



FY2015 RESULTS PRESENTATION

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CHIEF FINANCIAL OFFICER

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2015 at a Glance



760K
Kms Traveled by the
Sales Force



19
World Tours by
Kms Traveled



5
Customer Visits
(per day)



6500+
New Customers



18
New Customers
(per day)



900
Business Partners



244
Candidate
Business Partner
Interviews



74
New
Business Partners



63%
Rise in Business
Partners Achieving
Targets



61
Business
Partner Trainings



1116
Trainings - # of
Participants



3
Acquisitions (Intermat,
Sempa & Vardar)



46%
Rise in Third
Party Product
Customers



45%
SaaS Revenue Growth



26%
Market Share Gained
in E-government



36
Product Offerings
Reached

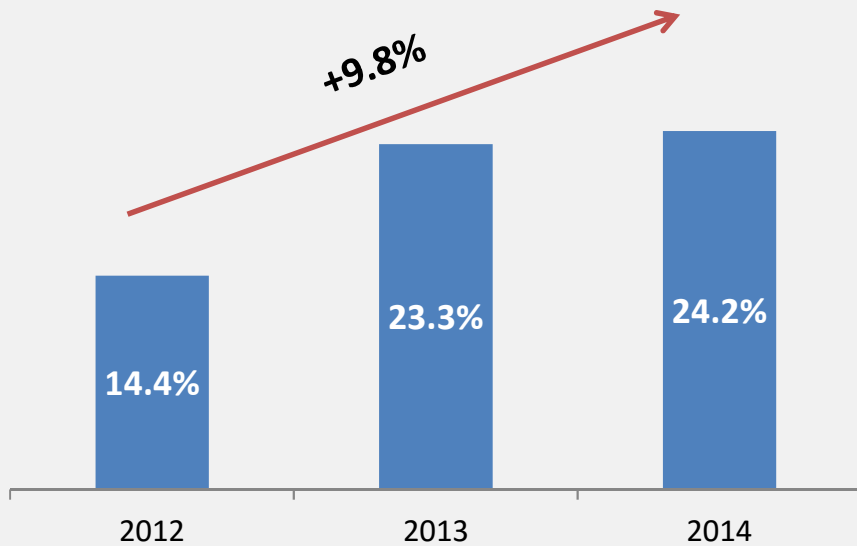
- Logo had an all-time high top and bottom line in FY2015, beating guidance at all levels
- We sustained robust growth and continued market share gains
- Total sales invoiced grew by 31% y/y, share of recurring invoices in total invoices was up from 41% in 2014 to 48% 2015
- Deferred revenues grew by 72% y/y
- Accordingly, FY2015 IFRS revenue growth was 24% y/y, EBITDA grew 36% y/y and net income growth was 45% y/y
- Our continued focus on **operating excellence** across all of our business lines, **quick integration** of new acquisitions and continuous investments have been instrumental in profitability growth and margin expansion
- We continued our investments in HR to sustain and nurture an innovative and agile organization: our organization of 490 people as of year-end 2014 has grown to 526 as of year-end 2015

Market Share Growth

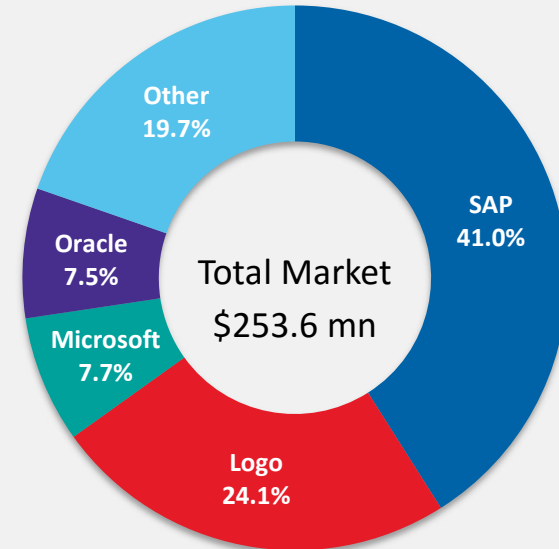


Logo is expected to increase its share in the rapidly growing EAS market through expansion of product and service range and add-on acquisitions...

