



LOGO

**9M2016 RESULTS
PRESENTATION**

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9M16 Operating Highlights

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Questions & Answers

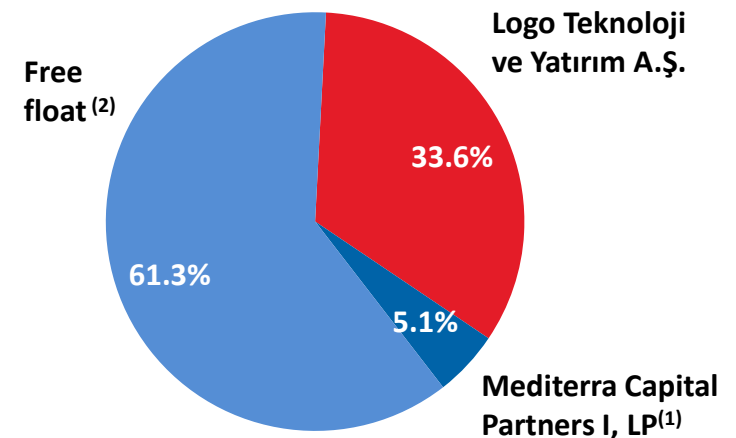


Ownership Structure of Logo



- Logo is the first software company to go public in 2000, with high governance rating
- Recent ownership change with USD134mn fully marketed offering to qualified investors on October 31st, 2016
- The Offering was marked as the first successful internationally marketed deal in Turkey since November 2014
- Logo's track record of strong revenue and profitability growth led to high demand for the Offering, and the planned issuance was upsized by 20%
- Over 85% of the shares were purchased by international institutions
- After the offering Logo's free float increased from 25.3% to 61.3%
- Largest stake remains with the founder Logo Teknoloji ve Yatırım A.S.

Shareholding (%)



Note: (1) Consists of EAS S.a.r.l. and affiliates.(2) Includes Treasury shares (2.77%)

- Logo is Turkey's leader in enterprise application software with the largest active customer base of more than 85,000 concentrated in the small and mid-size company segments.
- In 9M16, Logo reported an **impressive 24% y/y top-line IFRS growth**. Double digit growth was realized:
 - (1) in the absence of **one-time e-government module sales** in 3Q15 (The announcement to expand the scope of e-invoice and e-ledger requirements leading to increased adoption of our relevant softwares was made on June 20th, 2015.) and*
 - (2) in the absence of revenues from the discontinued AliBaba business*
- **Realizations are in line with our year-end guidance.**
- **EBITDA and net profit rose y/y, by 23% and 14%, respectively.**
- **Operating cash flow was TL53.5mn (9M15: TL40mn) with an increase of 34% y/y in 9M16.**
- Thanks to continued strong growth in LEM, pay-as-you-go and SaaS revenues, **recurring revenues grew by 27% y/y**, bringing the recurring revenue base to **53% of total revenues**.
- LEM revenues and recurring SaaS revenues continued to grow above average in 9M16, both recording 33% y/y growth. **Logo coin sales grew even more significantly by 78% y/y in 9M16.**

- Rapid expansion of the cloud business continued thru Diva. **SaaS subscriptions & support revenue grew by 41% y/y. Number of outlets increased by 26% y/y to 6.4K.**
- Investing in our technology, channel and personnel is critical for sustainable growth. Our investments in HR continued in 9M16: **our organization of 526 people as of year-end 2015 has grown to 555 as of end-9M16. Together with Total Soft our organization has grown to 1,003 employees.**
- Logo's strategy to seek value-added inorganic growth opportunities continued in 9M16.
 - *The agreement to **establish a 50:50 JV with FIT Solutions** signed on July 27th.*
 - *The agreement to **acquire Total Soft of Romania** signed on September 2nd.*
 - *The agreement to **establish a JV to operate in India** signed with GSF on October 10th.*

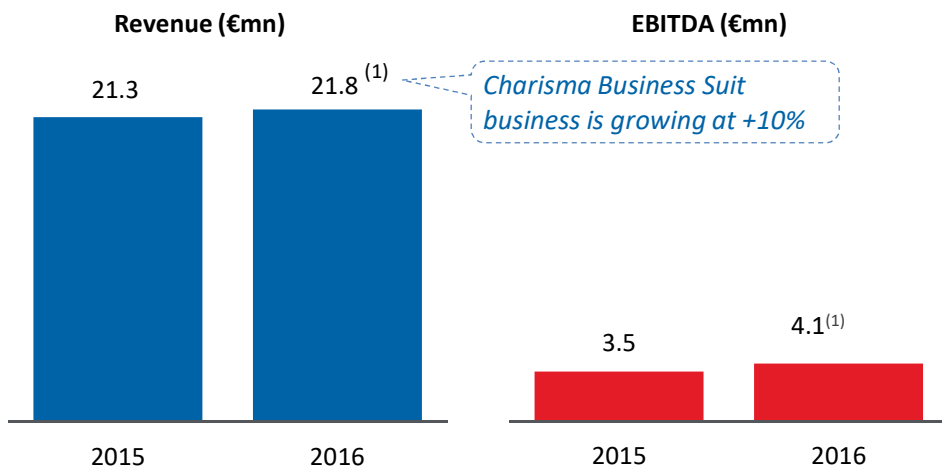
Logo's Recent International Expansion Initiative



