



7<sup>th</sup> Annual  
Andean Conference  
2013

March 19-20, 2013





## Overview

IT Industry in LATAM

Company Description

Financial Review

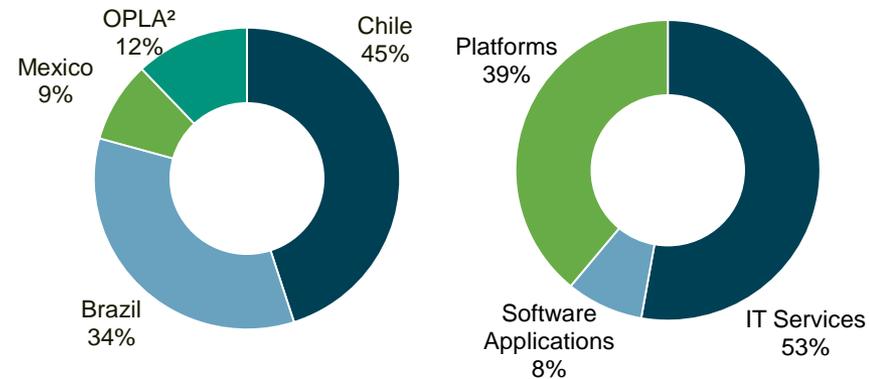
Appendix



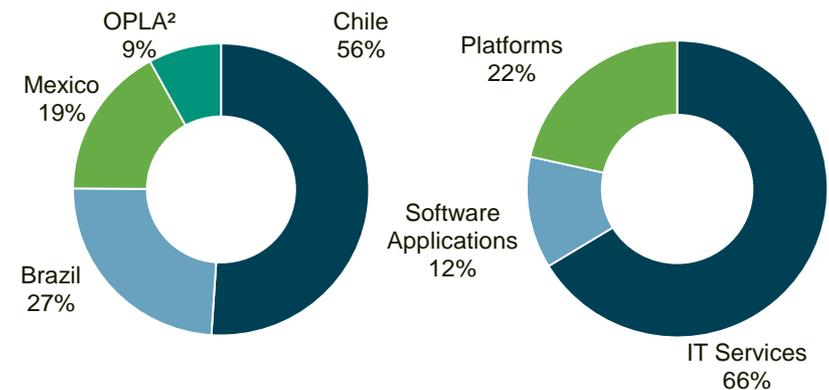
# Company Overview

- ✓ 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
  - 12,500+ employees regionally and over 5,400 in Brazil
  - Ability to deliver services in over 1,000 cities
- ✓ Diversified blue-chip client base
  - 5,000+ corporate clients in the region
  - High recurring revenue base
- ✓ Integrated one-stop shop business model
  - Comprehensive IT offering
  - Partnerships with worldwide leading technology suppliers
- ✓ Key financial metrics
  - 2012 Revenue: US\$ 1,419mm (26% CAGR since 2006)
  - 2012 EBITDA: US\$ 244mm (26% CAGR since 2006)
  - Net Debt / EBITDA: 0.4x

## Revenue Breakdown



## EBITDA Breakdown



Source: SONDA's financial statements. Operational and financial data as of December 31, 2012

Note: Financial data translated to US\$ using the exchange rate as of December 31, 2012 of CLP/ US\$ 479.96.

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

# 38 Years of Successful Growth History

## Foundation (1974 – 1983)



- ✓ **Foundation (1974)**
- ✓ Joint Venture with Digital Equipment Corp.
- ✓ First full outsourcing services contract
- ✓ Applications for pension funds
- ✓ Applications for health insurance providers
- ✓ Banking industry applications
- ✓ First large systems integration project
- ✓ Launching of our first ERP



## International Expansion (1984 – 2005)



- ✓ **Peru (1984) and Argentina (1986)**
- ✓ **Ecuador (1990) and Uruguay (1994)**
- ✓ 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
- ✓ **Brazil (2002), Costa Rica (2003) and Mexico (2004)**
- ✓ New Chilean identification system (Chilean Civil Registry)

## Regional Consolidation (2006 →)

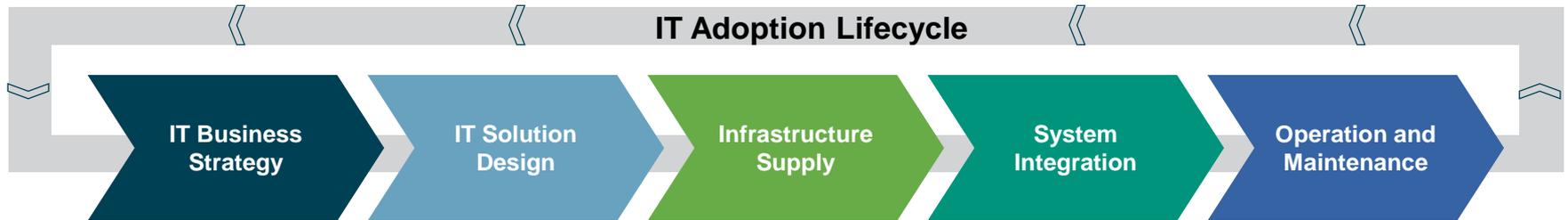
- ✓ **IPO (2006)**
- ✓ Payment solution for Santiago's public transportation system (Transantiago)
- ✓ Livestock traceability (Uruguay and Colombia)
- ✓ Web-based solution for government procurement (Chile, Colombia, Argentina, Panama)
- ✓ **Acquisitions (2006-2009):** Qualita in Mexico, Procwork in Brazil and Red Colombia in Colombia



- ✓ **Acquisitions (2010):** Softeam, Telsinc and Kaizen in Brazil, NextiraOne in Mexico and Ceitech in Argentina
- ✓ Corporate Cloud Computing
- ✓ **Acquisition of Quintec in Chile (2011)**
- ✓ Payment solution for Ciudad de Panama's public transportation system (Metrobus)
- ✓ New Headquarter and Datacenter in Brazil
- ✓ **Acquisitions (2012):** Pars and Elucid in Brazil
- ✓ Construction of Datacenter in Chile

# SONDA's Customer Value Proposition

SONDA has a strong focus in solving customers' business needs...



