



H1 2022 Results Presentation

Gölnur Anlaş

Chief Financial Officer

August 17th, 2022

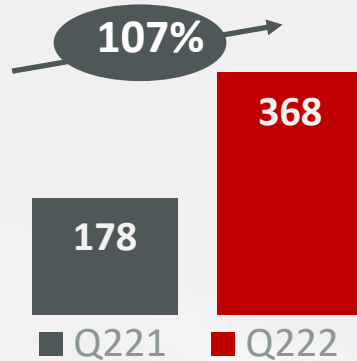
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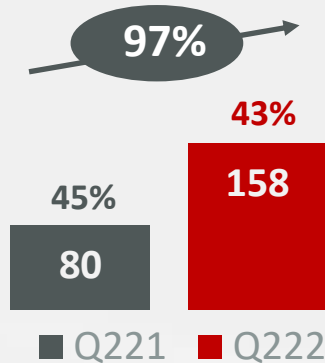
Solid performance continues in Q222

Consolidated

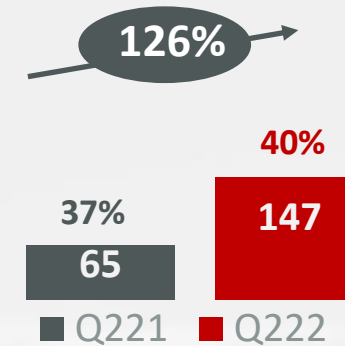
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

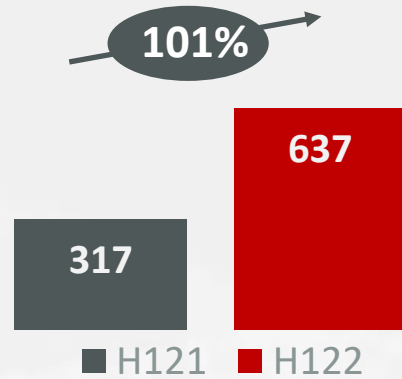


- **Strong revenue growth** and **solid operational profitability** continued in Q2 despite macro uncertainties
- **Recurring revenues** were **62%** of invoiced sales with growth in all categories
- **In Turkey**; revenues grew **by 102%** in H1 with increased spending from existing customers and healthy new customer acquisitions;
 - Logo Turkey's **new customer additions** in ERP segment grew by **30% y/y**
 - e-services' **new customer additions** grew by **46% y/y**
 - MicroSME SaaS solution **İşbaşı's** users reached **48 thousand** with **141% growth y/y**
 - **Peoplise** active customers up by **23% y/y** reaching **134** at end-H122
- **Romania**; strong Euro **sales and profitability growth** continued in Q222
- **India**; reviewing pricing and go-to-market strategy of microSME SaaS solution CaptainBiz, and working on building strategic partnerships to ensure customer traction

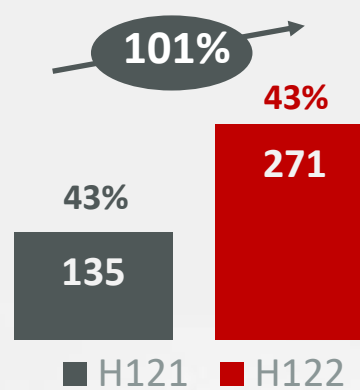
Strong results in H122

Consolidated

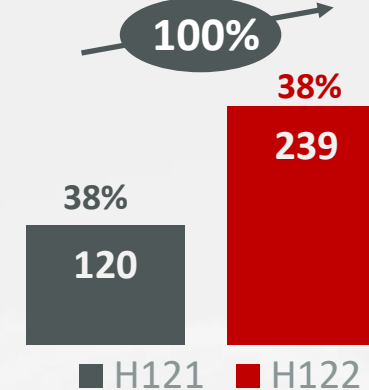
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

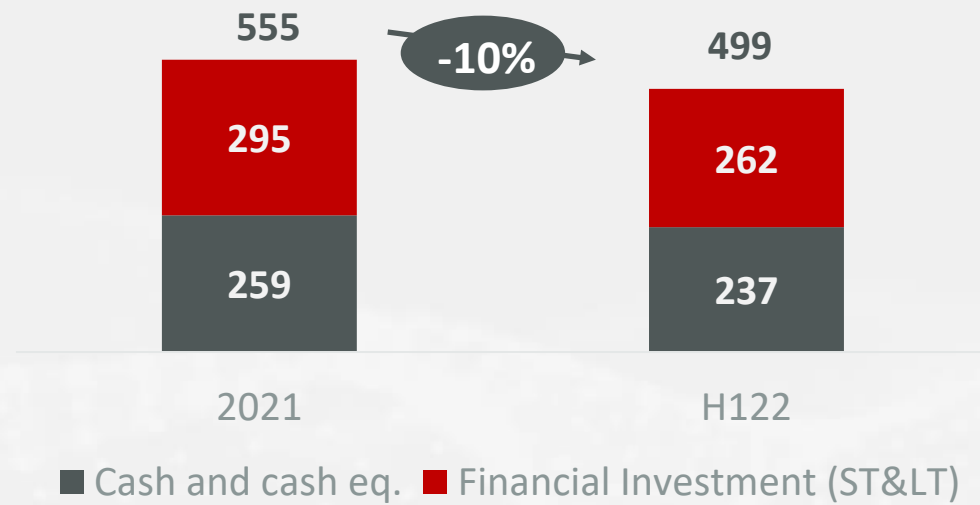


- **Revenues** up by 101%, reaching 637 TL mn, with Turkey and Romania operations contributing 67% and 33% respectively
- **EBITDA** up by 101%, reaching 271 TL mn yielding 43% margin
- **Sales/employee** up by 82% y/y (2010-2021 CAGR; 15%), **EBITDA/employee** up by 82% y/y (2010-2021 CAGR; 20%)
- **Net income** up by 100%, reaching 239 TL mn yielding 38% margin

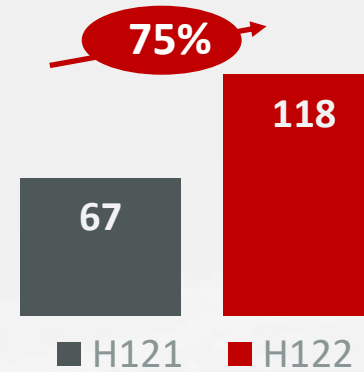
Effective financial management

Consolidated

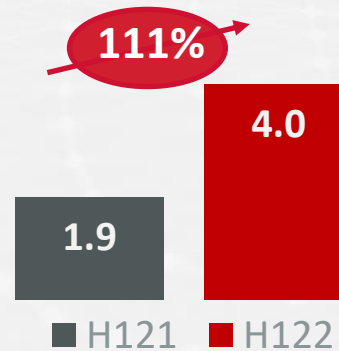
Cash and Financial Investments (TL mn)



Strong FCF – LTM (TL mn)



