



LOGO

# Q3 2023 Results Presentation

Gölnur Anlaş

Chief Financial Officer

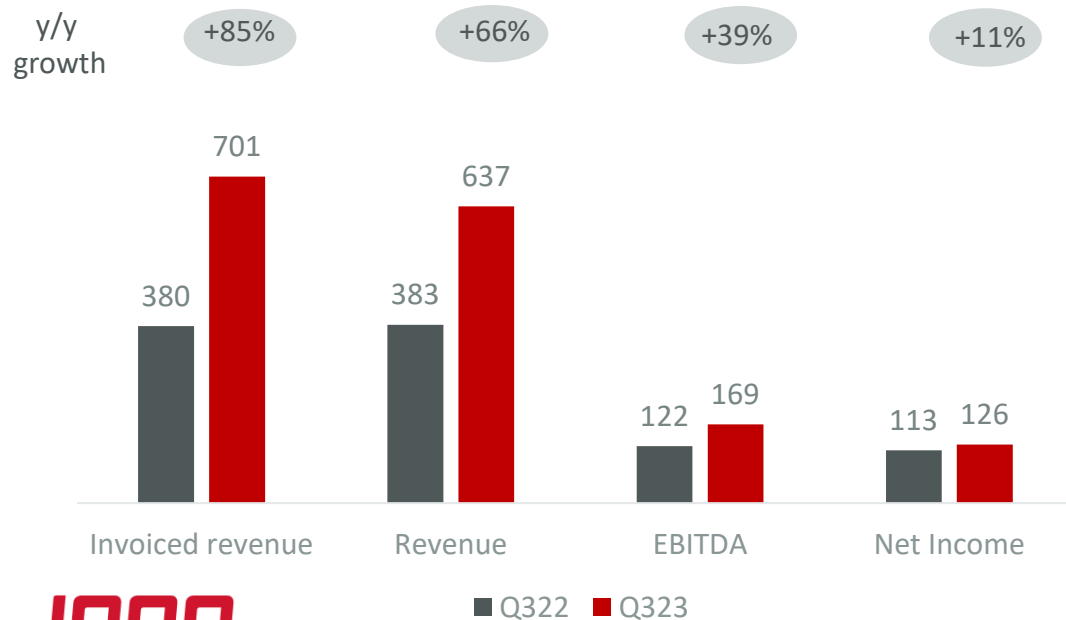
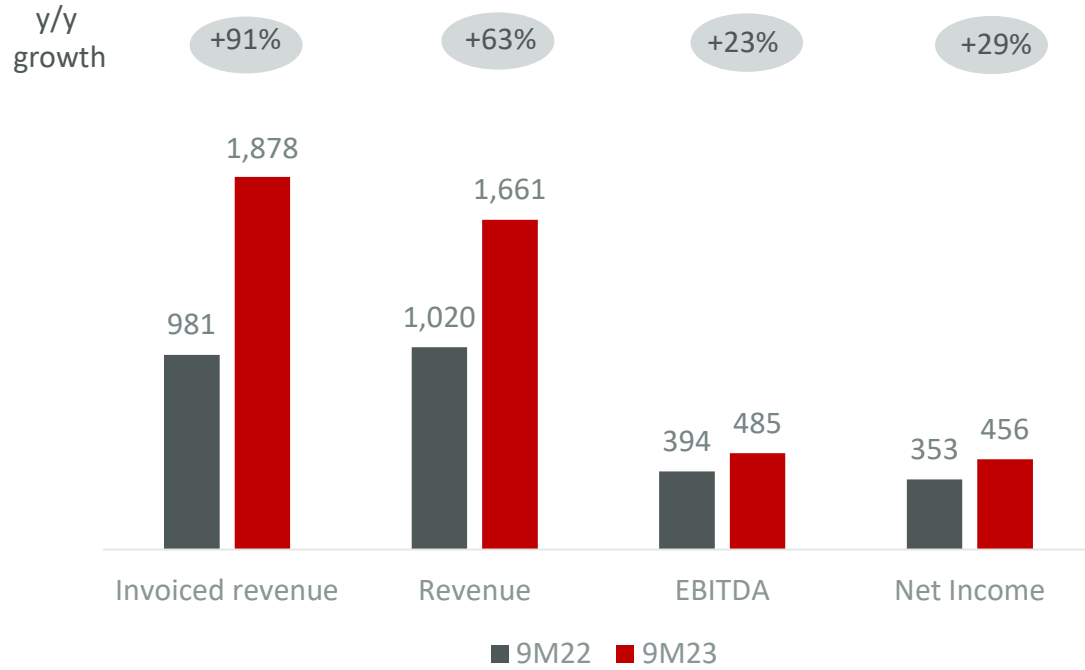
November 1<sup>st</sup>, 2023

# Disclaimer

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# Strong results

## Consolidated (TL mn)



## Strong performance amid challenging market dynamics

### Logo Türkiye

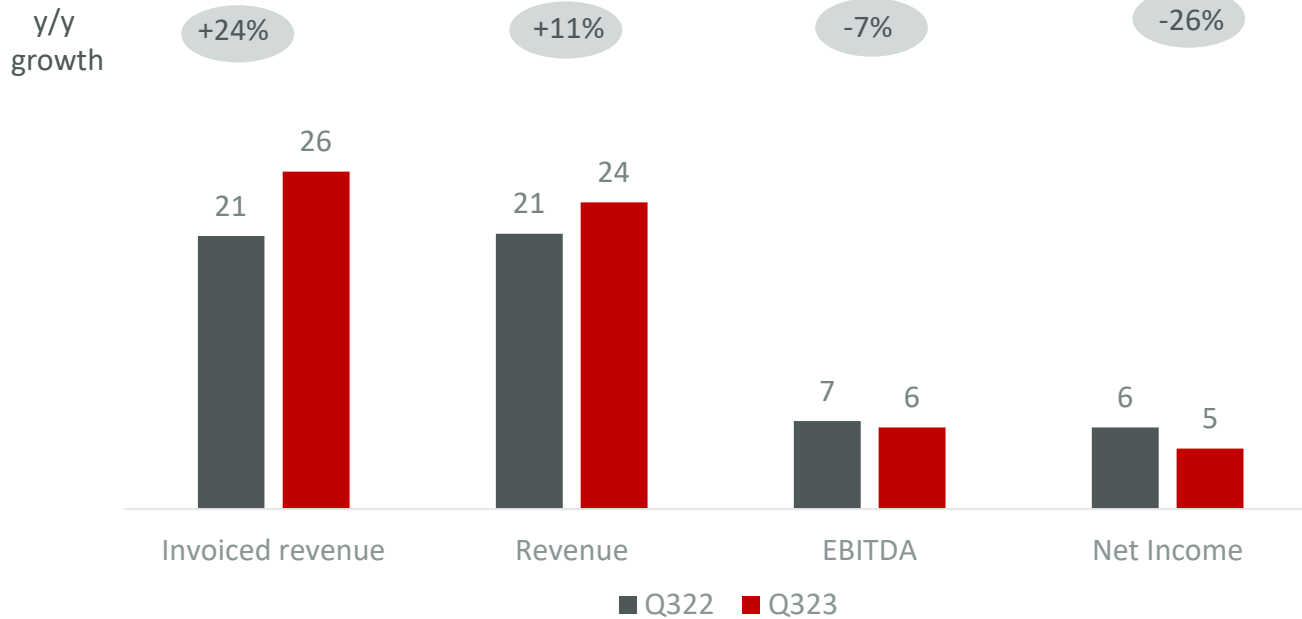
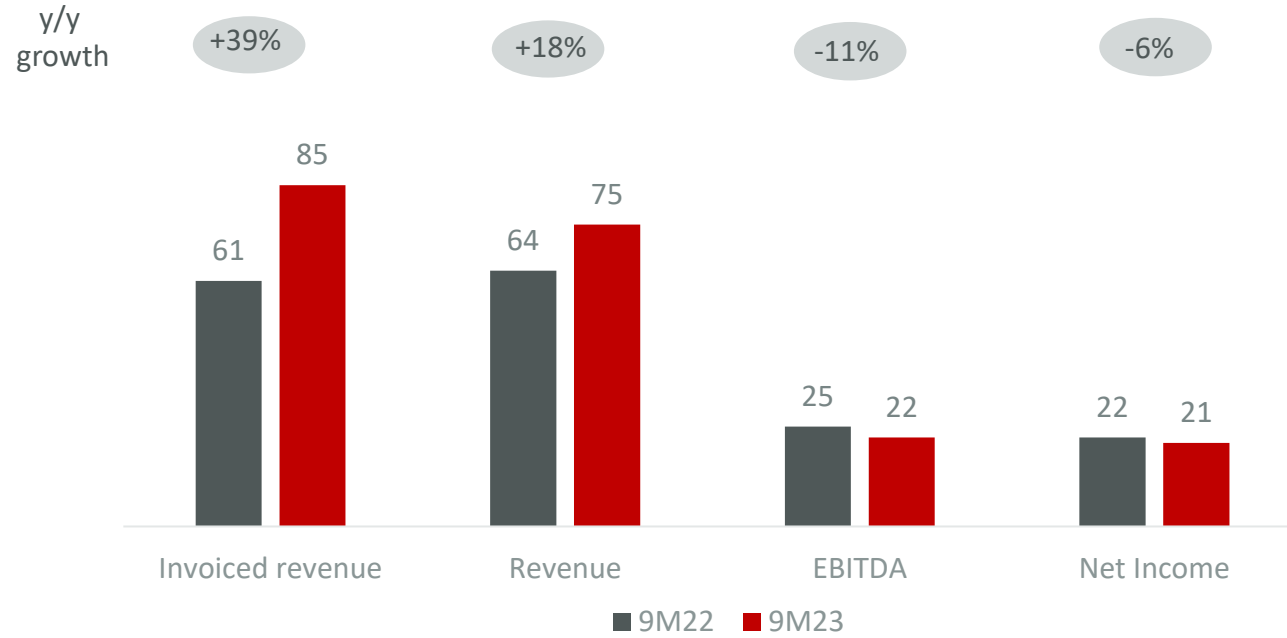
- Another period of success in navigating a volatile macroeconomic landscape
- **Strong real revenue growth** across the board with healthy new customers additions and increased spending from existing customers
- **Continued solid SaaS revenue growth, with increasing MRR in all SaaS segments**
- **Strong and loyal customer base**, ever-growing with healthy new customer additions
- One-off earthquake tax impact in Q1 and corporate tax rate increase's (from 20% to 25%) impact on 9M23 net income is appx. 61 TL mn.

