



# EARNINGS PRESENTATION 3Q19 & 9M19

October 29, 2019

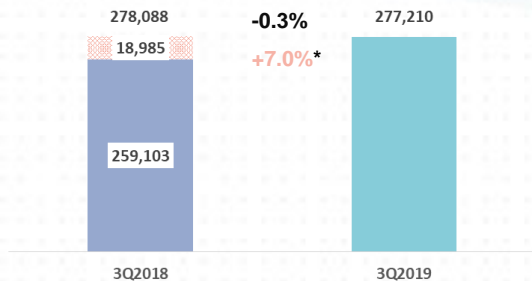


## Highlights 3Q19 & 9M19

- **Revenues increased 6.8% (YoY) in reporting currency in 9M2019**, registering growth in all regions, except Mexico. In 3Q19, revenues were flat (YoY), highlighting the growth in Brazil and Chile, offset by lower revenues in Mexico and OPLA. The latter was affected by foreign exchange effects, in constant currency, OPLA grew 16.7% compared to 3Q18.
- **In 9M19, EBITDA increased 5.7%** in reporting currency compared to 9M18, highlighting the growth in Brazil (+52.1%) and OPLA (+6.2%). In 3Q19, in reporting currency, OPLA showed a higher dynamism (+17.4%) compared to the EBITDA registered in 3Q18.
- **EBITDA margin remained flat in 9M19** compared to the same period of 2018. As of 3Q19, the EBITDA Margin was 110bp lower YoY. However, Brazil highlighted registering a margin expansion of +170 bp. Also, in 3Q19, OPLA stood out showing a margin expansion of 250bp compared to 3Q18.
- **Net Income increased 234.3% in reporting currency** YoY, while in 3Q19 Net Income increased by 98.5% compared to 3Q18. Both growths were mainly driven by the sale of a subsidiary company.
- **Business Closed increased 18.4%** during the 9M19 (YoY), highlighting higher commercial activity in Chile and Brazil, which registered a growth of 47.8% and 20.0%.
- **Pipeline of new opportunities increased 11.1% compared to December 2018**, highlighting Mexico (+143.0%) and Brazil (+33.1%).

# 3Q2019 Results

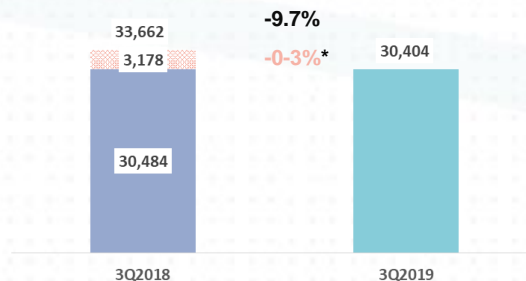
## Revenues (US\$ million)



One-Off MX 3Q18

(\*): growth discounting MX contract in 3Q18

## EBITDA (US\$ million)



One-Off MX 3Q18

(\*): growth discounting MX contract in 3Q18

## Utilidad Neta (US\$ million)

















US\$ Million	3Q2019	Chg. 19/18	3Q2019 A	Chg. 19A/18
<b>Revenues</b>	<b>277.2</b>	<b>↓ (-0.3%)</b>	<b>279.1</b>	<b>↑ 0.4%</b>
<b>EBITDA</b>	<b>30.4</b>	<b>↓ (-9.7%)</b>	<b>30.8</b>	<b>↓ (-8.6%)</b>
EBITDA Margin	11.0%	↓ (-114pb)	11.0%	↓ (-108pb)
<b>Net Income</b>	<b>15.3</b>	<b>↑ 98.5%</b>	<b>29.2 **</b>	<b>↑ 184.6%</b>
Net Margin	5.5%	↑ 274pb	10.5%	↑ 769pb

**Note:** 3Q2019A corresponds to figures for the period 2019 in constant currency.

(\*\*): it does not consider the foreign exchange effects in taxes

**Note:** figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

# 2019 Quaterly Results

US\$ Million	1Q 2019	2Q 2019	3Q 2019
<b>Revenues</b>	<b>267.9</b>	 <b>291.1</b>	 <b>277.2</b>
Chg. % (Q o Q)		8.6%	(4.8%)
<b>EBITDA</b>	<b>27.8</b>	 <b>32.3</b>	 <b>30.4</b>
Chg. % (Q o Q)		16.2%	(6.0%)
<b>EBITDA Margin</b>	<b>10.4%</b>	 <b>11.1%</b>	 <b>11.0%</b>
Chg. % (Q o Q)		73bp	(-14bp)
<b>Net Income</b>	<b>6.5</b>	 <b>10.0</b>	 <b>15.3</b>
Chg. % (Q o Q)		53.9%	252.0%
<b>Net Margin</b>	<b>2.4%</b>	 <b>3.5%</b>	 <b>5.5%</b>
Chg. % (Q o Q)		102bp	206bp
<b>Net Income excluding FX over taxes</b>	<b>2.0</b>	 <b>10.2</b>	 <b>29.2</b>
Chg. % (Q o Q)		406.3%	185.3%
<b>Net Margin excluding FX over taxes</b>	<b>0.8%</b>	 <b>3.5%</b>	 <b>10.5%</b>
Chg. % (Q o Q)		276bp	701bp

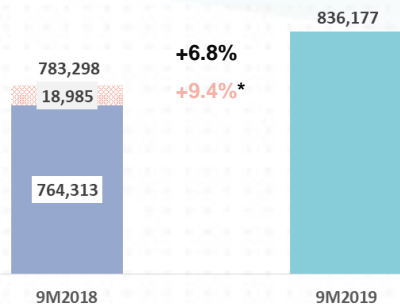
*Note: figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.*

## Highlights

- Less dynamism in revenues QoQ explained by OPLA (FX), Chile and Mexico, compensated by Brazil.
- Less dynamism in QoQ EBITDA explained by OPLA, Brazil and Mexico offset by Chile.

