

26 August 2022

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

Subject: **FINANCIAL RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 25 August 2022 have approved the financial statements for the six months period ended 30 June 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 76% over same period last year from Rs. 4,992.57 million to Rs. 8,791.85. As a consequence gross profit and operating profit are up 60% and 53% respectively, delivering a leveraged operating performance for the company. Additionally, continued devaluation of the Pak Rupee resulted in an

exchange gain of Rs 664.67 million compared to the loss in June 2021 of Rs 32.59 million increasing net profit by 107%, from 1349.60 million to Rs. 2,792.16 million. Basic and diluted earnings per share both increased by 104% in line with profit for the period. The growth in revenue net of the impact of exchange gain is 48%.

The increase in revenue has been contributed to by all regions.

The Group (Consolidated):

In line with the unconsolidated results, the consolidated revenue grew by 75% from Rs. 6,548.07 million to Rs. 11,463.24 million. Gross profit and operating profit increasing 63% and 56% respectively. Net profit for the period of Rs. 2,965.43 million is 96% higher than the same period last year, including the Rs. 664.67 million exchange gain. Basic and diluted earnings per share both increased by 88% in line with profit for the period. Eliminating the currency impact, revenue is up by 47% in US dollar terms.

The interim report of the Company for the six months period ended 30 June 2022 will be transmitted through PUCARS separately, within the specified time.

For and on behalf of Systems Limited



Saad Hasan Aslam
Company Secretary

Lahore

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SYSTEMS LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2022

		Un-audited 30 June 2022	Audited 31 December 2021
		Rupees	
ASSETS	Note		
Non-current assets			
Property and equipment	5	2,632,074,754	2,006,791,106
Right-of-use assets		596,864,740	288,981,476
Intangibles		18,541,547	23,717,704
Long term investments	6	1,563,523,379	1,331,133,678
Long term loans		233,399,988	36,796,454
Deferred employee benefits		69,308,125	10,344,054
Long term deposits		74,915,009	141,294,105
Deferred taxation - net		51,952,243	75,060,282
		5,240,579,785	3,914,118,859
Current assets			
Contract assets		445,204,642	333,597,502
Trade debts	7	4,990,183,528	3,445,521,825
Loans, advances and other receivables		814,482,777	538,568,661
Current portion of deferred employee benefits		23,483,393	2,890,139
Trade deposits and short term prepayments		330,809,915	248,588,820
Interest accrued		48,316,520	30,922,102
Tax refunds due from the Government		178,425,946	207,375,462
Short term investments	8	5,651,863,264	4,866,676,912
Cash and bank balances	9	728,947,166	1,652,613,846
		13,211,717,151	11,326,755,269
TOTAL ASSETS		18,452,296,936	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	10	2,783,651,990	1,384,989,120
Capital reserves		1,078,597,407	1,020,484,116
Revenue reserve - Unappropriated profit		8,772,277,712	8,067,856,280
		12,634,527,109	10,473,329,516
Non-current liabilities			
Long term advances		8,026,095	81,111,314
Lease liabilities		491,664,730	238,881,185
		499,690,825	319,992,499
Current liabilities			
Trade and other payables	11	1,214,768,810	1,162,101,750
Unclaimed dividend		16,326,537	9,226,244
Contract liabilities		329,162,146	378,374,906
Short term borrowings	12	3,550,000,000	2,750,000,000
Accrued mark-up on borrowings		32,402,744	13,702
Current portion of lease liabilities		119,129,108	62,195,197
Current portion of long term loan		52,820,886	76,816,085
Current portion of deferred grant		330,266	1,958,993
Current portion of long term advances		3,138,505	6,865,236
		5,318,079,002	4,447,552,113
TOTAL EQUITY AND LIABILITIES		18,452,296,936	15,240,874,128
CONTINGENCIES AND COMMITMENTS	13		

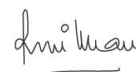
The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED JUNE 30, 2022

	Note	Six Months Ended		Three Months Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Rupees					
Revenue from contracts with customers - net	14	8,791,854,416	4,992,569,613	4,720,207,340	2,689,577,078
Cost of revenue	15	(5,956,627,745)	(3,224,452,380)	(3,110,880,162)	(1,752,182,694)
Gross profit		2,835,226,671	1,768,117,233	1,609,327,178	937,394,384
Administrative expenses	16	(692,324,124)	(385,030,453)	(353,361,047)	(209,748,807)
Distribution expenses	17	(121,333,010)	(77,158,926)	(50,983,958)	(44,218,462)
Reversals of impairment losses / (impairment losses) on financial assets		1,720,002	16,452,744	30,497,452	(19,186,094)
Operating profit		2,023,289,539	1,322,380,598	1,235,479,625	664,241,021
Other income	18	1,013,074,342	94,086,527	678,328,642	194,029,061
Finance costs		(79,124,114)	(35,783,430)	(49,580,799)	(20,582,754)
Profit before taxation		2,957,239,767	1,380,683,695	1,864,227,468	837,687,328
Taxation		(165,079,335)	(31,083,433)	(140,115,463)	(13,290,909)
Profit for the period		2,792,160,432	1,349,600,262	1,724,112,005	824,396,419
		(Restated)		(Restated)	
Earnings per share:					
Basic earnings per share	19	10.05	4.92	6.19	3.00
Diluted earnings per share		10.00	4.89	6.16	2.99

