

LOGO

1H2019 Results Presentation

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Chief Financial Officer

August 1st, 2019

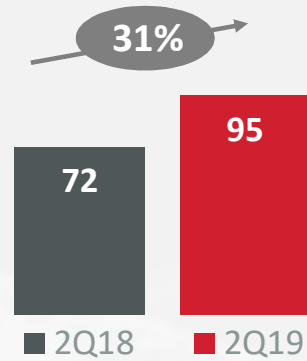
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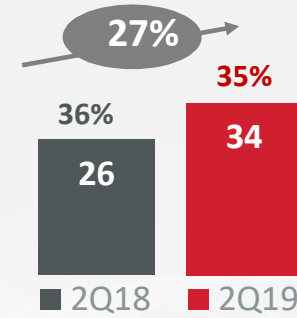
Healthy performance in 2Q19

Consolidated

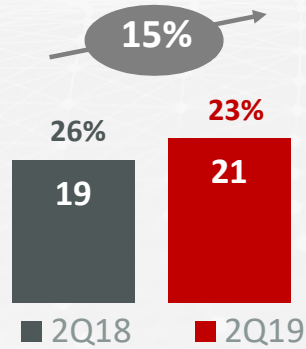
Revenues (TL mn)



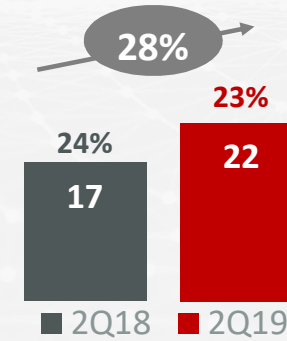
EBITDA (TL mn)



EBIT (TL mn)



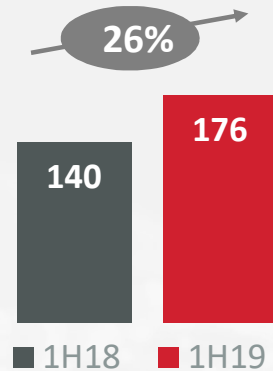
Net Income (TL mn)



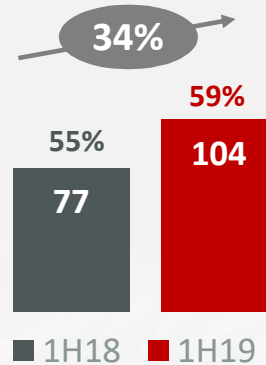
Growth and profitability continues

Consolidated

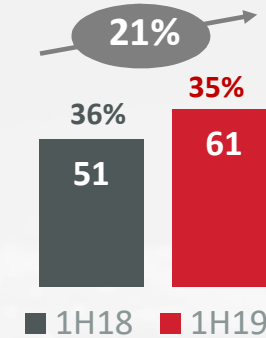
Revenues (TL mn)



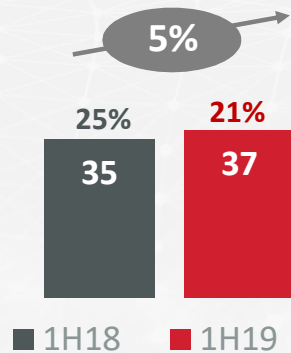
Recurring Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



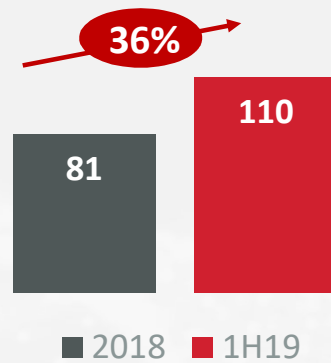
- **Healthy revenue and profitability growth, and strong cash generation** continued in 1H even with challenging market conditions in Turkey
- **Recurring revenue growth**, a key driver in Logo's sustainable growth, continued. Share in total reached 59%.
- **Total Soft integration on track** with 22% y/y top-line and 115% y/y EBITDA growth in Euro basis

Strong financial management

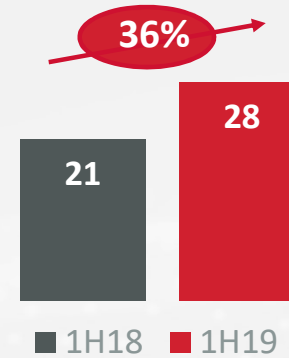
Consolidated

Improved Liquidity

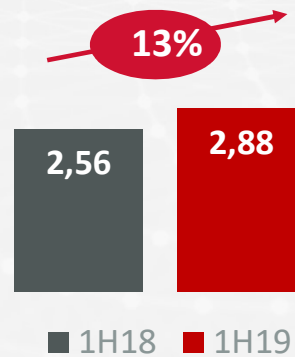
Cash and Cash Eq.



Stronger Free Cash Flow (LTM)



Increase in EPS* (LTM)