Overview and Strategic Rationale of Total Soft Acquisition

- A leading EAS provider for medium and large companies in Europe
- Key gateway to continental European market with c. 25% of sales from international client base in Europe
- 9%+ CAGR is expected in the Romanian EAS market over the next 5 years
- Ability to enhance Logo's international sales strategy at a sizable level and add implementation capabilities
- Annual revenues in excess of €20mn
- Ability to generate significant cross-synergies from introducing Logo's SME know-how and technology leadership to an underpenetrated Romanian SME market
- Further cost and operating synergies in order to generate margin improvements
- Transaction accretive on day 1
- Enterprise value of €30mn translates into 2015 EBITDA multiple of c. 8.6x and 2016E EBITDA multiple of c. 7.0x and was financed through 57% cash and 43% bank financing

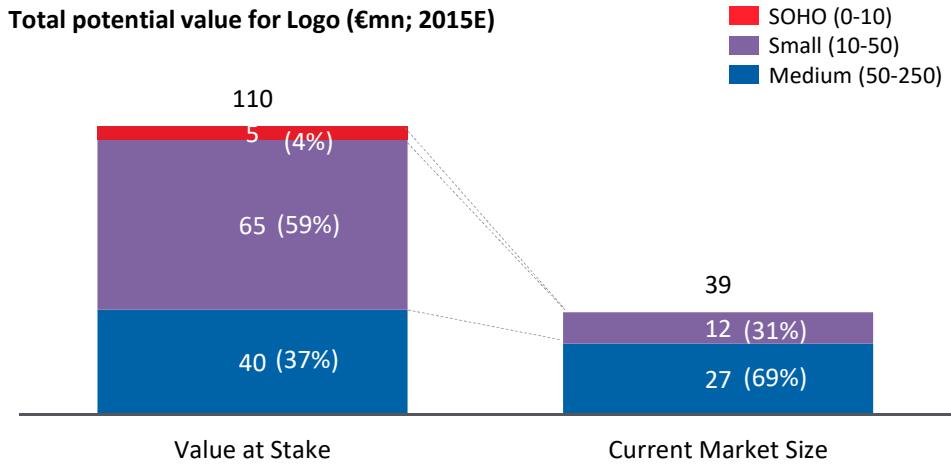
Financial Performance



Source: IDC and OC&C.
Note: (1) 2016 Estimate.

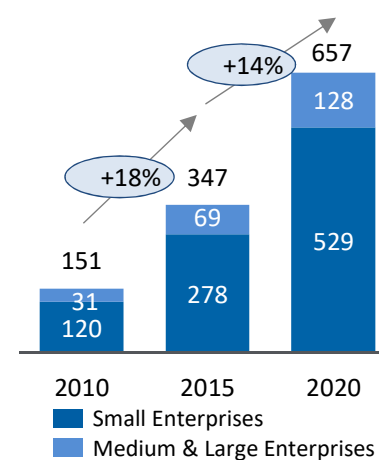
Logo's Potential in Romanian EAS Market

Total potential value for Logo (€mn; 2015E)



Vertical Expansion in the Turkish Leasing and Healthcare Industries

Leasing ERP market in Turkey (# of companies; CAGR '10-'20E)



Healthcare Industry (Medical institutions in Turkey)



JV with FIT - Turkey

- An agreement has been signed with FIT on July 27th, 2016. Logo and FIT will both have 50% stakes in the JV.

Rating Companies

- Allow corporates to rate and assess their potential customers

Receivables Insurance

- Helps companies insure their receivables

Invoice Mapping & Offsetting

- Provides automatic reconciliation with no money flow

Receivables Collection

- If receivables are overdue or considered delinquent

- The culmination of these services will enable corporates to benefit from the full-circle of services related to trade and sales activities.