...through a wide range of solutions based on Information Technology

## IT Services



- ✓ IT outsourcing
- ✓ Projects and systems integration
- ✓ Datacenter
- ✓ Cloud computing services
- ✓ IT infrastructure support
- ✓ Managed services

## Software Applications



- ✓ Horizontal solutions
- ✓ Industry specific applications
- ✓ Application outsourcing
- ✓ Application management
- ✓ Implementation and support

## Platforms



- ✓ Provision of infrastructure
- ✓ Value solutions

# SONDA's Value Proposition to Customers

## Selected Examples



SAP outsourcing and operation improvement

- ✓ SAP outsourcing services
- ✓ 55,000 SAP users
- ✓ SAP support in 29 countries



Global support for an industry leader

- ✓ Relationship management with customers and suppliers
- ✓ Remote support for users in Brazil, USA, France, Australia
- ✓ Hardware /software onsite support



Integral outsourcing for communication network

- ✓ Service desk and field services
- ✓ Remote and local support in 25 Brazilian states
- ✓ Support for 315 applications
- ✓ +29,000 devices



Solutions for Panamá's Metrobus and Chile's Transantiago projects

- ✓ Integrated solution
- ✓ Outsourcing contracts for fare collection and customer services
- ✓ 160mm monthly transactions
- ✓ Awarded in international tender



Pension Funds

Support management and operation of entities

- ✓ Present since the inception of the pension funds model in Chile
- ✓ Exported to countries such as Argentina, Peru, Mexico, Dominican Republic, Brazil and Colombia

Overview

## **IT Industry in LATAM**

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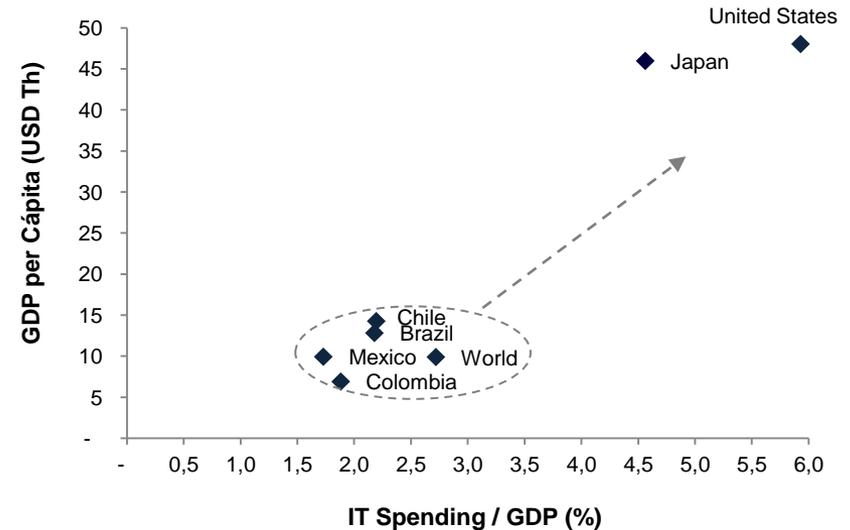
Appendix



# Latin America, one of the fastest growing regions in the world

- In Latin America, IT spending as a percentage of GDP is between 1.7% and 2.2%
- In developed economies, IT spending as a percentage of GDP is over 3% and can reach to 6%
- The gap between the two markets has been reduced in recent years, due to higher IT spending growth in Latin America
- In countries like Chile and Brazil, IT spending as a percentage of GDP is over 2%

**IT Spending as a Percentage of GDP  
(December 2012)**

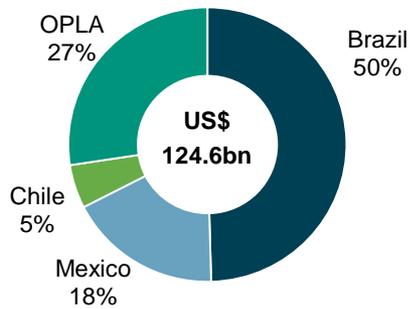


Source: IDC

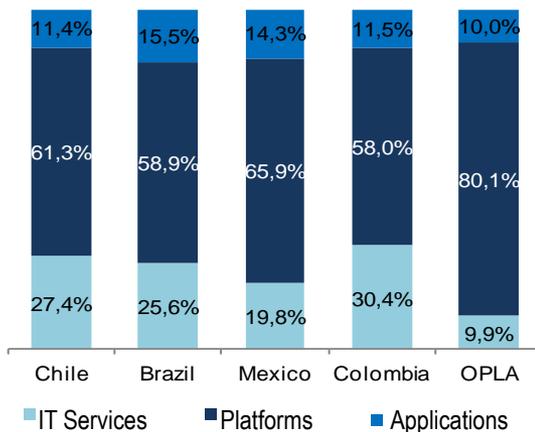
# Latin America, one of the fastest growing regions in the world

IT spending in LatAm is expected to grow at twice the rate that of the world between 2012 – 2015

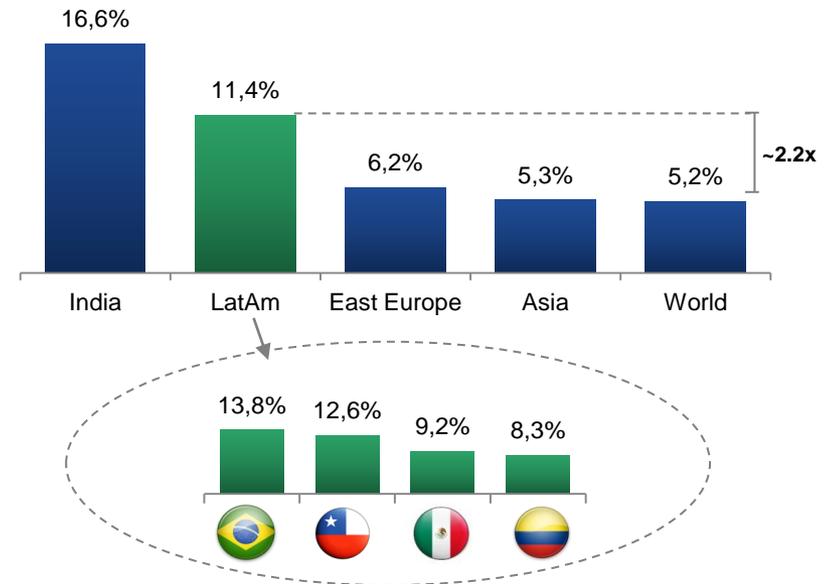
Distribution of IT Investment - 2012



Business Lines distribution of IT Investment - 2012



IT Spending CAGR '12-'15



Latin America is still behind in IT adoption which gives plenty of room for double digit growth in the upcoming years

