Results and Outlook Presentation – Half Year FY2017

20 February 2017

Presented by

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CSG
More than you expect.

Agenda

More than you expect.

Results Summary & Outlook

Executive summary

More than you expect.

Financial performance	• Revenue of $120.7m representing 3% growth (pcp) • Reported NPAT of $8.3m[1] representing a 14% increase (pcp) • Underlying EBITDA of $14.1m (before non-recurring costs[2] of $1.4m and LTIP expense of $1.0m) representing 18% decline (pcp) • Underlying NPAT[3] before customer contract amortisation of $8.3m representing a 25% decline (pcp)
Operational performance	• Revenue below expectations due to 1) longer than expected sales cycles in Enterprise Solutions (impact c.$10m in transactional equipment revenue); and 2) reduced sales productivity in Business Solutions (impact of c.$6m in transactional equipment revenue) • Technology equipment revenue grew 10% (pcp) and subscription seats grew 75% (pcp) with the addition of 3,200 new seats in 1H 2017
Business transformation and cost out initiatives	• Completed restructuring regional management and sales team in 1H FY2017 to align with the broader product suite • Added Chief Operations Officer in October with 35 years experience, previously with Toll managing $500m cost base. • Major restructure of New Zealand business underway to increase efficiency in line with Australian Business Solutions and cost out within logistics & distribution in Australia – estimated annual cost savings of $5.0-6.0m from FY2018 onwards (~$1.6m in restructuring charges with associated ~$1.5m of cost savings included in FY17 underlying EBITDA)
Strategic initiatives	• Agreement with Officeworks to sell Technology as a Subscription offerings across all of their 150 locations in Australia and via their direct sales team in Australia • Acquisition of an IT managed services business with ~2,600 subscription seats based in Brisbane (R&G Technologies) in Jan 2017. CSG now has >13,300 total subscription seats post the acquisition • Direct Sales channel launched to accelerate technology sales – teams now established in Melbourne, Sydney and Brisbane with 21 staff. It is expected that the Direct Sales channel will have a $3.0m net EBITDA loss in FY2017.
Guidance and capital management	• Revised FY2017 guidance in the range of $30 – $36m in underlying EBITDA and $250 – $275m in revenue (down from $38-42m underlying EBITDA and greater than $300m revenue provided in November 2016) • $5.2m of capital return (or ~1.6 cents per share) to shareholders in the form of a buyback in 1H FY2017 • The Board is not declaring an interim dividend in order to preserve maximum capital flexibility to accelerate growth. The Board will provide an update on capital management at the release of the FY17 full year results.

1. Impacted by a lower tax expense in 1H FY2017 due to a $3.6m one-off benefit from receipt of a favourable tax ruling of LTIP
2. Comprises costs incurred in setting up the Direct Sales team ($1.1m) and acquisition and non-recurring legal costs ($0.3m)
3. Before non-recurring costs, LTIP expense, one-off tax benefit of a favourable tax ruling of LTIP of $3.6m and customer contract amortisation of $1.8m (adjusted for tax)

Revenue breakdown

More than you expect.

Revenue ($m)	1H FY2016	2H FY2016	1H FY2017	Variance to 1H FY2016	Comments
TRANSACTIONAL					
Print	44.6	40.3	38.5	(14.0%)	• Underperformance in Enterprise Solutions ($10m impact) and lower sales productivity in Business Solutions ($6m impact) • Transactional print declined 17% excluding Print Sync
Technology	10.3	23.1	11.3	10%	• Lower than expected large display transactions. • $25m pipeline for second half significantly progressed.
TOTAL TRANSACTIONAL	55.0	63.4	49.8	(9%)	
ANNUITY					
Print Service	42.4	41.5	43.1	2%	• 6% decline excluding impact of PrintSync acquisition, primarily driven by a decline in print volumes and impact of accelerated service decline in production print business
Technology Subscription	2.9	7.8	8.6	195%	• ~3,200 new subscription seats won in 1H FY2017
Finance	13.0	12.8	13.5	4%	
TOTAL ANNUITY	58.3	62.1	65.3	12%	
Other[2]	3.6	4.0	5.5	53%	
TOTAL REVENUE	116.9	129.6	120.7	3%	

1. 1H FY2016 only includes 4 months of CodeBlue revenue. 2H FY2016 only includes 1 month of PrintSync revenue. 1H FY2017 includes 6 months of PrintSync and CodeBlue revenue.
2. Other revenue includes non-trading items such as licensee fees, hedging and vendor marketing contributions.

Sales productivity in Business Solutions

More than you expect.

