



Enabling a Digital Tomorrow

INVESTOR BRIEFING FY 2021

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Market Opportunity Sustainable Business Model

With a myriad of IT trends, the current global pandemic has made complete digital transformation an imperative for businesses across the globe. Through **2024**, organizations will be forced to speed up their **digital transformation** business plans by at least 5 years.

Source: Gartner, Newsroom, 2021

\$4.5 Trillion

With an increase of 5.1% from 2021, worldwide IT spending is projected to \$4.5 trillion in 2022.

Source: [Gartner, Newsroom, Worldwide IT spending, 2021](#)

75%

By 2024, 75% of organizations will have deployed multiple data hubs to drive mission-critical data and analytics sharing and governance.

Source: Gartner, Top Strategic Technology Trends for 2022

40%

By 2023, 40% of I&O teams will leverage AI-augmented automation in large enterprises.

Source: Gartner, [Gartner Predicts the Future of AI Technologies](#)

40%

By 2023, 40% of all enterprise workloads will be deployed in cloud infrastructure and platform services.

Source: [Gartner's 2022 Predictions](#)

\$3.1 Trillion

Blockchain could generate as much as \$3.1 trillion in new business value by 2030.

Source: [Gartner – Blockchain Technology: What's ahead?](#)

\$7 Trillion

By 2023, direct digital transformation investment is expected to grow \$7 trillion as companies become digital-at-scale future enterprises.

Source: [ICD, FutureScope](#)

OUR VALUE PROPOSITION

systems



Digital data

Pureplay in the digital data and cloud space



Emerging technologies

Organized by competencies and delivering business and technical solutions in emerging 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

Strong set of accelerators / business solutions that leverages our core engineering and business / domain expertise



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, systematically tested and have financially impactful delivery model that delivers projects with immediate, substantial and sustainable impact on customers' bottom line.

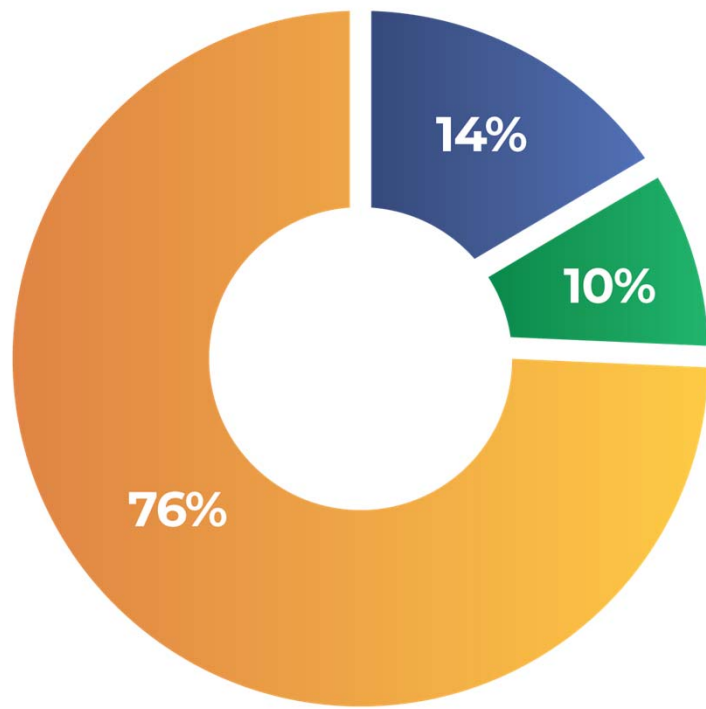


Consulting

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

Digital is the central driver of our business

systems



 Digital Services  Managed Services  BPO

Digital Services, developed with a diverse set of high-end technologies, contribute a fair share in making Systems Limited a globally recognized SI company.

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, Business Process Outsourcing, and digitally enabled solutions to provide a seamless, powerful and connected experience to customers that propel them to stay current in the digital landscape.

Systems At A Glance

EMPLOYEE METRICS

~ 1800

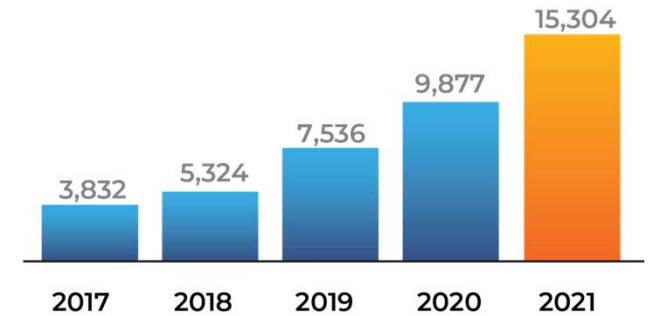
Net addition of IT professionals during the year

50%

Net YoY addition



REVENUE TRAJECTORY (PKR MILLION) CAGR 41%



1977

Founded as the first software house of Pakistan

2015

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

2018

Won the Microsoft Partner of the Year Award
Recorded Rs. 1 billion in profitability

2019

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

2020

PSEB Top IT Exported Award
Forbes Asia Best Under A Billion
Among the top 3 best performing companies on the Pakistan Stock Exchange (PSX)

2021

Strategic investment in Retailistan
Forbes Asia Best Under A Billion
Won Microsoft Inner Circle Award
Expanded operations in KSA
Recorded highest ever profitability



