



1Q2018 RESULTS PRESENTATION



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CONTENT

1Q18 Highlights

Financial Review

Questions & Answers



1Q2018 Highlights

- Strong start to year 2018, with solid revenue growth and improved profitability
- Robust progress achieved in recurring revenues yielding a solid subscription base
- Healthy operating cashflow generation
- Targeted and efficient R&D investments
- Enhanced focus on marketing
- Continued investments in personnel
- Sustainable SaaS revenue growth
- Greater emphasis on complementary businesses; CRM, BI and SCM

LOGO



1Q2018 Highlights

Logo (Turkey)

- Stellar Q1 results; **invoiced revenue** increasing by **30%** and **top-line IFRS** growing by **38% y/y** with new customer additions, product and user upgrades, and fruitful efforts to increase revenues from complementary businesses
- **Recurring revenues** now **60%** of total invoices
- Major **recurring revenue** streams **LEM** (Logo Enterprise Membership) and **pay-as-you-go** continued offering healthy and sustainable contribution with **37%** and **26% y/y growth** rates
- Increased **marketing** efforts resulted in strong returns with **new customer additions** increasing by **25% y/y**
- As the market leader, Logo's **e-government** business finished another successful quarter with increase in number of **customers** and increase in **coin usage**, by **26%** and **34% y/y**, respectively





1Q2018 Highlights

Total Soft (Romania)

- **Revenue** increased by 6% y/y and 10% from the 4Q17
- Substantially improved **profitability** q/q
- Key clients in financial services extended the scope of work, and **new clients** were added to both financial services and ERP business portfolio
- Increased **efficiency** in project management
- Continuing product development, including webification of the front end and back end solutions, HCM, Web Leasing and other new technology add-ons on strategic products

LOGO



1Q2018 Highlights

Logo Infosoft (India)

- **Product Empanelment by GSTN** (Goods and Services Tax Network): GSTN initiated a very stringent process of evaluating and endorsing commercially available Accounting and Billing software in December, for SMEs, by a panel of experts comprised of distinguished academia, professionals from ICAI (The Institute of Chartered Accountants of India) and GSTN. Logo worked with IRIS Business Solutions, a local partner, to participate in this evaluation, and Logo solutions of Jugnu and Vyapari is in the final empaneled list (18 companies) announced by GSTN at the end of March 2018.
- **Partners:** Signed up more than two dozen reselling/solution partners, and a distributor. Continued conducting workshops for familiarizing partners with our products, sales strategy and go to market activities.
- **Customers:** The initial deals won by the Indian JV are under implementation now, with expected go lives in 2Q18.
- **Product:** We will be launching the first ever Mobile ERP for India, branded Vyapari in June 2018.



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FINANCIAL SUMMARY – Consolidated

IFRS (mn TL)	1Q		
	1Q17	1Q18	y/y Δ
Revenue	53.6	67.4	26%
EBITDA	18.2	24.2	33%
EBITDA Margin	34.0%	36.0%	
EBT	11.2	17.7	58%
EBT Margin	21.0%	26.3%	
Net Income*	10.4	17.8	71%
Net Income Margin	19.4%	26.4%	

* Impact of Investments under Equity Method to net income in 1Q18: Logo Infosoft (-) TL 1.15 mn, FiGO (-) TL 0.31 mn.

- IFRS revenues grew by a strong 26% y/y to TL67.4 mn in line with the budget.
- EBITDA was up by 33% and margin was 36%.
- Logo Infosoft is consolidated according to equity method; due to joint-control. Share in equity is now down to 57.14% with cash support provided as a convertible loan.
- Net income grew by 71% y/y and margin was up from 19% to 26%.

FINANCIAL SUMMARY – Logo Standalone*

IFRS (mn TL)	1Q		y/y Δ
	1Q17	1Q18	
Revenue	33.4	46.0	38%
EBITDA	16.5	22.5	36%
EBITDA Margin	49.5%	48.9%	
EBT	11.4	19.1	67%
EBT Margin	34.2%	41.5%	
Net Income	11.4	19.0	68%
Net Income Margin	34.0%	41.4%	

* Logo's operations in Turkey excluding Logo KOBİ, Logo Infosoft (India) and FIGO.

- IFRS revenues increased by a 38% y/y to TL46 mn.
- EBITDA margin was realized at 49% with 36% y/y EBITDA growth.
- 1Q18 figures include one-time re-structuring expenses around TL1 mn that will not occur in coming quarters.
- Net income grew by 68% y/y and margin was up from 34% to 41%.

