



INVESTOR'S BRIEFING FY 2022 & Q1 2023

WEDNESDAY , 3RD MAY 2023



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Technology forces that are shaping tomorrow

Transformation A necessary

By 2025, the global digital transformation market is expected to grow to

\$1 trillion.

Source: Research & Markets

Data in every decision

By 2025, nearly all employees naturally and regularly leverage data to support their work.

Source: Mckinsey

Head in the cloud

70 percent of companies will employ hybrid or multicloud management technologies, tools, and processes.

Source: Mckinsey

The age of Metaverse

By 2026, **25%** of consumers could be spending at least one hour in the metaverse each day.

Source: Deloitte

AI Everywhere

By 2024, more than **50%** of user touches will be augmented by AI-driven speech, written word, or computer-vision algorithms

Source: Mckinsey

Digital Transformation Trends in MEA

IT spending in MEA will come close to breaking through the **\$100 billion** barrier for the first time in 2023

Source: IDC

SaaS cloud application spending in MENA to reach **\$2.8B** in 2023

Source: Gartner

MEA cybersecurity market size is projected to grow from **\$22.2 billion** in 2023 to **\$36.2 billion** by 2028

Source: MarketsandMarkets

Middle East data center market is expected to register a **CAGR of 3.15%** by 2026

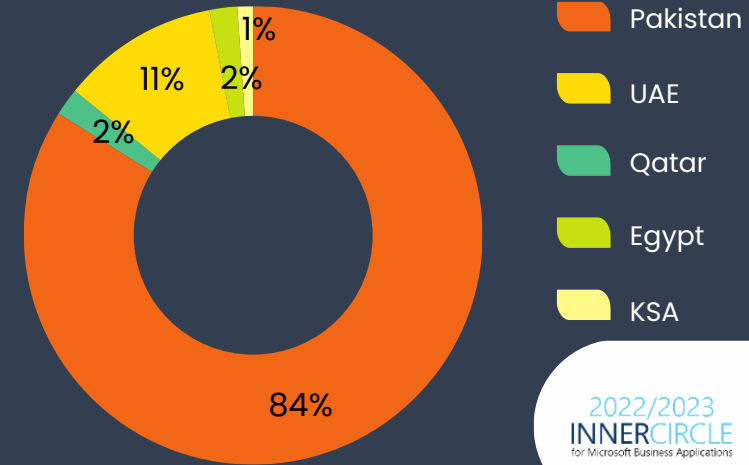
Source: Mordor Intelligence

Systems At A Glance

Employee Metrics (IT only)



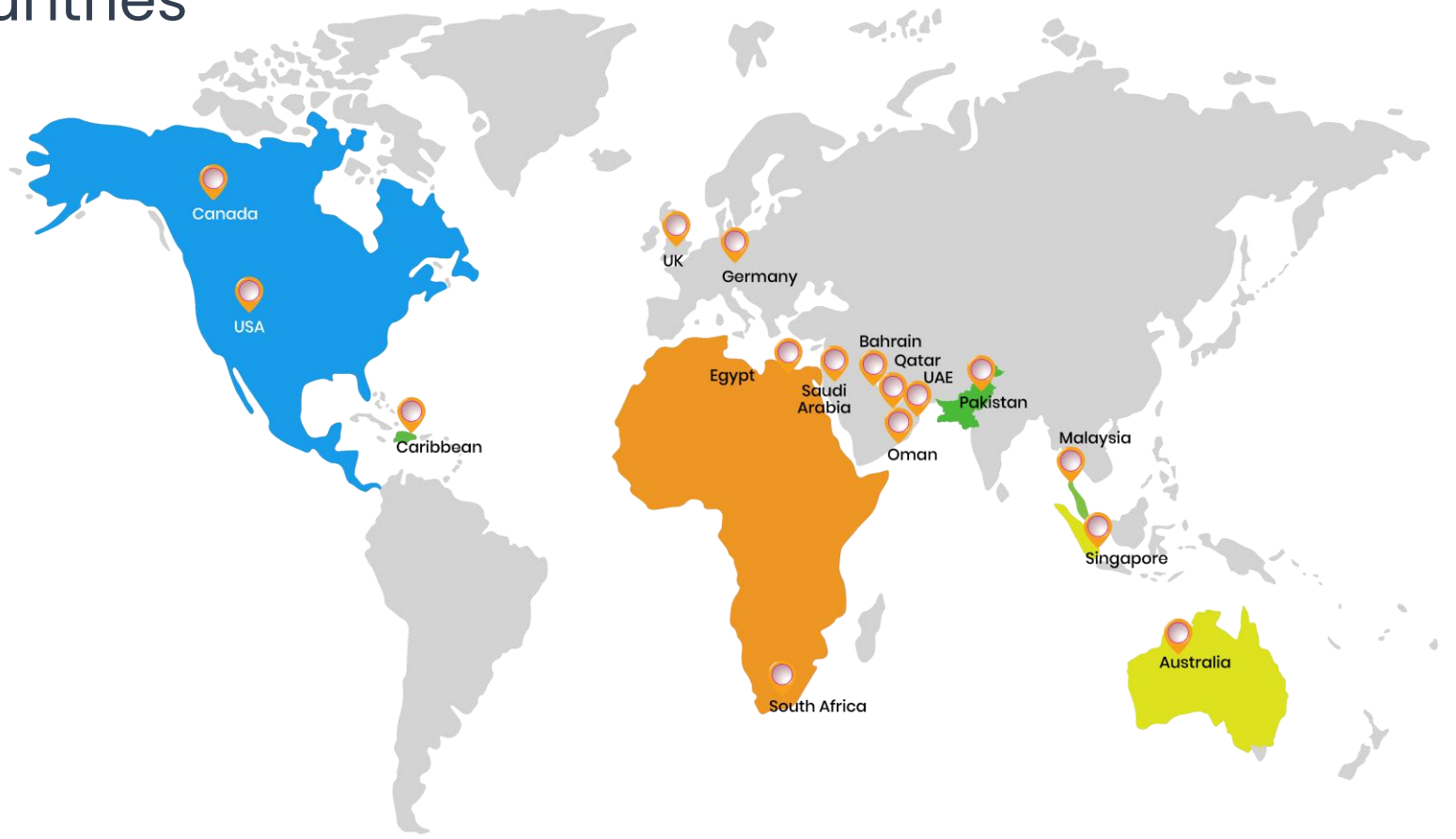
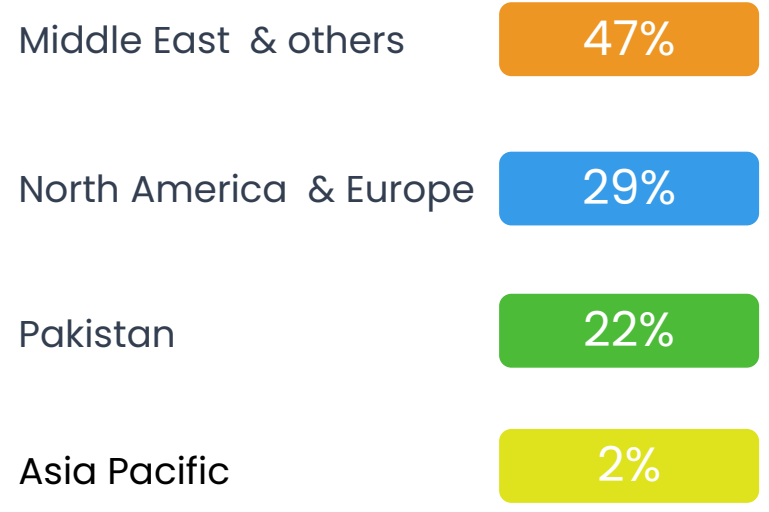
Total Headcount Geographic Dispersion %



Year	Key Milestones
1977	Founded as the first software company 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 Exporter 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
2022	Strategic acquisition of NDC Expansion in KSA, Egypt, Australia, South Africa & Singapore Forbes Asia Best Under A Billion Won Microsoft Inner Circle Award SAP Top New Partner & service excellence award for EMEA Most outstanding company at Asia Money 2022 Best IT services company at 21 st ITCN ASIA 2022

Systems we are a global company

Serving customers in 16 countries



Our Value Proposition, Strategy & Market



Digital, Data, Cloud

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

Recurring and **blue-chip customer base**



Employee Ownership

Employee-ownership and experienced Leadership team



Insights-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.

