



systems

# Enabling a Digital Tomorrow

Investor Briefing H1 2021

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# Highlights



## 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



## Employee Ownership

Employee-ownership and experienced Leadership team



## 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

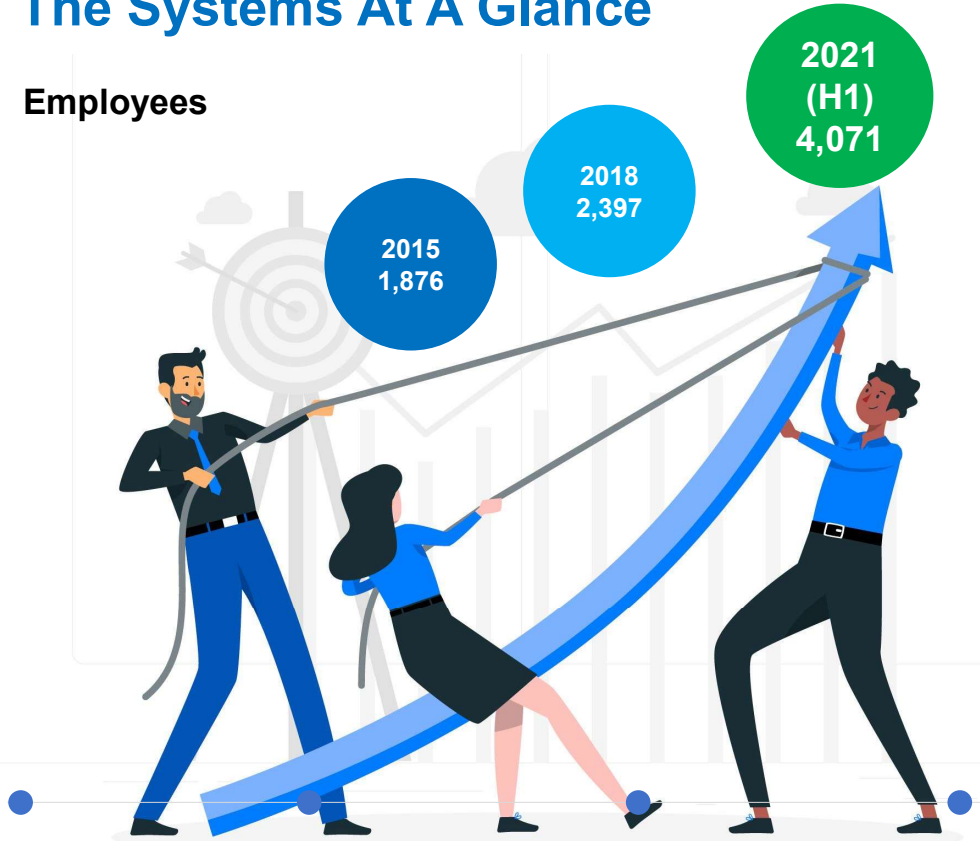


## Insight Driven

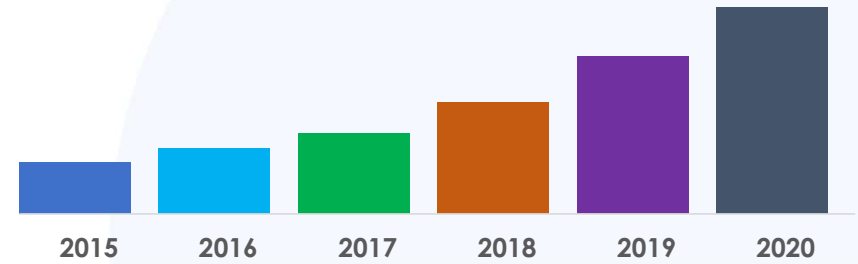
We are insights driven, user centric, systematically tested and have financially impactful delivery model that delivers projects with immediate, substantial and sustainable impact on customers' bottom line.

# The Systems At A Glance

## Employees



## Revenue Trajectory (Rs. M) CAGR 32%



> 500

Net addition of IT professionals in last 3 months

16%

Net QoQ addition

**1977**

Founded as the first software house of Pakistan

**2015**

Filed for IPO  
Launched One Load  
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  
EP EMI License  
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  
Won Microsoft Inner Circle Award

# 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 Trillion

With an increase of **8.4%** from 2020, worldwide IT spending is projected to be **\$4.1 trillion** in 2021.

