



Transporte



Retail



servicios Financieros



Gobierno



EARNINGS PRESENTATION 1Q2019

April 23, 2019



Highlights in 1Q2019

- **Results improved** in **Revenues, EBITDA and EBITDA margin** compared to 1Q18
- **Revenues increased 5.4%** (yoy) in reporting currency, registering growth in most regions
- **EBITDA grew 15.3%** in reporting currency compared to 1Q18
- **EBITDA margin** registered a 90 bp expansion during the quarter respect to 2018
- Chile: revenues were 5,6% higher in reporting currency compared to 1Q18
- **Brazil:** In constant currency, **revenues increased 2.2%, EBITDA in 149.3% and EBITDA margin expanded 380 bp (yoy)**
- Mexico: revenues grew 9.5% in reporting currency and remained flat in constant currency
- **OPLA: revenues increased 18.3% (yoy). In constant currency revenues grew 16.1%**
- Net Income decreased 2.0% in reporting currency compared to 1Q18
- **Business Closed increased 9.3%** during the quarter. **Taking Exchange rate effects, Business Closed grew 17.2%**, highlighting higher figures in Chile (+33.4%) and Brazil (+14.3%)

Results for the 1Q2019

US\$ Million	1Q 2019	Chg. 19/18	1Q 2019A	Chg. 19A/18
Revenues	287.5	↑ 5.4%	283.9	↑ 4.1%
EBITDA	29.9	↑ 15.3%	29.5	↑ 14.0%
EBITDA Margin	10.4%	↑ 89pb	10.4%	↑ 90pb
Net Income	7.0	↓ (-2.0%)	5.1	↓ (-28.3%)
Net Margin	2.4%	↓ (-18pb)	1.8%	↓ (-81pb)

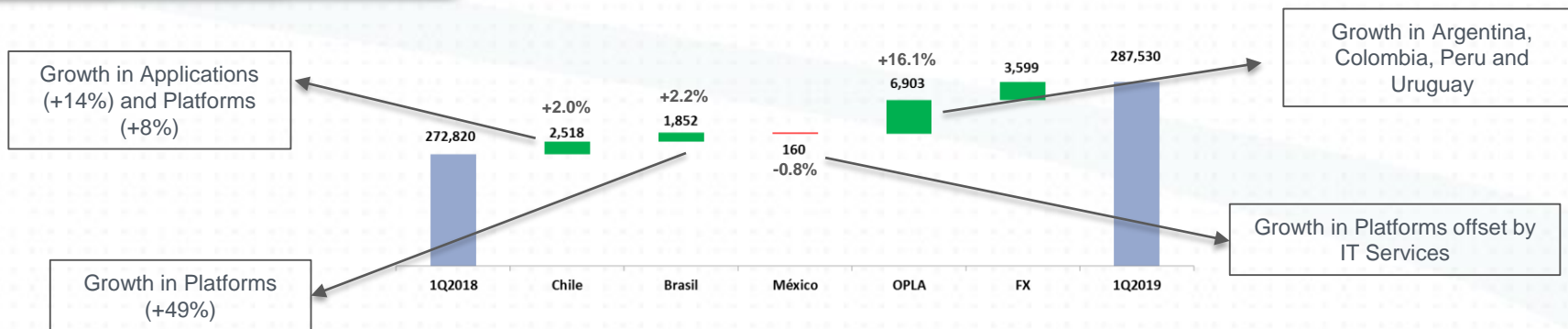
Note: 1Q 2019A corresponds to figures for the period 2019 in constant currency

