



LOGO

1H2020 Results Presentation

Gülnur Anlaş

Chief Financial Officer

August 6th, 2020

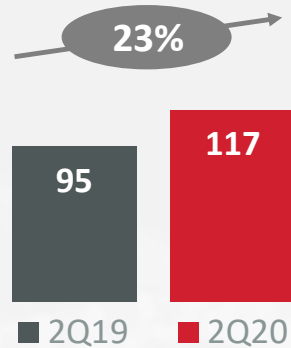
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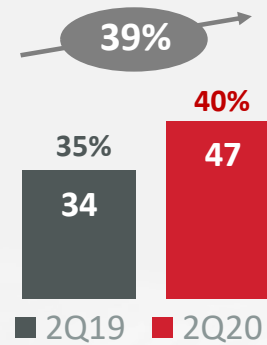
Growth continues in 2Q20 amid Covid-19

Consolidated

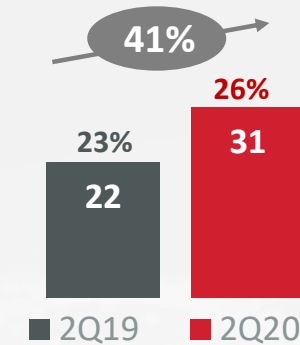
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

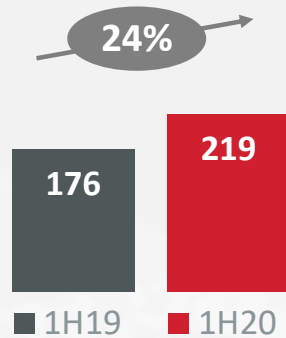


- **Consolidated Revenues** up by 23% reaching 117 TL mn, with Turkey and Romania operations contributing 66% and 34% respectively.
- **EBITDA** up by 39%, reaching 47 TL mn yielding 40% margin.
- **Net income** up by 41%, reaching 31 TL mn yielding 26% margin.

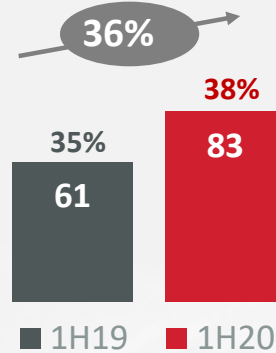
Strong results in 1H20

Consolidated

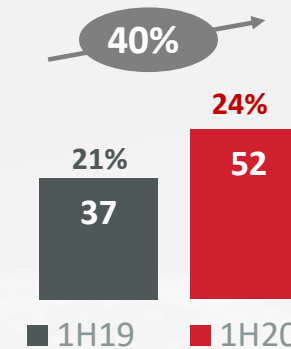
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



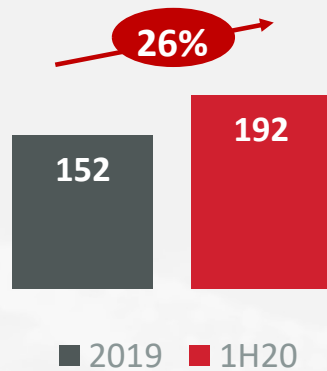
- **Revenues** up by 24%, reaching 219 TL mn, with Turkey and Romania operations contributing 64% and 36% respectively
- **EBITDA** up by 36%, reaching 83 TL mn yielding 38% margin
- **Net income** up by 40%, reaching 52 TL mn yielding 24% margin
- Overall Logo improved its effectiveness by concentrating on customer satisfaction, employee engagement and development, innovation, social responsibility and financial strength during this turbulent time.

Effective Financial Management

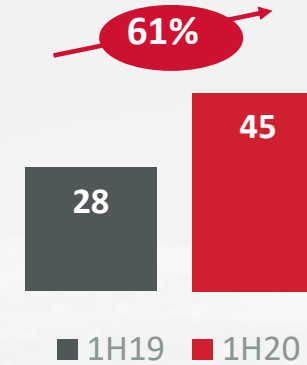
Consolidated

Improved Liquidity (TL mn)

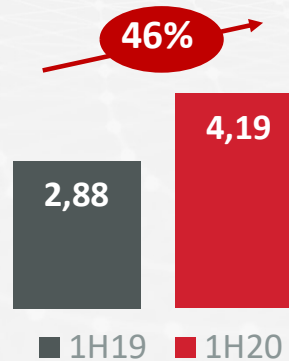
Cash and Cash Eq.