Logo Share Progression



Market Share (2014)



Source: IDC Turkey Enterprise Application Software Market Vendor Shares (2012,2013,2014)

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Financial Summary

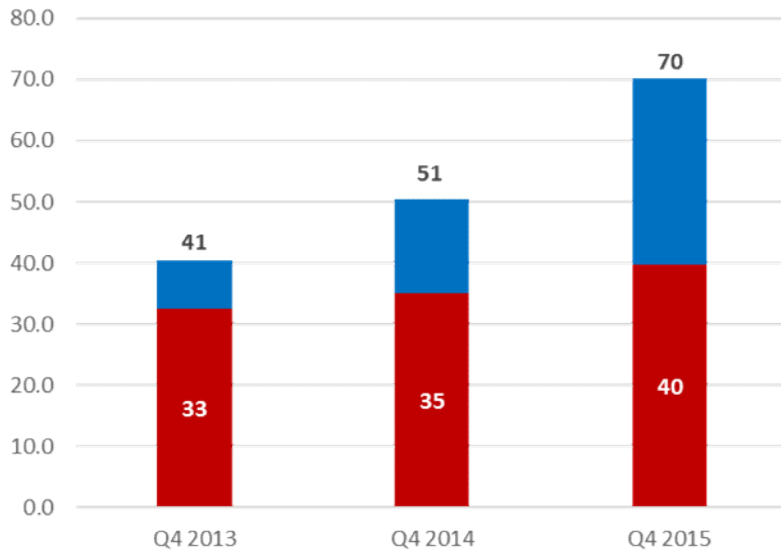


	Q4			12M					Guidance	
	Q4 15	Q4 14	Δ	12M15	12M14	Δ	LFL14	Δ	YE15	Dev.
IFRS (mn TL)										
Revenue	39.8	35.1	13%	128.8	104.0	24%	106.0	22%	120.0	7%
EBITDA	6.1	8.7	-31%	53.7	39.6	36%	39.8	35%	47.5	13%
EBITDA Margin	15%	25%		42%	38%		38%		40%	
Net Income	0.6	6.1	-90%	40.2	27.7	45%	27.9	44%	35.0	15%
Net Income Margin	1%	17%		31%	27%		26%		29%	

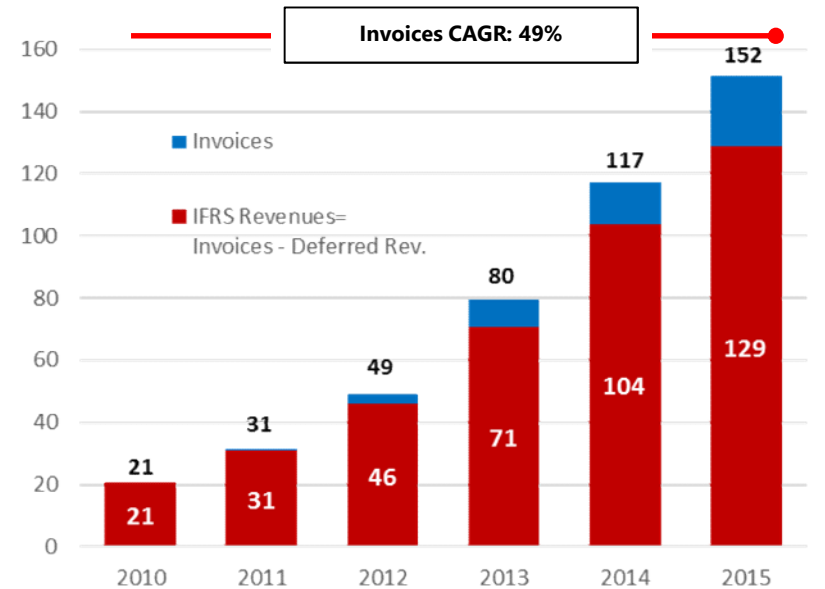
- Above budget realizations at all levels
- On a quarterly basis, IFRS revenue grew at a slower pace due to revenue deferrals and this also reflected on profitability
- FY2015 IFRS sales revenue was up by 24%, and profitability growth remained strong
- Recurring revenues growth was at an all time high
- EBITDA margin contraction to 42% in FY2015 from 45% in 9M15 is due to
 - (1) a higher deferred sales revenue impact of the IFRS reporting in 4Q15
 - (2) seasonally higher sales&marketing spending in the last quarters in line with our guidance

