



Transporte



Retail



servicios Financieros



Gobierno



EARNINGS PRESENTATION 2Q2019 & 6M2019

July 23, 2019



Highlights in 2Q2019 & 6M2019

- **Results improved** in **Revenues, EBITDA, EBITDA margin** and **Net Income** compared to 6M2018 and 2Q2018
 - **Revenues increased 10.6%** (yoy) in reporting currency in 6M2019, registering growth in all regions. In 2Q2019, revenues grew 16.0% compared to 2018, highlighting the growth in Brazil and OPLA
 - During the 1H2019, **EBITDA grew 15.7%** in reporting currency compared to same period of 2018, while during 2Q2019 the EBITDA increased 16.0% regarding 2Q2018
 - **EBITDA margin** registered an expansion of 50 bp during the first half of 2019 compared to 2018. In 2Q2019, EBITDA margin remained flat in a yoy basis
 - Chile: revenues were 7.3% higher in reporting currency than in 2018 and 9.1% compared to 2Q2018
 - **Brazil:** during 1H2019, in reais, **revenues increased 11.2%, EBITDA in 103.7% and EBITDA margin expanded 330 bp (yoy)**. In 2Q2019, revenues rise by 20.6%, EBITDA by 77.5% and EBITDA margin expanded 250 bp (yoy).
 - Mexico: revenues grew 8.1% in reporting currency and EBITDA was higher by 169.5% in 1H2019
 - **OPLA:** in reporting currency, **revenues increased 23.6%** in 1H2019 and **28.2%** in 2Q2019. EBITDA remained flat on a yoy basis.
 - Net Income rise 804% in reporting currency compared to 1H18. For the 2Q2019, Net Income increased by 208% regarding 2Q2018.
 - **Business Closed increased 8.7%** during the 1H2019. It stands out the performance registered in Brazil (+40%) and Chile (+10%).
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Results for the 2Q2019

US\$ Million	2Q2019	Chg. 19/18	2Q2019 A	Chg. 19A/18
Revenues	312.1	↑ 16.0%	305.6	↑ 13.6%
EBITDA	34.7	↑ 16.0%	34.0	↑ 13.8%
EBITDA Margin	11.1%	↑ 1pb	11.1%	↑ 2pb
Net Income	10.8	↑ 308.2%	11.0	↑ 20.3%
Net Margin	3.5%	↑ 538pb	3.6%	↑ 551pb

Note: 2Q 2019A corresponds to figures for the period 2019 in constant currency

Highlights

- **Revenues increased 16.0%** in reporting currency, as a consequence of higher revenues in all regions: Brazil (+21.9%), OPLA (+28.2%), Mexico (9.5%) y Chile (+5.6%)
- **EBITDA grew 16.0%**, driven by Brazil (+84.7%) and Chile (5.7%). Within the Core Business, EBITDA increased 13.6% regarding 2Q2018
- **EBITDA margin remained flat** with same period of 2018, highlighting the improvement of 270 bp in Brazil. The Core Business dropped 40 bp compared to 2Q2018

Results for the 6M2019

US\$ Million	6M2019	Chg. 19/18	6M2019 A	Chg. 19A/18
Revenues	599.3	↑ 10.6%	589.3	↑ 8.8%
EBITDA	64.5	↑ 15.7%	63.5	↑ 13.9%
EBITDA Margin	10.8%	↑ 47pb	10.8%	↑ 48pb
Net Income	17.8	↑ 803.5%	13.1	↑ (-1.8%)
Net Margin	3.0%	↑ 260pb	2.2%	↑ 186pb

Note: 6M 2019A corresponds to figures for the period 2019 in constant currency

Highlights

- **Revenues increased 10.6%** in reporting currency, as a consequence of higher revenues in all regions: OPLA (+23.6%), Brazil (+9.1%), Chile (+7.3%) and México (+8.1%)
- **EBITDA grew 15.7%**, driven by Brazil (+103.6%) and Mexico (169.5%). Within the Core Business, EBITDA increased 16.7% regarding 6M2018
- **EBITDA margin expanded 50bp** as a consequence of improvements in Brazil (+340bp) and Mexico (+590bp). The Core Business improved 59 bp during the 1H2019

2019 Quaterly Results

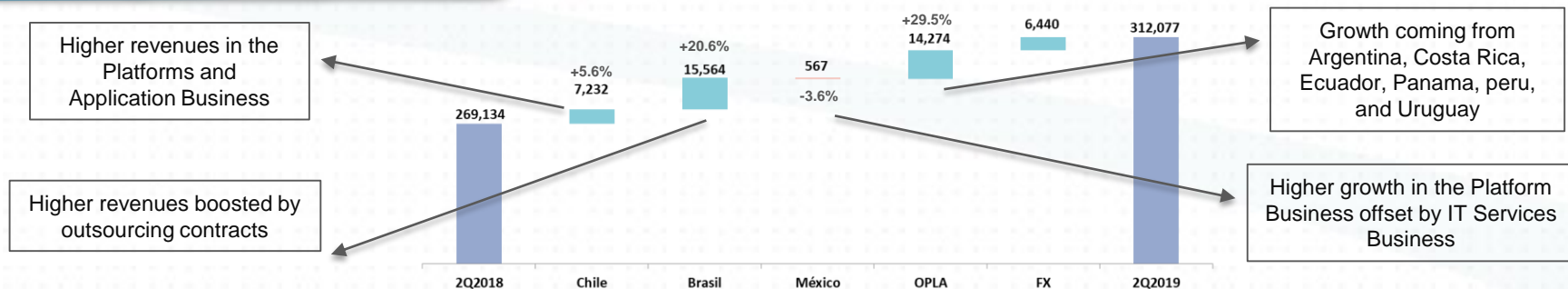
	US\$ Million	1Q 2019	2Q 2019
Revenues		287.3	312.1
Chg. % (Q o Q)			8.6%
EBITDA		29.8	34.7
Chg. % (Q o Q)			16.2%
EBITDA Margin		10.4%	11.1%
Chg. % (Q o Q)			73bp
Net Income		7.0	10.8
Chg. % (Q o Q)			53.9%
Net Margin		2.4%	3.5%
Chg. % (Q o Q)			102bp
Net Income excluding FX over taxes		2.2	11.0
Chg. % (Q o Q)			406.3%
Net Margin excluding FX over taxes		0.8%	3.5%
Chg. % (Q o Q)			276bp

