

Logo

Logo reported a net profit of 229 million TL for the second quarter of 2024. The announced profit figure decreased by 42% year-on-year but showed improvement on a quarterly basis. The company's consolidated net sales revenues increased by 18% year-on-year and 16% quarter-on-quarter to reach 1.225 billion TL. The company did not revise its expectations for the year 2024.

Highlights

Operationally Successful Results... Logo announced its financial results for Q2 2024, reporting a net profit of 229 million TL. During this period, the company generated revenue of 1.225 billion TL, reflecting an 18% increase year-over-year. Consolidated EBITDA reached 528 million TL, with an EBITDA margin of 43%. (Q2 2023: 35%) Logo Turkey's net sales revenue in Q2 2024 was 919 million TL, a 20% increase year-over-year, driven by strong demand. Logo Total Soft (Romania) reported net sales revenue of 331 million TL, an 11% increase year-over-year. In the second quarter of 2024, the consolidated gross profit figure increased by 20% year-over-year to 1.017 billion TL. During the same period, the gross profit margin stood at 83%. (Q2 2023: 81%) Operating expenses for H1 2024 increased by 18% year-over-year, reaching 1.319 billion TL. Adjusted net cash at the end of H1 2024 was 1.080 billion TL.

SaaS Revenue Growth Continued... In H1 2024, new customer acquisitions in the EAS and e-Service segments reached 5,000, while coin usage increased by 4% compared to the same period of the previous year. The company's active customer base grew by 28% year-over-year, reaching 188,000. Among recurring invoices, e-Service SaaS revenues decreased by 12% year-over-year, while Retail SaaS and SaaS revenues grew by 52% and 122%, respectively. SaaS revenues accounted for 33% of total recurring revenues at the end of H1 2024. Recurring revenues increased by 15% year-over-year, maintaining a high level at 72% of total invoiced revenues.

2024 Expectations... The company's expectations for 2024, which were shared at the beginning of the year, remain unchanged. Accordingly, the company expects a 30% growth in invoiced revenues, a 34% growth in IFRS revenues, a 15% growth in EBITDA, and a 25% EBITDA margin in Logo Turkey. In an announcement made on July 31, Logo stated that it had signed an agreement with Avramos Holding to sell its 65% stake in Total Soft. By the end of 2024 at the latest, Total Soft will be included in the financial statements using the equity method.

LOGO

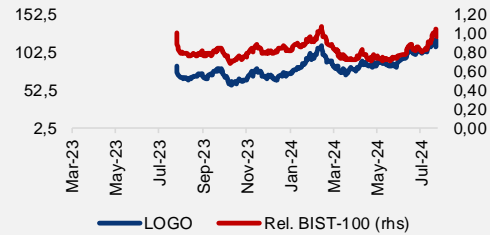
Share Data

Ticker:	LOGO TI
Share price (as of August 6 2024)	110,3
Share price (52 week range)	59 / 119
Market cap. (TL mn - USD mn)	11.680 - 349
# of shares outstanding (mn)	100
Free Float	60%

Avg. trading volume	1M	3M	12M
USD mn	2,9	2,8	3,6

Price performance	1M	3M	Y-t-D
TL	16%	41%	66%
USD	13%	35%	46%
Rel. to BIST-100	25%	45%	23%

Valuation	2022	2023	2024
P/E	15,1x	56,6x	41,4x
P/BV	5,6x	5,0x	4,9x
EV/EBITDA	12,9x	6,4x	9,8x
EV/Sales	4,87x	2,21x	2,56x



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Summary

(TLmn)	2023/1Q	2023/2Q	2023/3Q	2023/4Q	2024/1Q	2024/2Q	(y/y)
Revenue	878	1.040	637	1.314	1.052	1.225	18%
EBITDA	293	368	21	241	300	528	43%
Net Income	-95	392	126	-316	-39	229	-42%