Trade Information Platform

JV with GSF - India

- An agreement has been signed with GSF on October 10th, 2016. Logo and GSF Software Labs LLC will have respective stakes of 66.6% and 33.4% in the new JV.
- India is c.3x Turkey's nominal 2015 GDP, with software market expected to grow at CAGR of 10.6% in 2015 – 2019
- Major transformational projects by the government including Digital India, Make in India, and Pradhan Mantri Jan-Dhan Yojana
- GST (Goods and Services Tax) bill has been cleared and government is aiming to go completely digital in tax filings as of 1st April 2017
- Logo's competitive advantages include product & SME segment know-how, ease of use and speed of implementation
- JV with India GSF will partner with local companies to reach customers
- Focus will be to educate customers and partners in our customer experience/training centre

EAS Provider

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Financial Summary



IFRS (mn TL)	9M					3Q					YE Guidance	
	9M15	9M16*	Δ	w/o TS 9M16	Δ	3Q15	3Q16*	Δ	w/o TS 3Q16	Δ	FY16 G**	Δ
Revenue	89.0	110.4	24%	104.7	18%	34.7	37.5	8%	31.7	-9%	187.1	45%
EBITDA	47.6	58.4	23%	57.7	21%	21.1	19.8	-6%	19.0	-10%	78.9	47%
EBITDA Margin	53.5%	52.9%		55.1%		60.8%	52.7%		59.8%		42.1%	
EBT	40.7	49.7	22%	49.4	22%	18.7	15.8	-15%	15.5	-17%	62.3	56%
EBT Margin	45.7%	45.0%		47.2%		53.8%	42.2%		49.0%		33.3%	
Net Income	39.4	45.0	14%	44.8	14%	18.1	14.3	-21%	14.1	-22%		
Net Income Margin	44.2%	40.7%		42.8%		52.3%	38.2%		44.4%			

* Includes September Total Soft figures ** Includes September-December Total Soft expected figures

- IFRS revenues were up by a strong 24% y/y, thanks to both organic growth and first time consolidation of Total Soft, Romania.
- EBITDA grew by 23% y/y to TL58.4mn in line with the growing revenues.
- Net income grew by 14% y/y to TL45.0mn
- We revised our 2016 year-end guidance upwards on September 6th, 2016:
 - Including the consolidation impact of Total Soft, our revised guidance figures are a TL187mn top-line and a TL79mn EBITDA, with respective y/y growth rates of 45% and 47%.