Business Solutions	1H FY2016	2H FY2016	1H FY2017[1]	Variance (1H FY2017 vs 1H FY2016)
Total transactions	~2,300	~1,800	~1,900	*nmf*
Average sales staff[2]	116	108	110	*nmf*
Transactions / sales staff	~20	~17	~17	(15%)
Average equipment value per sale	**~$20,000**	**~$28,800**	**~$20,000**	**-%**

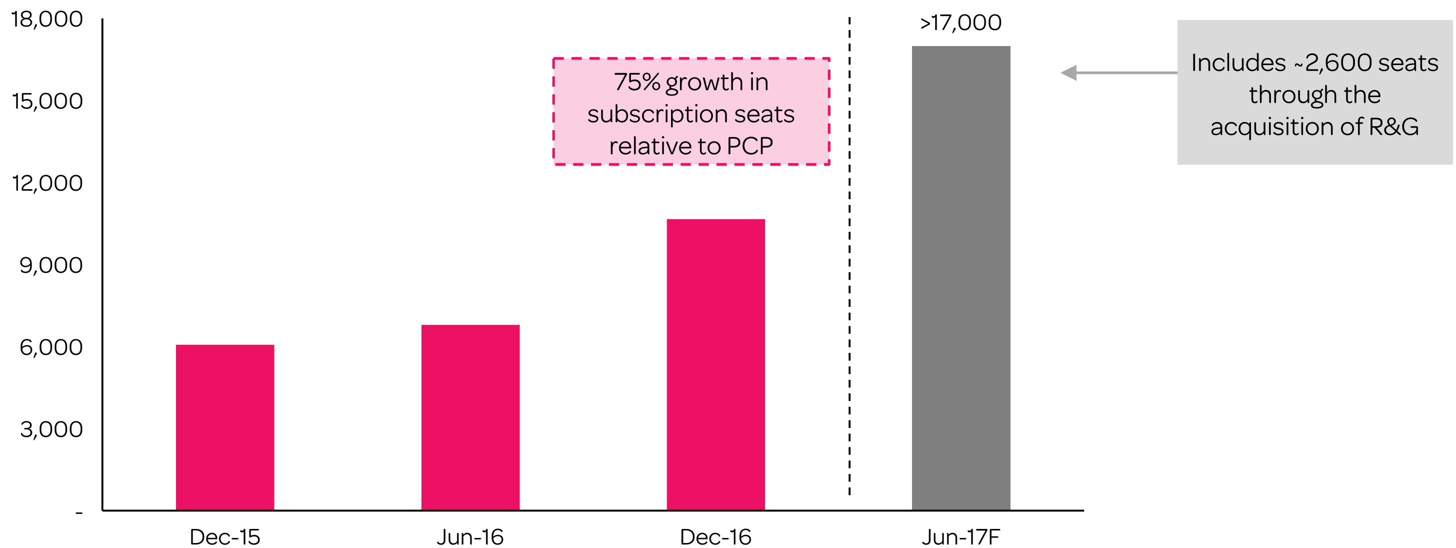
- A key issue in 1H FY2017 was reduced sales productivity in Business Solutions – the average number of transactions per sales head reduced to 17 transactions (relative to 20 transactions pcp)
  - Impacted by a restructure during 1H to transform the sales team – average of 92 sales heads between July and October, closing the half at 115 staff
- Immediate remedies include:
  - Additional sales heads – replaced underperforming sales people in November / December (new members not productive in the 1H FY2017) and added more sales people in 2H FY 2017 to date. Total of 121 sales staff as at 20 February 2017
  - Change in management in poor performing regions and replacement of underperforming sales staff
  - Further investment in training of sales staff in 2H
- Increasing marketing activity to raise awareness of Technology as a Subscription through various initiatives including:
  - Increased digital marketing and media to drive inbound leads
  - Content marketing activity and social media to drive awareness and engagement with prospective customers
  - Direct email and nurture campaigns driven out of Salesforce Marketing Cloud

1. FY2017 includes PrintSync acquisition.
2. Average sales staff calculation based on number of staff at the beginning and end of the period.

Continued strong growth in subscription revenue

- Material organic growth in Technology as a Subscription sales with total contracted subscription seats forecast to exceed 17,000 by end of FY2017 (represents a growth of approximately 129% relative to PCP)
- On average, a subscription seat is contracted for a term of 60 months

Subscription seats[1]



Average revenue per seat per month			*~$160*	*~$140*

1. Includes Business Solutions and Enterprise Solutions subscription seats (excludes Direct sales seat wins)

Key operational improvements underway

- CSG has developed a full suite of technology as a subscription products delivering a 'One Partner, One Bill, One Cloud' proposition for customers in Australia and New Zealand
- CSG continues to implement a number of operational initiatives as we learn how to better align the business with the evolved offering

Cost savings	• Major restructure of New Zealand business to increase efficiency in line with Australian Business Solutions and logistics & distribution savings in Australia – estimated \$5.0-6.0m in cost savings per annum from FY2018 onwards (~\$1.6m in restructuring charges with associated ~\$1.5m of cost savings included in FY17 underlying EBITDA)
Business Solutions – Sales productivity	• Completed restructuring of regional management and sales team in 1H FY2017 to align with the broader product suite • Further investment in training of sales staff in 2H • Increased lead generation marketing activity
Efficiency initiatives	• Hired new Chief Operations Officer in October – 35 years experience, previously with Toll Holdings managing \$500m cost base and significant capex projects • Identified a number of areas of significant cost savings over next 18 months – including distribution & logistics, property and business process improvement
Enterprise Solutions sales	• Focus on mid market managed services opportunities in end user computing and unified communications including contact centre. • Decreased focus going forward in Enterprise Solutions on large print transactions – Low margin, long and unpredictable decision cycles.
Corporate	• Key executives to be based in one location in Melbourne with new CFO Gary Brown commencing in February. • There will have an increased focus on analytics and forward view of performance against key metrics to allow for more responsive, real-time management

FY2017 guidance

More than you expect.

