



# EARNINGS RELEASE

**1Q19**

*January 01, 2019 – March 31, 2019*

*SONDA S.A. and subsidiaries report their consolidated financial results for the period from January 01 to March 31, 2019. All figures are expressed in Chilean pesos and have been prepared under International Financial Reporting Standards (IFRS). Translations to US dollars stated in this report are based on the month-end exchange rate as of March 31, 2019 (1 US\$ = 678.53 Chilean Pesos).*

## EXECUTIVE SUMMARY

### SUMMARY: 1Q19

- **CONSOLIDATED REVENUES**  
US\$287.5 million

- **OPERATING INCOME**  
US\$17.0 million

- **EBITDA**  
US\$29.9 million

- **NET INCOME**  
US\$7.0 million

- **EBITDA MARGIN**  
10.4%

- **NET MARGIN**  
2.4%

SONDA totaled consolidated revenues of \$195,098 million (US\$287.5 million) in the first quarter of 2019. Operating Income reached \$11,531 million (US\$17.0 million) and EBITDA registered \$20,256 million (US\$29.9 million). Net Income attributable to owners totaled \$4,753 million (US\$7.0 million).

In constant currency, revenues increased by 4.1% and EBITDA increased by 14.0%.

Results by region:

Region	Revenues		EBITDA	
	Ch\$M	ΔY/Y	Ch\$M	ΔY/Y
Chile	90.329	5,6%	11.415	-6,2%
Brazil	56.089	-2,4%	3.565	137,2%
Mexico	14.218	9,5%	1.920	266,9%
OPLA	34.462	18,3%	3.356	-0,8%
Total	195.098	5,4%	20.256	15,3%

Current ratio was 1.4x, Financial Leverage ratio was 0.4x and Financial Expenses Coverage ratio was 5.1x, reflecting a solid financial position.

Highlights:

- Operations outside Chile totaled revenues of \$104,768 million (US\$154.4 million), which represents 53.7% of the consolidated revenues, and EBITDA of \$8,841 million (US\$13.0 million). In constant currency, revenues and EBITDA grew (YoY) by 5.9% and 59.9% respectively.
- In Brazil, in constant currency, revenues increased 2.2% and EBITDA increased 149.3%. Revenues in reporting currency reached \$56,089 million (US\$82.7 million), decreasing 2.4% (YoY) and EBITDA reached \$3,565 million (US\$5.3 million), increasing by 137.2% (YoY).
- In Mexico, in constant currency, revenues decreased by 0.8% and EBITDA increased by 233.7%. Revenues in reporting currency reached \$14,218 million (US\$21.0 million), increasing by 9.5% (YoY) and EBITDA totaled \$1,920 million (US\$ 2.8 million), higher by 266.9%.
- In OPLA, in constant currency, revenues increased by 16.1% and EBITDA decreased by 6.8%. Revenues in reporting currency was \$34,462 million (US\$50.8 million), growing by 18.3% (YoY), and EBITDA \$3,356 million (US\$4.9 million), lower by 0.8% (YoY).
- In Chile, in constant currency, revenues increased 2.0% (YoY) and EBITDA decreased 6.4%. In reporting currency, revenues increased by 5.6% (YoY), totaling \$90,329 million (US\$133.1 million) and EBITDA decreased by 6.2% (YoY), reaching \$11,415 million (US\$16.8 million).
- Net income attributable to the owners decreased 2.0% compared to the first quarter of 2018. This result includes a negative effect in Foreign Exchange Difference account (-US\$2.3 million YoY) mainly in Mexico, and a loss in indexed assets and liabilities (-US\$ 1.2 million YoY, mainly in Argentina), that was partially offset by a positive effect over tax due to exchange rate fluctuations (+US\$1.5 million YoY).
- In the first quarter of 2019, deals closed totaled US\$311.3 million, higher by 9.3%. At regional level, Brazil contributed with 46.0% of business closed. It highlighted the figures reached in Chile and Brazil, which were higher by 22.7% and 4.9% respectively (YoY).
- Pipeline of new opportunities amounted US\$3,575.2 million. Brazil contributed with US\$1,716.5 million.

Figure 1 – Consolidated Financial Statement  
Consolidated Financial Statements | SONDA S.A.