# 9M2019 Results

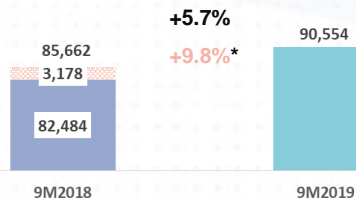
## Revenues (US\$ million)



\* One-Off MX 3Q18

(\*): growth discounting MX contract in 3Q18

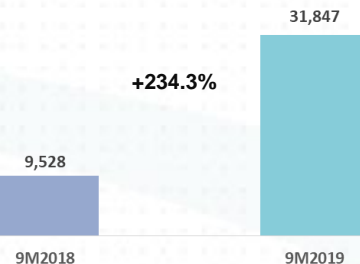
## EBITDA (US\$ million)



\* One-Off MX 3Q18

(\*): growth discounting MX contract in 3Q18

## Utilidad Neta (US\$ million)



US\$ Million	9M2019	Chg. 19/18	9M2019 A	Chg. 19A/18
<b>Revenues</b>	<b>836.2</b>	<b>↑ 6.8%</b>	<b>828.7</b>	<b>↑ 5.8%</b>
<b>EBITDA</b>	<b>90.6</b>	<b>↑ 5.7%</b>	<b>90.0</b>	<b>↑ 5.0%</b>
EBITDA Margin	10.8%	(-11pb)	10.9%	(-8pb)
<b>Net Income</b>	<b>31.8</b>	<b>↑ 234.3%</b>	<b>41.4**</b>	<b>↑ 85.9%</b>
Net Margin	3.8%	↑ 259pb	5.0%	↑ 378pb

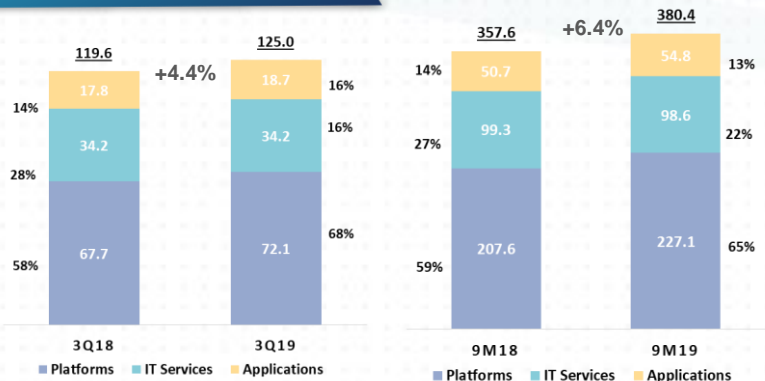
**Note:** 9M2019A corresponds to figures for the period 2019 in constant currency.

(\*\*): it does not consider the foreign exchange effects in taxes

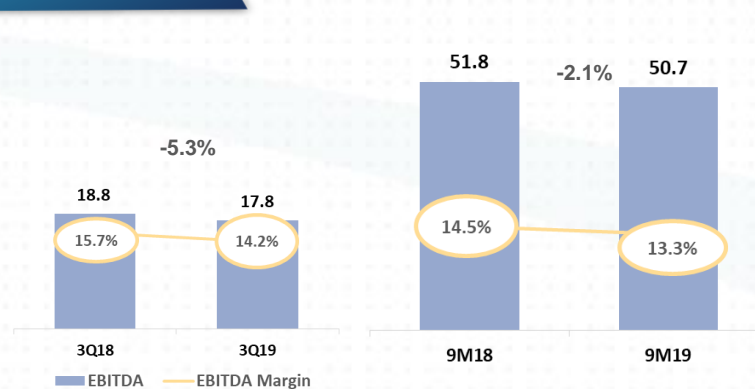
**Note:** figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

# Chile – 3Q19 & 9M19 Results

## Revenues (US\$ million)



## EBITDA (US\$ million)



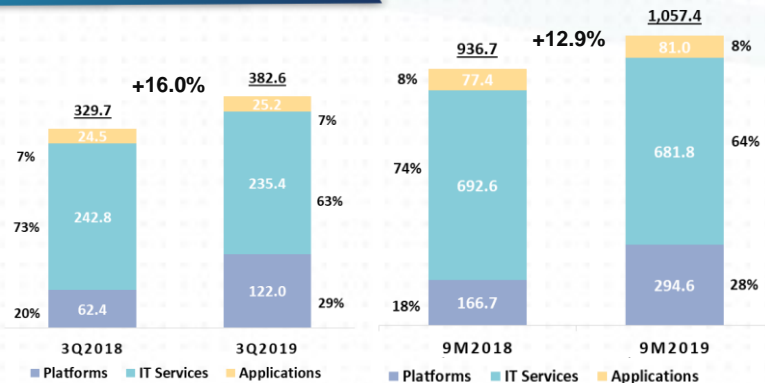
	Chg. 9M19/18	Chg. 3Q19/18	Chg. 3Q19/2Q18
Platforms	9.4%	6.5%	-8.7%
IT Services	-0.8%	0.0%	0.6%
Applications	8.0%	5.0%	1.2%
<b>Total Revenue</b>	<b>6.4%</b>	<b>4.4%</b>	<b>-4.9%</b>
<b>EBITDA</b>	<b>-2.1%</b>	<b>-5.3%</b>	<b>2.8%</b>

- **Revenues increased by 6.4% and 4.4%** during 9M2019 and 3Q2019, respectively, in reporting currency.
- **EBITDA margin reached 13.3%** in the first nine months of 2019, affected by the wholesale business. In the **3Q19 the EBITDA margin reached 14.2%**.
- **Business closed increased 47.8%** in the first nine months of 2019 compared to the same period of 2018.

