

AGCO

AGCO EMFM Virtual Investor Conference Presentation

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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.

Logo at a glance



Enterprise
Application
Software (EAS)
Company



Local leader
in Turkey and
Romania



Active in
India
through a JV



41%
IFRS revenue
CAGR
in 2009-2019



422 mn TL
2019
revenues



56%
Recurring
revenue base



Growing SaaS
business



Dedicated
R&D spending



1.200+
employees



44%
women
employees



5.000+
people in
ecosystem



90.000+
active
customers

Key investment highlights



Solid growth



Leading provider of EAS solutions



High profitability



Extensive product suite



Latest technology



Largest business partner network in Turkey / 800+

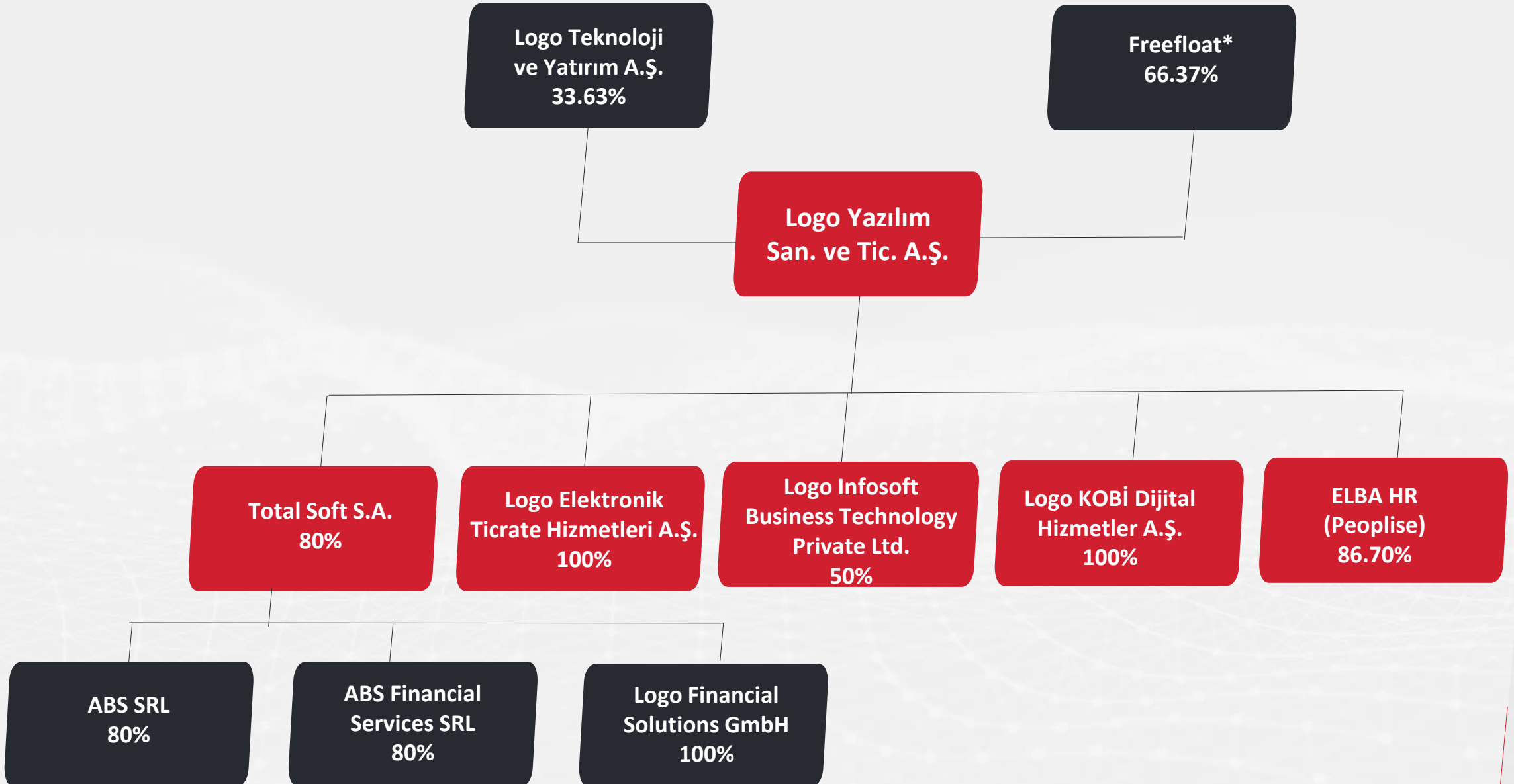
International expansion in emerging markets



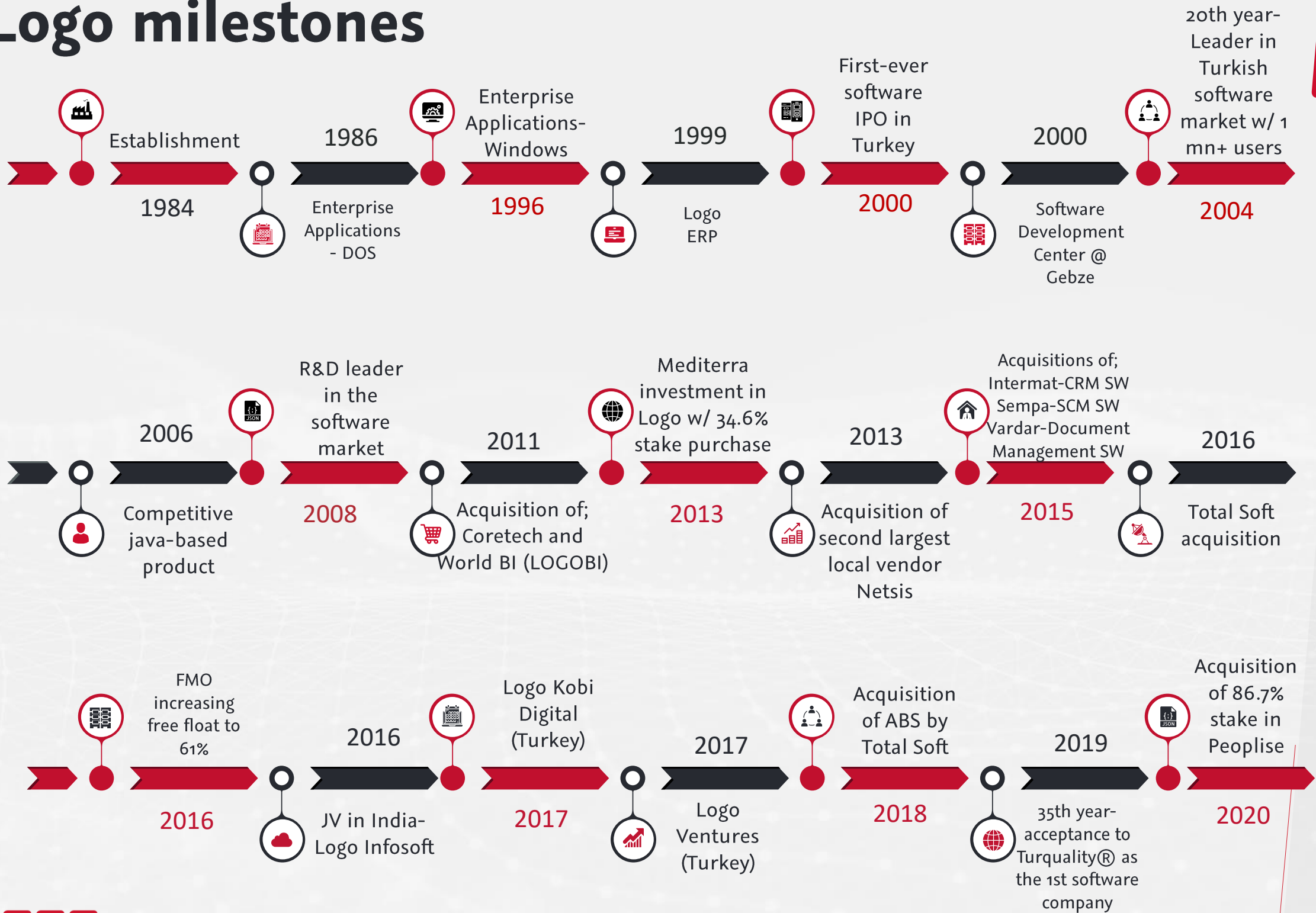
Most valuable IT brand*



Shareholder structure

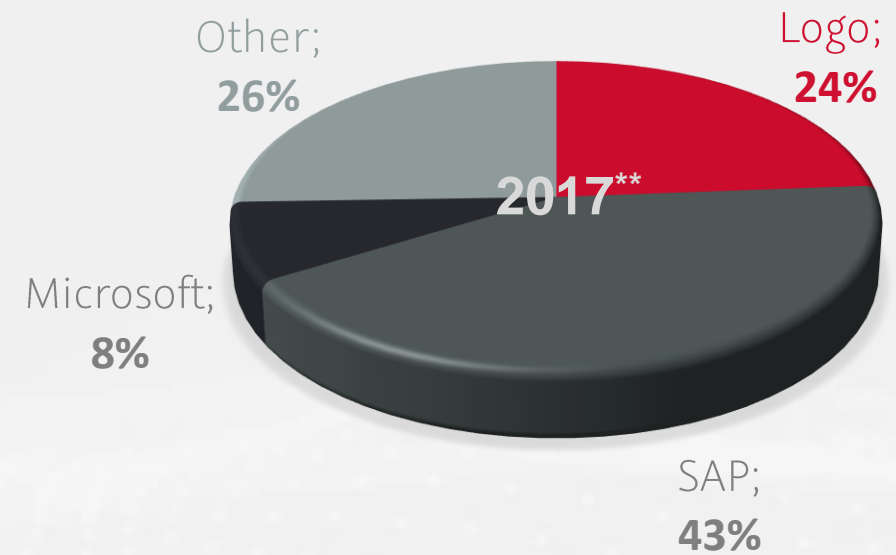
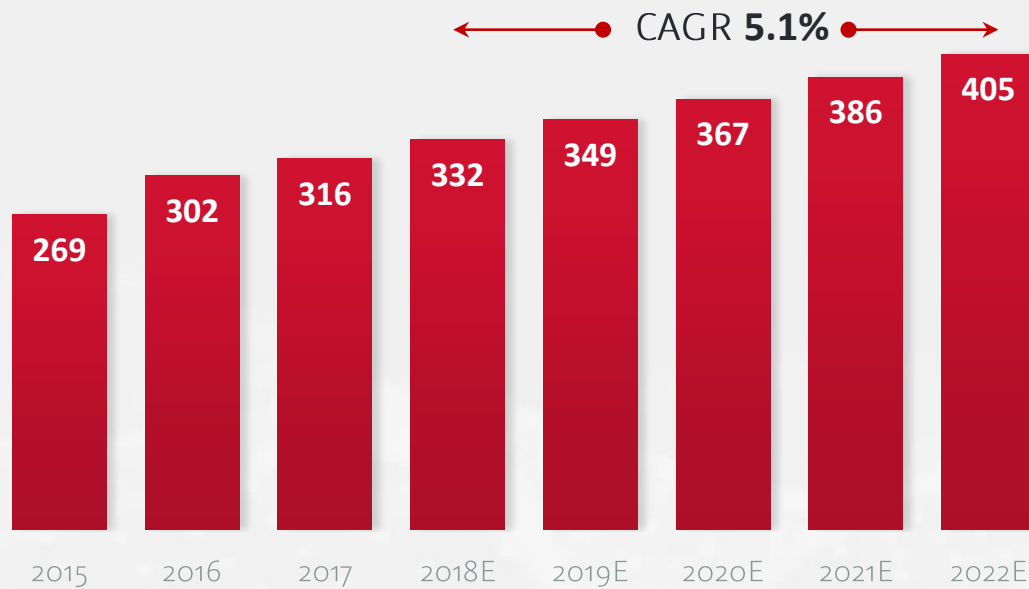


Logo milestones



Turkish EAS market and Logo market share

Turkish EAS market is expected to have robust growth* (\$mn)



SMEs lead software market growth



Government push for digitalisation



Lower ERP penetration compared to EU



Enterprise cloud adoption will be on the rise and big data will be one of the fastest growing fields

