AHL Alert | 26-Oct-2026

Systems Limited

Result Review: 9MCY26 EPS clocked-in at PKR 5.93/share

Result Highlights

REP-300

- Systems Limited (SYS) announced the financial result for 9MCY26 today, whereby the company has posted a PAT of PKR 9,085mn (EPS: PKR 5.93) compared to profit of PKR 7,945m (EPS: PKR 5.19) in 9MCY25. In 3QCY26, the company posted a profit after tax of PKR 3,035mn (EPS: PKR 1.98) compared to PKR 2,792mn (EPS: 1.82), posting 9% YoY growth. The improvement in profitability was primarily driven by an 18% YoY increase in Pakistan's IT exports during the quarter, alongside the financial consolidation of Confiz.
- Net sales for 9MCY26 improved by 33% YoY to PKR 76,492mn compared to PKR 57,419mn in SPLY. The growth was driven by strong performance in Technology (+79.7% YoY), Retail & CPG (+40.0% YoY), Telco (+35.9% YoY), Others (+31.5% YoY) and BFSI (+23.4% YoY). Region-wise, the major growth came from Asia Pacific (+60.9% YoY), Europe (+40.6% YoY), North America (+37.9% YoY), Middle East & Africa (+32.5% YoY) and Pakistan & Other (+20.9% YoY).
- Gross profit margin declined to 25.3% in 9MCY26 from 27% in SPLY. In 3QCY26, gross margin fell to 24.8% from 30.1% in SPLY, primarily due to higher energy costs and inflationary adjustments during the quarter.
- Other income amounted to PKR 934mn in 9MCY26, of which PKR 254mn represented exchange losses owing to unfavourable currency movements.
- The finance costs increased by 103% YoY to PKR 499mn in 9MCY26 due to higher short-term borrowings.
- The company reported an effective tax rate of 10.7% in 9MCY26 compared to 10% in SPLY.
- We have a "BUY" stance on SYS, the stock is trading at CY26 and CY27 multiple of 13.04x and 11.17x.

Exhibit: Financial Highlights

(PKR mn)	9MCY26	9MCY25	YoY	3QCY26	3QCY25	YoY	QoQ
Net Revenue	76,492	57,419	33%	26,776	20,680	29%	4%
Cost of Sales	57,173	41,911	36%	20,145	14,458	39%	6%
Gross Profit	19,319	15,508	25%	6,631	6,223	7%	0%
Admin Exp.	6,340	4,465	42%	2,327	1,616	44%	14%
Distribution Expense	2,716	2,069	31%	966	769	26%	10%
Other Exp.	526	434	21%	140	381	-63%	-53%
Other Income	934	621	51%	367	(200)	nm	62%
Finance Cost	499	246	103%	195	80	144%	12%
PBT	10,172	8,830	15%	3,369	3,148	7%	-3%
Taxation	1,087	886	23%	335	356	-6%	-26%
PAT	9,085	7,945	14%	3,035	2,792	9%	0%
EPS (PKR)*	5.93	5.19		1.98	1.82		
Ratio Analysis							
Gross Margins	25.3%	27.0%		24.8%	30.1%		
Net Margins	11.9%	13.8%		11.3%	13.5%		
Effective Tax Rate	10.7%	10.0%		9.9%	11.3%		

Source (s): Company Financials, AHL Research, *@ current no. of shares

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