



CSG SYSTEMS INTERNATIONAL

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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 2016 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



Company Overview



Global technology partner helping our clients launch and monetize communications and entertainment services in the digital age

35+ year track record

Leading provider of business-critical solutions
Business Support Systems (BSS)
Operations Support Systems (OSS)

3,300+

employees worldwide

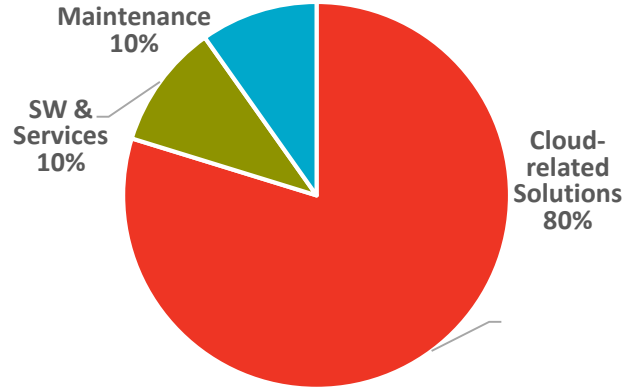
Solutions include

Revenue Management
Customer Experience Management
Managed Services

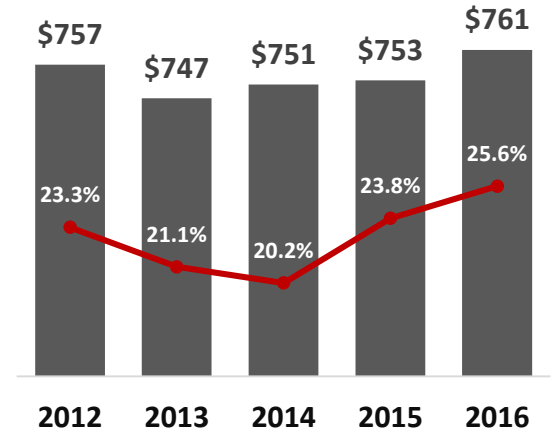
500+ clients

primarily serving the
global communications industry

2016 Revenue by Category



Revenue and Non-GAAP Adjusted EBITDA Margin⁽¹⁾



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



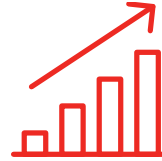
Key Investment Highlights



Dynamic market changes
in communications industry



CSG's proven, business-critical solutions



Multiple growth opportunities
across our target markets



Solid business model and financial position
with strong cash flows

Market Undergoing Dynamic Changes



**Always connected
consumer**



**Increase competitive
threats**



**Active industry
consolidation**



**Intense cost
pressures**

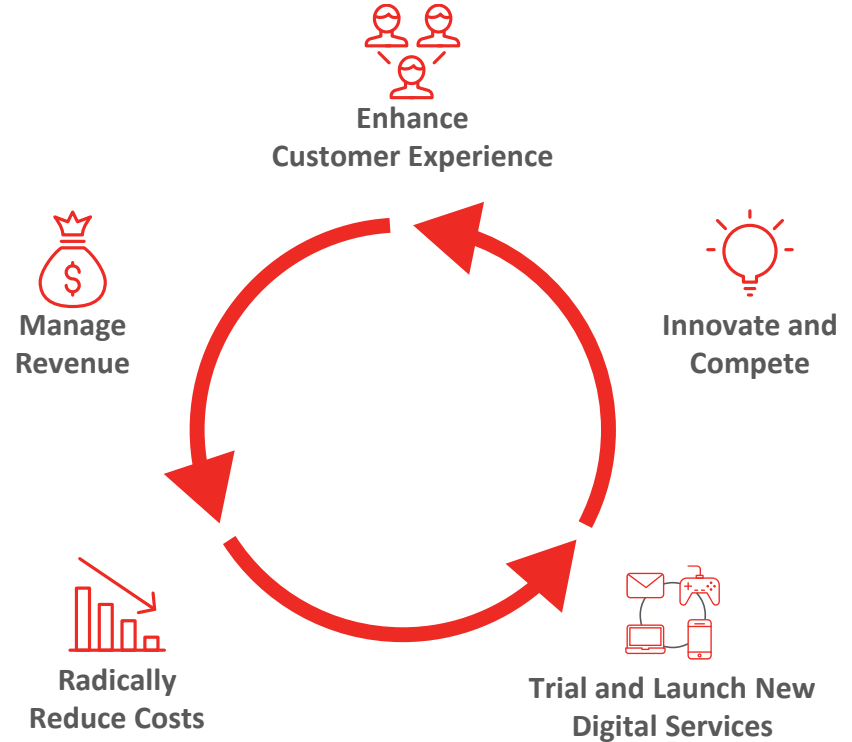


**Balancing legacy and
digital businesses**

*Disruption in the communications ecosystem
has increased challenges and complexity in
business operations for providers*