*LFL: includes 2014 figures of Intermat (acq. in Jan.-July 2015), Sempa (acq. in June 2015) and Vardar (acq. in Sept. 2015) for comparison purposes

Fourth Quarter Invoices & IFRS Revenues (m TL)

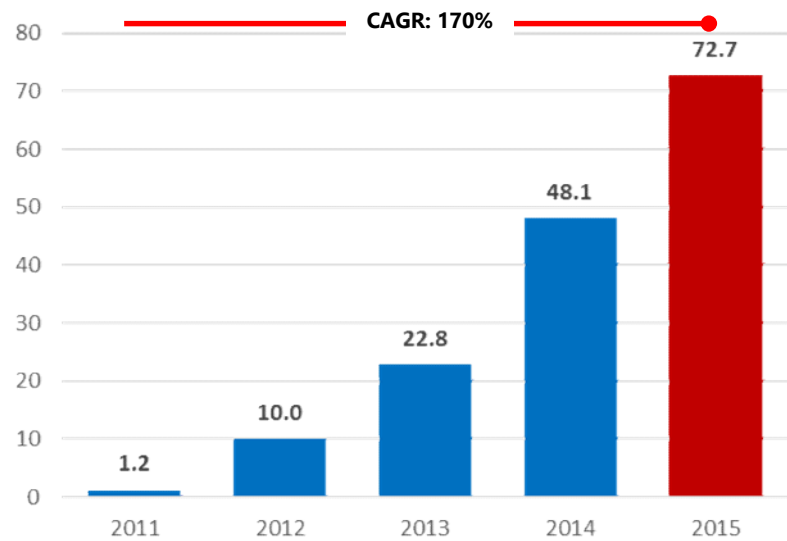


Invoices & IFRS Revenues (m TL)

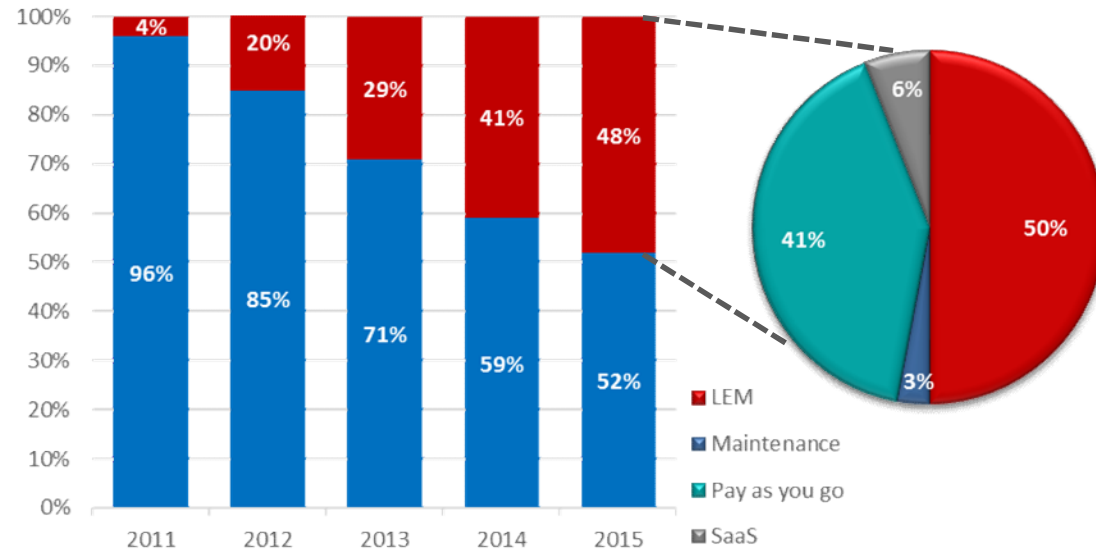


- Best all-time **fourth quarter** sales figure:
 - e-state sales surged 118% y/y, LEM grew 23% y/y
 - without the impact of revenue deferrals, our y/y revenue growth is 38% in 4Q15
- **FY2015 sales growth of 24% y/y** led by:
 - new customer acquisitions – 11% of sales from **new customers**
 - e-state sales growth of 90% y/y, share of e-state sales increased from 22% in FY2014 to 33% in FY2015
 - LEM growth of 35% y/y, SaaS growth of 45% y/y

