



LOGO

9M2020 Results Presentation

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Chief Financial Officer

October 26th, 2020

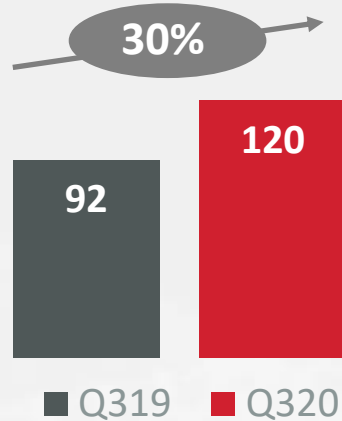
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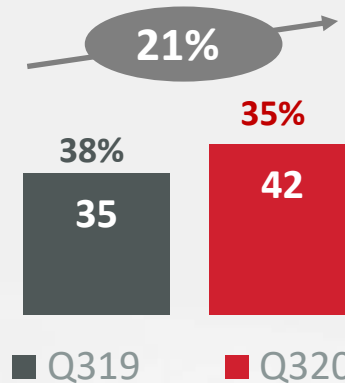
Strong performance continues in Q3

Consolidated

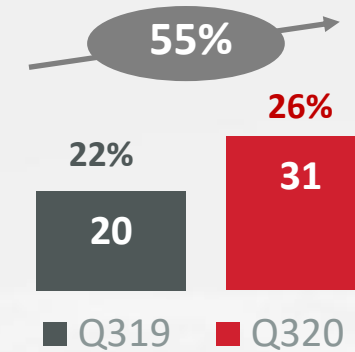
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

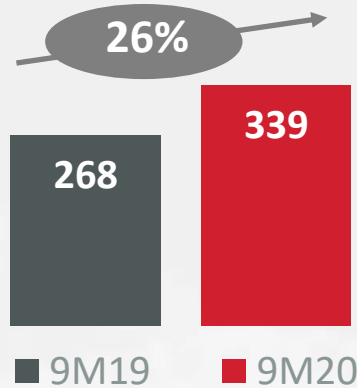


- **Consolidated IFRS revenues** up by 30% reaching 120 TL mn, with Turkey and Romania operations contributing 64% and 36% respectively.
- **EBITDA** up by 21%, reaching 42 TL mn yielding 35% margin.
- **Net income** up by 55%, reaching 31 TL mn yielding 26% margin.

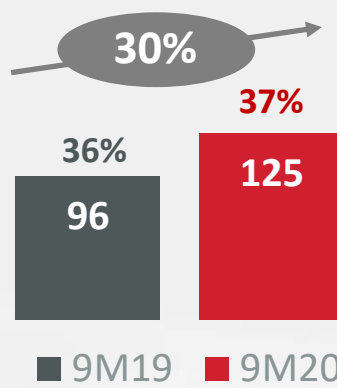
Growth across the board amid Covid-19

Consolidated

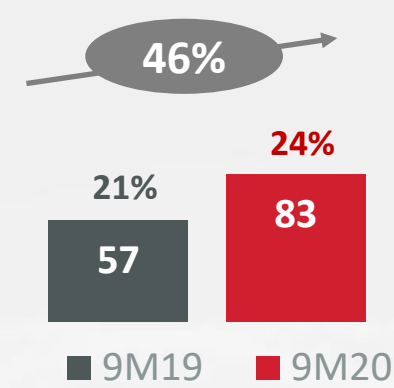
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



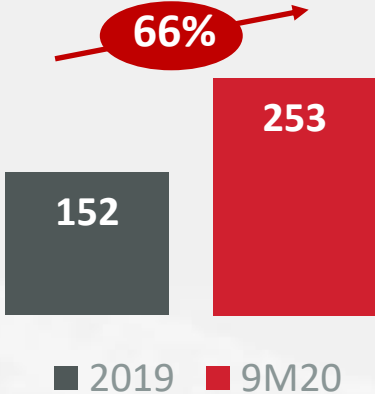
- **Consolidated IFRS revenues** up by 26%, reaching 339 TL mn, with Turkey and Romania operations contributing 64% and 36% respectively
- **EBITDA** up by 30%, reaching 125 TL mn yielding 37% margin
- **Net income** up by 46%, reaching 83 TL mn yielding 24% margin
- Financial strength, customer-centric approach, employee experience focus and continued R&D ensured Logo's resiliency and value creation during these unprecedented times

Effective financial management

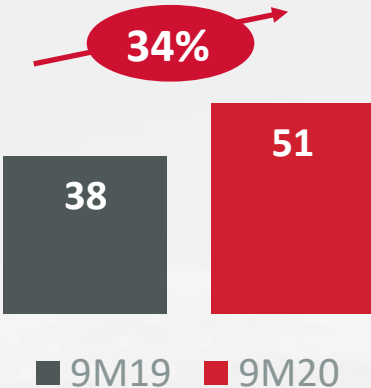
Consolidated

Improved Liquidity (TL mn)

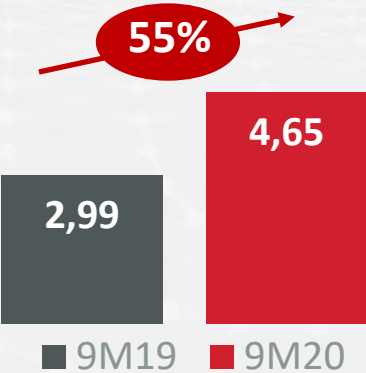
Cash and Cash Eq.



Strong FCF LTM (TL mn)



EPS* growth (LTM)



*Adjusted by 3.48% treasury shares

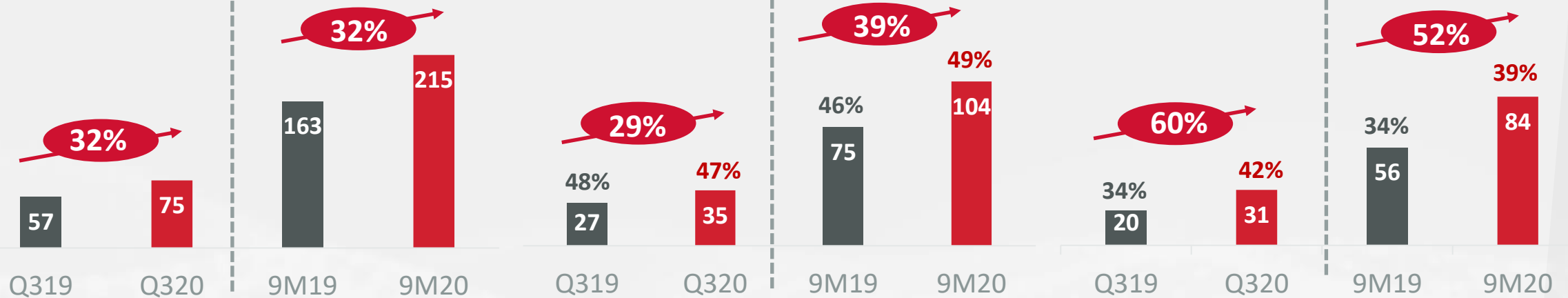
Stellar performance in Turkey

Logo Standalone

Revenues (TL mn)

