



FY2019 Results Presentation

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Chief Financial Officer

February 20th, 2020

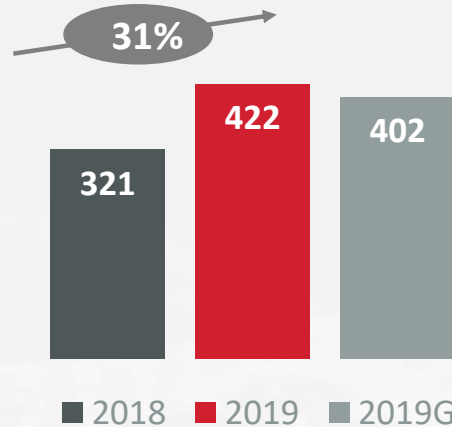
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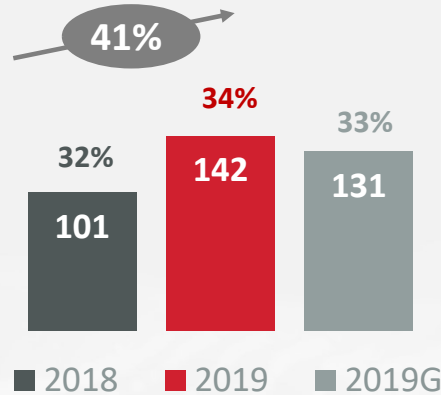
Stellar FY results surpassing targets

Consolidated

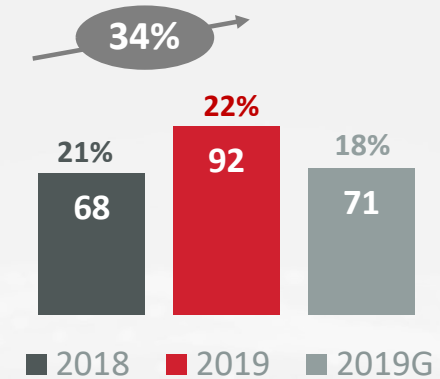
Revenues (TL mn)



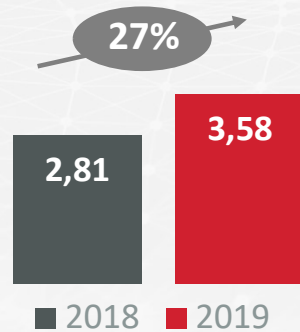
EBITDA (TL mn)



EBT (TL mn)



EPS* growth



* Adjusted by 3.48% treasury shares

- Strong revenue and profit growth **exceeding targets**
- **Recurring revenue's share** in total is at **53%**, supporting Logo's sustainable growth
- **Total Soft** achieved 18% y/y top-line and 97% y/y EBITDA growth in Euro basis
- **EPS** yielding 27% growth



2019G = 2019 Guidance

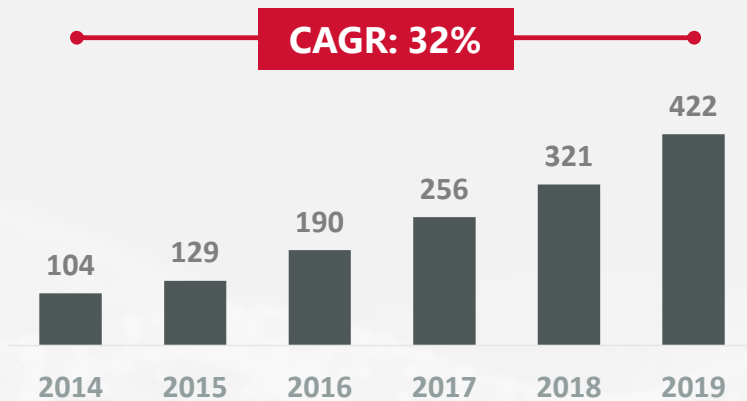
IFRS 16 impact: EBITDA +8.87 TL mn / EBIT +1.36 TL mn / EBT -260 TL thou

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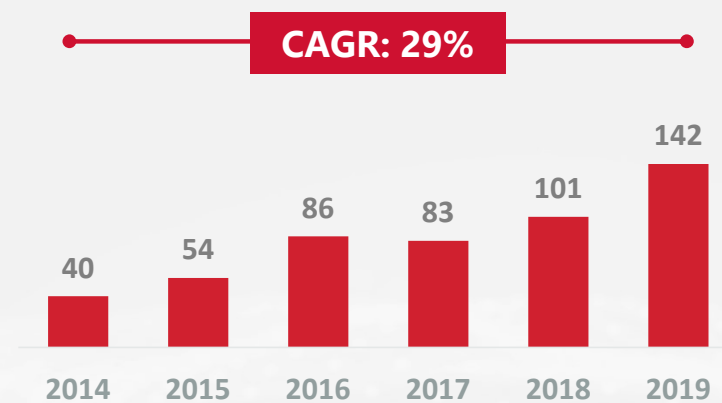
Sustainable growth

Consolidated

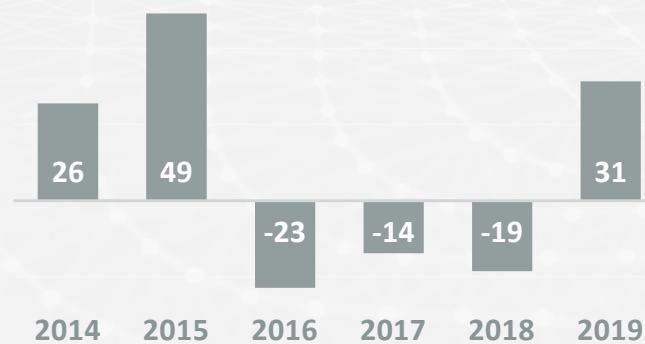
Revenues (TL mn)



EBITDA (TL mn)



Net Cash* (TL mn)



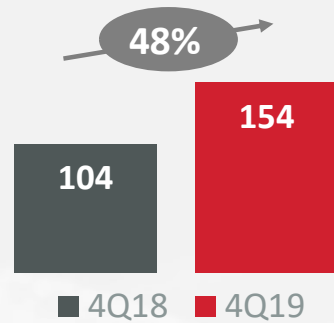
*Net cash for 2019 excludes IFRS 16 impact of 15.4 TL mn.