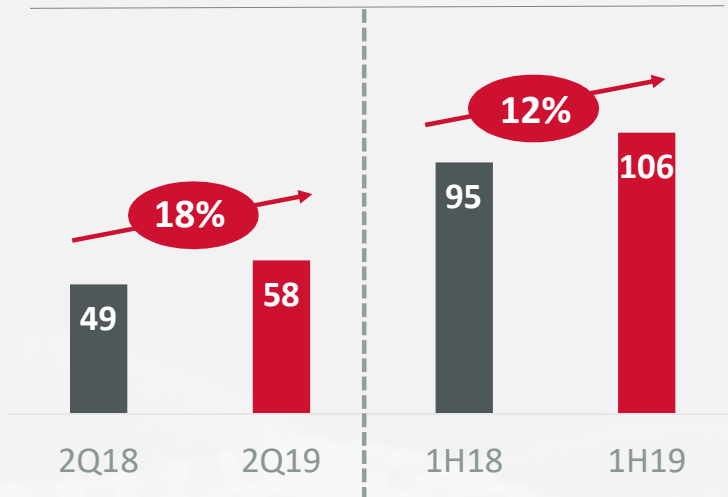


* Adjusted by 3.48% treasury shares

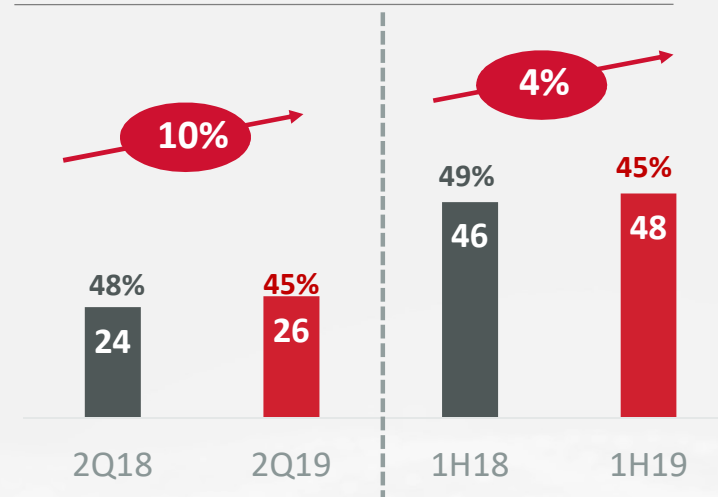
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Challenging macro environment in Turkey

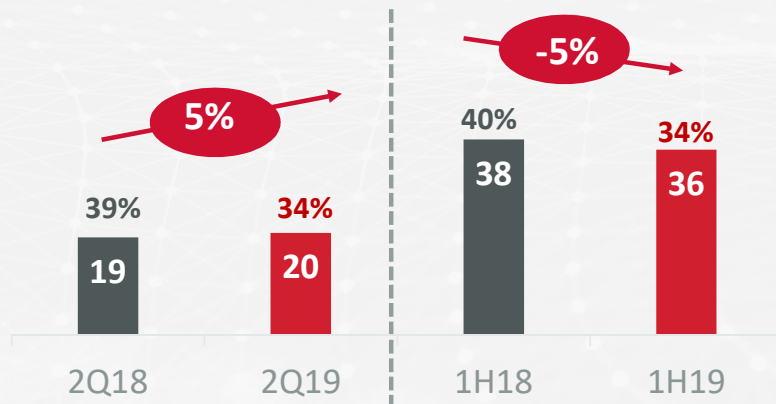
Logo Standalone – Revenues (TL mn)



Logo Standalone – EBITDA (TL mn)



Logo Standalone - Net Income (TL mn)

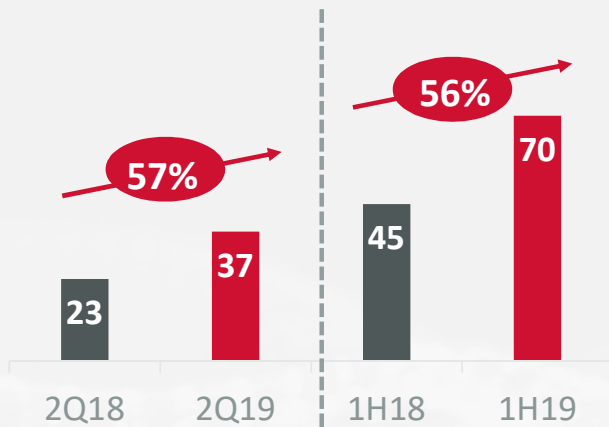


Logo Turkey Standalone: Logo's operations in Turkey excluding Logo KOBİ and Logo Infosoft (India)

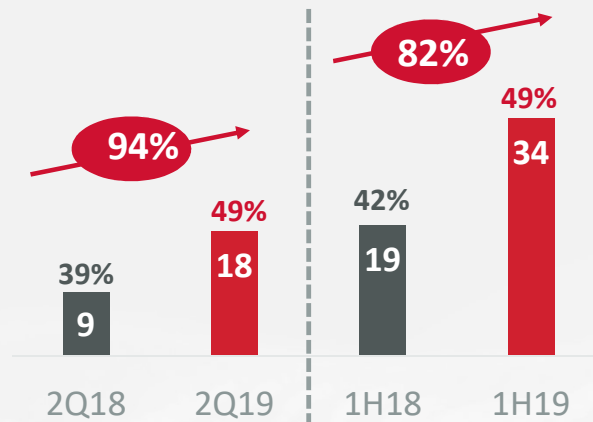
- Macro volatility and unexpected renewal of Istanbul elections in 2Q lead to softer-than-expected market conditions
- New customer acquisitions, LEM and e-government solutions' sales drove growth in revenues
- Profitability lower y/y due to relatively lower revenue growth

Solid results across the board for Total Soft

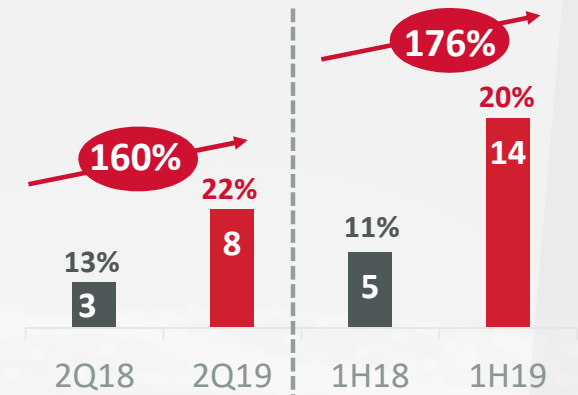
Total Soft – Revenues (TL mn)



