



# Logo Future outlook

16 May 2024

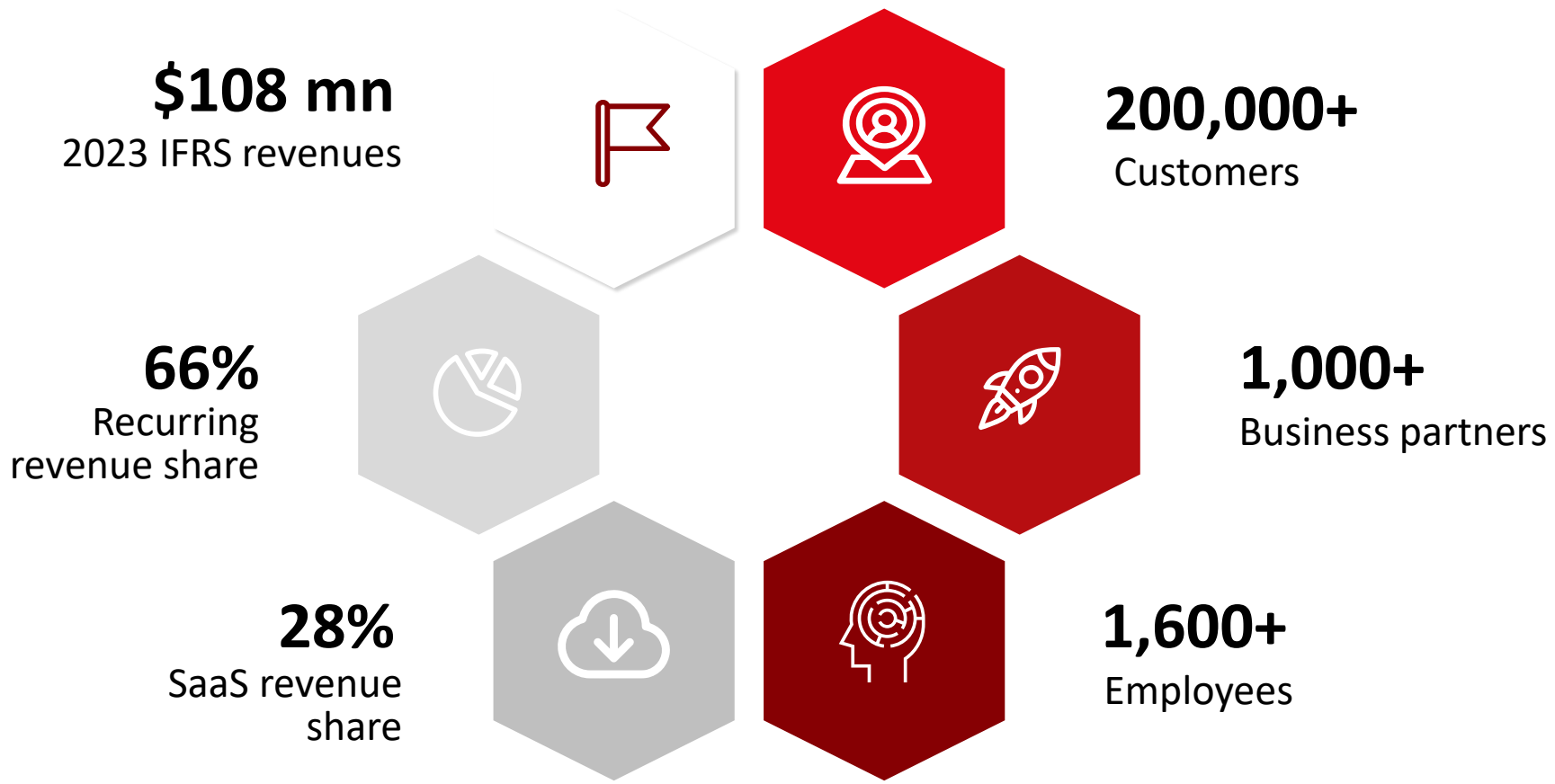


# Disclaimer

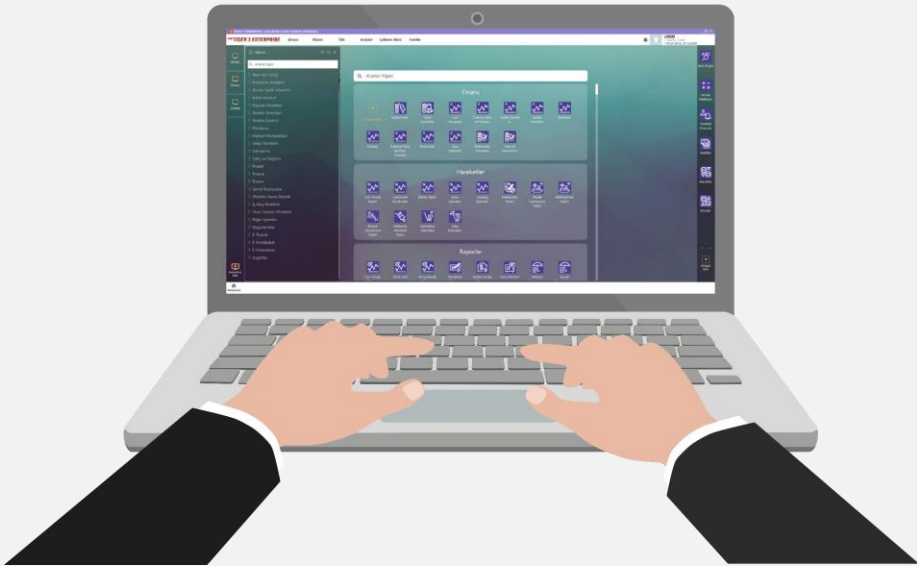
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# Logo at a glance: Leading player of the EAS sector