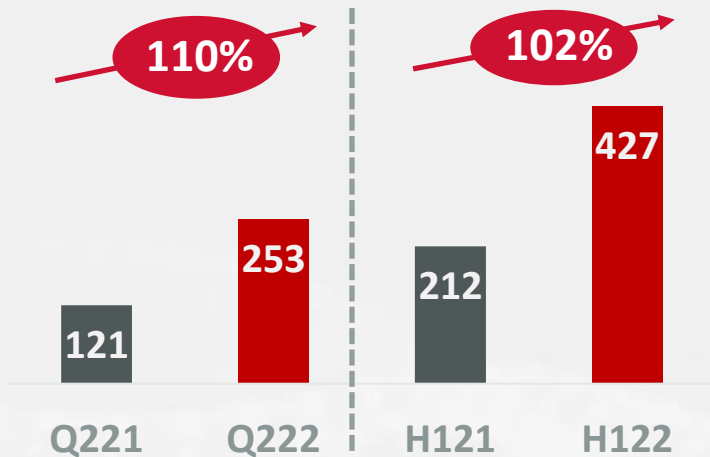
EPS* growth (LTM)



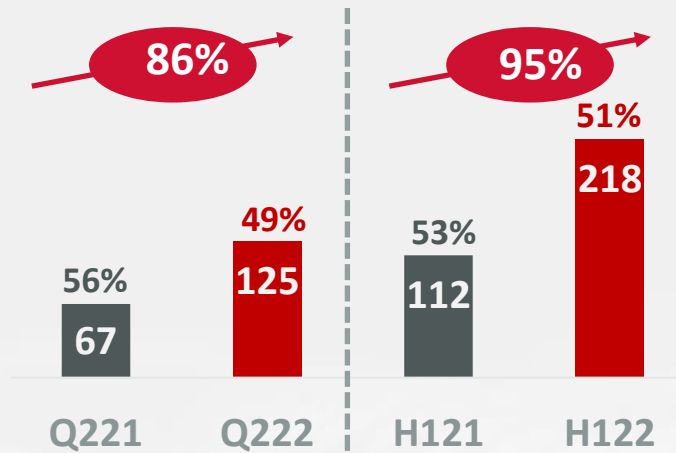
*Adjusted by 3.61% treasury shares (H121: 3.22%)

Strong performance in Turkey

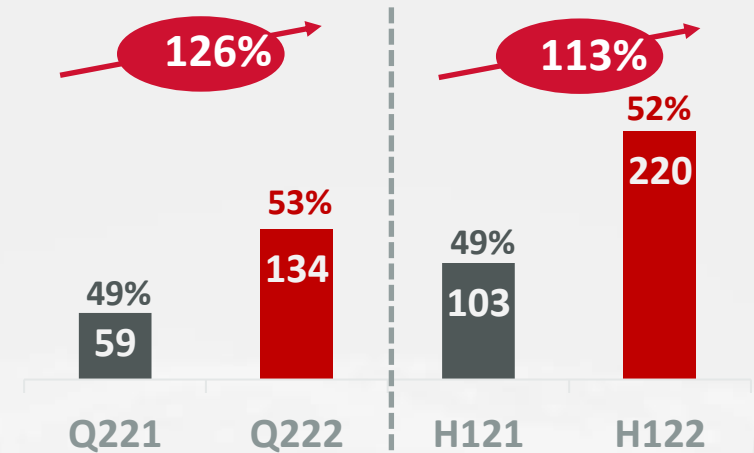
Logo Turkey-Revenues (TL mn)



Logo Turkey-EBITDA (TL mn)



Logo Turkey-Net Income (TL mn)

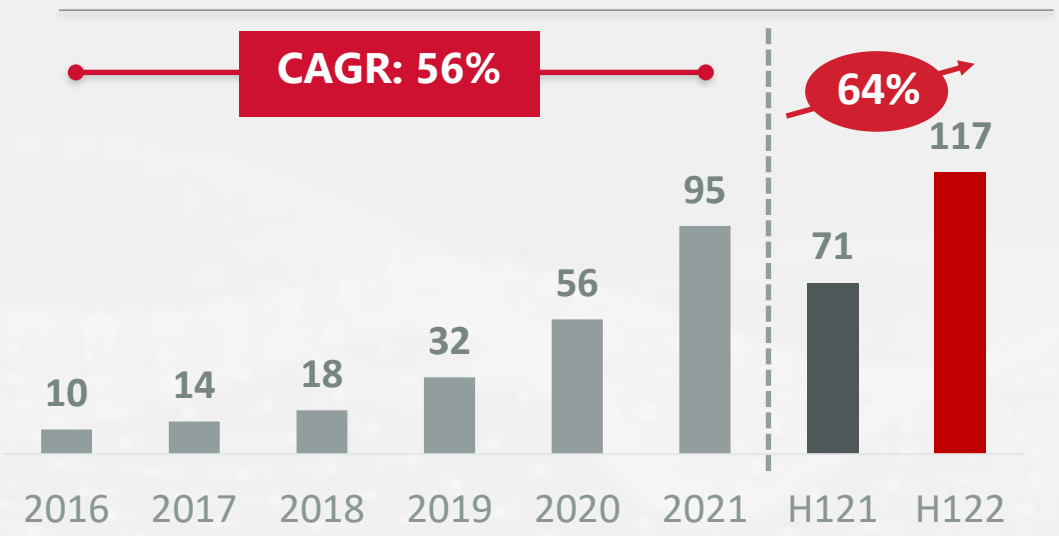


- **Revenues in H1** increased by 102% with healthy new customer acquisitions and increased spending from existing customers
- **EBITDA** grew by 95% with 51% margin
- **Net income** positively affected by net financial gains with margin reaching 52%

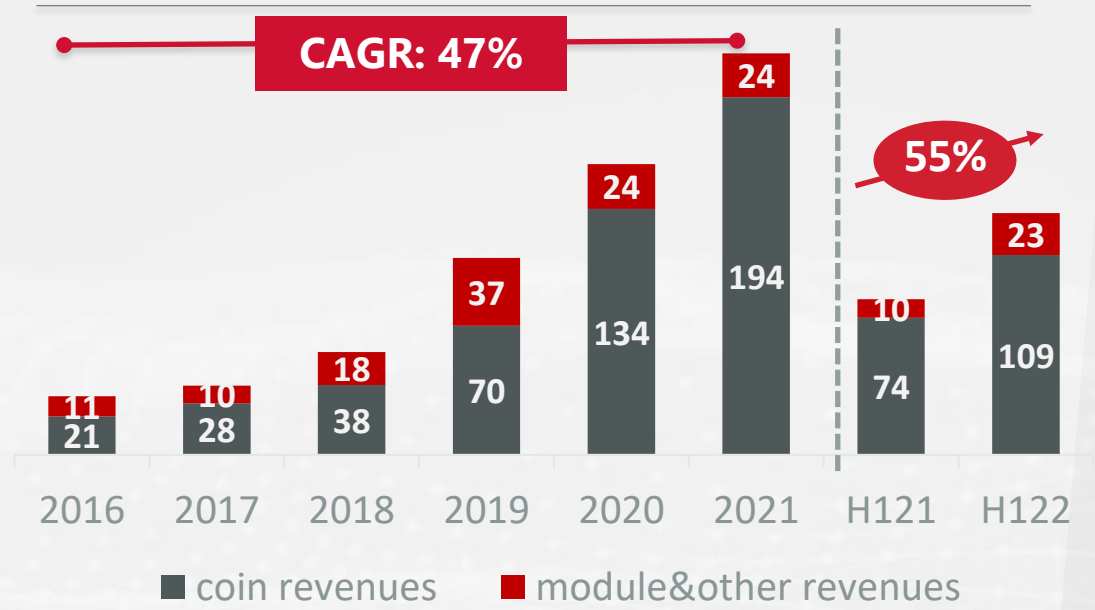
eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 117K customers

