

Presight AI Holding PLC

Increased international revenue contribution boosted the top-line

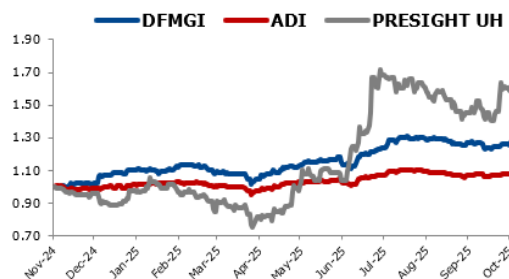
Current Price
AED 2.71

Target Price
AED 3.55

Upside/Downside (%)
+31%

Rating
BUY

- Maintains debt-free balance sheet with healthy cash balance of AED 1.9 Bn during 3Q25, providing financial support for future organic and inorganic growth.
- Order backlog grew from AED 1.6 Bn 3Q24 to AED 3.7 Bn in 3Q25.
- Generated 49.0% of revenue from backlog in 3Q25, compared to 74.4% in 3Q24.
- Secured new pipeline deals, launched Azure-based solutions, and initiated a USD 100 Mn innovation fund to advance AI innovation and ecosystem growth in 3Q25.
- Management reaffirmed its target of 25-30% Implied EBITDA margin for medium term.



Stock Information

Market Cap (AED, Mn)	15,199.52
Paid Up Capital (Mn)	560.87
52 Week High	4.10
52 Week Low	1.69
3M Avg. daily value (AED)	26,897,180

3Q25 Net Profit higher than our estimate

Presight AI Holdings PLC (Presight AI/the Company) Net profit increased 7.8% YOY to AED 105 Mn in 3Q25, higher than our estimate of AED 92 Mn. The increase in net profit is primarily attributable to a rise in revenue due to strong growth in sale of hardware and software licenses, coupled with decline in NCI, partially offset by higher cost of sales, G&A and marketing expenses, lower finance income and higher tax expenses.

P&L Highlights

Presight revenue rose 15.3% YOY to AED 653 Mn in 3Q25, driven by continued deployment of ENERGYai, rise in international expansion, execution of multi-year projects, and strong order inflows. The Company's organic growth increased 14.2% YOY in 3Q25, supported by steady progress on projects in Angola, Kazakhstan, and Jordan, along with the contribution from a one-off services deployment. AIQ contributed AED 156 Mn in revenue during 3Q25, equivalent to 23.8% of group revenue. Similarly, multi-year contracts contributed AED 498 Mn, representing 76.3% of total group revenue in 3Q25. Revenue from backlog contracts accounted for 49.0% (AED 320 Mn) of total revenue in 3Q25, compared to 74.4% (AED 421 Mn) in 3Q24. Revenue contribution from international market grew significantly from 14.3% (AED 81 Mn) in 3Q24 to 46.0% (AED 300 Mn) in 3Q25. Revenue from project services declined marginally from AED 554 Mn in 3Q24 to AED 551 Mn in 3Q25. Meanwhile, revenue from the sale of hardware and software licenses boosted substantially from AED 13 Mn in 3Q24 to AED 102 Mn in 3Q25. The Company's cost of sales increased 12.9% YOY to AED 408 Mn in 3Q25, mainly attributable to a rise in staff costs and higher sub-contractors. As a result, gross profit grew 19.5% YOY to AED 245 Mn in 3Q25, due to growth in revenue which surpassed increase in cost of sales. Gross profit margin expanded from 36.2% in 3Q24 to 37.5% in 3Q25.

