



LOGO

1Q2019 Results Presentation

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Chief Financial Officer

May 8th, 2019

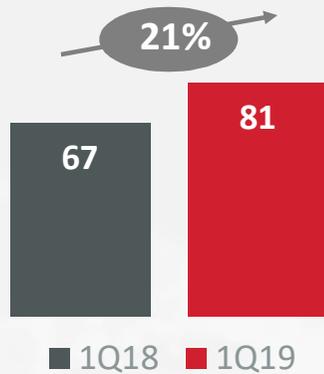
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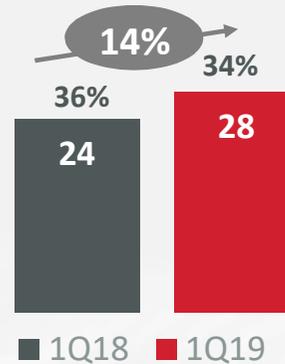
Robust performance in 1Q19

Consolidated

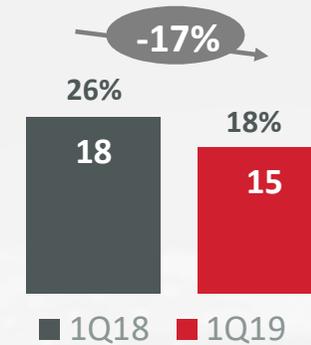
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



- **Logo** performed **in line** with its business plan in **all territories**
- Growth in Turkey continued despite macro uncertainties and the company enjoyed sales from the **growing customer base**
- Total Soft contribution increased dramatically with **19% y/y Euro top-line growth** and higher profitability
- Sales to existing customers on the back of new customer acquisitions in 2018 in Turkey and Romania, as well as, continued growth of e-government business yielded a **recurring revenue growth**
- **Profitability** remained strong in line with year-end guidance, yielding an **12% growth in EPS**



*IFRS 16 impact: EBITDA +2,1 TL mn / EBIT +350 TL thou / EBT -141 TL thou

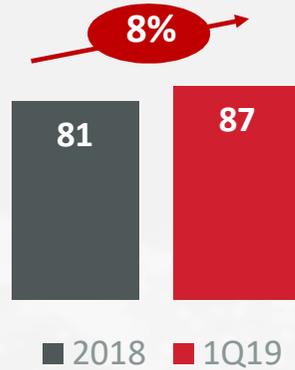
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Strong Financial Management

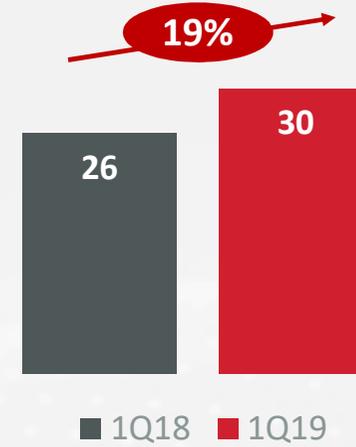
Consolidated

Improved Liquidity

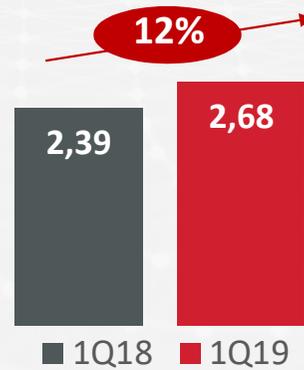
Cash and Cash Eq.



Higher Free Cash Flow (LTM)

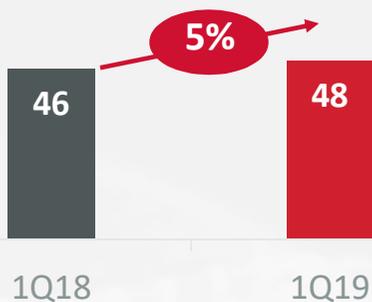


Increase in EPS (LTM)

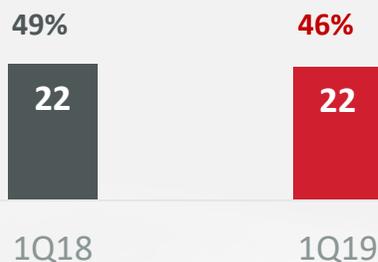


Performance in-line with budget despite challenging macro environment in Turkey

Logo Standalone - Revenues



Logo Standalone - EBITDA



Logo Standalone - Net Income



Logo Turkey Standalone: Logo's operations in Turkey excluding Logo KOBİ and Logo Infosoft (India)

