

11<sup>TH</sup> ANNUAL LATAM CEO CONFERENCE  
MAY 18-19, 2016 | NEW YORK



2016



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# OVERVIEW

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## SONDA IS THE LEADING LATIN AMERICAN-OWNED IT SERVICES PROVIDER

Founded in 1974 and headquartered in Santiago, Chile

Presence in 10 countries in the region with main operations in Chile, Brazil and Mexico

- Nearly 20,000 employees regionally
- Ability to deliver services in over 3,000 cities

### Diversified blue-chip client base

- Revenues derived from multi-year contracts and recurring revenue
- Most of solutions have countercyclical characteristics

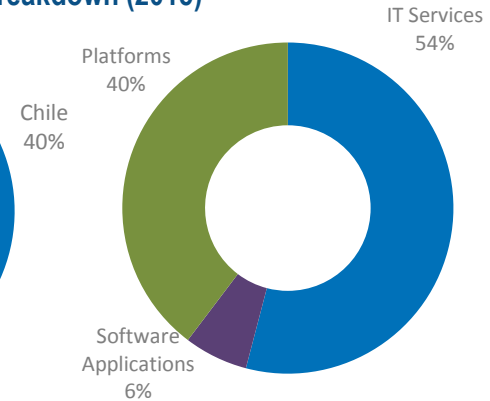
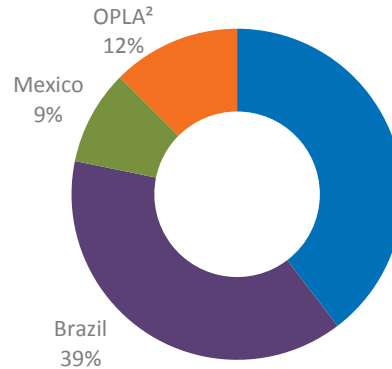
### Integrated one-stop shop business model

- Comprehensive IT offering
- Partnerships with worldwide leading technology suppliers

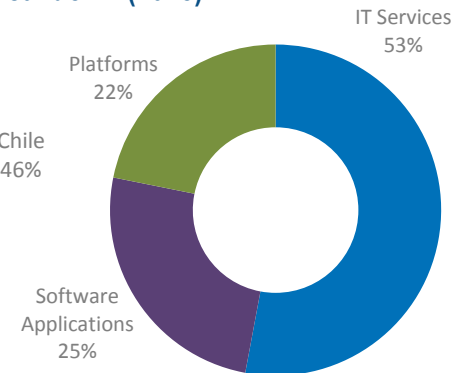
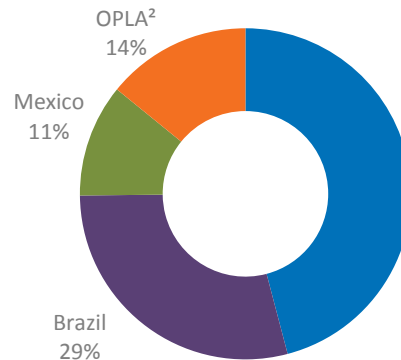
### Key financial metrics (2015)

- Revenues : US\$ 1,254.8 mm <sup>1</sup>
- EBITDA : US\$ 178.5 mm <sup>1</sup>
- Net Debt / EBITDA: 0.2x

## Revenue Breakdown (2015)



## EBITDA Breakdown (2015)



<sup>1</sup> Financial data translated to US\$ using the end of period exchange rate for 2015 \$710,16CLP/USD

<sup>2</sup> OPLA includes : Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay

# SUCCESSFUL GROWTH HISTORY



## 1974 SONDA Foundation in association with COPEC

### 1974 – 1983

- Joint Venture with Digital Equipment Corp.
- First full outsourcing services contract
- Applications for pension funds
- Applications for health insurance providers
- Banking industry applications
- First large systems integration project
- Launching of our first ERP

## 1984 – 2005 International Expansion

- Peru (1984) and Argentina (1986)
- Ecuador (1990) and Uruguay (1994)
- Traffic lights control system in Santiago and São Paulo
- Solutions for pensions funds in Argentina and Peru
- Banking projects in Indonesia, Thailand and Taiwan
- Colombia (2000)
- Mobile telephony projects in Brazil, Argentina and Paraguay
- Brazil (2002), Costa Rica (2003) and Mexico (2004)
- New Chilean identification system (Chilean Civil Registry)

## 2006 - 2014 Regional Consolidation

- IPO (2006)
- Payment solution for Santiago's public transportation system (Transantiago)
- Livestock traceability (Uruguay and Colombia)
- Web -based solution for government procurement (Chile, Colombia, Argentina, Panama)
- Acquisitions (2006-2009): Qualita in Mexico, Procwork in Brazil and Red Colombia in Colombia
- Acquisitions (2010): Softeam, Telsinc and Kaizen in Brazil, NextiraOne in Mexico and Ceitech in Argentina
- Corporate Cloud Computing
- Acquisition of Quintec in Chile (2011)
- Payment solution for Ciudad de Panama's public transportation system
- Acquisitions (2012): Pars and Elucid in Brazil
- New Headquarter and Datacenter in Brazil
- (2013): Opening of new TIER III Certified - Mega Datacenter in Chile
- (2014) Acquisition of CTIS in Brazil
- Successful placement of corporate bonds (CLP\$36,300 million)
- SONDA is integrated into the Cisco Intercloud network

## 2015

- Opening of the New IT Innovation Lab along with Cisco
- Implementation of a technological solution along with Cable & Wireless from Panamá that allows users to buy transportation tickets using mobiles cellphones
- Implementation of a modern electronic pay system for Metro de Valparaíso, integrating trolleys and city elevators.
- "Cisco Partner of the Year Data Center 2014" Award in Ecuador for second year in a row
- "Cloud Builder of the Year" Cisco Latam Award
- National Annual Award for Companies from Colegio de Ingenieros de Chile
- Implementation of a solution based on Internet of Things, that allows electrical distributors to improve the readings of domiciliary energy consumption in the city of Sao Luis do Paraitinga (SP)