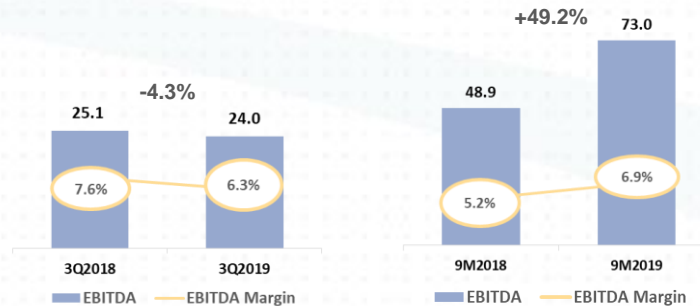
Note: figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

# Brazil – 3Q19 & 9M19 Results

## Revenues (BRL million)



## EBITDA (BRL million)



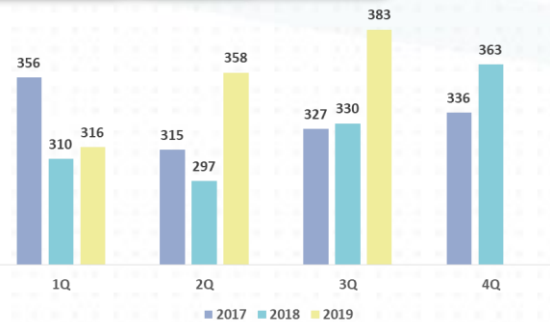
	Chg. 9M19/18	Chg. 3Q19/18	Chg. 3Q19/2Q19
Platforms	↑ 76.8%	↑ 95.5%	↑ 79.7%
IT Services	↓ -1.6%	↓ -3.0%	↑ 7.3%
Applications	↑ 4.7%	↑ 2.5%	↓ -13.5%
<b>Total Revenue</b>	<b>↑ 12.9%</b>	<b>↑ 16.0%</b>	<b>↑ 20.9%</b>
EBITDA	↑ 49.2%	↓ -4.3%	↑ 18.0%

- **Revenue increased 13.7%** in reporting currency during 9M19. In BRL, revenues increased 12.9%, as a result of the growth in the closing of contracts for higher value-added services. **In 3Q19, revenues increased 16.0% in BRL**
- **EBITDA grew 49.2% in 9M19 and decreased 4.3% in 3Q19** in constant currency
- **EBITDA margin expanded 170 bp** compared to 9M18

# Brazil – Recovery in results and profitability

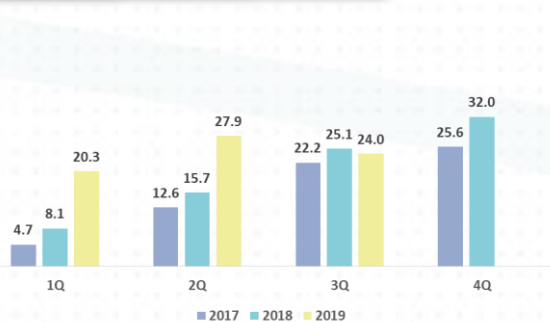
### Revenues by Quarter

(BRL million)



### EBITDA by Quarter

(BRL million)



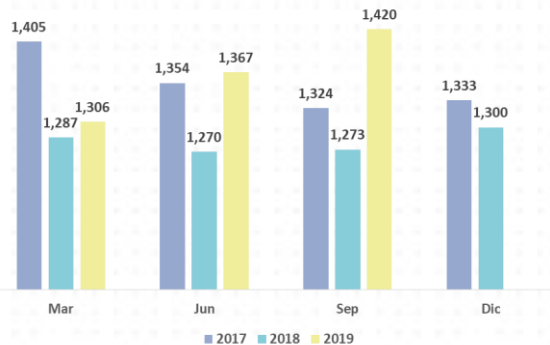
### Quarterly EBITDA Margin

(%)



### Revenues LTM

(BRL million)



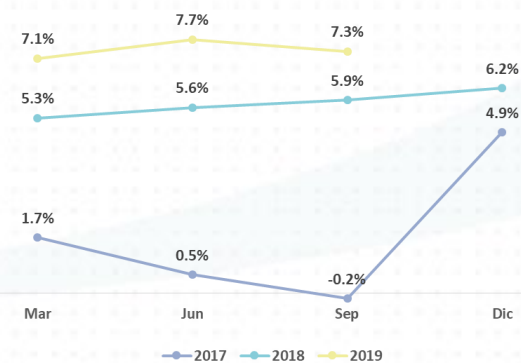
### EBITDA LTM

(BRL million)



### EBITDA Margin LTM

(%)



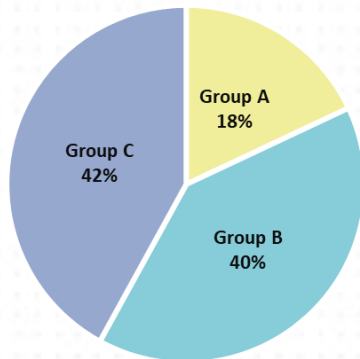


# Brazil - The strategic plan is guiding the recovery

- 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  $\leq 15\%$**

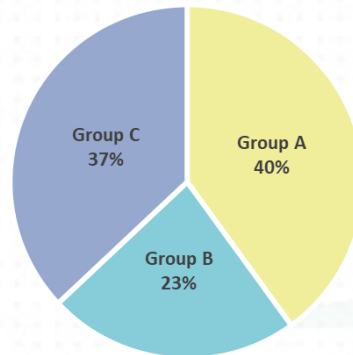
Revenue Mix in 2017

(by group A, B y C)