- **Seasonality** prevails where Q1 traditionally makes up 17-22% of annual sales
- 1Q18 offers a high base for Turkey operations as **macro volatilities** became more imminent after 1Q18 and general market sentiment was much better
- Logo's **annual price increase** in 2018 was effective as of mid-February creating a strong demand at the beginning of 1Q18
- Price increase for 2019 was effective as of January 1st in 2019 attracting some part of demand to 4Q18
- **Profitability**, in line with year-end guidance but lower y/y due to relatively lower revenue growth and sustained **investments** in personnel, R&D and marketing as part of the annual business plan

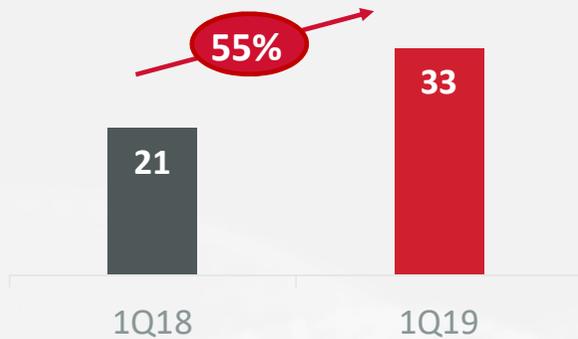


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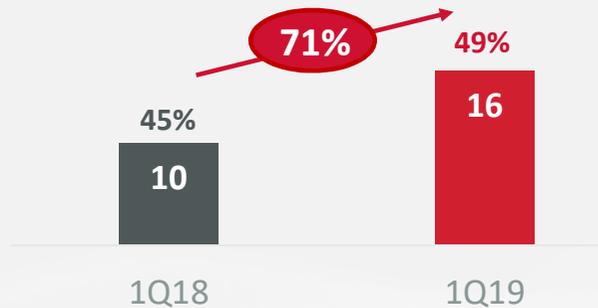
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Strong performance continues in Total Soft