- CSG provides the following FY2017 guidance:

$m	Guidance 1H FY2017G	Results 1H FY2017A		Guidance range FY2017	Growth relative to FY2016
Revenue	>$135m	$120.7m	✗	$250m - $275m	1% to 12%
Underlying EBITDA	$14m - $16m	$14.1m	✓	$30m - $36m	~(21)% to ~(6)%
Underlying EBITDA margin	~10.5% - 12.0%	11.6%	✓	~12.0% - 13.0%	

- Underlying EBITDA excludes:
  - The launch of the Direct Sales Channel in Business Solutions - resulting in an EBITDA loss of $3.0m which will be expensed in FY2017 (expected to be at least break even in FY18);
  - Implementation costs related to restructure of Business Solutions New Zealand and cost out within logistics & distribution in Australia (approximately $1.6m in restructuring charges with associated approximately $1.5m of cost savings included in FY17 underlying EBITDA)
- Capex to remain at $6.0 - $6.5 million.
- Pre-tax cash flow conversion for FY2017 of 90%.
- The Board is not declaring an interim dividend in order to preserve maximum capital flexibility to accelerate growth. The Board will provide an update on capital management at the release of the FY17 full year results.

Guidance detail

FY2017 guidance:

$m	Low end	High end
Revenue	$250m	$275m
Underlying EBITDA[1]	$30m	$36m
Underlying EBITDA margin	~12%	~13%

Key sensitivities in 2H FY2017

	Low end	High end
Business Solutions	• 121 sales staff • 17 transactions per head • ~$20,000 average transaction value • Additional 2 to 4% incremental decline in service revenue ($1 - $2m impact)	• 121 sales staff • 20 transactions per head • ~$24,000 average transaction value (implies $18m in incremental equipment sales – $8m in technology; $10m in print)
Enterprise Solutions	• New contract with transactional equipment revenue of $4m is not closed in the half	• Close new contract with transactional equipment revenue of $4m in 2H FY2017
Cost savings	• Delayed implementation of cost out program in New Zealand ($1m EBITDA impact)	• Successful implementation of cost out program in New Zealand

More than you expect.

Results Detail

Income statement

More than you expect.

	1H FY2017 $m	1H FY2016 $m	
Revenue	120.7	117.0	▲ 3%
Underlying EBITDA[1]	14.1	17.3	▼ 18%
Non-recurring costs	(1.4)	(1.8)	
LTIP	(1.0)	(1.7)	
EBITDA	11.6	13.8	▼ 16%
Depreciation & amortisation	(3.3)	(2.7)	
Net interest (expense)/income	(1.0)	(0.7)	
Profit before tax	7.3	10.3	▼ 29%
Income tax	1.0	(3.1)	
NPAT	8.3	7.3	▲ 14%
Underlying NPAT[2]	8.3	11.1	▼ 25%

1. Before non-recurring costs and LTIP expense.
2. Before non-recurring costs, LTIP expense, one-off tax benefit of a favourable tax ruling of LTIP and customer contract amortisation (adjusted for tax).

Key Insights

- Revenue growth of 3% (pcp). Revenue was below expectations due to:
  - Longer than expected sales cycles in Enterprise Solutions (impact of $10m in transactional equipment revenue)
  - Reduced sales productivity in Business Solutions (impact of $6m in transactional equipment revenue)
- Underlying EBITDA of $14.1m or a 18% decline (pcp)
  - Underlying EBITDA margin of 11.7% (in line with updated guidance provided in November 2016)
- Costs excluded from Underlying EBITDA are:
  - $1.0m for LTIP/Employee Share Plan
  - $1.1m of costs related to setting up the Direct Sales team
  - $0.3m in acquisition and related legal costs
- Depreciation and amortisation includes $1.8m of customer contract amortisation (up from $1.3m in 1H FY2016 due to acquisitions)
- Lower tax expense in 1H FY2017 due to a $3.6m one-off benefit from receipt of a favourable tax ruling of LTIP

Balance sheet

	Dec 16 $m	Jun 16 $m
ASSETS		
Cash	19.0	14.5
Receivables	34.2	34.7
Lease receivables	259.7	260.8
Inventory	57.6	50.1
Goodwill & intangibles	225.4	223.0
Other	14.0	10.4
Total Assets	609.9	593.5
LIABILITIES		
Trade & other payables[1]	54.1	52.1
Corporate borrowing	32.2	8.6
Deferred consideration	12.3	10.0
Lease receivable debt	223.2	219.3
Other	8.0	14.8
Total Liabilities	329.8	304.8
EQUITY		
Contributed equity	204.8	207.6
Retained earnings & reserves	60.8	67.1
Minority Interest	14.5	14.0
Total Equity	280.1	288.7

1. Includes provisions.

Key Insights

- Cash balance of $19.0m ($13.7m is restricted).
- Corporate debt of $32.0m ($8.0m at 30 June FY2016).
- Leasing receivables remained largely flat at $259.7m ($260.8m at 30 June 2016) due to decline in transactional revenue year-on-year.
- Higher inventory balance as a result of purchases made ahead of forecast sales that did not eventuate in the half.
  - Review of distribution and logistics currently underway, with a focus on reducing the level of finished goods and spare parts & consumables held on balance sheet by 5 – 10% by 1H FY2018
  - All holdings are current stock with little to no risk of obsolescence
- Deferred consideration from PrintSync ($3.1m) and CodeBlue ($9.2m).

