FAB أبوظبي الأول للأوراق المالية SECURITIES

First Look Note | 2Q26

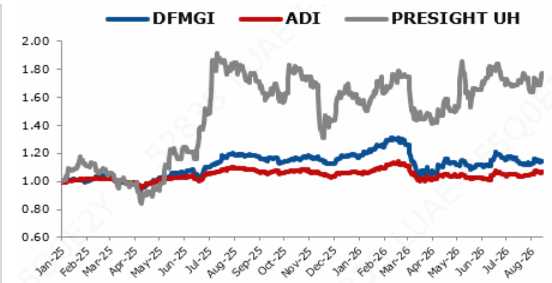
UAE Equity Research   Sector: Technology   Market: ADX

Presight AI Holding PLC

Strong domestic growth and new contract win supported performance

Current Price	Target Price	Upside/Downside (%)	Rating
AED 3.65	AED 4.20	+15%	BUY

- Presight's order pipeline remains robust, with AED 2.5 Bn of UAE orders secured during 2Q26, taking its backlog to AED 4.9 Bn.
- Revenue contribution from international market grew 23.5% to AED 167 Mn in 2Q26.
- AIQ contributed AED 214 Mn in revenue during 2Q26, equivalent to 30.0% of group revenue.
- The Company remains debt-free with cash and bank balances stood at AED 2.0 Bn in 2Q26.
- AIQ continues to expand through new engagements with ADNOC, an Indian energy and materials company, and Oman's Ras Al Hamra.



Stock Information	
Market Cap (AED, Mn)	20,696.03
Paid Up Capital (Mn)	560.87
52 Week High	3.92
52 Week Low	2.62
3M Avg. daily value	10,147,750

2Q26 Result Review (AED, Mn)	
Total Assets	6,560
Total Liabilities	1,832
Total Equity	4,728
EBITDA	144
Net Profit	103

Financial Ratios	
Dividend Yield (12m)	N/A
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	33.79
Price-to-Book Ratio (x)	4.81
Book Value (AED)	0.77
Return-on Equity (%)	15.45

Stock Performance	
5 Days	5.43%
1 Months	4.53%
3 Months	16.40%
6 Months	-0.27%
1 Year	3.94%
Month to Date (MTD%)	8.53%
Quarter to Date (QTD%)	5.43%
Year to Date (YTD%)	12.50%

2Q26 Net Profit in line with our estimate

Presight AI Holdings PLC (Presight AI/the Company) net profit increased 33.9% YOY to AED 103 Mn in 2Q26, in line with our estimate of AED 103 Mn. The growth in net profit is supported by strong revenue growth driven by new contract wins and international deployments partially offset by increase in direct costs, G&A and marketing expenses, lower finance income and increase in income tax charges.

P&L Highlights

Presight revenue rose 36.1% YOY to AED 713 Mn in 2Q26, supported by strong domestic growth from effective order backlog conversion, a major national platform renewal and new contract wins, alongside multi-year deployments across Kazakhstan, Albania, Jordan and Africa. AIQ contributed AED 214 Mn in revenue during 2Q26, equivalent to 30.0% of group revenue. Multi-year contracts contributed AED 667 Mn, representing 93.5% of total group revenue in 2Q26. Revenue from backlog contracts accounted for 63.2% (AED 451 Mn) of total revenue in 2Q26, compared to 56.4% (AED 296 Mn) in 2Q25. Revenue contribution from international market grew 23.5% to AED 167 Mn in 2Q26. Segmentally, the Company's revenue from project services increased 30% YOY to AED 633 Mn in 2Q26. Meanwhile, revenue from the sale of hardware and software licenses increase substantially from AED 37 Mn in 2Q25 to AED 80 Mn in 2Q26. The Company's cost of sales increased 40.0% YOY to AED 499 Mn in 2Q26, mainly attributable to a rise in staff costs and higher sub-contractor costs. As a result, gross profit grew 27.9% YOY to AED 215 Mn in 2Q26. However, gross profit margin declined from 32.0% in 2Q25 to 30.1% in 2Q26. G&A and marketing expenses increased 14.6% YOY to AED 92 Mn in 2Q26. Finance income decreased 21.1% YOY to AED 14 Mn in 2Q26. Presight AI's EBITDA outpaced revenue growth and grew 37.5% YOY to AED 144 Mn in 2Q26. EBITDA margin also expanded by 20 bps YOY to 20.1% in 2Q26, mainly driven by strong organic revenue growth and disciplined cost management, partly offset by an unfavorable AIQ mix. The Company incurred an income tax expense of AED 19 Mn in 2Q26, compared to AED 24 Mn in 1Q26, following the introduction of the 15% corporate tax regime. Furthermore, the Company NCI stood at AED 14 Mn in 2Q26, compared to AED 13 Mn in 2Q25.

