Investor Briefing 9M 2024

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Corporate participants

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Zubair Hussain

Welcome, everyone, to the Analyst Briefing of Systems Limited for the third quarterly results of 9 months 2024. On behalf of the management of Insight Securities, I extend a warm welcome to all of you.

This quarter's results are notable. We've recorded the highest top-line numbers in the last four quarters, along with the highest gross margin at 25.3% and a net margin of 12.6%.

Most of you are familiar with the company and our regular analyst calls. However, these results are distinctive, so rather than going into details, I'll hand over to Mr. Asif Peer to discuss the numbers.

Asif Peer

Thank you, Zubair, and thank you, everyone. Good morning, good afternoon, and good evening to all joining from various countries. I'll skip the company introduction, assuming most of you are familiar with us. Let's dive straight into the numbers, and I look forward to your questions in the Q&A section on Zoom. My colleague Roohi will also be responding directly in the Q&A.

We'll start with the key statistics and market overview. This quarter has been remarkable, with record-breaking results across top-line revenue, gross profit, and operating profit. Our growth has remained strong despite inflation and currency appreciation challenges, with a 28% increase in dollar terms and 22% in PKR.

Unusually, we've seen higher growth in dollar terms than in PKR, with a 28% dollar-based growth, which is phenomenal given our current base. Our margins have also improved, though not to the same extent as top-line growth. I'll explain why in the next slide and outline how we expect these improvements to continue.

One key factor is that 93% of our revenue now comes from foreign exchange, primarily in dollars, making us one of the few companies with such a high percentage of dollar-based revenue.

Had the currency remained constant from last year's Q3 rate, our gross margin on a constant currency basis would be around 27%, close to our historical 27-28% margin. Even without the usual 5%-10% depreciation, our results would have reflected even more favorable margins.

This year has been a milestone for Systems, with nearly 30% dollar-based growth, which is rare at our scale. This achievement stems from our strong trajectory, signing large enterprise clients, and nearly all our customers are recurring.

Entering Q4, we have a substantial backlog, signed agreements, and committed clients, which positions us well for the next year. Our existing customers continue to grow, maintaining momentum into the following year. Due to our regional success and presence, channels and partnerships, such as with Microsoft and Accenture, also play a critical role, often bringing us new clients, creating a multiplier effect.

Our leadership and regional teams have excelled in brand-building, attracting channels to partner with us, which will continue to provide us with growth opportunities as we expand our visibility and reach.

Over the last three to four years, we built a large bench to ensure we could manage the demand and upcoming projects. Currency depreciation gave us that leverage. Now, we are streamlining that process further, allowing us to be more efficient, improving efficiency percentages so we can operate effectively at the current dollar rate. This marks a significant change from previous years, where we managed things differently. This year, we refocused, allowing us to operate comfortably within the current rate. If the currency remains stable based on what we've seen this year but which is uncommon, we believe we've made solid improvements at this level.

In terms of direct overheads, in a services business, we're not increasing fixed overhead as a percentage of sales. We're only increasing variable costs tied to people, which has shown improvement in our margin. As we continue to grow, our margins will show consistent improvement. As mentioned in the previous slide, despite the constant currency or the 400 million exchange loss we've incurred this year over the last nine months, we expect further improvements in the overall scheme, especially if the currency remains stable in the upcoming quarters and does not appreciate further

As shown, we have consistent revenue growth. Last year's full-year revenue was around $190.79 million, and this year we've already reached about $174 million in just nine months.

We have once again received the Forbes Asia "Best Under a Billion" award, this time in September, marking our fifth consecutive year. We are the only Asian company—or one of very few—to receive this recognition for five consecutive years. This accomplishment reflects our sustainability, persistence, and the results that global research firms value.

Microsoft has also honored us with Inner Circle status for the fourth year in a row, further highlighting the consistent value we deliver. This achievement reflects the strength of our ongoing partnerships across the board.

With 93% of our top-line revenue in foreign currency, over 250 active clients, and nearly 80% direct clients, we are well-positioned for future growth.

We're seeing an increase in contributions from our top 20 clients compared to active clients, with several now investing significantly more in IT. Our client metrics reflect this growth, as we've graduated to higher account levels, including a $25 million account, illustrating our reach into major enterprises with recurring revenue levels of $25 million and even up to $50 million annually.