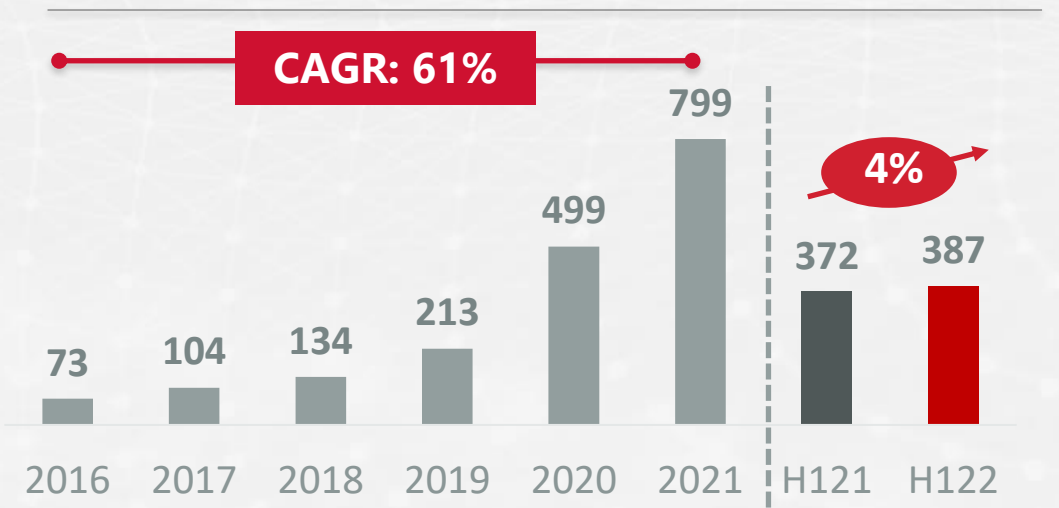
of customers ('000)



eLogo invoiced revenues (TL mn)



coin usage (mn)



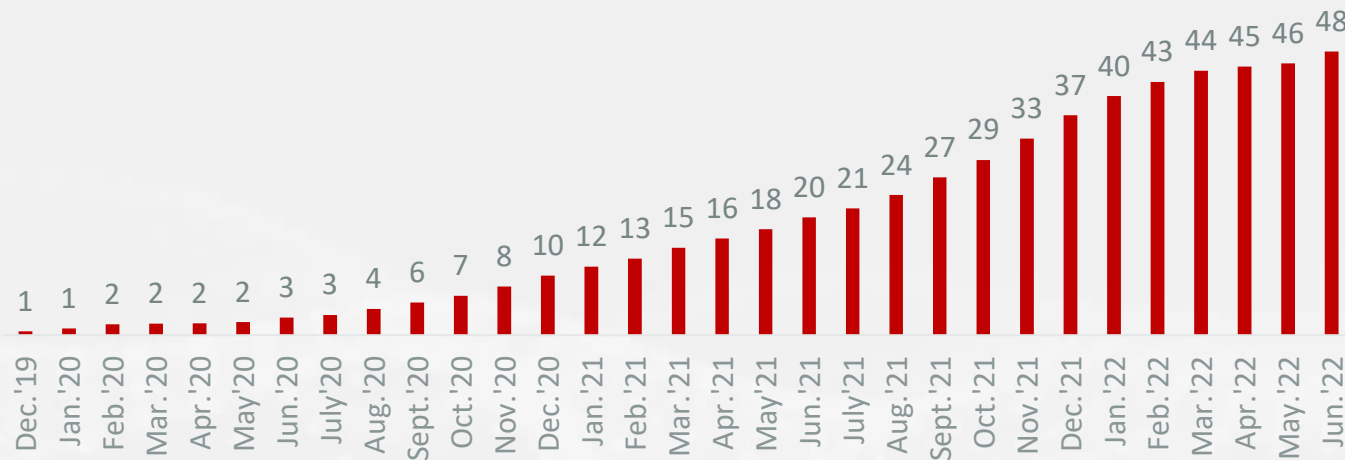
- ✓ New customer additions increased by 46% y/y
- ✓ Coin revenues comprises 83% of eLogo's invoiced revenues in H122 signaling strong recurring revenue growth potential going forward



Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering *basic accounting software and e-invoicing services*

of users ('000)



User growth:
141% y/y

ARPU*: 333 TL

LTV/CAC**: 22

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



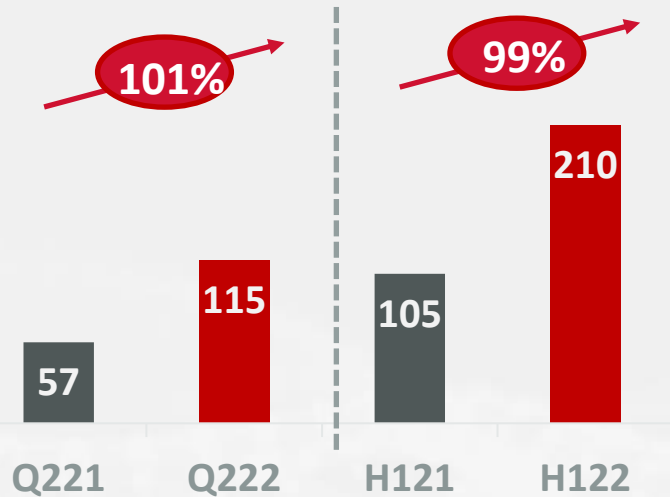
*ARPU (Average revenue per user) is based on total invoiced revenues (LTM) and average # of users (LTM).

**LTV/CAC: Lifetime value/Customer acquisition cost

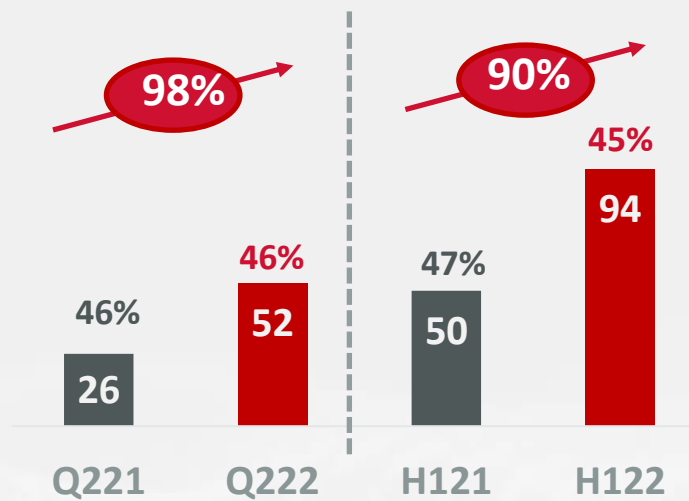
www.logo.com.tr

Solid performance at Total Soft

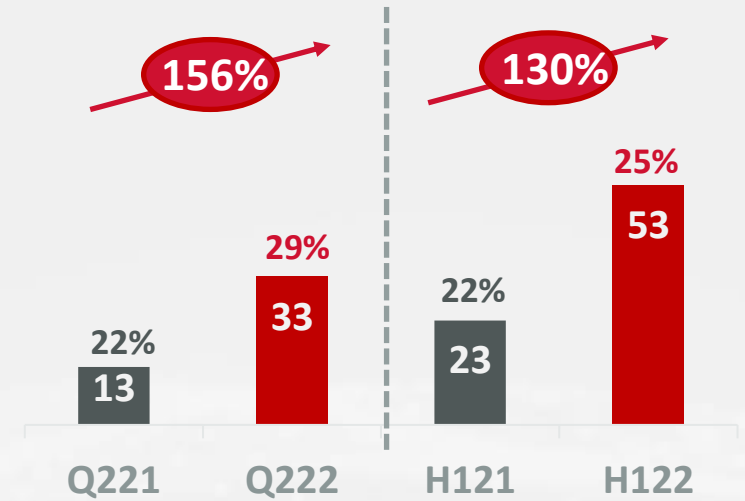
Total Soft–Revenues (TL mn)