**SONDA IS FOCUSED ON SATISFYING CUSTOMERS' BUSINESS NEEDS THROUGH A WIDE RANGE OF SERVICES AND SOLUTIONS BASED ON INFORMATION TECHNOLOGIES.**

#### **IT SERVICES**

Full IT Outsourcing  
Infrastructure Support  
Professional Services  
Business Outsourcing  
Cloud Computing  
Project Integration  
Datacenter  
Managed Device Services

#### **APPLICATIONS**

Cross Market Solutions  
Manufacturing  
Government and Public Sector  
Transportation  
Healthcare  
Banking and Finance  
Services for Applications

#### **PLATFORMS**

Value Solutions  
Software  
Equipment  
Platform Services



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# COMPANY HIGHLIGHTS

# COMPANY HIGHLIGHTS



**Leading Latin-American IT services company**



**Presence in a growing and underpenetrated market**



**Diversified blue-chip customer base**



**Integrated one-stop shop business model**



**Solid track record of financial performance**



**Experienced management team backed by a strong board with solid corporate governance**



**Opportunity to continue growing through organic growth and acquisitions**

# LEADING LATIN-AMERICAN IT SERVICES COMPANY

## The one-stop shop for IT Services in Latin America

- Integrated solutions servicing clients at all stages of the IT adoption lifecycle

## Long-standing presence in the region, focusing on long-term relationships with corporate clients

## Presence in 10 countries and over 3,000 cities under coverage

- 4th largest provider of IT services in Latin America behind main global players
- Local competitors generally lack pan-regional presence

## Strong positioning in Chile and increasing share in the rest of the region, particularly in Brazil

- Leader in Chile with ~15% market share in IT Services
- Integrated regional services network, strongly position SONDA to take advantage of the expansion of the Latin American IT market

## Further consolidation in the region by acquiring and successfully integrating new acquisitions





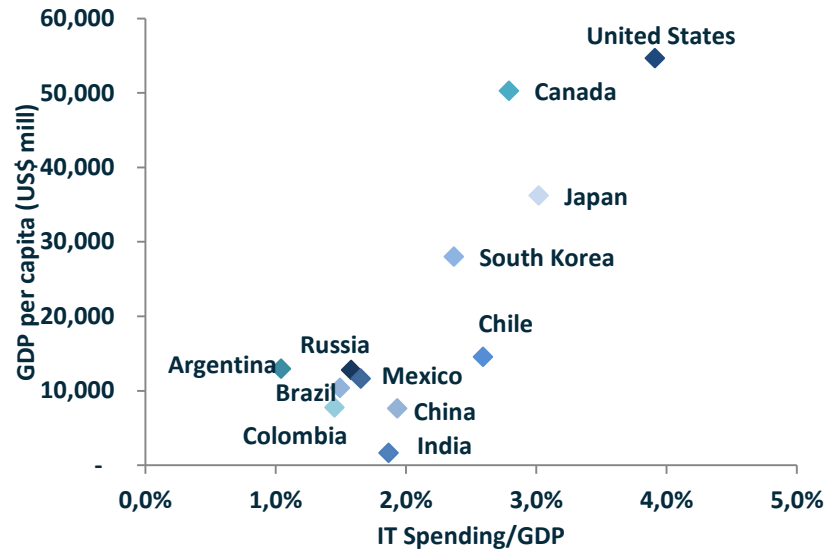
# PRESENCE IN A GROWING AND UNDERPENETRATED MARKET



## LATIN AMERICA, ONE OF THE FASTEST GROWING REGIONS IN THE WORLD

- In Latin America, IT spending as a percentage of GDP is between 1.0% and 2.6%.
- In developed economies, IT spending as a percentage of GDP is over 2.6% and can reach up to 3.9%.
- The gap between the two markets has been reduced in recent years, due to higher IT spending growth in Latin America.

IT Spending as a Percentage of GDP  
(December 2014)



Sources:

World Bank GDP Ranking

The Goldman Sachs Group, Inc. Global Investment Research. Latin America: Technology, April 16, 2014

# PRESENCE IN A GROWING AND UNDERPENETRATED MARKET

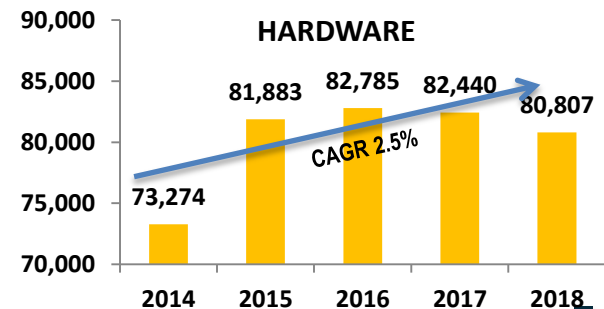
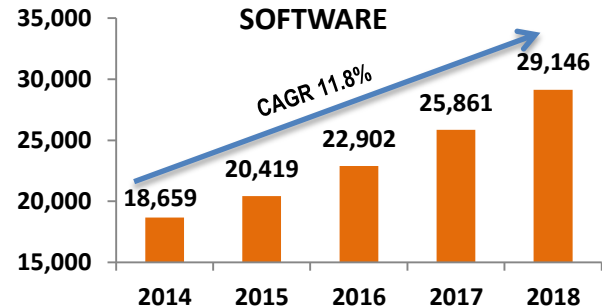
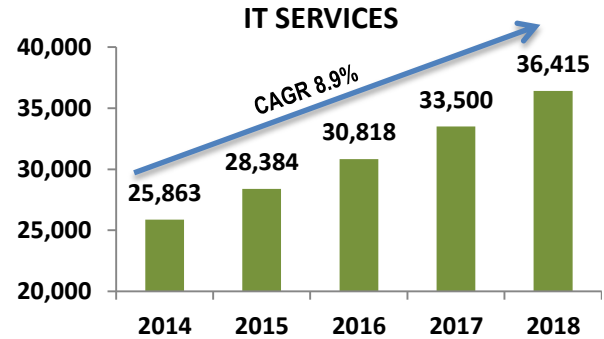