This growth reflects our expanding enterprise base. We've also added more accounts in the $10-25 million range, with a notable increase in $5-10 million and $3-5 million accounts as well. Our strategy focuses on scaling clients progressively: moving $1-3 million clients to $3-5 million tiers, $3-5 million to $5-10 million, and beyond. As these accounts grow, the $25 million accounts progress toward $50 million, fueling our sustainability, predictability, and growth trajectory for future years.

Our strategy focuses on growing existing enterprise accounts and expanding our client base, which has been a key driver of our sustained performance.

We'll keep the presentation brief to allow more time for Q&A. Please feel free to ask questions in the Q&A section, and Zubair will read them out. I'll do my best to answer as many as possible.

Zubair Hussain

Thank you, Asif. My first question was about the primary reason behind the improvement in gross margins in the third quarter compared to the previous three quarters.

Asif Peer

We've been strategic with our growth levers, focusing our investments and optimizing our bench strength. Initially, we maintained a larger bench to invest in new areas and technologies. As we refined this focus, we started investing in key initiatives, especially AI.

At the start of the year, we had limited AI use cases; now, we have numerous ones. We're not just talking about AI but actively implementing it and offering these services to receptive clients. This shift has increased our revenue potential, as AI services demand higher rates.

Additionally, our investments are materializing now and are billable, which directly impacts our gross profit. Previously, these investments were unbillable and affected our GP. Efficiency remains our priority, and as unbillable resources convert to billable, GP naturally increases.

We've also maintained stable fixed overhead costs, even as revenue grew by 28%. This scalability is a key advantage of our services model compared to industries like textile and manufacturing, which require substantial capital for growth. With remote work (WFH), we can scale efficiently without significant infrastructure costs.

The only setback was the 4% currency appreciation, which impacted our dollar-based revenue, especially with the high inflation rate over the past year. Currency stability would improve margins further.

Zubair Hussain

So essentially, it’s better fixed-cost absorption. The investments made over the past year and a half are now contributing to billable revenue.

Asif Peer

As I shared in previous analyst briefings and in our reports, we’re now doubling down on our existing investments. Rather than exploring multiple new markets, we’re focusing on the ones where we see the greatest potential. We don’t need a "spray-paint" approach—we’re going deep within existing markets where growth opportunities are strongest instead of targeting wide areas. After experimenting, we’ve identified three successful areas to concentrate on, as opposed to others that didn’t yield as well.

Zubair Hussain

This brings me to my next question: among the territories you've expanded into over the years, which two areas do you see as most promising for future growth?

Asif Peer

Saudi Arabia is still a top area for us, and we’ve barely scratched the surface there. We’ve achieved good numbers, but there’s so much untapped potential. While the Saudi market has slowed slightly, it remains very promising. The UAE is also performing well, often benefiting from regional dynamics. Qatar has started to show growth too, making these three our main focus within the GCC. We’re not focusing much on Africa or APAC, as those regions don’t match the scale we’re seeing in Saudi. We’re committed to placing our best people where growth is highest to improve margins and drive profit.

Zubair Hussain

I understand that about 70% of earnings come from the top ten clients. How will Systems diversify beyond this?

Asif Peer

That information isn't entirely accurate. Top 10 customers are only contributing 33%. Top 20 customers are contributing around 48%. We are well diversified in terms of our customer portfolio.

Zubair Hussain

The Middle East region has shown significant growth, increasing by 49% to reach $36 billion in contributions. Can we expect this growth momentum to continue, especially with the regional turmoil? Although you've mentioned you're just scratching the surface, how sustainable do you believe this growth is?

And on taxation— with the UAE's new corporate tax, your tax rate has increased from about 1.25% of net sales. Could you explain the impact?

Asif Peer

Yes, our tax rate has increased to roughly 10% of sales, compared to last year's 4-5% due to the corporate tax. Saudi also imposes a 20% corporate income tax. Although these taxes are beyond our control, we remain profitable and continue to grow, so they're manageable for us.

Zubair Hussain

According to your 2023 annual report, the employee count at year-end was 7,398, with an average headcount of around 6,600. What is the geographical dispersion. Has there been any change?

Roohi Khan

The question is about the distribution of our PS resources across markets which is also covered in a slide in our presentation.

Asif Peer

Most of our PS employees are based in Pakistan, followed by Dubai, then Egypt, Saudi, and Qatar. These are the top five locations in terms of employee distribution.

Zubair Hussain

Can you provide any order pipeline estimates for the next 12 to 24 months?

Asif Peer

We cannot quote numbers but our momentum is strong; we've never had better numbers or a more substantial backlog.

