCE RANGE
Revenue	\$995 - \$1,035 million
Operating Margin Percentage	12.2% - 12.7%
EPS	\$2.30 - \$2.53
Cash Flows from Operating Activities	\$135 - \$155 million

NON-GAAP MEASURES	GUIDANCE RANGE
Adjusted Revenue	\$922 - \$954 million
Adjusted Operating Margin Percentage	16.25% - 16.75%
EPS	\$3.02 - \$3.24
Adjusted EBITDA	\$212 - \$222 million
Free Cash Flow	\$110 - \$120 million