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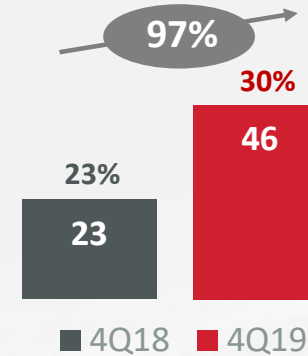
Record performance in 4Q19

Consolidated

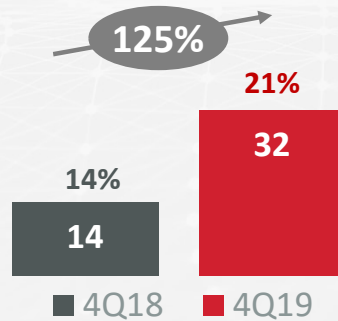
Revenues (TL mn)



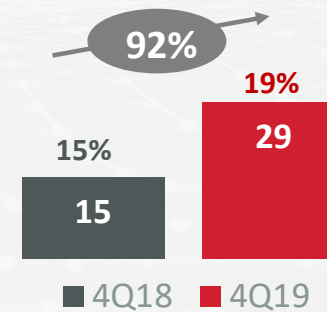
EBITDA (TL mn)



EBIT (TL mn)

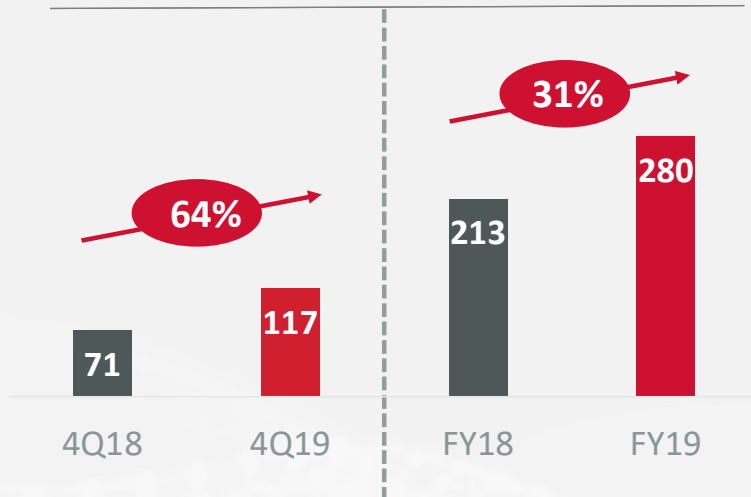


Net Income (TL mn)

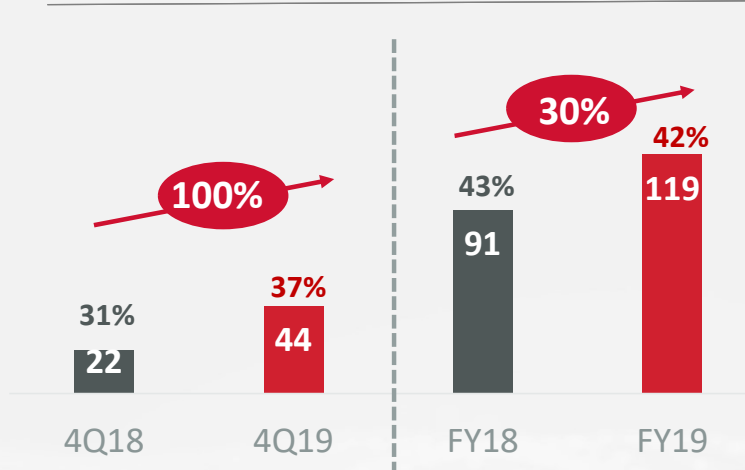


Record setting results in Turkey

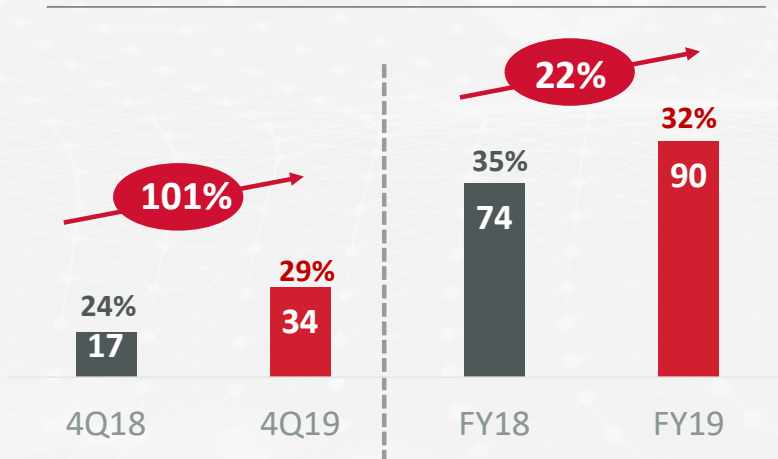
Logo Standalone – Revenues (TL mn)



Logo Standalone – EBITDA (TL mn)



Logo Standalone - Net Income (TL mn)