FINANCIAL SUMMARY – Total Soft

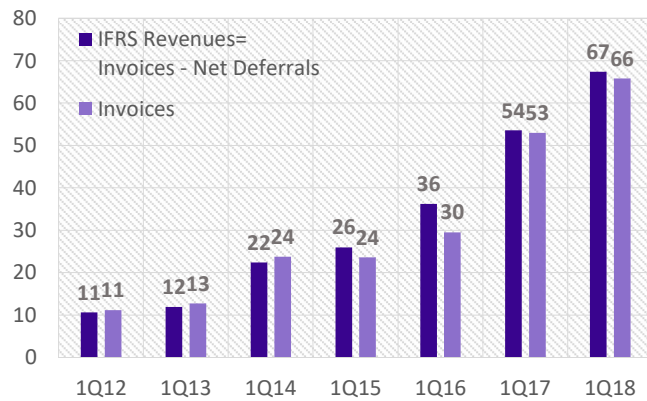
	1Q		
IFRS (mn TL)	1Q17	1Q18	y/y Δ
Revenue	20.2	21.4	6%
Gross Profit	8.4	9.6	14%
Gross Profit Margin	42%	45%	
EBITDA	2.0	2.0	2%
EBITDA Margin	9.9%	9.6%	
EBT	-0.3	0.3	202%
EBT Margin	-1.3%	1.2%	
Net Income	-0.4	0.4	216%
Net Income Margin	-1.8%	1.9%	

* Project implementation team's cost of services are classified under Cost of Sales.

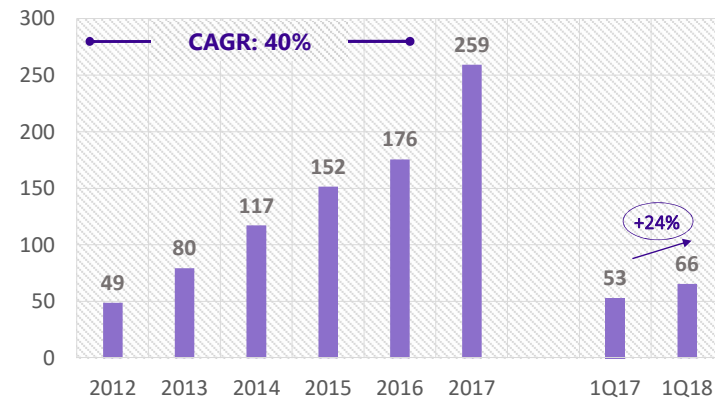
- IFRS revenues grew by 6% y/y and 10% q/q.
- Gross profit improved y/y due to more efficient project implementation.
- EBITDA stayed almost flat y/y while improving substantially q/q.
- Net income margin was 2% with considerable improvement q/q and y/y.

Invoiced Revenue vs IFRS Revenue

First Quarter Invoices & IFRS Revenues (TLmn)



Invoiced Revenues (TLmn)

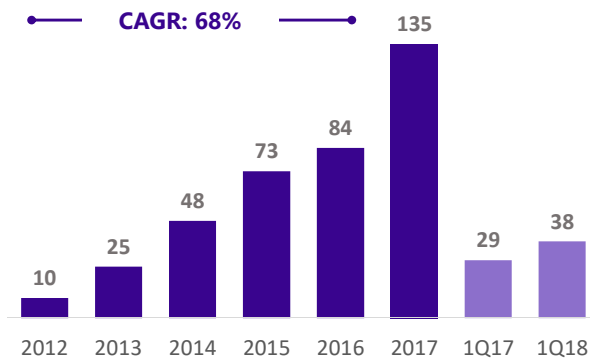


- 1Q invoiced revenues were up by 24% y/y reaching 66 TL mn.
- In Turkey, invoiced revenue growth was 30% y/y reaching 43 TL mn. This marks a significant success in continued new customer additions, product and user upgrades, and fruitful efforts to increase revenues from complementary businesses.
- Total Soft's invoiced revenue increased by 13%.

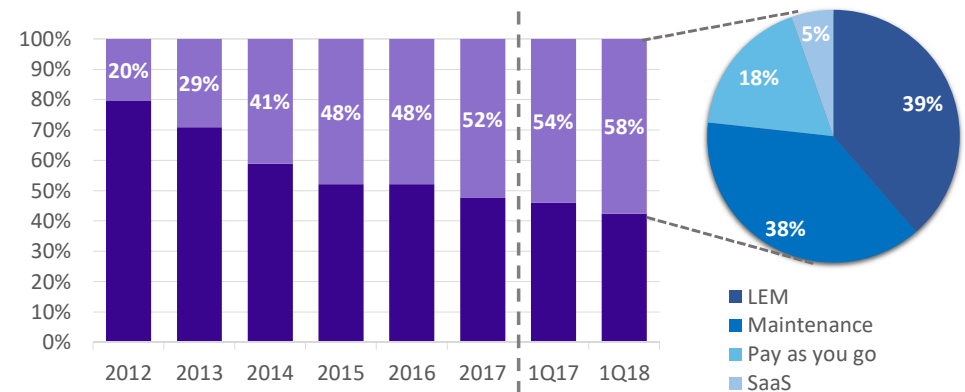


Recurring Revenues

Recurring Invoices (TLmn)