Millions of Ch\$ (Ch\$M)				
<b>Income Statement</b>	<b>mar-18</b>	<b>mar-19</b>	<b>Δ \$</b>	<b>Δ %</b>
Revenues	185.116	195.098	9.982	5,4%
Cost of Sales	-156.113	-162.923	-6.810	4,4%
<b>GROSS PROFIT</b>	<b>29.003</b>	<b>32.175</b>	<b>3.172</b>	<b>10,9%</b>
Administration Expenses	-20.770	-20.644	127	-0,6%
<b>OPERATING INCOME <sup>(1)</sup></b>	<b>8.233</b>	<b>11.531</b>	<b>3.298</b>	<b>40,1%</b>
Depreciation and Amortization	9.342	8.725	-617	-6,6%
<b>EBITDA <sup>(2)</sup></b>	<b>17.575</b>	<b>20.256</b>	<b>2.681</b>	<b>15,3%</b>
Other Income	114	533	419	368,9%
Other Expenses	-2.142	-1.755	387	-18,1%
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>6.205</b>	<b>10.310</b>	<b>4.105</b>	<b>66,2%</b>
Financial Income	2.235	1.890	-345	-15,5%
Financial Expenses	-3.866	-3.996	-130	3,4%
Share of Profit (Loss) of Associates	-180	-91	89	-49,6%
Foreign Exchange Differences	911	-643	-1.554	-170,6%
Income (Loss) for Indexed Assets and Liabilities	3	-790	-793	-
<b>NET INCOME BEFORE TAXES</b>	<b>5.308</b>	<b>6.679</b>	<b>1.371</b>	<b>25,8%</b>
Income Tax Expense	-357	-1.632	-1.274	356,6%
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>4.950</b>	<b>5.047</b>	<b>97</b>	<b>2,0%</b>
Net Income Attributable to Minority Interest	100	294	194	193,9%
<b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>4.850</b>	<b>4.753</b>	<b>-97</b>	<b>-2,0%</b>
<b>Balance Sheet</b>	<b>dec-18</b>	<b>mar-19</b>	<b>Δ \$</b>	<b>Δ %</b>
Cash and Cash Equivalents	49.393	43.471	-5.921	-12,0%
Other Current Financial Assets	16.078	16.692	615	3,8%
Trade Accounts Receivable and Other Receivables, Net	234.279	232.735	-1.544	-0,7%
Accounts Receivable from Related Companies	6.486	5.211	-1.275	-19,7%
Inventories	54.685	50.957	-3.728	-6,8%
Other Current Assets	52.148	49.515	-2.633	-5,0%
<b>CURRENT ASSETS</b>	<b>413.069</b>	<b>398.582</b>	<b>-14.487</b>	<b>-3,5%</b>
Intangibles Assets and Goodwill	249.061	249.724	662	0,3%
Property, Plant and Equipment, Net	122.792	138.240	15.448	12,6%
Other Non-currents Assets	112.846	110.601	-2.245	-2,0%
<b>NON-CURRENT ASSETS</b>	<b>484.699</b>	<b>498.565</b>	<b>13.865</b>	<b>2,9%</b>
<b>ASSETS</b>	<b>897.768</b>	<b>897.146</b>	<b>-622</b>	<b>-0,1%</b>
Other Current Financial Liabilities	113.290	124.427	11.136	9,8%
Other Liabilities	175.910	161.431	-14.479	-8,2%
<b>CURRENT LIABILITIES</b>	<b>289.201</b>	<b>285.858</b>	<b>-3.343</b>	<b>-1,2%</b>
Other Non-current Financial Liabilities	70.080	78.322	8.242	11,8%
Other Liabilities, Non-Current	39.660	43.371	3.710	9,4%
<b>NON-CURRENT LIABILITIES</b>	<b>109.740</b>	<b>121.693</b>	<b>11.953</b>	<b>10,9%</b>
<b>LIABILITIES</b>	<b>398.941</b>	<b>407.550</b>	<b>8.610</b>	<b>2,2%</b>
Minority Interest	4.039	4.086	47	1,2%
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>494.788</b>	<b>485.510</b>	<b>-9.279</b>	<b>-1,9%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>897.768</b>	<b>897.146</b>	<b>-622</b>	<b>-0,1%</b>

<sup>(1)</sup> Operating Income = Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA = Operating Income + Depreciation and Amortization

## MANAGEMENT DISCUSSION AND ANALYSIS OF 1Q19 CONSOLIDATED RESULTS

### I. Consolidated Results for the first quarter of 2019 (1Q19)

#### Revenues

Consolidated Revenues reached \$195,098 million (US\$287.5 million) in the period, higher by 5.4% (\$9,982 million / US\$14.7 million) comparing to the same period of 2018. In constant currency, revenues increased by 4.1% (YoY).