- Exceptional growth in 4Q driven by e-government regulation change in October 2019 leading to strong growth and new customer acquisitions in all product categories
- The highest contribution was from e-government solutions and LEM sales, and net deferred revenue was up by 197%
- Sales expenses related to deferred revenue remain in 2019
- EBITDA and EBT growth were above targets
- Tax expenses on invoiced revenue were relatively higher impacting the net margin

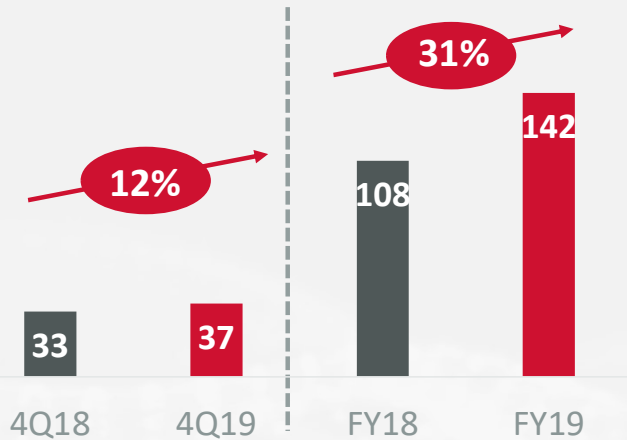
Logo Turkey Standalone: Logo's operations in Turkey excluding Logo KOBİ and Logo Infosoft (India)



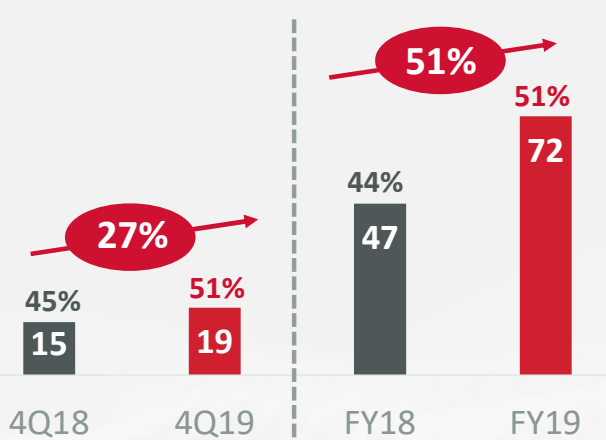
*IFRS 16 impact on FY19: EBITDA +5.12 TL mn / EBIT +1.51 TL thou / EBT -390 TL thou

Strong performance by Total Soft

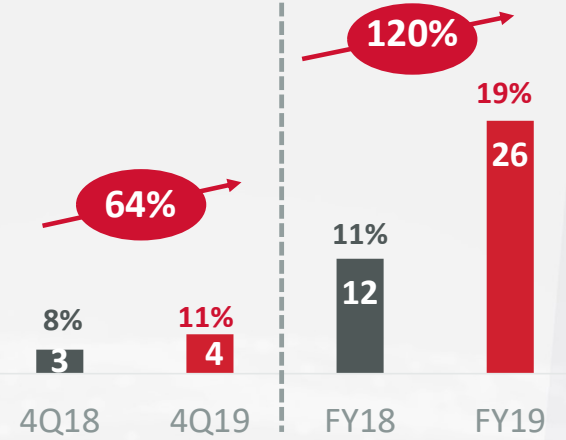
Total Soft – Revenues (TL mn)



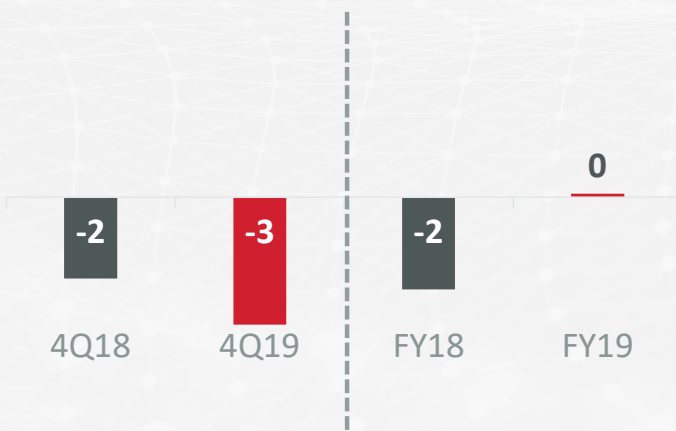
Total Soft – Gross Profit (TL mn)



Total Soft – EBITDA (TL mn)



Total Soft - Net Income (TL mn)



- Efficiencies continued in the company with better project management and pricing
- **Revenue** growth in euros was **18% y/y in FY19**
- **Improvement** in gross profit continued with 51% growth compared to FY18
- **EBITDA** growth was significant at 97% in euro terms and margin improving to 19%

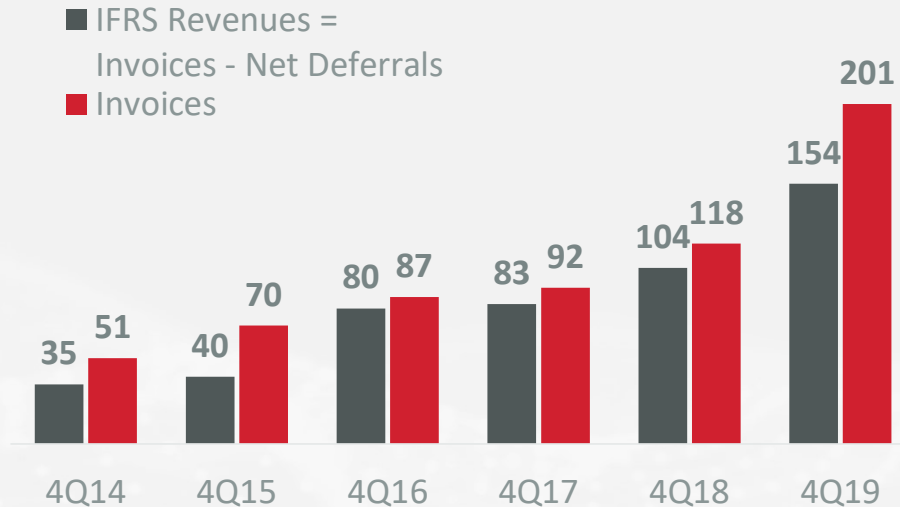


*IFRS 16 impact on FY19: EBITDA +3.8 TL mn / EBIT -115 TL thou / EBT +143 TL thou

