

CONVERGYS



First Quarter 2016 Earnings Presentation

May 10, 2016

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The following presentation includes "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. A reconciliation of GAAP to non-GAAP results is available on the investor relations page of our web site at www.convergys.com.

Today's presentation is intended to be reviewed in connection with Convergys' First Quarter 2016 earnings call.

Operating results

Financial review

Business outlook



Adjusted EPS

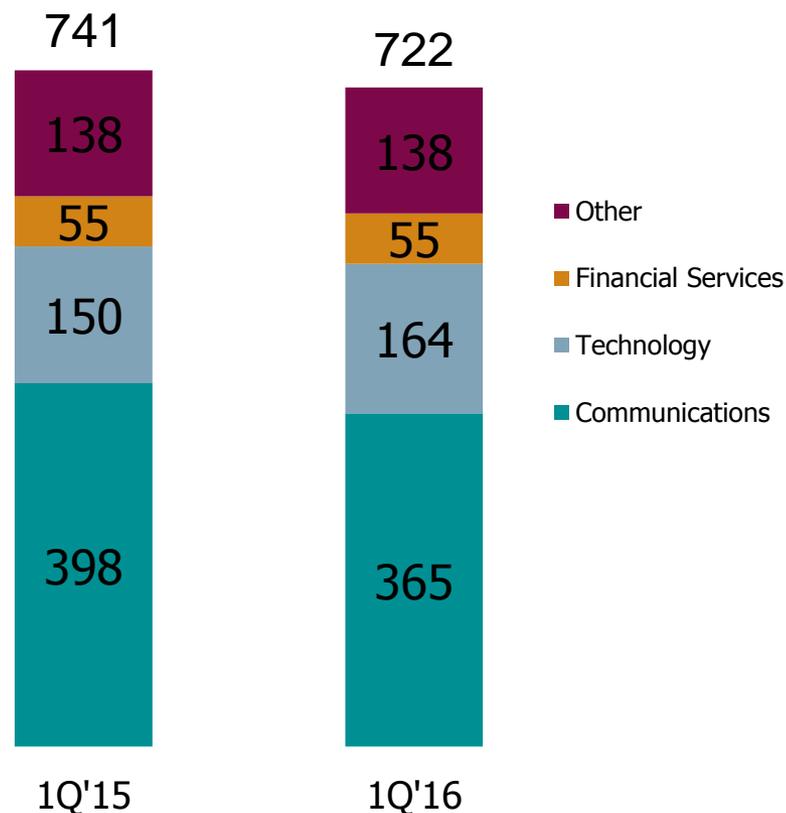


- Solid operating performance
 - + revenue: \$722M incl. \$8M FX impact
 - + adjusted EBITDA: \$98M
 - + adjusted EPS: \$0.50, up 6% Y/Y
 - + adjusted FCF: \$67M
- Capital returns: \$28M
 - + dividend: \$8M
 - + share repurchase: \$20M
 - + EOQ repurchase authorization: \$194M

Note: Adjusted EPS from continuing operations in 1Q'16 excludes \$7M intangible amortization and \$3M write-up depreciation expense. Adjusted EPS from continuing operations in 1Q'15 excludes \$7M intangible amortization, \$6M write-up depreciation expense, and \$3M Stream integration costs.

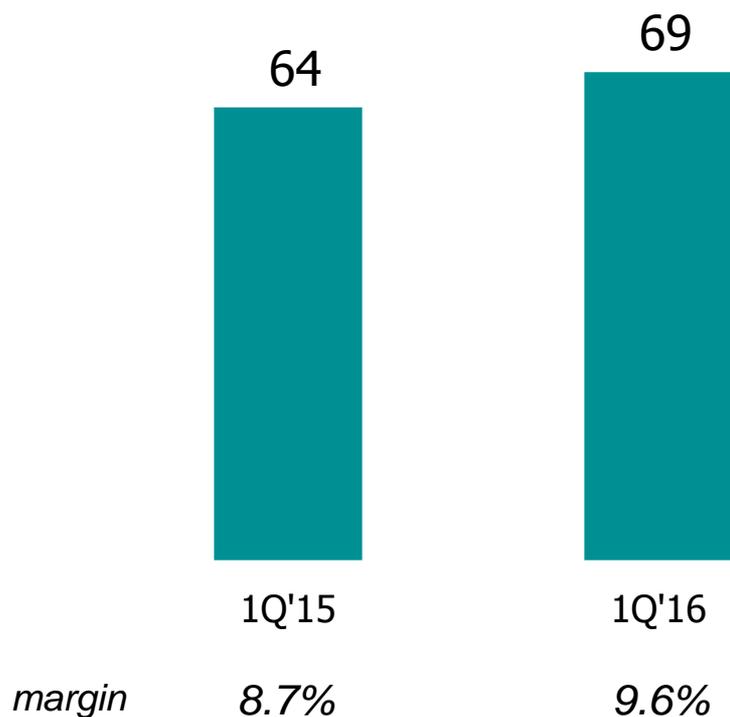
- Growth with existing, new clients
 - + constant currency growth with 9 of top 20 clients
- Increasing revenue headwinds
 - Y/Y comms industry volatility, FX impacts, macroeconomic factors
 - lower than anticipated volume with some clients
- Solid new business wins
 - + \$90M in 2016 revenue
- Investing in growth
 - + maintain top strategic partnerships
 - + expand with diversified client base
 - + accelerate new logo momentum
 - + pursue inorganic opportunities

Reported Revenue by Vertical*
(\$M)



* 1Q'16 revenue includes \$8M adverse FX impacts

Adjusted Operating Income (\$M)



- Adjusted OI: \$69M, up 8%
 - margin: 9.6%, +90 bps
- Adjusted EBITDA: \$98M
 - margin: 13.5%, +30 bps
- On track to achieve 2016 profitability targets

Note: Adjusted OI excludes \$7M intangible amortization and \$3M write-up depreciation expense in 1Q'16, and \$7M intangible amortization, \$6M write-up depreciation expense, and \$3M integration costs in 1Q'15.