The main variations are the following:

- Increase of 13.7% (\$10,141 million / US\$14.9 million) in revenues from the Platforms Business, totaling \$83,917 million (US\$123.7 million), mainly due to Chile. In constant currency, the increase was 9.3% (\$6,854 million / US\$10.1 million).
- Decrease of 1.1% (\$1,010 million / US\$1.5 million) in the IT Services Business, reaching \$93,147 million (US\$137.3 million), mainly due to Brasil. In constant currency, the decrease was 0.3% (\$258 million / US\$ 0.4 million).
- Increase of 5.0% (\$851 million / US\$1.3 million) in the Applications Business, reaching \$18,034 million (US\$26.6 million) as of March 2019, mainly from Chile. In constant currency, the increase was 5.5% (\$943 million / US\$ 1.4 million).

The revenue breakdown by business line was 47.7% IT Services, 43.0% Platforms and 9.2% Applications.

Figure 2 – Consolidated Revenues by Business Line

	1Q18 Ch\$M	1Q19 Ch\$M	Δ \$	Δ %	1Q19A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>CONSOLIDATED REVENUES BY BUSINESS LINE</b>							
Platforms	73,776	83,917	10,141	13.7%	80,630	6,854	9.3%
IT Services	94,157	93,147	-1,010	-1.1%	93,899	-258	-0.3%
Applications	17,183	18,034	851	5.0%	18,126	943	5.5%
<b>Total</b>	<b>185,116</b>	<b>195,098</b>	<b>9,982</b>	<b>5.4%</b>	<b>192,656</b>	<b>7,540</b>	<b>4.1%</b>
<b>Breakdown</b>							
Platforms	39.9%	43.0%			41.9%		
IT Services	50.9%	47.7%			48.7%		
Applications	9.2%	9.3%			9.4%		
<b>Total</b>	<b>100%</b>	<b>100%</b>			<b>100%</b>		

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.

#### Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$162,923 million (US\$240.1 million) in the first quarter of 2019, increasing by 4.4% (YoY), comparing to the first quarter of 2018, and in line with revenues variations.

Administration expenses were \$20,644 million (US\$30.4 million) in the 1Q19, lower by 0.6% (YoY).

	1Q18	1Q19	Δ \$	Δ %	1Q19A	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b>							
Revenues	185.116	195.098	9.982	5,4%	192.656	7.540	4,1%
Cost of Sales	-156.113	-162.923	-6.810	4,4%	-160.772	-4.659	3,0%
<b>GROSS PROFIT</b>	<b>29.003</b>	<b>32.175</b>	<b>3.172</b>	<b>10,9%</b>	<b>31.884</b>	<b>2.881</b>	<b>9,9%</b>
Administration Expenses	-20.770	-20.644	127	-0,6%	-20.662	108	-0,5%
<b>OPERATING INCOME <sup>(1)</sup></b>	<b>8.233</b>	<b>11.531</b>	<b>3.298</b>	<b>40,1%</b>	<b>11.222</b>	<b>2.989</b>	<b>36,3%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>17.575</b>	<b>20.256</b>	<b>2.681</b>	<b>15,3%</b>	<b>20.028</b>	<b>2.453</b>	<b>14,0%</b>
<b>NET INCOME ATTRIBUTABLE TO OWNERS</b>	<b>4.850</b>	<b>4.753</b>	<b>-97</b>	<b>-2,0%</b>	<b>3.479</b>	<b>-1.371</b>	<b>-28,3%</b>
<b>Financial Ratios</b>							
Gross Margin	15,7%	16,5%			16,5%		
Operating Margin	4,4%	5,9%			5,8%		
EBITDA Margin	9,5%	10,4%			10,4%		
Net Margin	2,6%	2,4%			1,8%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to results for the period 2019 in constant currency.

### Operating Income and EBITDA

Operating Income reached \$11,531 million (US\$17.0 million), higher by 40.1% (YoY). Gross Margin was 16.5%, 80 bp higher (YoY), and Operating Margin was 5.9%, higher by 150 bp (YoY). In constant currency, the Operating Income was 36.3% higher.

