



# EARNINGS RELEASE

**2018 – 4Q18**

*January 01, 2018 –December 31, 2018*

*SONDA S.A. and subsidiaries report their consolidated financial results for the period from January 01 to December 31, 2018. 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 December 31, 2018 (1 US\$ = 694.77 Chilean Pesos).*

## EXECUTIVE SUMMARY

### SUMMARY: 2018 - 4Q18

- **CONSOLIDATED REVENUES**  
US\$1,151.7 million

- **OPERATING INCOME**  
US\$80.2 million

- **EBITDA**  
US\$131.4 million

- **NET INCOME**  
US\$15.4 million

- **EBITDA MARGIN**  
11.4%

- **NET MARGIN**  
1.3%

SONDA totaled consolidated revenues of \$800,142 million (US\$1,151.7 million) in 2018. Operating Income reached \$55,752 million (US\$80.2 million) and EBITDA registered \$91,290 million (US\$131.4 million). Net income attributable to owners totaled \$10,685 million (US\$15.4 million), influenced by negative effects of the exchange rate in US\$23.3 million.

In constant currency, revenues increased by 1.8% and EBITDA decreased by 7.4%.

Regional results:

Region	Revenues		EBITDA	
	Ch\$M	ΔY/Y	Ch\$M	ΔY/Y
Chile	368,365	0.3%	54,584	-14.4%
Brazil	228,678	-15.7%	13,931	6.9%
Mexico	66,679	-4.6%	5,457	-33.1%
OPLA	136,420	2.6%	17,319	2.0%
Total	800,142	-4.9%	91,290	-10.4%

Current Liquidity ratio was 1.4x, Financial Leverage ratio was 0.4x and Financial Expenses Coverage ratio was 6.4x, presenting a solid financial position.

Highlights:

- Operations outside Chile totaled revenues of \$431,777 million (US\$621.5 million), which represents 54.0% of the consolidated revenues, and EBITDA of \$36,707 million (US\$52.8 million). In constant currency, revenues and EBITDA grew 2.8% and 4.2% (YoY), respectively.
- In Brazil, in constant currency, revenues decreased 2.7% and EBITDA increased 23.9%, respectively. Revenues in reporting currency reached \$228,678 million (US\$329.1 million), decreasing 15.7% (YoY) and EBITDA reached \$13,931 million (US\$20.1 million), increasing by 6.9% (YoY).
- In Mexico, in constant currency, revenues and EBITDA decreased by 4.1% and 33.8%, respectively. Revenues in reporting currency reached \$66,679 million (US\$96.0 million), decreasing by 4.6% (YoY) and EBITDA totaled \$5,457 million (US\$ 7.9 million), lower by 33.1%.
- In OPLA, in constant currency, revenues and EBITDA increased by 17.8% and 7.3%, respectively. Revenues in reporting currency was \$136,420 million (US\$196.4 million), growing by 2.6% (YoY), and EBITDA \$17,319 million (US\$24.9 million), higher by 2.0% (YoY).
- In Chile, in constant currency, revenues increased 0.6% (YoY) and EBITDA decreased 14.4%. In reporting currency, revenues increased by 0.3% (YoY), totaling \$368,365 million (US\$530.2 million) and EBITDA decreased by 14.4% (YoY), reaching \$54,584 million (US\$78.6 million). Excluding the effect of the sale of Transacciones Electrónicas S.A. (Dec-17), whose results are not being consolidated since January 2018, revenues would have increased by 4.4% and EBITDA would have decreased by 1.3%.
- Net income attributable to the owners decreased 83.5% compared to 2017. This result included a negative foreign exchange effect in the determination of taxes by US\$23.3 million. In 2017, the exchange rate effect was positive by US\$14.6 million. The net effect is a negative difference of US\$37.9 million (YoY). Also, the year 2017 includes an extraordinary effect due to the sale of the interest in Transacciones Electrónicas S.A. for US\$49.3 million (US\$36.5 million after tax). Taking both effects apart, net Income would have been lower by 8.6% (YoY).
- In 2018, deals closed totaled US\$1,249.5 million. At regional level, Brazil contributed with 37.7% of business closed. OPLA's business closed highlighted, increasing by 17.2% (YoY), driven by IT Services business (+26.8%).
- Pipeline of new potential business amounted US\$3,227.3 million. Brazil contributed with US\$1,430.1 million.

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

Millions of Ch\$ (Ch\$M)				
<b>Income Statement</b>	<b>Dec-17</b>	<b>Dec-18</b>	<b>Δ \$</b>	<b>Δ %</b>
Revenues	841,541	800,142	-41,399	-4.9%
Cost of Sales	-696,329	-659,449	36,881	-5.3%
<b>GROSS PROFIT</b>	<b>145,212</b>	<b>140,693</b>	<b>-4,519</b>	<b>-3.1%</b>
Administration Expenses	-85,703	-84,941	762	-0.9%
<b>OPERATING INCOME <sup>(1)</sup></b>	<b>59,509</b>	<b>55,752</b>	<b>-3,757</b>	<b>-6.3%</b>
Depreciation and Amortization	42,400	35,538	-6,861	-16.2%
<b>EBITDA <sup>(2)</sup></b>	<b>101,909</b>	<b>91,290</b>	<b>-10,618</b>	<b>-10.4%</b>
Other Income	39,320	1,885	-37,435	-95.2%
Other Expenses	-10,678	-10,263	415	-3.9%
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>88,151</b>	<b>47,374</b>	<b>-40,777</b>	<b>-46.3%</b>
Financial Income	8,182	8,146	-36	-0.4%
Financial Expenses	-17,862	-14,157	3,705	-20.7%
Share of Profit (Loss) of Associates	164	158	-6	-3.7%
Foreign Exchange Differences	-1,681	452	2,133	-126.9%
Income (Loss) for Indexed Assets and Liabilities	42	-2,142	-2,184	-
<b>NET INCOME BEFORE TAXES</b>	<b>76,996</b>	<b>39,831</b>	<b>-37,165</b>	<b>-48.3%</b>
Income Tax Expense	-6,964	-28,713	-21,749	312.3%
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>70,032</b>	<b>11,118</b>	<b>-58,914</b>	<b>-84.1%</b>
Net Income Attributable to Minority Interest	5,136	432	-4,704	-91.6%
<b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>64,896</b>	<b>10,685</b>	<b>-54,210</b>	<b>-83.5%</b>
<b>Balance Sheet</b>	<b>Dec-17</b>	<b>Dec-18</b>	<b>Δ \$</b>	<b>Δ %</b>
Cash and Cash Equivalents	40,845	49,393	8,548	20.9%
Other Current Financial Assets	45,588	16,078	-29,511	-64.7%
Trade Accounts Receivable and Other Receivables, Net	225,160	234,279	9,120	4.1%
Accounts Receivable from Related Companies	5,712	6,486	774	13.5%
Inventories	37,703	54,685	16,981	45.0%
Other Current Assets	48,028	52,148	4,120	8.6%
<b>CURRENT ASSETS</b>	<b>403,036</b>	<b>413,069</b>	<b>10,032</b>	<b>2.5%</b>
Intangibles Assets and Goodwill	254,954	249,061	-5,893	-2.3%
Property, Plant and Equipment, Net	124,134	122,792	-1,342	-1.1%
Other Non-currents Assets	97,035	112,846	15,810	16.3%
<b>NON-CURRENT ASSETS</b>	<b>476,124</b>	<b>484,699</b>	<b>8,576</b>	<b>1.8%</b>
<b>ASSETS</b>	<b>879,160</b>	<b>897,768</b>	<b>18,608</b>	<b>2.1%</b>
Other Current Financial Liabilities	70,078	113,290	43,212	61.7%
Other Liabilities	182,820	175,910	-6,910	-3.8%
<b>CURRENT LIABILITIES</b>	<b>252,899</b>	<b>289,201</b>	<b>36,302</b>	<b>14.4%</b>
Other Non-current Financial Liabilities	102,098	70,080	-32,018	-31.4%
Other Liabilities, Non-Current	34,425	39,660	5,235	15.2%
<b>NON-CURRENT LIABILITIES</b>	<b>136,523</b>	<b>109,740</b>	<b>-26,783</b>	<b>-19.6%</b>
<b>LIABILITIES</b>	<b>389,422</b>	<b>398,941</b>	<b>9,519</b>	<b>2.4%</b>
Minority Interest	5,329	4,039	-1,290	-24.2%
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>484,409</b>	<b>494,788</b>	<b>10,379</b>	<b>2.1%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>879,160</b>	<b>897,768</b>	<b>18,608</b>	<b>2.1%</b>