Highlights

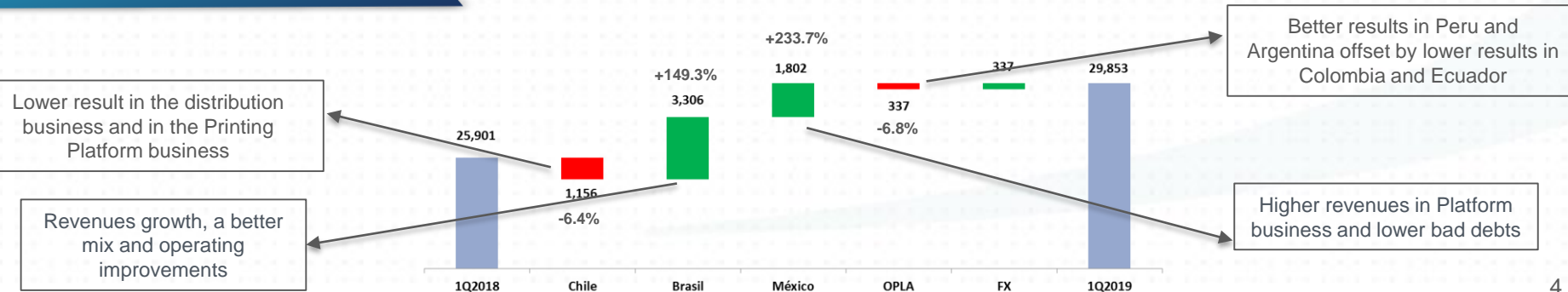
- **Revenues increased 5.4%** in reporting currency, as a consequence of higher revenues in OPLA (+18.3%), Mexico (9.5%) y Chile (+5.6%)
- **EBITDA grew 15.3%**, driven by Brazil (+137.2%) and Mexico (266.9%). Within the Core Business, EBITDA increased 20.4% regarding 1Q18
- **EBITDA margin expanded 90 bp** as a consequence of improvements in Brazil. (+380 bp) and Mexico (+950 bp). **The Core Business registered an expansion of 157 bp in the quarter**
- **The Net Income declined 2.0%** affected by losses in Exchange Rate Differences (-US\$2.3 million) and Readjustment Units (-US\$1.2 million) in the non operating result, partially offset by a positive effect in the tax expenses calculation derived from exchange rate fluctuations (+US\$1.5 million). **Taking those effects apart, Net Income would have grown 74.7%**

Revenues and EBITDA contribution by region

Revenues in 1Q19 (US\$ million)



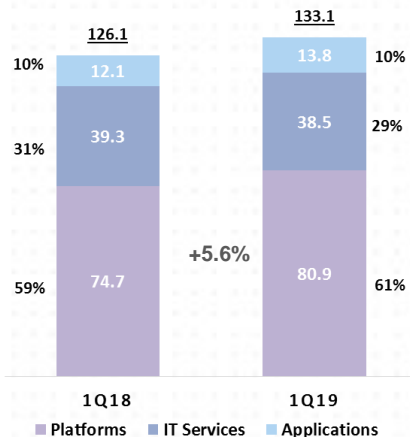
EBITDA in 1Q19 (US\$ million)



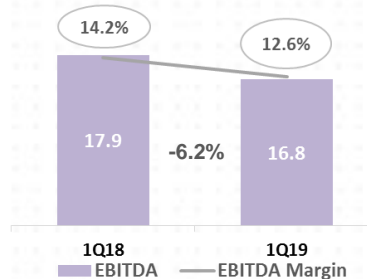
Note: figures in US\$ were translated using exchange rate equal to \$678.53 / US\$.

Chile – Results for the 1Q19

Revenues (US\$ million)



EBITDA (US\$ million)



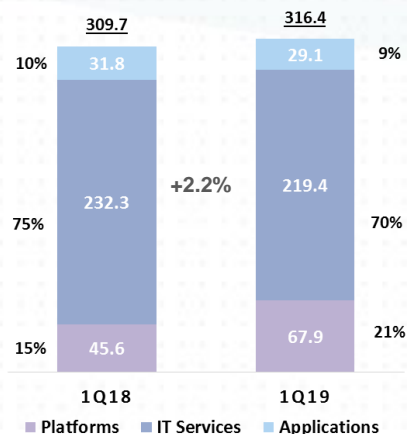
	Chg. 1Q 19/18
Platforms	↑ 8.3%
IT Services	↓ -2.1%
Applications	↑ 13.9%
Total Revenue	↑ 5.6%
EBITDA	↓ -6.2%

- **Business Closed:** US\$123 million (+22.7%, yoy)
- **Pipeline:** US\$580 million (-18.4%, Mar19/Dec18)

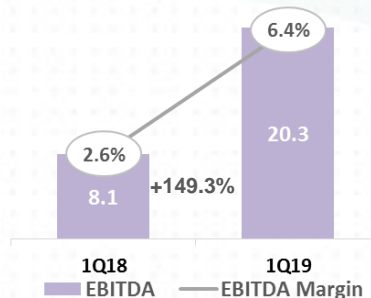
- **Revenues increased 5.6%** respect to 1Q18. In constant currency, revenues were 2.0% higher
- **EBITDA margin reached 12.6%** in the quarter (-160 bp, yoy) affected by the Distribution Business and the Printing Platform Business
- In the Core Business, revenues increased 5.2% in reporting currency, while EBITDA dropped 2.2% reaching an EBITDA margin of 21.3% in the 1Q19