Strong FCF LTM (TL mn)



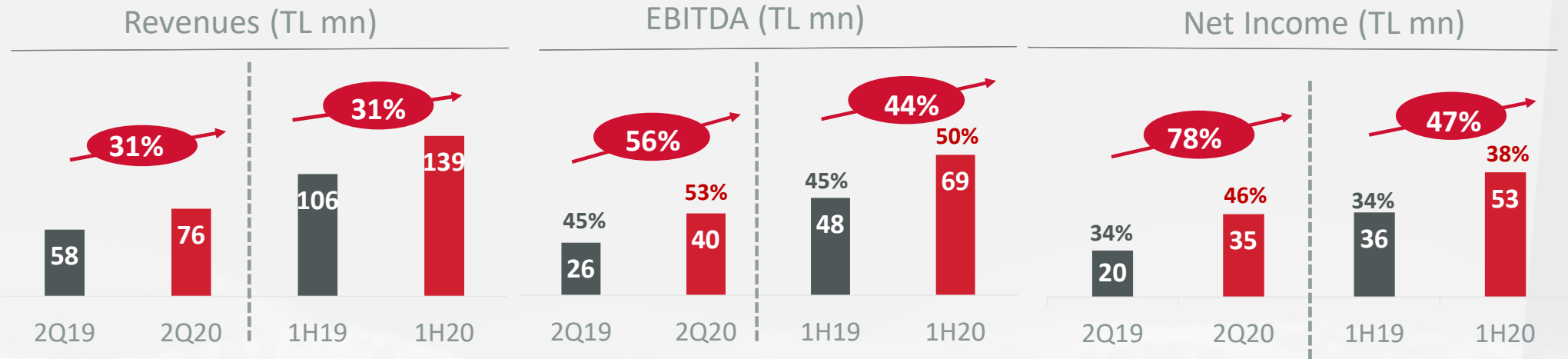
EPS* growth (LTM)



*Adjusted by 3.48% treasury shares

Exceptional performance in Turkey

Logo Standalone



Logo Turkey Standalone: Logo's operations in Turkey excluding Logo KOBİ (İşbaşı), Elba HR (Peoplise) and Logo Infosoft (India)

- Revenues, margins and cash flow are on a consistent upward trend
- Revenues up by 31%: exceptional growth in e-government module and coin sales, new customer acquisitions and increased spending from existing customers
- EBITDA up by 44% yielding 50% margin
- Effective management resulting in cost controls ensuring SG&A remains in line with sales

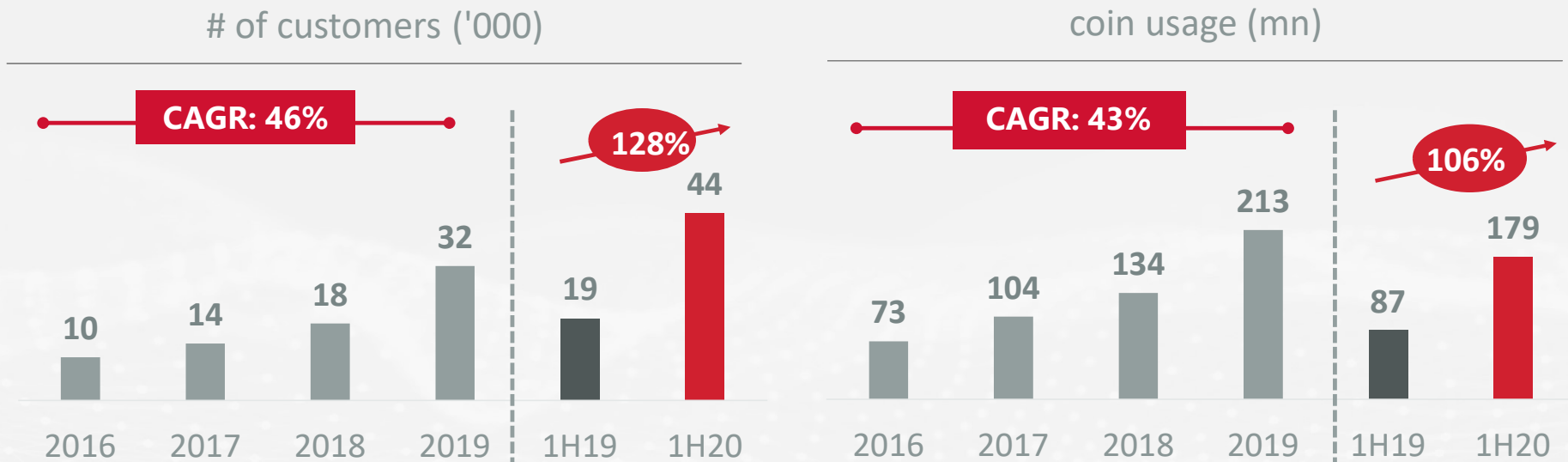


*IFRS 16 impact: EBITDA +3.4 TL mn (1H19: 2.5 TL mn) / EBIT +713 TL thou (1H19: +720 TL thou) / EBT -178 TL thou (1H19: -234 TL thou)

