

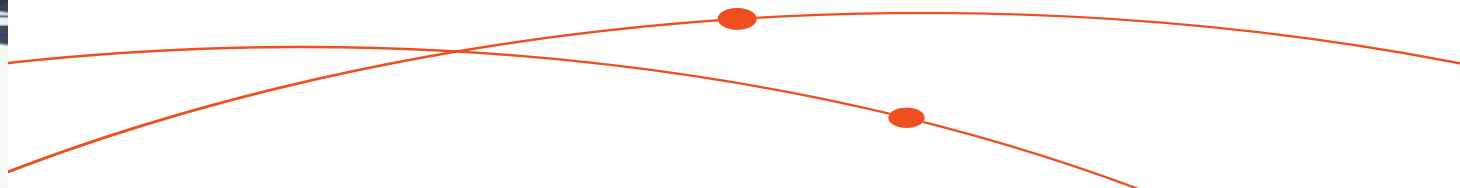


# Enabling a Digital Tomorrow

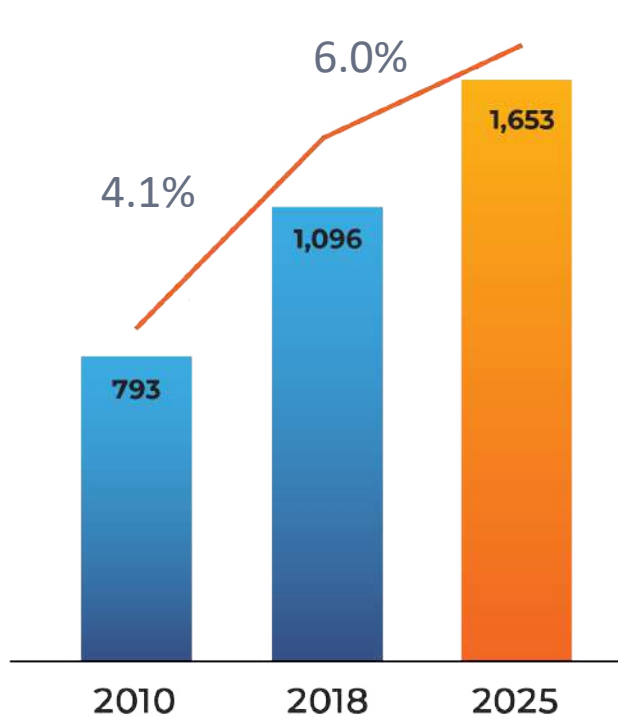
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INVESTOR BRIEFING HY 2022

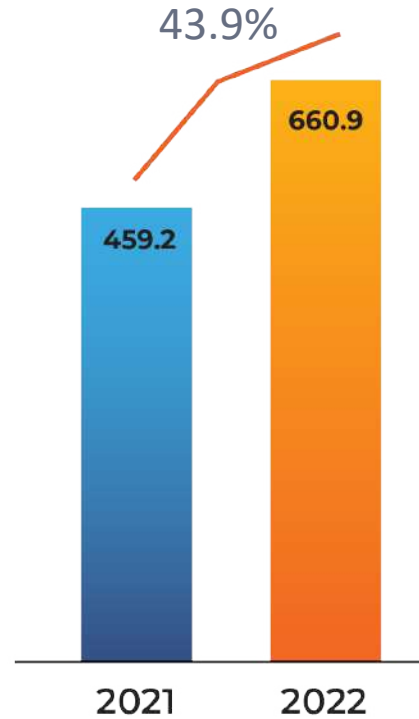
# TABLE OF CONTENTS

- » Systems At A Glance
  - » Environment, Social & Governance
  - » Awards and Recognition
  - » Financial Review
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  - » Q&A
- 

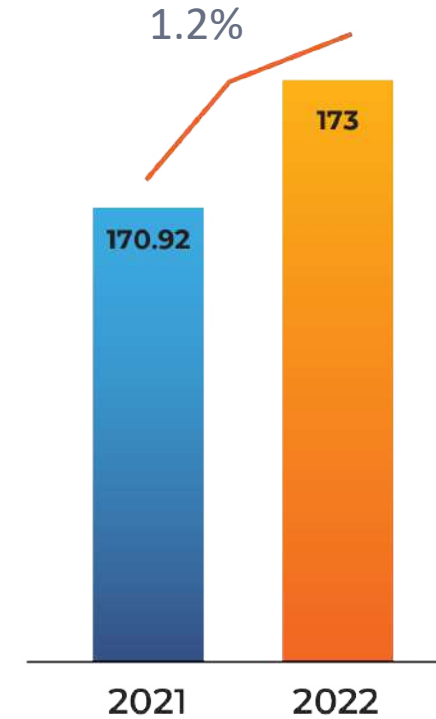
# IT sector growing globally



Global IT Services Spend (\$bn)  
Sources: Gartner



North America IT services market (\$ bn)  
Source: Markets and Markets



Middle East IT spending (\$ bn)  
Sources: Gartner

# Our value proposition



**Digital, Data, Cloud, and beyond**  
Pure play in the digital, data, and cloud space



**Emerging technologies**  
Organized by competencies, delivering business and technical solutions in leading technologies.



**Growth**  
Rapid revenue growth and industry leading margins



**Global presence**  
Global presence, leveraging our core engineering strength, to improve and accelerate digital transformation, to generate additional revenue streams and improve customer retention



**Domain expertise**  
A strong set of accelerators and business solutions that leverages our core engineering acumen to deliver digital excellence in all industry verticals



**Recurring revenue**  
Consistent and recurring revenue with existing customer base



**Employee Ownership**  
Employee-ownership and experienced leadership team

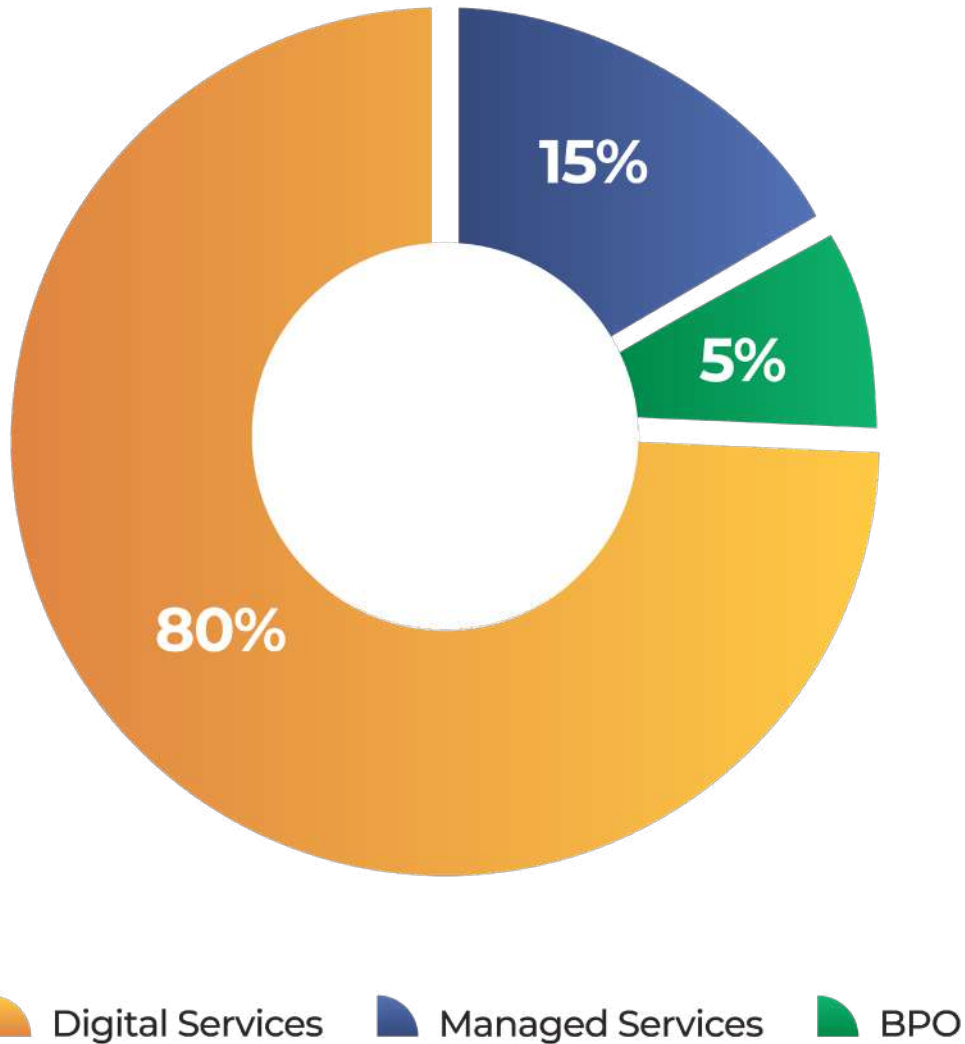


**Insight Driven**  
We are insights-driven, user-centric, and systematically tested, and have a financially impactful delivery model that delivers projects with immediate, substantial, and sustainable impact on customers' bottom line.