Source: Gartner, Newsroom, Worldwide IT spending, 2021

## 80%

With an increase of **8.4%** from 2020, worldwide IT spending is projected to be **\$4.1 trillion** in 2021.

Source: Gartner, Newsroom, Worldwide IT spending, 2021

## 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

## \$2 Trillion

With an increase of **8.4%** from 2020, worldwide IT spending is projected to be **\$4.1 trillion** in 2021.

Source: Gartner, Newsroom, Worldwide IT spending, 2021

## \$4 Trillion

By 2023, **blockchain** will support the global tracking and movement of **\$2 trillion** of services and goods.

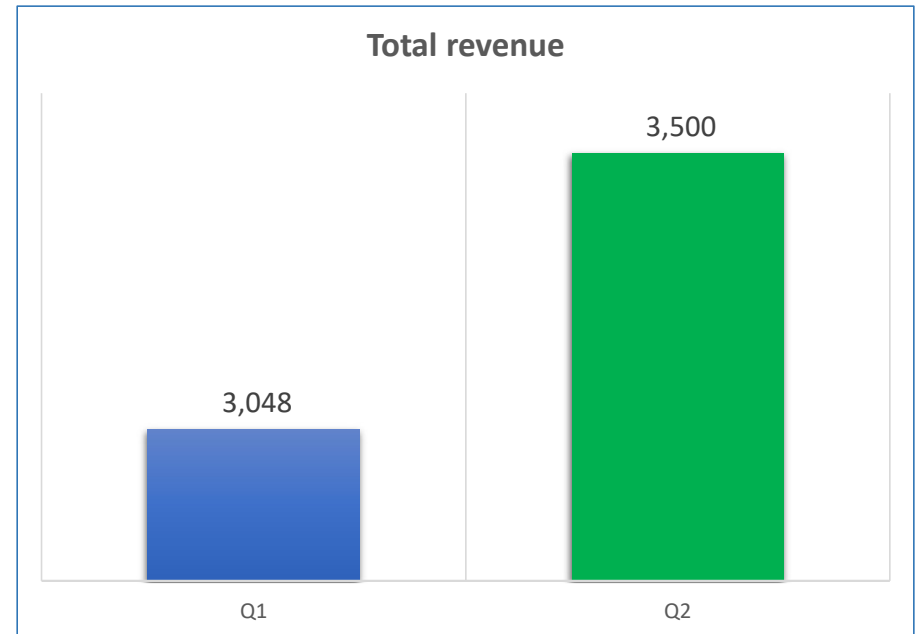
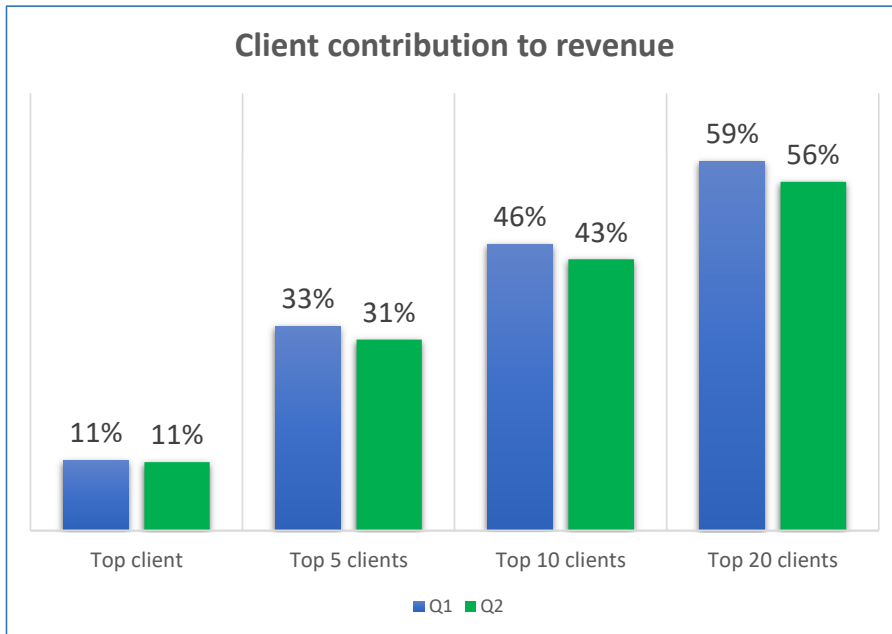
Source: Gartner, Blockchain Technology: What's Ahead?