Source: IDC and IMF

# Favorable Outlook for IT Industry in Latin America

**11.4%** CAGR (2012-2015) **IT INDUSTRY IN LATAM**

**11.5%**

CAGR (2012-2015) IN  
**STRATEGIC  
MARKETS**

**13.8%**

BRAZIL  
CAGR  
2012-2015



**12.6%**

CHILE  
CAGR  
2012-2015



**9.2%**

MEXICO  
CAGR  
2012-2015



**8.3%**

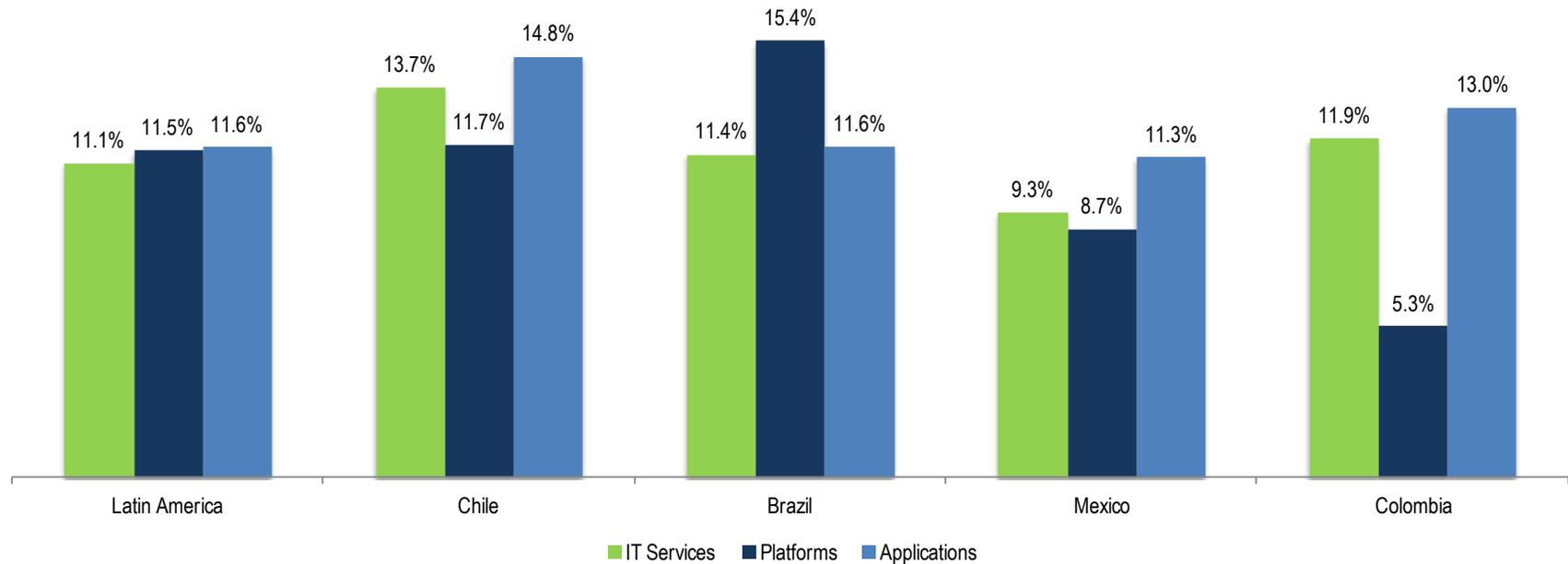
COLOMBIA  
CAGR  
2012-2015



**11.1%** CAGR (2012-2015) **IT SERVICES IN LATAM**

# Favorable Outlook for IT Industry in Latin America

## Projected CAGR % (2012-2015)



Source: IDC

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# Company Description



# 1 Leading Latin-American IT Services Company

**SONDA is the largest Latin American-owned IT services provider**



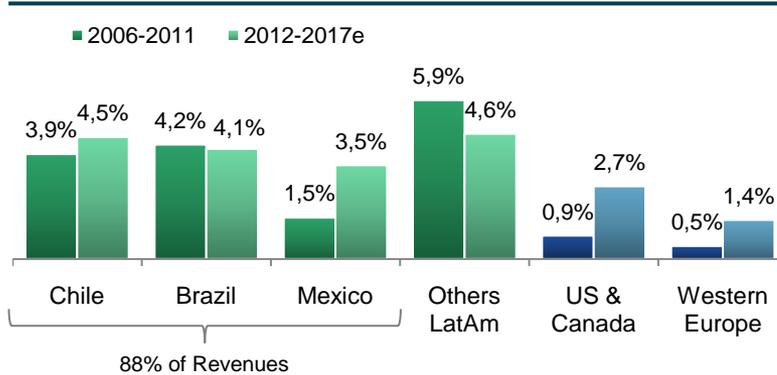
- ✓ **The one-stop shop for IT Services in Latin America**
  - Integrated solutions servicing clients at all stages of the IT adoption lifecycle
- ✓ **Long-standing presence in the region, focusing on long-term relationships with corporate clients**
- ✓ **Presence in 10 countries and over 1,000 cities 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 ~22% 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**

2

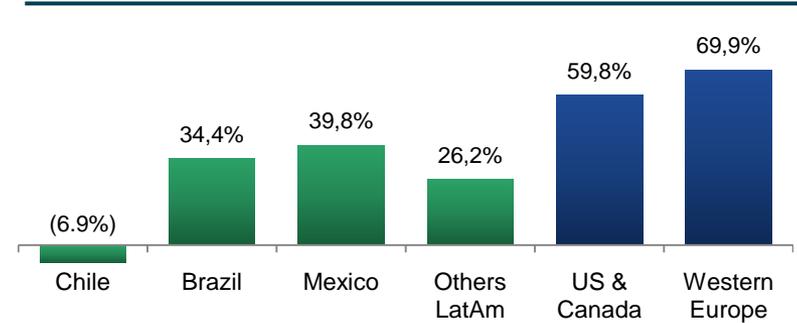
# Presence in a Growing and Underpenetrated Market

## SONDA Operates in a Region with Strong Growth and Low Risk

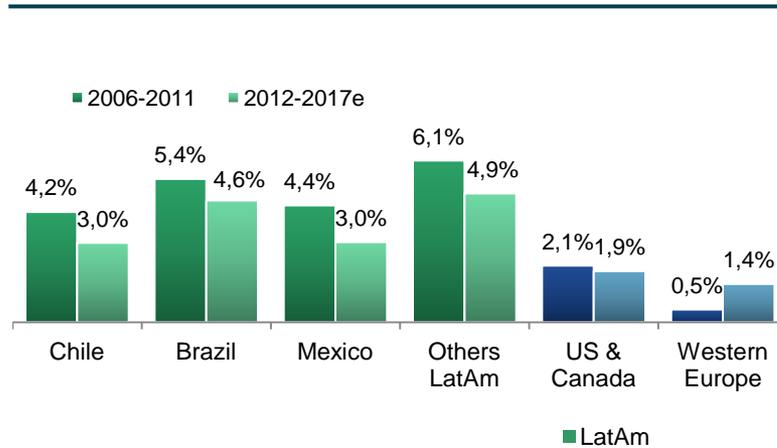
GDP Growth (%)



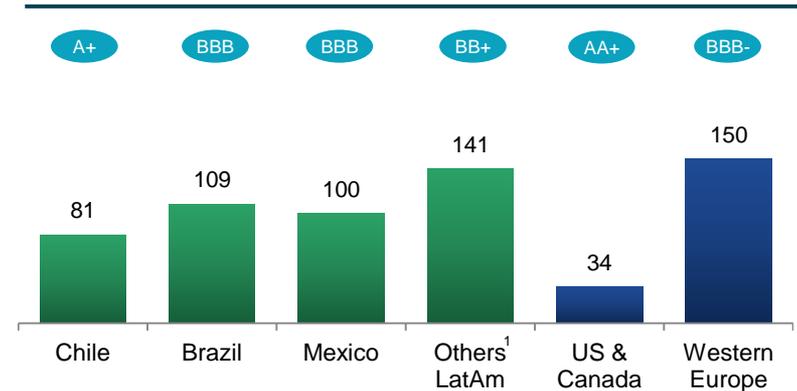
2012 Government Net Debt (% of GDP)



Inflation Rate (%)



5-Year CDS Spread and Credit Ranking<sup>2</sup>



Source: IMF and Bloomberg

Others LatAm Includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay.  
Western Europe includes France, Germany, Italy, Netherlands, Spain and United Kingdom.