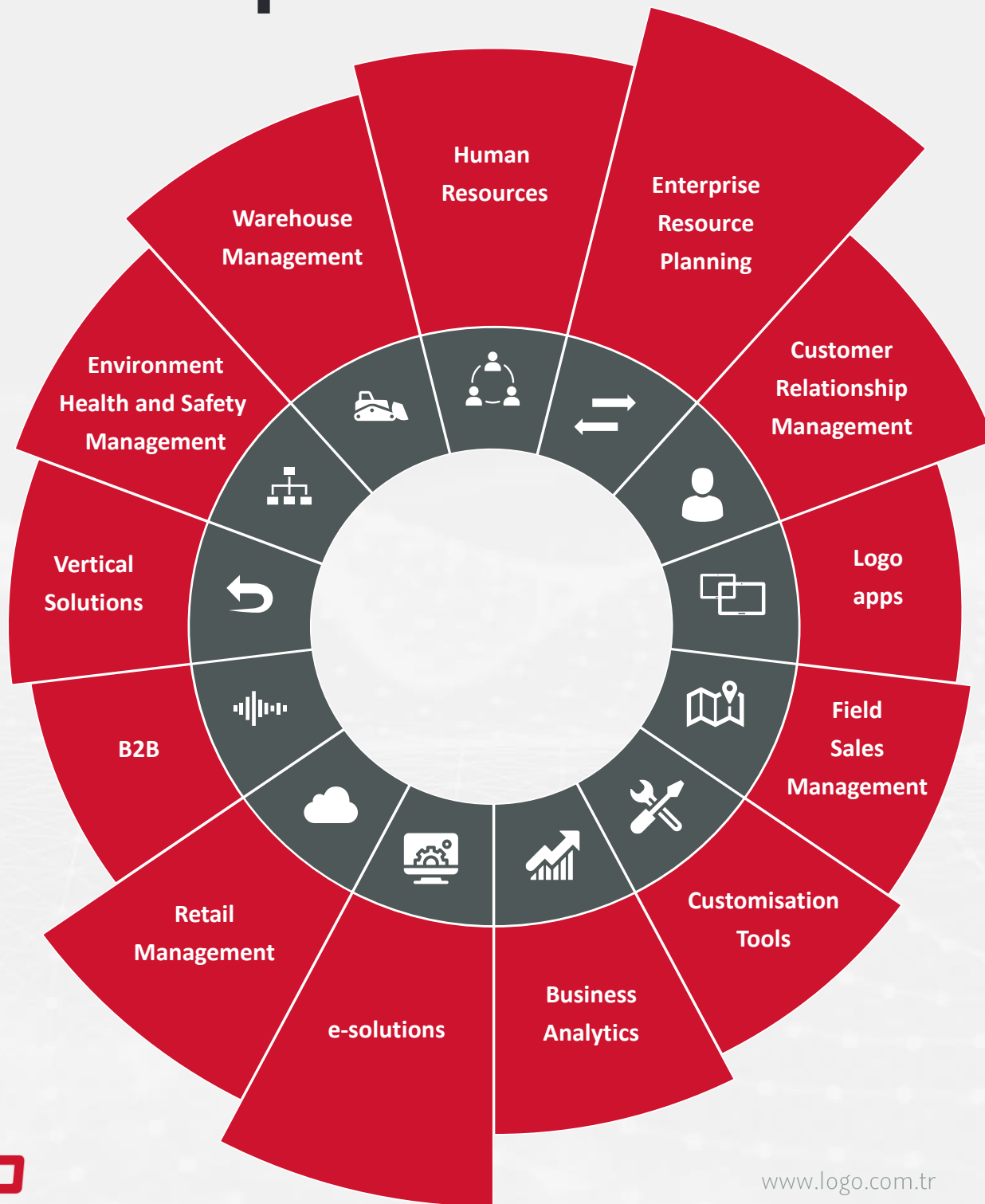


Potential pricing upside

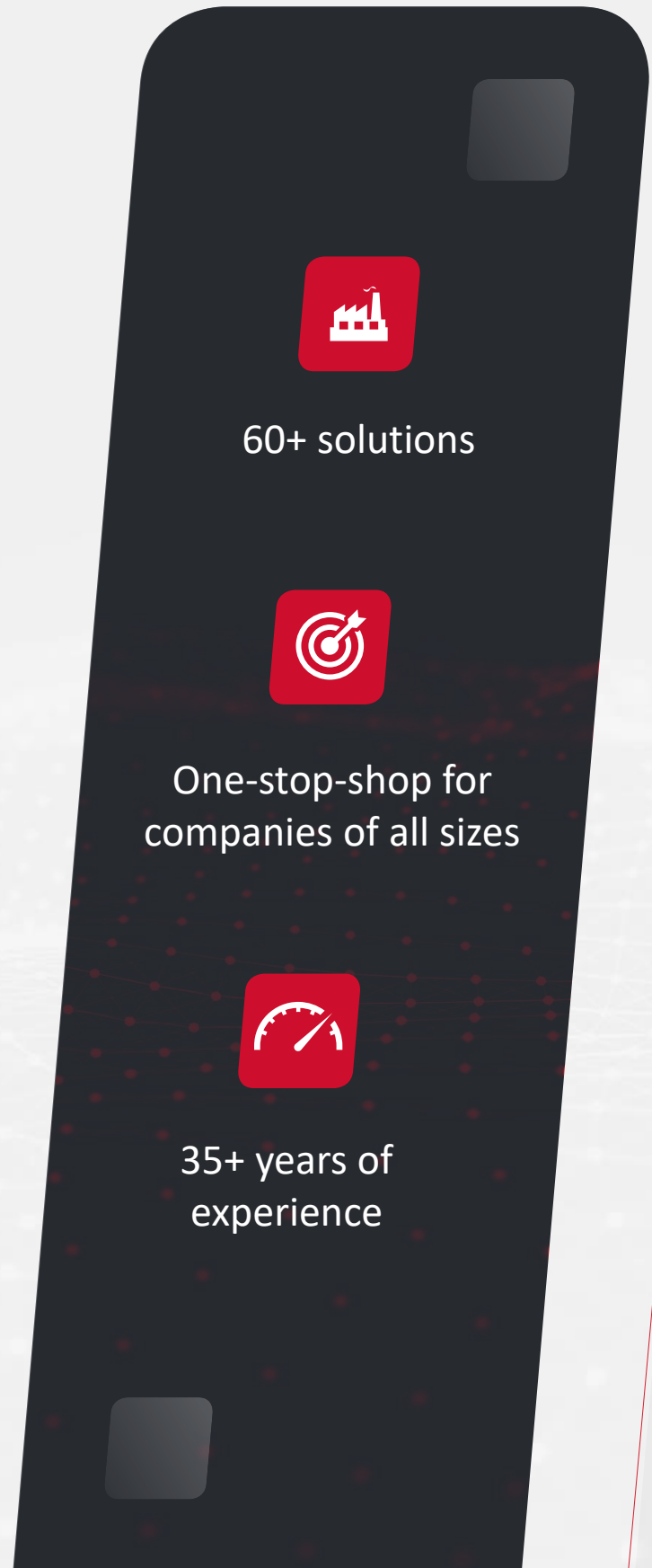


Digitalization becoming more of an obligation than choice post Covid

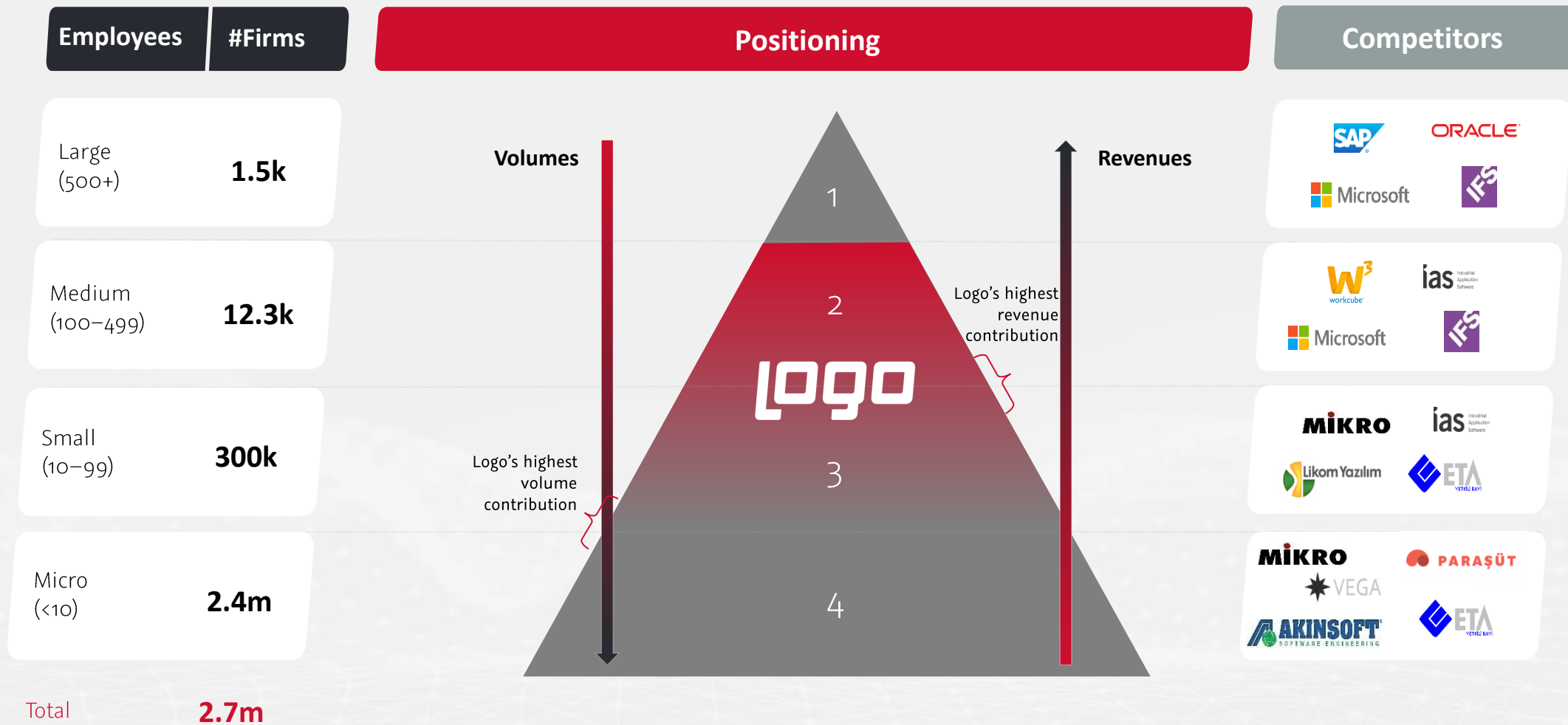
Extensive product suite



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Logo Turkey's product portfolio from micro to large corporates

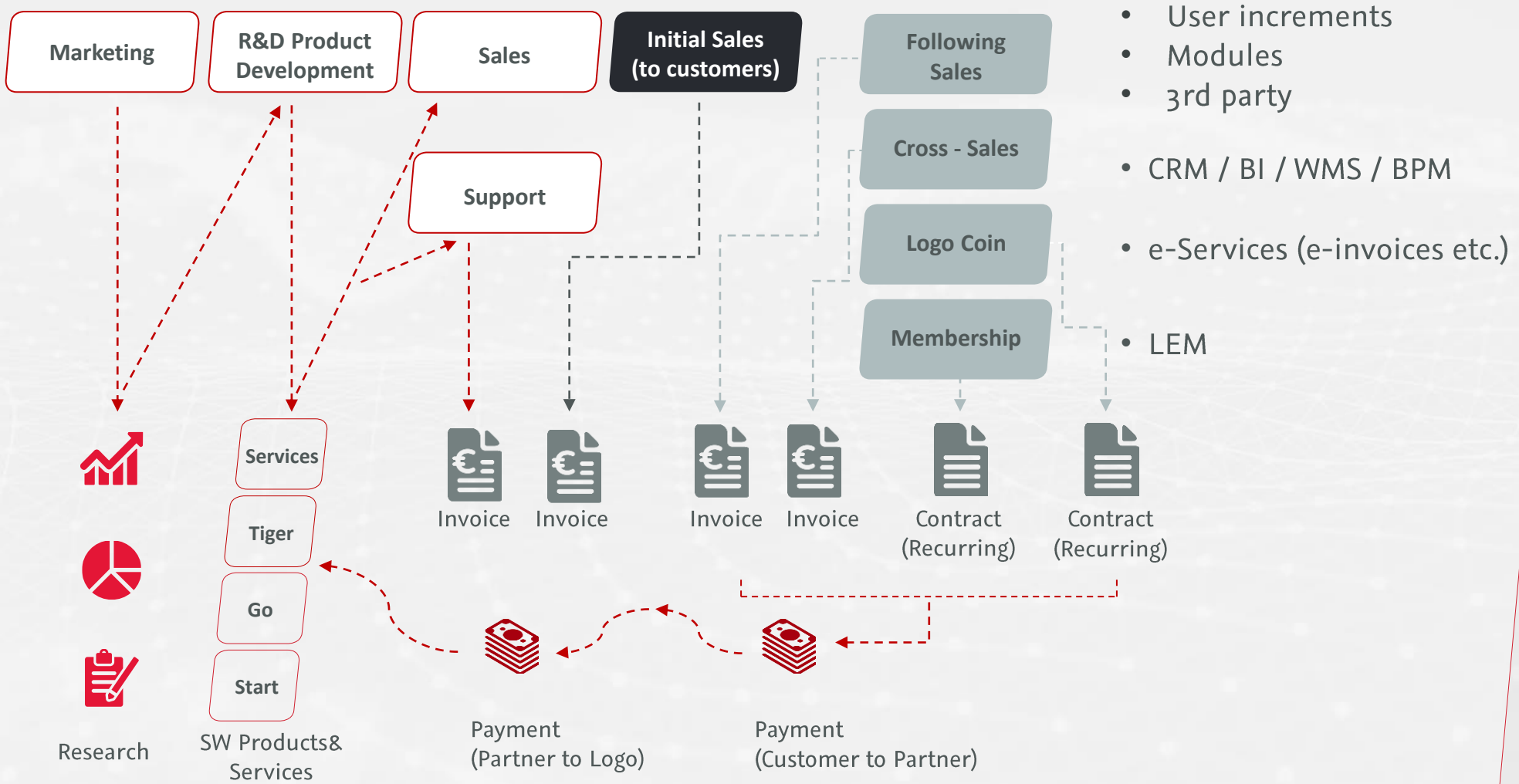
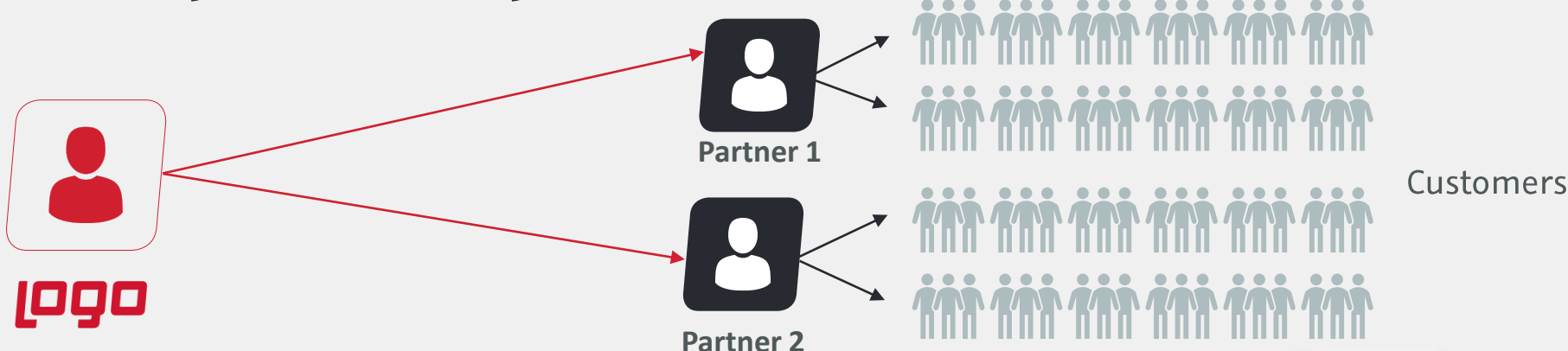