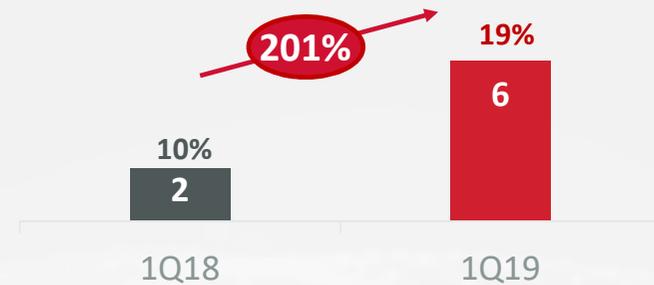
Total Soft - Revenues



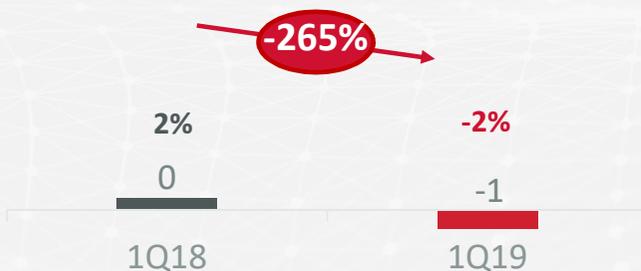
Total Soft – Gross profit



Total Soft - EBITDA



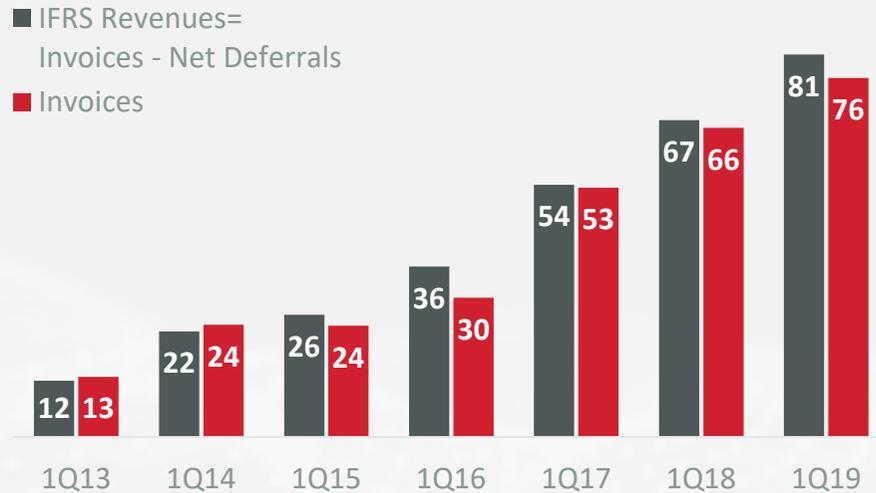
Total Soft - Net Income



- Total Soft achieved significant **growth** both in Romanian market and international market
- **Revenues** grew by 55% y/y and revenue growth in Euros reached 19% y/y
- **Efficiency** improvement continued and gross profit is up by 71% yielding a 49% gross margin
- **EBITDA** went up by 201%, yielding 19% margin
- 1Q19 net income is lower due to higher f/x losses

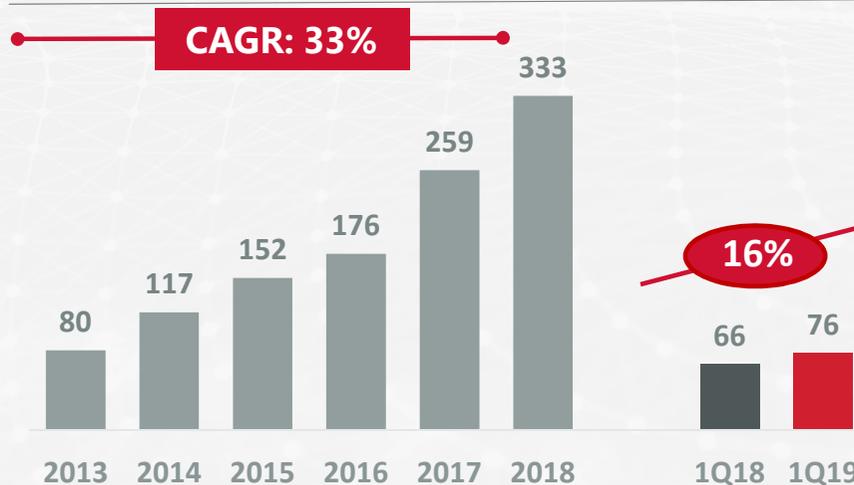
Invoiced Revenue vs IFRS Revenue (Consolidated)

First Quarter Invoices & IFRS Revenues (TL mn)



- 1Q sales invoice growth was 16% y/y
- IFRS Revenue growth was 21%y/y in 1Q

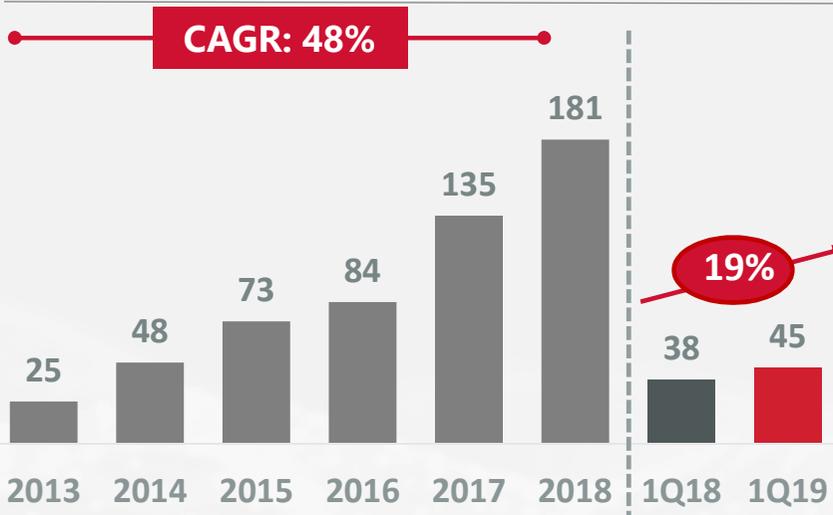
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was **40 TL mn** with 6% decrease, in line with the business plan
- **Total Soft's** invoiced revenue increased by 57% and reached **36 TL mn**
- **Recurring** revenues make up 59% of invoices

