

## Presight AI Holding PLC

Growing multi-year contracts and rising revenue backlog drove topline

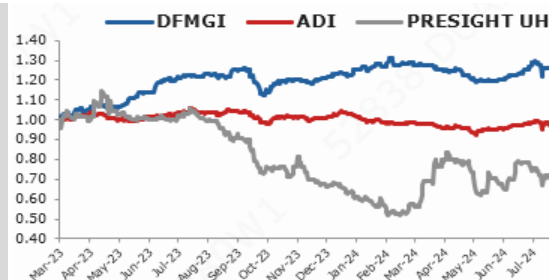
**Current Price**  
AED 2.29

**Target Price**  
AED 2.90

**Upside/Downside (%)**  
+27%

**Rating**  
BUY

- The Company maintains debt-free balance sheet with healthy cash balance of AED 1.97 Bn as of 1Q25, providing financial support for future organic and inorganic growth.
- Presight's revenue backlog grew to AED 3.9 Bn in 1Q25 compared to AED 3.0 Bn in 4Q24, due to new orders worth AED 1.4 Bn.
- Generated 29.0% of revenue from backlog contracts and 71.0% of revenue from quick-turn contracts during 1Q25.
- AIQ contributed AED 172 Mn to revenue in 1Q25 (30.5% of total).
- Recent contracts in Kazakhstan and Albania (aggregate project value c. USD 310 Mn) are expected to contribute from 2Q25.



### 1Q25 Net Profit slightly higher with our estimate

Presight AI Holdings PLC (Presight AI/the Company) net profit increased 13.2% YOY to AED 109 Mn in 1Q25, in line our estimate of AED 105 Mn. The increase in net profit is mainly attributable to growth in revenue, partially offset by higher cost of sales, G&A and marketing expenses, lower other income, coupled with higher tax expenses.

### P&L Highlights

Revenue more than doubled from AED 262 Mn in 1Q24 to AED 564 Mn in 1Q25, driven by strong contract execution, solid organic growth and acquisition of AIQ. AIQ contributed AED 172 Mn, equivalent to c. 30.5% of total revenue in 1Q25. As The Company's 98.8% of total revenue that equates around AED 557 Mn is contributed from multi-year contracts in 1Q25, compared to 94% in 1Q24. Backlog contracts attributed 80.1% of total revenue in 1Q25. Revenue contribution from international market grew from 9.1% in 1Q24 to 22.5% in 1Q25. Revenue from project services surged from AED 262 Mn in 1Q24 to AED 514 Mn in 1Q25. Revenue from the sale of hardware and software licenses increased significantly from AED 0.2 Mn in 1Q24 to AED 50 Mn in 1Q25. However, Presight's cost of sales rose significantly from AED 131 Mn in 1Q24 to AED 346 Mn in 1Q25. The increase was primarily driven by higher staff costs and allowances, coupled with increase in sub-contractor costs. As a result, gross profit grew 65.7% YOY to AED 218 Mn in 1Q25. However, gross profit margin declined from 50.1% in 1Q24 to 38.6% in 1Q25 due to high-cost expenses. G&A and marketing expenses increased from AED 53 Mn in 1Q24 to AED 92 Mn in 1Q25. The rise was mainly attributed to higher staff costs, professional fees, IT expenses, and Directors' remuneration. Presight AI's EBITDA rose 71.8% YOY to AED 141 Mn in 1Q25, due to strong growth in organic EBITDA, healthy contribution from AIQ and favourable deployment mix. AIQ reported EBITDA of AED 39 Mn in 1Q25, equivalent of 27.4% of group EBITDA.

### Stock Information

Market Cap (AED, Mn)	12,843.88
Paid Up Capital (Mn)	560.87
52 Week High	2.63
52 Week Low	1.69
3M Avg. daily value (AED)	13,902,120

### 1Q25 Result Review (AED, Mn)

Total Assets	5,162
Total Liabilities	1,184
Total Equity	3,979
EBITDA	141
Net Profit	109

### Financial Ratios

Dividend Yield (12m)	N/A
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	24.03
Price-to-Book Ratio (x)	3.57
Book Value (AED)	0.64
Return-on Equity (%)	16.11

### Stock Performance

5 Days	12.25%
1 Months	29.38%
3 Months	-2.14%
6 Months	-1.72%
1 Year	-11.58%
Month to Date (MTD%)	18.04%
Quarter to Date (QTD%)	13.37%
Year to Date (YTD%)	10.63%

However, EBITDA margin declined from 31.3% in 1Q24 to 25.0% in 1Q25. Finance income declined from AED 27 Mn in 1Q24 to AED 15 Mn in 1Q25. Presight incurred an income tax expense of AED 21 Mn in 1Q25 under Pillar 2 global minimum tax guidance. Furthermore, the Company NCI stood at AED 11 Mn in 1Q25.