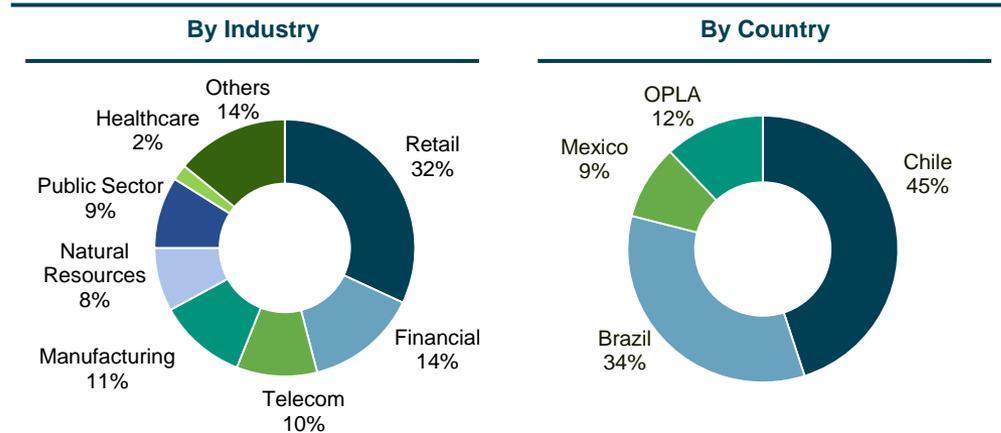
<sup>1</sup> Does not consider Argentina.

<sup>2</sup> Based on 5-year YTD average CDS spread in bps, and credit ratings from S&P.

# 3 Diversified Blue-Chip Customer Base Basis for a Solid and Stable Revenue Stream

- ✓ **Client focus on blue-chip companies**
  - Large and medium size companies
  - Regional clients
- ✓ **Long term relationship with clients**
  - Multiple contracts with clients that average 3 years
  - Significant cross-selling
  - ~2/3 of revenues derived from multi-year contracts and recurring revenue
  - Most of solutions have countercyclical characteristics
- ✓ **Client, industry and geographic diversification**
  - 5,000+ clients throughout the region
  - 10 largest clients: Less than 23% of revenue<sup>1</sup>
  - No contracted service represents more than ~4.0% of revenue<sup>1</sup>
  - No significant industry concentration
  - Balanced geographical revenue mix, with exposure to all sizeable economies in LatAm
- ✓ **Steady growth in new contracts signed**

## Revenue Breakdown

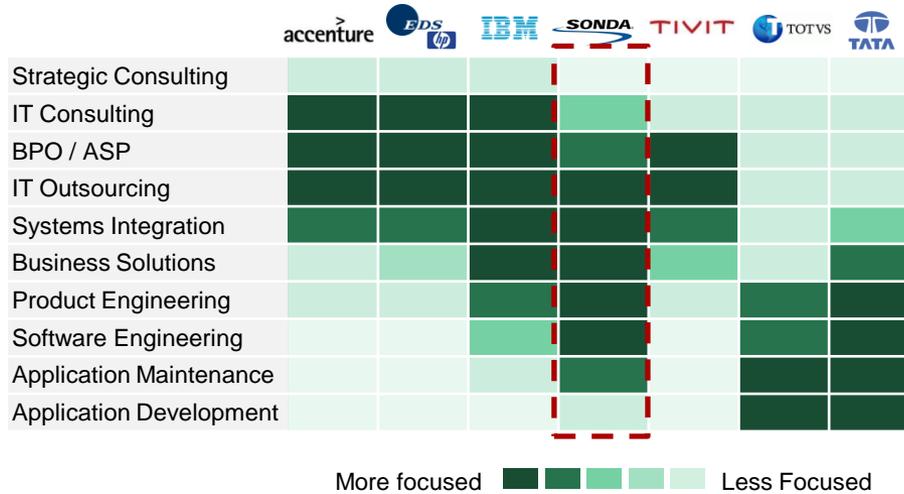


## Some of our Blue-Chip Clients

Retail	Financial	Telecom	Manufacturing
Natural Resources	Public Sector	Healthcare	Others

# 4 Integrated One-Stop Shop Business Model

## Wide Range of Products and Services offered with a World Class Category



- ✓ 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



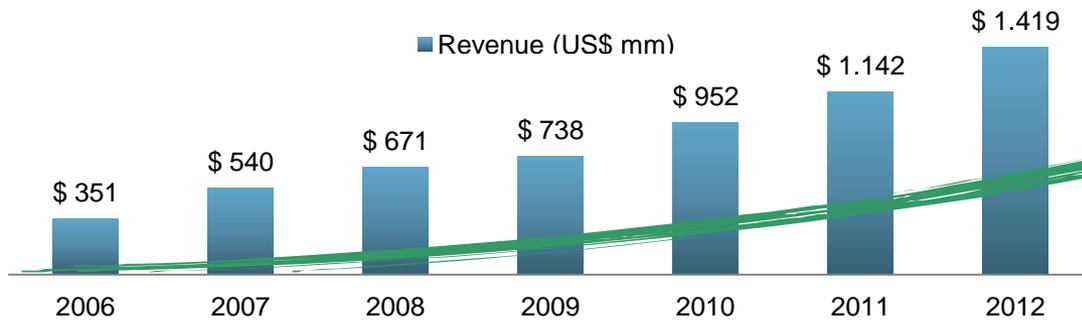
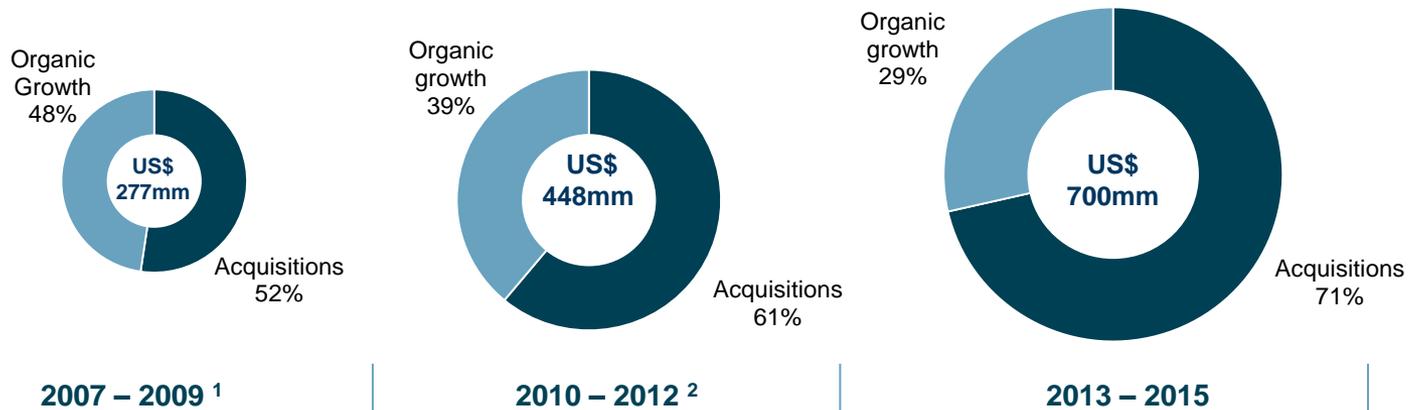
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# Opportunity to Continue Growing