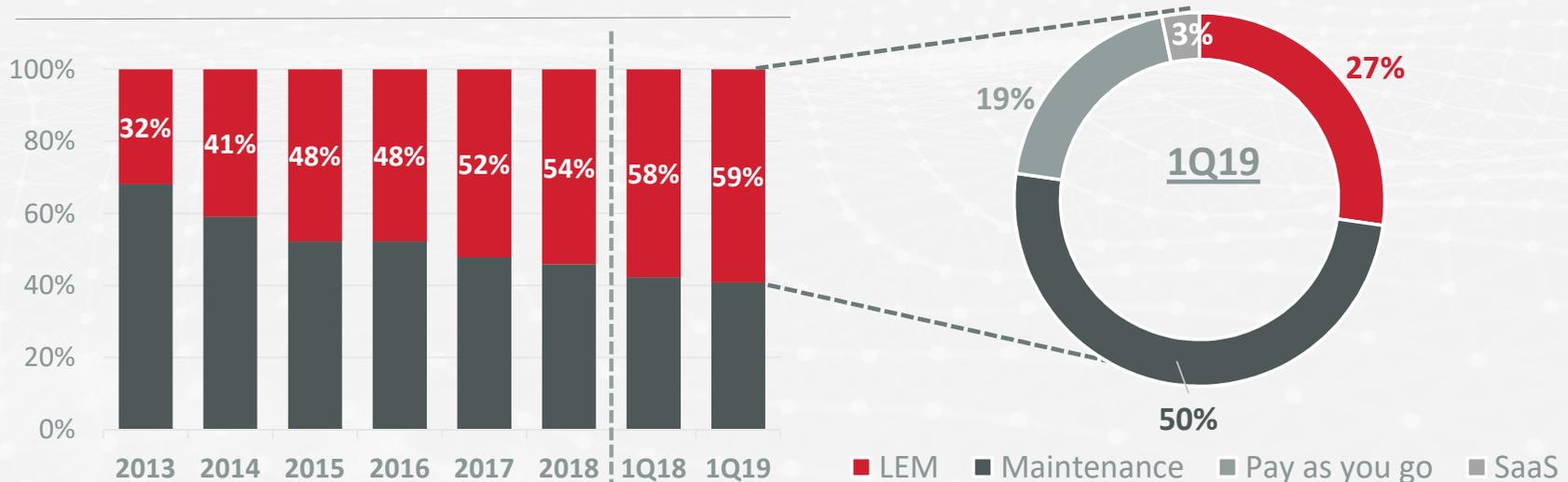
Recurring Revenue Growth Ensuring Predictability

Consolidated Recurring Invoices (TL mn)



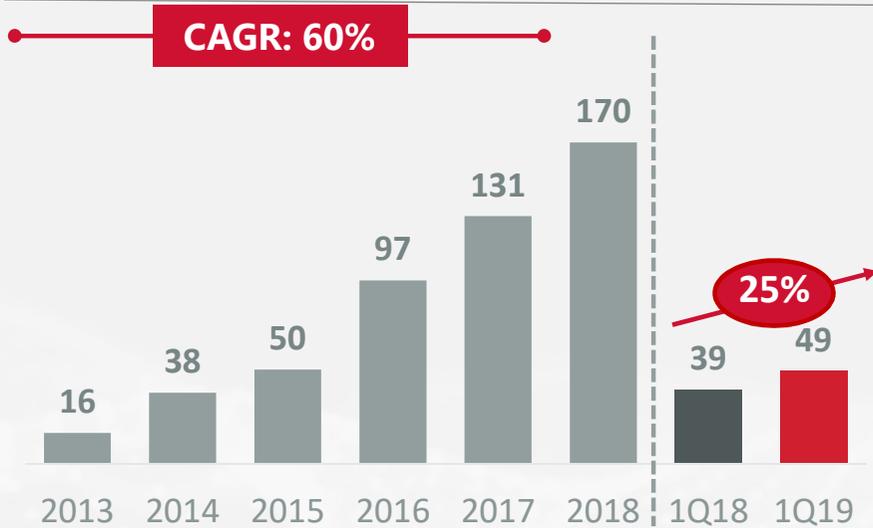
- **Pay as you go** revenues increased by 33% y/y with robust coin sales. Coin customers and coin usage increased by 34% and 30%, respectively
- **Maintenance** revenues increased by 56% y/y with significant contribution from Romania operations
- **LEM** revenues decreased by 16% y/y as a result of advance sales in 4Q18
- **SaaS** revenues decreased by 28% due to both softness in the retail sector and delays in new project signings