- 1**
- Higher presence of large incumbents that do not have SME tailored products
 - Low volume, high penetration region

- 2-3**
- Market leadership with highest number of customers in Turkey
 - Tailored SME products with local know-how

- 4**
- High growth potential area
 - Next largest competitor is a local Turkish player with c. 1/5th of Logo's market share by revenue

Logo Turkey sales cycle



- User increments
- Modules
- 3rd party
- CRM / BI / WMS / BPM
- e-Services (e-invoices etc.)
- LEM



Competitive advantages of Logo Turkey

1

Robust product suite

- Best suited to local market legislations and business practices
- Lower total cost of ownership
- Attractive price point, simple maintenance and easy implementation
- Best-in-class technology and adaptive to trends

2

Extensive distribution network

- Large network of 800+ BPs and c. 5,000 sales and implementation team members
- All BPs exclusively sell Logo software products creating high barriers of entry
- 50% of BPs have tenure longer than 10 years
- No BP with over 1-2% of sales

3

Strong brand

- Trusted brand with >30yrs of presence
- Positive perception of Logo products across the board
- Upsell opportunities to large passive customer base of c. 100k
- Strong advocates of Logo products

Appeals to customer base

Rapid growth in total & recurring revenues

Increased opportunity to cross-sell

Low churn

Economies of scale

Major recurring revenue streams of Logo Turkey

LEM – Logo Enterprise Membership

Pay as you go – Logo coins



License
maintenance



4000
new features
added in 2019

28%

Revenue
CAGR in
2015-2019



Version
releases
New features
Regulatory
changes



e-invoice
e-archive
e-ledger
e-dispatch



32,000+
customers

43%

Logo Coin
Revenue
CAGR in
2015-2019

38%

share in
recurring
revenues in
2019



7 version
releases in
2019

28%

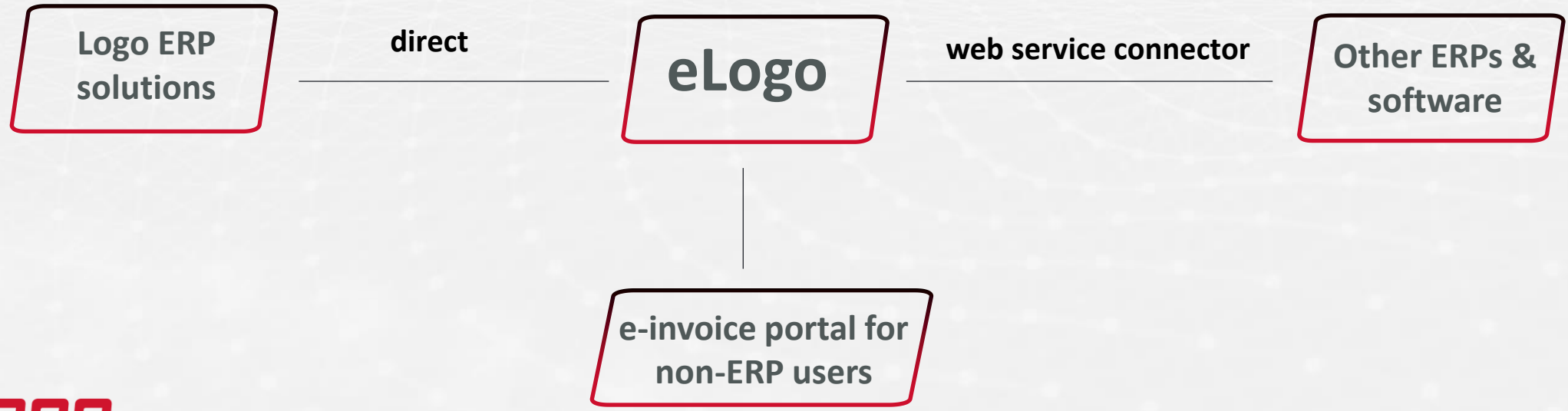
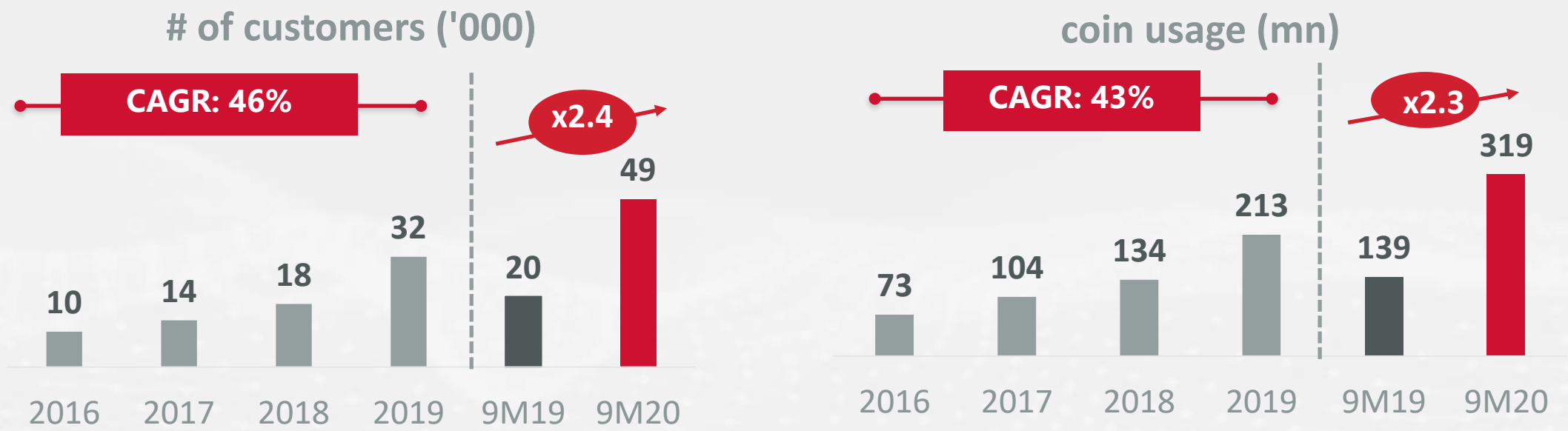
share in
recurring
revenues in
2019

50%

increase in
coin sales in
2019

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



Logo Total Soft - Romania



25 years of experience



Over 800 clients



Expertise in business application software development & implementation across various industries

Competitive advantages of Logo Total Soft

1 Robust product suite & superior service quality

- Charisma Business Suite; core being ERP and Human Capital Management (HCM)
- Focus on 8 verticals at the second layer; Financial Services, Healthcare and Agriculture standing out
- Innovation and technology present in all product and services

2 Strong brand

- Trusted brand with >20 yrs of presence
- 1st place in Romanian ERP providers
- Human Capital and Healthcare solutions expanded through CEE
- One of Top 10 Global Leasing and Credit solutions
- Member Firm of Global Retail Consulting, Ebeltoft

3 Project management know-how

- Development of best of breed solutions together w/ vertical leaders
- Project implementation experience in 35 countries
- Know-how, innovation and project management capabilities strengthened with ABS acquisition in 2018
- High-quality developers dedicated to project development

Appeals to medium and large sized local and international client base

Well-positioned to increase international sales

Client centric organization and business model

Competitive positioning in home market

Sustainable competitive advantages in multiple verticals

Research and Development

Meeting new user generation's expectations & Customer centric design

Evolving from content richness approach to usability and accessibility approach

Mobile and web usage

Compliance with e-gov't processes



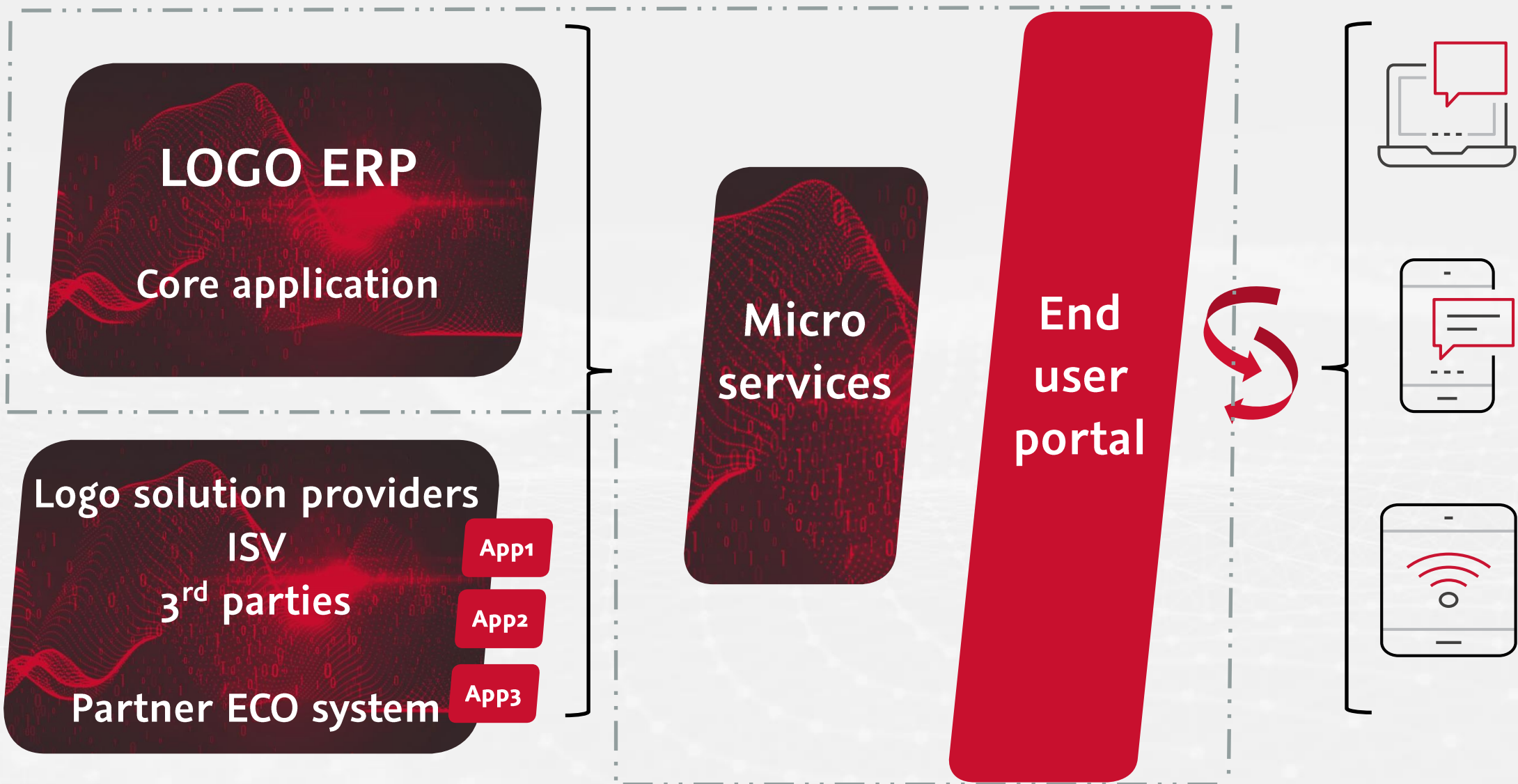
Machine Learning enabled documentation and i18n

aPaas for ERP Services

All products with the same design approach, and on one platform

Logo Cloud Portal

Software ecosystem on cloud infrastructure; enabling all Logo business partners and solutions partners to develop products that work in sync with core ERP