Recurring Incoives (m TL)



Recurring Invoices/Total Invoices (%)

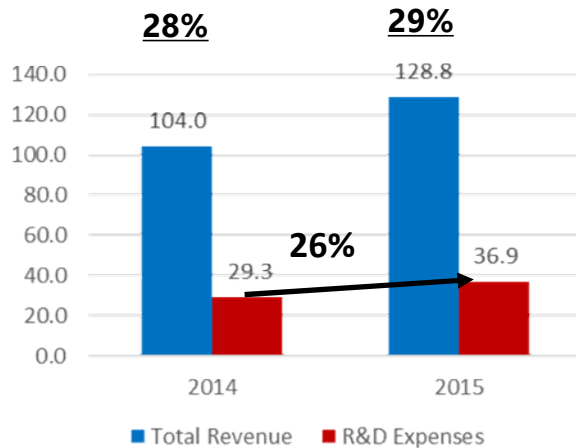


- Exceptional recurring revenue growth with focused strategy and timely product offerings
- Recurring invoice share up from 41% (36% in IFRS) in FY2014 to 48% (39% in IFRS) in FY2015 with growing share of LEM, e-invoice services revenue and solid SaaS growth
- Logo now enjoys a 26% market share in the e-invoice servicing business. There has been migration from the government portal and other e-invoice service providers. Customer pool is 36.7K companies.

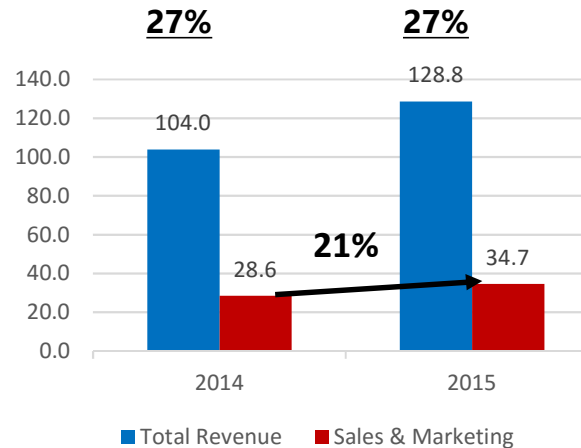
Key Financials



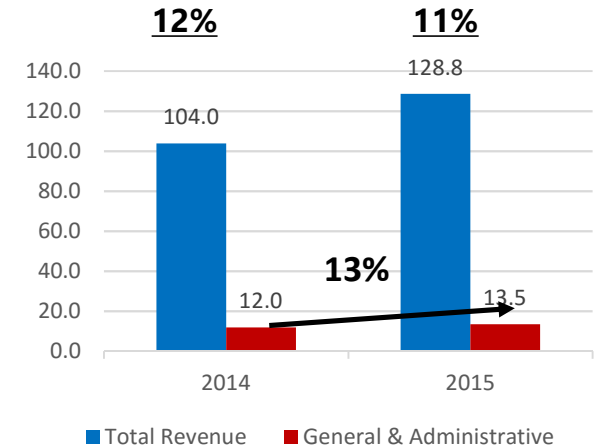
R&D (000 TL) Share in IFRS Revenue (%)



S&M (000 TL) Share in IFRS Revenue (%)