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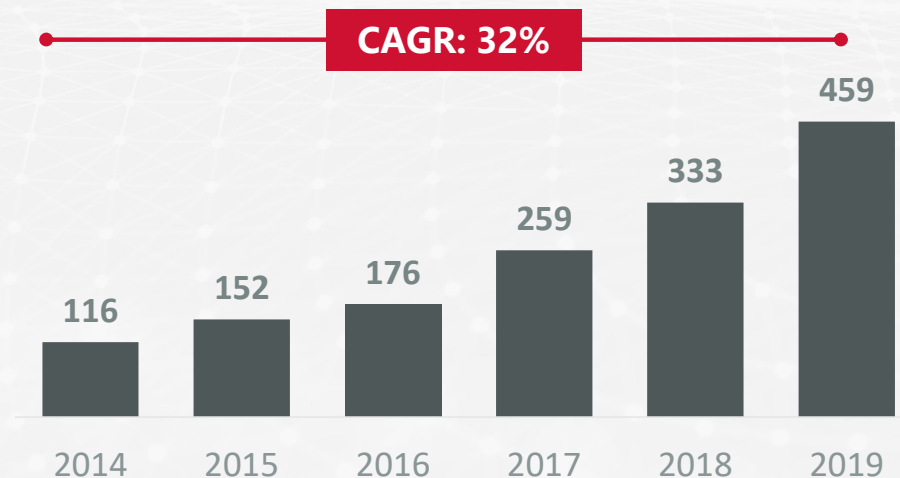
Invoiced revenues vs IFRS revenues (Consolidated)

Fourth Quarter Invoices & IFRS Revenues (TL mn)



- **4Q sales invoice growth** was **70% y/y**
- **IFRS Revenue growth** was **48% y/y** in 4Q
- Net deferrals for the full year up by 219% due to higher coin sales which will be utilized in 2020 and LEM contract renewals in the last quarter

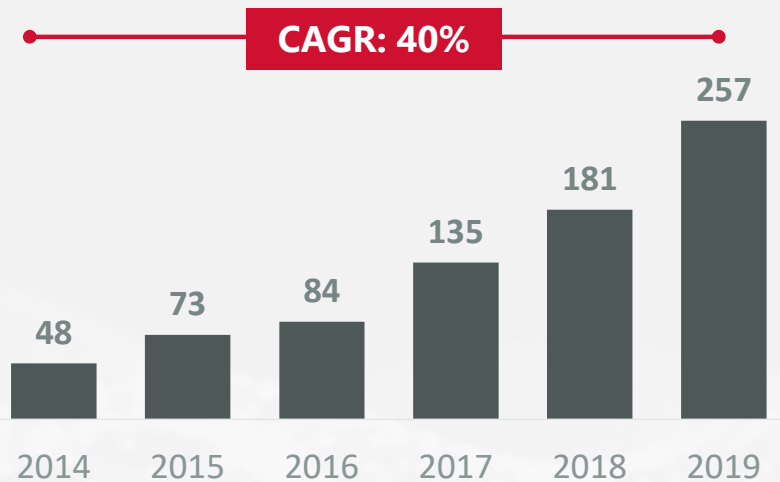
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was **317 TL mn** with 41% increase
- **Total Soft's** invoiced revenue increased by 31% and reached **142 TL mn**
- **Recurring** revenues make up **56%** of invoices

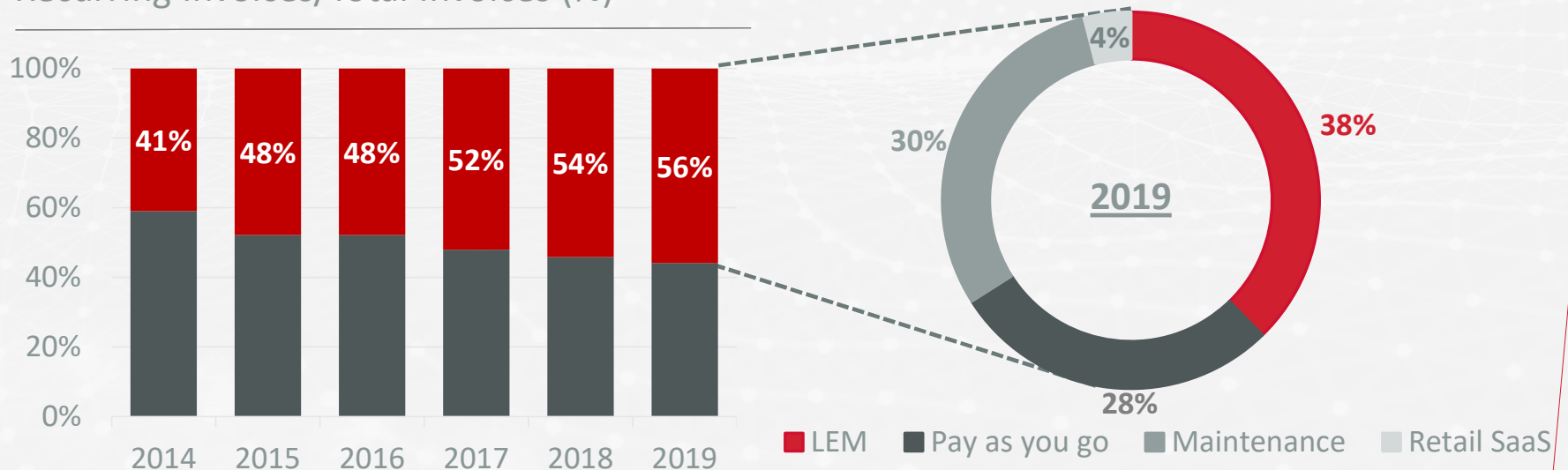
Recurring revenue growth ensuring predictability