## \$7 Trillion

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

Source: ICD, FutureScape

# Client composition



## Active Clients

	Q1	Q2
Active clients *	158	166
New clients	38	43

\* Revenue over \$50k

## Client Metrics

	Q1	Q2
\$10m+ clients	1	1
\$5m+ clients	1	1
\$1m+ clients	15	16
\$500k+ clients	31	42

# Leaders of the Digital Revolution

## Board of Directors



Mr. Aezaz Hussain  
Chairman/Non-Executive  
Director



Mr. Asif Peer  
Chief Executive Officer



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 Management



Asif Peer  
Chief Executive Officer



Asif Akram  
Chief Operating Officer



Roohi Khan  
Chief Financial Officer



Toima Asghar  
Chief Human Resource  
Officer



Salman Wajid Mian  
Chief Process Outsourcing  
Officer



Rao Hamid Khan  
General Manager, Domestic  
Operations



Zahid Mahmood Janjua  
General Manager, Qatar &  
International Markets



Khurram Majeed  
General Manager, Techvista  
Systems, Dubai

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# FINANCIAL REVIEW

\*all financials are from consolidated results





## Financial performance At a Glance

**PKR 3.5bn**

Q2 21 revenue

**33%**

2016-2020  
revenue CAGR

**USD 27,000**

HY'21 revenue per IT  
professional per year

**4,071**

Total employees as of  
June 30 2021

**34%**

Q2'21  
gross profit margin

**22%**

Q2' 21 operating  
margin

**26%**

Q2'21 net income margin

**PKR 543mn**

Q2 21 Free cash flows

**291**

Q2'21 Total  
active customers  
served

**16**

Customers with over  
\$1mn revenue

**94%**

Q2'21 revenue from existing  
customers

**90**

Days sales  
outstanding

**17%**

ROCE

**20%**

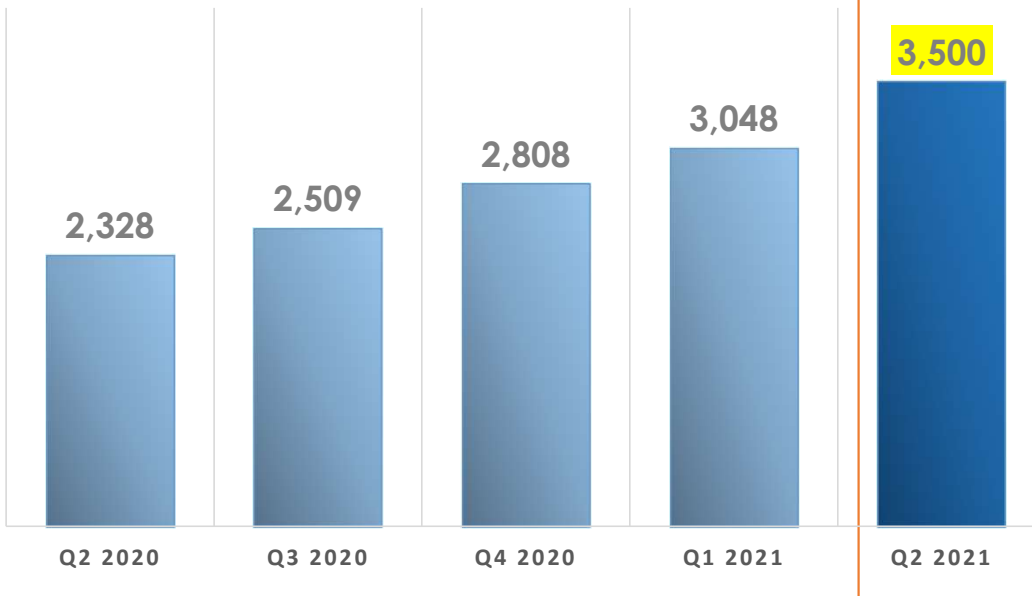
ROE

**PKR 6.3bn**

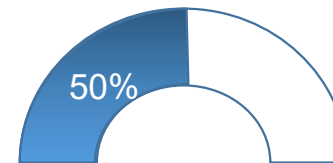
Cash & Equivalent

# Strong HY1 2021 Performance

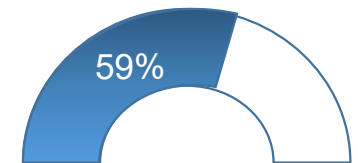
REVENUE  
(PKR IN MN)