Recurring Invoices/Total Invoices (%)



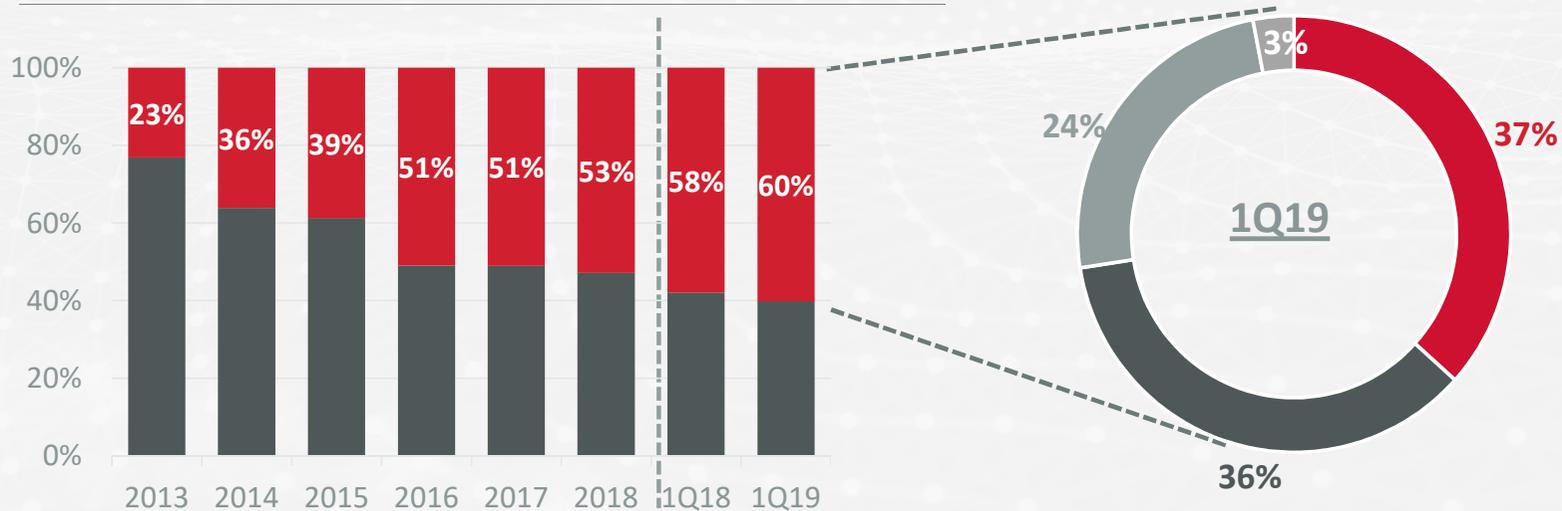
Recurring Revenue Growth (IFRS)

Consolidated Recurring IFRS Revenues (TL mn)



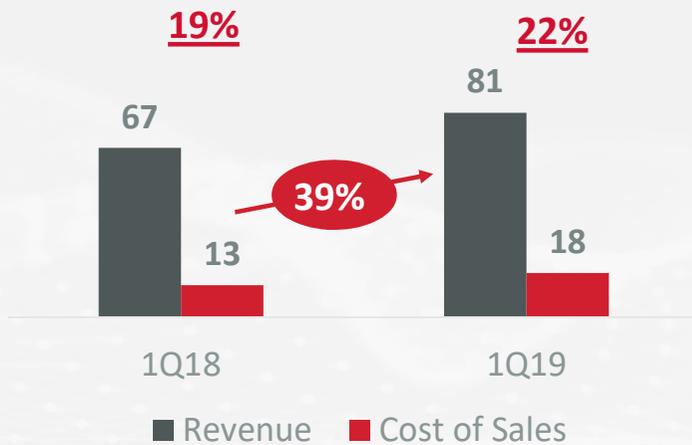
- **Pay as you go** revenues increased by 17% y/y with robust coin sales. Coin customers and coin usage increased by 34% and 30%, respectively
- **Maintenance** revenues increased by 56% y/y with significant contribution from Romania operations
- **LEM** revenues increased by 16% y/y
- **SaaS** revenues decreased by 28% due to both softness in the retail sector and delays in new project signings