Balance Sheet Highlights

Presight AI net cash flow from operations stood at AED 14 Mn in 2Q26, compared to negative AED 14 Mn in 2Q25. The Company's investment in working capital reached AED 130 Mn in 2Q26 compared to AED 121 Mn in 2Q25. The Company remains debt-free with cash and bank balances stood at AED 2.0 Bn in 2Q26.

Target Price and Rating

We maintain our BUY rating on Presight AI with a target price of AED 4.20. The Company recorded a healthy growth in net profit during 2Q26, due to strong growth in revenue driven by strong execution, robust order momentum and continued expansion across both domestic and international markets. Presight's order pipeline remains robust, with AED 2.5 Bn of UAE orders secured during 2Q26, taking its backlog to AED 4.9 Bn, while the 1.4x average book-to-bill ratio and 4.2-year average contract duration provide good visibility over future revenue. The Company is further steadily diversifying its international footprint through sovereign MOUs in Kazakhstan Montenegro, Africa and other emerging markets, with new sovereign and enterprise engagements providing additional avenues for growth. AIQ also continues to expand its contribution through a new ADNOC contract for AI-powered video analytics, a long-term contract with an Indian energy and materials company, and an MOU with Oman's Ras Al Hamra, while its portfolio is expected to deliver USD 10 Bn in value to clients over the next five years. Presight's AI Accelerator received 376 applications from 62 countries, a 3x increase in interest, highlighting strong demand for its AI ecosystem. Presight further expects fixed costs and investments as a percentage of revenue to decline from 2H26 onwards, while margins on international projects should improve as initial greenfield deployments mature and subsequent phases become increasingly software-led. This should allow Presight to benefit from greater operating leverage over time. Presight expects this model to play out in Angola, Kazakhstan and the Balkans, with later project phases delivering better margins. The Company expanded its agentic AI capabilities in the UAE through a partnership with the Abu Dhabi Chamber of Commerce and Industry, enabling the deployment of AI solutions across more than 102,000 SMEs and supporting the UAE's transition toward an AI-native government. In Kazakhstan, Presight strengthened its presence through an MoU with the Almaty Mayor's Office to explore AI-enabled urban infrastructure and a unified operating layer, including an AI data center, while also evaluating an intelligent agent platform for road safety with the Ministry of Transport. Meanwhile, Presight expects Stargate's first 200 MW to become operational by late 3Q26-4Q26, with digital-embassy infrastructure targeted for end-2027 to facilitate the deployment of AI solutions across international markets. The Company is also developing AI solutions on Kazakhstan's supercomputing infrastructure, while in Azerbaijan it is focusing on AI software applications for gas and utility grids, with potential contracts offering additional upside to the current backlog. Presight also maintained its medium-term guidance, targeting 2025-2029 CAGRs of 20-25% for revenue, 23-28% for EBITDA and 21-26% for net profit. Moreover, the company expects required 2H26 contribution to full year outturn (2026) with group revenue contributing between (61.4-63.0%), group EBITDA contributing between (68.7-69.9%) and group profit after Tax contributing between (68.9-70.1%). Thus, based on the above-mentioned factors we maintain BUY rating on the stock.

