

CONVERGYS



3rd Quarter 2017 Earnings Presentation

November 8, 2017

This presentation contains statements, estimates, or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Forward looking statements may be identified by words such as "will," "expect," "estimate," "think," "forecast," "guidance," "outlook," "plan," "lead," "project" or other comparable terminology. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. These risks include, but are not limited to: (i) the loss of a significant client or significant business from a client; (ii) the future financial performance or outsourcing trends of our largest clients and the major industries that we serve, including continued volatility in volumes with our largest communications clients; (iii) contractual provisions that may limit our profitability or enable our clients to reduce or terminate services; (iv) our failure to successfully acquire and integrate businesses; (v) our inability to protect proprietary or personally identifiable data against unauthorized access or unintended release; (vi) the effects of complying with jurisdiction-specific data privacy requirements, including increased expenses, operational and contractual changes, and diversion of resources; (vii) our inability to maintain and upgrade our technology and network equipment in a timely and cost effective manner; (viii) business and political risks related to our global operations, including ongoing political developments in the Philippines, uncertainty regarding the impact of Britain's vote to leave the European Union (Brexit) or other similar actions by European Union member states, and economic weakness and operational disruption as a result of natural events, political unrest, war, terrorist attacks or other civil disruption; (ix) the effects of foreign currency exchange rate fluctuations; (x) the failure to meet expectations regarding our future tax liabilities, changes in tax laws or regulations that increase our future tax liabilities or the unfavorable resolution of tax contingencies; (xi) adverse effects of regulatory requirements or changes thereto, investigative and legal actions, and other commitments and contingencies; (xii) costs associated with conversions of our convertible debentures that may occur from time to time; and (xiii) those factors contained in our periodic reports filed with the SEC, including in the "Risk Factors" section of our most recent Annual Report on Form 10-K. The forward-looking information in this document is given as of the date of the particular statement and we assume no duty to update this information. Our filings and other important information are also available on the investor relations page of our web site at www.convergys.com.

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' Third Quarter 2017 earnings call.