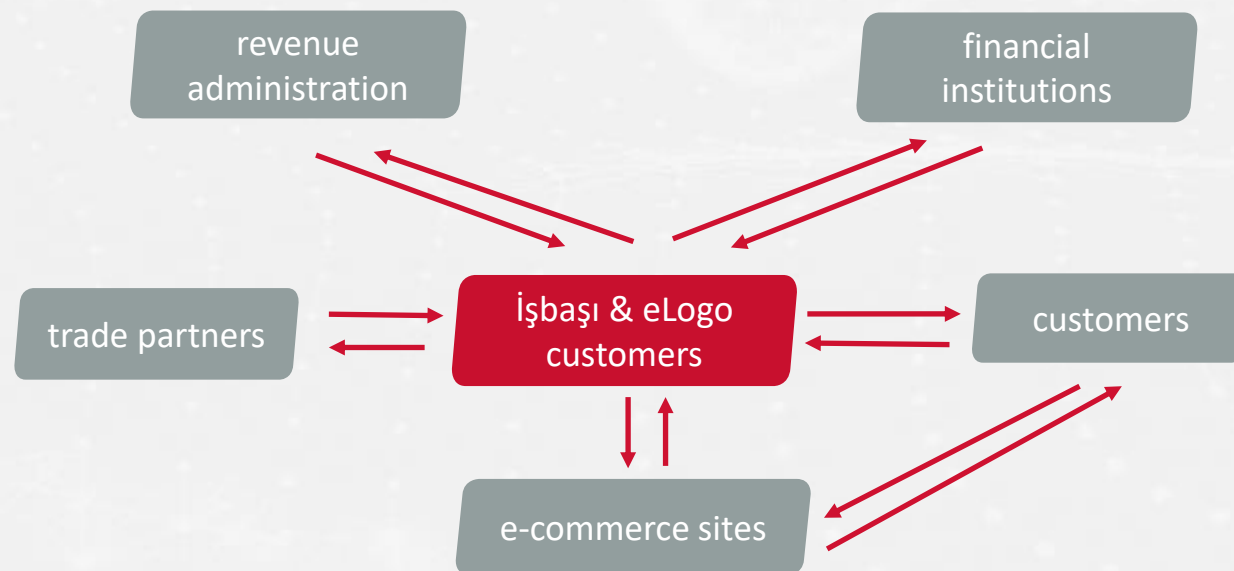
Micro services include data, menu, management, notification, reporting, monitoring, measurement, log, billing services etc.

MicroSME digitalization

Turkey

- ✓ SaaS solution **Logo İşbaşı**'s users reached 57K w/5K paying
- ✓ Very competitive MicroSME segment
- ✓ Logo as the leading e-invoice provider, differentiates itself with high service quality
- ✓ Quick and easy upgradability to a larger ERP solution

value creation on digital platform



India

Logo Vyapari is GSTN approved

Only 8 solutions are approved by the Goods and Services Tax Network (GSTN) of India

Logo Vyapari is a mobile solution

Only 4 solutions are mobile among the 8-GSTN-approved solutions

248 users at end-2019

Basic functionality is free for 1 user until March 2021 - when thru GSTN

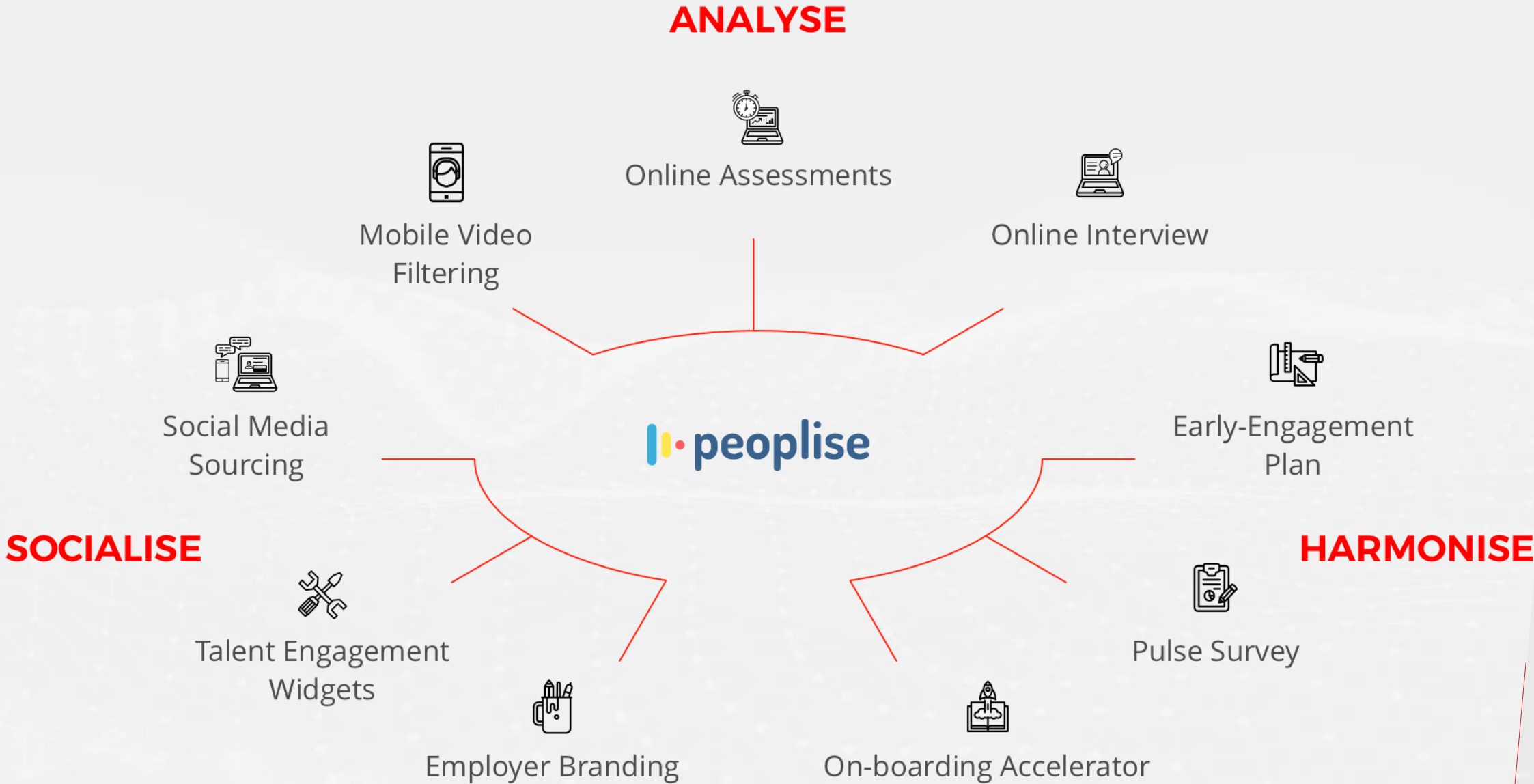
Same source-code with Logo İşbaşı

Aligned R&D effort

- ✓ SaaS solution **Logo Vyapari** is currently at product-market fit stage, and digital marketing efforts to commence post Covid
- ✓ Total **investment** by Logo is \$3.6 million since JV's foundation at end-2016;
 - \$1.0mn equity
 - \$2.6mn long-term equity convertible

Peoplise: next generation talent acquisition

Logo's new asset complementing its HR solutions



ERP case study: Pegasus Airlines

Turkey's digital airline is using Logo's solutions since 2008

eLogo

allows Pegasus process e-invoices within its vast supply chain network and with General Revenue Administration (GIB)

Logo Connect

ensures seamless connection between the core ERP and e-gov't solutions



Logo Flow

document flow among various business applications

Logo Treasury Wizard

invoice cross-check with Logo ERP, and integration with banks via two-way automated flow

Case studies for various solutions

Unilever / Consumer Goods

- **Logo j-Platform (ERP)**

Customer's need:

- Managing distributors' sales and distribution activities
- Centralized management
- Cost saving

Logo solutions' benefits:

- Cost saving on server investment, maintenance and support
- Centralized data management
- Sales team of 1,600 people connected and integrated via tablet application

Barilla / Pasta

- **Logo Ocean (warehouse automation)**
- Logo Tiger 3 Enterprise (ERP)
- e-gov't solutions (eLogo)

Customer's need:

- Increasing efficiency in warehouse management
- Quicker response time for customer requests
- Faster and easier inventory counting
- Reducing aged product inventory

Logo solutions' benefits:

- 20% reduction in order preparation duration
- 30% reduction in shipment error rates
- Up to 50% improvement in aged product inventory
- Shortening the inventory counting time

Yaktas / Flooring

- **Logo CRM**
- Logo Netsis 3 Standard (ERP)

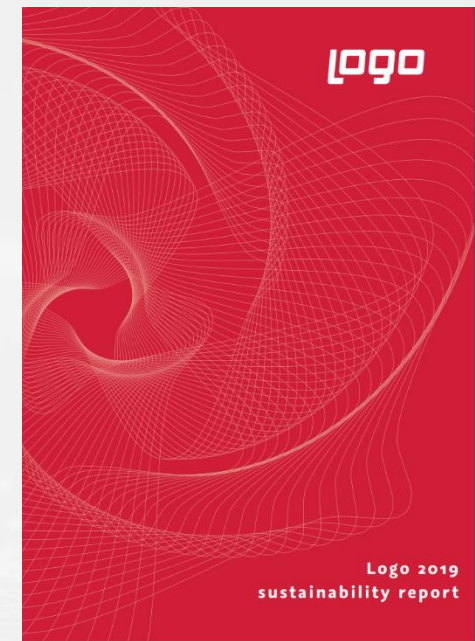
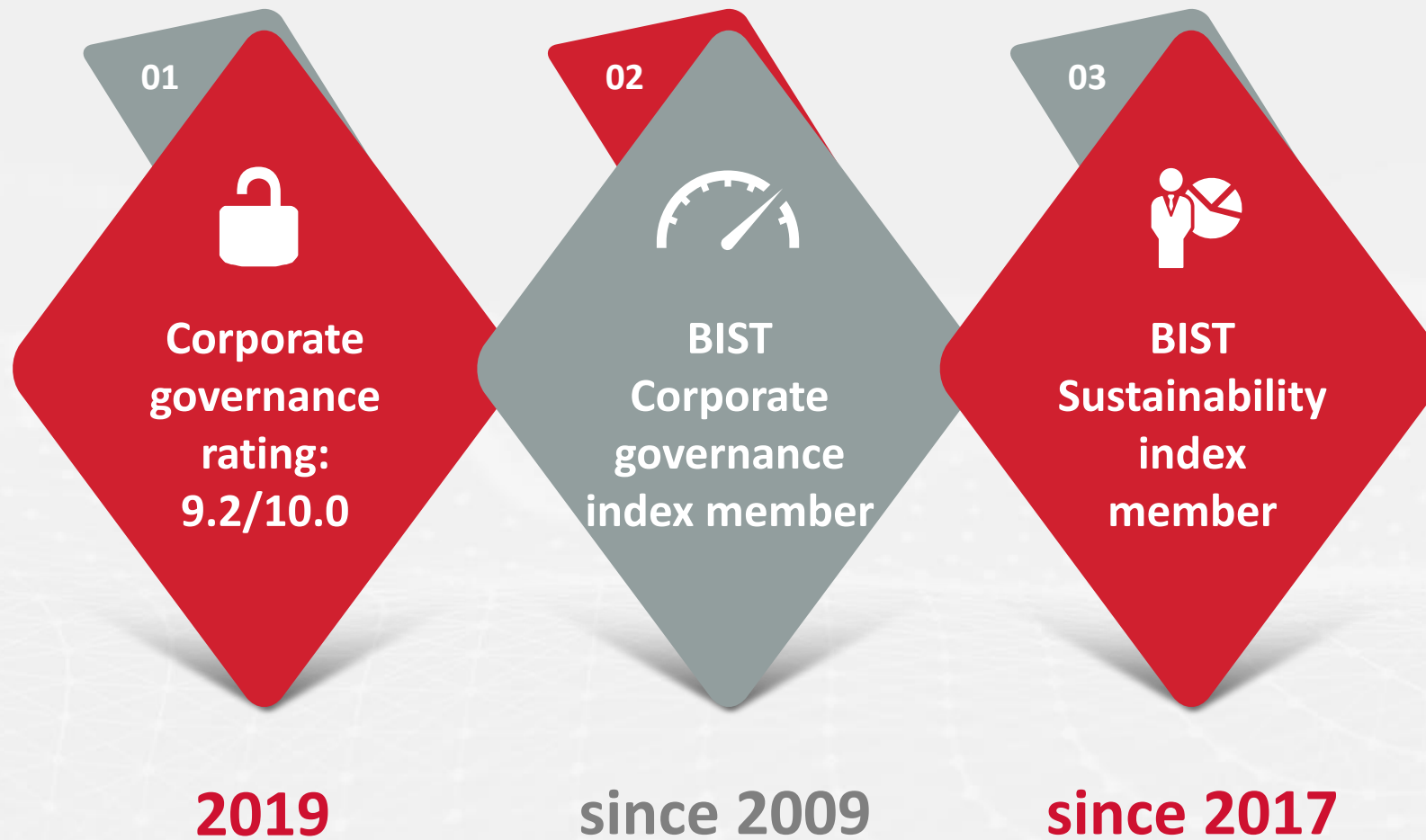
Customer's need:

- Meeting customers' changing needs
- Effective management, follow-up and reporting of sales and marketing operations
- Recording all field activities

Logo solutions' benefits:

- Increase in customer satisfaction
- Enhanced performance by sales teams thanks to mobile applications
- More effective communication with prospective clients

Sustainability



Sustainability

Environmental

- **Our solutions reduce our customers' environmental impact** incl. carbon footprint and natural resource consumption
- eLogo customers produced **325 mn e-documents** and **saved 4,432 trees** in 2019- absorption of around 2,216 metric tons of CO₂-equivalent GHG
- At Logo Group;
 - GHG emission density is **reduced by 32%** in two years
 - Energy density is **reduced by 28%** in two years
 - **92%** non-hazardous waste is **recycled** in 2019
 - **100%** of e-waste is **recycled** in the scope of Turkey operations in 2019
 - **523 m³ water saved in 2019** as a result of activities toward consumption decrease

Social

- **Talent management** is a **high priority** issue for Logo and its stakeholders.
- **44%** women employees
- **44%** women in executive management (*current*)
- **51%** of employees works in **R&D**, and **78%** together with **project implementation teams** works in **software development**
- **4th place** in Turkishtime's **Women in Tech-R&D 250 (2019)** with women workforce in R&D
- **71%** of workforce has a **bachelor's degree**
- **Average age** of workforce is **35**
- **CSR projects** focus on **education**: "**Coding the Future**" labs reached **2,000 children** with **robotic coding** workshops

Governance

- **Corporate governance** and **work ethics** are integral part of our business processes.
- **50% of Board of Directors** is **independent**
- **Chairman** of the BoD and **CEO** functions are **separate**
- Corporate Governance **rating** is **9.22/10** in 2019 (*Saha Rating*)
- **BIST Corporate Governance** index member **since 2009**
- **BIST Sustainability** index member **since 2017**



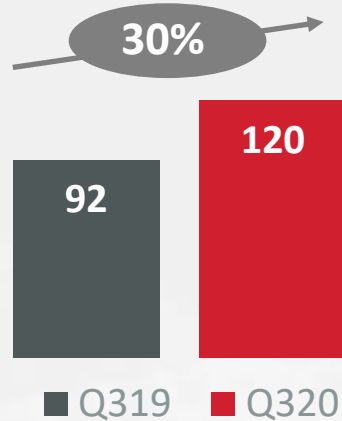
LOGO

9M2020 results presentation

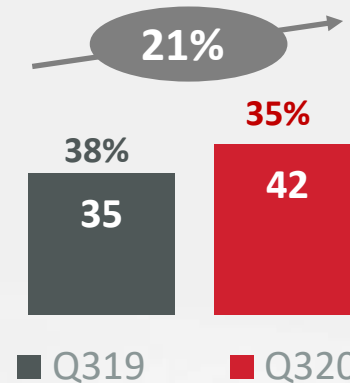
Strong performance continues in Q3

Consolidated

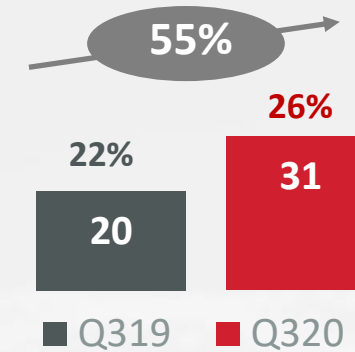
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

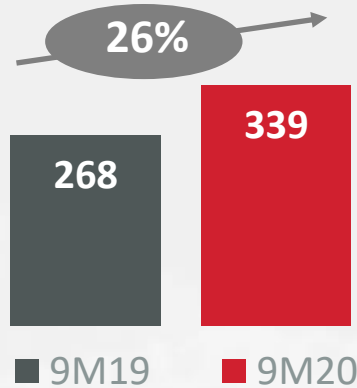


- **Consolidated IFRS revenues** up by 30% reaching 120 TL mn, with Turkey and Romania operations contributing 64% and 36% respectively.
- **EBITDA** up by 21%, reaching 42 TL mn yielding 35% margin.
- **Net income** up by 55%, reaching 31 TL mn yielding 26% margin.

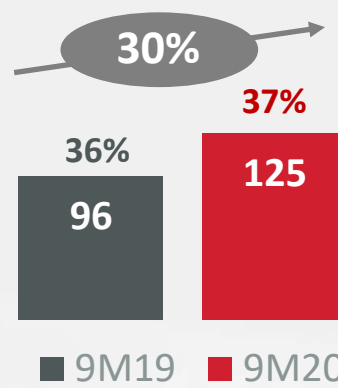
Growth across the board amid Covid-19

Consolidated

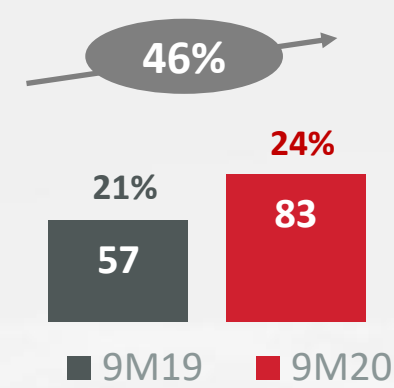
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



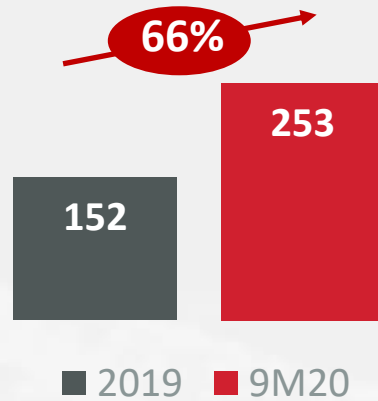
- **Consolidated IFRS revenues** up by 26%, reaching 339 TL mn, with Turkey and Romania operations contributing 64% and 36% respectively
- **EBITDA** up by 30%, reaching 125 TL mn yielding 37% margin
- **Net income** up by 46%, reaching 83 TL mn yielding 24% margin
- Financial strength, customer-centric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

Effective financial management

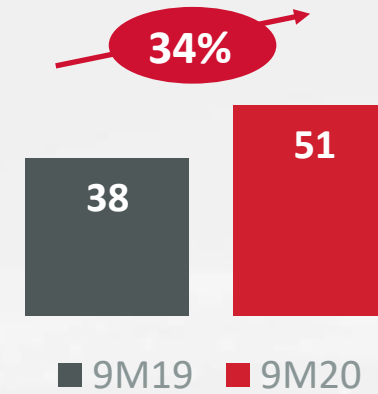
Consolidated

Improved Liquidity (TL mn)

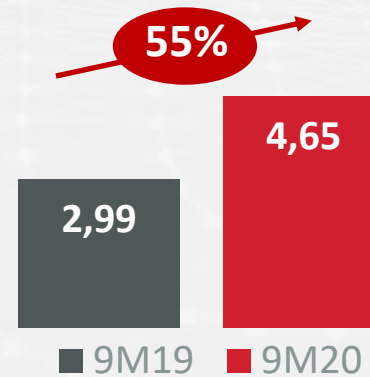
Cash and Cash Eq.



Strong FCF LTM (TL mn)



EPS* growth (LTM)



*Adjusted by 3.48% treasury shares

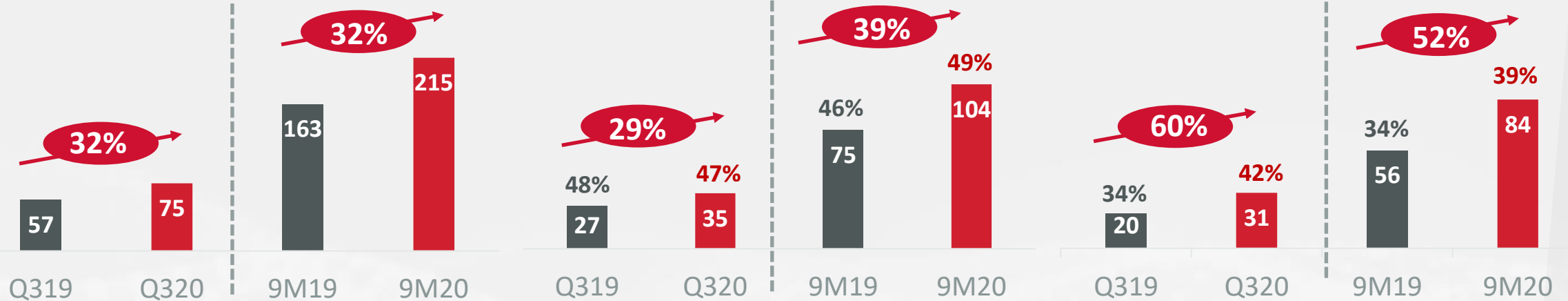
Stellar performance in Turkey

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



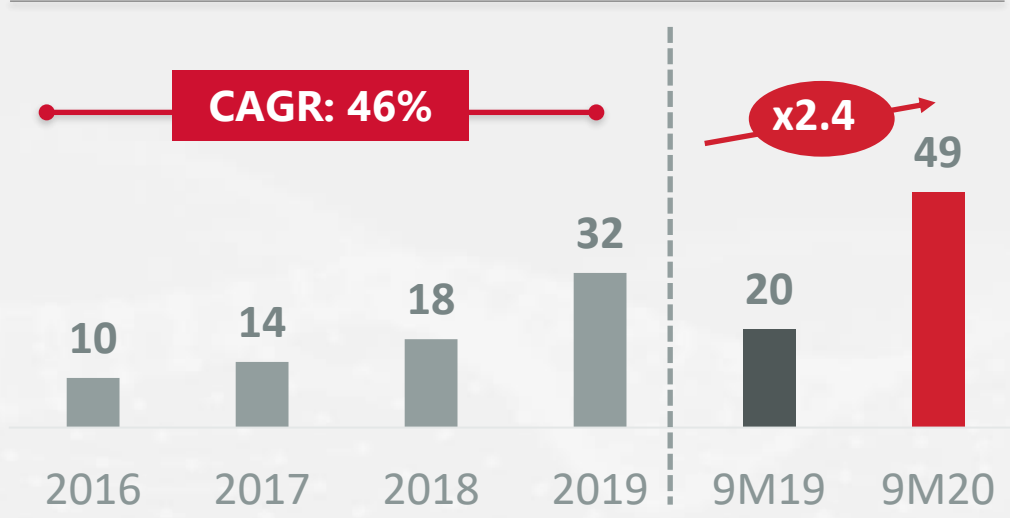
*IFRS 16 impact: EBITDA +5 TL mn (9M19: 3.6 TL mn) / EBIT +1.1 TL mn (9M19: +1 TL mn) / EBT -147 TL thou (9M19: -304 TL thou)