Brazil – Results for the 1Q19

Revenues (BRL million)



EBITDA (BRL million)



	Chg. 1Q 19/18
Platforms	↑ 49.2%
IT Services	↓ -5.5%
Applications	↓ -9.0%
Total Revenue:	↑ 2.2%
EBITDA	↑ 149.3%

- **Business Closed:** BR\$550 million (+14.3% yoy)
- **Backlog of contracts awarded:** BR\$403 million (pending to be signed)
- **Pipeline:** BR\$6.5 billion (+20.0%, Mar19/Dic18)

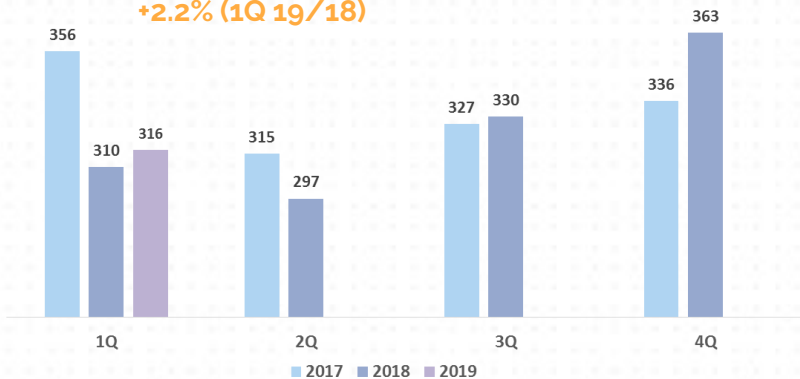
- **Revenues grew 2.2%** in constant currency compared to 1Q18 (a tough comparison base). Revenues increased in line with the business plan
- Revenues from the Platform Business increased 49.2% driven by SW Business (Adobe and Autodesk)
- **EBITDA margin expanded 380 bp** reaching 6.4% in the 1Q19
- **EBITDA grew 149.3%** compared to 1Q18, explained by the IT Services Business

Brazil: The strategic plan is guiding the recovery

- In 2018 we have started to see gradual and consecutive improvements in results
- Revenues growth also started to recover in 2H18 y continues in 1Q19

Revenues (BRL million)

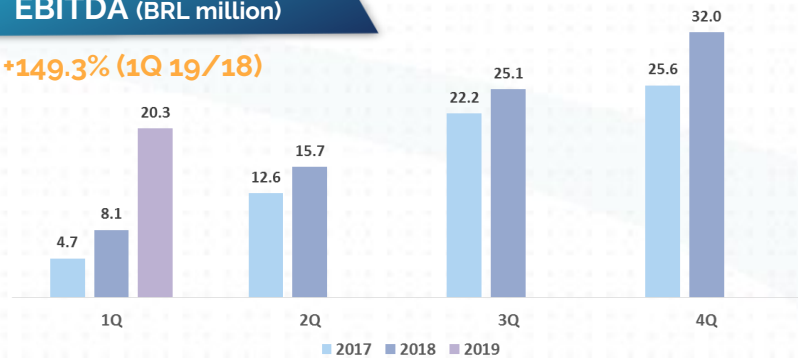
+2.2% (1Q 19/18)



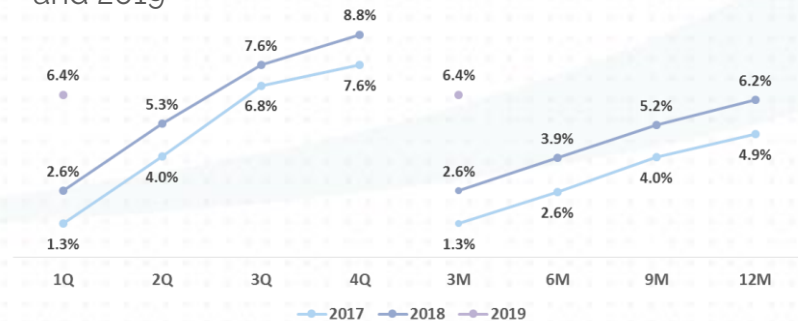
- EBITDA increasing (YoY) and (QoQ)

