

CSG Q4 & Full Year 2024 Earnings Presentation

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Safe Harbor

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; 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 pandemics); 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), we reference non-GAAP operating income, non-GAAP adjusted operating margin percentage, non-GAAP Earnings per Share (EPS), non-GAAP adjusted EBITDA, and non-GAAP adjusted 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.

Business Results



Excellent Q4 Momentum To Finish 2024



7% YoY Revenue Growth in Q4 with 5% Organic Growth

- ✓ Finished a challenging 2024 with strong results
- ✓ Great to see good sales & renewals contribute to **mid-single digit Q4 YoY growth**
- ✓ Expecting 2025 organic revenue growth of between **2% to 4%**



Good New Logo Sales Wins & Contract Extensions Globally

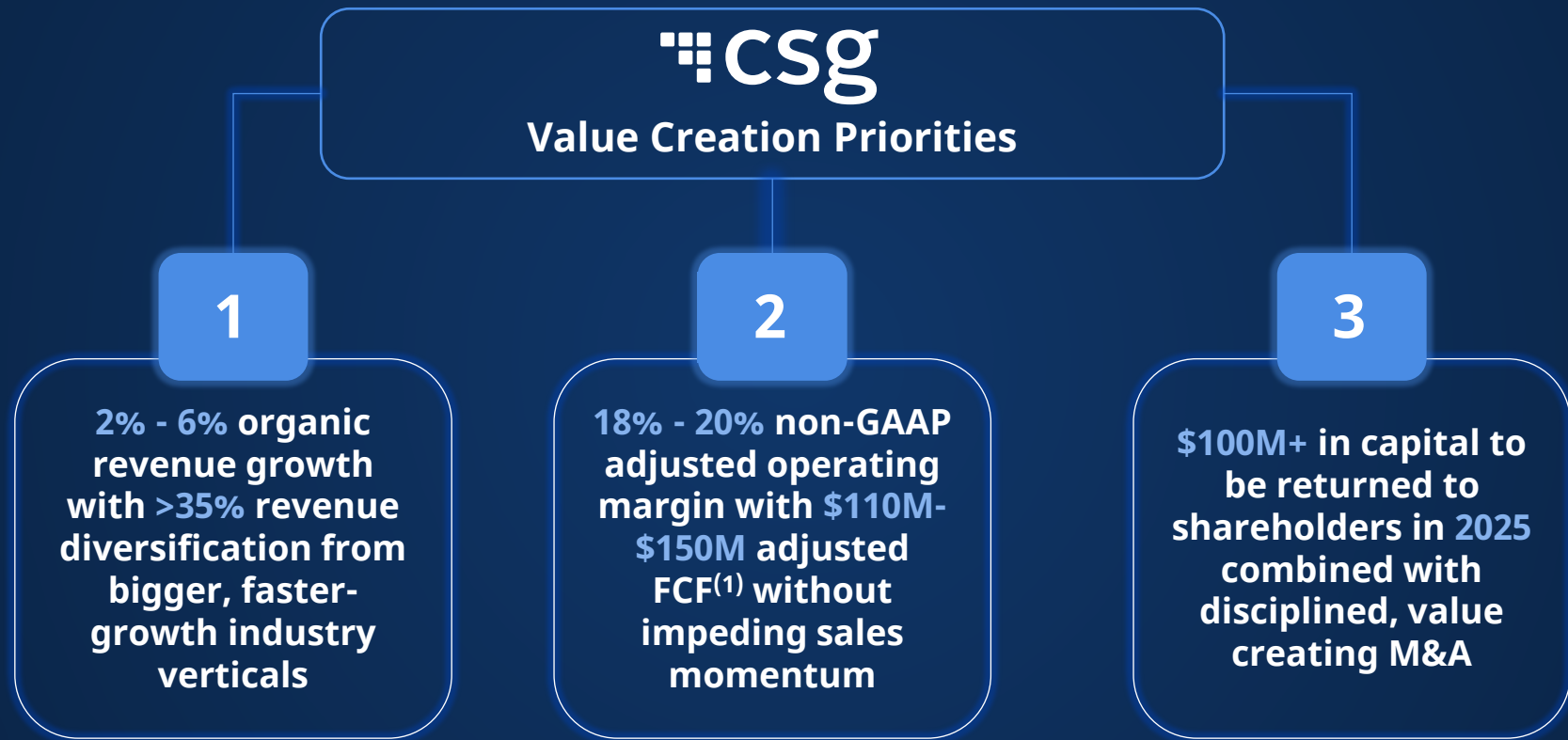
- ✓ Signed **fantastic Comcast 6-year contract expansion** in November 2024
- ✓ Big **new Global Telecom wins** (Claro Brazil, Telenor Denmark, Lyse, & more)
- ✓ Signed great renewals with **Walgreens, Formula 1, leading U.S. banks, & more**