CSG supports the critical imperatives for providers to effectively drive revenues and profits in this dynamic, complex marketplace





Execution upon long-term strategy creates shareholder value

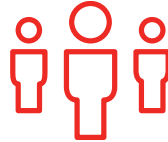


EXPAND

leadership position

Increase market share in domestic
Cable/Satellite

Expand Pay TV footprint
internationally



CREATE

more recurring relationships

Increase adoption of Managed Services

Leverage our current client
relationships with value-added services
and solutions



CAPITALIZE

complexity of digital services

Increase adoption of next-
generation Ascendon Platform



Profitable Business Model ⁽¹⁾

- Recurring revenues based upon long-term contracts
- High client renewal rate
- Annual revenue visibility of approximately 90%
- Cloud-based solutions built upon scalable, cost-effective delivery model
- Strategic investments for growth of our business with target non-GAAP operating margin range of 18-20%

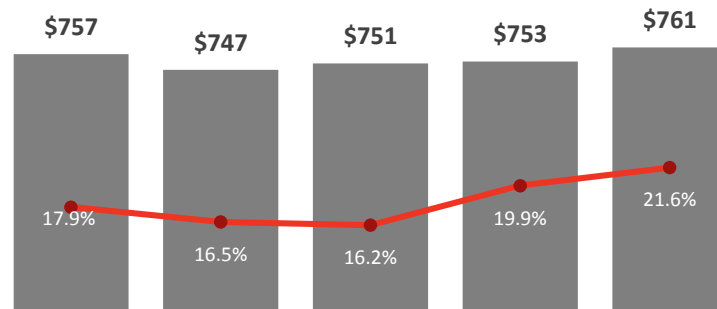
Strong Cash Generation

- Profitable earnings convert to strong cash flows
- Modest capital expenditures and working capital requirements

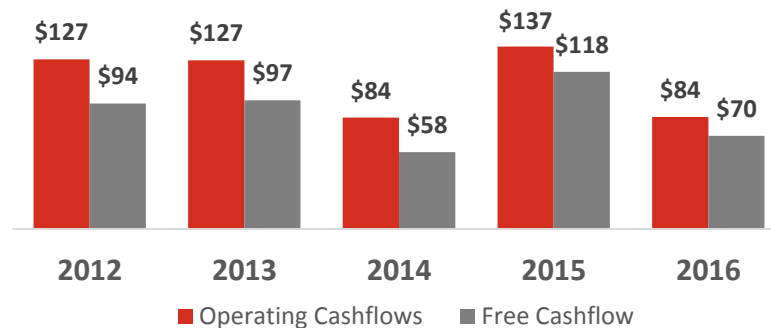
Balanced Approach: Invest and Shareholders

- Committed to returning capital to shareholders through share buybacks and dividend

Revenue and Non-GAAP Operating Income Margin⁽¹⁾



Historical Cash Flows⁽¹⁾



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

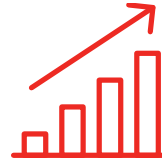
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Dynamic market changes
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CSG's proven, business-critical solutions