EBITDA (TL mn)

Net Income (TL mn)



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

- **Revenues** up by 32%: exceptional growth in e-government module and coin sales, along with new customer acquisitions and increased spending from existing customers
- **EBITDA** up by 39% yielding 49% margin
- **Net Income** up by 52% yielding 39% margin



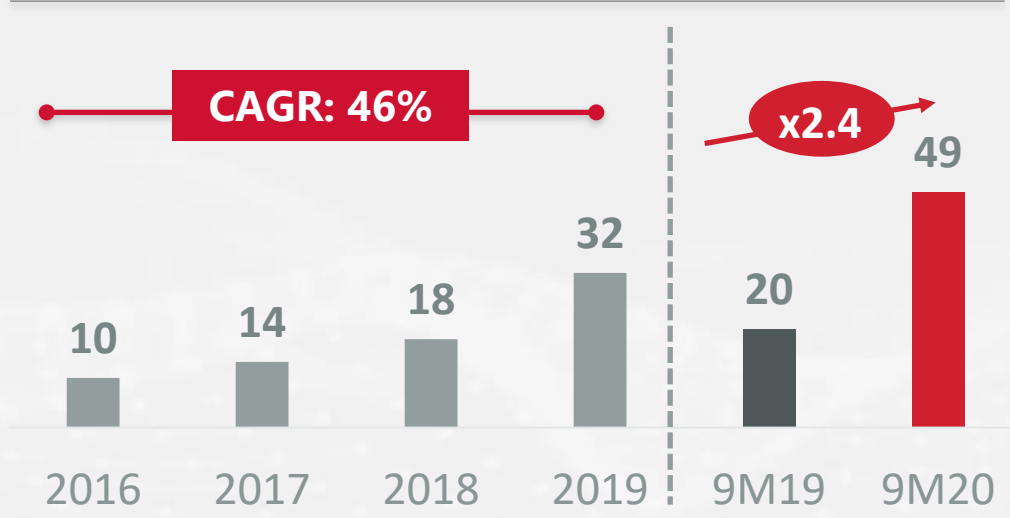
*IFRS 16 impact: EBITDA +5 TL mn (9M19: 3.6 TL mn) / EBIT +1.1 TL mn (9M19: +1 TL mn) / EBT -147 TL thou (9M19: -304 TL thou)

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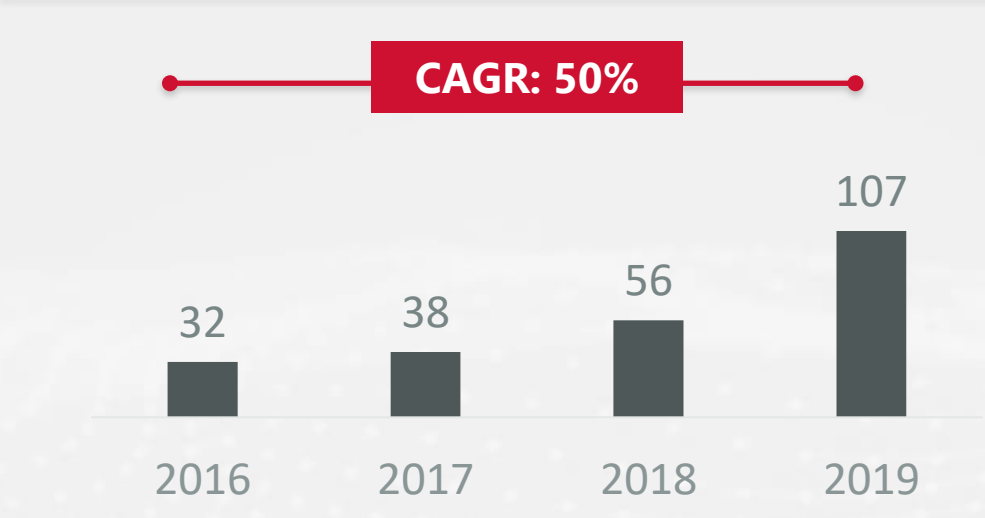
eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 49K customers

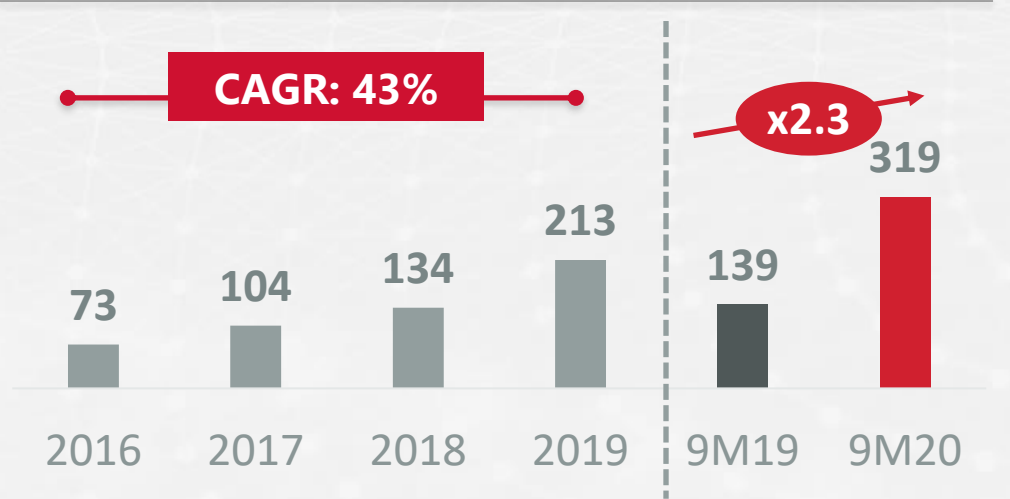
of customers ('000)



eLogo invoiced revenues (TL mn)



coin usage (mn)