EBITDA (BRL million)

+149.3% (1Q 19/18)



- Margins expanding sequentially and yoy in 2018 and 2019

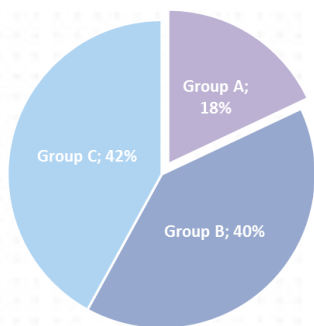


Brazil: The strategic plan is guiding the recovery

- New business closed contributing to improve the revenue mix...
 - ✓ Enhancing the revenue mix
 - ❑ Group A: business units whose Gross Margin $\geq 20\%$
 - ❑ Group B: business units whose Gross Margin is in the range 15% - 20%
 - ❑ Group C: business units whose Gross Margin $\leq 15\%$

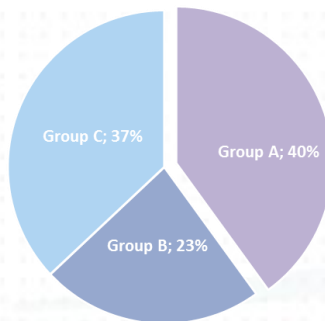
Revenue Mix in 2017

(by group A, B and C)



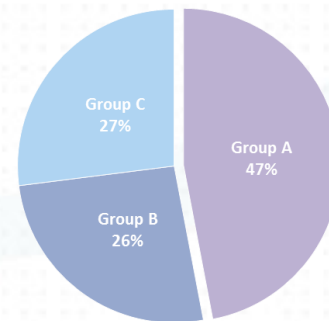
Business Closed for 2018

(by group A, B and C)



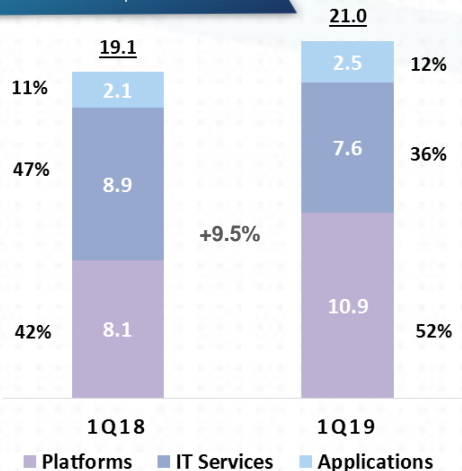
Business Closed in 1Q2019

(by group A, B y C)

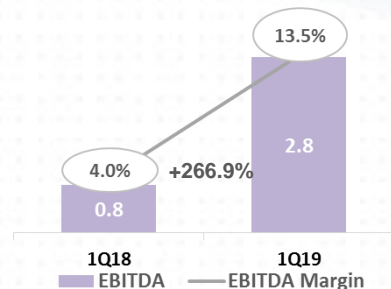


Mexico – Results for the 1Q19

Revenues (US\$ million)



EBITDA (US\$ million)



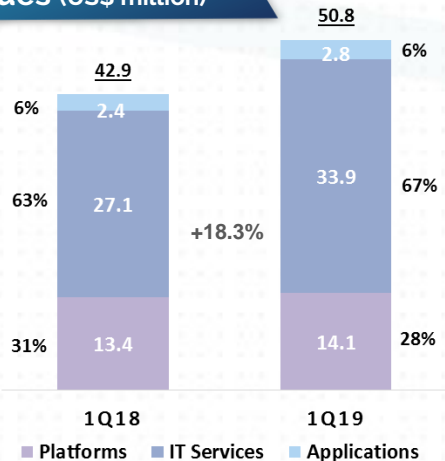
	Chg. 1Q 19/18
Platforms	↑ 34.3%
IT Services	↓ -14.5%
Applications	↑ 16.4%
Total Revenue:	↑ 9.5%
EBITDA	↑ 266.9%

- **Business Closed:** US\$8.9 million (-21.6%, yoy)
- **Pipeline:** US\$308 million (+211.6%, Mar19/Dec18)