Zubair Hussain

What’s driving this backlog— is it largely from the Middle East?

Asif Peer

Our focus is on signing enterprise accounts and partnerships, as outlined in the six points in our strategy. We’re moving away from small and medium customers and prioritizing deals that are strategic, build IP, or create strong references. Pakistan’s share is growing in numbers, but it’s decreasing in percentage terms as we focus on higher-value contracts and margin improvement.

In Pakistan, we used to accept low margins, but now we’re targeting profitability by working only with clients that ensure positive cash flow, provide references, and offer valuable learning opportunities. We've shifted away from the approach of losing money in Pakistan, and we’ve already improved our margins there from -7% or -8% to -5%, with a positive trend expected. We’re implementing higher rates locally to reflect the quality of service, focusing only on clients willing to meet these price points.

This shift has taken about nine months, and as older contracts conclude over the next 1-2 quarters, we expect a fresh start with improved margins and revenues.

Zubair Hussain

You're at the stage now where you can pick and choose which business to take on and what to leave out, right?

Asif Peer

Yes, we have to do that at this stage; otherwise, our margins will always be under pressure, and we don’t want one region to drag down our overall margins. If it’s strategic enough, we’ll still make those bets where we might incur losses, but it has to be truly strategic, potentially giving us a 10x return or at least a 2-3x return abroad. Otherwise, it's not worth it for top-line growth.

Zubair Hussain

In terms of this, I can see that at the end of 2020, margins were in the mid-30s, early 2021 they were in the low-30s, and by 2022 they were around a 30% average, bottoming out in Q1 2023 at 19.71%. Can you give guidance on what margin you believe is sustainable for the next 2-3 years that management aims to achieve?

Asif Peer

Assuming currency depreciates by around 5% each year, a target of 27-30% is reasonable. If the currency appreciates, achieving this becomes challenging, and we’d likely aim for around 25%.

Zubair Hussain

It’s between 25% and 30%, correct? If the currency appreciates, you'd be at the lower end, and if it depreciates, more towards the higher end. That provides clarity for analyzing the margins, which are the real driver for the bottom line.

Can you share the current utilization rate, what it used to be, and how it differs across your markets?

Asif Peer

Yes, utilization has improved by a few basis points over the last few quarters. Marketwise, Pakistan has the lowest utilization, while the US has the highest, followed by Europe. The Middle East is in between, with Saudi specifically having lower utilization. We're focused on turning around low-utilization regions, particularly Pakistan. Moving it from -7% to +7% or +10% would create a significant improvement, and we're working on a steady recovery. In the next couple of quarters, this improvement should become visible.

Zubair Hussain

Would it be fair to say that Q2 has been the lowest for margins?

Asif Peer

Yes, it was the lowest for a few reasons, including two Eid holidays in the same quarter, which impacted our operations. This seasonality isn't typical; normally, the holidays are split across quarters, but this time both fell in one, along with some other contributing factors.

Zubair Hussain

With the ongoing boom in data centers and generative AI, does Systems Limited have any plans to leverage these in the future?

Asif Peer

We're not planning on entering the data center business. We prefer to focus on our strengths rather than setting up data centers. However, AI and generative AI are a focus; we've developed use cases across several industries.

Roohi Khan

There are more questions about our AI offerings. Asif, could you elaborate on the sectors we're targeting with AI and how it impacts Systems Limited, our in-house operations, and legacy software?

Asif Peer

I have already shared our offerings, and you are familiar with the verticals. We have highlighted banking and BFSI as one of our key verticals, where we are very deep. Telco is another vertical in the region where we are also deeply involved, along with the government and public sector.

We have strong engagements in retail, CPG, and pharma, primarily in America and Europe, with less presence in our region. We are very much aligned with our chosen verticals and are being selective in opening new ones. While we have opportunities in the banking and financial sectors, we recognize there is still a lot to explore.

From an offering perspective, I want to reiterate that the digital wave, data wave, and AI wave are not going to end. The AI wave has just started, and you cannot implement AI or generative AI without data and cloud. Therefore, cloud and data are fundamental to our services in AI and generative AI. These offerings are relevant to our current strategy; we are not engaged in any legacy work.

We are focusing on cutting-edge technologies and utilizing all the relevant Microsoft tools, IBM solutions, Salesforce, and SAP strategies, aligning with leading platforms like Temenos for core banking. We are committed to following our principal partners, who invest billions of dollars to remain relevant in the market space, including Amazon, Google, and Microsoft.