Cash flow

	1H FY2017 $m	1H FY2016 $m
Opening cash	**14.5**	**24.8**
Net cash flow (from)/to business	4.5	3.6
Net interest and tax paid	(3.3)	(2.4)
Operating cash flows	**1.2**	**1.2**
Net investment in lease book	4.4	(7.3)
Capex	(3.6)	(2.5)
Proceeds/(payments) for business	(0.6)	(8.3)
Investing cash flows	**0.2**	**(18.1)**
Shareholder distributions	(15.9)	(14.2)
Capital raising / (buyback)	(5.2)	39.1
Movement in debt	24.2	(9.1)
Financing cash flows	**3.1**	**15.8**
Other	0.1	1.0
Closing cash	**19.0**	**24.6**

Key Insights

- Cash flow conversion at 48% of Underlying EBITDA to ungeared pre-tax cash flow (34% in 1H FY2016) has been impacted by increased stock holdings due to lower sales in first half.
  - Underlying ungeared pre tax cash flow of $6.8m[1] in 1H FY2017
- Reversal in net investment in the lease book of $3.0m due to improved financing terms.
- Capital expenditure guidance remains $6-6.5m for full year.
- Total shareholder returns of $21.1m includes on market buyback of 4.1m shares.

1. Before start-up costs relating to the Direct Sales channel of $1.1m, Cinglevue settlement payment of $0.7m (non-recurring item from FY2016), $0.5m of cash non-recurring costs that were paid during the period.

More than you expect.

Divisional Update

CSG at a glance

CSG has three key divisions: Business Solutions (SME focus), Enterprise Solutions (large enterprise and government focus) and Finance Solutions (in-house financing business).

More than you expect.

Business Solutions

Technology and subscription solutions for SMEs

- Sale of equipment / hardware (one-off)
- Ongoing provision of subscription services (typically recurring over a period of ~5 years)

Finance Solutions

In-house equipment / hardware financing business

Enterprise Solutions

Managed IT and subscription solutions for large enterprise and government

- Sale of equipment / hardware (one-off)
- On-going provision of managed services and subscription services (typically recurring over a period of ~3 – 5 years)

Business Solutions: Operational highlights

- Business Solutions revenue growth of 3% relative to pcp, driven by a decline in print sales offset by an increase in technology equipment, subscription and acquisition revenue from PrintSync and CodeBlue
- Replaced under performing sales people in November / December (new members not productive in the 1H FY2017) and added more sales people in 2H FY 2017 to date. Total of 121 sales staff as at 20 February 2017
- Lower than expected large display transactions. Pipeline for second half of $25m is significantly progressed
- Technology equipment revenue grew by 10% (pcp) and represented 23% of total equipment revenue for CSG Group (19% pcp)
- Sales cycle time for new Technology as a Subscription offering decreasing, resulting in improved sales productivity in Technology sales
- Business Solutions added approximately 3,100 subscription seats in the half
- New Zealand technology sales (CodeBlue) performed well and meeting expectations
- Signed first Total Office customers in New Zealand
- Continued to deliver high quality Customer Service with an In-field NPS[1] score of 60 across the business

1. Net Promoter Score (NPS) is a method of measuring customer loyalty. To calculate NPS, customers are categorised as "Promoters", "Passives" or "Detractors" based on how likely they would be to recommend CSG to a friend or colleague. The percentage of Detractors is then subtracted from the percentage of Promoters.

Business Solutions: Direct Sales channel update

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Update

- CSG has launched a complementary, Direct Sales channel to accelerate technology sales to new customers
- Approximately 200,000 addressable SME's in Australia with 5 to 10 employees[1]
- A total of 21 staff have now been hired across Melbourne, Sydney and Brisbane and plan to increase this to 32 staff by 30 June 2017
- Closed first sales in December 2016
- Sales team supported by a lead generation strategy of digital and telemarketing campaigns – targeting new, non CSG customers

Financial impact

- Net EBITDA loss of $1.1m in 1H FY2017 relating to, start-up recruitment & labour costs, administration costs and marketing costs
- Reconfirm full year FY2017 impact of a $3.0m EBITDA loss
- At least break-even in FY2018

1. Dun & Bradstreet (April 2014)

Case Study

Customer	SME Manufacturing Business
Product	**Communications as a Service**
Solution	• 8 x Communications as a Service • Fully supported by CSG
Value proposition	• A scalable cloud telephony system which can easily grow as the business grows • Mobility and flexibility – the system enables employees to work seamlessly from temporary or new company sites – from anywhere in the world • Certainty & predictability of spend by having one bill from one partner • Savings in time from dealing with one supplier • Peace of mind through the solution being fully supported by the CSG Carepack

Business Solutions: Customer Success Stories

More than you expect.