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

- Slow market dynamics continue in Q3 in Romania
- Logo Infosoft achieves traction with consistently increasing monthly subscriptions. Total paying users reached 7,000+. MRR is at \$13K in Sept. 23, with 67% average monthly growth rate in the last six months

# USD based figures

## Consolidated (USD mn)



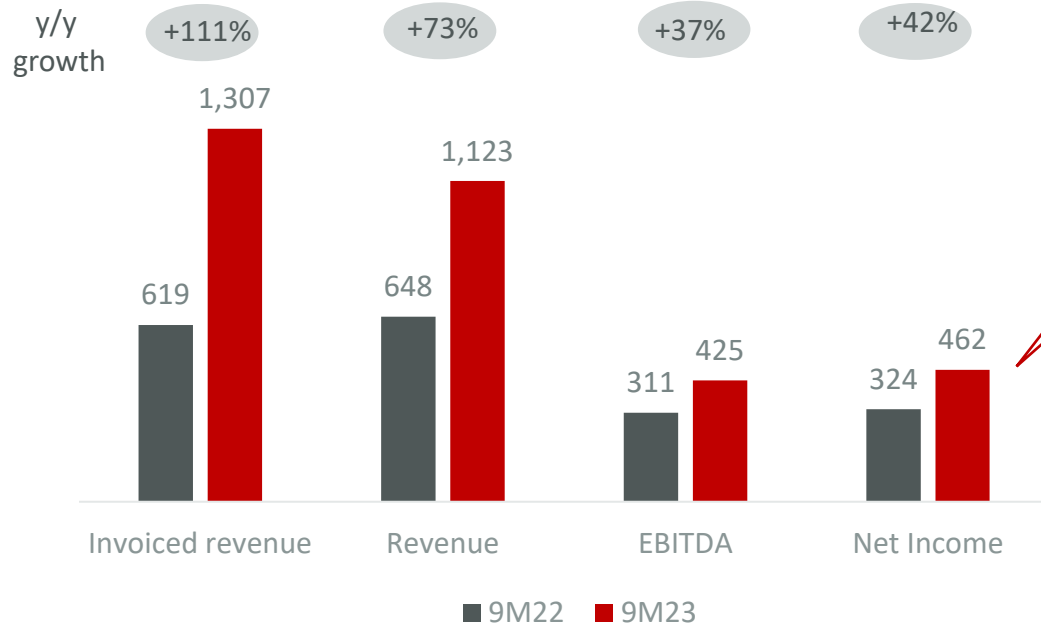
In USD terms in 9M23;

- Türkiye's invoiced revenue grew by 54% and IFRS revenue grew by 25% y/y.
- Total Soft's invoiced revenue grew by 13% and IFRS revenue grew by 5% y/y.
- EBITDA declined by 2.7 mn USD mainly due to softer demand at Total Soft

# Logo Türkiye: Resilient performance

## Logo Türkiye

TL mn

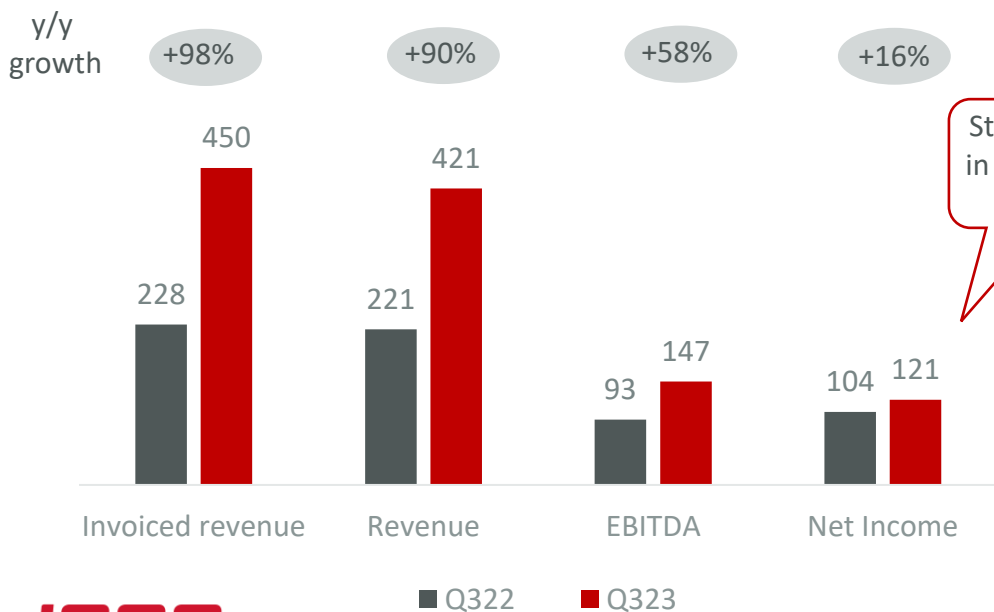
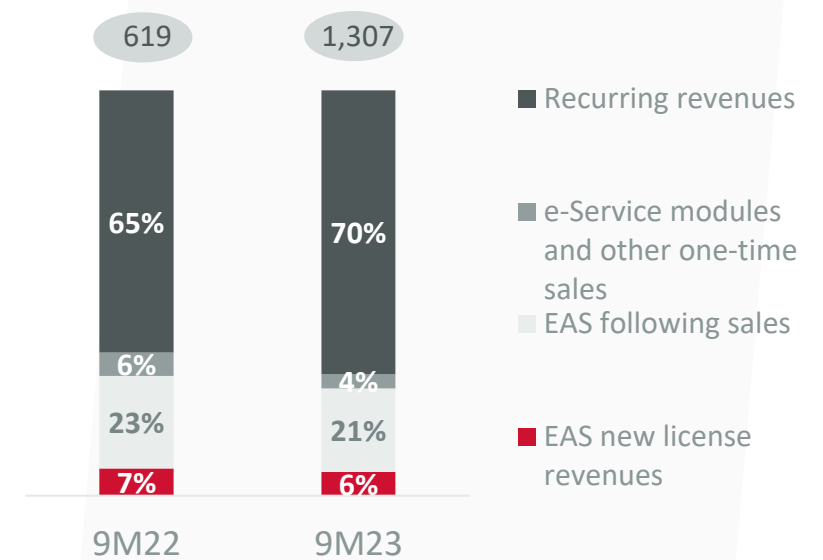


Strong growth despite one-off earthquake tax expense impact from Q1 and higher tax rates

## Logo Türkiye

Invoiced revenues breakdown

TL mn



Strong growth in net financial income

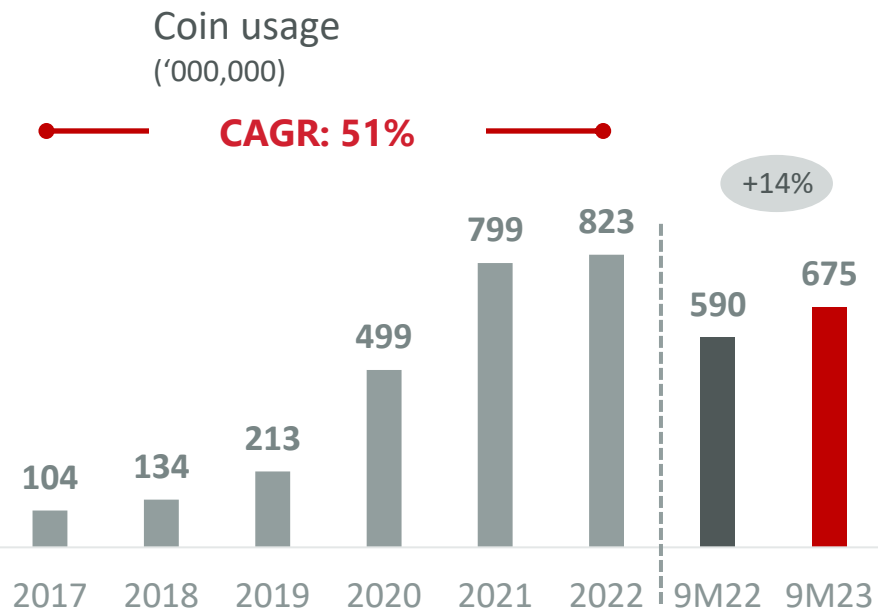
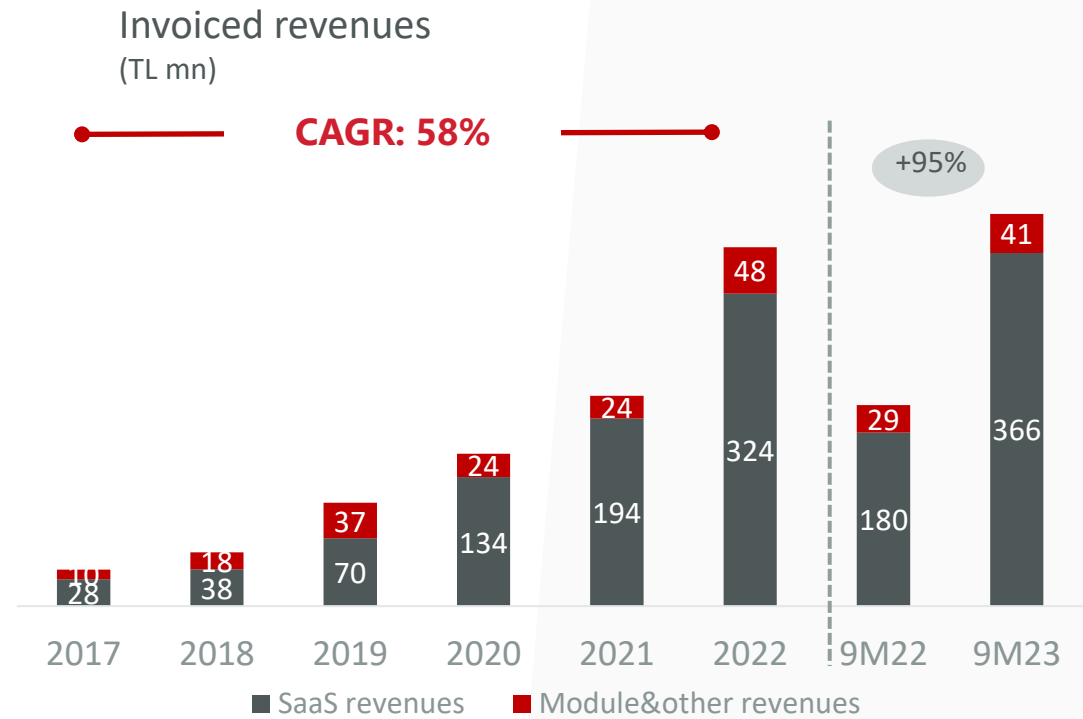
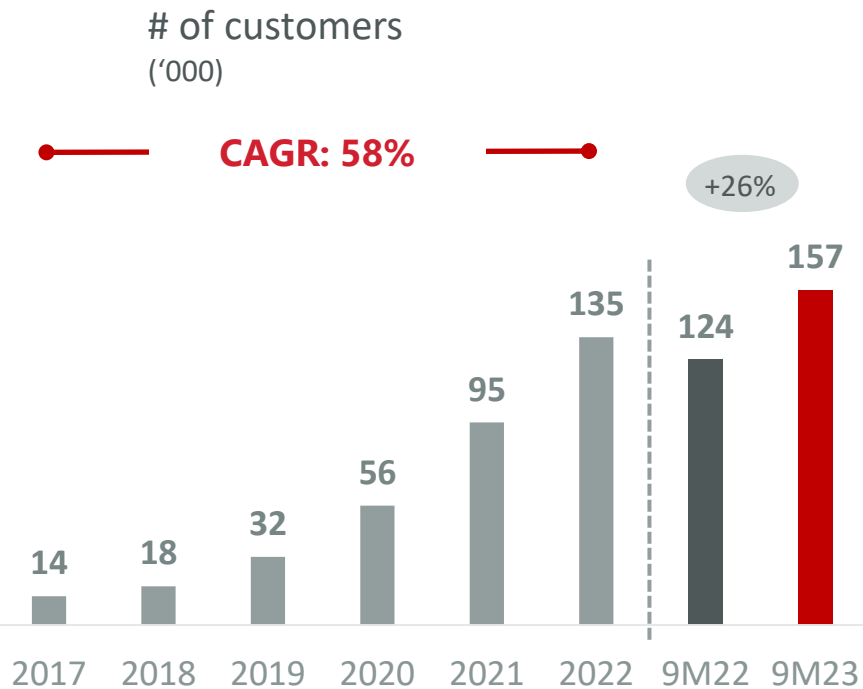
- **Strong** invoiced and IFRS revenue growth
- Higher net deferrals due to relatively longer average coin usage period under e-Services SaaS revenues
- EBITDA up by 37% yielding 38% margin in 9M23
- **Recurring** revenue up by **128%**
- One-time revenue growth driven by **new license sales, up by 83%**, and **following sales, (modules, user increments, upgrades) up by 91%**.
- **New customer acquisition** in EAS and e-Services remained at a healthy level of 8 thousand
- **SaaS** revenue growth is on track with **111% y/y growth**