Successful triennial investment plans executed in the past

Since 2007, SONDA has invested over US\$303 mm in Capex for organic growth and US\$413 mm in acquisitions

## Sonda's Triennial Investment Plans



Triennial plans have a key role in boosting Sonda's growth pace

Source: SONDA's financial statements

<sup>1</sup> Represents the amount of investment executed between 2007 and 2009.

<sup>2</sup> Represents the amount of investment executed from 2010 to December 31, 2012.

# 5 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 10 for \$413mm since IPO in 2006

### Acquisitions Since IPO

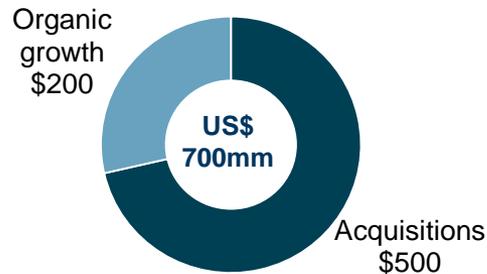
Year	Target	Country	Focus / Rationale	EV/Sales
2007		Brazil	<ul style="list-style-type: none"> <li>■ Establish solid footprint in Brazil</li> <li>■ Become a relevant regional SAP integrator</li> </ul>	0.9 x
2008		Colombia	<ul style="list-style-type: none"> <li>■ Establish solid footprint in Colombia</li> <li>■ Boost IT services</li> </ul>	0.4 x
		Brazil	<ul style="list-style-type: none"> <li>■ Strengthen position in Brazil</li> <li>■ Expand offerings of virtualization, communication and cloud computing services</li> </ul>	0.6 x
		Brazil	<ul style="list-style-type: none"> <li>■ Expand offerings of virtualization, communication and cloud computing services</li> </ul>	0.4 x
2010		Mexico	<ul style="list-style-type: none"> <li>■ Strengthen position in Mexico</li> <li>■ Expand offerings of virtualization, communication and cloud computing services</li> </ul>	n.a
		Brazil	<ul style="list-style-type: none"> <li>■ Enhance offerings of fiscal solutions</li> </ul>	0.9 x
		Argentina	<ul style="list-style-type: none"> <li>■ Increase presence in Argentina in IT infrastructure support</li> <li>■ Enhance geographic coverage</li> </ul>	0.4 x
2011		Pan-regional	<ul style="list-style-type: none"> <li>■ Strengthen position in Chile and Colombia</li> <li>■ Complement current offering</li> <li>■ Boost access to a growing regional retail industry</li> </ul>	0.7 x
2012		Brazil	<ul style="list-style-type: none"> <li>■ Strengthen solutions offering for engineering and design industry in LatAm</li> </ul>	0.7 x
		Brazil	<ul style="list-style-type: none"> <li>■ Enhance regional offering of solutions for the utilities industry</li> </ul>	1.1 x

# 5 Opportunity to Continue Growing

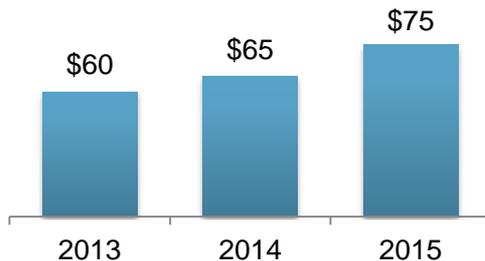
## 2013 -2015 Triennial Investment Plan of US\$ 700 million

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

### 2013-2015 Capex Breakdown



### 2013-2015 Organic Capex (US\$mm)



### Organic Growth

- ✓ Focus in medium and large size companies with a wide multi-brand offering approach
- ✓ Implement new Integration and IT Outsourcing solutions
- ✓ Boost services with high value-added
- ✓ Target high growth IT spending industries in the region
- ✓ Increase wallet-share with strategic clients with high IT spending

### Inorganic Growth

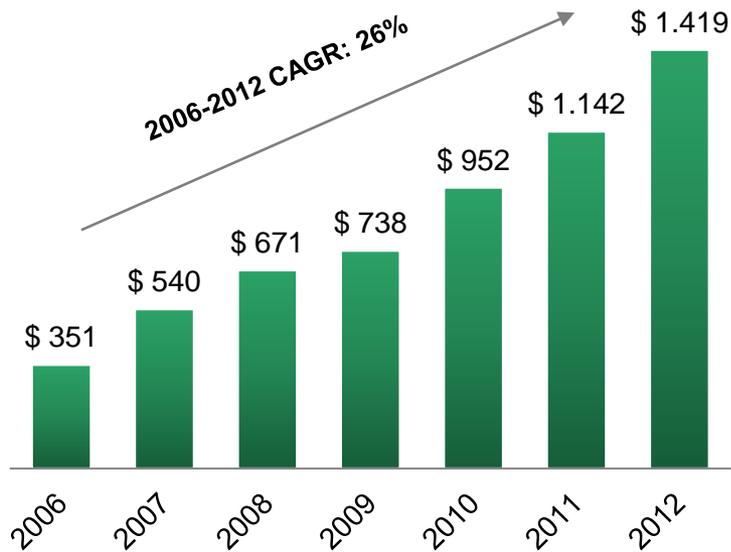
- ✓ Focus in LatAm with emphasis in Brazil, Mexico and Colombia, and opportunistic approach in other regions
- ✓ Enhance the client base, strengthen offerings and accelerate business growth
- ✓ Wide knowledge of the IT market and successful experience in acquiring and integrating IT companies

# 6 Solid Track Record of Financial Performance

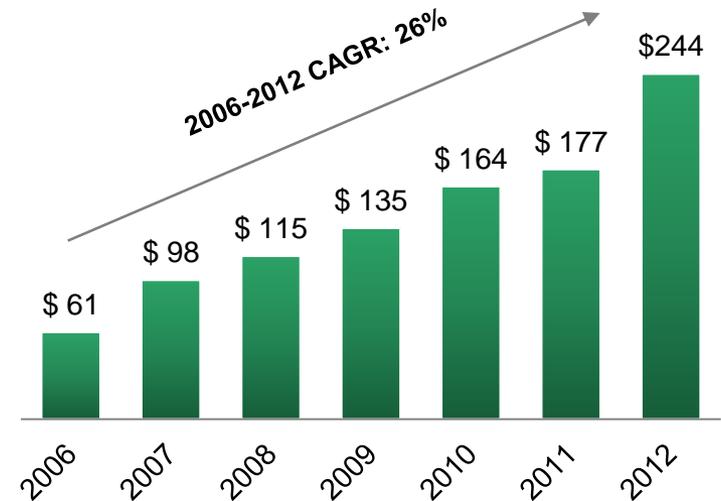
## Solid growth on the back of stable margins ...

