CSG Q1 2025 Earnings Presentation

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Safe Harbor

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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



Strong Q1 Built Momentum for 2025

Good Profit Expansion & EPS Growth

- ✓ Delivered **19.0%** Non-GAAP Op. Margin in Q1, **240** bps increase YoY
- ✓ Margin expansion driven by SaaS revenue mix combined with operational efficiencies
- ✓ Raising 2025 non-GAAP profitability & EPS guidance targets

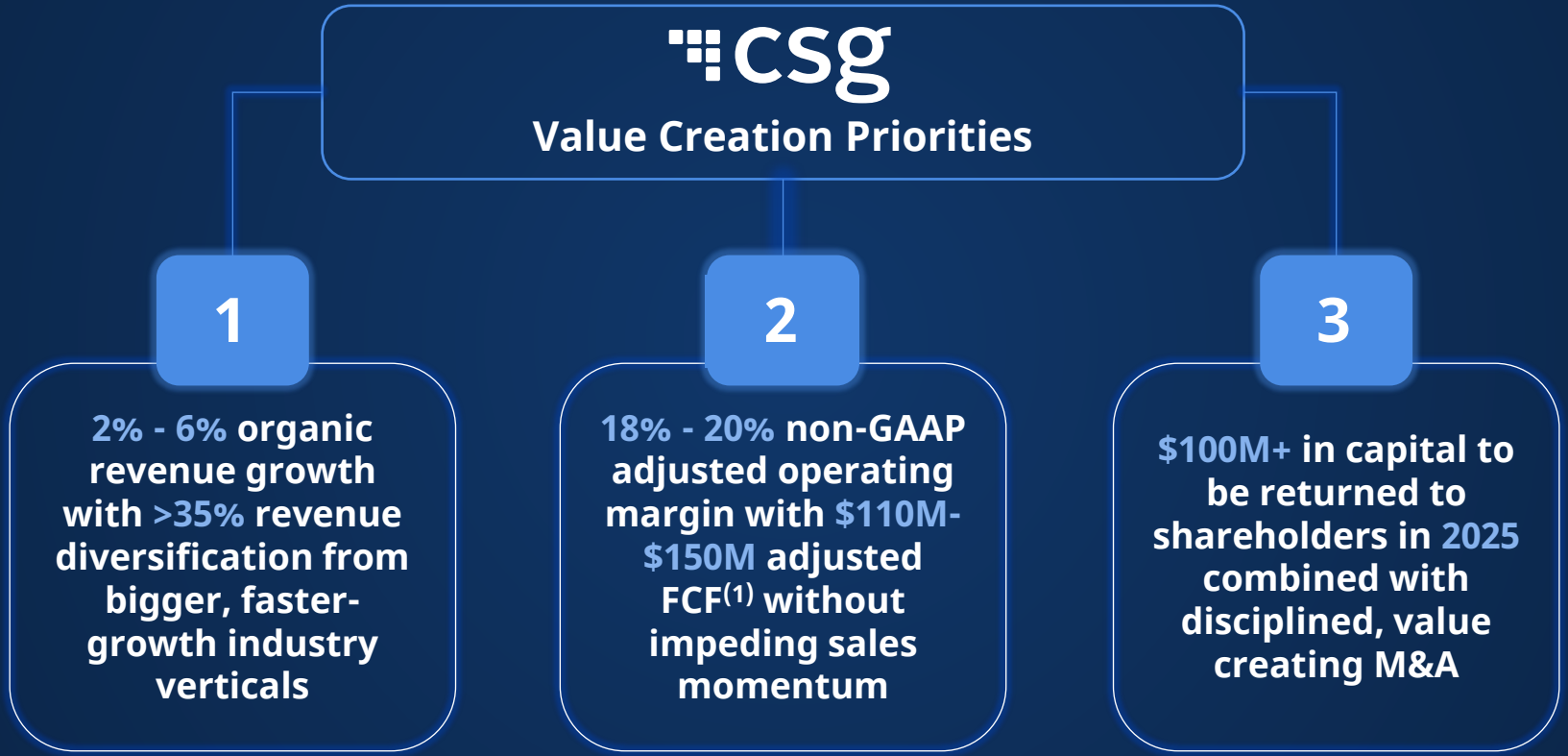
Record High New Vertical Revenue Diversification

