

CORPORATE PRESENTATION



MEMBER OF  
**Dow Jones**  
**Sustainability Indices**

In Collaboration with RobecoSAM 



# 1

## 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 18,500 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

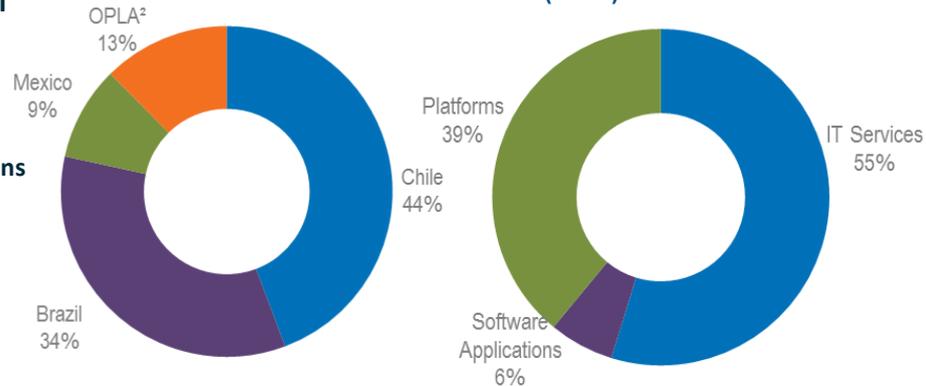
### Integrated one-stop shop business model

- Comprehensive IT offering
- Partnerships with worldwide leading technology suppliers

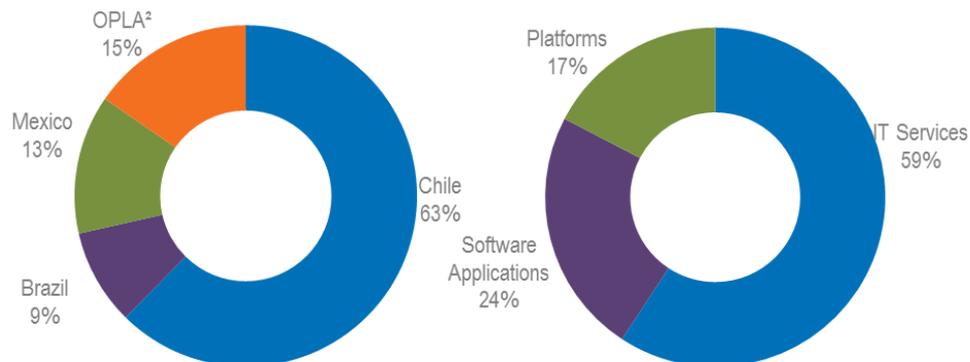
### Key financial metrics (2016)

- Revenues : US\$ 1,219.1 mm <sup>1</sup>
- EBITDA : US\$ 145.0 mm <sup>1</sup>
- Net Debt / EBITDA: 0.8x

## Revenue Breakdown (2016)



## EBITDA Breakdown (2016)



<sup>1</sup> Financial data translated to US\$ using the end of period exchange rate for 2016 \$669.47 CLP/USD

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

# SUCCESSFUL GROWTH HISTORY



**1974**

**SONDA Foundation  
1974 – 1983**

- First full outsourcing services contract
- Applications for pension funds and health insurance providers
- Banking industry applications
- First large systems integration project
- Launching of our first ERP



**1984 – 2005**

**International Expansion**

- Start operations in Peru, Argentina, Ecuador, Uruguay, Brazil, Costa Rica and Mexico.
- 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
- New Chilean identification system (Chilean Civil Registry)



**2006 - 2015**

**Regional Consolidation**

- IPO (2006)
- Payment solution for Santiago's public transportation system
- Livestock traceability (Uruguay and Colombia)
- Web -based solution for government procurement (Chile, Colombia, Argentina, Panama)
- Corporate Cloud Computing
- Payment solution for Ciudad de Panama's public transportation system
- New Headquarter and Datacenter in Brazil and Opening of new TIER III Certified - Mega Datacenter in Chile



**2016**

- Acquisition of 60% of the Brazilian company Ativas, which provides a state-of-the-art data center services
- SONDA's Chile data center achieves certified compliance under Tier III standards for operational sustainability
- SONDA releases the first Safe City Tech Challenge as an open innovation competition for students.
- Sonda developed Regional Centers of Expertise leveraged in successful key projects. Their mission is to deliver the expertise obtained leading the selling process, implementation and execution of different projects in the region.