Our Value Proposition, Strategy & Market

Market Positioning

Well positioned in \$700B+ market

Diversified clients portfolio across 13 key industries

Loyal client base with an average of 10 years among top 20 clients

Strong Revenue & Growth Visibility

Industry leading 5-year revenue CAGR of 56%

85-90% revenue visibility throughout the year

90% recurring revenues from clients greater than one year

~70% revenues are Time & Material

Stable Profitability

Stable operating margins supporting superior earnings growth

Proven ability to grow and sustain strong profitability with 5-Year EPS CAGR of 53%

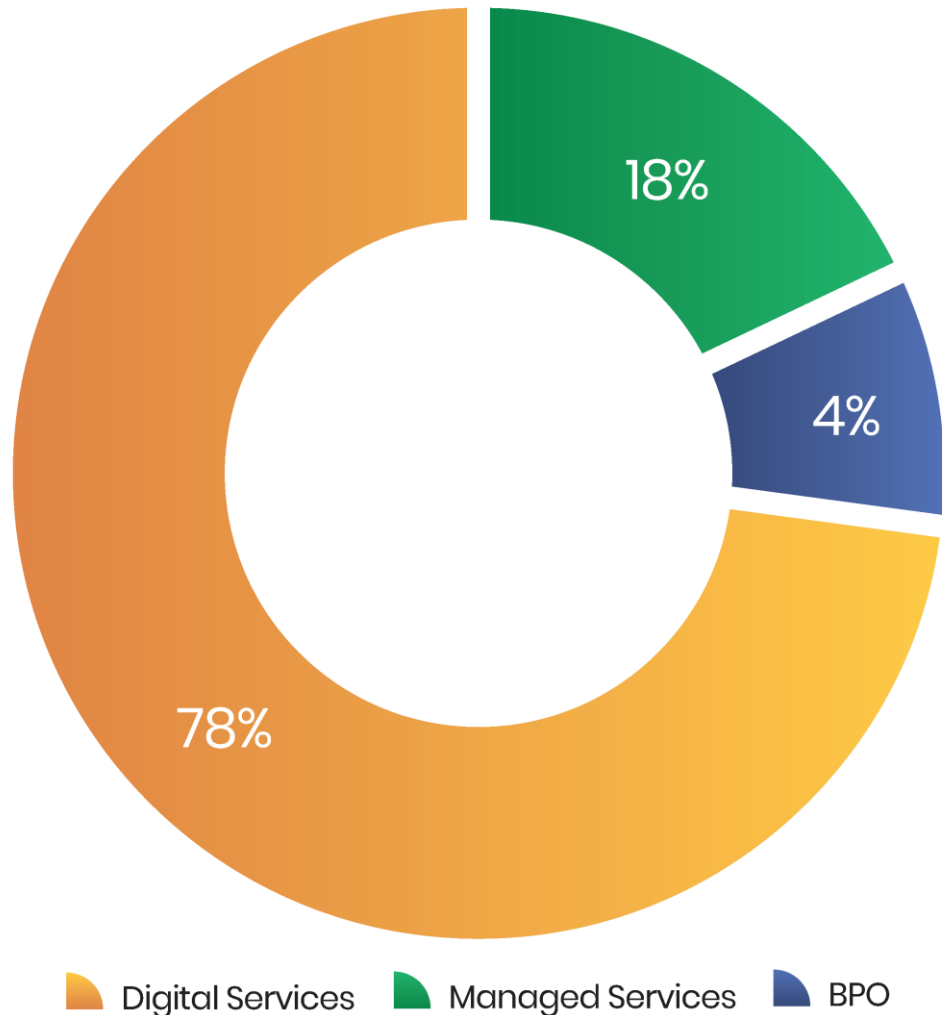
Consistent levels of profitability allowing for continuous investment to support top-line growth

Strong Cashflow & Balance Sheet

~\$30M of cash flow from operations for FY 2022

Capital allocation focused on acquisitions to enhance or add capabilities & geographic expansion

Digital is the central driver of our business



Systems Limited, a globally recognized SI company, owes a significant part of its success to the development of digital services using a diverse range of high-end technologies. In today's fast-evolving business world, adopting digital solutions is crucial to creating customer-centric and convenient services that meet the changing needs of consumers.

Leveraging our extensive industry expertise and business acumen, we integrate Managed Services, Business Process Outsourcing, and digitally-enabled solutions to deliver a seamless, powerful, and connected experience to our customers. Our approach enables them to keep pace with the rapidly evolving digital landscape and stay competitive.

Our Innovative Solutions



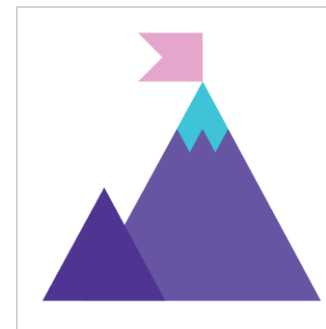
Country Model Bank (CMB)

Digital transformation core banking tool containing all regulatory & local market best practices



Corporate Loan Origination System (CLOS)

Automating & Streamlining the process of originating, evaluating, and approving corporate loans



Digital Sales Accelerator

Transforming customer experience through digitalization

Banking Analytics Data Platform

An intelligent tool that leverages the capabilities of automation and artificial intelligence for digital transformation



Digital Wallet

Digital financial services to bring a cashless digital ecosystem to the landscape



Felix - Intelligent Order Tracking

Real-time, End-to-End business order tracking solution



Life Insurance Channel Discovery

Built On The Evvox Data Platform, offers insurance organizations digital agility through an integrated ecosystem`



Intuitive CRM for Banking Financial Services

Lead Management, Personalized Product Offering, Smart workflows, Localized regulatory compliant and real-time centralized planning solution



Int'l Carrier Wholesale (IWS)

Offers Wholesale services portfolio to mobile operators, carriers and ISPs for Global reach



is our experience lab where we build products, services and experiences that connect with people.

At Studio 77, we practice design-driven transformation for sustainable growth through

Product Innovation & Strategy

Innovate solutions to complex problems by building products that engage users and create brand loyalty

Our Design Driven Approach

- o Focus on users
- o Solve for the *right* problems
- o Innovate with design at the heart
- o Collaborate, don't work in isolation
- o Test and iterate

Our Transformative Capabilities

Experience Strategy

- o Design Thinking Workshops
- o Experience Strategy
- o Digital Experience Assessment
- o Design Research (Qual/Quant)
- o Service Design
- o UX Audits - Usability & User Testing
- o Envisioning Workshops

Technology Expertise

- o Hybrid Mobile Apps
- o iOS + Android Native Apps
- o JS Framework Development (Angular, React, Vue)
- o Full-Stack Development

Experience Design

Uncover user insights, evolve and create immersive experiences that tell a story and evoke emotion

Design at Scale

Work as an extension of the business team to drive growth at scale through design

Working with Industries & Vertical Strategic Partnership we strive for!