### Balance Sheet Highlights

Presight AI generated AED 61 Mn in cash flow from operations in 1Q25 compared to AED 104 Mn outflow in 1Q24. The Company improved collection on various customer contracts. The cash and bank balances remained stable at AED 1.97 Bn in 1Q25 as compared to 4Q24. The Company also boasts debt-free balance sheet.

### Target Price and Rating

We maintain our BUY rating on Presight with revised target price of AED 2.90. Presight reported a notable increase in profit for 1Q25, primarily driven by robust growth in revenue, partially offset by higher costs of sales, increased G&A expenses, marketing expenditures, reduced other income, and a higher tax expense due to the application of a 15% corporate tax rate. Nevertheless, the Company's financial performance remained strong, underpinned by a growing backlog and a diversified contract portfolio across domestic and international markets. Domestically, Presight secured several high-value contracts. The Company signed a significant agreement with the Emirates Nuclear Energy Company (ENEC) to deploy Presight Connect, a sovereign agentic generative AI platform tailored for critical national infrastructure. Additionally, Presight entered into a multi-year contract with the UAE Accounting Authority (UAEAA) to deliver a comprehensive video analytics and access management solution. Internationally, Presight signed a six-year agreement worth c. USD 190 Mn with the Department of Digitalization and Public Services of Astana City. This AI-powered smart city project aims to digitize urban infrastructure and modernize public services, reinforcing Presight's leadership in scalable, sovereign AI solutions. The Company also reported fivefold growth in international revenue on YOY basis excluding recent engagements in Kazakhstan & Albania. Presight's majority-owned subsidiary, AIQ, initiated the deployment of ENERGYai, the world's first agentic AI solution specifically designed for the energy sector. This deployment is part of an AED 340 Mn contract with ADNOC and aims to enhance operational efficiency across more than 28 upstream oilfields over the next three years. To further strengthen its product portfolio, Presight launched two new platforms in 1Q25. Presight Synergy, a next-generation enterprise AI platform, is designed to unify data management, AI analytics, business intelligence, and governance within a single ecosystem. This platform is built for seamless deployment across enterprises without disrupting existing infrastructure. Additionally, the Company introduced Presight Lifesaver, an AI-driven emergency and crisis response platform, built to enhance situational awareness and manage critical incidents efficiently. On a broader strategic level, Presight also signed a MoU with Microsoft. Through this partnership, startups will receive support via the Microsoft Founders Hub in the form of technical mentorship, guidance, and market access. In turn, Presight will support AI innovation and entrepreneurship through its accelerator program and venture funding arm. As of March 2025, Presight's revenue backlog stood at AED 3.9 Bn, bolstered by new orders worth AED 1.44 Bn received during 1Q25. C. 29% of total revenue was derived from backlog contracts in 1Q25, while 71% came from quick-turn contracts. The Company remains debt-free with a strong balance sheet, including AED 1.97 Bn in cash and bank balances. Presight also revised its financial guidance for next three years, projecting revenue growth of 19–25%, EBITDA growth of 16–21%, and net profit growth of 6–11% applying a 15% corporate tax rate. Thus, considering the above-mentioned factors, we assign a BUY rating on the stock.