- ✓ **33%** of Q1 revenue coming from industries outside of Cable & Telecom
- ✓ CSG SaaS products including Ascendon, digital CX, and Payments driving diversification
- ✓ Strong sales pipeline across multiple industry verticals for CSG SaaS solutions

Good Adj. Free Cash Flow & Shareholder Returns

- ✓ **$7** million of adjusted free cash flow in Q1; best Q1 performance since 2018
- ✓ Dividend increase for **12th** consecutive year (**7%** increase in 2025)
- ✓ **$32M** of capital returned to shareholders in Q1 (between dividends & share buybacks)

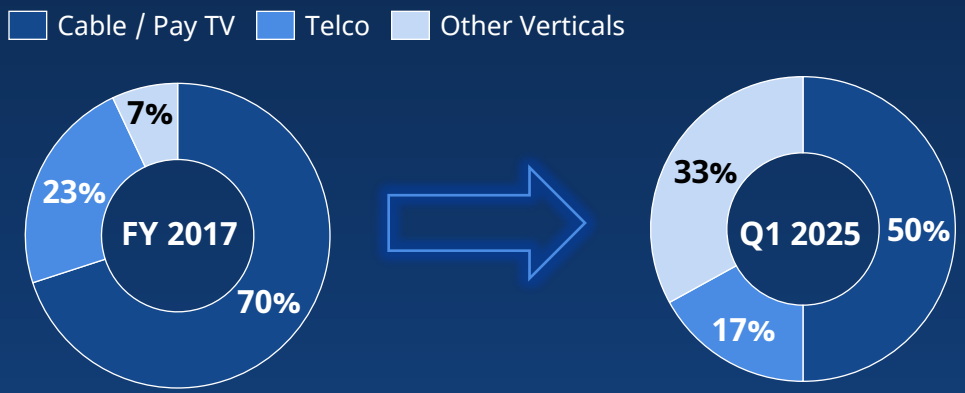
CSG Value Creation Priorities



(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 Revenue Growth & Diversification

Big Revenue Diversification Success



Financial Services

Technology

Pharmacy

Government

Healthcare

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 their monetization & customer engagement

Win Highlights

Mediacom Xtream Mobile Business

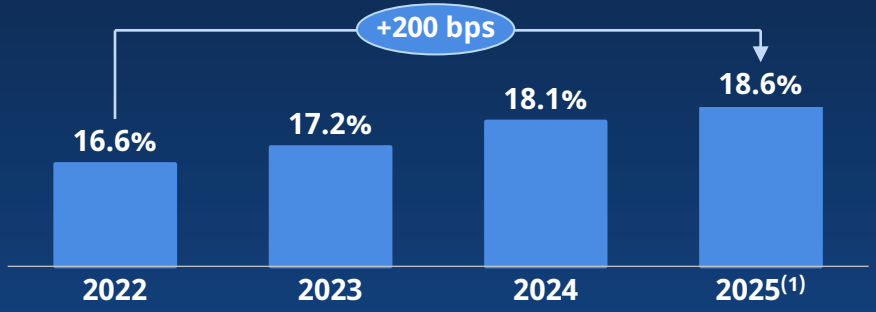
LIBERTY LATIN AMERICA

NTTA NORTH TEXAS TOLLWAY AUTHORITY

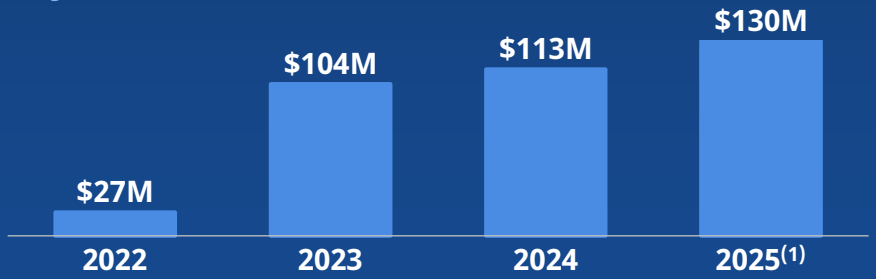
PLDT

2 Expanding CSG Profitability & Cash Generation

Expanded Non-GAAP Operating Margin 200 Basis Points from 2022 to 2025(1)