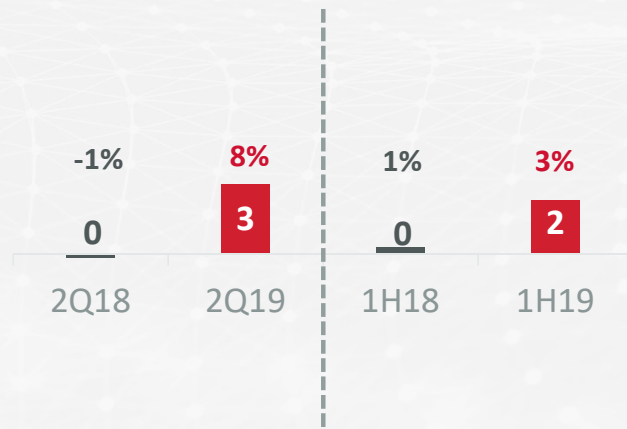
Total Soft – Gross Profit (TL mn)



Total Soft – EBITDA (TL mn)



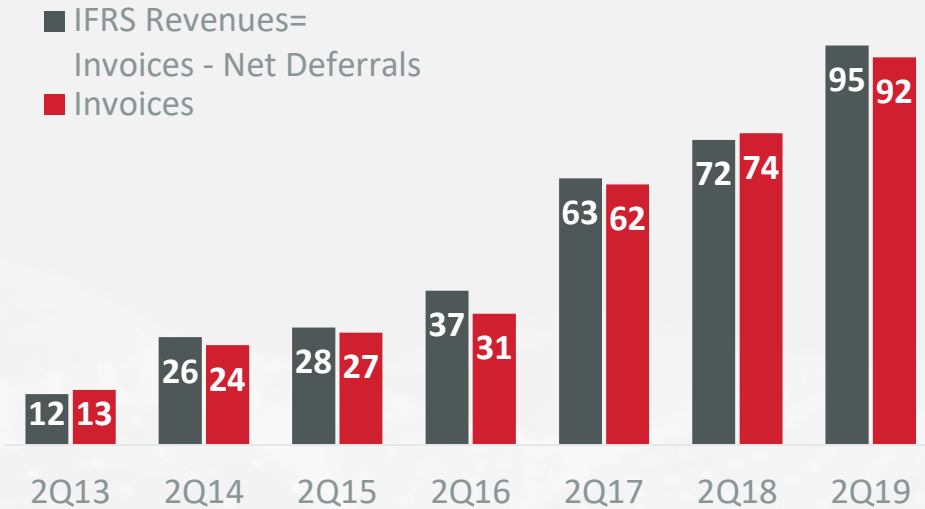
Total Soft - Net Income (TL mn)



- **Revenue** growth in Euros reached **22% y/y in 1H19**
- **Efficiency** improvement continued and gross profit was up by 82% compared to 1H18 yielding a **49% gross margin**
- **EBITDA** is significantly better with 20% margin in 1H19

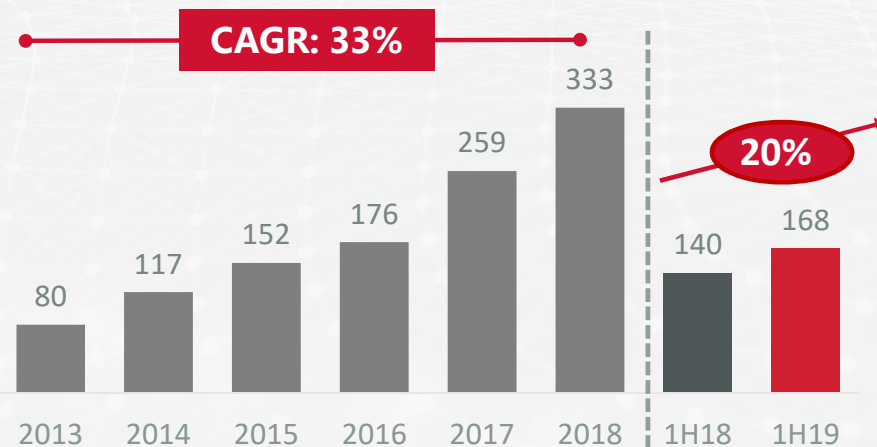
Invoiced revenues vs IFRS revenues (Consolidated)

Second Quarter Invoices & IFRS Revenues (TL mn)



- 2Q sales invoice growth was 24% y/y
- IFRS Revenue growth was 31%y/y in 2Q

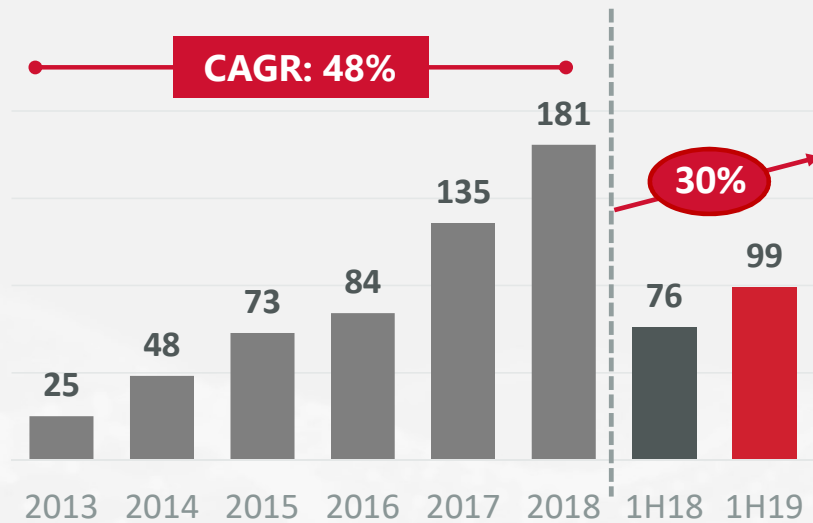
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was **99 TL mn** with 7% increase, falling short of the business plan
- **Total Soft's** invoiced revenue increased by 47% and reached **69 TL mn**
- **Recurring** revenues make up **59%** of invoices