Customer	Tonic Media	COTA QLD	LJ Hooker Mt Maunganui
Product	**Display as a Service**	**Print as a Service** **Total Office** **CSG Conferencing**	**Display as a Service** **Print a Service**
Solution	• 500 x 32", 40" and 55" Samsung Displays being rolled out to medical centres across Australia 1200 x tablet devices • Solution includes media players • Fully supported by CSG	• 14 x Total Office • 1 x Print device • 1 x CSG Conferencing • Internet Data	• 9x 55" Samsung OMD digital panels for window facing 3m x3m video wall • Content Management Software • 1 x Office Print Devices • 1 x Production Print Device
Value proposition	• Significant time savings through being able to centrally push content to all devices • Cost savings through the as a subscription model • Peace of mind through displays being fully supported by CSG • Care pack and support was the differentiator	• Significant cost savings • Customer previously used capex to purchase technology, had very outdated equipment and no one actively managing or updating it • Reduced number of suppliers for above services from 9 to just 1 with CSG • One Partner with one bill and the subscription model was the clear differentiator	• Savings in time and money through centralised digital content creation • Significant savings in outsourced print for advertising materials • Plans to create a new revenue stream for the business through sale of advertising on the video wall • One partner and one bill for print and display solutions

Enterprise Solutions: Operational highlights

- Revenue growth of 6% (pcp) in Enterprise Solutions due lower contract wins compared with pcp
- Enterprise customer wins included:
  - Print contract in New Zealand with BOPLASS
  - Print contract with an Australian government health board
  - Additional print sales as part of existing contract with Queensland education
- Entered into an agreement with Officeworks to sell Technology as a Subscription offerings which will increase the market adoption for CSG's innovative technology solutions from FY2018 onwards
- Acquired R&G Technologies, a Brisbane-based Managed Services and IT Services business for a total purchase price of $6.6m, including an upfront payment of $4.6m (payable in the form of cash and CSG shares) and a $2.0m earn-out (payable in the form of CSG shares) component, subject to meeting agreed earn-out objectives over the next 18 months. The acquisition will provide CSG with:
  - Additional capabilities in the IT, cloud and managed services;
  - 50+ enterprise and SME managed services customers and approximately 2,600 additional subscription seats as at 31 December 2016; and
  - Referenceable customers to help with new enterprise wins
- Continued investment in private cloud platform
- 2H FY2017 focus will be to continue to grow IT services business while closing current Managed Print opportunities
  - Won a managed print contract with a utility company in 2H FY2017

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MONASH University

CLOUD BASED MANAGED PRINT SERVICES

Solutions

- Industry first, cloud based managed print software
- University wide fleet of 600 Multi Function Devices
- Owned equipment migrated to 'as a Subscription' model
- Follow-Me printing
- On-site team of technical services offices
- Opening up to new platforms such as printing from BYOD and staff mobile devices
- Integration with internal university systems

"This year a considerable amount of effort has gone into developing the M-Pass Program, which will deliver three key components across all Australian campuses, Follow-me printing, New campus ID cards and a single payment system"

"The introduction of Follow-me printing in particular will transform how we all work. As many of you know, Follow-me printing is a roaming print service, which allows users to release their print job at any location without having to specify a particular printer. This enables the University to move to larger MFD devices rather than everyone – myself included – having a dedicated personal printer"

- Professor Margaret Gardner AO, President and Vice Chancellor, Monash University

Benefits to Monash University

- Cost savings from :
  - Reduced print volumes;
  - Optimised fleet; and
  - Reduced onsite physical servers
- Outsourcing of server management
- Increased environmental sustainability from a significantly reduced number of devices
- Freeing up internal resources by handing management of consumables and fleet maintenance to CSG
- First time the university's service platform has been able to integrate with a partners platform
- Improved user experience by printing to any device from any device via a single electronic wallet

Finance Solutions: Performance highlights

More than you expect.

- Lease receivables book of $259.7m as at 31 December 2016 (10% increase compared to lease receivables book of $236.1m as at 31 December 2015)
  - Lower than expected growth in the half due to lower equipment sales
  - 1H FY2017 PBT includes full period impact of refinancing cost and additional facility limits announced in August 2016
- Finance Solutions continues to convert 95% of customers to CSG Finance products
- Diversified industry and geographical exposure
- Residual value as a proportion of total lease book is less than 3%
- Existing facility in Australia and New Zealand have $70m of additional capacity and facility maturity dates of April 2021 and April 2020, respectively.