Only Pakistani IT company to win two times in a row



Among top global technology partners for Microsoft Business Applications



Top New Partner and Service Excellence Award 2021



3rd in top 25 companies on PSX



Two awards in most outstanding company category



Winner in top exporter category

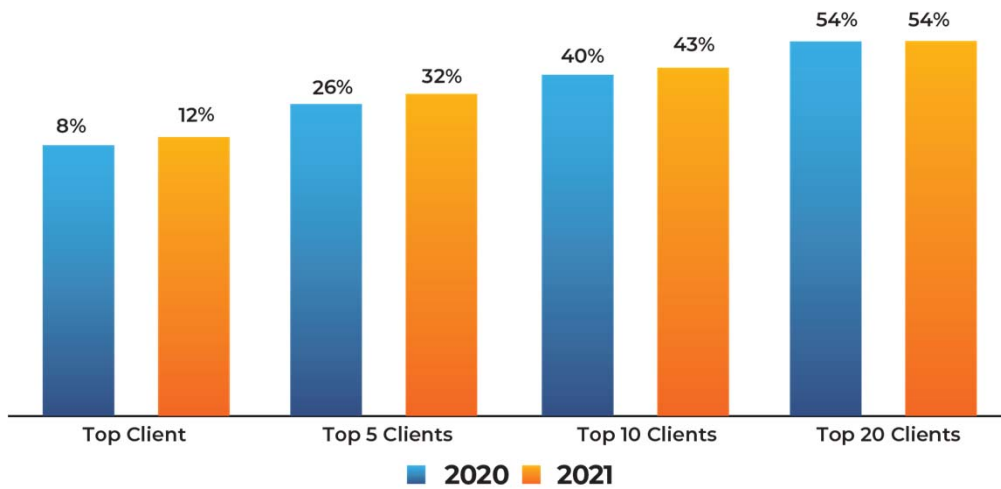


THE LAHORE CHAMBER OF COMMERCE & INDUSTRY

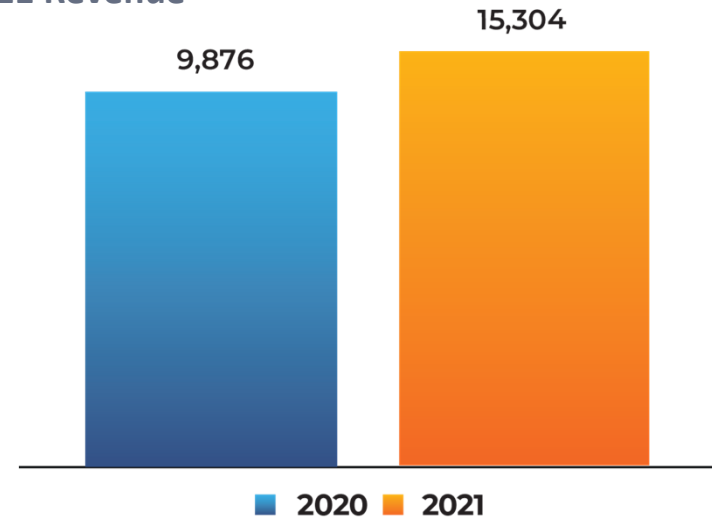
The first IT company to win the LCCI President IT award

Client Composition

Client Contribution to Revenue



FY 21 Revenue



Active Clients

	2020	2021
Active clients	207	267

*Revenue above \$20k

Client Metrics

	2020	2021
\$10m+ clients	-	1
\$5m+ clients	-	2
\$3m+ clients	2	5
\$1m+ clients	12	17
\$500k+ clients	25	38