If they were to become redundant, we would face similar challenges. We are adopting their practices to enhance our delivery capabilities, drive innovation, and create intellectual property in these verticals to establish a competitive advantage. Our approach is not simply about being a low-cost provider; we present a strong value proposition. We showcase ten use cases of AI, solving customer problems in your vertical, and demonstrate our ROI to customers, reflecting what we can achieve.

We have been building these capabilities over the last few years, and now our offerings are becoming more solid and continuously improving. However, nothing remains solid in our world; change is constant. We must remain adaptable, improving every day because no one has all the answers.

Zubair Hussain

Is the 25-plus million-dollar customer new, or is it an older customer turning into a 25 million customer?

Asif Peer

I wish there were a crystal ball that could predict when a new customer comes and within one year turns into a 25-million-dollar customer. It's not easy to recognize revenue in that space with new customers.

It involves a graduation from one tier to another, as I explained in my client slide. That's our target: the 25-million-dollar customer needs to graduate to 50 million, a 10 million customer to 25 million, and a 3 to 5 million customer to 5-10 million. This is our ambition.

Our focus is to keep expanding through cross-selling and upselling. We don't have enough clients; 250 clients are not sufficient. Active clients must be paying and satisfied to achieve an average revenue of even a couple of million.

Zubair Hussain

Do you look to collaborate with local companies?

Asif Peer

Yes, we are already collaborating with them. It might seem like we are helping everyone who approaches us. As the largest player, we are open to collaboration.

Zubair Hussain

You mentioned that you are not looking at the data center opportunity.

Asif Peer

The data center has two components: the service component and the hardware component. We are focusing on the service component. We will always remain focused on our core strength, which is services, not hardware sales. We cannot just import hardware and establish a data center and claim we have done the work. That does not add any value.

Zubair Hussain

So you will provide services or collaborate with others on the server side?

Asif Peer

If a large player approaches us for services, we can discuss how to secure their data center, the necessary managed services, and how to provision effectively.

I can elaborate on how we can provide local and industry cloud solutions to local companies, as local cloud strategies are essential. For example, banking customers still work with the State Bank, but they cannot host everything with hyperscalers like Amazon and Azure.

We have significant potential in Pakistan for these types of services. If someone compensates us well, we will take on the project; if not, we will not. It's as simple as that.

Zubair Hussain

Can you share the breakdown of employee outsourcing business versus project delivery?

Asif Peer

It's a hybrid model. Most of our projects transition into managed services and resource outsourcing. When a project ends, the engagement continues. We aim for projects to convert into resource-managed services, as that's essential for maintaining relationships.

While projects constitute a smaller percentage, that aligns with our goal; we don't want the relationship to end when a project concludes.

Zubair Hussain

Other than fluctuating currency rates, what other challenges might Systems Limited face now or in the future?

Asif Peer

External risks are a concern. Events like regional conflicts can arise unexpectedly. There are also travel issues; many people are leaving the country due to social unrest.

A normal turnover of 10 to 15% is acceptable, but if there's a mass exodus, it poses a risk. This challenge is common across industries, especially in the intellectual and service sectors. You can see how many analysts have moved to the Saudi market.

Zubair Hussain

In my opinion, the fiscal space that the oil and gas markets provided to Middle Eastern players has diminished. The ability to attract talent is linked to their fiscal capacity.

Asif Peer

It has slowed down, and visa issues have also become more significant. For example, if a certain number of people were leaving in January, there is now a substantial drop in available opportunities.

As you noted, the opportunity space shrinks when everything else is expanding. Every Giga project is becoming less relevant and focusing on a narrower scope. The visa regime has changed; not everyone is securing visas, and while not everyone wants to leave, not everyone can.

Zubair Hussain

This raises a concern. The focus now seems more concentrated on the Middle Eastern region. Given the current situation, how adaptable and agile are you in resource allocation? If anything goes wrong, how can you cross-sell or transition to another region?

Asif Peer

Europe and America represent significant markets for us. We have yet to fully explore them. The Middle East is a low-hanging fruit, with considerable demand that isn't being addressed—it's an unaddressed market.

The competition exists but is not as fierce as in more mature markets. In Pakistan, our acceptability as an offshore center is better compared to other regions.

When you have resources, frameworks, and cutting-edge technology, companies in Europe and America value talent and solutions over location.

We are well-diversified, and I'm confident these markets will provide referenceable assets that we couldn't tap into previously. Now, we're a sizable company, able to be recognized in the region.