- ✓ As the leader of the market, eLogo capitalized on the market growth driven by the new communique announced in October 2019
- ✓ eLogo invoiced revenues (modules and coins) recorded significant growth rate since 2016
- ✓ Strong growth in number of customers and coin usage continued in Q3



eLogo: e-services platform and leader in digital transformation

New communique's details (October 19th, 2019)

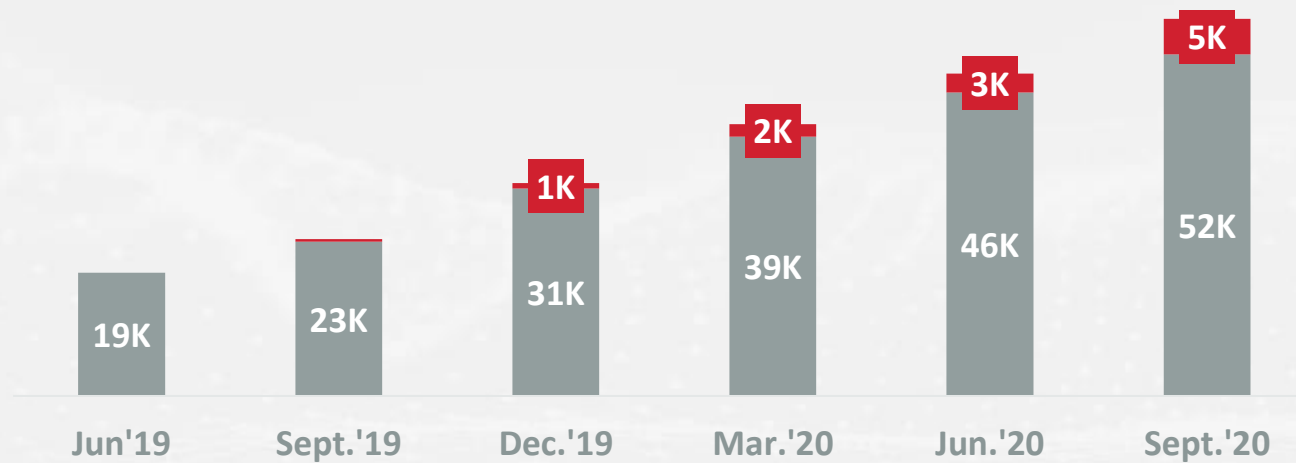
	<u>BEFORE</u>	<u>AFTER (eff. as of July 1st, 2020)</u>
 e-invoice	Companies w/sales 10mio₺+	Companies w/sales 5mio₺+, specific sectors
 e-archive	Companies w/sales 5mio₺+ and online sales	All e-invoice issuers and invoices above 5K and 30K
 e-ledger	Required to safekeep on in-house server	Required to safekeep on in-house server, e-invoice integrator, GIB
 e-dispatch	Not mandatory	Companies w/sales 25mio₺+, specific sectors
 e-selfemp. invoice	Not mandatory	All self-employed professionals (doctors, lawyers, etc.)



İşbaşı: Turkey's MicroSME digitalization solution

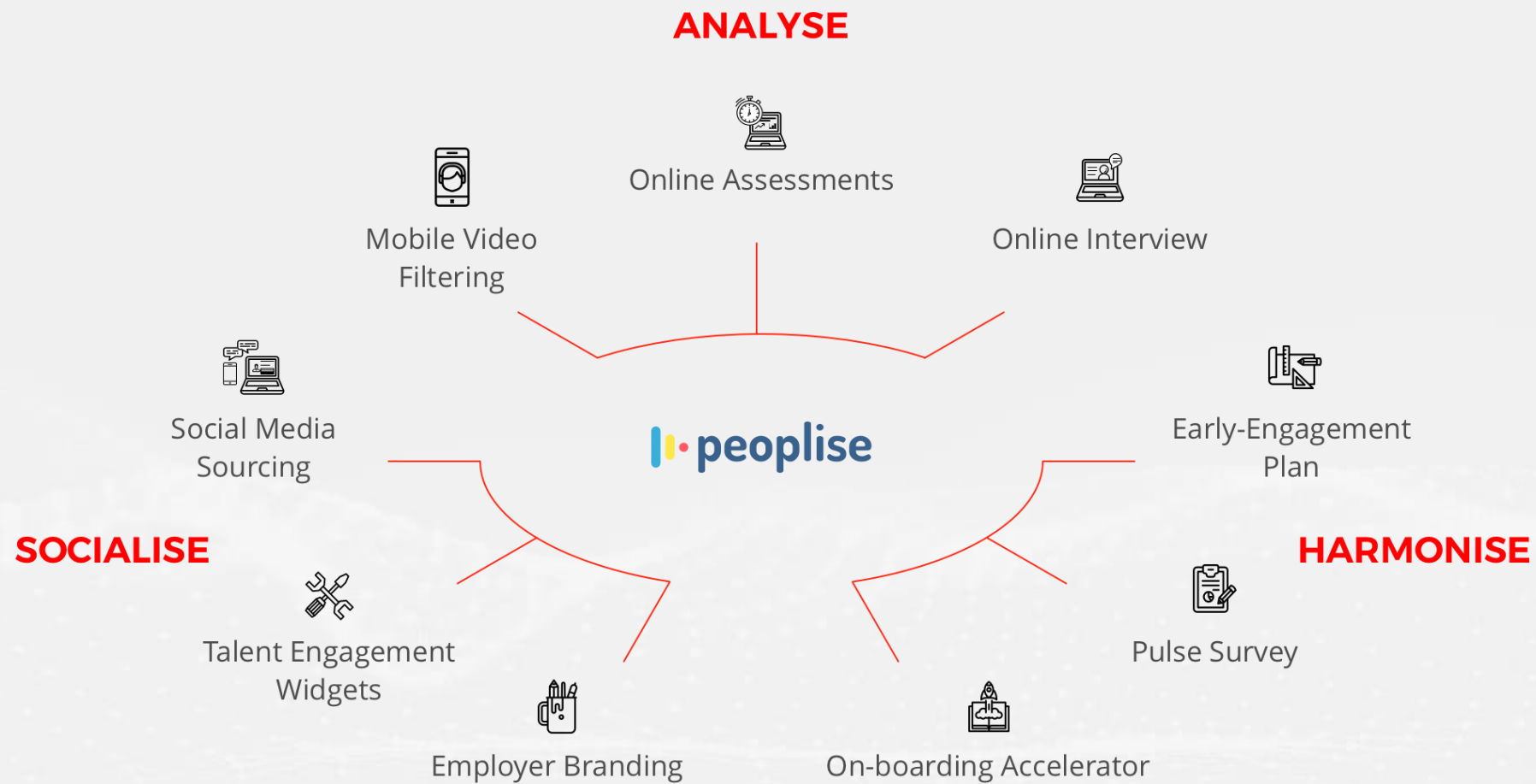
Value creation on digital platform: connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites

İşbaşı # of users reached 57K w/5K active paying



✓ Significant **user growth** of **141%** y/y achieved in 9 months

Peoplise: Next Generation Talent Acquisition

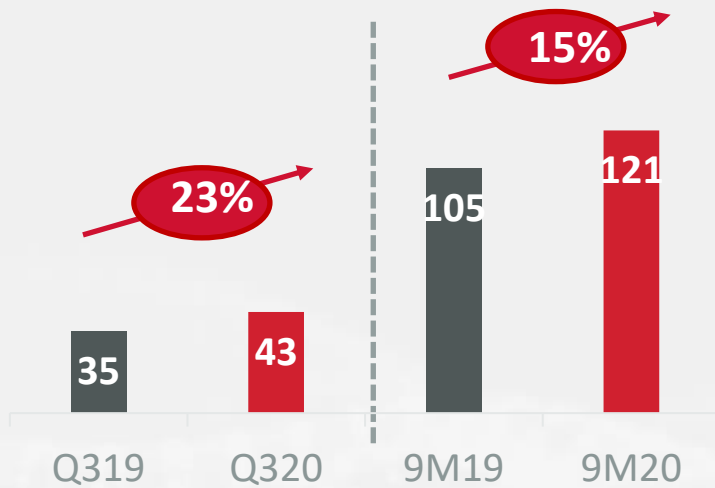


- ✓ Peoplise capitalized on the post-Covid remote working environment; achieving revenue and customer growth even though recruitment market overall was shrinking worldwide.
- ✓ Remote onboarding and chat bot assisted recruitment are the fastest growing modules of the platform, with 35 new large enterprise clients in 2020 alone.
- ✓ Currently serving clients in 8 different countries in 14 languages, Peoplise will be launching the new version of its fully digital applicant tracking system in Q1 21

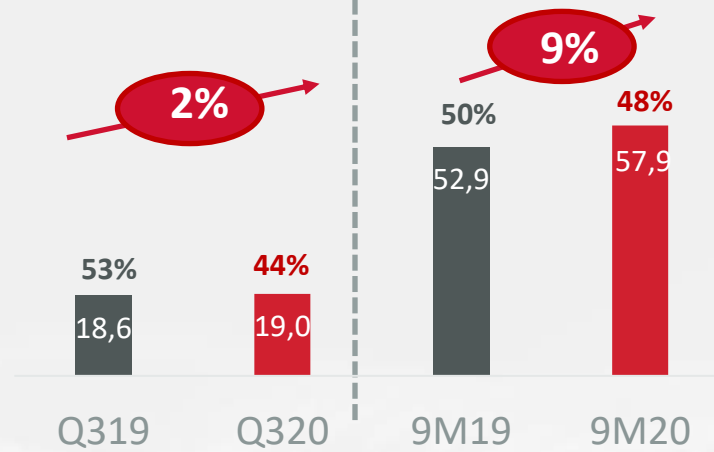
Challenging market conditions for Total Soft

Total Soft

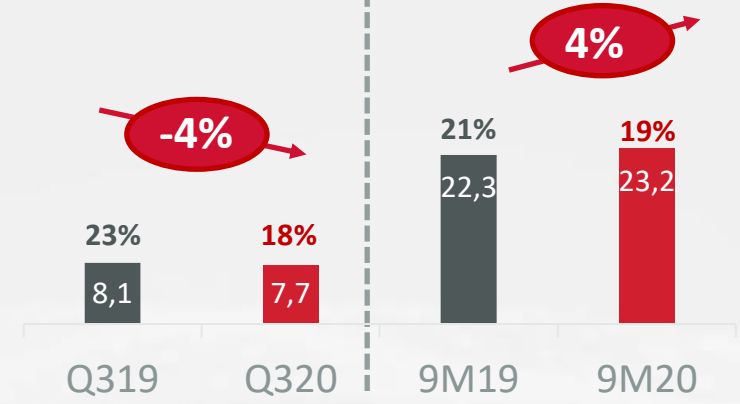
Revenues (TL mn)



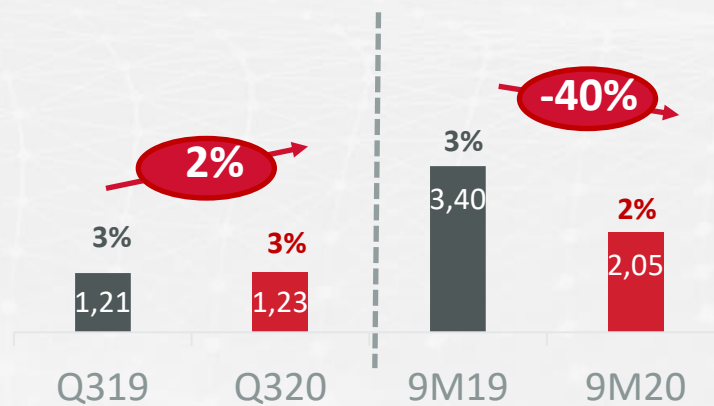
Gross profit (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



- **Revenues** up by 15% in TL. Revenue growth in Euros was -3% y/y (€16,1 mn). Focus remained on project implementation completions as new license sales slowed
- **Gross profit** is up by 9% yielding a 48% gross margin
- **EBITDA** up by 4% in 9M, yielding 19% margin
- Relatively lower number of new project additions due to covid impact lead to softer revenue growth and lower margins