3Q25 Result Review (AED, Mn)

Total Assets	5,719
Total Liabilities	1,541
Total Equity	4,178
EBITDA	132
Net Profit	105

Financial Ratios

Dividend Yield (12m)	N/A
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	28.85
Price-to-Book Ratio (x)	4.02
Book Value (AED)	0.67
Return-on Equity (%)	15.68

Stock Performance

5 Days	-21.90%
1 Months	-27.54%
3 Months	-23.66%
6 Months	8.84%
1 Year	18.34%
Month to Date (MTD%)	-24.93%
Quarter to Date (QTD%)	-16.36%
Year to Date (YTD%)	30.92%

G&A and marketing expenses increased 26.9% YOY to AED 129 Mn in 3Q25. The rise is mainly attributed to higher staff costs, support services & manpower, marketing expenses, depreciation and amortization expenses. Finance income fell 4.4% YOY to AED 16 Mn in 3Q25. Presight AI's EBITDA rose 14.2% YOY to AED 132 Mn in 3Q25, due to strong growth in organic EBITDA, which grew 37.2% YOY, partially offset by a softer contribution from AIQ's quarterly deployment mix. However, EBITDA margin declined 20 bps YOY to 20.1% in 3Q25, due to robust growth in organic margin, which expanded 360 bps, partially offset by the impact of AIQ's deployment mix and ongoing investments to support growth. The Company incurred an income tax expense of AED 21 Mn in 3Q25, compared to AED 11 Mn in 3Q24, following the implementation of the Pillar Two global minimum tax framework. Furthermore, the Company NCI stood at AED 6 Mn in 3Q25, compared to AED 12 Mn in 3Q24.

Balance Sheet Highlights

Presight AI cash flow from operations stood at negative AED 123 Mn in 3Q25 compared to positive AED 334 Mn in 3Q24, primarily due to the phasing of domestic collections, which are expected to materialize in 4Q25. The Company's investment in working capital reached AED 198 Mn in 3Q25 compared to cash generation of AED 221 Mn in 3Q24. The cash and bank balances stood at AED 1.9 Bn in 3Q25, compared to AED 2.0 Bn in 2Q25. The Company also boasts a debt-free balance sheet.

Target Price and Rating

We revise our rating on Presight AI from HOLD to BUY with an unchanged target price of AED 3.55. The Company's net profit increased primarily due to double-digit growth in revenue supported by the discipline domestic expansion, continued deployment of ENERGYai, expanding international operations, successful execution of multi-year projects, and robust order inflows. Presight secured new orders worth AED 685 Mn in 3Q25, comprising new domestic contracts and repeat international orders, thus bringing total order intake to AED 2.44 Bn for the first nine months of 2025. Furthermore, the Company's order backlog increased from AED 1.6 Bn 3Q24 to AED 3.7 Bn in 3Q25. Additionally, the Company achieved new pipeline agreements, launched Azure-hosted solutions, successfully completed the Accelerator Bootcamp, and the initiated USD 100 Mn innovation fund to support AI-driven innovation and ecosystem development in 3Q25. This demonstrated the Company's strong execution capabilities and strategic focus on expanding its technology ecosystem. Presight secured new Abu Dhabi government contracts across data & AI enablement, digital platform upgrades for SME procurement, and advanced AI policing solutions. These agreements strengthen its role in government digital transformation, enhance operational efficiency, and support the adoption of scalable, data-driven technologies across key public-sector entities. Presight and its subsidiary AIQ signed multiple MoUs at GITEX Global 2025 with key UAE and regional entities to advance AI adoption across sectors such as public safety, industry, legal services, mobility, and energy. These agreements aim to enhance digital transformation, operational efficiency, and innovation through AI-driven solutions. Furthermore, the Company strengthened its global footprint through MoUs with entities in Tajikistan, Azerbaijan, and the UAE to advance national AI ecosystems and digital transformation. Additionally, AIQ partnered with ADNOC, SPE, and SLB to co-develop AI-driven energy and subsurface solutions. Presight signed three landmark agreements in 3Q25 to accelerate growth in its Finance vertical, including partnerships with the Central Bank of the UAE, Emirates Institute of Finance, and Dow Jones Factiva. These collaborations aim to embed Agentic AI in financial systems, enhancing risk management, compliance, and digital finance innovation across the GCC. Presight launched NewsPulse in September 2025, an AI-driven news analytics platform on Microsoft Azure Marketplace, using LLMs and RAG to deliver real-time insights and automated reports for global enterprises. The Company's expanded its presence in Kazakhstan by launching nation's first supercomputer, a 2.4 MWT data center, and an AI R&D Lab in Alem.AI. Management reaffirmed its target of 25–30% Implied EBITDA margin, expecting a recovery within this range by year-end as software revenues rise and project mix normalizes. Further, the company anticipates FY 2025 growth in Revenue, EBITDA and Profit after Tax to be in line with medium-term guidance (Revenue growth of 21-27%, EBITDA growth of 17-22%, Profit after Tax growth of 7-12%). Thus, considering the above-mentioned factors, we assign a BUY rating on the stock.