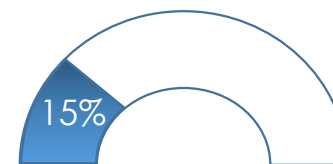
Q2 21 vs Q2 20 Growth (PKR)



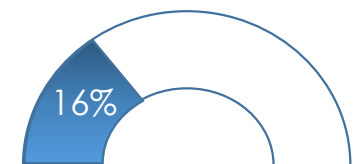
Q2 21 vs Q2 20 Growth (USD)



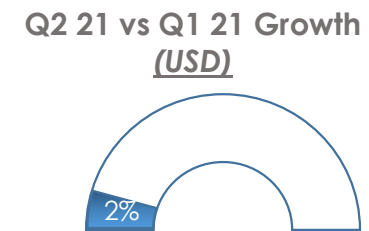
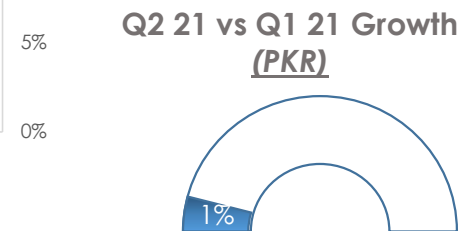
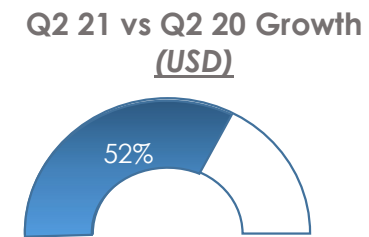
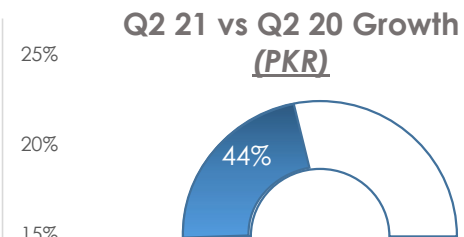
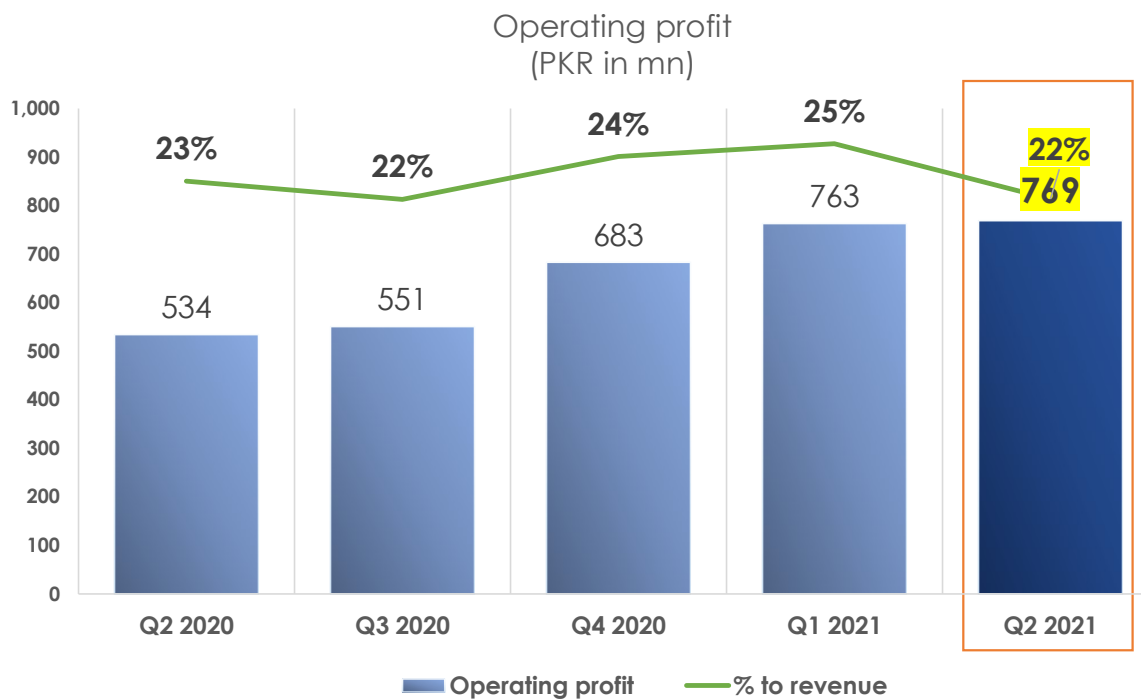
Q2 21 vs Q1 21 Growth (PKR)