# Our software solutions and services



We provide **software solutions and services** to companies in all sizes



## ERP

Enterprise resource planning



## HR and Payroll

Human capital management and payroll



## Digital transformation consultancy

Analysis, project management, customization



## e-Services

e-Invoice, e-Archive invoice, e-Ledger, e-self emp. invoice



## Functional solutions

Customer relationship management, Business flow, Business intelligence, Warehouse management systems



## Maintenance and support

License maintenance, technical support and consultancy services

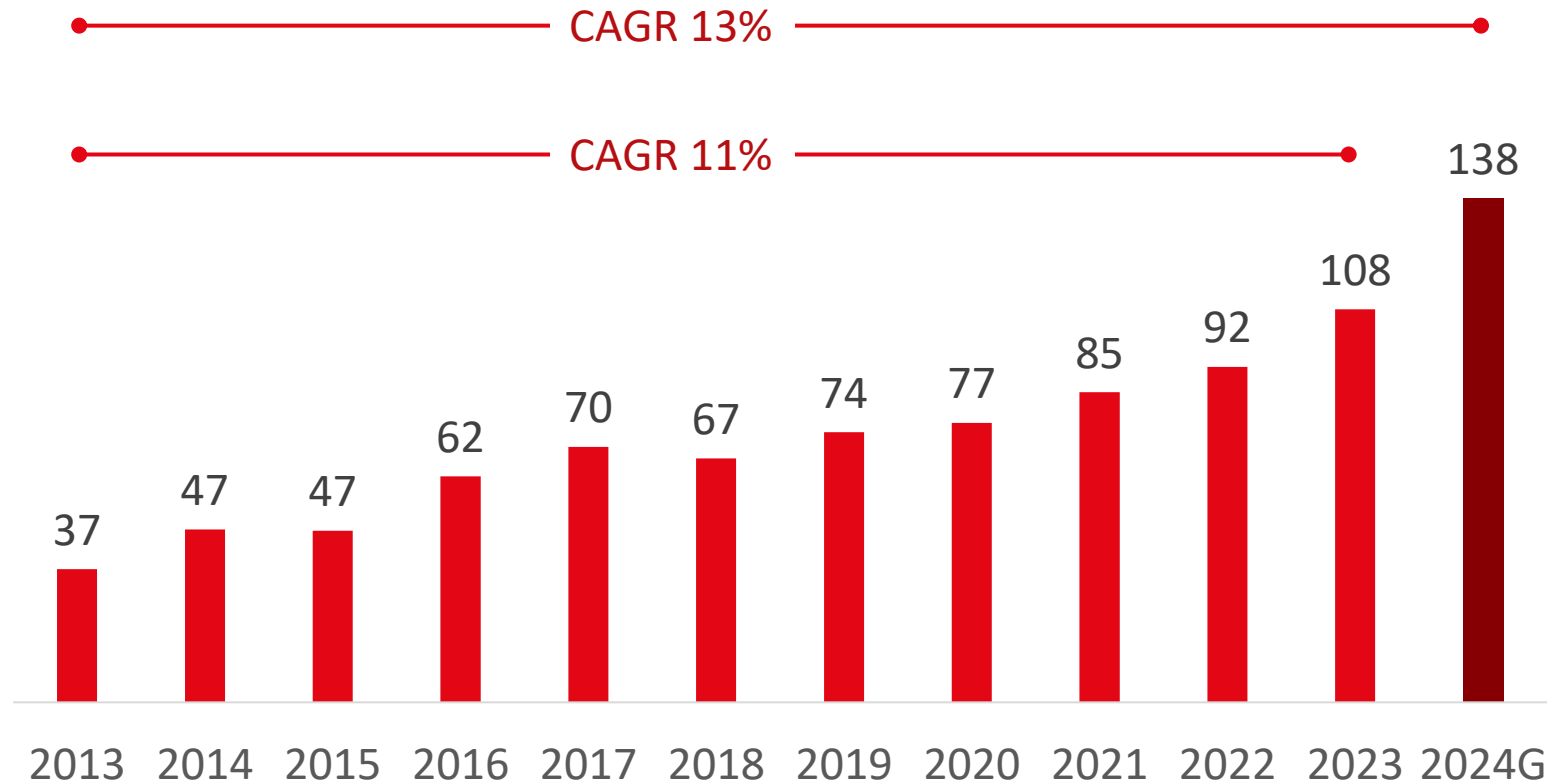


## SaaS solutions

e-Service, Retail, HR, basic accounting

# Strong growth: double-digit USD based growth

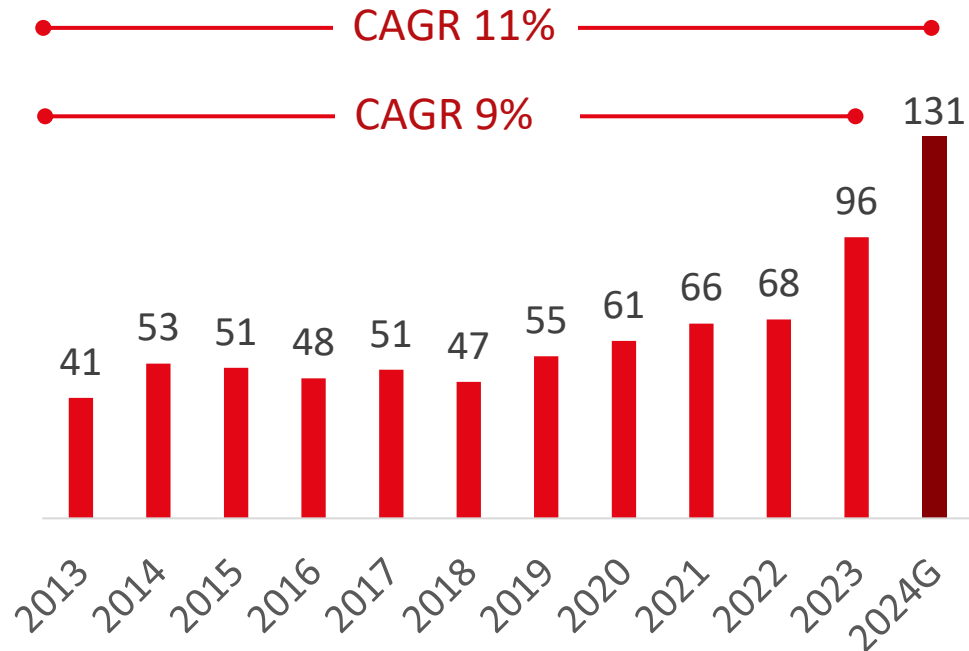
Consolidated  
**IFRS revenues**  
mn \$