www.logo.com.tr

eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 44K customers

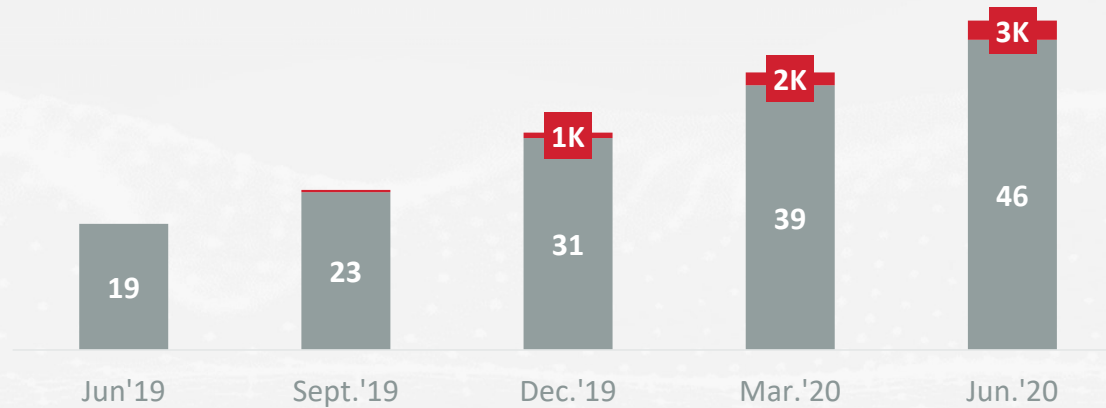


- ✓ Strong growth in number of customers and coin usage continued in 1H with the support of the e-government solutions communique published in October 2019
- ✓ As the leader of the market, eLogo is well-positioned to take advantage of the market growth driven by the new communique

İşbaşı: Turkey's MicroSME digitalization solution

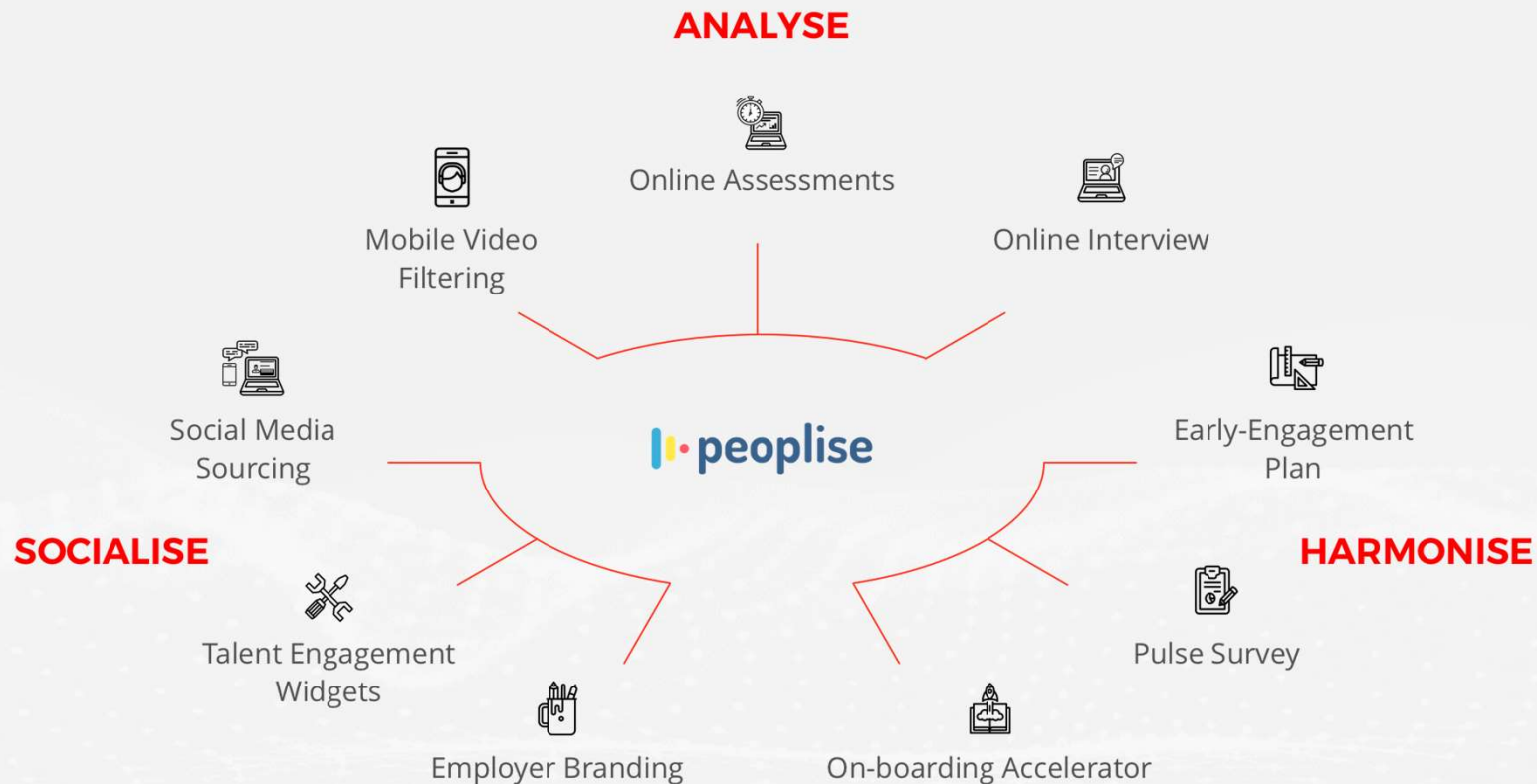
Value creation on digital platform: connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites

İşbaşı users reached 49K w/ 3K actively paying



✓ Significant **user growth** of **158% y/y** achieved in only 6 months

Peoplise: Next Generation Talent Acquisition

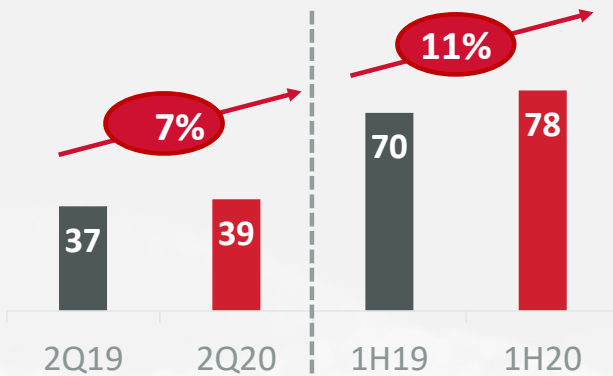


- ✓ Strategically positioned to leverage the post-covid momentum to digitalize talent acquisition processes of mid to large companies
- ✓ Corporate customer growth of 170% y/y at end-1H reaching 92 clients in 2020
- ✓ 2,5 times increase in screen time and online interviews during Covid-19
- ✓ Worlds 1st chat bot assisted assessment center product launched at three blue chip companies

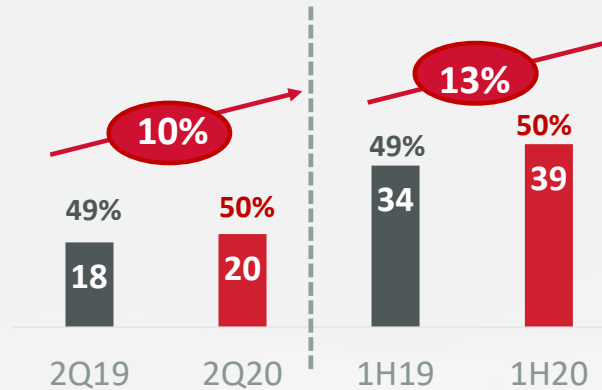
Total Soft proves resiliency

Total Soft

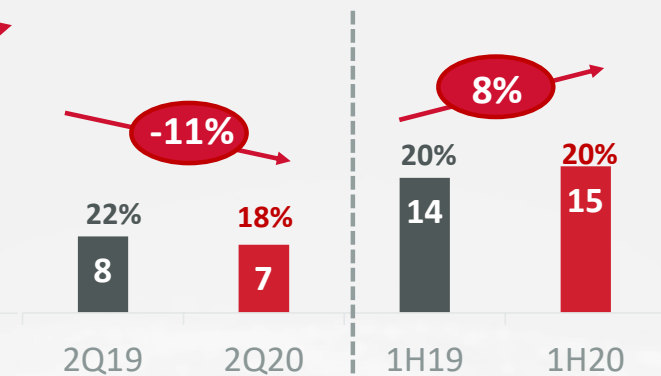
Revenues (TL mn)



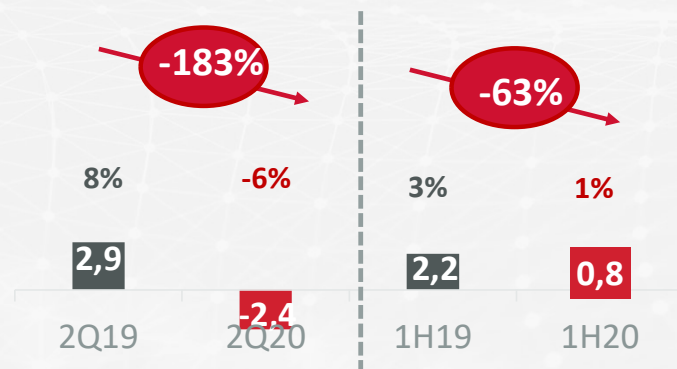
Gross profit (TL mn)



EBITDA (TL mn)



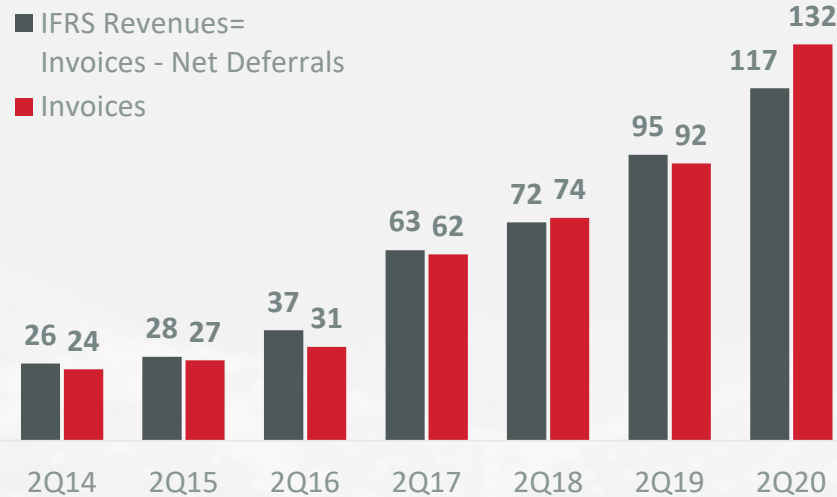
Net Income (TL mn)