- o Banking & Financial Services
- o Insurance
- o E-Commerce Retail
- o Telco
- o Healthcare
- o Hospitality & Leisure
- o Media & Entertainment
- o Fashion Retail
- o Fintech
- o Govt & Public Utilities

Building Experiences on

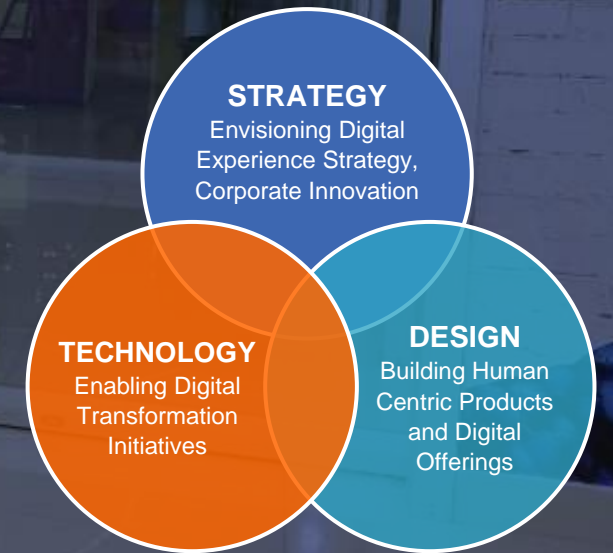
- Magento
- Salesforce
- Oracle
- SAP
- Microsoft

Our Team














- 3 UX Researchers
- 7 Design Strategists
- 100+ Front-end Engineers
- 8 Technical Leads
- 28 UI / UX Designers
- 3 Creative Leads

Product Innovation















- o Digital Product Design
- o Wireframing & Experience
- o Design Systems & Style guides
- o Hi-fidelity Designs
- o User testing & optimization
- o CMS Frontend Development and Integration
- o Custom Frontend Development and Integration
- o Maintenance & Support



Awards & Recognitions

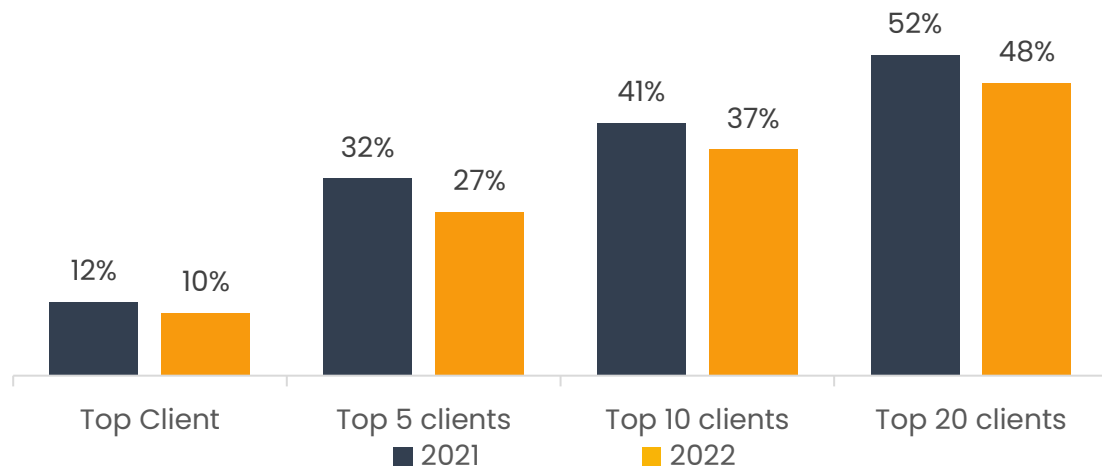
 <p>Among top global technology partners two times in a row</p>	 <p>Only Pakistani company to win three times in a row</p>	 <p>Top New Partner and Service Excellence Awards</p>	 <p>Cloud Partner of the Year</p>
 <p>Most Outstanding Company two times in a row</p>	 <p>Top Exporter Award</p>	 <p>Top 3 on PSX 25 companies list 2021 two times in a row</p>	 <p>Best Sales Partner - MEA Sales and Partner Summit 2022</p>
 <p>Appreciation Award</p>	 <p>First IT company to win the LCCI President IT award</p>	 <p>Highly Commended - Top Tech Team 2022</p>	 <p>Temenos IT Services PEAK Matrix Assessment 2022</p>
 <p>Best Digital Channel/Platform Implementation Award 2022</p>			

Partnerships

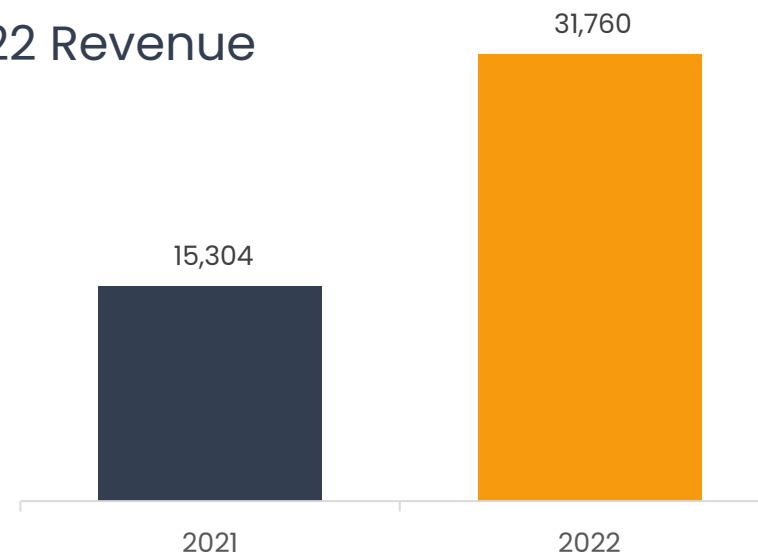
						
						
						
						
						

Client Composition

Client Contribution to Revenue



FY 22 Revenue



Active Clients



*Revenue above \$100k

Client Metrics

	2021	2022
\$10m+ clients	1	1
\$5-10m clients	1	3
\$1-5m clients	10	19
\$0.5-1m clients	18	34

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
CEO & Managing Director



Asif Akram
Chief Operating Officer



Roohi Khan
Chief Financial Officer



Toima Asghar
Chief Human Resources
Officer



Khurram Majeed
GM Systems, MEA



Ammara Masood
Head of BFS Vertical
& CEO NDC



Rao Hamid Khan
GM Systems Arabia



Zahid Janjua
Global Head of Growth
Vertical (GV)



Imran Soofi
Global Head of Telco
Vertical



Muhammad Mairaj
GM Domestic Sales



Faisal Tajammal
GM, Systems APAC



FINANCIALS REVIEW

YEAR / QUARTER ENDED,
FY 2022/Q1 2023

*all financials are from consolidated results

FY 2022* Financial Performance At a Glance

systems

16

PKR 28.83bn

FY'22 REVENUE

49%

USD BASED
REVENUE GROWTH

88%

YOY REVENUE
GROWTH

6,147

TOTAL EMPLOYEES AS
OF DECEMBER 31,
2022

30%

FY'22
GROSS PROFIT MARGIN

19%

FY'22 OPERATING
MARGIN

21%

FY'22 EBITDA MARGIN

PKR 3.8bn

FY'22 FREE CASH
FLOWS

192

FY'22 TOTAL
ACTIVE CUSTOMERS
SERVED (USD >100k)