**Consulting**  
Best-in-class business strategy consultants to propel your enterprise performance to greater levels.

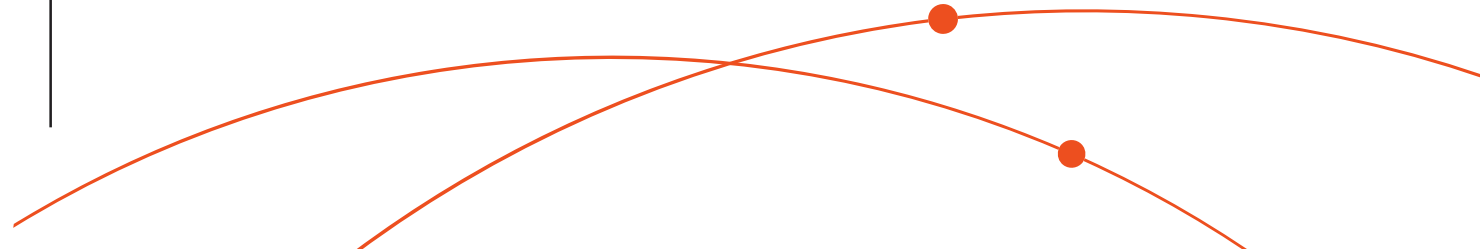
# Digital is the central driver of our business



Digital services, especially curated to transform ways enterprises engage and serve their customers, contribute a fair share in making Systems Limited a globally recognized SI company.

The pace of digital transformation continues to accelerate and adopting digital is significant in the ever-evolving business world along with creating convenient customer-centered solutions and services.

With years of industry expertise and business acumen, we combine Managed Services, Digital Infrastructure Services, Business Process Outsourcing, Security Services, and empower our clientele with a digital core, so they can thrive today and tomorrow.





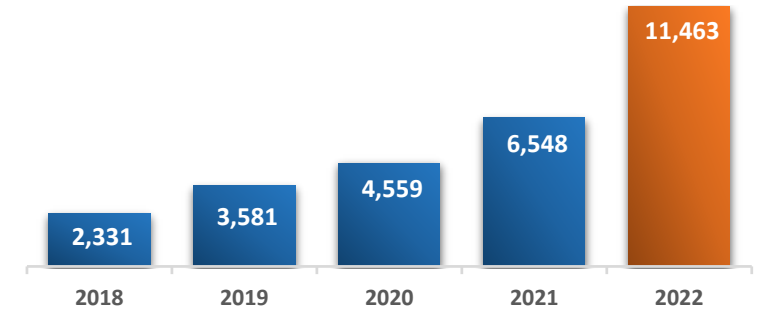
## EMPLOYEE METRICS

~ 400

Net addition of IT professionals during the Period

## HY REVENUE TRAJECTORY (PKR Mn)

CAGR 49%



- Listed on PSX
- Launched OneLoad
- Diversified in digital services for financial inclusion

- Won the Microsoft Partner of the Year
- Recorded Rs. 1bn in profitability








- IFC investment in EP Systems
- E-Money License secured by EP
- Launched Systems Ventures

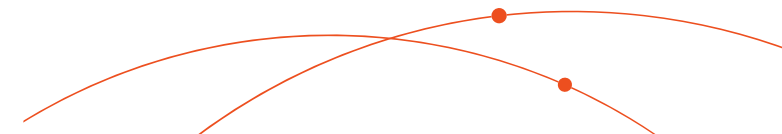
- PSEB Top IT exporter award
- Forbes Asia's Best Under A Billion 2020
- Top 3 best performing companies on PSX

- Strategic investment in Retailistan
- Forbes Asia's Best Under A Billion 2021
- Won Microsoft Inner Circle award
- Expanded operations in KSA
- ICCI President IT Award
- Won P@SHA Top Exporter award
- Two wins in Asia Money 2021
- PKR 100M in market cap

- SAP Top New Partner and Services
- Excellence Awards for EMEA
- Business Expansion Through NDC
- Forbes Best Under A Billion 2022
- Egypt, South Africa & Singapore incorporated
- Two wins in Asia Money 2022
- Won 2022/2023 Inner Circle Microsoft Business Application award
- First IT company to receive Top 25 companies award on PSX.

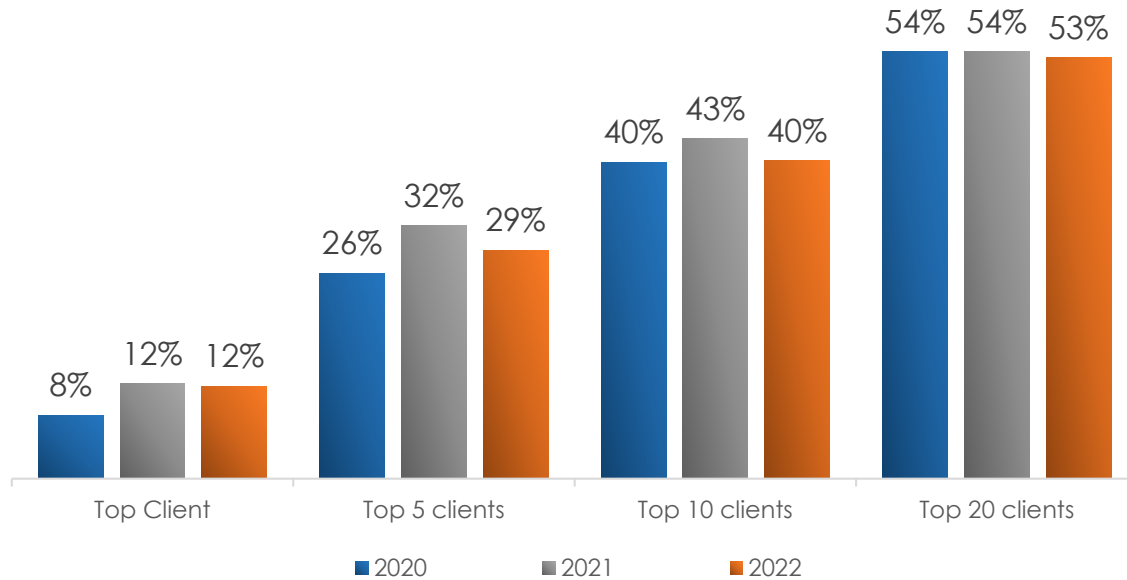
# Our Prestigious Accolades

 <p>Best Under A Billion <b>three years in a row</b></p>	 <p>Two awards in "Most Outstanding Company" for <b>two times in a row</b></p>	 <p>Pakistan's first IT company to reach <b>Rs. 100 billion market capitalization</b> And first IT company to win PSX top 25 award</p>
 <p>Received SAP® EMEA S Partner Excellence Awards 2022 for Top <b>New Partner and Service Excellence</b></p>	 <p>Partner of the <b>year 2020</b></p>	 <p>Top of Microsoft's most strategic Business Applications partners <b>two years in a row</b></p>
	 <p>Best in <b>Top Exporter</b></p>	



# Client Composition

## Client Contribution to Revenue



## Active Clients



\*Revenue above \$100k

## Client Metrics

Metric	2020	HY 2022
\$10m+ clients	1	1
\$5m + clients	1	2
\$3m + clients	3	4
\$1m + clients	13	15
\$500k + clients	21	24