Highlights

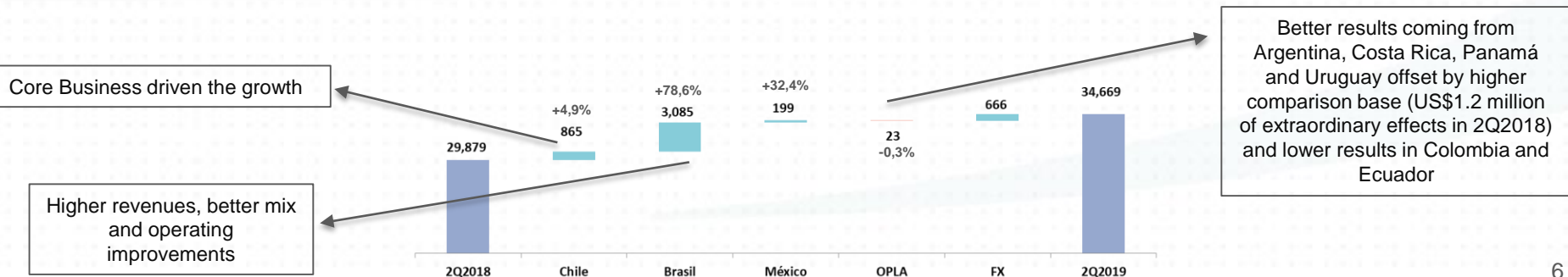
- **Higher dynamism** in all lines during 2Q2019
- **Sequential expansion** in **EBITDA** and **Net Margins** in the second quarter
- **Profitability improvements** and **higher dynamism in revenues** boosted the EBITDA generation

Revenues and EBITDA contribution by region

Revenues in 2Q2019 (US\$ million)



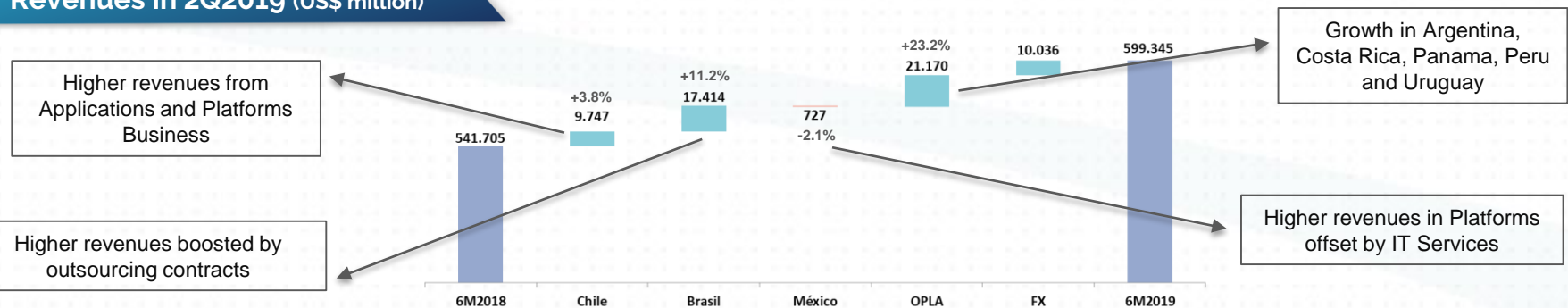
EBITDA in 2Q2019 (US\$ million)



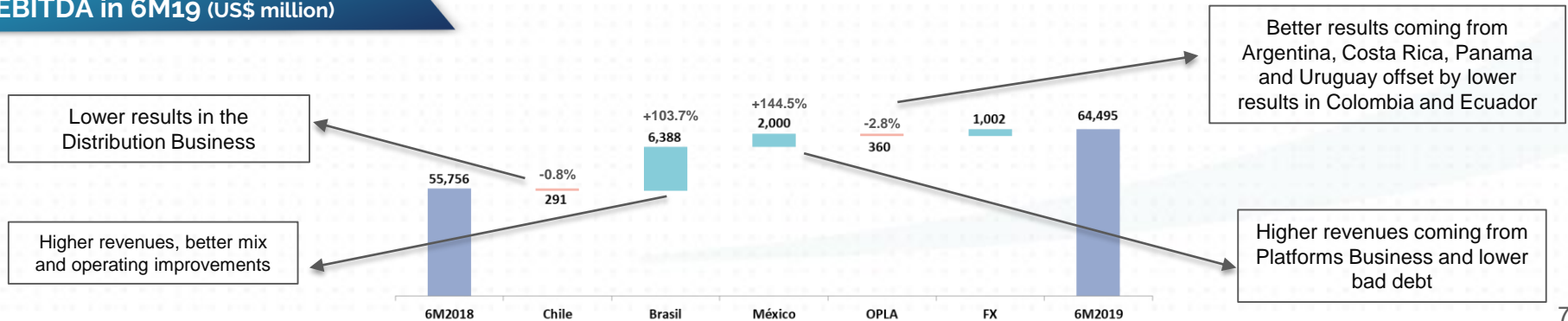
Note: figures in US\$ were translated using exchange rate equal to \$679,15 / US\$.

