



**LOGO**

# Q2 2023 Results Presentation

Gölnur Anlaş

Chief Financial Officer

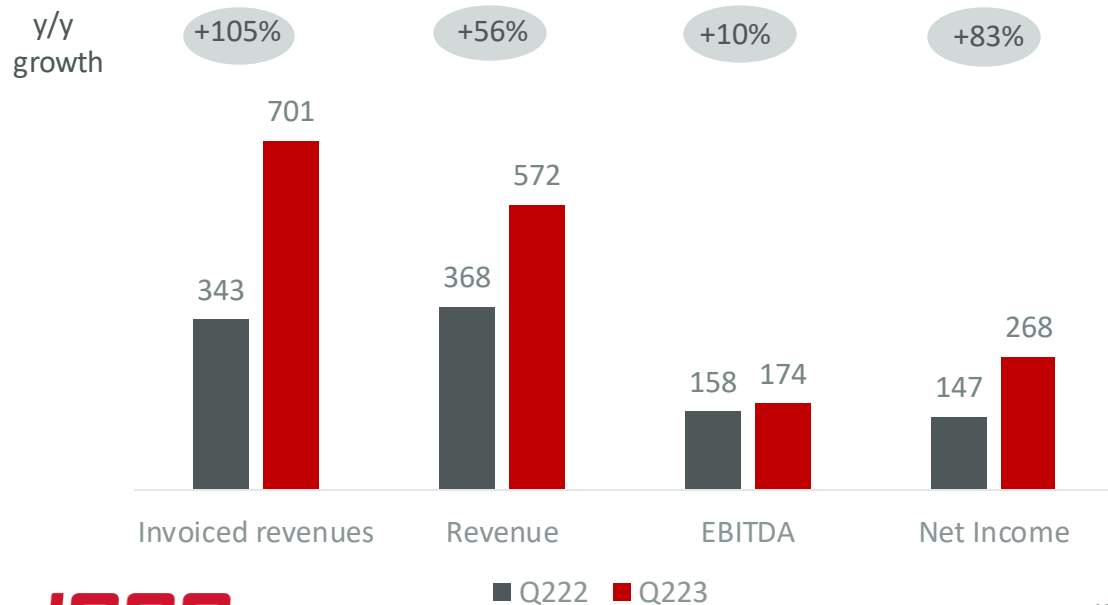
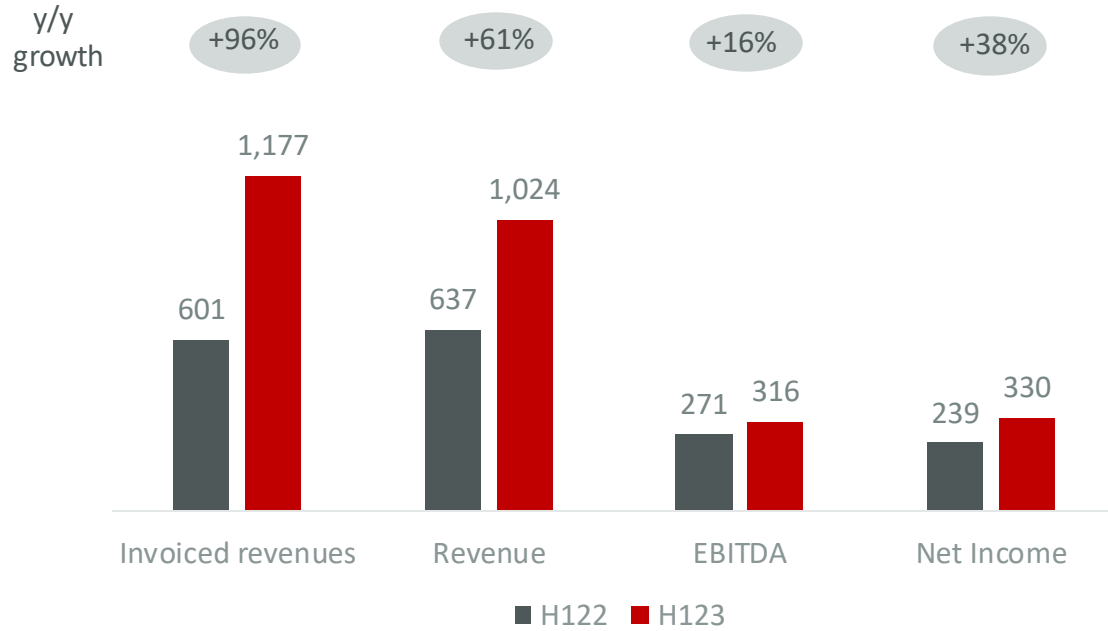
August 9<sup>th</sup>, 2023

# Disclaimer

This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect Logo management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially. Neither Logo nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

# Strong results

## Consolidated (TL mn)



## Solid performance amid volatile market dynamics

### Logo Türkiye

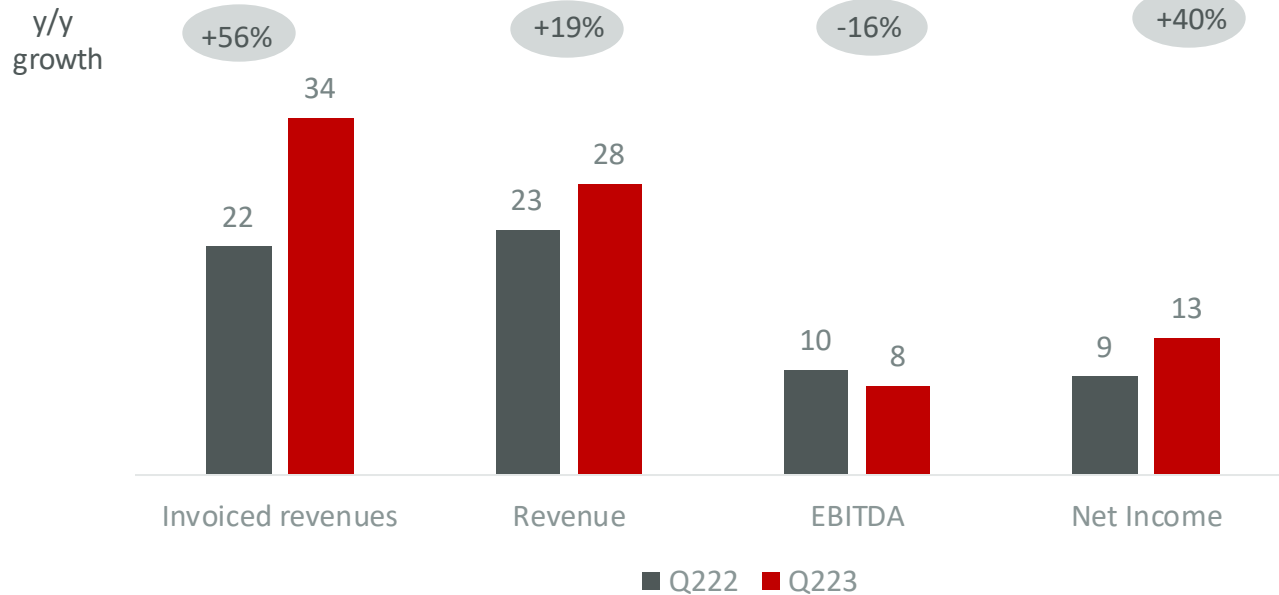
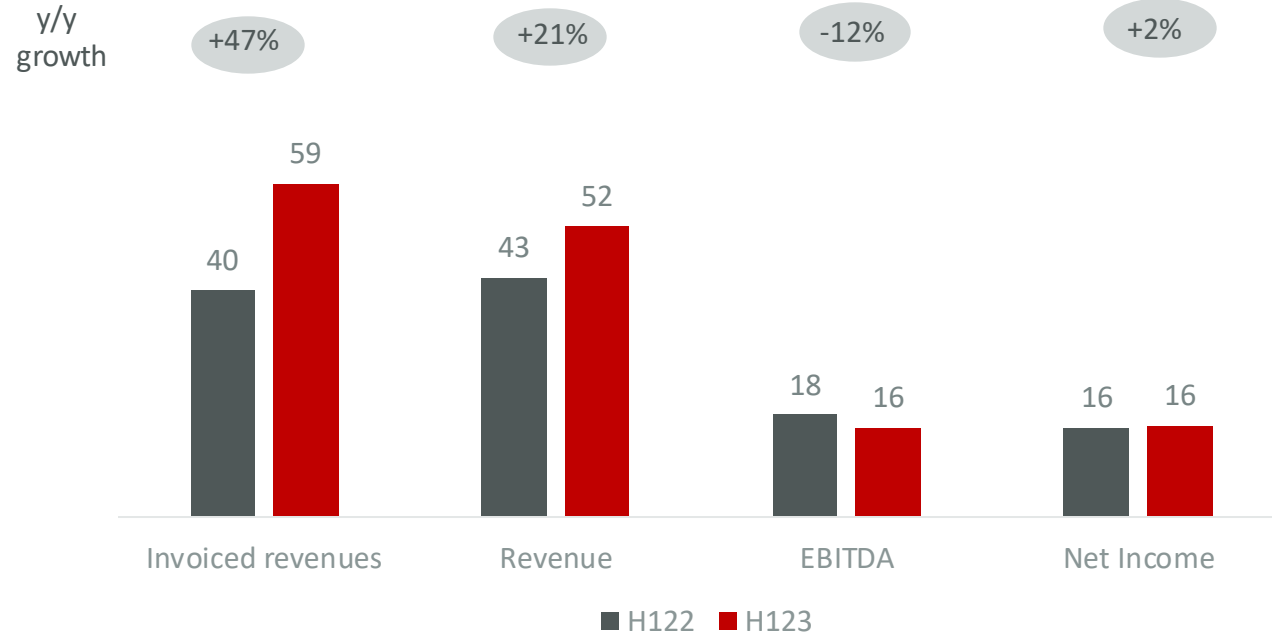
- Another period of success in navigating a volatile macroeconomic landscape
- Strong real revenue growth across the board with healthy new customers additions and increased spending from existing customers
- Continued solid SaaS revenue growth
- Strong and loyal customer base, ever-growing with healthy new customer additions
- Sustainable profitability as a result of pricing power, strong ecosystem and operational efficiencies