EBITDA totaled \$20,256 million (US\$29.9 million), increasing 15.3% comparing to the first quarter of 2018. In constant currency, EBITDA increased by 14.0%.

The EBITDA Margin reached 10.4%, higher by 90bp (YoY).

### Other Comprehensive Income / Losses (Excluding Administration Expenses)

Other comprehensive income/losses<sup>1</sup>, excluding Administration expenses registered a loss of \$4,853 million (US\$7.2 million) in the first quarter of 2019, compared to the loss of \$2,925 million (US\$4.3 million) in the same period of 2018. The main variations were: a negative effect in foreign exchange differences (\$1,554 million/ US\$2.3 million) and a loss in indexed assets and liabilities (\$793 million / US\$1.2 million).

### Net Income

Net Income attributable to the owners of the company amounted \$4,753 million (US\$7.0 million), 2.0% lower than that obtained in the first quarter of 2018. This result includes a negative effect in foreign exchange difference account (-US\$2.3 million YoY) mainly in Mexico, and a loss in indexed assets and liabilities (-US\$ 1.2 million YoY, mainly in Argentina), that was partially offset by a positive effect over tax due to exchange rate fluctuations (+US\$1.5 million YoY). Taking those effects apart, Net Income would have been higher by 74.7% (YoY).

<sup>1</sup> Other Comprehensive Income/Losses = Financial Income + Financial Expenses + Share of Profit (Loss) of Associates + Foreign Exchange Differences + Income (Loss) for Indexed Assets and Liabilities + Other Income + Other Expenses.

## Regional Results for the first quarter of 2019 (1Q19)

### Chile

Main changes between 1Q19 and 1Q18 are described below:

- Revenues totaled \$90,329 million (US\$133.1 million), showing an increase of 5.6% (YoY). In constant currency, revenues are higher by 2.0%. The increase is mainly explained by higher revenues from the Platforms Business (+8.3%, in constant currency +2.4%).
- Operating Income totaled \$8,485 million (US\$12.5 million / -4.8% YoY) and EBITDA totaled \$11,415 million (US\$16.8 million / -6.2% YoY), a decrease mainly explained by the wholesale business.
- Operating Margin reached 9.4% and EBITDA Margin was 12.6%, 100bp and 160bp lower than in the same period of 2018, respectively.

Figure 4 – Business in Chile  
1Q18 – 1Q19

	1Q18	1Q19	Δ \$	Δ %	1Q19A	Δ \$ (t/t)	Δ % (t/t)
	Ch\$M	Ch\$M			Ch\$M	0	0
<b>SUMMARY OF RESULTS CHILE</b>							
REVENUES	85,571	90,329	4,759	5.6%	87,279	1,708	2.0%
Platforms	50,712	54,900	4,188	8.3%	51,907	1,195	2.4%
IT Services	26,665	26,096	-569	-2.1%	26,039	-626	-2.3%
Applications	8,194	9,333	1,140	13.9%	9,333	1,140	13.9%
Cost of Sales	-66,720	-70,501	-3,781	5.7%	-67,650	-930	1.4%
GROSS PROFIT	18,851	19,829	978	5.2%	19,629	778	4.1%
Administration Expenses	-9,936	-11,343	-1,407	14.2%	-11,158	-1,222	12.3%
OPERATING INCOME <sup>(1)</sup>	8,915	8,485	-429	-4.8%	8,471	-444	-5.0%
EBITDA <sup>(2)</sup>	12,166	11,415	-751	-6.2%	11,381	-784	-6.4%
Operating Margin	10.4%	9.4%			9.7%		
EBITDA Margin	14.2%	12.6%			13.0%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.

### Brazil

Main changes between 1Q19 and 1Q18 are described below:

- Revenues in constant currency increased by 2.2%, mainly explained by higher revenues from Platforms. In reporting currency, revenues reached \$56,089 million (US\$82.7 million), 2.4% lower compared to 1Q18.
- In constant currency, Operating Income and EBITDA were 88.3% and 149.3% higher (YoY), respectively. The Operating Result in reporting currency was negative in \$307 million (-US\$0.5 million / + 88.3% YoY) and the EBITDA was \$3.565 million (US\$5.3 million / +137.2% YoY).
- Operating Margin was -0.5% and EBITDA Margin reached 6.4%, higher by 590bp and 410bp, compared to the first quarter of 2018, respectively.

