

28 April 2022

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

Subject: **FINANCIAL RESULTS FOR THE 1st QUARTER ENDED 31 MARCH 2022**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 27 April 2022 have approved the financial statements for the three months period ended 31 March 2022 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 77% over same period last year from Rs. 2,302.99 million to Rs. 4,071.64 million. Gross profit and operating profit increased by 48% and 20% respectively, delivering a robust operating performance for the company. Moreover, as a consequence of currency fluctuations, net profit for the period



has been positively impacted by an exchange gain of Rs 149.60 million compared to the loss in March 2021 of Rs 152.05 million increasing net profit by 103%, from 525.20 million to Rs. 1,068.04 million. Basic and diluted earnings per share both increased by 83% in line with profit for the period. In USD terms, revenue and profit grew by 55% and 78% respectively.

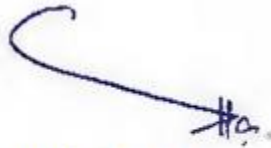
The increase in revenue has been contributed to by all regions. The Company continues to invest aggressively in talent whilst optimizing other costs and efficient working capital management that have bolstered operating margins.

The Group (Consolidated):

During the three months period ended 31st March 2022, consolidated revenue grew by 75% from Rs. 3,047.76 million to Rs. 5,332.82 million. Gross profit and operating profit increased by 50% and 31% respectively. Net profit for the period increased by 99% from Rs. 604.86 million to Rs. 1,200.41 million with Rs. 149.09 million in exchange gain. Basic and diluted earnings per share both increased by 75% in line with profit for the period. In USD terms, revenue and profit grew by 53% and 74% respectively.

The Quarterly Report of the Company for the three months period ended 31 March 2022 will be transmitted through PUCARS separately, within the specified time.

For and on behalf of Systems Limited



Saad Hasan
Company Secretary



SYSTEMS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2022

		Un-audited 31 March 2022 Rupees	Audited 31 December 2021 Rupees
ASSETS	Note		
Non-current assets			
Property and equipment	6	2,315,544,835	2,006,791,106
Intangibles		21,072,986	23,717,704
Long term investments	7	1,573,107,709	1,331,133,678
Long term deposits		33,829,877	141,294,105
Right-of-use assets		269,564,248	288,981,476
Long term loans		230,977,385	36,796,454
Deferred employee benefits		48,434,079	10,344,054
Deferred taxation - net		75,060,282	75,060,282
Total non-current assets		4,567,591,401	3,914,118,859
Current assets			
Contract assets		297,574,589	333,597,502
Trade debts	8	3,935,854,975	3,445,521,825
Loans and advances - considered good	9	638,737,828	538,568,661
Current portion of deferred employee benefits		14,155,339	2,890,139
Trade deposits and short term prepayments		410,276,939	248,588,820
Interest accrued		38,098,053	30,922,102
Short term investments	10	4,368,610,497	4,866,676,912
Tax refunds due from the Government		229,025,521	207,375,462
Cash and bank balances	11	2,037,479,667	1,652,613,846
Total current assets		11,969,813,408	11,326,755,269
TOTAL ASSETS		16,537,404,809	15,240,874,128
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	12	1,391,825,990	1,384,989,120
Capital reserves		1,128,324,098	1,020,484,116
Unappropriated profit		9,135,904,707	8,067,856,280
Total shareholders' equity		11,656,054,795	10,473,329,516
Non-current liabilities			
Long term advances		5,124,401	81,111,314
Lease liabilities		224,833,963	238,881,185
		229,958,364	319,992,499
Current liabilities			
Trade and other payables	14	1,540,557,374	1,162,101,750
Unclaimed dividend		9,226,244	9,226,244
Short term borrowings		2,750,000,000	2,750,000,000
Contract liabilities		208,929,954	378,374,906
Mark-up accrued on short term borrowings		13,828,902	13,702
Current portion of lease liabilities		66,182,294	62,195,197
Current portion of long term loan		51,915,599	76,816,085
Current portion of deferred grant		985,131	1,958,993
Current portion of long term advances		9,766,152	6,865,236
Total current liabilities		4,651,391,650	4,447,552,113
TOTAL EQUITY AND LIABILITIES		16,537,404,809	15,240,874,128
Contingencies and commitments	16		

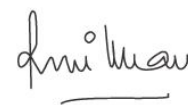
The annexed notes, from 1 to 24, form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**