Balance Sheet (TLmn)	2019	2020	2021	2022	2023
Cash	152	294	433	1.055	886
Accounts receivables	211	236	334	638	939
Inventory	1	3	6	14	42
Other current assets	12	12	23	82	107
Current assets	376	544	796	1.789	1.973
Financial investments	13	28	184	636	925
Net fixed assets	20	19	21	212	327
Intangible assets	196	267	432	1.433	1.945
Other non-current assets	171	239	374	831	978
Non-current assets	400	554	1.011	3.111	4.174
Total assets	776	1.098	1.807	4.901	6.148
Short-term financial loans	32	27	94	101	118
Accounts payables	47	66	82	237	324
Other short-term payables	163	313	567	1.652	2.533
Current liabilities	242	406	742	1.989	2.974
Long-term financial loans	104	125	173	317	284
Other long-term payables	35	28	59	148	240
Non-current liabilities	139	153	232	466	524
Shareholders' equity	395	538	834	2.446	2.650
Parent company	369	502	759	2.267	2.428
Minorities	26	35	74	179	222
Total liabilities & equity	776	1.098	1.807	4.901	6.148
Net debt	-16	-141	-167	-637	-484
Net working capital	14	-129	-285	-1.154	-1.769
Net working capital (Operating)	165	173	258	415	657
Invested Capital	230	158	168	491	503

Ratios

Profitability	2019	2020	2021	2022	2023
ROE	24,2%	24,6%	38,6%	19,4%	5,5%
Net margin	20,4%	21,0%	34,5%	11,0%	4,7%
Asset turnover	0,6x	0,6x	0,5x	0,9x	0,5x
Leverage	1,9x	2,0x	2,1x	2,0x	2,2x
ROA	12,9%	12,2%	18,2%	9,5%	2,5%
ROIC	34,2%	47,0%	102,0%	173,4%	55,1%
Leverage					
Financial debt/Total assets	18%	14%	15%	9%	7%
Net debt/Equity	-0,04	-0,26	-0,20	-0,26	-0,18
Net debt/EBITDA	-0,11	-0,80	-0,58	-0,61	-0,67

Source: Bloomberg, Tacirler Investment

* All figures are stated in millions of TL unless otherwise stated.

Income statement (TLmn)	2019	2020	2021	2022	2023
Revenues	422	545	767	2.887	2.975
Gross profit	347	445	624	2.282	2.425
Operating expenses	255	332	417	1.569	2.083
Operating profit	92	114	207	713	342
EBITDA	142	177	286	1.041	726
Other income, net	6	1	16	119	69
Financial income, net	-6	4	77	-433	-211
Earnings before taxes	92	118	300	390	188
Tax expense	5	4	23	57	58
Net earnings - Parent	86	115	265	319	140

Cashflow statement

Income statement (TLmn)	2019	2020	2021	2022	2023
EBITDA	142	177	286	1.041	726
Taxes on EBIT	5	4	16	105	105
Capital expenditures	67	84	140	495	678
Chg. in NWC	-3	-143	-156	-869	-615
Free cashflows to firm	73	232	287	1.311	558

Growth & margins

Income statement (TLmn)	2019	2020	2021	2022	2023
Revenues	31,5%	29,1%	40,7%	276,6%	3,0%
EBITDA	40,5%	24,5%	61,6%	263,7%	-30,2%
Net earnings	27,5%	32,7%	131,1%	20,4%	-56,0%
Gross margin	82,2%	81,7%	81,4%	79,0%	81,5%
Operating margin	21,9%	20,9%	27,0%	24,7%	11,5%
EBITDA margin	33,7%	32,5%	37,3%	36,1%	24,4%
Net margin	20,4%	21,0%	34,5%	11,0%	4,7%
Free cashflow margin	20,4%	21,0%	34,5%	11,0%	4,7%

Per share (TL)

Income statement (TLmn)	2019	2020	2021	2022	2023
EPS	0,86	1,15	2,65	3,19	1,40
BVPS	3,95	5,38	8,34	24,46	26,50
DPS	0,00	0,00	0,30	0,90	1,50

Valuation

P/E	14,6x	21,9x	26,5x	15,1x	49,9x
P/BV	3,16x	5,10x	6,93x	5,61x	5,04x
EV/EBITDA	9,5x	13,4x	18,5x	12,9x	6,8x
EV/Sales	3,00x	4,58x	6,37x	4,87x	2,34x
Dividend Yield	0,0%	0,0%	0,8%	1,9%	2,2%
Free cashflow yield	7,4%	11,1%	7,3%	27,9%	8,2%

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