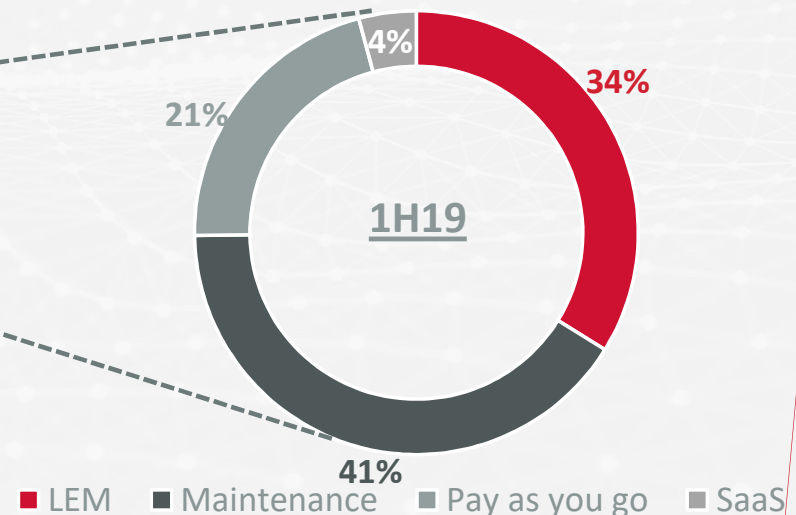
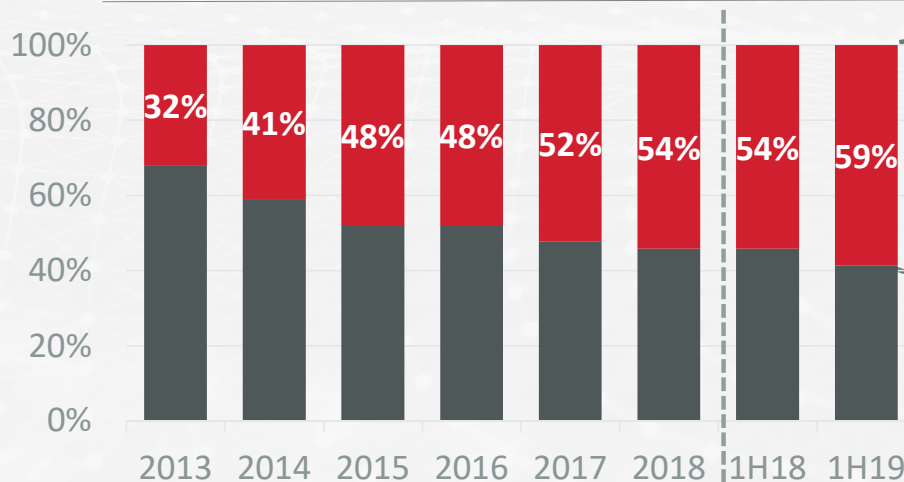
Recurring revenue growth ensuring predictability

Consolidated Recurring Invoices (TL mn)



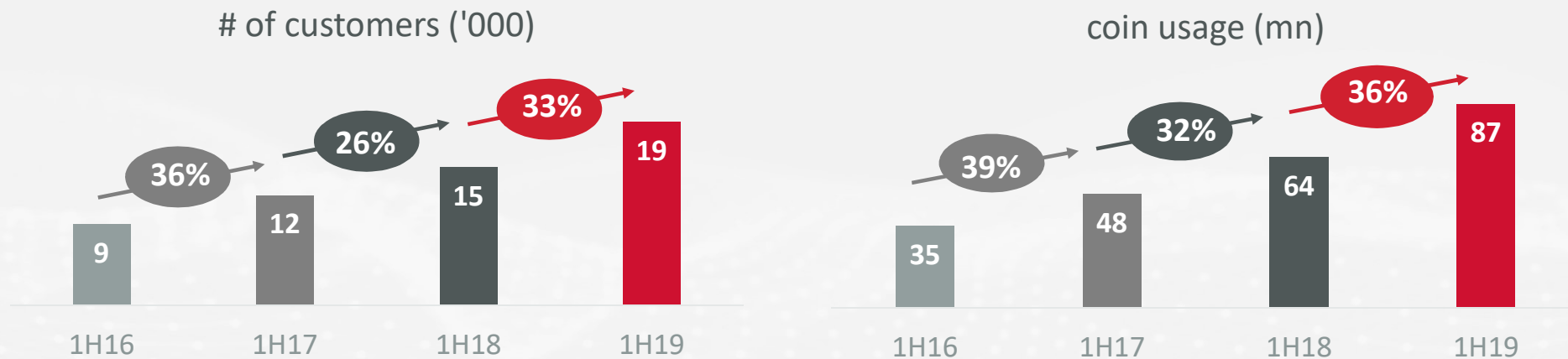
- **LEM** revenues increased by 11% y/y
- **Pay as you go** revenues increased by 33% y/y with robust coin sales. eLogo coin customers and coin usage increased by 33% and 36%, respectively
- **Maintenance** revenues increased by 54% y/y with significant contribution from Romania operations
- **SaaS** revenues increased by 9%

