

## Presight AI Holdings

Current Price	Target Price	Upside/Downside (%)	Rating
AED 3.61	AED 3.55	-2%	HOLD

### 2Q25 Net Profit lower than our estimate

- Net revenue grew substantially 53.5% YOY to AED 524 Mn in 2Q24, driven by strong execution on existing contracts, accelerated international growth and continued deployment of AIQ's Energyai.
- AIQ contributed AED 158 Mn in revenue during 2Q25, equivalent to 30.1% of group revenue.
- Revenue from Project Services increased from AED 309 Mn in 2Q24 to AED 502 Mn in 2Q25. Meanwhile, revenue from the sale of hardware and software licenses declined 32.8% YOY to AED 22 Mn.
- Presight AI generated 26.8% of its revenue internationally during 2Q25 compared to 4.9% in 2Q24.
- Gross profit increased 25.8% YOY to AED 168 Mn in 2Q25, reflecting a margin of 32.0%.
- EBITDA increased substantially 45.2% YOY to AED 104 Mn in 2Q25, driven by higher revenue, a favourable product mix, and healthy contribution from AIQ.
- AIQ contributed AED 41 Mn in EBITDA during 2Q25, equivalent to 39.3% of group EBITDA.
- Presight AI recorded a net profit growth of 7.9% YOY to AED 77 Mn in 2Q25, with a net profit margin of 14.7% in 2Q25.
- Presight AI maintained a robust, debt-free position with AED 2.0 Bn in cash as of 2Q25, ensuring ample flexibility for future inorganic and organic growth.

### Earnings Call Summary

- Secured new orders of AED 300 Mn in 2Q24, leading to a solid order book of AED 1.7 Bn. Backlog stood strong at AED 3.7 Bn as of 2Q25.
- International revenue now contributes over 25% of total group revenue in 2Q25, excluding future gains from recent deals in Albania, Malaysia, and Uganda.
- Three key deals were signed in 1H25 to boost the financial vertical, a JV with the UAE Central Bank for AI-driven financial infrastructure, an MoU with EIF for AI adoption in the financial systems, and a partnership with Dow Jones to create an AI-based global risk and compliance solution.
- Launched AI Policing Suite in May 2025. It is a modular solution that leverages cutting-edge technology and advanced AI algorithms to transform public safety and law enforcement operators. Following the launch, Presight signed an MoU with Abu Dhabi Police to integrate the AI Policing Suite, enhancing data-driven law enforcement and public safety.
- Signed a contract with the UAE National Media Office and UAE Media Council to deploy AI tools for transforming the national media ecosystem and ensuring media content meets legal, ethical, and cultural standards.
- Signed agreements and MoUs with multiple governments, including Malaysia, Uganda, Tajikistan, and Côte d'Ivoire, to drive national digital transformation, AI adoption, and modernization of public services.
- AIQ signed deals with Weatherford and Gulf Energy Information, and post-June formed a JV with the UAE Central Bank to apply AI across key financial platforms.
- Presight signed agreements with HSBC, Al Maryah Community Bank, and Col42 to deploy real-world AI in everyday banking, and with Dow Jones to co-develop AI-native risk and compliance solutions for financial institutions.
- Opened its first regional hub in Kazakhstan with 50 staff, managing Central Asia operations and advancing projects like Astana Smart City.
- In July 2025, Presight and Kazakhstan's Minister of Digital Development launched Kazakhstan's first national computer to boost energy, infrastructure, and data center capabilities.

- The expansion in Kazakhstan positions AIQ to drive growth across Central Asia, building partnerships with state-owned enterprises.
- Presight strategies on targeted, high-impact growth investments rather than wholesale changes, prioritizing international expansion, product innovation, and M&A. Additionally, these investments might pressure short-term margins, but operating leverage is expected to materialize from late 2026.
- Priority has shifted from the Energy sector to financial services. Meanwhile, by the midterm, public services are projected to become the largest sector, followed by energy and financial services, with expansion hubs in Kazakhstan and Jordan supporting future growth.
- Presight is pursuing high-impact M&A, blending small venture investments with large strategic deals in energy, financial services, and sovereign AI, backed by a 200+ deal pipeline, with around 50 deals shortlisted and under review.
- Presight expects its joint venture with the Central Bank to be accretive from 2025, while the Dow Jones risk compliance AI product will launch at GITEX this year, with client contracts expected by year-end.

#### Presight AI – P&L

AED Mn	2Q24	1Q25	2Q25	2Q25F	Var.	YOY Ch	QOQ Ch
Revenue	341	564	524	528	-0.7%	53.5%	-7.1%
Cost of sales	-208	-346	-356	-332	7.1%	71.2%	2.8%
<b>Gross Profit</b>	<b>133</b>	<b>218</b>	<b>168</b>	<b>195</b>	<b>-14.0%</b>	<b>25.8%</b>	<b>-22.9%</b>
G&A & marketing exp	-67	-92	-81	-96	-16.3%	19.8%	-12.5%
Finance income	22	15	18	15	20.4%	-21.2%	14.3%
<b>EBITDA</b>	<b>72</b>	<b>141</b>	<b>104</b>	<b>108</b>	<b>-3.1%</b>	<b>45.2%</b>	<b>-26.0%</b>
<b>Profit before tax</b>	<b>88</b>	<b>141</b>	<b>105</b>	<b>113</b>	<b>-7.6%</b>	<b>18.6%</b>	<b>-25.6%</b>
Income tax expense	-8	-21	-15	-17	-11.6%	91.5%	-27.7%
<b>Profit before NCI</b>	<b>80</b>	<b>120</b>	<b>90</b>	<b>96</b>	<b>-6.9%</b>	<b>11.5%</b>	<b>-25.3%</b>
Non-controlling interest	9	11	13	12	9.3%	39.1%	10.6%
<b>Profit for the period</b>	<b>71</b>	<b>109</b>	<b>77</b>	<b>85</b>	<b>-9.1%</b>	<b>7.9%</b>	<b>-29.0%</b>

FABS estimate & Co Data

#### Guidance (2023-2027)

- Group Revenue growth of 21%-27% CAGR from previous 19%-25%.
- Group EBITDA growth of 17%-22% CAGR from previous 16%-21%.
- Group Post-tax Profit growth of 7%- 12% CAGR from previous 6%-11%, applying a 15% corporate tax rate.

## 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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