- ✓ SONDA has been profitable every year since its foundation in 1974
- ✓ The Company has been able to maintain strong growth throughout the years

Revenue (US\$mm)



EBITDA (US\$mm)



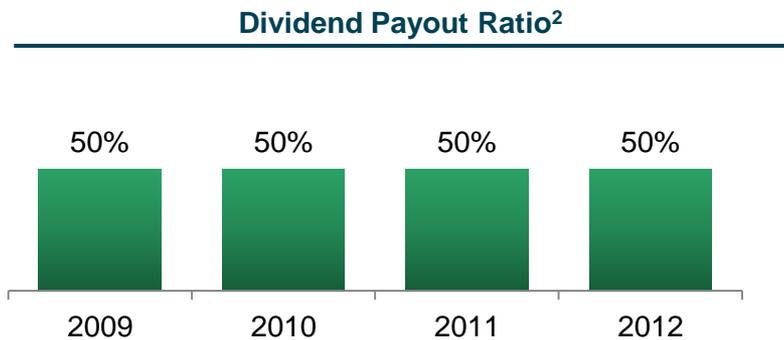
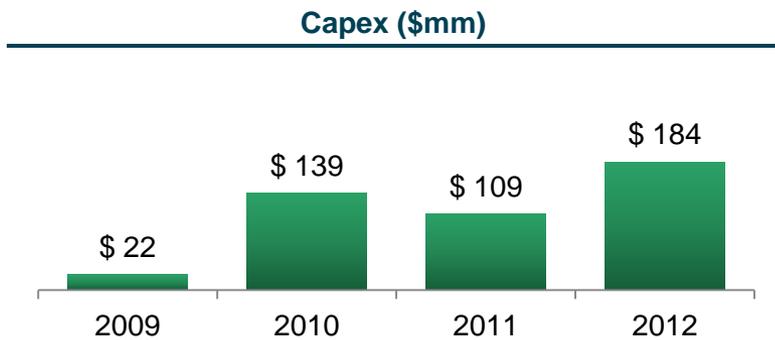
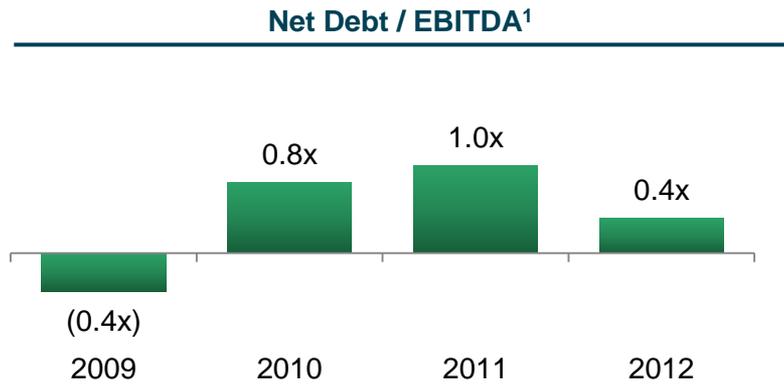
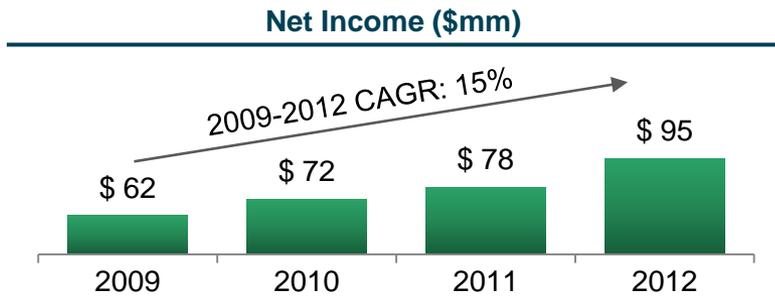
Source: SONDA's financial statements

Note: Figures for 2006-2009 are under local GAAP, while figures for 2010 onwards are under IFRS.

Financial data translated to US\$ using the end of period exchange rates (CLP/ US\$) of: 532.35 for 2006, 496.89 for 2007, 636.45 for 2008, 507.10 for 2009, 468.01 for 2010, 519.20 for 2011 and 479.96 for 2012.

# 6 Solid Track Record of Financial Performance

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



Source: SONDA's financial statements and Bloomberg.

Note: Financial data translated to US\$ using the end of period exchange rates (CLP/ US\$) of: 507.10 for 2009, 468.01 for 2010, 519.20 for 2011 and 479.96 for 2012.

<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 actually paid in 2 semi-annual installments.

# 7 Experienced Management Team Backed by a Strong Board with Solid Corporate Governance

## High Standards of Corporate Governance

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- ✓ 3 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
- ✓ **Directors Committee** with majority of independent directors for intercompany, audit, executive compensation matters and related party transactions
- ✓ **Executive Committee** composed of board members and senior executives to support the management in strategic planning, investment plans, business analysis, customer satisfaction, quality, human resources and marketing activities



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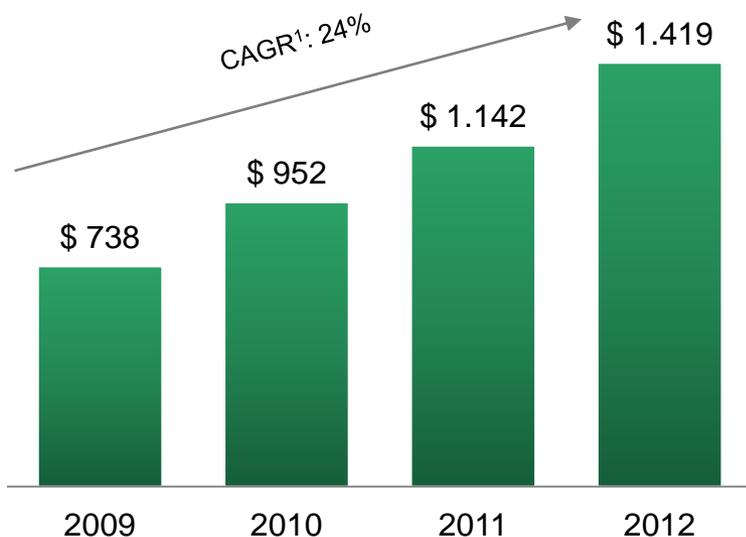