Recurring Invoices/Total Invoices (%)



eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 19K+ customers



5 million

transactions per day



450

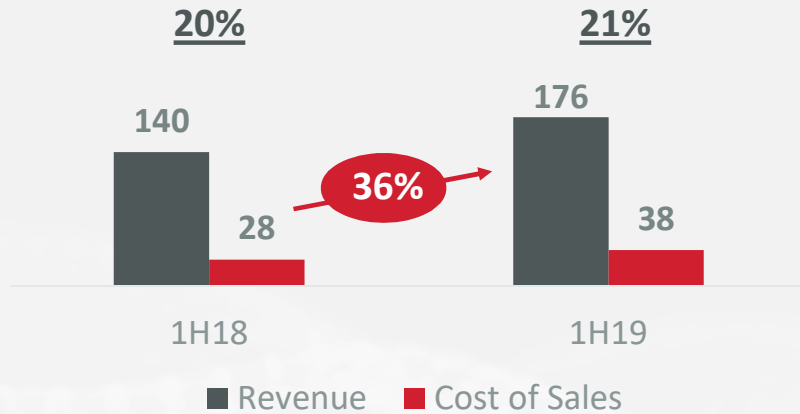
handled calls per day

- ✓ Positioned as a **reliable** and a **competent** solution provider for **e-transformation** journey of companies in all sizes and in all sectors
- ✓ **Award winning superior** technical infrastructure and customer service
- ✓ Business **CAGR** of **178%** since establishment in 2013 (# of customers)

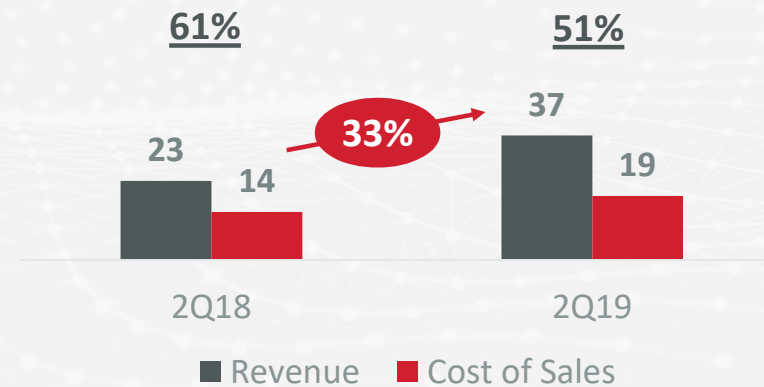
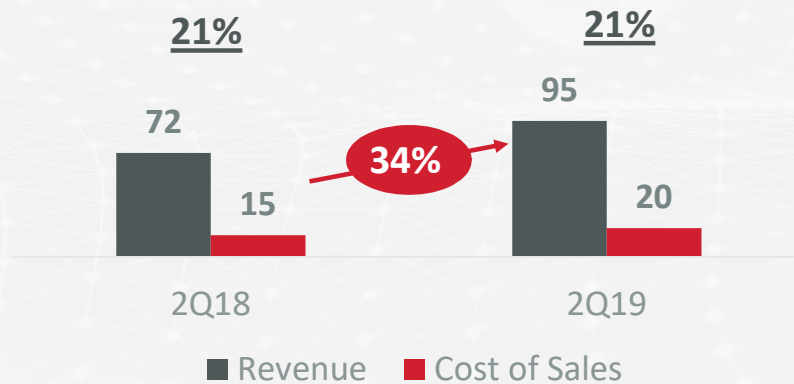
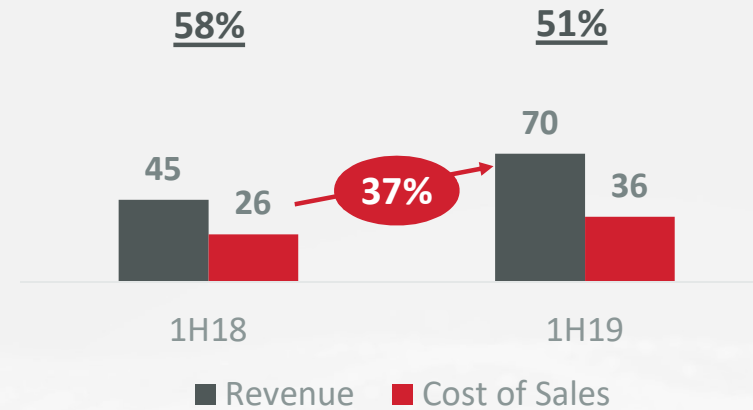


Cost of sales

Consolidated (TL mn) – As % of IFRS Revenue



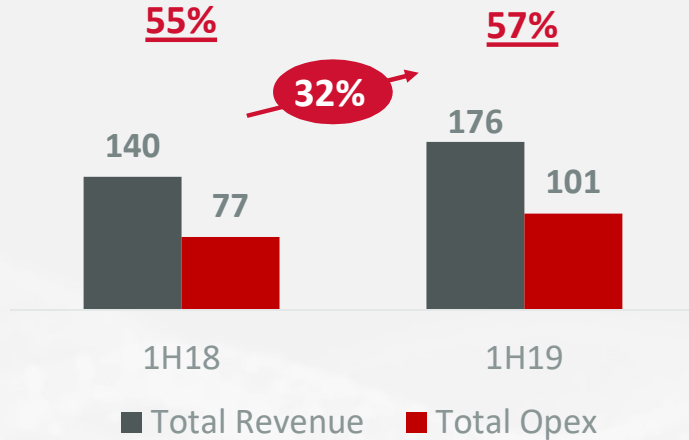
Total Soft (TL mn) – As % of IFRS Revenue