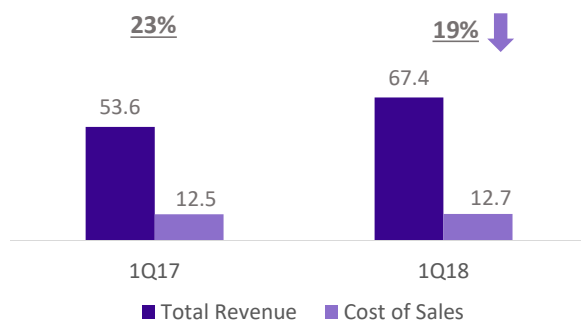
Recurring Invoices/Total Invoices (%)



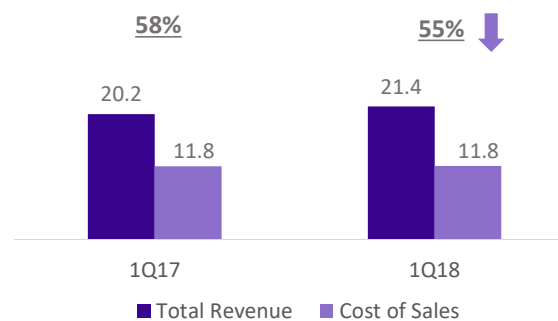
- Strong growth in **recurring invoices** continued in 1Q18 with 32%y/y increase, making up 58% of total invoices (56% of IFRS revenues).
- **LEM** contract sales grew by an impressive 37% y/y and represented 39% of the total recurring invoices. In **Logo Turkey**, LEM represented 58% of the total.
- **Pay as you go** revenues grew by 26% y/y, constituting 18% of the total. Logo Coin customers up by 26% y/y, coin burn rates up by 34% y/y.
- **Maintenance revenues** with Total Soft's contribution represented 38% of total.
- Recurring **SaaS** grew by 21% y/y and represented 5% of total.

Cost of Sales

Consolidated (TLmn) – As % of IFRS Revenue



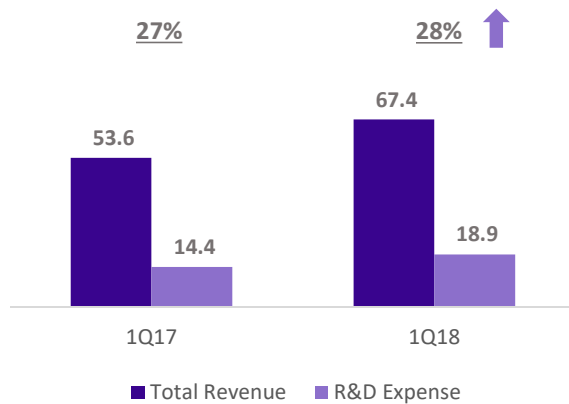
Total Soft (TLmn) – As % of IFRS Revenue



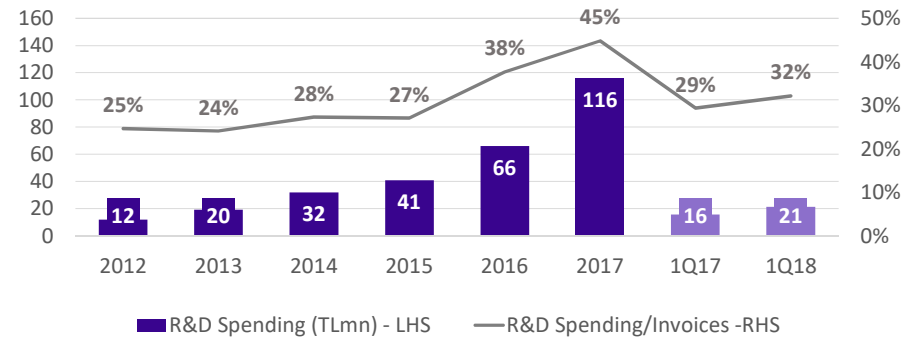
- With Total Soft's project implementation team's costs classified under Cost of Sales, total **CoS/IFRS revenue** ratio was realized as 19% in 1Q18 (23% in 1Q17).
- Total Soft's **project implementation team** consists of 287 people as of 1Q18 (1Q17: 306).
- As a result of higher sales and more efficient project implementation **CoS/IFRS Revenue ratio** improved from 58% to 55%.