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
- End User 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



2

# COMPANY HIGHLIGHTS

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**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



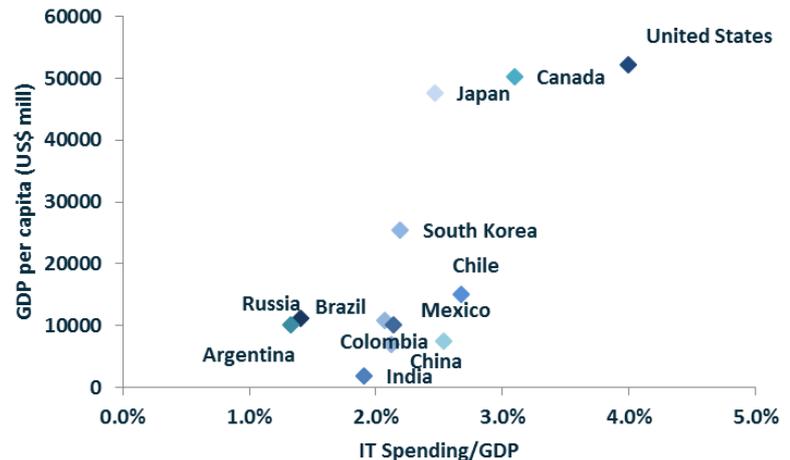
# PRESENCE IN A GROWING AND UNDERPENETRATED MARKET



## 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 2.5%.
- In developed economies, IT spending as a percentage of GDP is over 2.5% and can reach up to 4.0%.
- 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 2016)



# PRESENCE IN A GROWING AND UNDERPENETRATED MARKET

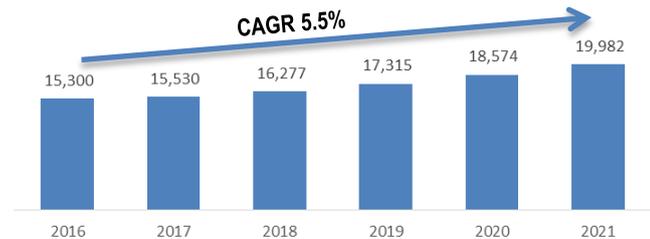
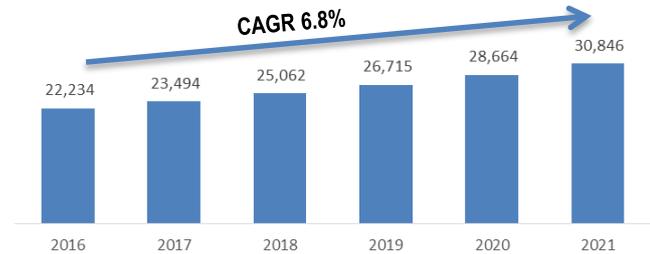


## Latin America IT Spending Patterns (US\$ millions)

IT Infrastructure	2016	2017	2018	2019	2020	2021
Chile	683	701	722	746	785	826
Brazil	4,034	4,049	4,276	4,550	4,892	5,321
Mexico	2,502	2,696	2,792	2,927	3,064	3,231
Rest of Latin America	3,863	4,126	4,428	4,778	5,133	5,517

IT Services	2016	2017	2018	2019	2020	2021
Chile	1,755	1,852	1,975	2,115	2,269	2,438
Brazil	9,931	10,377	10,965	11,623	12,366	13,162
Mexico	4,510	4,990	5,415	5,730	6,200	6,780
Rest of Latin America	6,037	6,275	6,706	7,247	7,829	8,467

Software	2016	2017	2018	2019	2020	2021
Chile	879	878	909	956	1,012	1,073
Brazil	7,820	7,865	8,185	8,695	9,381	10,148
Mexico	3,219	3,286	3,452	3,659	3,879	4,129
Rest of Latin America	3,382	3,501	3,730	4,005	4,302	4,632



Source: IDC Latin America IT Spending Patterns Black Book 2Q17

# DIVERSIFIED BLUE-CHIP COSTUMER BASE



## Client focus on blue-chip companies

- Large and medium size companies
- Regional clients

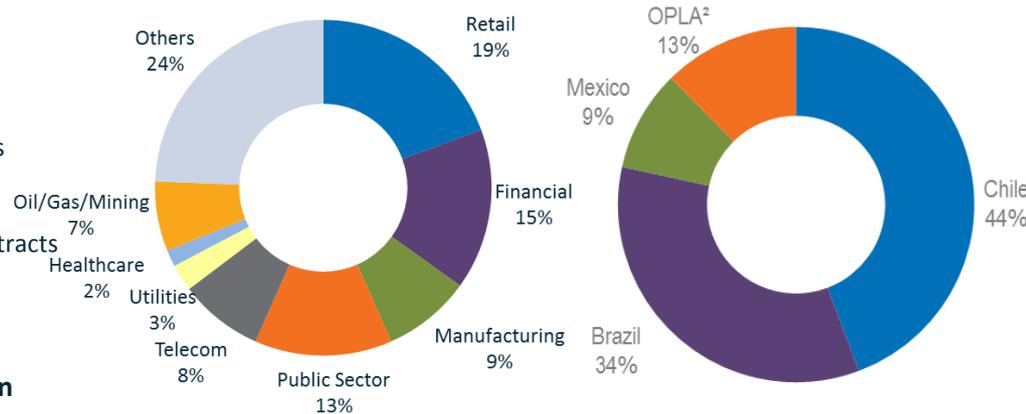
## Long term relationship with clients

- Multiyear contracts lasting on 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 26% of consolidated revenue<sup>1</sup>
- 50 largest clients represent 35% 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, 2016)