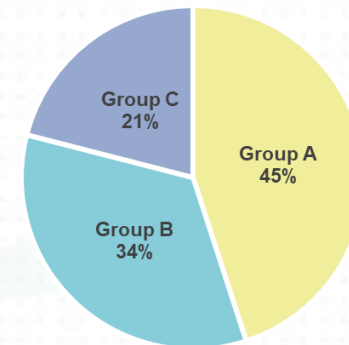
Business Closed in 2018

(by group A, B y C)



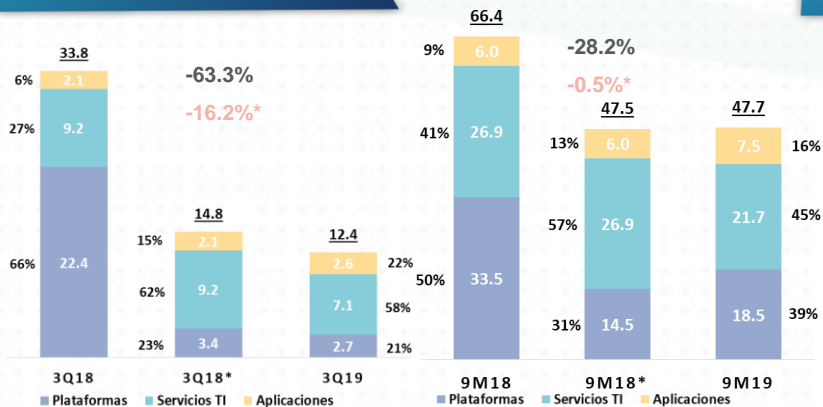
Business Closed in 9M19

(by group A, B y C)



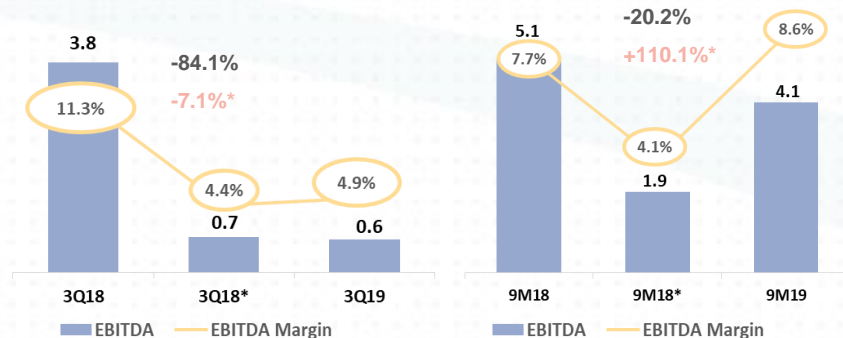
# Mexico – 3Q19 & 9M19 Results

## Revenues (US\$ million)



(\*): revenues discounting contract with a banking sector customer in 3Q18

## EBITDA (US\$ million)



(\*): revenues discounting contract with a banking sector customer in 3Q18

	Chg. 9M19/18	Chg. 3Q19/18	Chg. 3Q19/2Q18
Platforms	↓ -44.7%	↓ -88.1%	↓ -53.4%
IT Services	↓ -19.5%	↓ -22.6%	↓ -4.4%
Applications	↑ 25.0%	↑ 21.0%	↓ -1.1%
<b>Total Revenue</b>	<b>↓ -28.2%</b>	<b>↓ -63.3%</b>	<b>↓ -21.6%</b>
<b>EBITDA</b>	<b>↓ -20.2%</b>	<b>↓ -84.1%</b>	<b>↓ -27.7%</b>

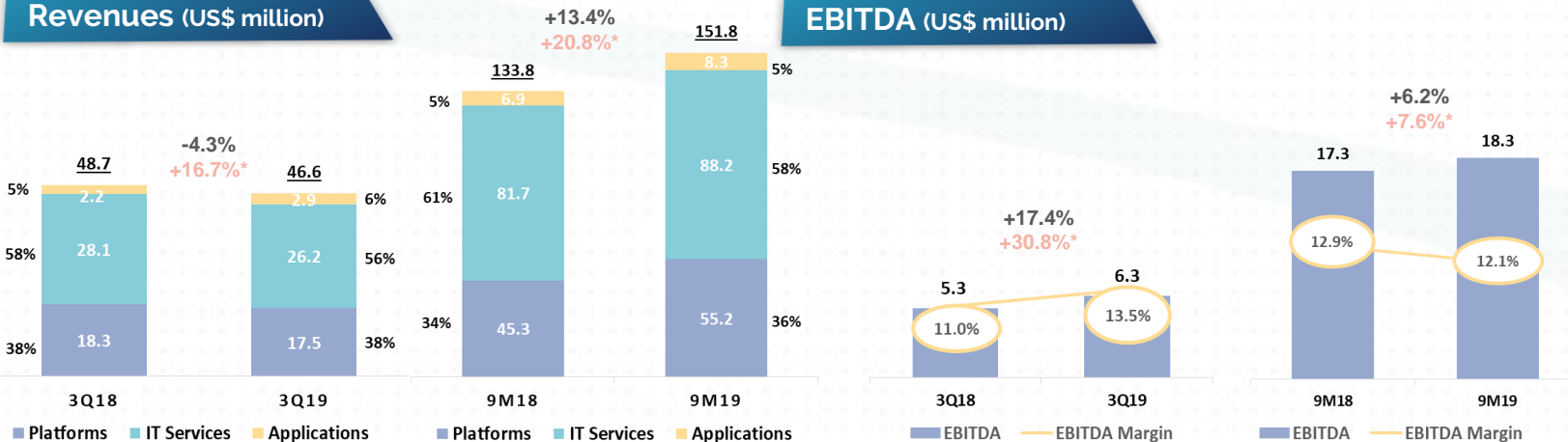
- **Revenue decreased 28.2%** in reporting currency during 9M19 and 63.3% compared to 3Q18, due to lower revenues in platforms and IT services.
- **EBITDA registered a decrease of 20.2%** compared to 9M18.
- **EBITDA margin reached 8.6%** in 9M2019.
- **Business closed increased by 16.2%** in 3Q19 compared to 3Q18.