Revenues and EBITDA contribution by region

Revenues in 2Q2019 (US\$ million)



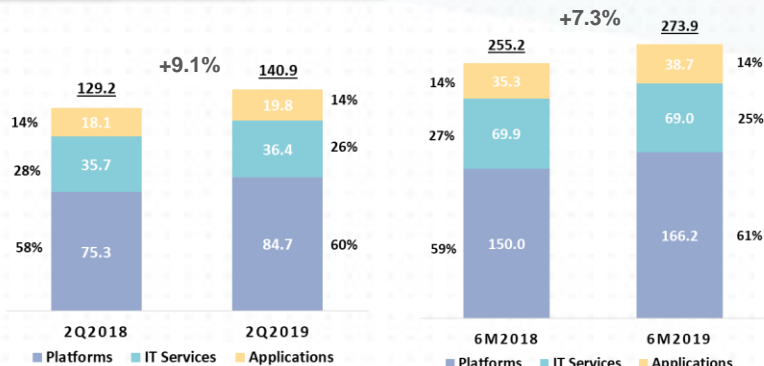
EBITDA in 6M19 (US\$ million)



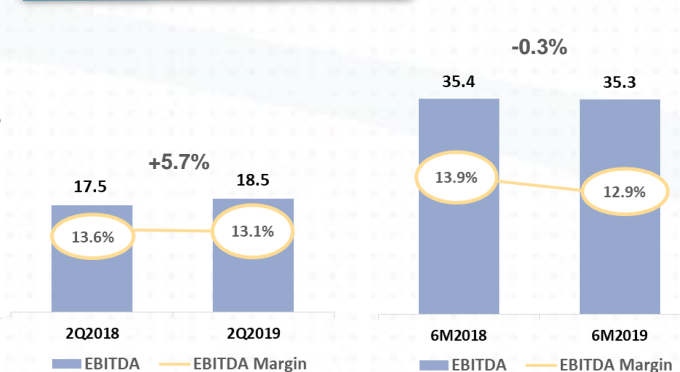
Note: figures in US\$ were translated using exchange rate equal to \$679,15 / US\$.

Chile – Results for the 2Q2019 & 6M2019

Revenues (US\$ million)



EBITDA (US\$ million)



	Chg. 6M 19/18	Chg. 2Q 19/18	Chg. 2Q19/1Q19
Platforms	↑ 10.8%	↑ 12.5%	↑ 4.7%
IT Services	↓ -1.2%	↑ 2.0%	↓ -5.2%
Applications	↑ 9.5%	↑ 9.0%	↑ 43.8%
Total Revenue	↑ 7.3%	↑ 9.1%	↑ 5.9%
EBITDA	↓ -0.3%	↑ 5.7%	↑ 10.1%

Business Closed:

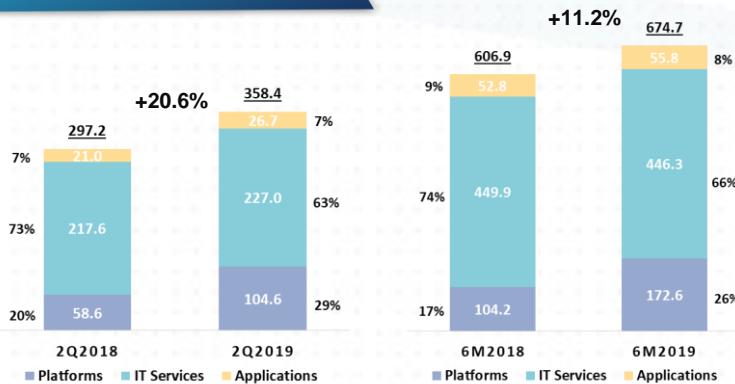
- ✓ 2Q2019 = US\$ 121 million (-0.3%, yoy)
- ✓ 6M2019 = US\$ 244 million (+10.1%, yoy)

Pipeline: US\$597 million (-15.9%, Jun19/Dec18)

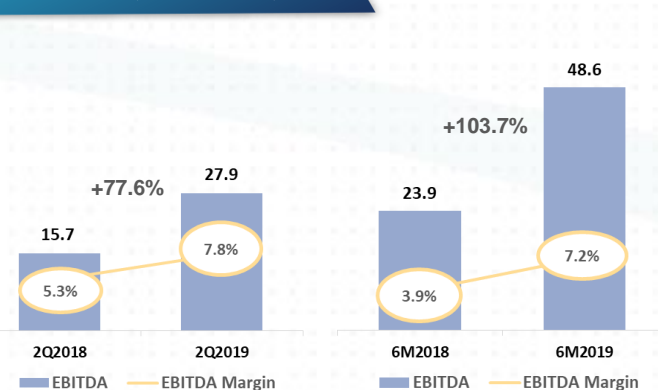
- **Revenues increased 7.3%** compared to 1H2018. In constant currency revenues grew 3.8%, while in the 2Q2019 revenues were higher by 9.1% in reporting currency
- **EBITDA Margin reached 12.9%** in 1H2019 (-100 bp, yoy) due to the Distribution Business. In 2Q2019, the EBITDA Margin was 13.1%
- Revenues coming from the Core Business increased by 6.3% in reporting currency, while EBITDA decreased 1.4% reaching an EBITDA Margin of 20.8% in 1H2019