## Some of our Blue-Chip Clients

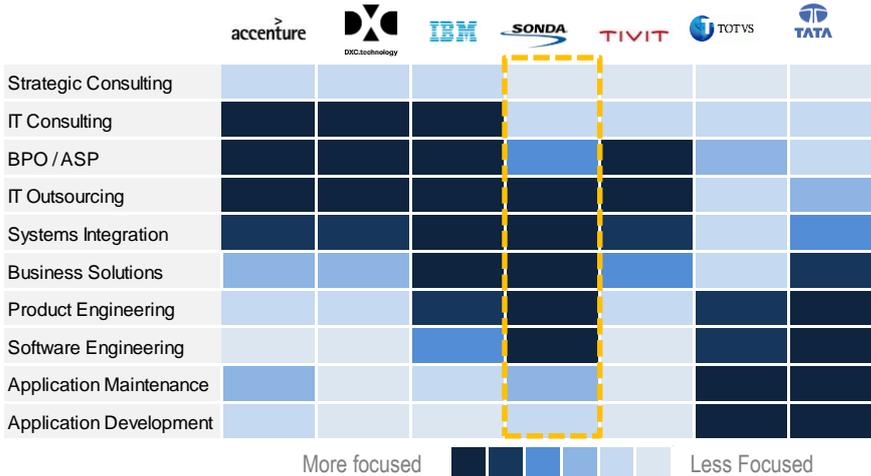


<sup>1</sup> December, 2016

# 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



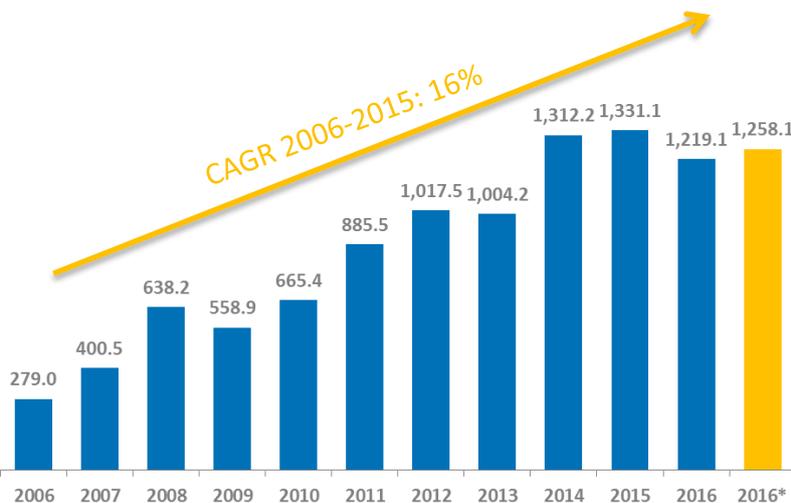
# SOLID TRACK RECORD OF FINANCIAL PERFORMANCE



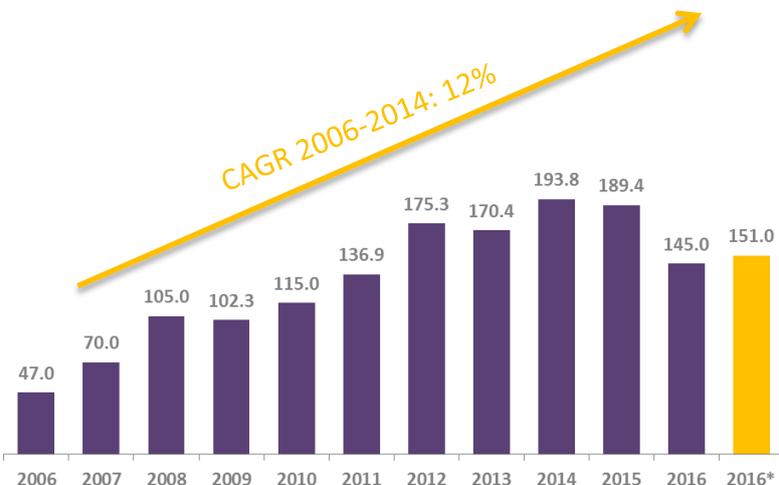
Solid growth on the back of stable margins ...

- 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 2016 : 669,47 CLP/USD.

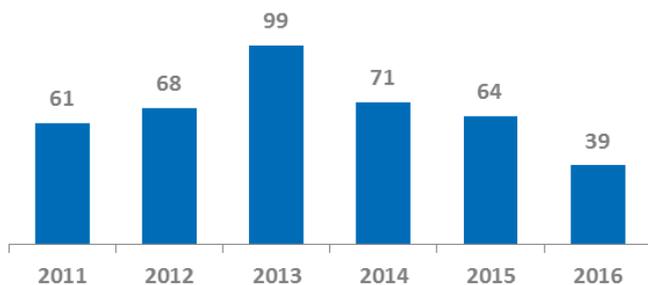
\* 2016 adjusted by exchange rate effect