IT Services	2014	2015	2016	2017	2018
Chile	1.824	2.009	2.243	2.495	2.756
Brazil	12.786	13.629	14.578	15.635	16.807
Mexico	5.040	5.702	6.272	6.849	7.461
Opla	6.213	7.044	7.725	8.521	9.391

Software	2014	2015	2016	2017	2018
Chile	998	1.158	1.388	1.693	2.067
Brazil	10.060	10.914	12.192	13.684	15.382
Mexico	3.887	4.226	4.668	5.183	5.687
Opla	3.714	4.121	4.654	5.301	6.010

Hardware	2014	2015	2016	2017	2018
Chile	4.068	4.037	3.997	4.081	4.162
Brazil	32.289	37.999	38.993	38.884	38.315
Mexico	14.366	15.415	15.521	15.354	14.816
Opla	22.551	24.432	24.274	24.121	23.514

\*Figures projected by IDC in US\$ millions



# DIVERSIFIED BLUE-CHIP COSTUMER BASE



## Client focus on blue-chip companies

- Large and medium size companies
- Regional clients

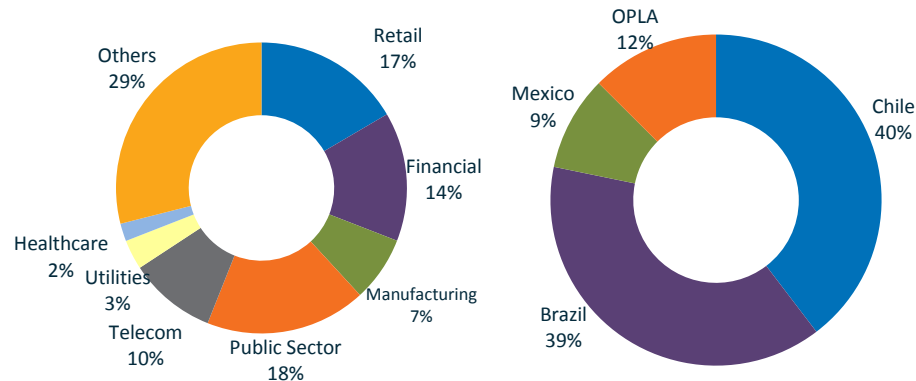
## Long term relationship with clients

- Multiple contracts with clients that average 3 years
- Significant cross-selling
- ~60% of revenues derived from multi-year contracts and recurring revenue
- Solutions with countercyclical characteristics

## Client, industry and geographic diversification

- More than 5,000 clients throughout the region
- 20 largest clients represent ~27% of consolidated revenue<sup>1</sup>
- 50 largest clients represent ~37% of consolidated revenue<sup>1</sup>
- No contracted service represents more than ~5.0% of revenue<sup>1</sup>
- No significant industry concentration
- Balanced geographical revenue mix, with exposure to all sizeable economies in Latam

Revenue Breakdown (December 31, 2015)



## Some of our Blue-Chip Clients

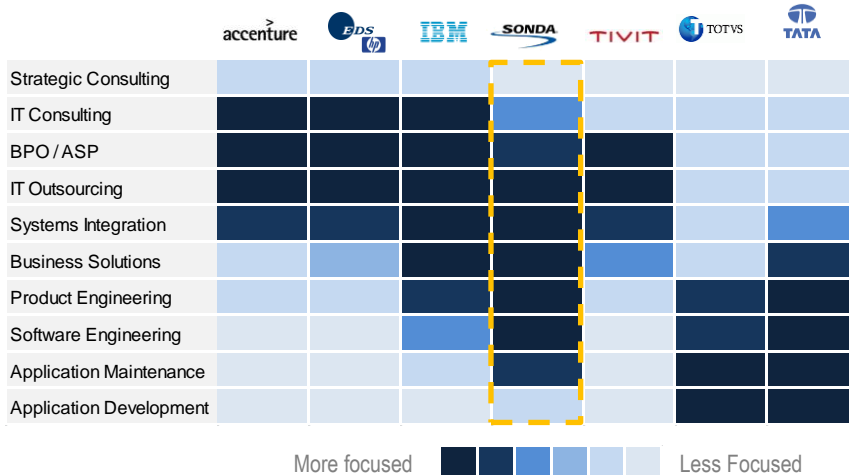


<sup>1</sup> December, 2015

# INTEGRATED ONE-STOP SHOP BUSINESS MODEL



## Wide Range of Products and Services



- Unparallel capacity to deliver IT services through all the region
- Independent IT services provider with no restrains to offer the best technological solution available
- World-Class credentials



## World-Leading IT Partners

Regional alliances with the principal global technology vendors

- Access to latest technology products
- International best practices
- Platform products serve as a base to provide other higher value-added services and to develop long-term client relationships



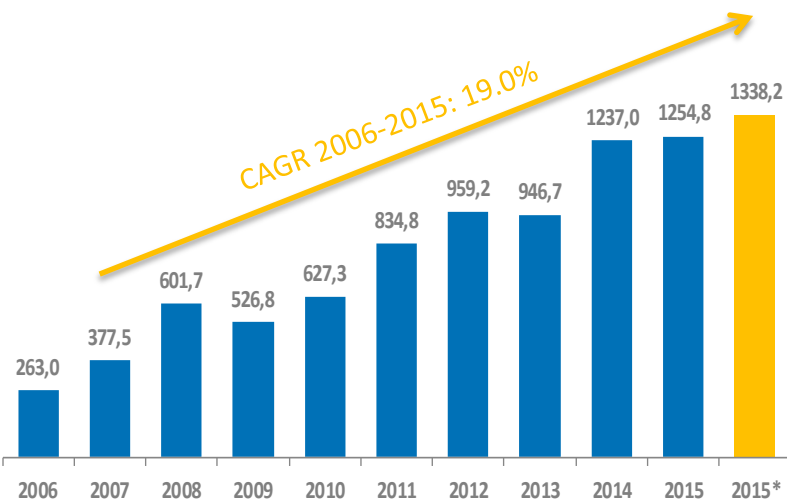
# SOLID TRACK RECORD OF FINANCIAL PERFORMANCE