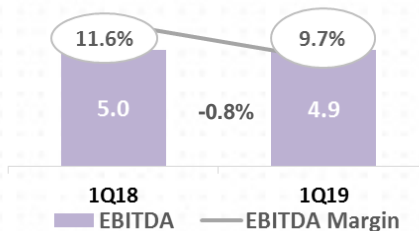
- **Revenues increased 9.5%** in the 1Q19. In constant currency, revenues were almost flat, as a consequence of higher revenues in Platform and Application Businesses offset by lower revenues from IT Services Business
- **EBITDA grew 266.9%** (Exchange rate effects and lower bad debts)
- **EBITDA margin was 13.5%** in the quarter

OPLA – Results for the 1Q19

Revenues (US\$ million)



EBITDA (US\$ million)



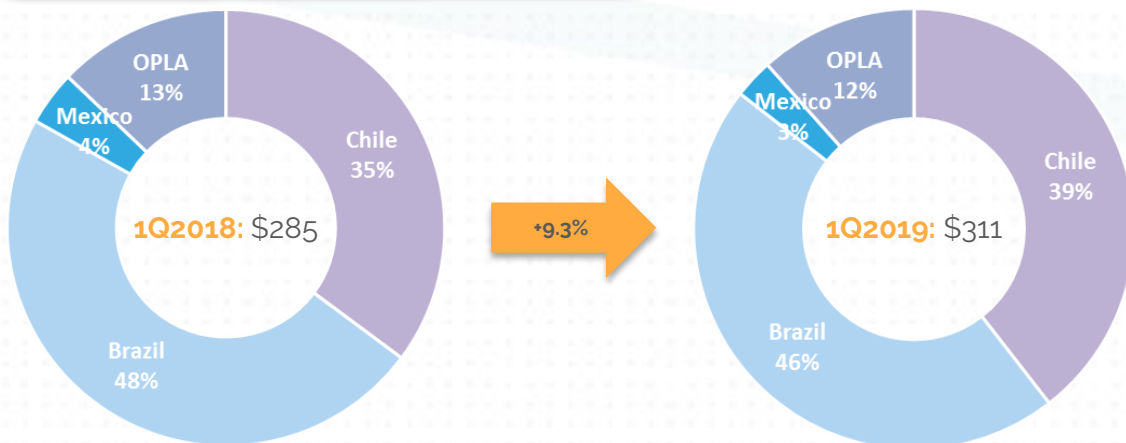
	Chg. 1Q 19/18
Platforms	↑ 5.0%
IT Services	↑ 25.2%
Applications	↑ 15.5%
Total Revenues	↑ 18.3%
EBITDA	↓ -0.8%

- **Business Closed:** US\$36.1 million (-1.3%, yoy)
- **Pipeline:** US\$970 million (-1.7%, Mar19/Dec18)

- **Revenues increased 18.3%** respect to 1Q18 mainly explained by Colombia, Argentina, Peru and Uruguay
- EBITDA remained flat respect to the same period of 2018, driven by higher results in Peru and Argentina offset by lower results in Colombia and Ecuador
- EBITDA margin reached 9.7% en 1Q19

Business Closed

Business Closed by region (US\$ million)



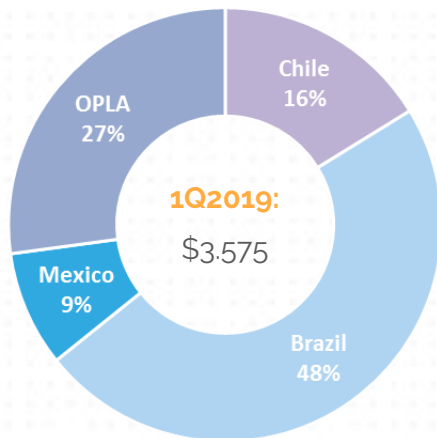
- **US\$235 million in the backlog of contracts awarded** in 1Q19 (US\$140 million in 1Q18) that are still pending to be signed. Considering those contracts, business closed would have grown 29% (yoy).
- Regarding the 1Q19, 62% of business closed corresponded to new contracts, the rest to renewals.