# SOLID TRACK RECORD OF FINANCIAL PERFORMANCE

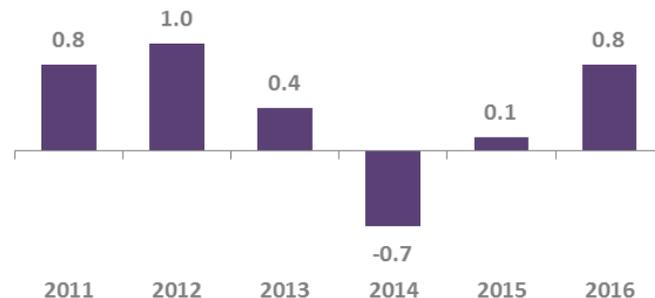


...coupled with profitability, low leverage and steady dividend payout ratio

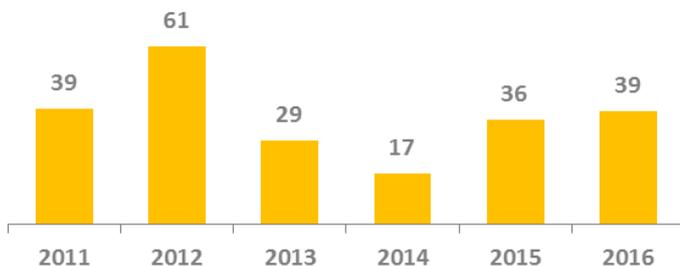
Net Income (US\$ millions)



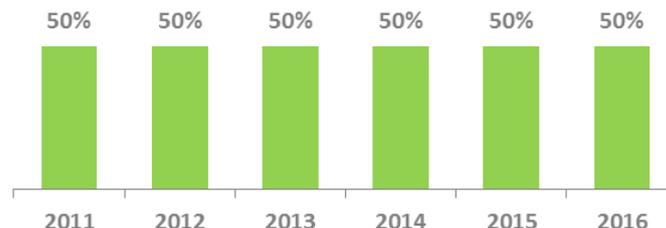
Net Debt / EBITDA<sup>1</sup>



Capex (US\$ millions)



Dividend Payout Ratio<sup>2</sup>



Note: Financial data translated to US\$ using the end of period exchange rate for 2016 669.47 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

- 6 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

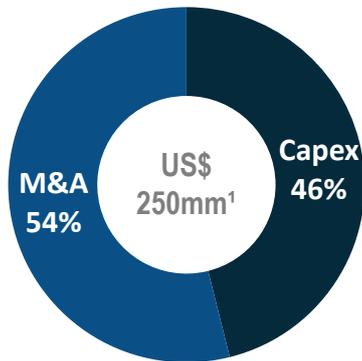
Name	Position	Years at		Education
		SONDA	Industry	
Raúl Vejar	CEO	35	35	Electronic Engineer
Rafael Osorio	CFO	36	36	Industrial Engineer
Eduardo Borba	CEO SONDA Brazil	9	22	BA, Systems Analyst
Raúl Sapunar	CEO SONDA CHILE	33	33	Electrical Engineer
Oscar Rojo	CEO SONDA Mexico	21	22	MBA, Industrial Engineer
José Orlandini	Service Division Manager	32	35	Electrical Engineer
Alberto Merino	Commercial Development Manager	29	29	Electrical Engineer
Rodrigo Peña	Planning and IR Officer	13	24	MBA, Civil Engineer

Name	Selected Background
Mario Pavón R. (Chairman)	Director of I-Med, other SONDA affiliates and non-profit org.
Rosario Navarro B. (Vice Preseident)	Director of TICs for Education in Fundación Chile and Chairwoman of “Docente al Día”, a learning platform for teachers.
Juan Antonio Guzmán. (Directors Committee)	Chairman of Clínica Indisa, Former Chairman of SQM, Former Ministry of Education
Mateo Budinich D. (Directors Committee)	Former Executive Director of Conicyt, Former CEO of IBM Chile and Telefónica Empresas, Former Director of Cámara de Comercio Chileno Americana
René Lehuede F. (Directors Committee)	Former Executive of Banco de Chile and Banco BICE. Director of Puerto Lirquén S.A., Puerto Central S.A., Banco BICE and BICE Corp, among others.
Hernán Marió L.	Director of Mining Companies, Former Director of VTR, Former CEO and CFO of Entel
Enrique Bone S.	Former Advisor of the modernity process for Chilean Civil Registry. Chairman of Empresas Hites, Director of Paz Corp S.A., Board Counselor of Universidad de Los Andes.
Alfonso Gómez M.	Chairman of Centro de Innovación UC Anacleto Angelini. Founder of relevant IT companies in Chile.
Andrés Navarro B.	Director of Viña Santa Rita and Banco Internacional