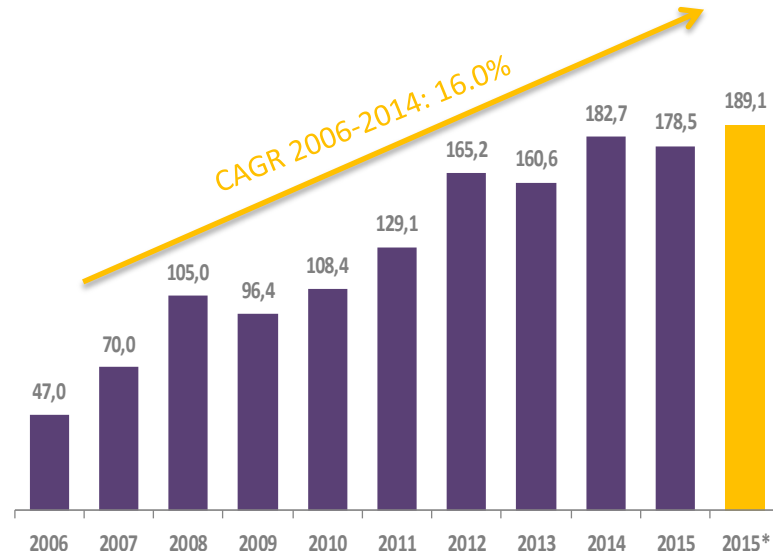
Solid growth on the back of stable margins ...

- SONDA has been profitable every year since it was founded in 1974
- The Company has been able to maintain strong growth throughout the years

Revenue (US\$ millions)



EBITDA (US\$ millions)



Note:

Financial data translated to US\$ using the end of period exchange rate for 2015 : 710.16 CLP/USD.

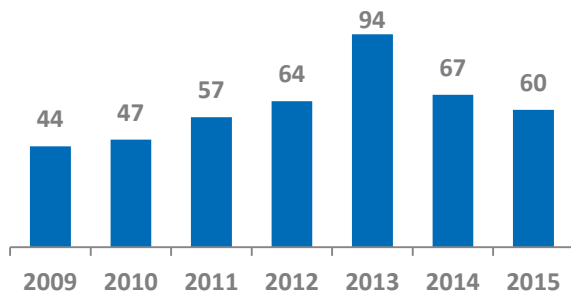
\* 2015 adjusted by exchange rate effect

# SOLID TRACK RECORD OF FINANCIAL PERFORMANCE



...coupled with profitability, low leverage and steady dividend payout ratio

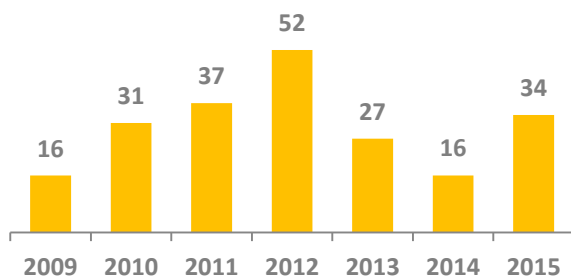
Net Income (US\$ millions)



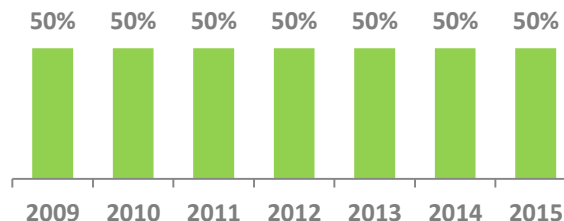
Net Debt / EBITDA<sup>1</sup>



Capex (US\$ millions)



Dividend Payout Ratio<sup>2</sup>



Note: Financial data translated to US\$ using the end of period exchange rate for 2015 710.16 CLP/USD

<sup>1</sup> Cash and cash equivalents for the calculation of Net Debt to EBITDA do not include short term investments.

<sup>2</sup> SONDA's dividend policy since 2009 has been based on a 50% payout ratio. Dividends are paid in 2 semi-annual installments.

# EXPERIENCED MANAGEMENT TEAM



## STRONG BOARD WITH SOLID CORPORATE GOVERNANCE

- 4 Independent Directors out of a board of 9 members
- Entire board is elected every three years; cumulative voting is permitted for the election of directors

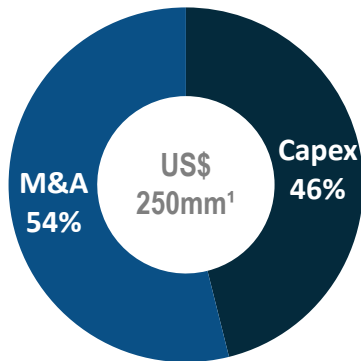
Name	Position	Years at		Education
		SONDA	Industry	
Raúl Vejar	CEO	33	33	Electronic Engineer
Rafael Osorio	CFO	34	34	Industrial Engineer
Eduardo Borba	CEO SONDA Brazil	7	20	BA, Systems Analyst
Raúl Sapunar	CEO SONDA CHILE	31	31	Electrical Engineer
Guido Camacho	CEO SONDA Mexico	9	37	Electronic Engineer
José Orlandini	Service Division Manager	30	33	Electrical Engineer
Alberto Merino	Commercial Development Manager	27	27	Electrical Engineer
Rodrigo Peña	Planning and IR Officer	11	22	MBA, Civil Engineer