Brazil – Results for the 2Q2019 & 6M2019

Revenues (BRL million)



EBITDA (BRL million)



	Chg. 6M 19/18	Chg. 2Q 19/18	Chg. 2Q19/1Q19
Platforms	↑ 65.6%	↑ 78.5%	↑ 54.0%
IT Services	↓ -0.8%	↑ 4.3%	↑ 3.5%
Applications	↑ 5.7%	↑ 27.2%	↓ -8.1%
Total Revenue	↑ 11.2%	↑ 20.6%	↑ 13.3%
EBITDA	↑ 103.7%	↑ 77.5%	↑ 37.2%

Business Closed:

- ✓ 2Q2019 = BR\$ 573 million (+126%, yoy)
- ✓ 6M2019 = BR\$ 1.116 million (+59,4%, yoy)

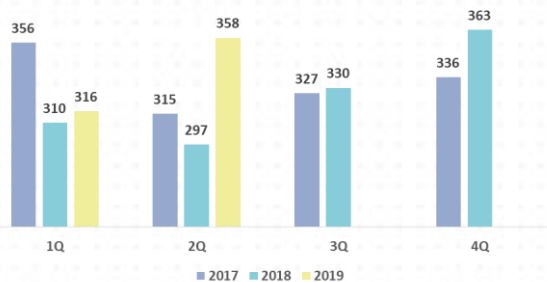
Pipeline: BR\$5,917 million (+9,0%, Jun19/Dec18)

- **Revenues increased 9.1%** in reporting currency during 1H2019. In constant currency revenues increased 11.2% as a consequence of higher revenues in the Platforms and Applications Business, while revenues from IT Services Business remained flat. In constant currency revenues grew 20.6% in 2Q2019.
- **EBITDA grew 102.4%** in 1H2019 and **77.6%** in 2Q2019 in constant currency
- **EBITDA margin expanded 330 bp** resgarding 1H2018 and **250 bp** compared to 2Q2018. Besides, it **expanded 140 bp** on sequential basis over 1Q2019.

Brazil – Recovery in results and profitability

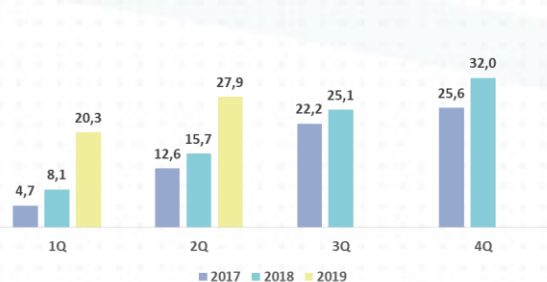
Revenues by Quarter

(BR\$ million)



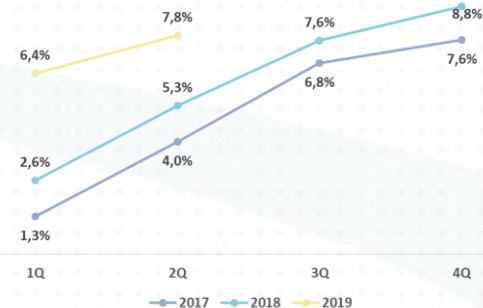
EBITDA by Quarter

(BR\$ million)



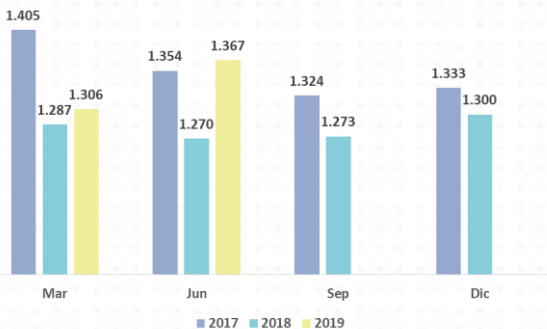
Quarterly EBITDA Margin

(%)



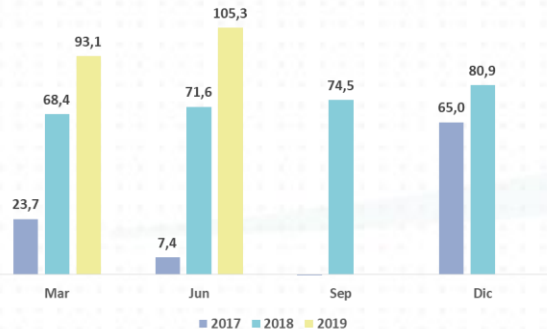
Revenues LTM

(BR\$ million)



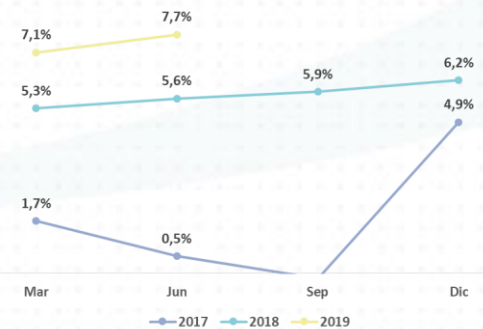
EBITDA U12M

(BR\$ million)



EBITDA Margin LTM

(%)