- **Revenues** up by 11% in TL. Revenue growth in Euros was -1% y/y (€10,9 mn)
- **Gross profit** is up by 13% yielding a 50% gross margin
- **EBITDA** up by 8% in 1H, yielding 20% margin
- EBITDA and net income margin decreased in 2Q due to lower revenue growth and higher other operating expenses

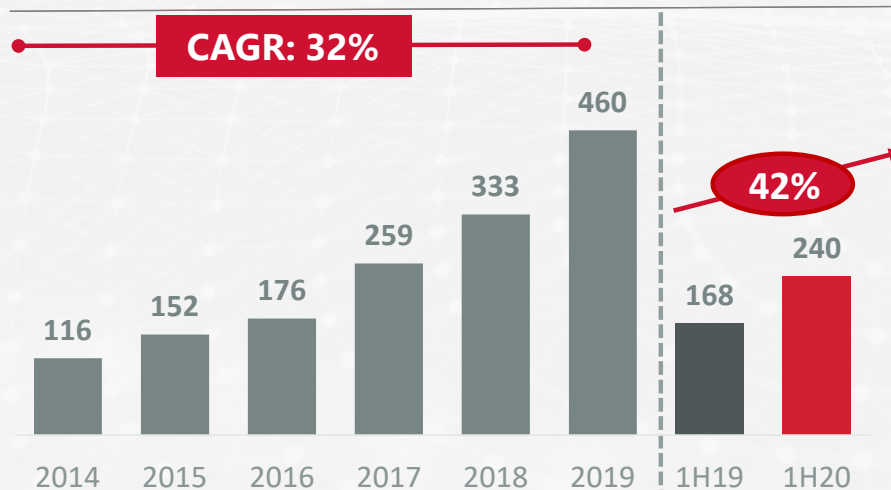
Invoiced Revenue vs IFRS Revenue (Consolidated)

Second Quarter Invoices & IFRS Revenues (TL mn)



- 2Q sales invoice growth was 43% y/y
- IFRS Revenue growth was 23%y/y in 2Q

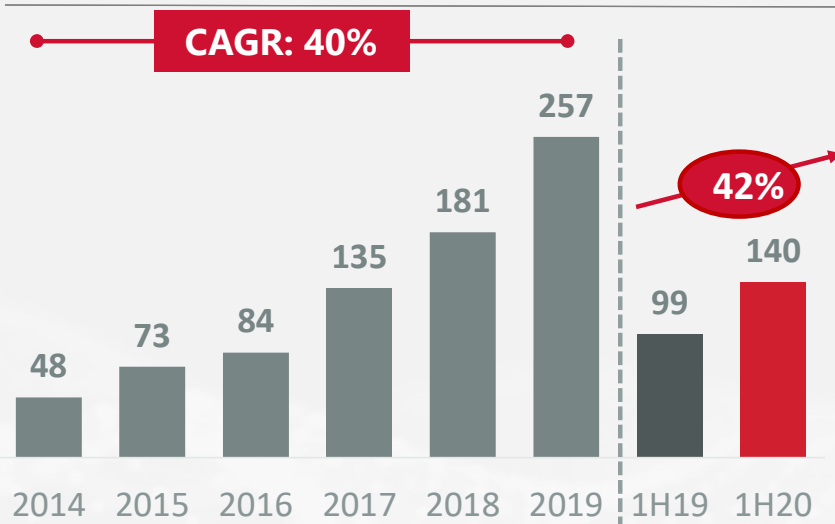
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was 156 TL mn with 58% increase
- **Total Soft's** invoiced revenue increased by 21% and reached **84 TL mn**
- **Recurring** revenues make up **59%** of invoices

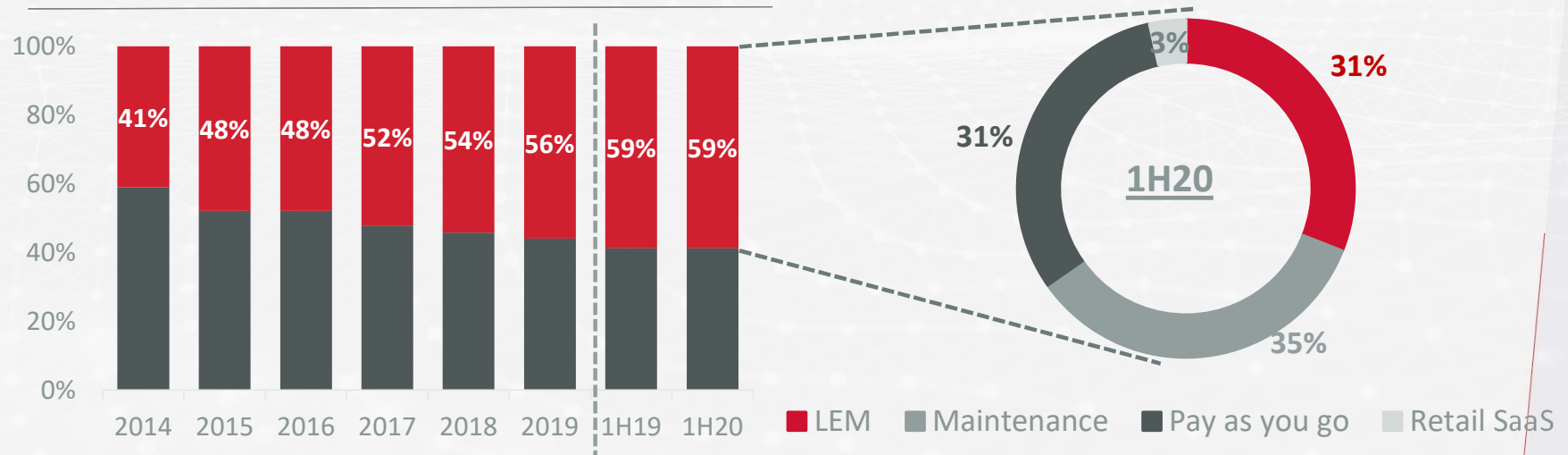
Recurring Revenue Growth Ensuring Predictability