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

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

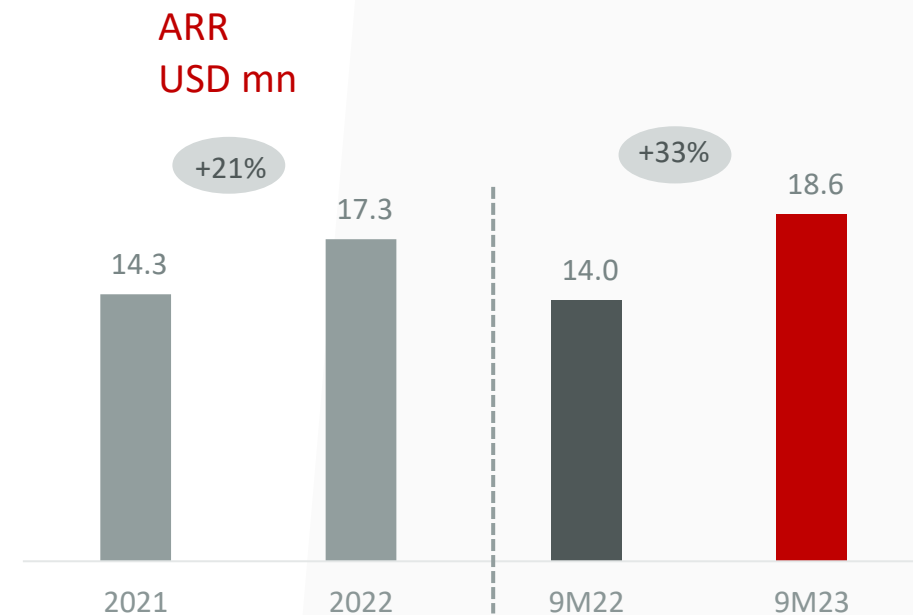
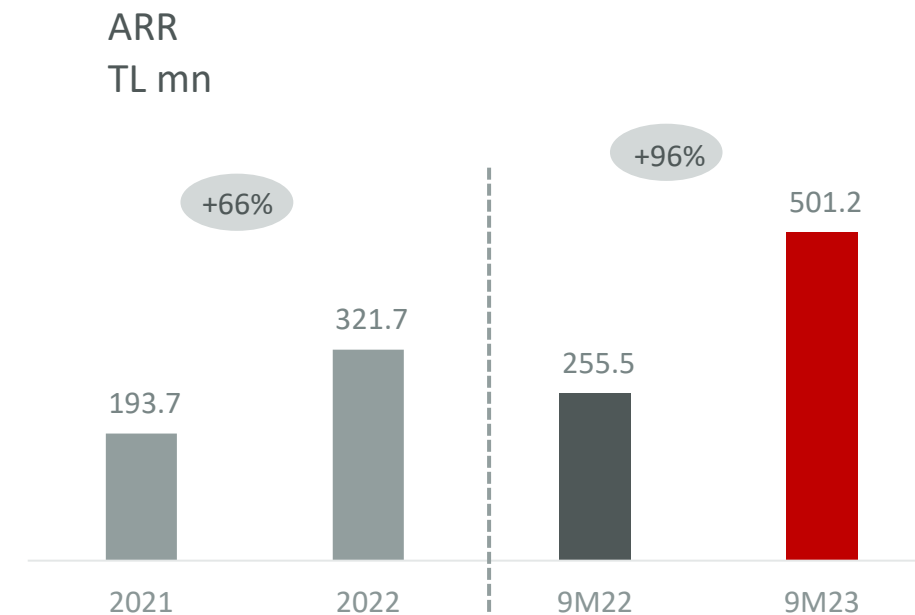
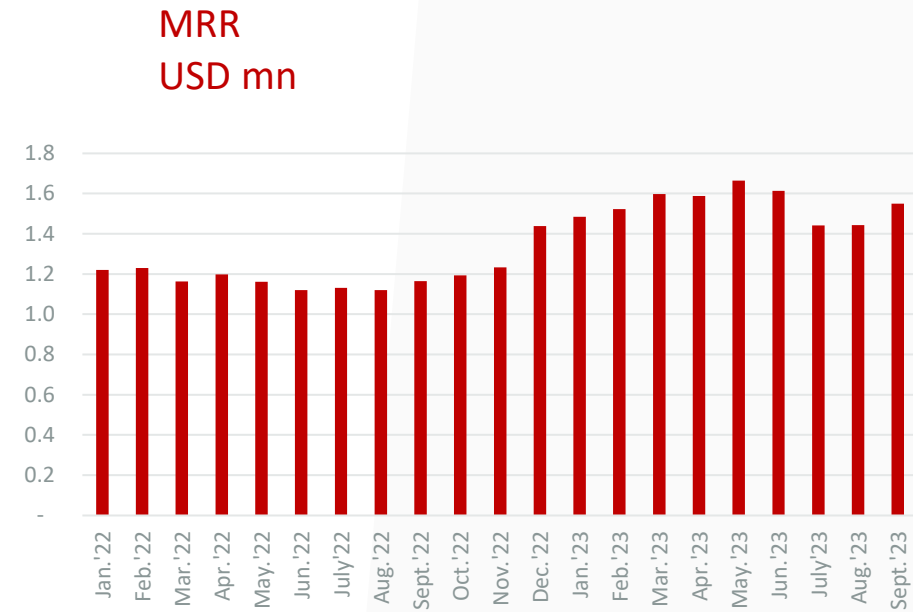
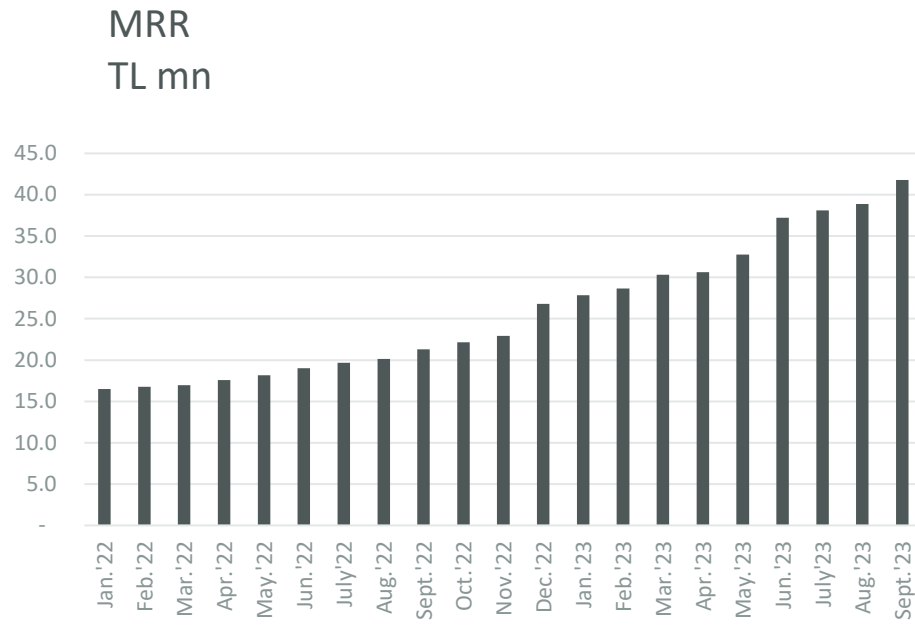
Market leader in e-government solutions; e-Invoice, e-Archive, e-Ledger, e-Dispatch with 157K customers



- **Active customers** reached 157 thousand with **26% y/y** growth
- **SaaS revenue** (mainly coins) growth of 104% y/y with 5yr **CAGR of 63%**.
- **SaaS revenue's** 90% 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 187% y/y growth in revenues, and comprised 1.4% of eLogo's invoiced revenues in 9M23