2016 Revised Guidance

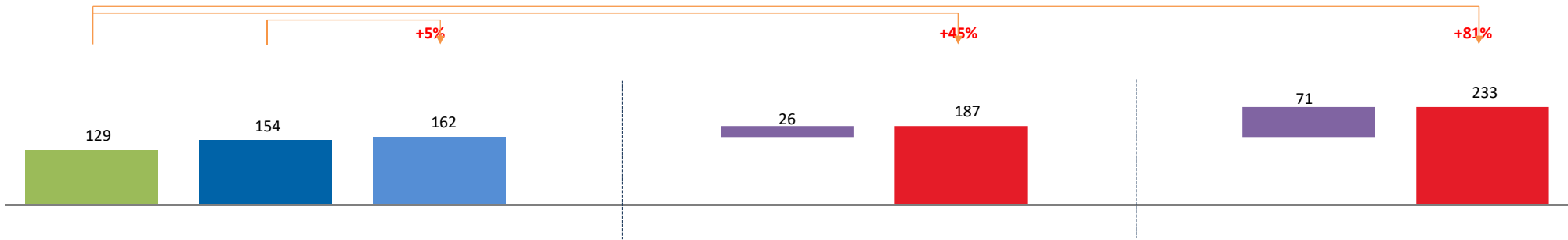


Logo Standalone

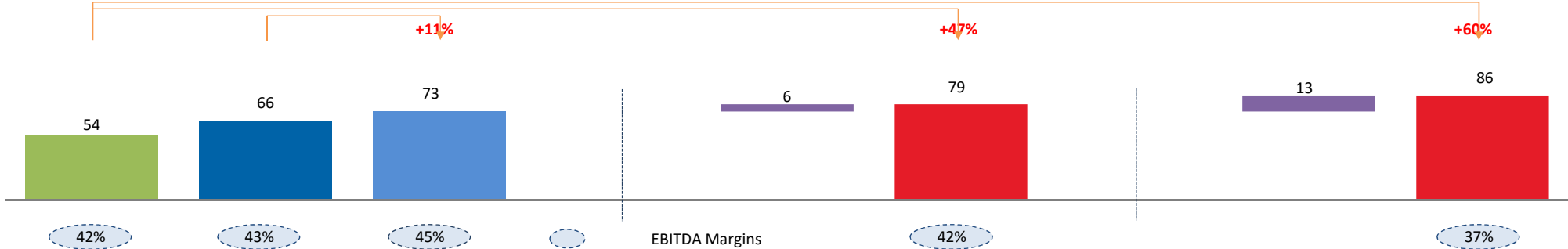
Logo + Total Soft 4M Consolidated

Logo + Total Soft 12M Consolidated

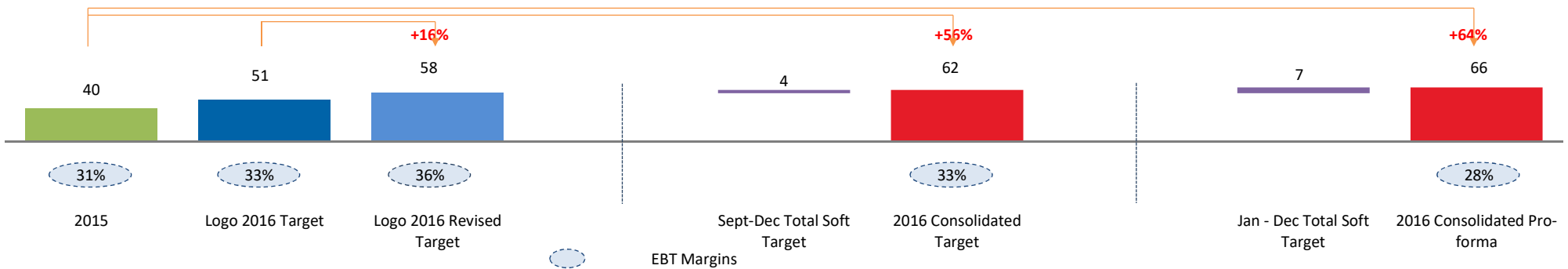
Revenue (TLmn)



EBITDA (TLmn)

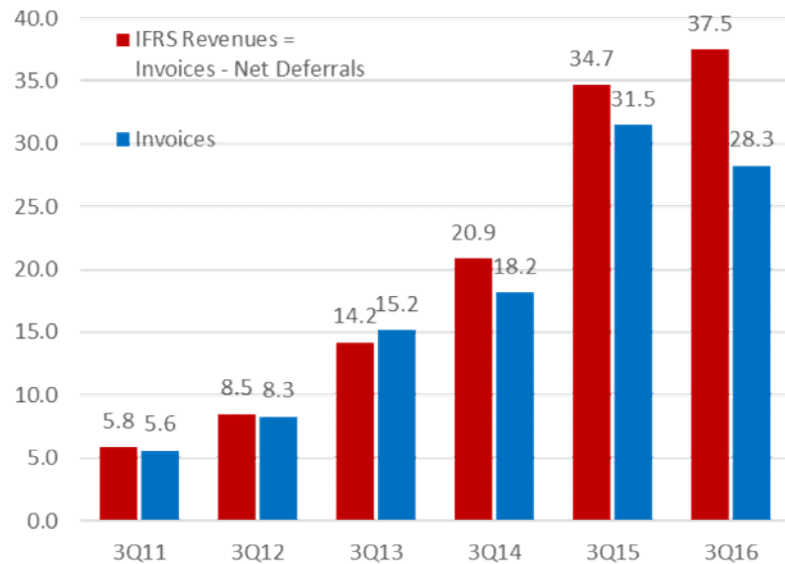


EBT (TLmn)

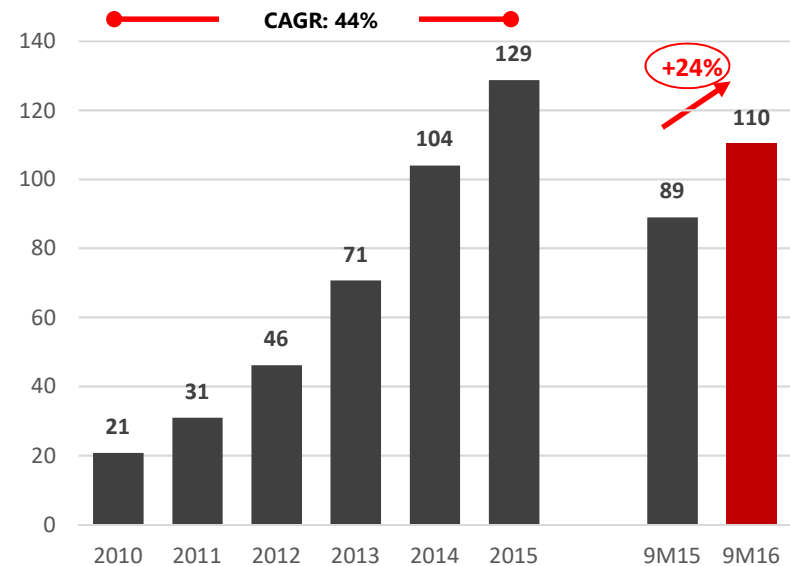


- For the three-month period ended September 30th, 2016, our results are in line with our budget and guidance.
- During the three-month period ended September 30th, 2015,
 - We experienced a **one-time increase in sales** due to the announcement by the Turkish government expanding the scope of application of the electronic invoicing requirements, which led to increased adoption of **our electronic invoicing software** during that quarter.
 - We also generated **revenues in connection with the AliBaba business** that we acquired as part of the acquisition of Logo Elektronik, which we discontinued as of December 31st, 2015. These effects were not replicated during the three-month period ended September 30th, 2016.
- On September 2nd, 2016, we acquired Total Soft, a Romanian enterprise application software company. **The results of Total Soft were consolidated into Logo's for the first time during the three-month period ended September 30th, 2016.**
- Excluding these three impacts from both years, **like-for-like y/y revenue growth for 3Q16 is a strong 25% versus the actual figure of an 8% y/y increase. Similarly, a like-for like analysis of revenues indicates a 36% y/y growth in 9M16 versus the actual 24%.**
- **EBITDA margin declined to 52.7% in 3Q16 from 60.8% in 3Q15, mainly due to the consolidation of lower margin Total Soft. Without Total Soft, 3Q16 EBITDA margin would be 59.8%.**
- 9M16 EBITDA margin realized at 52.9% with a slide from 53.5% of 9M15. Without Total Soft, EBITDA margin would be 55%, improving y/y.