US\$ million	1Q2019	1Q2018	Chg. %
Chile	122,9	100,2	22,7%
Brazil	143,3	136,7	4,9%
Mexico	8,9	11,4	-21,6%
OPLA	36,1	36,6	-1,3%
Total	311,3	284,9	9,3%

- ❑ **Business Closed in constant currency +17.2% (yoy)**
- ❑ **Chile: +33.4% in constant currency**
- ❑ **Brazil: +14.3% in constant currency**

Pipeline of new opportunities

Pipeline by region (US\$ million)



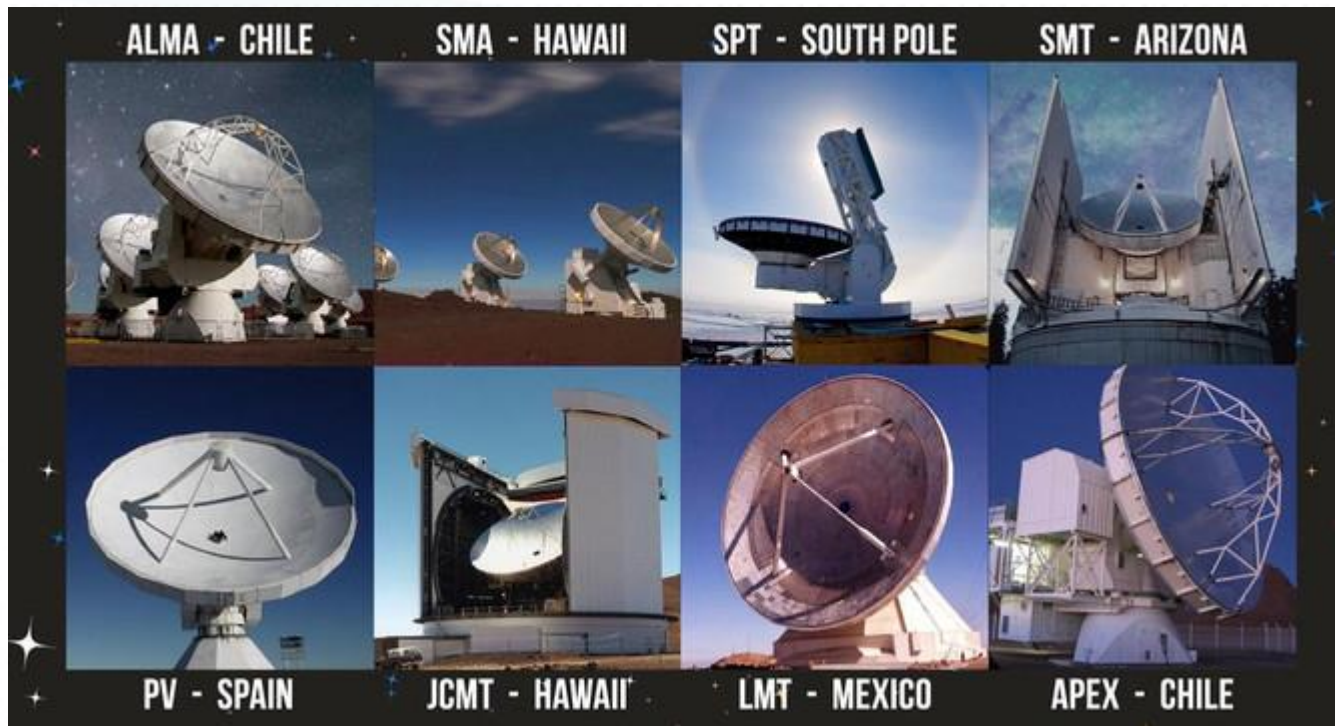
- Brazil represented the 48% of the opportunities included in the pipeline
- Mexico increased its pipeline of new opportunities in more than 200% respect to Dic-18
- New opportunities in contracts coming from Transforming Service Line reached 1/3 of the consolidated pipeline

Pipeline	mar-19	dic-18	Chg.
Chile	580	711	-18.4%
Brazil	1,717	1,430	20.0%
Mexico	308	99	211.6%
OPLA	970	988	-1.7%
Total	3,575	3,227	10.8%

Vision and Strategic Plan



HELPING OUR CUSTOMER'S DIGITAL & COGNITIVE TRANSFORMATION JOURNEY- Our Experience, Coverage, Agile Cells and Cultural Evolution





DIGITAL TRANSFORMATION STRATEGY OFFICE

"From a business perspective we help our customers , to build their vision of transformation for the short, mid and long term.... From culture to processes"