Name	Selected Background
Mario Pavón (Chairman)	Director of I-Med, other SONDA affiliates and non-profit org.
Pablo Navarro (Vice President)	Director of Multicaja and others, Former Director of Banco Internacional
Christian Samsing	Former Director of Banco Internacional Former CEO of Corpbanca
Jaime Pacheco	Held various executive positions at Oracle Chile from 1997 to 2009
Rosario Navarro	Director of TICs for Education in Fundación Chile and Chairwoman of "Docente al Día", a learning platform for teachers.
Juan Antonio Guzmán	Chairman of Clínica Indisa, Chairman of SQM, Former Ministry of Education
Mateo Budinich Diez	Executive Director of Conicyt, Former Director of Cámara de Comercio Chileno Americana
Hernán Marió Lores	Director of VTR and Mining Companies, Former CEO and CFO of Entel
Francisco Gutierrez	Director of Forus, SM SAAM S.A. and Echeverría Izquierdo

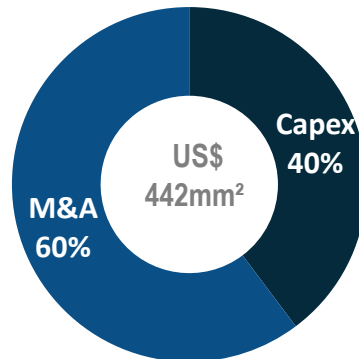
## SUCCESSFUL TRIENNIAL INVESTMENTS PLANS EXECUTED IN THE PAST

Since 2007, SONDA has invested around US\$360 mm in Capex for organic growth and approx. US\$ 610 mm in acquisitions

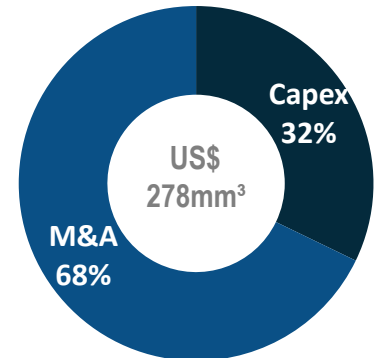
### SONDA's Triennial Investment Plans



2007 – 2009



2010 – 2012



2013 – 2015

Triennial plans have had a key role in boosting SONDA's growth pace

*Note: Financial data translated to US\$ using historical exchange rate*

*1 Represents the amount of investment executed between 2007 and 2009*

*2 Represents the amount of investment executed between 2010 and 2012*

*3 Represents the amount of investment executed between 2013 and 2015*



# OPPORTUNITY TO CONTINUE GROWING



## CLEAR M&A STRATEGY, BACKED BY SOLID EXECUTION

- Clear strategic rationale of increasing client base and enhancing IT offering
- Wide knowledge of the IT market and successful experience in acquiring and integrating IT companies
  - 30+ companies or businesses acquired since 1974, including eleven companies for a total of approx. US\$610 mm, since the IPO in 2006

Year	Target	Country	Focus / Rationale	EV/Sales
2007	PROCWORK	Brazil	Establish solid footprint in Brazil Become a relevant regional SAP integrator	0.9 x
2008	red	Colombia	Establish solid footprint in Colombia Boost IT services	0.4 x
	TELSINC Collaboration Services	Brazil	Strengthen position in Brazil Expand offerings of virtualization, communication and cloud computing services	0.6 x
	KAIZEN	Brazil	Expand offerings of virtualization, communication and cloud computing services	0.4 x
2010	nextiraOne	Mexico	Strengthen position in Mexico Expand offerings of virtualization, communication and cloud computing services	n.a
	SOFTTEAM	Brazil	Enhance offerings of fiscal solutions	0.9 x
	CEITECH	Argentina	Increase presence in Argentina in IT infrastructure support Enhance geographic coverage	0.4 x
			Strengthen position in Chile and Colombia	
2011	QUINTEC	Pan-regional	Complement current offering Boost access to a growing regional retail industry	0.7 x
2012	etucid	Brazil	Strengthen solutions offering for engineering and design industry in LatAm	0.7 x
	etucid	Brazil	Enhance regional offering of solutions for the utilities industry	1.1 x
2014	CTIS	Brazil	Expertise in the public sector Strengthen position in Brazil	0.4 x

# OPPORTUNITY TO CONTINUE GROWING INVESTMENT PLAN 2016-2018



## Organic Growth

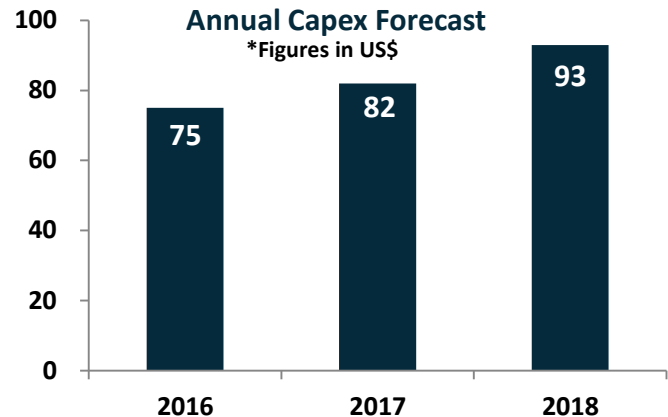
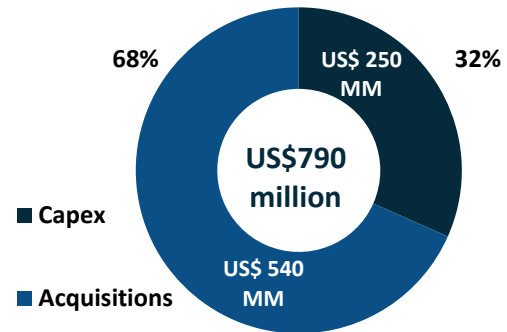
- Develop large Systems Integration and Outsourcing contracts
- Continually updating services incorporating new technologies (i.e. Cloud, SaaS/IaaS/PaaS, Mobility, IoT, Smart Cities, Big Data/Analytics)
- Verticalizing our services broadening and specializing industry specific solutions
- Strengthening Regional Competence Centers
- Expanding and strengthening our Datacenter network in Latin America