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS ON 2018 CONSOLIDATED RESULTS

### I. Consolidated Results for 2018

#### Revenues

Consolidated Revenues reached \$800,142 million (US\$1,151.7 million) in 2018, lower by 4.9% (\$41,399 million / US\$59.6 million) comparing to 2017. In constant currency, revenues increased by 1.8% (YoY).

The main variations are the following:

- Decrease of 12.9% (\$59,947 million / US\$72.1 million) in revenues from IT Services, totaling \$405,004 million (US\$582.9 million) in 2018, mainly due to Brazil. In constant currency, the decrease was 4.6% (\$21,178 million / US\$30.5 million).
- Increase of 3.5% (\$11,633 million / US\$16.7 million) in Platforms revenues, reaching \$345,910 million (US\$497.9 million) in 2018, mainly due to Chile. In constant currency, the increase was 7.7% (\$25,807 million / US\$ 37.1 million).
- Increase of 16.3% (\$6,914 million / US\$10.0 million) in Applications revenues, reaching \$49,228 million (US\$70.9 million) in 2018, mainly from Brazil. In constant currency, the increase was 25.8% (\$10,905 million / US\$ 15.7 million).

In 2018, the revenue breakdown by business line was 50.6% IT Services, 43.2% Platforms and 6.2% Applications.

Figure 2 – Consolidated Revenues by Business Line

	Dec-17 Ch\$M	Dec-18 Ch\$M	Δ \$	Δ %	Dec-18A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>CONSOLIDATED REVENUES BY BUSINESS LINE</b>							
Platforms	334,277	345,910	11,633	3.5%	360,084	25,807	7.7%
IT Services	464,951	405,004	-59,947	-12.9%	443,773	-21,178	-4.6%
Applications	42,313	49,228	6,914	16.3%	53,218	10,905	25.8%
<b>Total</b>	<b>841,541</b>	<b>800,142</b>	<b>-41,399</b>	<b>-4.9%</b>	<b>857,075</b>	<b>15,534</b>	<b>1.8%</b>
<b>Breakdown</b>							
Platforms	39.7%	43.2%			42.0%		
IT Services	55.3%	50.6%			51.8%		
Applications	5.0%	6.2%			6.2%		
<b>Total</b>	<b>100%</b>	<b>100%</b>			<b>100%</b>		

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

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

Cost of sales amounted \$659,449 million (US\$949.2 million) in 2018, decreasing by 5.3% (YoY), comparing to 2017, in line with revenues variations.

Administration expenses were \$84,941 million (US\$122.3 million) in 2018, lower by 0.9% (YoY).

Figure 3 – Income Statement

	Dec-17 Ch\$M	Dec-18 Ch\$M	Δ \$	Δ %	Dec-18A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b>							
Revenues	841,541	800,142	-41,399	-4.9%	857,075	15,534	1.8%
Cost of Sales	-696,329	-659,449	36,881	-5.3%	-710,661	-14,332	2.1%
<b>GROSS PROFIT</b>	<b>145,212</b>	<b>140,693</b>	<b>-4,519</b>	<b>-3.1%</b>	<b>146,414</b>	<b>1,202</b>	<b>0.8%</b>
Administration Expenses	-85,703	-84,941	762	-0.9%	-90,229	-4,526	5.3%
<b>OPERATING INCOME <sup>(1)</sup></b>	<b>59,509</b>	<b>55,752</b>	<b>-3,757</b>	<b>-6.3%</b>	<b>56,185</b>	<b>-3,324</b>	<b>-5.6%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>101,909</b>	<b>91,290</b>	<b>-10,618</b>	<b>-10.4%</b>	<b>94,352</b>	<b>-7,556</b>	<b>-7.4%</b>
<b>NET INCOME ATTRIBUTABLE TO OWNERS</b>	<b>64,896</b>	<b>10,685</b>	<b>-54,210</b>	<b>-83.5%</b>	<b>8,407</b>	<b>-56,489</b>	<b>-87.0%</b>
<b>Financial Ratios</b>							
Gross Margin	17.3%	17.6%			17.1%		
Operating Margin	7.1%	7.0%			6.6%		
EBITDA Margin	12.1%	11.4%			11.0%		
Net Margin	7.7%	1.3%			1.0%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to results in constant currency for the period 2018.

### Operating Income and EBITDA

Operating Income reached \$55,752 million (US\$80.2 million), lower by 6.3% (YoY). Gross Margin was 17.6%, 30 bp higher (YoY), and Operating Margin was 7.0%, lower by 10 bp (YoY). In constant currency, the Operating Income was 5.6% lower.

EBITDA totaled \$91,290 million (US\$131.4 million) in 2018, decreasing 10.4% comparing to 2017. In constant currency, EBITDA decreased by 7.4%. Excluding the effect of the sale of the subsidiary Transacciones Electrónicas S.A., sold in December, 2017 and whose results are not being consolidated since January 2018, EBITDA would have decreased 2.3%.

The EBITDA Margin reached 11.4%, lower by 70bp (YoY).