Figure 5 – Business in Brazil  
1Q18 – 1Q19

	1Q18 Ch\$M	1Q19 Ch\$M	Δ \$	Δ %	1Q19A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF RESULTS BRAZIL</b>							
REVENUES	57.443	56.089	-1.354	-2,4%	58.699	1.256	2,2%
Platforms	8.458	12.070	3.613	42,7%	12.622	4.165	49,2%
IT Services	43.076	38.889	-4.187	-9,7%	40.697	-2.379	-5,5%
Applications	5.909	5.129	-780	-13,2%	5.380	-529	-9,0%
Cost of Sales	-54.052	-50.044	4.008	-7,4%	-52.364	1.688	-3,1%
GROSS PROFIT	3.391	6.045	2.654	78,3%	6.336	2.945	86,8%
Administration Expenses	-6.016	-6.353	-337	5,6%	-6.643	-627	10,4%
OPERATING INCOME <sup>(1)</sup>	-2.625	-308	2.317	88,3%	-307	2.318	88,3%
<b>EBITDA <sup>(2)</sup></b>	<b>1.503</b>	<b>3.565</b>	<b>2.062</b>	<b>137,2%</b>	<b>3.746</b>	<b>2.243</b>	<b>149,3%</b>
Operating Margin	-4,6%	-0,5%				-0,5%	
EBITDA Margin	2,6%	6,4%				6,4%	

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.

## Mexico

Main changes between 1Q19 and 1Q18 are described below:

- In constant currency, revenues decreased 0.8% (YoY) due to the IT Services Business. In reporting currency, revenues increased by 9.5% compared to the 1Q18, totaling \$14,218 million (US\$21.0 million).
- In reporting currency, Operating Income amounted \$1,388 million (US\$2.0 million) and EBITDA totaled \$1,920 million (US\$2.8 million), considerably higher than 1Q18, explained by higher revenues from the Platforms Business and lower expenses for bad debt provisions. In constant currency, Operating Income and EBITDA increased significantly compared to the first quarter of 2018.
- Operating Margin reached 9.8% and EBITDA Margin was 13.5%, higher by 840bp and 950bp, respectively, compared to 1Q18.

Figure 6 – Business in Mexico  
1Q18 – 1Q19

	1Q18 Ch\$M	1Q19 Ch\$M	Δ \$	Δ %	1Q19A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF RESULTS MEXICO</b>							
REVENUES	12,979	14,218	1,239	9.5%	12,870	-109	-0.8%
Platforms	5,492	7,377	1,885	34.3%	6,659	1,167	21.3%
IT Services	6,057	5,176	-881	-14.5%	4,672	-1,385	-22.9%
Applications	1,430	1,665	235	16.4%	1,540	110	7.7%
Cost of Sales	-10,880	-12,918	-2,039	18.7%	-11,683	-804	7.4%
GROSS PROFIT	2,099	1,299	-800	-38.1%	1,187	-912	-43.5%
Administration Expenses	-1,917	88	2,006	-104.6%	74	1,992	-103.9%
OPERATING INCOME <sup>(1)</sup>	182	1,388	1,206	663.1%	1,261	1,079	593.5%
<b>EBITDA <sup>(2)</sup></b>	<b>523</b>	<b>1,920</b>	<b>1,397</b>	<b>266.9%</b>	<b>1,746</b>	<b>1,223</b>	<b>233.7%</b>
Operating Margin	1.4%	9.8%				9.8%	
EBITDA Margin	4.0%	13.5%				13.6%	

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.

## OPLA (Other Countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 1Q19 and 1Q18 are described below:

- In constant currency, revenues increased 16.1% (YoY). Revenues in reporting currency increased 18.3% (YoY), reaching \$34,462 million (US\$50.8 million) in the first quarter of 2019.

- In constant currency, Operating Income increased by 2.0% and EBITDA decreased by 6.8%. In reporting currency, the Operating Income totaled \$1,966 million (US\$2.9 million) and EBITDA \$3,356 million (US\$4.9 million), growing by 11.6% and decreasing by 0.8% (YoY), respectively.
- Operating Margin reached 5.7% and EBITDA Margin was 9.7%, lower than the first quarter of 2018 by 30 bp and 190pb, respectively.