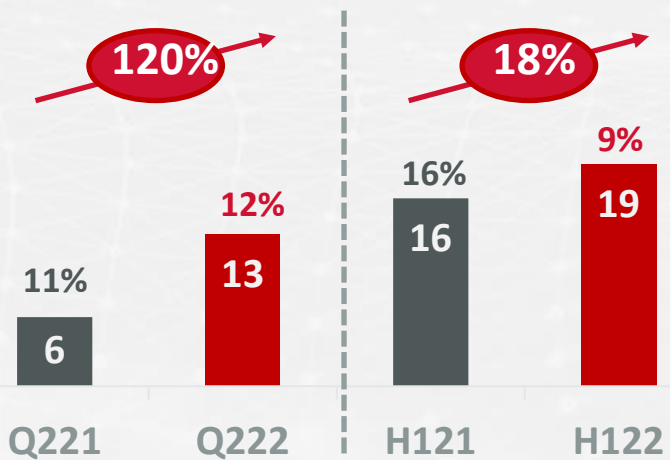
Total Soft–Gross profit (TL mn)



Total Soft–EBITDA (TL mn)



Total Soft–Net Income (TL mn)

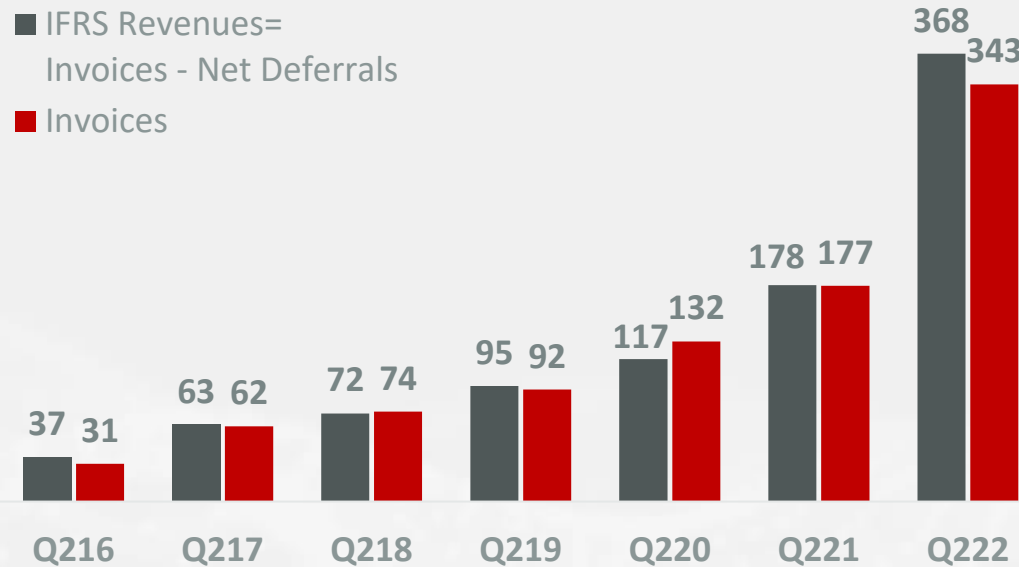


- **Revenues** grew by 99% y/y and revenue growth in Euros was 16% y/y
- Gross profit is up by 90% yielding a 45% gross margin
- **EBITDA** went up by 130%, yielding 25% margin
- H122 **net income margin** was 9%. H121 offers a high-base with 9,2 TL mn one-off income in relation to the payment received as per the share purchase agreement dated September 2nd, 2016.

Invoiced Revenue vs IFRS Revenue (Consolidated)

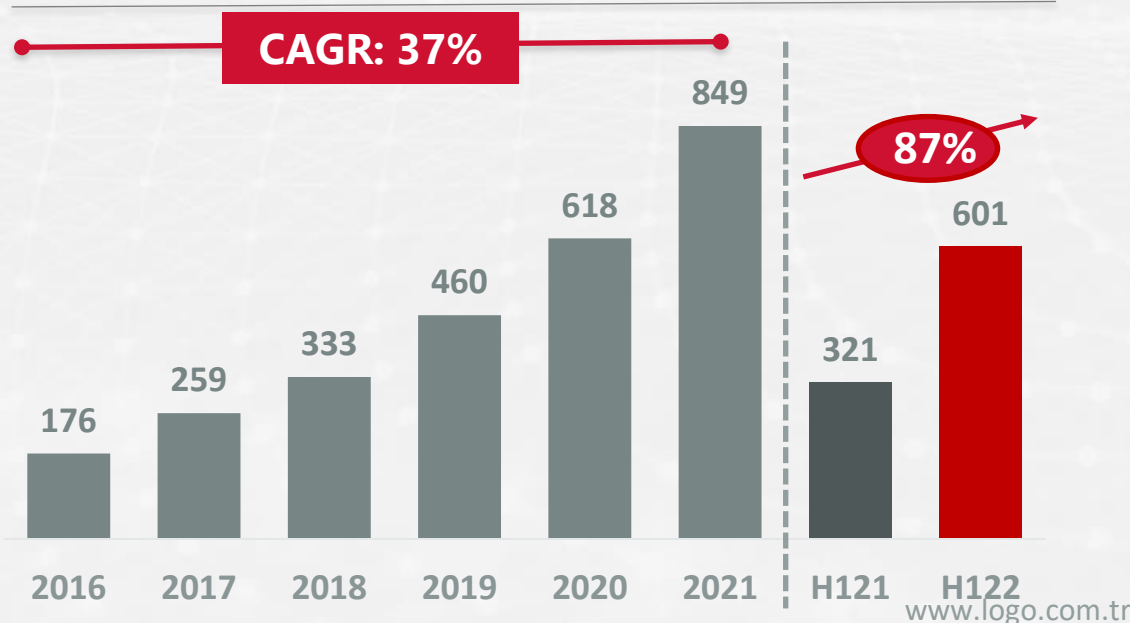
Second Quarter Invoices & IFRS Revenues (TL mn)

■ IFRS Revenues=
Invoices - Net Deferrals
■ Invoices



- Q2 sales invoice **growth** was **93% y/y**
- IFRS Revenue **growth** was **107%y/y** in Q2