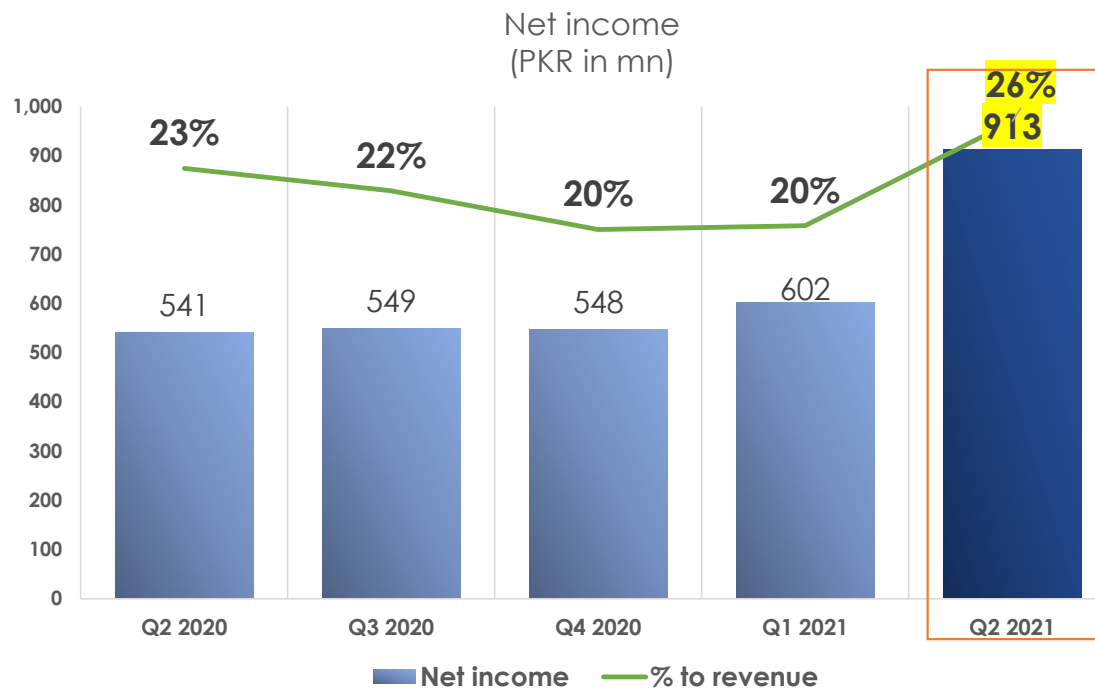
Q2 21 vs Q1 21 Growth (USD)



# Operating Profit HY1 2021 Performance



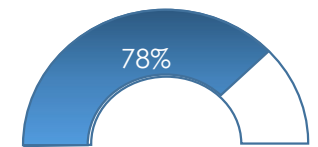
# Net income HY1 2021 Performance



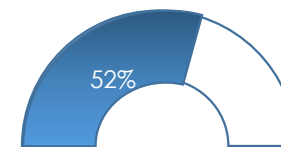
Q2 21 vs Q2 20 Growth (PKR)



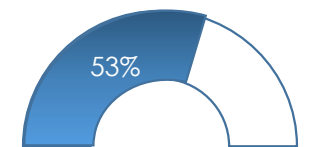
Q2 21 vs Q2 20 Growth (USD)



Q2 21 vs Q1 21 Growth (PKR)