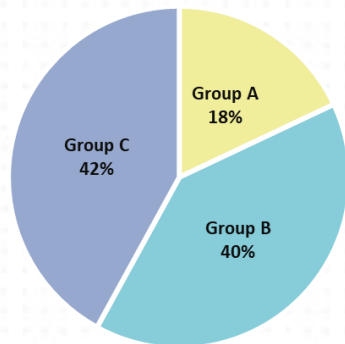


Brazil - The strategic plan is guiding the recovery

- New business closed contributing to improve the revenue mix...
 - ✓ Enhancing the revenue mix, by focusing in more profitable business units
 - ❑ **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 $\leq 15\%$

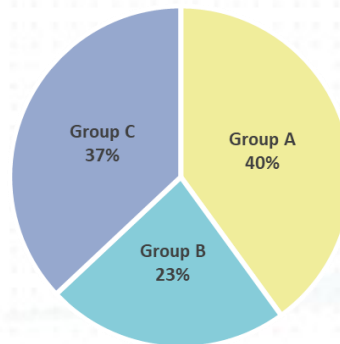
Revenue Mix in 2017

(by group A, B y C)



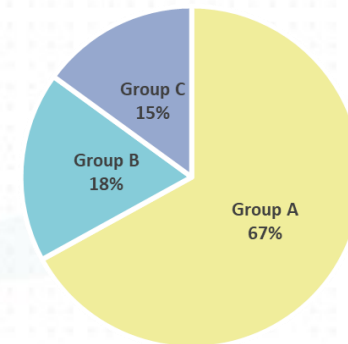
Business Closed in 2018

(by group A, B y C)



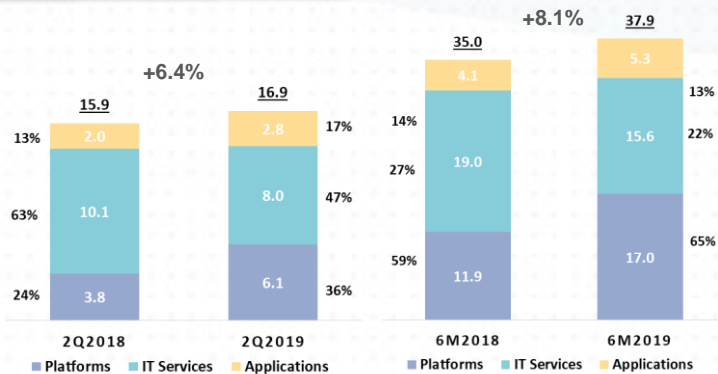
Business Closed in 6M2019

(by group A, B y C)

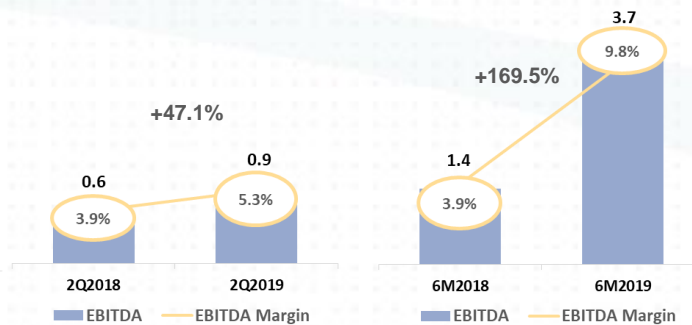


Mexico – Results for the 2Q2019 & 6M2019

Revenues (US\$ million)



EBITDA (US\$ million)



	Chg. 6M 19/18	Chg. 2Q 19/18	Chg. 2Q19/1Q19
Platforms	↑ 43.0%	↑ 61.4%	↓ -43.7%
IT Services	↓ -17.8%	↓ -20.8%	↑ 4.8%
Applications	↑ 27.2%	↑ 38.3%	↑ 14.7%
Total Revenue	↑ 8.1%	↑ 6.4%	↓ -19.2%
EBITDA	↑ 169.5%	↑ 47.1%	↓ -68.1%

- **Revenues increased 8.1%** in reporting currency in 1H2019. In constant currency, revenues decreased 2.1% as a consequence of higher revenues in Platforms offset by lower revenues in IT Services
- **EBITDA grew 169.5%** as a consequence of higher revenues and lower bad debt
- **EBITDA Margin reached 9.8%** in 1H2019

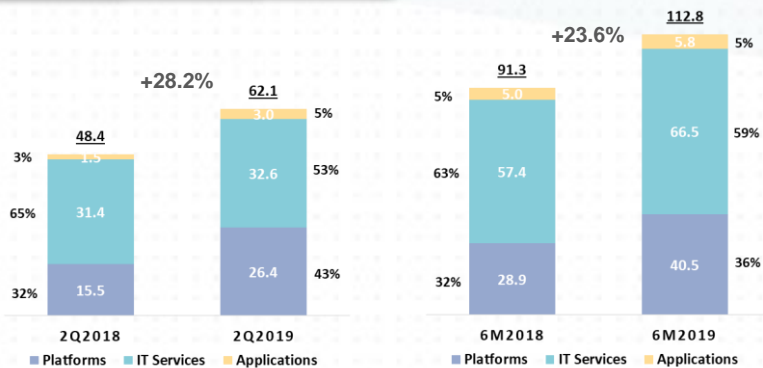
Business Closed:

- ✓ 2Q2019 = US\$ 10 million (-74.6%, yoy)
- ✓ 6M2019 = US\$ 19 million (-62.4%, yoy)