On Track for Double-Digit Growth in Non-GAAP Adjusted Free Cash Flow



Targeting 18% - 20% Op Margin & Double-Digit FCF Growth Without Impeding Sales Growth

- **More revenue from higher gross margin SaaS** 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**

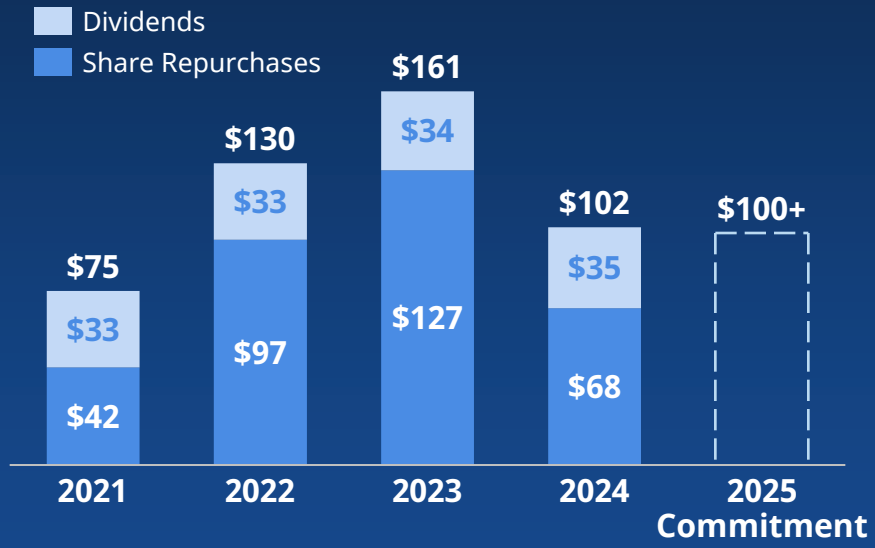
(1) Represents mid-point of current 2025 guidance

3 Committed to Shareholder Returns + Accretive M&A

Commitment to Shareholder Returns

Shareholder Remuneration (2021 – 2025)

$ in millions



- ✓ **Returned ~$570 million to shareholders** since 2020
- ✓ Targeting **$100+ million** in 2025 capital returns

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 2024:** Purchased insurance-centric CX company
- ✓ **June 2024:** Acquired iCG Pay (10%+ payments growth)

Financial Results

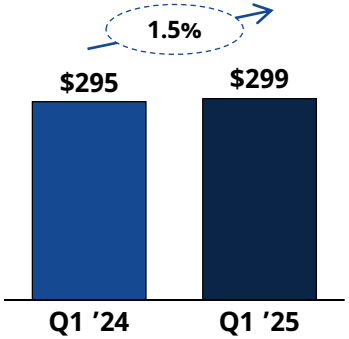


Q1 2025 Financial Summary

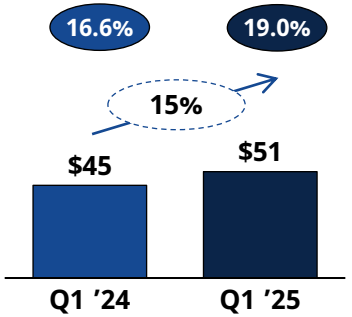
Key Highlights

- ✓ Record Q1 revenue of **$299 million, up 1.5%** YoY
- ✓ Strong **double-digit growth** in profitability & EPS
- ✓ Q1 non-GAAP adjusted operating margin of 19%, **15% YoY increase**
- ✓ **13% YoY increase** in Q1 non-GAAP EPS driven by strong non-GAAP operating income
- ✓ **Raising** certain 2025 financial guidance targets