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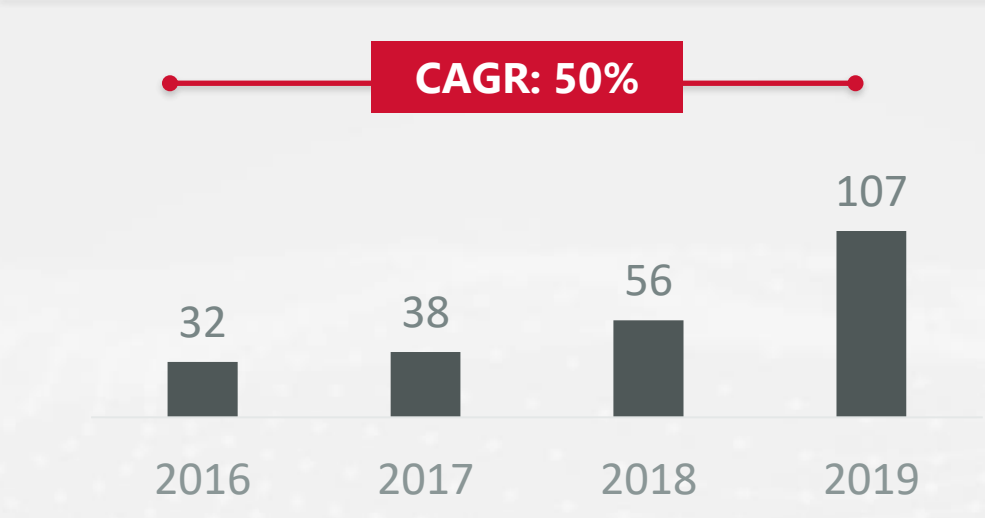
eLogo: e-services platform and leader in digital transformation

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

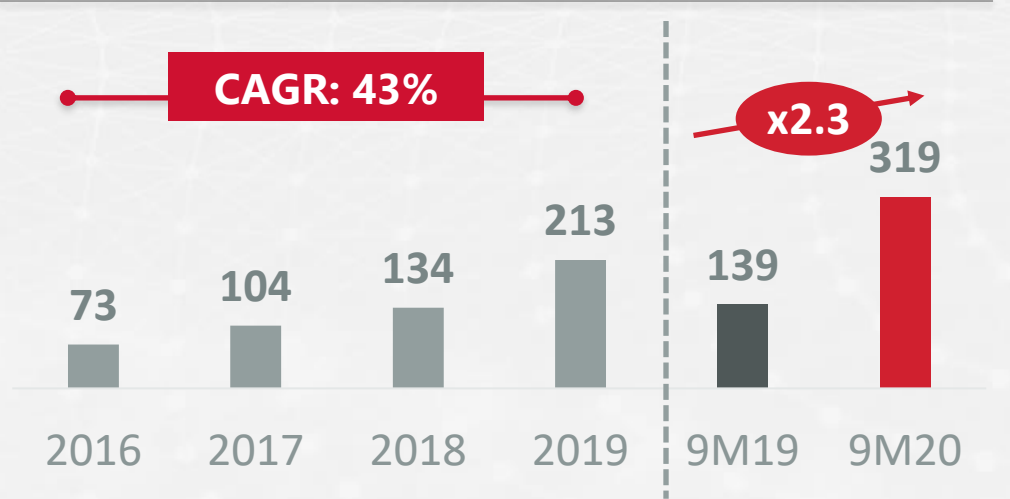
of customers ('000)



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)

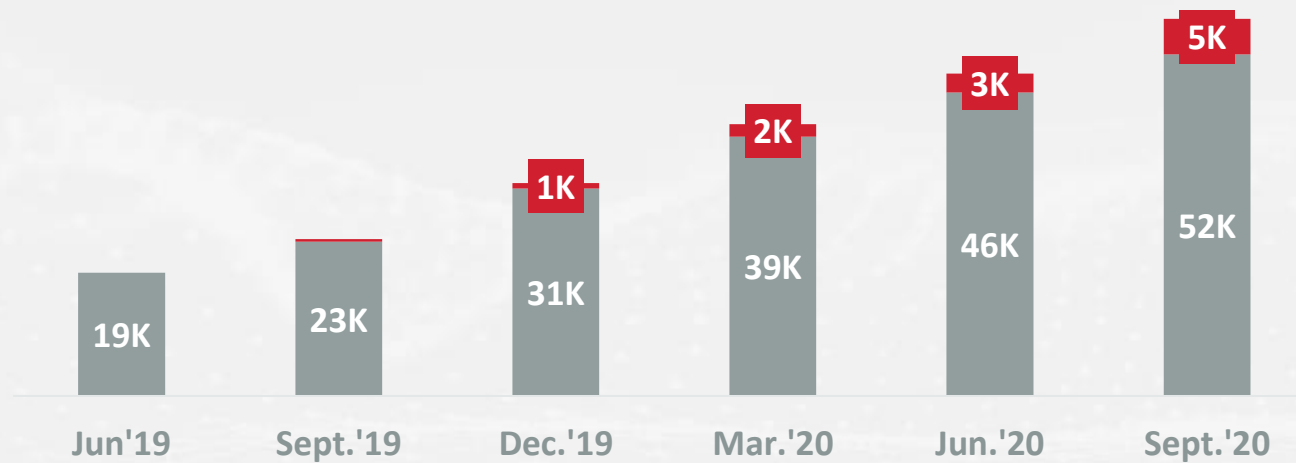
	<u>BEFORE</u>	<u>AFTER (eff. as of July 1st, 2020)</u>
 e-invoice	Companies w/sales 10mio₺+	Companies w/sales 5mio₺+, specific sectors
 e-archive	Companies w/sales 5mio₺+ and online sales	All e-invoice issuers and invoices above 5K and 30K
 e-ledger	Required to safekeep on in-house server	Required to 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

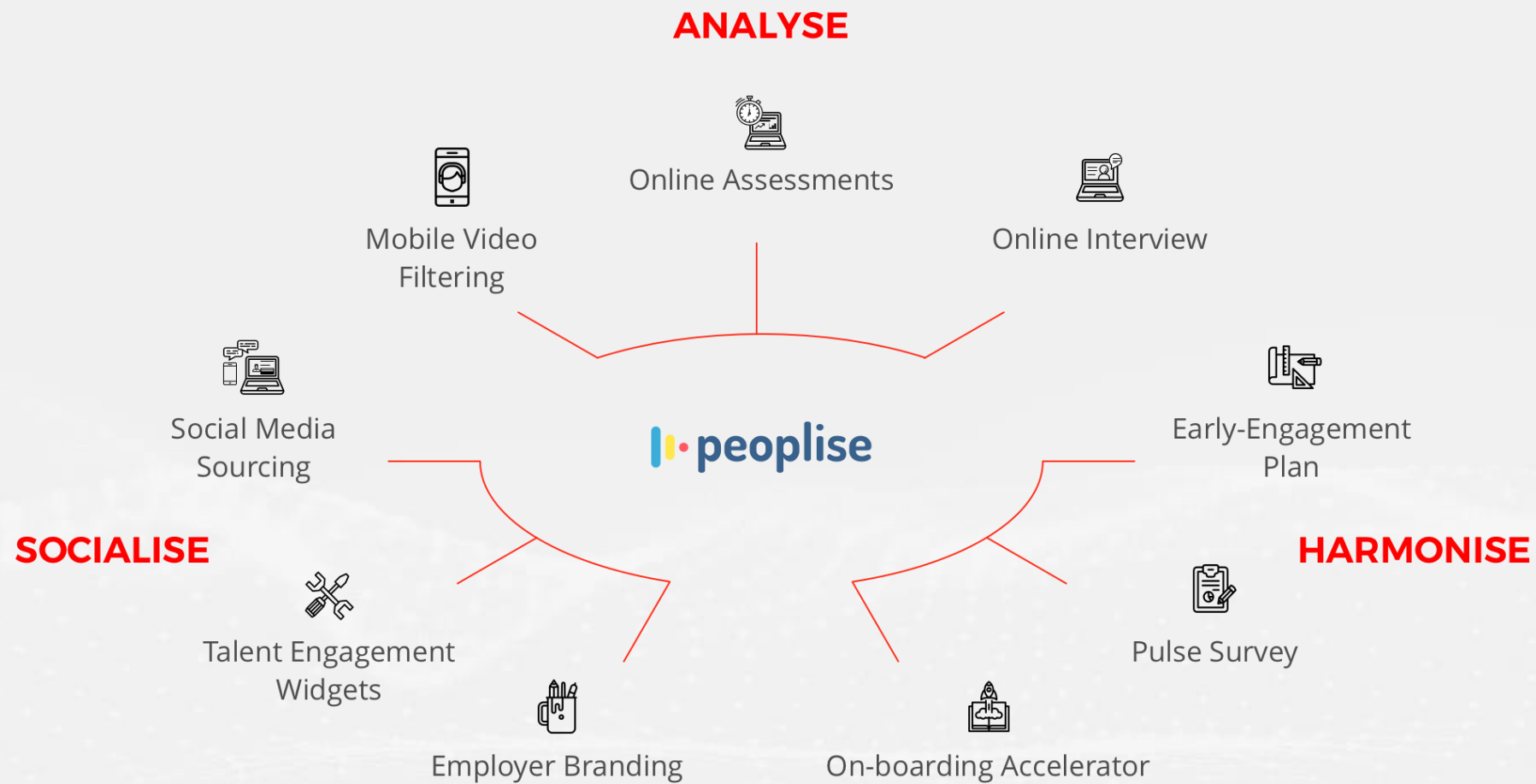
Value creation on digital platform: connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites

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

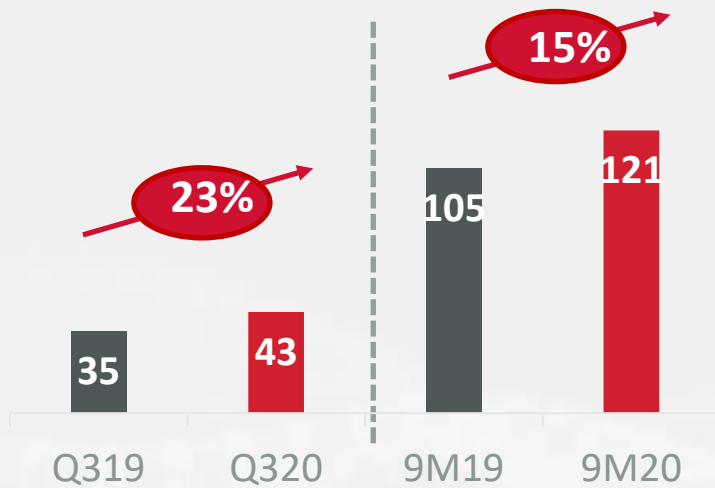


- ✓ Peoplise capitalized on the post-Covid remote working environment; achieving revenue and customer growth even though recruitment market overall was shrinking worldwide.
- ✓ Remote onboarding and chat bot assisted recruitment are the fastest growing modules of the platform, with 35 new large enterprise 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

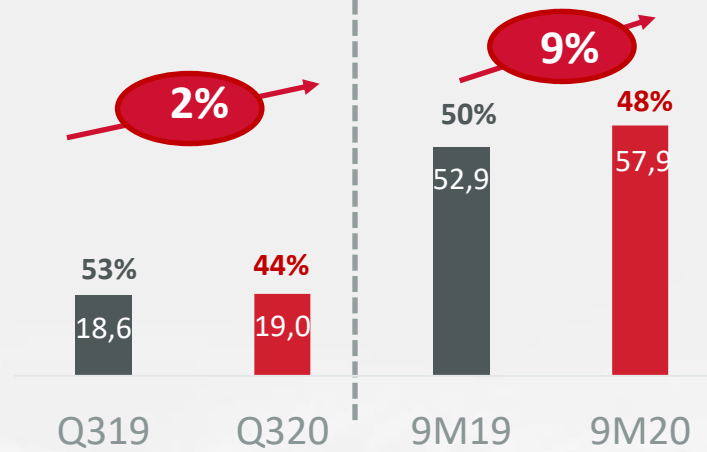
Challenging market conditions for Total Soft

Total Soft

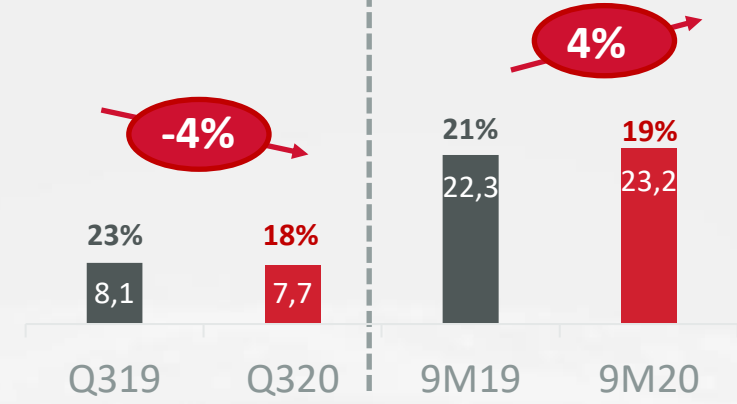
Revenues (TL mn)