### Logo Total Soft (Romania) and Logo Infosoft (India)

- Challenges continue in Q2 in Romania
- Logo Infosoft achieves traction with consistently increasing monthly subscriptions. Total users reached 1,600 and monthly billing is at \$30K with 900+ paid users.

# USD based figures

## Consolidated (USD mn)



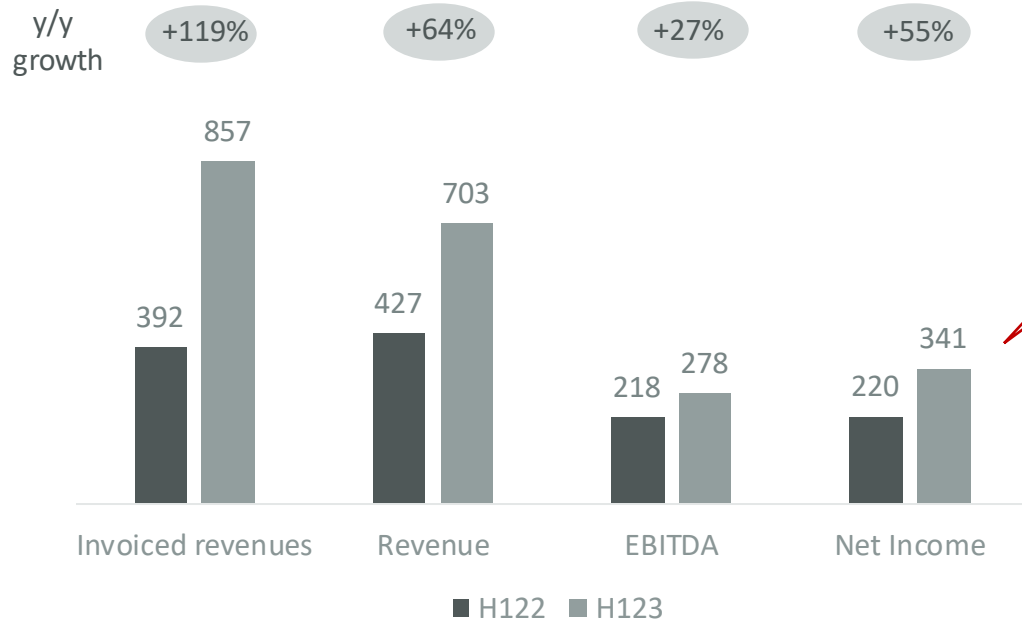
In USD terms;

- Türkiye's invoiced revenue grew by 64% and IFRS revenue grew by 24% y/y. EBITDA growth impacted by -\$600K due to higher net deferrals in IFRS.
- Total Soft's invoiced revenue grew by 15% and IFRS revenue grew by 16% y/y. EBITDA declined by 1,6 mn USD due to softer demand.

# Logo Türkiye: Resilient performance

## Logo Türkiye

TL mn

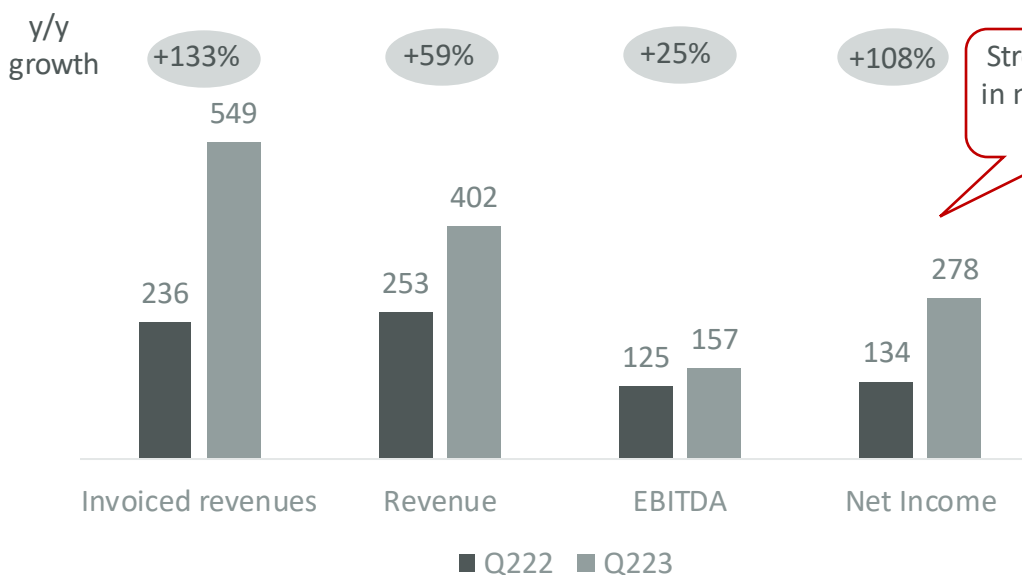
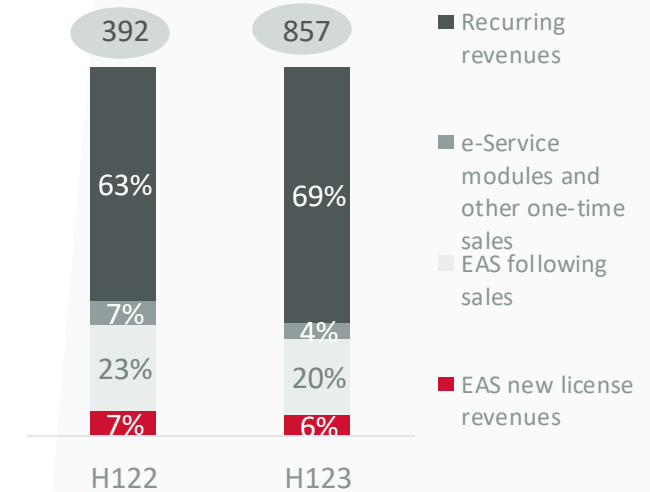