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

Other comprehensive income/losses<sup>1</sup>, excluding Administration expenses registered a loss of \$15,921 million (US\$22.9 million) in 2018, compared to the profit of \$17,487 million (US\$25.2 million) in 2017. The main variations were: a decrease in Other Income (\$37,435 million / US\$53.9 million), and a decrease in Net Financial Costs (\$3,669 million / US\$5.3 million).

Other Income decreased mainly due to the sale of the interest in the subsidiary Transacciones Electrónicas S.A. in December 2017 (\$34,242 million / US\$49.3 million, before tax).

### Net Income

Net Income attributable to the owners of the company amounted \$10,685 million (US\$15.4 million), 83.5% lower than that obtained in 2017. This result includes a negative effect over tax (US\$23.3 million) due to exchange rate variations. In 2017, the same exchange rate effect was positive and amounted US\$14.6 million. The net variation of both effects has a negative impact of US\$37.9 million (YoY). Additionally, the Net Income in 2017 included the effect of the sale of the interest in Transacciones Electronicas S.A. (US\$36.5 million after taxes). Taking both effects apart, net income would have been lower by 8.6% (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.

## II. Consolidated Results for the fourth quarter of 2018 (4Q18)

### Revenues

Consolidated Revenues reached \$229,736 million (US\$330.7 million) in 4Q18, higher by 0.5% than in 4Q17 (\$1,084 million / US\$1.6 million). In constant currency, revenues grew by 5.5% (YoY).

The main variations are:

- Increase of 12.7% (+\$12,188 million / US\$17.5 million) in revenues from Platforms, totaling \$108,340 million (US\$155.9 million), mainly explained by Brazil and Chile.
- Decrease of 10.3% (-\$12,328 million / US\$17.7 million) in revenues from IT Services, reaching \$107,890 million (US\$155.3 million), mainly due to Brazil and Chile.
- Increase of 10.0% (+\$1,224 million / US\$1.8 million) in revenues from Applications, reaching \$13,507 million (US\$19.4 million), mainly driven by Brazil and Chile.

In the fourth quarter of 2018, the revenue breakdown by business was 47.1% Platforms, 47.0% IT Services and 5.9% Applications.

Figure 4 – Consolidated Revenues by Business Line

	4Q17 Ch\$M	4Q18 Ch\$M	Δ \$	Δ %	4Q18A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>CONSOLIDATED REVENUES BY BUSINESS LINE</b>							
Platforms	96,152	108,340	12,188	12.7%	109,524	13,372	13.9%
IT Services	120,218	107,890	-12,328	-10.3%	117,692	-2,526	-2.1%
Applications	12,283	13,507	1,224	10.0%	14,081	1,798	14.6%
<b>Total</b>	<b>228,653</b>	<b>229,736</b>	<b>1,084</b>	<b>0.5%</b>	<b>241,297</b>	<b>12,645</b>	<b>5.5%</b>
<b>Breakdown</b>							
Platforms	42.0%	47.1%			45.4%		
IT Services	52.6%	47.0%			48.8%		
Applications	5.4%	5.9%			5.8%		
<b>Total</b>	<b>100%</b>	<b>100%</b>			<b>100%</b>		

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

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

Cost of sales amounted \$186,022 million (US\$267.7 million) in the 4Q18, decreasing by 0.1% (YoY).

Administration expenses were \$23,147 million (US\$33.3 million) in 4Q18, higher by 8.3% (YoY).

Figure 5 – Income Statement

	4Q17	4Q18	Δ \$	Δ %	4Q18A	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b>							
Revenues	228,653	229,736	1,084	0.5%	241,297	12,645	5.5%
Cost of Sales	-186,153	-186,022	131	-0.1%	-196,445	-10,291	5.5%
<b>GROSS PROFIT</b>	<b>42,499</b>	<b>43,714</b>	<b>1,215</b>	<b>2.9%</b>	<b>44,853</b>	<b>2,353</b>	<b>5.5%</b>
Administration Expenses	-21,377	-23,147	-1,770	8.3%	-24,176	-2,799	13.1%
<b>OPERATING INCOME <sup>(1)</sup></b>	<b>21,122</b>	<b>20,567</b>	<b>-555</b>	<b>-2.6%</b>	<b>20,677</b>	<b>-445</b>	<b>-2.1%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>32,146</b>	<b>28,911</b>	<b>-3,235</b>	<b>-10.1%</b>	<b>29,372</b>	<b>-2,773</b>	<b>-8.6%</b>
<b>NET INCOME ATTRIBUTABLE TO OWNERS</b>	<b>40,893</b>	<b>3,747</b>	<b>-37,146</b>	<b>-90.8%</b>	<b>2,592</b>	<b>-38,301</b>	<b>-93.7%</b>
<b>Financial Ratios</b>							
Gross Margin	18.6%	19.0%			18.6%		
Operating Margin	9.2%	9.0%			8.6%		
EBITDA Margin	14.1%	12.6%			12.2%		
Net Margin	17.9%	1.6%			1.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

### Operating Income and EBITDA

Operating income amounted \$20,567 million (US\$29.6 million), lower by 2.6% (YoY). Gross Margin was 19.0%, 40bp higher (YoY), and Operating Margin was 9.0%, lower by 20bp comparing to 4Q17. In constant currency, the Operating Income was 2.1% lower.

EBITDA totaled \$28,911 million (US\$41.6 million), representing a decrease of 10.1% (YoY). In constant currency, EBITDA decreased by 8.6%. The EBITDA Margin reached 12.6%, lower by 150 bp (YoY) comparing to 4Q17.

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

Total Other comprehensive income / losses, excluding Administration expenses, registered a loss of \$5,455 million (US\$7.9 million) in 4Q18, compared to the gain of \$28,867 million (US\$41.5 million) amounted in 4Q17. The latter was a consequence of lower Other Income (-\$37.104 million / US\$53.4 million) in 4Q18, explained by the sale of Transacciones Electrónicas S.A. that contributed to the higher Other Income of 4Q17.

### Net Income

Net income attributable to the owners of the company amounted \$3,747 million (US\$5.4 million) in 4Q18, 90.8% lower than in 4Q17. The latter includes a negative effect over tax (US\$9.9 million) due to exchange rate variations. In 2017, the same exchange rate effect was positive and amounted US\$6.2 million. The net variation of both effects has a negative impact of US\$16.1 million (YoY). Additionally, the Net Income in 2017 included the effect of the sale of the interest in Transacciones Electronicas S.A. (US\$36.5 million after taxes). Taking both effects apart, net income would have been lower by 5.1% (YoY).