# Strong growth: double-digit USD based growth

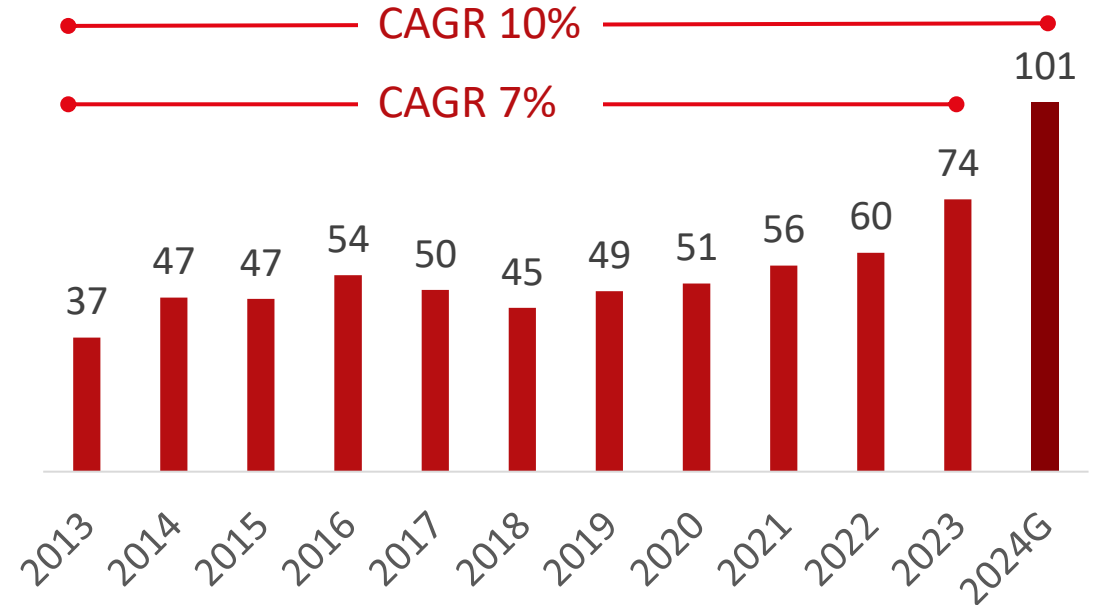
Türkiye

**Invoiced revenues**  
mn \$



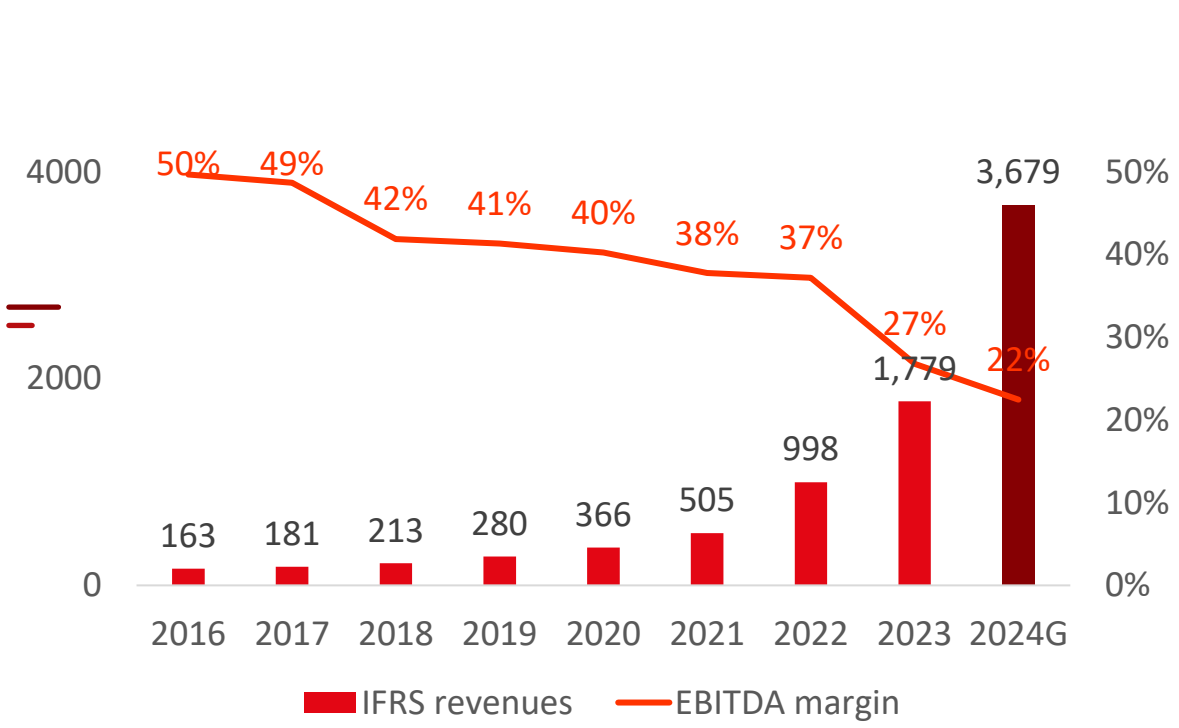
Türkiye

**IFRS revenues**  
mn \$