# Leading our vision, the Leadership team

## Board of Directors



**Mr. Aezaz Hussain**  
Chairman/Non-Executive  
Director



**Mr. Asif Peer**  
CEO/Managing Director



**Mr. Arshad Masood**  
Non-Executive Director



**Mr. Shabbar Zaidi**  
Independent Director



**Mr. Asif Jooma**  
Independent Director



**Ms. Romana Abdullah**  
Independent Director



**Mr. Omar Saeed**  
Independent Director

## Our Leadership



**Mr. Asif Peer**  
Chief Executive Officer



**Asif Akram**  
Chief Operating Officer



**Roohi Khan**  
Chief Financial Officer



**Toima Asghar**  
Chief Human Resources Officer



**Khurram Majeed**  
GM, Techvista Systems,  
UAE



**Rao Hamid Khan**  
GM, Systems Arabia



**Zahid Mahmood  
Janjua**  
GM, Qatar



**Ahmed Kandil**  
GM, Systems Egypt



**Ross Singh**  
GM, Systems Africa



**Ammara Masood**  
CEO, NdcTech



**Muhammad Mairaj**  
Head of Business  
Development



**Imran Soofi**  
Head of Business  
Development - Telco



# Financial Review

**HY - 2022**

*\*all financials are from consolidated results*

# Financial Performance At a Glance

PKR 11.5bn

HY'22 REVENUE

47%

USD BASED  
REVENUE GROWTH

75%

YOY REVENUE  
GROWTH

47%

REVENUE CAGR  
(5Y)

32%

HY'22  
GROSS PROFIT MARGIN

21%

HY'22 OPERATING  
MARGIN

26%

HY'22 NET INCOME MARGIN

5,570

TOTAL EMPLOYEES AS OF  
JUNE 30 2022

277

HY'22 TOTAL  
ACTIVE CUSTOMERS  
SERVED

15

CUSTOMERS WITH OVER  
\$1MN REVENUE

94%

HY'22 REVENUE FROM EXISTING  
CUSTOMERS

86

DAYS SALES  
OUTSTANDING

10.62

HY'22 Diluted  
EPS

20%

ROE

PKR 8.6bn

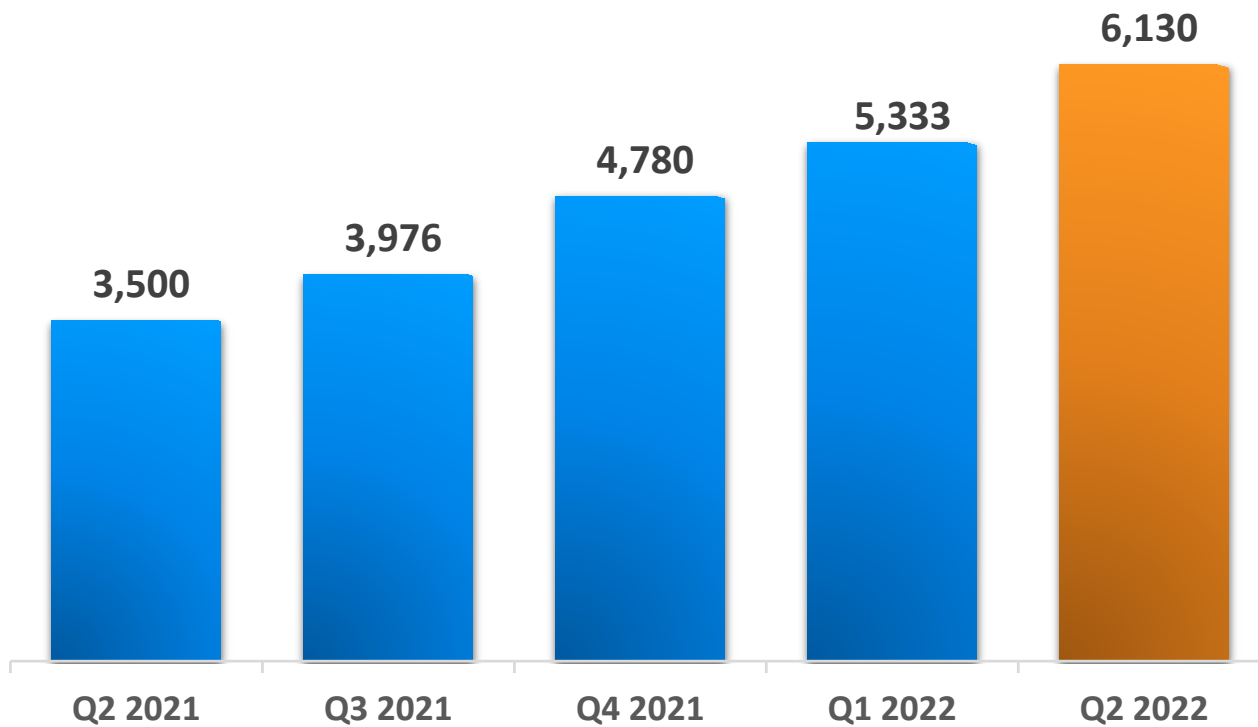
CASH & EQUIVALENTS

~USD 30,000

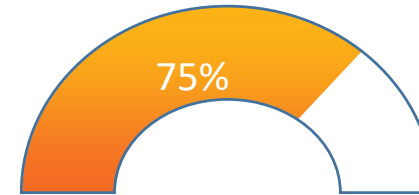
HY'22 REVENUE PER IT  
PROFESSIONAL PER YEAR

# Strong 2022 Performance (QoQ)

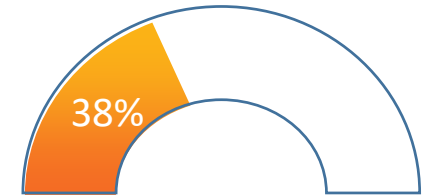
REVENUE  
(PKR 'M)



Q2 22 vs Q2 21 Growth (PKR)



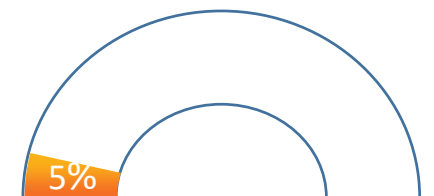
Q2 22 vs Q2 21 Growth (USD)



Q2 22 vs Q1 22 Growth (PKR)

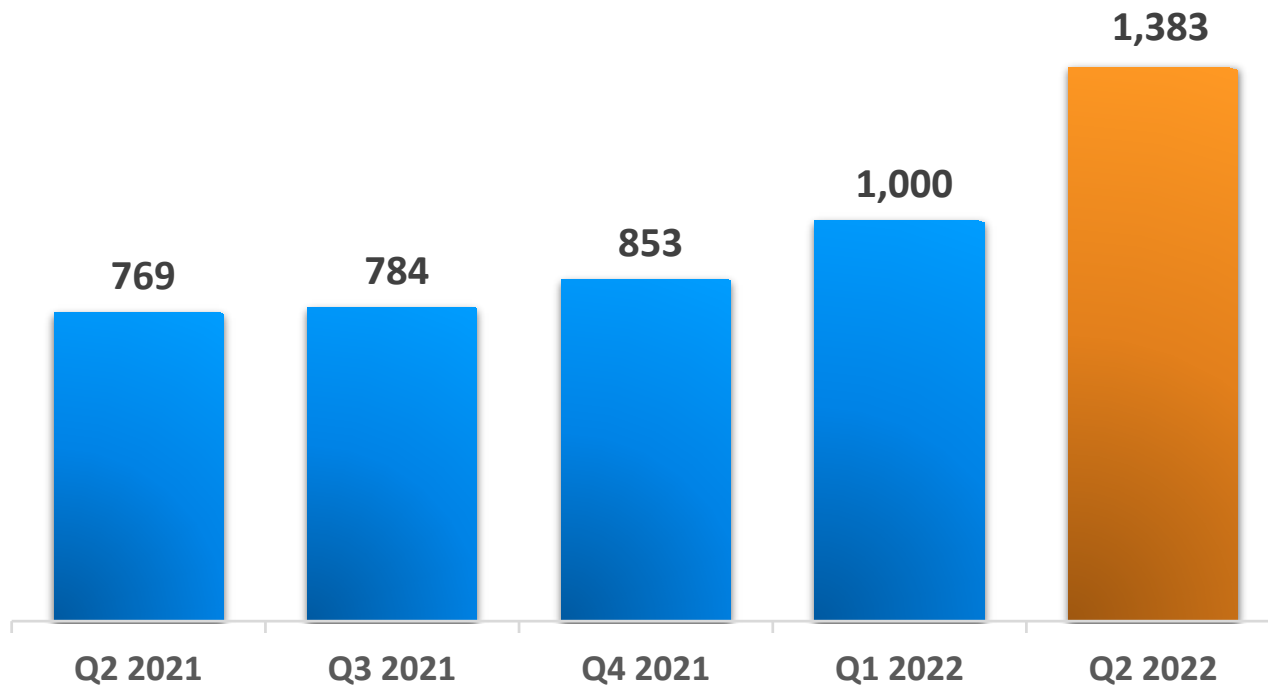


Q2 22 vs Q1 22 Growth (USD)