Leaders of the Digital Revolution

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



Imran Soofi
Head of Business Development
- Telco



Rao Hamid Khan
GM, Systems Arabia



Zahid Mahmood Janjua
GM, Qatar



Khurram Majeed
GM, TechVista Systems, Dubai



Muhammad Mairaj
Head of Business Development



Financial Review

FY-2021

**all financials are from consolidated results*



Financial Performance At a Glance



PKR 15.3bn

FY'21 REVENUE

54%

USD BASED
REVENUE GROWTH

55%

YOY REVENUE
GROWTH

5,320

TOTAL EMPLOYEES AS OF
DECEMBER 31 2021

33%

FY'21
GROSS PROFIT MARGIN

21%

FY'21 OPERATING
MARGIN

23%*

FY'21 NET INCOME MARGIN

PKR 1.4bn

FY'21 FREE CASH FLOWS

267

FY'21 TOTAL
ACTIVE CUSTOMERS
SERVED

17

CUSTOMERS WITH OVER
\$1MN REVENUE

91%

Q2'21 REVENUE FROM EXISTING
CUSTOMERS

115

DAYS SALES
OUTSTANDING

32.10

FY'21 Diluted EPS

36%

ROE

PKR 7.8bn

CASH & EQUIVALENTS

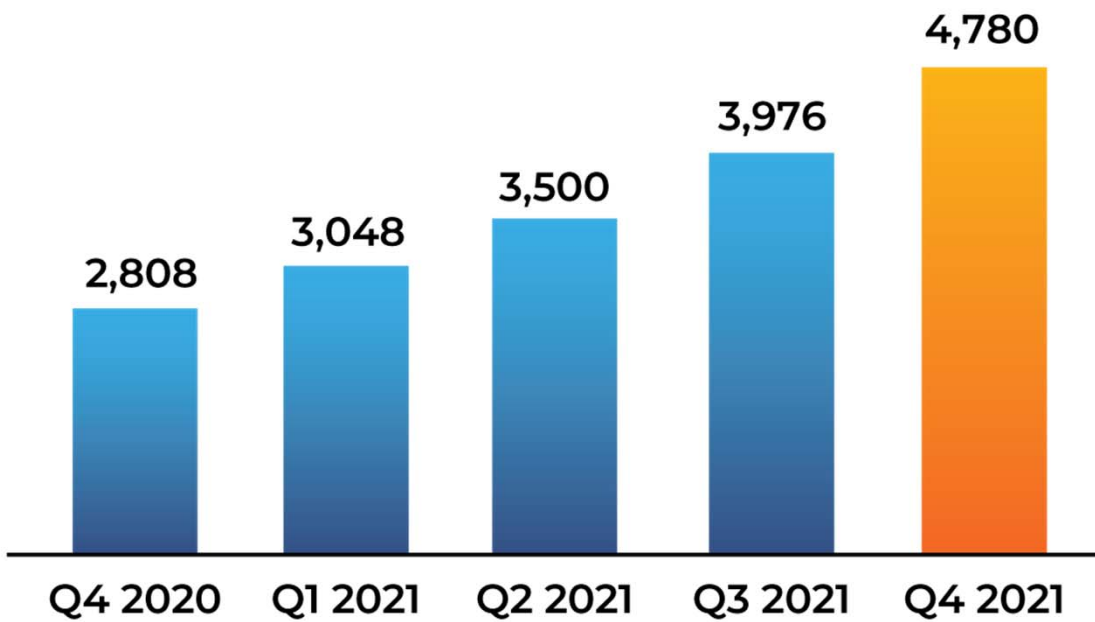
~USD 30,000

FY'21 REVENUE PER IT
PROFESSIONAL PER
YEAR

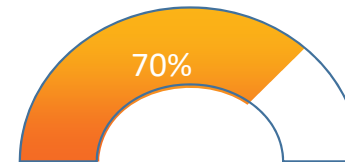
** Normalized for one off FV adjustment on dilution of control in subsidiary*

Strong FY 2021 Performance

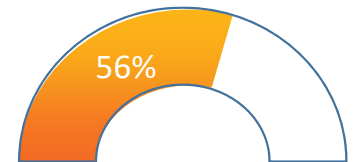
REVENUE
(PKR IN MN)



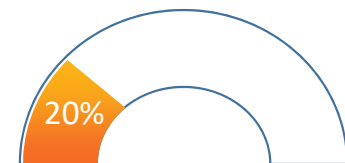
Q4 21 vs Q4 20 Growth (PKR)



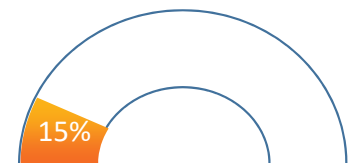
Q4 21 vs Q4 20 Growth (USD)



Q4 21 vs Q3 21 Growth (PKR)

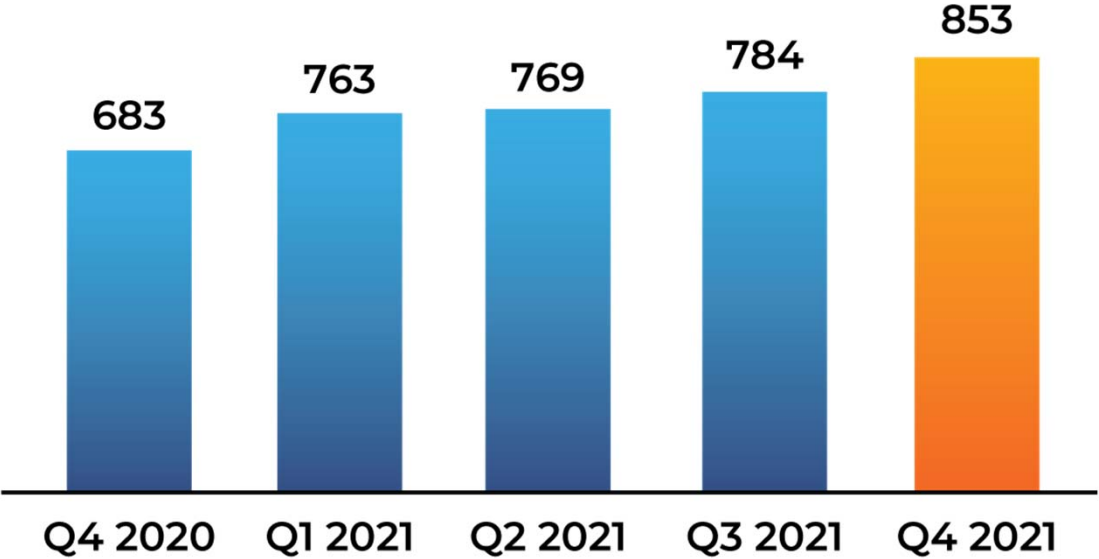


Q4 21 vs Q3 21 Growth (USD)

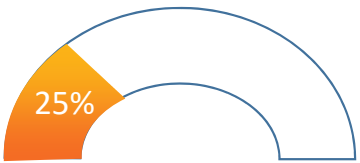


Operating Profit FY 2021 Performance

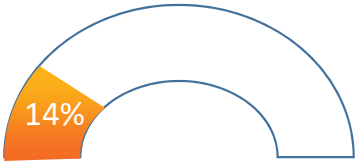
OPERATING PROFIT
(PKR IN MN)



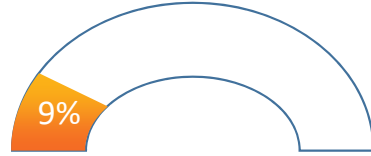
Q4 21 vs Q4 20 Growth (PKR)



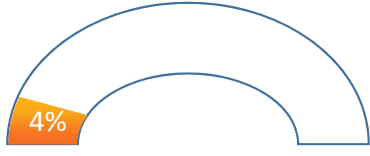
Q4 21 vs Q4 20 Growth (USD)



Q4 21 vs Q3 21 Growth (PKR)