HYBRID CLOUD SERVICES

"We enable our customer´s transformation with strategies around migrations, apps modernization, government and orchestration models that better fits to their multi cloud journey.... Achieving scalability, efficiencies, time to market and innovation pace"



BIG DATA, ANALYTICS & DISRUPTIVE TECHNOLOGIES

"We enable our customer innovation process, transforming user experiences, processes and creating new monetization models.... Using DATA as the main fuel to accomplish it"



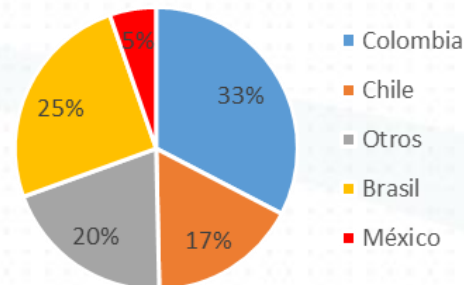
CYBERSECURITY

"We build the highest levels of trust required by our customers across their digital transformation journey, safely connecting from end points to core of thier operations... Preparing, avoiding, detecting, responding to eventual incidents and improving their current security policies"

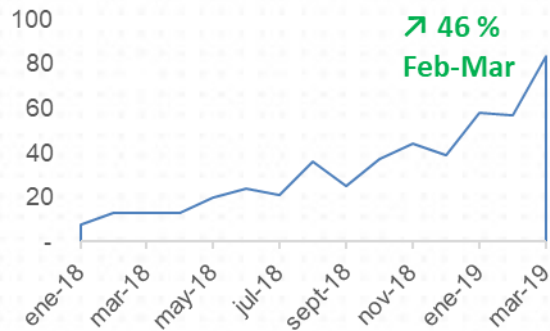
BUILDING TRANSFORMATION PIPELINE MOMENTUM ACROSS THE REGION

Total Pipeline	KUSD	# Opps
Cybersecurity	15.998	102
Big Data, Analytics & DT	11.538	26
Cloud Services	75.209	97
IoT/ Smart City	380.571	116
Transformation	483.319	341

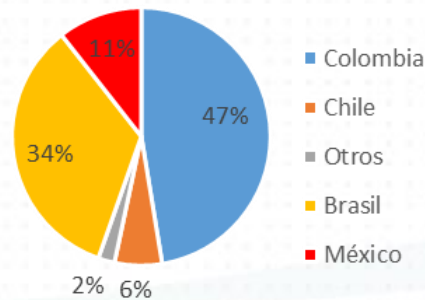
Cloud Services



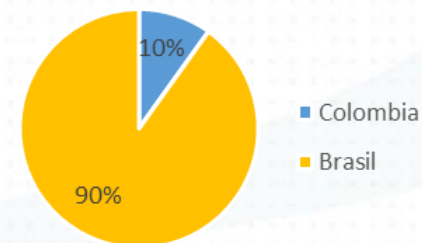
NEW PIPELINE



Cybersecurity



Big Data, Analytics & DT



IoT- SMART SAFETY

- ✓ *Smart City Expo Buenos Aires: 1st end to end cloud solution with Microsoft launch*
- ✓ *Brasil: First Smart Cities development plan in place*
- ✓ *Chile: Pilots in association with Corfo*
- ✓ *Uruguay smart safety recognition*



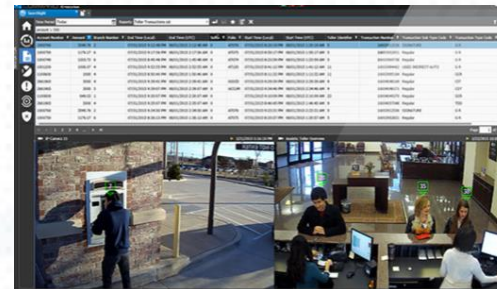
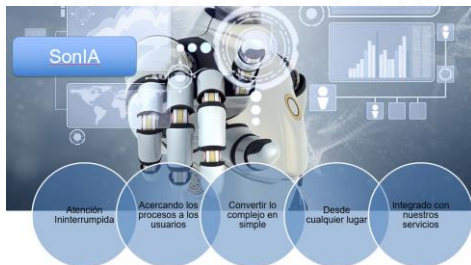
HYBRID CLOUD SERVICES