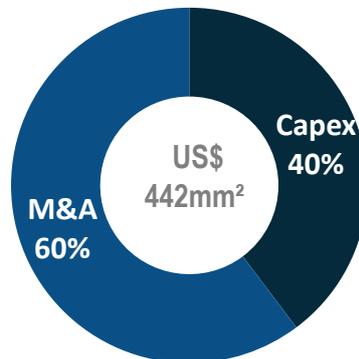
## SUCCESSFUL TRIENNIAL INVESTMENTS PLANS EXECUTED IN THE PAST

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

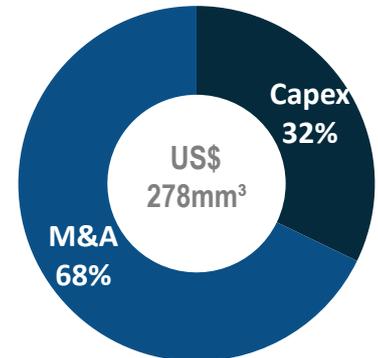
### SONDA's Triennial Investment Plans



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 thirteen companies for a total of approx. US\$600 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
2011	QUINTEC	Pan-regional	Strengthen position in Chile and Colombia Complement current offering Boost access to a growing regional retail industry	0.7 x
2012	etecid	Brazil	Strengthen solutions offering for engineering and design industry in LatAm	0.7 x
	etecid	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
2016	ATIVAS	Brazil	Enhance geographic coverage Strengthen position in Brazil	n.a
2017	COMPUFACIL	Colombia	Strengthen position Colombia	0.5 x

# OPPORTUNITY TO CONTINUE GROWING INVESTMENT PLAN 2016-2018



## Organic Growth

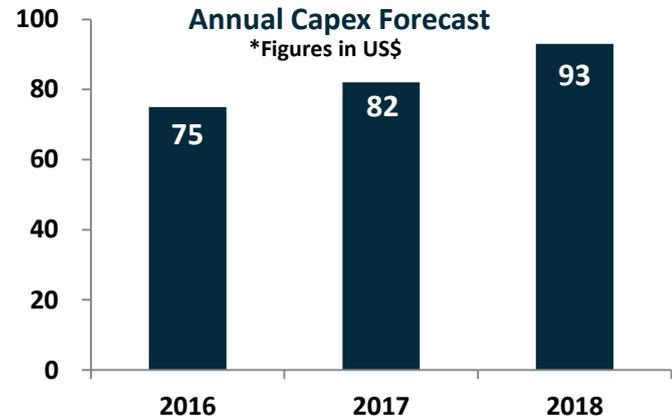
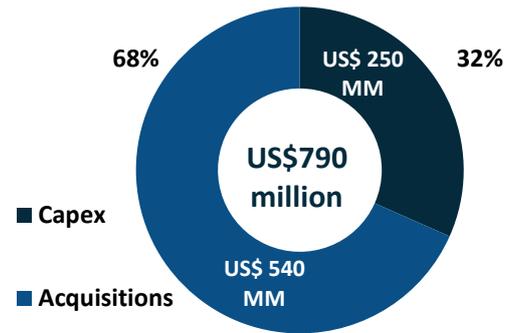
- Develop large Systems Integration and Outsourcing contracts
- Continually updating services incorporating new technologies (i.e. Cloud, SaaS/IaaS/PaaS, Mobility, IoT, Smart Cities, Big Data/Analytics)
- Verticalizing our services broadening and specializing industry specific solutions
- Strengthening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

A person's hands are shown holding a tablet computer. The entire image is overlaid with a semi-transparent blue filter. A large, white, outlined number '3' is positioned on the left side of the page. Below the number, the words 'FINANCIAL REVIEW' are written in a white, bold, sans-serif font. A thin white horizontal line extends from the base of the number '3' across the bottom of the page, ending in a small white square.

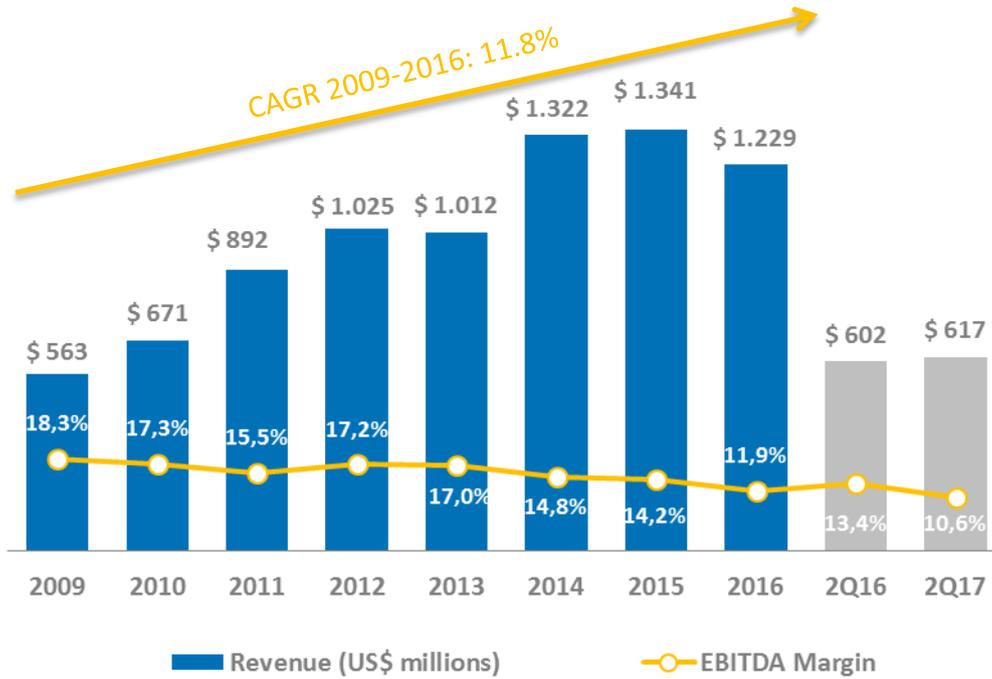
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## FINANCIAL REVIEW