Consolidated Recurring Invoices (TL mn)



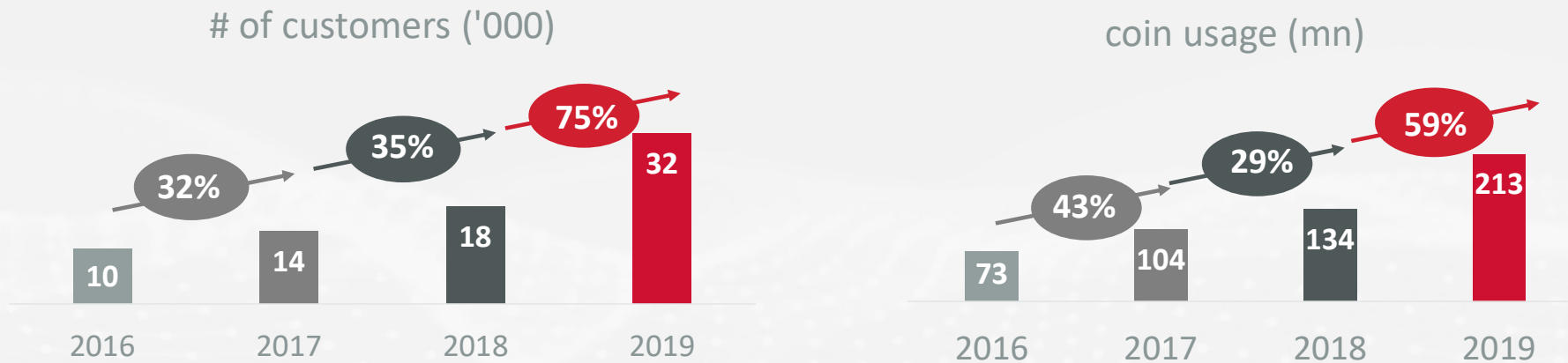
- **LEM** revenues increased by 28% y/y in FY19
- **Pay as you go** revenues increased by 84% y/y with very strong coin sales. eLogo coin customers and coin usage increased by 75% and 59%, respectively
- **Maintenance** revenues increased by 35% y/y with significant contribution from Romania operations
- **Retail SaaS** revenues increased by 30%

Recurring Invoices/Total Invoices (%)



eLogo: e-services platform and leader in digital transformation

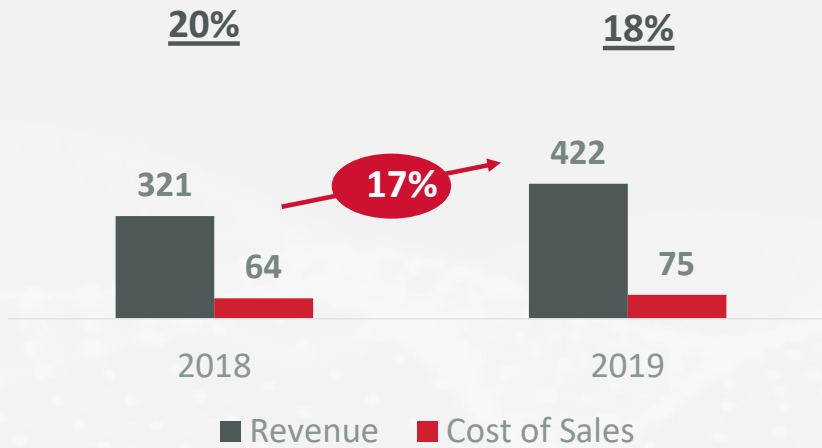
Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 32K customers



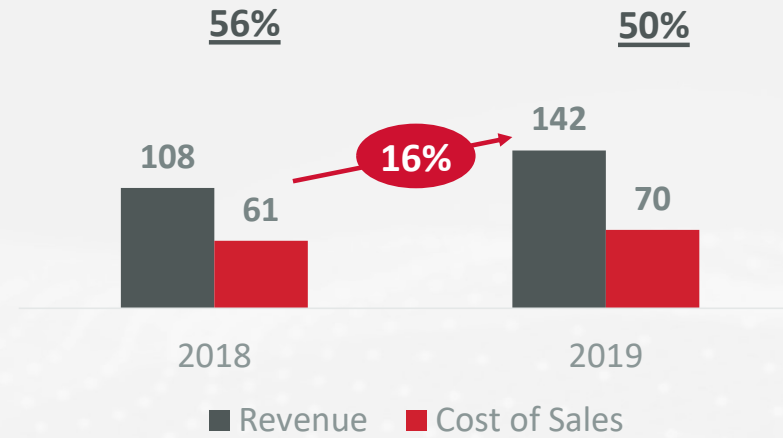
- ✓ Growth in number of customers and coin usage got a boost from the long-awaited e-government solutions communique published in October 2019
- ✓ As the leader of the market, eLogo is well-positioned to take advantage of the market growth driven by the new communique