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



(CHAIRMAN)



(CHIEF EXECUTIVE)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (UNAUDITED)

		Unaudited 30 June 2022	Audited 31 December 2021
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property and equipment	6	2,691,702,620	2,051,800,034
Intangible		18,541,547	23,717,704
Long term investments	7	238,555,000	144,568,896
Investment in Associates	8	1,124,917,000	1,274,009,734
Right-of-use asset		596,864,740	288,981,475
Long term loans		233,399,988	36,796,454
Deferred taxation - net		51,952,243	75,060,282
Deferred employee benefits		69,308,125	10,344,054
Long term deposits		125,929,228	141,294,105
		5,151,170,491	4,046,572,738
Current assets			
Contract assets		731,239,606	727,944,400
Trade debts	9	5,326,048,532	4,125,928,299
Loans, advances and other receivables		642,078,128	734,667,764
Trade deposits and short term prepayments		1,092,194,772	323,149,962
Interest accrued		2,153,661	11,118,877
Short term investments	10	5,651,863,264	4,866,676,912
Tax refunds due from the Government		185,250,544	213,640,998
Current portion of deferred employee benefits		23,483,393	2,890,139
Cash and bank balances	11	2,881,056,510	2,978,863,741
		16,535,368,410	13,984,881,092
TOTAL ASSETS		21,686,538,901	18,031,453,830
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	2,783,651,990	1,384,989,120
Capital and reserves		1,480,301,147	1,148,309,400
Unappropriated profits		10,507,169,830	9,528,306,407
		14,771,122,966	12,061,604,927
Non-controlling interest		1,196,544	1,169,928
		14,772,319,510	12,062,774,855
Non-current liabilities			
Long term advances		8,026,095	81,111,314
Lease Liability		491,664,730	238,881,185
Provision for gratuity		139,965,505	94,865,412
		639,656,330	414,857,911
Current liabilities			
Trade and other payables		1,521,877,828	1,706,609,735
Unclaimed Dividend		16,326,537	9,226,244
Contract Liability		976,083,794	940,135,872
Mark-up accrued on short term borrowings		34,856,137	13,702
Short term borrowings	13	3,550,000,000	2,750,000,000
Current Portion of lease liability		119,129,108	62,195,197
Current Portion of long term loan		52,820,886	76,816,085
Current Portion of deferred grant		330,266	1,958,993
Current portion of long term advances		3,138,505	6,865,236
		6,274,563,061	5,553,821,064
TOTAL EQUITY & LIABILITIES		21,686,538,901	18,031,453,830
CONTINGENCIES AND COMMITMENTS	15		

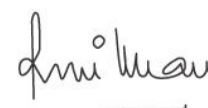
The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	Note	Six Months Ended		Three Months Ended	
		30 June 2022 Rupees	30 June 2021 Rupees	30 June 2022 Rupees	30 June 2021 Rupees
Revenue from contract with customers - net		11,463,245,291	6,548,070,790	6,130,430,381	3,500,303,397
Cost of sales		7,808,798,515	4,303,581,830	4,074,517,756	2,321,735,797
Gross profit		3,654,446,776	2,244,488,960	2,055,912,625	1,178,567,600
Distribution expenses		264,926,345	211,290,243	137,313,406	134,622,799
Administrative expenses		985,799,849	512,889,839	551,476,465	270,628,896
Other operating expenses		20,439,229	(12,130,739)	(16,146,348)	3,979,032
		1,271,165,423	712,049,342	672,643,522	409,230,727
Operating profit		2,383,281,352	1,532,439,618	1,383,269,103	769,336,873
Other income	16	981,645,354	75,037,906	647,254,836	190,921,939
Share of loss from associate		149,092,734	-	74,555,185	-
Finance cost		84,353,239	48,590,288	51,512,231	27,630,236
Profit before taxation		3,131,480,734	1,558,887,235	1,904,456,523	932,628,576
Taxation		166,043,510	44,184,459	139,435,909	19,795,038
Profit after taxation		2,965,437,224	1,514,702,776	1,765,020,613	912,833,539
Attributable to:					
Equity holders of the parent		2,965,410,608	1,556,726,625	1,765,012,595	938,992,565
Non-controlling interest		26,616	(42,023,849)	8,018	(26,159,027)
		2,965,437,224	1,514,702,776	1,765,020,613	912,833,539
Earnings per share:			Restated		Restated
Basic earnings per share	17	10.67	5.67	6.34	3.42
Diluted earnings per share		10.62	5.64	6.30	3.40

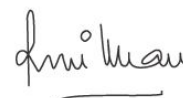
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