Third Quarter Invoices & IFRS Revenues (TLmn)

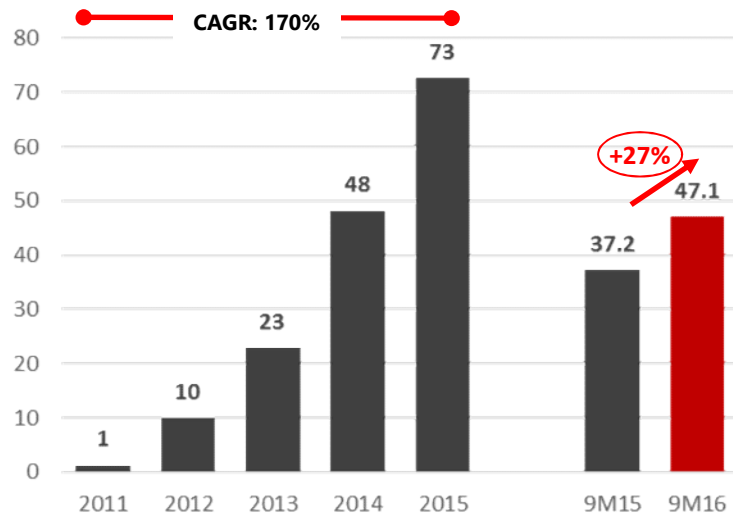


IFRS Revenues (TLmn)

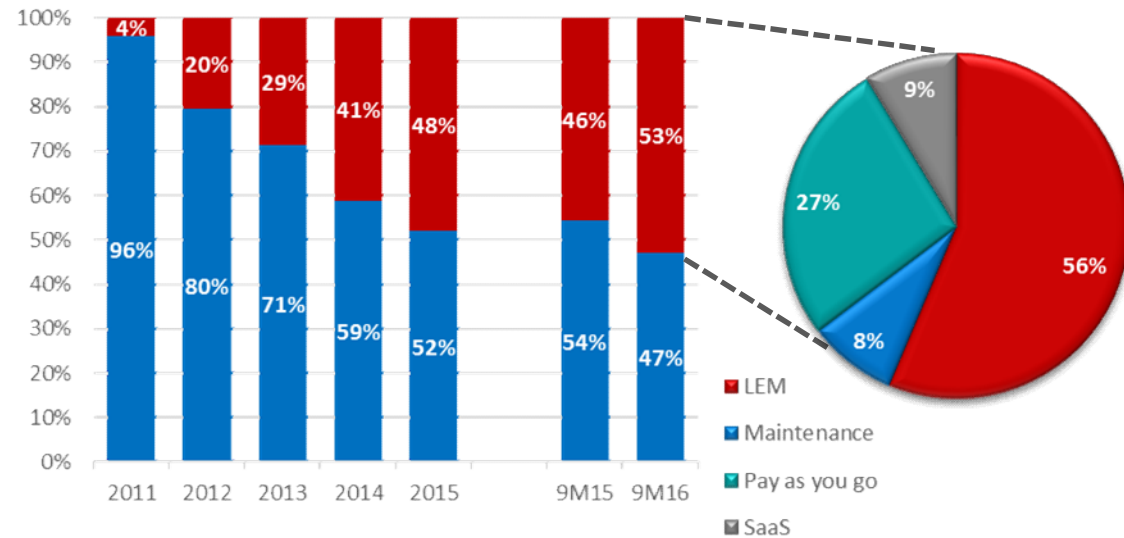


- 9M16 invoice revenues at TL89mn indicated a 9% y/y growth. The 10% y/y decline in 3Q16 invoice revenues was again due to the decline in e-government module sales from their strong level of last year and also the absence of AliBaba sales.
- LEM and SaaS continued to grow above average in 9M16, recording respective growth rates of 33% and 41% y/y. Logo coin sales grew even more significantly by 78% y/y in 9M16.