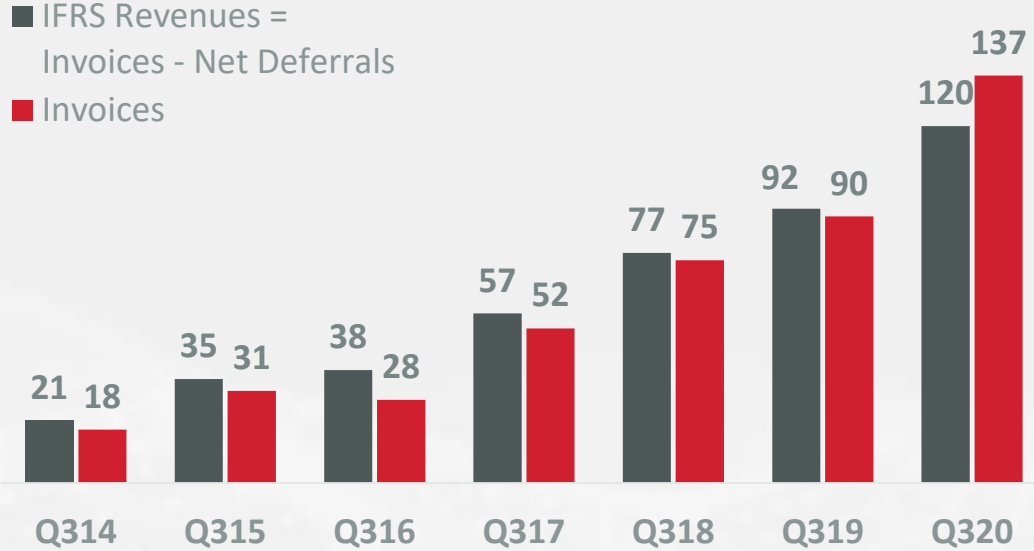


*IFRS 16 impact: EBITDA +3.4 TL mn (9M19: 2.8 TL mn) / EBT +323 TL thou

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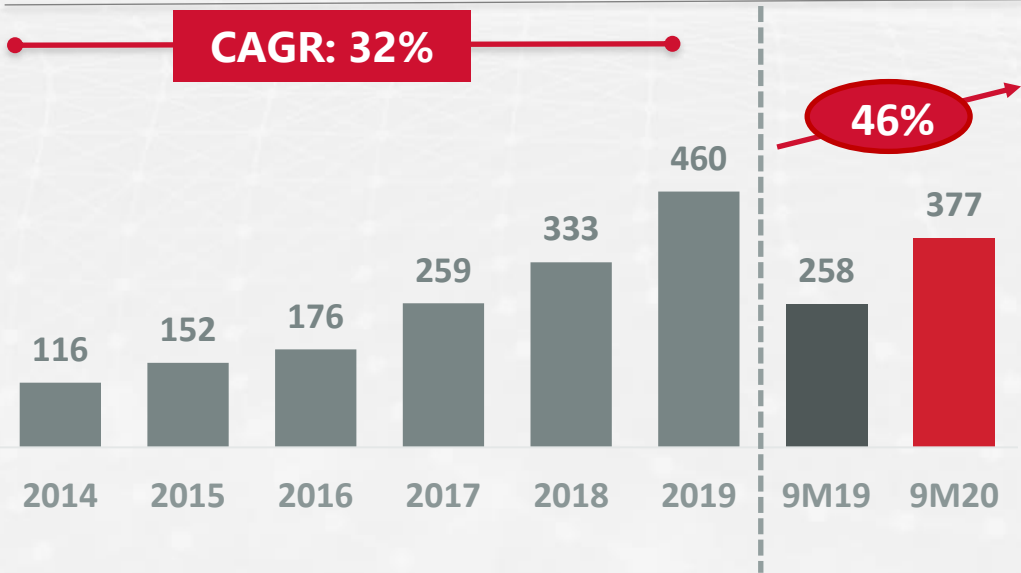
Invoiced Revenue vs IFRS Revenue (Consolidated)

Third Quarter Invoices & IFRS Revenues (TL mn)



- Q3 sales invoice growth was 53% y/y
- IFRS Revenue growth was 30%y/y in Q3

Invoiced Revenues (TL mn)

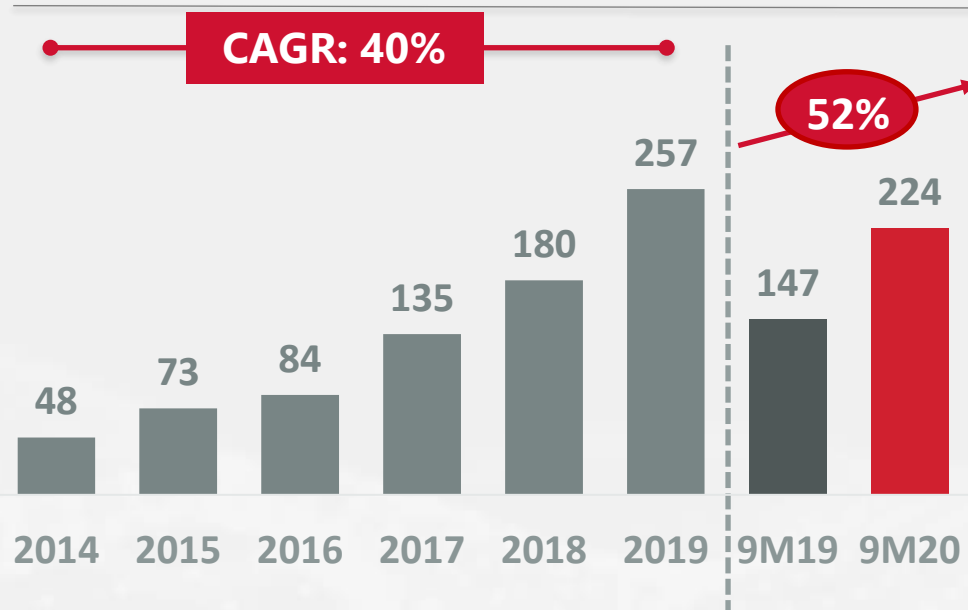


- In Turkey, invoiced revenue was 248 TL mn with 61% increase
- Total Soft's invoiced revenue increased by 24% and reached 128 TL mn
- Recurring revenues make up 60% of invoices



