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## 9 February 2018 ASX Announcement FY2018 Trading Update

### Updated trading outlook

CSG Limited (ASX: CSV) (the Company) provides the following revised guidance for FY2018 and preliminary (unaudited) financials for 1H FY2018<sup>1</sup>:

Guidance (\$m)	Previous FY2018F	Revised FY2018F	1H FY2018 <sup>1</sup>
Revenue	~\$269m	\$253 - \$260m	~\$117m
Underlying EBITDA <sup>2</sup>	\$30m	\$18.5 - \$21m	~\$4.6m

The reduction in revenue in 1H FY2018 is due to lower than expected print equipment sales. This has been driven by changes to the salesforce and sales incentive programs to accelerate growth in the technology business. Earnings have also been impacted by sales below expectations in Enterprise Solutions as the team continues to build its Managed IT pipeline following the appointment of a new Chief Sales Officer in September 2017.

The FY2018 Underlying EBITDA is prior to non-recurring items of approximately \$4.8 million.

The technology business continues to grow with subscription revenue increasing by approximately 39% and technology equipment increasing by approximately 50% relative to the prior corresponding period.

Julie-Ann Kerin, CSG Managing Director & CEO said: "While we are disappointed with our print sales execution, we are pleased with the strong growth in technology with high value subscription seats closing at 19,184 as at 31 December 2017, representing organic growth of 44% relative to the prior corresponding period. The technology business will represent approximately 25% of group revenue at the end of FY2018. We remain confident in our growth strategy and the long term opportunity for the business."

As at 31 December 2017, the Company had a closing cash balance of \$21.6 million (including restricted cash of \$13.6 million) and \$42.5 million of corporate debt.

Additional information is provided in the FY2018 Trading Update presentation also lodged with the ASX today.

### Strategic review

The Company announces that the Board has appointed Morgan Stanley to assist it in reviewing strategic options available to the Company in order to maximise value for shareholders.

<sup>1</sup> 1H FY2018 financials remain subject to review by CSG's auditor and approval by the Board.

<sup>2</sup> After adding back non-recurring items.



More than you expect.

END

Further Information:

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