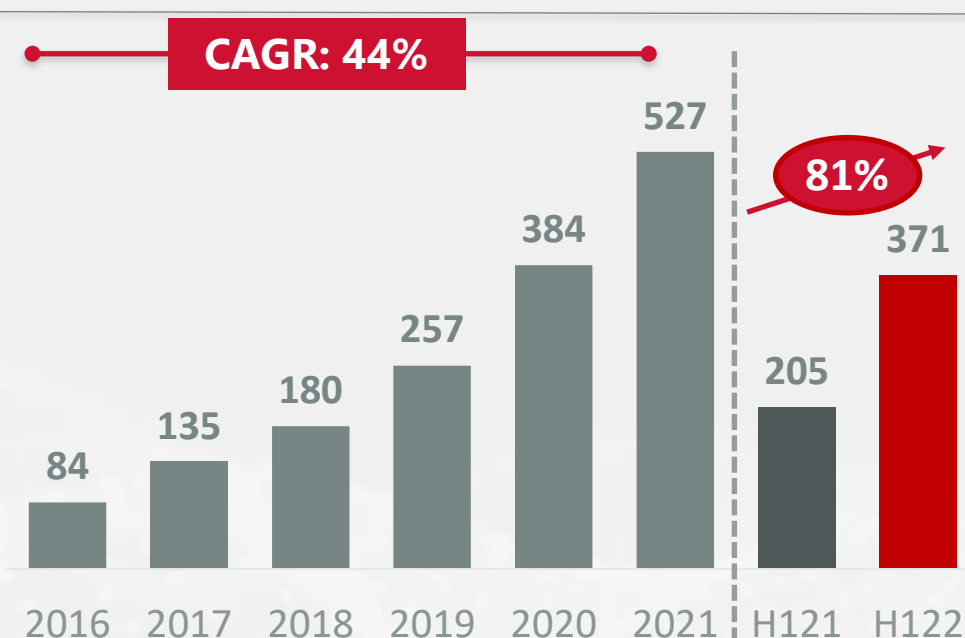
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was **391,5 TL mn** with 75% increase
- **Total Soft's** invoiced revenue increased by 114% and reached **209,8 TL mn**
- **Recurring** revenues make up **62%** of invoices

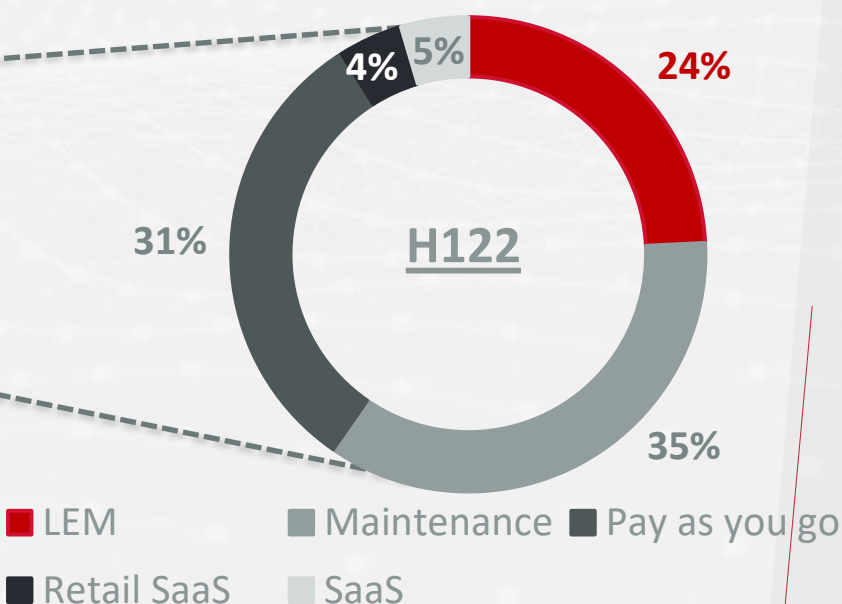
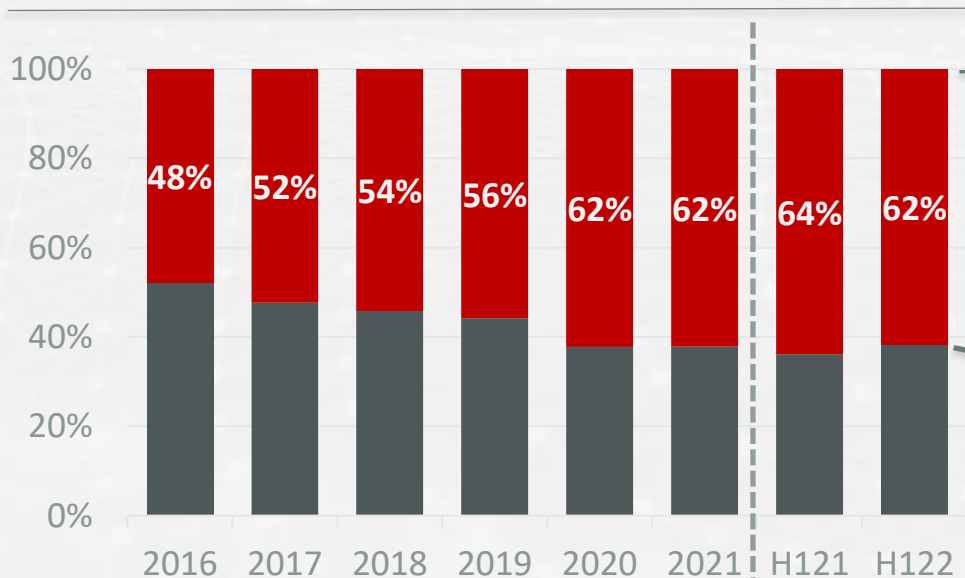
Recurring Revenue Growth Ensuring Predictability

Consolidated Recurring Invoices (TL mn)



- **LEM** revenues increased by 83% y/y
- **Pay as you go** revenues increased by 50% y/y
- **Maintenance** revenues increased by 108% y/y with significant contribution from Total Soft
- **Retail SaaS** revenues increased by 119%
- **SaaS** revenues increased by 223%
- **Retail SaaS** and **SaaS** revenues make up 9% of recurring revenues in H122 compared to 6% in H121

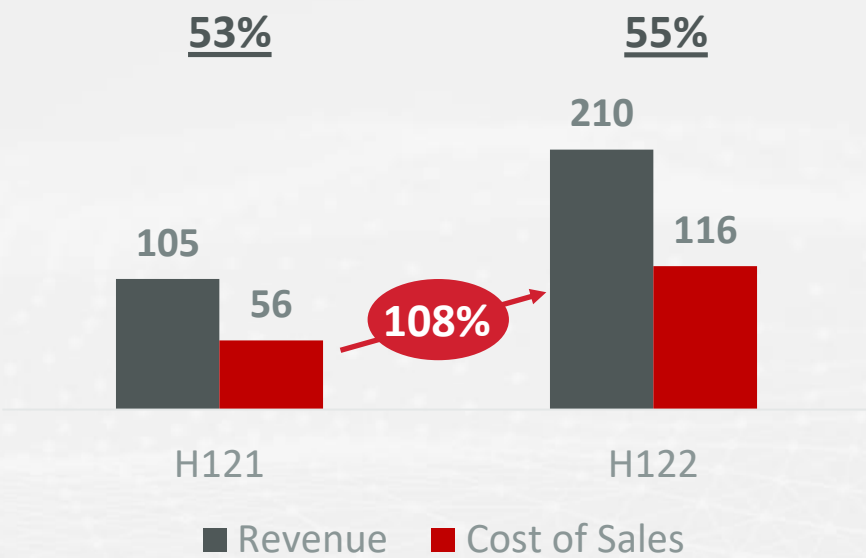
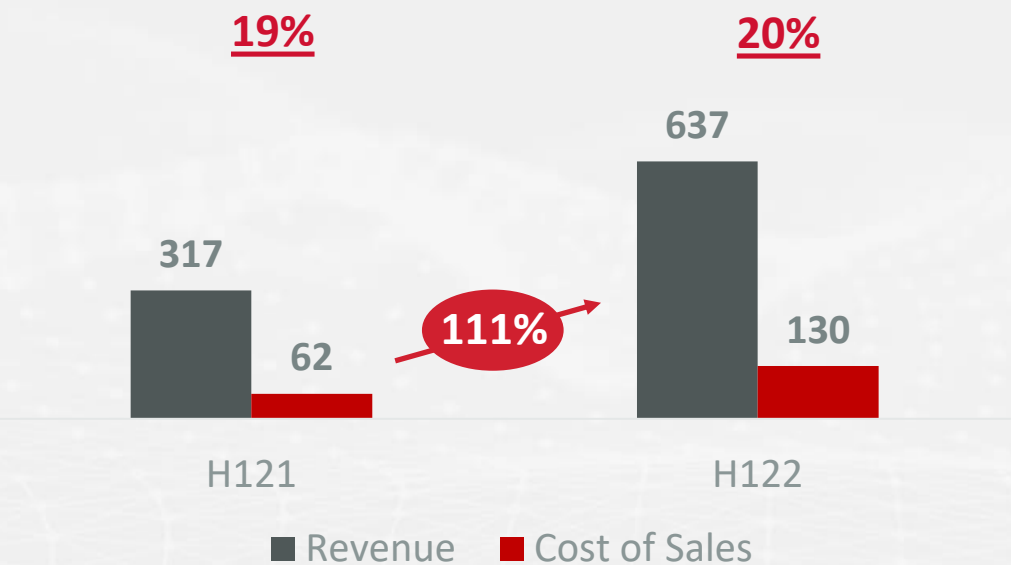
Recurring Invoices/Total Invoices (%)