Strong Momentum on Both Profitability & Adjusted Free Cash Flow

- ✓ Clear focus on leveraging scale + SaaS model to generate higher profitability
- ✓ Delivered **18.1%** non-GAAP Op Margin in 2024
- ✓ Generated **\$113 million** of adjusted free cash flow in FY 2024, **up 9% YoY**

CSG Value Creation Priorities

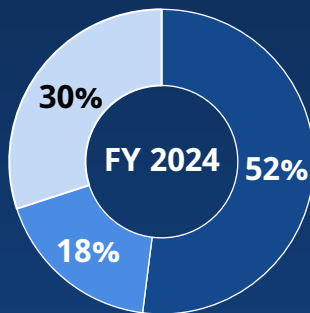
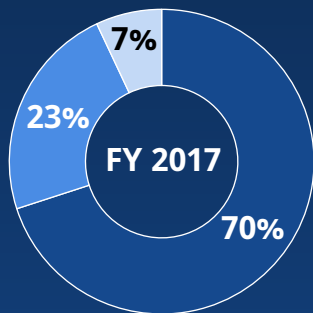


(1) Adjusted free cash flow (FCF) is GAAP operating cash flow adjusted for capex purchases and the impact of M&A related earn-out payments

1 Accelerating Growth & Revenue Diversification

Big Revenue Diversification Success

■ Cable / Pay TV ■ Telco ■ Other Verticals



Financial Services



Technology



Pharmacy



Government



Retail



Insurance

Highly recurring customer relationships & revenue



Big growth in data-driven SaaS CX & Payments

Similar customer business needs across different verticals



Global brands trust CSG to simplify & monetize their customer engagement

Walgreens

nrc
HEALTH

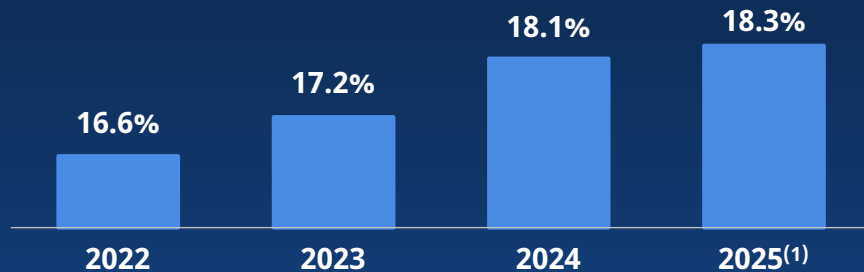
Formula 1

1 Continued Global Sales Success in 2024

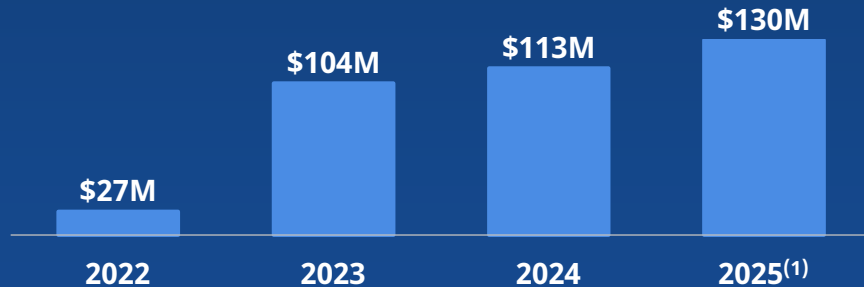


2 Expanding CSG Profitability & Cash Generation

Expanded Non-GAAP Operating Margin 150 basis points from 2022 to 2024



On track to grow non-GAAP adjusted free cash flow \$100+ million since 2022



Targeting 18% - 20% Op Margin & Double-Digit FCF Growth without impeding sales growth