Operational Expenses

R&D Expenses (TLmn) – As % of IFRS Revenue



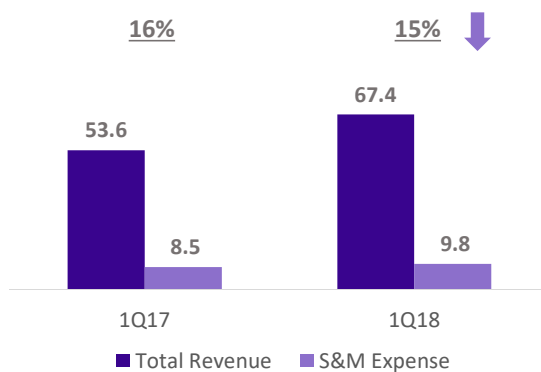
R&D Spending (TLmn) – As % of Invoices



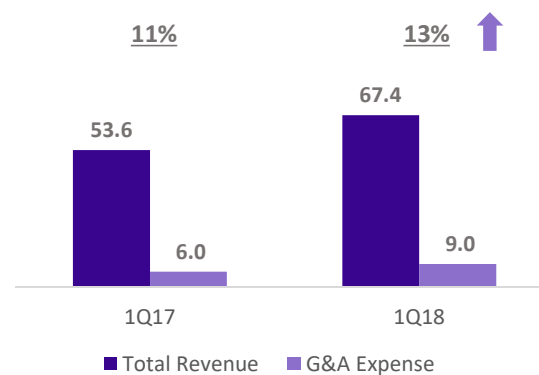
- **Total operating expenses** increased by 30% y/y and **OpEx/IFRS revenue** was at 56% in 1Q18.
- **R&D expenses** increased by 31%y/y and **R&D expense/IFRS revenue** ratio was 28%.
- **R&D spending's** ratio to invoiced revenue was 32% in 1Q18.

Operational Expenses

S&M (TLmn) – As % of IFRS Revenue



G&A (TLmn) – As % of IFRS Revenue



- **S&M expenses** in 1Q18 increased by 15% y/y, and S&M expenses/IFRS revenue ratio was 15%.
- **Logo Turkey** S&M expenses increased by 36% and together with revenue growth S&M expenses/IFRS revenue ratio remained flat at 18%.
- **G&A expenses** in 1Q18 increased by 50% y/y mainly due to one-time re-structuring expense in Logo Turkey.

Key Financials

Balance Sheet Highlights (TLmn)

	2017	1Q18	Δ
Cash & Cash Eq.	51.6	53.4	3%
Trade Receivables	104.5	96.5	-8%
Tangible Assets	19.9	19.0	-5%
Intangible Assets*	191.9	203.0	6%
Other Assets	15.2	19.3	27%
Total Assets	383.2	391.2	2%
Total Liabilities	173.9	159.3	-8%
Total Shareholders' Equity	209.3	231.9	11%
Total Liabilities and Equity	383.2	391.2	2%
Shareholders Equity Ratio	0.55	0.59	9%
Current Ratio	1.41	1.58	12%
EPS (LTM)**	2.09	2.39	15%

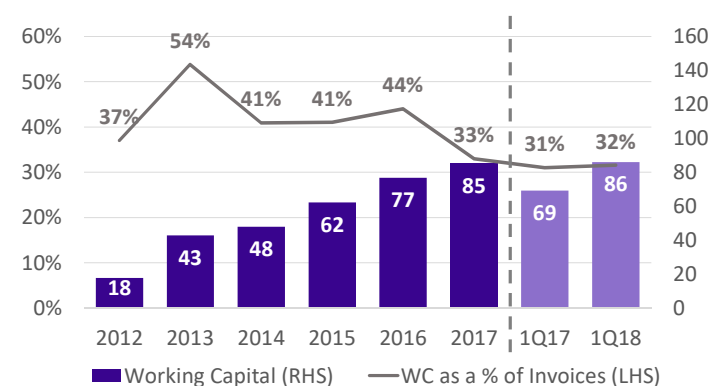
* Includes goodwill

** Adjusted by the 2.77% treasury shares

- **Liquidity** as measured by current ratio improved from 1.41x to 1.58x with continued healthy cash generation and improved collection days.
- **Shareholder's Equity** grew by 11% y/y with higher profitability bringing leverage down from 0.83x to 0.69x.
- **Net debt** position of 14* TL mn at end-2017 increased to 17* TL mn as of 1Q18 due to the impact of the devaluation of TL against Euro.
- **Working capital/invoices ratio** remained stable at 32%.
- **EPS growth** was up by 15% y/y as Logo continued its investments for future growth.