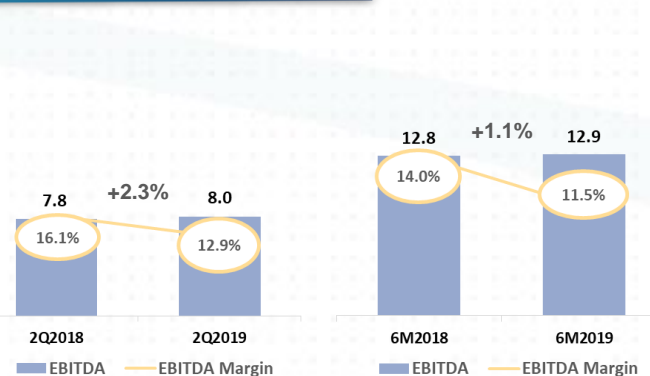
Pipeline: US\$302 million (+204.8%, Jun19/Dec18)

OPLA – Results for the 2Q2019 & 6M2019

Revenues (US\$ million)



EBITDA (US\$ million)



	Chg. 6M 19/18	Chg. 2Q 19/18	Chg. 2Q19/1Q19
Platforms	↑ 40.2%	↑ 70.7%	↑ 87.3%
IT Services	↑ 15.8%	↑ 3.8%	↓ -3.7%
Applications	↑ 16.8%	↑ 98.6%	↑ 8.1%
Total Revenue	↑ 23.6%	↑ 28.2%	↑ 22.2%
EBITDA	↑ 1.1%	↑ 2.3%	↑ 61.4%

Business Closed:

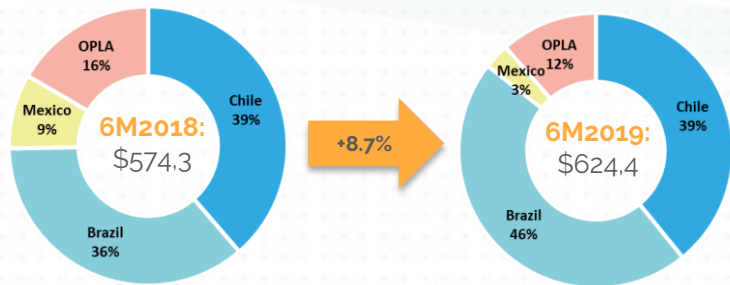
- ✓ 2Q19 = US\$ 35 million (-39.7%, yoy)
- ✓ 6M19 = US\$ 72 millones (-25.0%, yoy)

Pipeline: US\$1.042 million (+5.5% Jun19/Dec18)

- **Revenues increased 23.6%** regarding 1H18 boosted by Argentina, Peru, Uruguay, Panama and Costa Rica. In 2Q2019 revenues grew 28.2%
- EBITDA remained practically flat compared to the same period of 2018, explained by better performance in Argentina, Peru, Panama, Uruguay and Costa Rica offset by lower results in Ecuador and Colombia
- EBITDA Margin reached 11.5% in 1H2019 and 12.9% in 2Q2019, representing an expansion of 320 bp on a sequential basis over 1Q2019

Business Closed

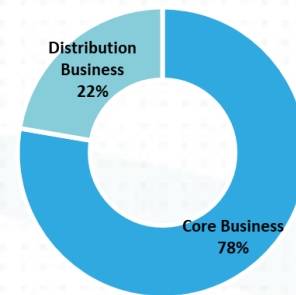
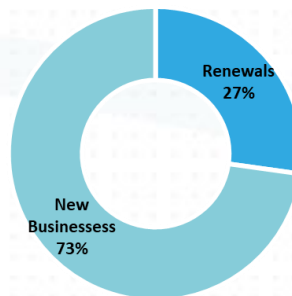
Business Closed by region (US\$ million)



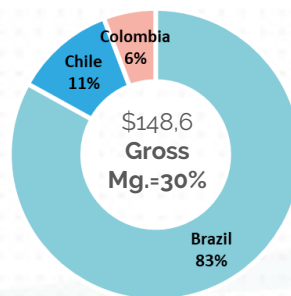
US\$ million	6M2019	6M2018	Chg. %
Chile	244.3	222.0	10.1%
Brazil	289.9	207.2	39.9%
Mexico	18.7	49.8	-62.4%
OPLA	71.5	95.3	-25.0%
Total	624.4	574.3	8.7%

- **US\$247 million in the backlog of contracts awarded** in 1H19 (US\$94 million in 1H18) that are still pending to be signed. Considering those contracts, business closed would have grown 30.4% (yoy)

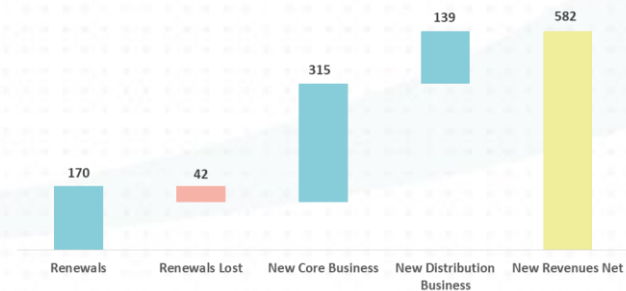
Business Closed Breakdown



Top 10 (6M2019, US\$ million)

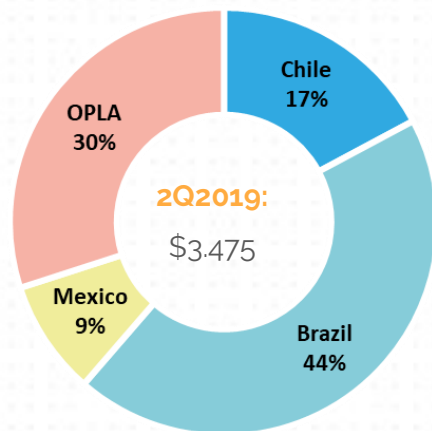


Contribution to revenues (US\$ million)