Strong growth despite one-off earthquake tax expense impact from Q1

## Logo Türkiye

Invoiced revenues breakdown

TL mn



Strong growth in net financial income

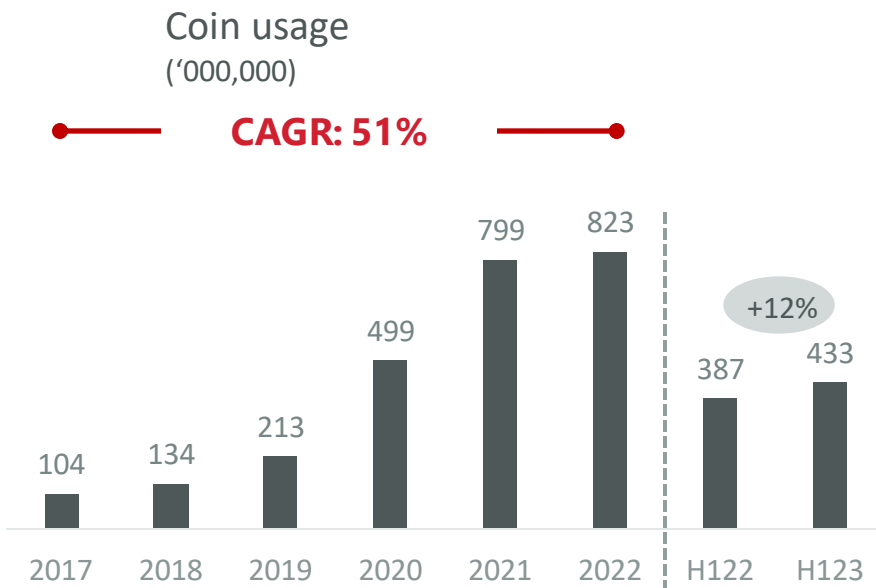
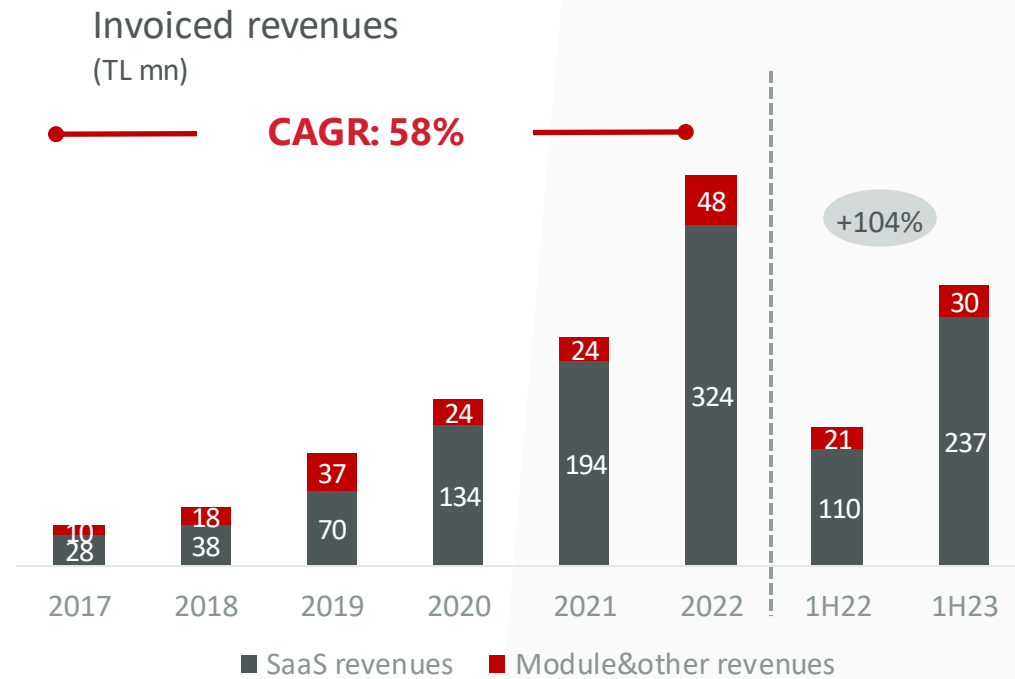
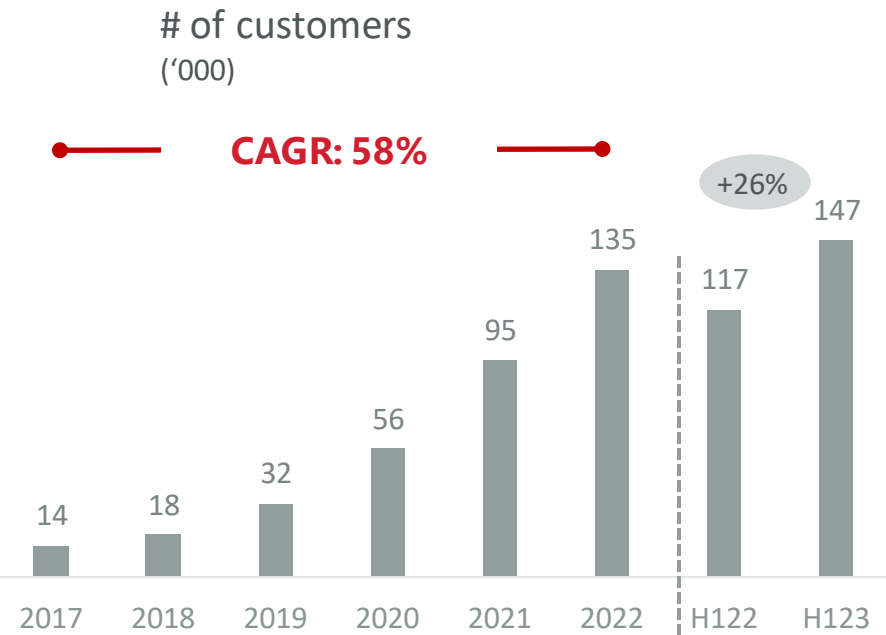
- **Strong invoiced and IFRS revenue growth**
- Higher net deferrals due to relatively softer coin usage under e-Services SaaS revenues
- EBITDA up by 27% yielding 40% margin in H1
- **Recurring revenue up by 140%**
- One-time revenue growth driven by **new license sales, up by 150%**, and **following sales, (modules, user increments, upgrades) up by 90%**.
- **New customer acquisition** in EAS and e-Services remained at a healthy level of 5 thousand
- **SaaS revenue growth is on track with 116% y/y growth**



\*EAS: Enterprise application solutions comprising of ERP, HR, payroll, CRM, WMS, Workflow

# eLogo: e-Service platform and leader in digital transformation

Market leader in e-government solutions; e-Invoice, e-Archive, e-Ledger, e-Dispatch with 147K customers