### III. Regional Results for 2018 and the fourth quarter of 2018 (4Q18)

#### Chile

Main changes between 2018 and 2017 are described below:

- Revenues reached \$368,365 million (US\$530.2 million), increasing by 0.3% (YoY). The decrease in revenues from IT Services (-8.7%) is explained by the sale of the interest in Transacciones Electrónicas S.A. in Dec-17, whose results are not being consolidated sin January 2018 (-\$14,472 million / -US\$20.8 million). In constant currency and excluding the effect of the sale of Transacciones Electrónicas S.A., revenues would have grown 4.7%.
- Operating Income totaled \$42,050 million (US\$60.5 million / -15.5% YoY) and EBITDA registered \$54,584 million (US\$78.6 million / -14.4% YoY), a decrease mainly explained by the divestiture of Transacciones Electrónicas S.A. (EBITDA - \$8,445 million / -US\$12.2 million).
- Operating Margin reached 11.4% and EBITDA margin was 14.8%, lower by 210bp and 250bp, respectively, compared to 2017.

Figure 6 – Business in Chile

	Dec-17 Ch\$M	Dec-18 Ch\$M	Δ \$	Δ %	Dec-18A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>SUMMARY OF RESULTS CHILE</b>							
REVENUES	367,446	368,365	919	0.3%	369,578	2,132	0.6%
Platforms	205,940	217,307	11,367	5.5%	218,494	12,554	6.1%
IT Services	143,411	130,867	-12,543	-8.7%	130,893	-12,518	-8.7%
Applications	18,095	20,191	2,096	11.6%	20,191	2,096	11.6%
Cost of Sales	-275,946	-283,535	-7,588	2.7%	-284,652	-8,705	3.2%
GROSS PROFIT	91,500	84,830	-6,669	-7.3%	84,927	-6,573	-7.2%
Administration Expenses	-41,754	-42,780	-1,026	2.5%	-42,877	-1,123	2.7%
OPERATING INCOME <sup>(1)</sup>	49,746	42,050	-7,696	-15.5%	42,050	-7,696	-15.5%
EBITDA <sup>(2)</sup>	63,743	54,584	-9,159	-14.4%	54,590	-9,153	-14.4%
Operating Margin	13.5%	11.4%			11.4%		
EBITDA Margin	17.3%	14.8%			14.8%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

Main changes between 4Q18 and 4Q17 are described below:

- Revenues totaled \$107,939 million (US\$155.4 million), showing an increase of 3.6% (YoY), mainly explained by higher revenues from Platforms (+11.1%). IT Services registered a decrease of 9.2% as a consequence of the sale of the interest in Transacciones Electronicas S.A. (Dec-17). In reporting currency, excluding the latter effect, revenues would have grown 7.4%.
- Operating Income totaled \$14,209 million (US\$20.5 million / -13.6% YoY) and EBITDA totaled \$16,846 million (US\$24.2 million / -15.8% YoY), mainly explained by the divestiture of Transacciones Electronicas S.A.
- Operating Margin reached 13.2% and EBITDA Margin was 15.6%, 260bp and 360bp lower than in the same period of 2017, respectively.



Figure 7 – Business in Chile  
4Q17 – 4Q18

	4Q17	4Q18	Δ \$	Δ %	4Q18A	Δ \$ (t/t)	Δ % (t/t)
	Ch\$M	Ch\$M			Ch\$M	0	0
<b>SUMMARY OF RESULTS CHILE</b>							
REVENUES	104,171	107,939	3,768	3.6%	105,473	1,302	1.2%
Platforms	59,566	66,155	6,588	11.1%	63,725	4,158	7.0%
IT Services	38,840	35,276	-3,564	-9.2%	35,240	-3,600	-9.3%
Applications	5,765	6,508	744	12.9%	6,508	744	12.9%
Cost of Sales	-76,606	-81,845	-5,239	6.8%	-79,610	-3,004	3.9%
GROSS PROFIT	27,565	26,094	-1,471	-5.3%	25,863	-1,702	-6.2%
Administration Expenses	-11,120	-11,885	-765	6.9%	-11,752	-632	5.7%
OPERATING INCOME <sup>(1)</sup>	16,445	14,209	-2,236	-13.6%	14,111	-2,334	-14.2%
<b>EBITDA <sup>(2)</sup></b>	<b>19,997</b>	<b>16,846</b>	<b>-3,151</b>	<b>-15.8%</b>	<b>16,734</b>	<b>-3,263</b>	<b>-16.3%</b>
Operating Margin	15.8%	13.2%			13.4%		
EBITDA Margin	19.2%	15.6%			15.9%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

## Brazil

Main changes between 2018 and 2017 are described below:

- Revenues in constant currency decreased by 2.7%, mainly explained by lower revenues from IT services, due to some contracts endings. In reporting currency, revenues reached \$228,678 million (US\$329.1 million), 15.7% lower than in 2017.
- In constant currency, Operating Income and EBITDA were 82.8% and 23.9% higher (YoY), respectively. Operating income in reporting currency was negative in \$1,167 million (-US\$1.7 million / + 84.3% YoY) and EBITDA was \$13,931 million (US\$20.1 million / +6.9% YoY).
- Operating Margin was -0.5% and EBITDA Margin reached 6.1%, higher by 220bp and 130bp, compared to 2017, respectively.

Figure 8 – Business in Brazil  
2017 – 2018

	Dec-17	Dec-18	Δ \$	Δ %	Dec-18A	Δ \$ (a/a)	Δ % (a/a)
	Ch\$M	Ch\$M			Ch\$M		
<b>SUMMARY OF RESULTS BRAZIL</b>							
REVENUES	271,216	228,678	-42,538	-15.7%	263,826	-7,390	-2.7%
Platforms	40,943	46,547	5,604	13.7%	53,520	12,577	30.7%
IT Services	210,312	156,860	-53,451	-25.4%	181,117	-29,195	-13.9%
Applications	19,961	25,270	5,309	26.6%	29,188	9,227	46.2%
Cost of Sales	-253,956	-207,335	46,620	-18.4%	-239,175	14,780	-5.8%
GROSS PROFIT	17,260	21,342	4,082	23.7%	24,650	7,390	42.8%
Administration Expenses	-24,692	-22,510	2,182	-8.8%	-25,931	-1,238	5.0%
OPERATING INCOME <sup>(1)</sup>	-7,432	-1,167	6,265	84.3%	-1,280	6,152	82.8%
<b>EBITDA <sup>(2)</sup></b>	<b>13,036</b>	<b>13,931</b>	<b>896</b>	<b>6.9%</b>	<b>16,146</b>	<b>3,110</b>	<b>23.9%</b>
Operating Margin	-2.7%	-0.5%			-0.5%		
EBITDA Margin	4.8%	6.1%			6.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

Main changes between 4Q18 and 4Q17, are described below:

- Revenues in constant currency increased 8.0%, driven by higher revenues in Platforms and Applications. In reporting currency, revenues reached \$64,545 million (US\$92.9 million), 1.5% lower than 4Q17.
- In constant currency, Operating Income and EBITDA were 771.4% and 23.9% higher (YoY), respectively. Operating Income in reporting currency amounted \$1,719 million (US\$2.5 million / + 705.4% YoY) and EBITDA was \$5,594 million (US\$8.1 million/ +12.7% YoY).
- Operating Margin and EBITDA Margin were 2.7% and 8.7%, higher by 310bp and 110bp, respectively, compared to the same period of 2017.