Note: figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

# OPLA – 3Q19 & 9M19 Results

## Revenues (US\$ million)

## EBITDA (US\$ million)



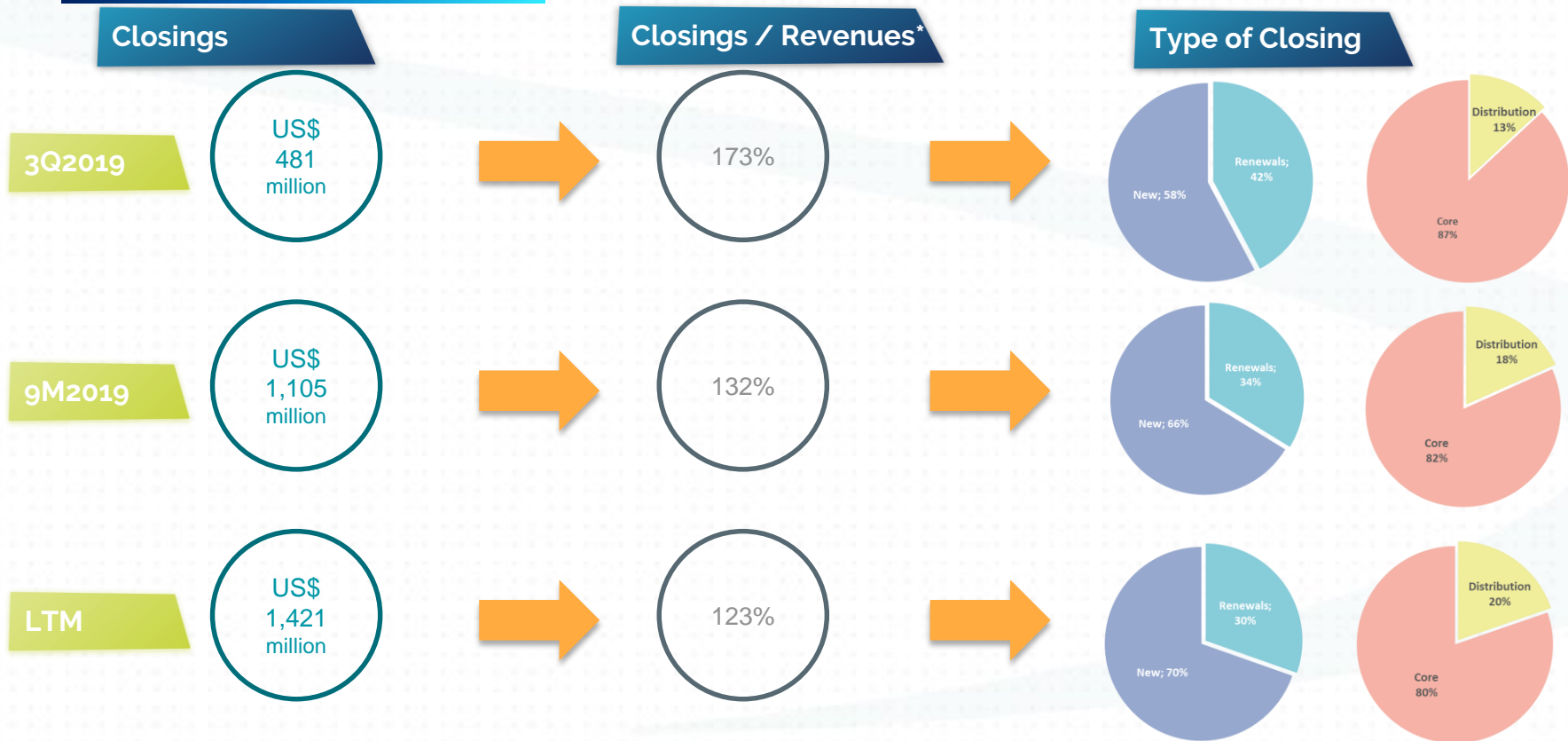
	Chg. 9M19/18	Chg. 3Q19/18	Chg. 3Q19/2Q19
Platforms	↑ 22.0%	↓ -4.7%	↓ -29.1%
IT Services	↑ 8.1%	↓ -6.7%	↓ -13.8%
Applications	↑ 20.5%	↑ 28.1%	↑ 1.4%
<b>Total Revenue</b>	<b>↑ 13.4%</b>	<b>↓ -4.3%</b>	<b>↓ -19.6%</b>
<b>EBITDA</b>	<b>↑ 6.2%</b>	<b>↑ 17.4%</b>	<b>↓ -15.7%</b>

- **Revenue increased 13.4%** compared to 9M18 driven by Argentina, Peru, Panama and Uruguay. In 3Q19, **Revenues grew 16.7% in comparable currency.**
- **EBITDA increased 17.4% in 3Q19** explained by better results in Argentina, Ecuador, Panama and Uruguay.
- EBITDA margin reached 12.1% in 9M19 and **13.5% in 3Q19, representing an expansion of 250 bp compared to 3Q18.**