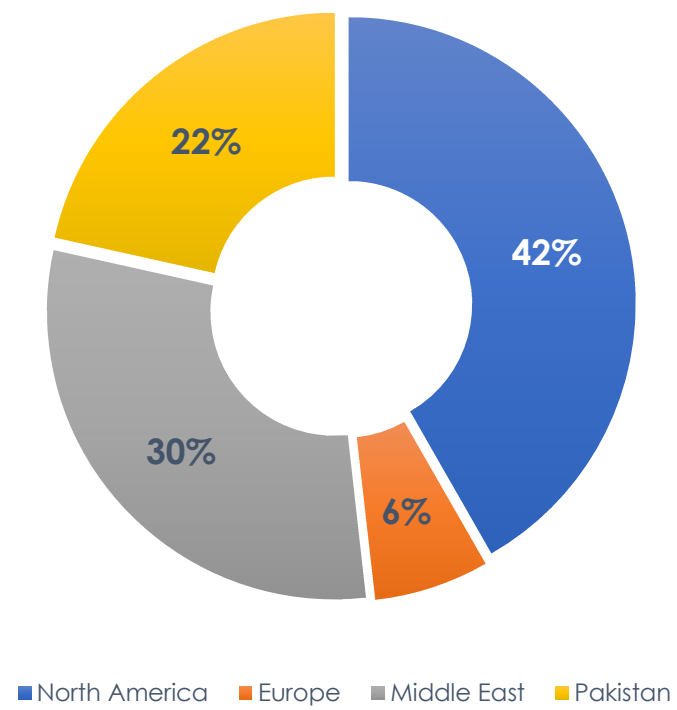


Q2 21 vs Q1 21 Growth (USD)