Recurring Invoices (TLmn)

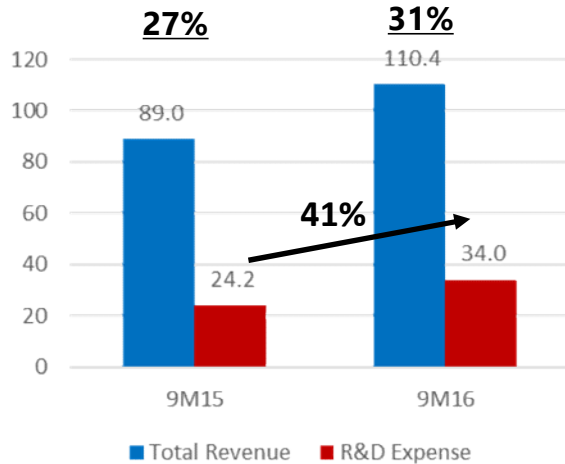


Recurring Invoices/Total Invoices (%)

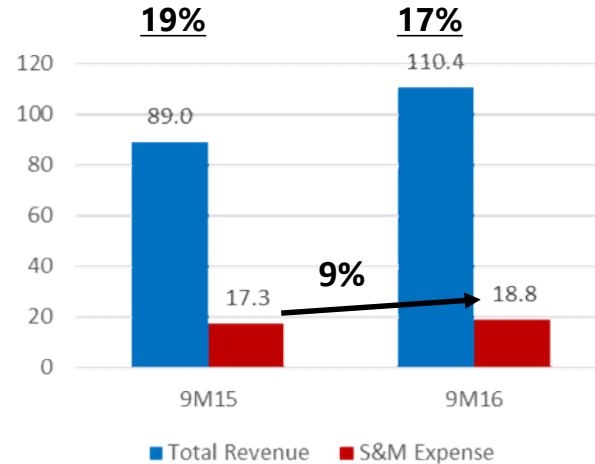


- Recurring revenues grew 27% y/y in 9M16.
- The share of recurring part of revenues increased from 46% of 9M15 to 53% in 9M16
- Recurring revenues were composed of 56% LEM, 27% pay as you go, 9% SaaS and 8% maintenance revenues in 9M16:
 - coin sales grew by 78% y/y, contributing 27%
 - LEM contract sales grew by 33% y/y, contributing 56%
 - recurring SaaS sales grew by 33% y/y, contributing 9%