	4Q17	4Q18	Δ \$	Δ %	4Q18A	Δ \$ (t/t)	Δ % (t/t)
	Ch\$M	Ch\$M			Ch\$M		
<b>SUMMARY OF RESULTS BRAZIL</b>							
REVENUES	65,500	64,545	-955	-1.5%	70,753	5,254	8.0%
Platforms	10,722	17,496	6,775	63.2%	19,161	8,439	78.7%
IT Services	49,496	40,893	-8,603	-17.4%	44,842	-4,654	-9.4%
Applications	5,282	6,155	873	16.5%	6,751	1,468	27.8%
Cost of Sales	-61,516	-56,709	4,807	-7.8%	-62,139	-623	1.0%
GROSS PROFIT	3,983	7,835	3,852	96.7%	8,614	4,631	116.3%
Administration Expenses	-4,267	-6,116	-1,849	43.3%	-6,707	-2,440	57.2%
OPERATING INCOME <sup>(1)</sup>	-284	1,719	2,004	705.4%	1,907	2,191	771.4%
<b>EBITDA <sup>(2)</sup></b>	<b>4,965</b>	<b>5,594</b>	<b>629</b>	<b>12.7%</b>	<b>6,152</b>	<b>1,187</b>	<b>23.9%</b>
Operating Margin	-0.4%	2.7%			2.7%		
EBITDA Margin	7.6%	8.7%			8.7%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

## Mexico

Main changes between 2018 and 2017 are described below:

- In constant currency, revenues decreased 4.1% (YoY) in 2018, mainly explained by IT Services business. In reporting currency, revenues decreased by 4.6% compared to 2017, totaling \$66,679 million (US\$ 96.0 million).
- In reporting currency, Operating Income amounted \$4,078 million (US\$5.9 million) and EBITDA totaled \$5,457 million (US\$7.9 million), representing a decrease of 37.7% and 33.1% (YoY), respectively. The latter is a consequence of lower revenues from the IT Services business, some contracts that were not renewed and lower demand of services. In constant currency, Operating Income and EBITDA decreased by 39.1% and 33.8%, respectively (YoY).
- Operating Margin reached 6.1% and EBITDA Margin was 8.2%, lower by 330bp and 350bp, respectively, compared to 2017.

Figure 10 – Business in Mexico  
2017 – 2018

	Dec-17	Dec-18	Δ \$	Δ %	Dec-18A	Δ \$ (a/a)	Δ % (a/a)
	Ch\$M	Ch\$M			Ch\$M		
<b>SUMMARY OF RESULTS MEXICO</b>							
REVENUES	69,925	66,679	-3,246	-4.6%	67,037	-2,889	-4.1%
Platforms	33,052	33,458	406	1.2%	33,349	297	0.9%
IT Services	36,874	33,221	-3,652	-9.9%	33,688	-3,186	-8.6%
Applications	-	-	-	-	-	-	-
Cost of Sales	-56,664	-56,429	235	-0.4%	-56,690	-25	0.0%
GROSS PROFIT	13,261	10,250	-3,011	-22.7%	10,347	-2,914	-22.0%
Administration Expenses	-6,711	-6,172	539	-8.0%	-6,355	356	-5.3%
OPERATING INCOME <sup>(1)</sup>	6,551	4,078	-2,472	-37.7%	3,992	-2,559	-39.1%
<b>EBITDA <sup>(2)</sup></b>	<b>8,153</b>	<b>5,457</b>	<b>-2,696</b>	<b>-33.1%</b>	<b>5,400</b>	<b>-2,753</b>	<b>-33.8%</b>
Operating Margin	9.4%	6.1%			6.0%		
EBITDA Margin	11.7%	8.2%			8.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

Main changes between 4Q18 and 4Q17 are described below:

- In constant currency, revenues decreased 4.6% (YoY) due to lower sales in the platform business and IT Services. In reporting currency, revenues increased by 1.8% comparing to the 4Q17, totaling \$18,298 million (US\$26.3 million).

- In reporting currency, Operating Income amounted \$1,406 million (US\$2.0 million) and EBITDA totaled \$1,726 million (US\$2.5 million), representing an increase of 228.0% and 143.3% (YoY), respectively. In constant currency, Operating Income and EBITDA increased by 207.5% and 129.0% (YoY), respectively.
- Operating Margin reached 7.7% and EBITDA Margin was 9.4%, higher by 530bp and 550bp, respectively, compared to 4Q17.

Figure 11 – Business in Mexico  
4Q17 – 4Q18

	4Q17	4Q18	Δ \$	Δ %	4Q18A	Δ \$ (t/t)	Δ % (t/t)
	Ch\$M	Ch\$M			Ch\$M		
<b>SUMMARY OF RESULTS MEXICO</b>							
REVENUES	17,981	18,298	316	1.8%	17,155	-827	-4.6%
Platforms	8,829	9,066	237	2.7%	8,472	-358	-4.1%
IT Services	9,152	9,231	79	0.9%	8,683	-469	-5.1%
Applications	-	-	-	-	-	-	-
Cost of Sales	-15,625	-15,548	77	-0.5%	-14,570	1,055	-6.8%
GROSS PROFIT	2,357	2,750	393	16.7%	2,585	228	9.7%
Administration Expenses	-1,928	-1,344	584	-30.3%	-1,266	662	-34.3%
OPERATING INCOME <sup>(1)</sup>	429	1,406	977	228.0%	1,318	890	207.5%
<b>EBITDA <sup>(2)</sup></b>	<b>710</b>	<b>1,726</b>	<b>1,017</b>	<b>143.3%</b>	<b>1,625</b>	<b>915</b>	<b>129.0%</b>
Operating Margin	2.4%	7.7%			7.7%		
EBITDA Margin	3.9%	9.4%			9.5%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

### OPLA (Other Countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 2018 and 2017 are described below:

- In constant currency, revenues increased 17.8% compared to 2017. Revenues in reporting currency increased 2.6% (YoY), reaching \$136,420 million (US\$196.4 million) in 2018.
- Operating Income and EBITDA, in constant currency, increased 7.3%. In reporting currency, the Operating Income totaled \$10,790 million (US\$15.5 million) and EBITDA \$17,319 million (US\$24.9 million), growing by 1.4% and 2.0% (YoY), respectively.
- Operating Margin reached 7.9% and EBITDA Margin was 12.7%, lower than 2017 by 10bp, respectively.