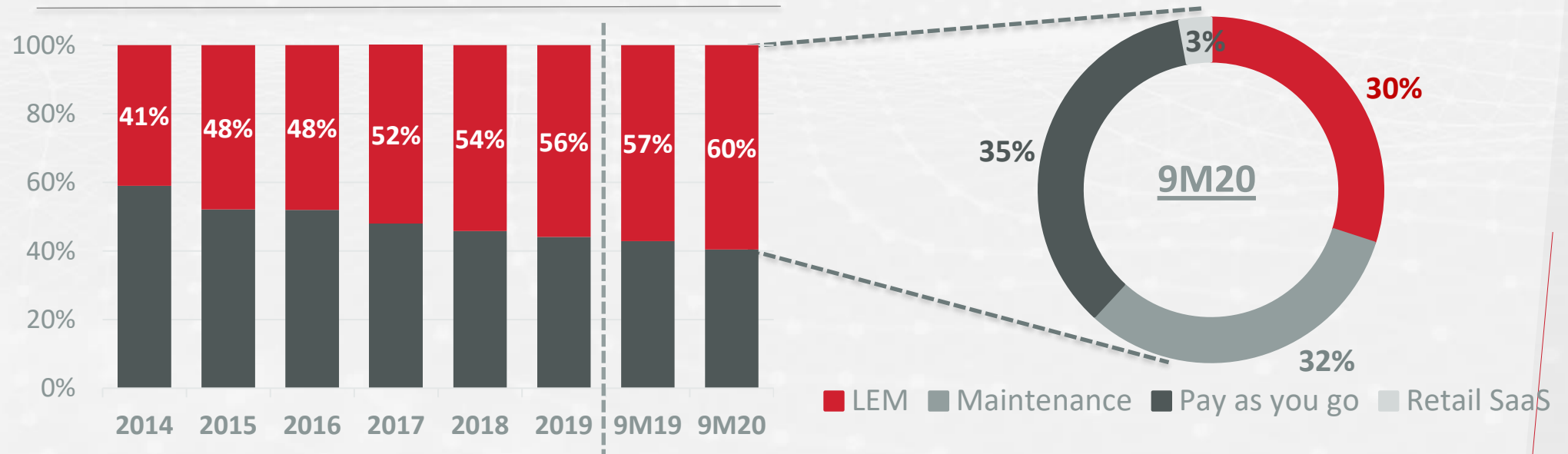
Recurring Revenue Growth Ensuring Predictability

Consolidated Recurring Invoices (TL mn)



- **LEM** revenues increased by 37% y/y
- **Pay as you go** revenues increased by 122% y/y with strong coin sales. Coin customers grew by 139% y/y
- **Maintenance** revenues increased by 25% y/y with Total Soft's contribution
- **Retail SaaS** revenues increased by 19%

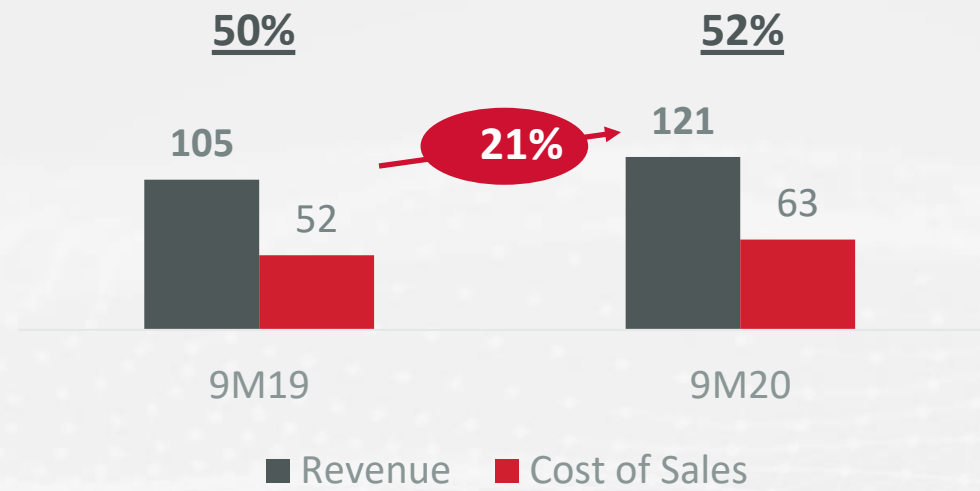
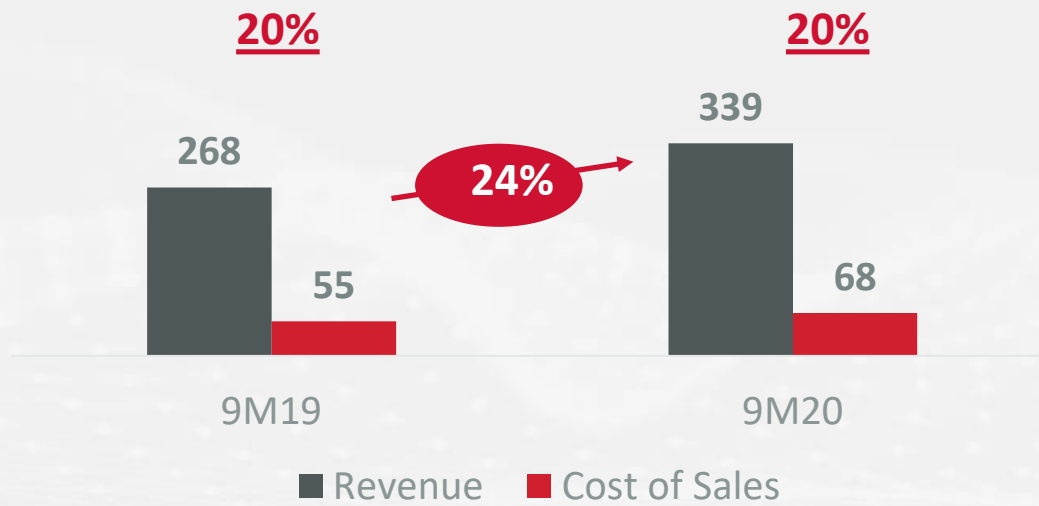
Recurring Invoices/Total Invoices (%)



Cost of Sales

Consolidated (TL mn) – As % of IFRS Revenue

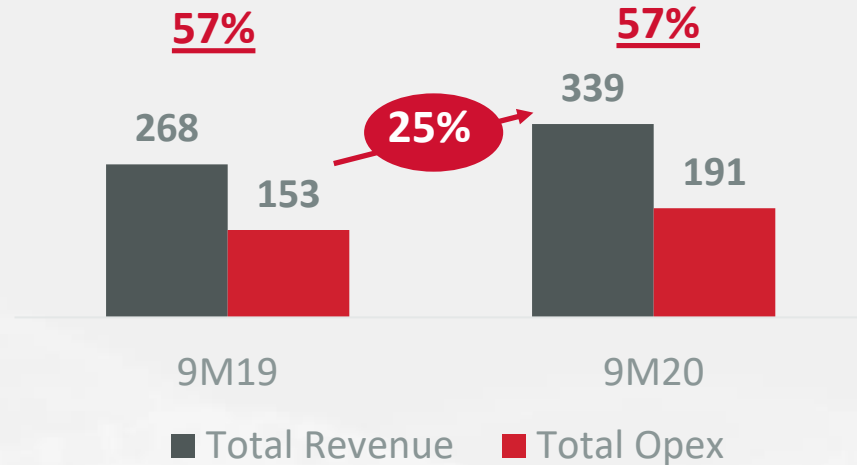
Total Soft (TL mn) – As % of IFRS Revenue