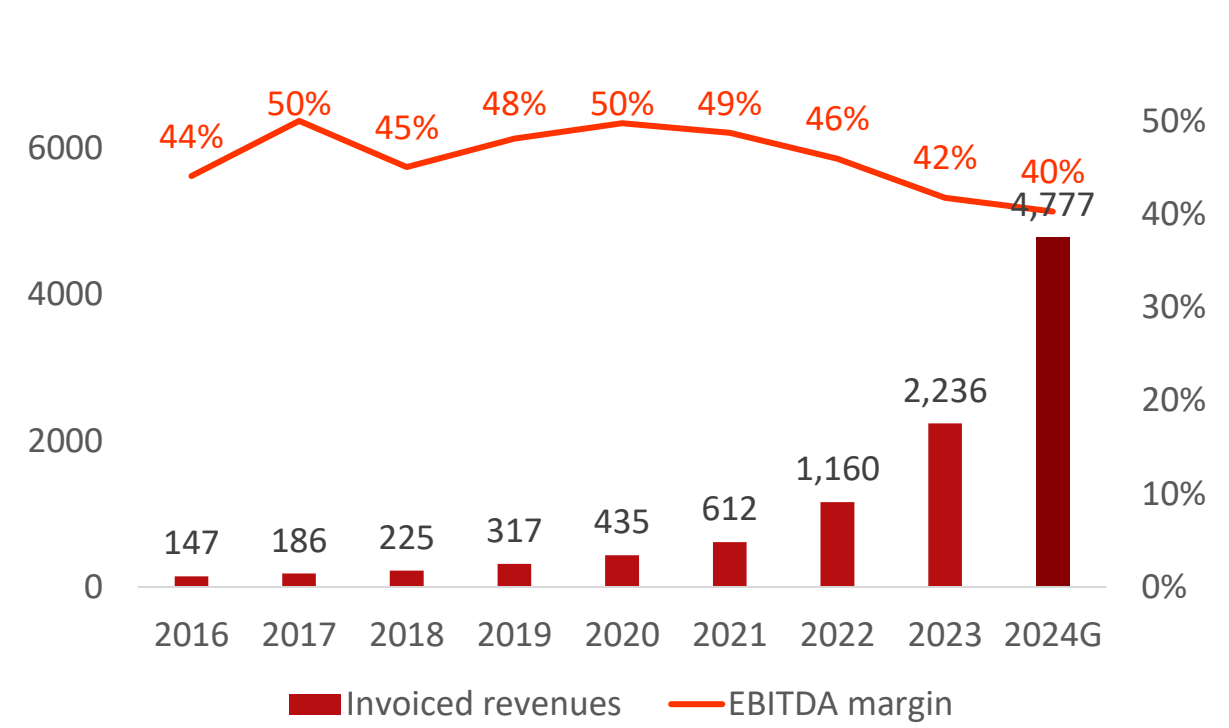


# Growth and profitability in Türkiye

IFRS (mn TL)



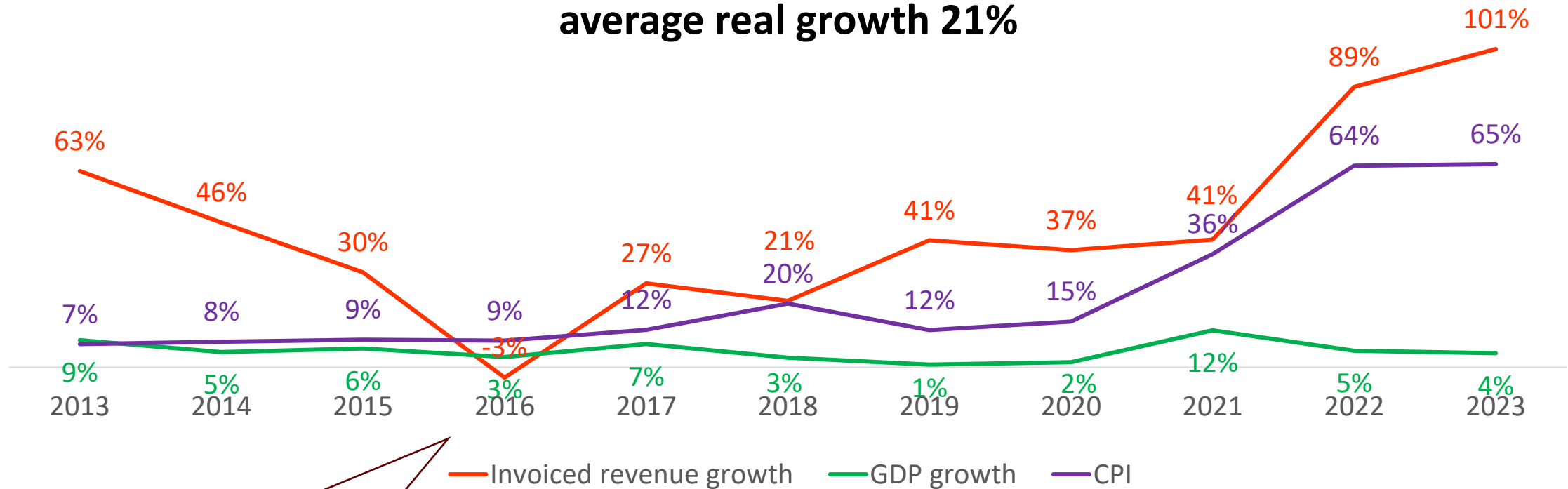
Invoiced revenues & IFRS expenses (mn TL)