Presight - Relative valuation

(at CMP)	2023	2024	2025F
EV/EBITDA (x)	23.5	23.4	19.8
PE (x)	24.4	31.4	29.9
PB (x)	4.7	4.7	4.1
EPS	0.120	0.093	0.098
BVPS	0.624	0.623	0.721

FABS Estimates & Co Data

Presight - P&L

AED Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY	QOQ Ch	2024	2025F	YOY Ch
Revenue	566	524	653	645	1.1%	15.3%	24.6%	2,213	2,830	27.9%
Cost of sales	-361	-356	-408	-413	-1.3%	12.9%	14.6%	-1,272	-1,655	30.1%
Gross Profit	205	168	245	232	5.4%	19.5%	45.9%	941	1,176	24.9%
G&A & marketing exp	-102	-81	-129	-119	8.4%	26.9%	60.4%	-346	-487	40.7%
Finance income	17	18	16	13	27.6%	-4.4%	-7.6%	78	58	-25.6%
EBITDA	115	104	132	127	3.2%	14.2%	26.2%	634	750	18.3%
Profit before tax	120	105	132	126	4.8%	9.8%	25.8%	674	747	10.9%
Income tax expense	-11	-15	-21	-19	13.8%	97.9%	42.7%	-61	-112	84.4%
NCI	12	13	6	15	-61.5%	-52.5%	-54.3%	89	86	-3.4%
Net Profit	97	77	105	92	13.9%	7.8%	35.6%	524	549	4.8%

FABS estimate & Co Data

Presight AI - Margins

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Gross Profit	36.2%	32.0%	37.5%	132	547	42.5%	41.5%	-99
EBITDA	20.3%	19.9%	20.1%	-20	25	28.7%	26.5%	-215
Net Profit	17.1%	14.7%	16.0%	-112	130	23.7%	19.4%	-427

FABS estimate & Co Data

Key Developments

- 23 October 2025:** Presight AI signed an MoU with ALPHA X to accelerate digital transformation across global markets. The partnership aims to establish a high-computing AI data centre and innovation hub, expand Presight's Intelli Platform for smart city and traffic solutions, and drive AI-led innovation and international business growth.
- 16 October 2025:** Presight AI signed an MoU with Dubai Taxi Company PJSC (DTC) during GITEX Global 2025 to advance Dubai's transition to smart and sustainable transport. The collaboration aims to embed AI-driven cognitive mobility solutions that enhance fleet performance, customer experience, and sustainability, reinforcing DTC's digital transformation and ambition to become a technology-driven mobility leader.
- 22 September 2025:** Presight and Shorooq launched a USD 100 Mn global AI innovation fund to invest in next-generation AI ventures worldwide. The fund combines Presight's AI expertise with Shorooq's investment capabilities to drive innovation and global industry transformation.