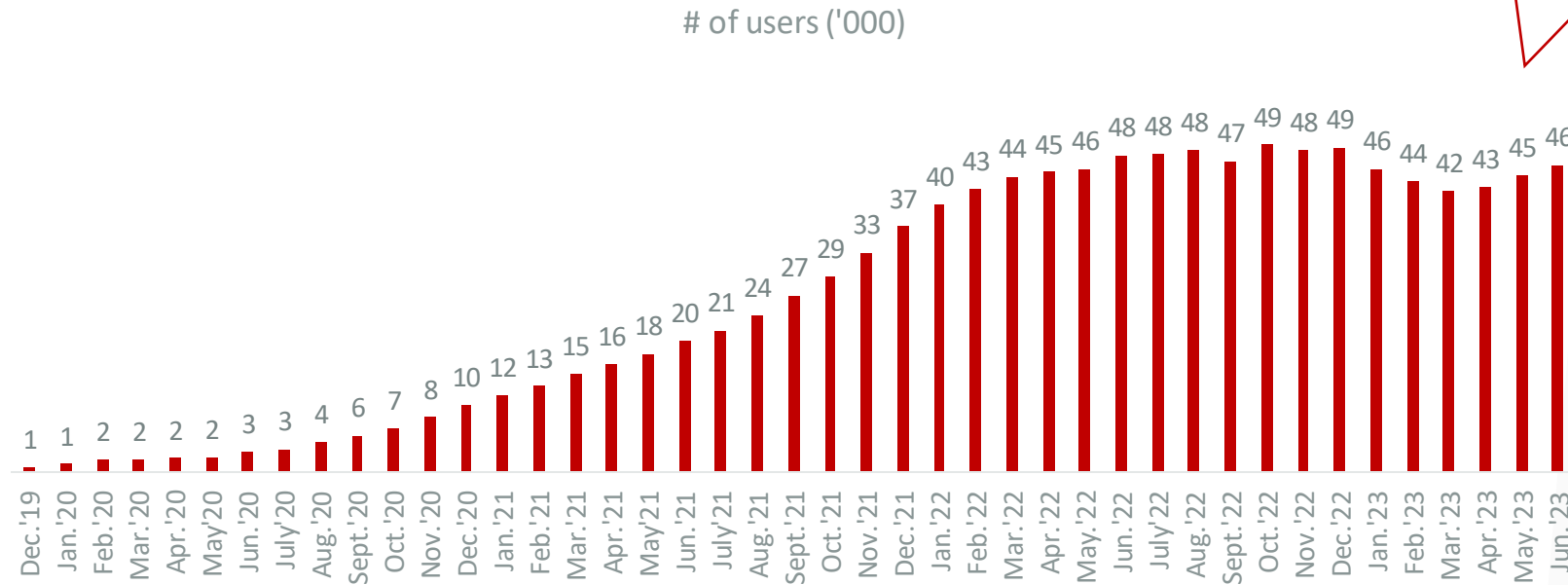


- eLogo manages %30 of Turkey's total e-Invoice circulation
- **Active customers** reached 147 thousand with **26% y/y growth**
- Customers using eLogo services but not Logo ERP reached 20K with 53% growth
- **SaaS revenue** (coins) growth of 114% y/y with 5yr **CAGR of 63%**
- SaaS revenue's 89% share in eLogo invoiced revenues signaling strong recurring revenue growth potential going forward
- Fintech services (open banking, embedded finance), offering a new avenue for future growth; achieved 208% y/y growth in revenues, and comprised 1.5% of invoiced revenues in H123



# Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering basic accounting software and e-invoicing services



Positive growth momentum

Organic user growth: 42% y/y

ARPU\*: 494 TL

LTV/CAC\*\*: 15

## Competitive advantages:

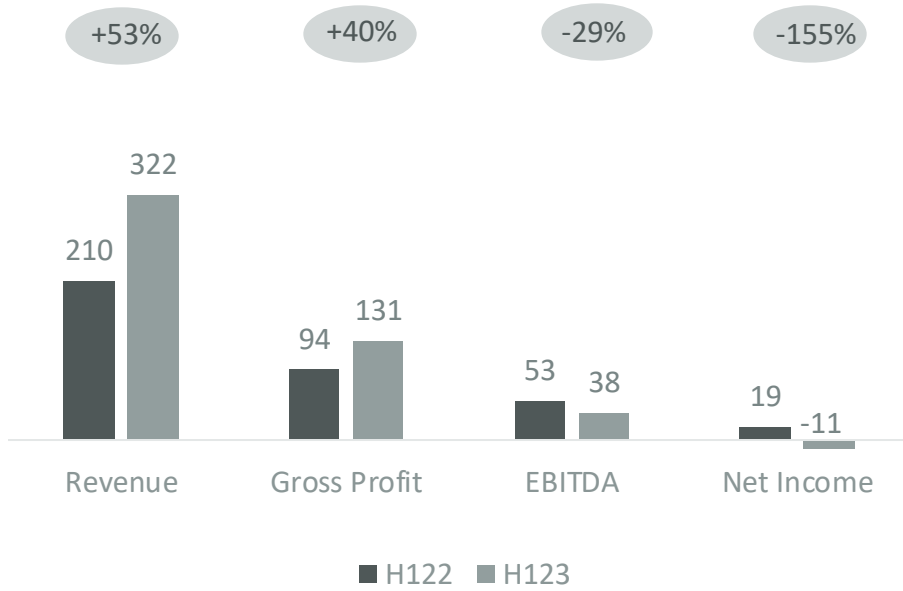
- Logo as the **leading e-invoice provider** of Turkey, differentiates itself with high service quality
- **Value creation on digital platform:** connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites
- Quick and easy upgradability to a larger ERP solution

- Strong brand-name
  - Strategic partnerships
  - Key account management
- high LTV/CAC

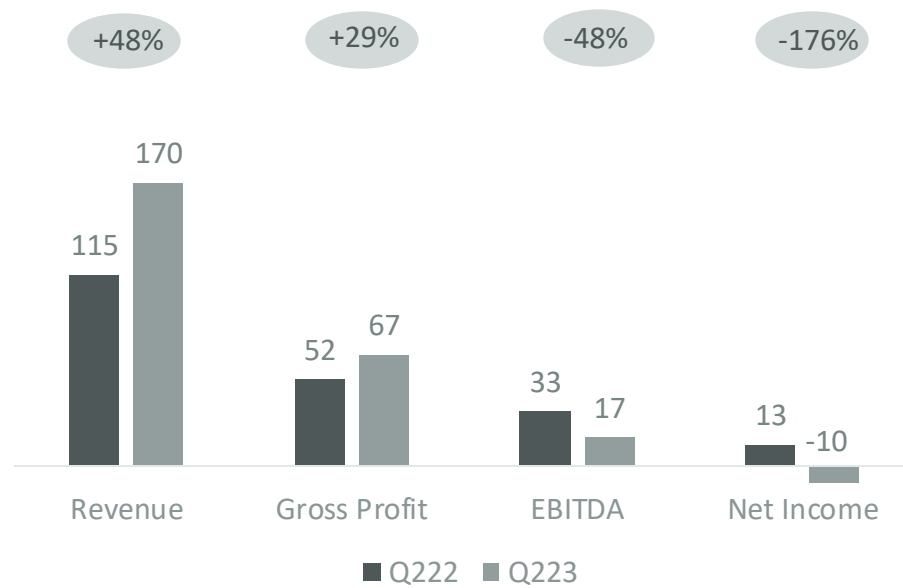
# Total Soft

## Total Soft TL mn

y/y  
growth



y/y  
growth



- Euro revenue growth at 17% y/y
- Project additions with existing customers remained strong while new project additions continue to be slow due to challenging market conditions
- Pressure on personnel costs continue
- Gross margin and EBITDA margin below expectations due to lower than expected new revenue signings in H1.
- Net loss due to softer operational profitability, and higher net financial expenses impacted by higher interest rates and increase in €/TL rate