Cost of sales

Consolidated (TL mn) – As % of IFRS Revenue



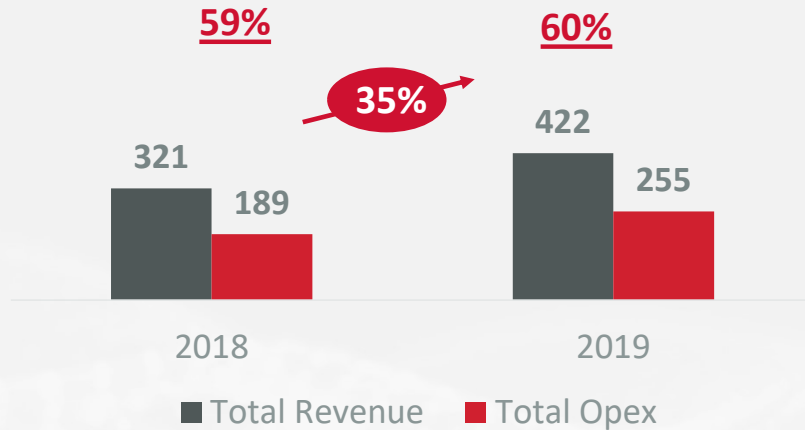
Total Soft (TL mn) – As % of IFRS Revenue



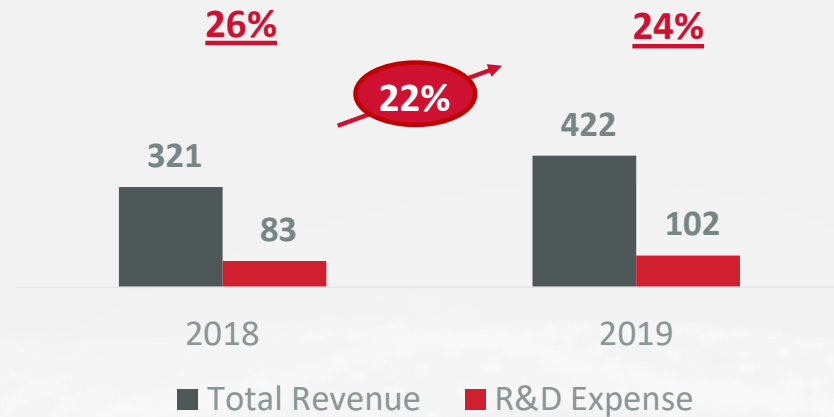
- ✓ Total Soft's cost of sales increased by 16% while revenue increased by 31%.
- ✓ Total Soft's gross margin improved in 2019 with better priced contracts and efficient project management.

Operating expenses

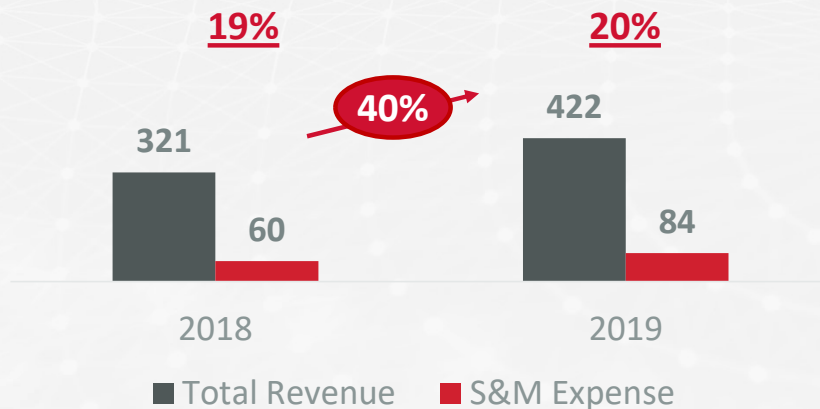
OpEx (TL mn) – As % of IFRS Revenue



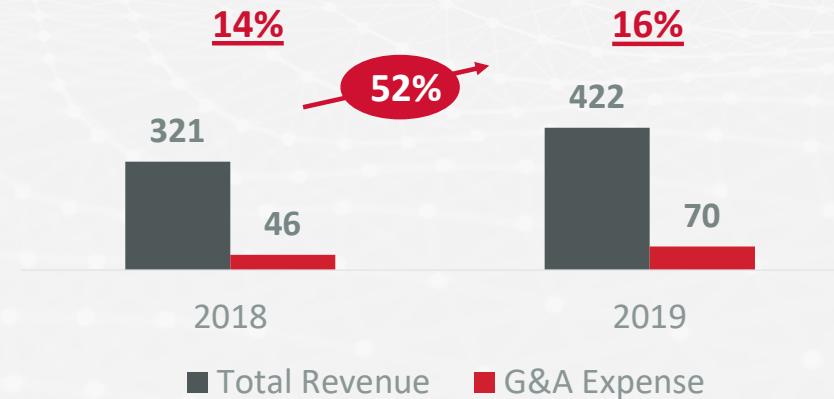
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