	Note	Three Months Ended	
		31 March 2022	31 March 2021
		Rupees	Rupees
Revenue from contracts with customers - net		4,071,647,076	2,302,992,535
Cost of revenue		2,845,747,583	1,472,269,686
Gross profit		1,225,899,493	830,722,849
Distribution expenses		70,349,052	32,940,464
Administrative expenses		338,963,077	175,281,646
Other operating expenses		28,777,450	(35,638,838)
		438,089,579	172,583,272
Operating profit		787,809,914	658,139,577
Other income	17	334,745,700	(99,942,534)
Finance costs		29,543,315	15,200,676
Profit before taxation		1,093,012,299	542,996,367
Taxation		24,963,872	17,792,524
Profit for the period		1,068,048,427	525,203,843
Earnings per share:			
Basic earnings per share		7.71	4.21
Diluted earnings per share	18	7.68	4.21

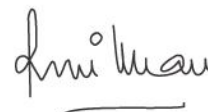
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(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (UNAUDITED)

		Unaudited 31 March 2022	Audited 31 December 2021
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property and equipment	6	2,370,421,618	2,051,800,034
Intangible		21,072,986	23,717,704
Long term deposits		33,829,877	141,294,105
Long term investments	7	238,555,023	144,568,896
Long term loans		230,977,385	36,796,454
Right-of-use asset		269,564,248	288,981,475
Investment in associates		1,199,472,185	1,274,009,734
Deferred taxation - net		75,060,282	75,060,282
Deferred employee benefits		48,434,079	10,344,054
		4,487,387,683	4,046,572,738
Current assets			
Contract assets		457,288,269	727,944,400
Trade debts	8	4,352,517,084	4,125,928,299
Loans and advances	9	662,631,893	734,667,764
Trade deposits and short term prepayments		1,386,772,568	323,149,962
Interest accrued		17,212,293	11,118,877
Short term investments	10	4,368,610,497	4,866,676,912
Tax refunds due from the Government		235,291,057	213,640,998
Current portion of deferred employee benefits		14,155,339	2,890,139
Cash and bank balances	11	2,989,861,004	2,978,863,741
		14,484,340,004	13,984,881,092
TOTAL ASSETS		18,971,727,687	18,031,453,830
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	12	1,391,825,990	1,384,989,120
Capital and reserves		1,347,815,666	1,148,309,400
Unappropriated profits		10,815,666,034	9,528,306,407
		13,555,307,691	12,061,604,927
Non-controlling interest		7,665,766	1,169,928
		13,562,973,457	12,062,774,855
Non-current liabilities			
Long term advances		9,789,819	81,111,314
Lease Liability		224,833,963	238,881,185
Provision for gratuity		113,298,100	94,865,412
		347,921,882	414,857,911
Current liabilities			
Trade and other payables	13	1,652,307,394	1,706,609,735
Unclaimed Dividend		9,226,309	9,226,244
Contract Liability		506,250,454	940,135,872
Mark-up accrued on short term borrowings		13,828,902	13,702
Short term borrowings		2,750,370,113	2,750,000,000
Current Portion of lease liability		66,182,295	62,195,197
Current Portion of long term loan		51,915,598	76,816,085
Current Portion of deferred grant		985,131	1,958,993
Current portion of long term advances		9,766,152	6,865,236
		5,060,832,348	5,553,821,064
TOTAL EQUITY & LIABILITIES		18,971,727,686	18,031,453,830
CONTINGENCIES AND COMMITMENTS	15		

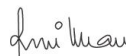
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)

	Note	Three Months Ended	
		31 March	31 March
		2022	2021
		Rupees	Rupees
Revenue from contract with customers - net		5,332,814,910	3,047,767,393
Cost of sales		3,734,280,759	1,981,846,033
Gross profit		1,598,534,151	1,065,921,360
Distribution expenses		127,612,939	76,667,444
Administrative expenses		434,323,384	242,260,943
Other operating expenses		36,585,577	(16,109,771)
		598,521,900	302,818,616
Operating profit		1,000,012,251	763,102,744
Other income	16	334,390,518	(115,884,033)
Share of loss from associate		74,537,549	-
Finance cost		32,841,008	20,960,052
Profit before taxation		1,227,024,212	626,258,659
Taxation		26,607,601	24,389,421
Profit after taxation		1,200,416,612	601,869,238
Attributable to:			
Equity holders of the parent		1,200,398,013	617,734,060
Non-controlling interest		18,598	(15,864,822)
		1,200,416,612	601,869,239
Earnings per share:			
Basic earnings per share	17	8.66	4.96
Diluted earnings per share		8.63	4.96

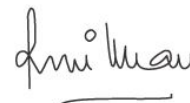
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