23

CUSTOMERS WITH
OVER \$1MN REVENUE

84%

FY'22 REVENUE FROM
EXISTING CUSTOMERS

92

DAYS SALES
OUTSTANDING

23.45

FY'22 Diluted EPS

29%

ROE

PKR 10.2bn

CASH & EQUIVALENTS

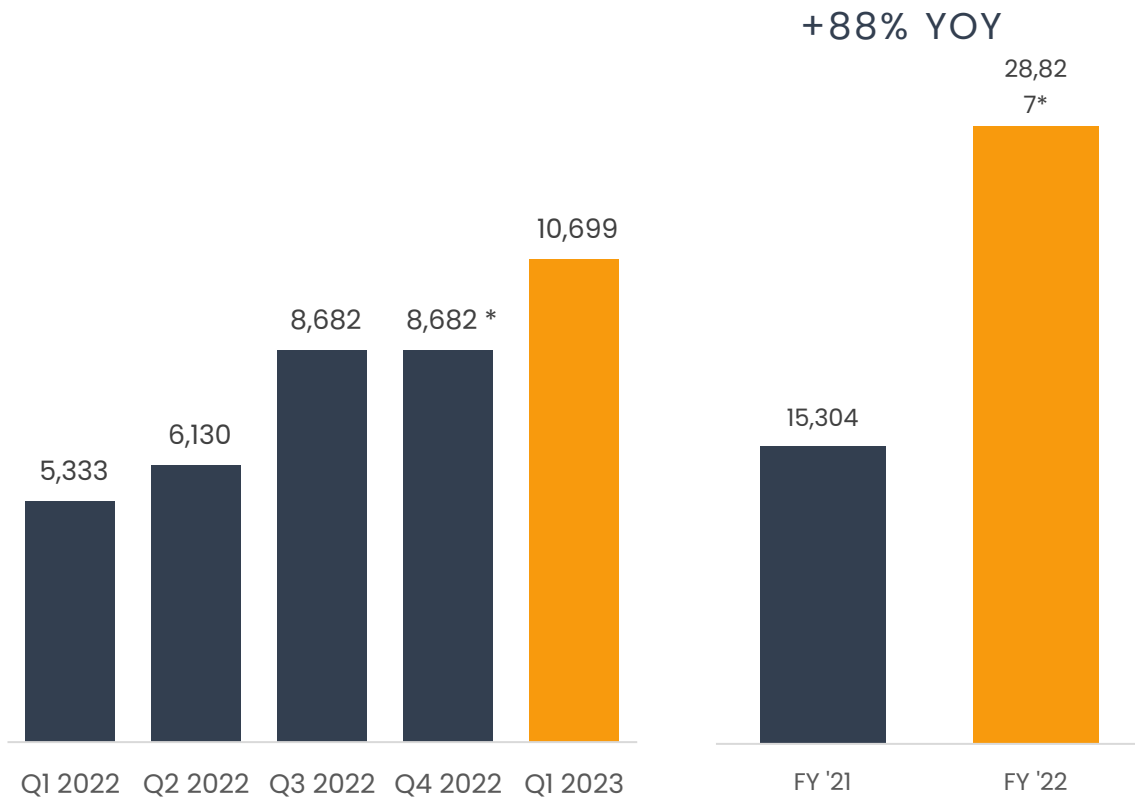
PKR 5.7bn

FY'22 CASHFLOWS
FROM OPERATIONS

**One off trading transaction (CLOS) has been excluded*

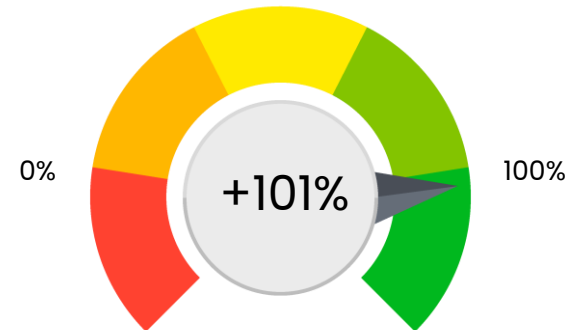
Strong FY 2022 / Q1 2023 Performance

Revenue
(PKR in Million)

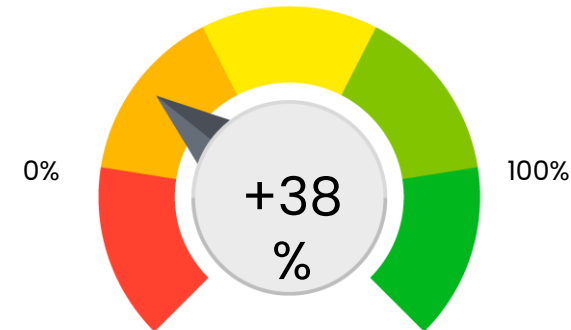


+88% YOY

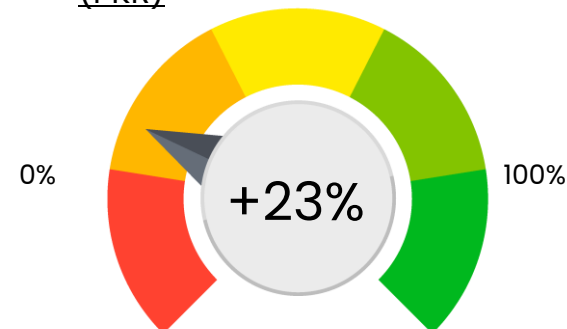
Q1 23 vs Q1 22 Growth (PKR)



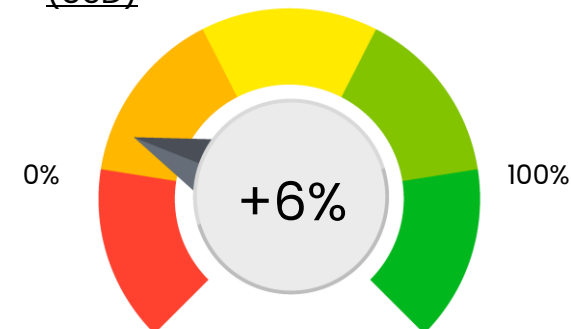
Q1 23 vs Q1 22 Growth (USD)



Q1 23 vs Q4 22 Growth (PKR)



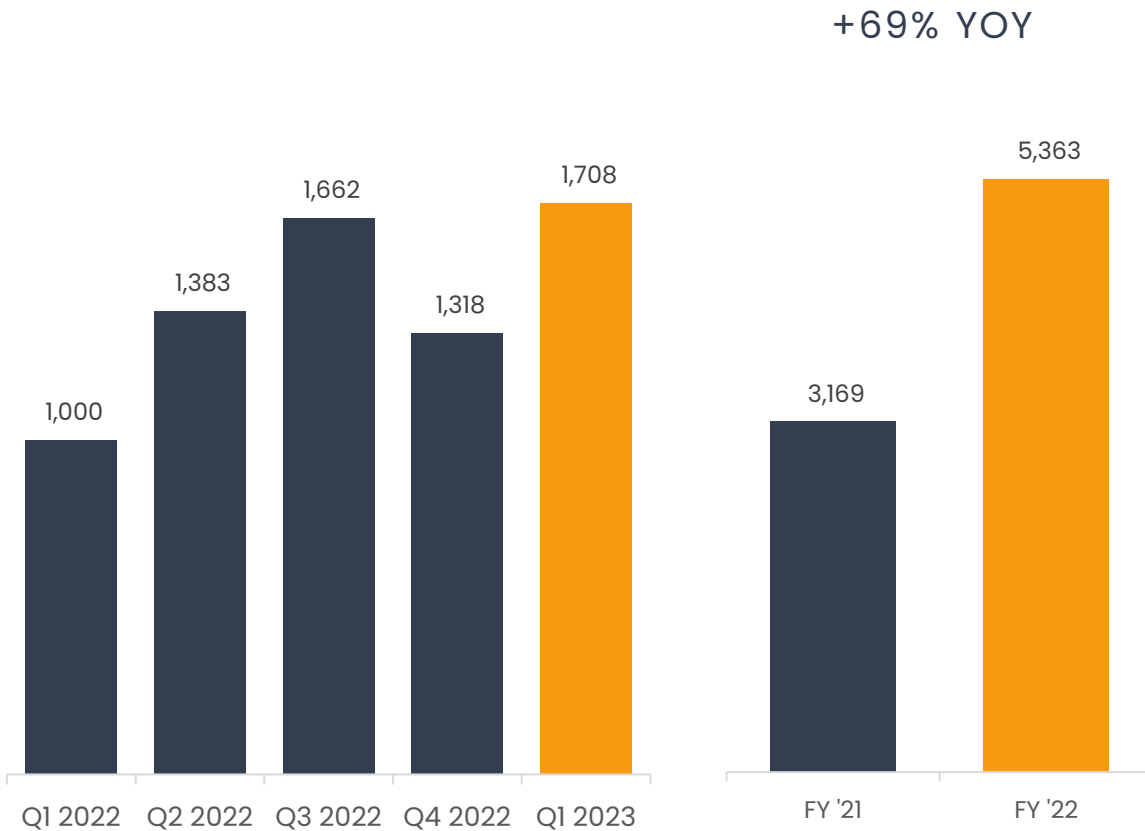
Q1 23 vs Q4 22 Growth (USD)



