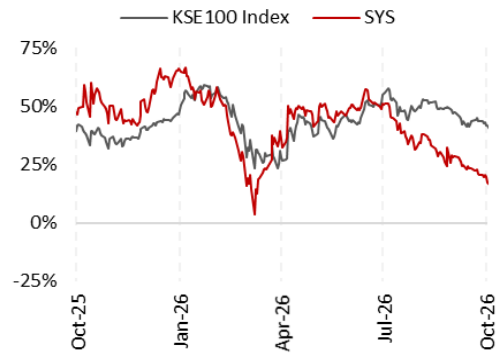
Systems Limited (SYS)

3QCY26 EPS at PKR 1.96, up 9% YoY

Monday, October 26, 2026

- Systems Limited (SYS) announced its financial result for 3QCY26 today wherein the company recorded earnings of PKR 3,065mn (EPS of PkR 1.96) vs PKR 3,025mn (EPS of PKR 1.95) in 2QCY26 and PKR 2,651mn (EPS of PKR 1.79) in 3QCY25, up 9% YoY and Flattish QoQ. This takes 9MCY26 EPS to PKR 5.88, up 10% YoY.
- Company reported gross margin of 24.8% vs 25.8% in 2QCY26 and 25.4% in 3QCY25. We believe decrease in gross margin and operating profit was impacted by offshore wages increase and fuel inflation.
- SYS's revenue clocked in at PKR 26.7bn in 3QCY26, up 43% YoY and 4% QoQ due to higher cross-selling activities across North America and Europe.
- Regional geopolitical tensions in the Middle East have not impacted the Company's growth to date, with its customer base remaining stable and no exposure to affected sectors such as tourism and real estate.
- The Company is actively evaluating acquisition opportunities, particularly in Western markets, to strengthen its presence in the US and Europe, diversify its portfolio, and mitigate geopolitical risks.
- Confiz and the BAT Shared Services Center are contributing positively to revenue growth, with additional opportunities to deepen existing client relationships and drive higher business volumes through cross-selling and upselling.
- Exchange loss incurred to PKR 254mn in 9MCY26 up from Exchange gain of 278mn SPLY due to significant currency appreciation over last year with Rs/$ falling from 283 in June 2025 to 277 in September 2026.
- SYS's tax expense clocked in at PKR 335mn (effective tax rate of 10.0%) in 3QCY26 vs. PKR 328mn in 3QCY25 (effective tax rate of 11%) and PKR 451mn in 2QCY26 (effective tax rate of 13.0%).
- With over 90% of revenue denominated in foreign currency, the weaker FX rate has affected operating margins and caused translation losses.

KSE100 Index vs. SYS Performance Chart



Source: PSX, BMA Research

Systems Ltd. - (PSX: SYS) Earnings Snapshot

PKR Mn	3QCY26A	3QCY25A	YoY	2QCY26A	QoQ
Sales	26,776	18,660	43%	25,738	4%
Cost of sales	20,145	13,924	45%	19,088	6%
Gross profit	6,631	4,735	40%	6,650	0%
Gross Margin (%)	**24.8%**	**25.4%**		**25.8%**	
Operating Expense	3,433	2,167	58%	3,227	6%
Other income	367	487	-25%	227	62%
Finance costs	195	76	156%	174	12%
Profit before taxation	3,369	2,978	13%	3,475	-3%
Taxation	335	328	2%	451	-26%
Profit after taxation	3,035	2,651	14%	3,025	0%
EPS (PkR/sh)	**1.96**	**1.79**		**1.95**	
DPS (PkR/sh)	**-**	**-**			

Source: Company Accounts, BMA Research

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Old rating system

Valuation Methodology

To arrive at our period end target prices, BMA Capital uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)