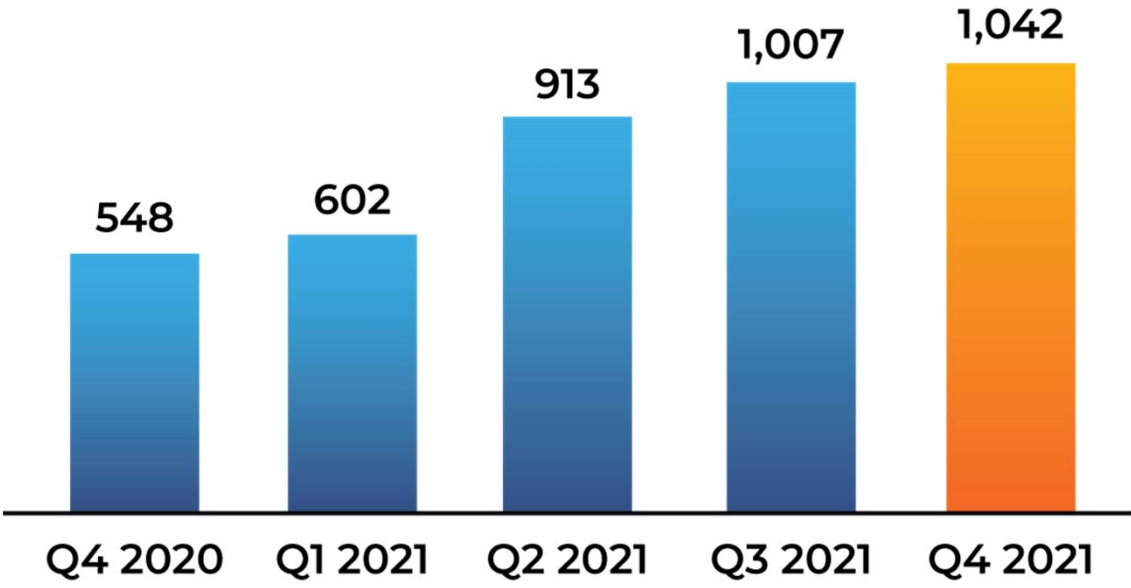


Q4 21 vs Q3 21 Growth (USD)

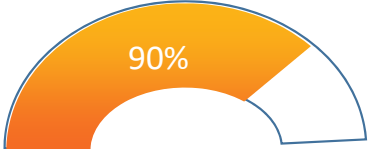


Net Income FY 2021 Performance

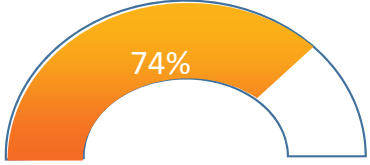
NET INCOME
(PKR IN MN)



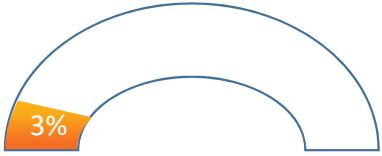
Q4 21 vs Q4 20 Growth (PKR)



Q4 21 vs Q4 20 Growth (USD)



Q4 21 vs Q3 21 Growth (PKR)

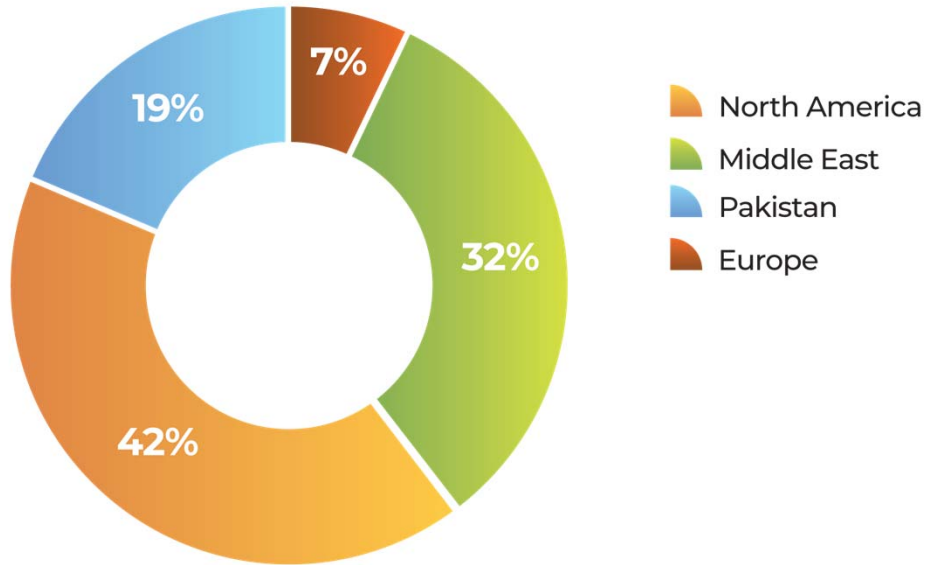


Q4 21 vs Q3 21 Growth (USD)