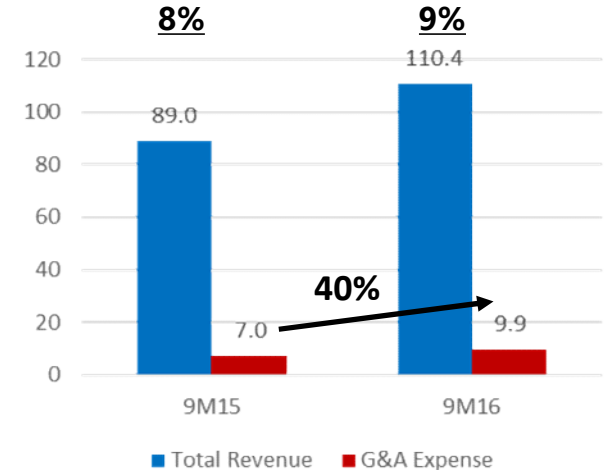
R&D (TLmn) - As % of IFRS Revenue



S&M (TLmn) - As % of IFRS Revenue

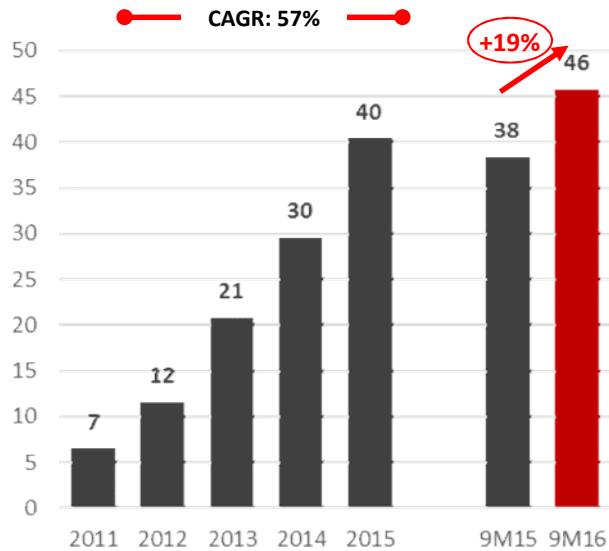


G&A (TLmn) - As % of IFRS Revenue



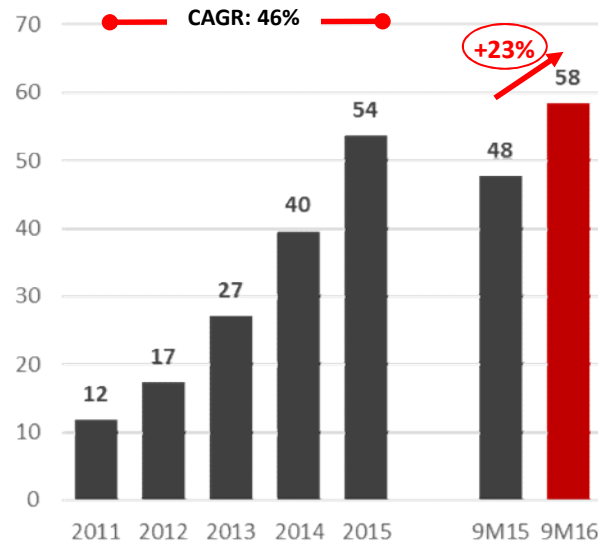
- Overall operating expenses increased by 29% y/y, with opex/revenues ratio increasing slightly to 57% in 9M16, from 54% in 9M15, mainly due to the consolidation of Total Soft. Without Total Soft's consolidation, opex/revenues ratio would be 55%.
- R&D expenses rose 41% y/y and made up 31% of IFRS revenues in 9M16. Total R&D spending was realized at 34% of IFRS revenues (31% in 9M15 and 32% in FY15)
- S&M expenses increased by 9% y/y, due to the absence of AliBaba sales commissions. Without these, S&M expenses would have increased 32% y/y.
- G&A expenses increased 40% due to the low base of 9M15, which included provision reversals related with restructuring. G&A expense without provisions increased by 27% y/y.

EBIT (TLmn)



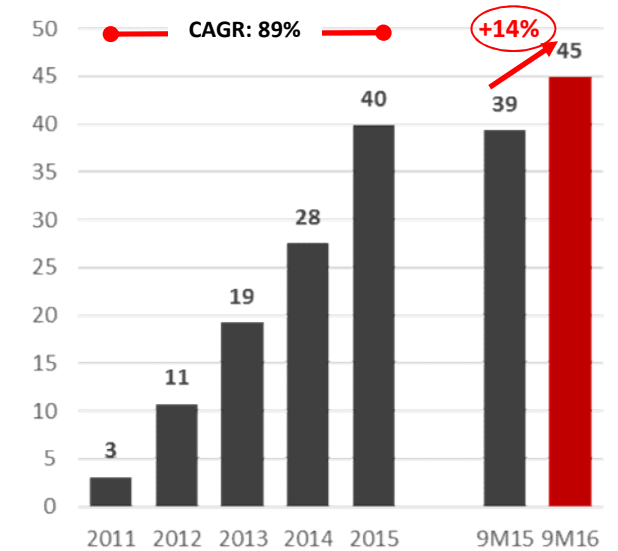
EBIT: Gross Profit - S&M - G&A - R&D

EBITDA (TLmn)



EBITDA: Gross Profit - S&M - G&A - R&D + Amortization

Net Income (TLmn)



- Above 2015 full year profit figures at all levels were achieved in 9M16, thanks to Logo's successful top line growth and strategy for improved efficiency.
- EBIT and EBITDA margins are very strong at 41% and 53%, respectively. Without the contribution of lower margin Total Soft, EBITDA margin would be even stronger at 55%.
- Positive operational performance reflected on the bottom-line with a y/y net income growth of 14% to TL45.0mn.

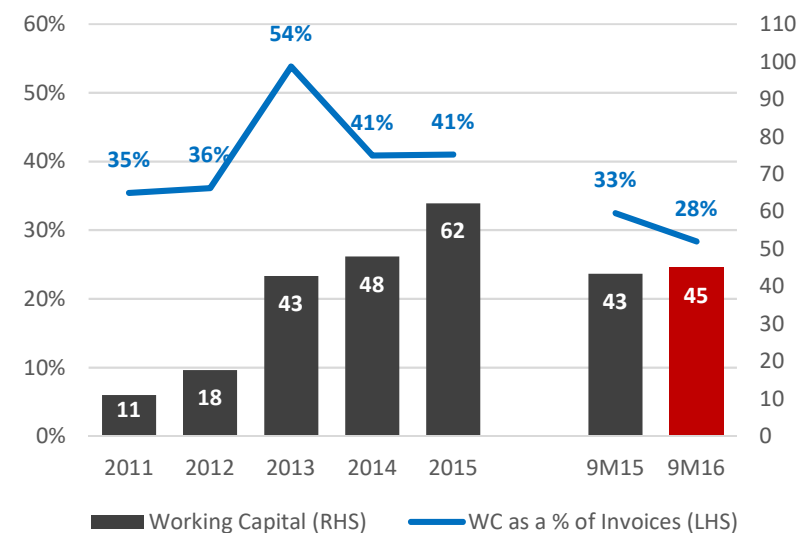
Balance Sheet Highlights (TLmn)