More revenue from higher gross margin SaaS CX, monetization, & payments solutions



Better operating discipline to constantly optimize & reinvent how we do business



Improving working capital & growing faster in asset lighter areas of business



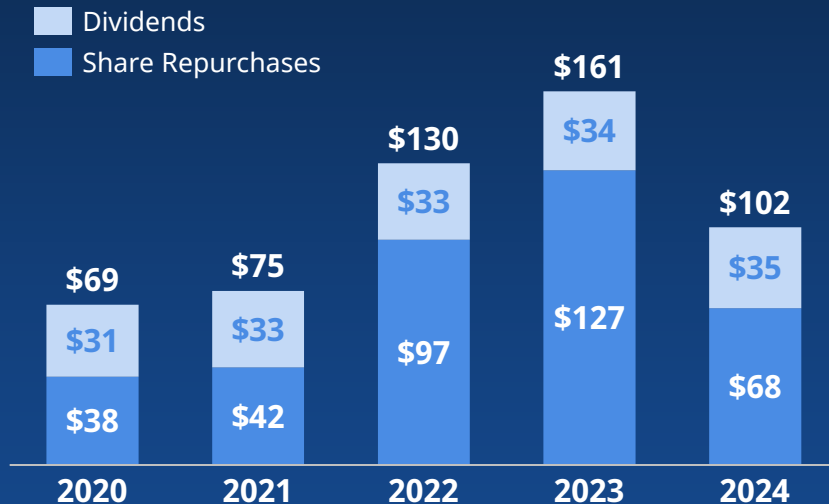
Laser focused on double-digit adjusted free cash flow growth

3 Commitment to Shareholder Returns + Accretive M&A

Commitment to Shareholder Returns

Shareholder Remuneration (2020 – 2024)

\$ in millions



- ✓ Returned nearly **\$540 million** to shareholders since 2020
- ✓ Targeting **\$100+ million** in 2025 shareholder remuneration

Disciplined & Accretive M&A



Strategic Fit

Brings strategic value to win more in the market



Financial Fit

Accretive to both top and bottom-line growth



Culture Fit

Aligns & integrates well with CSG culture/values



Risk & Return Profile

Great discipline to create big shareholder value

- ✓ **April:** Purchased insurance-centric customer engagement company
- ✓ **June:** Closed acquisition of iCG Pay; 10%+ revenue growth payments company

Financial Results

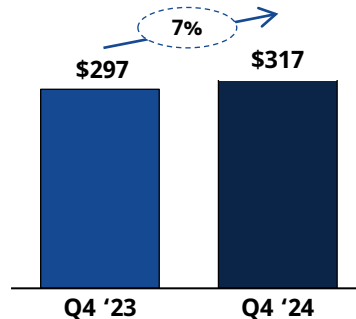


Q4 2024 Financial Summary

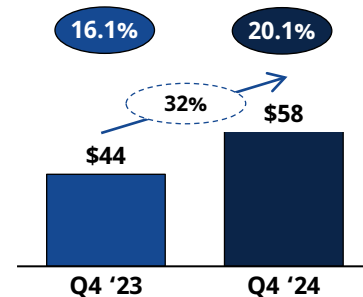
Key Highlights

- ✓ Record quarterly revenue of **\$317 million**, **up 7% YoY**, including **5% YoY organic growth**
- ✓ Q4 2024 adjusted non-GAAP operating margin of **20.1%** (one of the strongest quarterly results in CSG history)
- ✓ **79% YoY increase** in Q4 non-GAAP EPS driven by improved profitability & more share repurchases