# REVENUE AND EBITDA



Consolidated Revenue (US\$ millions)

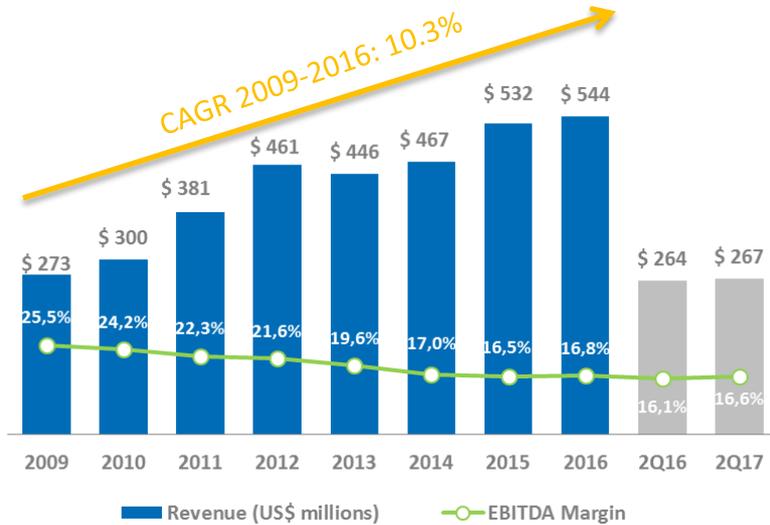


# REVENUE AND EBITDA MARGIN



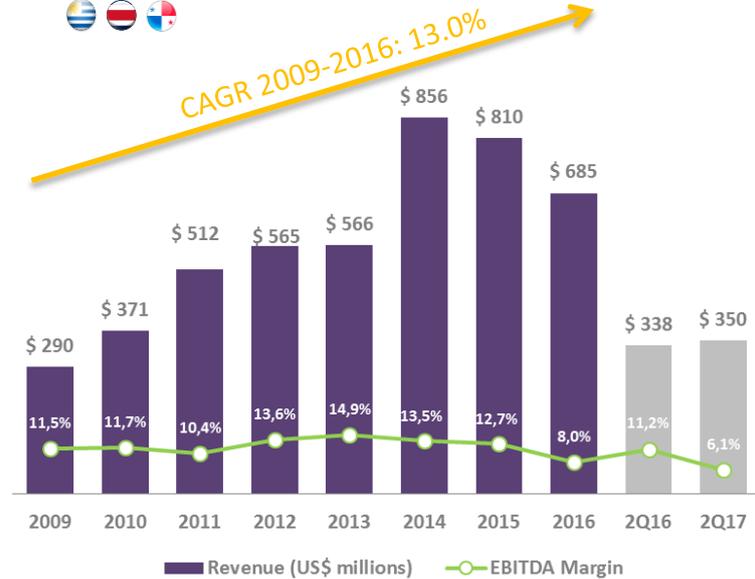
Chile Revenue

CAGR 2009-2016: 10.3%



Ex-Chile Revenue

CAGR 2009-2016: 13.0%

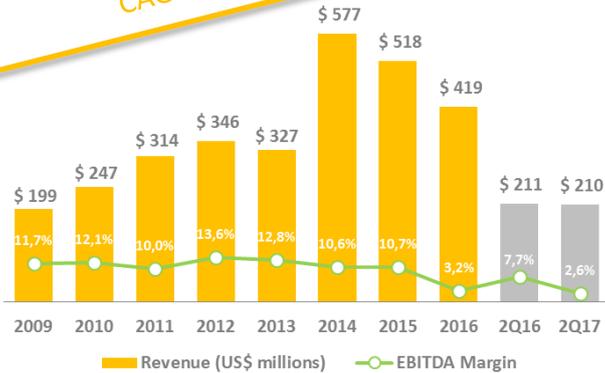


# REVENUE AND EBITDA MARGIN



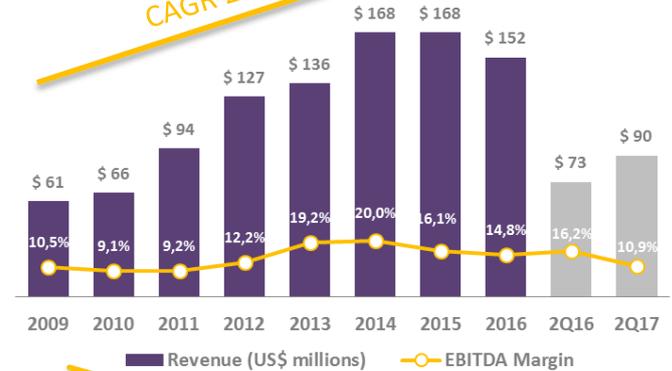
## Brazil Revenue

CAGR 2009-2016: 11.2%



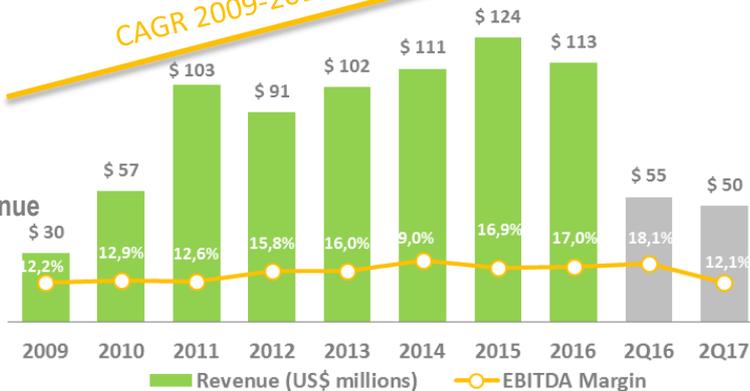
## OPLA Revenue

CAGR 2009-2016: 14.0%



## Mexico Revenue

CAGR 2009-2016: 20.9%



# SUMMARY INCOME STATEMENT



(US\$ millions)	Fiscal Year Ended December 31,						LTM	2011 – 2017
	2011	2012	2013	2014	2015	2016	June 31	CAGR
TOTAL REVENUES	892,4	1.025,4	1.012,0	1.322,4	1.341,5	1.228,6	1.243,3	6,2%
<i>Growth (%)</i>	33,1%	14,9%	-1,3%	30,7%	1,4%	-8,4%	1,2%	
Gross Profit	186,9	220,6	213,9	237,4	258,6	217,7	202,9	1,5%
<i>Margin (%)</i>	20,9%	21,5%	21,1%	18,0%	19,3%	17,7%	16,3%	
EBITDA	138,0	176,7	171,7	195,3	190,8	146,2	131,2	-0,9%
<i>Margin (%)</i>	15,5%	17,2%	17,0%	14,8%	14,2%	11,9%	10,6%	
<i>Growth (%)</i>	19,1%	28,0%	-2,8%	13,8%	-2,3%	-23,4%	-10,3%	
EBIT	103,8	128,8	126,2	132,6	140,2	95,3	74,2	-5,9%
<i>Margin (%)</i>	11,6%	12,6%	12,5%	10,0%	10,5%	7,8%	6,0%	
NET INCOME TO SHAREHOLDERS	61,2	68,6	100,0	71,6	64,5	39,7	22,8	-16,4%