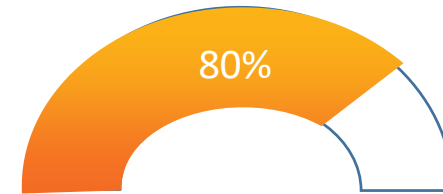


# Strong 2022 Performance (QoQ)

## OPERATING PROFIT (PKR 'M)



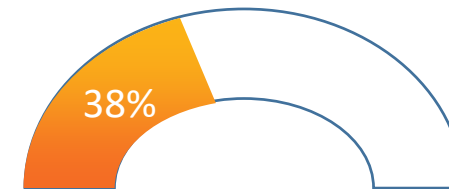
HY 22 vs HY 21 Growth (PKR)



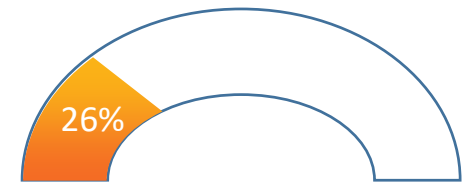
HY 22 vs HY 21 Growth (USD)



Q2 22 vs Q1 22 Growth (PKR)

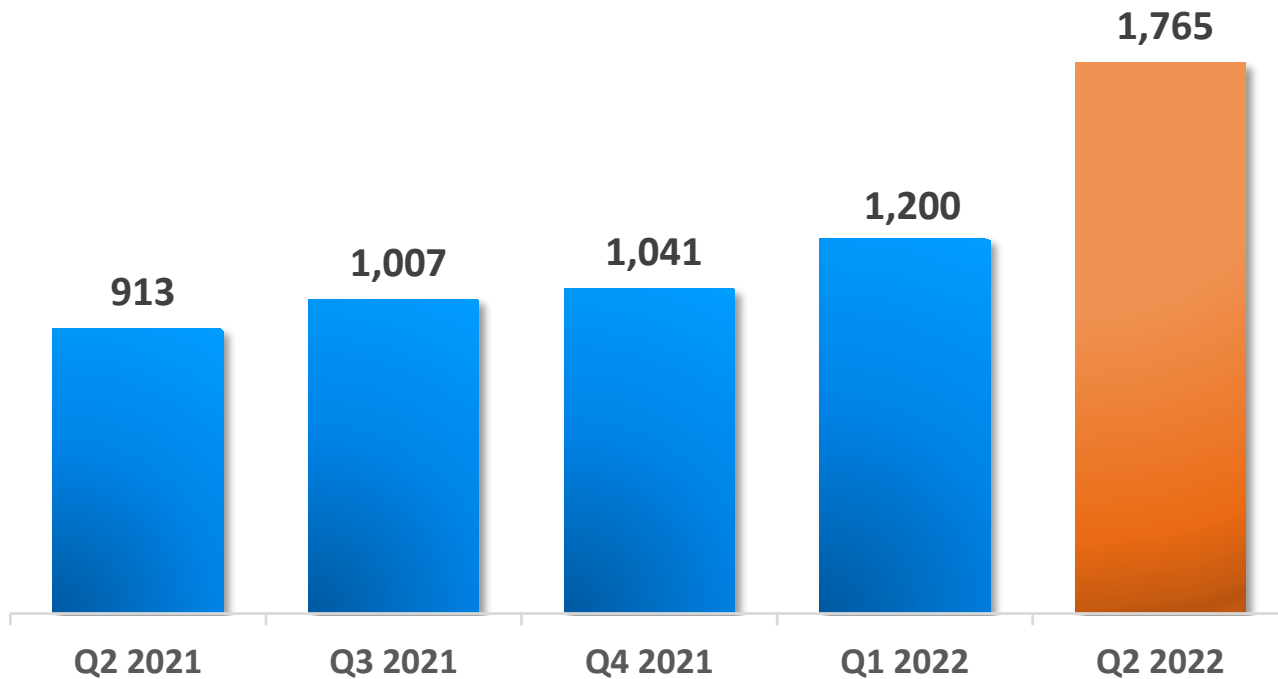


Q2 22 vs Q3 22 Growth (USD)

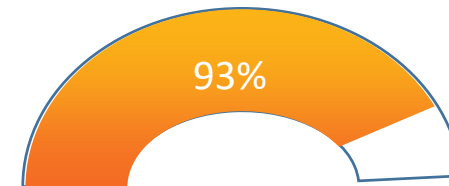


# Strong 2022 Performance (QoQ)

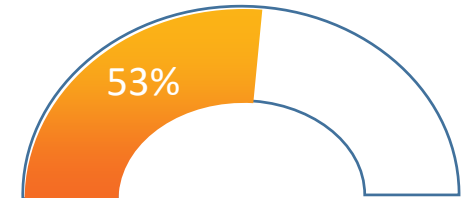
## NET INCOME (PKR 'M)



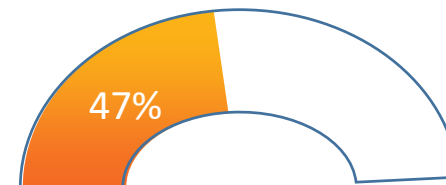
Q2 22 vs Q2 21 Growth (PKR)



Q2 22 vs Q2 21 Growth (USD)



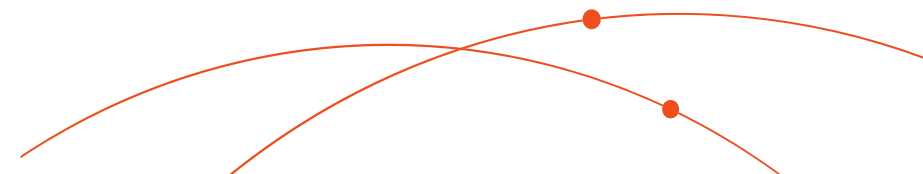
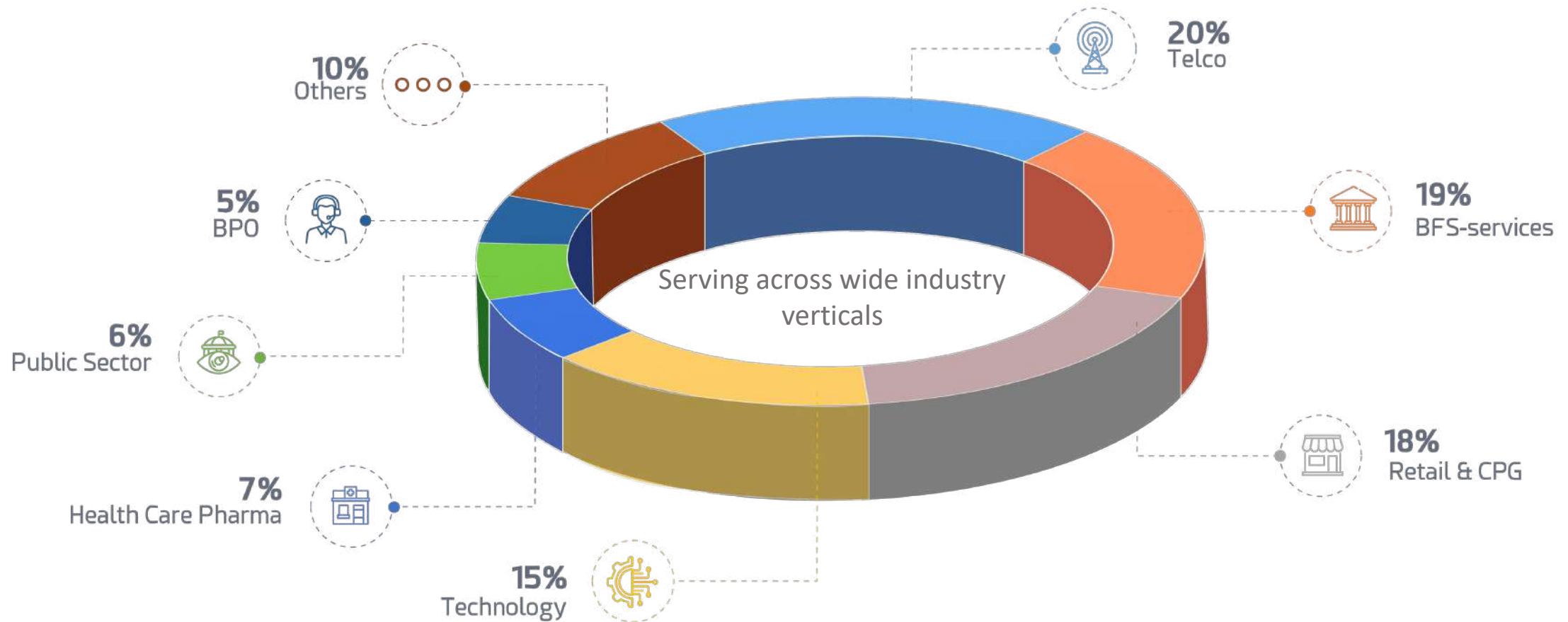
Q2 22 vs Q1 22 Growth (PKR)