Recurring IFRS Revenues/Total IFRS Revenues (%)

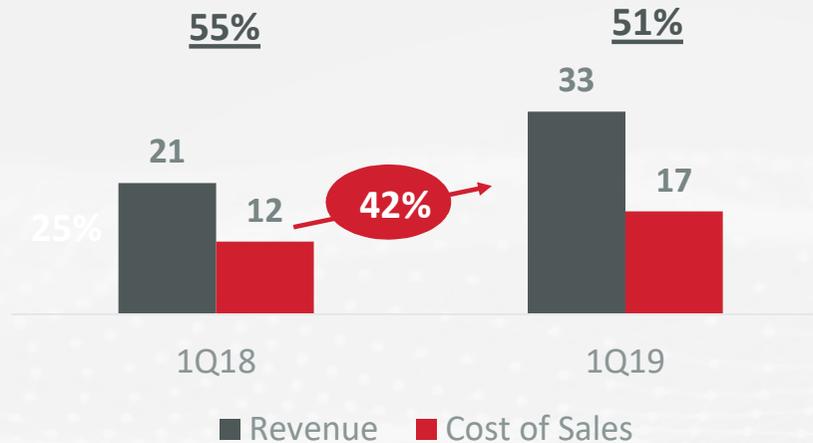


Cost of Sales

Consolidated (TL mn) – As % of IFRS Revenue



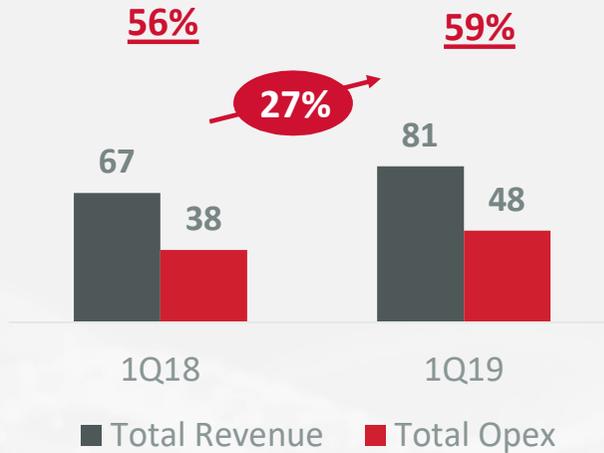
Total Soft (TL mn) – As % of IFRS Revenue



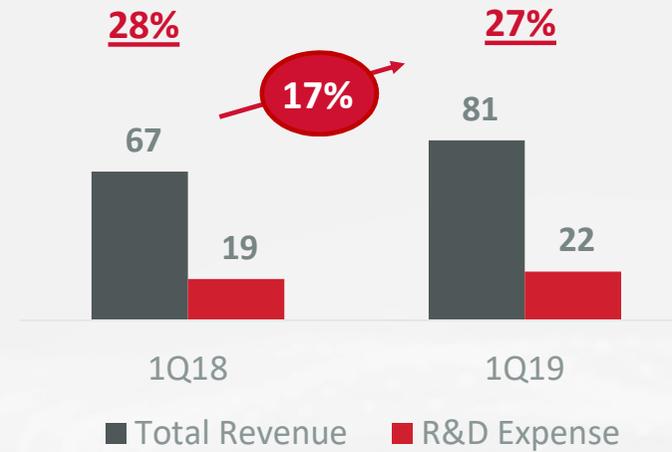
- Increased efficiency in project management and better priced contracts improved gross margin