# Sustainable double-digit real growth in Türkiye operations

2013-2023

average real growth 21%



**2016 one-off;**

2015 high-base in e-invoice module sales

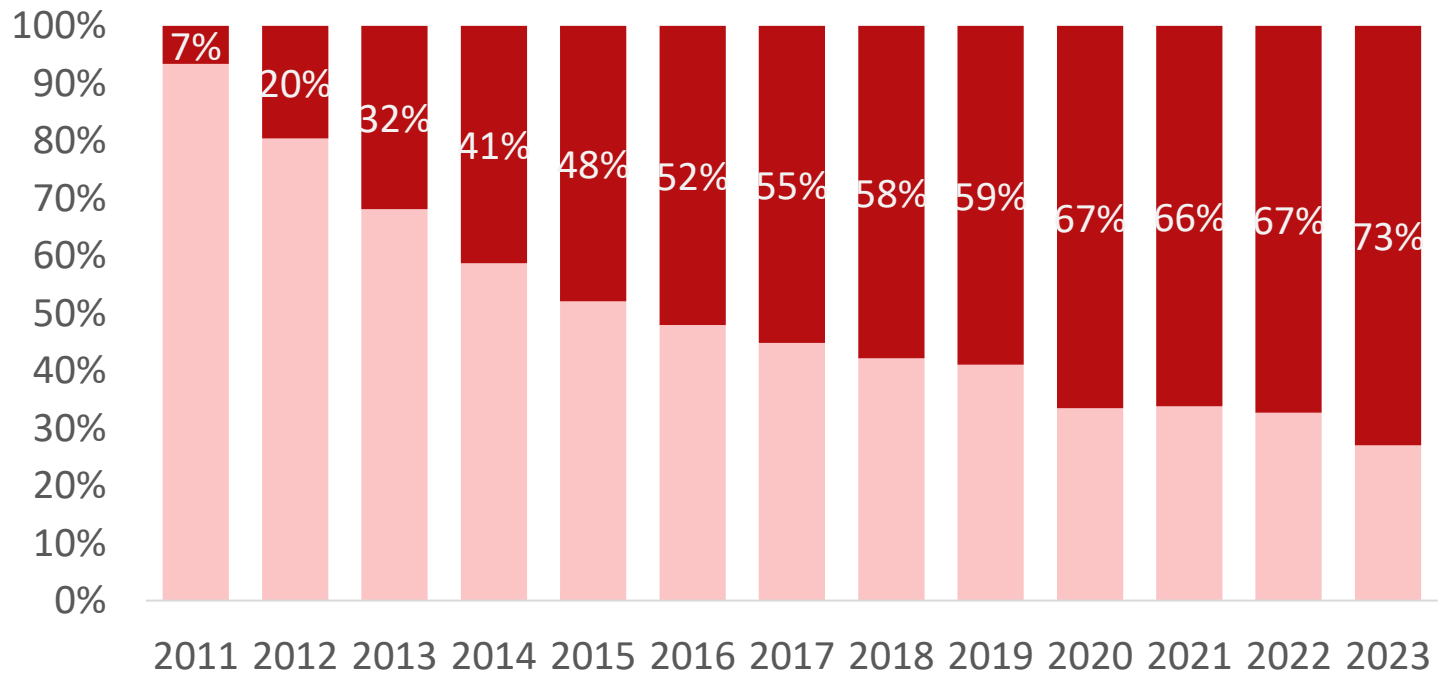
2016 Alibaba sales stopped



# Growth in recurring revenues

2011-2023  
TL Recurring revenues  
CAGR: **75%**

Recurring revenues / invoiced revenues  
**Türkiye**



# Growth in SaaS revenues

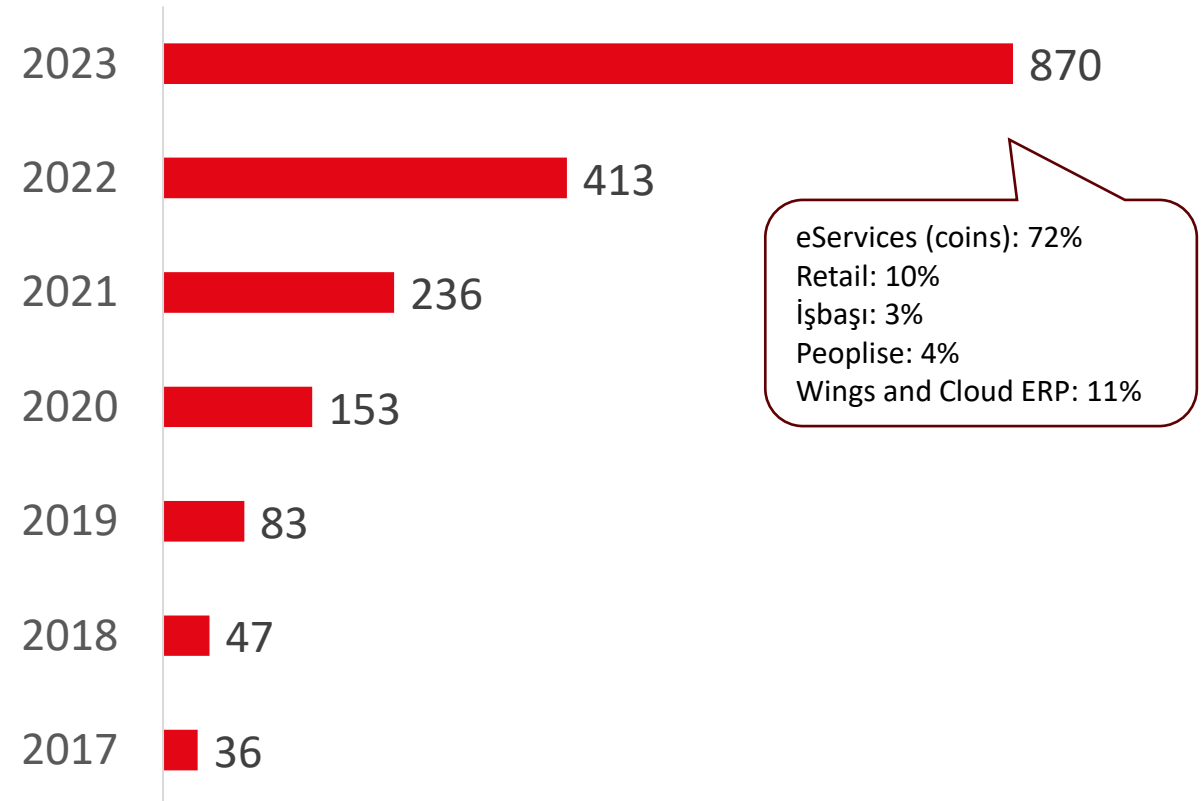
*In the journey of becoming a global SaaS company*

Türkiye  
SaaS revenues  
mn TL

2017-2023

CAGR

**70%**



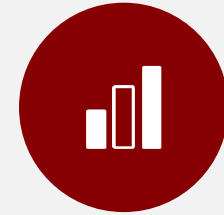
# SaaS solutions

**e[LOGO]**

**LOGO DIVA**

**peoplise**

**LOGO İŞBAŞI**



## e-Service SaaS

eService platform and leader in digital transformation

## Retail SaaS

SaaS solution for reliable and sustainable retail operations

## HR SaaS

SaaS solution for recruitment, on-boarding and talent engagement needs of enterprises