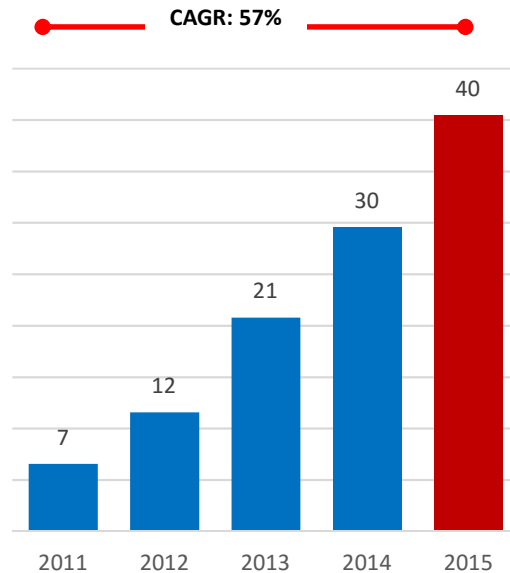


G&A (000 TL) Share in IFRS Revenue (%)

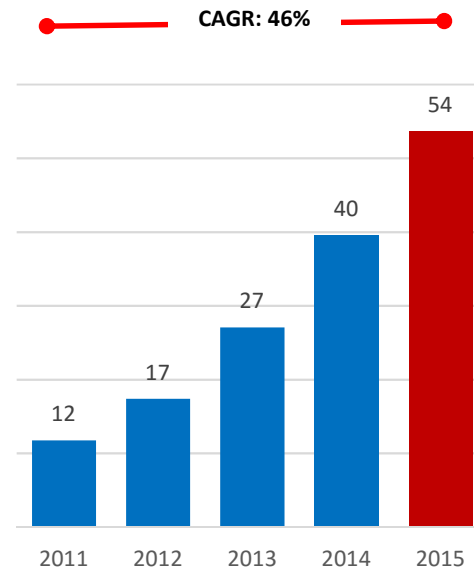


- **Investing in our technology, channel and personnel** is critical for sustained growth and margin expansion
- Overall operating expenses increased by 22% y/y in FY2015
- The ratio of G&A expenses to sales declined as a result of previous years' restructuring efforts and other cost saving measures
- R&D expenditures increased by 26% y/y and made up 29% of sales in FY2015
- Total R&D spending is 32% of sales
- Sales and R&D personnel #'s increased in line with **meeting higher customer satisfaction goals**
- Still, **the ratio of operating expenses to total invoices declined y/y** from 60% in FY2014 to 56% in FY2015, and from 53% in 4Q14 to 52% in 4Q15

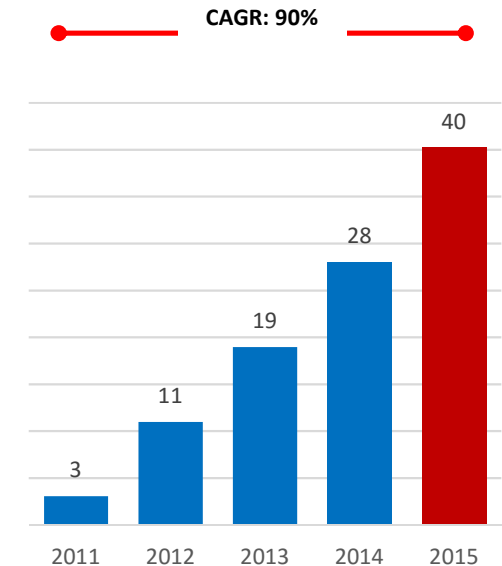
EBIT (m TL)



EBITDA (m TL)



Net Income (m TL)