# Invoiced Revenue vs IFRS Revenue

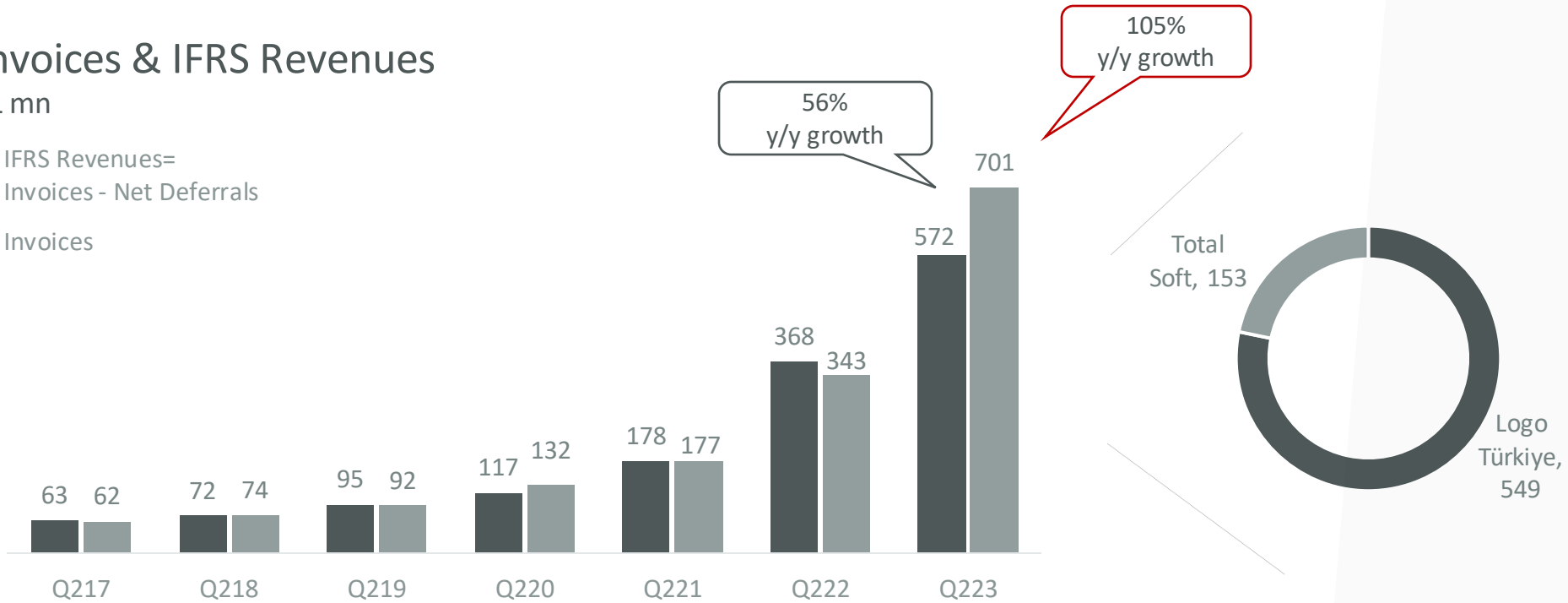
Consolidated

## Invoices & IFRS Revenues

TL mn

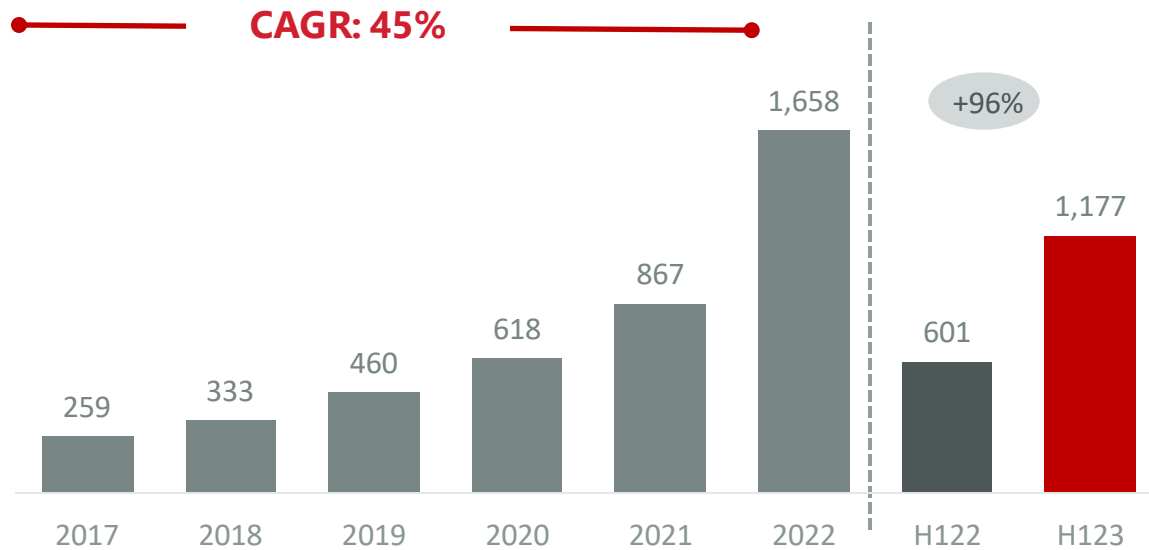
■ IFRS Revenues=  
Invoices - Net Deferrals

■ Invoices



## Invoiced revenues

TL mn



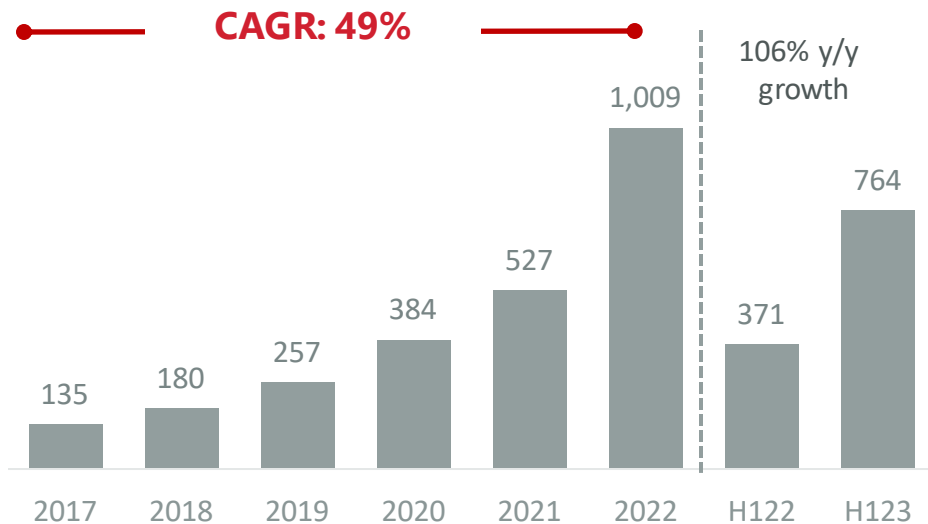
- Net deferrals is higher due to softer coin usage
- Coin sales collected up front and related expenses are recorded in the current period; whereas, IFRS revenues are deferred to coming quarters

