

04 March 2021

The General Manager  
Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Subject: **FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 03 March 2021 at Lahore have approved the financial statements for the year ended 31 December 2020 and recommend the following:

**DIVIDEND**

A final cash dividend for the year ended 31 December 2020 at Rs. 3.5/- per share i.e. 35%.

**BONUS SHARES**

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 1 share(s) for every 10 share(s) held i.e. 10%.

**FINANCIAL RESULTS**

Financial results of the Company are attached hereto as **Annexure – A** and **Annexure B**.

**PERFORMANCE OVERVIEW**

**The Company (Standalone):**

During the year ended 31 December 2020, standalone revenues of the company grew by 40% over the corresponding period last year, from Rs. 5,348.6 million to Rs. 7,513.8 million. Gross profit and operating profit increased by 58% and 88% respectively. Profit for the year increased by 61% from 1,364.1 million to Rs. 2,193.9 million, which translated into an

**Lahore**

Systems Campus  
Software Technology Park  
E-1, Sehjpal Near DHA Phase-VIII  
(Ex-Air Avenue), Lahore Cantt, Pakistan.  
UAN: 042 111 SYSTEMS (797 836)

**Karachi**

E-5, Central Commercial Area,  
Shaheed-e-Millat Road,  
Karachi, Pakistan.  
T: +92 42 34549385-87  
F: +92 42 34549389

**Dubai**

TechVista Systems FZ-LLC  
Office 1905, Regal Tower  
Business Bay,  
Dubai, UAE.  
T: + 9714 369 3525  
F: + 9714 456 3761

[www.systemsltd.com](http://www.systemsltd.com)

85% growth in net profit without accounting for exchange gain in both years. Basic and diluted earnings per share increased by 60% and 58% respectively as a consequence of higher operating profit and profit for the period.

### **The Group (Consolidated):**

During year ended 31 December 2020, consolidated revenue grew by 31% from Rs. 7,535.6 million to Rs. 9,876.8 million. Gross profit and operating profit increased by 37% and 59% respectively. Exchange gain for the year amounted to Rs. 81.8 million as compared to Rs. 223.1 million for last year on consolidated basis. Net profit for the period increased by 38% from 1,567.9 million to Rs. 2,164.3 million. Basic and diluted earnings per share increased by 38% and 37% respectively over the same period last year.

Growth in revenue is contributed by both the Company and its subsidiaries and rigorous controls on costs helped it flow through to the bottom line.

### **ANNUAL GENERAL MEETING**

The Annual General meeting shall be held on 31 March 2021 at 11 am at Lahore, Pakistan.

The above entitlement will be paid to the shareholders whose name shall appear on the Register of Members on 24 March 2021.

### **BOOK CLOSURE**

The Share Transfer Books of the Company shall be closed from 25 March 2021 to 31 March 2021 (both days inclusive). Transfer received at M/S THK Associates (Private) Limited, 1<sup>st</sup> Floor, 40-C, Block 6, P.E.C.H.S., Karachi at the close of business on 24 March 2021 will be treated in time for the purposes of above entitlement to the transferees.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

For and on behalf of Systems Limited

**Saad Hasan Aslam**  
Company Secretary

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**SYSTEMS LIMITED**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
Revenue from contracts with customers - net	24	7,513,766,845	5,348,568,742
Cost of revenue	25	(4,715,786,027)	(3,572,188,527)
<b>Gross profit</b>	Text	<b>2,797,980,818</b>	<b>1,776,380,215</b>
Selling and distribution expenses	26	(118,794,068)	(99,693,155)
Administrative expenses	27	(499,848,346)	(448,471,106)
Other operating expenses	28	(134,740,418)	(139,025,203)
		<b>(753,382,832)</b>	<b>(687,189,464)</b>
<b>Operating profit</b>		<b>2,044,597,986</b>	<b>1,089,190,751</b>
Other income	29	272,645,254	342,646,042
Finance costs	30	(49,914,195)	(39,164,417)
<b>Profit before taxation</b>		<b>2,267,329,045</b>	<b>1,392,672,376</b>
Taxation	31	(73,414,103)	(28,540,667)
<b>Profit for the year</b>		<b>2,193,914,942</b>	<b>1,364,131,709</b>
<b>Earnings per share</b>			
Basic earnings per share	35	17.66	11.05
Diluted earnings per share	35	17.31	10.95

The annexed notes, from 1 to 43, form an integral part of these unconsolidated financial statements.

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(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

**SYSTEMS LIMITED (THE HOLDING COMPANY) AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 Rupees	2019 Rupees
Revenue from contracts with customers	24	9,876,827,710	7,535,648,069
Cost of revenue	25	(6,619,640,203)	(5,166,301,606)
<b>Gross profit</b>		<b>3,257,187,507</b>	<b>2,369,346,463</b>
Selling and distribution expenses	26	(201,024,729)	(178,002,387)
Administrative expenses	27	(722,310,556)	(698,066,995)
Other operating expenses	28	(220,135,525)	(163,532,016)
		<b>(1,143,470,810)</b>	<b>(1,039,601,398)</b>
<b>Operating profit</b>		<b>2,113,716,697</b>	<b>1,329,745,065</b>
Other income	29	235,201,038	318,491,575
Finance costs	30	(66,659,676)	(47,022,121)
<b>Profit before taxation</b>		<b>2,282,258,059</b>	<b>1,601,214,519</b>
Taxation	31	(117,960,376)	(33,281,698)
<b>Profit for the year</b>		<b>2,164,297,683</b>	<b>1,567,932,821</b>
<b>Attributable to:</b>			
<b>Equity holders of the parent</b>		<b>2,209,645,930</b>	<b>1,587,316,864</b>
<b>Non-controlling interest</b>		<b>(45,348,247)</b>	<b>(19,384,043)</b>
		<b>2,164,297,683</b>	<b>1,567,932,821</b>
<b>Earnings per share</b>			
Basic earnings per share	35	17.78	12.86
Diluted earnings per share	35	17.43	12.75

The annexed notes, from 1 to 43, form an integral part of these consolidated financial statements.

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(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)