We need to reach a certain scale before implementing a strategy for America and Europe. That will be impactful because we can then be seen as a company with over 10,000 employees and extensive references. The regional channels we are establishing will transition to a global presence, allowing regional players to become global companies.

Zubair Hussain

Well answered.

Systems Limited's stock has experienced a significant rerating from a forward P/E of 20 to the current 8 or 9.

Asif Peer

We started with a P/E of 33, if you recall.

Zubair Hussain

Yes, that's correct. However, it would be more effective if you address the question after hearing the complete context. Given the company's exceptional ROE, is management considering a share buyback to enhance shareholder value? Many firms leverage this strategy due to its lower cost compared to equity for repurchasing shares. What are your views on this?

Asif Peer

A simple answer to that question is that we are growing. We need to utilize that cash for our growth. As you have seen, we are experiencing 28% growth and have not borrowed heavily from the market. We have almost zero debt.

The result is a zero-debt company. While having zero debt isn't ideal, it doesn't mean it's necessarily bad. Equity is important, but let's consider this: if we have $100 million in cash, instead of buying back Systems Limited shares just to increase the share price, why not invest that $100 million to create a $1 billion revenue company? When the revenue is there, the share price and margins will naturally increase, enhancing shareholder value.

It's the growth mindset that matters. We are not driving the share price; we are driving growth. Management believes that growth will determine our future. The market gives us an 8 P/E or a 6 P/E, which is beyond my control. It's important to understand that many people don't grasp the services business in this country.

Once they do, and international investors look at peer companies, they will see examples of similar-sized companies with P/E ratios of 30, 40, or 50, even with lower growth percentages. Many Indian companies are growing in the single digits, while others show exceptional growth. Their multiples are often 30, 40, 50, 60, or even 80 or 90 because they are high-growth companies, even with similar or lower margins.

For instance, look at companies with a 40x P/E ratio and margins of 8-10% and growth of 10-20%. We are beating these regional companies across various KPIs. The "Rule of 40" in the services business states that EBITDA plus growth should exceed 40% to be considered a top-notch company in the service industry. We consistently outperform this golden ratio.

You cannot view margins in isolation; it's a terrible mistake. Investment is crucial, and our investments are primarily OPEX-based. Therefore, EBITDA plus growth should be evaluated together. Isolating these metrics leads to misunderstandings.

Foreign investors typically have a different approach to comparisons. That's reflected in our annual report shareholding pattern, where we have more foreign shareholders than local ones. They understand that to buy shares of a company like Systems Limited, they often must pay three to four times what they would for local peers. While certain discounting metrics apply, a discount cannot be one-third.

Zubair Hussain

While our discussion has focused on growth in the Middle East, you have also opened several outlets and franchises in the APAC region. We haven't heard much about that. Is the market small, and is there success there?

Asif Peer

Success depends on where we focus our best people. When we identify a low-hanging fruit market, we can rapidly grow it. However, the APAC region will take time due to its distance and less favorable visa regime. We're not closing those outlets; they will perform, but it may take a couple of years before they become significant.

Zubair Hussain

So, it's essentially a choice.

Asif Peer

Of course, it's a choice. Not everything can grow exponentially. We need to pick our battles strategically and not lose opportunities that are available.

Roohi Khan

We're running out of time, but there are a few questions about customers. How are we growing our customer base? When we acquire a smaller customer, how do we develop them into a larger customer, like a $10 million customer? Additionally, what differentiates Systems Limited from other peer companies or competitors?

Asif Peer:

Growth is quite simple. When you enter an account with a smaller project, your priority is to deliver quality. This determines whether the client is a good fit for us.

The first question we ask is about our qualification criteria. If a customer has an IT budget of only $500,000, we typically won't pursue that relationship. Such projects may end without any potential for growth. Thus, selecting the right customers is crucial in our field.

Previously, we didn't do this because we were smaller and accepted every opportunity that came our way. We didn't have the luxury to be selective; we just signed contracts and delivered, regardless of the outcome. Now, our focus has shifted.

When engaging with enterprise customers—specifically medium to large organizations with significant budgets—we start with small projects to learn and expand. We offer a wide range of services, including infrastructure, security, digital solutions, data management, and cloud services, covering the entire IT spectrum. With multiple channel partners, every customer can be relevant to us, providing ample opportunities for growth.

The second question revolves around our unique selling proposition (USP). Our success, albeit modest, comes from delivering top-notch service. For instance, consider TCS (Tata Consultancy Services); their customer stratification in annual reports shows that they focus on large customers, often starting with those in the $100 million range. They offer stellar service to their top clients, while smaller customers receive average or below-average attention.