<i>Margin (%)</i>	6,9%	6,7%	9,9%	5,4%	4,8%	3,2%	1,8%	
<i>Growth (%)</i>	21,1%	12,2%	45,7%	-28,4%	-9,9%	-38,4%	-42,5%	
Reported EPS	0,08	0,08	0,11	0,08	0,07	0,05	0,03	-18,2%

# SUMMARY BALANCE SHEET



(US\$ millions)	Fiscal Year Ended December 31,						June 30,
	2011	2012	2013	2014	2015	2016	2017
Cash and Equivalents	49,6	92,3	257,2	118,3	103,0	99,8	97,7
Other Current Financial Assets	2,1	9,9	7,7	4,6	2,6	37,9	42,8
Current Accounts Receivable	267,7	260,9	218,7	340,7	354,3	303,6	308,1
PP&E	115,8	134,1	137,4	150,0	143,7	200,7	198,2
Goodwill	225,2	292,9	277,0	389,3	329,3	365,5	358,2
Other Assets	207,8	253,8	219,1	263,5	245,6	321,9	320,5
<b>ASSETS</b>	<b>868,3</b>	<b>1.044,0</b>	<b>1.116,9</b>	<b>1.266,4</b>	<b>1.178,4</b>	<b>1.329,5</b>	<b>1.325,4</b>
Current Accounts Payable	132,9	149,4	155,7	197,5	188,0	170,0	153,5
Total Debt	186,5	158,9	141,7	148,4	138,4	249,8	299,6
Other Liabilities	83,2	135,8	104,0	164,0	150,6	139,9	118,2
<b>LIABILITIES</b>	<b>402,6</b>	<b>444,1</b>	<b>401,3</b>	<b>509,8</b>	<b>477,1</b>	<b>559,7</b>	<b>571,4</b>
Minority Interest	6,2	7,1	8,0	8,9	10,3	12,7	10,2
Common Equity	459,5	592,8	707,6	747,6	691,0	757,1	743,7
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>868,3</b>	<b>1.044,0</b>	<b>1.116,9</b>	<b>1.266,4</b>	<b>1.178,4</b>	<b>1.329,5</b>	<b>1.325,4</b>