EBIT: Gross Profit - S&M - G&A - R&D

EBITDA: Gross Profit - S&M - G&A - R&D + Amortization

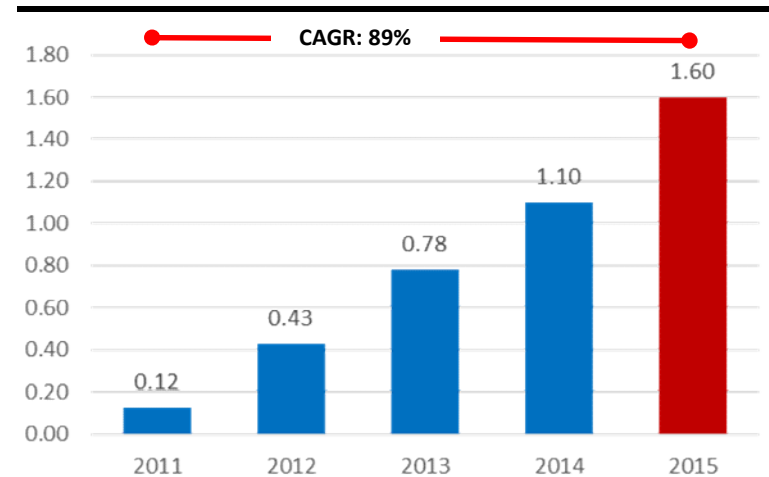
- Profitability at operating and net income levels surged as a result of Logo's successful top line growth and our strategy for improved efficiency
- Sales per employee up by 16% y/y, EBITDA per employee up by 27% y/y in FY2015
- EBIT margin up from 28% in FY2014 to 31% in FY2015
- EBITDA margin up from 38% in FY2014 to 42% in FY2015
- Net income margin up from 27% in FY2014 to 31% in FY2015

Balance Sheet Highlights (m TL)

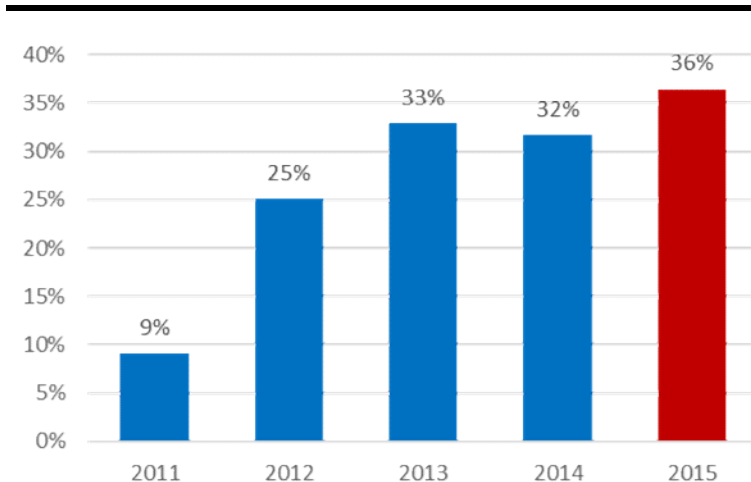
	2014	2015	Δ
Cash & Cash Eq.	48.7	51.5	6%
Trade Receivables	53.7	71.9	34%
Tangible Assets	15.1	15.5	3%
Intangible Assets	43.6	58.8	35%
Other Assets	5.1	4.6	-9%
Total Assets	166.1	202.3	22%
Total Liabilities	78.6	92.0	17%
Total Shareholders' Equity	87.6	110.3	26%
Total Liabilities and Equity	166.1	202.3	22%
Shareholders Equity Ratio	0.53	0.55	3%
Current Ratio	1.79	1.49	-17%
EPS (per 1000 shares)	1.10	1.60	45%

- **Strong profitability**, stronger balance sheet
- **Strong cash generation** from operations
- **High quality receivables**
- **Net cash position**
- **Strong EPS & ROE growth**