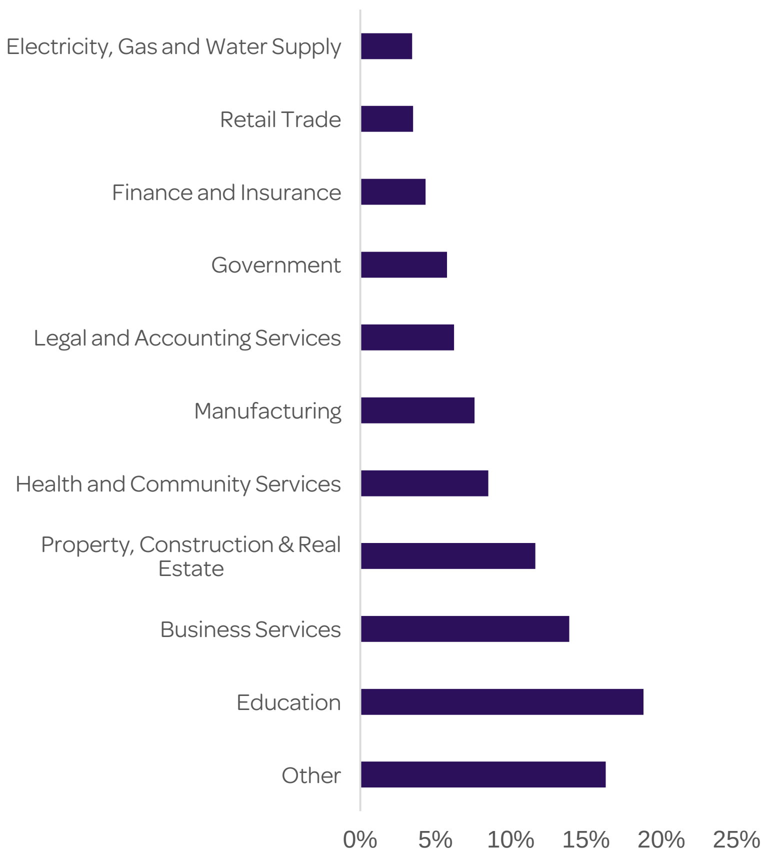
KEY PERFORMANCE INDICATORS	FY2015		FY2016		FY2017
	1H	2H	1H	2H	1H
Closing Receivables (A$m)	188.6	210.0	236.1	260.8	259.7
Growth - pcp (%)	36%	30%	25%	24%	10%
PBT (A$m)	4.5	5.0	5.5	5.6	5.8
Return on Equity (ROE) (%)	37%	47%	46%	44%	43%
Bad Debt (%)	< 0.50%	< 0.50%	<0.50%	<0.50%	<0.50%

Finance Solutions: Breakdown of lease book

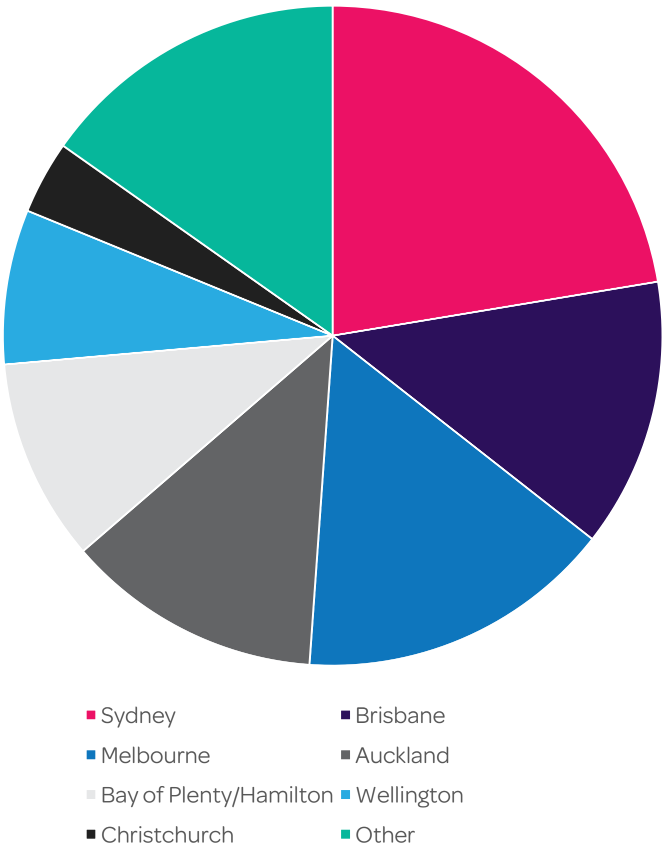
More than you expect.

The CSG Finance lease book is well diversified across industries and geographies.

CSG lease book – Breakdown by industry (%)[1]



CSG lease book – Breakdown[1] by geography



1. As at 31 December 2016.

Growth Opportunities

Priorities for growth

More than you expect.

2H 2017 focus areas

- Improve sales productivity of Business Solutions sales team with sales training, improved management at a regional level and increased marketing activity
- Deliver a successful Direct Sales pilot that will lead to it becoming a contributing channel in the sales organisation in FY18 and beyond
- Deliver cost savings by reducing the number of offices and re-configuring the sales and service functions in some locations
- Commence first phase of rolling out the agreement with Officeworks
- Commence rebasing of logistics and distribution cost base, of which some of the benefits are expected to be realised from 2H FY2017 onwards
- Improved performance in the Enterprise Solutions business:
    - Improve close rate on the pipeline
    - Increased focus on growing subscription seat base

FY2018 and beyond

- Build on existing Enterprise Managed Print customer base to add additional managed services
- Launch Cloud based business application suite in CSG Cloud Marketplace
- Seek out additional partnerships with global software vendors to add to CSG Cloud Marketplace
- Increase depth of solutions in key vertical markets within Enterprise Solutions
- Establish CSG as a recognised IT Managed Services provider in the Australian enterprise sector
- Continue to grow technology penetration into existing customer base in Business Solutions
- Integrate CodeBlue in New Zealand at the conclusion of earn-out period
- Improve customer interaction through rolling out online experience and self service
- Explore new geographic territories
- Continue to evolve Customer Hub platform to deliver increased productivity and innovation in customer service

More than you expect.