Cost of Sales

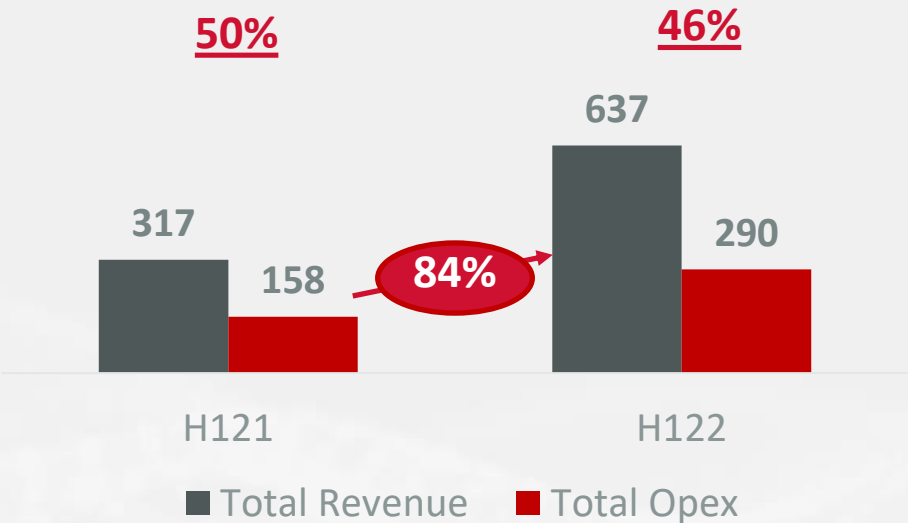
Consolidated (TL mn) – As % of IFRS Revenue

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

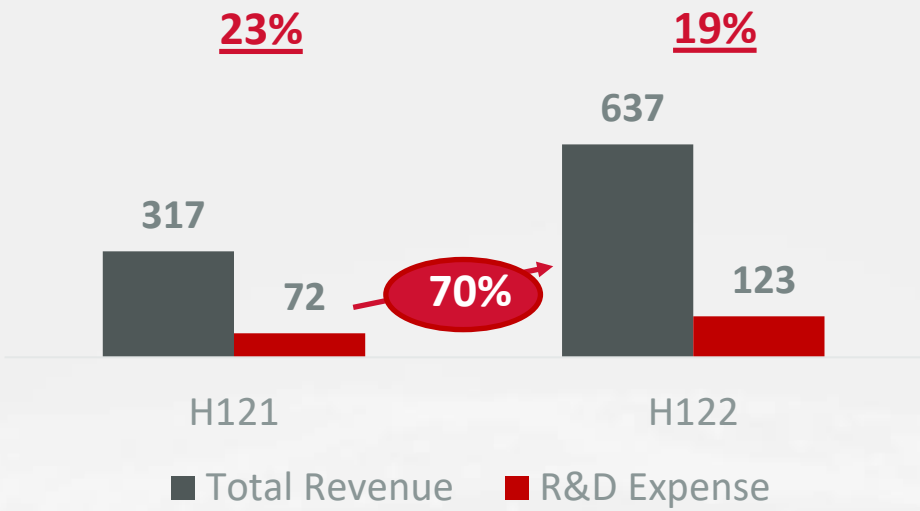


Operating Expenses

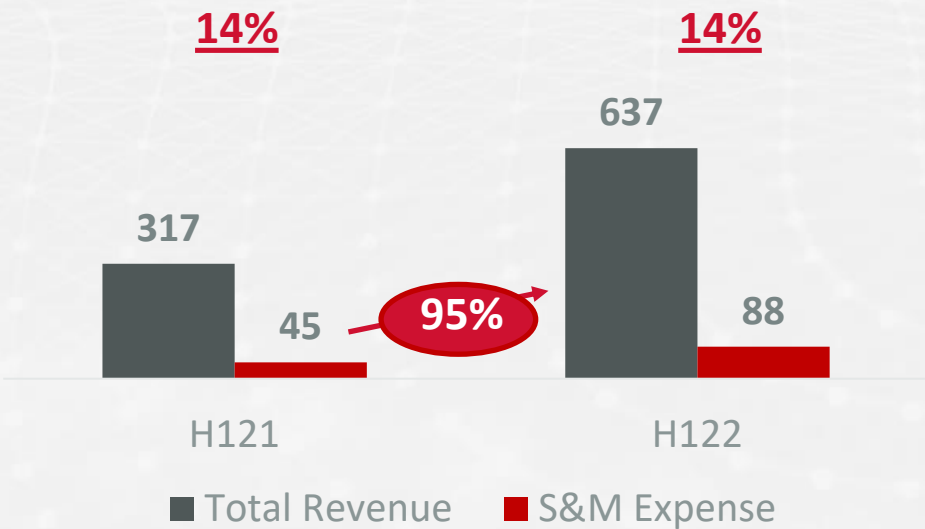
OpEx (TL mn) – As % of IFRS Revenue



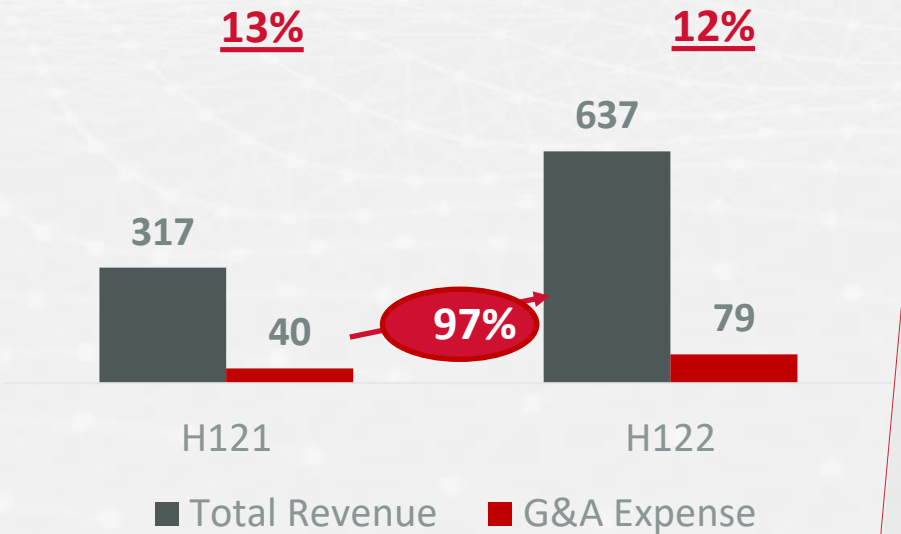
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