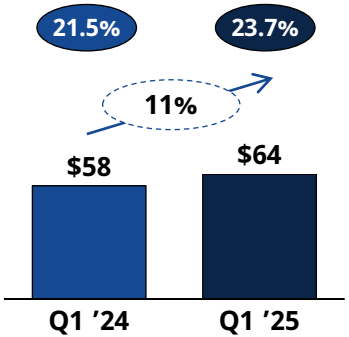
Revenue
$USD million



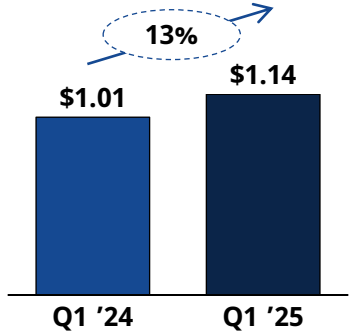
Non-GAAP Adjusted Operating Income
$USD million & as a % revenue less transaction fees



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

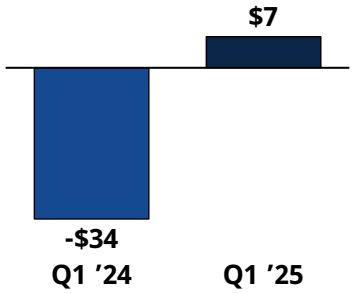
- ✓ Announced **new 100% revolving credit facility with attractive terms**; retained same **$600 million** credit facility size
- ✓ **$7 million of non-GAAP adjusted free cash flow**; best Q1 performance since Q1 2018
- ✓ Committed to return over **$100M** in dividends and share repurchases in 2025

(1) Net leverage ratio is net debt divided by LTM non-GAAP adjusted EBITDA. CSG's DBOs were 66 for Q1.

(2) Total may not sum due to rounding.

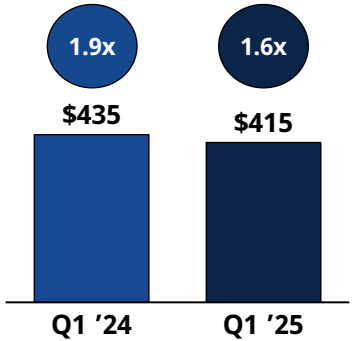
Non-GAAP Adjusted Free Cash Flow

$USD million



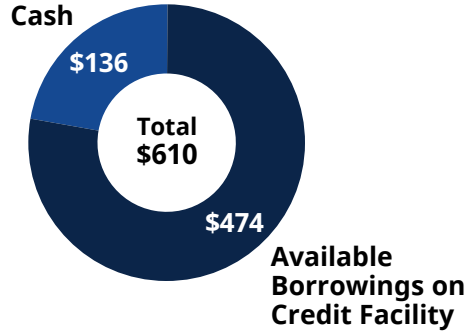
Net Leverage(1)

$USD million & net leverage ratio



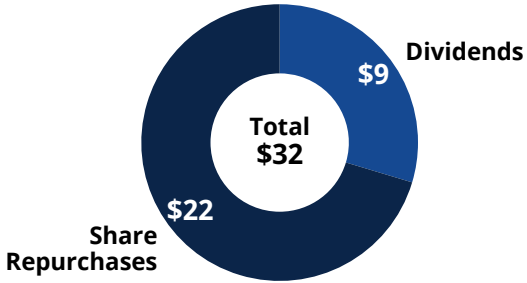
Q1 2025 Liquidity Profile

$USD million



Shareholder Remuneration (2)

$USD million



Q1 2025 Highlights

1. Raising 2025 full-year non-GAAP profitability and EPS guidance targets
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. Increased our dividend by 7%; 12th consecutive year of increased payout
5. Commitment to return $100M in capital to shareholders in 2025

2025 Guidance

GAAP MEASURES	February 2025	May 2025
Revenue	$1.21B – $1.25B	$1.21B – $1.25B
Transaction Fees	$106M – $111M	$106M – $111M
Share Count	~28 million	~28 million

NON-GAAP MEASURES	February 2025	May 2025
Adj. Operating Margin %	18.1% – 18.5%	18.4% – 18.8%
EPS	$4.55 – $4.80	$4.65 – $4.90
Adjusted EBITDA	$256M – $267M	$258M – $269M
Adjusted Free Cash Flow	$110M – $150M	$110M – $150M
Capital Expenditures	$20M – $30M	$20M – $30M
Effective Tax Rate	~28%	~28%

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