Thank You

Appendix A: Business Solutions – Additional Information

Business Solutions: Products and services

More than you expect.

Everything as a Service underpinned by a single billing, service and finance relationship

Print as a Service
Print as a service solutions that include equipment, parts, consumables and service for a single monthly operating expense.

CSG Total Office
Complete end-user technology bundle including desktop computer, cloud telephony, storage and support for a fixed monthly price.

Communications as a Service
CSG's cloud telephony solution powered by 8x8.

Desktop as a Service
Desktop computer, storage and support solutions.

Boardroom as a Service
Full boardroom package combining Samsung digital display technology with cloud conferencing.

Display as a Service
Large format, cloud displays and desktop monitors.

Business Solutions: CSG's value proposition

More than you expect.

"Be the most innovative, affordable and enterprising single source provider of business solutions, to deliver incremental profits to our customer's bottom line. Make every CSG customer a lifetime customer."

CSG's full-spectrum product offering provides a clear value proposition to its broad SME customer base. CSG creates genuine value for our customers by providing a one-stop total business solutions offering – saving the customer their most valued assets: time and money.

Typical SME without CSG's offering

- Up to 15 suppliers, each with separate billing, leasing and service relationships
  - Office supplies
  - Computers, laptops and tablets
  - Equipment finance
  - Multi function printers
  - Large format displays
  - Mobile handset
  - Telephone system
  - Cloud storage

CSG customer

CSG as a single provider for all business technology needs:

- Centralised ordering for all business technology
- Single billing relationship
- National service team
- Single equipment finance relationship

Resulting in time savings, improved cash flow management and increased peace of mind.

Business Solutions: Typical Business Solutions technology customer

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The indicative growth achievable for a typical Business Solutions customer is shown below – there is an opportunity for CSG to increase 'wallet share' via the sale of additional business technology services.

Typical Business Solutions customer with 10 seats

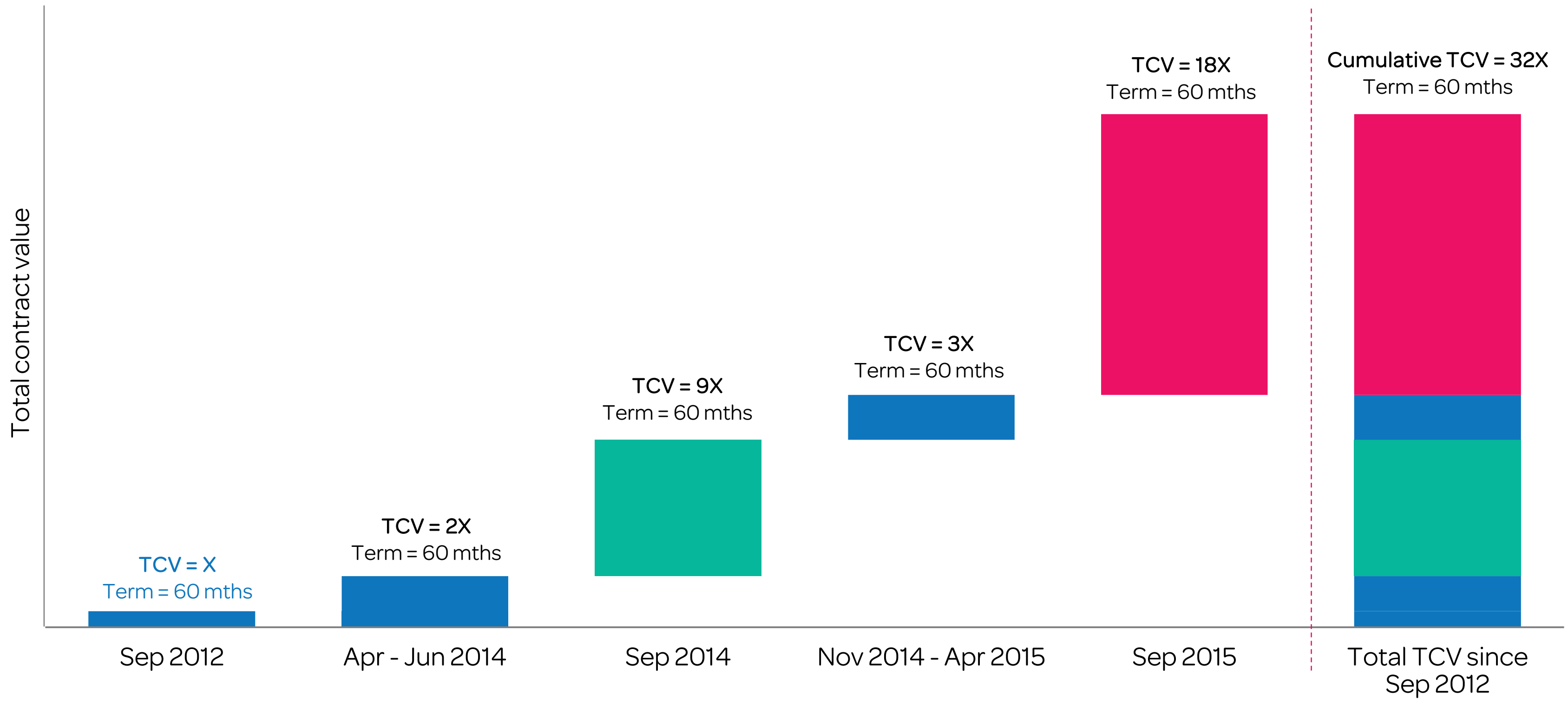
Technology as a Service	Vendor	Licenses	Customer spend $ per month[1]	Additional CSG technology revenue: Equipment (transactional)	Additional CSG technology revenue: Subscription (recurring)
Print / imaging	CSG	1 x MFD	$400 per month (print only)		
Boardroom (display + conferencing)	CSG	1 x Display 1 x Subscription	$2,400+ per month (print + new products) (equipment + software + service)	+ $40,000	+ $1,250 MRR[2]
Communications	CSG	10 x Subscriptions			
Desktop	CSG	10 x Subscriptions		Recognised at the time of the transaction	Recognised over a 60-month term