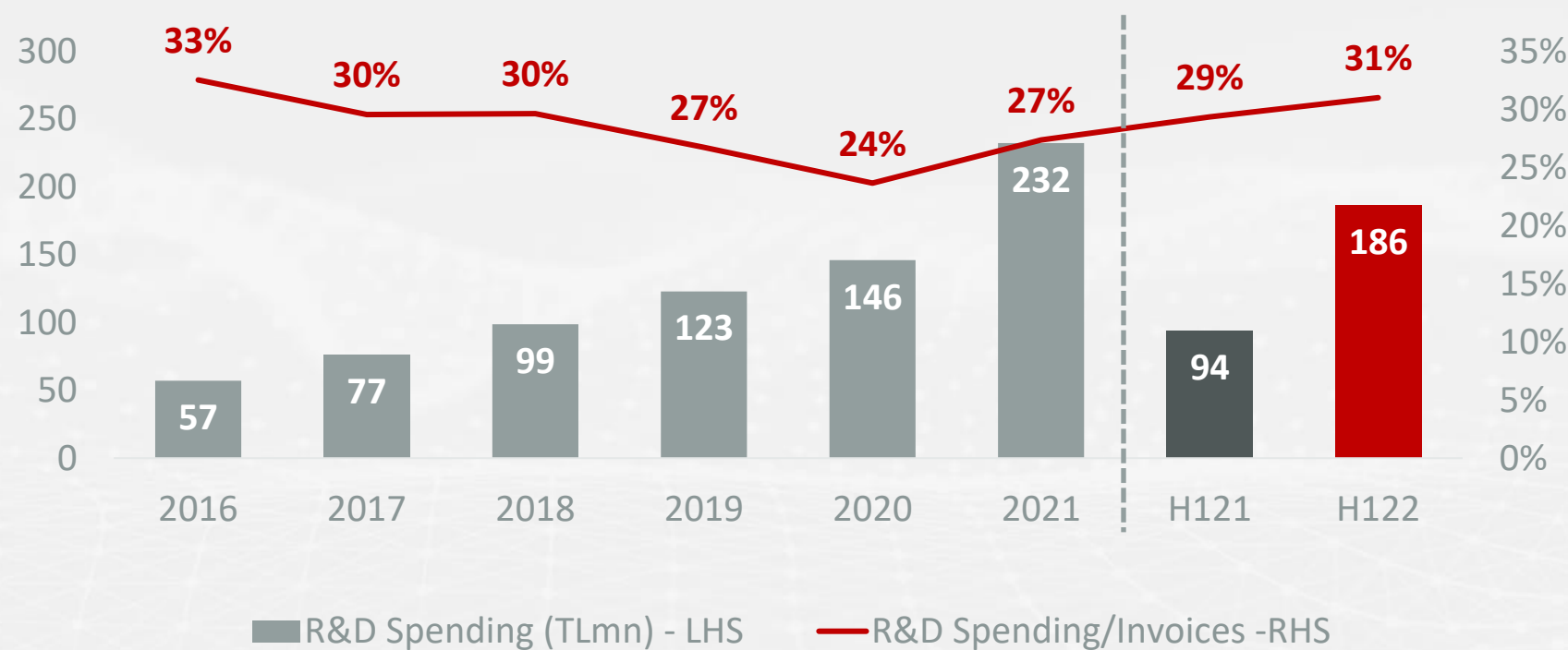


G&A (TL mn) – As % of IFRS Revenue



Dedicated Investment in Technology

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



Strong Balance Sheet

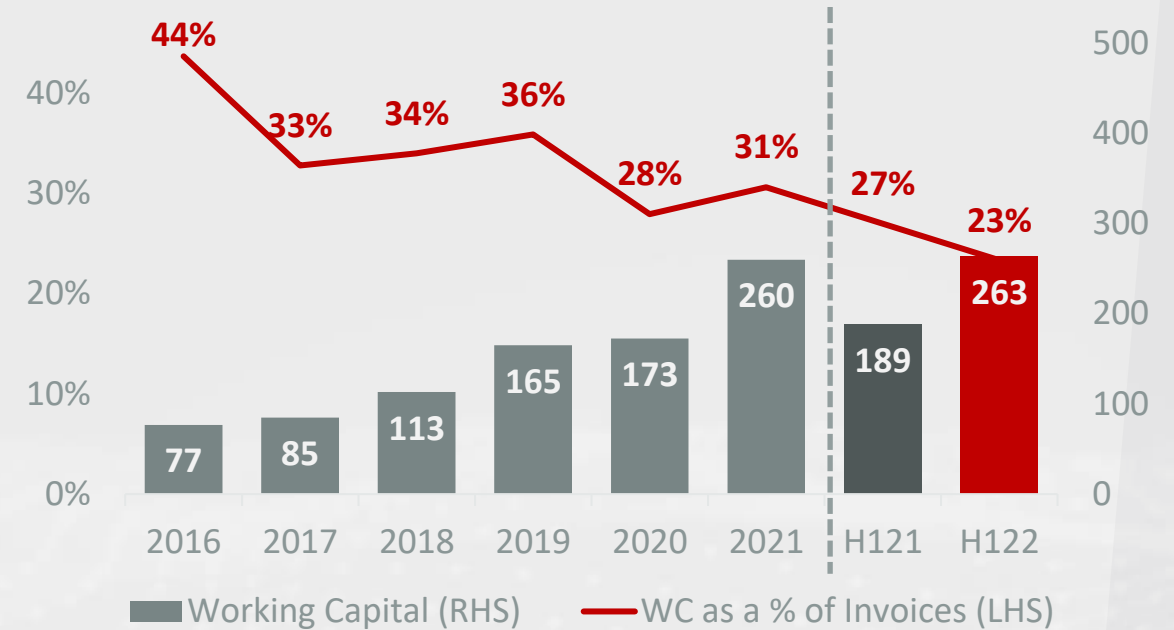
Balance Sheet Highlights (TL mn)

	2021	H122	Δ
Cash & Cash Eq.	259.4	236.5	-9%
Trade Receivables	332.8	326.3	-2%
Tangible Assets	21.0	22.2	6%
Intangible Assets*	759.2	910.1	20%
Other Assets	435.1	482.0	11%
Total Assets	1,807.5	1,977.2	9%
Total Liabilities	974.0	992.5	2%
Total Shareholders' Equity	833.5	984.8	18%
Total Liabilities and Equity	1,807.5	1,977.2	9%
Shareholders Equity Ratio	0.46	0.50	8%
Current Ratio	1.07	1.02	-5%
EPS (LTM)**	2.73	3.99	46%

* Includes goodwill

** Adjusted by 3.61% treasury shares (2021: 3.22%)

Working Capital (TL mn)