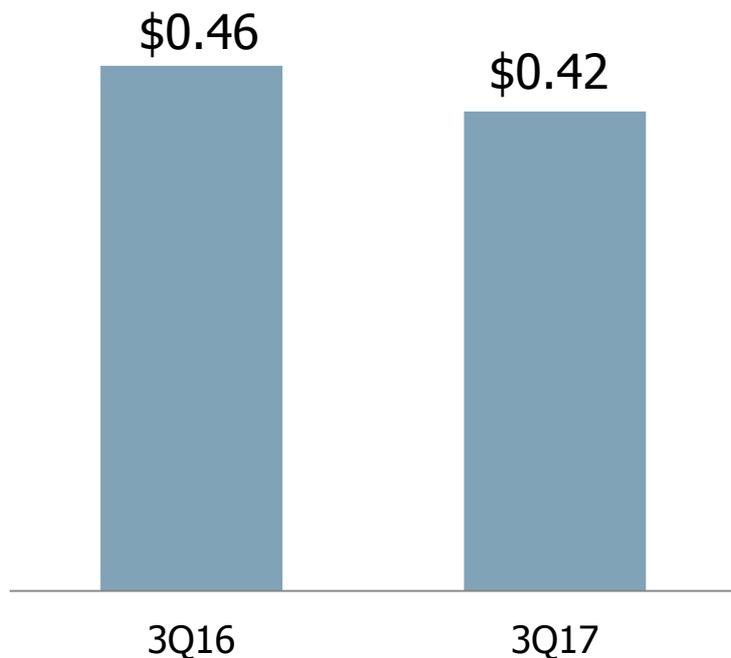
Operating results

Financial review

Business outlook



Adjusted EPS

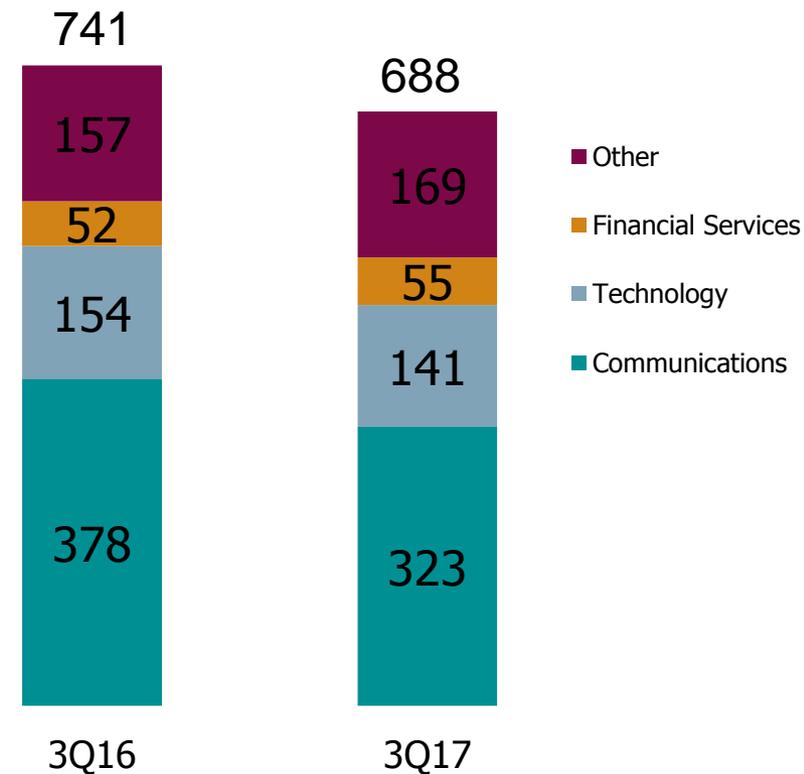


- 3Q results consistent with expectations
 - + revenue: \$688M, including \$3M FX benefit
 - + adjusted EBITDA: \$83M
 - + adjusted EPS: \$0.42
 - + adjusted FCF: \$48M
- Capital returns: \$31M
 - + dividend: \$9M
 - + share repurchase: \$22M
 - + EOQ repurchase authorization: \$77M

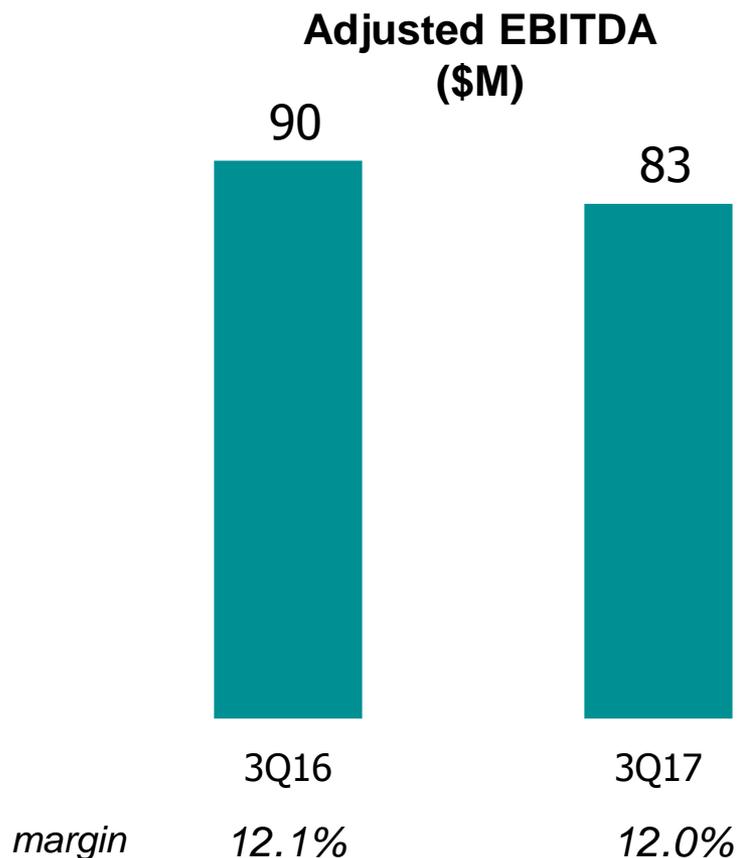
Note: Adjusted EPS in 3Q'17 excludes \$7M intangible amortization, \$1M write-up depreciation expense, \$1M integration costs, \$2M non-cash pension settlement charge. Adjusted EPS in 3Q'16 excludes \$7M intangible amortization, \$2M write-up depreciation expense, \$3M integration and transaction costs, and \$1M tax expense related to cash repatriation.