Pipeline of new opportunities

Pipeline by region (US\$ million)

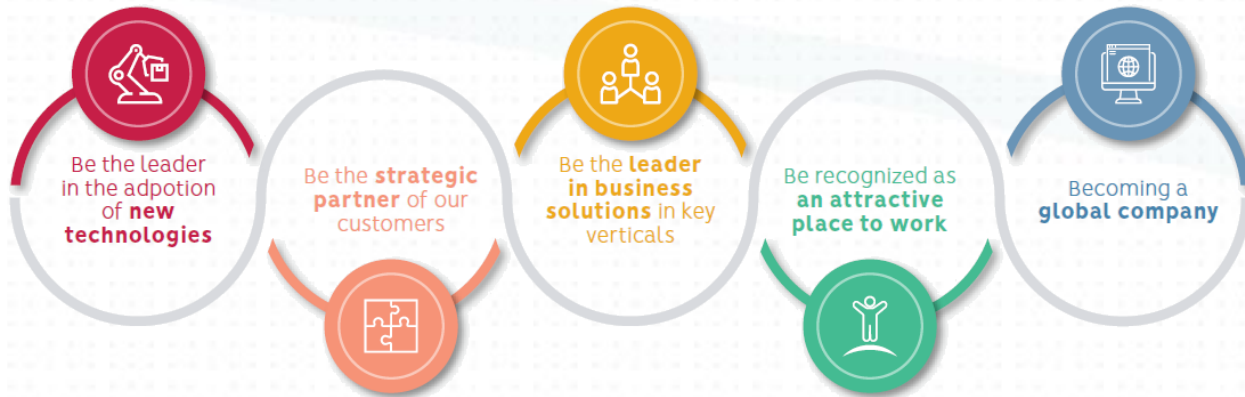


- Brazil represented the 44% of the opportunities included in the pipeline
- Mexico increased its pipeline of new opportunities in more than 200% respect to Dic-18
- New opportunities in contracts coming from Transforming Service Line reached 1/3 of the consolidated pipeline

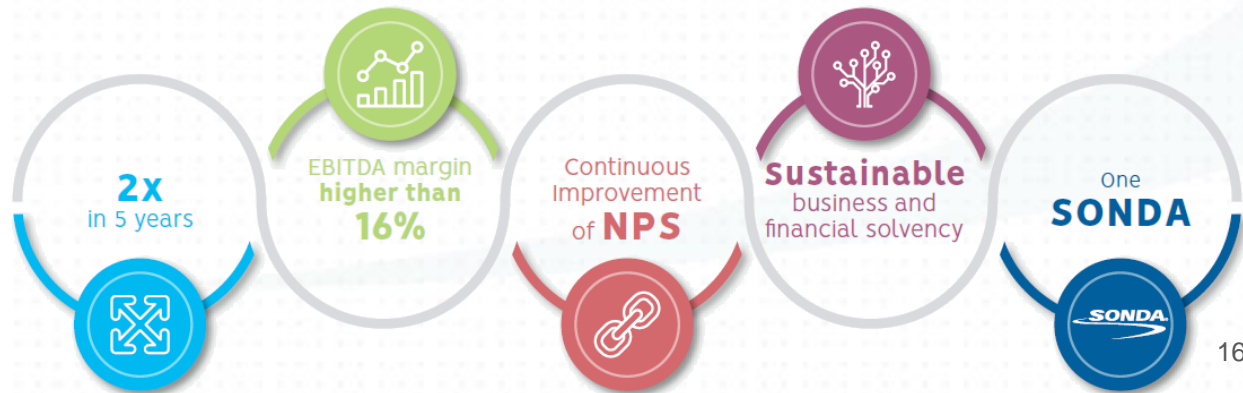
Pipeline	jun-19	dic-18	Chg. %
Chile	597.4	710.7	-15.9%
Brazil	1,534.4	1,430.1	7.3%
Mexico	301.6	99.0	204.8%
OPLA	1,041.6	987.5	5.5%
Total	3,475.0	3,227.3	7.7%

Executing the Strategic Plan

We have defined an aspiration...



... and challenging goals for 2021



Executing the Strategic Plan

To achieve it, we prioritize...

