FAB أبوظبي الأول للأوراق المالية SECURITIES

Earnings Call Insight | 3Q25

UAE Equity Research | Sector: Technology | Market: ADX

Presight AI Holdings

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.83	AED 3.55	+25%	BUY

3Q25 Net Profit higher than our estimate

- Net 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, supported by strong contribution from quick turn contracts.
- AIQ contributed c. AED 155 Mn in revenue during 3Q25, equivalent to 23.8% of group revenue.
- 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.
- Revenue contribution from international market grew significantly from 14.3% (AED 81 Mn) in 3Q24 to 46.0% (AED 300 Mn) in 3Q25.
- Gross profit increased 19.5% YOY to AED 245 Mn in 3Q25, reflecting a margin of 37.5%.
- 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.
- AIQ contributed AED 24 Mn in EBITDA during 3Q25, equivalent to 18.2% of group EBITDA.
- Presight AI recorded a net profit growth of 7.8% YOY to AED 105 Mn in 3Q25 driven by strong growth in International segment despite higher G&A and tax expenses, with a net profit margin of 16.0% in 3Q25.
- Presight AI maintained a robust, debt-free position with AED 1.9 Bn in cash as of 3Q25, ensuring ample flexibility for future inorganic and organic growth.

Earnings Call Summary

- Secured AED 700 Mn in new contracts during 3Q25, bringing YTD order value to AED 2.44 Bn in 2025.
- Backlog nearly doubled on YOY basis to AED 3.7 Bn in 3Q25 compared to AED 1.6 Bn 3Q24.
- New contracts signed with key UAE federal and state entities, including the Federal Civil Defense Authority, Federal Public Prosecution Office, Ministry of Industry & Advanced Technology, and the UAE Central Bank.
- Strengthened its role as the UAE's sovereign AI transformation partner by signing strategic agreements with Abu Dhabi's government entities, including economic development, government enablement, civil defense, law enforcement, prosecution, and the central bank.
- Kazakhstan now functions as Presight's fully established regional HQ with 55+ staff, supporting multi-sector deployments, cloud and supercomputing services. Also, delivered Kazakhstan's first national supercomputer, the most advanced AI computing cluster in Central Asia.
- Commenced construction of a 2.4 MWT high-density data centre in Kazakhstan, supporting the country's ambition to build modern, scalable, sovereign digital infrastructure. Also, launched a dedicated AI R&D lab with Kazakhstan's government.
- International deployments in Jordan, Central Asia, and Africa continued to gain traction, with Presight's AI platforms supporting healthcare, education, smart city, safety, and economic development programmes. Several major contracts are now expected to convert into revenue during 1Q26.
- Official global launch of NewsPulse, an AI-powered news intelligence platform, on the Microsoft Azure Marketplace, offered as a SaaS subscription through the Microsoft partner network.
- Quick-turn execution, now a structural feature of Presight's business, allows solutions to be delivered within the same year of signing. Management highlighted that revenue mix will structurally remain balanced, with roughly 50-55% from backlog execution and 45-50% from quick-turn deployments, supporting a more flexible and scalable operating model.

- Launched USD 100 Mn Shorooq-Presight Fund to invest in deep-tech, smart city, AR/VR, energy & fintech AI startups.
- Secured a new contract with the Abu Dhabi Department of Government Enablement (ADDGE) to provide Data & AI enablement services, including system integration and the delivery of scalable, sustainable AI solutions.
- Signed a new agreement with the Abu Dhabi Department of Economic Development (ADDED) to upgrade and provide operational support for the Procurement Support Digital Platform, a key element of the Abu Dhabi SME Champions Platform that expands procurement access for local SMEs.
- Entered a strategic cooperation agreement with Abu Dhabi Police GHQ to develop advanced AI technologies, integrating Presight's AI-Policing Suite to strengthen data-driven law enforcement, enhance public safety, and support the creation of secure, intelligent urban environments.
- Presight strengthened its presence in the financial sector through AI-driven initiatives with the UAE Central Bank, CBUAE joint venture, and pilot projects with major banks to enhance digital currency, compliance, and cross-border payment solutions.
- International revenue projected to account for 35–40% of full-year revenue in 2025.
- Management expects 2025 results to align with the mid-to-upper end of guidance.
- AIQ has transitioned from EPC-focused upstream AI solutions for ADNOC to deploying agentic AI platforms under a USD 340 Mn contract.
- The company benefits from partnerships with Microsoft, OpenAI, Cisco, and Oracle, supported by data center and talent initiatives under Microsoft's USD 3.5 Bn UAE investment.
- Within the UAE, Presight focuses solely on software and AI deployments, eliminating the need for infrastructure investment and achieving faster execution with improved margin.
- Company expects a strong pickup in backlog in 4Q25, supported by multiple large contracts in advanced negotiation stages.
- Management reaffirmed its target of 25-30% EBITDA margin, expecting a recovery within this range by year-end as software revenues rise and project mix normalizes.

Presight AI – P&L

AED Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch
Revenue	566	524	653	645	1.1%	15.3%	24.6%
Cost of sales	-361	-356	-408	-413	-1.3%	12.9%	14.6%
Gross Profit	**205**	**168**	**245**	**232**	**5.4%**	**19.5%**	**45.9%**
G&A & marketing exp	-102	-81	-129	-119	8.4%	26.9%	60.4%
Finance income	17	18	16	13	27.6%	-4.4%	-7.6%
EBITDA	**115**	**104**	**132**	**127**	**3.2%**	**14.2%**	**26.2%**
Profit before tax	**120**	**105**	**132**	**126**	**4.8%**	**9.8%**	**25.8%**
Income tax expense	-11	-15	-21	-19	13.8%	97.9%	42.7%
Profit before NCI	**109**	**90**	**110**	**107**	**3.3%**	**1.1%**	**22.9%**
Non-controlling interest	12	13	6	15	-61.5%	-52.5%	-54.3%
Profit for the period	**97**	**77**	**105**	**92**	**13.9%**	**7.8%**	**35.6%**

FABS estimate & Co Data

Presight's Management medium term Guidance (2023-2027):

- Group Revenue growth of 21% to 27%.
- Group EBITDA growth of 17% to 22%.
- Group Post-tax Profit growth of 7% to 12%, 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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