## MicroSME SaaS

SaaS solution for MicroSMEs: basic accounting software and e-invoicing services

# SaaS solutions

**LOGO**

**LOGO DIVA**

**peoplise**

**LOGO İŞBAŞI**

**Total**

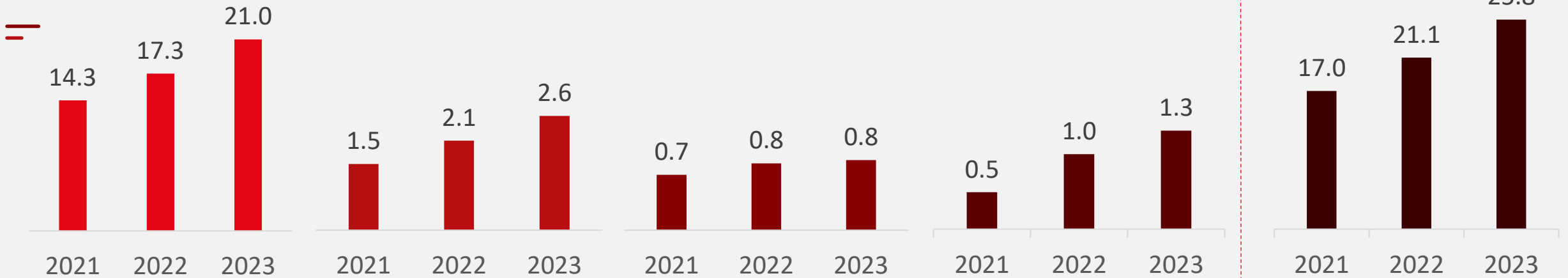
ARR \$ mn

ARR \$ mn

ARR \$ mn

ARR \$ mn

ARR \$ mn



# Our servitization strategy



Recurring revenues ↑  
Revenue predictability ↑



Sustainable growth ↑

## Our strategy's integral parts



**Customer experience**

NPS ↑



**Operational excellence**

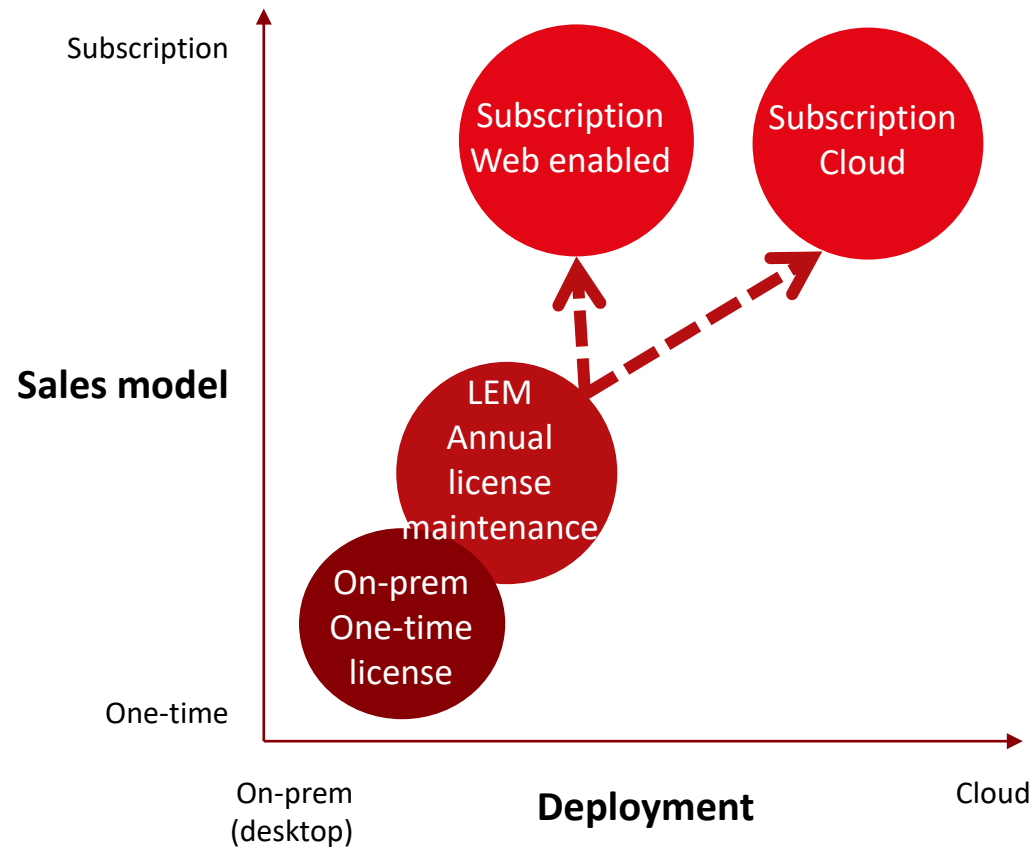
Costs ↓



**Corporate culture**

Employee engagement ↑  
ESG

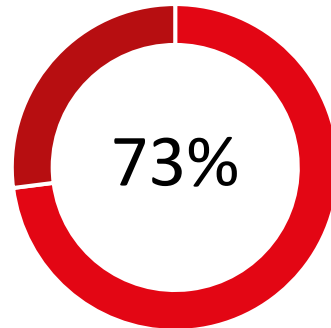
# Our servitization strategy



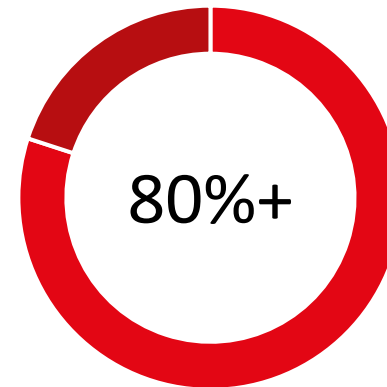
# 2024-2026 plans

Türkiye's recurring revenues / invoiced revenues ratio

2023



2026



## Subscription

<u>2023</u>	<u>2026</u>
1.600+	36.000+
small segment customers	small segment customers