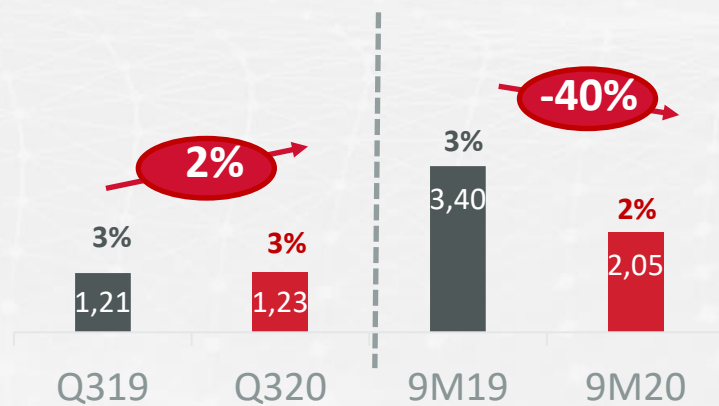
Gross profit (TL mn)



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

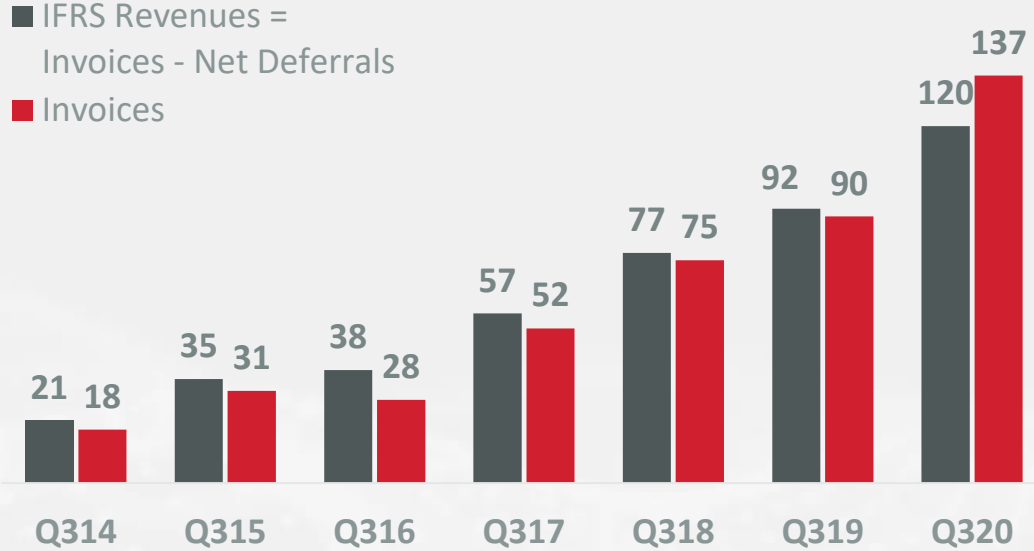


*IFRS 16 impact: EBITDA +3.4 TL mn (9M19: 2.8 TL mn) / EBT +323 TL thou

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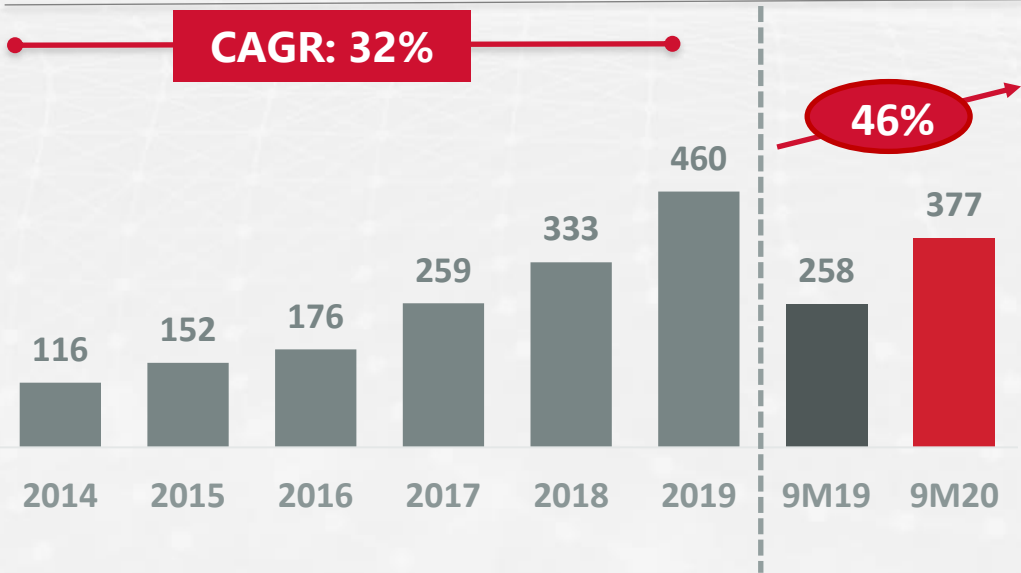
Invoiced Revenue vs IFRS Revenue (Consolidated)

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)

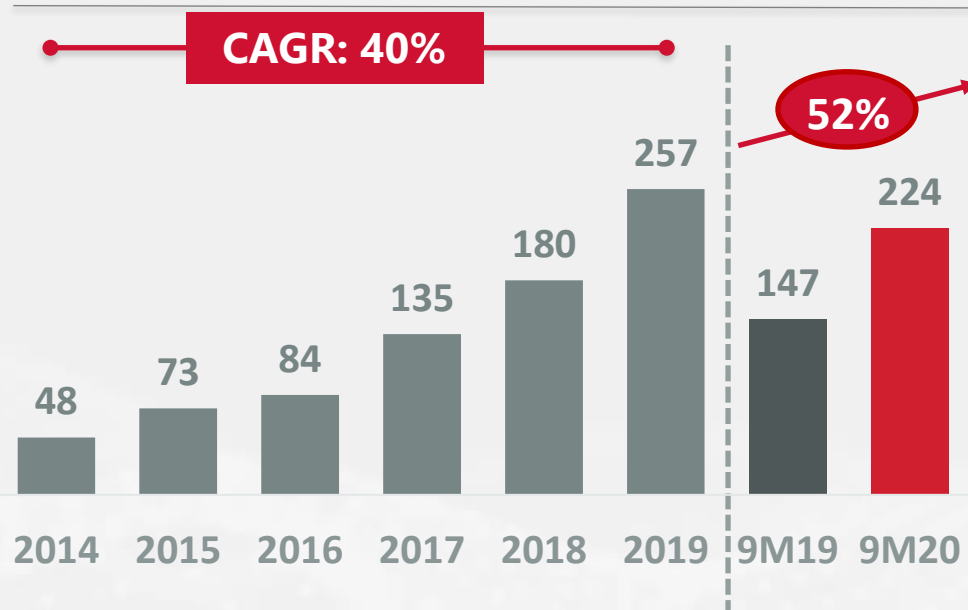


- In Turkey, invoiced revenue was 248 TL mn with 61% increase
- Total Soft's invoiced revenue increased by 24% and reached 128 TL mn
- Recurring revenues make up 60% of invoices



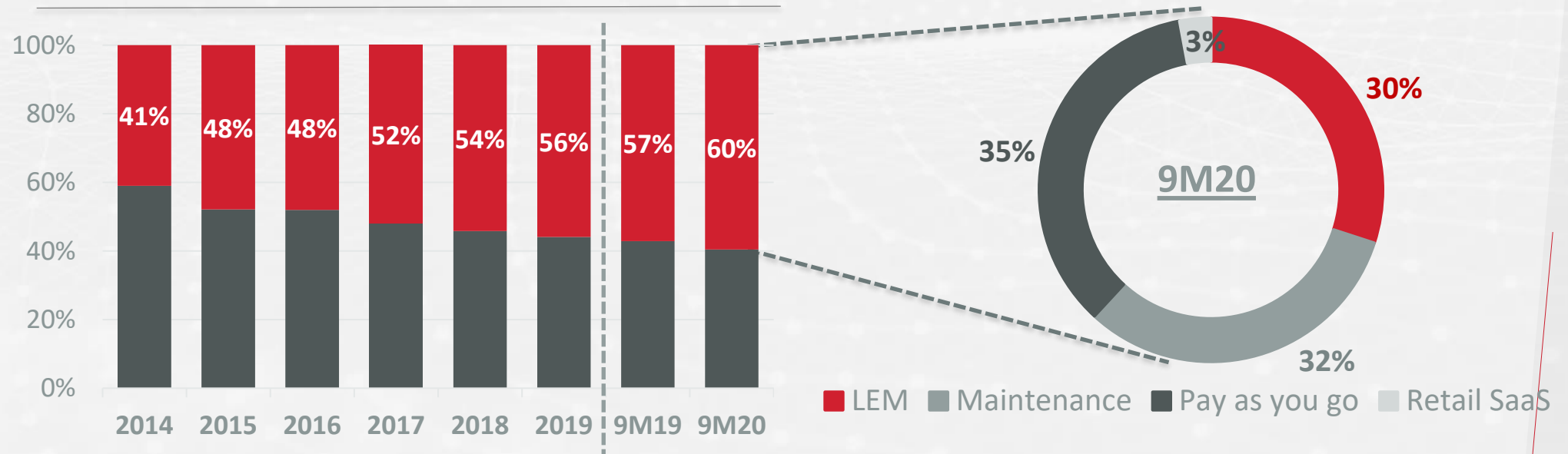
Recurring Revenue Growth Ensuring Predictability

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%

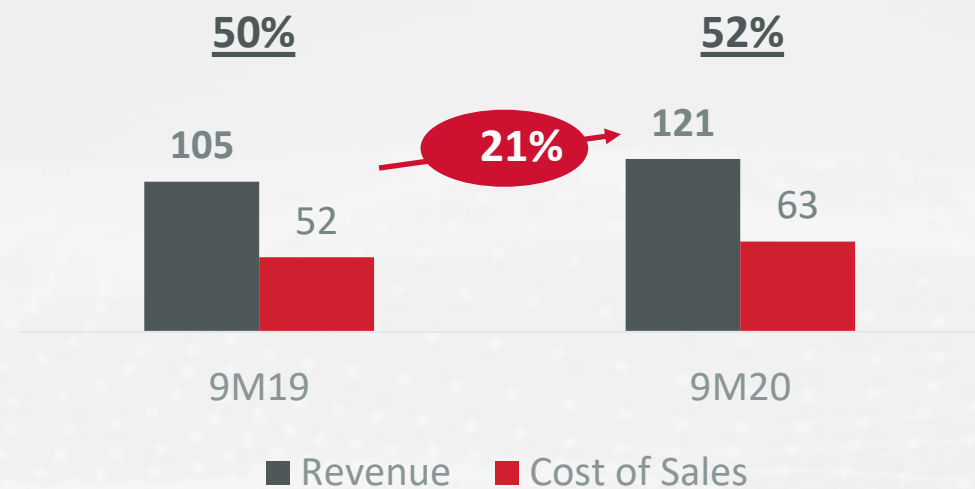
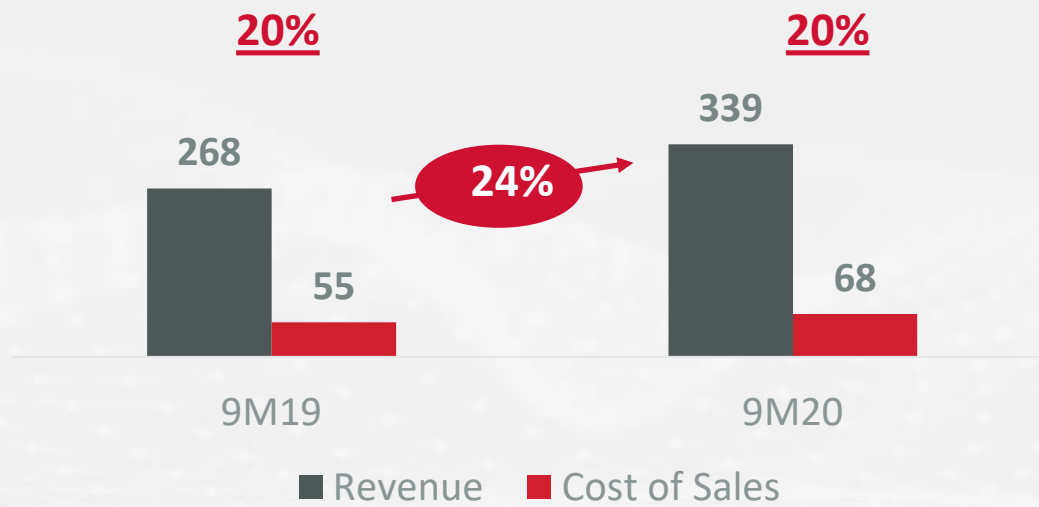
Recurring Invoices/Total Invoices (%)