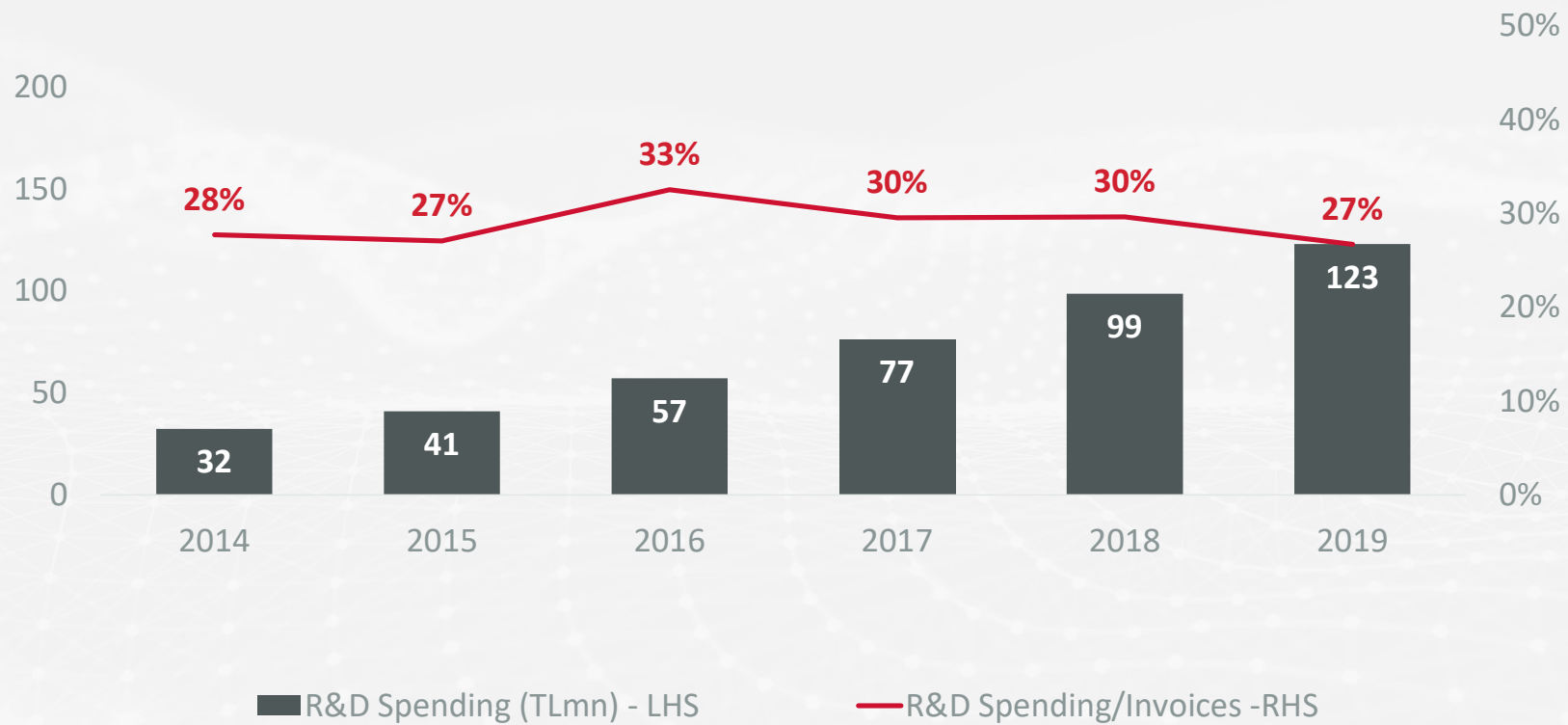


G&A (TL mn) – As % of IFRS Revenue



Dedicated investment in technology

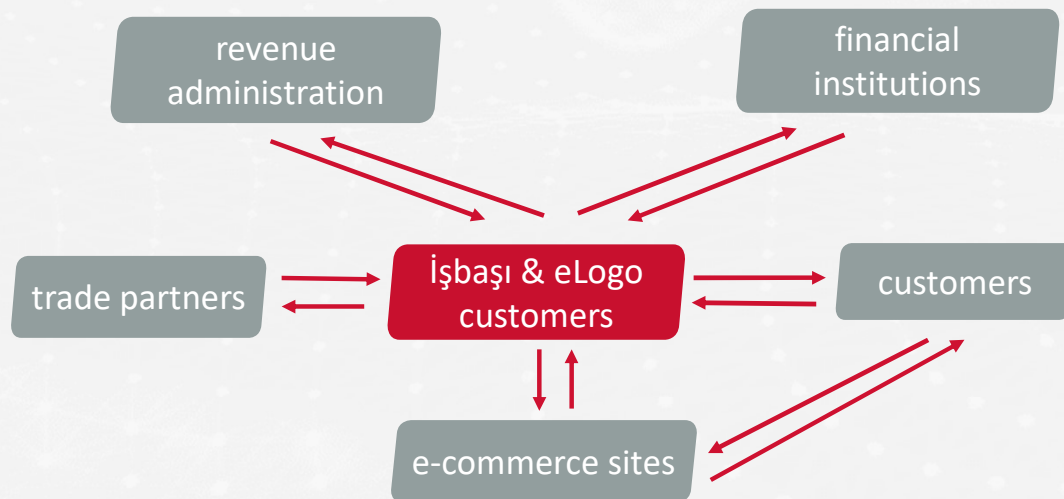
R&D Spending (TL mn) – As % of Invoices



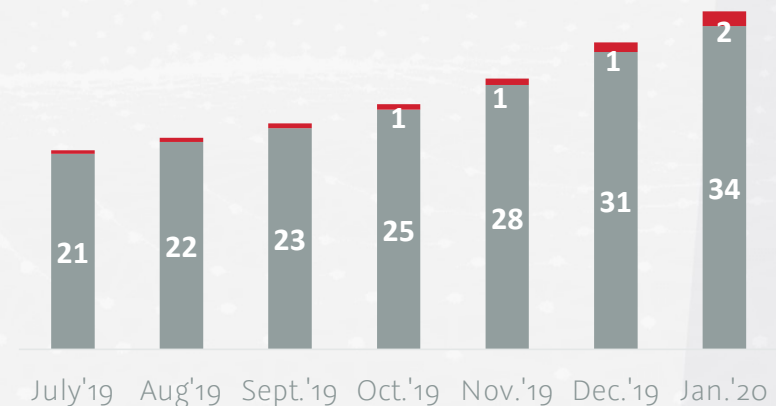
MicroSME digitalization - Turkey

- Logo SME Digital with its SaaS solution Logo İşbaşı operates in the MicroSME segment
 - Very **competitive** landscape
 - **Rapid growth** expected with e-invoicing requirements including smaller companies
 - Logo İşbaşı monthly sales growth has **accelerated** with January sales equaling 2019 numbers
- Logo's competitive advantages:
- ✓ High service quality
 - ✓ Access to Big Data domain with Machine Learning services
 - ✓ Leading e-invoice provider