## Inorganic Growth

- Geographical: Continue consolidating in Latam, whilst emphasizing major markets
- Products: Incorporating innovative and complementary IT solutions
- Industries: Entering key vertical industries that offer growth opportunities
- Efficiency/Costs: Identifying companies with competitive costs

Total Investment Plan: **US\$790 million**

## Investment Plan Breakdown



To continue developing SONDA's strategy of profitable growth, while maintaining a solid and stable financial position and taking advantage of growth opportunities in the IT industry in the region



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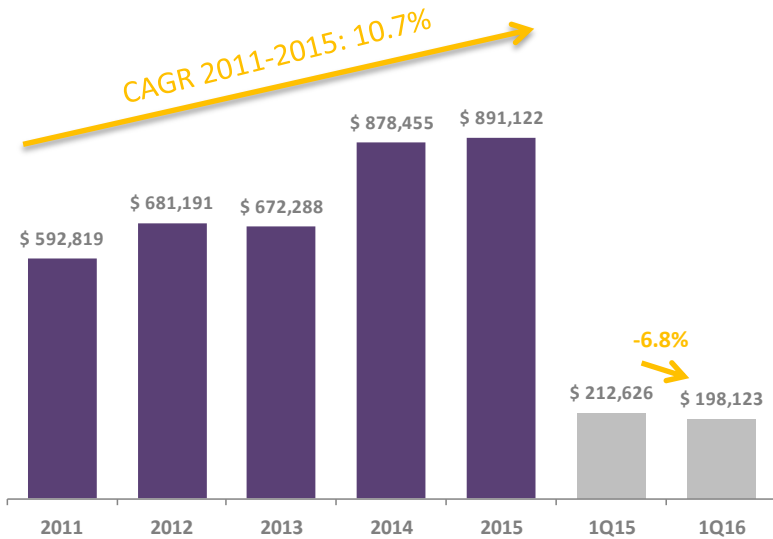
## FINANCIAL REVIEW

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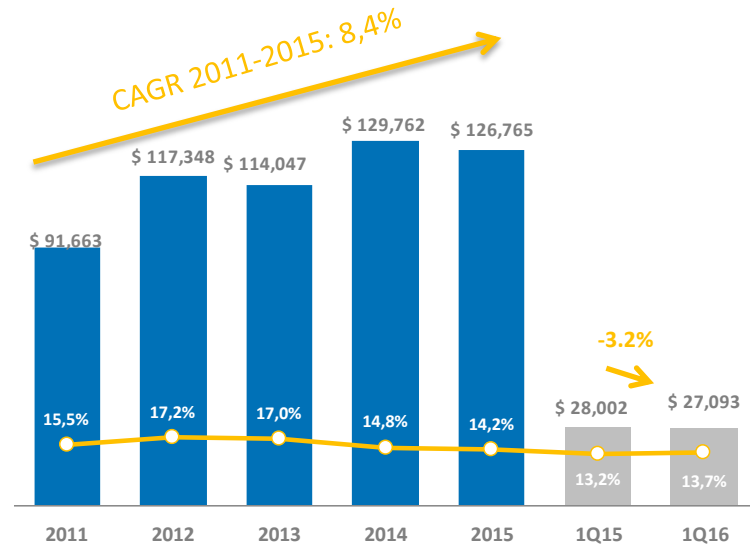
# REVENUE AND EBITDA



Consolidated Revenue (Ch\$ millions)



Consolidated EBITDA (Ch\$ millions)



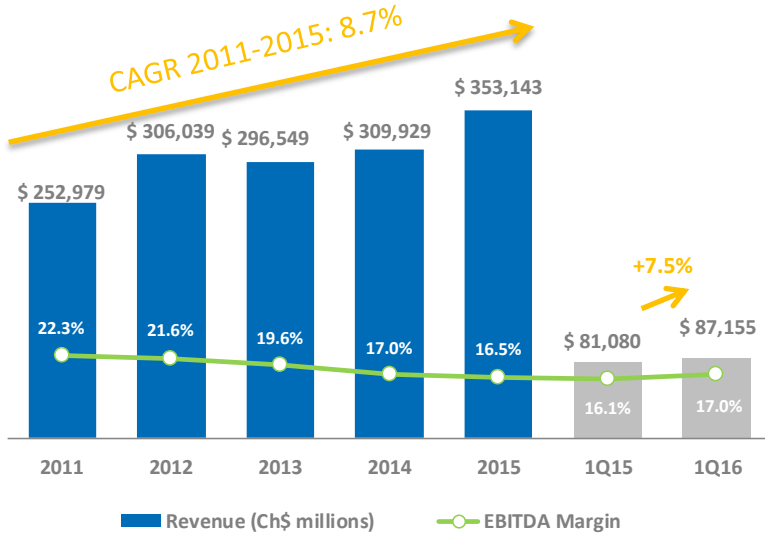
■ EBITDA (Ch\$ millions)