# Recurring Revenue Growth Ensuring Predictability

Sustainable revenue growth supported by SaaS transition

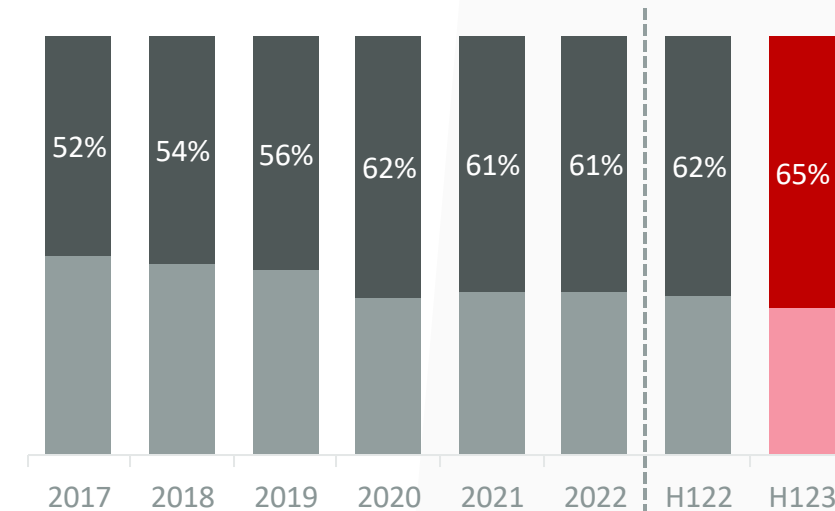
## Recurring Invoices

TL mn



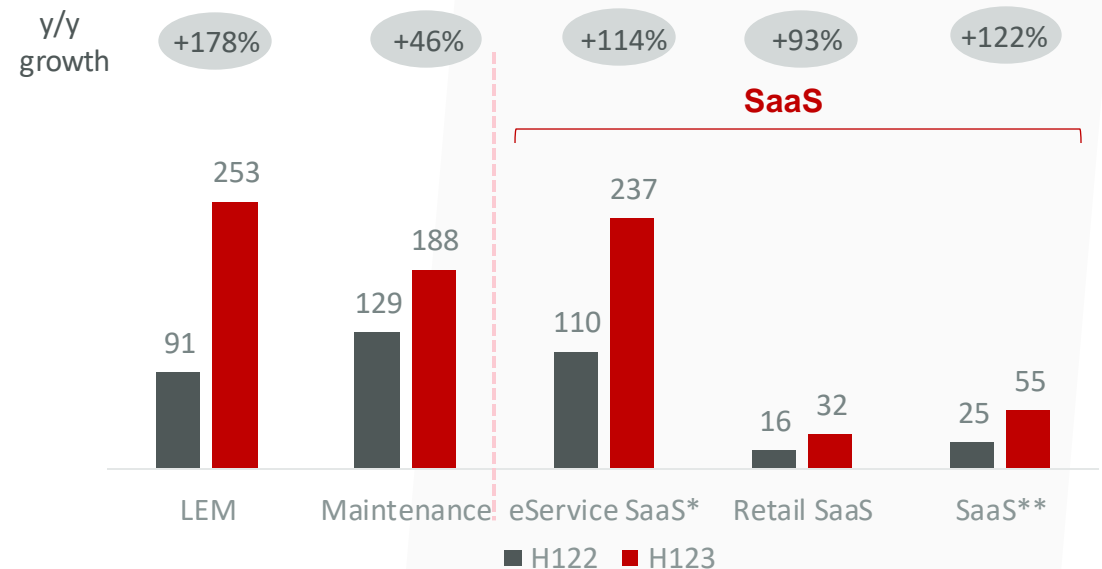
## Recurring Invoices/Invoices

%



## Recurring Invoices

TL mn

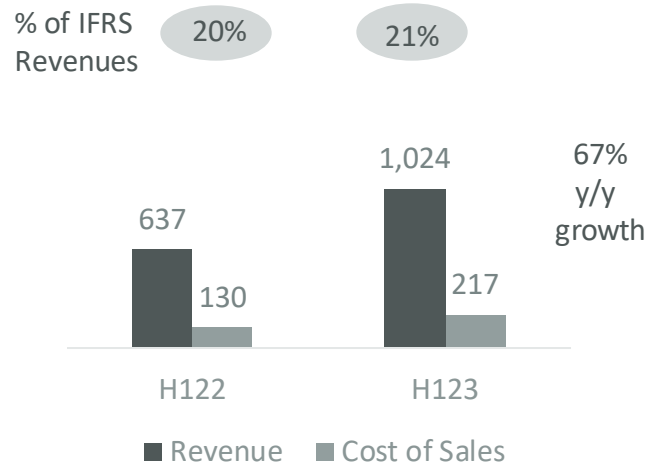


- Recurring revenues up by 106% y/y, and has 65% share in total invoiced revenue
- SaaS revenues include eService's coin revenues, Retail SaaS, İşbaşı, Peoplise and other SaaS sales from Türkiye and Romania
- SaaS revenues' grew by 113% y/y in H1
- SaaS revenues recorded 5-year-CAGR of 64%, share in total revenues reached 27% in H123 from 14% in 2017

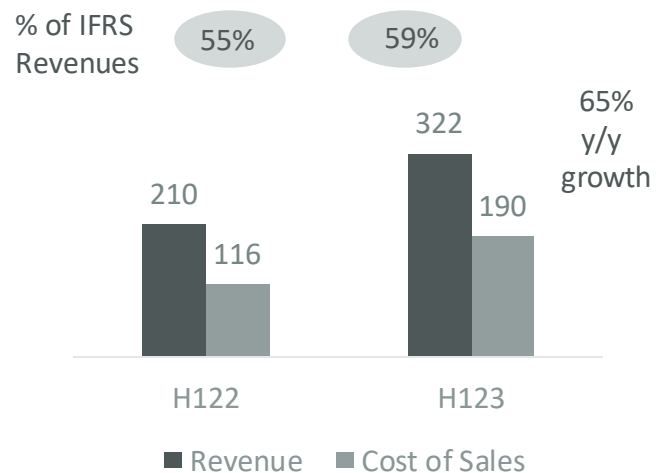


# Cost of Sales

## Consolidated TL mn

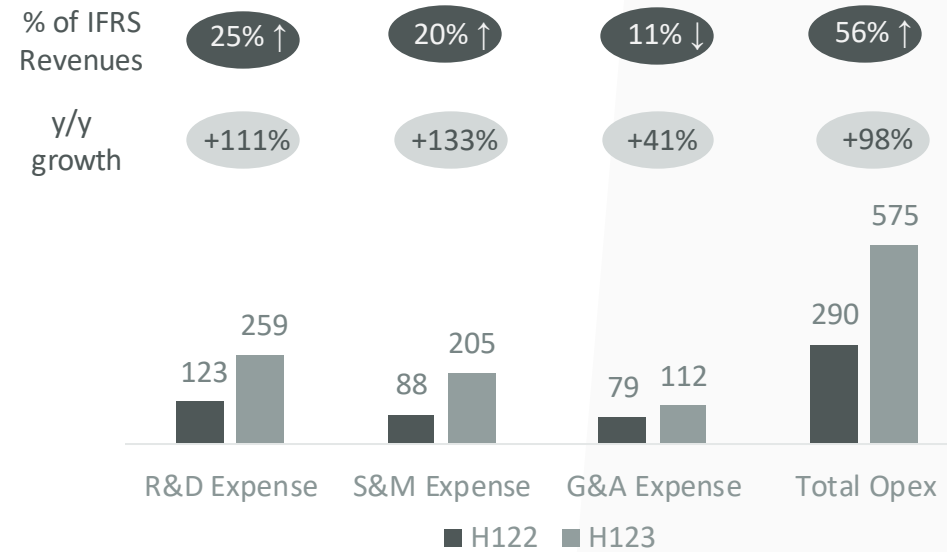


## Total Soft TL mn

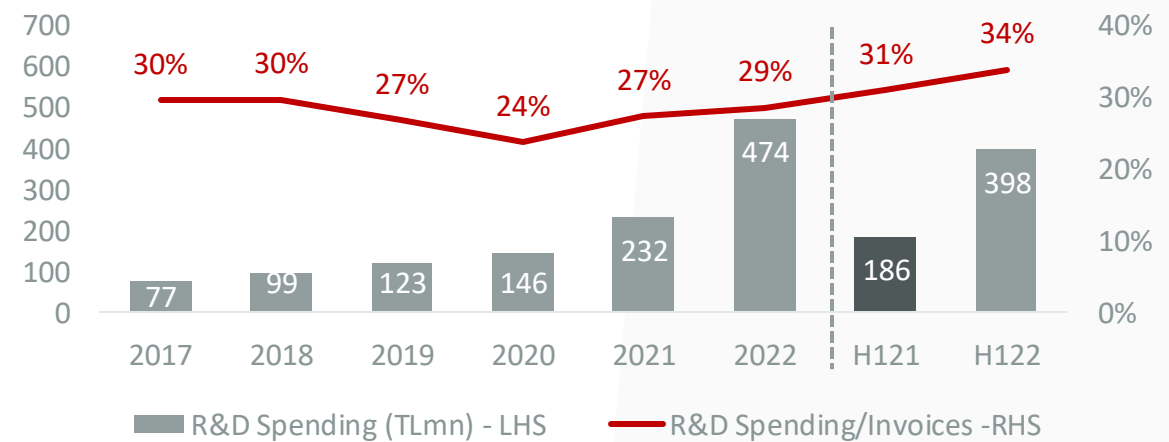


# Operating Expenses

## Consolidated TL mn



# Dedicated Investment in Technology



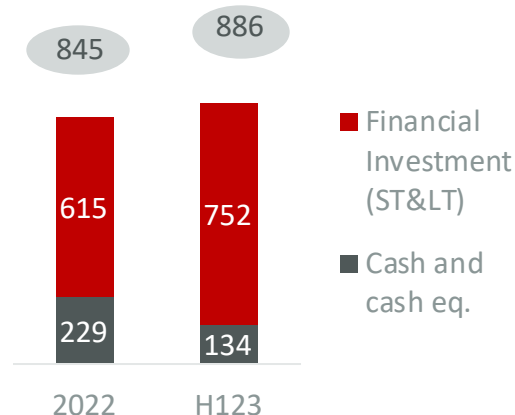
# Effective financial management and strong balance sheet