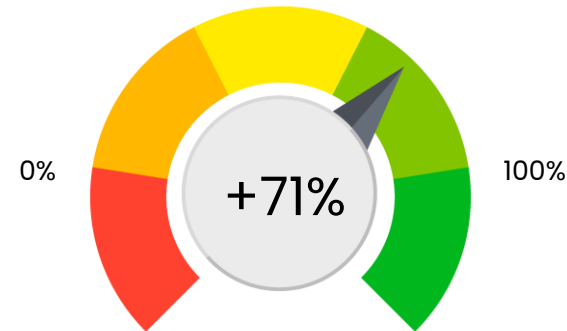
*One off trading transaction (CLOS) has been excluded

Operating Profit FY 2022 / Q1 2023 Performance

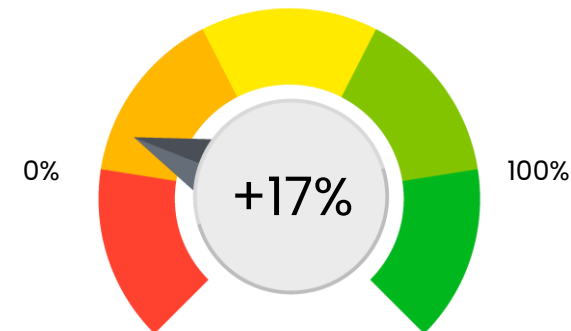
Operating Profit
(PKR in Million)



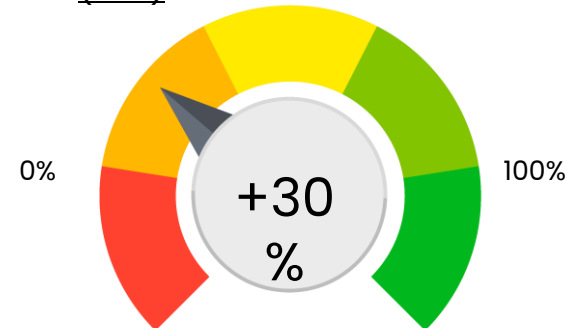
Q1 23 vs Q1 22 Growth (PKR)



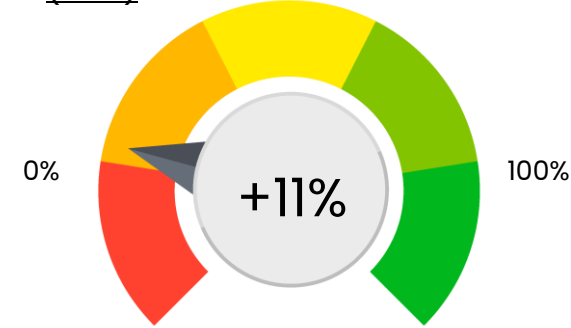
Q1 23 vs Q1 22 Growth (USD)



Q1 23 vs Q4 22 Growth (PKR)

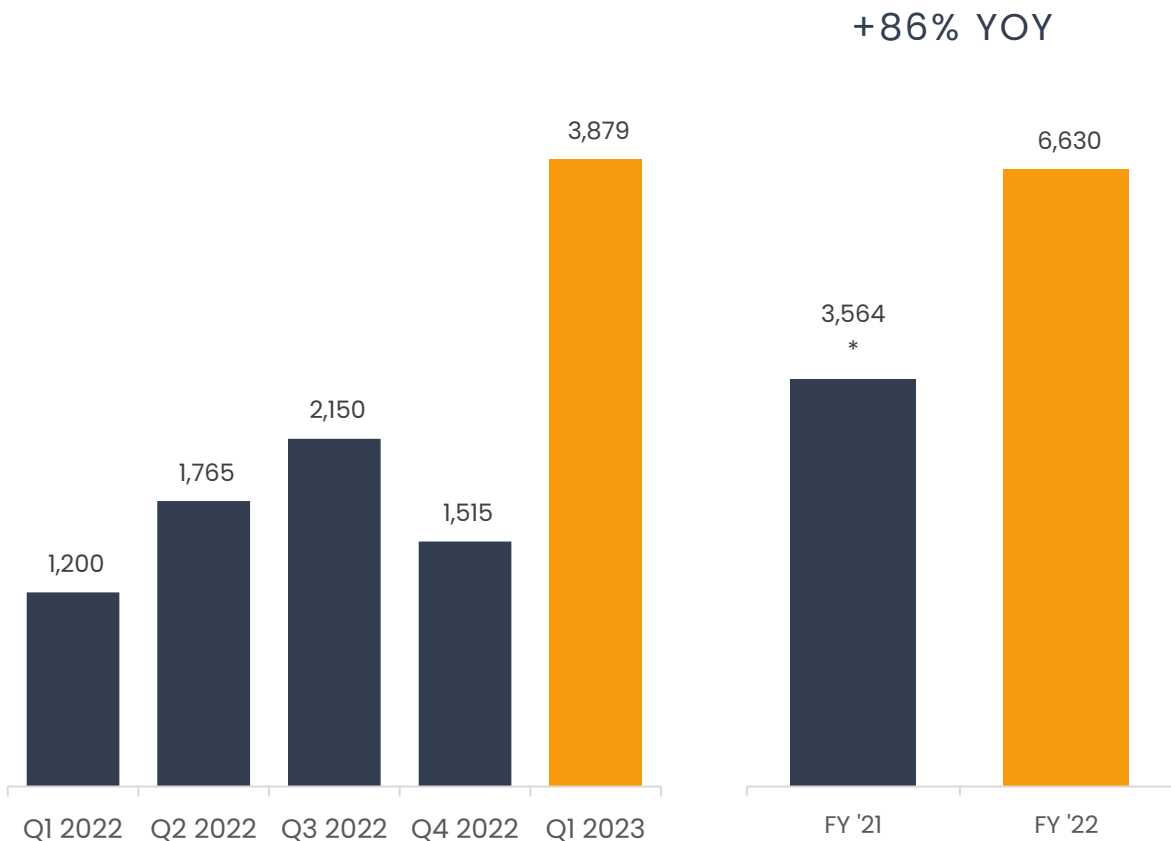


Q1 23 vs Q4 22 Growth (USD)