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

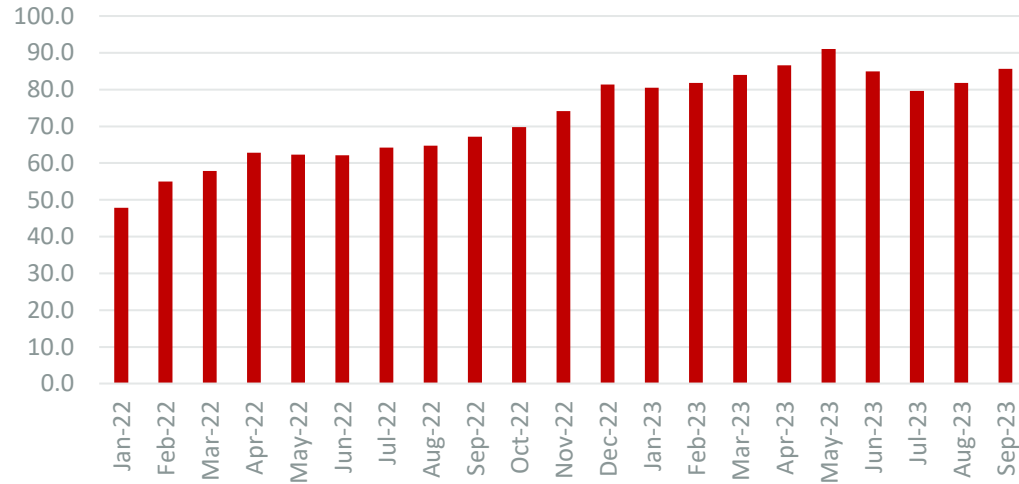
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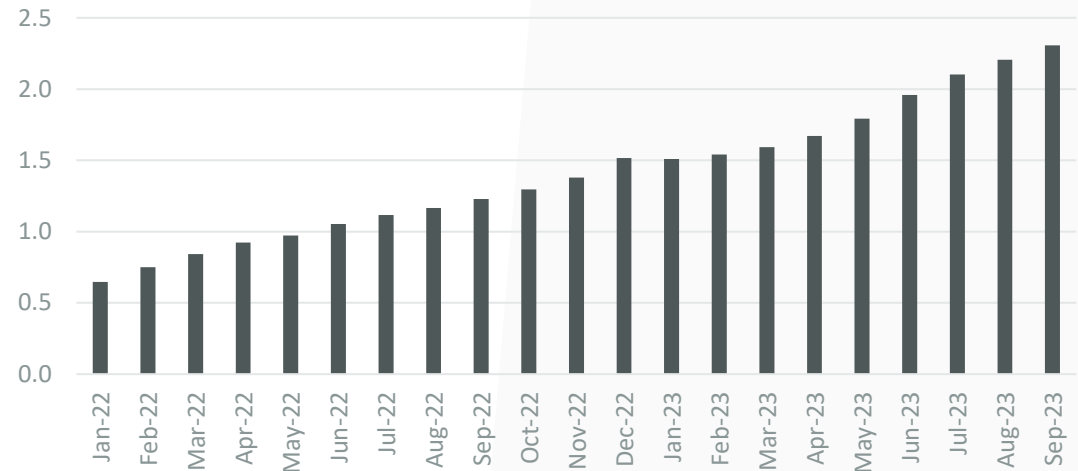
# Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering basic accounting software and e-invoicing services

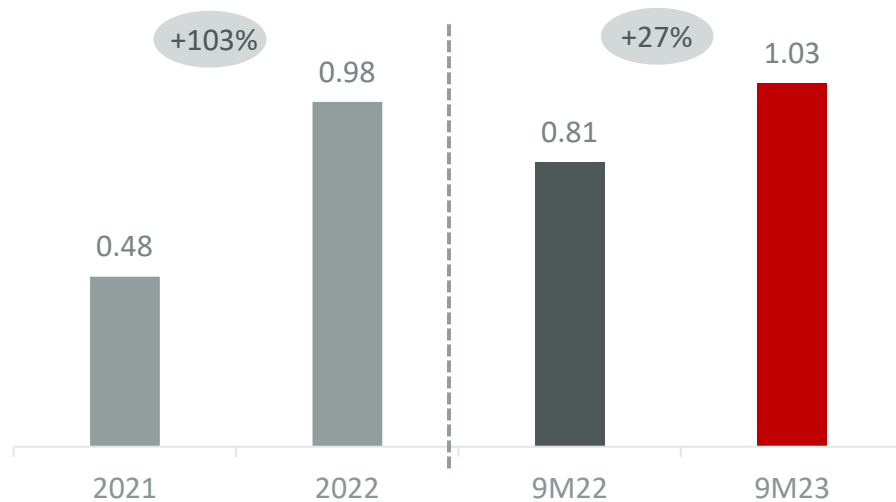
MRR  
USD '000



MRR  
TL mn



ARR  
USD mn



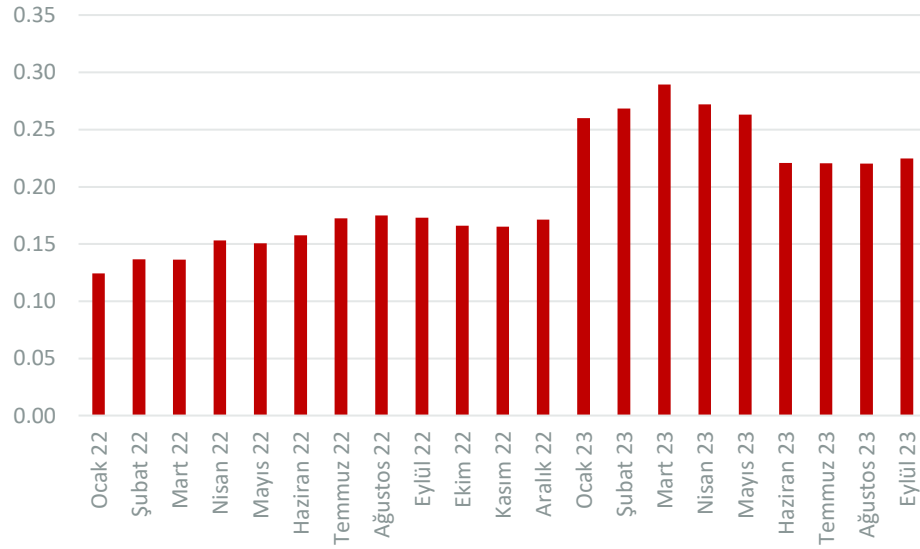
- Total users reached 51 thousand.
- Organic users grew by 38% y/y.
- ARPU\* is at 544 TL (~\$20)
- LTV/CAC\*\* is 9



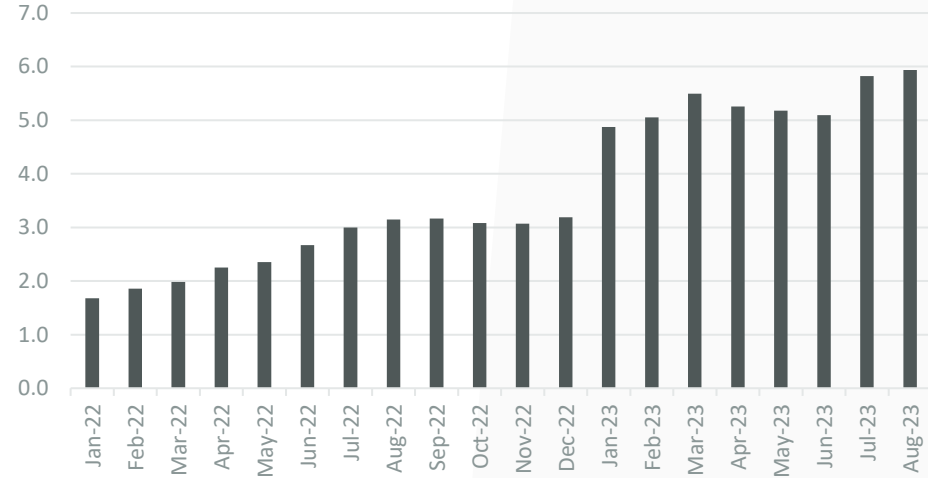
# Logo Diva Retail

SaaS solutions for reliable and sustainable retail operations: a new generation CX in retail

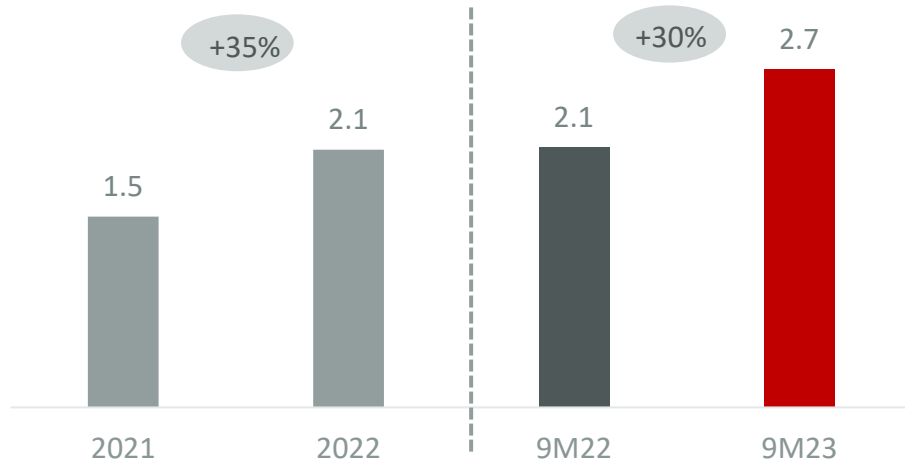
MRR  
USD mn



MRR  
TL mn



ARR  
USD mn

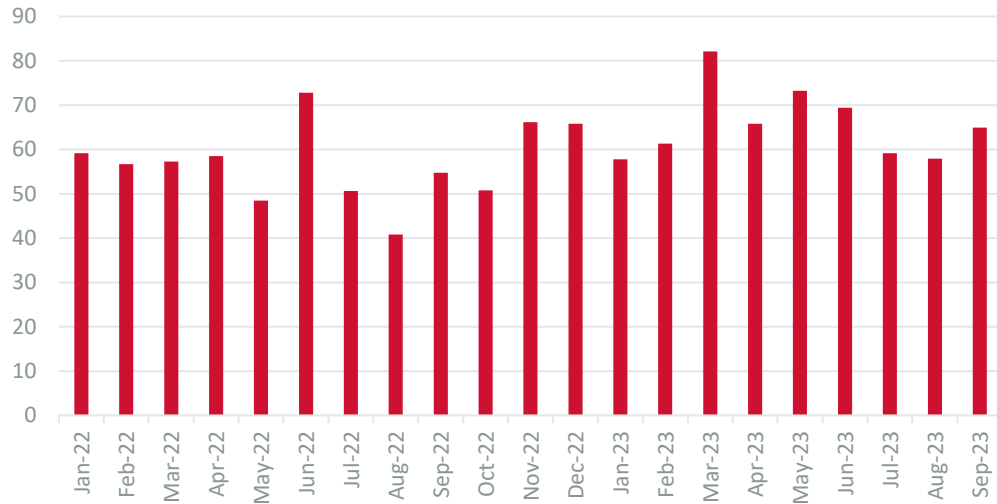


- **Total customers** reached 131, with 9,5K user locations.
- **ARPU\*\*** is at 7,7 TL thousand (~\$285)