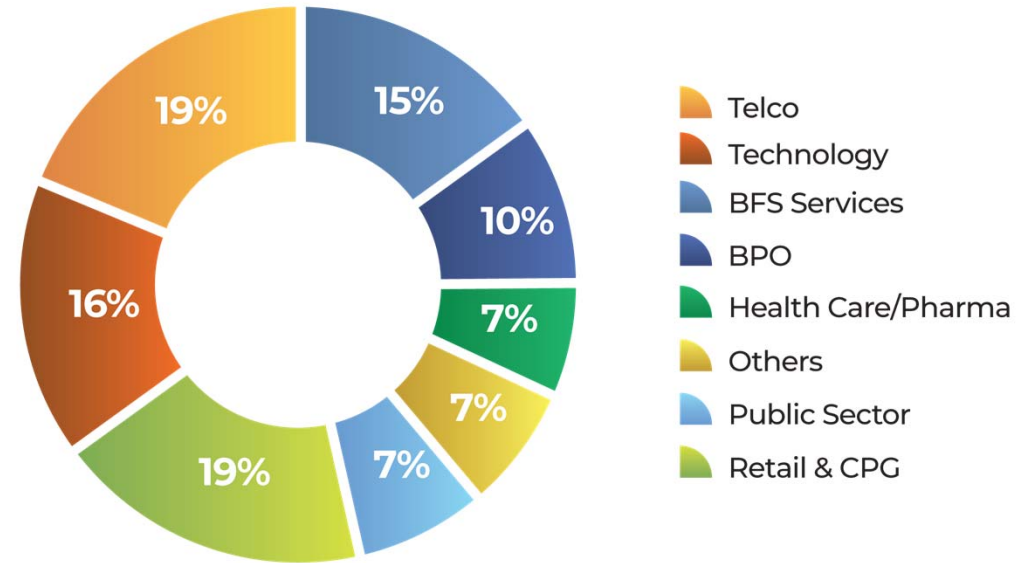


Revenue Breakdown FY'21

Geography

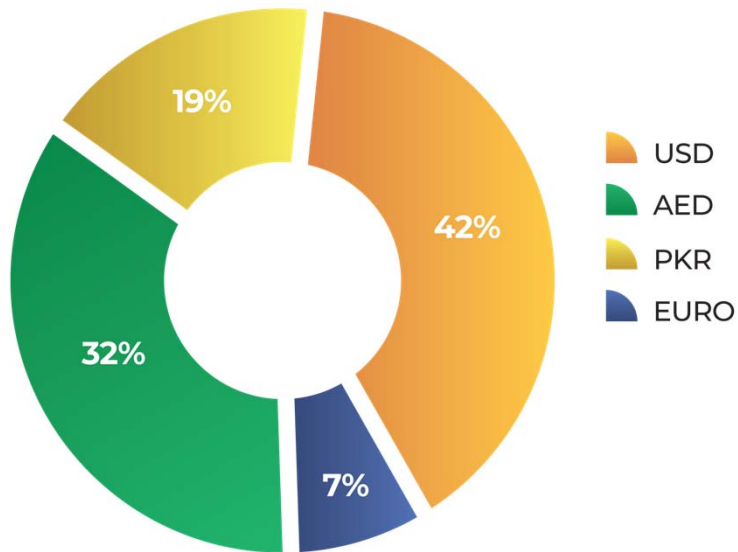


Industry

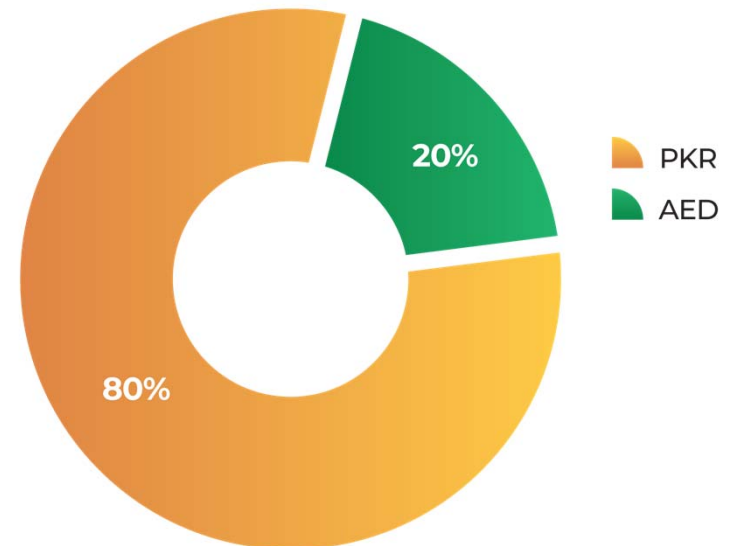


Revenue and Cost Mix by Currency

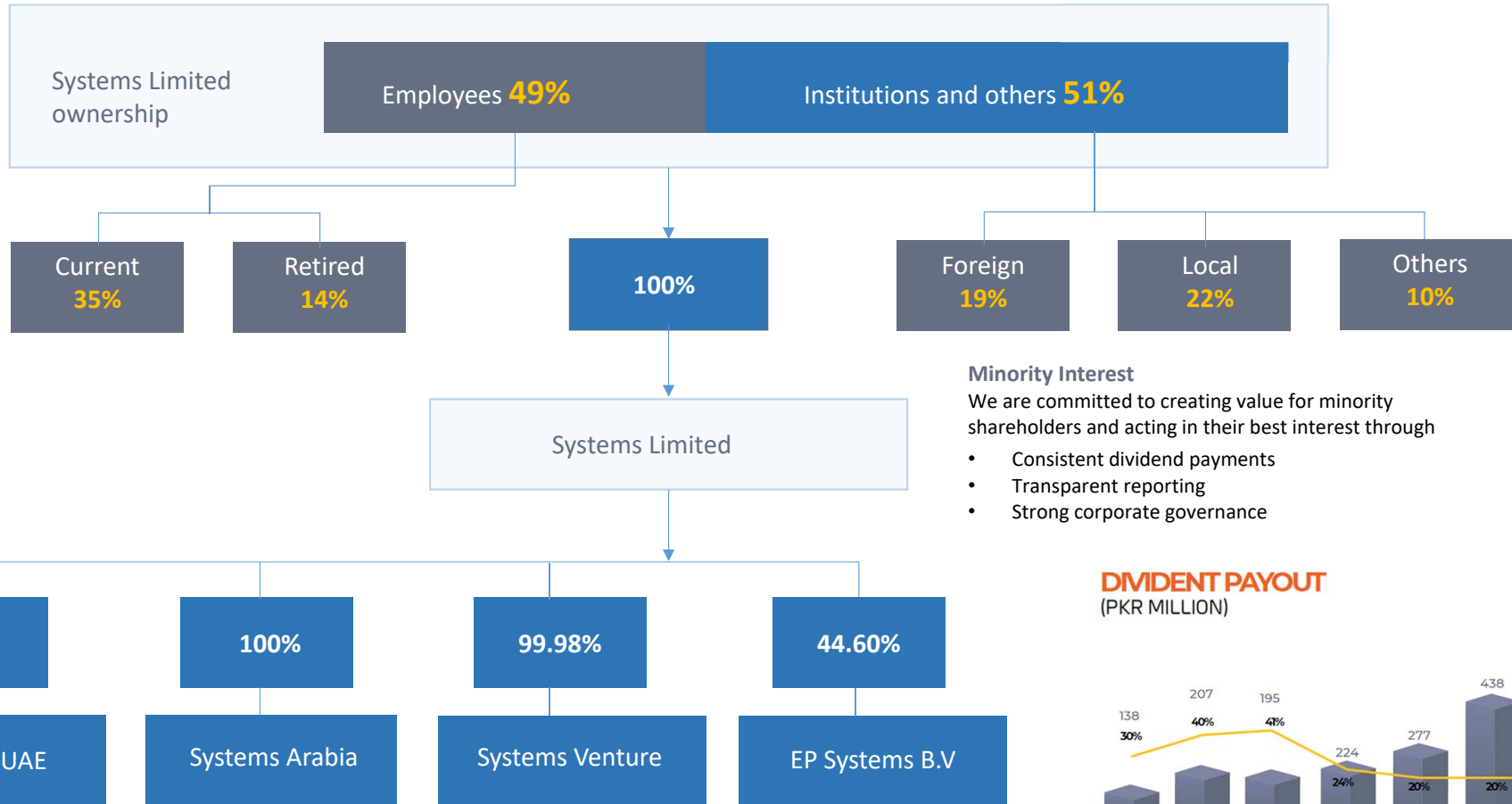
Revenue



Cost



Corporate / Shareholding Structure