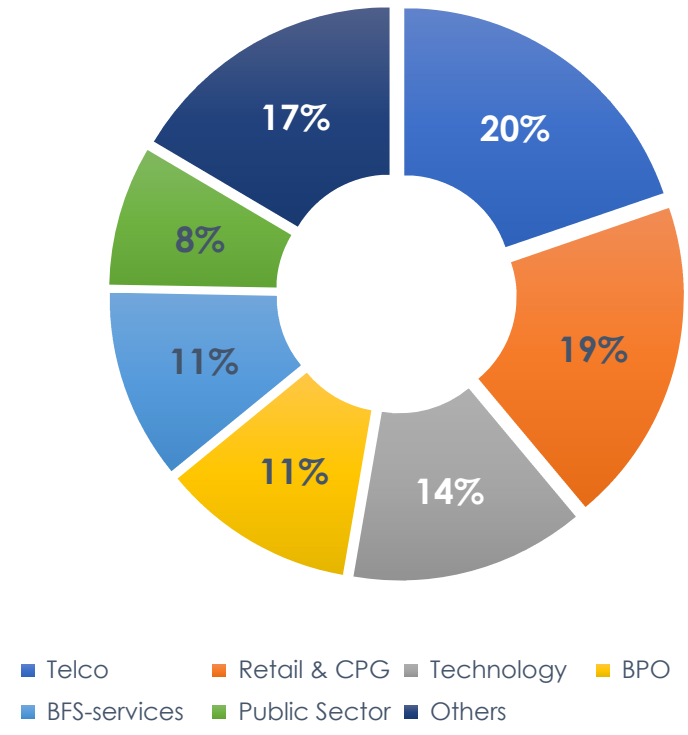


# Revenue Breakdown Q2'21

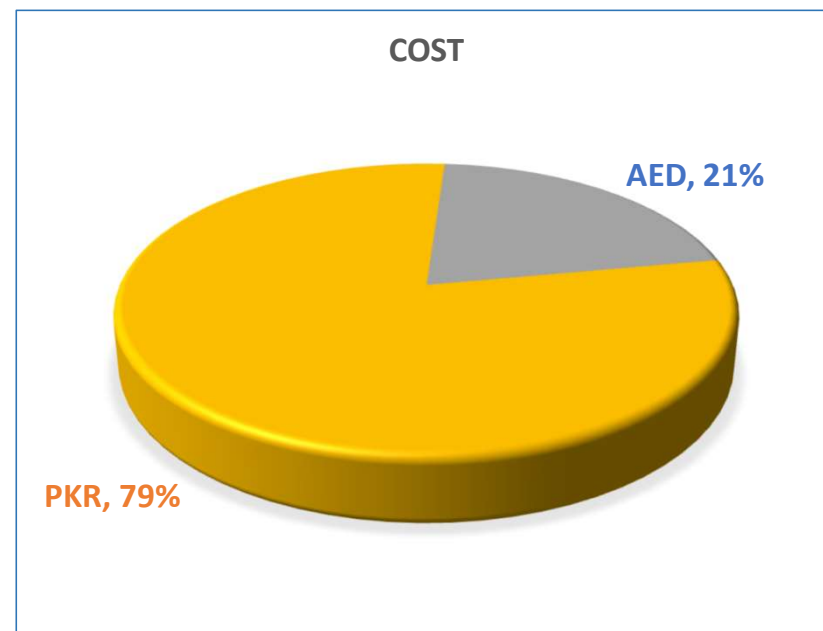
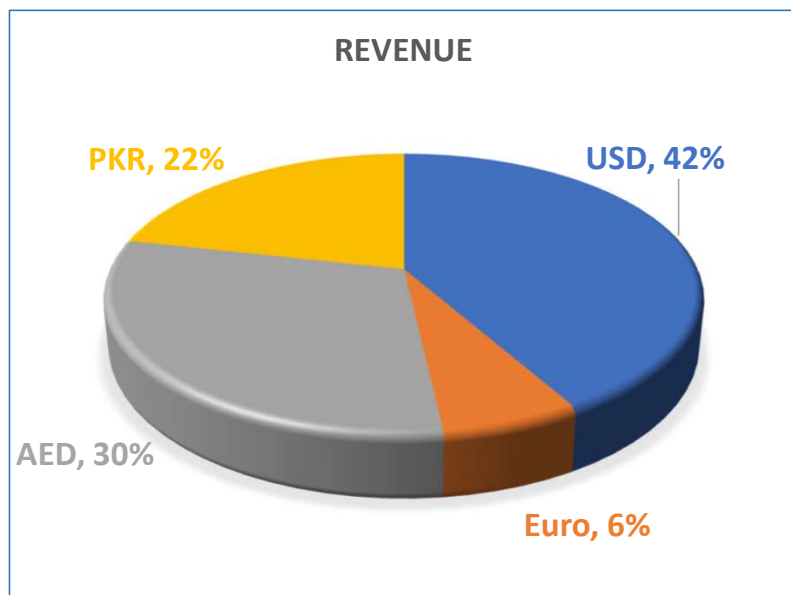
## Geography



## Industry



## Revenue and cost mix by currency



# Retailistan – Why did we invest?

## About Retailistan

- Founded in 2015, RPL is a leading technology company focused on the digitalization of the retail supply chain in Pakistan.
- Their product SalesFlo is used by most of the major producers and distributors of consumer goods in Pakistan. Some big names are Nestle, Engro, National Foods, Hilal Foods, Mondalez etc
- Their subsidiary Jugnu aims at disrupting the B2B retail supply chain through the e-distribution model.

## Opportunity for Systems

- This investment is aimed at enhancing our presence in the digital retail landscape of Pakistan and it complements our investment in EP Systems which manages the OneLoad product.
- Combined these will provide Systems an access to potential synergies in technologies and access to digital mapping of the retail universe.