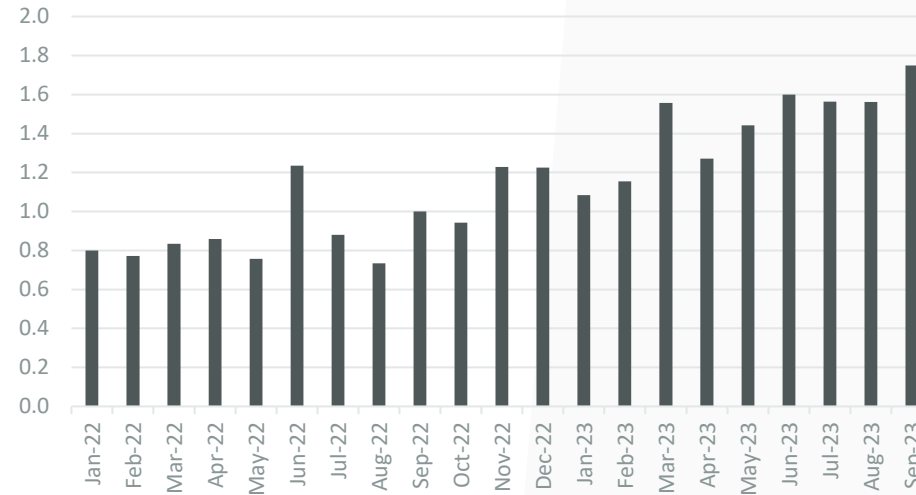
# Peoplise

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

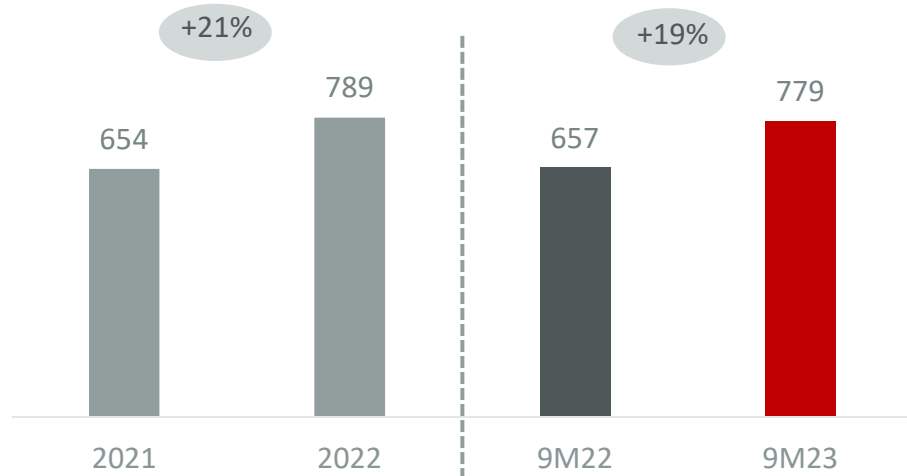
MRR  
USD '000



MRR  
TL mn



ARR  
USD '000



- **Total customers** reached 153.
- **ARPU** is at 137 TL thousand (~\$5K)
- 7 out of 10 most powerful brands\* in Türkiye use Peoplise's solutions.

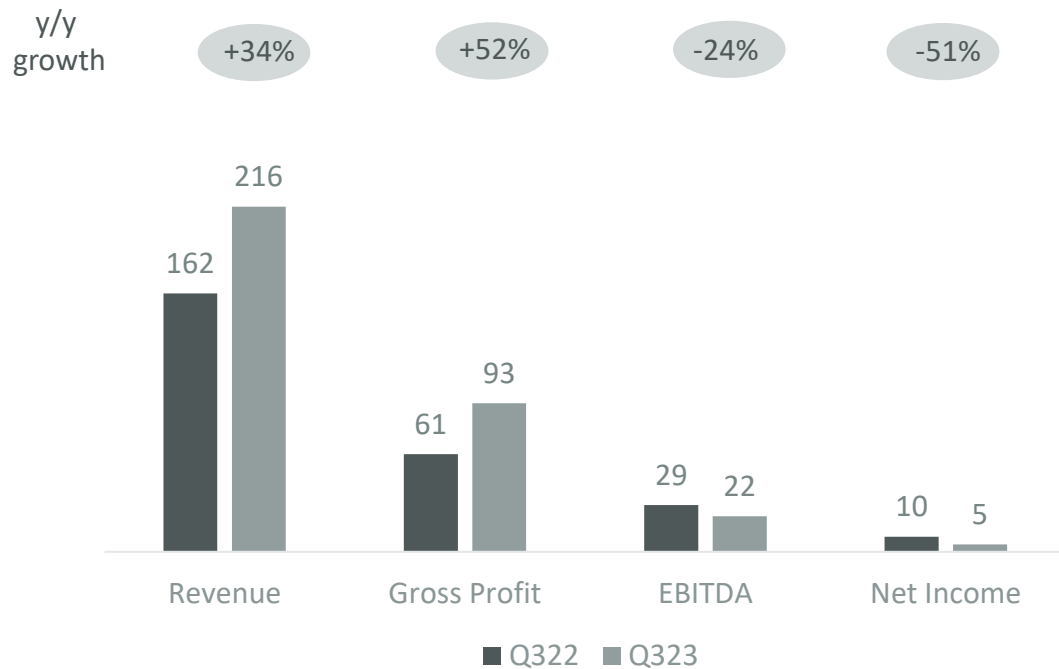
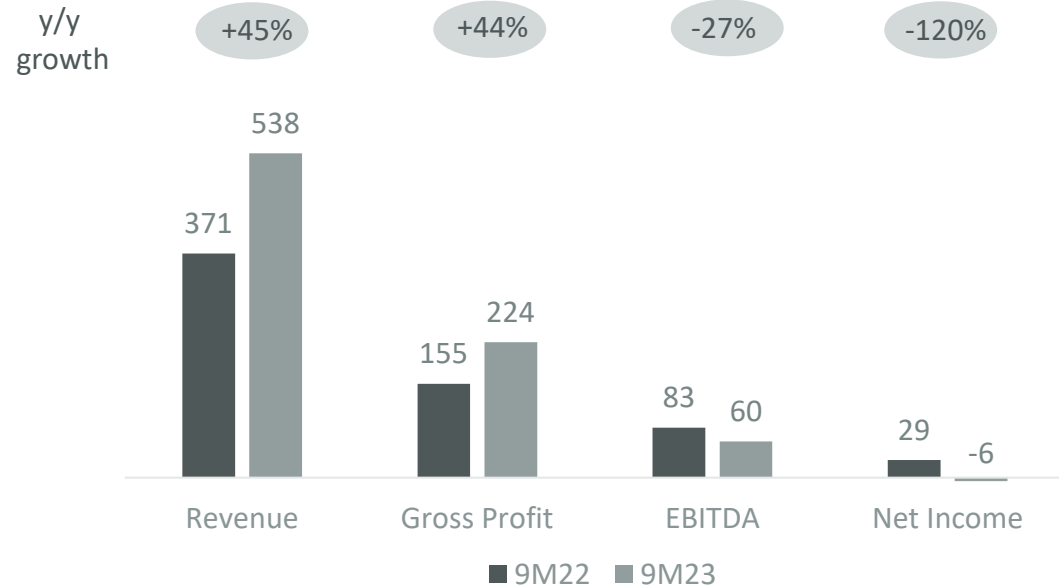


\* 10 most powerful brands according to Brand Finance Turkey 100 2023 report dated June 2023.  
MRR = Monthly recurring revenues. ARR (Annual run rate) = MRR x 12.  
ARPU = ARR / # of customers at the end of the period.

# Total Soft

## Total Soft

TL mn

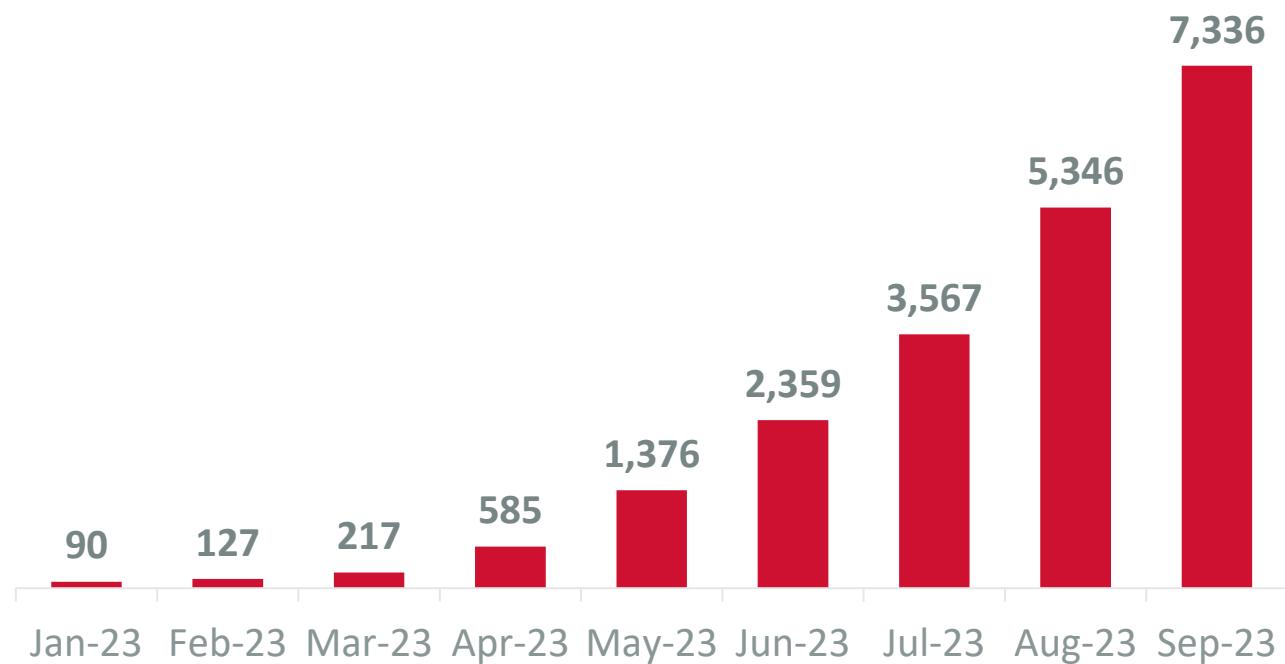


- Euro revenue growth at 3% y/y
- New project additions continue to be slow due to challenging market conditions
- Gross margin and EBITDA margin below expectations due to lower than expected new revenue signings in 9M.
- Net loss due to softer operational profitability, and higher net financial expenses impacted by higher interest rates

# Logo CaptainBiz: Saas solution for MicroSMEs in India

Pre-accounting and e-invoicing services with in-built GSTN compliance

# of paying users



MRR\*: 13K USD  
ARR\*: 159K USD

ARPU\*\*: 22 USD

- Ready-to-use software
  - User-friendly design
  - Mobile accessibility
- Effortless digitalization experience

