

26 August 2021

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

Subject: **FINANCIAL RESULTS FOR THE 2nd QUARTER ENDED 30 JUNE 2021**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 25 August 2021 through video-link have approved the financial statements for the six months period ended 30 June 2021 and recommend the following:

DIVIDEND

Nil.

BONUS SHARES

Nil.

FINANCIAL RESULTS

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

PERFORMANCE OVERVIEW

The Company (Standalone):

During period under review, standalone revenue grew by 47% over same period last year from Rs. 3,388.59 million to Rs. 4,992.56 million. Gross profit and operating profit increased by 53% and 61% respectively, delivering a leveraged operating performance for the company. However, as a consequence of currency fluctuations, net profit for the period has been diluted by an exchange loss of Rs 32.59 million with the net increase of

Lahore

Systems Campus
Software Technology Park
E-1, Sehjpal Near DHA Phase-VIII
(Ex-Air Avenue), Lahore Cantt, Pakistan.
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31% achieved from 1,029.35 million to Rs. 1,349.60 million. Basic and diluted earnings per share both increased by 30% in line with profit for the period.

The increase in revenue has been contributed by all regions. Cost optimization and efficient working capital management translated into higher operating profits.

The Group (Consolidated):

During the six months for the period ended 30th June 2021, consolidated revenue grew by 44% from Rs. 4,559.37 million to Rs. 6,458.07 million. Gross profit and operating profit increased by 57% and 74% respectively. Net profit for the period increased by 42% from 1,067.66 million to Rs. 1,514.70 million with Rs. 41.67 million in exchange loss. Basic and diluted earnings per share increased by 43% and 42% respectively, in line with profit for the period.

The Quarterly Report of the Company for the six months period ended 30 June 2021 will be transmitted through PUCARS separately, within the specified time.

For and on behalf of Systems Limited

Saad Hasan Aslam
Company Secretary

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SYSTEMS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 JUNE 2021

		Un-audited 30 June 2021 Rupees	Audited 31 December 2020 Rupees
ASSETS	Note		
Non-current assets			
Property and equipment	6	1,721,815,754	1,507,959,243
Intangibles		44,632,588	21,345,888
Long term investments	7	272,073,147	272,073,147
Long term deposits		39,987,068	36,127,162
Long term receivable		322,681,511	-
Right-of-use assets		211,077,026	204,396,352
		2,612,267,094	2,041,901,792
Current assets			
Contract assets		775,544,024	533,940,810
Trade debts	8	2,099,580,341	2,438,437,498
Loans, advances and other receivable		408,136,195	205,366,771
Trade deposits and short term prepayments		258,048,134	187,928,945
Interest accrued		7,276,021	38,450,000
Short term investments	9	3,358,597,405	2,644,845,556
Tax refunds due from the Government		182,917,725	166,007,954
Cash and bank balances	10	2,210,639,323	1,577,759,692
		9,300,739,168	7,792,737,226
TOTAL ASSETS		11,913,006,262	9,834,639,018
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,380,396,620	1,246,060,140
Capital reserves			
Share premium		714,505,168	614,907,470
Employee compensation reserve		90,958,543	84,747,028
Revenue reserve - Un-appropriated profit		6,096,765,066	5,307,971,413
		8,282,625,397	7,253,686,051
Non-current liabilities			
Long term loan		25,244,367	98,013,227
Long term advances		69,914,376	53,857,626
Lease liabilities		193,021,853	189,409,537
Deferred grant		330,265	8,338,896
		288,510,861	349,619,286
Current liabilities			
Trade and other payables		941,942,393	722,653,295
Unclaimed dividend		9,472,602	7,617,635
Short term borrowings	12	2,050,000,000	1,250,000,000
Contract liabilities		169,198,538	88,669,355
Mark-up accrued on short term borrowings		12,431,680	9,804,346
Current portion of lease liabilities		45,446,413	37,983,731
Current portion of long term loan		101,258,149	100,754,617
Current portion of deferred grant		4,512,125	3,095,996
Current portion of long term advances		7,608,104	10,754,706
		3,341,870,004	2,231,333,681
TOTAL EQUITY AND LIABILITIES		11,913,006,262	9,834,639,018
CONTINGENCIES AND COMMITMENTS	14		