# Revenue and EBITDA

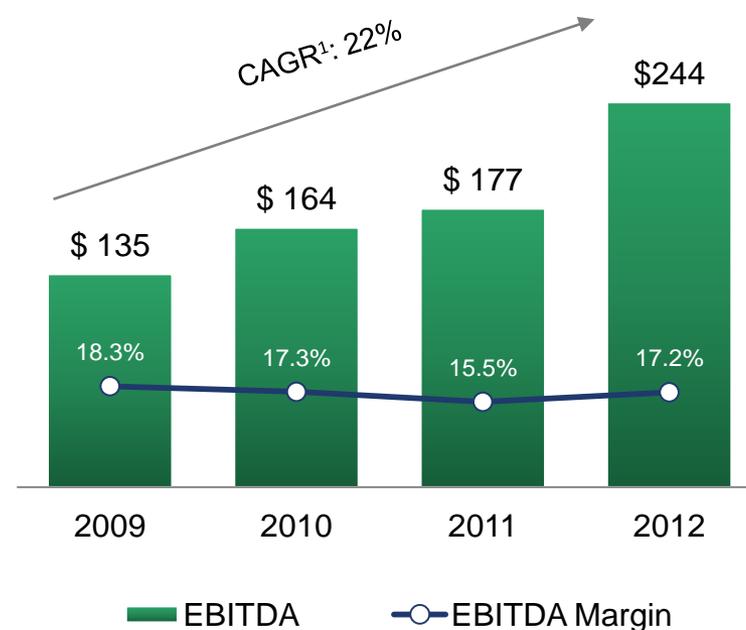
Consolidated revenue has grown 24% from 2009 to 2012, which has been accompanied by a growth of 22% in EBITDA margins, from 18.3% in 2011 to 17.2% in 2012

(US\$ million)

### Consolidated Revenue



### Consolidated EBITDA



Source: SONDA's financial statements

Note: Figures for 2009 are under local GAAP, while figures for 2010 onwards are under IFRS.

Financial data translated to US\$ using the end of period exchange rates (CLP/ US\$) of: 507.10 for 2009, 468.01 for 2010, 519.20 for 2011 and 479.96 for 2012.

(1) CAGR from 2009 to 2012.

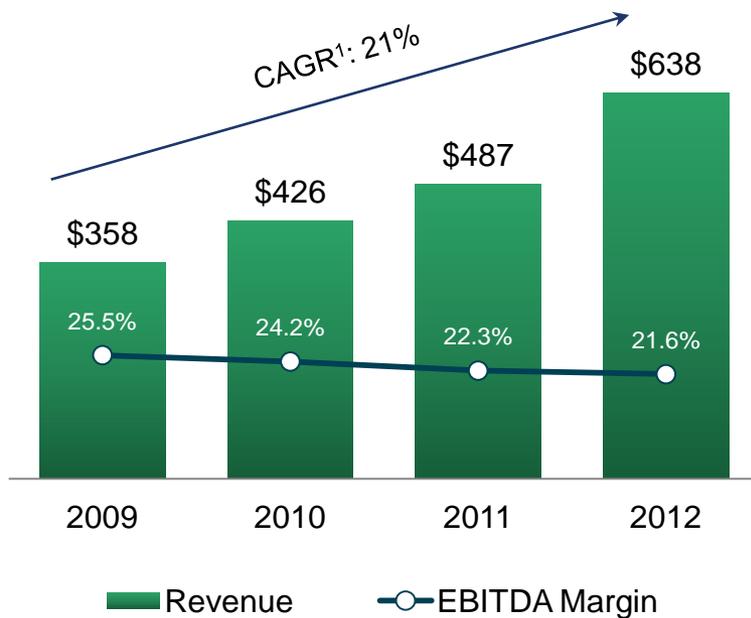
# Revenue and EBITDA

Ex-Chile operations annual revenue growth rates over 25% with increasing EBITDA margins which drives consolidated growth and stabilization of margins...

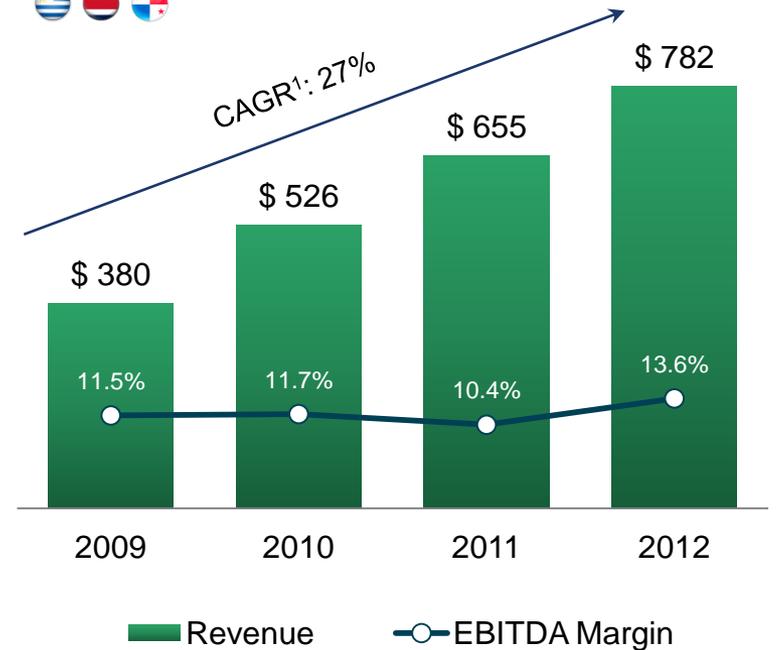
(US\$ million)