Reported Revenue by Vertical* (\$M)

- Call volume fluctuations
 - + increases with several clients across verticals
 - significant volatility with largest communications clients
- Important new business signings
 - + \$122M in 2018 revenue
- Upward trend in digital engagement
 - + investing in voice and digital



* 3Q'17 revenue includes \$3M positive FX impacts



- Adjusted OI: \$57M
+ margin: 8.3%
- Adjusted EBITDA: \$83M
+ margin: 12.0%
- Preserving profitability despite revenue headwinds
- Confirming FY outlook at lower end of guidance ranges

Note: Adjusted results exclude \$7M intangible amortization, \$1M write-up depreciation expense, \$1M integration costs, and \$2M non-cash pension settlement charge in 3Q'17, and \$7M intangible amortization and \$2M write-up depreciation expense, and \$3M integration and transaction costs in 3Q'16.

- 3Q results consistent with expectations
- Investing in integrated digital and voice solutions
- New business signings across verticals
- Strong cash flow generation
- Returning capital to investors

Operating results

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3Q'17 Update

- Revenue: \$688M
 - + flat on sequential basis
 - + \$3M FX impact
 - constant currency basis -7%
 - \$13M buw contribution +2%
- Y/Y impacts
 - + new clients, existing program growth
 - moves offshore, soft volumes, moves in-house, program eliminations
- Q/Q expectations
 - + 4Q modest improvement

\$Millions	3Q'16	3Q'17
Adjusted operating income	62	57
<i>Margin</i>	<i>8.4%</i>	<i>8.3%</i>
Adjusted EBITDA	90	83
<i>Margin</i>	<i>12.1%</i>	<i>12.0%</i>
Adjusted net income	48	42
Adjusted EPS	\$0.46	\$0.42

3Q'17 Update

- Profitability similar on sequential basis
- Y/Y impacts
 - + efficient labor management, mix shift offshore, FX impact
 - lower call volume
- Q/Q expectations
 - + 4Q modest improvement

Note: Adjusted results exclude \$7M intangible amortization, \$1M write-up depreciation, \$1M integration costs, and \$2M non-cash pension settlement charge in 3Q'17, and \$7M intangible amortization, \$2M write-up depreciation expense, \$3M integration and transaction costs, and \$1M tax expense related to cash repatriation in 3Q'16.

\$Millions	3Q'16	3Q'17
Cash provided by operating activities	80	64
Capital expenditures, net	<u>(29)</u>	<u>(17)</u>
Free cash flow	51	47
Acquisition-related payments	<u>3</u>	<u>1</u>
Adjusted free cash flow	54	48

\$Millions	3Q'16	3Q'17
Cash and short term investments	141	181
Debt maturing in one year	2	1
Long-term debt	298	279
Net cash/ST investments (debt)	(159)	(99)

3Q'17 Update

- ~20% of cash and short term investments in US
- \$22 million of shares repurchased, \$9 million dividend paid
- Available liquidity: > \$500M

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Confirming full-year guidance with revenue and EPS at the lower end of ranges as follows:

2017 Guidance	
Constant currency revenue change	~ -4%
Adjusted EBITDA margin	~ 12.6%
Adjusted effective tax rate	~ 20%
Diluted shares outstanding (M)	~ 100.0
Adjusted EPS growth	~ +1%
Adjusted free cash flow	~ adjusted NI

The Company also now expects slight improvement in fourth-quarter results compared with third-quarter results.

This guidance does not include severance charges in the first quarter related to discrete actions to streamline the business, acquisition-related impacts such as integration costs, transaction costs, intangible amortization and depreciation related to the fair value write-up of acquired property and equipment, as well as impacts from future currency movements, non-cash pension settlement charges, or any future share repurchase activities. Adjusted effective tax rate reflects the Company's expectations for the effective tax rate, excluding the tax impact of items discussed above, tax expense associated with cash repatriation and significant discrete tax adjustments.