	2015	9M16	Δ
Cash & Cash Eq.	51.5	47.6	-8%
Trade Receivables	71.9	52.9	-26%
Tangible Assets	15.5	17.7	14%
Intangible Assets*	58.8	148.9	153%
Other Assets	4.6	15.0	223%
Total Assets	202.3	282.0	39%
Total Liabilities	92.0	125.5	36%
Total Shareholders' Equity	110.3	156.6	42%
Total Liabilities and Equity	202.3	282.0	39%
Shareholders Equity Ratio	0.55	0.56	2%
Current Ratio	1.49	1.00	-33%
EPS**	1.64	1.87	14%

* Total Soft PPA pending

** Adjusted by the 2.77% Treasury shares and based on 12-mnth trailing figures

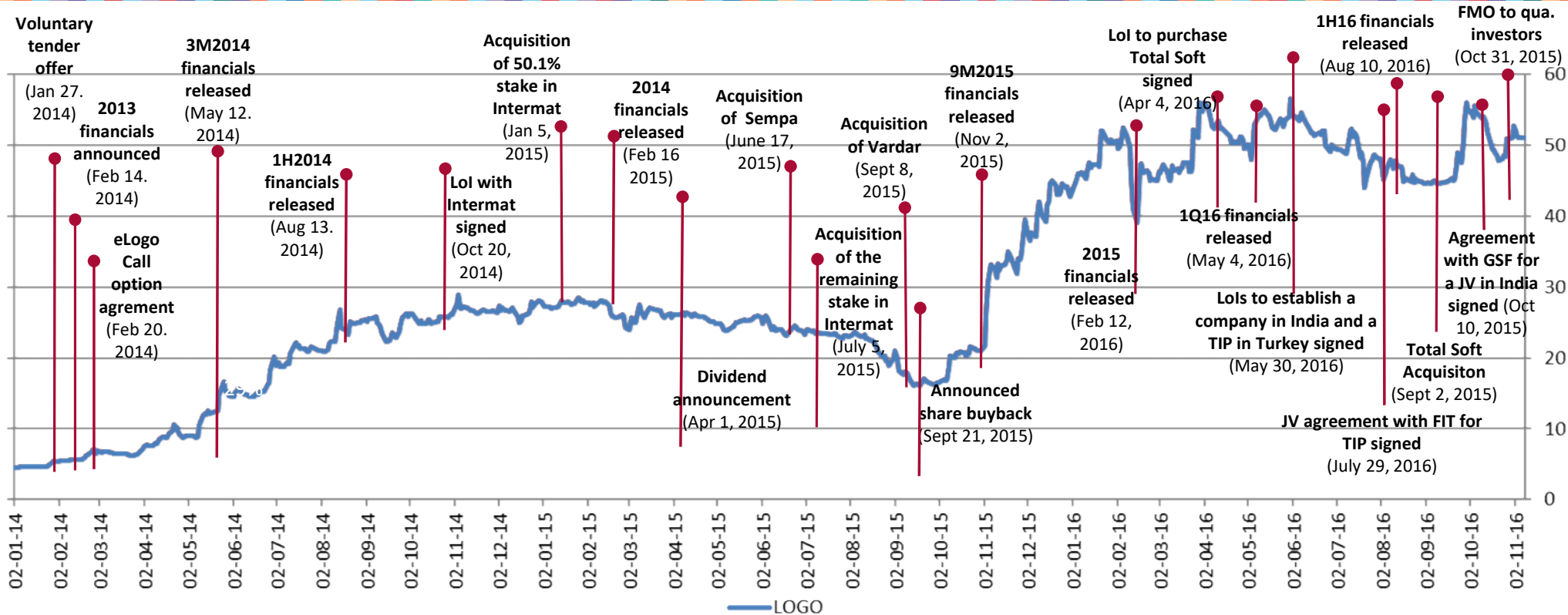
Working Capital (TLmn)



Working capital: Trade receivables + Inventories – Trade payables
9M WC/Invoices figures are based on 12-mnth trailing invoices

- Healthy cash generation from operations continued. Working capital decreased from 33% of invoices at end-9M15 to 28% at end-9M16 due to the improvement in receivable terms (by 26 days ytd) as a result of the emphasis we place on efficient collection.
- As a result of the acquisition of Total Soft for €30mn on September 2nd, 2016, net cash position of TL81mn at end-1H16 turned into a net debt position of TL13mn at end-9M16 (TL22mn net cash together with 2.77% Treasury shares @Mcap). Total Soft acquisition was financed through 57% equity and 43% debt (€ denominated financial loan on SPV).

Share Performance



LOGO

BIST-100

	Average Price	Δ Price	Average Price	Δ Price
L1M	50.73	1%	77,835	-2%
L3M	48.75	5%	77,650	-2%
L6M	49.96	2%	77,396	-1%
L1Y	47.76	7%	77,212	-1%
L3Y	28.57	79%	77,512	-1%

Market Capitalization

mn TL

Share Price @ November 8, 2016	51.00
Shares Outstanding	25M
MCAP @ November 8, 2016	1,275.0M

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Thank you for joining us today

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