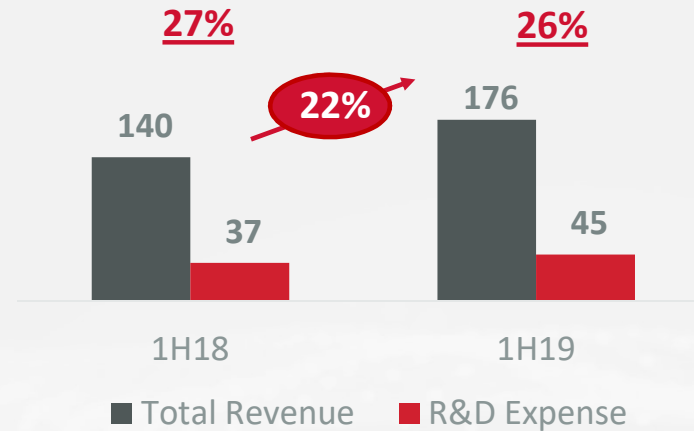
- Total Soft's gross margin significantly improved due to better priced contracts and efficiencies achieved in project management

Operating expenses

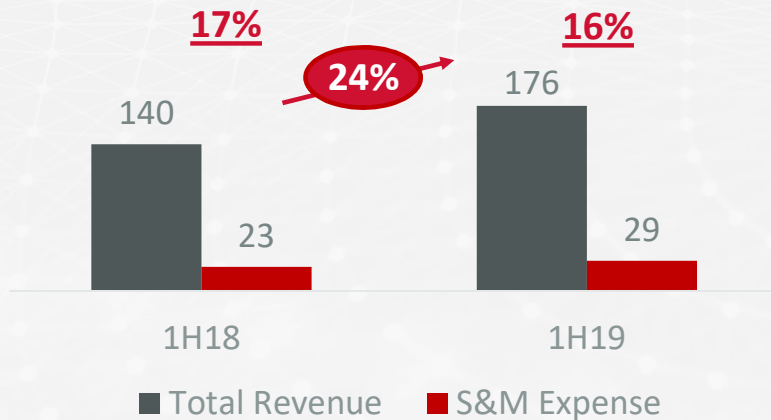
OpEx (TL mn) – As % of IFRS Revenue



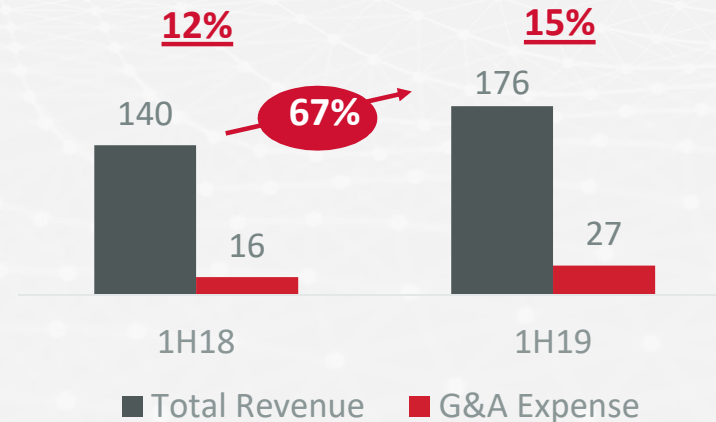
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