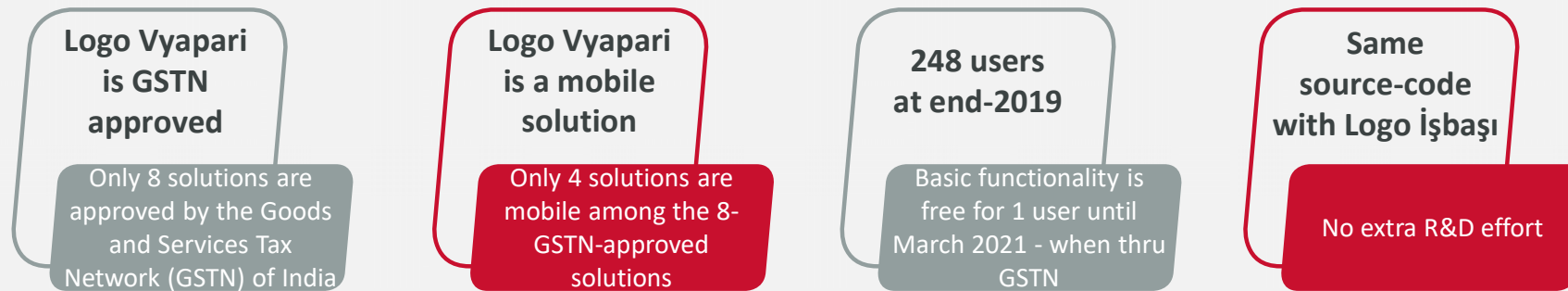
value creation on digital platform



İşbaşı users reached 36K w/2K paying



MicroSME digitalization - India



- ✓ SaaS solution **Logo Vyapari** is currently at product-market fit stage where customer engagement is observed via controlled onboarding
- ✓ Logo Vyapari 2.0 version released on 13-Jan-2020
- ✓ Traction is expected following digital marketing efforts and stricter government enforcement
- ✓ Lean team of **27 people** at end-2019
- ✓ Worked on gaining recognition in the marketplace with users and influencers
- ✓ Total investment by Logo is **\$3 million** since JV's foundation at end-2016;
 - \$1mn equity
 - \$2mn long-term equity convertible

Strong balance sheet

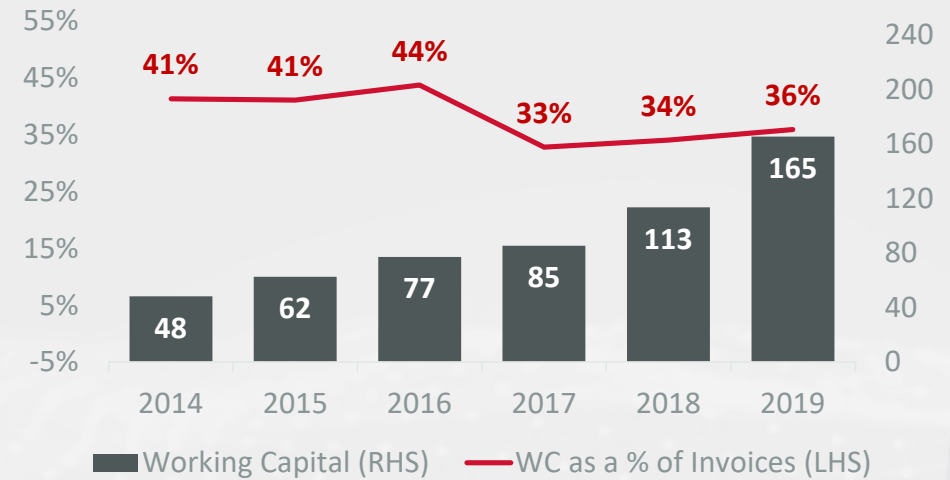
Balance Sheet Highlights (TL mn)

	2018	2019	Δ
Cash & Cash Eq.	80,9	152,2	88%
Trade Receivables	137,9	211,2	53%
Tangible Assets	20,7	20,0	-3%
Intangible Assets*	301,1	342,2	14%
Other Assets	22,5	50,2	122%
Total Assets	563,2	775,7	38%
Total Liabilities	244,6	381,1	56%
Total Shareholders' Equity	318,6	394,6	24%
Total Liabilities and Equity	563,2	775,7	38%
Shareholders Equity Ratio	0,57	0,51	-10%
Current Ratio	1,72	1,55	-10%
EPS**	2,81	3,58	27%

* 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-month trailing invoices

- Net cash of 31 TL mn at end-2019 (excluding 15.4 TL mn IFRS 16 impact) vs net debt of 18.6 TL mn at end-2018. Net cash of 84 TL mn together with 3.48% treasury shares @Mcap at end-2019.
- Working capital/Invoices ratio is 36% with days outstanding of 124 days (end-2018: 123 days).

Guidance

2019

2020 guidance



*Investments = Logo Infosoft (India) and Logo Kobi Digital (Turkey). Logo Infosoft (India) is recognized with equity method and does not have expense impact on consolidated figures.

** IFRS 16 impact on consolidated EBITDA: +8.9 TL mn for 2019 and +10.3 TL mn for 2020 guidance.



Questions & Answers

Thank you for joining us today

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