Consolidated

## High liquidity

TL mn

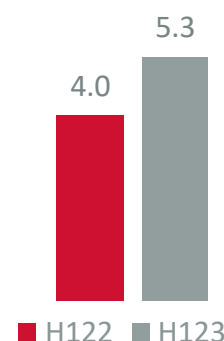
5% y/y growth



## EPS\* (LTM)

TL mn

33% y/y growth

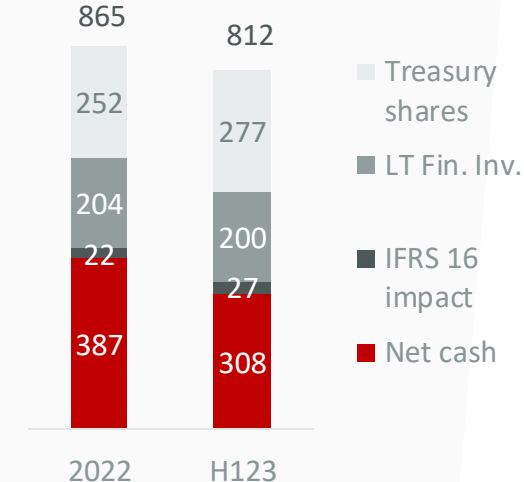


Strong growth despite one-off tax impact

## Adj. net cash\*\*

TL mn

-6% y/y growth



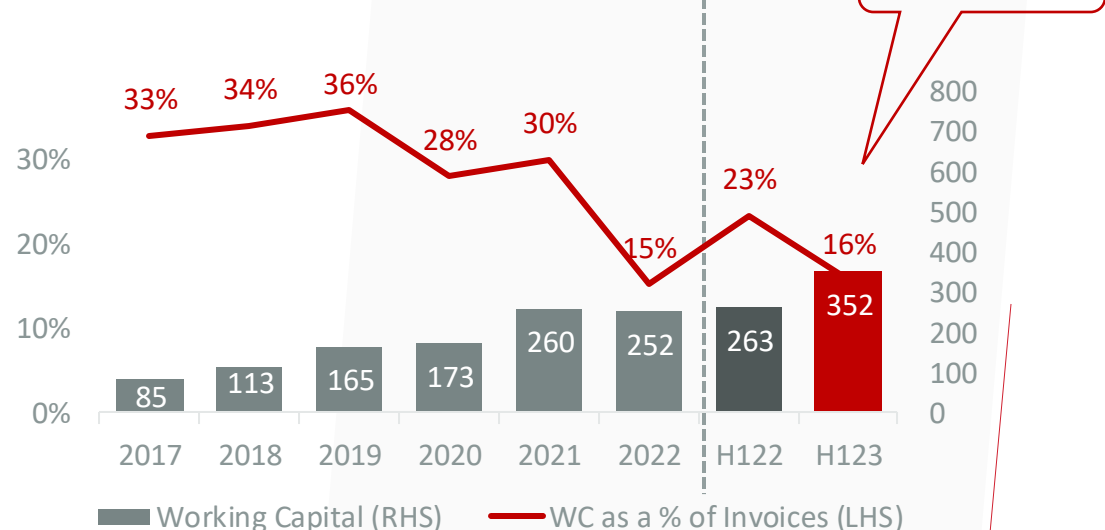
## Balance sheet highlights

TL mn

	2022	H123	Δ
Cash & Cash Eq.	229.2	134.5	-41%
Trade Receivables	387.4	487.4	26%
Tangible Assets	46.5	90.6	95%
Intangible Assets*	1,102.8	1,592.7	44%
Other Assets	900.9	1,180.3	31%
<b>Total Assets</b>	<b>2,666.9</b>	<b>3,485.5</b>	<b>31%</b>
Total Liabilities	1,468.0	1,979.7	35%
Total Shareholders' Equity	1,198.8	1,505.7	26%
<b>Total Liabilities and Equity</b>	<b>2,666.9</b>	<b>3,485.5</b>	<b>31%</b>
Shareholders Equity Ratio	0.45	0.43	-4%
Current Ratio	0.91	0.78	-14%

## Working capital

TL mn



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

\*Adjusted by 4.28% (H122: 3.61%) treasury shares.

\*\*Adjusted net cash excluding IFRS 16 impact of 27,4 TL mn (2022: 22.1 TL mn), including treasury shares @mcap at end of period and long-term financial investments.

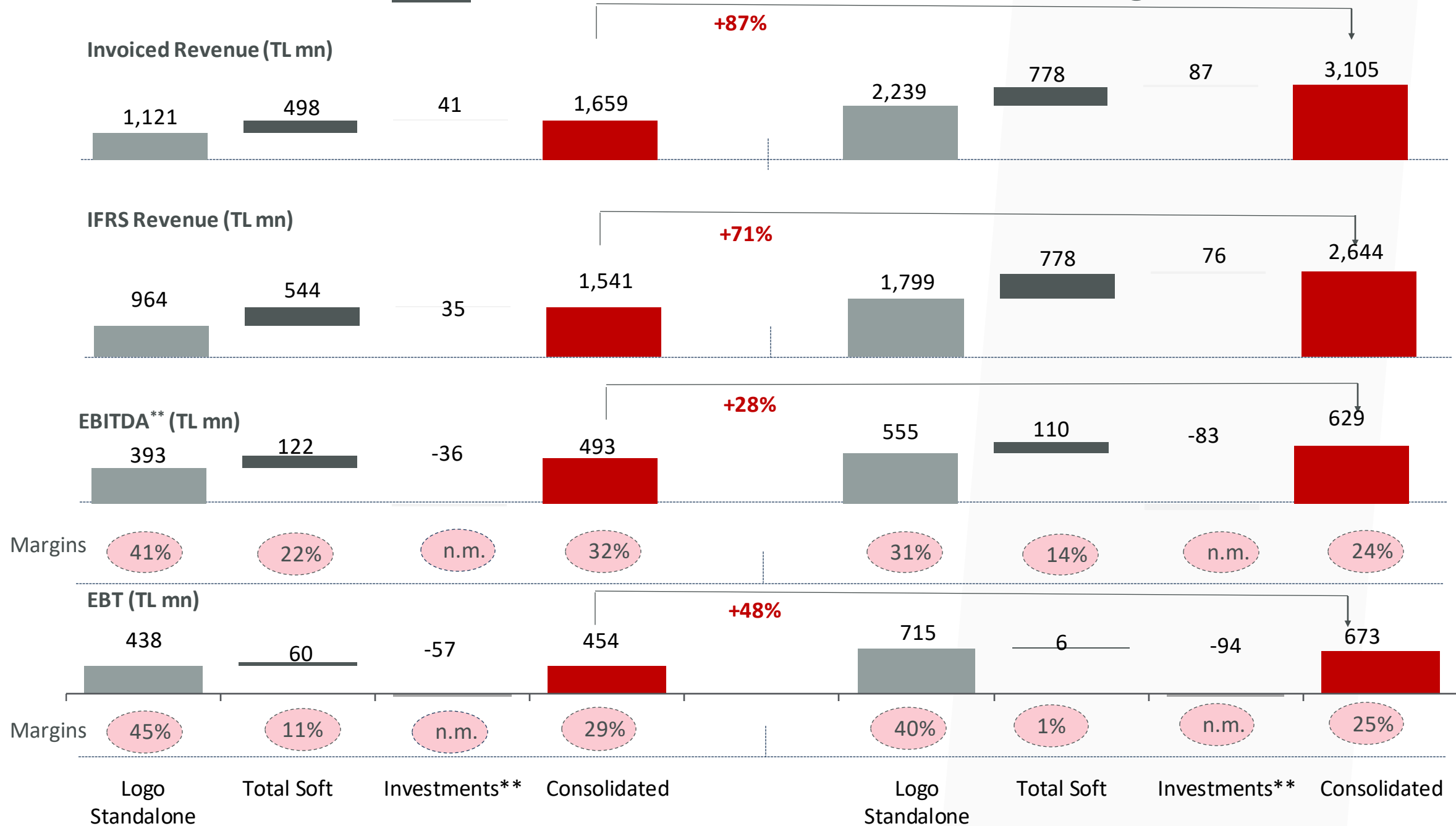
\*\*\* Includes goodwill.