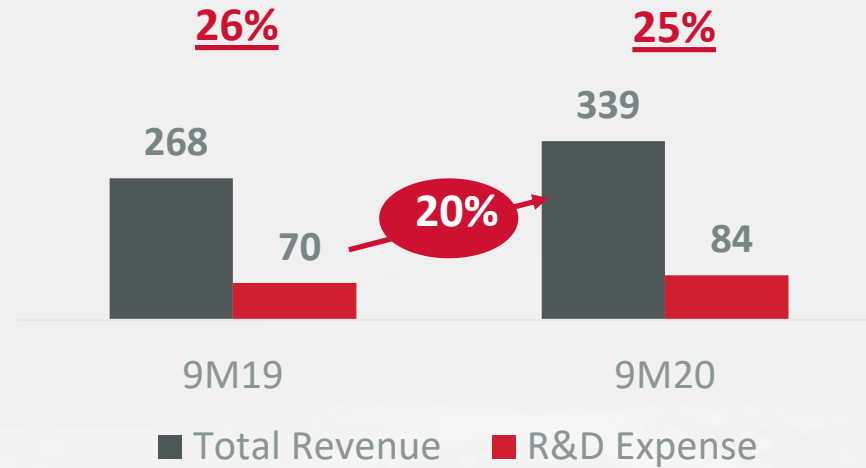
- ✓ Softer market conditions amid covid-19 delayed new project additions affecting Total Soft's gross profitability

Operating Expenses

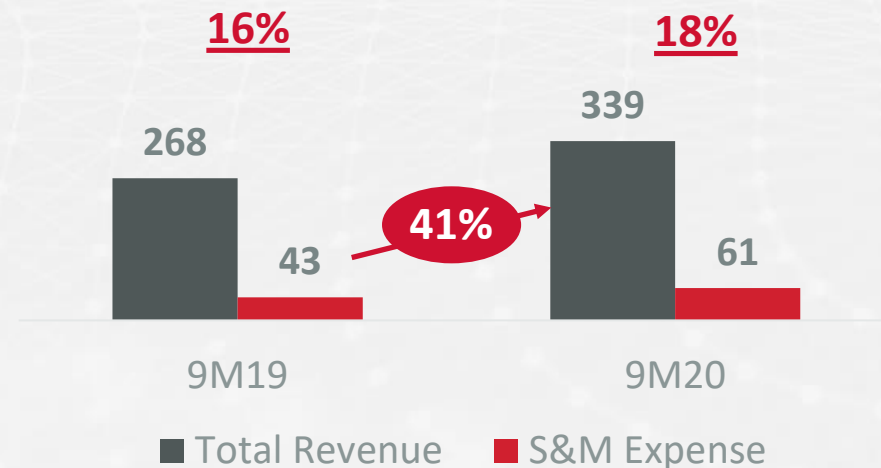
OpEx (TL mn) – As % of IFRS Revenue



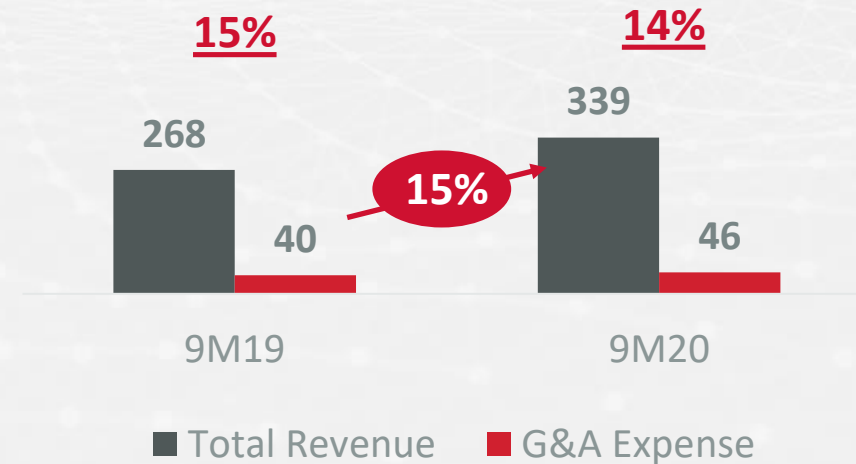
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

