

Technology & Communication

SYS: 9MCY25 Management Call Takeaways

- Systems Limited (SYS) held an investor briefing session to discuss the 9MCY25 financial results and provide key insights on the future outlook for the Bank.
- The Company reported 3QCY25 earnings of PKR 2.79bn (EPS PKR 1.90 @1.47bn shares), compared to earnings of PKR 2.18bn (EPS PKR 1.50) in the similar period last year. On quarterly basis, profitability was down by -5%q/q during 3QCY25.
- During 9MCY25, SYS revenue grew by 19% YoY in 9MCY25 while gross margins clocked in at 26%. MENA segment reported 19% YoY increase which accounted for estimated 59% of total revenues for the period.
- The Board approved the acquisition of Confiz Pakistan through a share-swap transaction (1.3x SYS shares for 1x Confiz share), implying ~3.8–4.0% dilution and no cash outflow. Management expects the deal to be earnings supportive, with ~10% uplift in consolidated revenues post-acquisition, and closure anticipated within three months.

Systems Limited (SYS) held an investor briefing session to discuss the 9MCY25 financial results and provide key insights on the future outlook for the company.

SYS reported earnings of PKR 7.94bn (EPS: PKR: 5.39/share) during 9MCY25, up by +46%/y/y

The Company reported 3QCY25 consolidated earnings of PKR 2.79bn (EPS PKR 1.90 @1.47bn shares), up by 28%/y/y compared to profitability of PKR 2.18bn (EPS PKR 1.49 @1.47bn shares) in the similar period last year. On quarterly basis, profitability was down by -5%q/q during 3QCY25.

Key highlights from management conference call

- Systems Limited delivered a notable operational turnaround, with its Pakistan segment turning profitable for the first time, driven by completion of legacy projects and onboarding of new contracts during 4QCY25. Performance remained strong in the Banking and Telecom verticals, which continue to underpin earnings momentum.
- The Board approved the acquisition of Confiz Pakistan through a share-swap transaction (1.3 SYS shares for 1 Confiz share), implying ~3.8–4.0% dilution and no cash outflow. Management expects the deal to be earnings supportive, with ~10% uplift in

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consolidated revenues post-acquisition, and closure anticipated within three months. The transaction is expected to enhance SYS's footprint in North America and Europe while unlocking cross-sell opportunities across AI and digital platforms. In parallel, SYS has initiated a strategic partnership with British American Tobacco (BAT), with operations commencing from November 1, 2025.

- Regionally, SYS posted strong 9MCY25 performance across all geographies, with APAC showing signs of recovery. The Pakistan segment reported improved operating margins (8% in 3QCY25 vs. 3% in 9MCY25). BFS remained the largest revenue contributor, while Telecom and Retail & Technology delivered superior profitability. Management reiterated its strategic focus on expanding BFS and Telecom verticals to sustain growth trajectory.
- On the technology front, SYS's associate OneLoad secured fresh investment, following SBP approval of its E-Money License, positioning it well for scaling digital financial services. Meanwhile, the AI.NOW initiative continues to support the Company's AI-first strategy, with increasing focus on automation across ERP and CRM platforms.
- From a growth strategy perspective, SYS remains focused on inorganic expansion to penetrate mature markets, particularly Europe and the US. The Company plans to establish a UK subsidiary to strengthen on-ground presence and scale its client base, while also leveraging existing UK partnerships to expand across Europe and North America.
- Management reaffirmed its anticipation that the Final Tax Regime will persist and conveyed a positive outlook concerning the prolongation of current tax incentives for the IT industry.

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