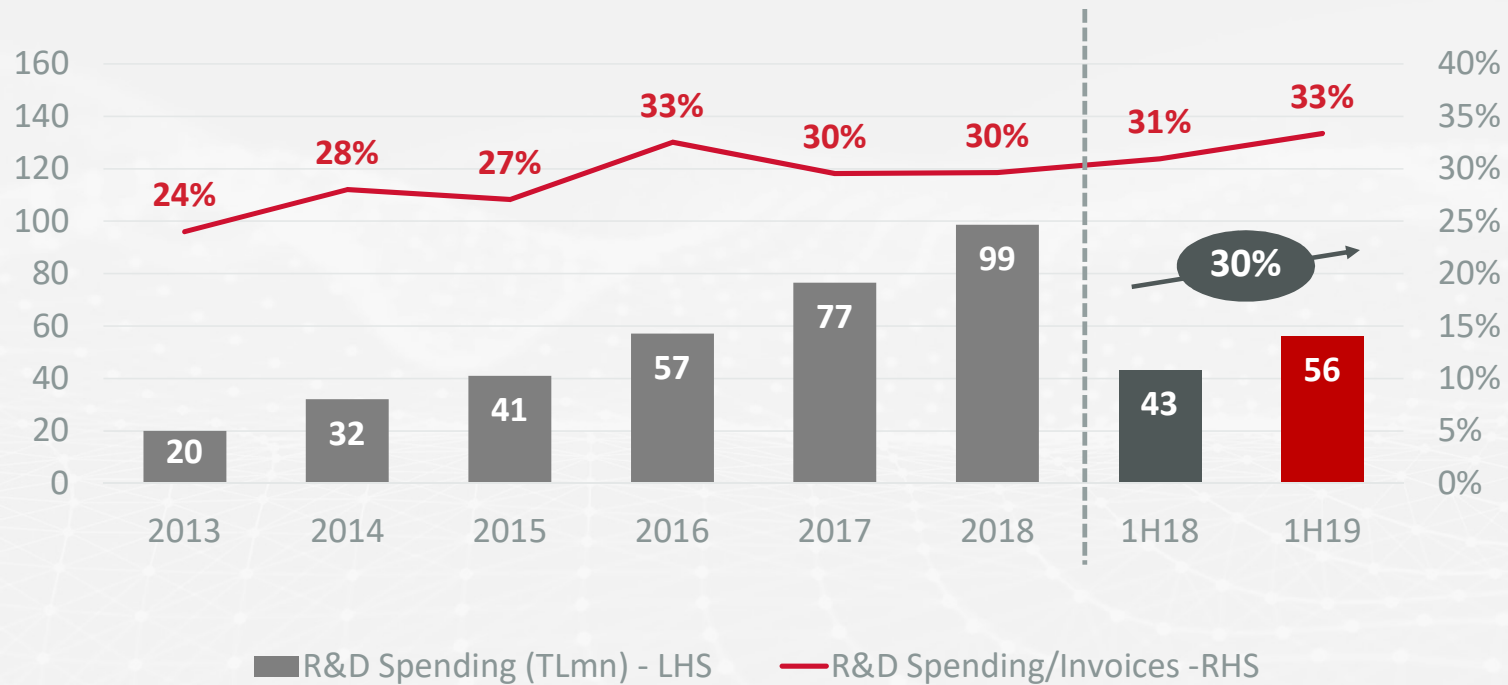


G&A (TL mn) – As % of IFRS Revenue



Dedicated investment in technology

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



Strong balance sheet

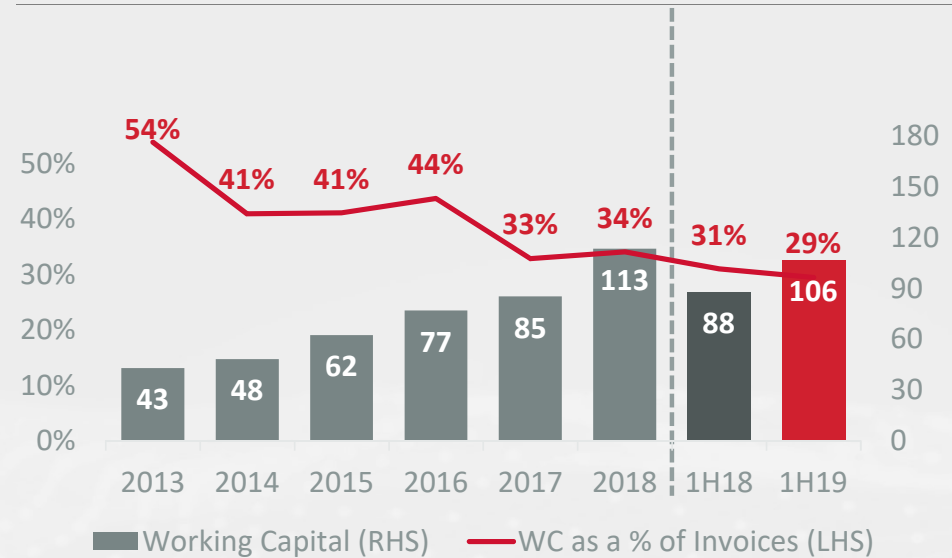
Balance Sheet Highlights (TL mn)

	2018	1H19	Δ
Cash & Cash Eq.	80,9	109,9	36%
Trade Receivables	137,9	129,2	-6%
Tangible Assets	20,7	19,2	-7%
Intangible Assets*	301,1	328,6	9%
Other Assets	22,6	42,8	89%
Total Assets	563,2	629,8	12%
Total Liabilities	244,6	272,4	11%
Total Shareholders' Equity	318,6	357,4	12%
Total Liabilities and Equity	563,2	629,8	12%
Shareholders Equity Ratio	0,57	0,57	0%
Current Ratio	1,72	1,81	5%
EPS**	2,81	2,88	3%