#### Presight - Relative valuation

(at CMP)	2022	2023	2024	2025F
EV/EBITDA (x)	NA	17.8	18.0	14.7
PE (x)	NA	19.4	24.8	22.6
PB (x)	NA	3.7	3.7	3.2

FABS Estimates & Co Data

#### Presight – P&L

AED Mn	1Q24	4Q24	1Q25	1Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Revenue	262	1,043	564	285	98.0%	NM	-45.9%	2,213	2,746	24.1%
Cost of sales	-131	-572	-346	-142	NM	NM	-39.5%	-1,272	-1,579	24.2%
<b>Gross Profit</b>	<b>131</b>	<b>471</b>	<b>218</b>	<b>142</b>	<b>52.9%</b>	<b>65.7%</b>	<b>-53.8%</b>	<b>941</b>	<b>1,167</b>	<b>24.0%</b>
G&A & marketing exp	-53	-123	-92	-57	61.9%	73.6%	-25.2%	-346	-448	29.5%
Finance income	27	12	15	30	-49.0%	-43.8%	29.3%	78	58	-25.6%
<b>EBITDA</b>	<b>82</b>	<b>366</b>	<b>141</b>	<b>94</b>	<b>49.6%</b>	<b>71.8%</b>	<b>-61.5%</b>	<b>634</b>	<b>755</b>	<b>19.0%</b>
<b>Profit before tax</b>	<b>106</b>	<b>360</b>	<b>141</b>	<b>115</b>	<b>21.9%</b>	<b>33.4%</b>	<b>-60.9%</b>	<b>674</b>	<b>778</b>	<b>15.4%</b>
Income tax expense	-10	-32	-21	-10	100.0%	116.3%	-36.0%	-61	-117	91.9%
<b>Profit before NCI</b>	<b>96</b>	<b>327</b>	<b>120</b>	<b>105</b>	<b>14.2%</b>	<b>25.1%</b>	<b>-63.3%</b>	<b>613</b>	<b>661</b>	<b>7.9%</b>
Non-controlling interest	0	68	11	0	NM	NM	-83.1%	89	73	-18.0%
<b>Net Profit</b>	<b>96</b>	<b>260</b>	<b>109</b>	<b>105</b>	<b>3.3%</b>	<b>13.2%</b>	<b>-58.2%</b>	<b>524</b>	<b>588</b>	<b>12.3%</b>

FABS estimate & Co Data

#### Presight AI - Margins

	1Q24	4Q24	1Q25	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Gross Profit	50.1%	45.2%	38.6%	-1,152	-656	42.5%	42.5%	-3
EBITDA	31.3%	35.1%	25.0%	-629	-1,010	28.7%	27.5%	-118
Net Profit	36.6%	24.9%	19.3%	-1,735	-564	23.7%	21.4%	-226

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	2.94	70.0%	2.06
Relative Valuation	2.80	30.0%	0.84
<b>Weighted Average Valuation (AED)</b>			<b>2.90</b>
Current market price (AED)			2.29
Upside/Downside (%)			+27%

### 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 4.4%, a beta of 1.00, and an equity risk premium of 3.9%. 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)	2,816
Terminal value (AED, Mn)	13,680
<b>FV to Common shareholders (AED, Mn)</b>	<b>16,496</b>
No. of share (Mn)	5,609
Current Market Price (AED)	2.29
<b>Fair Value per share (AED)</b>	<b>2.94</b>

### DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Net profit	588	678	756	899	1,031
Depreciation & amortization	24	33	45	62	85
(-) CAPEX	-3	-3	-4	-5	-5
Working Capital	-119	-92	-32	-75	-30
Net change in debt	-9	-10	-12	-15	-17
<b>Free Cash Flow to Equity (FCFE)</b>	<b>482</b>	<b>605</b>	<b>753</b>	<b>866</b>	<b>1,064</b>
Discounting Factor	0.95	0.87	0.80	0.73	0.67
<b>Discounted FCFE</b>	<b>342<sup>1</sup></b>	<b>526</b>	<b>600</b>	<b>634</b>	<b>715</b>

Source: FAB Securities, <sup>1</sup>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 2025 EV/EBITDA multiple of 17.9x and an EV/Sales Multiple of 3.6x in line with peers. Moreover, it is valued at a 2025 PE multiple of 34.9x 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	260,723	65.9x	51.4x	146.3x	114.0x	189.0x	151.7x
Informatica	5,742	3.8x	3.6x	11.1x	10.2x	16.2x	14.4x
Coforge Limited	5,998	3.4x	2.9x	20.0x	16.8x	36.7x	29.3x
Appier Group	907	2.7x	2.2x	15.8x	11.9x	33.1x	22.2x
ELM	21,545	8.0x	6.6x	31.9x	25.2x	39.5x	30.7x
Solutions	10,637	2.3x	2.1x	14.7x	13.1x	20.2x	17.6x
<b>Average</b>		<b>14.4x</b>	<b>11.5x</b>	<b>40.0x</b>	<b>31.9x</b>	<b>55.8x</b>	<b>44.3x</b>
<b>Median</b>		<b>3.6x</b>	<b>3.2x</b>	<b>17.9x</b>	<b>14.9x</b>	<b>34.9x</b>	<b>25.8x</b>
<b>Max</b>		<b>7.0x</b>	<b>5.8x</b>	<b>28.9x</b>	<b>23.1x</b>	<b>38.8x</b>	<b>30.4x</b>
<b>Min</b>		<b>2.9x</b>	<b>2.4x</b>	<b>15.0x</b>	<b>12.2x</b>	<b>23.5x</b>	<b>18.8x</b>

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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