○ EBITDA Margin

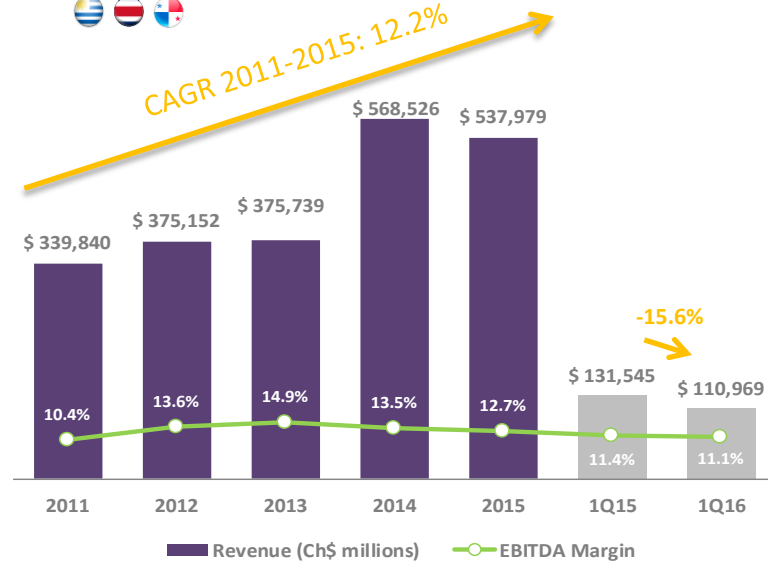
# REVENUE AND EBITDA MARGIN



Chile Revenue (Ch\$ millions)



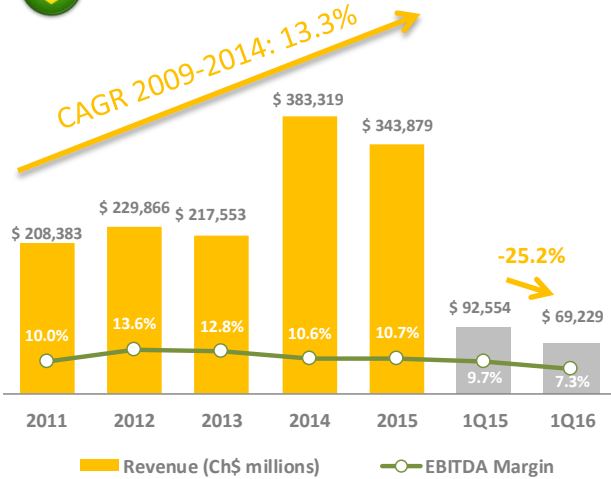
Ex-Chile Revenue (Ch\$ millions)



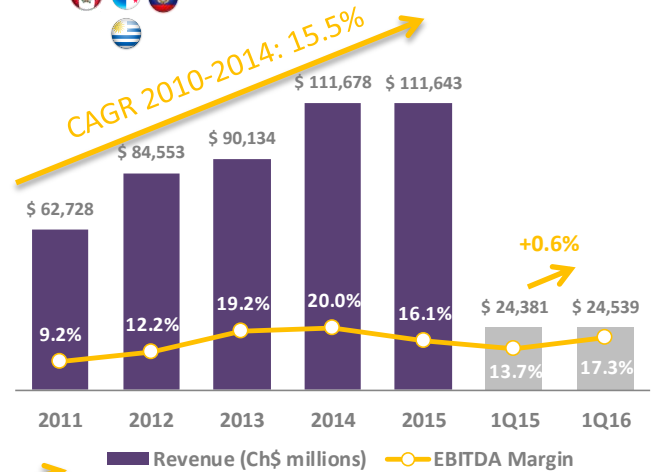
# REVENUE AND EBITDA MARGIN



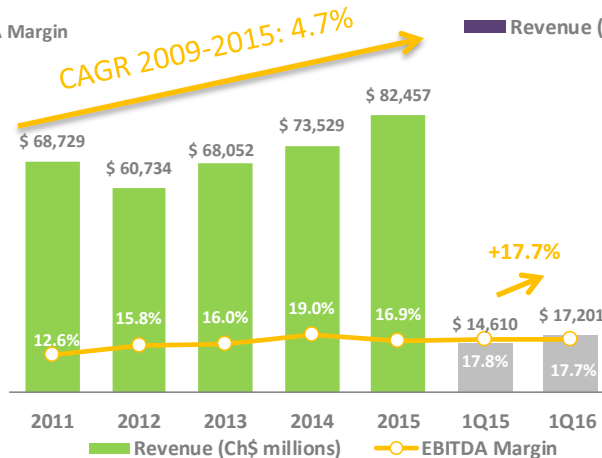
Brazil Revenue (Ch\$ millions)



OPLA Revenue (Ch\$ millions)



Mexico Revenue (Ch\$ millions)





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## APPENDIX

# SUMMARY INCOME STATEMENT



(CLP\$ millions)	Fiscal Year Ended December 31,					LTM Ended March 31,	2011-2016
	2011	2012	2013	2014	2015	2016	CAGR
REVENUES	592,819	681,191	672,288	878,455	891,122	876,619	9.6%
<i>Growth (%)</i>	33.1%	14.9%	-1.3%	30.7%	1.4%	-1.6%	
Gross Profit	124,131	146,562	142,091	157,697	171,801	172,276	8.0%
<i>Margin (%)</i>	20.9%	21.5%	21.1%	18.0%	19.3%	19.7%	
EBITDA	91,663	117,348	114,047	129,761	126,765	125,856	7.7%
<i>Margin (%)</i>	15.5%	17.2%	17.0%	14.8%	14.2%	14.4%	
<i>Growth (%)</i>	19.1%	28.0%	-2.8%	13.8%	-2.3%	-0.7%	
EBIT	68,968	85,556	83,834	88,067	93,148	92,903	7.3%
<i>Margin (%)</i>	11.6%	12.6%	12.5%	10.0%	10.5%	10.6%	
NET INCOME TO SHAREHOLDERS	39,225	45,276	66,431	47,539	42,850	52,808	7.2%
<i>Margin (%)</i>	6.6%	6.6%	9.9%	5.4%	4.8%	6.0%	
<i>Growth (%)</i>	16.9%	15.4%	46.7%	-28.4%	-9.9%	23.2%	
Reported EPS	50.9	54.0	76.3	54.6	49.2	60.6	4.2%