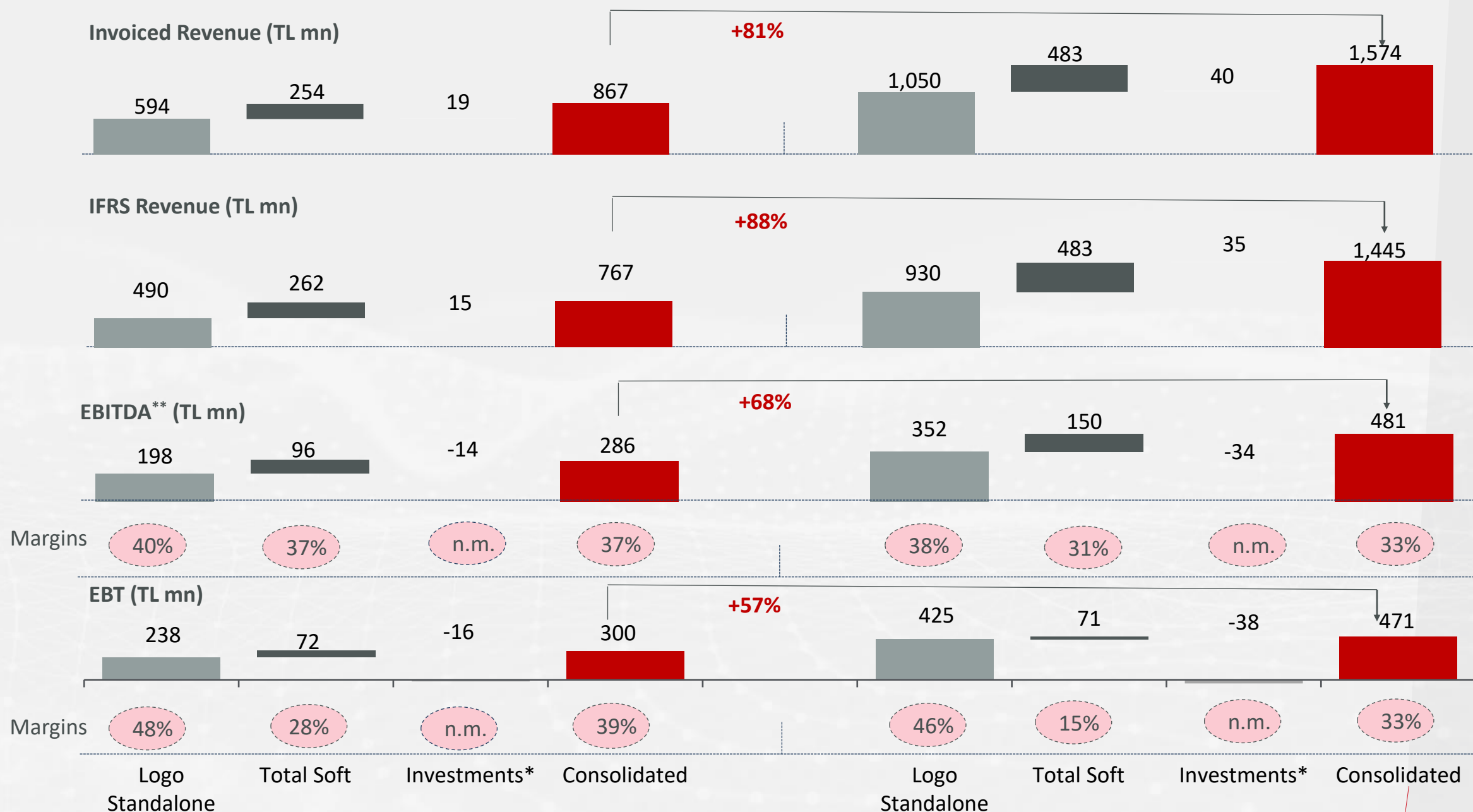
Working capital: Trade receivables + Inventories – Trade payables
WC/Invoices figures are based on 12-mnth trailing invoices

- **Net cash is 106 TL mn at end-Q222** (excluding 19 TL mn IFRS 16 impact) vs 186.8 TL mn at end-2021 (excluding 19.9 TL mn IFRS 16 impact). Net cash of 383 TL mn together with 3.61% treasury shares @Mcap at end-Q222 and long-term financial investments (2021: 442 TL mn).
- WC is 23% of invoiced revenues at end-H122, improving from 27% at end-H121.

Revised Guidance

2021

2022 revised guidance



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

The background is a deep red color with a subtle pattern of binary code (0s and 1s) and faint, glowing lines. In the upper left, there are two overlapping rounded squares, one dark red and one white with a dark red outline. In the upper right, there is a large, rounded white square with a dark red square at its bottom right corner. The text "Questions & Answers" is centered in the middle of the image, enclosed within a faint, dotted white oval.

Questions & Answers

The background is a deep red color with a subtle pattern of binary code (0s and 1s) and faint, glowing lines. In the upper left, there is a dark red square with a white outline and a small dark red square below it. In the upper right, there is a large white rounded rectangle with a dark red square at its bottom right corner. In the center, the word "Appendix" is written in white. Below the text, there are several concentric, glowing white circles that create a sense of depth and focus.

Appendix

ESG in numbers



1,315

Employees



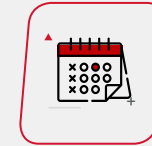
43%

Women
employees



50%

Women in
executive
management



35

Average age
of employees



27%

R&D spending/
invoiced
revenues



50%

of Board is
independent



9.28/10

Corporate
Governance
Rating



100%

of e-waste
recycled in TR

eLogo: e-services platform and leader in digital transformation

New commune's details (January 22nd, 2022)

	<u>BEFORE</u>	<u>AFTER (eff. as of July 1st, 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 GİB**	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

Invoiced Revenue Growth and Breakdown

	2016*	2017	2018	2019	2020	2021	4-yr-CAGR
Invoiced revenues (TL mn)	175,8	259,1	333,0	460,1	617,7	848,6	35%
One-time - TR	70,3	83,4	95,0	130,1	145,6	207,2	26%
<i>share in total</i>	40%	32%	29%	28%	24%	24%	
One-time - RO	21,3	40,2	57,5	72,9	87,9	114,2	30%
<i>share in total</i>	12%	16%	17%	16%	14%	13%	
Recurring - TR	76,4	102,6	130,4	186,6	289,4	405,1	41%
<i>share in total</i>	43%	40%	39%	41%	47%	48%	
Recurring - RO**	7,8	32,9	50,1	70,5	94,8	122,2	39%
<i>share in total</i>	4%	13%	15%	15%	15%	14%	
Recurring invoice revenues (TL mn)							
LEM	46,2	61,4	75,7	97,0	124,7	158,3	27%
<i>share in recurring</i>	55%	45%	42%	38%	32%	30%	
Pay-as-you-go	21,7	29,1	39,5	72,7	139,7	201,8	62%
<i>share in recurring</i>	26%	21%	22%	28%	36%	38%	
Maintenance	11,3	38,5	57,4	77,1	106,9	132,7	36%
<i>share in recurring</i>	13%	28%	32%	30%	28%	25%	
Retail SaaS	5,0	6,5	7,9	10,3	12,8	19,9	33%
<i>share in recurring</i>	6%	5%	4%	4%	3%	4%	
SaaS (İşbaşı + Peoplise)	0,0	0,0	0,0	0,0	0,0	14,6	n/a
<i>share in recurring</i>	0%	0%	0%	0%	0%	3%	

*Includes the performance of Romania for the last four months of 2016.

**Recurring revenues in Romania comprises of maintenance revenues only.



Thank you for joining us today

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