Operating Expenses

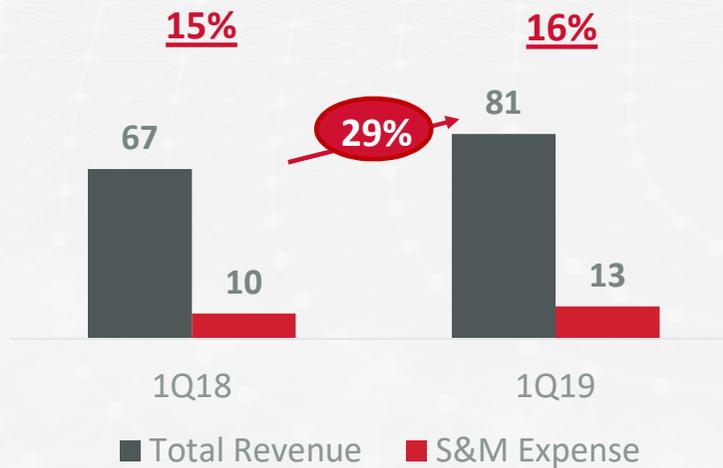
OpEx (TL mn) – As % of IFRS Revenue



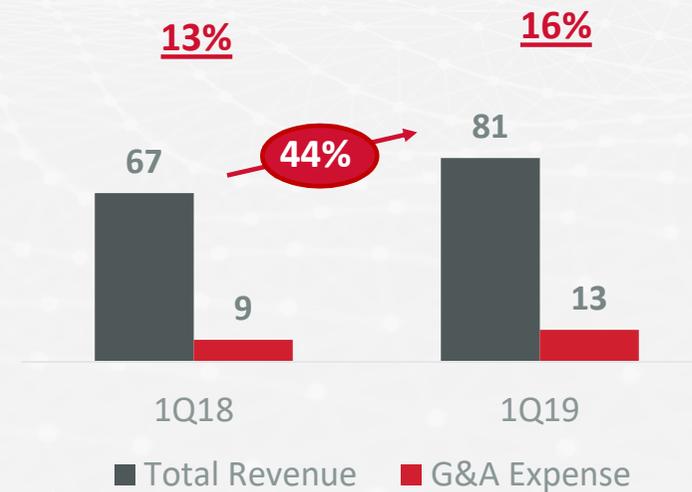
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