- ✓ *Chile: First SAP Hana migration to Azure in Latinamerica*
- ✓ *Brasil: Massive multicloud orchestration*
- ✓ *Complex migrations opportunity with customers in Chile, Brasil, México and Colombia*



BIG DATA, ANALYTICS & DISRUPTIVE TECHNOLOGIES

- ✓ *SonIA- Sonda Cognitive Solution*
- ✓ *Sonda on Sonda case- 30% cost savings with AI*
- ✓ *Risk management with Analytics- focus on Banking and Government*
- ✓ *Video Analytics in Colombia*
- ✓ *RPA & UX- Mobile experience*



CYBERSECURITY REGIONAL SOC LAUNCH

- ✓ *3 customers already in place*
- ✓ *10 advanced prospects from Chile, Colombia, Brasil and México*
- ✓ *Main development: Retail, FSI, Government and Oil & Gas*

INNOVATION & TRANSFORMATION ENABLEMENT:

- ✓ **BRASIL INNOVATION CENTER & HABITAT INNOVABRA**
 - 350 profesionales @ Joinville University campus
 - Disruptive Technologies development /Start up ecosystem
 - Bradesco Innovation Center- 170 startups and 70 corporate companies



- ✓ **CHILEAN INNOVATION BOARD MEMBER**
 - Initiatives for innovation promotion
 - Embracing local and regional challenges



CHILE  ENTURES



- ✓ **IOT TECH & THE CITY CHALLENGE**
 - Co Investment with University of Chile venture labs



BUILDING THE STRONGEST ECOSYSTEM





Exhibit – Financial Position as of March 31, 2019

Balance Sheet (US\$ million)	dec-18	mar-19	Δ \$	Δ %
Cash and Cash Equivalents	72.8	64.1	(8.7)	(12.0%)
Other Current Financial Assets	23.7	24.6	0.9	3.8%
Trade Accounts Receivable and Other Receivables, Net	345.3	343.0	(2.3)	(0.7%)
Accounts Receivable from Related Companies	9.6	7.7	(1.9)	(19.7%)
Inventories	80.6	75.1	(5.5)	(6.8%)
Other Current Assets	76.9	73.0	(3.9)	(5.0%)
CURRENT ASSETS	608.8	587.4	(21.4)	(3.5%)
Intangibles Assets and Goodwill	367.1	368.0	1.0	0.3%
Property, Plant and Equipment, Net	181.0	203.7	22.8	12.6%
Other Non-currents Assets	166.3	163.0	(3.3)	(2.0%)
NON-CURRENT ASSETS	714.3	734.8	20.4	2.9%
ASSETS	1,323.1	1,322.2	(0.9)	(0.1%)
Other Current Financial Liabilities	167.0	183.4	16.4	9.8%
Other Liabilities	259.3	237.9	(21.3)	(8.2%)
CURRENT LIABILITIES	426.2	421.3	(4.9)	(1.2%)
Other Non-current Financial Liabilities	103.3	115.4	12.1	11.8%
Other Liabilities, Non-Current	58.5	63.9	5.5	9.4%
NON-CURRENT LIABILITIES	161.7	179.3	17.6	10.9%
LIABILITIES	587.9	600.6	12.7	2.2%
Minority Interest	6.0	6.0	0.1	1.2%
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	729.2	715.5	(13.7)	(1.9%)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,323.1	1,322.2	(0.9)	(0.1%)

	dec-18	mar-19
Current Ratio	1.4x	1.4x
(Current Assets / Current Liabilities)		
Leverage	0.8x	0.8x
((Current Liabilities + Non-Current Liabilities) / Equity)		
Financial Expenses Coverage	6.4x	5.1x
(EBITDA / Financial Expenses)		
Net Financial Debt / EBITDA	1.3x	1.8x
(Other Current Financial Liabilities + Other Non-Current Financial Liabilities - Cash and Cash Equivalents - Other Financial Current Assets) / EBITDA)		
Financial Debt (US\$ million)	270.2	298.8
(Other Current Financial Liabilities + Other Non-Current Financial liabilities)		
Net Financial Debt (US\$ million)	173.8	210.1
(Other Current Financial Liabilities + Other Non-Current Financial liabilities - Cash and Cash Equivalents - Other Financial Current Assets)		

Note: Operation Income = Gross Profit – Administration Expenses

EBITDA = Operating Income + Depreciation and Amortization