EPS Growth



ROE Growth



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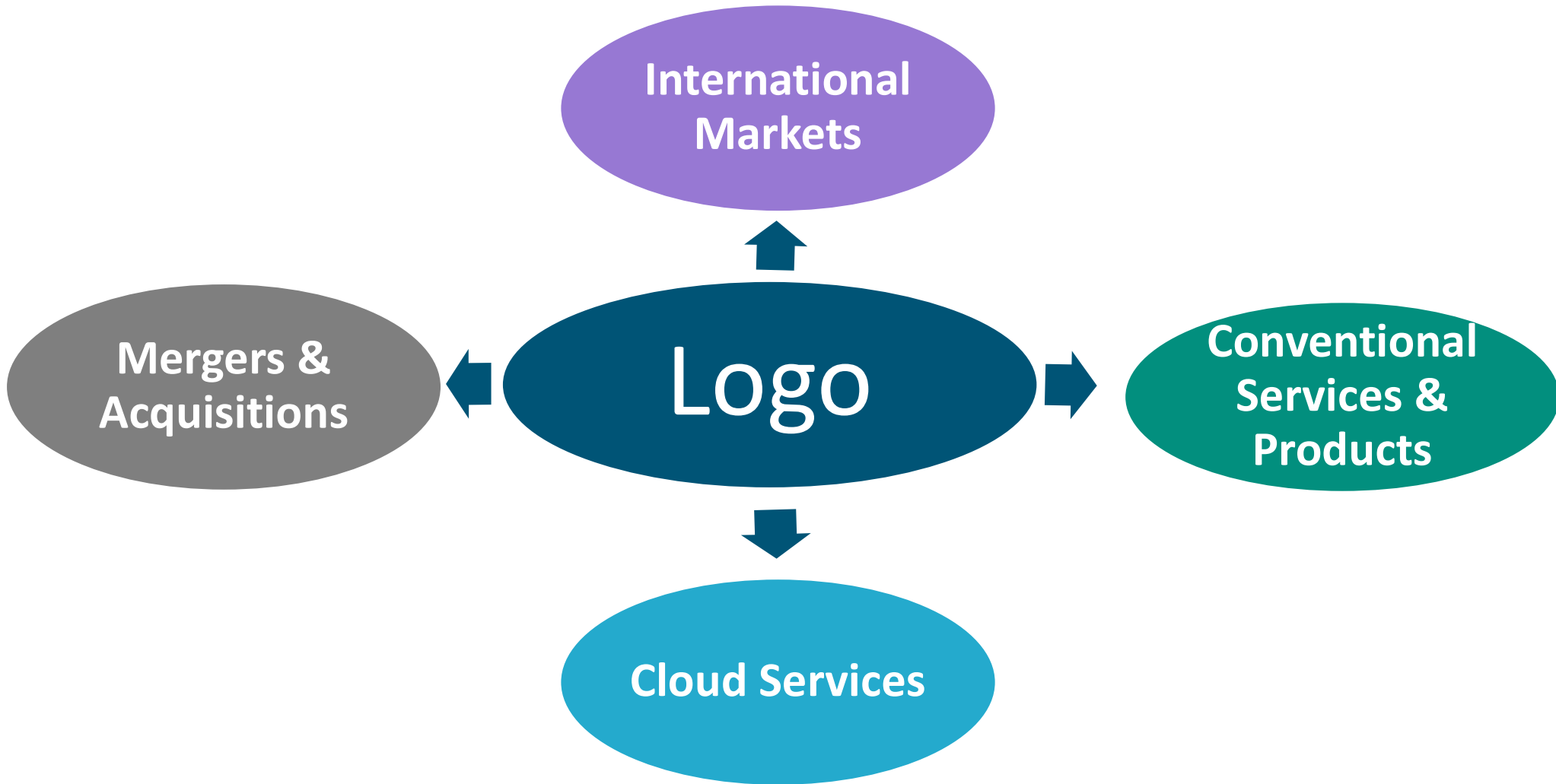


- Small to mid sized companies will lead growth by
 - SME penetration
 - the increase in number of users in large enterprises
- Transition to cloud services will accelerate
- Big Data will continue to record one of the highest growth rates
- End user security will gain further importance
- Apps become a necessity => the CRM will be the area of fastest modernization

“The goals of most firms should be to find the right balance between product and service revenue, and then to servitize products to create new value-added opportunities and pricing models as well as productize services to deliver them more efficiently and flexibly, such as by using information technology and service automation.”

Michael Cusumano, Professor MIT

- One-time License Revenues → Recurring Revenues
- Product Focused Sales and Services → Client Focused Sales and Services
- Product → Transforms into Service (Adaptability, APPs, Web/Cloud Services)
- Service → Transforms into Product (LEM, Maintenance Agreements, Membership Services, Counters)



New Products / Renewed Products

Series 3 Products, Retail Solutions, Web and Mobile Versions, Adaptability

- New Customers / New Verticals
- Increase Market Share



New Customer Acquisitions



Cross Selling – Complementary Products and Independent Products

BI

CRM

HR

WorkFlow /
BPM

- Complete 'Whole' Product Offering
- Increase Revenue per Customer
- Raise Switching Cost