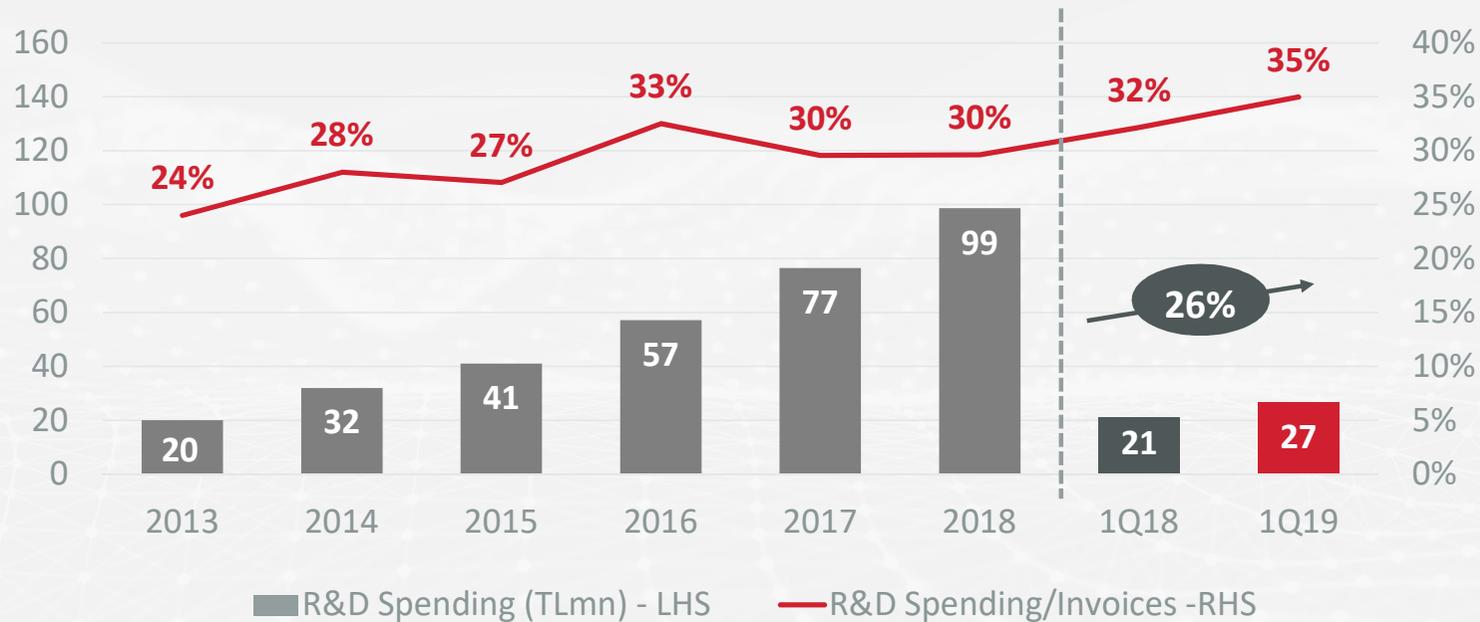


G&A (TL mn) – As % of IFRS Revenue



Dedicated Investment in Technology

R&D Spending (TL mn) – As % of Invoices



Strong Balance Sheet

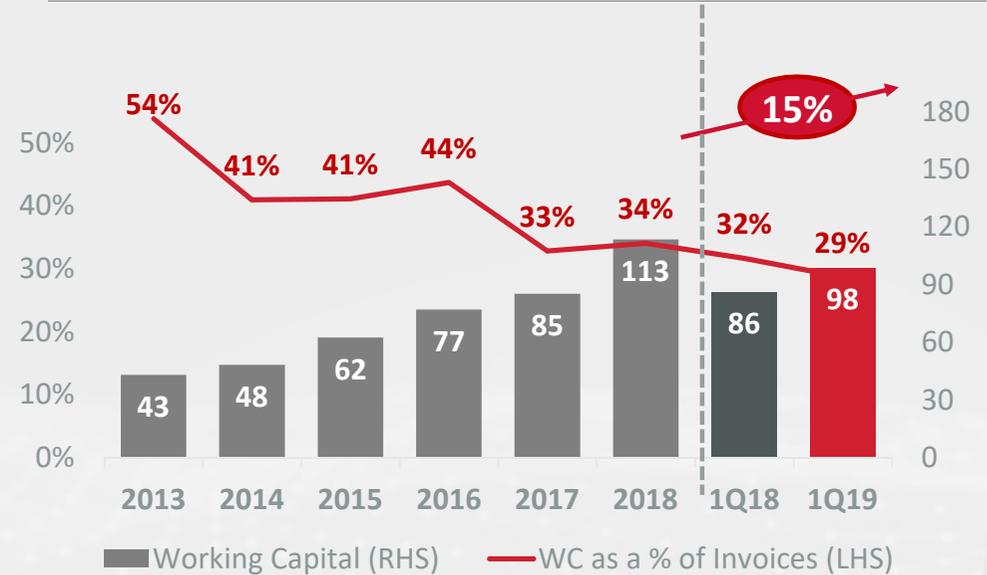
Balance Sheet Highlights (TL mn)

| | 2018 | 1Q19 | Δ |
|-------------------------------------|--------------|--------------|-----------|
| Cash & Cash Eq. | 80,9 | 87,1 | 8% |
| Trade Receivables | 137,9 | 123,4 | -11% |
| Tangible Assets | 20,7 | 19,9 | -4% |
| Intangible Assets* | 301,1 | 312,3 | 4% |
| Other Assets | 22,6 | 42,3 | 87% |
| Total Assets | 563,2 | 585,0 | 4% |
| Total Liabilities | 244,6 | 254,5 | 4% |
| Total Shareholders' Equity | 318,6 | 330,5 | 4% |
| Total Liabilities and Equity | 563,2 | 585,0 | 4% |
| Shareholders Equity Ratio | 0,57 | 0,56 | 0% |
| Current Ratio | 1,72 | 1,82 | 6% |
| EPS** | 2,81 | 2,68 | -4% |

* Includes goodwill

** Adjusted by 3.48% treasury shares

Working Capital (TL mn)



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

- Working capital significantly improved with improved days outstanding
- Further improvement in liquidity despite challenges in the Turkish market
- Net debt is 21.2 TL mn at end-1Q19 (excluding IFRS 16 impact) vs 18.6 TL mn at end-2018.

Guidance

2018

2019 Guidance



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





Questions & Answers



Thank you for joining us today

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