Q2 22 vs Q1 22 Growth (USD)



# Understanding our clients' needs and help them **evolve at the speed of tomorrow**



# Systems we are a global company

11 countries with our presence



North America  
& Europe

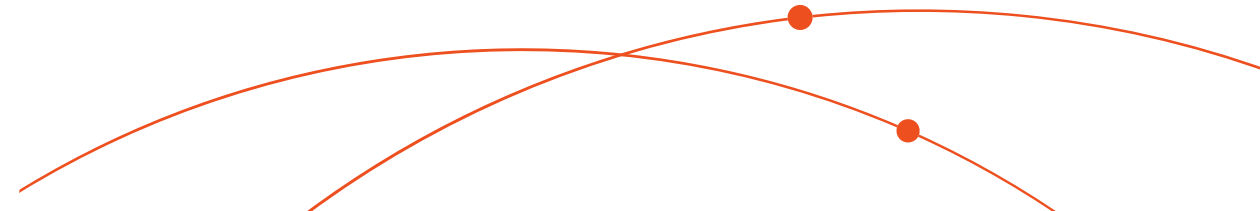
44%

Middle East  
and others

41%

Pakistan

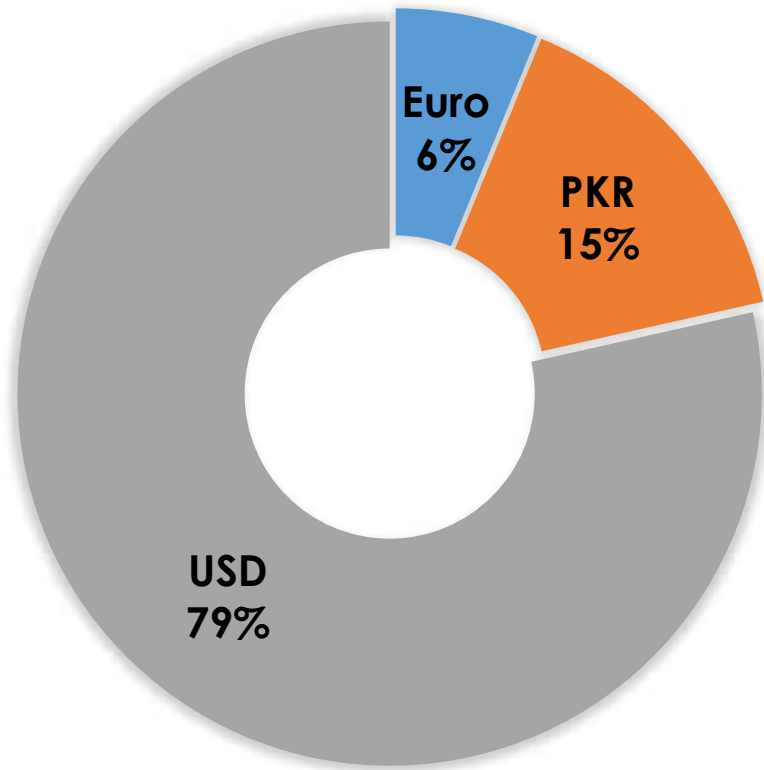
15%



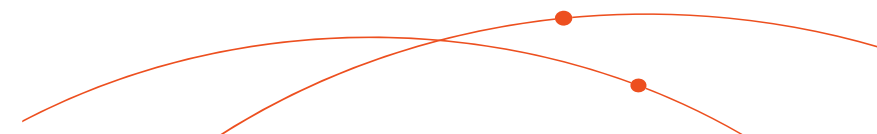
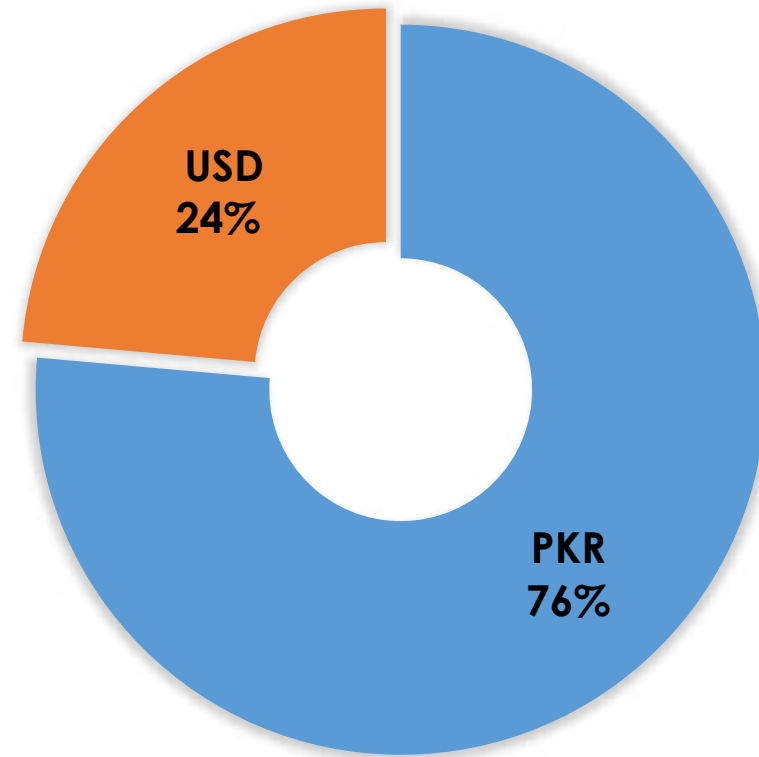