Figure 7 – Business in OPLA  
1Q18 – 1Q19

	1Q18 Ch\$M	1Q19 Ch\$M	Δ \$	Δ %	1Q19A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF RESULTS OPLA</b>							
REVENUES	29.124	34.462	5.338	18,3%	33.807	4.684	16,1%
Platforms	9.115	9.570	456	5,0%	9.443	328	3,6%
IT Services	18.359	22.985	4.627	25,2%	22.491	4.133	22,5%
Applications	1.650	1.906	256	15,5%	1.873	223	13,5%
Cost of Sales	-24.462	-29.461	-4.999	20,4%	-29.075	-4.613	18,9%
GROSS PROFIT	4.662	5.001	339	7,3%	4.733	71	1,5%
Administration Expenses	-2.900	-3.035	-135	4,6%	-2.935	-35	1,2%
OPERATING INCOME <sup>(1)</sup>	1.762	1.966	204	11,6%	1.797	36	2,0%
<b>EBITDA <sup>(2)</sup></b>	<b>3.383</b>	<b>3.356</b>	<b>-27</b>	<b>-0,8%</b>	<b>3.154</b>	<b>-229</b>	<b>-6,8%</b>
Operating Margin	6,0%	5,7%			5,3%		
EBITDA Margin	11,6%	9,7%			9,3%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.



Figure 8 – Regional Summary 1Q18-1Q19

Regional Summary	1Q18 Ch\$M	1Q19 Ch\$M	Δ \$	Δ %	1Q19A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>CHILE</b>							
REVENUES	85,571	90,329	4,759	5.6%	87,279	1,708	2.0%
Platforms	50,712	54,900	4,188	8.3%	51,907	1,195	2.4%
IT Services	26,665	26,096	-569	-2.1%	26,039	-626	-2.3%
Applications	8,194	9,333	1,140	13.9%	9,333	1,140	13.9%
Cost of Sales	-66,720	-70,501	-3,781	5.7%	-67,650	-930	1.4%
GROSS PROFIT	18,851	19,829	978	5.2%	19,629	778	4.1%
Administration Expenses	-9,936	-11,343	-1,407	14.2%	-11,158	-1,222	12.3%
OPERATING INCOME <sup>(1)</sup>	8,915	8,485	-429	-4.8%	8,471	-444	-5.0%
<b>EBITDA <sup>(2)</sup></b>	<b>12,166</b>	<b>11,415</b>	<b>-751</b>	<b>-6.2%</b>	<b>11,381</b>	<b>-784</b>	<b>-6.4%</b>
Operating Margin	10.4%	9.4%			9.7%		
EBITDA Margin	14.2%	12.6%			13.0%		
<b>BRAZIL</b>							
REVENUES	57,443	56,089	-1,354	-2.4%	58,699	1,256	2.2%
Platforms	8,458	12,070	3,613	42.7%	12,622	4,165	49.2%
IT Services	43,076	38,889	-4,187	-9.7%	40,697	-2,379	-5.5%
Applications	5,909	5,129	-780	-13.2%	5,380	-529	-9.0%
Cost of Sales	-54,052	-50,044	4,008	-7.4%	-52,364	1,688	-3.1%
GROSS PROFIT	3,391	6,045	2,654	78.3%	6,336	2,945	86.8%
Administration Expenses	-6,016	-6,353	-337	5.6%	-6,643	-627	10.4%
OPERATING INCOME <sup>(1)</sup>	-2,625	-308	2,317	88.3%	-307	2,318	88.3%
<b>EBITDA <sup>(2)</sup></b>	<b>1,503</b>	<b>3,565</b>	<b>2,062</b>	<b>137.2%</b>	<b>3,746</b>	<b>2,243</b>	<b>149.3%</b>
Operating Margin	-4.6%	-0.5%			-0.5%		
EBITDA Margin	2.6%	6.4%			6.4%		
<b>MEXICO</b>							
REVENUES	12,979	14,218	1,239	9.5%	12,870	-109	-0.8%
Platforms	5,492	7,377	1,885	34.3%	6,659	1,167	21.3%
IT Services	6,057	5,176	-881	-14.5%	4,672	-1,385	-22.9%
Applications	1,430	1,665	235	16.4%	1,540	110	7.7%
Cost of Sales	-10,880	-12,918	-2,039	18.7%	-11,683	-804	7.4%
GROSS PROFIT	2,099	1,299	-800	-38.1%	1,187	-912	-43.5%
Administration Expenses	-1,917	88	2,006	-104.6%	74	1,992	-103.9%
OPERATING INCOME <sup>(1)</sup>	182	1,388	1,206	663.1%	1,261	1,079	593.5%
<b>EBITDA <sup>(2)</sup></b>	<b>523</b>	<b>1,920</b>	<b>1,397</b>	<b>266.9%</b>	<b>1,746</b>	<b>1,223</b>	<b>233.7%</b>
Operating Margin	1.4%	9.8%			9.8%		
EBITDA Margin	4.0%	13.5%			13.6%		
<b>OPLA</b>							
REVENUES	29,124	34,462	5,338	18.3%	33,807	4,684	16.1%
Platforms	9,115	9,570	456	5.0%	9,443	328	3.6%
IT Services	18,359	22,985	4,627	25.2%	22,491	4,133	22.5%
Applications	1,650	1,906	256	15.5%	1,873	223	13.5%
Cost of Sales	-24,462	-29,461	-4,999	20.4%	-29,075	-4,613	18.9%
GROSS PROFIT	4,662	5,001	339	7.3%	4,733	71	1.5%
Administration Expenses	-2,900	-3,035	-135	4.6%	-2,935	-35	1.2%
OPERATING INCOME <sup>(1)</sup>	1,762	1,966	204	11.6%	1,797	36	2.0%
<b>EBITDA <sup>(2)</sup></b>	<b>3,383</b>	<b>3,356</b>	<b>-27</b>	<b>-0.8%</b>	<b>3,154</b>	<b>-229</b>	<b>-6.8%</b>
Operating Margin	6.0%	5.7%			5.3%		
EBITDA Margin	11.6%	9.7%			9.3%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 1Q19A corresponds to revenues for the period 2019 in constant currency.