## Cloud ERP

<u>2023</u>	<u>2026</u>
700+	4.000+
customers	customers

# 2024-2026 plans

## Employees in Türkiye

2023  
900+

2026  
1.250+

## Customers in Türkiye

2023  
190.000+

2026  
310.000+

## R&D spending / Invoiced revenues ratio

2023  
32%

2026  
30%



# 2024's developments



- ❑ **Fintech (open banking):**  
Application for Central Bank's approval for Logo Payment Services operations  
(5 January 2024)
- ❑ **eServis SaaS:** Application for Competition Board's approval for eLogo and Koç Sistem cooperation  
(9 February 2024)
- ❑ **Logo Ventures II investments**



- ❑ **Buy-back program;** treasury shares is at 6,20%
- ❑ Application for CMB approval for cancellation of 5% in treasury shares (8 January 2024)
- ❑ **Dividend**
- ❑ **M&A potential**

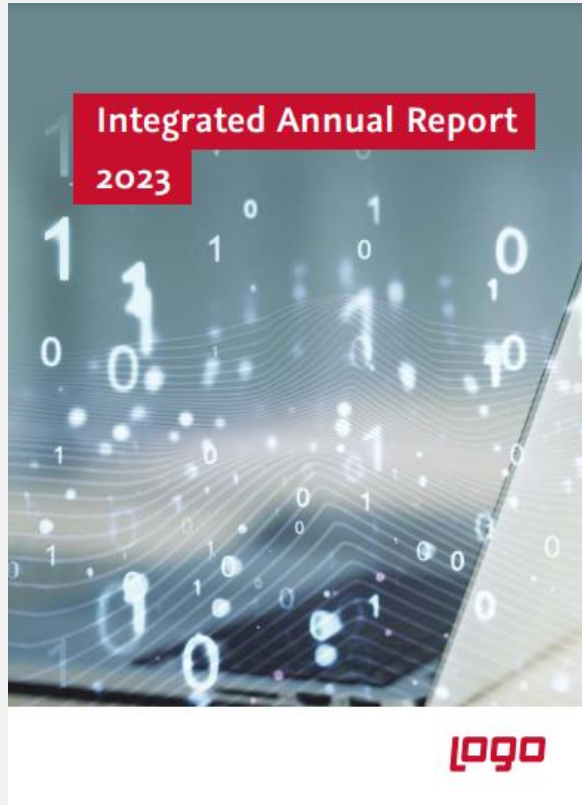
# Artificial intelligence, machine learning, LowCode/NoCode