We aim to provide exceptional service to customers who might otherwise be overlooked by larger firms. Even if their budgets are smaller—between $5 million and $10 million—they deserve quality service. This presents a significant market opportunity between tier one and tier two clients, creating a vast addressable market for us.

Zubair Hussain

There are a few questions left, lets cover quickly before we run out of time. Could you share the revenue composition by geography and industry, particularly in banking and telecom? What sort of revenues are contributed by each sector, such as cloud solutions and ERP implementations?

Asif Peer

We have a breakdown of that information. Primarily, our revenue comes from digital services, which encompass a full spectrum including digital data, cloud, and AI—all of which are interrelated. You can't effectively implement a major data project without cloud support, nor can you apply AI without quality data engineering in place.

These services are tightly integrated, creating numerous cross-selling and upselling opportunities for us.

Zubair Hussain

What do you see as the future driving factors for Systems Limited, particularly regarding monetizing NDC and investments in the Middle East? Also, could you share your experience with the NDC acquisition?

Asif Peer

The NDC experience was a significant learning opportunity, as it was our first acquisition. While there were challenges initially, our team integrated the acquisition well, transforming it into a valuable asset. I'll be honest; I expected results within six months, but it took us one and a half to two years to realize the benefits fully.

Now, we see substantial opportunities ahead. Although I believe we could have done better in the last two years, we've set a strong foundation. The progress we've made in the past nine months has been promising, and I anticipate significant improvements in the coming quarters.

Zubair Hussain

When does Systems Limited expect to become a unicorn?

Asif Peer

Unicorn status is not our KPI. Our goal is to reach $1 billion in revenue.

Zubair Hussain

Regarding NDC, how active are you in seeking inorganic growth opportunities, especially considering the openness and the funding from the State Bank?

Asif Peer

This year we've been focused on fixing many internal issues, such as pressure on margins. We initially planned for currency depreciation but faced unexpected currency appreciation instead, which depressed our margins. Therefore, our management's focus has been on growth and margin improvement. We should have pursued inorganic growth, but unforeseen conditions held us back.

We did a lot of lobbying, and it wasn’t an automatic process; we had to set the groundwork and get approvals, which required significant effort this year. Now that we have that established, we aim to move forward.

I don’t want to take on too much that diverts us from our profitability and growth targets. Once we are confident that all segments and markets have turned around, we will pursue growth opportunities. The funding is there now, and we have a complete game plan for the market, sector, technology, and the type of companies we want to engage with. We just need to execute.

Zubair Hussain

The selling and distribution expenses for North America and Europe were higher quarter on quarter. Can you explain why?

Asif Peer

The growth is evident, especially in Europe, where we’ve signed a direct business deal with a large customer. We needed to invest to grow that account. We see significant untapped potential in Europe and North America. While we may not be fully established there yet, there’s room for growth.

Zubair Hussain

How long do you see the IT companies remaining outside the normal tax regime?

Asif Peer

I wish I had a crystal ball to answer that. I believe it will last at least five to ten years. For Pakistan to make a real difference, IT exports, including IT-enabled services and BPO, are crucial.

We are now actively focusing on finance and accounting, as well as other outsourcing shared services, similar to what many Indian companies have done. There’s a unique opportunity to grow these services because there’s a lot of talent in Pakistan for finance and procurement. With advancements in digital services and automation, we can combine shared services with technologies like RPA, IPA, AI, and generative AI. We've already won a couple of deals that give us confidence in scaling this area rapidly.

Zubair Hussain

Can you share the names of any well-known customers you work with?

Asif Peer

What truly matters is that we are signing quality enterprise customers and being selective in our business agreements. That’s the key takeaway for you at your level; the names don’t really matter. Honestly, we need more competition in Pakistan. It fosters a better ecosystem. Right now, the lack of competition doesn’t help build the industry. I sincerely hope for more competition in Pakistan.

Zubair Hussain

I think we've addressed most of the questions. If there's anything left, both Insight Securities and the management of Systems Limited would be happy to help. Feel free to reach out, and we'll get your questions answered. Thank you very much, Asif, Roohi, and Tahir. We appreciate the entire management team at Systems Limited for such an enlightening session. We look forward to more sessions like this.

On that note, I'd like to close the session. Thank you so much!

Asif Peer

Thank you.

Roohi Khan

Thank you very much.