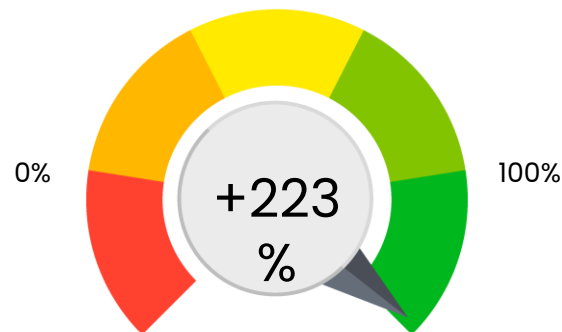


Net Income FY 2022 / Q1 2023 Performance

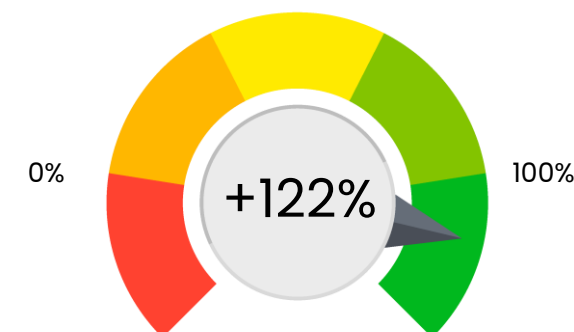
Net Income
(PKR in Million)



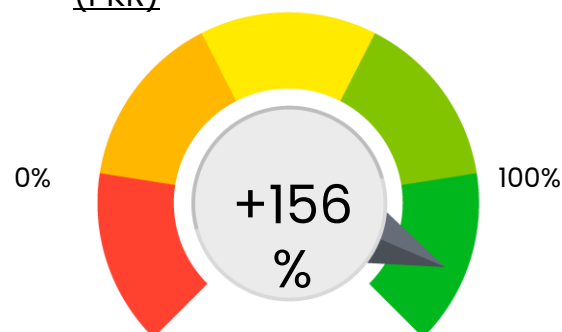
Q1 23 vs Q1 22 Growth (PKR)



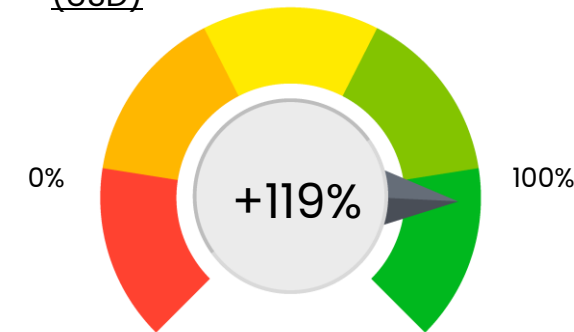
Q1 23 vs Q1 22 Growth (USD)



Q1 23 vs Q4 22 Growth (PKR)



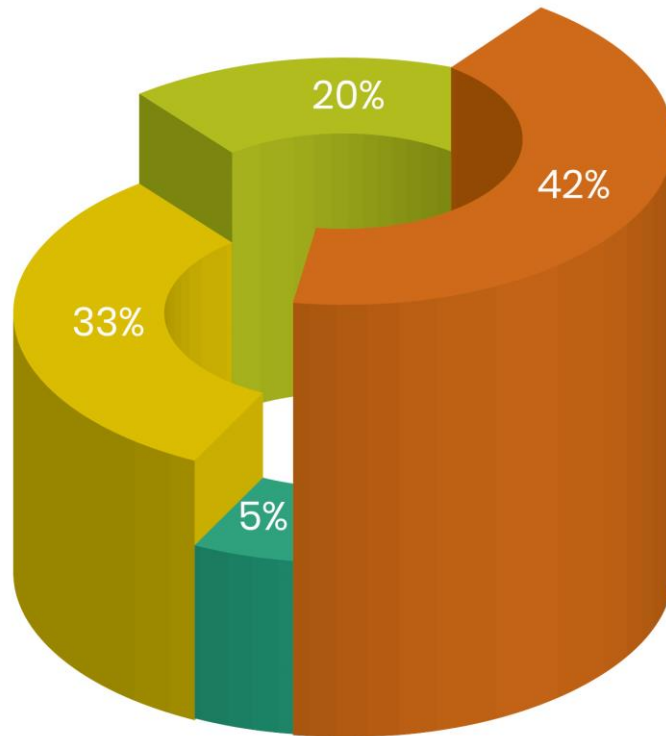
Q1 23 vs Q4 22 Growth (USD)



*one off gain on dilution of control in subsidiary excluded

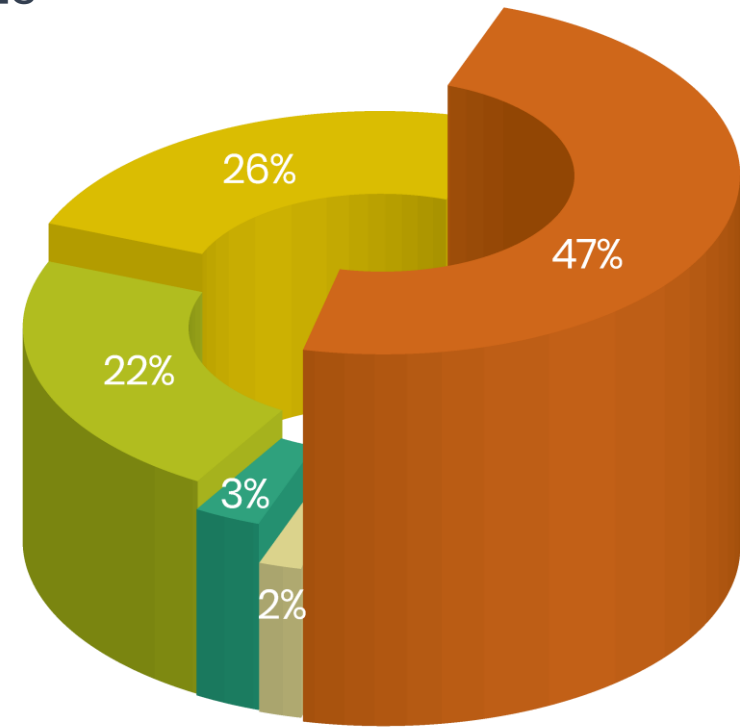
Revenue Breakdown - by Geography

FY 2022



- Middle East, Africa & Others
- North America
- Pakistan
- Europe

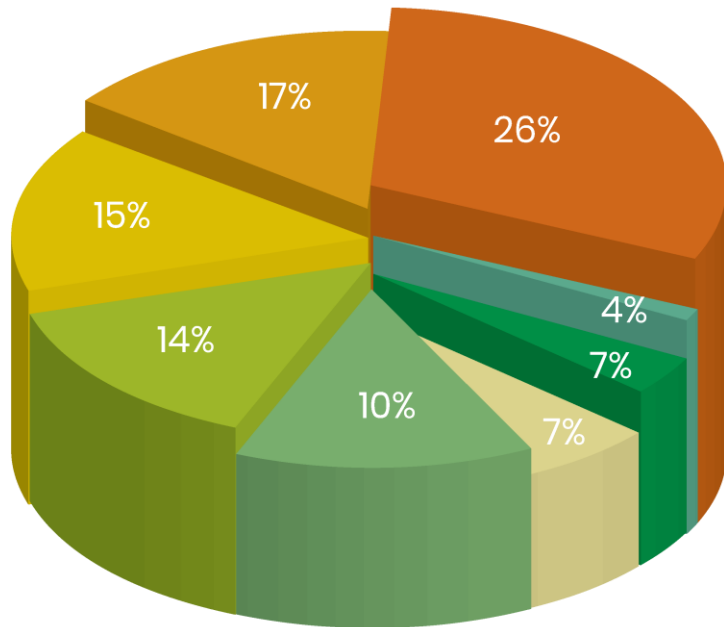
Q1 2023



- Middle East & Africa
- North America
- Pakistan & Others
- Europe
- Asia Pacific