- **19 September 2025:** Presight signed two MoUs with the Government of Azerbaijan to support the nation's AI strategy and education initiatives, focusing on digital transformation and AI-driven learning solutions. The partnership aims to advance Azerbaijan's AI Strategy 2025–2028 and foster innovation, talent, and long-term prosperity.
- **04 September 2025:** G42 successfully completed the sale of 118 Mn shares ($\approx 2\%$ stake) in Presight AI through an accelerated bookbuild, raising around AED 370 Mn (USD 100 Mn). The transaction broadens institutional ownership, enhances free float, and improves trading liquidity, with G42 retaining a 68.5% stake post-sale.
- **03 September 2025:** G42 announced plans to offer around 2% of its stake in Presight AI through an accelerated bookbuild to institutional investors, aiming to broaden investor base and enhance liquidity ahead of Presight's FTSE Emerging Market Index inclusion. Following the sale, G42 will retain a 68.5% stake with an 180-day lock-up period.
- **19 August 2025:** Presight joined the Emirates Institute of Finance's Innovation Hub initiative alongside major banks to explore traditional and generative AI applications in financial services. The collaboration aims to enhance efficiency, cybersecurity, and customer experience, supporting the UAE's drive for responsible AI adoption and digital transformation.
- **08 August 2025:** Presight signed an MoU with Dow Jones Factiva to co-develop AI-driven risk and compliance solutions for financial institutions, regulators, and sovereign entities. The partnership combines Dow Jones' regulatory intelligence with Presight's sovereign AI capabilities to enhance KYC, sustainability monitoring, and sanctions intelligence across global markets.
- **23 July 2025:** The Central Bank of the UAE (CBUAE) and Presight launched a technology services joint venture to advance the UAE's Financial Infrastructure Transformation Programme (FIT). The venture will develop AI-powered platforms supporting key systems such as CBDC, Aani, Jaywan, RTGS, and Open Finance (Nebras) to strengthen the nation's financial ecosystem.
- **21 July 2025:** Presight signed a strategic MoU with Tajikistan's Ministry of Industry and New Technologies to advance the nation's AI ecosystem. The collaboration aims to pilot AI-powered solutions across smart cities, energy, and cybersecurity, and explore innovations in critical infrastructure including Dushanbe International Airport.
- **15 July 2025:** Kazakhstan launched its first national supercomputer in partnership with Presight, marking a major step in its digital transformation journey. The AI-powered system will drive advanced research, secure data infrastructure, and regional collaboration, reinforcing Kazakhstan's position as a leading AI and cloud computing hub.
- **02 June 2025:** Malaysia's MMAI Technologies and UAE-based Presight signed a landmark AI partnership to accelerate Malaysia's digital transformation. The collaboration focuses on sovereign cloud infrastructure and AI solutions to enhance national security, public safety, and government efficiency, marking Presight's first major initiative in Southeast Asia.

- **27 May 2025:** The Abu Dhabi Department of Energy signed an MoU with Presight and AIQ to advance AI and digital transformation in the energy sector. The partnership aims to establish an AI-driven control center, an AI Lab-as-a-Service, and a sovereign data hub to enhance energy efficiency, security, and sustainability.
- **21 May 2025:** The UAE Media Council awarded Presight a contract to develop the Unified Media AI and Analytics Platform, the nation's first AI-powered system for content regulation. The platform will analyze and validate media materials before release, ensuring compliance with UAE laws, values, and standards.
- **19 May 2025:** The National Media Office awarded Presight a strategic contract to deploy AI solutions that enhance narrative integrity, media governance, and national media strategy. The partnership will leverage AI-driven insights and a unified data hub to strengthen media coordination, sentiment analysis, and alignment with UAE's national priorities.
- **04 April 2025:** EDGE Group's Beacon Red signed an MoU with Presight AI to jointly develop advanced AI-powered security and analytics solutions. The partnership aims to combine Presight's AI expertise with Beacon Red's security capabilities to drive projects in smart cities, digital transformation, and international security markets.
- **10 March 2025:** AIQ, a Presight company, secured a USD 340 Mn contract with ADNOC to deploy ENERGYai and related AI solutions across its upstream operations. The three-year rollout will enhance efficiency, reduce costs and emissions, and accelerate key processes such as seismic analysis and geological modeling through advanced agentic AI technology.
- **26 February 2025:** Presight launched Presight Synergy, an enterprise-grade data and AI platform designed to unify data management, analytics, and business intelligence. The platform enables faster, low-code AI adoption, cutting development time by 50% and reducing coding and service costs by up to 30–50%, enhancing efficiency and scalability.
- **24 February 2025:** Presight signed a letter of engagement with Albania's Ministry of Interior to implement a nationwide AI-powered smart city project across 20 cities. The initiative will modernize public services, optimize traffic management, and support Albania's digital transformation, positioning it among Europe's leading AI-driven nations.
- **15 February 2025:** Presight signed a USD 190 Mn, six-year agreement with the City of Astana to implement an AI-powered smart city project aimed at digitizing infrastructure, optimizing traffic, and enhancing public services. The initiative will deploy IoT-enabled systems and a city-wide digital twin to improve sustainability, safety, and livability.
- **06 November 2024:** Presight welcomed the launch of ENERGYai, an AIQ and ADNOC-developed agentic AI solution unveiled at ADIPEC 2024, highlighting its transformative potential for the global energy sector. The company emphasized its strategic collaboration with ADNOC, G42, and Microsoft to scale the solution across ADNOC's entire value chain.