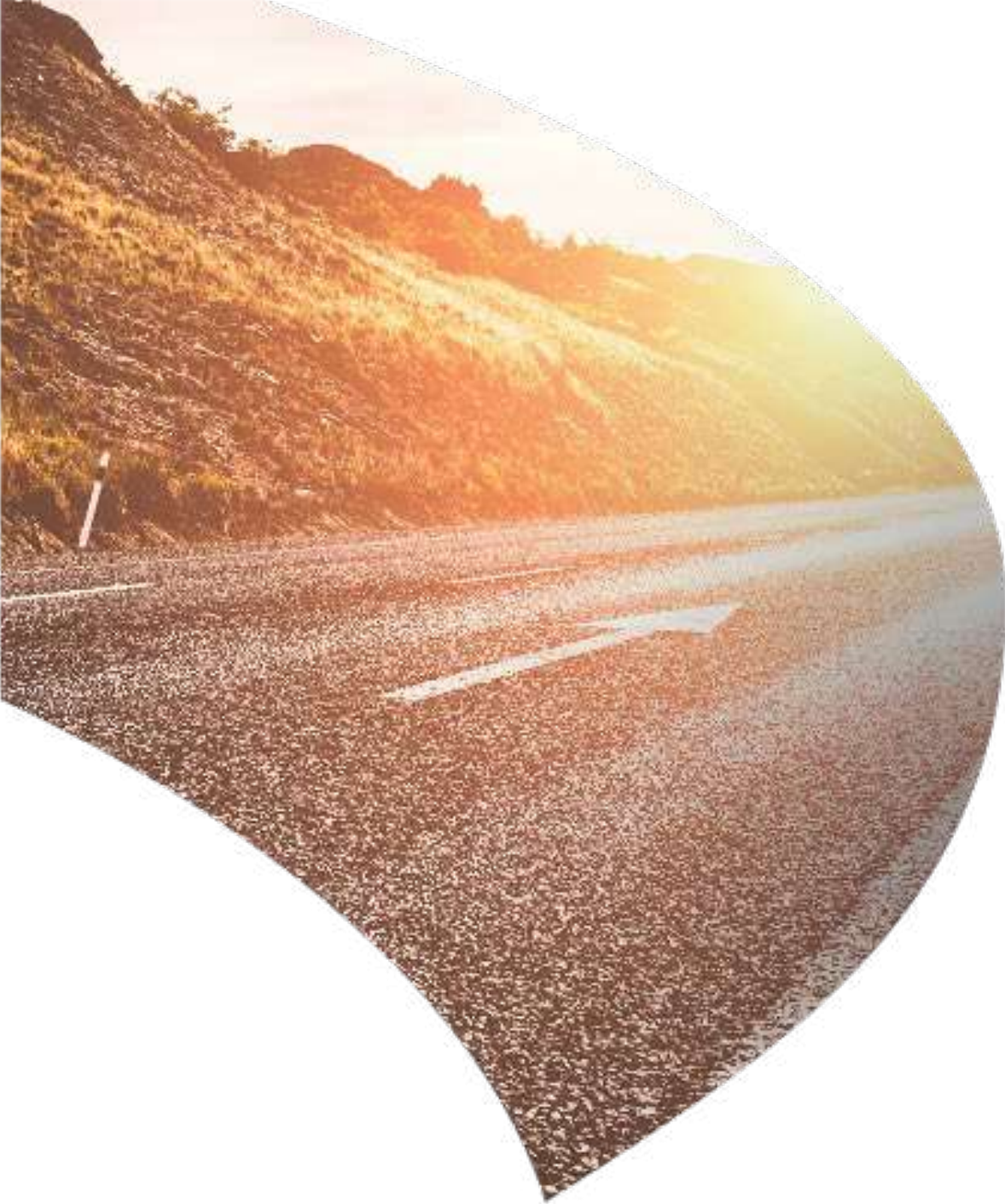
# Revenue and cost mix by currency

## Revenue



## Cost

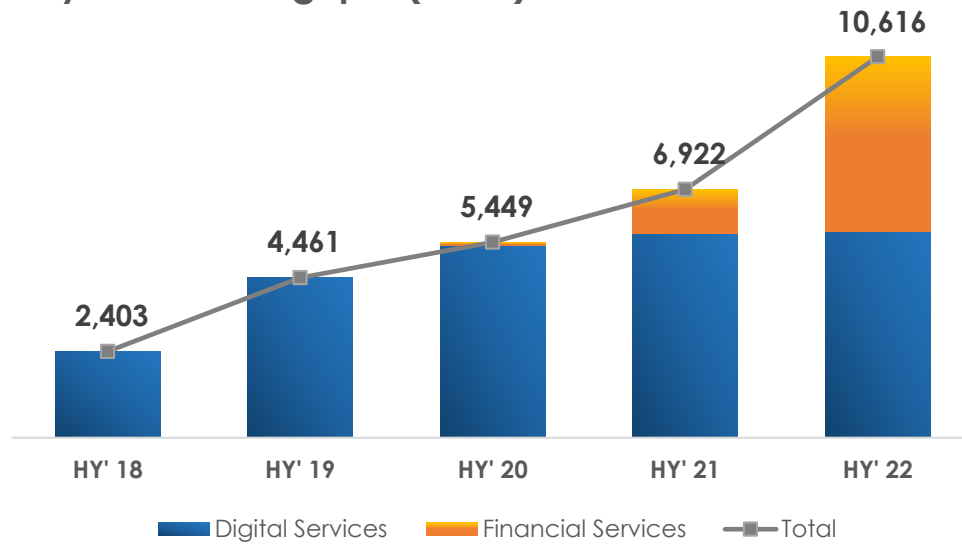




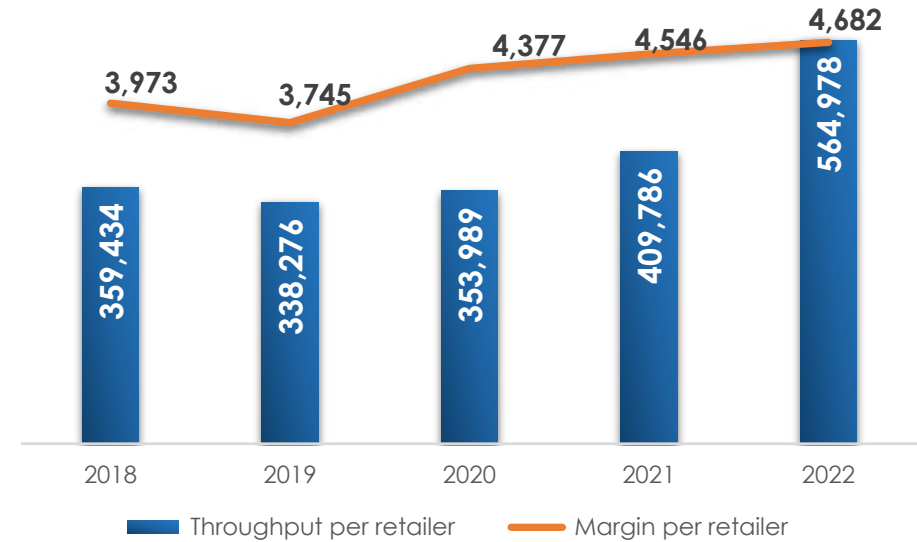
## HY'22 Performance

## Throughput

EP Systems Throughput (GMV) in PKR Mn



## Margin & Throughput per retailer



People

732



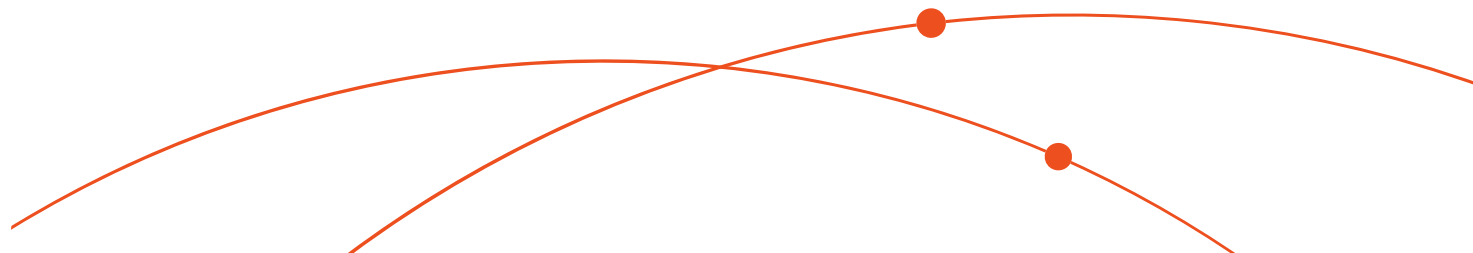
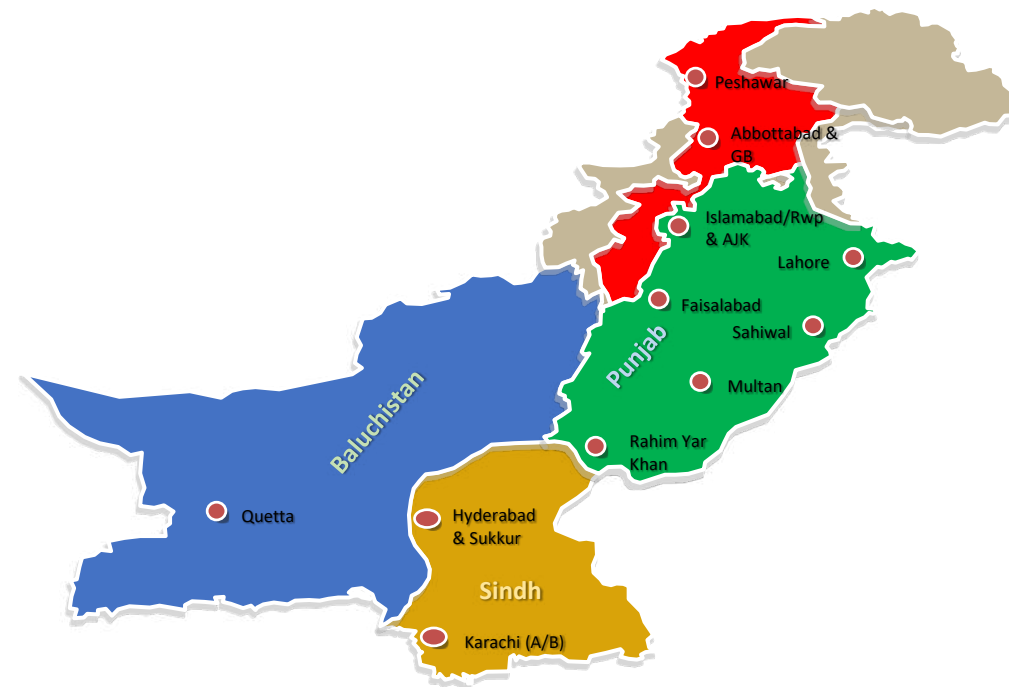
Active retailers *(June closing)*