Figure 12 – Business in OPLA  
2017 – 2018

	Dec-17	Dec-18	Δ \$	Δ %	Dec-18A	Δ \$ (a/a)	Δ % (a/a)
	Ch\$M	Ch\$M			Ch\$M		
<b>SUMMARY OF RESULTS OPLA</b>							
REVENUES	132,954	136,420	3,466	2.6%	156,634	23,681	17.8%
Platforms	54,342	48,598	-5,744	-10.6%	54,721	379	0.7%
IT Services	74,355	84,055	9,700	13.0%	98,075	23,720	31.9%
Applications	4,257	3,766	-490	-11.5%	3,838	-419	-9.8%
Cost of Sales	-109,763	-112,150	-2,387	2.2%	-130,145	-20,382	18.6%
GROSS PROFIT	23,191	24,270	1,079	4.7%	26,490	3,299	14.2%
Administration Expenses	-12,546	-13,480	-933	7.4%	-15,067	-2,520	20.1%
OPERATING INCOME <sup>(1)</sup>	10,644	10,790	146	1.4%	11,423	779	7.3%
<b>EBITDA <sup>(2)</sup></b>	<b>16,977</b>	<b>17,319</b>	<b>342</b>	<b>2.0%</b>	<b>18,216</b>	<b>1,239</b>	<b>7.3%</b>
Operating Margin	8.0%	7.9%			7.3%		
EBITDA Margin	12.8%	12.7%			11.6%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 4Q18 and 4Q17 are described below:

- In constant currency, revenues increased 16.9% in 4Q18 compared to 4Q17. Revenues in reporting currency reached \$38,955 million (US\$56.1 million).
- In constant currency, Operating Income decreased by 26.3% and EBITDA by 24.9%. In reporting currency, the Operating Income reached \$3,233 million (US\$4.7 million) and EBITDA \$4,744 million (US\$6.8 million), decreasing by 28.7% and by 26.7% (YoY), respectively.
- Operating Margin reached 8.3% and EBITDA Margin was 12.2%, lower by 280bp and 360bp, respectively, compared to 4Q17.

Figure 13 – Business in OPLA  
4Q17 – 4Q18

	4Q17 Ch\$M	4Q18 Ch\$M	Δ \$	Δ %	4Q18A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>SUMMARY OF RESULTS OPLA</b>							
REVENUES	41,000	38,955	-2,045	-5.0%	47,916	6,916	16.9%
Platforms	17,034	15,623	-1,412	-8.3%	18,167	1,133	6.7%
IT Services	22,729	22,490	-240	-1.1%	28,927	6,197	27.3%
Applications	1,236	843	-393	-31.8%	822	-414	-33.5%
Cost of Sales	-32,406	-31,920	486	-1.5%	-40,126	-7,720	23.8%
GROSS PROFIT	8,594	7,035	-1,559	-18.1%	7,791	-804	-9.4%
Administration Expenses	-4,062	-3,802	260	-6.4%	-4,451	-389	9.6%
OPERATING INCOME <sup>(1)</sup>	4,532	3,233	-1,299	-28.7%	3,340	-1,192	-26.3%
<b>EBITDA <sup>(2)</sup></b>	<b>6,474</b>	<b>4,744</b>	<b>-1,730</b>	<b>-26.7%</b>	<b>4,862</b>	<b>-1,612</b>	<b>-24.9%</b>
Operating Margin	11.1%	8.3%			7.0%		
EBITDA Margin	15.8%	12.2%			10.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** 4Q18A corresponds to revenues in constant currency for the period 2018.

Figure 14 – Regional Summary

Regional Summary	Dec-17 Ch\$M	Dec-18 Ch\$M	Δ \$	Δ %	Dec-18A Ch\$M	Δ \$ (a/a)	Δ % (a/a)
<b>CHILE</b>							
REVENUES	367,446	368,365	919	0.3%	369,578	2,132	0.6%
Platforms	205,940	217,307	11,367	5.5%	218,494	12,554	6.1%
IT Services	143,411	130,867	-12,543	-8.7%	130,893	-12,518	-8.7%
Applications	18,095	20,191	2,096	11.6%	20,191	2,096	11.6%
Cost of Sales	-275,946	-283,535	-7,588	2.7%	-284,652	-8,705	3.2%
GROSS PROFIT	91,500	84,830	-6,669	-7.3%	84,927	-6,573	-7.2%
Administration Expenses	-41,754	-42,780	-1,026	2.5%	-42,877	-1,123	2.7%
OPERATING INCOME <sup>(1)</sup>	49,746	42,050	-7,696	-15.5%	42,050	-7,696	-15.5%
<b>EBITDA <sup>(2)</sup></b>	<b>63,743</b>	<b>54,584</b>	<b>-9,159</b>	<b>-14.4%</b>	<b>54,590</b>	<b>-9,153</b>	<b>-14.4%</b>
Operating Margin	13.5%	11.4%			11.4%		
EBITDA Margin	17.3%	14.8%			14.8%		
<b>BRAZIL</b>							
REVENUES	271,216	228,678	-42,538	-15.7%	263,826	-7,390	-2.7%
Platforms	40,943	46,547	5,604	13.7%	53,520	12,577	30.7%
IT Services	210,312	156,860	-53,451	-25.4%	181,117	-29,195	-13.9%
Applications	19,961	25,270	5,309	26.6%	29,188	9,227	46.2%
Cost of Sales	-253,956	-207,335	46,620	-18.4%	-239,175	14,780	-5.8%
GROSS PROFIT	17,260	21,342	4,082	23.7%	24,650	7,390	42.8%
Administration Expenses	-24,692	-22,510	2,182	-8.8%	-25,931	-1,238	5.0%
OPERATING INCOME <sup>(1)</sup>	-7,432	-1,167	6,265	84.3%	-1,280	6,152	82.8%
<b>EBITDA <sup>(2)</sup></b>	<b>13,036</b>	<b>13,931</b>	<b>896</b>	<b>6.9%</b>	<b>16,146</b>	<b>3,110</b>	<b>23.9%</b>
Operating Margin	-2.7%	-0.5%			-0.5%		
EBITDA Margin	4.8%	6.1%			6.1%		
<b>MEXICO</b>							
REVENUES	69,925	66,679	-3,246	-4.6%	67,037	-2,889	-4.1%
Platforms	33,052	33,458	406	1.2%	33,349	297	0.9%
IT Services	36,874	33,221	-3,652	-9.9%	33,688	-3,186	-8.6%
Applications	0	0	0 -		0	0 -	
Cost of Sales	-56,664	-56,429	235	-0.4%	-56,690	-25	0.0%
GROSS PROFIT	13,261	10,250	-3,011	-22.7%	10,347	-2,914	-22.0%
Administration Expenses	-6,711	-6,172	539	-8.0%	-6,355	356	-5.3%
OPERATING INCOME <sup>(1)</sup>	6,551	4,078	-2,472	-37.7%	3,992	-2,559	-39.1%
<b>EBITDA <sup>(2)</sup></b>	<b>8,153</b>	<b>5,457</b>	<b>-2,696</b>	<b>-33.1%</b>	<b>5,400</b>	<b>-2,753</b>	<b>-33.8%</b>
Operating Margin	9.4%	6.1%			6.0%		
EBITDA Margin	11.7%	8.2%			8.1%		
<b>OPLA</b>							
REVENUES	132,954	136,420	3,466	2.6%	156,634	23,681	17.8%
Platforms	54,342	48,598	-5,744	-10.6%	54,721	379	0.7%
IT Services	74,355	84,055	9,700	13.0%	98,075	23,720	31.9%
Applications	4,257	3,766	-490	-11.5%	3,838	-419	-9.8%
Cost of Sales	-109,763	-112,150	-2,387	2.2%	-130,145	-20,382	18.6%
GROSS PROFIT	23,191	24,270	1,079	4.7%	26,490	3,299	14.2%
Administration Expenses	-12,546	-13,480	-933	7.4%	-15,067	-2,520	20.1%
OPERATING INCOME <sup>(1)</sup>	10,644	10,790	146	1.4%	11,423	779	7.3%
<b>EBITDA <sup>(2)</sup></b>	<b>16,977</b>	<b>17,319</b>	<b>342</b>	<b>2.0%</b>	<b>18,216</b>	<b>1,239</b>	<b>7.3%</b>
Operating Margin	8.0%	7.9%			7.3%		
EBITDA Margin	12.8%	12.7%			11.6%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

