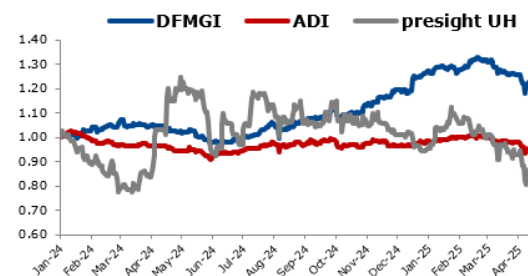


Presight AI Holding PLC

Solid backlog execution, international growth, and contribution from AIQ boosted profitability

Current Price	Target Price	Upside/Downside (%)	Rating
AED 3.56	AED 3.55	-0.3%	HOLD

- Maintains debt-free balance sheet with healthy cash balance of AED 2.0 Bn during 2Q25, providing financial support for future organic and inorganic growth.
- Revenue backlog stood at AED 3.7 Bn in 2Q25 compared to 3.9 Bn in 1Q25.
- Generated 56.4% of revenue from backlog contracts in 2Q25 and 43.6% of revenue from quick-turn contracts.
- 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.



2Q25 Net Profit lower than our estimate

Presight AI Holdings PLC (Presight AI/the Company) net profit increased 7.9% YOY to AED 77 Mn in 2Q25, lower than our estimate of AED 85 Mn. The increase in net profit is mainly attributable to a rise in revenue due to the acquisition of AIQ and execution of backlog, partially offset by higher cost of sales, G&A and marketing expenses, lower finance income and higher tax expenses.

P&L Highlights

Revenue rose 53.5% YOY to AED 524 Mn in 2Q25, driven by strong contract execution, solid contribution from AIQ, and acceleration in international growth. AIQ contributed AED 158 Mn in revenue during 2Q25, equivalent to 30.1% of group revenue. Presight's 91.6% of 2Q25 revenue is generated from multi-year contracts. Revenue from backlog contracts stood at 56.4% of 2Q25 total revenue compared to 86.8% in 2Q24. Revenue contribution from international market grew from 4.9% in 2Q24 to 26.8% in 2Q25. 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 in 2Q25. The Company's cost of sales increased significantly from AED 208 Mn in 2Q24 to AED 356 Mn in 2Q25, attributable to a rise in staff cost and higher sub-contractor and project consumables costs. However, gross profit grew 25.8% YOY to AED 168 Mn in 2Q25. Gross profit margin declined 704 bps YOY to 32.0% in 2Q25 due to high-cost expenses. G&A and marketing expenses increased 19.8% YOY to AED 81 Mn in 2Q25. The rise is mainly attributed to higher staff costs, D&A expenses, and IT expenses. Presight AI's EBITDA rose 45.2% YOY to AED 104 Mn in 2Q25, due to strong growth in organic EBITDA which grew 29.7% YOY, healthy contribution from AIQ and favourable deployment mix.

Stock Information

Market Cap (AED, Mn)	19,966.90
Paid Up Capital (Mn)	560.87
52 Week High	4.10
52 Week Low	1.69
3M Avg. daily value (AED)	40,097,160

2Q25 Result Review (AED, Mn)

Total Assets	5,405
Total Liabilities	1,337
Total Equity	4,069
EBITDA	104
Net Profit	77

Financial Ratios

Dividend Yield (12m)	NA
Dividend Pay-out (%)	NA
Price-Earnings Ratio(x)	37.35
Price-to-Book Ratio (x)	5.43
Book Value (AED)	0.66
Return-on Equity (%)	15.92

Stock Performance

5 Days	-5.82%
1 Months	-7.53%
3 Months	42.40%
6 Months	61.82%
1 Year	54.11%
Month to Date (MTD%)	-6.81%
Quarter to Date (QTD%)	14.47%
Year to Date (YTD%)	71.98%

However, EBITDA margin declined 113 bps YOY to 19.9% in 2Q25. Finance income fell 21.2% YOY to AED 18 Mn in 2Q25. Presight incurred an income tax expense of AED 15 Mn in 2Q25 under Pillar 2 global minimum tax guidance. Furthermore, the Company NCI stood at AED 13 Mn in 2Q25.

Balance Sheet Highlights

Presight AI generated a negative cash flow from operations of AED 14 Mn in 2Q25 compared to positive AED 61 Mn in 1Q25, attributable to an increase in receivables and lower profitability. The Company's investment in working capital stood at 83 Mn in 1Q25 compared to AED 121 Mn in 2Q25. The cash and bank balances remained stable at AED 2.0 Bn in 2Q25 compared to the previous quarter. The Company also boasts a debt-free balance sheet.