32,251

# E-Processing Systems: 2022 Highlights



- **Throughput of Rs 10.6 Billion, 53% increase from SPLY**
- **New Investment for expansion**
  - Secured USD 11m from Sarmayacar and Shorooq Partners
- **Extensive Team and Organizational Buildout**
  - Unit heads in all functions - Sales, Software, Financial Products, Finance & Admin, Network mgmt
- **Established Nationwide Reach**
  - 77 million end consumer visits fulfilled in 500+ towns and cities
  - Sales managers and field personnel engaged
- **Extended Product and Service Capabilities**
  - New category of Financial Services (FS) Retailers - cash-in/cash-out for EasyPaisa
  - 100+ new biller services added to the OneLoad app
  - EMI product on verge of launch





# Environment, Social & Governance

# What does sustainability mean for us



## Be kind with the environment

Key Indicators:

- Reduced electricity costs by moving data centers to cloud
- Controlled e-waste by donating laptops and computers
- Policy to reduce printing and use digital media as much as possible
- Raising employee awareness to control water wastage and electricity



## GOVERNANCE

Key Indicators:

- Independent Board & its committees promoting GRC
- Responsible tax practices
- Code of Conduct/ Business Ethics
- Related party transactions
- Cybersecurity and Data privacy



## ENSURE SUSTAINABLE FINANCIAL GROWTH (HY 2022 Results)

Key Indicators:

- 75% increase in revenue
- 63% increase in gross profit
- 88% increase in EPS
- 20% Return on Equity
- Awarded Forbes under a billion for 2022
- Growth through multiple acquisitions
- Consistent dividend payout ratio
- Continuous development in products and services



## GIVING BACK TO THE SOCIETY

Key Indicators:

- Setup schools for underprivileged children
- IT Mustaqbil - Collaboration with Ali Institute for IT skill development
- Donations to Hospitals
- Donation of laptops and computers to schools and universities
- Created Dost fund to provide financial support in case of any emergency



## BE KIND TO EMPLOYEES

Key Indicators:

- Creating decent work space and sustainable income for 5,000+ employees
- Work from home policy to provide flexibility
- Spending huge amount on trainings & certifications
- Office ergonomics trainings to support employee healthcare
- Fuel cards for lower and middle management to fight against inflation



Taking care of our planet and the future of coming generations by reducing its carbon emission footprint and using more sustainable source of energy



Commitment to follow sustainability development goals in all processes



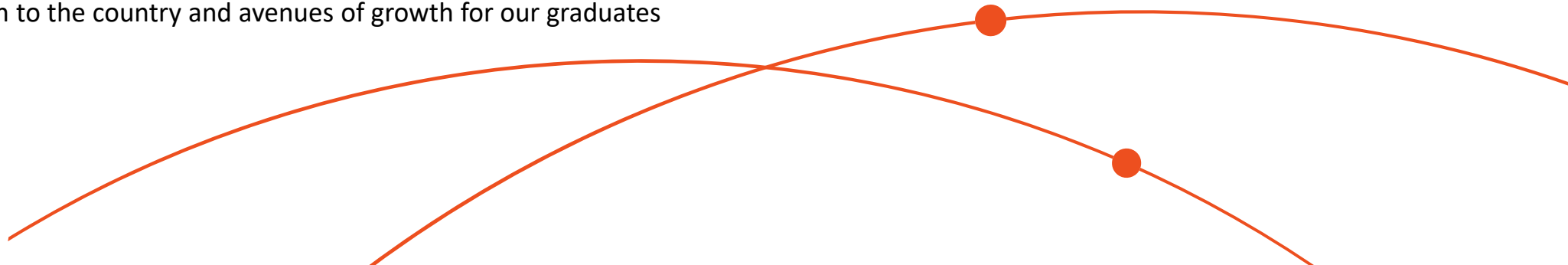
Taking care and uplift the society by collaborating with different educational, health and social institutes



Be kind to our employees by ensuring their health & safety and empowering women at all levels



Generate a sustainable financial growth ultimately adding wealth contribution to the country and avenues of growth for our graduates



➤ Establishment of Risk Management Committee

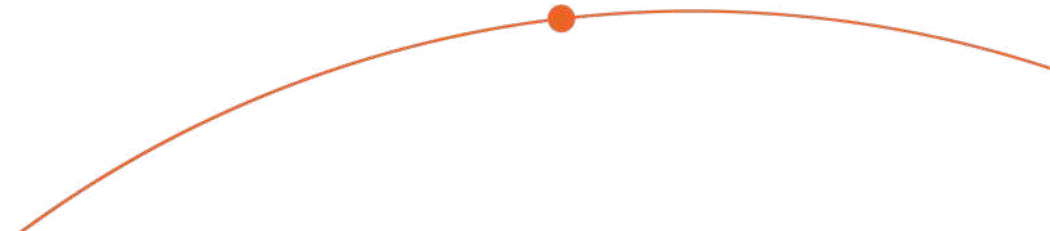


- Prioritizing fund allocation towards strategic investments (M&As) and geographical expansions
- Establishing an itemized cost structure to strengthen margins

- Increase female to male ratio by 20%
- Increase specially-abled employees by 10%
- Designate a dedicated Health and Safety Officer
- Increase trainings and Certifications by 10% annually

- Shifting towards sustainable and clean energy sources by installing solar panels
- Reducing e-waste and improvise recycling of electronic items by increasing laptop donations by 20%

- Increase donations by 10% annually
- Increase academia linkages







# Way Forward

# Pillars of our strategic plan

## Customer Centricity

Generate greater revenue by delivering unmatched technology products centered around customer value and predictive insights

## Revenue Diversification

### Geography

Creating revenue streams on all fronts and business verticals

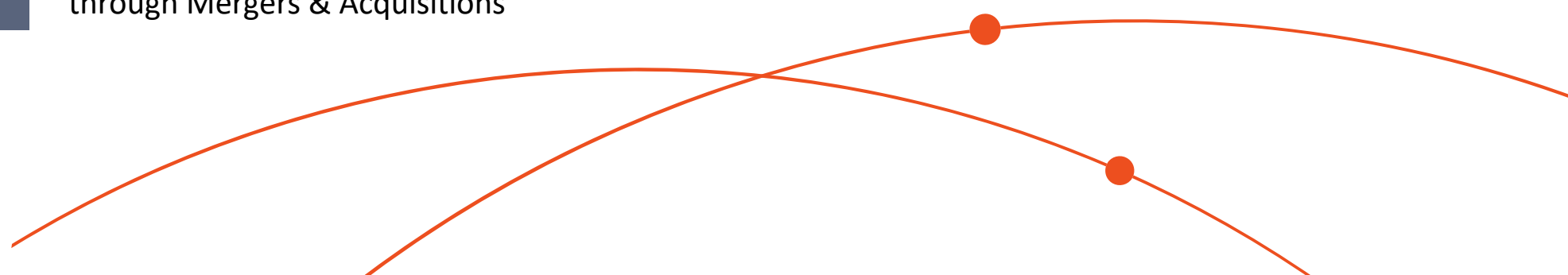
Emphasizing high-potential investments for new and existing clients

### Clients

2022 - Expanding regional footprint across Saudi Arabia, Egypt, South Africa, Singapore and Australia

## Geographical Expansion & Inorganic Growth

Consolidating our market leader status by establishing regional operations in Europe, Middle East and Africa and creating management structures that enable us to grow and perpetuate through Mergers & Acquisitions



# Investment priorities

## Continued Profit Improvement, Healthy Cash Flow



Strong cash flow generation allows attractive dividend payout, and flexibility for investment opportunities.



Systems Limited has a history of investing its cash flow for the future growth. The current healthy cash flow position provides the company with an opportunity to re-imagine and re-think everything to touch new heights.



We are looking to add new markets, new alliances, new verticals and new solutions by leveraging our global presence.



The Company is also focusing on inorganic growth through acquisition with the focus of increasing export revenue.



The Company plans to continue to invest in resource management and increase utilization.