Consolidated Recurring Invoices (TL mn)



- LEM revenues increased by 30% y/y
- Pay as you go revenues increased by 111% y/y with strong coin sales. Coin customers and coin usage grew by 128% and 106%, respectively
- Maintenance revenues increased by 19% y/y with Total Soft's contribution
- Retail SaaS revenues increased by 17%

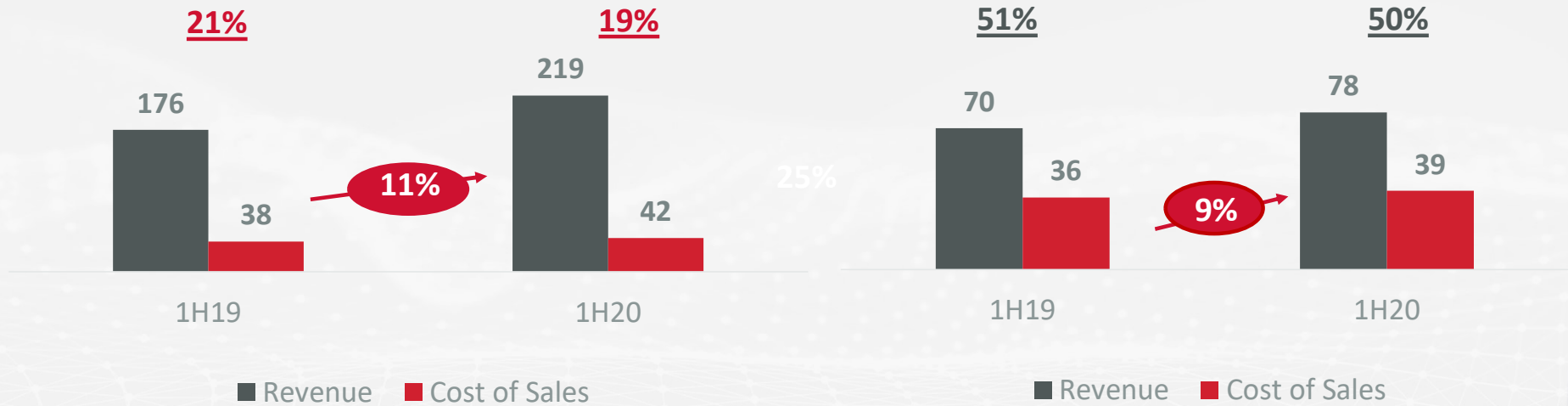
Recurring Invoices/Total Invoices (%)



Cost of Sales-efficiencies continue

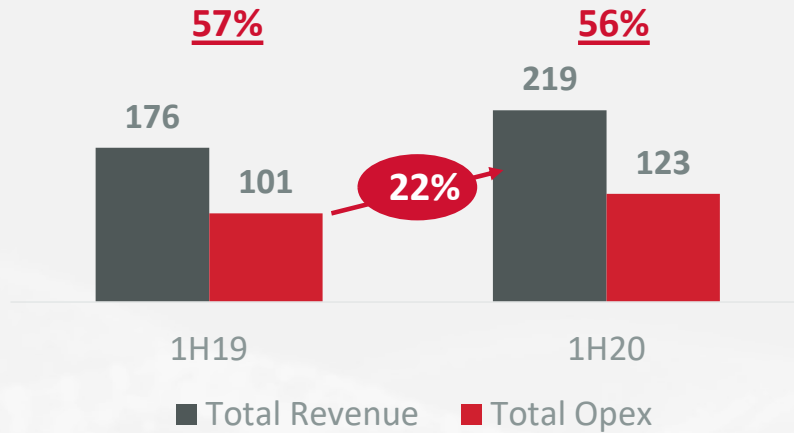
Consolidated (TL mn) – As % of IFRS Revenue