Raise the Share of LEM



Create New Membership and Service Models

LEM

e-Logo Services

KEP

e-
Signature

Office 365

AppStore

Technology Transformation

Ensuring Technical Preparation of Existing Products (REST, Web Services, Apps)

Private Hosting, Public Hosting (Java Products) (Retail Products)

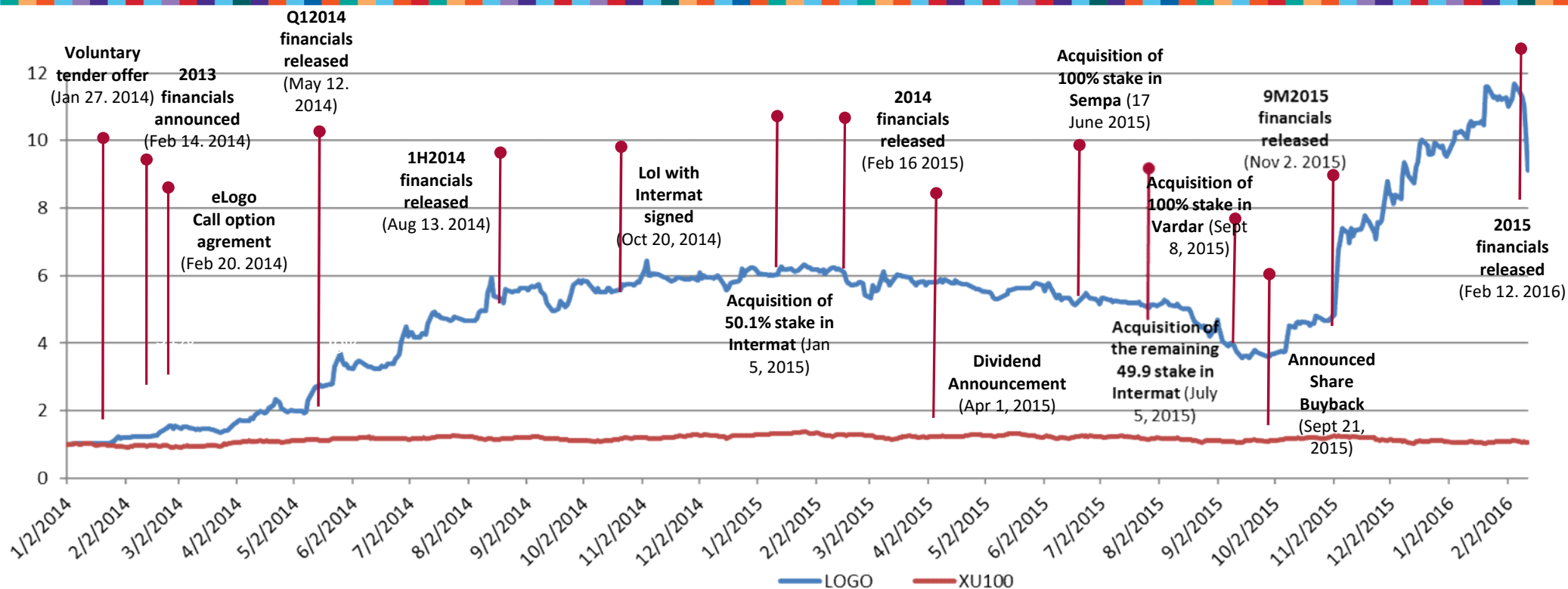
Carrying Our Successful Ecosystem onto the Cloud (PaaS)



Business Model Transformation

Creating a Cloud Model to be Sold and Developed over the Ecosystem (Revenue Models, Targets, Processes)

Share Performance



LOGO

BIST-100

	Average Price	Price ▲	Average Price	Price ▲
L1M	49.18	-17%	71,791	-1%
L3M	43.33	-5%	73,574	-4%
L6M	32.19	27%	75,144	-6%
L1Y	28.58	43%	78,678	-10%

Market Capitalization (TRALOGOW91U2)

m TL

Share Price @ Feb 12, 2016	41.0
Shares Outstanding	25M
MCAP @ Feb 12, 2016	1,025.0M

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Thank you for joining us today

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