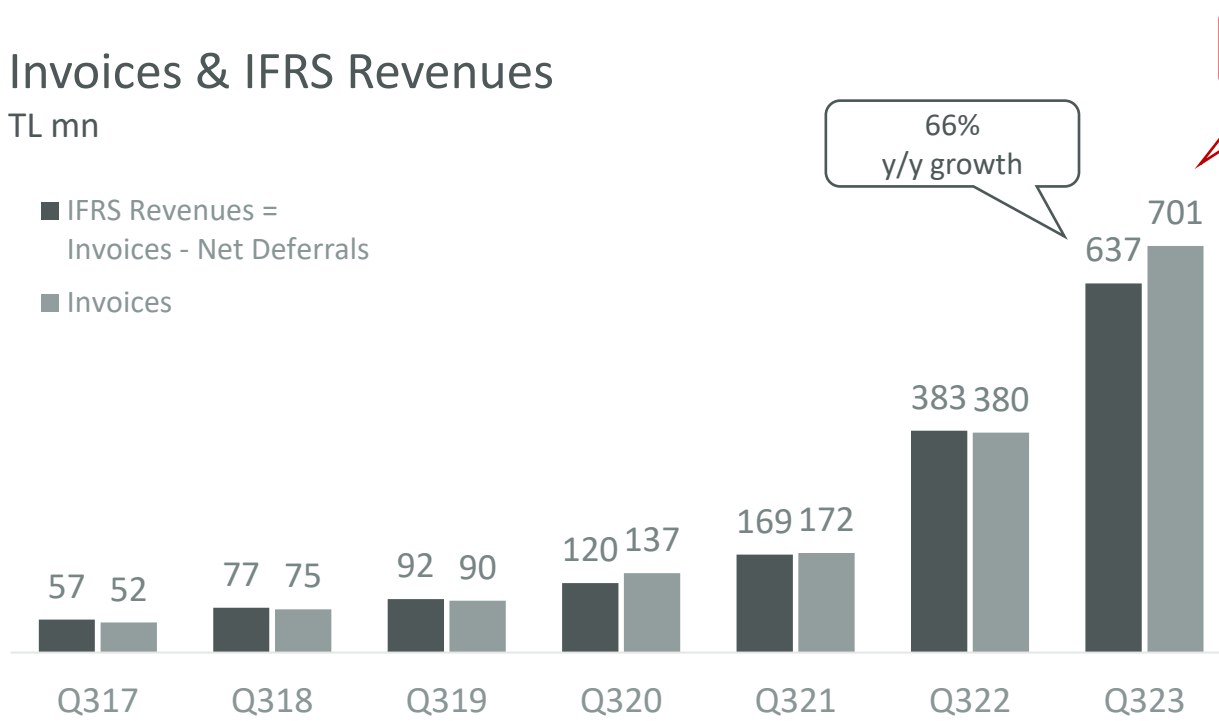
# Invoiced Revenue vs IFRS Revenue

Consolidated

## Invoices & IFRS Revenues

TL mn

■ IFRS Revenues =  
Invoices - Net Deferrals  
■ Invoices



## Invoices

TL mn

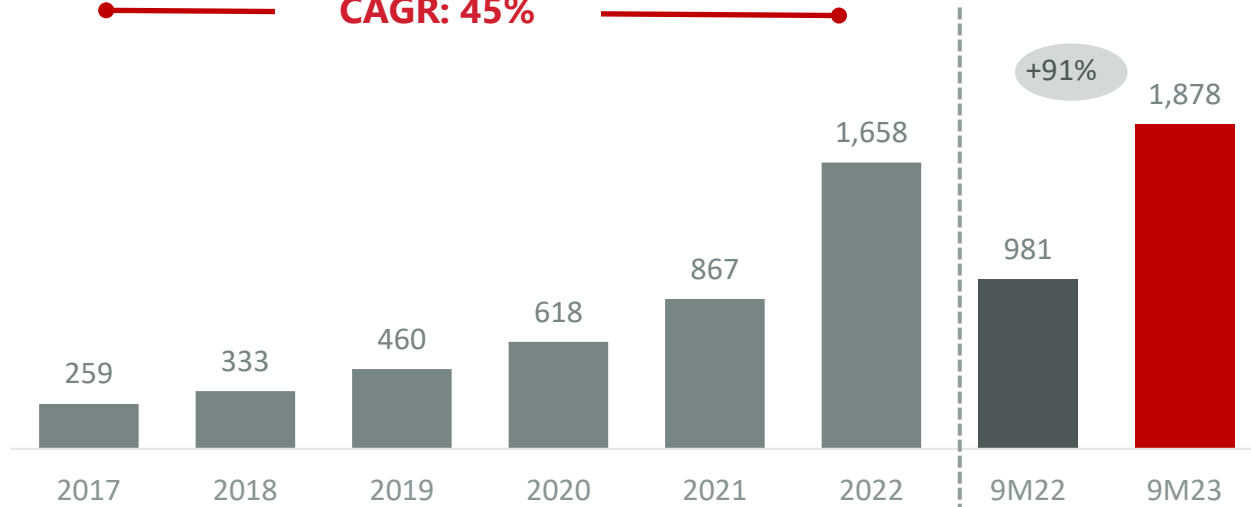
Total Soft,  
251



## Invoiced revenues

TL mn

**CAGR: 45%**



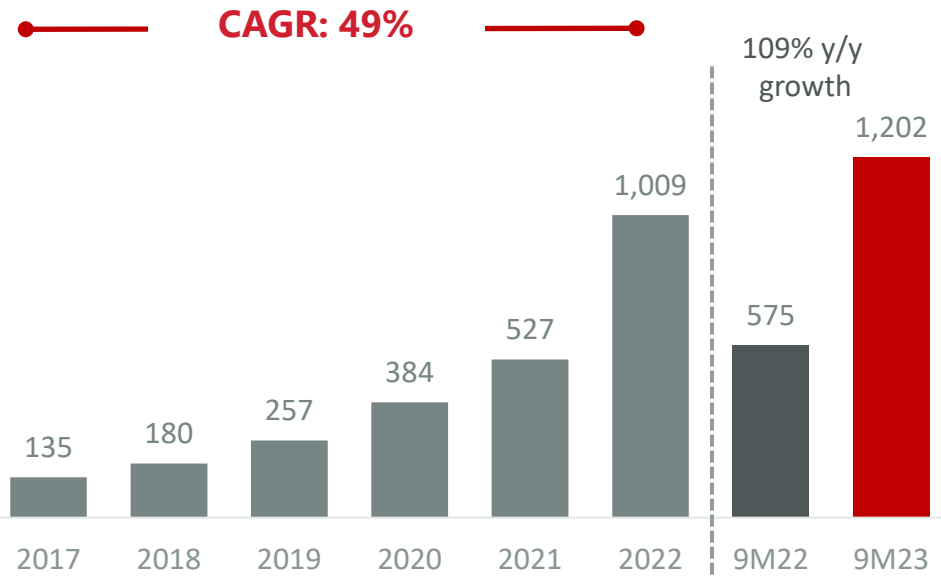
- Net deferrals is higher compared to Q322 due to relatively longer coin usage period
- Coin sales collected up front and related expenses are recorded in the current period; whereas, IFRS revenues are deferred to coming quarters