* Includes goodwill

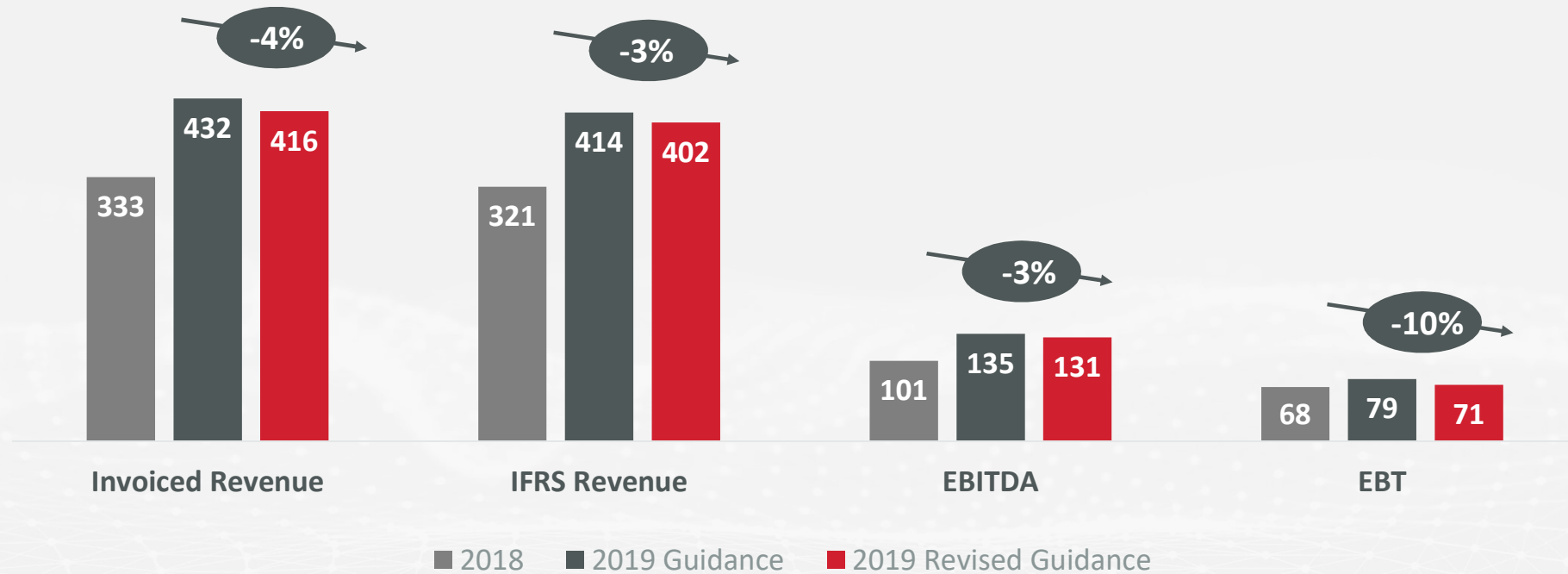
** Adjusted by 3.48% treasury shares

Working Capital (TL mn)



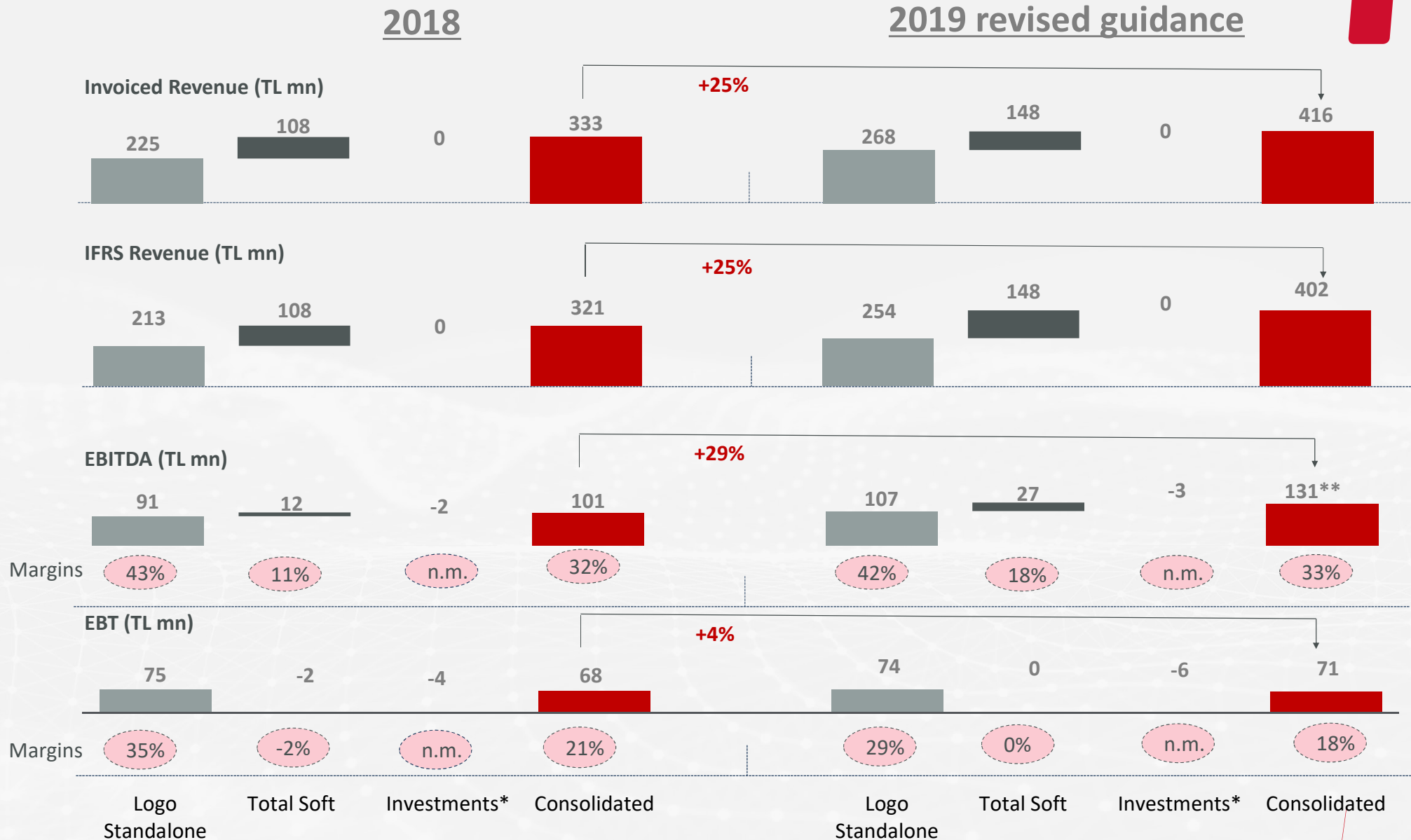
- Further strengthening of liquidity despite challenges in the Turkish market
- Working capital/Invoices ratio improved from 34% to 29% with days outstanding going down to 120 days from 123 days (end-2018)
- Net debt improved to 13.2 TL mn at end-2Q19 (excluding 15 TL mn IFRS 16 impact) vs 18.6 TL mn at end-2018. Net cash of 23.1 TL mn together with 3.48% treasury shares @Mcap

2019 revised guidance (TL mn)



- Softer-than-expected 2Q market conditions in Turkey signal a slower 2H making a downward **FY guidance revision more prudent**

2019 revised guidance in detail



*Investments = Logo Infosoft (India) and Logo Kobi Digital (Turkey). Logo Infosoft (India) is recognized with equity method and does not have expense impact on consolidated figures in 2019 revised guidance.

** IFRS 16 impact: +8.7 TL mn.



Questions & Answers

Thank you for joining us today

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