**Note:** Dec-18A corresponds to revenues in constant currency for the period 2018.

Figure 15 – Regional Summary 4Q17-4Q18

Regional Summary	4Q17 Ch\$M	4Q18 Ch\$M	Δ \$	Δ %	4Q18A Ch\$M	Δ \$ (t/t)	Δ % (t/t)
<b>CHILE</b>							
REVENUES	104,171	107,939	3,768	3.6%	105,473	1,302	1.2%
Platforms	59,566	66,155	6,588	11.1%	63,725	4,158	7.0%
IT Services	38,840	35,276	-3,564	-9.2%	35,240	-3,600	-9.3%
Applications	5,765	6,508	744	12.9%	6,508	744	12.9%
Cost of Sales	-76,606	-81,845	-5,239	6.8%	-79,610	-3,004	3.9%
GROSS PROFIT	27,565	26,094	-1,471	-5.3%	25,863	-1,702	-6.2%
Administration Expenses	-11,120	-11,885	-765	6.9%	-11,752	-632	5.7%
OPERATING INCOME <sup>(1)</sup>	16,445	14,209	-2,236	-13.6%	14,111	-2,334	-14.2%
EBITDA <sup>(2)</sup>	19,997	16,846	-3,151	-15.8%	16,734	-3,263	-16.3%
Operating Margin	15.8%	13.2%			13.4%		
EBITDA Margin	19.2%	15.6%			15.9%		
<b>BRAZIL</b>							
REVENUES	65,500	64,545	-955	-1.5%	70,753	5,254	8.0%
Platforms	10,722	17,496	6,775	63.2%	19,161	8,439	78.7%
IT Services	49,496	40,893	-8,603	-17.4%	44,842	-4,654	-9.4%
Applications	5,282	6,155	873	16.5%	6,751	1,468	27.8%
Cost of Sales	-61,516	-56,709	4,807	-7.8%	-62,139	-623	1.0%
GROSS PROFIT	3,983	7,835	3,852	96.7%	8,614	4,631	116.3%
Administration Expenses	-4,267	-6,116	-1,849	43.3%	-6,707	-2,440	57.2%
OPERATING INCOME <sup>(1)</sup>	-284	1,719	2,004	705.4%	1,907	2,191	771.4%
EBITDA <sup>(2)</sup>	4,965	5,594	629	12.7%	6,152	1,187	23.9%
Operating Margin	-0.4%	2.7%			2.7%		
EBITDA Margin	7.6%	8.7%			8.7%		
<b>MEXICO</b>							
REVENUES	17,981	18,298	316	1.8%	0	-827	-4.6%
Platforms	8,829	9,066	237	2.7%	8,472	-358	-4.1%
IT Services	9,152	9,231	79	0.9%	8,683	-469	-5.1%
Applications	0	0	0 -		0	0 -	
Cost of Sales	-15,625	-15,548	77	-0.5%	-14,570	1,055	-6.8%
GROSS PROFIT	2,357	2,750	393	16.7%	2,585	228	9.7%
Administration Expenses	-1,928	-1,344	584	-30.3%	-1,266	662	-34.3%
OPERATING INCOME <sup>(1)</sup>	429	1,406	977	228.0%	1,318	890	207.5%
EBITDA <sup>(2)</sup>	710	1,726	1,017	143.3%	1,625	915	129.0%
Operating Margin	2.4%	7.7%			7.7%		
EBITDA Margin	3.9%	9.4%			9.5%		
<b>OPLA</b>							
REVENUES	41,000	38,955	-2,045	-5.0%	47,916	6,916	16.9%
Platforms	17,034	15,623	-1,412	-8.3%	18,167	1,133	6.7%
IT Services	22,729	22,490	-240	-1.1%	28,927	6,197	27.3%
Applications	1,236	843	-393	-31.8%	822	-414	-33.5%
Cost of Sales	-32,406	-31,920	486	-1.5%	-40,126	-7,720	23.8%
GROSS PROFIT	8,594	7,035	-1,559	-18.1%	7,791	-804	-9.4%
Administration Expenses	-4,062	-3,802	260	-6.4%	-4,451	-389	9.6%
OPERATING INCOME <sup>(1)</sup>	4,532	3,233	-1,299	-28.7%	3,340	-1,192	-26.3%
EBITDA <sup>(2)</sup>	6,474	4,744	-1,730	-26.7%	4,862	-1,612	-24.9%
Operating Margin	11.1%	8.3%			7.0%		
EBITDA Margin	15.8%	12.2%			10.1%		

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q18A corresponds to revenues in constant currency for the period 2018.

## ANALYSIS OF CONSOLIDATED BALANCE SHEET

### Assets

As of December 31, 2018, Total Assets amounted \$897,768 million (US\$1,292.7 million), increasing by 2.1% compared to December 31, 2017. Main variations are:

Increase in:

- Inventories by \$16,981 million (US\$24.4 million), whose balance as of December 31, 2018 was \$54,685 million (US\$78.7 million), due to ongoing projects in Argentina and Mexico, and inventories maintained for the distribution business in Chile. In addition, the effect of the exchange rate (USD/CLP) also contributed.
- Non-Current Accounts Receivable by \$15,479 million (US\$22.3 million), whose balance as of December 31, 2018 was \$51,428 million (US\$74.0 million), mainly because of Mexico, Brazil and Argentina, and as a consequence of new leasing contracts.
- Trade and Other Receivables by \$9,120 million (US\$13.1 million), whose balance as of December 31, 2018 was \$234,279 million (US\$337.2 million), mainly due to Chile and Mexico, and associated to the higher seasonality existing in December.
- Other Current Non-Financial Assets by \$5,435 million (US\$7.8 million), whose balance as of December 31, 2018 was \$19,986 million (US\$28.8 million), as a consequence of prepayments.