بازار

30M USD  
Raised @  
120M USD  
Valuation



17M USD  
Raised @  
80M USD  
Valuation



Working  
on 1st  
round



# 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**



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one

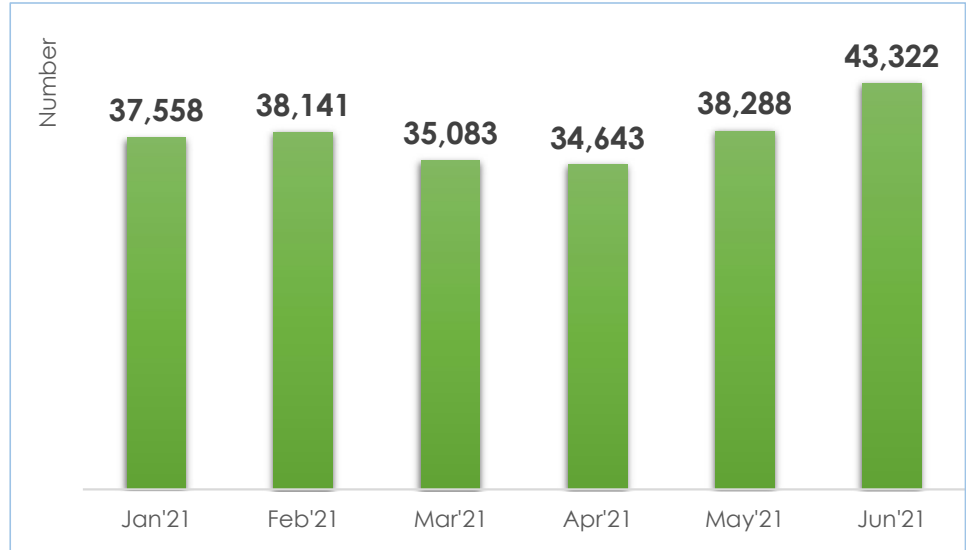
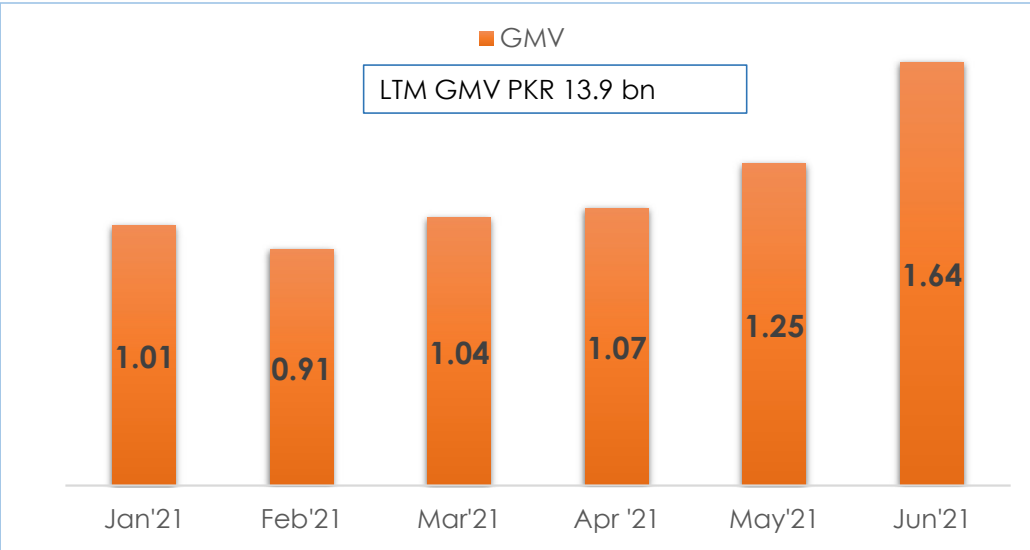
load

HY Performance



# Throughput

# Active Retailer Count



## People

768

644

Headcount

Net additions in last six months

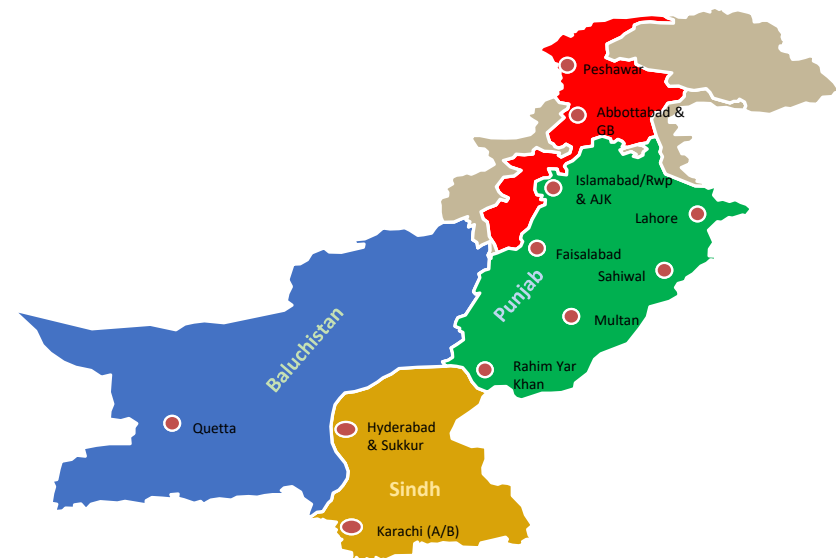
## Targeting Exponential Growth (Direct Sales)



- OneLoad Pioneered the “Pull” Selling Model now Shifting company focus to “Push” Selling through Sales Force
- The company has embarked on building eight regional sales hubs around the country to effectively target new retail signups and scale up its distribution reach.

Launch of Pilot operations of new e-wallet business under the Electronic Money Institution (EMI) Regulations of State Bank of Pakistan is expected in Q3 of 2021.

EMI license will enable the Company to issue e-money for digital payments by taking deposits from retailers and customers.



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Way Forward



# Systems Growth Strategy & Way Forward

- Strong focus on customer retention and existing account growth globally
- 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

# Q&A







Thank You

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