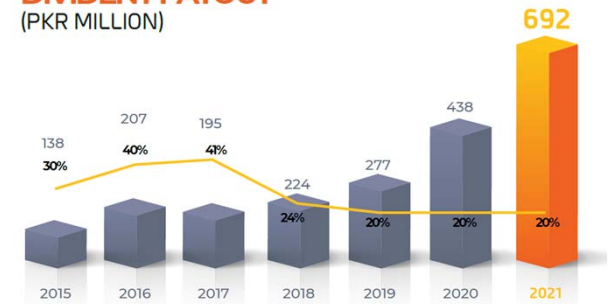


Minority Interest

We are committed to creating value for minority shareholders and acting in their best interest through

- Consistent dividend payments
- Transparent reporting
- Strong corporate governance

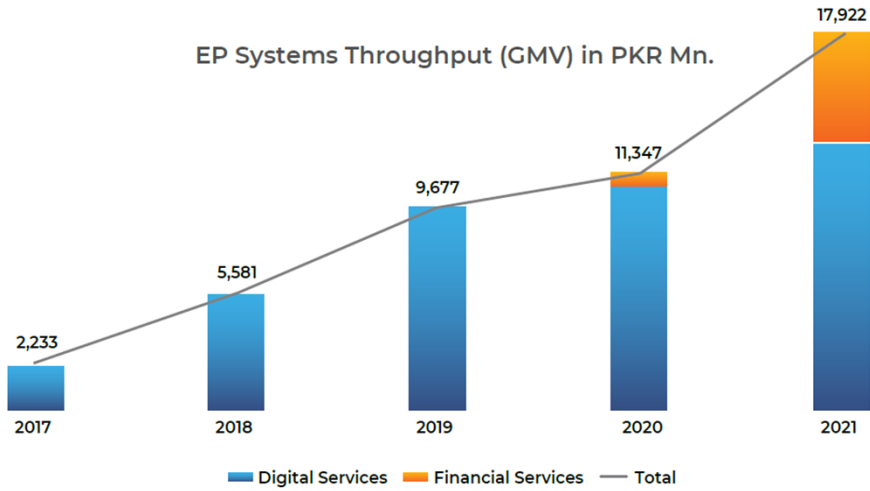
DIVIDEND PAYOUT (PKR MILLION)



