

Q1 2026



First Quarter 2026 Results

# Management Discussion & Analysis Report



05.05.2026

**Alpha Data delivered a solid opening to 2026, with revenue growth of 9.3% YoY, double-digit profit growth and PBT margin expansion, reiterates FY 2026 guidance, driven by strategic focus on high-value services.**

- ❖ **Revenue grew 9.3% YoY to AED 650 million**, supported by sustained demand for digital infrastructure, with continued momentum in the Talent segment while all divisions delivered growth in Q1.
- ❖ **Gross profit increased 6.5% YoY to AED 91 million**; group gross margin of 14.0% was 38 basis points below Q1 2025, reflecting a faster-growing but lower-margin Talent segment.
- ❖ **Profit before tax rose 11.3% YoY to AED 39 million**, with PBT margin expanding to 6.0% from 5.9% — bottom-line growth outpacing the top line and tracking the FY2026 guidance corridor.
- ❖ **Net profit reached AED 35.5 million (+11.2% YoY)**, with EPS of AED 0.04 per share for the quarter.
- ❖ **Strong topline momentum in KSA continued**, with revenue up 81% YoY to AED 10.5 million and gross margin improving to 16.1% (up from 13.7% in Q1 2025) as scale gains take hold.
- ❖ **FY 2026 guidance is reiterated**: low-to-mid teens revenue growth and PBT at 6%, supported by a solid project backlog and continued operational discipline despite regional and international supply chain and hardware availability challenges.

**Alpha Data PJSC (ADX: ALPHADATA)** reported its first Quarter of 2026 results, demonstrating strong operational execution and commitment on its targets, while maintaining strong financial health.

Revenue growth in Q1-2026 was supported by sustained demand for digital transformation services, with particular strength in AI-driven infrastructure solutions, managed services, cybersecurity and cloud migration projects. The Company continued to expand its regional footprint, and looking forward in seizing opportunities through ramping up its In-Country-Value (ICV) in its core markets.

## Performance Overview

### ALPHA DATA PJSC – Q1 2026 KEY PERFORMANCE INDICATORS

REVENUE & GROWTH (AED m)			
Metric	Q1 2026	Q1 2025	Change
Group Revenue	650	594	9.3%
• Solutions	536	499	7.3%
• Services	74	69	7.9%
• Talent	40	26	51.9%

SEGMENT GROSS MARGINS			
Segment	Q1 2026	Q1 2025	Change
Solutions	11.4%	11.7%	-28bps
Services	32.7%	33.2%	-53bps
Talent	17.67%	19.82%	-225bps

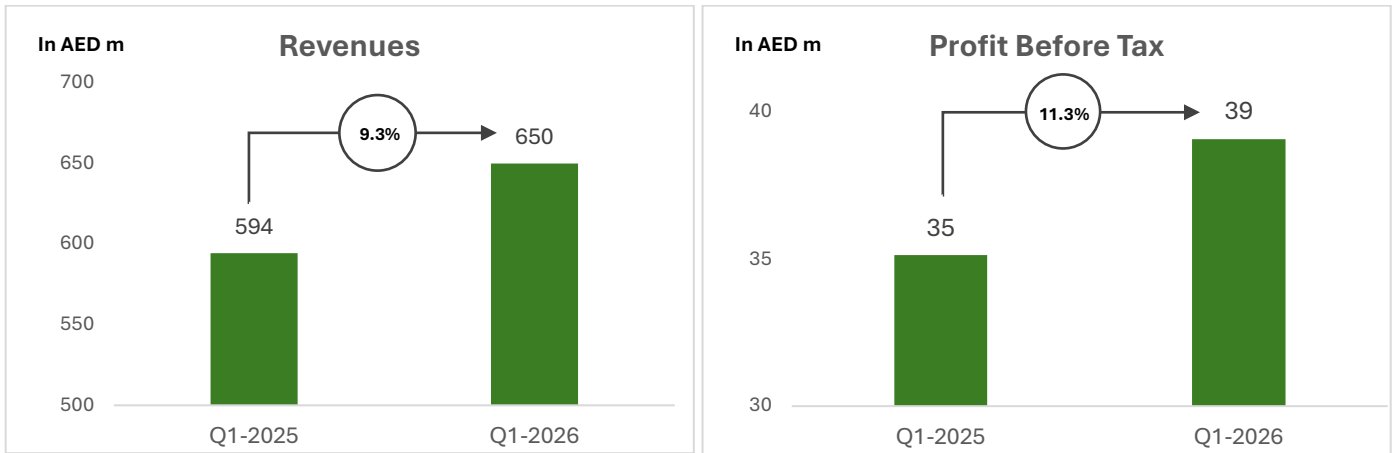
CASH FLOW (AED m)			
Metric	Q1 2026	Q1 2026	Status
Operating CF	(32)	42	↓
Free CF	(33)	42	↓
CAPEX	0.7	0.3	≈