Decrease in:

- Other Current Financial Assets by \$29,511 million (US\$42.5 million), whose balance as of December 31, 2018 was \$16,078 million (US\$23.1 million), due to the use of funds obtained after the sale of Transacciones Electrónicas S.A. These funds were used mainly for dividend payments and working capital requirements.

### Liabilities

Liabilities totaled \$398,941 million (US\$574.2 million) as of Dec-18, increasing by 2.4% comparing to Dec-17. Main variations are:

Increase in:

- Other Current and Non-Current Financial Liabilities by \$11,194 million (US\$16.1 million), whose balance as of December 31, 2018 was \$113,290 million (US\$163.1 million) of Current and \$70,080 million (US\$100.9 million) of Non-Current, mainly from Argentina and Mexico, as a consequence of projects' financing.
- Other Long Term Provisions by \$6,239 million (US\$9.0 million), whose balance as of December 31, 2018 was \$10,742 million (US\$15.5 million), explained by Brazil and related to long-term taxes.

Decrease in:

- Accounts Payable to Related Entities, Current for \$7.929 million (US\$11.4 million), whose balance as of December 31, 2018 was \$3.141 million (US\$4.5 million).

## Shareholder's Equity

Consolidated shareholders' equity attributable to owners amounted \$494,788 million (US\$712.2 million) as of December 31, 2018, increasing 2.1% compared to December 2017 (\$10,379 million / US\$14.9 million). The latter is explained by the net income for 2018 (net of dividends) and effects in the Reserve of Exchange Difference translations (\$2,353 million / US\$3.4 million).

The return on equity (ROE) was 2.2%.



Figure 16 – Financial Ratios Summary

Financial Ratios		Dec-17	Dec-18	Δ Dec-18 / Dec-17
<b>LIQUIDITY</b>				
<b>Current Ratio</b> (Current Assets / Current Liabilities)	(times)	1.6	1.4	-10.4%
<b>Quick Ratio</b> ((Current Assets - Inventories) / Current Liabilities)	(times)	1.4	1.2	-14.2%
<b>Working Capital</b> (Current Assets - Current Liabilities)	(Ch M\$)	150,138	123,868	-17.5%
<b>INDEBTEDNESS</b>				
<b>Leverage</b> ((Current Liabilities + Non-current Liabilities) / Equity)	(times)	0.8	0.8	0.6%
<b>Financial Leverage</b> ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)	(times)	0.4	0.4	4.6%
<b>Short-Term Debt</b> (Current Liabilities / Total Liabilities)	(times)	0.6	0.7	11.6%
<b>Long-Term Debt</b> (Non-Current Liabilities / Total Liabilities)	(times)	0.4	0.3	-21.5%
<b>Financial-Expenses-Coverage Ratio</b> (EBITDA / Financial Expenses)	(times)	5.7	6.4	13.0%
<b>Financial Debt to EBITDA Ratio</b> ((Current Liabilities + Non-current Liabilities) / EBITDA <sup>1,2</sup> )	(times)	1.7	2.0	18.9%
<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)	0.8	1.3	53.5%
<b>PROFITABILITY</b>				
<b>ROE</b> (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )	%	13.2%	2.2%	-1100 pb
<b>ROA</b> (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )	%	7.4%	1.2%	-620 pb
<b>Earnings per Share</b> (Net Income attrib.to Owners of Comp. / Total Shares <sup>4</sup> )	(Ch\$)	74.5	12.3	-83.5%
<b>Dividend Yield</b> (Dividends Paid <sup>5</sup> / Closing Market Stock Price)	%	0.7%	2.9%	220 pb

1 EBITDA = Operating Income + Depreciation and Amortization

2 Annual Base

3 Calculated as an average:

- Dec-18: average between Dec-18 and Dec-17

- Dec-17: average between Dec-17 and Dec-16

- Dec-17: average between Dec-17 y Dec-16

4 Numbers of shares considered:

- Dec-18 = 871057175.0

- Dec-17 = 871057175.0

- Dec-17 = 871057175.0

5 Last 12 months

## Statements of Cash Flow

Cash and Cash Equivalents reached \$49,393 million (US\$71.1 million) as of December 31, 2018, compared to \$40,845 million (US\$58.8 million) as of December 31, 2017.

Net cash flow from operating activities totaled \$39,657 million (US\$57.1 million) in 2018, slightly higher than the \$39,549 million (US\$56.9 million) generated in 2017.

The net cash flow used in investment activities in 2018 was \$2,770 million (US\$4.0 million), generating additional funds of \$30,592 million (US\$44.0 million) YoY.

Capital Expenditures (CAPEX) totaled \$32,549 million (US\$46.8 million) in 2018 and included: \$26,646 million (US\$38.4 million) invested in the purchase of fixed assets for internal use and for contracts with customers, \$4,552 million (US\$6.6 million) in permanent investments, and \$1,351 million (US\$1.9 million) in intangibles.

The cash flow used in financing activities reached \$29,778 million (US\$42.9 million), compared to \$26,280 million (US\$37.8 million) registered in 2017. The latter is mainly explained by a higher dividend payment, lower bank loans and due to the capital increase in the subsidiary Transacciones Electrónicas Dos SA made in 2017, which is not present in 2018.

Figure 17 – Statements of Cash Flow

	Dec-17 Ch\$M	Dec-18 Ch\$M	Δ \$	Δ %
<b>Statements of Cash Flow</b>				
Net Cash Flows from (used in) Operating Activities	39,549	39,657	108	0.3%
Net Cash Flows from (used in) Investing Activities	(33,363)	(2,770)	30,592	91.7%
Net Cash Flows from (used in) Financing Activities	(26,280)	(29,778)	(3,498)	-13.3%
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATES</b>	<b>(20,093)</b>	<b>7,109</b>	<b>27,202</b>	<b>135.4%</b>
Effect of Exchange Rate changes on Cash and Cash Equivalents	(3,133)	1,439	4,572	145.9%
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(23,226)</b>	<b>8,548</b>	<b>31,774</b>	<b>136.8%</b>
Cash and Cash Equivalents at beginning of period	64,072	40,845	(23,226)	-36.3%
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>40,845</b>	<b>49,393</b>	<b>8,548</b>	<b>20.9%</b>