(\*): growth in constant currency (excluding FX)

Note: figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

# Business Closed 9M2019

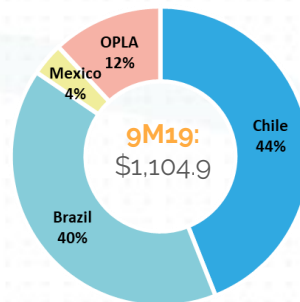


(\*) cierres realizados en el periodo sobre los ingresos del mismo periodo (3Q2019, 9M2019 y LTM)

# Business Closed 9M2019

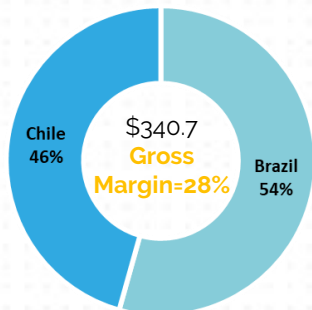
## Business Closed by region (US\$ million)

US\$ million	9M2019	9M2018	Chg. %
Chile	486.2	329.0	47.8%
Brazil	447.2	372.6	20.0%
Mexico	39.5	67.7	-41.6%
OPLA	131.9	164.3	-19.7%
<b>Total</b>	<b>1,104.9</b>	<b>933.5</b>	<b>18.4%</b>

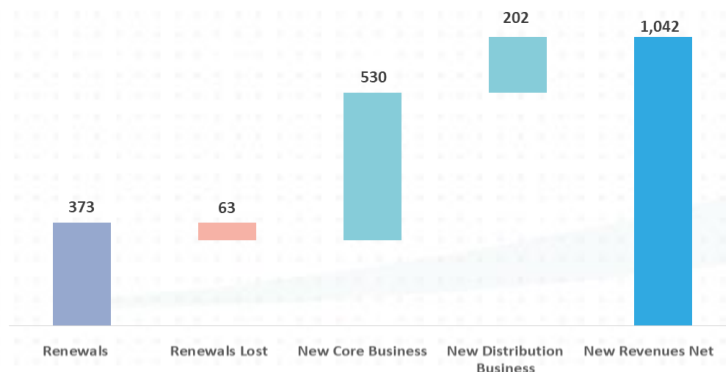


- US\$26 million in the backlog of contracts awarded in 9M19 (US\$22 million in 9M18) that are still pending to be signed.

## Top 10 (9M2019, US\$ million)



## Contribution to revenues (US\$ million)



**New net revenues**  
US\$670 million

# Pipeline of new opportunities

## Pipeline by region (US\$ million)



- Brazil represented the 53% of the opportunities included in the pipeline.
- Mexico increased its pipeline of new opportunities in 143% respect to Dic-18

Pipeline	sept-19	dic-18	Chg. %
Chile	465.4	710.7	-34.5%
Brazil	1,903.0	1,430.1	33.1%
Mexico	240.5	99.0	143.0%
OPLA	975.6	987.5	-1.2%
<b>Total</b>	<b>3,584.4</b>	<b>3,227.3</b>	<b>11.1%</b>

# Financial Posicion as of September 30, 2019

Balance Sheet (US\$ million)	dec-18	sept-19	Δ \$	Δ %
Cash and Cash Equivalents	67.8	198.6	130.8	192.8%
Other Current Financial Assets	22.1	26.5	4.4	19.9%
Trade Accounts Receivable and Other Receivables, Net	329.6	345.3	15.7	4.8%
Accounts Receivable from Related Companies	1.0	0.5	(0.6)	(53.8%)
Inventories	75.1	64.2	(10.9)	(14.5%)
Other Current Assets	71.6	68.3	(3.4)	(4.7%)
<b>CURRENT ASSETS</b>	<b>567.2</b>	<b>703.3</b>	<b>136.0</b>	<b>24.0%</b>
Intangibles Assets and Goodwill	342.0	346.2	4.2	1.2%
Property, Plant and Equipment, Net	168.6	202.5	33.9	20.1%
Other Non-currents Assets	155.0	168.4	13.4	8.7%
<b>NON-CURRENT ASSETS</b>	<b>665.6</b>	<b>717.2</b>	<b>51.6</b>	<b>7.7%</b>
<b>ASSETS</b>	<b>1,232.8</b>	<b>1,420.4</b>	<b>187.6</b>	<b>15.2%</b>
Other Current Financial Liabilities	155.6	178.8	23.3	15.0%
Other Liabilities	241.6	221.2	(20.4)	(8.4%)
<b>CURRENT LIABILITIES</b>	<b>397.1</b>	<b>400.0</b>	<b>2.9</b>	<b>0.7%</b>
Other Non-current Financial Liabilities	96.2	257.3	161.1	167.4%
Other Liabilities, Non-Current	54.5	63.0	8.5	15.7%
<b>NON-CURRENT LIABILITIES</b>	<b>150.7</b>	<b>320.3</b>	<b>169.6</b>	<b>112.5%</b>
<b>LIABILITIES</b>	<b>547.8</b>	<b>720.3</b>	<b>172.5</b>	<b>31.5%</b>
Minority Interest	5.5	3.5	(2.0)	(36.7%)
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>679.5</b>	<b>696.6</b>	<b>17.1</b>	<b>2.5%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,232.8</b>	<b>1,420.4</b>	<b>187.6</b>	<b>15.2%</b>