Chile



Ex-Chile



Source: SONDA's financial statements

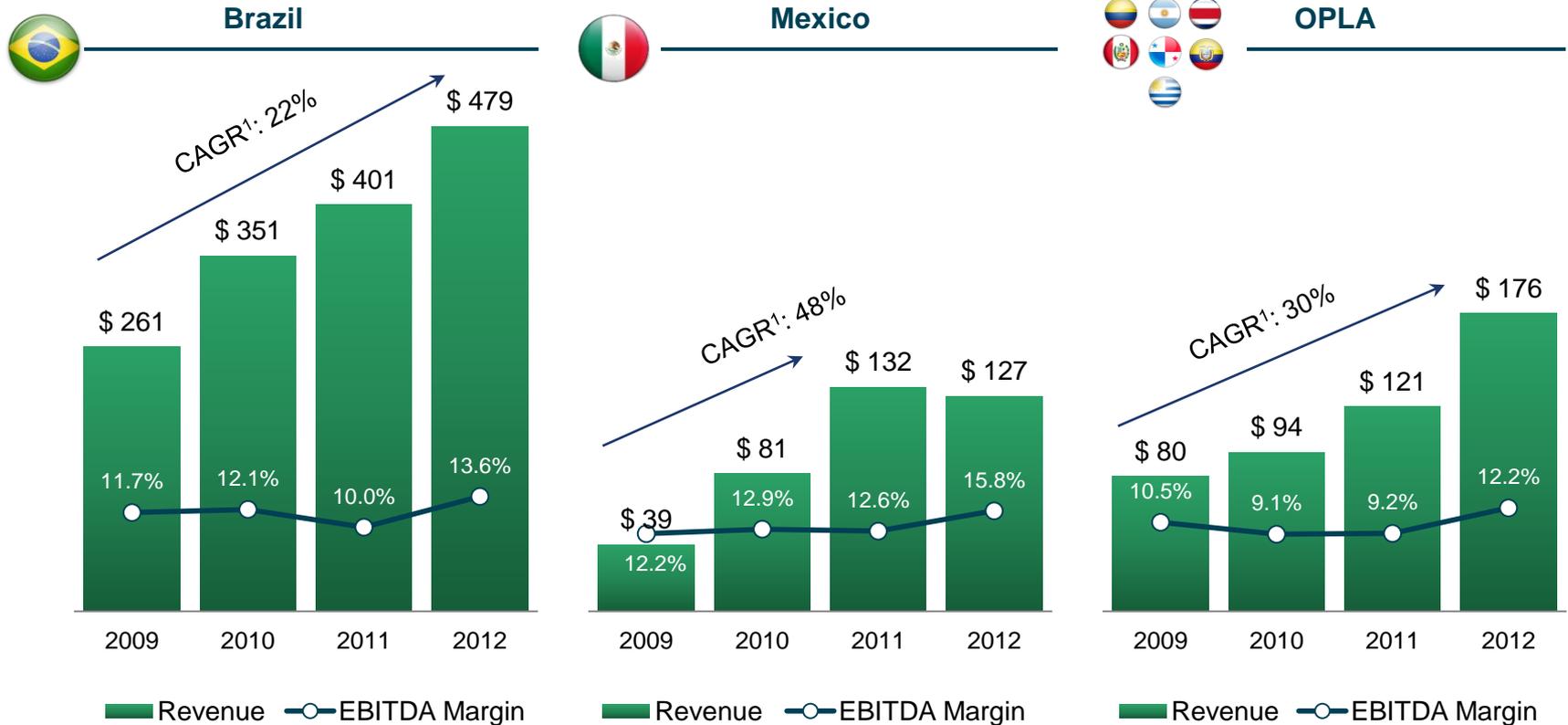
Note: Financial data translated to US\$ using the end of period exchange rates (CLP/ US\$) of: 507.10 for 2009, 468.01 for 2010, 519.20 for 2011 and 479.96 for 2012.

(1) CAGR from 2009 to 2012.

# Revenue and EBITDA

...with a significant contribution from Brazil operations with annual revenue growth rates of 22% since 2009 and improving EBITDA margins

(US\$ million)



Source: SONDA's financial statements

Note: Financial data translated to US\$ using the end of period exchange rates (CLP/ US\$) of: 507.10 for 2009, 468.01 for 2010, 519.20 for 2011 and 479,96 for 2012.

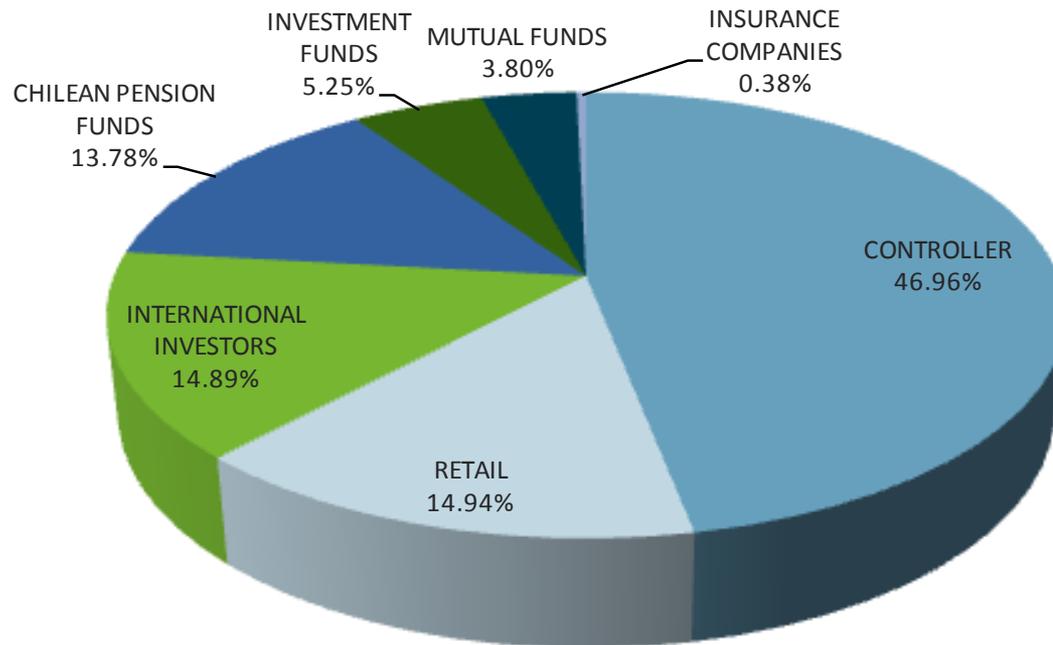
(1) CAGR from 2009 to 2012.

# Financial Statements

US\$ million	dec-11	dec-12	Var.%
<b>→ Assets</b>	<b>1,201.7</b>	<b>1,448.3</b>	<b>20.5%</b>
Total Current Assets	563.7	636.6	12.9%
Cash and Cash Equivalents	68.6	127.7	86.2%
Other Current Assets	68.3	86.1	26.0%
Property, Plant and Equipment, Net	160.3	185.7	15.8%
Intangible Assets and Goodwill	359.0	494.0	37.6%
Other Non-Current Assets	111.3	125.0	12.3%
<b>→ Liabilities</b>	<b>557.2</b>	<b>618.0</b>	<b>10.9%</b>
Financial Current Liabilities	76.5	45.2	-40.8%
Other Current Liabilities	276.2	309.3	12.0%
Financial Non-Current Liabilities	181.7	174.6	-3.9%
Other Non-Current Liabilities	22.9	88.8	287.7%
<b>→ Total Shareholders' Equity Attributable to Owners</b>	<b>635.9</b>	<b>820.4</b>	<b>29.0%</b>
Minority Interest	8.6	9.9	15.3%
<b>→ Total Liabilities and Shareholders' Equity</b>	<b>1,201.7</b>	<b>1,448.3</b>	<b>20.5%</b>

# Ownership Structure

Ownership Structure (1)



(1) As of January 21<sup>st</sup>, 2013



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