Valuation:

We use Discounted Free Cash Flow (DCF) and relative valuation methods to value Presight. In the relative valuation, an average of EV/EBITDA and PE multiple is used for valuation. We have assigned 70% weight to DCF and 30% to relative valuation.

Valuation Method	Target	Weight	Weighted Value
DCF Method	3.82	70.0%	2.67
Relative Valuation	2.93	30.0%	0.88
Weighted Average Valuation (AED)			3.55
Current market price (AED)			2.71
Upside/Downside (%)			+31.0%

1) DCF Method:

Presight AI is valued using free cash flow to equity. We have discounted the cash flow using the cost of equity of 8.9%. The cost of equity is calculated using a 10-year government bond yield of 4.8%, a beta of 1.00, and an equity risk premium of 4.1%. Government bond yield is calculated after adding Abu Dhabi's 10-year spread over a 10-year US risk-free rate. Also, assumed a terminal growth rate of 3.5%.

Sum of PV (AED, Mn)	3,762
Terminal value (AED, Mn)	17,664
FV to Common shareholders (AED, Mn)	21,426
No. of share (Mn)	5,609
Current Market Price (AED)	2.71
Fair Value per share (AED)	3.82

DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Net profit	549	662	805	966	1,089	1,196
Depreciation & amortization	50	61	80	98	113	138
(-) CAPEX	-3	-4	-4	-5	-6	-6
Working Capital	-132	-137	-114	-93	53	97
Net change in debt	-9	-11	-13	-16	-19	-22
Free Cash Flow to Equity (FCFE)	456	571	754	949	1,230	1,403
Discounting Factor	0.99	0.91	0.83	0.77	0.70	0.65
Discounted FCFE	113¹	519	629	728	866	908

Source: FAB Securities, ¹Adjusted for partial year

2) Relative Valuation:

We have used local as well as international peers to value Presight, and it is valued using the average of EV/EBITDA, EV/Sales, and PE multiple. It is valued at a 2026 EV/EBITDA multiple of 17.1x, an EV/Sales Multiple of 4.2x, and PE multiple of 23.6x in line with peers.

Company	Market (USD Mn)	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F	2025F	2026F
Palantir Technologies	438,957	98.1x	70.8x	198.5x	138.6x	254.4x	187.0x
Informatica	7,663	4.7x	4.5x	13.9x	13.1x	21.3x	19.4x
Coforge Limited	6,909	4.1x	3.9x	25.5x	22.1x	54.4x	42.5x
Appier Group	818	2.6x	2.1x	15.0x	10.1x	36.8x	21.5x
ELM	17,218	6.5x	5.4x	25.0x	21.1x	28.9x	25.7x
Solutions	7,484	2.1x	1.9x	13.4x	11.9x	17.8x	15.7x
Average		19.7x	14.8x	48.6x	36.2x	68.9x	52.0x
Median		4.4x	4.2x	20.0x	17.1x	32.8x	23.6x
Max		6.1x	5.2x	25.3x	21.8x	50.0x	38.3x
Min		3.0x	2.5x	14.2x	12.2x	23.2x	19.9x

Source: FAB Securities

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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