# Recurring Revenue Growth Ensuring Predictability

Sustainable revenue growth supported by SaaS transition

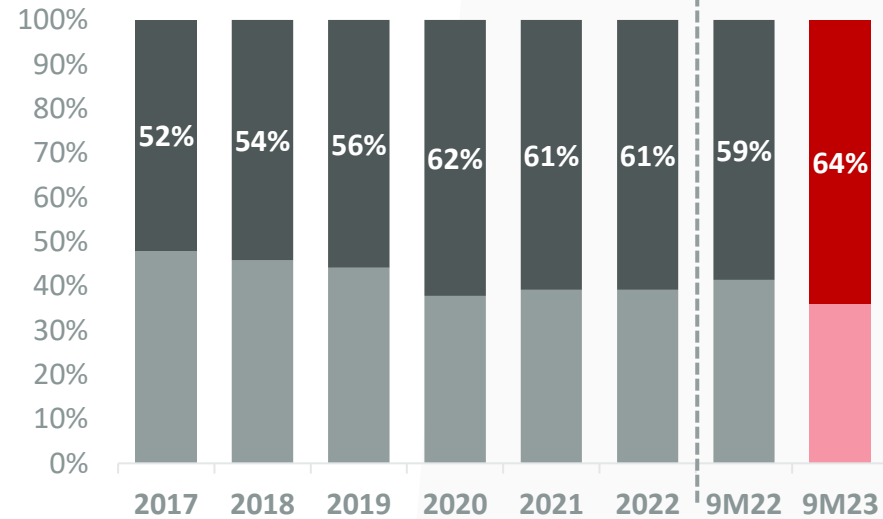
## Recurring Invoices

TL mn



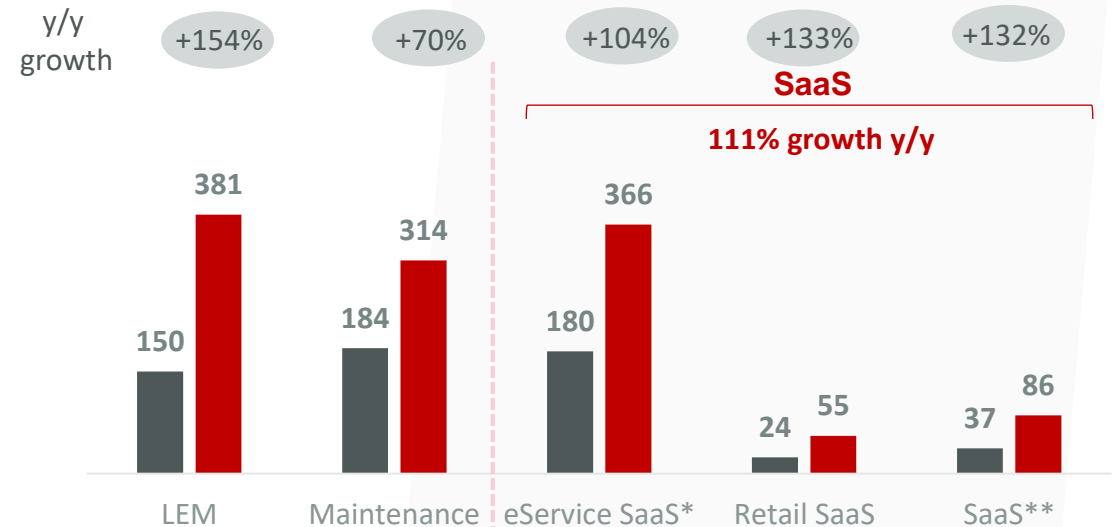
## Recurring Invoices/Invoices

%



## Recurring Invoices

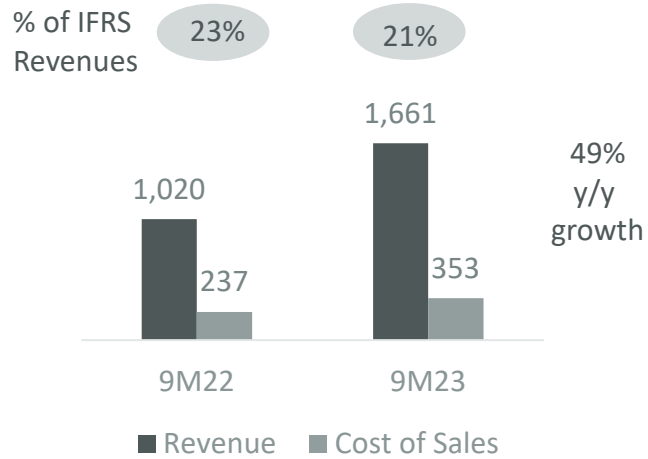
TL mn



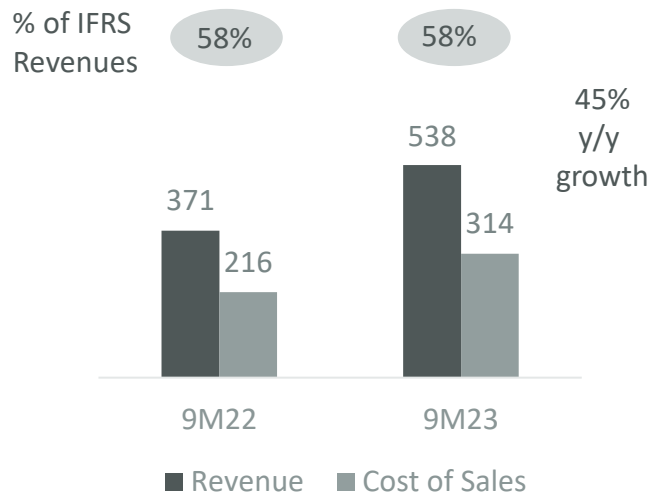
- **Recurring revenues** up by 109% y/y, and has 64% share in total invoiced revenue
- SaaS revenues include eService's coin revenues, Retail SaaS, İşbaşı, Peoplise and other SaaS sales from Türkiye and Romania
- SaaS revenues' grew by 111% y/y in 9M
- **SaaS revenues** recorded **5-year-CAGR of 64%**, share in total revenues reached 27% in 9M23 from 14% in 2017

# Cost of Sales

## Consolidated TL mn

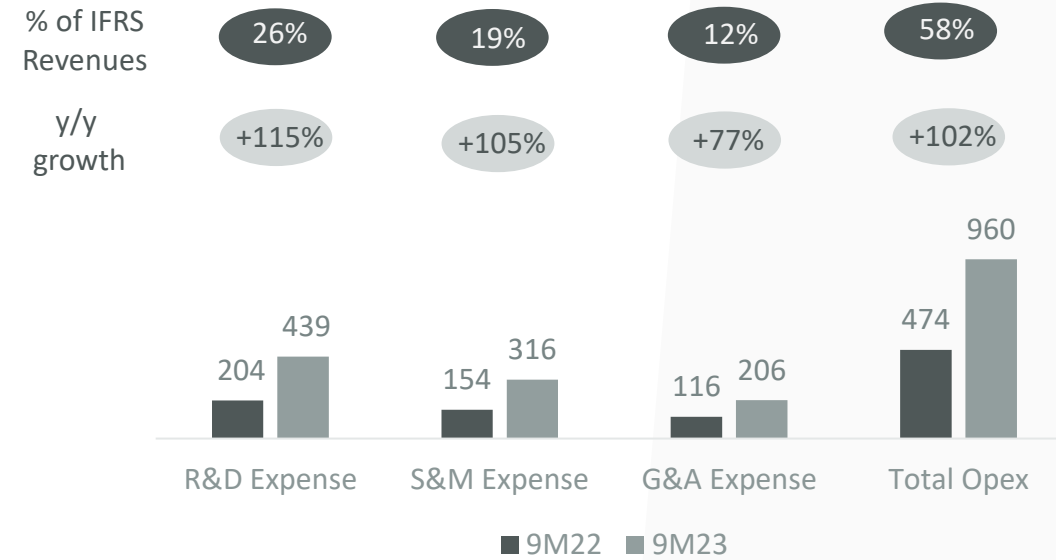


## Total Soft TL mn

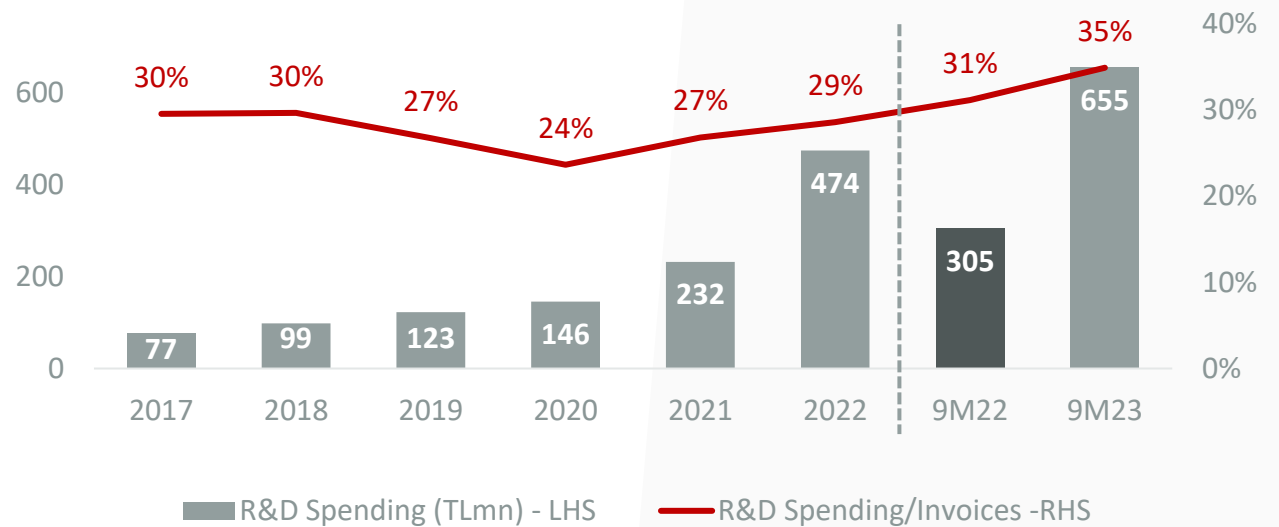


# Operating Expenses

## Consolidated TL mn



# Dedicated Investment in Technology



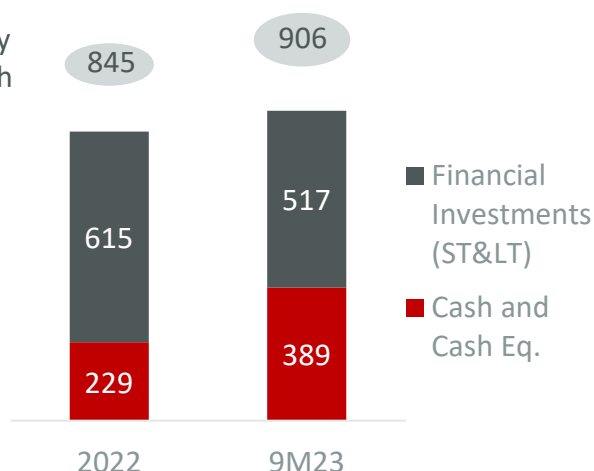
# Effective financial management and strong balance sheet

Consolidated

## High liquidity

TL mn

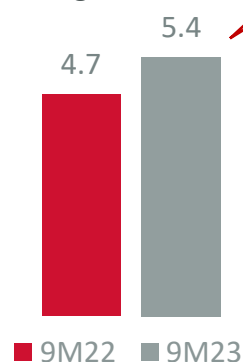
7% y/y growth



## EPS\* (LTM)

TL

17% y/y growth

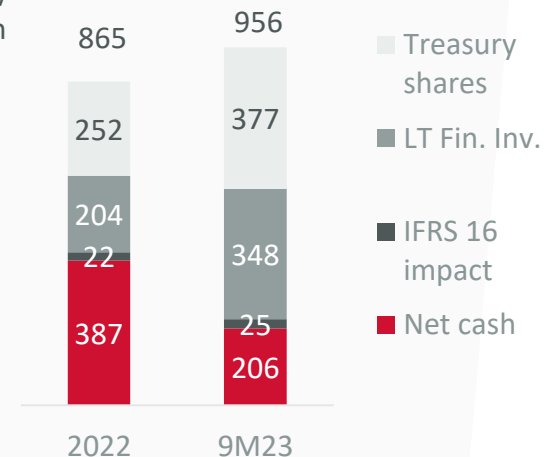


Strong growth despite one-off tax impact in Q123

## Adj. net cash

TL mn

11% y/y growth



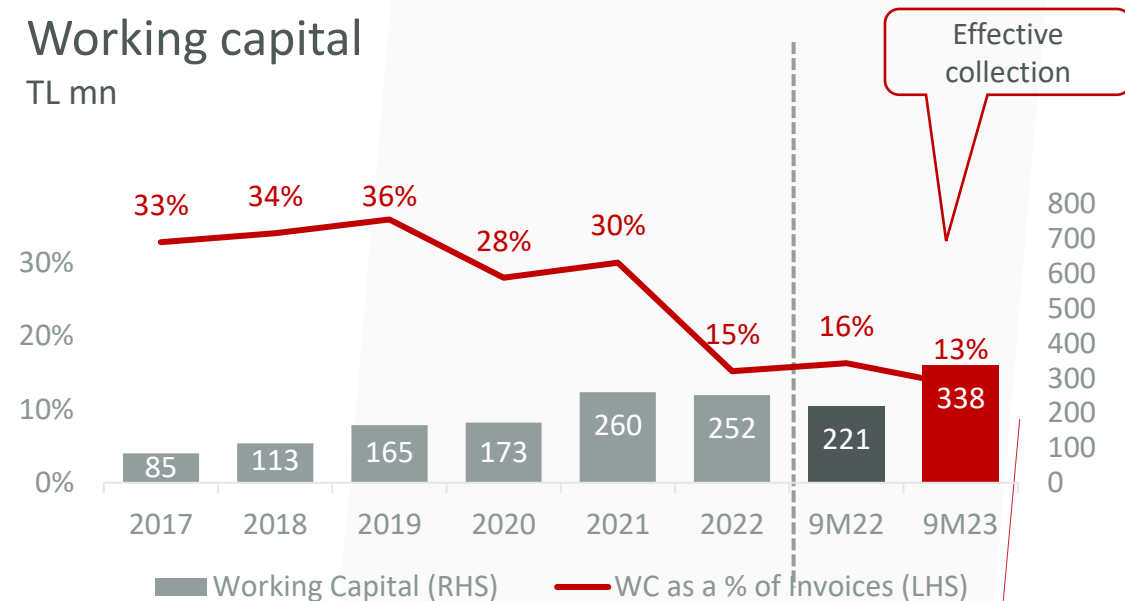
## Balance sheet highlights

TL mn

	2022	9M23	Δ
Cash & Cash Eq.	229.2	389.1	70%
Trade Receivables	387.4	449.8	16%
Tangible Assets	46.5	99.5	114%
Intangible Assets*	1,102.8	1,701.0	54%
Other Assets	900.9	942.3	5%
<b>Total Assets</b>	<b>2,666.9</b>	<b>3,581.7</b>	<b>34%</b>
Total Liabilities	1,468.0	1,950.9	33%
Total Shareholders' Equity	1,198.8	1,630.8	36%
<b>Total Liabilities and Equity</b>	<b>2,666.9</b>	<b>3,581.7</b>	<b>34%</b>
Shareholders Equity Ratio	0.45	0.46	1%
Current Ratio	0.91	0.70	-23%