PROFITABILITY (AED m)			
Metric	Q1 2026	Q1 2025	Change
Gross Profit	91	86	6.5%
Gross Margin	14.0%	14.4%	-38bps
PBT	39	35	11.3%
PBT Margin	6.01%	5.91%	↑

BALANCE SHEET (AED m)			
Item	Q1 2026	FY 2025	Change
Total Assets	1,339	1,151	16.4%
Total Equity	335	303	10.6%
Cash	95	101	-5.9%
NWC	312	244	27.9%

KEY RATIOS & PIPELINE			
Ratio	Q1 2026	FY 2025	Trend
NWC as % Revenue	12.55%	9.79%	↑
Current Ratio	1.39x	1.42x	↓
Backlog (AED m)	~1.250	~1.200	Strong

### Year on Year evolution of Revenues and Profit Before Tax



#### Alpha Data Group

Group revenue increased in Q1 2026 by 9.3% YoY to AED 650 million, ahead of the 7.1% revenue growth pace recorded for the full year 2025. The performance was supported by continued demand for digital transformation services and AI-led infrastructure across the Group's core markets, with broad-based growth across Solutions (+7.3%), Services (+7.9%) and Talent (+51.9%).

Gross profit for the quarter increased 6.5% YoY to AED 91 million, while gross margin of 14.0% was 38 basis points below the 14.4% recorded in Q1 2025 but higher than the prior quarter, Q4-2025. The compression is mix-driven: the fast-growing Talent segment is lower-margin than the Group average and now represents 6.1% of revenue (up from 4.4% in Q1 2025), while Services held its position as the highest-margin segment at 32.7%. Profit before tax (PBT) rose by 11.3% YoY to AED 39 million, and the PBT margin expanded by 10 basis points to 6.0% — within the Company's full-year guidance range — as G&A expenses grew slower than revenue.

The balance sheet expanded materially during the quarter, with total assets growing 16.4% over 31 December 2025 to AED 1,339 million. The growth was driven principally by a AED 142 million increase in trade and other receivables, reflecting the timing of project deliveries during the quarter and the typical seasonal build pattern for a project-led business. Total equity grew 10.6% to AED 335 million, supported by retained Q1 earnings. Cash and bank balances stood at AED 95 million at quarter-end, with a further AED 27 million of running finance drawn during the period to support the working-capital build, leaving the Group in a net cash position of AED 68 million versus AED 101 million at year-end 2025.

Operating cash flow for the quarter was an outflow of AED 32 million versus an inflow of AED 42 million in Q1 2025, reflecting the AED 153 million increase in receivables together with a AED 18 million reduction in customer advances. The Company expects working capital to normalise as project milestones are billed and collected over the remainder of the year, with full-year operating cash generation expected to revert to positive territory consistent with the Company's longer-term cash conversion track record.

#### Solutions Segment

The Solutions segment delivered Q1 2026 revenue of AED 536 million (+7.3% YoY), supported by sustained demand for scalable infrastructure, cloud-led offerings and AI-driven projects. Gross profit of AED 61 million was 4.7% higher YoY, with gross margin at 11.4% versus 11.7% in Q1 2025 — a 28 basis-point compression reflecting the project mix delivered in the quarter and direct-payroll intensity in support of the active book of work.

The Solutions segment continues to represent the largest contribution to the Group at 82% of revenue and 67% of gross profit.

For the remainder of 2026, the segment will continue to deepen strategic vendor partnerships and intensify its focus on AI- and Cloud-led offerings, with a particular emphasis on margin discipline as project mix normalises through the year.