Multiple growth opportunities
across our target markets



Solid business model and financial position
with strong cash flows



Appendix

GAAP Income Statement



	Year Ended December 31,				
	2012	2013	2014	2015	2016
Revenue	\$ 756.9	\$ 747.5	\$ 751.3	\$ 752.5	\$ 761.0
Cost of revenues	383.8	377.2	389.3	379.7	375.1
Other operating expenses					
Research and development	112.9	110.0	104.7	102.0	98.7
Selling, general and administrative	138.8	152.6	153.5	139.8	140.5
Depreciation	22.3	18.6	14.1	14.8	13.6
Restructuring and reorganization charges	2.5	12.4	14.0	3.1	0.4
Total operating expenses	660.3	670.8	675.6	639.4	628.3
Operating Income	\$ 96.6	\$ 76.7	\$ 75.7	\$ 113.1	\$ 132.6
Other income (expense)	(19.4)	(15.2)	(14.2)	(16.8)	(32.6)
Income before income taxes	77.2	61.5	61.5	96.3	100.0
Income tax provision	(30.1)	(16.3)	(25.8)	(33.8)	(37.1)
Net Income	\$ 47.1	\$ 45.3	\$ 35.7	\$ 62.6	\$ 62.9
Weighted-average shares outstanding					
Basic	32.2	32.1	32.4	31.1	31.0
Diluted	32.5	32.9	33.7	33.4	33.0
Earnings per common share					
Basic	1.47	1.41	1.10	2.01	2.03
Diluted	1.45	1.38	1.06	1.87	1.90

Note: \$ in millions. All Income Statement numbers are GAAP.

Non-GAAP Reconciliation



	Year Ended December 31,				
	2012	2013	2014	2015	2016
Revenue	\$ 756.9	\$ 747.5	\$ 751.3	\$ 752.5	\$ 761.0
GAAP Operating Income	\$ 96.6	\$ 76.7	\$ 75.7	\$ 113.1	\$ 132.6
Restructuring and reorganization changes	2.5	12.4	14.0	3.1	0.4
Acquisition-related costs	0.3	0.1	-	-	-
Stock-based compensation	13.4	14.8	16.7	21.4	22.8
Amortization of acquired intangible assets	22.7	19.2	15.4	12.0	8.5
Non-GAAP Operating Income	\$ 135.5	\$ 123.2	\$ 121.7	\$ 149.6	\$ 164.3
<i>Non-GAAP Operating Income Margin</i>	17.9%	16.5%	16.2%	19.9%	21.6%
GAAP Operating Income	\$ 96.6	\$ 76.7	\$ 75.7	\$ 113.1	\$ 132.6
Depreciation	22.3	18.6	14.1	14.8	13.6
Restructuring and reorganization changes	2.5	12.4	14.0	3.1	0.4
Acquisition-related costs	0.3	0.1	-	-	-
Stock-based compensation	13.4	14.8	16.7	21.4	22.8
Amortization of acquired intangible assets	22.7	19.2	15.4	12.0	8.5
Amortization of other intangible assets	18.7	16.2	15.8	14.5	16.9
Non-GAAP Adjusted EBITDA	\$ 176.6	\$ 158.0	\$ 151.6	\$ 178.9	\$ 194.8
<i>Non-GAAP Adjusted EBITDA Margin</i>	23.3%	21.1%	20.2%	23.8%	25.6%
Cash Flow from Operating Activities	\$ 127.4	\$ 126.6	\$ 83.7	\$ 137.0	\$ 84.2
<i>Non-GAAP Operating Cash Flow Margin</i>	16.8%	16.9%	11.1%	18.2%	11.1%
Purchases of PP&E	(33.2)	(30.1)	(26.0)	(18.8)	(14.3)
Non-GAAP Free Cash Flow	\$ 94.2	\$ 96.6	\$ 57.7	\$ 118.1	\$ 69.9
<i>Non-GAAP Free Cash Flow Margin</i>	12.4%	12.9%	7.7%	15.7%	9.2%

Thank You!

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