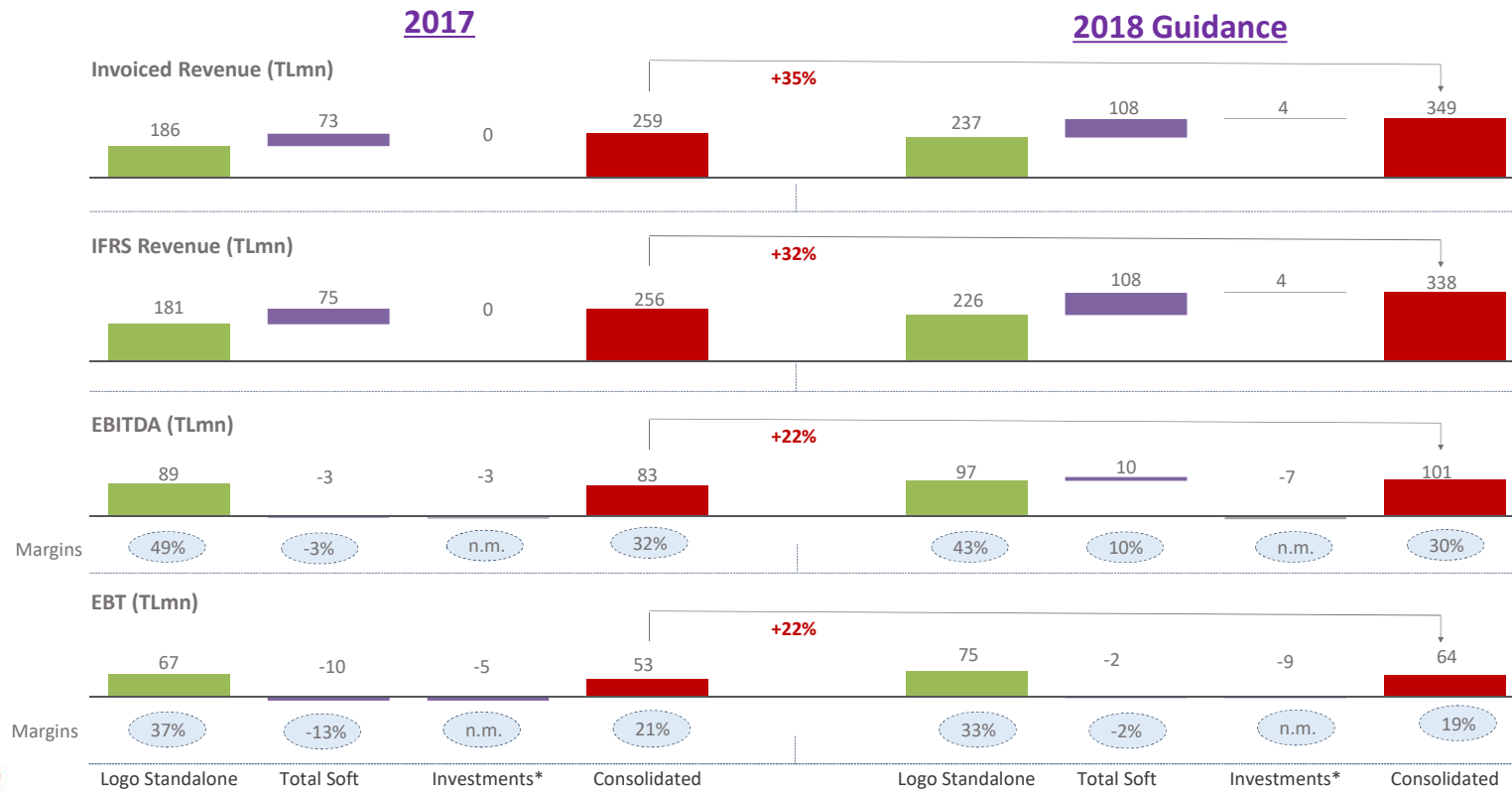
*Cash together with 2.77% treasury shares @Mcap.

Working Capital (TLmn)



Working capital: Trade receivables +Inventories – Trade payables
WC/Invoices figures are based on 12-mnth trailing invoices

Guidance



* Investments = Logo Infosoft (India), Figo (Turkey) and Logo Kobi Digital (Turkey).



CONTENT

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Thank you for joining us today

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