## ANALYSIS OF CONSOLIDATED BALANCE SHEET

### Assets

In the first quarter of 2019, Total Assets amounted \$897,146 million (US\$1,322.2 million), decreasing by 0.1% compared to December 2018. Main variations are:

Increase in:

- Property, Plant and Equipment by \$15,448 million (US\$22.8 million), whose balance as of March 31, 2019 was \$138,240 million (US\$203.7 million), as a consequence of NIIF 16 implementation.

Decrease in:

- Cash and Cash Equivalents by \$5,921 million (US\$8.7 million), whose balance as of March 31, 2019 was \$43,471 million (US\$64.1 million). These funds were used for working capital and investments.
- Non-Current Accounts Receivable by \$4,344 million (US\$6.4 million), whose balance as of March 31, 2019 was \$47,085 million (US\$69.4 million).
- Inventories by \$3,728 million (US\$5.5 million), whose balance as of March 31, 2019 was \$50,957 million (US\$75.1 million).

### Liabilities

Liabilities totaled \$407,550 million (US\$600.6 million) as of Mar-19, increasing by 2.2% compared to Dec-18. Main variations are:

Increase in:

- Other Current and Non-Current Financial Liabilities by \$19,379 million (US\$28.6 million), whose balance as of March 31, 2019 was \$124,426 million (US\$183.4 million) of Current and \$78,322 million (US\$115.4 million) of Non-Current, mainly from NIIF 16 effects.

Decrease in:

- Trade accounts payable and other accounts payable for \$7,535 million (US\$11.1 million), whose balance as of December 31, 2018 was \$89,868 million (US\$132.4 million) mainly explained by the higher seasonality existing in December.
- Current Liabilities for Employee Benefits by \$4,375 million (US\$6.4 million), whose balance as of March 31, 2019 was \$23,588 million (US\$34.8 million).

### Shareholder's Equity

Consolidated shareholders' equity attributable to owners amounted \$485,510 million (US\$715.5 million) as of March 31, 2019, decreasing 1.9% compared to December 2018 (\$9,279 million / US\$13.7 million). The main variations are explained by the results of the period, net of dividends, and by effects in the Reserve of Exchange Difference translations (\$12,086 million / US\$17.8 million).

The return on equity (ROE) was 3.9%.