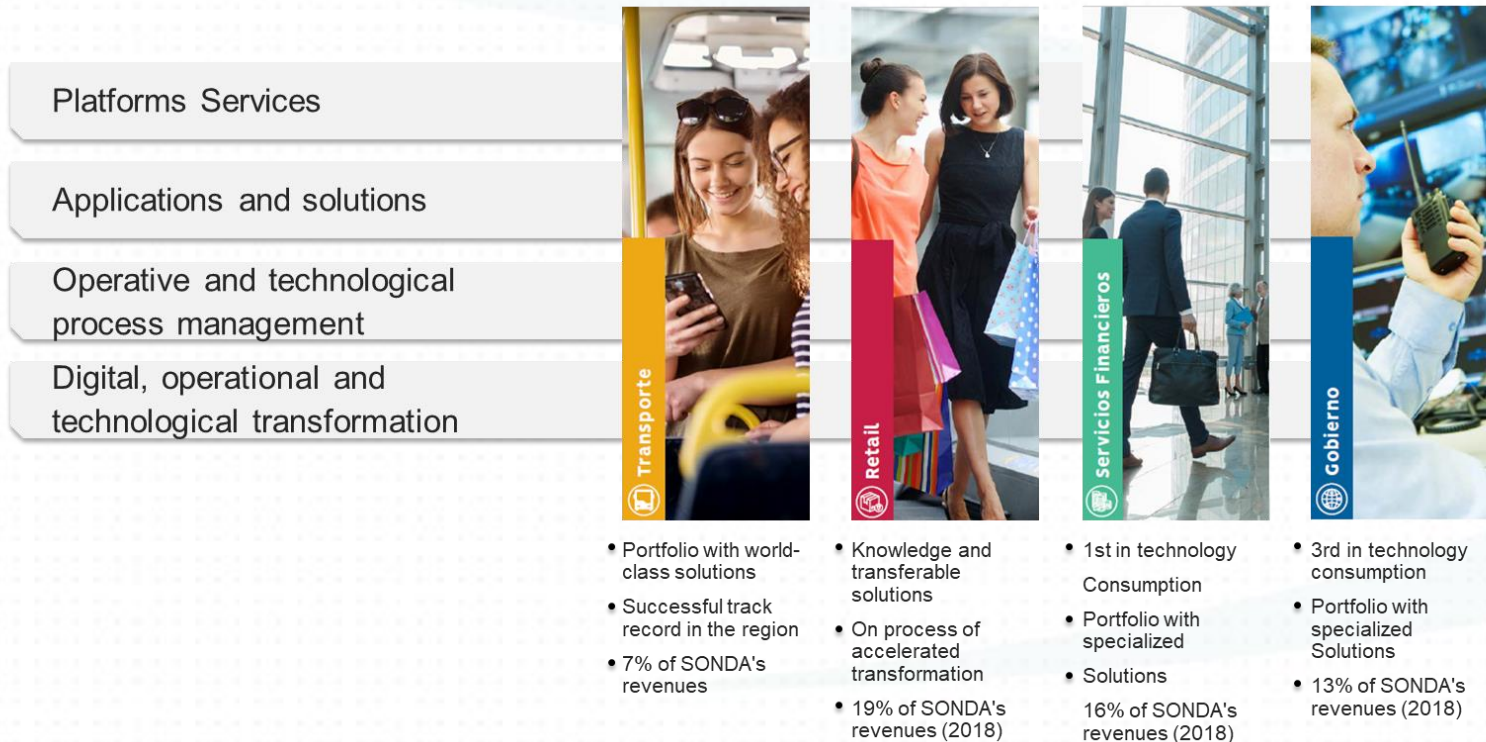
...7 strategic pillars



Executing the Strategic Plan

Strengthening key industries at a regional level

Transforming the business model of our customers
Improving the operations of our customers



Focus in service lines of higher added value

Improving and Transforming Customers' Business

Progress in the digital transformation of our customers...



... by Christian Onetto (Corporate VP in Digital Transformation)

Progress in our Brazilian Operation...



... by Affonso Nina (Brazil's CEO)



Exhibit – Financial Position as of June 30, 2019

Balance Sheet (US\$ million)	dec-18	jun-19	Δ \$	Δ %
Cash and Cash Equivalents	71.1	77.2	6.1	8.6%
Other Current Financial Assets	23.1	29.5	6.3	27.3%
Trade Accounts Receivable and Other Receivables, Net	337.2	343.2	6.0	1.8%
Accounts Receivable from Related Companies	9.3	18.8	9.4	101.0%
Inventories	78.7	64.3	(14.4)	(18.3%)
Other Current Assets	75.1	62.8	(12.2)	(16.3%)
CURRENT ASSETS	594.5	595.7	1.2	0.2%
Intangibles Assets and Goodwill	358.5	372.8	14.3	4.0%
Property, Plant and Equipment, Net	176.7	214.6	37.8	21.4%
Other Non-currents Assets	162.4	176.5	14.1	8.7%
NON-CURRENT ASSETS	697.6	763.9	66.3	9.5%
ASSETS	1,292.2	1,359.6	67.4	5.2%
Other Current Financial Liabilities	163.1	191.2	28.2	17.3%
Other Liabilities	253.2	223.2	(30.0)	(11.9%)
CURRENT LIABILITIES	416.3	414.4	(1.9)	(0.4%)
Other Non-current Financial Liabilities	100.9	142.9	42.0	41.7%
Other Liabilities, Non-Current	57.1	65.7	8.7	15.2%
NON-CURRENT LIABILITIES	158.0	208.6	50.7	32.1%
LIABILITIES	574.2	623.0	48.8	8.5%
Minority Interest	5.8	6.4	0.6	9.9%
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	712.2	730.2	18.0	2.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,292.2	1,359.6	67.4	5.2%

	dec-18	jun-19
Current Liquidity	1.6x	1.8x
(Current Assets / Current Liabilities)		
Leverage	0.8x	0.7x
((Current Liabilities + Non-Current Liabilities) / Equity)		
Financial Expenses Coverage	5.1x	5.6x
(EBITDA / Financial Expenses)		
Net Financial Debt / EBITDA	0.9x	1.5x
(Other Current Financial Liabilities + Other Non-Current Financial liabilities - Cash and Cash Equivalents - Other Financial Current Assets) / EBITDA)		
Financial Debt (US\$ million)	263.9	334.1
(Other Current Financial Liabilities + Other Non-Current Financial liabilities)		
Net Financial Debt (US\$ million)	169.7	227.5
(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