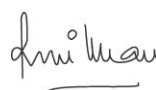
The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE)



(CHIEF FINANCIAL OFFICER)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (UNAUDITED)

		Unaudited 30 June 2021	Audited 31 December 2020
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	1,740,988,372	1,518,666,515
Intangible		259,610,152	204,249,277
Long term deposits		48,328,893	40,133,162
Long term receivable		322,681,511	-
Right-of-use asset		211,077,026	204,396,352
		2,582,685,954	1,967,445,306
Current assets			
Contract assets		684,165,537	642,780,081
Trade debts	7	2,591,589,949	2,372,716,741
Loans and advances		102,656,546	95,913,324
Trade deposits and short term prepayments		914,879,034	438,473,348
Interest accrued		4,088,408	38,450,000
Other receivables		48,892,087	118,222,637
Short term investments	8	3,358,597,405	2,644,845,556
Tax refunds due from the Government		189,229,154	171,975,691
Cash and bank balances	9	2,973,648,401	2,985,104,566
		10,867,746,521	9,508,481,944
TOTAL ASSETS		13,450,432,475	11,475,927,250
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	10	1,380,396,620	1,246,060,140
Capital and reserves		1,085,206,849	956,611,816
Unappropriated profits		6,622,872,311	5,626,952,295
		9,088,475,780	7,829,624,251
Non-controlling interest		104,365,226	146,389,075
		9,192,841,006	7,976,013,326
Non-current liabilities			
Long term advances		69,914,376	53,857,626
Long term loan		25,244,367	98,013,227
Lease Liability		193,021,853	189,409,537
Deferred grant		330,265	8,338,896
Provision for gratuity		60,392,686	47,599,384
		348,903,547	397,218,670
Current liabilities			
Trade and other payables		1,307,139,915	1,186,129,984
Unclaimed Dividend		9,472,602	7,617,635
Contract Liability		175,226,732	297,554,223
Mark-up accrued on short term borrowings		14,023,882	9,804,362
Short term borrowings	11	2,244,000,000	1,449,000,000
Current Portion of lease liability		45,446,413	37,983,731
Current Portion of long term loan		101,258,149	100,754,617
Current Portion of deferred grant		4,512,125	3,095,996
Current portion of long term advances		7,608,105	10,754,706
		3,908,687,923	3,102,695,254
TOTAL EQUITY & LIABILITIES		13,450,432,475	11,475,927,250
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

	Note	Six Months Ended		Three Months Ended	
		30 June 2021 Rupees	30 June 2020 Rupees	30 June 2021 Rupees	30 June 2020 Rupees
Revenue from contract with customers - net		6,548,070,790	4,559,370,645	3,500,303,397	2,327,520,037
Cost of sales		4,303,581,830	3,131,000,069	2,321,735,797	1,548,821,011
Gross profit		2,244,488,960	1,428,370,576	1,178,567,600	778,699,026
Distribution expenses		211,290,243	105,594,843	134,622,799	25,121,025
Administrative expenses		512,889,839	413,850,583	270,628,896	195,259,938
Other operating expenses		(12,130,739)	28,977,770	3,979,032	23,839,529
		712,049,344	548,423,196	409,230,727	244,220,492
Operating profit		1,532,439,617	879,947,380	769,336,874	534,478,534
Other income	14	75,037,906	235,733,088	190,921,939	33,075,801
Finance cost		48,590,288	24,279,452	27,630,236	13,082,299
Profit before taxation		1,558,887,235	1,091,401,017	932,628,577	554,472,036
Taxation		44,184,459	23,737,171	19,795,038	13,616,466
Profit after taxation		1,514,702,776	1,067,663,846	912,833,539	540,855,570
Attributable to:					
Equity holders of the parent		1,556,726,625	1,079,608,688	938,992,565	546,997,871
Non-controlling interest		(42,023,849)	(11,944,843)	(26,159,027)	(6,142,302)
		1,514,702,776	1,067,663,846	912,833,538	540,855,570
Earnings per share:			Restated		Restated
Basic earnings per share	15	11.34	7.92	6.83	4.00
Diluted earnings per share		11.21	7.87	6.77	3.98

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.

(CHAIRMAN)

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