Presight - Relative valuation

(at CMP)	2023	2024	2025	2026F
P/E	30.6	39.3	35.3	29.7
EV/EBITDA	30.5	29.9	24.0	18.8
P/B	5.9	5.9	5.0	4.3
EPS	0.120	0.093	0.104	0.123
BVPS	0.624	0.623	0.727	0.850

FABS Estimates & Co Data

Presight – P&L

AED Mn	2Q25	1Q26	2Q26	2Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Revenue	524	689	713	710	0.5%	36.1%	3.5%	3,030	3,772	24.5%
Cost of sales	-356	-433	-499	-461	8.0%	40.0%	15.1%	-1,884	-2,331	23.8%
Gross Profit	**168**	**256**	**215**	**248**	**-13.6%**	**27.9%**	**-16.1%**	**1,146**	**1,441**	**25.7%**
G&A & marketing exp	-81	-113	-92	-121	-23.7%	14.6%	-18.3%	-425	-554	30.4%
Finance income	18	15	14	13	4.9%	-21.1%	-6.1%	63	54	-14.4%
EBITDA	**105**	**159**	**144**	**142**	**1.2%**	**37.5%**	**-9.6%**	**785**	**958**	**22.1%**
Profit before tax & NCI	**105**	**157**	**136**	**140**	**-3.1%**	**29.9%**	**-13.6%**	**785**	**942**	**19.9%**
Income tax expense	-15	-24	-19	-21	-8.6%	28.2%	-18.5%	-120	-141	18.0%
Profit before NCI	**90**	**134**	**117**	**119**	**-2.2%**	**30.2%**	**-12.7%**	**665**	**800**	**20.3%**
NCI	13	18	14	16	-15.6%	7.7%	-24.7%	83	108	30.8%
Net Profit	**77**	**116**	**103**	**103**	**-0.1%**	**33.9%**	**-10.8%**	**583**	**692**	**18.8%**

FABS estimate & Co Data

Presight AI - Margins

	2Q25	1Q26	2Q26	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Gross Profit	32.0%	37.1%	30.1%	-195	-703	37.8%	38.2%	37
EBITDA	19.9%	23.1%	20.1%	20	-292	25.9%	25.4%	-51
Net Profit	14.7%	16.8%	14.5%	-24	-233	19.2%	18.4%	-88

FABS estimate & Co Data

Key Developments

- **19 January 2026:** Presight signed an agreement with the Ministry of Foreign Trade to develop an AI-powered platform that will provide real-time trade intelligence, forecasting and smart trade services. The project strengthens Presight's role in UAE government AI adoption and supports opportunities for large-scale AI and data analytics deployments.

- **20 January 2026:** Presight signed an MoU with the Federal Competitiveness and Statistics Centre to develop the UAE's National Statistical Data Platform, integrating national data sources through AI and advanced analytics. The partnership strengthens Presight's role in UAE government digital transformation and creates opportunities for large-scale AI-driven data and analytics solutions

- **20 January 2026:** Presight, in collaboration with the UAE Cabinet and PwC, contributed to a whitepaper outlining the UAE's AI-powered Regulatory Intelligence Ecosystem, including a Unified Regulatory Digital Twin and AI-driven regulatory tools. The initiative strengthens Presight's position in AI-led government transformation and highlights opportunities to apply its analytics capabilities to next-generation regulatory systems.

- **10 February 2026:** Presight signed a long-term contract with Khazna Data Centers to deploy an AI-optimized facility management platform and centralized command and control centre. The deal strengthens Presight's position in AI-driven digital infrastructure and expands its presence in hyperscale data centre operations.

- **18 March 2026:** Presight partnered with ADNEC Group to deploy its AI-powered Intelli platform across ADNEC Centre Abu Dhabi and Al Ain, aiming to improve traffic and visitor management, crowd monitoring, health and safety, and waste management through real-time insights and predictive analytics.

- **02 April 2026:** Presight signed MoUs with Burkina Faso, Côte d'Ivoire and Gabon to support AI-driven digital transformation, public services and national infrastructure. The agreements expand Presight's presence across Africa and create opportunities for large-scale AI and digital solutions in government markets.

- **28 April 2026:** Presight partnered with NodeShift to expand sovereign AI solutions globally through joint go-to-market initiatives, supported by a significant investment from the Presight–Shorooq Fund I following NodeShift's participation in Presight's AI Accelerator Program.