- **Mariana project:** With TÜBİTAK TEYDEB supported Smart resource management project, Logo AIOps (AI for IT Operations) infrastructure is being developed, DBaaS (Database-as-a-Service) service and database performance management is addressed with AI
- **Polaris project:** With machine learning supported Corporate knowledge base Polaris, first-level support service is addressed with AI
- With **LowCode/NoCode platform** initiatives, coding process is integrated with AI. Frontend development from Figma design is automated with AI
- **New generation ERP;** reporting and dashboard functions within the product is going to be AI supported, image to data journey in data entry is done with machine learning based OCR (Optical Character Recognition) services

## 2024-2026: focus areas

- **2024:** Inflationary pressure, interest rate hikes, lower liquidity and credit availability, softer demand trends
- Increasing difficulty in talent acquisition and retention
- Investments related to Cloud and SaaS transition;
  - new talent
  - security and privacy
  - customer experience
  - aligning business partners
- Impact on financials: stable margin profile between 2024-2026, margin expansion expected starting in 2027

# Our ESG performance



**Refinitiv  
ESG score  
A-**



**Corporate  
governance rating  
9.5/10.0**



**BIST  
Sustianability  
Index  
since 2017**



**BIST  
Corporate governance  
Index  
since 2009**

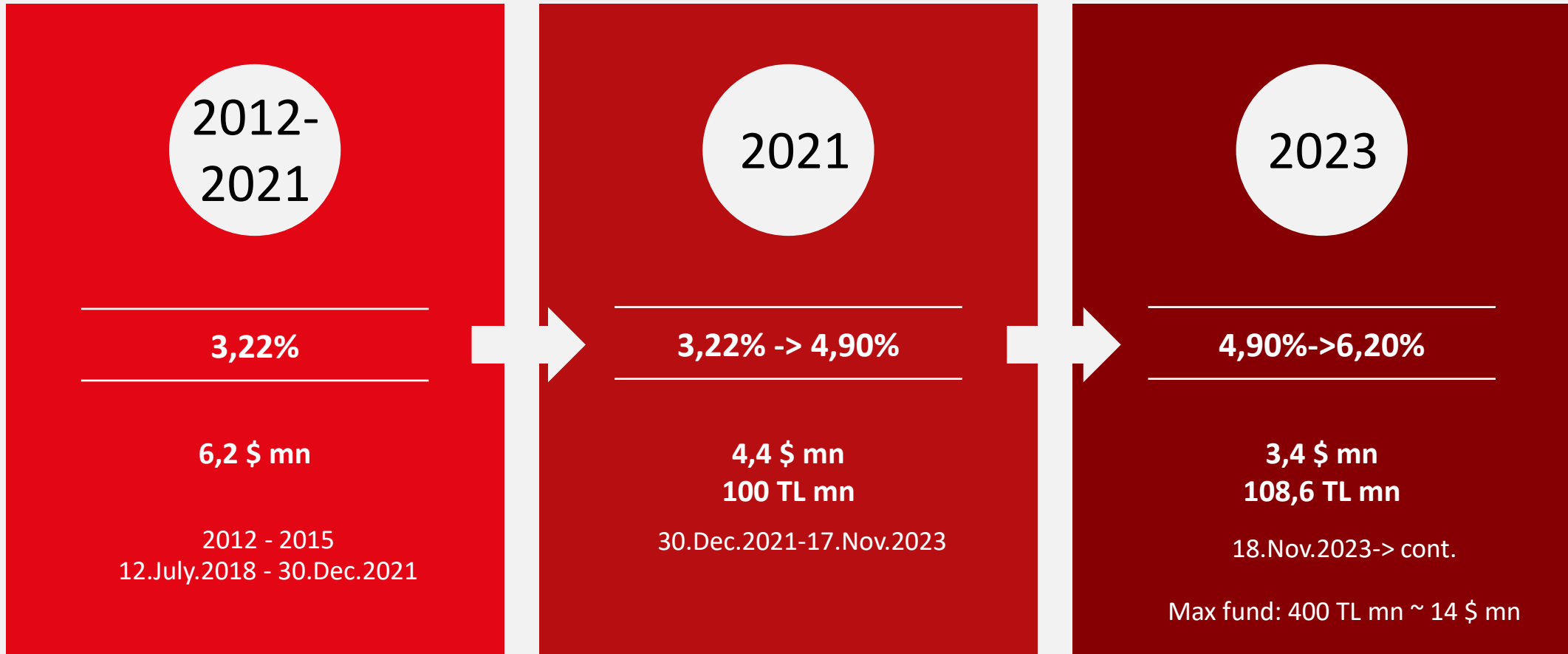
# Dividend track record

	2020	2021	2022	2023
Pay-out ratio	26%	34%	36%	35%*
Yield	0,75%	2,20%	2,85%	4,51%**
Gross amount	4,1 \$ mn 30 TL mn	6,9 \$ mn 90 TL mn	8,0 \$ mn 150 TL mn	13,6 \$ mn 400 TL mn
		300% bonus issue		

\*Based on statutory records.

\*\*Based on PDP disclosure date.

# Share buy-back programs



# Software company valuations

	EV/Sales 2024e	EV/EBITDA 2024e
<b>International SaaS companies</b>	<b>7.0x</b>	<b>22.0x</b>
<b>International peer companies</b> SAP, Totvs, Sage, Asseco Poland	<b>3.8x</b>	<b>15.7x</b>
<b>Logo</b>	<b>1.8x</b>	<b>7.3x</b>
<b><i>Logo's discount</i></b> <i>(compared to international peer companies)</i>	<b>-52%</b>	<b>-53%</b>

**Thank you.**

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