# SUMMARY BALANCE SHEET



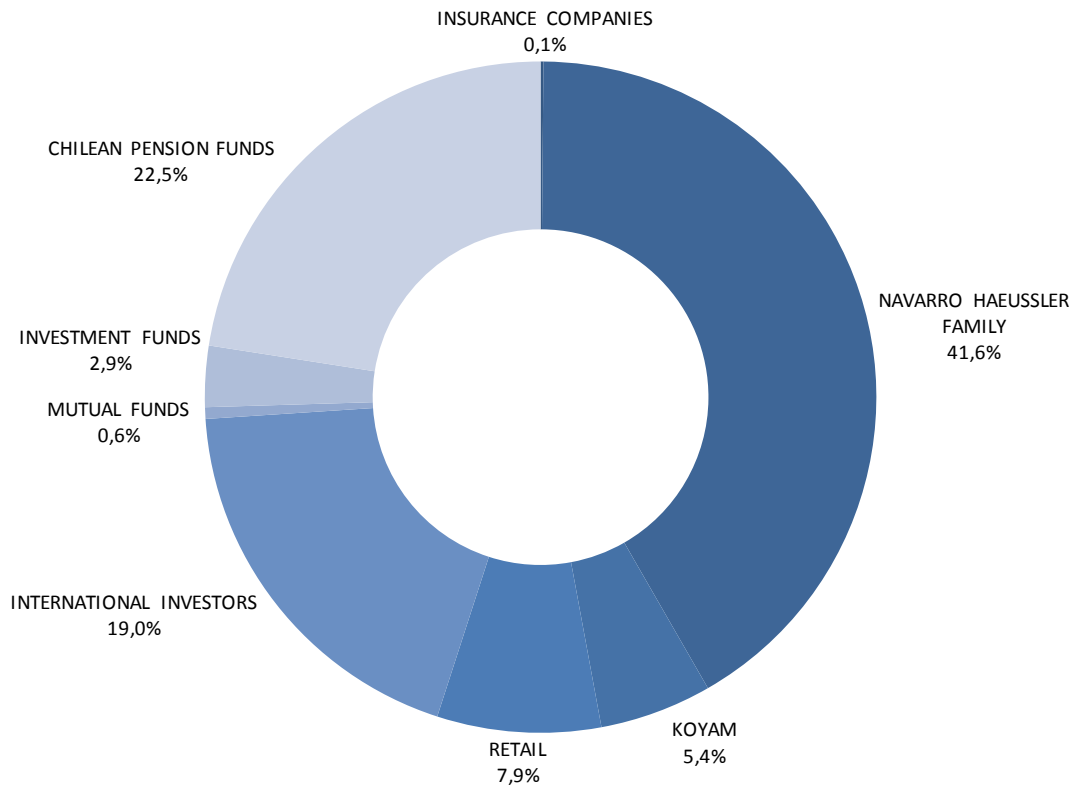
(CLP\$ millions)	Fiscal Year Ended December 31,					March 31,
	2011	2012	2013	2014	2015	2016
Cash and Equivalents	32,936	61,310	170,861	78,590	68,392	83,920
Short-term Investments	1,402	6,595	5,093	3,045	1,720	2,197
Current Accounts Receivable	177,839	173,321	145,287	226,319	235,354	188,184
PP&E	76,950	89,113	91,242	99,613	95,433	95,339
Goodwill	149,617	194,560	183,977	258,613	218,736	223,394
Other Assets	138,032	168,610	145,518	175,061	163,151	177,744
<b>ASSETS</b>	<b>576,776</b>	<b>693,509</b>	<b>741,977</b>	<b>841,242</b>	<b>782,786</b>	<b>770,778</b>
Current Accounts Payable	88,314	99,255	103,404	131,169	124,910	113,509
Total Debt	123,892	105,523	94,117	98,592	91,949	87,648
Other Liabilities	55,250	90,223	69,083	108,924	100,069	91,123
<b>LIABILITIES</b>	<b>267,455</b>	<b>295,001</b>	<b>266,604</b>	<b>338,686</b>	<b>316,928</b>	<b>292,280</b>
Minority Interest	4,109	4,737	5,347	5,920	6,839	7,275
Common Equity	305,212	393,771	470,025	496,636	459,018	471,222
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>576,776</b>	<b>693,509</b>	<b>741,977</b>	<b>841,242</b>	<b>782,786</b>	<b>770,778</b>

# SUMMARY CASH FLOW STATEMENT



(CLP\$ millions)	Fiscal Year Ended December 31,					March 31,
	2011	2012	2013	2014	2015	2016
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	33,447	89,656	93,720	66,784	51,238	31,086
Capex	(58,204)	(96,538)	(17,678)	(94,152)	(27,327)	(7,128)
Purchase of property, plant and equipment	(25,748)	(37,456)	(16,289)	(10,483)	(22,121)	(5,956)
Purchase of intangible assets	(2,112)	(3,259)	(2,805)	(1,151)	(1,818)	(105)
Net Cash flows from sale / acquire of non-controlling interests	(30,344)	(55,823)	1,416	(82,518)	(3,388)	(1,066)
Other cash receipts / payments from sales of equity or debt instru	37,574	115	26,356	238	327	(197)
Others	3,783	635	1,487	39,896	1,416	189
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(16,847)	(95,788)	10,165	(54,018)	(25,585)	(7,136)
Dividends Paid	(20,576)	(21,252)	(26,921)	(33,527)	(24,475)	(797)
Interest Paid	(3,019)	(4,821)	(1,754)	(4,110)	(5,285)	(624)
Other	15,204	67,807	33,001	(65,801)	(2,907)	(5,704)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(8,391)	41,734	4,326	(103,438)	(32,668)	(7,126)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(254)	(7,227)	1,340	(1,600)	(3,182)	(1,297)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,955	28,374	109,551	(92,271)	(10,197)	15,528
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32,936	61,310	170,861	78,590	68,392	83,920

# OWNERSHIP STRUCTURE





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