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

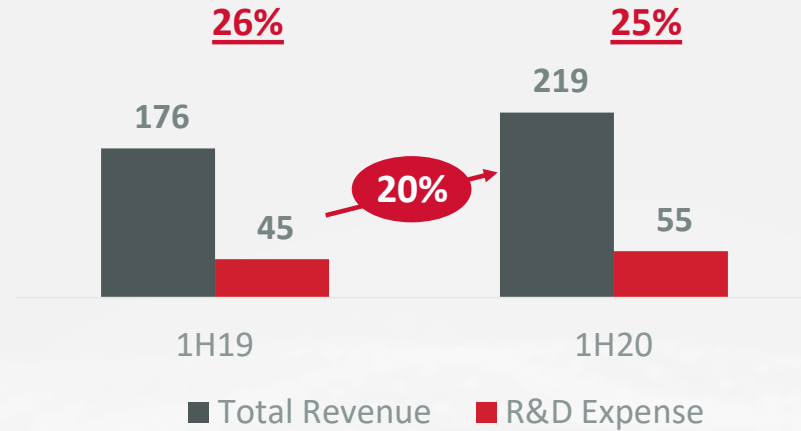


Operating Expenses

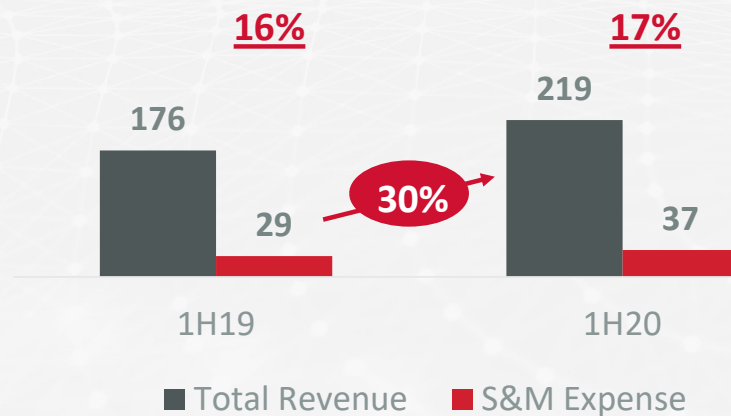
OpEx (TL mn) – As % of IFRS Revenue



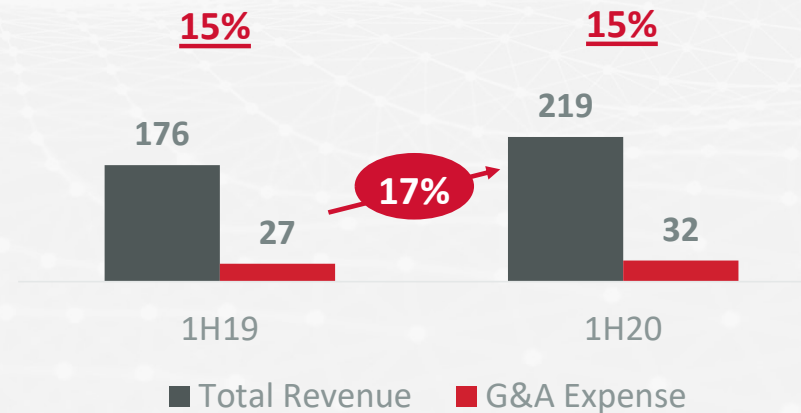
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