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

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

	dec-18	sept-19	sept-18
<b>Current Ratio</b>	1.4x	1.8x	1.5x
(Current Assets / Current Liabilities)			
<b>Leverage</b>	0.8x	1.0x	0.8x
(( Current Liabilities + Non-Current Liabilities) / Equity)			
<b>Financial Expenses Coverage</b>	6.4x	4.5x	5.6x
(EBITDA / Financial Expenses)			
<b>Net Financial Debt / EBITDA</b>	1.3x	1.7x	1.4x
(Other Current Financial Liabilities + Other Non-Current Financial liabilities - Cash and Cash Equivalents - Other Financial Current Assets) / EBITDA )			
<b>Financial Debt (US\$ million)</b>	251.8	436.1	
(Other Current Financial Liabilities + Other Non-Current Financial liabilities)			
<b>Net Financial Debt (US\$ million)</b>	161.9	211.0	
(Other Current Financial Liabilities + Other Non-Current Financial liabilities - Cash and Cash Equivalents - Other Financial Current Assets)			
Operating Income = Gross Profit – Administration Expenses			
EBITDA = Operating Income + Depreciation and Amortization			

Note: figures in US\$ were translated using exchange rate equal to \$728.21 / US\$.

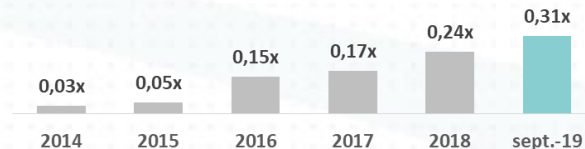
# Financial Performance as of September 30, 2019

## Leverage



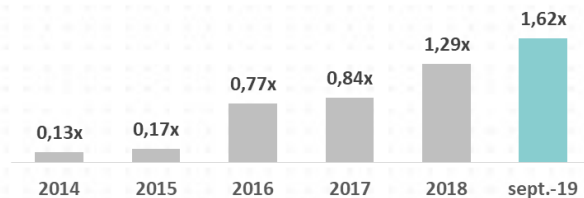
(( Current Liabilities + Non-Current Liabilities) / Equity)

## Net Financial Leverage



(Financial Debt – Cash and Cash Equivalents – Other financial assets) / Equity

## Net Financial Debt / EBITDA



(Other Current Financial Liabilities + Other Non-Current Financial liabilities - Cash and Cash Equivalents - Other Financial Current Assets) / EBITDA ))

## Financial expenses coverage



(EBITDA / Financial Expenses)

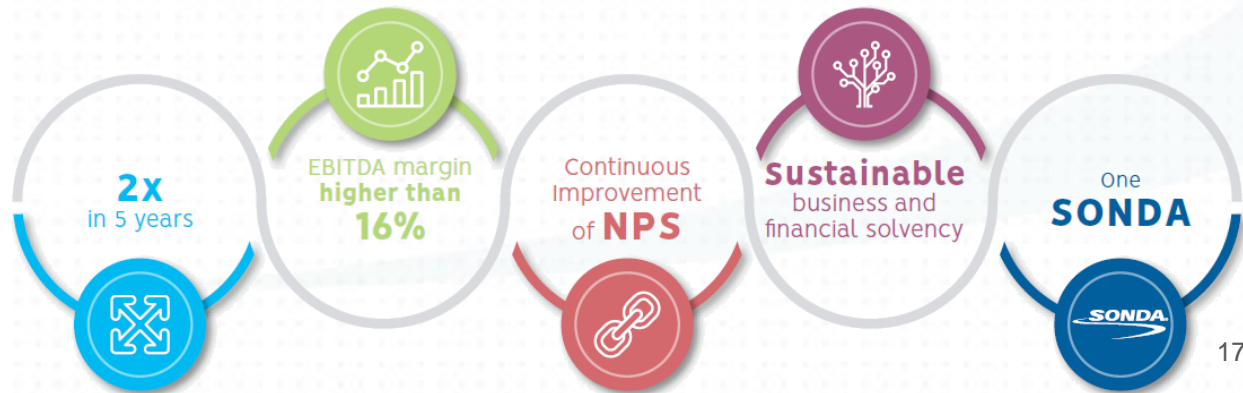


# Executing the Strategic Plan

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

- Portfolio with world-class solutions
- Successful track record in the region
- 7% of SONDA's revenues

- Knowledge and transferable solutions
- On process of accelerated transformation
- 19% of SONDA's revenues (2018)

- 1st in technology Consumption
- Portfolio with specialized Solutions
- Solutions 16% of SONDA's revenues (2018)

- 3rd in technology consumption
- Portfolio with specialized Solutions
- 13% of SONDA's revenues (2018)