- Investment in talent
- Mergers & Acquisitions
- Geographical expansion
- Enrich capabilities
- Incubating new ideas
- Enhanced technology offerings
- New product solutions



# Systems Growth Strategy & Way Forward



Strong focus on customer retention and existing account growth global



Enhancing core engineering skills by scaling the right talent mix that supports growth towards emerging technologies



Continuously exploring new avenues for growth by adding industry verticals and technology horizontals



Pursue strategic tuck-in acquisitions



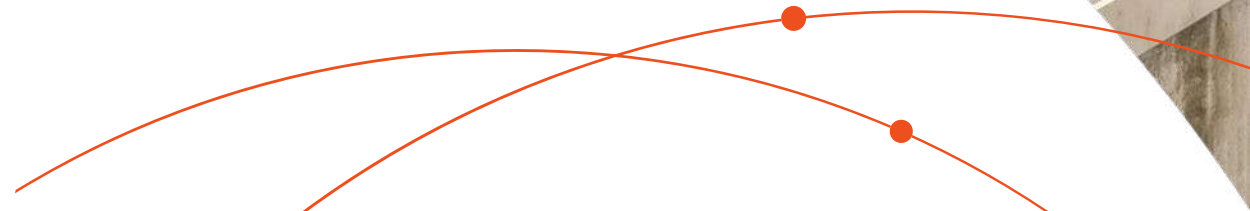
Strengthening our alliances with Principals



Increasing net new and existing new business through better sales coverage and account management across geographies



Enabling the Partner Eco-System to drive more offshore delivery work



# Associated Companies



Jomo is an innovative and pioneering player in the digital retail landscape and has grown at a remarkable rate since entering the eCommerce market, largely credited to its disruptive strategy by being the only company to provide “try before you buy”, and 100% free delivery within Pakistan. Jomo’s global expansion mission is rooted in true Pakistani ethos and with a purpose-driven values system aiming to resonate and establish its footprint with shoppers in Pakistan and around the globe.

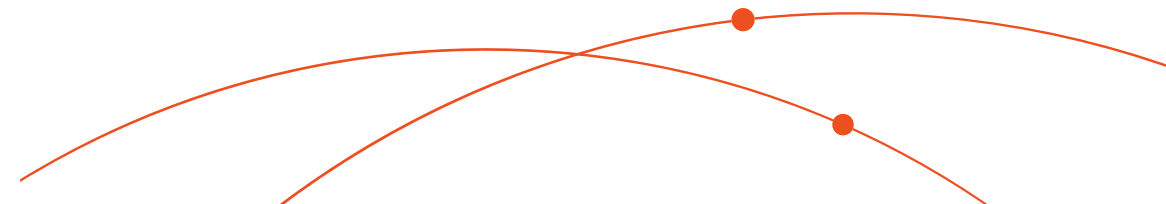
We have invested PKR 150 million in Jomo Technologies (Private) Ltd, with the aim to reap the benefits from the revolution taking place in the retail universe of the country and the potential it offers.



Jugnu is on a mission to empower and uplift the livelihoods of 1M+ kiryanas in Pakistan. It started its operations in 2020 and is now servicing thousands of retailers with a full tech suite of Retailer App, Optimized Logistics, and Embedded Finance. Through investment, Systems Ventures aimed to highlight the significance of the digital supply chain in the Pakistani retail sector. Together, we hope to improve the economic well-being of Pakistan by solidifying the digital landscape.

We have invested USD 500,000 in order to maintain our shareholding in the new round of investment raised by the company.

Jugnu launched its Buy Now, Pay Later (BNPL) solution for SME retailers earlier this year after securing \$22.5 million of funding in series-A from SARY (MENA-based B2B e-commerce giant). The business of Jugnu is firmly on a growth trajectory with best-in-class unit economics in their type of business.

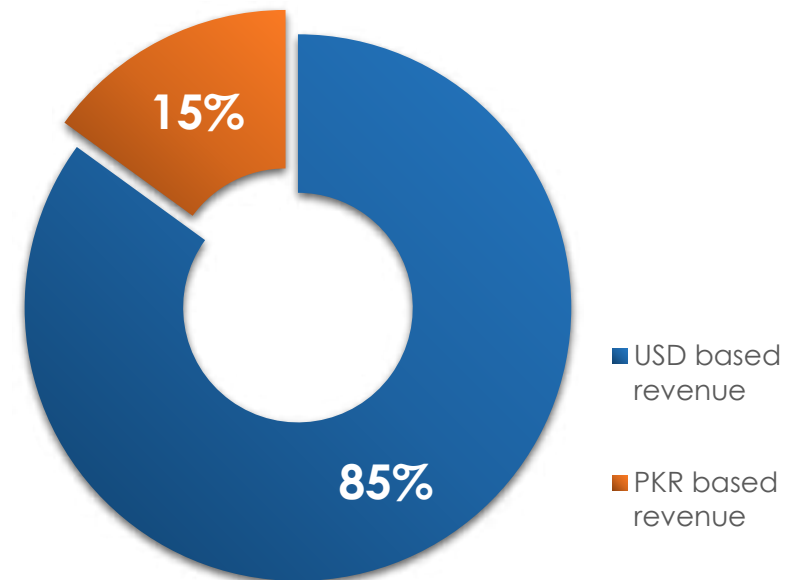


# Acquisition – 100% stake in NDCTech



- » Exclusive Temenos Partner In Pk And Few Other Territories
- » Presence In 17+ Countries
- » 75+ Banking Clients
- » 250+ Experienced & Certified Consultants
- » 20+ Years Of Experience In Delivering Transformational Services

## Revenue mix



## Client metrics


Client Metrics	2022
Active clients	83
\$1m+ clients	2
\$250m+ clients	7
\$100k+ clients	7



# Acquisition – 100% stake in NDCTech

## Services

We cater to the unique needs of all Banks and Financial Institutions



Helping Banks deliver their digital strategies by launching new digital brands, digitizing processes, modernizing digital experiences, and launching new innovative digital capabilities such as mobile payments and digital wallets

### Core Banking Modernization

Enable digital transformation by adopting agile and modern Core Banking systems of the future so that the bank can expand their digital horizon & compete effectively to become a Bank of the future



### Digital Banking



### Managed Services

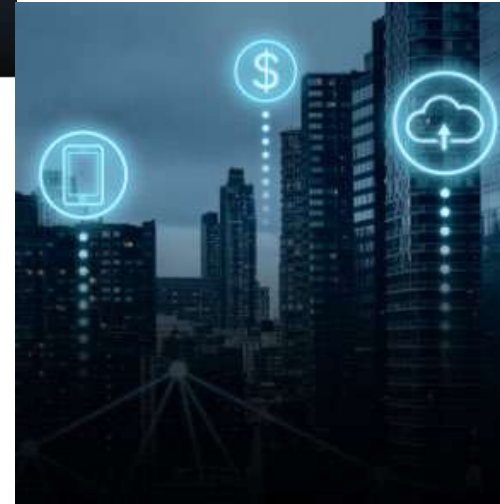
NdcTech helps manage the performance and scalability of Financial Services promptly and consistently so that bank can deliver the services its clients depend upon

Next generation Cloud-native Core Banking and Digital Banking implementation services to help clients navigate their cloud journey securely



### Consulting

Professional consulting for competitive advantage having successfully completed hundreds of large-scale projects globally



### Banking On The Cloud

## Global Winning Track Record

**2022**



**Major Contender**

Temenos IT Services  
PEAK Matrix®  
Assessment 2022

**2021**



**Finalist Global  
Banking Tech  
Awards**

Tech Team of the Year

**2019**



**Winner Partner  
Award**

Best Implementation of  
the Year - Middle East

**2018**



**Winner Partner  
Award**

Commitment to  
Learning

**2018**



**Runner-Up**

Innovation Jam Abu  
Dhabi 2018

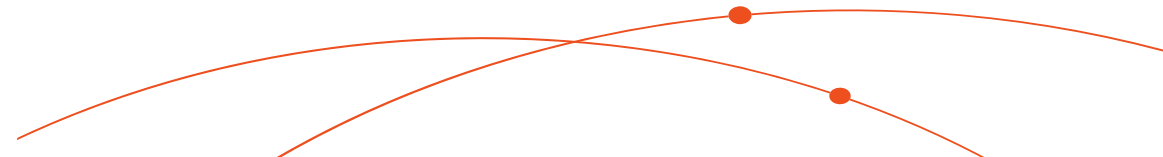


# Acquisition – 100% stake in Treehouse

## Acquisition of TREEHOUSE



- » Acquired 100% stake in TREEHOUSE Consultancy
- » Similar business line
- » Acquired for leadership team and resources
- » Information technology solutions company that provides high-end IT solutions
- » Two channels of business: direct and through third party



# Q&A





**Thank You**