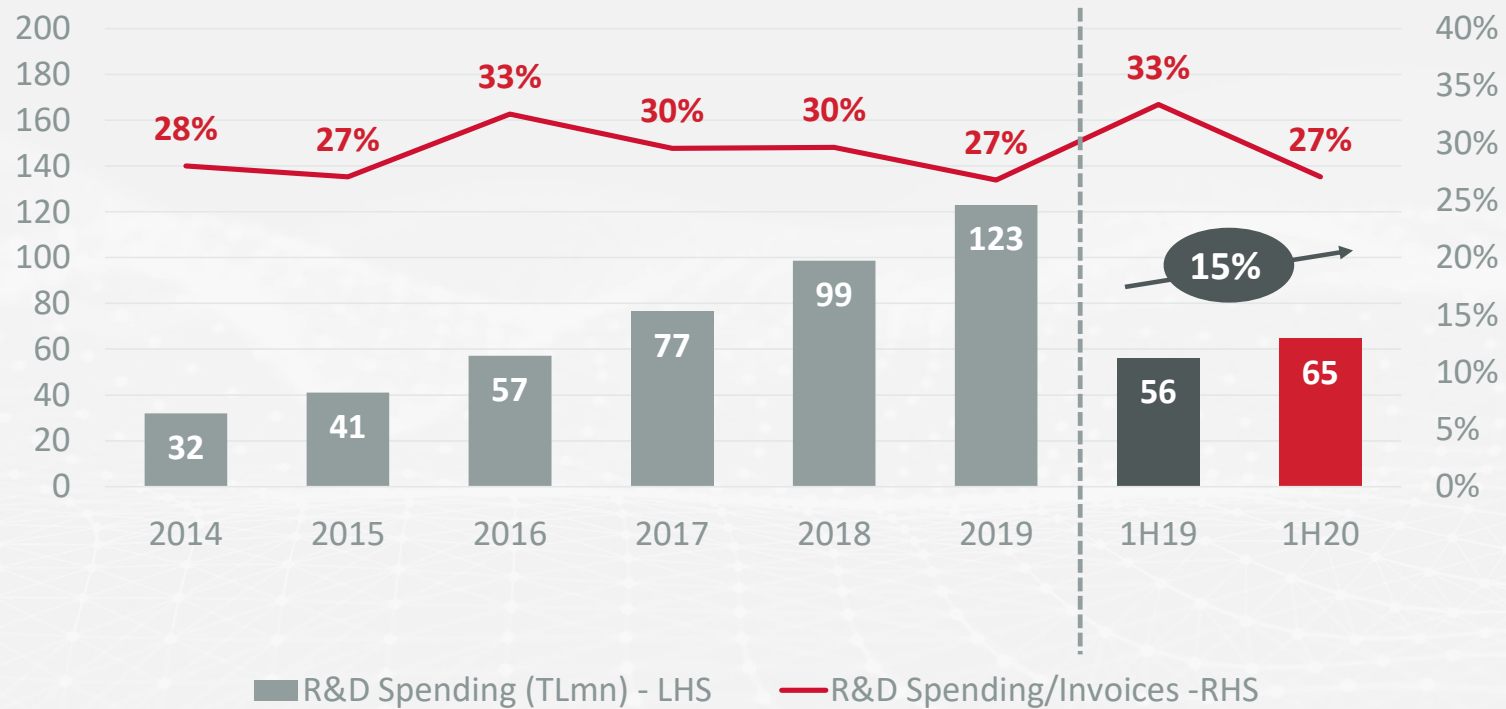


G&A (TL mn) – As % of IFRS Revenue



Dedicated Investment in Technology

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



Strong Balance Sheet

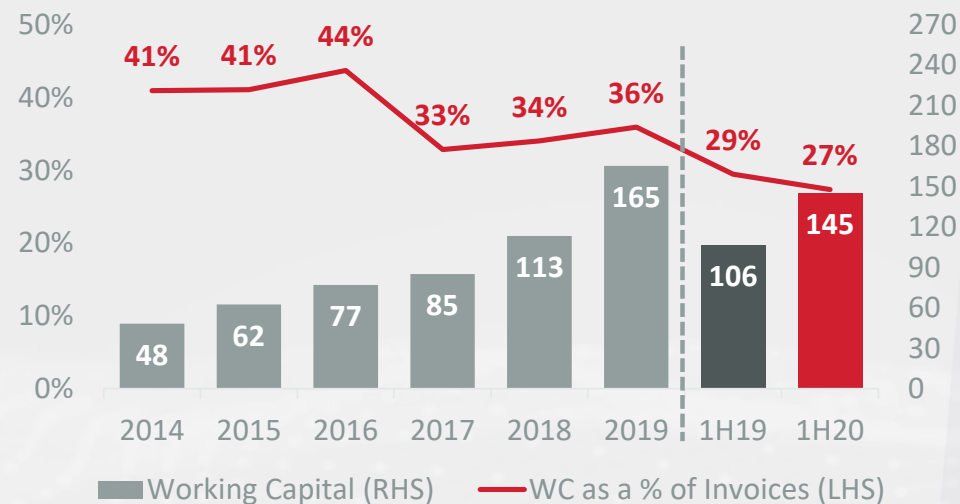
Balance Sheet Highlights (TL mn)

	2019	1H20	Δ
Cash & Cash Eq.	152,2	191,5	26%
Trade Receivables	211,2	175,2	-17%
Tangible Assets	20,0	20,2	1%
Intangible Assets*	342,2	406,3	19%
Other Assets	50,2	50,7	1%
Total Assets	775,7	844,0	9%
Total Liabilities	381,1	389,1	2%
Total Shareholders' Equity	394,6	454,9	15%
Total Liabilities and Equity	775,7	844,0	9%
Shareholders Equity Ratio	0,51	0,54	6%
Current Ratio	1,55	1,56	1%
EPS (LTM)**	3,58	4,19	17%

* 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

- Net cash is 65.8 TL mn at end-1H20 (excluding 13.1 TL mn IFRS 16 impact) vs 31.3 TL mn at end-2019 (excluding 15.4 TL mn IFRS 16 impact). Net cash of 133 TL mn together with 3.48% treasury shares @Mcap at end-1H20
- WC is 27% of invoiced revenues, improving from 36% at end-2019

Update on Covid-19's impact

All employees well and safe continuing to work remotely with **no disruption in operations**

Logo's **diversified** customer base (geography, sector and size) minimizes risk for periods to come

Big ticket sales completed during this period and solid sales **pipeline** exists for both TR and RO

Agile adaptation to conditions: keeping SG&A in line with sales



Strategically positioned to leverage the enhanced need of companies for **digital transformation**

Sustaining the strength of the ecosystem by utilizing financial and operational tools **supporting our Business Partners**

Solid predictable revenue base and cost controls enabling robust margin expansion

Strong and liquid balance sheet making Logo resilient to volatility and uncertainties ahead



Questions & Answers



Thank you for joining us today

Logo Investor Relations Team

T: +90 262 679 8000

E: investor@logo.com.tr