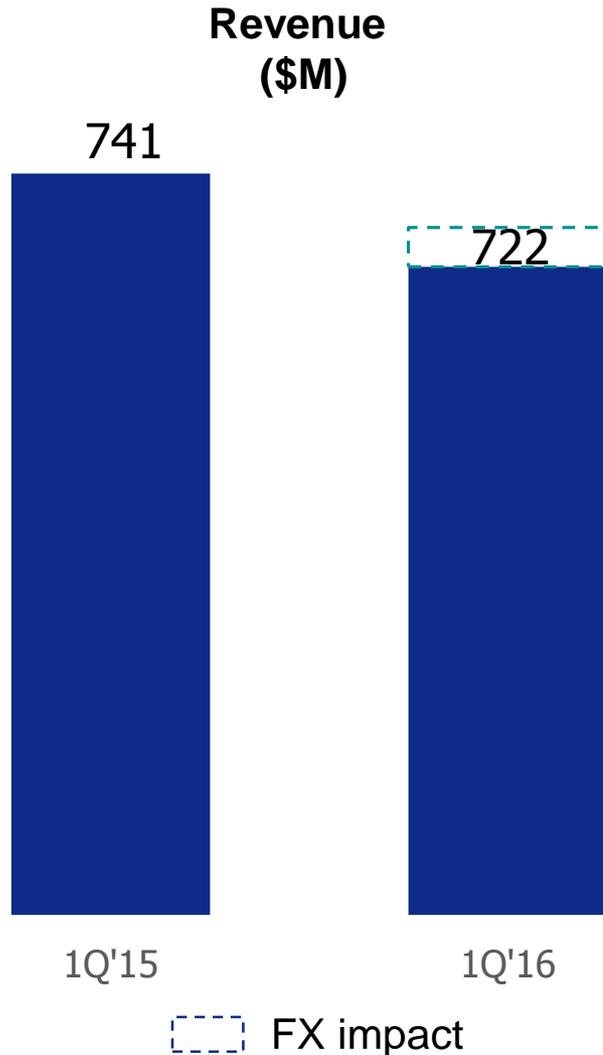
- Performed well in 1Q
- Investing in unique global platform to drive profitable growth
- Expect profit improvement in 2016
- Solid cash flow provides flexibility
- Raised quarterly dividend, fourth consecutive year

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1Q'16 Update

- Revenue: \$722M
 - down 1% on constant currency basis
 - \$8M FX impact (-1%)
- Y/Y impacts
 - + existing client growth, new clients
 - FX, lower volumes with some clients
- Q/Q expectations
 - seasonal decrease 2Q
 - 3Q/4Q improvements

\$Millions	1Q'15	1Q'16
Adjusted operating income	64	69
<i>Margin</i>	<i>8.7%</i>	<i>9.6%</i>
Adjusted EBITDA	98	98
<i>Margin</i>	<i>13.2%</i>	<i>13.5%</i>
Adjusted net income	50	52
Adjusted EPS	\$0.47	\$0.50

1Q'16 Update

- Y/Y impacts
 - + mix shift offshore, efficient labor management
- Q/Q expectations
 - 2Q investment in 2H program ramps
 - + 3Q/4Q improvements

Note: Adjusted operating income and adjusted EBITDA exclude \$3M integration costs in 1Q'15. Adjusted operating income also excludes \$7M intangible amortization and \$3M write-up depreciation in 1Q'16, and \$7M intangible amortization and \$6M write-up depreciation expense in 1Q'15.

\$Millions	1Q'15	1Q'16
Cash provided by operating activities	65	77
Capital expenditures, net	<u>(29)</u>	<u>(11)</u>
Free cash flow	36	66
Acquisition-related payments	<u>5</u>	<u>1</u>
Adjusted free cash flow	41	67

1Q'16 Update

- Capex to increase throughout year to support new programs
- Expect free cash flow to approximate net income, over time

\$Millions	1Q'15	1Q'16
Cash and short term investments	245	233
Debt maturing in one year	6	3
Long-term debt	391	316
Net cash/ST investments (debt)	(152)	(86)

1Q'16 Update

- Less than 10% of cash and short term investments in US
- \$20 million worth of shares repurchased, \$8 million dividend paid
- \$23 million cash repatriation
- Available liquidity: ~ \$640 million

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	Previous Guidance	Updated 2016 Guidance
Constant currency revenue growth	~1%	~0%
<i>Negative Y/Y foreign exchange impact (\$B)</i>	~0.025	~ 0.015
Adjusted EBITDA margin	~13%	~ 13%
Adjusted effective tax rate	~21%	~ 21%
Diluted shares outstanding (M)	~104	~ 104
Adjusted EPS growth	5% to 8%	5% to 8%

For the rest of the year, the company expects seasonal sequential decreases in revenue, EBITDA and EPS in the second quarter of 2016 with sequential increases in results beginning in the third quarter.

Not included in this outlook are acquisition-related impacts such as integration costs, intangible amortization, depreciation related to the fair value write-up of acquired property and equipment, and tax expense associated with cash repatriation. Also not included are impacts from future currency movements, non-cash pension settlement charges, significant discrete tax adjustments or any future share repurchase activities.