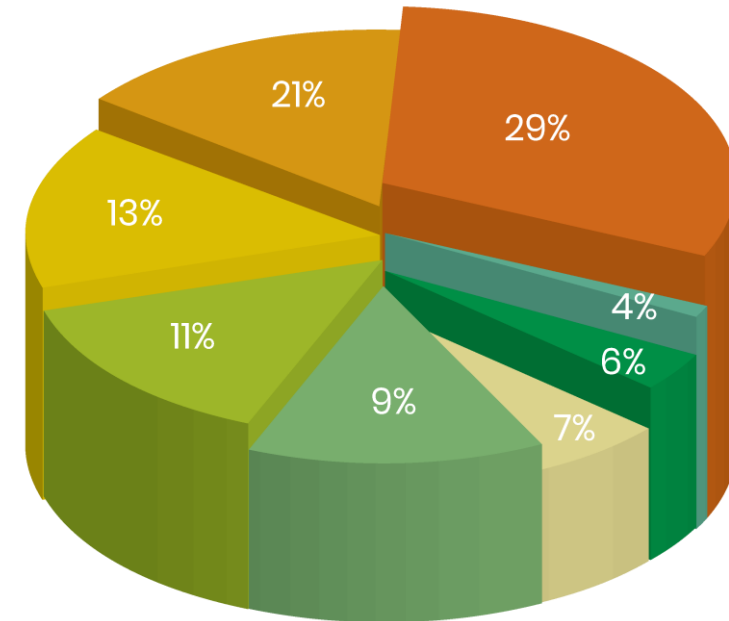
Revenue Breakdown - by Vertical

FY 2022



- BFS Services
- Telco
- Retail & CPG
- Technology
- Others
- Healthcare
- Public Sector
- BPO

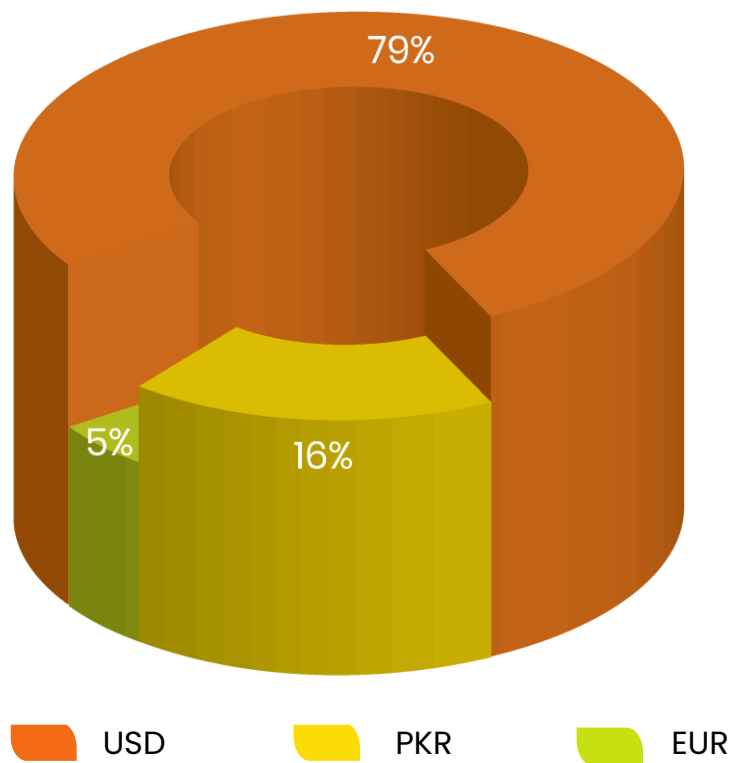
Q1 2023



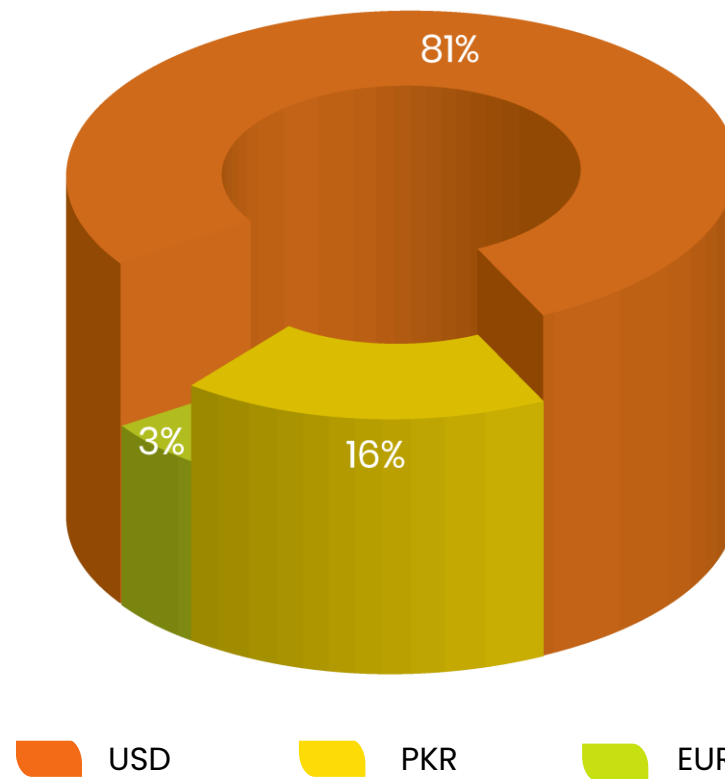
- BFS Services
- Telco
- Technology
- Retail & CPG
- Others
- Public Sector
- Healthcare
- BPO