# ***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...**

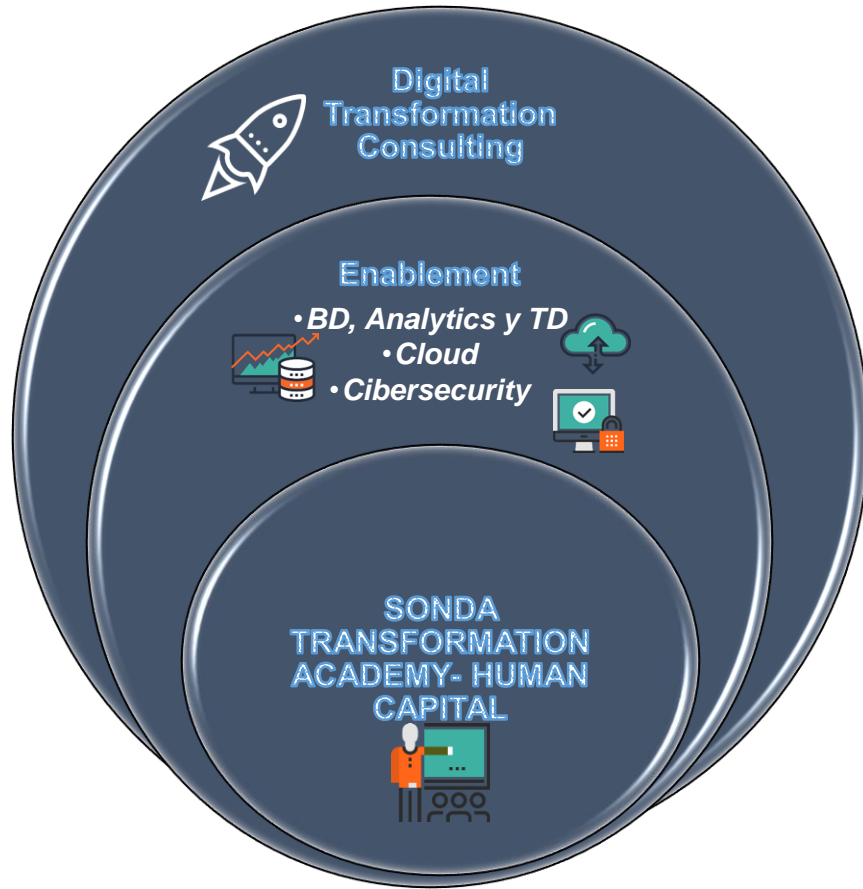
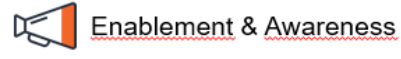


**... by Affonso Nina (Brazil's CEO)**

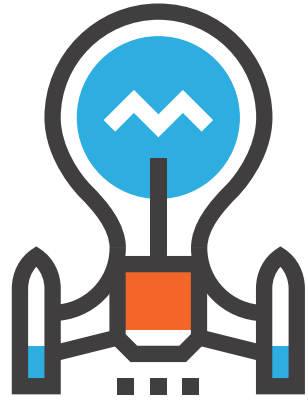
# *Transformation* *Division*



# Comprehensive Offering Vision

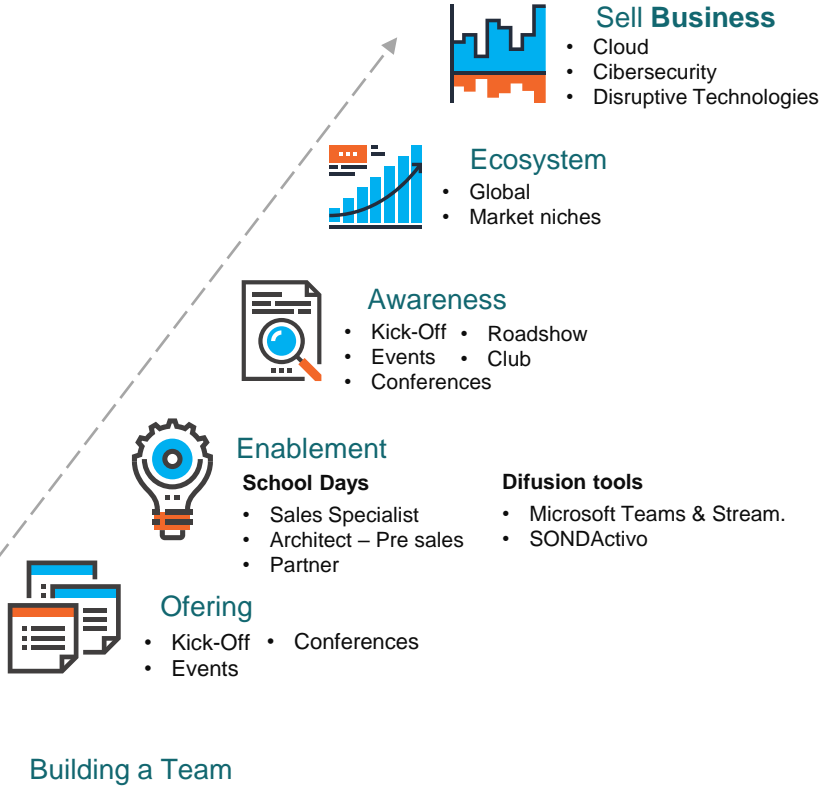


# Ecosystem



# Our Transformation Journey

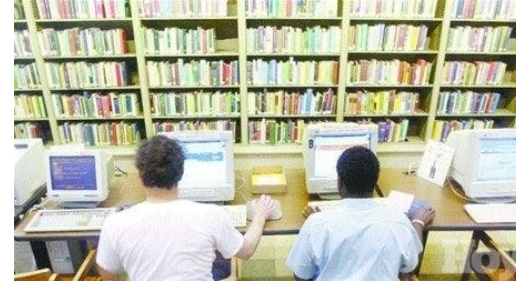
- Collaborative
- Innovative
- Consultive
- Customer Centric
- Agile





# Building References

  
Ciberseguridad



  
Cloud



  
DX



  
IoT

# Digital Automation

## INCORPORATION ANNOUNCEMENT



Banking



Insurance



Healthcare



Retail



Government




Manufacturing




Education



BPO




Multichannel capture




Extraction & verification


**Capture Information**



Case management



Workflow & process automation



Robotic process automation

**Automate Process**



Content management & collaboration



Records management



Intelligent search

**Manage Content**



Customer communication management



Authentication & facial recognition



E-signature & signature verification

**Interact Digitally**

Mobile

Analytics

Integration

A female athlete is shown from the waist down, in a starting crouch on a red running track at night. She is wearing a black sports top and shorts. Her hands are on the ground, and her feet are in starting blocks. The background is dark with bright stadium lights creating a dramatic, high-contrast scene.

*Start* **NOW**

SONDA®