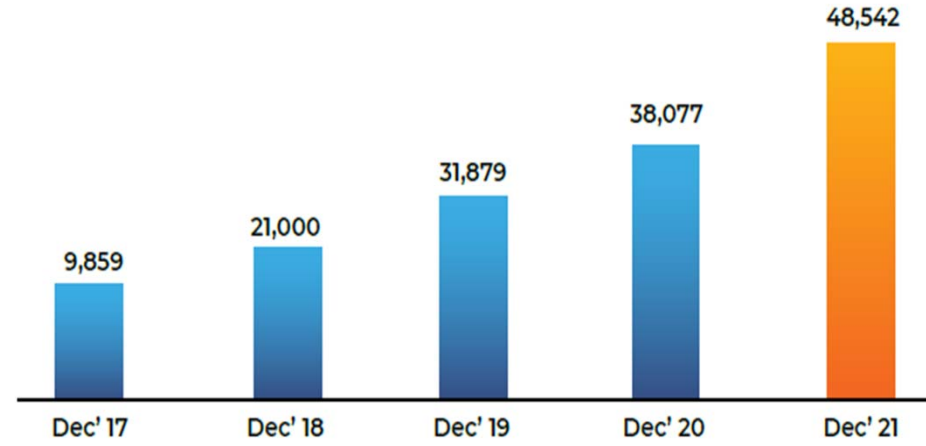


FY'21 Performance

Throughput



Active Retailer Count



1053

Headcount

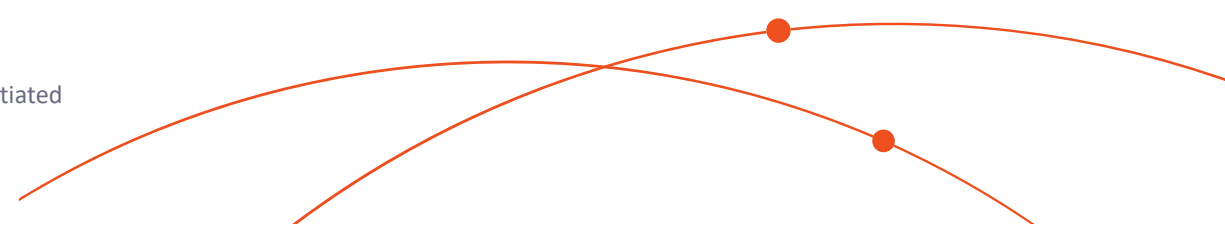
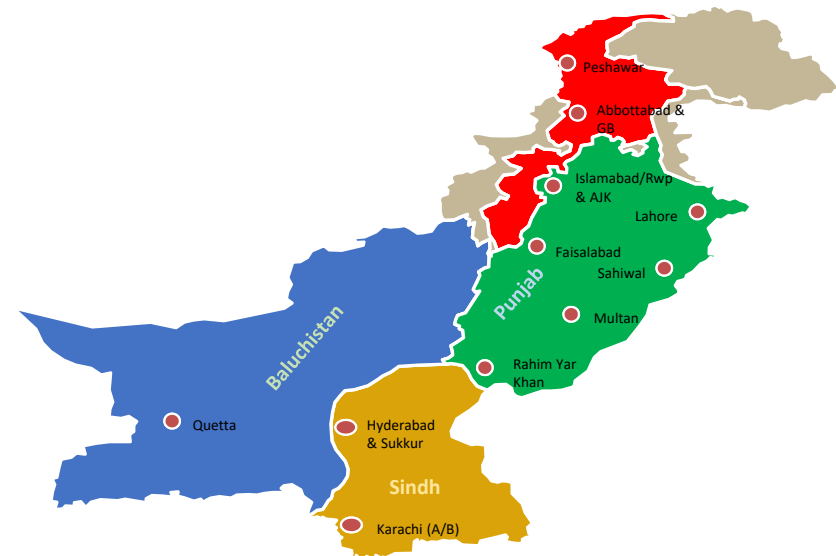


125

Net additions in last six months

E-Processing Systems: 2021 Highlights

- **Annual throughput of Rs 17.9 Billion, 57% increase from 2021**
 - Exceeded US\$100 million throughput
- **Extensive Team and Organizational Buildout**
 - From 123 personnel in Jan to 1,053 in December
 - 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
 - 80 sales managers and 800+ 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 development and State Bank Inspection process initiated





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

Key Indicators:

- 55% increase in revenue
- 53% increase in gross profit
- 100% increase in EPS
- 36% Return on Equity
- Consistent dividend payout ratio
- Continuous development in products and services



GIVING BACK TO THE SOCIETY

Key Indicators:

- Setup schools for underprivileged children
- 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
- Provided COVID-19 Vaccinations

ESG Approach



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



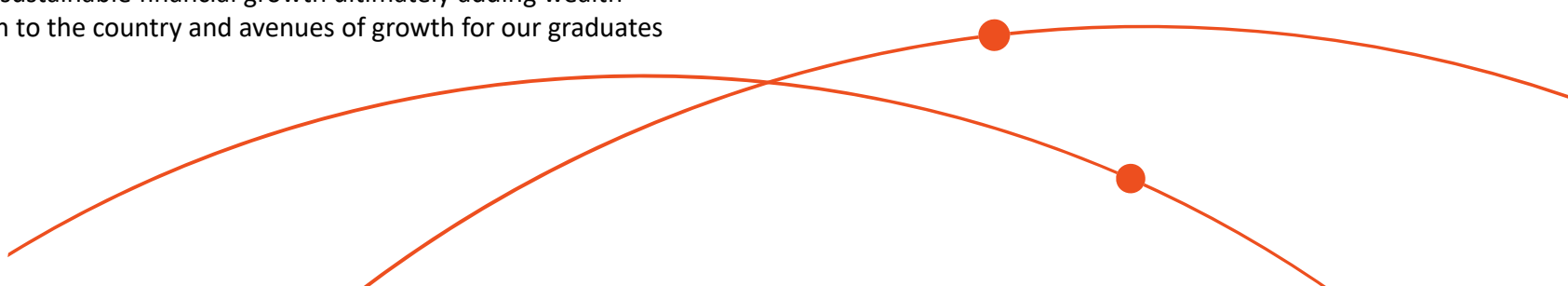
Taking care and uplift the society by collaborating with different educational, health and social institutes



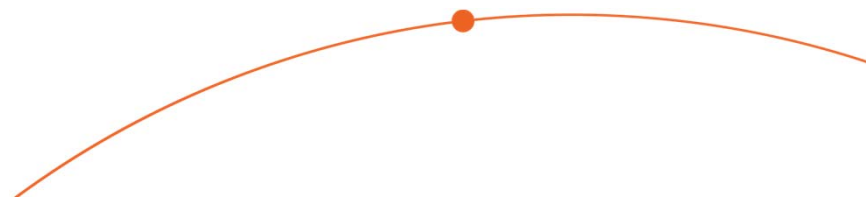
Be kind to our employees by ensuring their health & safety and empowering women at all levels