Revenue Mix by Currency

FY 2022

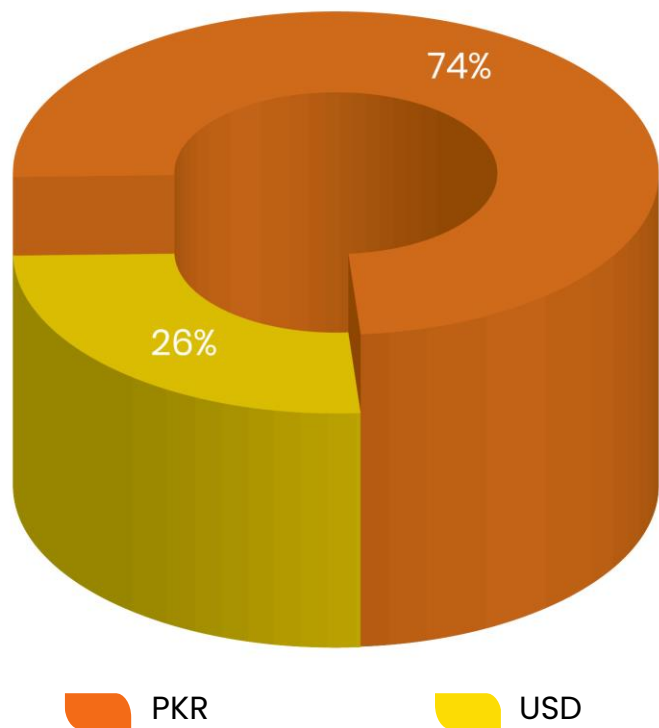


Q1 2023

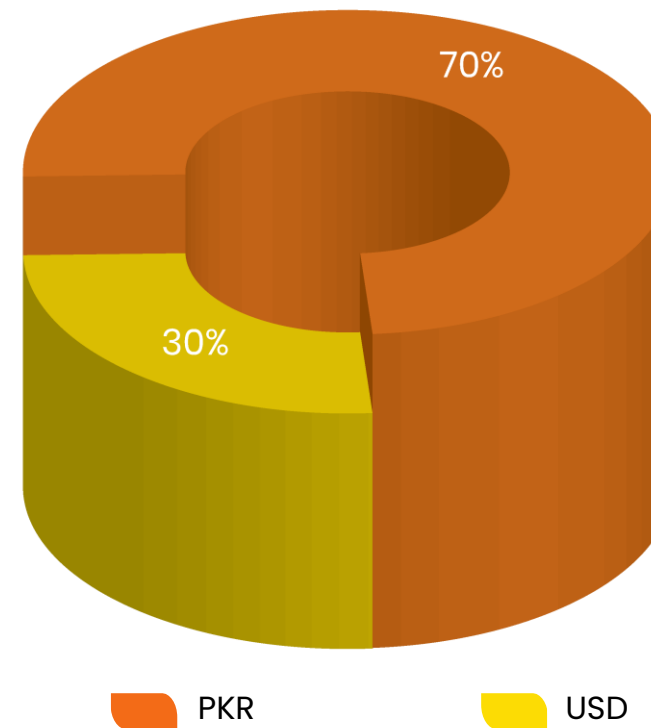


Cost Mix by Currency

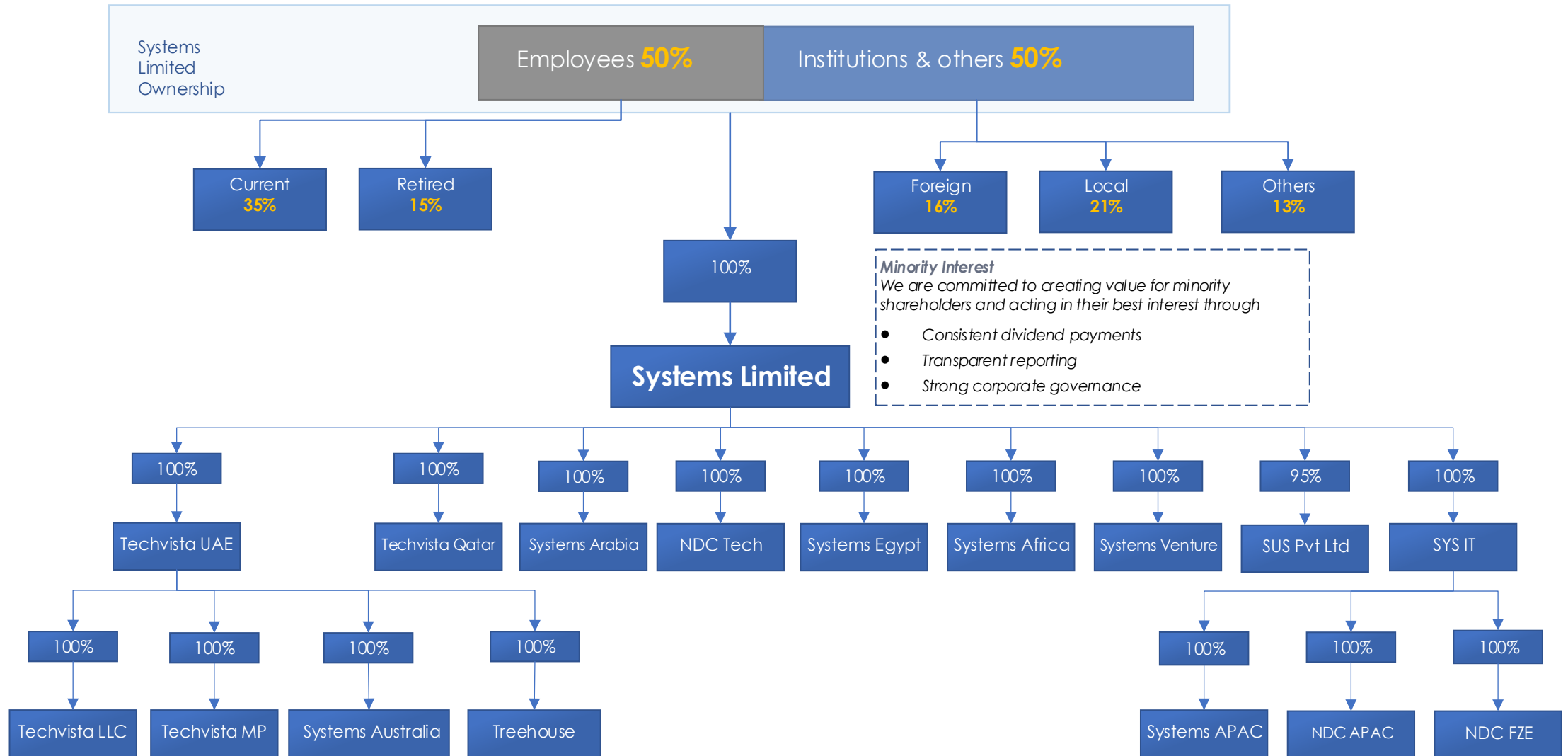
FY 2022



Q1 2023



Corporate / Shareholding Structure as of 31-Dec-2022





**Environment,
Social & Governance
(ESG)**

Our ambitions in sustainable operations

PEOPLE



**Gender
Balanced**
workforce by
2030



Human rights
Risk and impact
Assessment in the
value chain



Fair and green
Supply chain



Zero
Breaches of
Privacy



Carbon Neutral
In own operations by 2030

PLANET



>80% Circularity
Reuse and recycling
of hardware - own
and customer



>50%
Use of green
electricity in
datacenters and
offices



>65%
Reduction of CO2
emissions in scope
1 and 2 in 2020-
2023



Avoid emissions
Customers to avoid
CO2 emissions by 10-
15% annually



Way Forward

Pillars of our strategic plan

Skills and service offerings

To be agile and relevant, the Company is constantly upgrading its technology skill set including Generative AI, AR/VR, IOT, RPA, Metaverse and blockchain.

Verticalization and Business Development

The Company has divided business development and delivery in 3 key verticals

BFS	Merging all core and non-core banking services under one-roof. Focusing to capitalize on the existing customer base by cross selling and upselling
Telco	<ul style="list-style-type: none">- Increased focus on Digital Business Solution Services (BSS)- Market specific solutions and frameworks
Growth	All other services under 3 rd vertical serving public sector, pharma, retail , healthcare etc

Geographies & Inorganic Growth

Consolidating our market leader status by strengthening regional presence in Middle East & Africa (MEA), KSA and APAC regions.

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.
- The Company is also focusing on inorganic growth through acquisition with the focus of increasing export revenue. Evaluating businesses aligned with strategy, structure and culture of the company



- **Investment in talent**
- **Diversification of talent pool among different loctions**
- **Mergers & Acquisitions**
- **Strengthening current geographies**
- **New service offerings**

Capital allocation policy - Growth and shareholder returns



**Priority
1**

Reinvest in growth

- Reinvest in businesses to support profitable organic growth
- Investment in talent acquisition, development and retention
- Strengthening current geographies
- New service offerings



**Use of Free
Cashflows**



**Priority
2**

Merger & Acquisitions

M&A supporting profitable growth
Pursue strategic, tuck-in acquisitions

**Priority
3**

**Consistent
distribution to
shareholders**

Consistent cash & stock
dividends

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/Achievements in 2022



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.

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

Jugnu has launched its Buy Now, Pay Later (BNPL) solution for SME retailers earlier in 2022 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.

Q&A



Thank You