# Revised guidance

**2022**

**2023 revised guidance**





# Questions & Answers

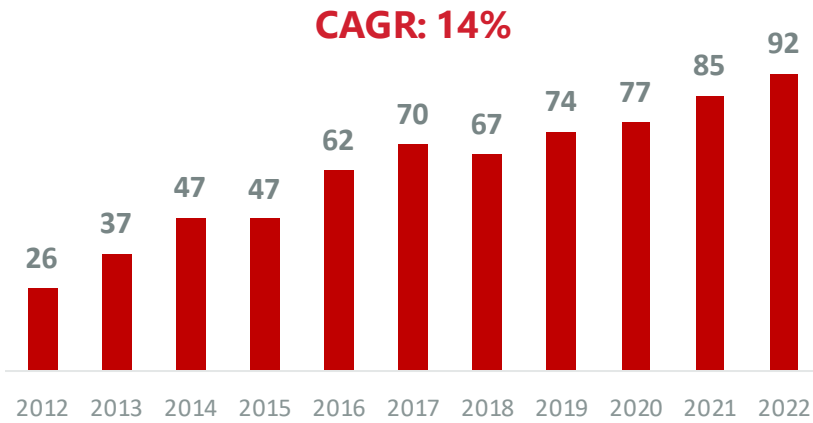


# Appendix

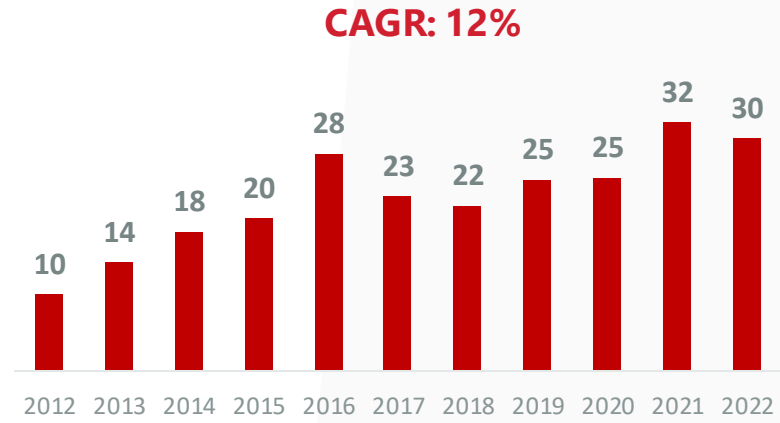
# Sustainable and profitable growth

Consolidated

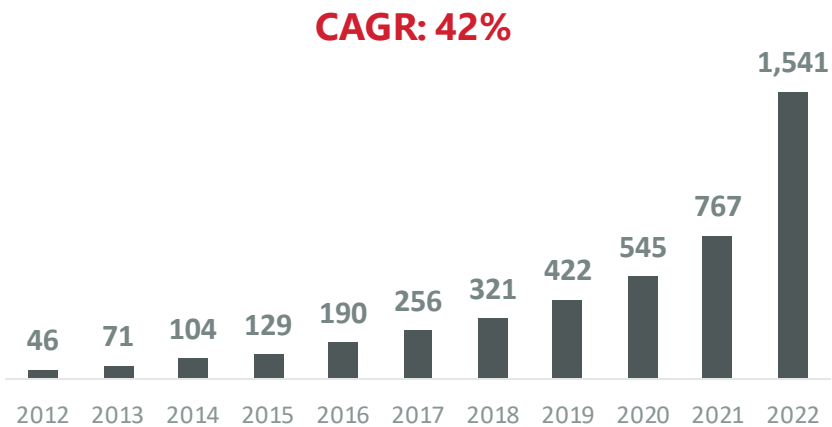
Revenues  
USD mn



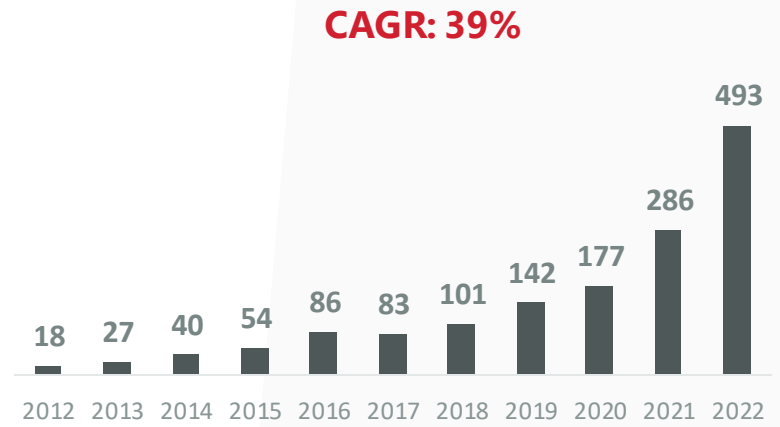
EBITDA  
USD mn



Revenues  
TL mn



EBITDA  
TL mn










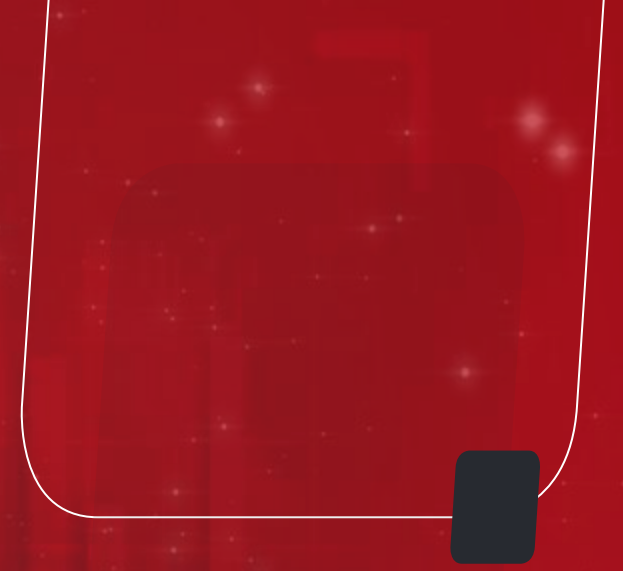
# Invoiced Revenue Growth and Breakdown

	2017	2018	2019	2020	2021	2022	5-yr-CAGR
<b>Invoiced revenues-consolidated (TL mn)</b>	<b>259.1</b>	<b>333.0</b>	<b>460.1</b>	<b>617.7</b>	<b>866.5</b>	<b>1,657.8</b>	<b>45%</b>
<i>y/y growth</i>	47%	29%	38%	34%	40%	91%	
<b>One-time</b>	<b>123.6</b>	<b>152.5</b>	<b>203.0</b>	<b>233.5</b>	<b>339.3</b>	<b>648.9</b>	<b>39%</b>
One-time - TR	83.4	95.0	130.1	145.6	225.1	379.2	35%
<i>share in total</i>	32%	29%	28%	24%	26%	23%	
One-time - RO	40.2	57.5	72.9	87.9	114.2	269.7	46%
<i>share in total</i>	16%	17%	16%	14%	13%	16%	
<b>Recurring</b>	<b>135.5</b>	<b>180.5</b>	<b>257.2</b>	<b>384.2</b>	<b>527.3</b>	<b>1,009.0</b>	<b>49%</b>
Recurring - TR	102.6	130.4	186.6	289.4	405.1	780.7	50%
<i>share in total</i>	40%	39%	41%	47%	47%	47%	
Recurring - RO*	32.9	50.1	70.5	94.8	122.2	228.2	47%
<i>share in total</i>	13%	15%	15%	15%	14%	14%	
<b>Recurring invoice revenues (TL mn)</b>							
LEM	61.4	75.7	97.0	124.7	158.3	332.0	40%
<i>share in recurring</i>	45%	42%	38%	32%	30%	33%	
Maintenance	38.5	57.4	77.1	106.9	132.7	258.6	46%
<i>share in recurring</i>	28%	32%	30%	28%	25%	26%	
eService SaaS	27.9	37.9	70.2	133.6	194.4	324.0	63%
<i>share in recurring</i>	21%	21%	27%	35%	37%	32%	
Retail SaaS	6.5	7.9	10.3	12.8	19.9	35.0	40%
<i>share in recurring</i>	5%	4%	4%	3%	4%	3%	
SaaS (İşbaşı+Peoplise+Logo+Total Soft)	1.2	1.5	2.6	4.7	22.0	59.4	120%
<i>share in recurring</i>	1%	1%	1%	1%	4%	6%	

# eLogo: e-Service platform and leader in digital transformation

Latest communique's details (January 22<sup>nd</sup>, 2022)

	<u>BEFORE</u>	<u>AFTER (eff. as of July 1<sup>st</sup>, 2022)</u>
 e-invoice	Companies w/sales 5mioł+, Specific sectors with no sales threshold	Companies w/sales 4mioł*+, Companies in some sectors w/sales 1mio ł+, Specific sectors with no sales threshold
 e-archive	All e-invoice issuers and invoices above 5K and 30K	All e-invoice issuers and invoices above 10K**
 e-ledger	Required to safekeep on in-house server, e-invoice integrator or GiB***	No change
 e-dispatch	Companies w/sales 25mioł+, specific sectors	Companies w/sales 10mioł+, specific sectors
 e-selfemp. invoice	All self-employed professionals (doctors, lawyers, etc.)	No change



Thank you for joining us today

Logo Investor Relations Team

T: +90 262 679 8000

E: [investor@logo.com.tr](mailto:investor@logo.com.tr)