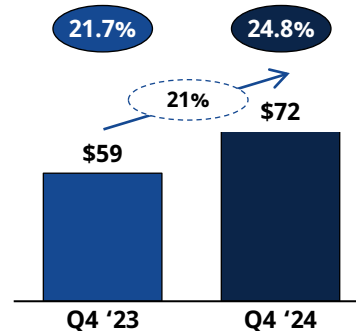
Revenue
\$USD million



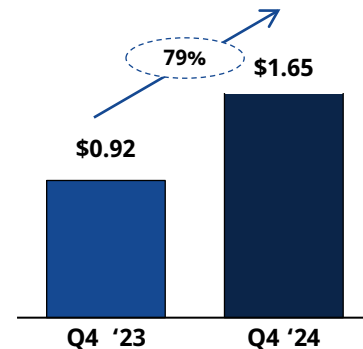
Non-GAAP Adjusted Operating Income
\$USD million & as a % revenue less transaction fees



Non-GAAP Adjusted EBITDA
\$USD million & as a % of revenue less transaction fees



Non-GAAP EPS
\$USD per share

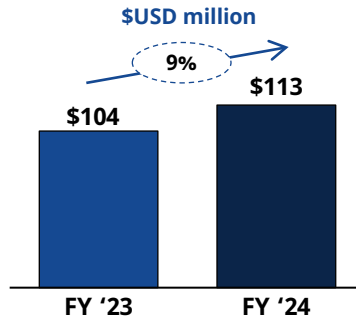


Strong Balance Sheet & Good Shareholder Returns

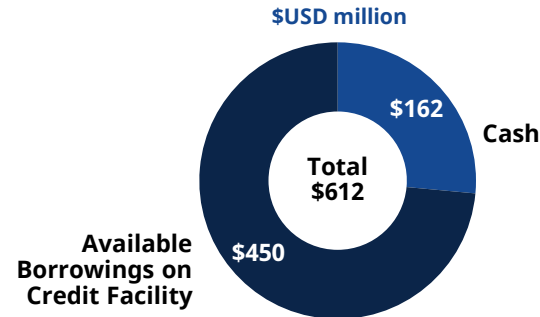
Key Highlights

- ✓ **Strong balance sheet** with significant flexibility & optionality
- ✓ **9%+ YoY increase** in non-GAAP adjusted free cash flow
- ✓ Continued commitment to shareholder remuneration via share repurchases and dividends; **\$100 million commitment in 2025**

Non-GAAP Adjusted Free Cash Flow

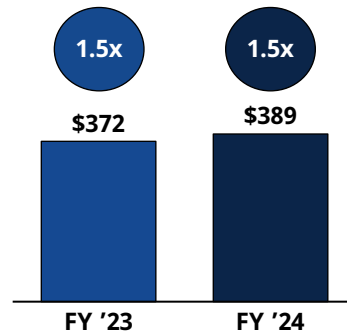


Q4 2024 Liquidity Profile

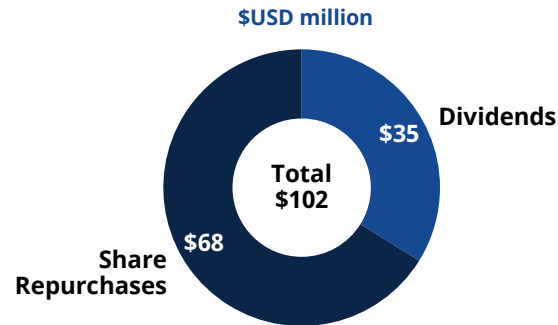


Net Leverage⁽¹⁾

\$USD million & net leverage ratio



Shareholder Remuneration



(1) Net leverage ratio is defined as net debt divided by LTM non-GAAP adjusted EBITDA. CSG's DBOs were 64 for Q4 2024

2024 Conclusions

1

Signed landmark Comcast contract extension through year-end 2030

2

Significant year-over-year increases in profitability and adjusted free cash flow

3

Continued business wins in exciting new verticals, global telecom and broadband

4

Increasing our dividend by 7%; 12th consecutive year of increase payout

5

Commitment to return \$100M in capital to shareholders in 2025

2025 Guidance

GAAP MEASURES

February 2025

Revenue

\$1.21B – \$1.25B

Transaction Fees

\$106M – \$111M

Share Count

~28 million

NON-GAAP MEASURES

February 2025

Adj. Operating Margin %

18.1% – 18.5%

EPS

\$4.55 – \$4.80

Adjusted EBITDA

\$256M – \$267M

Adjusted Free Cash Flow

\$110M – \$150M

Capital Expenditures

\$20M – \$30M

Effective Tax Rate

~28%