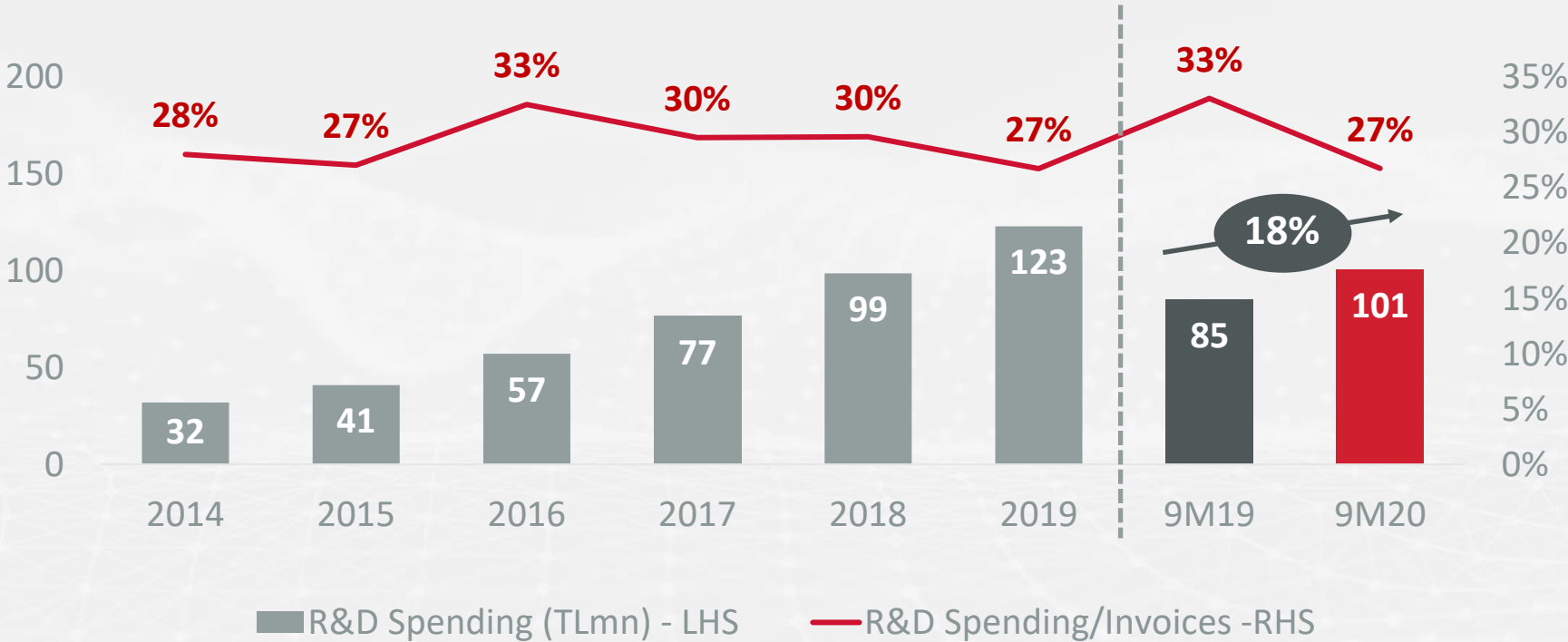


G&A (TL mn) – As % of IFRS Revenue



Dedicated Investment in Technology

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



Strong Balance Sheet

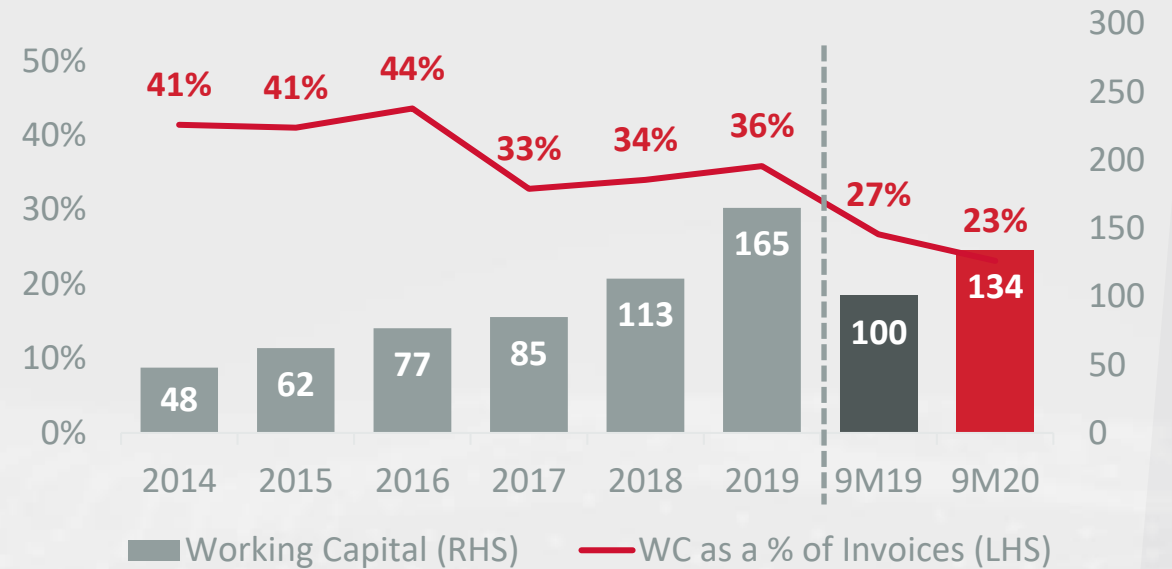
Balance Sheet Highlights (TL mn)

	2019	9M20	Δ
Cash & Cash Eq.	152,2	252,9	66%
Trade Receivables	211,2	166,1	-21%
Tangible Assets	20,0	20,7	3%
Intangible Assets*	342,2	461,0	35%
Other Assets	50,2	52,1	4%
Total Assets	775,7	952,9	23%
Total Liabilities	381,1	436,5	15%
Total Shareholders' Equity	394,6	516,4	31%
Total Liabilities and Equity	775,7	952,9	23%
Shareholders Equity Ratio	0,51	0,54	7%
Current Ratio	1,55	1,62	5%
EPS (LTM)**	3,58	4,65	30%

* 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-mth trailing invoices

- Net cash is 103 TL mn at end-9M20 (excluding 11.2 TL mn IFRS 16 impact) vs 31.3 TL mn at end-2019 (excluding 15.4 TL mn IFRS 16 impact). Net cash of 189 TL mn together with 3.48% treasury shares @Mcap at end-9M20
- WC is 23% of invoiced revenues, improving from 36% at end-2019

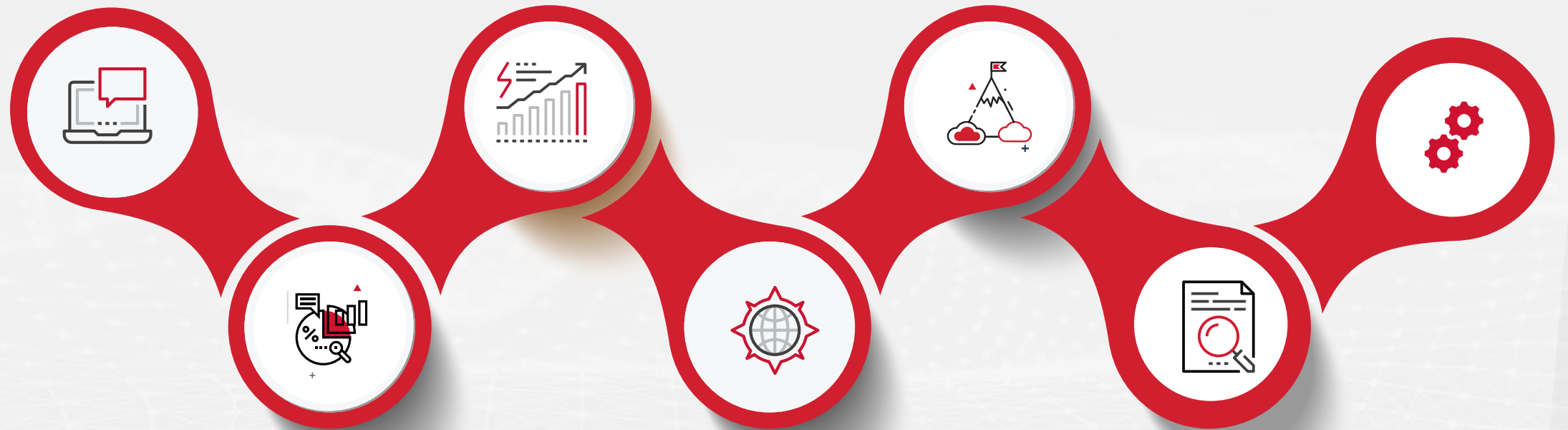
Update on Covid-19's impact

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

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