### Services Segment

The Services segment generated Q1 2026 revenue of AED 74 million, up 7.9% YoY from AED 69 million, with growth supported by managed services and longer-term annuity contracts. Gross profit grew 6.1% YoY to AED 24 million, with gross margin at 32.7% — modestly below the 33.2% recorded in Q1 2025 but consistent with the segment's role as the Group's highest-margin contributor. Services represented 11.4% of revenue and 26.6% of gross profit in the quarter, broadly stable versus the prior-year comparison.

The segment remains focused on expanding its annuity-based revenue book and further enhancing service excellence to strengthen client retention.

### Talent Segment

The Talent segment recorded the strongest growth rate in the portfolio, with Q1 2026 revenue of AED 40 million representing a 51.9% YoY increase from AED 26 million. Gross profit grew 31.4% YoY to AED 5.8 million; gross margin of 14.5% was 225 basis points below Q1 2025 reflecting the project mix as new staffing contracts ramped during the quarter. The segment's revenue contribution to the Group rose to 6.1% (from 4.4% in Q1 2025), reinforcing its emerging role as a meaningful growth engine.

The segment continues to scale operations across the region, with the build-out of specialized niche talent pools positioned to support continued growth momentum through the remainder of the year.

### KSA

Revenue in Saudi Arabia grew 81% YoY to AED 10.5 million in Q1 2026, with gross margin at 16.1% — a meaningful improvement from the 13.7% recorded in Q1 2025 and ahead of the 12.7% gross margin reported for the full year 2025. The improving margin trajectory reflects increasing scale benefits as the Kingdom operations build market presence.

### Balance Sheet and Cash Flow

Alpha Data's balance sheet expanded materially during Q1 2026, with total assets reaching AED 1,339 million versus AED 1,151 million at year-end 2025, principally on the receivables build associated with project deliveries during the quarter. The current ratio stood at 1.39x at 31 March 2026 versus 1.42x at year-end 2025, remaining within a healthy operating range. Net working capital as a percentage of annualised revenue stood at approximately 12.6% in Q1 2026 — elevated versus the 9.8% recorded for FY2025, reflecting the typical first-quarter cash absorption pattern for a project-led business. The Company expects this ratio to revert toward the FY2025 level over the course of 2026 as receivables are collected and project milestones are billed.

Cash generation in the first quarter was negative, with an operating cash outflow of AED 32 million driven by a AED 153 million increase in trade and other receivables and an AED 18 million decrease in contract liabilities. Capital expenditure during the quarter was AED 0.7 million. AED 27 million of running finance was drawn during the period to support the working-capital build leaving the Group in a net cash position of AED 68 million at quarter-end.

Total equity expanded by AED 32 million during the quarter to AED 335 million, supported by Q1 retained earnings.

The Company's underlying liquidity position, measured both on a current ratio and on net cash terms, remains comfortable to support the active book of work through the remainder of the year.

### Overall Outlook / Guidance 2026

Alpha Data is reiterating its FY2026 guidance, supported by a solid pipeline of contracted and pipeline-stage projects, and underpinned by the early-year momentum demonstrated in the Q1 results. The Solutions segment is targeting continued profitable growth supported by deeper vendor partnerships and accelerated adoption of AI- and Cloud-led offerings as well as rising opportunities in cybersecurity and emergency infrastructure projects. The Services segment continues to focus on expanding its annuity book to underpin top-line growth. The Talent segment is positioned for continued regional growth, leveraging the build-out of specialised niche talent pools and scaled operational capacity. Across all segments, the Company will continue to fast-track AI-led solutions for both Alpha Data and its clients while it remains focused in further enhancing its ICV score to further explore contract opportunities in its core market

The Management's **Guidance for 2026** is unchanged:

- Revenues are expected to grow by low to mid teens YoY,
- The PBT margin guidance is for greater than 6%,
- The Company reiterates its commitment for dividends distribution in accordance to its statements during the Initial Public Offering in 2025.

### Disclaimer on Forward-Looking Information

This presentation contains forward-looking statements relating to, among other things, Alpha Data's strategy, objectives, future business plans, financial performance, and market developments. These statements are based on current expectations, estimates and projections of the Company's management and are subject to a number of risks, uncertainties and assumptions that are difficult to predict and beyond the Company's control.

Forward-looking statements are typically identified by the use of words such as "believes", "expects", "aims", "intends", "may", "will", "should", "could", "plans", "estimates", "targets", "anticipates" or the negative thereof, or other variations or comparable terminology.

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