Target Price and Rating

We revise our rating on Presight from BUY to HOLD with a revised target price of AED 3.55. The Company's profitability increased primarily due to solid execution of backlog, strong international growth, and healthy contribution from AIQ. Presight secured new domestic orders of AED 304 Mn in 2Q25, leading to a solid order book of AED 1.7 Bn. Backlog stood firm at AED 3.7 Bn as of 2Q25, reflecting resilient revenue visibility. International revenue now contributes over 26.8% of total group revenue in 2Q25. The Company signed three key deals in 1H25, 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. Meanwhile, Presight 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. Consequently, the Company also 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. Presight opened its first regional hub in Kazakhstan with 50 staff, and 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. Additionally, the Company strategies on targeted, high-impact growth investments rather than wholesale changes, prioritizing international expansion, product innovation, and M&A. Presight shifted its priority from the Energy sector to the Financial Services sector, and by mid-term, Public Services are projected to become the largest sector, followed by Energy and Financial Services. Signing of multiple contracts and MoUs underpins Presight's long-term revenue visibility with a solid backlog. Additionally, the Company revised its mid-term guidance upwards, owing to strong 1H25 results, growing backlog, and multiple contract wins. Revenue growth is expected to grow at a CAGR of 21-27%, EBITDA with 17-22% and Post tax profit with 7-12% between 2023-27. Thus, considering the above-mentioned factors, we assign a HOLD rating on the stock.

Presight - Relative valuation

(at CMP)	2023	2024	2025F
EV/EBITDA (x)	30.3	29.8	25.1
PE (x)	30.5	39.1	36.0
PB (x)	5.8	5.9	5.0
EPS	0.120	0.093	0.101
BVPS	0.624	0.623	0.724

FABS Estimates & Co Data

Presight – P&L

AED Mn	2Q24	1Q25	2Q25	2Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Revenue	341	564	524	528	-0.7%	53.5%	-7.1%	2,213	2,830	27.9%
Cost of sales	-208	-346	-356	-332	7.1%	71.2%	2.8%	-1,272	-1,655	30.1%
Gross Profit	133	218	168	195	-14.0%	25.8%	-22.9%	941	1,176	24.9%
G&A & marketing exp	-67	-92	-81	-96	-16.3%	19.8%	-12.5%	-346	-460	33.2%
Finance income	22	15	18	15	20.4%	-21.2%	14.3%	78	58	-25.6%
EBITDA	72	141	104	108	-3.1%	45.2%	-26.0%	634	750	18.3%
Profit before tax	88	141	105	113	-7.6%	18.6%	-25.6%	674	773	14.8%
Income tax expense	-8	-21	-15	-17	-11.6%	91.5%	-27.7%	-61	-116	90.8%
Profit before NCI	80	120	90	96	-6.9%	11.5%	-25.3%	613	657	7.3%
Non-controlling interest	9	11	13	12	9.3%	39.1%	10.6%	89	89	0.0%
Net Profit	71	109	77	85	-9.1%	7.9%	-29.0%	524	569	8.5%

FABS estimate & Co Data

Presight AI - Margins

	2Q24	1Q25	2Q25	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Gross Profit	39.1%	38.6%	32.0%	-704	-656	42.5%	41.5%	-99
EBITDA	21.0%	25.0%	19.9%	-113	-509	28.7%	26.5%	-215
Net Profit	20.9%	19.3%	14.7%	-620	-455	23.7%	20.1%	-359

FABS estimate & Co Data

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	3.67	70.0%	2.57
Relative Valuation	3.27	30.0%	0.98
Weighted Average Valuation (AED)			3.55
Current market price (AED)			3.56
Upside/Downside (%)			-0.3%

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 9.0%. The cost of equity is calculated using a 10-year government bond yield of 5.1%, a beta of 1.00, and an equity risk premium of 4.9%. 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)	2,996
Terminal value (AED, Mn)	13,273
FV to Common shareholders (AED, Mn)	16,269
No. of share (Mn)	5,609
Current Market Price (AED)	3.56
Fair Value per share (AED)	3.67

DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Net profit	569	683	832	994	1,111	1,213
Depreciation & amortization	24	33	45	62	86	119
(-) 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)	449	564	746	941	1,225	1,401
Discounting Factor	0.97	0.89	0.82	0.75	0.69	0.63
Discounted FCFE	217	501	608	704	841	882

Source: FAB Securities

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 2025 EV/EBITDA multiple of 23.4x, an EV/Sales Multiple of 4.4x, and PE multiple of 38.1x 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	443,557	105.2x	78.4x	223.0x	165.9x	284.0x	220.2x
Informatica	7,530	4.8x	4.5x	14.4x	13.3x	21.7x	19.3x
Coforge Limited	6,193	4.1x	3.5x	28.3x	20.0x	58.9x	38.6x
Appier Group	1,023	3.2x	2.5x	18.5x	12.7x	41.8x	25.4x
ELM	18,781	7.4x	6.0x	30.9x	23.4x	34.3x	27.7x
Solutions	7,813	2.2x	2.0x	13.8x	12.5x	18.0x	16.3x
Average		21.1x	16.2x	54.8x	41.3x	76.4x	57.9x
Median		4.4x	4.0x	23.4x	16.6x	38.1x	26.6x
Max		6.7x	5.6x	30.2x	22.6x	54.6x	35.9x
Min		3.4x	2.8x	15.4x	12.8x	24.9x	20.8x

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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