## Working capital

TL mn



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

\*Adjusted by 4.69% (9M22: 3.61%) treasury shares.

\*\*Includes goodwill.





# Questions & Answers

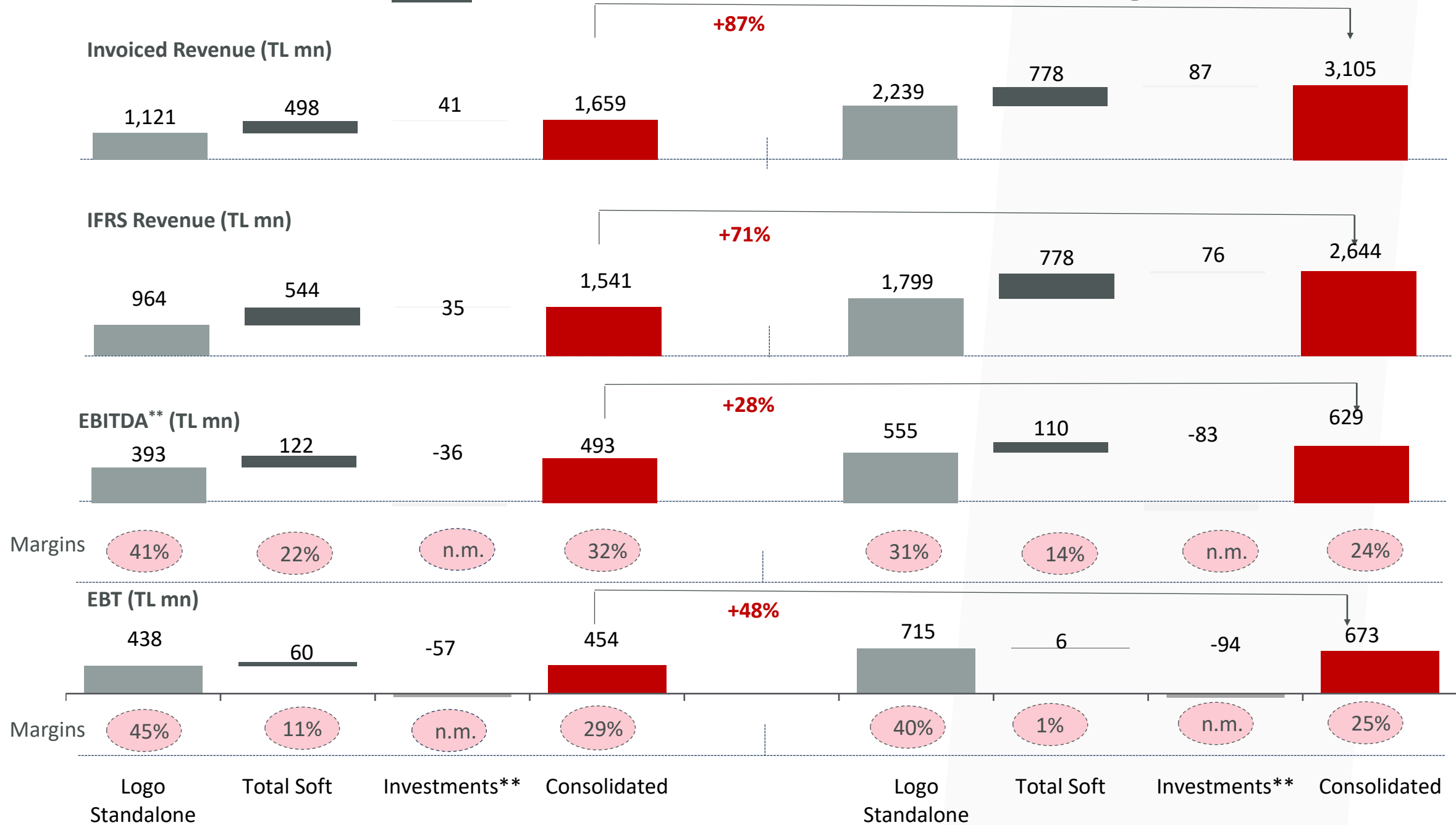


# Appendix

# Revised guidance

**2022**

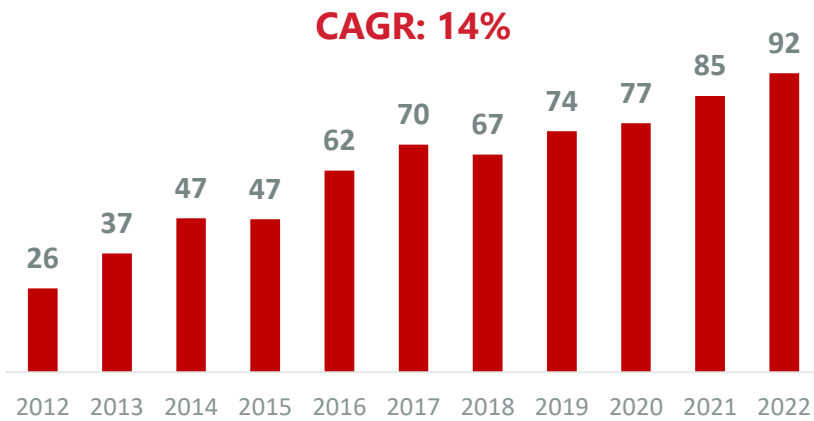
**2023 revised guidance**



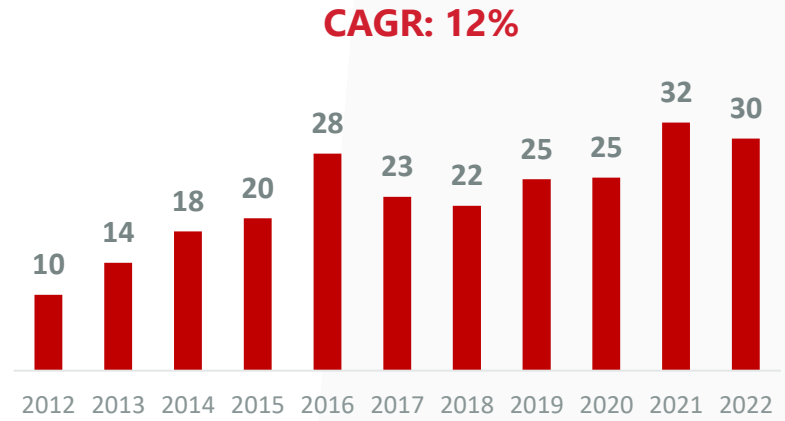
# Sustainable and profitable growth

Consolidated

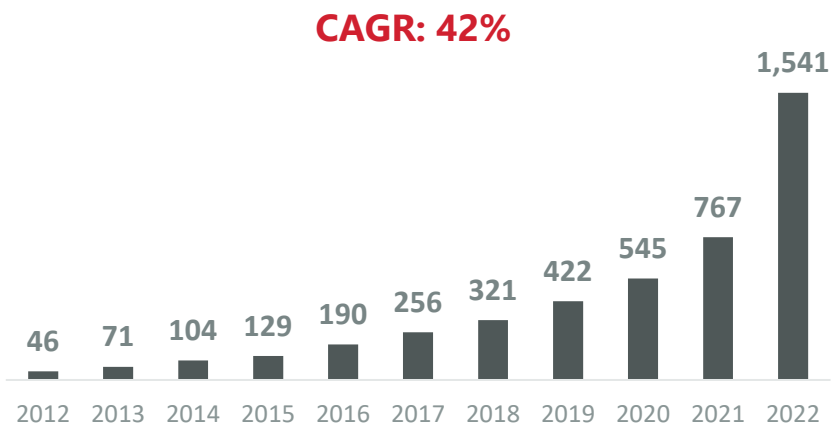
Revenues  
USD mn



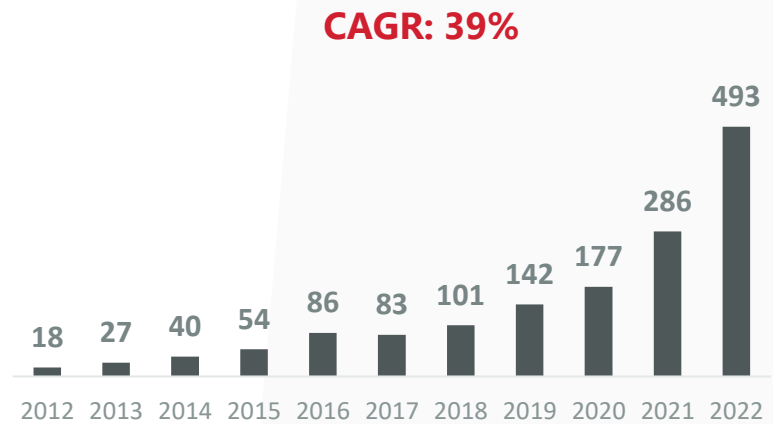
EBITDA  
USD mn



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 5mio₺+, Specific sectors with no sales threshold	Companies w/sales 4mio₺*+, Companies in some sectors w/sales 1mio₺+, 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 25mio₺+, specific sectors	Companies w/sales 10mio₺+, specific sectors
 e-selfemp. invoice	All self-employed professionals (doctors, lawyers, etc.)	No change



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