Cost of Sales

Consolidated (TL mn) – As % of IFRS Revenue

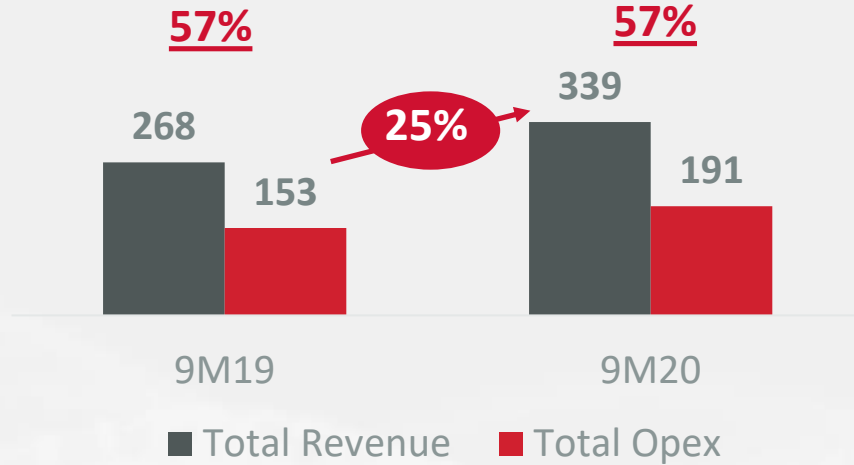
Total Soft (TL mn) – As % of IFRS Revenue



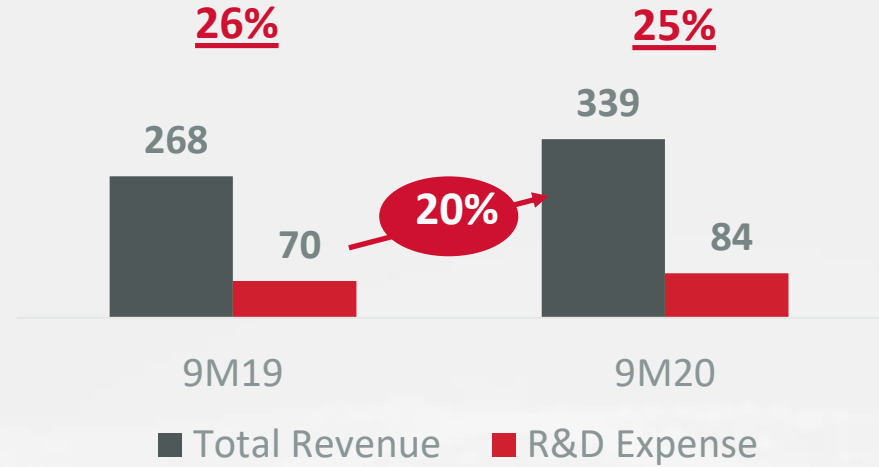
- ✓ Softer market conditions amid covid-19 delayed new project additions affecting Total Soft's gross profitability

Operating Expenses

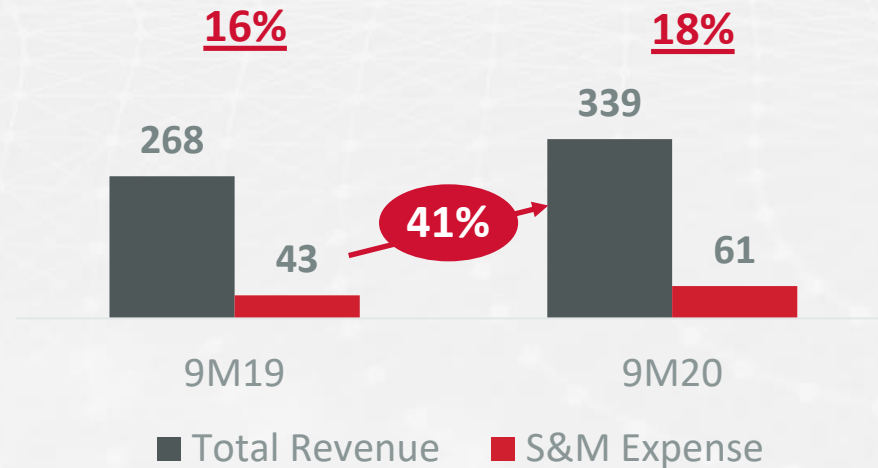
OpEx (TL mn) – As % of IFRS Revenue



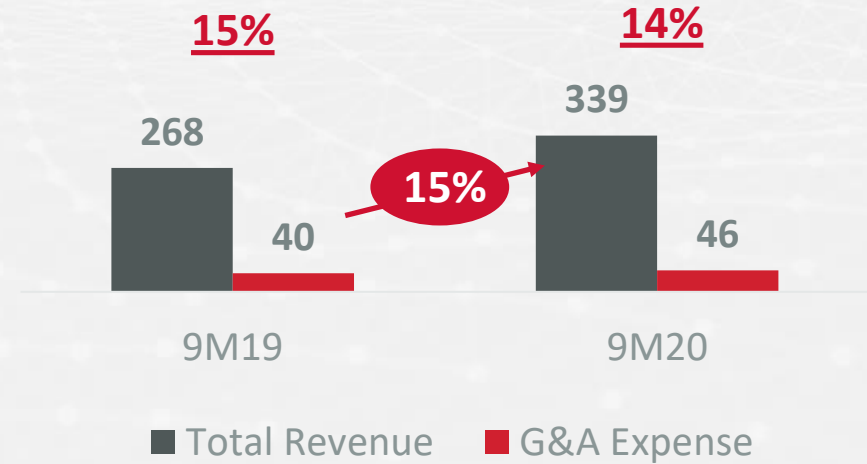
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

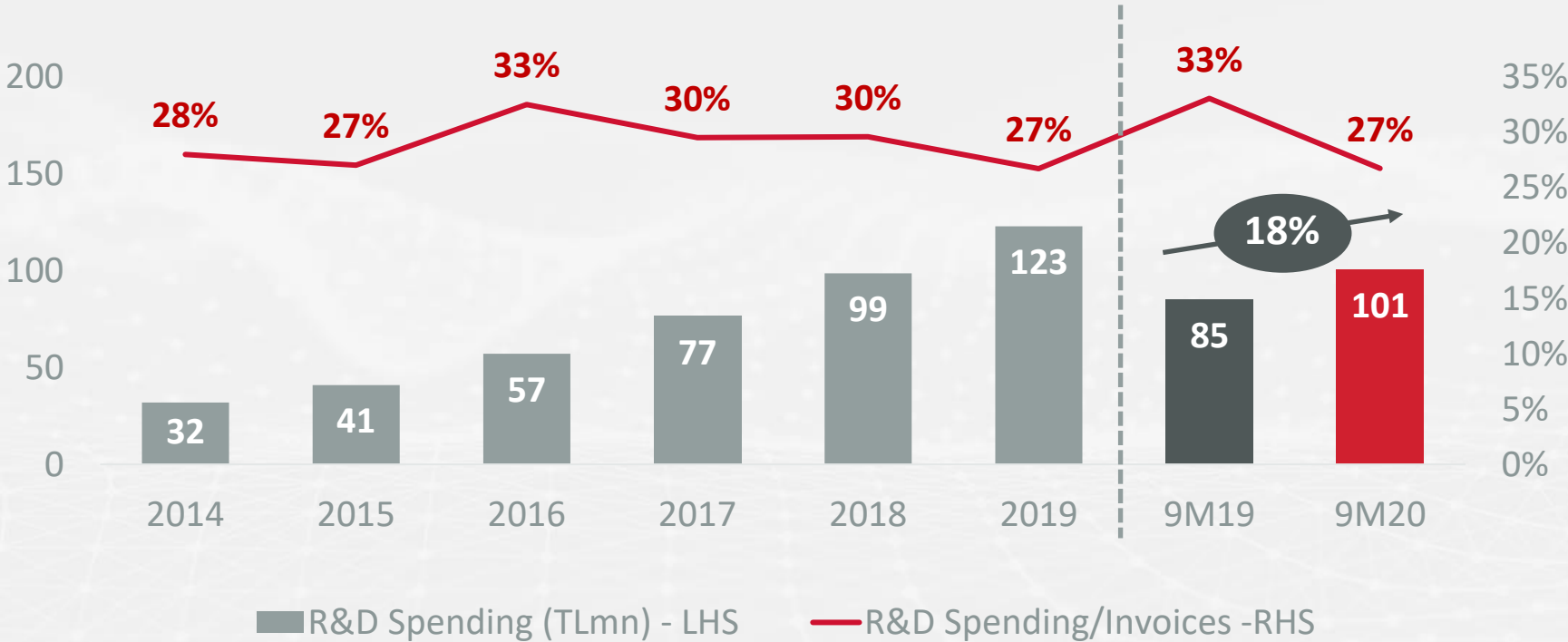


G&A (TL mn) – As % of IFRS Revenue



Dedicated Investment in Technology

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



Strong Balance Sheet

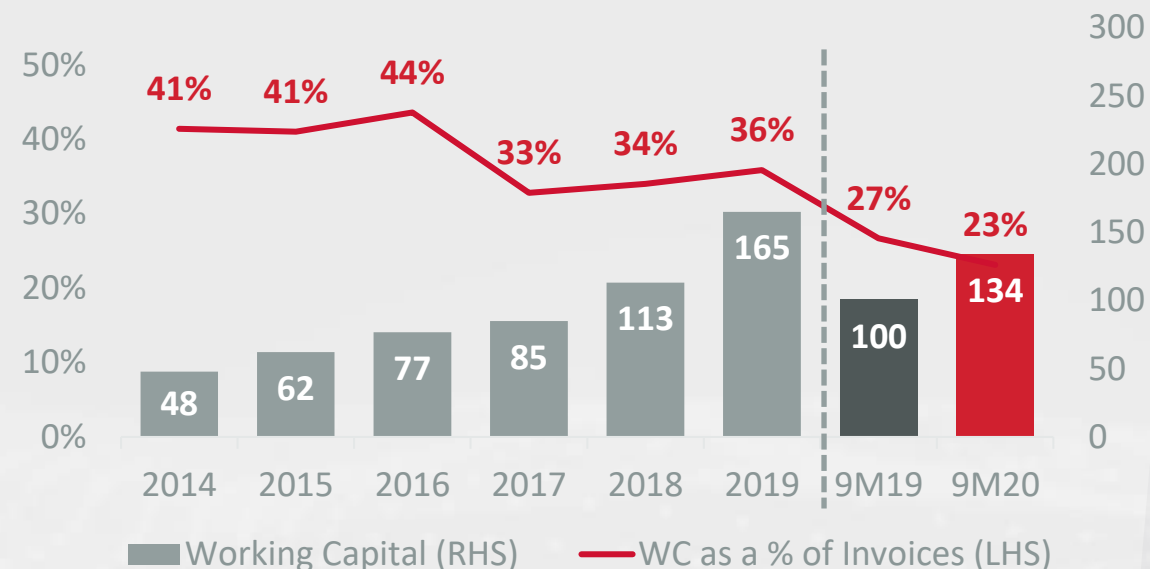
Balance Sheet Highlights (TL mn)

	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

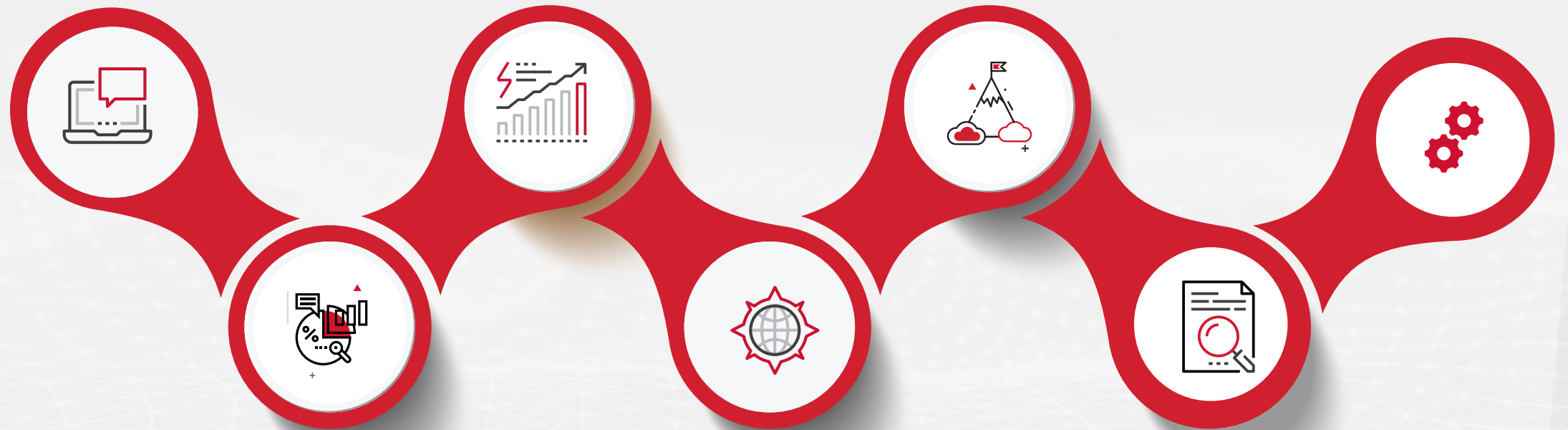
Update on Covid-19's impact

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



LOGO

Thank you