- **29 April 2026:** Presight invested in Advanced Machine Intelligence (AMI) as part of its $1 billion funding round, supporting the development of world-model AI that can understand, predict, and simulate real-world environments beyond traditional language models.

- **07 May 2026:** Presight signed an MoU with the City of Almaty to develop an AI-enabled urban operating system covering mobility, public safety, municipal services, and real-time city management, supported by planned AI data-center infrastructure to accelerate the city's digital transformation.

- **14 May 2026:** Presight signed an MoU with Montenegro's Ministry of Interior to develop a national Smart Nation platform integrating AI across mobility, public safety, environmental monitoring, and emergency response, enabling faster coordination and real-time decision-making.

- **19 May 2026:** Presight signed a Cooperation Agreement with the Abu Dhabi Civil Defence Authority to deploy AI in public safety and emergency response, focusing on predictive dispatch, route optimization, early fire detection, real-time simulation, and risk mapping to improve response times and preparedness.

- **21 May 2026:** Presight partnered with the Abu Dhabi Chamber to deploy sovereign agentic AI solutions across its network of 102,000+ SMEs, helping businesses improve productivity, automate workflows, strengthen decision-making, and enhance competitiveness.

- **05 June 2026:** Presight signed an MoU with Santander to jointly develop AI solutions for banking, including AI-powered advisory, savings, agentic financial services, and large-scale AI infrastructure, combining Santander's banking expertise with Presight and G42's AI and cloud capabilities.

- **08 July 2026:** Presight signed a Term Sheet with Kazakhstan's Ministry of Transport to explore a sovereign AI-powered national transport intelligence platform, integrating monitoring systems and video analytics to improve road safety, regulatory oversight, infrastructure protection, and operational efficiency.

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Valuation:

We use Discounted Free Cash Flow (DCF) and relative valuation methods to value Presight. In the relative valuation, an average of EV/Sales, 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	4.74	70.0%	3.32
Relative Valuation	2.96	30.0%	0.89
Weighted Average Valuation (AED)			**4.20**
Current market price (AED)			3.65
Upside/Downside (%)			+15%

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 9.3%. The cost of equity is calculated using a 10-year government bond yield of 4.9%, a beta of 1.00, and an equity risk premium of 4.3%. 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)	4,004
Terminal value (AED, Mn)	22,567
FV to Common shareholders (AED, Mn)	**26,571**
No. of share (Mn)	5,609
Current Market Price (AED)	3.65
Fair Value per share (AED)	**4.74**

DCF Method

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Net profit	692	878	1,098	1,323	1,562
Depreciation & amortization	60	63	72	79	85
(-) CAPEX	-17	-20	-25	-29	-33
Working Capital	51	-157	-159	-113	229
Net change in debt	-11	-10	-10	-12	-13
Free Cash Flow to Equity (FCFE)	**776**	**755**	**976**	**1,248**	**1,829**
Discounting Factor	0.97	0.89	0.81	0.74	0.68
Discounted FCFE	**376[1]**	**669**	**791**	**926**	**1,242**

FABS Estimates & Co Data, [1]Adjusted 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 14.7x, an EV/Sales Multiple of 3.6x, and PE multiple of 26.9x in line with peers.

Company	Market (USD Mn)	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F	2026F	2027F
Palantir Technologies	420,391	50.23	33.81	81.53	53.34	109.15	75.59
Informatica	7,644	4.47	4.35	12.99	NA	NA	18.30
Coforge Limited	8,447	3.17	3.25	17.88	16.19	26.88	30.54
Appier Group	630	1.72	1.40	9.67	6.69	30.58	17.74
ELM	12,370	4.01	3.53	16.32	14.29	19.78	17.58
Solutions	6,736	1.82	1.67	11.77	10.75	16.15	14.29
Average		**10.9x**	**8.0x**	**25.0x**	**20.3x**	**40.5x**	**29.0x**
Median		**3.6x**	**3.4x**	**14.7x**	**14.3x**	**26.9x**	**18.0x**
Max		**4.4x**	**4.1x**	**17.5x**	**16.2x**	**30.6x**	**27.5x**
Min		**2.2x**	**2.1x**	**12.1x**	**10.7x**	**19.8x**	**17.6x**

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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