Figure 9 – Financial Ratios Summary

Financial Ratios		mar-18	mar-19	Δ	dec-18	Δ
				mar-19 / mar-18		mar-19 / dec-18
<b>LIQUIDITY</b>						
<b>Current Ratio</b> (Current Assets / Current Liabilities)	(times)	1,6	1,4	-13,6%	1,4	-2,4%
<b>Quick Ratio</b> ((Current Assets - Inventories) / Current Liabilities)	(times)	1,5	1,2	-17,1%	1,2	-1,9%
<b>Working Capital</b> (Current Assets - Current Liabilities)	(Ch M\$)	147.305	112.724	-23,5%	123.868	-9,0%
<b>INDEBTEDNESS</b>						
<b>Leverage</b> ((Current Liabilities + Non-current Liabilities) / Equity)	(times)	0,8	0,8	9,0%	0,8	4,1%
<b>Financial Leverage</b> ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)	(times)	0,4	0,4	14,5%	0,4	12,7%
<b>Short-Term Debt</b> (Current Liabilities / Total Liabilities)	(times)	0,6	0,7	8,4%	0,7	-3,2%
<b>Long-Term Debt</b> (Non-Current Liabilities / Total Liabilities)	(times)	0,4	0,3	-15,4%	0,3	8,5%
<b>Financial-Expenses-Coverage Ratio</b> (EBITDA / Financial Expenses)	(times)	4,5	5,1	11,5%	6,4	-21,4%
<b>Financial Debt to EBITDA Ratio</b> ((Current Liabilities + Non-current Liabilities) / EBITDA <sup>1,2</sup> )	(times)	2,5	2,5	0,0%	2,0	24,6%
<b>Net Financial Debt to EBITDA Ratio</b> ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA <sup>1,2</sup> )	(times)	1,2	1,8	48,6%	1,3	36,3%
<b>PROFITABILITY</b>						
<b>ROE</b> (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )	%	4,0%	3,9%	-10 pb	2,2%	170 pb
<b>ROA</b> (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )	%	2,2%	2,1%	-10 pb	1,2%	90 pb
<b>Earnings per Share</b> (Net Income attrib.to Owners of Comp. / Total Shares <sup>4</sup> )	(Ch\$)	22,3	21,8	-2,0%	12,3	77,9%
<b>Dividend Yield</b> (Dividends Paid <sup>5</sup> / Closing Market Stock Price)	%	0,7%	3,1%	240 pb	2,9%	20 pb

1 EBITDA = Operating Income + Depreciation and Amortization

2 Annual Base

3 Calculated as an average:

- mar-19: average between mar-19 and dec-18

- mar-18: average between mar-18 and dec-17

- dec-18: average between dec-18 y dec-17

4 Numbers of shares considered:

- mar-19 = 871.057.175

- mar-18 = 871.057.175

- dec-18 = 871.057.175

5 Last 12 months

## Statements of Cash Flow

Cash and Cash Equivalents reached \$43,471 million (US\$64.1 million) as of March 31, 2019, compared to \$76,685 million (US\$113.0 million) as of March 31, 2018.

Net cash flow from operating activities totaled \$7,148 million (US\$10.5 million), lower than the \$10,083 million (US\$14.9 million) generated in March 2018.

The net cash flow used in investment activities as of March 31, 2019 was \$14,019 million (US\$20.7 million).

Capital Expenditures (CAPEX) totaled \$14,037 million (US\$20.7 million) in the first quarter of 2019 and included \$5,707 million (US\$8.4 million) invested in the purchase of fixed assets for internal use and for contracts with customers and new Data Center construction in Chile, \$7,598 million (US\$11.2 million) in permanent investments, and \$731 million (US\$1.1 million) in intangibles.

The net cash flow from financing activities reached \$1,384 million (US\$2.0 million), compared to \$1,564 million (US\$2.3 million) obtained as of March 31, 2018, decreasing by 11.5%.

Figure 10 – Statements of Cash Flow

	mar-18	mar-19	Δ \$	Δ %
	Ch\$M	Ch\$M		
<b>Statements of Cash Flow</b>				
Net Cash Flows from (used in) Operating Activities	10.083	7.148	(2.935)	-29,1%
Net Cash Flows from (used in) Investing Activities	25.359	(14.019)	(39.377)	-155,3%
Net Cash Flows from (used in) Financing Activities	1.564	1.384	(180)	-11,5%
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATES</b>	<b>37.006</b>	<b>(5.487)</b>	<b>(42.493)</b>	<b>-114,8%</b>
Effect of Exchange Rate changes on Cash and Cash Equivalents	(1.166)	(435)	731	62,7%
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>35.840</b>	<b>(5.921)</b>	<b>(41.762)</b>	<b>-116,5%</b>
Cash and Cash Equivalents at beginning of period	40.845	49.393	8.548	20,9%
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>76.685</b>	<b>43.471</b>	<b>(33.214)</b>	<b>-43,3%</b>