# SUMMARY CASH FLOW STATEMENT



(US\$ millions)	Fiscal Year Ended December 31,					June 30,	
	2011	2012	2013	2014	2015	2016	2017
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	50	135,0	141,1	100,5	77,1	101,6	22,3
Capex	85	140,0	38,9	141,7	41,1	77,4	44,6
Other cash receipts / payments from sales of equity or debt instru	57	0,2	39,7	0,4	0,0	(23,8)	(0,4)
Others	(167)	(284,3)	(63,3)	(223,4)	(80,0)	(209,6)	(99,0)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(25)	(144,2)	15,3	(81,3)	(38,9)	(156,1)	(54,7)
Dividends Paid	(31)	(32,0)	(40,5)	(50,5)	(36,8)	(38,8)	(9,8)
Interest Paid	(5)	(7,3)	(2,6)	(6,2)	(8,0)	(23,1)	(6,9)
Other	23	102,1	49,7	(99,1)	(4,4)	116,4	51,0
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(13)	62,8	6,5	(155,7)	(49,2)	54,6	34,3
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(0)	(10,9)	2,0	(2,4)	(4,4)	(6,1)	0,3
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12	42,7	164,9	(138,9)	(15,4)	(6,0)	1,9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	50	92,3	257,2	118,3	103,0	97,0	97,7

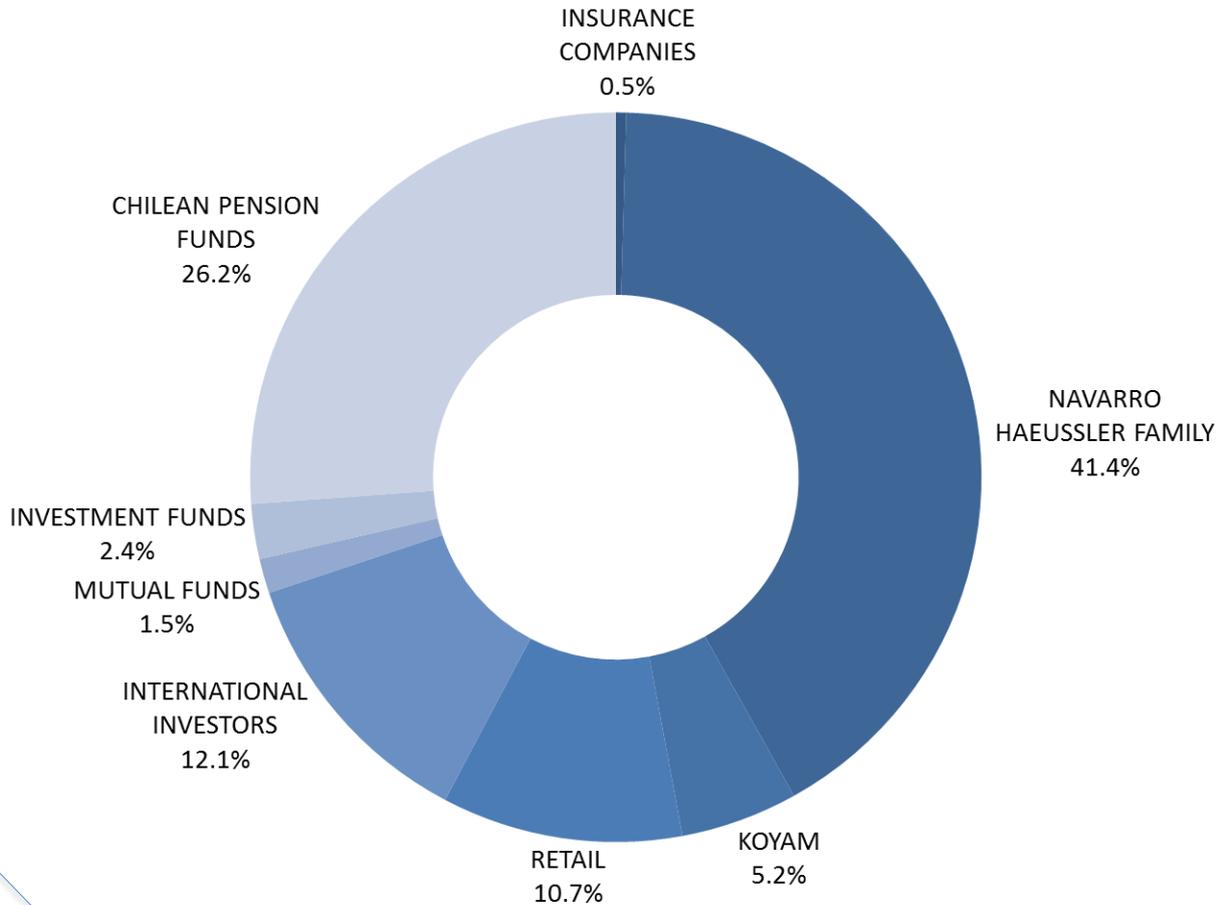
Note: Financial data translated to US\$ using the end of period exchange rate for Jun-17 \$664,29 CLP/USD



# 4

## APPENDIX

# OWNERSHIP STRUCTURE





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