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



ESG VISION 2025

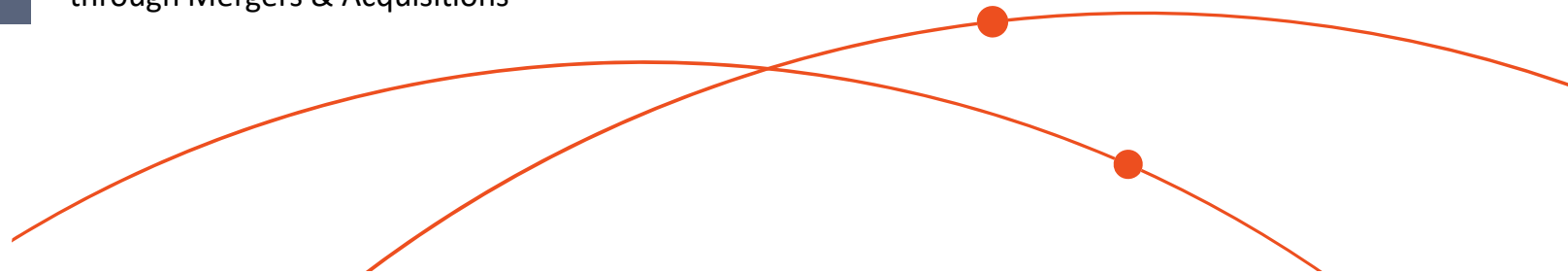


Way Forward



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 the EMEA region Investing in local digital acceleration initiatives to drive a sustained economy
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.



- Investment in talent
- Mergers & Acquisitions
- Investment in startups/series A
- Incubating new ideas
- Geographical expansion
- Infrastructural development

Systems Growth Strategy & Way Forward

- Strong focus on customer retention and existing account growth global
- Strengthening our alliances with Principals
- Enhancing core engineering skills by scaling the right talent mix that supports growth towards emerging technologies
- Enabling the Partner Eco-System to drive more offshore delivery work
- Pursue strategic tuck-in acquisitions
- Invest aggressively in the start-up Ecosystem to deliver futuristic value and strategic alignment
- Increasing net new business through better sales coverage and account management across geographies
- Continuously exploring new avenues for growth by adding industry verticals and technology horizontals

New Geographies



Egypt



Saudi Arabia



Africa



Singapore



Systems Ventures as a subsidiary of Systems Limited, leading technology powerhouse of Pakistan, partners with companies that leverage technology to disrupt the normal and make history. We aim to continue our legacy by investing in bold decisions and partnering up with leaders to maximize the true value of their ideas.

Investment Focus

We back ventures that aim at:



Disruptive Innovation

Idea that is technology-driven – superseding a conventional process or product – scalable, and align with Systems' growth strategy.



Leveraging Technology

Businesses weighing technology to enable digital transformation, bringing fundamental change and exceeding growth.



Social Impact

Visionaries becoming change-enablers and offering solutions against critical social challenges.

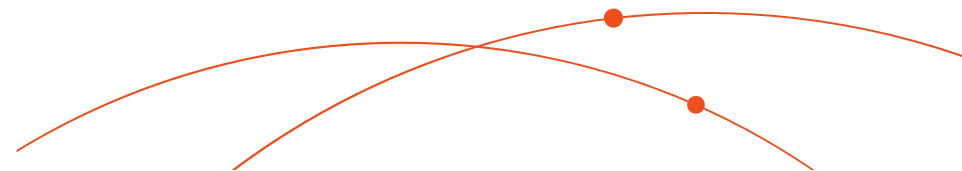
What we do?

We help revolutionary entrepreneurs scale and build effective business development engines to grow faster.

We leverage our expertise in building and scaling technology-driven companies to a global level.

We make strategic partnerships through long-term investments and technology support.

Our Portfolio



Investments in 2021

Retailistan

Retailistan (Private) Ltd. is the parent company, managing the core operations of 'SalesFlo' - it has three further subsidiaries, one of which is aimed at increasing their footprint in South East Asia, another is leading the B2B marketplace disruption and e-distribution model through Jugnu, and third is providing back-office services to leading consumer goods companies for on-ground retail presence.

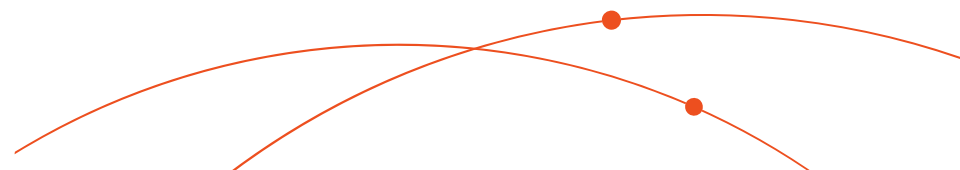
Salesflo is retail technology start up – SAAS (Software as a Service) launched in year 2015 to focus on the automation of processes related to Consumer Good Companies and Retail sales processes. The platform covers Distribution Management System, Digital Merchandising & Instore Marketing tool, and Data science solutions (Data Analytics). In the last three years, Salesflo has built traction for its technology offerings, making numerous local and global FMCG companies its' clients.

We have acquired 20% of the shares of RPL at a cost of USD 3 million.

Jugnu

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. Trough investment, Systems Ventures aimed to highlight the significance of the digital supply chain in the Pakistani retail sector. Together, we hope to improve economic well-being of Pakistan by solidifying the digital landscape.

The board has approved to invest USD 500,000 in order to maintain our shareholding in the new round of investment raised by the company.



Q&A



Thank You