Underpinned by a single billing, service and finance relationship

1. Pricing is for illustrative purposes only and does not necessarily reflect actual pricing.
2. MRR refers to Monthly Recurring Revenue and includes revenue from subscription software, on-site and support.

Business Solutions: Customer success story – Domestic property business

Successfully grew customer from 'print only' to Technology as a Subscription proposition, resulting in a material increase in total spend with CSG and recurring revenue over a 60-month term.



Solutions provided				
• Print as a Service	• Growth in Print as a Service	• Display as a Service • Tablets	• Growth in Print as a Service	• Communications as a Service

Business Solutions: Competitive landscape

CSG
More than you expect.

Whilst a broad set of competitors exist in the SME space, the combination of CSG's broad product offering, technical support and finance solutions all on a single bill provides a compelling and unique value proposition.

	Product & service appeal to SMEs	Product offering					Services		
		Print	Display	Boardroom	Cloud Telephony	Desktop	Support	Finance	Single bill
CSG More than you expect.	●	Everything as a Service underpinned by a single billing, service and finance relationship							
Small IT Providers	◐			✓	✓	✓	✓		
Telcos	◐			✓	✓	✓	✓		
Print Resellers	◔	✓					✓	✓	
Technology Retailers	◔	✓	✓			✓			
Audio Visual providers	◔		✓				✓		
Finance Providers	◔							✓	

CSG

More than you expect.

Appendix B: Enterprise Solutions – Additional Information

Industry centric, cloud-first Managed IT solutions

Private Cloud Platform
Secure, Australian data centre services & on-demand infrastructure for critical business applications.

CSG Marketplace
Simplifying procurement. One place to subscribe, track, manage and view all of your technology services.

Managed Print
Cloud delivered Enterprise Print & Document Management.

End-User Computing
Desktop solutions that deliver mobile communications and end-user computing.

Display Solutions
Intelligent display solutions to improve customer/client engagement.

Cloud Communications
Unlocking your business potential with integrated Cloud Contact Centre & Business Phone Solutions.

Enterprise Solutions: CSG's value proposition

More than you expect.

"Be the leading provider of Managed Print Solutions and expand into a broader Managed Technology Solutions partner to Government and Enterprise customers."

National service and sales team	CSG is the only technology provider with truly national capability
ASX listed	ASX reporting and regulatory standards appeals to Government and Government related entities
Financing capability	CSG's internal financing capability provides customers with greater flexibility and fast tracked approval
Brand agnostic (Australia)	Ability to sell, install, service and repair all major brands ensures the optimal customised offering can be delivered to all customers
Access to best of breed global technology	Well positioned to provide a broader portfolio of Technology Solutions to existing customers along with targeted growth in new customers
Scale with flexibility	CSG has the ability to service customers of all sizes, and the flexibility to service a broad range of customer types

The indicative growth achievable for an Enterprise Solutions customer is shown below. CSG has an opportunity to increase 'wallet share' via the sale of additional business technology services.

Potential Enterprise Solutions customer

Technology as a Service	Vendor	Product	$ Per Year[1]	Total contract value
Print / imaging	CSG	1,000 x MFD	$4m p.a. (Print only)	$16m (Total Contract Value)
Boardroom (display + conferencing)	CSG	100 x Display 100 x Subscription	$12m p.a. (Print + New Products) (equipment + software + service)	$48m (Total Contract Value)
Communications	CSG	5,000 x Subscriptions		
Desktop	CSG	5,000 x Subscriptions		
Cloud management	CSG	1 X Virtual Data Centre		

Underpinned by a single billing, service and finance relationship

1. Pricing is for illustrative purposes only and does not necessarily reflect actual pricing.

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More than you expect.

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